2025-2026 UNAUDITED
GARDEN ROUTE DISTRICT MUNICIPALITY
ANNUAL REPORT

Your route to prosperity

Jou roete na vooruitgang

Indlela yakho eya empumelelweni

Garden Route District Municipality
Head Office: 54 York Street, George, 6529
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YouTube

2022– 2027 (Adopted by Council on 27 May 2022)
Garden Route District Municipality's

Vision

Garden Route, the leading, enabling and inclusive district, characterised by equitable and sustainable development, high quality of life and equal opportunities for all.

Mission

The Garden Route District Municipality, as a category C local authority,
strives to deliver on its mandate through:

- Unlocking resources for equitable, prosperous and sustainable development.
- Provide the platform for coordination of bulk infrastructure planning across the district.
- Provide strategic leadership towards inclusive / radical / rigorous socio-economic transformation, to address social, economic and spatial injustice.
- Redress inequalities, access to ensure inclusive services, information and opportunities for all citizens of the district.
- Initiate funding mobilisation initiatives / programmes, to ensure financial sustainability.
- Coordinate and facilitate social development initiatives.

2022 – 2027 (Adopted by Council on 27 May 2022)

Garden Route District Municipality's

STRATEGIC OBJECTIVES

Strategic Objective 1	*A Skilled Workforce and Communities*
Strategic Objective 2	*Bulk Infrastructure Co-ordination*
Strategic Objective 3	*Financial Viability & Sustainability*
Strategic Objective 4	*Good Governance*
Strategic Objective 5	*Growing an inclusive district economy*
Strategic Objective 6	*Healthy and socially stable communities*
Strategic Objective 7	*Sustainable Environmental Management and Public Safety.*

VALUES

INTEGRITY• Honesty • Trust• Transparency• Ethics
CARING • Collective • Caring "ubuntu" • Health • Wellness / well-being
EXCELLENCE • Quality Standards • Discipline• Productivity
RESOURCEFUL• Creative • Progressive• Innovative• Original• Inventive "Out of the box"• First!
INSPIRED• Positive Attitude• Commitment• Joy• Happiness
RESPECT• People • Environment • Diversity • Integrate • differences

ABOUT THIS ANNUAL REPORT

Garden Route District Municipality is determined as a Category C-municipality with a mayoral executive system. Section 84 of the Municipal Structures Act distinguishes between roles and responsibilities of district municipalities and those of B-municipalities. According to the Act, the Garden Route District Municipality must perform the following functions:

(a) Integrated development planning for the district municipality as a whole.
(b) Potable water supply systems.
(c) Bulk supply of electricity, which includes for the purposes of such supply, the transmission, distribution and, where applicable, the generation of electricity.
(d) Domestic waste-water and sewage disposal systems.
(e) Solid waste disposal sites, in so far as it relates to -
(i) the determination of a waste disposal strategy;
(ii) the regulation of waste disposal;
(iii) the establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district.
(f) Municipal roads which form an integral part of a road transport system for the area of the district municipality as a whole.
(g) Regulation of passenger transport services.
(h) Municipal airports serving the area of the district municipality as a whole.
(i) Municipal health services.
(j) Firefighting services serving the area of the district municipality as a whole, which includes-
(i) planning, co-ordination and regulation of fire services;
(ii) specialised firefighting services such as mountain, veld and chemical fire services;
(iii) co-ordination of the standardisation of infrastructure, vehicles, equipment and procedures;
(iv) training of fire officers.
(k) The establishment, conduct and control of fresh produce markets and abattoirs serving the area of a major proportion of the municipalities in the district.
(l) The establishment conduct and control of cemeteries and crematoria serving the area of a major proportion of municipalities in the district.
(m) Promotion of local tourism for the area of the district municipality.

(n) Municipal public works relating to any of the above functions or any other functions assigned to the district municipality.
(o) The receipt, allocation and, if applicable, the distribution of grants made to the district municipality.
(p) The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the district municipality in terms of national legislation.

Garden Route District Municipality acknowledges its enabling role as facilitator, co-ordinator and capacitator and seeks to achieve integrated, sustainable and equitable social and economic development of its area as a whole by ensuring integrated development planning and promoting bulk infrastructural development and services for the district as a whole, building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking and promoting equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area.

The Garden Route District encompasses a total area of 23 332km² and is constituent of seven Category B-Municipalities within its geographic area, namely: Bitou, Knysna, George, Mossel Bay, Hessequa, Oudtshoorn and Kannaland.

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CHAPTER 1
EXECUTIVE SUMMARY:
FOREWORD BY THE EXECUTIVE MAYOR AND OVERVIEW BY THE MUNICIPAL MANAGER

EXECUTIVE MAYOR'S FOREWORD

Strategic Direction and Regional Development

It is with great pride that I present the Annual Report of the Garden Route District Municipality for the 2025/2026 financial year. Our strategic direction remained aligned with the Garden Route Growth and Development Strategy (GDS) and the Western Cape Growth for Jobs (G4J) Strategy, with emphasis on economic growth, investment, infrastructure, skills development, tourism, sustainable resource management, climate resilience and improved quality of life.

Strengthening Service Delivery

The Municipality focused on the delivery and coordination of its core district functions, including disaster management, fire and rescue services, municipal health, environmental management, waste management and regional development.

The Municipality responded to emergencies across the District through its Disaster Management and Fire and Rescue Services, while strengthening disaster preparedness, community awareness and risk reduction. Environmental management, waste minimisation and recycling initiatives also supported a cleaner and more sustainable Garden Route.

The Regional Waste Management Facility remained a key strategic infrastructure intervention, with progress made towards addressing the District's long-term waste management requirements.

Corrective Action and Continuous Improvement

Financial pressures, resource constraints, institutional changes, project complexities and changing service delivery demands required the Municipality to reassess its approach and implement corrective measures.

Where performance or implementation challenges were identified, the Municipality strengthened monitoring, coordination and intergovernmental engagement, while mobilising partnerships and resources to support strategic objectives.

The Municipality also managed the transition of the Roads function to the Western Cape Department of Infrastructure, with a focus on maintaining service delivery throughout the process. Council remains committed to ensuring that institutional transitions are managed responsibly and in the interests of communities.

Public Participation and Accountability

Public participation and accountability remained important pillars of our governance approach. In collaboration with the Government Communication and Information System, the Municipality utilised Local Government Thursdays and local radio platforms to communicate municipal priorities, the Integrated Development Plan and the Annual Report. These platforms complemented established participation mechanisms and provided communities with additional opportunities to access information and engage with the Municipality.

The Municipality further strengthened institutional accountability through the enhancement of its performance management framework, with the integration of individual performance management alongside existing electronic performance monitoring and evidence-based oversight mechanisms.

Looking Ahead

Council will continue to focus on strengthening service delivery, promoting economic opportunities, supporting investment, improving regional infrastructure, strengthening resilience and ensuring that municipal resources are directed towards priorities that make a meaningful difference to communities.

I thank the Municipal Manager, management and staff of Garden Route District Municipality for their commitment and service during the reporting period. I also thank our seven local municipalities, Provincial and National Government departments, community organisations, businesses, development partners and, most importantly, the residents of the Garden Route for their contribution to the development of our region.

MARAIS KRUGER
EXECUTIVE MAYOR

MUNICIPAL MANAGERS OVERVIEW

Constitutional and Administrative Mandate

It is my privilege to present the Garden Route District Municipality's Annual Report for the 2025/2026 financial year.

The Municipality fulfils its mandate within Sections 155 and 156 of the Constitution and the Municipal Systems Act, exercising district-level functions and supporting integrated development across the Garden Route. These include disaster management, fire and rescue, municipal health, environmental management, waste management, regional planning and economic development.

Effective delivery requires cooperation with the District's seven local municipalities, Provincial and National Government departments and other stakeholders.

Intergovernmental Functions

During the year, the Municipality managed significant institutional changes, including the transition of the Roads function to the Western Cape Department of Infrastructure. The previous agency arrangement ended on 31 March 2026, while the Section 197 transfer process remained ongoing. From 1 July 2026, an interim arrangement was put in place to maintain service continuity while the transfer process was being finalised.

Financial Sustainability and Accountability

Financial sustainability remained a key administrative priority. The Municipality continued to focus on sound financial management, expenditure control, statutory compliance and responsible use of public resources.

Garden Route District Municipality achieved an unqualified audit opinion with no findings for the past five consecutive years. This reflects sustained attention to financial governance, internal controls and accountability.

A clean audit outcome remains important, but the administration recognises that it must be accompanied by continuous improvement in institutional performance and service delivery.

Performance and Risk Management

Performance management was strengthened through electronic performance systems, improved monitoring and alignment of individual performance with organisational priorities.

Risk management remained integral to governance. Key strategic risks included climate change, possible loss of going-concern status, the Regional Landfill Facility, the Roads function, reputation and cyber fraud. Mitigation measures reduced residual risk exposure across the strategic risk profile, while coordination between Risk Management, Internal Audit and Performance Management was strengthened.

Looking Ahead

The administration remains focused on financial sustainability, institutional performance, risk management and effective service delivery. Continued intergovernmental cooperation, prudent resource management and proactive corrective action will be essential to achieving the Municipality's strategic objectives.

I thank the Executive Mayor and Council, management and staff, our local municipalities, government partners and all stakeholders for their continued commitment to the Garden Route.

NTHABELENG MAVIS RAISA-MLANDU
ACTING MUNICIPAL MANAGER

1.1 MUNICIPAL FUNCTIONS, POPULATION AND THE ENVIRONMENT

The Garden Route District is the third largest district in the Western Cape and is well-known for its coastal holiday towns and vast farmlands. The N2 is a valuable transport route for goods and tourists alike and connects the District to the Overberg District and the Cape Metro area in the west and the Eastern Cape Province to the east, while the N12 and the R62 links the District with inland areas to the north. The seven local municipalities that make up Garden Route District Municipality include Kannaland, Hessequa, Oudtshoorn, Mossel Bay, George, Knysna and Bitou.

1.1.1 POPULATION DYNAMICS

Population

In 2022, the GRD was home to 838 457 individuals. At 11.3 % of the Provincial population, it is the third most populated region in the Western Cape. This demographic prominence can be attributed to its pivotal role as a growing economic hub. Notably, the GRD stands as the second fastest growing region in the Province, expanding its share of the Provincial population from 9.9 % in 2011. Projections suggest that the populace will experience an average annual growth rate of 0.9 % during the 2023 to 2027 period, predominantly driven by semigration into this locale. With a total of 255 977 households recorded in 2022, the region exhibits an average household size of 3.3 persons declining from 3.5 in 2011, potentially due to a surge of single working-age individuals relocating to the municipal area and shrinking family sizes. Consequently, the expansion of households is forecast to surpass the growth of the overall population. Furthermore, it is noteworthy that the number of households recorded during the 2022 Census exceeds the count utilised in the Local Government Equitable Share for each of the GRD municipalities, excluding only Bitou, signifying a higher-than-

projected rise of households over the interval 2011 to 2022. This divergence bears implications for the provisioning of municipal services and the requisite infrastructure

Gender, Age and Race Dynamics

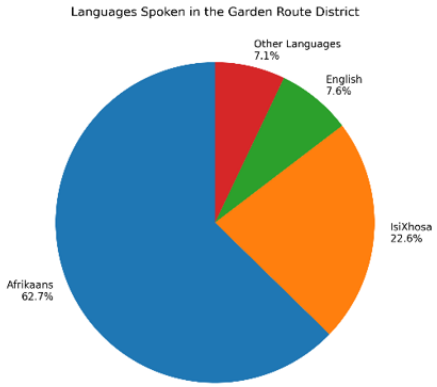
A more in-depth analysis of the demographic composition within the region reveals that 67.6 % of its residents fall within the economically active age group of 15 to 64 years. The presence of a substantial working-age population is of particular significance within a burgeoning economic hub. While the overall population distribution leans slightly in favour of females, there is a notable surplus of males within the 25 to 34 age bracket, indicative of an influx of working-age males migrating to the municipal area, ostensibly in pursuit of employment opportunities. Moreover, a segment comprising 22.2 % of the population is aged below 14 years, thereby engendering a comparatively high dependency on the working-age cohort. This sizable youth contingent underscores a mounting demand for educational resources and future employment prospects within the GRD. Additionally, a sizable elderly population, constituting 10.2 % of the total, signifies that the region with its scenic expanse, is an attractive destination for retirement. The insights derived from the age distribution patterns are instrumental for municipal planning, particularly concerning the availability of housing and government services tailored to meet the diverse needs of distinct age groups. Furthermore, the prominent racial demographic category in the municipal area is the coloured population, representing 49.7 % of the total population, followed by the black African population at 27.8 % and the white population at 19.6 %. The Indian or Asian demographic group is the minority, accounting for merely 0.3 % of the municipal populace.

Level of Urbanisation and Population Density

Spanning an expansive 23 331.1km², the GRD is the second most urbanised district in the Province at 87.9 %. It is a kaleidoscope of contrasts, with highly urbanised coastal areas such as Knysna (94.2 %), Mossel Bay (93.6 %) and Bitou (91.3 %), while the rural farmlands in Kannaland (62.4 %), Hessequa (71.5 %) and Oudtshoorn (87.4 %) with greater agricultural activity contribute a larger share of rural population. The George municipal area stands out because of its unique circumstances. Although the urban population grew in this municipal area, certain developments around the town of George extended into the rural area, thereby raising the rural share. In 2023, the GRD had a population density of 27.2 persons per km² and is expected to

rise to 27.8 persons per km² by 2025. The concentration of the population gravitates toward the town of George and Mossel Bay, magnetised by the economic opportunities, social amenities, and connectivity advantages these municipal areas offer, while Bitou remains the fastest growing municipal area due to in-migration as the point of entry to the Western Cape along the N2. Distribution is sparser in the rural, less developed areas of the GRD, namely the Hessequa and Kannaland municipal areas.

Languages Spoken in the Garden Route



Languages	Male	Female	Total
Afrikaans	249959	276010	525970
English	31165	32276	63441
Isindebele	369	346	715
IsiXhosa	92346	97144	189489
IsiZulu	1486	1167	2653
Sepedi	215	140	355
Sesotho	1825	1285	3110
Setswana	436	338	773
Sign language	22	21	43
Siswati	119	80	198
Tshivenda	239	149	387
Xitsonga	1576	498	2074
Khoi,Nama and San languages	19	33	53
Shona	2632	2226	4858
Chichewa/Chewa/Nyanja/Chinyanja	3468	2093	5561
Portuguese	335	99	434
Other	4059	1564	5623
Not applicable	15484	14586	30070
Unspecified	1328	1324	2652
Total	407080	431377	838457

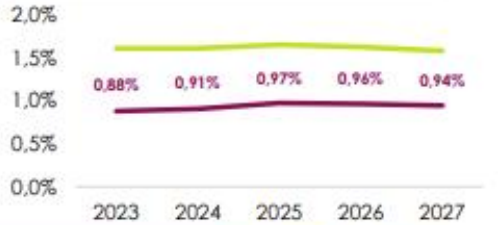
DEMOGRAPHICS

Population 2022
838 457

Estimated Population
878 264 2027

Estimated Average Annual Population Growth Rate 2023 - 2027
0.9%

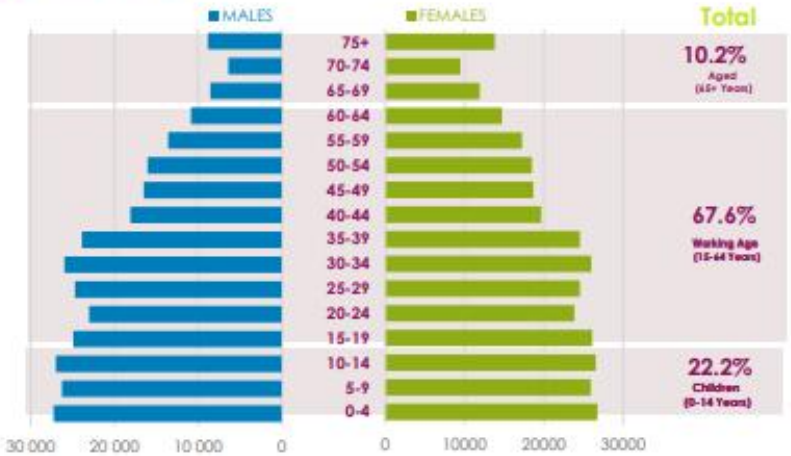
Estimated Population Growth



Gender and Age Dynamics

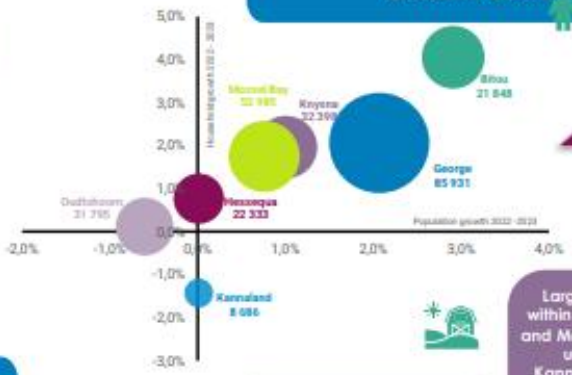
Female 51.4% | **Male** 48.6%

Population by Age 2022



Racial Split

Population and Household Growth 2022



3.3
Household Size

Large scale of variation within District. Bitou, Knysna and Mossel Bay – increase in urbanisation while Kannaland and George – possible development in rural areas and Oudtshoorn – decrease in urbanisation, Hessequa maintaining urbanisation level.

Second most populated District in the Province. 89% in 2001 to 88% in 2021.

Level of Urbanisation 2021

27.2 people/km²	2023
27.5 people/km²	2024
27.8 people/km²	2025

1.1.2 EDUCATION

Learner enrolment and learner-teacher ratio

Ensuring that school aged children have access to schools and are enrolled in schools allows the community to meet the future skills demands in a growing economic hub. A more informed and productive society is instrumental in improving the overall quality of life. In 2023, the region had the 111 872 registered learners, a natural consequence of its great population size. It experienced notable growth in learner enrollment, witnessing an increase of 3 128 pupils (2.8 %) between 2020 and 2023. This expansion is attributed to the concurrent growth of the working-age population in the GRD, a phenomenon driven by the availability of employment opportunities and enhanced economic

prospects. Typically, families relocating to the region for employment often include school-age children, thereby amplifying the enrollment of learners. This influx of learners has fortunately been accompanied by an increased number of teachers, resulting in a reduction in the learner-teacher ratio to 29.1 in 2023, and is below the provincial average.

Education Infrastructure and facilities

Education and skills development play a vital role in shaping the future socioeconomic landscape of the GRD. They empower the population and significantly impact the local economy's development and its human resource capacity. The Western Cape Education Department (WCED) is committed to this cause, ensuring access to education for the children of the region with the availability of 171 schools. More than three-quarters (77.8 %) of these schools operate as no fee schools. This is positive to note, given that a substantial 24 % of learners cited financial constraints as the primary reason for prematurely dropping out of school in the 2021 General Household Survey. Furthermore, 88 schools have libraries. This is particularly crucial to the disadvantaged learners of the municipal area, creating an enriched learning environment that supports academic achievement, fosters a love for reading, and prepares students for a lifetime of learning. A concerning trend of urban sprawl in municipal areas such as George is however affecting available land for potential school developments, affecting the future availability of proximate schools for a growing populace. According to the 2023/24 Overview of Provincial Infrastructure and Investment (OPMII), the WCED has documented 2 education infrastructure projects with a cumulative value of R39.9

million for the 2024/25 Medium-Term Expenditure Framework. Over the long term, additional education-specific infrastructure, such as new schools and additional classrooms, as well as maintenance of existing facilities, will be required in the GRD if access to education is to keep pace with the growing demand for schooling.

Learner Retention

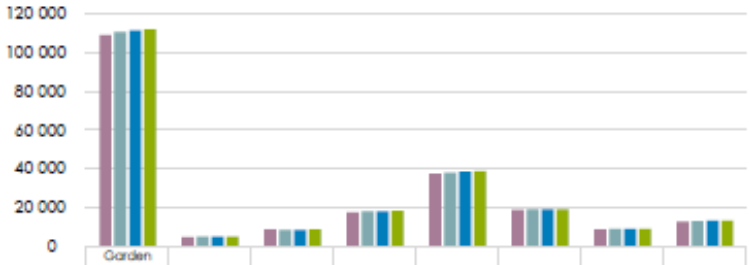
At 71.7 % in 2023, the GRD had the second lowest Grade 10 to 12 learner retention rate in the Province. The learner retention rates vary across the District, with economic centres such as George and Mossel Bay, which offers more economic incentives for completing education, exhibiting higher retention rates than its more rural counterparts, such as Kannaland. It is noteworthy that the learner retention rate has been on an upward trend from 2020 to 2022, however a decline was observed in 2023. Improved learner retention is required to enhance the future economic potential of the region

Education Outcomes

Lower learner-teacher ratios typically foster robust learner-teacher relationships, enabling the utilisation of personalised teaching approaches, and ultimately contributing to improved academic performance. This effect is present in the region which has the highest matric pass rate in the Province, and observed increase in the matric pass rate and bachelor pass rate from 2022 to 2023. The bachelor pass rate is however relatively low at 43.1% in 2023. Subject outcomes reflect that a major
reason for this is poor mathematics, mathematical literacy, physical science and home language outcomes. This needs to be addressed as high performance in these subjects, in particular, are crucial in the enfolding fourth industrial revolution. With a growing demand for skilled labour in the region, matric certificates and higher education qualifications are becoming increasingly important as a lever to lift families out of poverty and contribute to economic development. It is imperative that the determinants
influencing the overall quality of education be considered in the quest for optimal educational outcomes. It is however positive to note that over the 2011 to 2022 period, the percentage of persons over the age of 20 without schooling (2.4 %) has declined and those with higher education (13.7 %) increased.

EDUCATION

Learner enrolment
2020 - 2023



	Garden Route District	Kannaland	Hessequa	Mossel Bay	George	Oudtshoorn	Bitou	Knysna
2020	108 744	4 793	8 635	17 458	37 367	18 898	8 723	12 870
2021	110 610	4 890	8 595	17 893	38 065	19 158	8 910	13 099
2022	111 336	4 958	8 591	18 079	38 458	19 175	8 941	13 134
2023	111 872	4 922	8 638	18 413	38 580	19 027	9 052	13 240

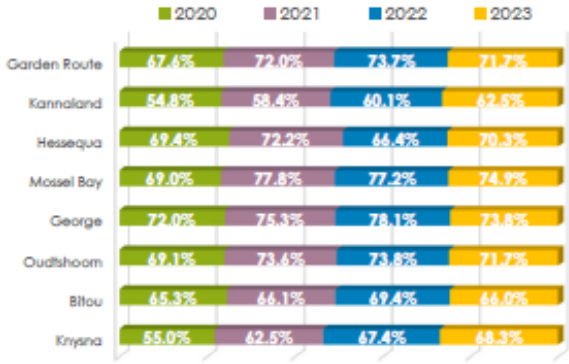
Educational facilities
2023

171
Number of schools

77.8%
Proportion of no-fee schools

Number of schools with libraries **88**

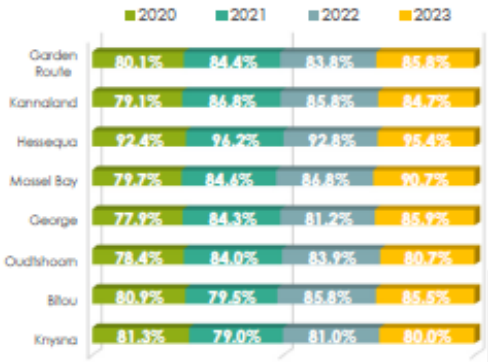
Learner retention
2020 - 2023



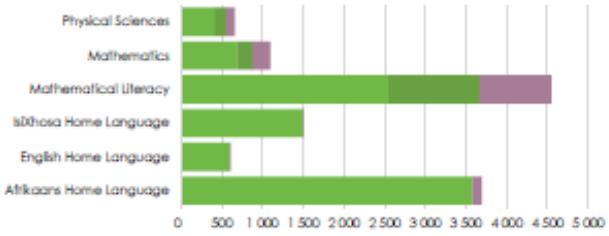
Learner-teacher ratio
2020 - 2023

	2020	2021	2022	2023
Garden Route District	30.1	30.9	29.8	29.1
Kannaland	30.9	31.7	31.2	31.4
Hessequa	29.1	28.9	28.7	27.7
Mossel Bay	30.2	30.9	30.1	29.4
George	30.0	29.7	29.7	28.9
Oudtshoorn	29.6	29.7	29.7	29.2
Bitou	32.3	32.4	31.8	30.6
Knysna	30.1	30.3	29.0	27.9

Matric outcomes
2020 - 2023



Matric subject outcomes
Garden Route District 2023



	Afrikaans Home Language	English Home Language	IsiXhosa Home Language	Mathematical Literacy	Mathematics	Physical Sciences
Achieved at 40%	3 502	595	1 502	2 556	609	417
Achieved at 30% - not shown for Home Languages				1 111	185	137
Achieved below 40% for Home Languages; Achieved below 30% for Maths Lit, Maths, Physics	115	13	5	882	224	104

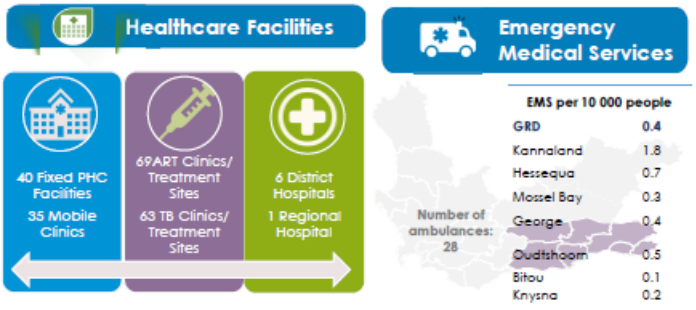
Socio-Economic Profile 2024

1.1.3 ROADS

The total kilometre of roads maintained within the Garden Route district amounts to over 6000 kilometres. Gravelled divisional roads account for 46.32 % of all gravelled roads in the District, making it the largest proportion of all gravelled roads.

1.1.4 HEALTH DEVELOPMENT WITHIN GARDEN ROUTE DISTRICT

Healthcare facilities



Socio-Economic Profile 2024

In 2023, a mere 5.7 % of the South African population had access to medical aid, underscoring the significance of government healthcare facilities in delivering essential primary healthcare services to the majority of the country's residents. Within the GRD, there was a total of 40 primary healthcare facilities. Additionally, the George municipal area had 35 mobile/satellite clinics, along with six district hospitals and one regional hospital, catering to the healthcare needs of the residents. Furthermore, the residents in the region had access to 69 antiretroviral therapy (ART) treatment sites and

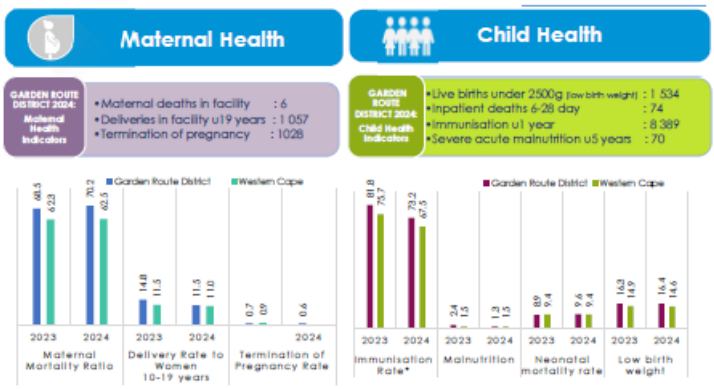
63 tuberculosis (TB) clinics in 2023, augmenting the availability of critical TB and ART treatment services available for households. This is especially necessary with the rising number of ART patients registered for treatment within the region from 2022/23 to 2023/24. It is fortunate to note that the number of patients registered for TB treatment declined to 5 207 in 2023/24. Enhancing the quantity of functional ambulances contributes to an expanded reach of emergency medical services across the GRD. In the 2022/23 fiscal year, the region had 28 Provincial ambulances, translating to 0.4 ambulances per 10 000 residents. This is consistent with the previous year. It should

however be noted that this figure pertains exclusively to Provincial ambulances and does not include private service providers. According to the 2024/25 Overview of Provincial Infrastructure and Investment, the DoH&W has documented 4 health infrastructure projects with a cumulative value of R5.150 million for the 2024/25 Medium-Term Expenditure Framework. This robust commitment to healthcare infrastructure

development indicates a strategic initiative to enhance the region's healthcare capabilities and accessibility and improve health outcomes in the region

Maternal health and Child health

Within the GRD, there has been an observable decline in teenage pregnancies. In 2023/24, 1 057 deliveries (11.5 %) occurred among females under the age of 19, which is higher than the Provincial rate of 11 %. The decrease in teenage pregnancies coincided with



Socio-Economic Profile 2024

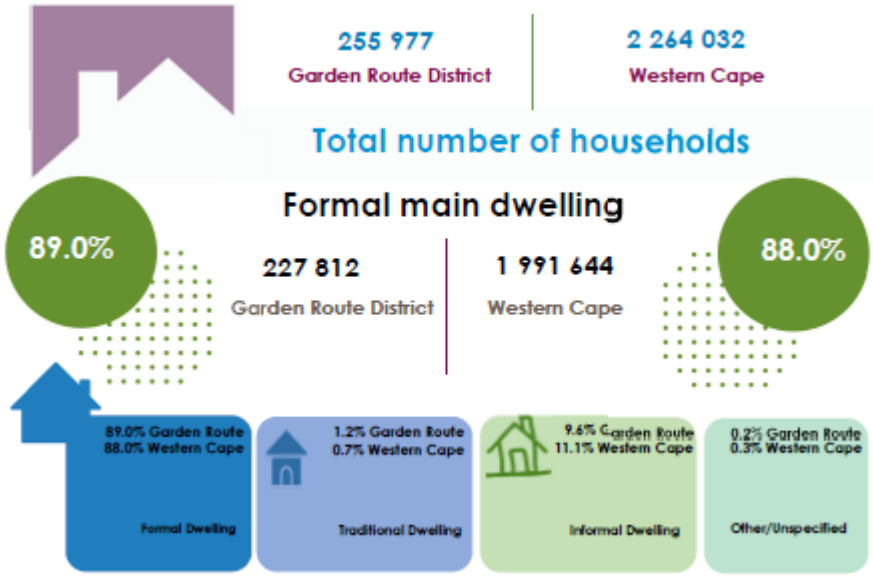
a decrease in pregnancy terminations, with 1 028 pregnancy terminations reported in 2023/24. The high rate of teenage pregnancies reflects a need for expanded family planning initiatives and support services within the GRD, as unplanned pregnancies pose a risk to the future quality of life of teenagers.

8 389 children under the age of one were immunised, translating to an immunisation coverage rate of 73.2 %. This exhibits a reduction, thereby placing a greater proportion of young children at risk of serious illness. The prevalence of malnourished children under the age of five, particularly those suffering from severe acute malnutrition, per 100 000 individuals in the region, saw a marginal decrease from 2022/23 to 2023/24. However, the percentage of infants born with a birth weight of less than 2.5 kilograms decreased over this period. The region exhibited higher rates when compared to the Provincial average. Despite reductions in poverty and government feeding schemes, there remains a continued challenge in terms of households' access to nourishing food. With 6 maternal deaths and 74 babies dying between 6 and 28 days of life, the region has amongst the highest maternal and neonatal mortality rates in the Province, presenting a concerning development especially as these rates have increased from 2022/23 to 2023/24. This emphasises the need for improved antenatal and postnatal care.

1.1.5 BASIC SERVICE DELIVERY

Housing and Household Services

There has been a notable rise in the percentage of households with access to formal housing, escalating from 83.8 % in 2011 to 89.0 % in 2022. This achievement is attributed to a substantial volume of housing units constructed by the state, catering to the housing needs of low income households. It is noteworthy that within the George city area, all but 6 % of properties within the entry-level market (valued under R300 000) are government-subsidised properties, as reported in the Housing Market Studies for Intermediate Cities/ Larger Towns in the Western Cape: George City Area Report of 2022. This trend is observed in several municipalities in the region.



Socio-Economic Profile 2024

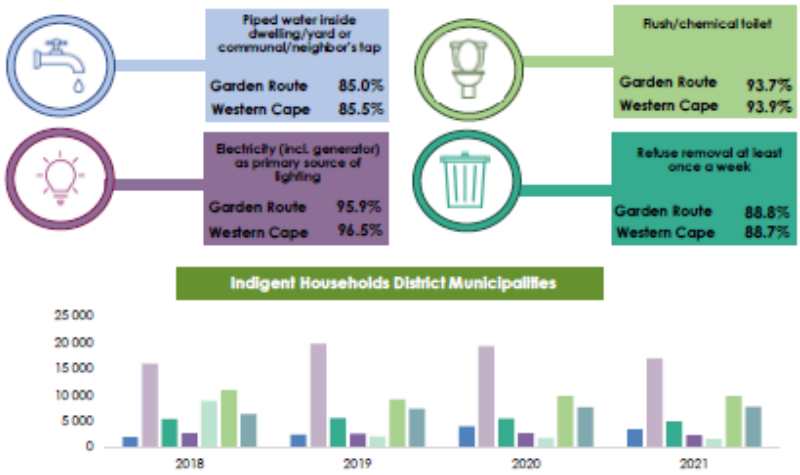
The access to formal housing is slightly above the Western Cape average which has been dragged downward due to the large proportion of informal housing in the City of Cape Town. With 9.6 % of households living in informal dwellings, 1.2 % in traditional dwellings and 0.2 % in other/unspecified housing, it reflects further room for improvement to see enhanced living conditions for vulnerable households in the GRD.

The increase in the proportion of households residing in formal dwellings was accompanied by an 8.5 % surge in households equipped with flush toilets, a 4.8 % upswing in households using electricity for lighting, and a substantial 13.2 % increment in households enjoying access to piped water within their dwellings. In contrast, access to regular refuse removal showed only a modest increase of 2.4 %. Nevertheless, these improvements underscore a solid commitment by the government to elevating living conditions and infrastructure throughout the GRD. It

remains pertinent to acknowledge that the GRD still lags in terms of providing essential services across all categories, excluding only refuse removal. This lag underscores the challenges faced by the regions municipalities in keeping pace with the growing demand for services, as well as the difficulties associated with extending services to rural farmlands and informal settlements.

Free Basic Services

Municipalities also provide a package of free basic services to households who are financially vulnerable and struggle to pay for services. There was a significant surge in registered indigent households in 2020 attributable to the adverse economic impact of the COVID-19 pandemic, which resulted in income losses impeding households' capacity to cover their municipal service expenses. In 2021, a slight reduction occurred, and by 2022, a return to levels resembling the pre-COVID period was evident. As per the 2023/24 Municipal Economic Review and Outlook, in 2022, 43.7 % of households in Kannaland Municipality were registered as indigents, followed by 36.9 % in Oudtshoorn Municipality, underscoring heightened poverty levels in these municipal areas. The stressed economic conditions will continue to exert pressure on household incomes and thereby keep demand for free basic services at elevated levels.



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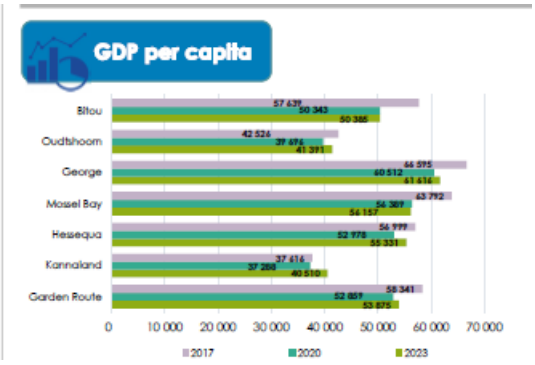
1.1.6 POVERTY

GDPR per capita

During the timeframe spanning from 2017 to 2023, the population exhibited a growth rate surpassing that of the regional economy, resulting in a notable decline in the GDPR per capita i.e., GDPR per person. Over this period, GDPR per capita

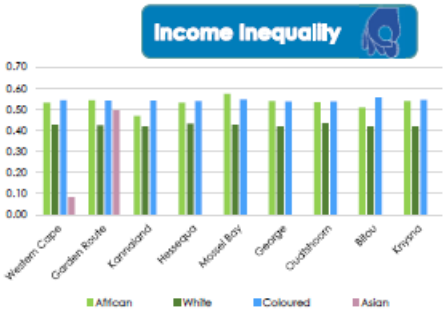
experienced a robust decrease of 8.3 %, indicative of diminishing standards of living and economic well-being within the GRD driven by constrained economic circumstances. At R53 875, the GDPR per capita in the District remained below that of the Western Cape, pointing to potential areas for further improvement. Over the reporting period, Kannaland was the only municipal area to experience an increase in the GDPR per capita, largely due to its declining population. Knysna and Mossel Bay experienced the largest declines of 16.5 % and 13.6 %, respectively. As the economic hub, the George municipal area recorded the highest level of GDPR per capita in the GRD. It is imperative to acknowledge that the distribution of GDPR per capita within the GRD is not uniform. Disparities prevail, with a segment of the population enjoying affluence, while others grapple with financial challenges in an economic landscape characterised by inflation, escalating interest rates, and unemployment.



Socio-Economic Profile 2024

Income Inequality

South Africa suffers among the highest levels of inequality in the world when measured by the commonly used Gini index. Inequality manifests itself through a skewed income distribution, unequal access to opportunities, and regional disparities. The National Development Plan (NDP) has set a target of reducing income inequality in South Africa, endeavouring to lower the Gini coefficient from 0.7 in 2010 to 0.6 by 2030. The GRD nearly meets that goal with a Gini coefficient of 0.60, but along with the Overberg District (0.60), has amongst the most unequal distributions of income in the Province. This reflects the discrepancy between persons with well renumerated jobs in George as well as affluent households living along the coast, compared to the lower incomes earned by rural farm workers as well as households residing in the numerous informal settlements across the region. Income inequality is also more pronounced among the coloured (0.54) and black African (0.54)



Socio-Economic Profile 2024

demographic groups where some households have built wealth, whilst others have yet to escape the poverty trap.

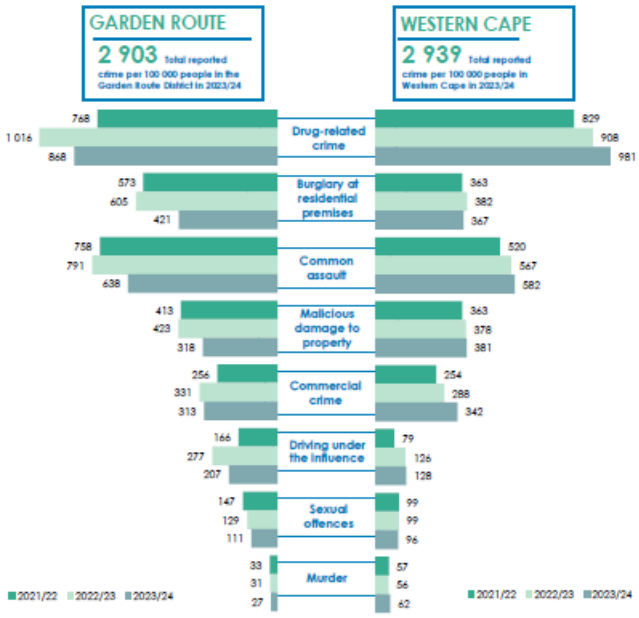
Poverty Line

The Upper Bound Poverty Line (UBPL) head count ratio is the proportion of the population living below the UBPL i.e., that cannot afford to purchase adequate levels of food and non-food items. The UBPL in South Africa is R1 558 (in April 2023 prices) per person per month. In 2023, 73.3 % of the GRD population fell below the UBPL. This figure improved marginally from the 72.9 % recorded in 2017, indicating progress despite the challenging economic conditions facing households across the country. Poverty is more pronounced in the Oudtshoorn, Knysna and Mossel Bay municipal areas. The region exhibits higher levels of poverty compared to the Western Cape rate (71.9 %), therefore a significant number of households are experiencing the adverse effects of poverty. These consequences include lower life expectancy, malnutrition, food insecurity, heightened exposure to crime and substance abuse, reduced educational attainment, and substandard living conditions. Therefore, the NDP sets the ambitious goal of eradicating poverty by 2030. To alleviate these negative impacts of poverty, GRD SASSA centres issues grants offering vital income support to these households, while municipal indigent support and various free services offered by the Western Cape Government such as health care and education support households living in poverty.

1.1.7 SAFETY AND SECURITY

Crime rates in GRD and Western Cape

The high levels of poverty and inequality give rise to elevated crime levels necessitating the development of the Western Cape Safety Plan. In it, the Western Cape Government (WCG) expresses their vision to ensure that the Province is a place where all people feel secure and live free from fear. The GRD Municipality shares this goal, as it is not spared from the safety concerns present throughout the Province. Crime levels in the region declined from 2022/23 to 2023/24. The primary factors contributing to crime in the GRD include the absence of surveillance cameras in high-risk areas, inadequate lighting, high unemployment rates, drug and alcohol abuse, instances of domestic violence, repeat offences by released prisoners, the seasonal influx of labourers and social intolerance.



Socio-Economic Profile 2024

While the GRD manifests a lower crime rate when compared to the Western Cape, it still recorded heightened incidences across several crime categories outlined in the infographic. This includes burglaries at residential premises, common assault, driving under the influence of drugs and/or alcohol and sexual offences. Notably, within the regional context, the George municipal area has witnessed elevated levels of contact crimes, encompassing murder, sexual offences, and common assault. Conversely, municipal areas characterised by pronounced poverty concentrations, such as Oudtshoorn and Kannaland, exhibit heightened occurrences of drug-related crimes and burglaries at residential premises.

Total Reported Cases of Crimes

Murder is defined as the unlawful and intentional killing of another person. 223 murders were reported in the municipal area, largely attributed to gangsterism. Similarly, common assault (assault that involves the use of force or violence against another person without causing serious bodily harm) is at elevated levels with 5 350 cases reported, influenced by gangsterism, substance abuse as well as gender-based violence. South Africa is amongst the top 5 countries in the world with respect to reports of rape. The GRD is no exception with 935 cases of sexual offences (including rape, sex work, pornography, public indecency and human trafficking) reported, down from 960 in 2021/22. It should be noted that many cases of sexual offences go unreported. Substance abuse drives up drug-related crimes (a situation where the perpetrator is found to be in possession of, under the influence of, or selling illegal drugs) with 7 274 cases reported, increasing by 31.1 % from 2021/22. In addition, driving under the influence of drugs or alcohol (where the driver of a vehicle is found to be over the legal blood alcohol limit) had 1 736 reported cases, and saw the largest rise (37.4 %) from the 2021/22 levels. Substance abuse places a burden on health care and police services, disrupts families and bears significant social and economic costs within communities. Substance abuse and poverty further contribute to residential burglaries (the unlawful entry of a residential structure with the intent to commit a crime, usually a theft) with 3 529 cases reported in the region, recording a 40.3 % decline over the reporting period. Difficult economic times is met with a 36.3 % rise in commercial crimes (theft, fraud or dishonesty committed against a business by an employee that results in the business suffering financial loss) as an easy way for employees to maintain their standard of living. In addition to this, 2 663 cases of malicious damage to property, severely impact local businesses, especially SMMEs. Failure to curb such crimes can lead to a vicious cycle of declining economic activity and

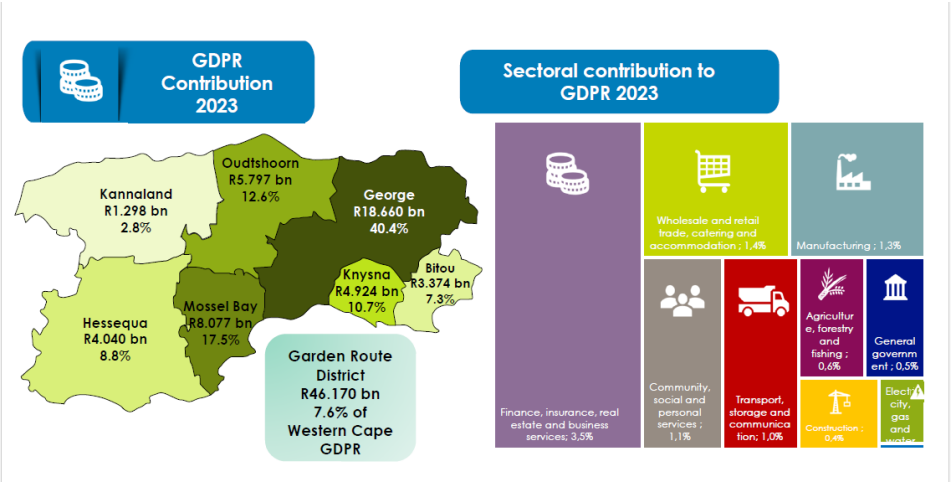
Socio-Economic Profile 2024

joblessness that fuels poverty and gives rise to other crimes across the District. Curbing crime is thus crucial to realising the vision of the WCG that is *"a safer Western Cape where everyone prospers"*.

1.2 ECONOMY AND LABOUR MARKET PERFORMANCE

1.2.1 GDPR PERFORMANCE

The GRD is a stunning region of the Western Cape, known for its diverse landscapes, including lush forests, scenic beaches, and towering mountains. Stretching from Knysna in the west to George in the east, it spans 13 000 km² and includes vibrant towns like Plettenberg Bay, Mossel Bay, and Oudtshoorn. Famed for its natural beauty, the Garden Route is a major tourism destination, attracting visitors to explore its national parks, wildlife, and outdoor adventures. The local economy thrives on tourism, agriculture (especially citrus and wine), and retail, with a key economic hubs in George. Mossel Bay also hosts important port and energy infrastructure. With its combination of natural charm and growing economic opportunities, the Garden Route is a key player in the Western Cape's development, offering a unique balance of work, leisure, and lifestyle.



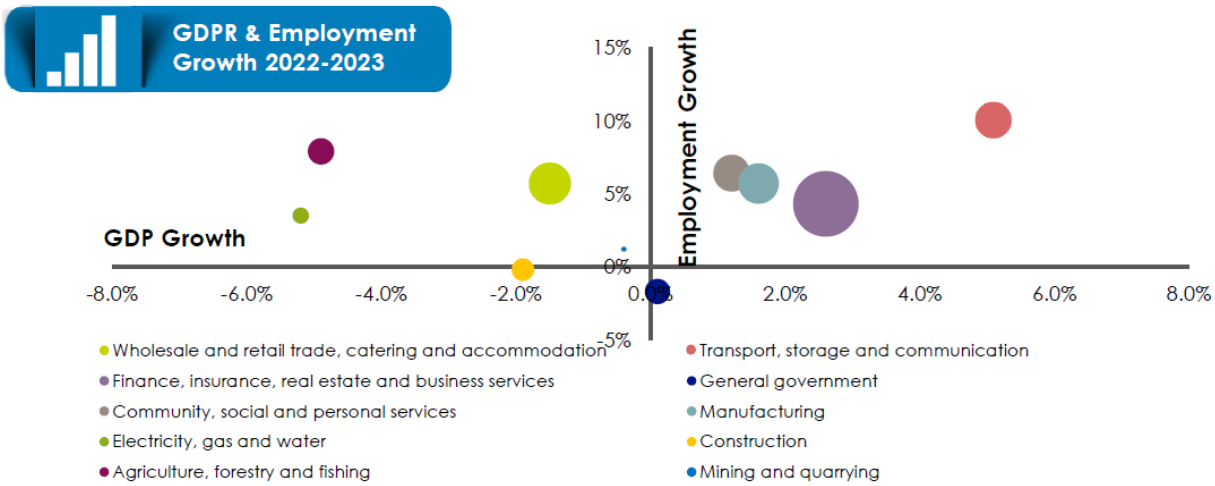
Socio-Economic Profile 2024

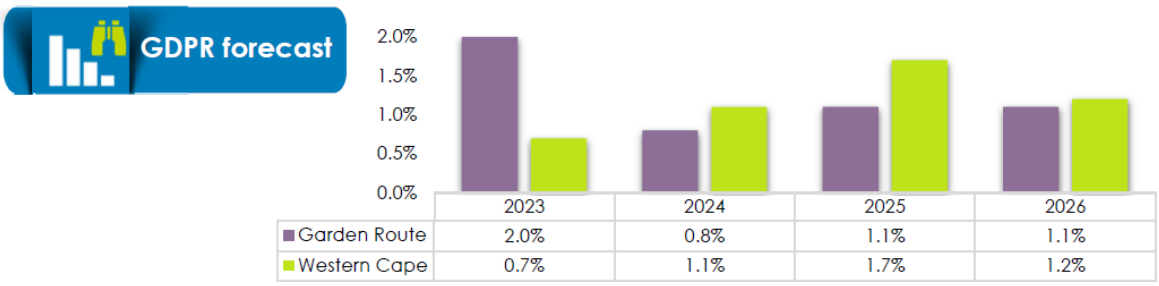
The Garden Route District (GRD) exhibited strong economic resilience in 2023, outpacing the provincial growth rate. With a Gross Domestic Product by Region (GDPR) growth rate of 2.0 %, compared to the national growth of 0.7 %, the district's economy expanded to R46.2 billion from R45.7 billion in 2022. This growth was primarily driven by the agriculture, manufacturing, and tourism sectors, which continue to be the

backbone of the regional economy. The GRD contributed 7.6 % to the Western Cape's total GDP, with George leading at 40.4 % (R18.7 billion), followed by Mossel

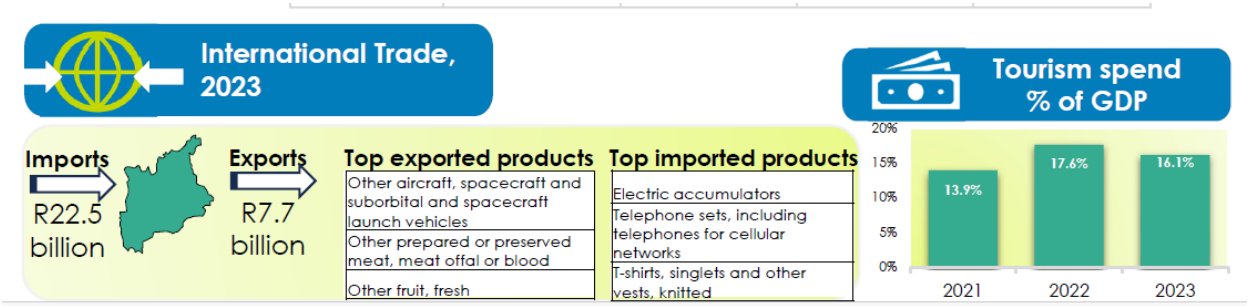
Bay (17.5 %) and Oudtshoorn (12.6 %). The finance, insurance, real estate, and business services sector was the largest contributor at 34.6 %, followed by wholesale and retail trade, catering, and accommodation (14.2 %), manufacturing (13.1 %), and transport, storage, and communication (10.3 %). While the agriculture sector (5.6 %) remained relatively small in GDPR terms, it played a crucial role in employment and regional stability. Infrastructure projects and business expansions supported economic growth across municipalities. Mossel Bay's port and energy sectors were key economic drivers, while Oudtshoorn and Hessequa saw significant contributions from agriculture and tourism. However, challenges such as skill shortages, infrastructure constraints, and climate risks (flooding and drought) posed obstacles to sustained growth. Despite positive growth trends, the GRD continued to experience a significant trade deficit. Imports totaled R22.5 billion, far exceeding exports of R7.7 billion. The primary exports included aerospace and aviation products, processed meat and offal, and fresh fruit, while imports were dominated by electric accumulators, mobile phones, and textiles. The reliance on imported consumer and technological goods underscores the need for increased local production and industrial diversification. The transport, storage, and communication sector was the standout performer in 2023, with 5.1 % GDP growth and a 10.0 % employment increase. The finance and business services sector followed, with 2.6 % GDP growth and a 4.3 % employment rise. Despite economic headwinds, the agriculture sector saw 7.9 % employment growth, even as its GDP contracted by 4.9 %, reflecting adverse weather conditions and infrastructure challenges. The wholesale and retail trade, catering, and accommodation sector faced a 1.5 % GDP contraction, though employment rose by 5.7 %, indicating strong demand for tourism-related services. The manufacturing sector added 5.7 % more jobs, despite only modest 1.6 % GDP growth. Meanwhile, the construction sector declined by 1.9 %, reflecting slow infrastructure investment. The GRD's economic growth is projected to slow to 0.8 % in 2024, before recovering to 1.1 % in 2025 and 2026, reflecting cautious optimism for gradual recovery. The Garden Route District demonstrated strong economic recovery in 2023, driven by agriculture, tourism, and manufacturing. The infrastructure and trade deficit and climate-related risks remain concerns, but positive employment trends and infrastructure investments indicate resilience. Key economic opportunities include expanding agricultural value chains, increasing agri-processing activities, and enhancing local production to reduce trade

imbalances. As the district navigates economic uncertainties, diversification, skills development, and private sector investment will be essential for sustainable growth.





	2023	2024	2025	2026
Garden Route	2.0%	0.8%	1.1%	1.1%
Western Cape	0.7%	1.1%	1.7%	1.2%



Socio-Economic Profile 2024

1.2.2 LABOR MARKET PERFORMANCE

Labour Market Performance

The Garden Route District's labour market has experienced significant changes from 2019 to 2023, reflecting broader economic trends and regional challenges. The unemployment rate, which peaked at 29.0 % in 2021, was notably higher than the Western Cape's 25.6 % for the same year. This spike was attributed to the economic disruptions caused by the COVID-19 pandemic, which severely impacted employment across various sectors. By 2023, the unemployment rate had decreased to 24.6 %, still above the Western Cape's 21.8 %, reflecting a slow recovery and persistent structural issues in the regional economy. Wage distribution across the district's municipalities reveals a concentration of earnings in the lowerbrackets, with most workers earning between R3 200 and R6 400 per month. This suggests a region with relatively low income and limited high-wage opportunities, which can have implications for economic mobility and quality of life. Addressing these wage disparities will be crucial for fostering a more inclusive and resilient economy. The prevalence of low-wage jobs also reflect a reliance on sectors that traditionally offer lower pay, such as agriculture and hospitality. This is evident when analysing the skills distribution within the region. In 2023, the workforce was composed of 23.6 % skilled, 30.7 % semi-skilled, 22.7 % low-skilled, and 23 % informal workers. There is however a faster paced growth of demand for skilled laour in the region. This highlights the need for skill development to enhance the labour market's overall performance as a gap in advanced skills, can limit economic growth and innovation. The District Municipality has expressed a shortage of skilled professionals in critical sectors such as electrical engineering, water and sanitation which affects infrastructure project execution.

The top sectors by employment in the Garden Route District include general public administration at the local government level, mixed farming, general public administration at the provincial government level, construction of buildings, and the slaughtering, dressing, and packing of livestock. These sectors collectively provide a significant number of full-time equivalent (FTE) jobs, with local government administration alone accounting for 7 416 FTE jobs. The dominance of public administration highlights the importance of government employment in the region, which can provide stability but also indicates a potential vulnerability to public sector budget cuts.

From 2022 to 2023, the district saw job gains in mixed farming, short-term accommodation activities, other restaurant and mobile food service activities, activities of business and employers' membership organizations, and mining of gold. Thus, seeing a recovery in sectors related to tourism and hospitality, which are vital to the region's

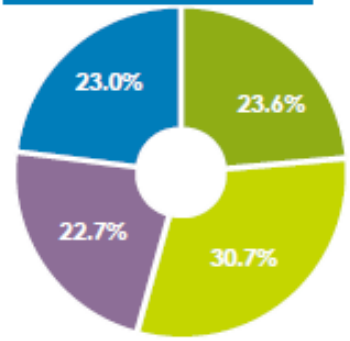
economy. However, there were also notable job losses in the construction of other civil engineering projects, primary education, extraction of natural gas, private security activities, and activities of professional membership organizations. These losses may reflect broader
economic shifts, such as reduced investment in infrastructure and changes in energy production. Anticipated reduced borrowing costs and improved investor confidence may see an improvement in these trends going forward. Overall, the Garden Route District's labour market is heavily reliant on public administration and mixed farming sectors. While there have been job gains in hospitality and food services, the region continues to face challenges with high unemployment rates and a concentration of low-wage jobs. Economic diversification and skill development are essential to improving labour market outcomes and fostering a more resilient economy. By addressing these issues, the Garden Route District can work towards a more sustainable and prosperous future.

LABOUR MARKET PERFORMANCE

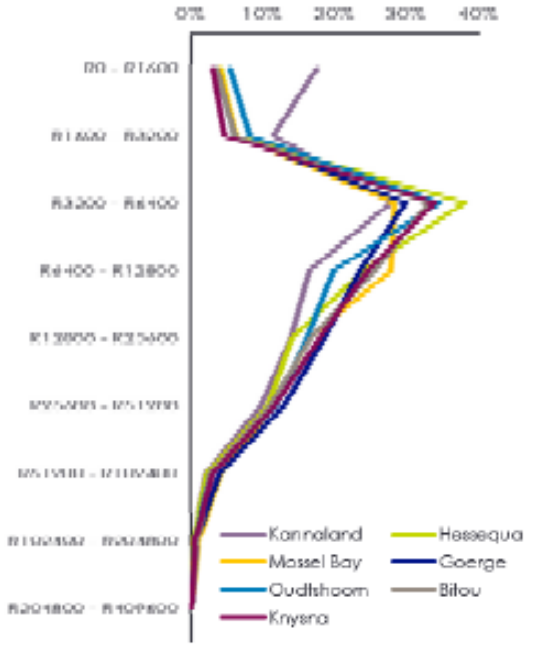
Employment profile

Labour force participation rate	Labour absorption rate (employment-to-population ratio)	Not economically active proportion of working-age population
2022 52.7% | 2023 51.6%	2022 37.9% | 2023 38.9%	2022 47.3% | 2023 48.4%

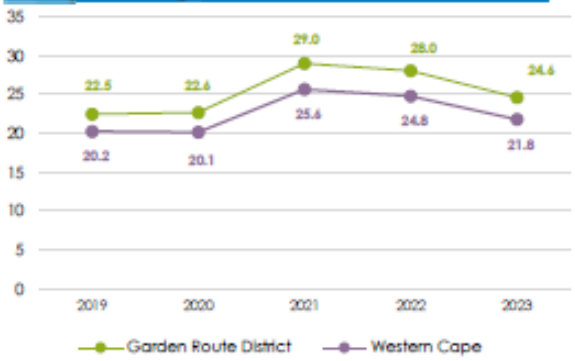
Skill Level % Contribution, 2023



Wage Distribution per municipal area, 2023



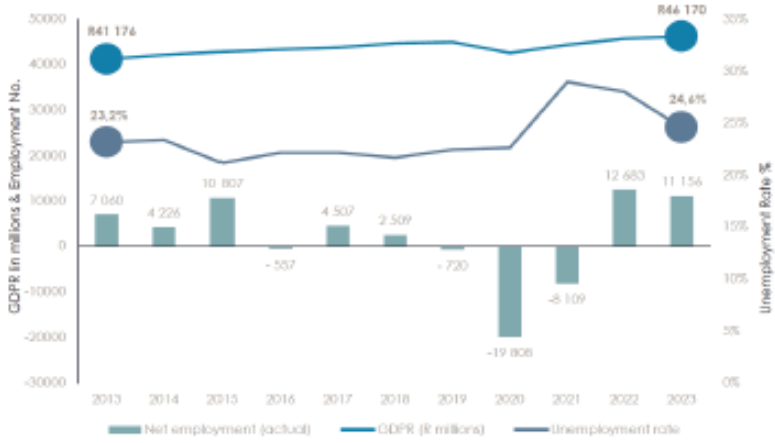
Unemployment rate (%) 2019-2023



Top 5 Sectors for job gains and job losses (FTE) 2022-2023

Mixed farming	350	Construction of other civil engineering projects	-415
Short term accommodation activities of hotels and motels	287	Primary education	-258
Other restaurant and mobile food service activities	262	Extraction of natural gas	-235
Activities of business and employers' membership organizations	211	Private security activities	-177
Mining of gold	210	Activities of professional membership organizations	-171

GDPR[13], EMPLOYMENT GROWTH AND UNEMPLOYMENT RATE, Garden Route District, 2013 – 2023



Top 5 Sectors

Sector	No. of FTE Jobs
Mixed farming	5 792
Construction of buildings	2 540
Slaughtering, dressing and packing of livestock, including poultry and small game for meat	1 510
General public administration at Local Government level	7 416
General public administration at Provincial Government level	3 803

1.3 RISK AND VULNERABILITY FACTORS

Environmental Threats and Climate Risks

People face environmental threats, including degraded ecosystems, wildfires, floods, coastal erosion, poor air quality and waste disposal. These can be mapped in combination with socio-economic conditions and municipal response capacity to create a basic map of where environmental risks are the highest. The Garden Route faces a number of environmental threats, including from deteriorating eco-system functioning, water security concerns, floods, wildfires and coastal erosion. At the same time, modelling of climate systems allows us to anticipate what the climate will look like later in the century, and hence where and how the environmental risks are likely to intensify. The climate is slowly changing due to human-induced green-house gas emissions. The changes expected by mid-century are listed in the table. There is a relative intensification of hotter and drier conditions across the Garden Route.

Sea-level rise and Storm Surges

Sea levels are expected to rise steadily for at least the next 200 years. The current thermal expansion of the oceans will result in 0.25m – 0.75m of sea level rise by 2050, with associated swash run-up of roughly 3.0m – 3.5m above the mean sea level (excluding tidal influence). Sandy shores are most affected – some areas in the Garden Route have seen beaches retreat landward at a rate of 1m per year. This directly affects infrastructure and detracts from the amenity value of the coastline

Drought

Climate change will result in decreases in rainfall in spring and especially autumn, although the overall annual change will be negligible. Projections, however, indicate that by 2050, drought risk in the Garden Route District Municipality will increase from 2 possible drought years per decade to 3 years per decade, mainly driven by increased overall temperatures as higher rates of evaporation will increase the risk of water supplies running low. Insufficient water will interrupt agricultural production as well as

agricultural and marine product processing, whilst placing severe constraints on towns and settlements

Disaster Risk

Disaster Risk Management is important not only for everyday safety of people, but also to reduce the costs of disasters when they strike. The table lists some ways in which climate change will impact disaster risks identified in the Disaster Risk Management Plan of the municipality

Wildfires

Temperatures in the George municipal area will continue to rise, resulting in 19 more hot days (temperatures above 30 degrees Celsius) per year by 2050. By 2050, the region will also decrease the number of frost days in the higher interior region. On hot days productivity becomes constrained, and the risk of wildfires increase rapidly. In an already dry environment, wildfires can become extremely destructive.

Flooding

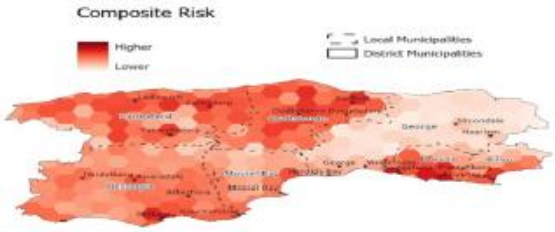
Although drought is a major concern going forward, flooding remains as big a concern for the George Municipality. Projections indicate increased storm intensity in winter, leading to more rainfall in shorter periods and therefore a higher likelihood of flooding.

RISK AND VULNERABILITY FACTORS

HAZARDS*

Hazard name	Impact of climate change
Technological: hazmat incidents: roads / rail / sea	Increased heat stress on roads, rail Increased storminess, flooding
Natural: wildfires	Increased frequency of fire-risk days Increased flammability of biomass fuel
Technological: structural fire	Increased frequency of fire-risk days
Natural: severe wind	Increasingly active atmospheric conditions
Natural: drought	Increased likelihood of multiyear drought Water security concerns Agricultural impact Watercourse deterioration
Natural: human diseases (covid-19)	Increased heat exposure Increased occurrence of water-borne disease Possible range expansion of animal-borne pathogens Increased vulnerability due to environmental stress Expanding range and activity of disease vectors Implications for food safety
Natural: floods (stormwater/riverine/coastal)	Increased intensity of rainfall events Dryer conditions could make ground impervious to sudden, intense rainfall events Increasing coastal flooding and erosion
Natural: animal diseases (HPAI)	Conditions conducive to spread of diseases Increased animal migration Increased vulnerability due to environmental stress
Social: social unrest	Increased competition for water and services
Natural: coastal erosion	Increased wave runup and reach as coastal erosion and sea-level rise progresses

ENVIRONMENTAL THREATS



CLIMATE RISKS

1.4 SERVICE DELIVERY OVERVIEW

1.4.1 SERVICE DELIVERY

The following key service delivery initiatives were rolled out by various departments of Garden Route DM during the 2025/26 financial year:

1.4.1.1 OFFICE OF THE MUNICIPAL MANAGER

The Office of the Municipal Manager consists of the units as set out on the table below and continued to provide strategic leadership and support services to the municipality during the 2025/2026 financial year. The main functions of these units are as follows:

Services	Objective
Risk Management	Facilitate Risk Management activities to ensure that performance objectives are met throughout the organisation.
Internal Audit	Provide the accounting officer, management and council with reasonable assurance regarding the effectiveness of controls environment.
Communication, Marketing and Brand Management	Develop, implement, maintain efficient and effective system of communication to internal and external stakeholders.
Legal Services	Providing support, legal mechanisms and processes that are necessary to enable Garden Route District Municipality to fulfil its strategic objective of Good Governance as a regional leader in local government.
Political Office	Providing support to councillors and to manage community based projects.
Committee Services	Provide comprehensive committee administration and governance support services to Council and its Committees
Training and Development	Facilitate skills development initiatives aimed at enhancing organisational capacity, employee development and community empowerment through training and development programmes

The Communication, Marketing and Brand Management Unit, conducts regular reviews, including an annual review of its Communication Policy, and ad-hoc reviews of the Language Policy of Council. To ensure effective communication, the team also develops an annual operational communication plan that guides their planned activities for the year ahead.

Further to the above, crisis communication forms one of the key responsibilities of the Unit. Over the past financial year, the Unit had to respond to various incidents, including a wildfire that destroyed several homes in the Mossel Bay municipal area, and floods in the Garden Route in May. The Unit played a central role in promoting the Toughest Firefighter Alive South Africa Event that was held in George at the Garden Route Mall.

With current budget constraints, the Unit was able to work closer with the Government Communication and Information System to secure radio slots for municipal service-related talks.

The unit manages various social media platforms, including:

- Facebook: www.facebook.com/gardenroutedm/
- X: www.X.com/GardenRoute_DM
- LinkedIn: www.linkedin.com/company/13991149/
- YouTube: www.youtube.com/gardenroutedistrictmunicipality

The unit further manages content for the following websites:

- www.gardenroute.gov.za
- skillsmecca.gardenroute.gov.za
- www.victoriabaycaravanpark.co.za
- www.swartvleicaravanpark.co.za
- www.dehoekmountainresort.co.za
- invest.gardenroute.gov.za

The Committee Services team continued to uphold their commitment to excellence by ensuring that all Council meeting agendas were distributed to Councilors on time and made available electronically. While Councilors are encouraged to attend all

Committee meetings in person, Zoom links are also provided to all members, in line with recommendations from the Governance Committee and as approved by Council. Additionally, Committee Services has ensured that Council resolutions are being effectively implemented by the relevant user departments.

The Skills Mecca Programme continued to change lives in the 2025/2026 financial year. The following table presents the full list of projects implemented during the 2025/2026 financial year, outlining the funder, project name, amount awarded and the total number of unemployed or employed who benefitted from various skills projects

NO.	FUNDER / LGLPD NUMBER	Project name	Amount Awarded	Project Fees	SAQA ID	NQF LEVEL	Total Employed 18.1 awarded	Total awarded Unemployed 18.2	Progress
1	Vaal Universtiy / British Council	Cellphone Repair Training	R 750 000,00	R -		4	0	25	Completed
2	LGSETA / 20246908	NC: Water and wastewater Reticulation Services	R 1 620 000,00	R 121 500,00	60169	2	0	29	Completed
3	LGSETA / 20240078	NC: Water and wastewater Reticulation Services	R 220 000,00	R 16 500,00	60155	3	10	30	Completed
4	LGSETA / 20244872	NC: Water and wastewater Reticulation Services	R 1 620 000,00	R 121 500,00	60155	3	0	27	Completed
5	LGSETA / 20247128	NC: Water and wastewater Treatment Process Operations	R 1 620 000,00	R 121 500,00	58951	2	0	27	Completed
6	LGSETA / 20241583	NC: Water and Wastewater Process Control	R 432 000,00	R 33 000,00	60190	3	0	8	Completed
7	LGSETA / 20247247	FETC: Water and Wastewater Treatment Process Control Supervision	R 572 000,00	R 42 900,00	61709	4	26	0	Completed
8	LGSETA / 20246380	FETC: Water and Wastewater Treatment Process Control Supervision	R 540 000,00	R 40 500,00	61709	4	0	9	Completed
9	LGSETA / 20243057	NC: Construction Roadworks	R 418 000,00	R 31 350,00	24173	3	19	0	In process
10	LGSETA / 20249124	NC: Local Economic Development	R 1 056 000,00	R 79 200,00	36436	4	48	0	Completed
11	LGSETA / 20241587	OC: Electrician	R 1 769 202,00	R 132 690,15	91761	4	18	0	in process
12	LGSETA / 20249158	OC: Electrician	R cv6 248 670,00	R 468 650,25	91761	4	0	28	in process
13	LGSETA / 20248523	OC: Firefighter	R 543 000,00	R 40 725,00	98991	4	50	0	In process
14	LGSETA	OC: Firefighter (RPL)	R 900 000,00	R 67 500,00			50	0	In process
15	LGSETA / 20235656	OC: Electrician	R 1 415 260,00	R 106 144,50	91761	4	0	20	In process
16	LGSETA / 20237446	OC: Electrician (RPL)	R 550 375,00	R 41 278,13	91761	4	17	0	In process
20	LGSETA / 2024	NC: Water and Wastewater Process Control NQF 3	R 440 000,00	R 33 000,00	60190	3	20	0	Completed

NO.	FUNDER / LGLPD NUMBER	Project name	Amount Awarded	Project Fees	SAQA ID	NQF LEVEL	Total Employed 18.1 awarded	Total awarded Unemployed 18.2	Progress
21	LGSETA / 2024	Project Management Training	R 420 000,00	R -		5	1	11	In process
22	LGSETA / 2025	Drivers License Project	R 4 760 000,00	R 357 000,00	256522	3	280	280	In process
23	LGSETA / 2025	Veld Fire Training	R 500 000,00	R 500 000,00		4	0	100	In process
24	LGSETA / 2024	NSF Cooks Program	R 13 360 000,00	R 1 002 000,00		4	0	200	In process
25	LGSETA / 2024	NSF WIL Program	R 22 640 000,00	R 1 698 000,00		4	0	200	In process
			R 62 394 507,00	**R 5 054 938,03**			**539**	**994**	

1.4.1.2 COMMUNITY SERVICES

The Department of Community Services provides essential public safety, environmental health, disaster management, fire services, air quality management and waste management functions across the Garden Route District Municipality. During the reporting period, the Department continued to promote healthy communities, environmental sustainability and disaster resilience through collaborative service delivery and regulatory compliance initiatives.

Services	Objective
Disaster Management	To provide District Emergency Services based on the Disaster Management Act 52 of 2002 and the Amendment Act 16 of 2015 as well as the National Disaster Management Policy Framework of 2005 To apply a substantial body of professional knowledge and manage, decide, set, provide, and co-ordinate an Environmental Management, Disaster Risk Reduction and Climate Change Adaptation Section Service for the Garden Route District to implement National, Provincial and Local government mandated functions assigned to the District Municipality, and best practice skills relating to: • Environmental Management: such as Integrated Coastal Management, Biodiversity Management, and Environmental Regulation, assigned to the District Municipality as per the National Environmental Management (NEMA) Act 107 of 1998, National Environmental Management: Biodiversity (NEMBA) Act 10 of 2004, and the National Environmental Management: Integrated Coastal Management (NEM: ICMA) Act 24 of 2008.

Services	Objective
	• Climate Change: Adaptation and mitigation, water security, climate risk reduction, prediction, and forward planning.
Municipal Health and Environmental Services	To render a comprehensive Municipal Health Service through regular monitoring of residential (informal and formal), businesses and public premises with specific focus on the under-privileged communities to ensure the prevention of health nuisances and compliance with the applicable environmental health legislation towards the minimization of municipal health risks.
Air Quality Management	To minimize the impact of air pollution on the natural environment of the Garden Route District. To have air quality worthy of the name: "The Garden Route".
Waste Management	Execution of mandatory functions as stipulated in the Local Government: Municipal Structures Act namely: • Solid waste disposal sites, in so far as it relates to – • The determination of a waste disposal strategy; • The regulation of waste disposal; • The establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district. Execution of prescribed conditions of the District Waste Management By-Law PG 7818 of 01 September 2017
Fire Services	To provide Fire Services as required by the Municipal Structures Act, 117 of 1998, the Fire Brigade Service Act, 99 of 1987, SANS 10090: 2020, Community Fire Protection

Services	Objective
	and the requirements which is in accordance with the Constitution.

Municipal Health Services

Food Safety and Regulatory Compliance

Municipal Health Services continued to promote food safety and regulatory compliance across the Garden Route District through inspections, awareness campaigns and food handler training. In support of World Food Safety Day, Environmental Health Practitioners implemented district-wide awareness initiatives aimed at improving food handling practices and compliance with applicable food safety legislation.

GRDM Municipal Health team in Bitou celebrates World Environmental Health Day early at Kwezi Lokusa ECD

EHP's of Kannaland and other role other players busy with spaza shop blitz operations

Collaborative spaza shop compliance inspections and multi-agency blitz operations were also undertaken to strengthen regulatory enforcement and safeguard public health.

Celebrating World Environmental Health Day

Training on Global Handwashing Day

Health Promotion and Disease Prevention

The Department continued implementing health promotion and disease prevention programmes throughout the district, focusing on schools, Early Childhood Development Centres, community facilities and informal settlements. Awareness campaigns promoted hand hygiene, communicable disease prevention, sanitation and healthy environmental practices. These initiatives supported healthier communities through practical health education and preventative interventions

Water Quality Monitoring and Environmental Health

Municipal Health Services continued to monitor drinking water, recreational water bodies and coastal environments to protect public health and support environmental sustainability. Water quality monitoring programmes were implemented throughout the district, including routine sampling of coastal waters, estuaries and drinking water supplies. During periods of water shortages, Environmental Health Practitioners also provided water quality monitoring and public health guidance to affected communities. Ongoing coastal water quality monitoring further contributed to maintaining Blue Flag beach standards within the district.

Plettenberg Bay retained six prestigious Blue Flag beaches awards for 2025/2026 season

An EHP busy with water safety health education and water sampling at Amalienstein and Zoar clinics

Environmental Awareness and Pollution Prevention

Environmental Health Practitioners implemented a range of environmental awareness initiatives aimed at promoting cleaner, healthier communities. Campaigns focused on illegal dumping, sanitation, clean air, pollution prevention and environmental responsibility, while collaborative partnerships with municipalities, schools and community organisations strengthened public participation in environmental management.

World Toilet Day Mdongwe Informal Settlement

Environmental Health Support at Major Public Events

Municipal Health Services provided environmental health support at major public events across the district through food safety inspections, environmental health monitoring and public awareness initiatives. These interventions ensured compliance with public health legislation while promoting safe and healthy environments for residents and visitors attending major events.

Daily Inspections at the Klein Karoo National Arts Festival 2026

EHP's at an exhibition at the George Agri Show: Ready to explain the Scope of Practice of Environmental Health

Waste Management

During the 2025/26 financial year, the Waste Management Section continued implementing district-wide waste minimisation, recycling and environmental education programmes in partnership with local municipalities, schools, government departments, producer responsibility organisations, community groups and the private sector. These initiatives promoted responsible waste management practices, reduced illegal dumping and supported the implementation of the District Waste Minimisation Strategy.

Garden Route Regional Waste Management Facility

Civils 2000 (Pty) Ltd (Civils 2000) was appointed for the construction of Phase 1 of the Garden for a tendered amount of R109 000 000.00 (Incl. VAT).

Site establishment and construction commenced on 16 February 2026. In accordance with the approved construction programme, the due completion date is 24 February 2027. The contractor is currently still on track with the construction programme regardless of the severe inclement weather recently experienced in the Garden Route Region. The asphalt portion of the access road is close to completion. The contractor has commenced with the construction of the concrete road using specialized equipment i.e., a paver (only two available nationally), which is enabling the contractor to construct approximately 120 – 150m of concrete road per day.

The contactor has also commenced with the continuation of the lining of Cell 1A; planning a minimum of 1000m² per day (weather permitting). Works on the leachate and contaminated water dams has also commenced, which are also part of the critical path. All other works such as buildings, water and electrical services, stormwater, fencing etc. are also ongoing, concurrently.

Once the critical path is completed, GRDM will commence with the approval processes from the Department of Water & Sanitation required before the commencement of waste disposal can take place. GRDM met with Department of Forestry, Fisheries & the Environment (DFFE) on 30 March 2026 (on site), where it was agreed that DFFE would expedite the approval processes which can generally take up to 6 – 18 months to finalise. The waste disposal commencement date is scheduled for

01 March 2027.

Aerial view of Cell 1A

Lining of Cell 1A

Works on the Leachate & Contaminated Water Dams

Waste Minimisation, Recycling, Education & Awareness Programmes

The Garden Route District Municipality (GRDM) Waste Management Section continued to strengthen waste minimization and environmental awareness across the district through strategic partnerships with local municipalities, schools, government departments, private sector organizations and community groups. Throughout the 2025/2026 financial year, numerous education and awareness campaigns, recycling initiatives, clean-up campaigns and environmental commemorative events were implemented to encourage responsible waste management, promote waste minimization and reduce illegal dumping.

The programs formed part of the implementation of the District Waste Management Minimization Strategy and contributed towards creating cleaner, healthier and more sustainable communities.

Waste Minimization Support to Municipalities

GRDM provided support to local municipalities through the distribution of educational materials, reusable shopping bags, recycling bags, personal protective equipment, refreshments and promotional items to strengthen local waste minimization initiatives.

Green Schools Programme

The Green Schools Programme continued to expand across the district through the rollout of colour-coded recycling systems and environmental education initiatives at participating schools. The programme encouraged waste separation at source while promoting environmental stewardship among learners and supporting long-term recycling practices within schools and surrounding communities.

Silent March Against Illegal Dumping

On 27 February, the George Local Municipality hosted a Silent March Against Illegal Dumping in Thembalethu. Although silent, the message was loud and clear: illegal dumping has no place in our communities.

The march was led by the Executive Mayor of George local Municipality and the Portfolio Head for Community Services, participants carried placards bearing powerful messages calling for an end to illegal dumping. The march symbolized unity, determination, and a shared commitment to protecting the environment and promoting cleaner, healthier neighborhoods.

The event concluded with closing remarks reinforcing the importance of collaboration between local government, businesses and communities. The message was clear — reclaiming our dignity and upholding the right to live in a clean and healthy environment is a shared responsibility.

Together, we stood in silence, but our voices spoke volumes. Illegal dumping is unacceptable, and we remain committed to building cleaner, safer communities for all.

The celebrations were held at:

- Herbertsdale Primary School
- Excelsior Primary School in Calitzdorp

This initiative empowers learners to become environmental ambassadors within their schools and communities

Air Quality Management

District Air Quality is managed in terms of the GRDM 4th Generation air quality management plan (AQMP). We reported that Garden Route is the 1st municipality in the Western Cape developing a 4th generation AQMP. During the reporting period, we implemented the objectives of the plan. One of the objectives were the initiation of an annual industry air quality best practice award.

Annual Industry Air Quality best Practice Award

As mentioned above, Garden Route District Municipality (GRDM) has initiated an annual Industry Air Quality Best Practice Recognition Programme, which is in line with objectives set out in its 2025 Air Quality Management Plan.

The programme aims to recognise one listed industry operating within the Garden Route that has demonstrated consistent compliance, constructive engagement with authorities, and innovation in air quality management over a calendar year.

The recognition programme was developed through ongoing engagement with industry role players, local air quality officers, and provincial authorities, and forms part of GRDM's broader approach to preventative environmental governance.

Industries are evaluated against a transparent set of criteria, including:

- participation in working group meetings,
- submission of statutory reports,
- compliance with emission limits; and
- voluntary initiatives to improve air quality performance.

Cape Karoo International Tannery: Mossel Bay (CKI) scored full marks in the evaluation criteria. The award was handed over to CKI during a hand-over ceremomy by our Executive Mayor and the MMC for Community Serivices.

Garden Route District Municipality Recognises Industry Excellence in Air Quality Management

Air Quality monitoring

The Air Quality unit utilized its Eartsense Zephyr mobile analyser extensively within the district to determine the air quality status of the district and to manage complaints. It also served as a source of revenue as it was rented out to industry to assist them with baseline air quality measurements. This was supplemented by passive air quality sampling activities as well as dispersion modelling. Sixty-three (63) samples were taken throughout the district. Seventy-eight (78) compliance and enforcement inspections

were executed for the year. Forty-four (44) complaints were investigated and most of them were resolved.

The Air Quality unit continued to fulfil its coordinating role through its quarterly air quality officers' forums meetings with its seven B-authorities. We held meetings with our 7 B-municipalities every quarter where the implementation of the AQMP is discussed and matters of common concern are discussed with possible solutions.

Ambient Air Quality Monitoring at monitoring site

Air Quality Weather Satiation GRDM Mossel Bay Premisses

We also engaged with our industries with our quarterly air quality working group meetings. During these meetings, guest speakers are invited to provide insight in relevant air quality topics and are used as platform for information sharing and learning.

The GRDM air quality unit again achieved a 100% submission rate for submission of the annual emissions inventory system (NAEIS).

Air Quality Awareness

Awareness session at De Waalville Primary School Heidelberg

Due to budgetary constraints, the Garden route Clean Fires campaign was terminated in its current format. To continue with air quality awareness, the air quality unit visit primary schools to make learners aware of air pollution, the dangers and health effects of air pollution and how we manage air quality to protect the environment. The De Waalville Primary School was visited in Heidelberg with the MMC Community services, Cllr Hoogbaard. Grade 6 and 7 learners were introduced to air quality management and they were quite interested in the topic and the instruments used to monitor air pollution.

Fire Services

During the 2025/26 financial year, the Garden Route District Municipality Fire and Rescue Services continued providing emergency response, fire suppression, rescue services, fire prevention and specialist hazardous materials support across the district. Despite prolonged drought conditions, severe wildfires and destructive storms, the Service maintained operational readiness and responded effectively to a wide range of

emergency incidents while strengthening fire prevention, training and intergovernmental cooperation

Wildfire Response

The Service responded to numerous veld, mountain and structural fires throughout the district, particularly during the peak summer fire season. Integrated fire management, enhanced public awareness, improved weather monitoring and rapid response mechanisms contributed to reducing negligent fires and strengthening wildfire suppression across the region

Mountain Fire, Duiwenhoks Dam – Heidelberg, September 2025

Duiwenhoks Dam Fire 2, Heidelberg, October 2025

The Garden Route District Municipality Fire & Rescue Services again delivered prominently on its mandate and provided firefighting services throughout the district. The Service responded to veld, mountain and structural fires, motor vehicle and hazardous materials incidents, while also undertaking public fire safety education, building fire safety compliance inspections and supporting local municipalities with emergency water delivery and the removal of fallen trees following damaging winds.

Wildfires of significance occurred between December and April and required extensive response and mitigation. Due to the drought experienced during the previous

year, numerous fires occurred between August and November 2025, with prescribed burns in some instances escalating into uncontrolled fires. Although December 2025 experienced fewer fires than the previous season, several threatening wildfires occurred during January 2026, including a destructive wildfire in Mossel Bay and a large wildfire adjacent to the Tradouw Pass near Heidelberg. Severe storms during May and June 2026 further required emergency response following widespread flooding and damaging winds.

Despite a demanding fire season, the latter part of the financial year saw a reduction in negligent fires owing to:

- Public awareness and education interventions;
- Enhanced communication of weather alerts, including the Fire Danger Index;
- Increased rainfall;
- Oversight and monitoring of prescribed burning practices;
- Rapid response to reported fire ignitions; and
- Improved integrated fire management through multi-agency coordination.

Fire Prevention, Compliance and Aerial Firefighting

Fire compliance inspections, public education and specialised training continued throughout the reporting period, including formal incident management, veld fire and hazardous materials training.

The District Municipality's aerial firefighting tender, implemented in partnership with the South African National Parks, CapeNature, PG Bison and MTO Forestry, concluded during November 2025, with a new procurement process initiated. The continued provision of aerial firefighting resources remains essential to support rapid wildfire response and complements aerial firefighting resources provided through the Provincial Disaster Management Centre

Training and Capacity Building

The Service continued strengthening operational capacity through specialised training and skills development.

A Wildland Firefighting part qualification was rolled out between March and April 2026 to improve capacity in combating veld and mountain fires. The programme included

partner agencies such as CapeNature, SANParks and major landowners responsible for fire protection.
Three members commenced the Fire Safety Officer Development Programme presented by the Provincial Directorate: Fire Services and Disaster Management, while one member enrolled in a Disaster Management Short Course. Members also participated in an Incident Management Team simulation exercise involving a large wildfire scenario in the Keurbooms Nature Reserve and Garden Route National Park. In addition, one official completed the IFSAC Incident Command Systems – Situational Unit Leader qualification.

The Service also facilitated numerous fire safety awareness initiatives and hazardous materials training for first responders, including road maintenance agencies, traffic services and the South African Police Service.

Partnerships and Operational Readiness

The Service continued strengthening regional cooperation through Mutual Aid Agreements with all Western Cape District Municipalities, the City of Cape Town, PetroSA and the Sarah Baartman District Municipality.

A Partnership Agreement with Working on Fire further strengthened integrated fire management through fire prevention, risk reduction and wildfire mitigation activities across the district.
During the peak fire season (1 December 2025 to 31 March 2026), 30 qualified volunteer firefighters were employed to augment operational capacity. In addition, grant funding of **R500 000** enabled the procurement of a fully equipped Mobile Hazardous Materials Response Trailer, which was deployed within the Kannaland and Oudtshoorn municipal areas.

Governance and Intergovernmental Relations

The Service actively participated in several governance and intergovernmental structures supporting integrated fire management, including:

- District Chief Fire Officers Meeting;
- District Veld Fire Working Group;
- Disaster Management Advisory Forum;

- Fire Protection Association Annual General Meeting and Executive Committee;
- Provincial Chief Fire Officers Committee;
- Provincial Veld Fire Committee;
- Provincial Dangerous Goods Working Group;
- Provincial Training Working Group;
- Provincial Fire Safety Working Group; and
- Provincial Ground Crew Working Group.

The District Municipality also continued with the promulgation of the Veld, Mountain and Chemical Fire Services By-law, which is scheduled for publication during July 2026.

Recognition and Service Challenges

The Service continued to perform well in provincial fitness and skills competitions, achieving:

- Second Place – Open Men Individuals;
- Third Place – Open Men's Relay; and
- First Place – Open Men Individual (18–29 years).

The Garden Route District Municipality will again host the 2026 edition of the Toughest Firefighter Alive Competition in George.

Despite these achievements, the Service continues to experience significant staffing challenges following the loss of nine critical posts during the previous financial year due to financial constraints. With only 32 personnel serving approximately **23 331 km²**, the Service remains significantly understaffed. Sustainable funding remains essential to ensure the continued provision of effective fire and rescue services within a wildfire-prone district facing increasing climate-related risks.

Disaster Management

During the 2025/2026 financial year, the Garden Route District Municipality Disaster Management Centre (GRDM DMC) continued to coordinate integrated disaster risk management across the district, providing strategic leadership and operational support to all seven local municipalities. The Centre operated in an increasingly complex disaster risk environment characterised by severe weather events, water security

challenges, humanitarian incidents and the Foot-and-Mouth Disease outbreak, while maintaining a strong focus on disaster preparedness, coordinated emergency response, recovery and community resilience.

Operational readiness remained a key priority throughout the year. The Centre coordinated seven Joint Operations Centre (JOC) activations, comprising five low-level and two high-level activations, in response to major incidents across the district. In total, seven major incidents were coordinated, while the 24-hour Emergency Call Centre managed 203 068 emergency calls, ensuring the timely mobilisation of emergency services and effective coordination between municipal, provincial and emergency response agencies.

A proactive approach to disaster risk reduction remained central to the Centre's operations. During the year, 105 impact-based weather warnings issued by the South African Weather Service were disseminated to municipalities, stakeholders and communities to support early preparedness and response. These included alerts relating to 25 disruptive wave events, 23 veld fire danger warnings, 20 damaging wind events, 19 extreme heat advisories, eight damaging rainfall events and five severe thunderstorm warnings, enabling municipalities to implement preventative measures and minimise potential impacts.

The Centre further invested in building resilient communities through extensive awareness and capacity-building initiatives. During the reporting period, 23 district-wide community awareness campaigns were presented, reaching 9 educational institutions and 9 469 learners across the Garden Route. In addition, nine accredited First Aid

Disaster Management Officials, Fire and Rescue Services, Knysna Fire and Rescue and Asifikelani Community Action Group in Smutsville with Smoke Alarms.

Level 3 training courses were conducted, equipping 184 participants with life-saving skills to strengthen local disaster response capacity. As part of the ongoing Disaster Risk Reduction Programme, 1 400 smoke alarms were installed within high-risk informal settlements to reduce the incidence and impact of residential fires.

The Disaster Management Centre continued to support municipalities through ongoing disaster risk assessments, contingency planning, humanitarian assistance, damage assessments and recovery planning, while strengthening intergovernmental collaboration with provincial and national stakeholders. The Centre's performance and commitment to continuous improvement were recognised through the National Disaster Management Centre's Monitoring and Evaluation Assessment, where it achieved an overall score of 9 out of 10, placing the Garden Route District Municipality Disaster Management Centre within the Competent performance category.

Through integrated planning, proactive disaster risk reduction and effective multi-agency coordination, the Disaster Management Centre continued to enhance the resilience of communities, protect lives and critical infrastructure, and strengthen the district's ability to prepare for, respond to and recover from disasters.

Disaster Management Officials at the Career Expo in Hoekwil

Officials from Disaster Management, Roads and Environmental Health at the George Agricultural Festival

Disaster Management awareness campaign at Schools

1.4.1.3 ROADS SERVICES

We service an area of approximately 23 000 square km, with areas divided into 15 wards that are serviced by 16 maintenance grader operators.

The total kilometres of roads maintained within the Garden Route District amounts to over 6000 kilometres. Gravelled divisional roads account for 44.32 % of all gravelled roads in the District, making it the largest proportion of all gravelled roads.

Services	Objective
Technical Services	To manage infrastructure (capital) and maintenance projects by ensuring that all projects comply with relevant standards and Acts.
Administrative Support Services	Renders an administrative support function to the department
Financial Support Services	Compiles the department's budget and is responsible for financial control
Maintenance, Construction and Mechanical Services	Is responsible for the maintenance of the Provincial roads in the district that includes re-gravel, reseal and upgrading of roads.

GRDM Roads Services Department is known for delivering excellent service. The District has yellow fleet valued at R486 851 508 which is the largest in the Western Cape.

The upgrade of the Gwaiing road, DR1618, consist of upgrading 4.44km of gravel road to permanent surface was completed during the 2025/2026 financial year.

EPWP appointments

The Roads Department has also appointed 74 EPWP workers in 2025/26 financial year.

Integrated Transport Planning

The Integrated Transport Plan services for the Garden Route District Municipality were conducted for a period of two financial years 2024/2025 (R 939 000.00) – 2025/2026 (R 510 331.66) to accumulate the full project scope and contract value of R 1 499 331.66; Including the addition services that amounted to R115 536.66 and extension period of one month ending 30 November 2025.

The primary objective was to gather current data on public transport operations to inform the TR and provide a clear OLP to guide the awarding of operating licenses, in compliance with the National Land Transport Act (NLTA) Act 5 of 2009 and the "Minimum Requirements for the Preparation of Integrated Transport Plans, 2016."

The project successfully delivered update of the TRs and OLPs for the LM's under the GRDM excluding George LM. Key findings indicate stable passenger demand, with passenger volumes not having increased drastically since the previous review in 2020, demonstrating a stable public transport system. The minibus-taxi remains the dominant mode of transport across the district.

However, the project identified significant challenges, including the poor condition and overutilization of formal ranks and the extensive reliance on informal facilities. A critical finding is the high rate of unregistered operators, ranging from 25% for Oudtshoorn, 30% for Knysna, 49% for Kannaland, 58% for Hessequa, 65% for Mossel Bay, and 67% for Bitou, which undermines the regulatory framework. The OLP recommends against issuing new operating licenses, instead focusing on the legalization of unregistered operators and reallocating vehicles from oversupplied routes to those operating at capacity.

Road Asset Management Plan (RAMP)

The RAMP serves as a strategic and financial framework to guide the management of municipal roads infrastructure across its seven constituent local municipalities. Developed in compliance with the Roads Infrastructure Strategic Framework of South Africa (RISFSA), Division of Revenue Act (DORA) and funded by Rural Roads Asset Management Systems Grant and leverages available systems for making data driven infrastructure investments.

As per the latest RRAMS data collected during the 2025/2026 financial year. The GRDM consists of a diverse transport and structural network across local municipality boundaries, totaling 2097 km of municipal roads (1 882.3 km of Paved Roads Networks, 214.7 km of Unpaved Roads Networks), 75 no. of Structures (bridges & major culverts), 317 no. of Traffic Counting Stations and surveys of Ancillary Assets within the 2097 km road networks.

Visual conditions assessments conducted in accordance with the South African Technical Methods for Highways 9 (TMH 9) standards reveal divergent health trends across asset classes. The Paved road networks (GOOD) are generally well preserved, with 48% in very good condition, 31% in good condition and only 3.2% slip into Poor - Very Poor

Condition. Unpaved road networks (Severe stress) are about 53% of Poor to Very Poor condition due to material loss and degraded riding surfaces. Bridges remain in highly stable condition at 77% Good to Very Good. Only 21% of major culverts are highly distressed and require immediate target repairs.

1.4.1.4 FINANCIAL & CORPORATE SERVICES

The Financial and Corporate Services Directorate is responsible for providing strategic financial, corporate and administrative support services that enable the Garden Route District Municipality (GRDM) to achieve its strategic objectives. The Directorate promotes sound financial governance, responsible resource management, legislative compliance and effective corporate support services to ensure the efficient functioning of the Municipality.

The Directorate comprises the following sections:

Services	Objective
Supply Chain Management, Stores and Data	Ensures effective demand, acquisition, logistics, asset disposal and contract management processes in compliance with the Municipal Finance Management Act (MFMA), Supply Chain Management Regulations and Council's Supply Chain Management Policy.
Income, Expenditure, Bank Reconciliations and Remuneration	Manages municipal income, expenditure, payroll administration, bank reconciliations, creditor payments and financial transaction processing to ensure sound financial management and compliance with applicable legislation.
Budget and Treasury Office / AFS unit	Ensure effective and efficient budgeting, forecasting and utilisation of municipal

Services	Objective
	resources in order to achieve the objectives of the municipality Manage the timely preparation, submission and publication of statutory reports to adhere to national, provincial and institutional legislation, regulations, by-laws, instructions and financial standards and generally accepted financial practice (GRAP) in order to ensure a professional and efficient financial management service.
Assets	Maintain complete and accurate records of Council assets through processes of annual physical verification, GRAP and mSCOA accounting requirements.
Human Resources	Responsible for effectively managing and utilising the organization's human capital to achieve both individual and organizational goals. To ensure legal compliance, Confidentiality, Professionalism, and fair and transparent processes. This involves attracting, recruiting, developing, and retaining a motivated and skilled workforce through Sound Employee Relations, Recruitment and Selection, Occupational health. Ensure implementation of the Human Resource functions across all Departments of the Garden Route District municipality.

Services	Objective
Information/Communication and Technology	The ICT Section provide strategic, advisory, development and support services to maintain and control information systems, communication network and technology resources for the Municipality ensuring the compliance, availability, continuity and security of the Municipality's data and Technology infrastructure.
Archives/Records & Auxiliary Services	Responsible for the efficient and systematic control of the creation, receipt, maintenance, use and disposition of records, including processes for capturing and maintaining information of the municipality in the form of information. This section is also responsible for fleet management, cleaning services, switchboard systems and operating services, access control, messenger services and reprographic services.

During the 2025/2026 financial year, the Directorate continued to strengthen financial governance, improve operational efficiency and provide integrated corporate support services to all municipal departments.

The ***Financial Services*** component continued to ensure prudent financial management through sound budgeting, financial reporting, revenue and expenditure management, supply chain management and asset management practices. Statutory financial reports were prepared and submitted within the prescribed legislative timeframes, while financial controls were continuously strengthened to promote accountability, transparency and long-term financial sustainability.

The ***Information and Communication Technology Section*** continued to implement the Municipality's Digital Transformation Strategy by maintaining secure and reliable ICT infrastructure, enhancing cyber security controls, supporting the Municipality's Geographic Information Systems (GIS) and Business Intelligence (BI) platforms, and providing ongoing technical support to departments and political office bearers. ICT governance policies were reviewed where required to ensure continued compliance with applicable legislation and good governance principles.

The ***Human Resources Section*** continued to provide strategic support through effective recruitment and selection processes, employee relations, organisational development, occupational health and wellness initiatives, skills development and performance management. Human resource policies and practices were maintained and reviewed where necessary to ensure continued alignment with applicable labour legislation and the Local Government: Municipal Staff Regulations.

The ***Archives, Records and Auxiliary Services Section*** continued to ensure the effective management of municipal records and information, while providing essential support services including fleet administration, access control, switchboard operations, messenger services, cleaning services and reprographic services. These functions contributed to the efficient daily operation of the Municipality and supported service delivery across all departments.
The Financial and Corporate Services Directorate remains committed to continuous improvement, sound governance, financial sustainability, digital innovation and the provision of responsive corporate support services that enable the Garden Route District Municipality to deliver on its constitutional and strategic mandate.

1.4.1.5 INTEGRATED PLANNING AND ECONOMIC DEVELOPMENT SERVICES

The Planning and Economic Development Services Department's objective is to create an enabling environment to grow the district economy by attracting investments that will lead to job creation and a high quality of life for all in the Garden Route District. Furthermore, the Garden Route District is renowned as the Tourism Hub of South

Africa due to its scenic environment; the Tourism sector is one of the key drivers for the District Gross Domestic Product (GDP). The department is further entrusted with the responsibility of driving and implementing a wide range of catalytic projects, in respect of infrastructure development, also develop, manage and maintain a strategic asset portfolio on behalf of Garden Route District Municipal Council with the aim to derive maximum value for the Council's assets for maximum return on investment. The Department aims to achieve the aforementioned through its functions as listed below:

Services	Objective
District Economic Development and Tourism	The District Economic Development (DED) Section of the Municipality facilitates constructive interaction between business chambers, local authorities and other key stakeholders that could influence the business environment of the Garden Route.
District Integrated Development Planning, Intergovernmental Relations and Public Participation	To develop an Integrated Development Plan (IDP) for the Garden Route district through the effective coordination of Intergovernmental Relations and Public Participation.
Projects, Properties, Facilities & Resort Management	Responsible for the planning, coordination and implementation of relevant approved projects assigned to the PMU as identified in the Growth and Development Strategy of Garden Route District Municipality; Responsible for the development, management and review of the Regional Spatial Development Framework. Managing and maintaining all the properties of the Garden Route District Municipality
Expanded Public Works Programme and Rural Development	The Expanded Public Works Programme (EPWP) is a nationwide short and medium-term government initiative aimed at alleviating poverty by utilising public sector budgets to draw significant numbers of

Services	Objective
	the unemployed into productive work whilst enabling these workers to gain skills while they work.
GRDM Integrated Human Settlements – New Strategic IHS Plan and HSSP	The function was withdrawn by the Provincial Department of Infrastructure with effect from 31 March 2026. The Department has since been discontinued. As per council resolution G.2 of 31 March 2026.
Performance Management	Develop, Implement and maintain an effective performance management system throughout the institution
Policy Research & Individual Performance	Individual performance management is to create a performance driven culture and to enhance employees performance and align it with organisational goals. This involves setting clear expectations, providing regular feedback, fostering development, and ultimately driving individual and organizational success.

Projects, Properties, Facilities & Resort Management

Human Settlements

The Garden Route District Municipality (GRDM) established the Human Settlements Unit in 2021 through a Memorandum of Agreement with the then Western Cape Department of Human Settlements WC(DoHS), now referred to as the Western Cape Department of Infrastructure (WCDoI) to strengthen the delivery of affordable housing programmes.

The HS Unit supported the 7B Municipalities and developed key strategic documents such as the Integrated Human Settlements Strategic Plan, Human Settlements Sector Plan, Accreditation Business Plan, Incentives Policy Framework, and a district housing demand database. Partnerships were enabled with a Social Housing Regulatory

Authority (SHRA) accredited Social Housing partner to advance social housing projects and secure land for pilot developments across the district.

The Unit was funded through annual provincial grants, with the allocation of R1 500 000.00 for the 2025/26 Financial Year (FY) being the last one. The Unit was formally closed at the end of March 2026. Strategic documents such as the Human Settlements Sector Plan and the Incentives Policy Framework were handed over to the WC Department of Infrastructure for continued implementation, while the Spatial Development Framework will remain with the district municipality.

Fresh Produce Market

The GRDM believes that a Fresh Produce Market would create a vibrant, accessible space for producers to bring their produce and undertake a successful trade. The FPM could, therefore become the nucleus from which to support producers and assist in the transformation of the local agro-based value chain. It can also serve to reduce losses and create greater efficiencies, thereby creating a competitive advantage for participating farmers to produce over time, for established FPMs all over the country and abroad. While the Garden Route District has to date a number of private markets, the advantage of a municipal backed market is that it will have the advantage of scale, be managed on a strict commercial basis, and serve the developmental goals of GRDM.

GRDM funded the feasibility study and business plan for the establishment of the fresh produce market. Delays in implementation of this project are due to challenges in obtaining suitable land to start the fresh produce market. Discussions took place with the George Municipality to try and exchange land, the Herolds bay caravan park for a suitable piece of land to start the fresh produce market.

Project Renewable Energy Projects (Gas to Energy)

During the Council meeting held on 25 October 2023, a report was tabled seeking permission to lease the remaining portion of Farm 419, Mossel Bay (35,4Ha) for a period of 25 years. The applicant, Gourikwa Power Development (Pty) Ltd, proposed developing a 1.2-megawatt gas-to-energy power plant on the site. Council resolved to grant the Municipal Manager permission to enter into negotiations for a long-term lease agreement with Gourikwa Power Development (Pty) Ltd to be concluded.

Following the adoption of the aforementioned resolution, the administration proceeded to negotiate with Gourikwa Power Development (Pty) Ltd in accordance with item 1 of the resolution.

As part of the public participation process, a notice was published in a newspaper to advertise the proposed long-term lease. The advertisement appeared in *Die Burger* on 16 November 2023, with a submission closing date of 05 February 2024.
Under the Municipal Asset Transfer Regulations, an information statement must form part of the notice. The abovementioned notice did not include the required information statement. Consequently, a second notice was published in *Die Burger*, with a closing date of 06 February 2026, in order to conclude the public participation process. The notice was also submitted to the National and Provincial Treasuries and to COGTA to solicit their comments.
National Treasury responded to the correspondence requesting additional information, whereafter the requested information was duly provided for further consideration.

Water Services Authority / Bulk Water Supply

Following a resolution taken on the council meeting dated 01/10/2018, engagements were held between GRDM, MISA and the Department of Cooperative Governance to centralise the water services function at a district level, the municipality's concerns regarding increasing water demand, supply constraints, and inequalities in water access across the district is what triggered the resolution and these engagements. The DG of the Department of cooperative governance advised on the letter dated 18 March 2022 that the transfer process is legally and operationally complex, requiring detailed assessments of governance, institutional, financial, and operational implications, including the transfer of staff, assets, liabilities, and by-laws. And therefore requested GRDM to submit a comprehensive impact assessment report before a final determination could be made. An initial MISA engagement agreed for procurement of funding support through the process of getting GRDM as an authorized Water Services Authority (WSA) including the Bulk Water Supply master plan on a letter that is dated 27 July 2018.

Subsequently, in a letter dated 03 May 2024, GRDM again approached MISA to request funding support for the required assessment process, estimated at approximately R2 000 000.00 (Two Million Rand); however, the funding application was not approved. In addition, several B municipalities, namely George, Mossel Bay, and Knysna Municipalities, did not support the proposed initiative.

Kleinkrantz Development

The Council mandated the Department of Integrated Planning and Economic Development to secure a development partner for the underutilised Kleinkrantz property (Erf 1297, Wilderness), which was costing the municipality over R400,000 annually without generating revenue. A long-term lease model was approved to unlock the site's financial and socio-economic potential.

Following a competitive tender, Waterleaf Properties (Pty) Ltd was appointed and a lease agreement was concluded in July 2021, later amended to include a three-year rental holiday to enable statutory approvals. Waterleaf appointed Leap Enviro to manage the Environmental Impact Assessment process; however, in September 2025, the Department of Forestry, Fisheries and the Environment declined environmental authorisation for the proposed D'Krantz Estate development.

Following the receipt of the decision from the Department of Forestry, Fisheries and the Environment (DFFE), rejecting the proposed D'Krantz Estate development, a report was submitted to Council recommending the termination of the long-term lease agreement between GRDM and Waterleaf Properties (Pty) Ltd. Council subsequently approved the termination through Council Resolution G.2, dated 30 September 2025. The lease agreement has since been terminated.

Spatial Development Framework

In terms of Section 26(e) of the Municipal Systems Act and Sections 12 and 20 of SPLUMA, all municipalities are required to prepare and adopt a Spatial Development Framework (SDF) to guide spatial planning, land use management, infrastructure investment, and sustainable development. In fulfilling this mandate, the Garden Route District Municipality (GRDM) undertook a review of its SDF to ensure alignment with national and provincial policies, neighbouring municipalities, growth trends,

infrastructure planning, and district development priorities. Funding was secured from the Department of Agriculture, Land Reform and Rural Development, and Plan Associates Consultancy was appointed in November 2024 to complete the amendment over a 12-month period. The GRDM Spatial Development Framework was adopted as a core component of the Integrated Development Plan at a Council meeting that was held on 27 May 2026.

Integrated Development Planning, Intergovernmental Relations & Public Participation

The Integrated Development Planning, Intergovernmental Relations and Public Participation Unit continued to coordinate strategic planning, strengthen cooperative governance and facilitate meaningful public participation during the 2025/2026 financial year. The Unit played a central role in coordinating the annual review of the Integrated Development Plan (IDP), facilitating intergovernmental engagement and promoting alignment between the Garden Route District Municipality, the seven local municipalities, provincial and national government departments and other strategic stakeholders.

To broaden public participation and improve accessibility, the Municipality adopted alternative engagement platforms during the reporting period. In collaboration with the Government Communication and Information System (GCIS), the Municipality participated in the **Local Government Thursdays** radio programme, where dedicated slots were utilised to communicate municipal priorities, catalytic projects and key service delivery initiatives. The Municipality also used local radio platforms to engage communities on the Draft Integrated Development Plan (IDP) and the Annual Report, providing residents with the opportunity to access information and participate in municipal processes through a widely accessible communication medium.

Community Engagement: District IDP Manager Attending a Ward Committee Meeting in Haarlem

Executive Mayor and District IDP Manager Discuss the District Annual Report on Eden FM

The Unit also continued to coordinate intergovernmental forums and planning processes that promote integrated planning, cooperative governance and alignment of municipal development priorities across the district. These engagements strengthened collaboration between all spheres of government and supported informed decision-making to advance sustainable service delivery and regional development.

The Municipality remains committed to promoting transparent governance, inclusive public participation and integrated planning processes that ensure communities and stakeholders continue to play an active role in shaping the future development of the

Garden Route District.

Quarterly District IDP & Public Particiaption Managers Forum

Stakeholder Engagement: Oudtshoorn Muncipality

IDP Managers' Planning and Alignment Discussion

Individual Performance Management System

During the 2025/2026 financial year, Garden Route District Municipality continued implementing the Individual Performance Management System (IPMS) to strengthen employee performance, accountability and compliance with the Municipal Staff Regulations (Regulation 890).

The IGNITE Performance Management System was used to develop and manage electronic performance agreements and scorecards, aligning individual performance with approved job descriptions, organisational objectives and the Service Delivery and Budget Implementation Plan (SDBIP).

The following departments successfully activated employee performance plans for the 2025/2026 financial year:

Department	Activated Performance Plans
Office of the Municipal Manager	13
Financial and Corporate Services	44
Integrated Planning and Economic Development	8
Community Services	55
Total Activated Performance Plans	**120**

The activated plans included Key Performance Areas, Key Performance Indicators and behavioural competencies aligned with the applicable competency framework. The implementation of IPMS remains ongoing as the Municipality works towards full compliance with Regulation 890.

Strengthening Performance Governance

The Municipality strengthened the governance framework supporting IPMS through the review and approval of the Organisational and Individual Performance Management System Policy Framework. Draft policies on Portfolios of Evidence, Moderation, and Rewards and Recognition were also developed.

Training was provided to managers, supervisors, employees and Moderation Committees on performance scorecards, monitoring, evidence management, self-assessments, corrective actions and moderation. These interventions supported more consistent, transparent and evidence-based performance management.

Challenges

The Municipality remains partially compliant with Regulation 890, with further work required to achieve full organisational compliance. Budget constraints and delays in policy workshops affected the implementation and approval of some initiatives.

No performance plans were activated for the Roads Department following the decision to transfer the Roads function to the Department of Infrastructure.

District Economic Development, Tourism And Expanded Public Works Programme (EPWP)

The District Economic Development, Tourism and Expanded Public Works Programme (EPWP) Unit is responsible for facilitating sustainable economic growth, investment promotion, tourism development, employment creation and regional collaboration across the Garden Route District. The Unit plays a strategic coordination role by working with all seven local municipalities, provincial and national government departments, state-owned entities, the private sector and other strategic partners to strengthen regional competitiveness, stimulate inclusive economic development and improve livelihoods.

During the 2025/2026 financial year, the Unit continued to drive the implementation of the Garden Route Growth and Development Strategy (GDS) through strategic partnerships and catalytic projects that support the Province's Growth for Jobs (G4J) Strategy and the Garden Route District Municipality's developmental objectives. Particular focus was placed on strengthening investment readiness, supporting small businesses, promoting sustainable tourism, advancing agricultural development, expanding international partnerships and creating work opportunities through the Expanded Public Works Programme (EPWP).

The Unit also continued to coordinate intergovernmental planning and implementation through the Joint Metro and District Approach (JDMA), enabling collaborative planning, funding and implementation of strategic regional projects in partnership with provincial and national departments

Garden Route Growth and Development Strategy Implementation

The Garden Route Growth and Development Strategy (GDS), adopted by Council in March 2021 together with the Garden Route Economic Recovery Plan, provides the strategic framework for promoting sustainable economic growth, investment and regional development across the Garden Route District. The GDS Implementation Plan, approved by Council in February 2023, is implemented through a collaborative approach involving the Garden Route District Municipality, local municipalities, provincial and national government departments, state-owned entities, the private sector and other strategic partners.

During the 2025/2026 financial year, implementation continued through strategic clusters established for each of the seven GDS priority areas. These clusters coordinate the planning and implementation of catalytic projects while promoting integrated planning, partnership development and resource mobilisation. Although progress was made across several strategic initiatives, the implementation of some projects was affected by funding constraints, project processes and limited implementation capacity.

PROGRESS ON STRATEGIC PRIORITY AREAS

<u>Water Secure Future</u>

The development of the Bulk Water Master Plan was temporarily placed on hold to align with the National Water Resilience Programme and avoid duplication of data collection. The Municipality continued engagements with the Department of Cooperative Governance and Traditional Affairs (COGTA) regarding potential support for becoming a Water Services Authority.

Circular Economy

Progress continued on the Regional Waste Management Facility, with the project remaining on schedule and achieving planned implementation milestones.

Resilient Agriculture

Significant progress was made on the Honeybush Agro-processing Project, with the first phase of the processing retort completed through funding received via the Joint Metro and District Approach (JDMA). Additional funding was secured from the Western Cape Department of Agriculture for the next phase, which includes the construction of a dedicated processing facility. While tender processes highlighted funding shortfalls that delayed implementation, the project remains a strategic intervention to strengthen the honeybush value chain, create employment opportunities and support regional economic growth.

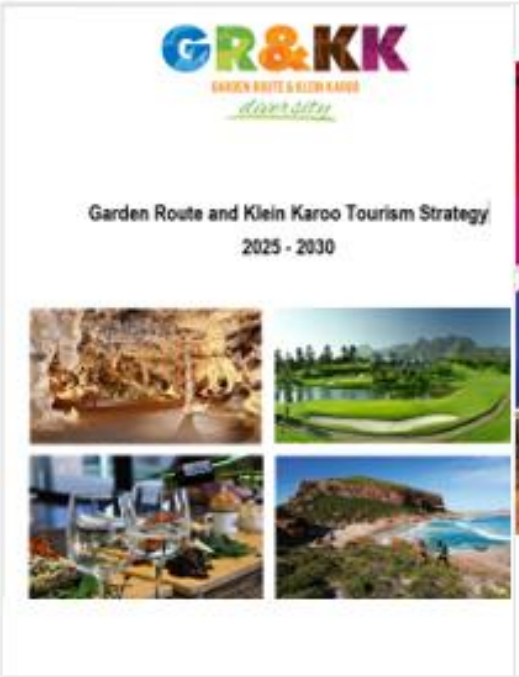
The Agricultural Development Master Plan for the Garden Route District was also completed during the reporting period, providing a strategic framework for future agricultural investment and infrastructure development.

Sustainable Local Energy Transition

The Master Plan for the Just Energy Transition was completed. The Municipality also continued exploring green mobility initiatives, including electric vehicle charging infrastructure, while engaging potential international partners to support renewable energy and technology development.

Sustainable Tourism

The Garden Route and Klein Karoo Tourism Strategy was reviewed and approved to strengthen destination marketing, tourism development and investment attraction. Industry workshops were hosted in partnership with the National Department of Tourism to strengthen collaboration and support the regional tourism sector.



Supporting Well-being and Resilience

Implementation of the Garden Route Skills Mecca initiative continued, expanding opportunities for skills development across the district. The review of the Municipal Spatial Development Framework was also completed during the reporting period.

Connected Economy

The Municipality continued initiatives aimed at supporting digital transformation and developing the regional information technology sector. Planned expansion of George Airport by Airports Company South Africa (ACSA) is expected to stimulate investment and generate economic opportunities across the region.

Implementation of the GDS continues to be supported through the Joint Metro and District Approach (JDMA), where provincial and national government departments collaborate with municipalities to coordinate planning, funding and implementation of catalytic regional projects. This collaborative approach remains essential in advancing the strategic priorities of the Garden Route Growth and Development Strategy and supporting sustainable regional development.

Garden Route SMME Support and Development Programme

The Garden Route SMME Support and Development Programme continued to provide targeted support to small, medium and micro enterprises (SMMEs) across the district to stimulate entrepreneurship, business growth and employment creation.

During the 2025/2026 financial year, Council allocated **R375 777,17** to the programme to support qualifying SMMEs through the provision of equipment and materials. An open call for applications was advertised on the Municipality's social media platforms, attracting just under **100 applications**, reflecting the growing demand for business development support.

The application screening and verification process was facilitated by the Small Enterprise Development and Finance Agency (SEDFA), while an adjudication committee comprising representatives from the district's Local Economic Development (LED) Managers, CASIDRA, SEDFA and the Western Cape Economic Development Partnership (WCEDP) evaluated shortlisted applications and made recommendations for approval.

A total of **15 SMMEs** from across the Garden Route District received equipment and materials to strengthen their business operations, improve productivity and support future employment creation.

Garden Route Honeybush Agro-processing Support Project

The Honeybush Agro-processing Support Project remains a strategic initiative aimed at strengthening the regional honeybush value chain, improving processing capacity and supporting economic growth within the agricultural sector.

The project is being implemented through a partnership between the Garden Route District Municipality, the Western Cape Department of Local Government and the Western Cape Department of Agriculture. During the reporting period, the first phase of the project, comprising the design and manufacture of the honeybush processing retort, was successfully completed through **R2 million** in funding received via the Joint Metro and District Approach (JDMA). Additional processing equipment was also procured as part of this phase.

The processing retort will improve the efficiency and quality of honeybush production by streamlining the extraction and fermentation process, reducing waste and supporting sustainable production practices. A project demonstration was held during the reporting period with representatives from the Western Cape Departments of Local Government and Agriculture, the Agriculture Research Council and the Garden Route District Municipality to showcase the completed first phase and the project's strategic importance.

To advance the next phase of implementation, the project secured an additional **R2 million** in funding from the Western Cape Department of Agriculture. This funding will be utilised to construct a dedicated processing facility to house the honeybush retort, providing the infrastructure required to support increased production capacity and maintain product quality.

Once completed, the facility will benefit small-scale honeybush producers across the district, strengthen the regional agricultural value chain, promote rural economic development and contribute to sustainable employment creation within the Garden Route.

Western Cape Investment Summit 2025

The Garden Route District Municipality participated in the inaugural **Western Cape Investment Summit**, hosted by the Western Cape Government under the theme **"Catalysing Growth, Connecting Opportunities."** The Summit provided a strategic platform to advance the Province's **Growth for Jobs (G4J)** Strategy by promoting investment, strengthening partnerships and positioning regions to attract sustainable economic development.

The Municipality was represented by officials from the District Economic Development and Tourism Unit, together with representatives from George, Hessequa and Mossel

Bay Municipalities. Participation in the Summit provided an opportunity to showcase regional investment opportunities, strengthen intergovernmental collaboration and position the Garden Route as an attractive destination for future investment.

Agricultural Development Plan for the Garden Route District

The Garden Route District Municipality, in partnership with the Western Cape Department of Agriculture, continued the development of the Agricultural Development Plan for the Garden Route District to provide a strategic framework for sustainable agricultural growth and investment.

During the reporting period, a comprehensive situational analysis of the regional agricultural sector was completed, assessing agricultural commodities, infrastructure requirements, water availability, climate considerations and sector opportunities. A validation workshop was subsequently held to confirm priority interventions and ensure that the Plan responds to the needs and opportunities of the agricultural sector.

The Agricultural Development Plan was completed during the 2025/2026 financial year and will serve as a strategic guide for future agricultural development, investment and infrastructure planning across the district.

Garden Route Investment Readiness Programme

The Garden Route District Municipality, in partnership with the Western Cape Department of Economic Development and Tourism (DEDAT), hosted the Garden Route Investment Readiness Capacity Building Workshop for all seven local municipalities within the district.

The programme aimed to strengthen the investment readiness of municipalities by identifying institutional gaps, promoting investment-friendly practices and improving the ease of

doing business across the region. Key outcomes included the development of an updated regional Investment Prospectus, the review of municipal policies supporting investment and the preparation of an Investment Readiness Guide to assist municipalities in attracting and retaining investment.

The initiative further strengthened intergovernmental collaboration and enhanced the Municipality's efforts to position the Garden Route as a competitive and investment-ready region.

Tacoma Sister Cities Agreement

During the 2025/2026 financial year, the Garden Route District Municipality formalised a **Sister Cities Agreement** with the City of Tacoma, USA, marking an important milestone in the Municipality's international relations and economic development initiatives.

The agreement was concluded following a strategic engagement with representatives of the Tacoma Sister Cities Network and establishes a framework for long-term collaboration in socio-economic development, tourism, trade, education, cultural exchange and knowledge sharing. The partnership also provides opportunities to strengthen cooperation in maritime development, port relations and the Garden Route Skills Mecca initiative.

As part of the engagement programme, strategic discussions were held with municipal leadership, Local Economic Development practitioners, tourism organisations, educational institutions and business stakeholders to identify opportunities for

collaboration and investment. Engagements also included discussions with Mossel Bay Municipality and the Port of Mossel Bay on strengthening economic and maritime partnerships, as well as meetings with representatives in Oudtshoorn to explore trade and business development opportunities.

The Sister Cities Agreement supports the Municipality's strategic objectives by:

- Strengthening international cooperation and strategic partnerships.
- Promoting trade, investment and economic development.
- Enhancing tourism promotion and international destination marketing.
- Supporting educational, cultural and skills development exchanges.
- Positioning the Garden Route District as a globally connected and investment-ready region.

Tourism Development and Destination Marketing

The Garden Route & Klein Karoo Regional Tourism Office continued to promote the region as a premier tourism destination through strategic destination marketing, stakeholder collaboration and industry development initiatives. During the 2025/2026 financial year, emphasis was placed on strengthening regional partnerships, increasing market exposure, supporting tourism businesses and enhancing the competitiveness of the Garden Route and Klein Karoo as a preferred domestic and international tourism destination.

Regional Tourism Promotion

The Regional Tourism Office continued to coordinate annual Welcome Campaigns across the district during the festive season to promote the Garden Route as a safe and welcoming destination. Campaigns were implemented in partnership with local tourism organisations at key entry points to the region, creating awareness of tourism attractions, responsible tourism and visitor safety while enhancing the visitor experience.

The Municipality also coordinated regional participation at World Travel Market Africa 2026, where the Garden Route and Klein Karoo were showcased through a unified regional platform. Twenty participants, representing six Local Tourism Organisations and fourteen tourism products, promoted the region to domestic and international

buyers, tour operators and travel media. Six participating tourism businesses received SEDFA support, further strengthening market access opportunities for emerging enterprises.

Participation in Africa's Travel Indaba 2026 further enhanced the region's visibility by facilitating engagements with international tour operators, travel agencies and destination marketing organisations. The exhibition created opportunities to promote existing tourism products, attract new markets and strengthen relationships with key tourism stakeholders.

Mayoral Welcome Campaign 2025

World Travel Market Africa 2026

Africa's Travel Indaba 2026

Tourism Partnerships and Industry Development

The Municipality continued to strengthen collaboration across the tourism sector through a range of strategic initiatives.

A Tourism Month Interface brought together all seven local municipalities, tourism organisations and industry stakeholders to align regional tourism priorities and identify collaborative initiatives that support sustainable tourism development. An action plan was developed to guide future regional marketing and tourism development initiatives.

The Garden Route & Klein Karoo Tourism Industry Workshops provided a platform for tourism businesses, municipalities and national tourism organisations to engage on destination marketing, tourism funding opportunities, grading, industry support programmes and collaborative solutions to sector challenges.

The Municipality also continued to coordinate the Local Tourism Organisations Forum, strengthening collaboration between local tourism offices and facilitat-

Tourism Month Interface 2025

GR&KK Tourism Industry Workshops 2026

ing regional planning, coordination and information sharing across the district.

GR&KK Tourism Industry Workshops 2026

Local Tourism Organisations forum

Strategic Tourism Initiatives

The Home of Golf Africa initiative continued to position the Garden Route as one of Africa's leading golf tourism destinations through strategic collaboration between regional tourism organisations and internationally recognised golf courses. The initiative promotes the region through coordinated destination marketing and shared investment while attracting international visitors to the Garden Route.

During the reporting period, the Municipality also hosted a Western Cape Provincial Parliament oversight visit, providing an opportunity to showcase the region's tourism strategy, marketing initiatives, partnerships and future growth opportunities while demonstrating alignment with provincial tourism priorities.

Western Cape Provincial Parliament Oversight Visit 2026

Home Of Golf Africa

Tourism Performance

Tourism performance during the 2025/2026 reporting period reflected continued growth and recovery within the sector.

Nationally, international tourist arrivals exceeded pre-pandemic levels, while the Western Cape recorded record passenger movements through Cape Town International Airport. Within the Garden Route and Klein Karoo, the tourism sector continued to perform strongly, supported by high visitor satisfaction levels, healthy accommodation occupancy rates and growth in passenger numbers through George Airport. These positive trends demonstrate the effectiveness of ongoing destination marketing, stakeholder collaboration and regional tourism promotion initiatives undertaken by the Municipality and its tourism partners.

Expanded Public Works Programme

The Garden Route District Municipality (GRDM) continued to strengthen the implementation of the Expanded Public Works Programme (EPWP) during the 2025/2026 financial year as a key intervention to create employment opportunities, develop skills and improve the employability of unemployed residents across the district.
The Municipality signed the EPWP Integrated Grant Agreement with the National Department of Public Works and Infrastructure on 30 June 2025 and successfully secured incentive grant funding in accordance with the Division of Revenue Act. The grant allocation was fully utilised to implement EPWP projects and create work opportunities throughout the district.

As part of Council's commitment to institutionalising the EPWP, the Municipality initiated a review of the EPWP Policy through the relevant governance structures, including the Internal Steering Committee, District Municipal Forum and Provincial Steering Committee. Executive Managers' Key Performance Indicators (KPIs) were also aligned to EPWP objectives, strengthening organisational accountability and contributing to the successful achievement of programme targets.

The GRDM has expanded its exciting Skills Development Programme to Knysna, bringing new opportunities to unemployed individuals that some were taken from the EPWP database.

Skills Development and Partnerships

The Municipality continued to prioritise skills development as a key component of the EPWP by providing accredited training opportunities that enhance participants' readiness for the labour market. During the reporting period, 58 training opportunities were provided through project-based training initiatives implemented in terms of the EPWP Protocol Agreement.

Strategic partnerships with organisations such as Milzet/Arzasys, the Department of Employment and Labour (UIF), Africa Skills George Tech, the Francois Ferreira Academy and BIGHEARTS further strengthened employment pathways and skills development opportunities for programme participants. Approximately 300 young people attended a regional skills development and employment engagement coordinated by the

Municipality, providing access to career guidance, training opportunities and employment support services.

The Municipality also continued implementing its EPWP Exit Strategy by supporting participants to transition into permanent employment through competitive recruitment processes. Partnerships with private sector organisations further expanded placement opportunities for programme beneficiaries.

This event attracted approximately 300 young people who took advantage of the opportunity to engage directly with the stakeholders, including Africa Skills George Tech, EPWP and Francios Ferreira Academy

Programme Performance

The EPWP exceeded its annual performance targets during the 2025/2026 financial year through grant and municipal funding.

Key achievements included:

- Creation of 255 work opportunities, exceeding the Municipality's annual target.
- Full utilisation of the EPWP Incentive Grant allocation.
- Provision of 58 accredited training opportunities to programme participants.
- Continued implementation of the EPWP Exit Strategy to improve participants' long-term employability.
- Placement of BIGHEARTS participants with host employers across the region.

- Ongoing technical support and capacity building provided to local municipalities to strengthen the implementation of EPWP projects.
- Continued collaboration through the EPWP District Forum, Provincial Steering Committee and National and Provincial Departments of Public Works to improve programme implementation across the district.

The Mayor of the Garden Route District Municipality, Ald. Marias Kruger as well as Executive Manager of Integrated Planning and Economic Development, Mr. Lusanda Menze, handed over Expanded Public Works Programme (EPWP) related certificates to a few of the participants who represented an entire group of 255 participants.

1.5 FINANCIAL HEALTH OVERVIEW (BASED ON DRAFT AFS AT AT 14 AUGUST 2026)

Refer to Section 3 of the Annual Report for the highlights and challenges of the finance department as contained in the annual performance report. Included in grants is the Department of Infrastructure (DOI) Roads agency transfer of R228m.

Financial Overview: 2025/26 R'000			
Details	**Original budget**	**Adjustment budget**	**Actual**
Income:			
Transfers and Subsidies	430 459	422 824	434 204
Other	126 954	70 618	46 564
Sub Total	**557 413**	**493 442**	**481 210**
Less: Expenditure	(554 063)	(518 094)	(492 741)
Net Total*	**3 350**	**(24 652)**	**(11 531)**
*Note: surplus/(deficit)			T 1.4.2

Operating Ratios	
Detail	**%**
Employee Cost	63%
Repairs & Maintenance	1%
Finance Charges & Impairment	0%
T 1.4.3	

COMMENT ON OPERATING RATIOS:

Employee Costs: 63%

The employee related costs are higher than the norm, as most of the core functions must have a minimum of employees as stated in legislation to perform the functions. This ratio

is calculated on the consolidated financial statements, including the Roads agency function.

Repairs and maintenance: 1%
There is limited funding available to allocate to repairs and maintenance. The equitable share increased by 2-3% which is not aligned to the average CPIX.
This ratio is calculated on the consolidated financial statements, including the Roads agency function.

Finance Charges and Impairment: 0%
Finance charges relate to interest on finance leases. Impairment relates to impairment losses on receivables and fixed assets.

COMMENT ON CAPITAL EXPENDITURE (actual):

The capital expenditure was spent on the below:

Details of capital expenditure		
1	Construction of the Regional Waste Management Facility	R51 240 138
2	Hazardous Materials Equipment	R559 960
3	Building of Disaster Management Store	R503 552
4	Equipment	R287 451
5	Desktop Computers (PC)	R85 536
Other assets	Other Assets	R122 619

1.6 ORGANISATIONAL DEVELOPMENT OVERVIEW

The Garden Route District Municipality envisions the **Human Resources Management** as a key component that governs the organisation's employees. More commonly, human resources are a strategic and coherent approach to the effective and efficient management of people. It is governed by policies and procedures to guide the utilization of

human capital to strive towards and achieve the strategic goals of the District Municipality.

Vision of the Garden Route District Municipality:

The Garden Route District Municipality, is the leading, enabling and inclusive district, characterised by equitable and sustainable development, high quality of life and equal opportunities for all.

Human Resources mission statement:

The Garden Route District Municipality, as a category C local authority, strives to deliver on its mandate through:

- Unlocking resources for equitable, prosperous, and sustainable development.
- Provide the platform for coordination of bulk infrastructure planning across the district.
- Provide strategic leadership towards inclusive / radical / rigorous socio-economic transformation, to address social, economic and spatial injustice.
- Redress inequalities, access to ensure inclusive services, information, and opportunities for all citizens of the district.
- Initiate funding mobilisation initiatives / programmes, to ensure financial sustainability.
- Coordinate and facilitate social development initiatives.

Human Resource Management Strategy aims to capture the people element of what the Municipality hopes to achieve in the medium to long term, ensuring that it has the right people in place, the right mix of skills, staff members display the right attitudes and behaviours, and staff members are developed in the right way.

<u>The main HR priorities in 2025/26 were:</u>

<u>Recruitment and Selection</u>

- Ensure that the vacancy rate is below 10% of the approved budgeted posts
- Advertisement of positions as per the approved organogram
- Ensure an ethical, fair, and transparent approach to the recruitment and selection policies and procedures

- Filing of vacancies in accordance with the recruitment & selection policy
- Appointment of contract employees in line with the policy & section 198B of the amended labour relations act

OHS

- To maintain compliance in all aspects of OHS
- Develop strategies to reduce injuries on duty
- To ensure that OHS has a footnote within the Organisation
- Ensure a safe working environment for all staff

Employee Relations

- Reduction of labour disputes.
- Provide sound advice to management
- Ensure an ethical and confidential approach to labour relations practices and procedures
- Management of employee assistance programs in support of all employees (EAP events & Counselling services)

Employee Benefits, Job Descriptions & Organisational Structure

- Migration from Payday HR & Payroll System to Phoenix System for employee records, benefits and Leave
- Implementation of automated Collaborator Process for Standby Application and Allowances
- Updating of Job description to align with Municipal Staff Regulations and Organisational Structure
- Staff Establishment review and alignment with Municipal Staff Regulations

Task Evaluation

- District coordinating of task evaluation throughout the region
- Sound employee administration and record keeping of posts that has been evaluated
- Ensure that evaluation of job descriptions is done fairly and effectively

<u>The highlights/Achievements for the Human Resources Section in 2025/26 were the following:</u>

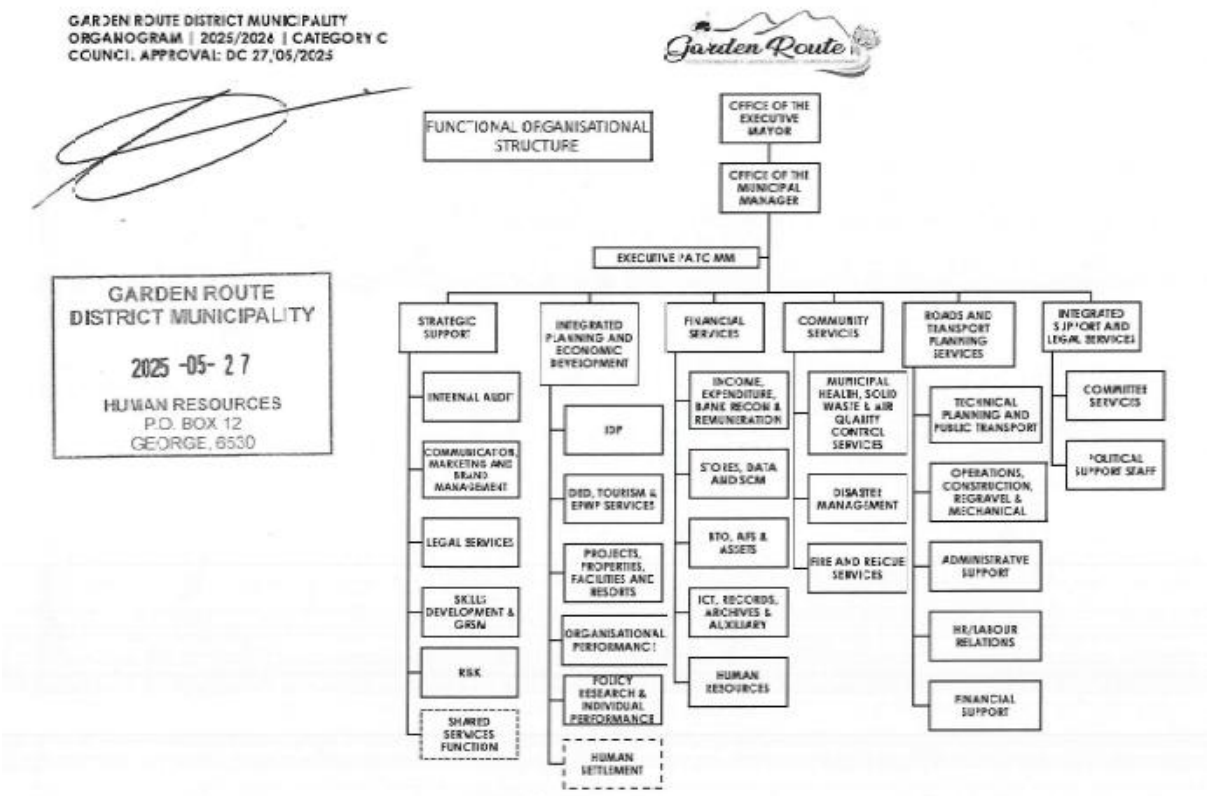
- Review of Staff Establishment for 2025/26 – Approved by Council on 27 May 2025
- Significant update in Task Job Descriptions
- Various HR Policies updated and Developed
- **Vacancy Rate 3.73% (less than 10% as per KPI requirement)**
- **Migrated from Payday HR & Payroll System to Phoenix System for employee records, benefits and Leave**
- **Implemented Collaborator Leave Process**
- **Implemented automated Collaborator Process for Standby Application and Allowances**
- Maintaining the emergency system in the GRDM Premises
- Employee Assistance Programmes (Employee Wellness Days, HIV/AIDS Awareness, Violence and Harassment awareness sessions, Men's Health Awareness, Financial Literacy Awareness; Human Trafficking Awareness, Conflict management sessions, Cancer Awareness)
- Successful Management and implementation of employee assistance programmes
- Implementation of the Risk Reduction Strategy in ensuring that GRDM continues to ensure the safety of employees and visitors.

<u>The challenges for the Human Resources Department in 2025/2026 were the following:</u>

- HR Budget constraints to ensure that there is compliance within the section
- Update of leave records by employees/supervisors
- Submission of leave days as per working hours (1.07 & 0.75)
- Turnaround time on task evaluation feedback
- Inconsistency on task grades
- Office space for all staff in the HR Section
- HR Capacity constraints in terms of additional staff (interns/graduates)
- Competent Chairpersons/Initiators for disciplinary processes
- Unlocking of further technological capabilities to ensure streamlined and effective working procedures

- Maintaining Confidentiality
- No fully flashed of EAP unit due to the increasing need of assistance by employees
- Difficulty in the filling of other vacant positions due to high and/or outdated minimum requirements based the Municipal Staff Regulations guideline on minimum requirements.
- Collab process turnaround time delays the recruitment processes
- **Challenges with Phoenix System for employee records, benefits and Leave**
- **Adaption to Collaborator Leave Process challenges**
- **Compliance with Collaborator Process for Standby Application and Allowances as it needs to be done prior to Standby worked**

Garden Route District Municipality Micro Organogram



POLICIES AMENDED; NEW POLICIES DEVELOPED DURING 1 JULY 2025 – 30 JUNE 2026	
Policies	**Dates**
Reviewed Policies – • None approved for 2025/26	

1.7 AUDITOR GENERAL REPORT GENERAL REPORT

1.7.1. Audited Outcomes

Year	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Status	Unqualified with no findings	Unqualified with no findings	Unqualified with no findings	Unqualified with no findings	Unqualified with no findings

1.8 STATUTORY ANNUAL REPORT PROCESSS

The process plan of the Annual Report is the guiding plan on the processes to be followed in the development of the Annual Report. The primary purpose is to ensure that there is compliance with all the pieces of legislation that governs the content and public participation processes on the development of the Annual Report. The process plan provides compliance from the tabling date of 2025/2026 Annual Report until the completion of the process which is in December of the same year.

Annual Process Plan as per Circular 63 of the MFMA

Activity	Legislation and guidance	Process Owner/Role Player	Time Frame
Submit Annual Report process plan for Council's approval	GRDM Process	Executive Manager: Planning & Economic Development	24 June 2026
Sending out of the Annual Report input directives to the relevant officials/Line Managers in the different departments	GRDM Process	IDP Unit	30 June 2026
Deadline for Departments to submit Annual Report information to IDP unit by 16 July 2026 and Draft AFS to be submitted by 16 August 2026	GRDM Process	All HODs Chief Financial Officer	16 July 2026 16 August 2026
Consideration of next financial year's Budget and IDP process plan. In-year reporting formats should ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the beginning of the Budget / IDP implementation period.	MSA S41(1)(e)	MM assisted by other Section 56 Managers & the CFO	July 2026 – August 2026
Implementation and monitoring of approved IDP and Budget through the approved SDBIP commences.	MSA S41(1)(e)	MM assisted by other Section 56 Managers & the CFO	July 2026
Finalise 4th quarter report of previous financial year.	MFMA S52(d)	MM assisted by other Section 56 Managers & the CFO	July 2026
Submit draft previous financial year Annual Report and evidence to Internal and the	Submission of annual financial statements as per section 126(1) of the MFMA.	MM & CFO	July 2026

Activity	Legislation and guidance	Process Owner/Role Player	Time Frame
Auditor General including annual financial statements and financial and non-financial information.	Additional step, a draft Annual Report is prepared. Annual Performance report needs to be included as per section 46 of the MSA.		
Submit Annual Report including annual financial statements and Annual Performance Report to the Combined Audit/Performance Committee.	Joint Committee assessing both financial and non-financial performance advances accountability and expedites corrective measures	MM & CFO	July/ August 2026
Combined Audit/Performance Committee considers unaudited annual Report of municipality.		Audit and Performance Audit Committee	August/September 2026
Mayor tables the unaudited Annual Report in Council by 31 August 2026.	The Annual Report submitted complies with the requirements of Section 121(3)(a-k). Information on pre-determined objectives to be included. Note that it is unaudited and will not include any of the Auditor-Generals reports as the auditing thereof will still be in progress.	Mayor	
Municipality submits Annual Report including final annual financial statements and annual performance report to Auditor General for auditing purposes by 31 August 2026. Council to submit unaudited tabled annual report to MPAC for vetting and verification of council's directive on service delivery & the committee to evaluate senior managers' performance against agreement entered into.		CFO	
Commencement of IDP analysis of institutional services and infrastructure provision,	If the above process is followed, the unaudited Annual Report can add	Council	

Activity	Legislation and guidance	Process Owner/Role Player	Time Frame
backlogs and priorities. Unaudited Annual Report as submitted to Auditor-General to be used as input into the IDP strategic phase process and community verification & input by MPAC on reported performance. Such information includes that of various entities incorporated into the information of the parent entity	value to the IDP/Budget planning process for the next year as well as oversight by MPAC on the reported deliverables by communities and achievements targets reached.		
Annual Report and Oversight Report process for adoption to be used as input into public participation meetings for the IDP review process.	Section 127, 128, 129 and 130 of the MFMA	Council	September-November 2026
Annual Report made public and local community invited to submit representations on the Annual Report.	MFMA Section 127(5)	MM	September 2026
MPAC undertakes oversight process and considers representations received from the local community	MFMA Sections 129 and 130	MPAC	September – November 2026
Community inputs and MPAC recommendations to inform the Oversight Report for Council consideration.	MFMA Sections 129 and 130	MPAC/Council	November 2026
Auditor-General audits the unaudited Annual Report and submits the audit report to the accounting officer for the municipality.	Section 126(3)(b) require the Auditor-General to submit an audit report within three months after receipt of statements from the municipality.	Auditor General	November 2026
		MM	

Activity	Legislation and guidance	Process Owner/Role Player	Time Frame
The Auditor General's reports are issued during the period of Oct/Nov 2026 Once the AG audit reports have been issued no further changes are allowed as the audit process is completed.	Section 129, 130 and 131. Tabling the audited Annual Report within 5 or 6 months after the end of the financial year. Section 75 for publication on website.	Auditor General	November/December 2026(depending on date of the Audit Report)
Mayor tables audited Annual Report and Annual financial statements to Council.		Mayor	
Audited Annual Report is made public.		MM	
Oversight committee finalises its assessment of the Annual Report upon receipt of the Auditor General's report and submits an Oversight Report to Council for adoption.		Oversight Committee	
Council adopts oversight report	The entire process, including oversight reporting and submission to provincial legislators is completed in December and not in March the following year.	Council	December 2026
Oversight report is made public		MM	
Oversight report is submitted to Legislators, Treasuries and DLG.		Mayor	

CHAPTER 2
GOVERNANCE

CHAPTER 2: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Introduction to Governance

The GRDM as a District has directly elected Councillors and assigned Councillors. Assigned Councillors represent local municipalities in the District Council. In the local municipalities, some of the assigned Councillors are ward Councillors and as such interact with community, keep in touch with the residents, listens to the issues raised and works with residents to resolve them. Council has a duty to establish mechanisms for an effective administration that will perform its duties in a transparent manner and hold it accountable for decisions and omissions made. It is in this context that oversight has been conducted in the GRDM under the political leadership of the Office of the Speaker.

Introduction to Political and Administrative Governance

The Corporate Services Department working together with the office of the Municipal Manager ensure that Council, Executive Mayoral Committee, Portfolio Committees and other Standing Committees meets regularly as by approved Council's meeting schedule. These directorates also arrange special meetings, as and when required to do so. Agendas of all Council and Committee meetings are compiled, produced and distributed to thirty five (35) Councillors, Management and officials required to the meetings. Minutes of all meeting proceedings are recorded and safeguarded for record purposes and future reference.

POLITICAL LEADERSHIP

MAYORAL COMMITTEE

TOP POLITICAL STRUCTURE

Ald. Marais Kruger
Executive Mayor
(DA)

Ald. Vlancio Donson
Deputy Executive Mayor
(ICOSA)

Ald. Georlene Wolmarans
Speaker
(DA)

MAYORAL COMMITTEE

Ald. Werner Meshoa,
Portfolio Chairperson:
Strategic
Services (ICOSA)

Cllr Jobieth Hoogbaard,
Portfolio Chairperson :
Community Services (DA)

Ald. Nompumelelo Ndayi,
Portfolio Chairperson:
Corporate Services (DA)

Cllr Justin Fry,
Portfolio Chairperson:
Infrastructure, Mobility and
Transport (DA)

Ald. Rosina Ruiters,
Portfolio
Chairperson: Planning &
Economic Development
(DA)

Cllr Dave Swart Portfolio
Chairperson: Financial
Services (DA)

Cllr Hilton Stroebel
Portfolio Chairperson:
Property and Asset
management (DA)

COUNCIL
2023/24 - 2026/27

Ald. Marais Kruger
Executive Mayor
(DA)

Ald. Vlancio Donson
Deputy Executive Mayor
(ICOSA)

Ald. Georlene Wolmarans
Speaker
(DA)

Cllr Koos Malooi
Whip of Council
(DA)

Cllr Hilton Stroebel
MAYCO
Assets & Property
Management Services

Cllr Dave Swart
MAYCO
Financial Services

Ald. Nompumelelo Sumeia Ndayi
MAYCO
Corporate Services

Ald. Rosina Ruiters
MAYCO
Planning & Economic
Development Services

Cllr Jobieth Hoogbaard
MAYCO
Community Services

Ald. Werner Meshoa
MAYCO
Strategic Services

Ald. Stephen de Vries
(ANC)

Cllr Darryl Coeries
(PBI)

Ald. Clodia Lichaba
(ANC)

Cllr Joseph Bavuma
(DA)

Cllr Samkele Mangxaba
(ANC)

Cllr Justin Fry
MAYCO
Infrastructure, Mobility
and Transport

Cllr Rosa Louw
(GOOD)

Cllr Marulyn Kannemeyer
(DA)

Cllr Fielies September
(DA)

Cllr Vinolia Gungubele
(ANC)

Cllr Cobus Meiring
(DA)

Cllr Mzwandile Mkonto
(ANC)

Ald. Petru Terblanche
(DA)

Ald. Jerome Lambaatjeen
(DA)

Cllr Christopher Taute
(ANC)

Cllr Daniel Acker
(VF Plus)

Cllr Simphiwe Toto
(ANC)

Cllr Regina Windwaai
(DA)

Cllr Jan Cornelius
(ICOSA)

Cllr Sonia Bentley
(GOOD)

Cllr Jan Van Der Ross
(ANC)

Cllr Lukhanyiso Nohana
(ANC)

Cllr Marlin Jansen
(DA)

Notes

- Ald A Stroebel resigned on 31 October 2025. Ald M Kruger was elected as Executive Mayor on 11 November 2025.
- Ald A Stroebel resigned on 31 October was replaced as a Direct Representative by Cllr MD Jansen as of 12 November 2025
- Cllr PE Petros resigned on 11 September 2025 and was replaced by Cllr L Nohana on 01 December 2025.
- Cllr R Arends resigned on 11 September 2025 and this position is still vacant.
- Cllr K Malooi was elected as Whip of Council on 11 November 2025.
- Cllr A Oktober resigned on 26 March 2026 and was replaced by Cllr SN Bentley as of 01 April 2026.
- Cllr AR Marbi resigned as of 14 May 2026 and was replaced by Cllr VD Carolus as of 09 June 2026.
- **Members of the Mayoral Committee**
- Ald D Cronje was recalled by george municipality on 24 november 2025 and was replaced by cllr J Fry as of 18 december 2025.

2.1 COMPOSITION OF COUNCIL: JULY 2025 – JULY 2026

2.1.1 GARDEN ROUTE DISTRICT MUNICIPAL COUNCIL CONSISTS OF 35 COUNCILLORS

JULY 2025 – JUNE 2026					
Direclty Elected Councillors : 14					
Democratic Alliance (DA)	African National Congress (ANC)	Plaaslike Besorgde Democratic Party (PBI)	Independent Civic Organisation of South Africa (ICOSA)	Freedom Front Plus	GOOD
7	3	1	1	1	1

2.1.2 COUNCIL COMPILATION (REFER TO APPENDIX A & B)

JULY 2025 – JUNE 2026						
Proportional Councillors: 20						
George Municipality	Kannaland Municipality	Knysna Municipality	Hessequa Municipality	Mossel Bay Municipality	Oudtshoorn Municipality	Bitou Municipality
6	1	2	2	4	3	2

2.1.3 COMPOSITION OF COUNCIL

Below is a table that categorised the Councillors within their specific political parties and municipalities

Political Party	Councillor Name & Surname	Type of Councillor
Democratic Alliance (DA)	Andrew Stroebel (resigned on 31 October 2025) and was re-placed by M Jansen as of 12 November 2025)	Directly Elected
	Georlene Wolmarans	
	Jobieth Hoogbaard	
	Fielies September	
	Koos Malooi	
	Jacobus Meiring	
	Petru Terblanche	
African National Congress (ANC)	Clodia Ntabiseng Lichaba	
	Nomvuyiseko Gungubele	
	Stephen De Vries	
ICOSA	Jan Cornelius	Directly Elected
PBI	Alberto Marbi (resigned on 14 May 2026 and was replaced by Vivian Carolus as of 09 June 2026)	Directly Elected
Freedom Front Plus	Danie Acker	Directly Elected
GOOD	Ashwill Oktober (resigned on 26 March 2026 and was replaced by Sonia Bentley as of 01 April 2026)	Directly Elected

Proportional representation from the seven (7) local municipalities

Local Municipality		Name(s)	Party	Number of Councillors
Kannaland	1	Werner Meshoa	ICOSA	**1**
Hessequa	1	Jobieth Hoogbaard	DA	**2**
	2	Christopher Taute	ANC	
Mossel Bay	1	Johannes Bavuma	DA	**4**
	2	Marulyn Kannemyer	DA	
	3	Rosina Ruiters	DA	
	4	Mzwandile Mkonto	ANC	
George	1	Regina Windwaai	DA	**6**
	2	Daniel Cronje (was recalled as of 24 November 2025 and was replaced by Justin Fry as of 18 December 2025)	DA	
	3	Simphiwe Toto	ANC	
	4	Marais Kruger	DA	
	5	Rosa Louw	GOOD	
	6	Darryl Coeries	PBI	
Oudtshoorn	1	Jan van der Ross	ANC	**3**
	2	Jerome Ceaser Lambaatjeen	DA	
	3	Vlancio Donson	ICOSA	
Bitou	1	Samkele Mangxaba	ANC	**2**
	2	Dave Swart	DA	
Knysna	1	Hilton Stroebel	DA	**2**
	2	Phindile Petros (resigned as of 11 September 2025 and was replaced by Lukhanyiso Nohana as of 01 December 2025)	ANC	
		VACANT POSITION	ANC	

2.1.4 RACE AND GENDER REPRESENTATION IN COUNCIL

JULY 2025 – JUNE 2026

During the year under view, political parties were represented as follows:

Note: A = Africans, C = Coloured, I = Indians and W = Whites

Political Party	Male				Female				TOTAL
	A	C	I	W	A	C	I	W	
Democratic Alliance (DA)	0	8	0	4	1	4	0	0	17
African National Congress (ANC)	4	3	0	0	2	0	0	0	9
Plaaslike Besorgde Inwoners (PBI)	0	2	0	0	0	0	0	0	2
Independent Civic Organisation of South Africa (ICOSA)	0	3	0	0	0	0	0	0	3
Freedom Front Plus	0	0	0	1	0	0	0	0	1
GOOD	0	0	0	0	0	2	0	0	2
TOTAL	**4**	**16**	**0**	**5**	**3**	**6**	**0**	**0**	**34**

Table above reflects the information as of 30 June 2026

During the year under review (JULY 2025 – JUNE 2026), the following numbers of meetings and total agendas distributed, took place:

Type of meeting	No.	Agendas Distributed (Cllrs and officials)
Council	7	330
Special Council	7	330
Executive Mayoral Committee	11	200
Finance Service Committee	6	125
Corporate Services Committee	5	125
Community Services Committee	5	80
Roads Services Committee	5	60
Strategic Services Committee	5	105
District Economic Development & Tourism Committee	5	100
Property Management & Development Committee	5	66
Governance Committee	0	0

Type of meeting	No.	Agendas Distributed (Cllrs and officials)
Occupational Health & Safety Committee	5	120
Local Labour Forum	2	180
Special Local Labour Forum	3	45
Municipal Public Accounts Committee (MPAC)	10	100
Audit and Performance Audit Committee (APAC)	5	200
Budget Steering Committee	16	24
Workplace and Restructuring	1	24
Workshops	5	330
Total of meetings held and agendas distributed	**108**	**2580**

2.1.5 EXECUTIVE MAYORAL COMMITTEE

The Executive Mayor is at the centre of the system of governance; therefore executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. (Refer to Section 60 of the Structures Act).

Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in consultation with the Mayoral Committee. The Mayoral Committee is chaired by the Executive Mayor.

The name and portfolio of each member of the Mayoral Committee, is listed in the table below for the period JULY 2025 – JUNE 2026

Name of Member	Capacity
D Cronje (was recalled as of 24 November 2025 and was re-placed by J Fry as of 18 De-cember 2025)	Infrastructure Roads and Mobility
D Swart	Financial Services
J Hoogbaard	Community Services
RH Ruiters	District Economic Development and Tourism

Name of Member	Capacity
HRT Stroebel	Property Management and Development
NS Ndayi	Corporate Services
WP Meshoa	Strategic Services

2.1.6 COMMITTEES

The Municipal Structures Act allows a municipal council to establish two types of committees – Section 79 and Section 80 Portfolio Committees.

Section 79 Committee, also known as council committees, meet every second month and report their oversight outcomes to Council, via the MAYCO. Garden Route DM has the following Section 79 Committees:

- Governance Committee;
- Municipal Public Accounts Committee (MPAC);
- Occupational Health & Safety
- Local Labour Forum;
- Workplace and Restructuring Committee; and

Section 80 Portfolio Committees meet on a bi-monthly basis to discuss matters referred to them and to make suitable recommendations to the MAYCO. Members are appointed to assist the Executive Mayor with his/her duties. Garden Route DM has the following Section 80 Committees:

- Infrastructure Roads and Mobility
- Financial Services;
- Community Services;
- Integrated Planning. Property Management and Development;
- District Economic Development and Tourism;
- Corporate Services; and
- Strategic Services.

2.1.7 SECTION 79 AND 80 COMMITTEES:

JULY 2025 – JUNE 2026 (Tables below reflects the information as of 30 June 2026)

Section 80 Committees					
Committee	**Functions**	**Chairperson**	**Deputy Chair**	**Executive Manager**	**Other political representation**
Infrastructure Roads and Mobility	Roads, Maintenance Planning, RRAMS, Regional Integrated Public Transport Planning, EPWP related to roads projects	**J Fry**	**J Hoogbaard**	**J Daniels**	P Terblanche (DA), M Kannemeyer (DA);NV Gungubele (ANC); MA Mkonto (ANC); SN Bentley (GOOD); D Acker (Freedom Front Plus) W Meshoa (ICOSA); VD Carolus (PBI)
Financial Services	Income and Expenditure, Supply Chain, BTO, Revenue Management, Asset Management, Stores, Financial Statements, GRAP Statements	**D Swart**	**J Fry**	**R Boshoff**	MD Jansen(DA); JC Lambaatjeen (DA); R Windwaai (DA) CP Taute (ANC); CN Lichaba (ANC) SN Bentley (GOOD); V Donson (ICOSA); VD Carolus (PBI)
Community Services	Fire and Rescue, Disaster Management, Municipal Health, Environmental Management (Waste Management/Air Quality), EPWP, Fleet Management, Call Centre	**J Hoogbaard**	**HRT Stroebel**	**N Raisa-Mlandu**	JG Meiring (DA); MD Jansen (DA); CN Lichaba (ANC); L Nohana (ANC); SN Bentley (GOOD); D Acker (Freedom Front Plus); J Cornelius (ICOSA); VD Carolus (PBI)

Section 80 Committees					
Committee	**Functions**	**Chairperson**	**Deputy Chair**	**Executive Manager**	**Other political representation**
Property Management and Development	Property Planning and Maintenance, Resorts, Strategic, Investment Properties, Regional Bulk Infrastructure Planning, Rural	**HRT Stroebel**	**D Swart**	**L Menze**	MD Jansen (DA);P Terblanche (DA);S Mangxaba (ANC);S de Vries (ANC); JJ Cornelius (ICOSA); SN Bentley (GOOD); VD Carolus (PBI),
District Economic Development and Tourism	Regional Economic Development, Tourism, Arts and Culture, Youth	**RH Ruiters**	**N Ndayi**	**L Menze**	JG Meiring (DA); J Hoogbaard (DA); JJ Bavuma (DA)S de Vries (ANC);J van der Ross(ANC);R Louw (GOOD);D Coeries (PBI), V Donson (ICOSA)
Corporate Services	Human Resource Development, Support services (Records / Telephone Management / Access Control), Committee Services, Legal Services, Gender / Disability related matters, HIV (Garden Route staff).	**NS Ndayi**	**R Ruiters**	**R Boshoff**	MD Jansen (DA); JJ Bavuma (DA);JC Lambaatjeen(DA); F September (DA); S de Vries (ANC); SM Toto (ANC); WP Meshoa(ICOSA); R Louw (GOOD); DB Coeries (PBI)
Strategic Services	IGR, Communications, IDP, Information Communication & Technology, Shared Services, Funding Mobilisation, Strategic Properties	**WP Meshoa**	**J Hoogbaard**	**L Menze**	JJ Bavuma (DA);R Windwaai (DA); F September (DA);NV Gungubele (ANC);J van der Ross (ANC); SN Bentley (GOOD); J Cornelius (ICOSA); VD Carolus (PBI)

JULY 2025 – JUNE 2026 (Tables below reflects the information as of 30 June 2026)

Section 79 Committees			
Committee	Chairperson	Other political representation	Unions
Budget Steering	D Swart (DA)	JC Lambaatjeen (DA)CP Taute (ANC);R Louw (GOOD); NS Ndayi (DA); VD Carolus (PBI); WP Meshoa (ICOSA)	-
Appeals Committee		No Cllrs were nominated	-
Governance	G Wolmarans (DA)	JG Meiring (DA); K Malooi (DA whip of Council); MD Jansen(DA); CN Lichaba (ANC), DB Coeries (PBI);R Louw (GOOD); D Acker (Freedom Front Plus); WP Meshoa (ICOSA)	-
MPAC	J Cornelius (ICOSA)	D Acker (Freedom Front Plus);JG Meiring (DA); MD Jansen (DA);M Kannemeyer (DA); F September (DA); R Windwaai (DA) CP Taute (ANC); CN Lichaba (ANC) VD Carolus (PBI); SN Bentley(GOOD)	-
Occupational Health & Safety	J Bavuma (DA)	R Ruiters (DA); MD Jansen (DA);L Nohana (ANC); R Louw (GOOD); Coeries (PBI)	3 Imatu 2 Samwu
Local Labour Forum	Union is the chairperson (N Oktober)	JC Lambaatjeen (DA); NS Ndayi (DA); F September (DA); MD Jansen (DA);SN Bentley (GOOD)	7 Samwu 6 Imatu

Affilliation / Role	Workplace Restructuring	Basic Conditions of Service	Audit and Performance Audit Committee
Chairperson	F September (DA)		Mr A Dippenaar
Members	JC Lambaatjeen (DA); JJ Bavuma (DA); MA Mkonto R Louw (GOOD);VD Carolus (PBI); J Cornelius (ICOSA)	-	Adv L Mtunzi Mr C Lamprecht Adv E Page 1 X vacant
DA	JC Lambaatjeen ; JJ Bavuma ;	-	-
ANC	M Mkonto	-	-
GOOD	R Louw	-	-
PBI	VD Carolus	-	
ICOSA	J Cornelius		
SAMWU	B Desha N October	-	-
IMATU	P Koopman A Killian S Damons (additional members)	-	-
Total	12	0	4

2.1.8 POLITICAL DECISION-MAKING PROCESS

Step 1	Executive Managers	Submit Reports to Portfolio Committee
Step 2	Council Committees	For notice and/or Recommendations
Step 3	MAYCO Prelim	Technical Review / Interrogate Reports
Step 4	Mayoral Committee	Recommendation
Step 5	Council	Approve / Consider
Step 6	Executive Manager	Execution

2.2 ADMINISTRATIVE GOVERNANCE

2.2.1 INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager is regarded, in terms of legislation, as the head of administration and is responsible and accountable for the management of the municipality's administration. The Accounting Officer must at all times act with fidelity, honesty, integrity and in the best interests of the municipality in managing its financial affairs.

The Management team comprises of the following officials:

Municipal Manager:	Mr. MG Stratu
Executive Manager: Community Services	Ms Raisa-Mlandu
Executive Manager: Corporate & Financial Services	Mr. R Boshoff
Executive Manager: Roads and Transport Planning	Mr. JG Daniels
Executive Manager: Planning & Economic Development	Mr. L Menze

The administration ascribes to the *Batho Pele* Principles and the values are contained in the vision and mission of the Municipality. Senior Management is continuously striving at elevating the corporate culture of the administration, by inculcating corporate values, high levels of integrity and professionalism.

2.2.2 TOP ADMINISTRATIVE STRUCTURE

Performance Agreement Status		
Name of official	**Department**	**Performance Agreement Signed? Y/N**
M Stratu	Municipal Manager (From 1 March 2017)	Yes
R Boshoff	Executive Manager: Financial & Corporate-Services	Yes
N Raisa-Mlandu	Executive Manager: Community Services	Yes
JG Daniels	Executive Manager: Roads and Transport Planning	Yes
L Menze	Executive Manager: Planning & Economic Development	Yes

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

2.3.1 Introduction to Co-operative Governance and Inter-governmental Relations

GRDM, via the organization of its Intergovernmental Relations function and established functions, seeks to achieve the following:

a) To promote horizontal l and vertical partnership building towards coherent governance for the effective provision of municipal services and the realization of national priorities;
b) Co–ordinate and partake in district, provincial and national intergovernmental structures;
c) The implementation, reporting and monitoring of the Back to Basics Programme;
d) To co-ordinate and facilitate good relationships with municipalities and Provincial and National spheres of government;
e) To ensure that internal departments and sections build strategic developmental partnerships with their technical counterparts;
f) To co-ordinate the sharing of best practices, knowledge and information amongst municipalities; and
g) To enhance both municipal human and financial resources capacity, leading to improved municipal service delivery.

2.3.2 RELATIONSHIP WITH MUNICIPAL STRUCTURES

Various internal municipal platforms are organized by the Garden Route DM to enhance departmental accountability. These include:

a) Mayoral Committee
b) Council's Section 79 and Section 80 Committees
c) Management Committee
d) Municipal Public Accounts Committee (MPAC)
e) Audit and Performance Management Committee
f) Budget Steering Committee
g) Garden Route IDP Task Team
h) Garden Route Risk Committee
i) Occupational Health and Safety Committee
j) Training and Development Committee

2.3.3 DISTRICT INTERGOVERNMENTAL STRUCTURES

The District IGR, IDP and Public Participation office currently co-ordinates the IGR function in collaboration with the Office of the Municipal Manager. The IGR structures assist in:

a) aligning municipal planning and development initiatives;
b) promotes an approach which fosters shared service agreements; and
c) collaborates on matters of mutual concern to the district.

The following table provides an overview of Intergovernmental Relations Structures that are currently operational and coordinated by Garden Route DM.

Garden Route District Forums					
Forum name	**Frequency of meetings**	**Purpose**	**Composition**	**Chairperson**	**Dates Meetings were held**
District IDP and Public Participation Managers Forum	Quarterly	Platform to engage on the IDP process of the district & local B – Municipalities in the district; share best practices on IDP and public participation Aim for alignment between the IDP of District & B – Municipalities.	IDP Managers IDP Officers/Coordinators DPLG – Integrated Development Plan Directorate/ Public Participation Managers	Garden Route DM, IDP Manager: Ms M James	21 August 2025 4 November 2025 5 March 2026 25 & 26 June 2026
IDP, Budget and PMS Representative Forum	Bi-Annually	All Mayors of Local Municipalities will present the status of their Municipalities relating to IDP, Budget and Performance Management. Sector Departments will also present all their proposed projects and programmes for the Garden Route District jurisdiction	District Executive Mayors, Sector Departments, Ward Committees, Relevant Stakeholders	District Executive Mayor: Ald M Kruger	None. Radio Interviews were scheduled
Garden Route Growth and Development Strategy Implementation Forum	Quarterly	Platform for Economic Development Practitioners, tourism officials, local tourism office representatives and government departments and private sector stakeholders to discuss best practices for the implementation of LED project and programs to stimulate the local economy.	LED Managers SEDA, Local municipalities, Government Departments and Relevant Stakeholders	GR Economy Cluster Chairperson -Garden Route DM, LED and Tourism Manager: Mr Dyantyi Chairperson of the LED Forum – Senior Economic Development Officer – Ms N. Botha Chairperson of Tourism forum – District Tourism Coordinator – Mr D Johnson	
District Communicators Forum	Twice a year	To discuss and review the Communication Activities, Crisis Communication and trends in the industry.	District and Local Communication Managers/officials, GCIS, Provincial Sector Departments (Health, DLG), SAPS, NMU, South Cape College, IEC.	Garden Route DM, Communication Manager, Herman Pieters	28 November 2025 24 April 2026

Garden Route District Forums					
Forum name	**Frequency of meetings**	**Purpose**	**Composition**	**Chairperson**	**Dates Meetings were held**
District Co-ordinating Forum	Quarterly	To identify and implement programs aimed at realising one of the key objectives of local government, i.e. to deepen local democracy.	Mayors, Municipal Managers and Provincials Departments (when requested)	Garden Route District, Executive Mayor: Ald Marais Kruger	9 September 2025 6 November 2025 4 February 2026 3 June 2026
Garden Route Municipal Managers Forum	Quarterly	To discuss matters of Municipal interests.	Municipal Managers, and Provincial Departments	Garden Route DM, Municipal Manager: Mr M Stratu	9 September 2025 6 November 2025 4 February 2026 3 June 2026
District Roads and Infrastructure Forum	Quarterly	To discuss the Integrated Roads, Bulk Infrastructure and Engineering related matters.	District and local municipalities Engineers and Relevant Provincial Department	Garden Route DM, Roads Manager: Mr J. Daniels	
Municipal Health and Environmental Services District Forum	Quarterly	To discuss matters related to waste, municipal health and air quality management	District and Local Waste Managers, Provincial Sector Departments District and Local Air Quality Managers/ Officers, Provincial Sector Department, Relevant Stakeholders and Industries	Garden Route DM, Municipal Health Manager: Mr Johan Compion Garden Route DM, Air Quality Manager: Dr J. Schoeman Garden Route DM, Waste Manager: Mr Johan Gie	18 September 2025 20 November 2025 18 March 2026 18 June 2026
Public Safety Forum	Quarterly	To discuss cross-cutting talking points in terms of disaster management, fire services and environmental management.	District and local municipalities Chief Fire Officers, Department of Local Government - District Veld Fire Working Group Meeting - Chief Fire Officers Committee Meeting	Garden Route DM, Manager Disaster Management: Mr G Otto Garden Route DM, Fire Chief: Mr D Stoffels Garden Route DM Disaster Risk Reduction and Climate Change Adaptation Practitioner: Dr N Viljoen	
Disaster Management Advisory Forum	Quarterly	To discuss cross-cutting talking points in terms of disaster management, fire services and environmental management.	As per section 51 of the DMA, (Act 57 of 2002), Department of Local Government	Garden Route DM, Manager Disaster Management: Mr G Otto	

Garden Route District Forums					
Forum name	**Frequency of meetings**	**Purpose**	**Composition**	**Chairperson**	**Dates Meetings were held**
District Safety Forum	Quarterly	To discuss cross-cutting talking points in terms public safety and security as well as to monitor the expenditure of the WOSA grant funding	Local Safety Forum Chairpersons their secretariats as well as officials from PoCS, SAPS, Law Enforcement, DoH	GRDM Community Services Portfolio Chairperson: Cllr Jobieth Hoogbaard	3 July 2025 1 October 2025 13 November 2025 17 February 2026 20 May 2026
Garden Route District Municipal Coastal Committee (MCC)	Every four months	The GRDM coordinates and chairs the Garden Route District Municipal Coastal Committee (MCC) three times per annum. It is attended by all the relevant coastal management authorities and stakeholders within the region, who comes together to discuss and find solutions to coastal management issues and challenges experienced within the Garden Route District.	Garden Route District Municipality (GRDM), Local Municipalities, Government authorities (WC Department of Environmental Affairs and Development Planning (DEA&DP), National Department of Forestry, Fisheries and the Environment (DFFE), SANParks, CapeNature, Department of Water and Sanitation, Breede-Overberg Catchment Management Agency (BOCMA)), Biosphere Reserves, Conservancies, academic institutions, NGO's, Ratepayers Associations, industries and communities/residents and other. National and Provincial Sector	Cllr Cobus Meiring	14 May 2026; 27 August 2026; 24 November 2026
Garden Route District Coastal Access Task Team	Annually	To discuss and address the key coastal access challenges experienced with estuary management within the District, as well as finding possible solutions to these challenges.	Garden Route District Municipality (GRDM), Local Municipalities, Government authorities (WC Department of Environmental Affairs and Development Planning (DEA&DP), National Department of Forestry, Fisheries and the Environment (DFFE)), Fishers, Landowners, and other Relevant Stakeholders	Garden Route DM, Head: Environmental Management: Dr Nina Viljoen	28 October 2025

Garden Route District Forums					
Forum name	**Frequency of meetings**	**Purpose**	**Composition**	**Chairperson**	**Dates Meetings were held**
Garden Route/ Central Karoo HR Forum	Annually	To discuss Corporate issues.	District and local municipalities HR Managers, TASK Job Evaluation Unit; Recruitment and Selection Officials and Labour Relations Officers	Garden Route DM, HR Managers: Ms M Smith	13 May 2025 22 October 2025 25 March 2026
Garden Route ICT and GISC Forum	Quarterly	The Garden Route ICT and GISC Forum provides a stabilizing influence so organizational concepts and directions are established and maintained with a visionary view	District and Local Municipalities	Meeting will rotate between Municipalities and Chairperson will be appointed from respective hosting municipality	
Regional Skills Development Facilitators Forum	Quarterly	Skills development in the region (Central Karoo and Garden Route).	Garden Route, B- Municipalities and Central Karoo, LGSETA and other relevant SETA's, Educational Institutions	Skills Development Facilitator: Mr R Salmons	
District EPWP Forum	Quarterly	To discuss EPWP related matters	District and Local EPWP 12Managers/Coordinators, Provincial and National Department of Public Works	Garden Route DM, EPWP Managers: Mr R. Dyantyi	20 August 2025 20 November 2025 11 March 2026 20 May 2026
District/Regional Task Committee	Monthly	To discuss Job Description and evaluation related matters	District and Local TASK/Job Evaluators Officials	Garden Route DM, HR Managers: Ms M Smith	13 May 2025 25 March 2026
Garden Route/ Central Karoo OHS Forum	Quarterly	To discuss OHS related matters	District and local municipalities OHS Officers/ Practitioners	Garden Route DM: Occupational Health and Safety Practitioner Mr L. Shoto	25 July 2025 27 November 2025 28-29 May 2026(postponed)
Garden Route/Central Karoo District Labour Practitioners Forum	Quarterly	To discuss Labour related matters	District and Local Municipalities LR Practitioners	Mr D Maans – Central Karoo District Municipality	27-28 July 2023 29 August 2024 (postponed)
District Gender Forum					11 November 2025 24 March 2026

COMPONENT C: PUBLIC ACCOUNTABILITY

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

A municipality is required to establish and organize its administration to facilitate a culture of accountability amongst its staff. This will enable the municipality to conform with norms and standards that are required for the Public Service and to also adhere to principles of *Batho Pele*. However, Section 16 (1) of the Local Government Municipal Systems Act 32 of 2000 states that a municipality must develop a system of municipal governance that complements formal representative governance with a system of participatory governance. Section 18 (1) *(d)* of the same Act requires a municipality to supply its community with information concerning municipal governance, management and development.

The participation outlined above is required in terms of:

a) the preparation, implementation and review of the IDP and Budget and Annual Report
b) the preparation, implementation and review of the municipal SDF;
c) MPAC and APAC oversight committee;
d) notifying the public of Council meetings; and
e) publication of Performance Agreements on the municipal website.

2.4 IDP, PUBLIC PARTICIPATION AND PERFORMANCE MANAGEMENT

IDP Participation and Alignment Criteria	Yes/No
Does the municipality have input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers?	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26, Municipal Systems Act 2000	

2.4.1 PUBLIC MEETINGS

Section	Type of Engagement	Topic / Focus Area	Date	Number of participants	Key Outcomes or Decisions
Municipal Health Services: Bitou/Plett	Pinetree's shops BLITZ	Health and hygiene education (Blitz)	19 February 2026	11	The Spaza Shop Blitz Operation is a coordinated compliance initiative conducted in partnership with Law Enforcement and the South African Police Service (SAPS). The purpose of this operation is to ensure that all spaza shops operate in accordance with the legislation governing the sector.
Municipal Health Services: Bitou/Plett	Wittedrift school hostel	Health and hygiene awareness and education	21 May 2026	7	A Health and Hygiene awareness and education session was conducted at the hostel and kitchen facilities to promote safe food handling practices, personal hygiene, and a clean working environment. The training focused on proper handwashing techniques, food storage procedures, prevention of cross-contamination, cleaning and sanitising practices, waste management, and the importance of maintaining general hygiene standards within the kitchen and hostel environment. Staff members were encouraged to implement good hygiene practices consistently to ensure the health and safety of all residents and food handlers.
Municipal Health Services: Bitou/Plett	Food safety training	World Food Safety Day	2 June 2026	10	The training focused on personal hygiene, safe food handling practices, prevention of food contamination, temperature control, cleaning and sanitation, waste management, and compliance with food safety requirements. The aim was to strengthen food safety knowledge and promote the preparation and serving of safe food to protect public health.

Section	Type of Engagement	Topic / Focus Area	Date	Number of participants	Key Outcomes or Decisions
Municipal Health Services: Bitou/Plett	Food safety training	World Food Safety Day	14 July 2025	8	Honouring World Food Safety Day – 7 June 2025. Food safety training session was conducted on 14.07.2025, this session was targeted for managers of spaza shops in KwaNokuthula. This initiative aligns with the global theme "Food Safety: Prepare for the Unexpected," emphasizing the need for proactive measures in preventing, detecting, and managing foodborne risks. The training will focus on Five Keys to Safer Food. By educating food handlers on these principles, the aim to enhance food safety practices, thereby contributing to improved public health outcomes in the region.
Municipal Health Services: Bitou/Plett	Health and hygiene education / waste management	Health and hygiene education / waste management	21 November 2025	30	Health and hygiene awareness program was held at Bongolethu home educare with an emphasis on hand hygiene and food safety. Additionally, recycling bins and waste management educational material was handed out for children
Municipal Health Services: Bitou/Plett	Health education & hand hygiene awareness	World TB Day	24 March 2026	10	Environmental Health Practitioners introduced themselves and shared their role in protecting public health, including promoting hygiene and preventing disease. The team also demonstrated the correct way of washing hands, emphasizing its importance in preventing the spread of infections.
Municipal Health Services: Bitou/Plett	Health and hygiene awareness	Health and hygiene awareness	10 March 2026	6	Inspections of food premises focusing on grease traps. Raising awareness and training of persons in charge on the importance of regular cleaning and

Section	Type of Engagement	Topic / Focus Area	Date	Number of participants	Key Outcomes or Decisions
					maintenance of grease traps and their impact on the environment.
Municipal Health Services: Bitou/Plett	Health & hygiene awareness/education	Food safety training	28 May 2026	12	Conducting health and hygiene training at spaza shops assessing and inspecting foodstuffs and premises after area had been without electricity following heavy rains, this included education on cleaning techniques and distribution of health and hygiene education posters
Municipal Health Services: Hessequa	School and Community Awareness session	Waste Management and Illegal Dumping	26 September 2025	200+	Clearing and preventing of illegal dumpsites
Municipal Health Services: Hessequa	Health and Hygiene Education- Spaza Shop Owners-Heidelberg/ Slangrivier	Food Safety	17 February 2026	24	Implementation of Regulation 638
Municipal Health Services: Hessequa	Awareness Session-Play Group in Still Bay	Communicable Diseases- HFMD	23 February 2026	21	Prevention and Control of HFMD
Municipal Health Services: Hessequa	Joint Safety Operations-Heidelberg and Slangrivier	Food Safety	24 & 26 February 2026	29 Shops	Community Safety
Municipal Health Services: Hessequa	Awareness Session- Creches in Still Bay and Heidelberg	Communicable Diseases- HFMD	26 February 2026	179	Prevention and Control of HFMD
Municipal Health Services: Hessequa	Awareness Session-Play Group in Gouritsmond	Communicable Diseases- HFMD	05 March 2026	25	Prevention and Control of HFMD
Municipal Health Services: Hessequa	Health and Hygiene Education- Spaza Shop Owners-Riversdale	Food Safety	17 March 2026	36	Implementation of Regulation 638
Municipal Health Services: Hessequa	Joint Safety Operations-Riversdale	Food Safety	19 & 20 March-2026	38 Shops	Community Safety
Municipal Health Services: Hessequa	Joint Safety Operations-Albertinia	Food Safety	05 May 2026	17 Shops	Community Safety

Section	Type of Engagement	Topic / Focus Area	Date	Number of participants	Key Outcomes or Decisions
Municipal Health Services: Hessequa	Health and Hygiene Education- Take Away Shop owners- Hessequa	Food Safety	22 June 2026	18	Implementation of Regulation 638
Municipal Health Services: Knysna	Health and hygiene education/awareness	Waste Management -Illegal dumping -Recycling	23 July 2025	36	Safe disposal and storage of waste
Municipal Health Services: Knysna	School outreach/awareness session	Communicable diseases	19 August 2025	36	Awareness on communicable diseases
Municipal Health Services: Knysna	Health Education	Food safety K keys to food safety	15 October 2025	22	Food safety
Municipal Health Services: Knysna	Health Education	Outreach to schools ulweluko	16 October 2025	52	Preparedness for ulwoluko
Municipal Health Services: Knysna	Feedback meeting with stakeholders ulwaluko	Feedback to stakeholders regarding ulwaluko	17 July 2026	13	Feedback to stakeholders
Municipal Health Services: Knysna	Outreach to schools ulwaluko	- Expected behaviour of new man at school - Gender base violence - Sexual transmitted diseases. - Communicable diseases	31 October 2026		Awareness on communicable diseases
Municipal Health Services: Knysna	Health and Hygiene Education Top Fisheries Taxi rank	Food safety	02 November 2025	10	Food safety
Municipal Health Services: Knysna	Community Engagement on Unwaluko	Awareness on Municipal health requirements	20 November 2025	12	Safe water Food safety Nutrition
Municipal Health Services: Knysna	Health and hygiene education Ethembeni Day care	Awareness on Municipal health requirements Food safety and personal Hygiene	16 January 2026	30	Compliance Food safety Good personal hygiene
Municipal Health Services: Knysna	Health and hygiene education informal foo traders Nekkies	Awareness on food safety And 5 keys to food safety	18 May 2026	10	Food safety

Section	Type of Engagement	Topic / Focus Area	Date	Number of participants	Key Outcomes or Decisions
Municipal Health Services: Knysna	Health and hygiene education Informal household Knysna waste transfer station	Awareness on Food safety Personal hygiene Communicable diseases Environmental pollution	10 June 2026	12	Celebration of World food safety day and Environment day Personal hygiene during preparation of food stuffs Awareness on Communicable diseases
Municipal Health Services: Klein Karoo	Spaza shop health and hygiene compliance in Oudtshoorn	Health and hygiene education with focus on cleaning programs	1 July 2025	50	Spaza shop owners understanding the importance of implementation of weekly and monthly cleaning programs
Municipal Health Services: Klein Karoo	Training of Caterers for Heritage Day	Provision of health and hygiene education in Oudtshoorn	21 September 2025	30	Caters understand the Five Keys for Safer Food for Food Preparation
Municipal Health Services: Klein Karoo	World Global Handwash Day Celebration at schools	Demonstration of effective handwashing and handwashing techniques	15 October 2025	100	Effective handwashing
Municipal Health Services: Klein Karoo	Food Hygiene Training at Klein karoo market in Oudtshoorn	Hygiene training of food handlers	5 November 2025	60	Understanding the importance of hygienic food preparation
Municipal Health Services: Klein Karoo	Sewerage pollution risk awareness in Bergsig, Calitzdorp	Awareness at creches, schools and in the community about contamination risks of sewerage spills	6 November 2025	200	Preventing contamination from sewerage pollution spillage.
Municipal Health Services: Klein Karoo	De Grootvoël Rally Planning Meeting	Discussion of motorbike rally at Cango Mountain resort	21 November 2025	-	Clarification of stake holders' roles during the rally
Municipal Health Services: Klein Karoo	Klein Karoo National Arts Festival (KKNK)Meeting	KKNK planning meeting	30 March 2026	30	Clarification of multi-stakeholder roles during the KKNK JOC
Municipal Health Services: Klein Karoo	Flood Disaster Meeting	Participation in Multistakeholder planning meeting during the flood disaster	13 May 2026	30	Role clarification for JOC participants
Municipal Health Services: Klein Karoo	Power failure food spoilage awareness at spaza shops in Kannaland	Engagement with spaza shop owners during power failure in Ladismith	15 May 2026	40	Spaza shop owners gain knowledge to prevent food spoilage during prolonged power failure
Municipal Health Services: Klein Karoo	Community-Orientated Primary Care imbizo in Smarty Town, Oudtshoorn	Finding solutions for community health challenges	15 May	60	Raise awareness on health issues and prevention so that the community can know where to seek help

Section	Type of Engagement	Topic / Focus Area	Date	Number of participants	Key Outcomes or Decisions
Municipal Health Services: Mossel Bay	Mossel Bay Season monitoring committee meeting	EHP's attend to liase with regards to any Municipal Health matter that might arise during the December-January holiday season.	17 December 2025 – 11 January 2026		Management of seasonal activities in the Mossel Bay region.
Air Quality Management	Air Quality Working Group Meeting	The Air Quality Working Group met to discuss air quality updates, review progress, identify key issues, and agree on the next steps to improve air quality.	21 August 2025	27	The meeting included presentations by guest speakers on reducing emissions through alternative fuels and real-time air quality monitoring. Members also received updates on monitoring, emissions testing, compliance, licensing, and ongoing reviews of air quality policies and regulations.
Air Quality Management	Air Quality Working Group Meeting	The Air Quality Working Group met to discuss air quality updates, review progress, identify key issues, and agree on the next steps to improve air quality.	13 November 2025	23	The meeting featured guest presentations on the Fourth Generation Air Quality Management Plan and the Zephyr mobile analyser. Members also received updates on the Recognition Programme, NAEIS reporting, public participation, vehicle emissions testing, air quality planning, and the 2026 Air Quality Working Group meeting schedule.
Air Quality Management	Air Quality Working Group Meeting	The Air Quality Working Group met to discuss air quality updates, review progress, identify key issues, and agree on the next steps to improve air quality.	26 February 2025	32	The meeting included guest presentations on dust fallout regulations and the Fourth Generation Air Quality Management Plan. Members also received updates on NAEIS reporting, legislative developments, air quality monitoring, and ongoing monitoring activities across the Garden Route.
Air Quality Management	Air Quality Working Group Meeting	The Air Quality Working Group met to discuss air quality updates, review progress, identify key issues, and agree on the next steps to improve air quality.	14 May 2025	29	The meeting featured guest presentations on health education and building partnerships for clean air. Members received updates on the Air Quality Incentive Programme, monitoring activities, dust control regulations, NAEIS submissions, public participation on the Air Quality Management Plan, and the South African Air Quality Information System.

Section	Type of Engagement	Topic / Focus Area	Date	Number of participants	Key Outcomes or Decisions
Air Quality Management	Air Quality Officers Forum	The Air Quality Officers Forum with Local Municipalities is a collaborative platform where municipal air quality officials meet to discuss environmental air quality management, regulatory compliance, and shared challenges.	25 September 2025	10	Air quality monitoring, compliance improvements, and licence renewals are ongoing. Complaints related to odours, dust, fires, and landfill issues were investigated and resolved. Industries are implementing measures to improve compliance. Awareness programmes continue to promote air quality education. SAAQIS testing and stakeholder coordination are ongoing.
Air Quality Management	Air Quality Officers Forum	The Air Quality Officers Forum with Local Municipalities is a collaborative platform where municipal air quality officials meet to discuss environmental air quality management, regulatory compliance, and shared challenges.	03 December 2025	17	Hotspots monitored, with AEL, complaints, and compliance matters addressed across municipalities. Vehicle emission testing completed in several areas. Industry compliance incentive programme developed. 2026 priorities focus on AQMP implementation, collaboration, and stakeholder engagement.
Air Quality Management	Air Quality Officers Forum	The Air Quality Officers Forum with Local Municipalities is a collaborative platform where municipal air quality officials meet to discuss environmental air quality management, regulatory compliance, and shared challenges.	18 February 2026	9	Municipal air quality issues, including odours, dust, emissions, and waste matters, are being monitored and addressed. AEL renewals, inspections, and compliance actions are ongoing across municipalities. Monitoring support and equipment are available through GRDM. 2026 AQOF planning and industry recognition programme implementation are underway.
Air Quality Management	Air Quality Officers Forum	The Air Quality Officers Forum with Local Municipalities is a collaborative platform where municipal air quality officials meet to discuss	01 April 2026	11	Key facilities improved compliance through upgrades, monitoring, and AEL processes. Averda remains offline until full compliance is achieved; other emission and odour issues are being addressed.

Section	Type of Engagement	Topic / Focus Area	Date	Number of participants	Key Outcomes or Decisions
		environmental air quality management, regulatory compliance, and shared challenges.			Vehicle emission testing and landfill monitoring continue across municipalities. GRDM is strengthening monitoring, EIA input, budgeting, and stakeholder coordination. CKI Tannery received the regional air quality compliance award.
Waste Management	Mandela Day Celebration	Cean up campaign	18 July 2025	+60	Community clean up
Waste Management	Meeting Training	Acknowledging Women In Waste Waste Management best practices	1 August 2025 August 2025	5 10	Meeting with NGO GAG preparation for Women's day Training Interns on waste management practices
Waste Management	Meeting Clean up Campaign Education and Awareness Education and awareness	Waste Minimization/ recycling Illegal Dumping Waste Minimization Waste Minimization	3 September 2025 16 September 2025 17 September 18 September 2025	6 80 200 60	Meeting with Masiqhame Recycling company and Bitou Municipality Oudtshoorn Loan Municipality Clean-up Campaign Education and awareness Education and awareness
Waste Management	Clean up Campaign	Illegal dumping	8 October 2025	30	Clean up Campaign Kannaland –
Waste Management	Education and awareness Clean up Campaign	Green school program- Recycling Illegal dumping	18 November 2025 19 November 2025	10 +60	Meeting with Waste officials and recycling contractors Clean up Mossel Bay Municipality
Waste Management	Education and awareness	Green School program	29 January	8	Meeting Kannaland recyclers – Green school program
Waste Management	Education and awareness	Green School program/ Waste Minimization/ recycling	12 February 13 February 18. 23 & 24 February	+100 10 700	Two Bitou Schools Outeniqua High School Hessequa Local Municipality

Section	Type of Engagement	Topic / Focus Area	Date	Number of participants	Key Outcomes or Decisions
			19 February 27 February	+100 +200	Kannaland Municipality Education and Awareness on Illegal Dumping- George Silent March
Waste Management	Education and awareness	Green School program/ Waste Minimization/ recycling Illegal Dumping	29 March 2026 30 March 2026	+80 + 150	Mossel Bay Local Municipality Celebration International recycling day International Zero Waste Day- Kannaland Local Municipality- Education and Clean-up Campaign
Fire and Rescue Services	Landowners - Hessequa	Burn Permit Transition	09 February 2026 - Albertinia		Burn Permit Regulation transfer to Garden Route District Municipality from Hessequa Municipality
Fire and Rescue Services	Landowners - Hessequa	Burn Permit Transition	16 February 2026 - Albertinia		Burn Permit Regulation transfer to Garden Route District Municipality from Hessequa Municipality
Fire and Rescue Services	Landowners - Hessequa	Burn Permit Transition	16 February 2026 - Online		Burn Permit Regulation transfer to Garden Route District Municipality from Hessequa Municipality
Fire and Rescue Services	Holy Cross School	Fire awareness	17 July 2025		Public Education on Fire Safety
Fire and Rescue Services	Riversdale Farmers/SCFPA	Fire awareness	27August 2025		Public Education on Fire Safety
Fire and Rescue Services	Blanco Community	Fire awareness	23 August 2025		Public Education on Fire Safety
Fire and Rescue Services	Oudtshoorn	Fire awareness	06 September 2025		Public Education on Fire Safety
Fire and Rescue Services	Schoemanspoort Cultural Facility	Fire awareness	23 September 2025		Public Education on Fire Safety
Fire and Rescue Services	Little Champs Pre School	Fire awareness	31 October 2025		Public education on Fire Safety
Fire and Rescue Services	Nelson Mandela University	Fire awareness	11 March 2026		Public Education on Fire Safety
Fire and Rescue Services	Nelson Mandela University	Fire awareness	17 March 2026		Public Education on Fire safety
Fire and Rescue Services	Holy Cross pre-primary school	Fire awareness	29 May 2026		Fire and Life safety education

Section	Type of Engagement	Topic / Focus Area	Date	Number of participants	Key Outcomes or Decisions
Fire and Rescue Services	SA for Hope	Fire awareness	27-28 June 2026		Fund Raising event and awareness
Fire and Rescue Services	Riversdale Community	Fire awareness	01 July 2025		Public Education on Fire Safety
Fire and Rescue Services	Hessequa Firefighters	Fire awareness	02 October2025		Fire Fighting Training
Fire and Rescue Services	Hessequa Still Bay Fire Fighters	Fire awareness	03 October 2025		Fire Fighting Training
Fire and Rescue Services	Goedgegun Primary School	Fire awareness	21October 2025		Public Education on Fire Safety
Fire and Rescue Services	Panorama Primary School	Fire awareness	20 March 2026		Public Education on Fire Safety
Fire and Rescue Services	Riversdale N2	Fire awareness	02 April 2026		Public Education on Fire Safety
Fire and Rescue Services	Vermaaklikheid	Fire awareness	07April 2026		Public Education on Fire Safety
Disaster Management	Public Awareness and Education	First Aid Level 3 Training	14-18 July 2025	14	First Aid Level 3 training to strengthen community response capacity
Disaster Management	Public Awareness and Education	First Aid Level 3 Training	18-22 August 2025	34	First Aid Level 3 training to strengthen community response capacity
Disaster Management	Public Awareness and Education	First Aid Level 3 Training	25-29 August 2025	31	First Aid Level 3 training to strengthen community response capacity
Disaster Management	Public Awareness and Education	Gerry the Giraffe Disaster Management Awareness	28- 31August 2025		Public disaster awareness, floods and fire safety education presented during the annual George Agricultural Show.
Disaster Management	Public Awareness and Education	First Aid Level 3 Training	08-12 September 2025	22	First Aid Level 3 training to strengthen community response capacity
Disaster Management	Public Awareness and Education	First Aid Level 3 Training	13-17 October 2025	18	First Aid Level 3 training to strengthen community response capacity
Disaster Management	GRDM Youth Training	First Aid Level 3 Training	10 – 14 November 2025	18	First Aid Level 3 training to strengthen community response capacity
Disaster Management	Public Awareness and Education	First Aid Level 3 Training	17-21 November 2025	18	First Aid Level 3 training to strengthen community response capacity
Disaster Management	Public Awareness and Education	Smart Water Use Campaign	Throughout November and December 2025		Public awareness campaign promoting the safe use of water supplied by water tankers during water shortages.

Section	Type of Engagement	Topic / Focus Area	Date	Number of participants	Key Outcomes or Decisions
Disaster Management	Disaster Management Awareness	Smart Water Use Campaign	December 2025 – January 2026		Community awareness and stakeholder engagement supporting water conservation and risk reduction during the water crisis.
Disaster Management	Public Awareness and Education	First Aid Level 3 Training	23-27 January 2025	22	First Aid Level 3 training to strengthen community response capacity
Disaster Management	Public Education and Awareness	Disaster Management Community Awareness	23 February 2026	52	Community engagement focusing on disaster preparedness and local resilience in the Sedgefield Community.
Disaster Management	Public Education and Training	First Aid Level 3 Training	16-20 March 2026	18	First Aid Level 3 training delivered in partnership with SAPS and the Department of Cultural Affairs and Sport.
Disaster Management	Public Education and Training	First Aid Level 3 Training	20-24 April 2026	25	Continued capacity building to improve first response capabilities within communities.
Disaster Management	Disaster Management Awareness	Gerry the Giraffe Disaster Management Awareness Campaign	28 April 2026	54	Disaster preparedness and awareness programme promoting safety and resilience amongst school learners.
Disaster Management	Public Education and Training	First Aid Level 3 Training	22-26 June 2026	17	Continued capacity building to improve first response capabilities within communities.
EPWP	Buis Plaas Public Information Session	To inform the Public of Buis Plaas of the various opportunities for the community	27 October 2025	+-40	Planned information Session was conducted on the 27 Oct 2025 to exhibit opportunities for the Community of Buis Plaas, Western Cape Department of Agriculture: Rural Development with Garden Route District Municipality Skills Mecca and EPWP Section and various other stakeholders informed the community members of the different opportunities and how to apply for work and training opportunities.
EPWP	Forestry Villages, Stakeholder Engagement	National, Provincial, District and Local Municipalities engagements of Forest Villages	24 February 2026	-	EPWP Official will attend the meeting to established how EPWP can assist the Rural Areas.
EPWP	National Public Works Integrated Grant Workshop	Integrated grant framework for all sectors (Social, Environmental and Culture, Infrastructure Sector	03 March 2026	-	Grant Workshop was conducted to inform municipalities and provincial governments sector departments of how the grant allocations is allocated, National also

Section	Type of Engagement	Topic / Focus Area	Date	Number of participants	Key Outcomes or Decisions
					informed Municipalities and Provincial Government Sector departments on their grant allocation for 2026/2027.
EPWP	EPWP Community of Practice Event	To enhance the effectiveness of the EPWP Payment systems relating to audit controls	23 April 2026	-	The meeting is for the upcoming COP to examine payment systems holistically, identify system constraints and risks, and engage on viable reform pathways. The initiative will respond to persistent challenges in the EPWP payment environment, including fragmentation of payment models, weak integration between attendance and payment systems, delays, and vulnerabilities relating to fraud and audit controls.
EPWP	EPWP attended the Public Information Session	To inform the Public of Uniondale, Haarlem and surrounding areas of opportunities available to them.	20 April 2026	+-100	Public Information Session in Uniondale in collaboration with Skills Mecca and other stakeholders to inform the public of our Database and how to register on the EPWP Database.

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 amongst the many stakeholders involved and the goals for which the institution is governed.

2.5 RISK MANAGEMENT

2.5.1 Good Governance: Risk Management

To maintain an overall positive perception of the municipality and confidence in the municipality from the public and other stakeholders, well planned goals and objectives should be coordinated and achieved within the district. Garden Route Distict Municipality has instituted Risk Management as a systematic and formalised process in order to identify, assess, manage and monitor risks which effectively ensures achievement of those planned goals and objectives. Thus, Risk management is essentially a good governance measure instituted to ensure the municipality accomplishes its vision, mission and strategic plans.

2.5.2 Legislative Requirements

Sections 62(1)(c)(i) and 95(c)(i) of the Local Government Municipal Finance Management Act 56 of 2003 specifically require Accounting Officers to ensure that their municipalities and municipal entities have and maintain effective, efficient and transparent systems of risk management.

2.5.3 Identified Strategic Risk

The following strategic Risk were identified, through the risk management process and were monitored through the year.

RISK		
Risk Title	**Risk Inherent Rating (before Controls)**	**Risk Residual Rating (After Controls)**
Loss of Roads Agency Function	18.67	13.81

RISK		
Risk Title	**Risk Inherent Rating (before Controls)**	**Risk Residual Rating (After Controls)**
Reputation Risk (threat or danger to the good name of the entity	16.24	10.55
Climate Change	18.33	10.08
Possible loss of going concern status	11.61	8.48
Failure to complete the Regional Landfill site	12.70	8.26
Loss of organisational data and assets due to increase in Cyber Fraud	12.00	7.08

As it can be seen from the table above the magnitude of risk exposure, at inherent level, it was reduced through implementation of various mitigation strategies. The change in the last year with regards to the Strategic risk residual rating can also be seen above.

2.5.4 Risk Management: Accomplishments and the way forward

Risk management remains an ongoing process and an important factor in change management in GRDM. In addition, best practices are being formulated and evaluated within the field of risk management on a provincial level on a continuous basis. The Garden Route District Internal Audit and Risk Management Forum is going strong and quarterly engagements are taking place with all local municipalities. This allows all members to give constructive inputs into risk discussions that affect the whole district.

Various structural amendments have taken place in the past financial year, one being the transfer of the Roads Agency function back to the Department of Infrastructure (DOI). This resulted in robust

workshopping of the current risk environment and ultimately amendment to the departmental and organisational risk registers.

All staff members are involved in the identification of risk and controls within their respective departments. The continuous usage of the Automated Risk and Audit system have been a beneficial add on to the integrated approach of the municipality. The system enhanced the integration between Risk Management, Internal Audit and Performance Management and the activities of the municipality as a whole. This allows the municipality to have a hands on approach.

2.6 ANTI-FRAUD AND CORRUPTION

Section 83(c) of the Local Government: Municipal Systems Act 32 of 2000 (MSA) refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA), Section 112 (1) *(m) (i)* identifies supply chain measures to be enforced to scombat fraud and corruption, favouritism and unfair and irregular practices. Section 115 (1) *(b)* of the MFMA further 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.

2.6.1 Garden Route Anti-Fraud and Anti-Corruption Strategy

A tender was awarded to Vuvuzela Hotline for the Anti-Fraud Hotline after a competitive bidding process was followed. This municipality did not receive any reports from the Service Provider regarding theft/fraud for this municipality, or any municipality in the region. However the reports that we have received and not applicable to GRDM was referred to the relevant municipality.

2.7 SUPPLY CHAIN MANAGEMENT

Section 217 of the Constitution of the Republic of South Africa, 1996, states the following with reference to Procurement by the state:

> "(1) When an organ of state in the national, provincial, or local sphere of government, or any other institution identified in national legislation, contracts for goods and services, it must do so in accordance with a system which is fair, equitable, transparent, competitive, and cost effective.

(2) Subsection 1 does not prevent the organs of state or institutions referred to in that subsection from implementing a procurement policy providing for, categories of preference in all allocation of contracts and the protection of advancement of persons, or categories of persons, disadvantaged by unfair discrimination."

Section 111 of the Municipal Finance Management Act 56 of 2003 gives effect to section 217 of the Constitution of the Republic of South Africa 1996 and requires each Municipality to have and implement a supply chain management policy which is fair, equitable, transparent, competitive, and cost effective; complies with all regulatory frameworks prescribed in Chapter of the Municipal Supply Chain Management Regulations. A supply chain management policy to also comply with any minimum norms and standards that may be prescribed in terms of section 168 of the Municipal Finance Management Act 56 of 2003 (MFMA).

MFMA, Section 63, 77 and 78 effectively allocate joint responsibility for integrity and maintenance of good corporate governance to all public servants with regards to Supply Chain Management. However, in terms of section 217(2) of the constitution as cited earlier, Preferential Procurement Policy Framework Act of 2007 gives effect to ensuring that provision in Policy is made in addressing and providing of preference in allocation of contracts to and the protection or advancement of persons, disadvantaged by unfair discrimination. The Act however may only be implemented within a framework as prescribed by national legislation as contemplated in section 217(3) of the Constitution. Preferential Procurement Regulations, 2017, then gives
effect and guidelines on how to realise the objectives as enshrined in the constitution for the protection and advancement of persons, disadvantaged by unfair discrimination.

The Public Procurement Act of South Africa

The Public procurement Act of South Africa, officially known as the Public Procurement Act 28 of 2024 was officially signed into law on July 18, 2024
The Procurement Act seeks to regulate procurement, to prescribe framework within which preferential procurement must be implemented; and to provide for matters connected therewith. The act creates a single framework that regulates public procurement, including preferential procurement, by all organs of state and public entities. The act promotes the use of technology for efficiency and effectiveness; and enhances transparency and integrity, among others, to combat corruption.

Implementation of the act will take place through General Procurement Regulations; these have not been promulgated yet.

Draft General Procurement Regulations

Draft regulations were published by the National treasury on the 16 of April 2026. The Public Procurement Act ,2024, establishes the legal framework while the regulations seek to translate procurement principles into procurement procedures including thresholds, pre-qualification criteria, supplier registration, evaluation methods and more.

The public comments on the draft regulations with stakeholders were open for about 90 days and were concluded on the 15 July 2026. Garden Route District Municipality actively participated in the Western Cape Provincial Treasury (Local Government SCM) Engagements in this period where the draft regulations were unpacked and interrogated extensively. A consolidated western Cape Local Government submission was prepared and submitted to National Treasury for consideration.

Impact of Public Procurement Act 28 of 2024 and the Draft General Public Procurement Regulations of 2026.

Garden Route District Municipality cannot implement anything in the act until the promulgations of the Draft regulations. This will require a complete overhaul of the Supply Chain Management Policies of council. New Policies will have to be developed in alignment with Public Procurement Act and the Regulations. Workshops and training of the organization, council, Bid committees, project managers, SCM personnel and all those who are allocated budgets and must follow Supply Chain Management process to procure goods and services for the organization.

Public perception on public procurement

Public procurement remains a central focus of Government and the public at large. The desire to keep public procurement free from corruption and fraud means that supply chain will always remain under public scrutiny. Garden Route District Municipality is committed to clean administration and ensuring that we are open and transparent in our procurement processes, we are committed to section 217 of

the Constitution in ensuring that the procurement process is fair, equitable, transparent, competitive and cost effective.

The Zondo Commission and the Madlanga Commission have put an immense spotlight on public procurement to be in the center of corruption and looting of state resources. It is therefore unavoidable that Garden Route District not only ensures it has proper Supply Chain Management Policies and Procedures in administrating procurement but to also ensures that officials of council have a clear understanding and appreciation of the intention of these policies and procedures. To ensure that compliance with policy and procedures is not merely seen as malicious and delay but rather to ensure public accountability on how state resources were utilized.

It is critical that the Garden Route District entrenches a culture of good governance and public accountability when it comes to supply chain management. Council, through its oversight mandate leads in entrenching a culture of ethical behavior that's seen and deemed to be ethical by the public at large and approves policies that are consistent with regulatory framework and any minimum norms and standards as may be prescribed by National Treasury. A Supply Chain Management system that is consistent with other applicable legislation, regulatory framework and does not undermine the objective of uniformity in public procurement.

The Accounting Officer and Management must ensure that the polices and processes of council have embedded internal controls in place that are not only effective in the prevention of fraud and regulatory compliance; but also, in ensuring a Supply Chain Management System that is fair, equitable, transparent, competitive, cost effective in bringing about value for money.

2.8 MUNICIPAL WEBSITE

Section 75 of the Local Government Municipal Finance Management Act 56 of 2003 requires municipalities to place key documents and information on their website, including the IDP, the Annual Budget, Adjustments Budgets and Budget related documents and policies. Sections 21 (a) & 21 (b) of the Local Government Municipal Systems Act 32 of 2000 also obliged municipalities to convey specific documents and information to the public, displaying these documents on the municipality's official website.

Based on the above mentioned, Communicators place all relevant information and update documents on the website. The GRDM views its website as an integral communication channel and platform for

accessing documents, news and events, amongst others. The platform is a tool for community participation, information sharing and disclosure information about decisions taken, council's finances and activities.

Documents published on the Municipality's / Entity's website	Yes/No
Current annual and adjustments budgets and all budget-related documents (2025/26).	Yes
All current budget-related policies for the 2025/26 budget.	Yes
The annual report for 2025/26 published.	Yes
All 2025/26 performance agreements required in terms of Section 57(1)(b) of the Municipal Systems Act, and resulting scorecards.	Yes
All supply chain management contracts above a prescribed value.	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) during Year 1.	Nothing disposed
Contracts agreed in Year 1 to which subsection (1) of Section 33 apply, subject to subsection (3) of that section.	Yes
Public-private partnership agreements referred to in Section 120 made in Year 1.	No
All quarterly reports tabled in the council in terms of Section 52 (d) during Year 1.	Yes

2.9 GRDM BY- LAWS

Municipal Health

Municipal Health Services are rendered by District Municipalities and Metropoles. GRDM implement Municipal Health Services by way of enforcing different legislation including the municipal by-laws promulgated 10 December 2018 within the GRDM.

GRDM is now in a process of reviewing the by-laws. It is already being finalised with the legal department of the Western Cape province. This draft by-law will now go to Council for approval which include a public participation process and final approval of the by-laws. The approved by laws will then be published in the gazette for implementation.

The Garden Route District Waste Management By-laws, PG 7818, was promulgated on 01 September 2017. The objectives of the by-laws are to:

- give effect to the rights contained in Section 24 of the Constitution by regulating waste management within the area of the GRDM's jurisdiction;
- provide an effective, legal and administrative framework, within which the GRDM can manage and regulate waste management activities;
- give effect to the division of functions and powers between the GRDM and local municipalities as contemplated in Section 84 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) as far as it relates to the GRDM's executive authority and right to administer— (i) the determination of a waste disposal strategy; (ii) the regulation of waste disposal; and (iii) the establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality;
- give effect to the Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005) by establishing a district inter-municipality waste management forum to promote and facilitate integrated waste management between the GRDM and the local municipalities;
- provide for the effective regulation of waste disposal and determination of a waste disposal strategy as far as it relates to waste disposal facilities within the area of jurisdiction of the GRDM;
- ensure that waste is avoided, or where it cannot be altogether avoided, minimised, reused, recycled, recovered and disposed of in an environmentally sound manner;
- promote and ensure an effective delivery of municipal waste services and commercial services; and
- enhance sustainable development within the area of jurisdiction of the GRDM.

Air Quality

Garden Route District municipality Air Quality Management by-laws Published 2012
To protect the ambient air quality of the district.

Objectives:

(1) The objectives of this by-law are to:

(a) Give effect to the right contained in Section 24 of the Constitution by regulating air pollution within the area of the municipality's jurisdiction in a cooperative manner
between the District and Local Municipalities taking cognizance of the respective air
quality management plans;
(b) provide, in conjunction with any other applicable law, an effective legal and administrative framework, within which the Council can manage and regulate activities that have the
potential to adversely impact the environment, public health and well being; and
(c) ensure that air pollution is avoided, or where it cannot be altogether avoided, mitigated or minimized.
(2) Any person exercising a power under this by-law must exercise such power in order to give effect to the objectives as set out in subsection (1) above.

Fire Services

By-Law will be Promulgated in August 2026 – Fire Safety Bylaw

CHAPTER 3

SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART 1)

AS AT 25 AUGUST 2026

CHAPTER 3: OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

3.1 OVERVIEW

Performance management is a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the Municipality.

At local government level performance management is institutionalised through the legislative requirements on the performance management process for local government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organisation and its employees, are met.

The Constitution of South Africa (1996), Section 152, dealing with the objectives of local government, paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of Section 195(1) are also linked with the concept of performance management, regarding the principles of inter alia:

- the promotion of efficient, economic and effective use of resources; accountable public administration;
- to be transparent by providing information;
- to be responsive to the needs of the community; and
- to facilitate a culture of public service and accountability amongst staff.

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget via the Service Delivery and the Budget Implementation Plan (SDBIP).

Legislative Requirements:

In terms of Section 46(1)(a) of the MSA a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with performance in the previous financial year. The report must indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance.

3.1.1 ORGANISATIONAL PERFORMANCE

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

This report highlights the strategic performance in terms of the Municipality's Top Layer Service Delivery and Budget Implementation Plan (SDBIP) per strategic objective and the National Key Performance Indicators (KPI's) prescribed in terms of Section 43 of the MSA, 2000.

3.1.2 THE PERFORMANCE SYSTEM FOLLOWED FOR 2025/2026

a) ***Adoption of a Performance Management Framework***

Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players." Performance management is not only relevant to the organisation but also to the individuals employed in the organization as well as the external service providers and municipal entities. This framework, *inter alia*, reflects the linkage between the IDP, budget, SDBIP and individual and service provider performance.

Council approved and adopted the revised Performance Management Policy Framework for the organisation on both organisational and individual performance on 22 June 2022 for the 2022-2025 financial years (Council resolution C.4).

3.1.3 THE IDP AND BUDGET

The reviewed IDP and budget for 2025/26 was approved by Council by 27 May 2025.

The IDP process and the performance management process are integrated. The strategic objectives that were identified in the reviewed 2025/26 IDP is aligned with the National Key Performance Areas (KPA's). The strategic objectives are linked to the outcomes for 2025/26.

The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

3.1.4 THE SDBIP

The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and at directorate levels.

The Top Layer SDBIP was approved by the Executive Mayor on 22 June 2025.

Adjustment SDBIP 2025/26

The Top Layer SDBIP was revised with the Adjustment Budget in terms of Section 26(2) of the Municipal Budget and Reporting Regulations and Section 54(1) of the MFMA and an amended Top Layer SDBIP was submitted to Council. No amendments were made to indicators or targets. However, Council did approve the following changes.

The adjustments for this period consist of the following categories:

- Directorate References must be amended to align to the approved Organogram and quarterly reporting,
- The KPI referencing, as per the approved TL SDBIP, must be adjusted to our electronic system as per Chapter 6, Municipal Systems Act, to align to the quarterly reporting and the annual reporting,

- All baselines to be included within the adjusted SDBIP to link to the approved Annual Report of 2024/25.

The adjustments were therefore limited to the referencing of directorates in line with the approved organogram, referencing of indicators and adding baselines to link to the approved Annual Report of 2024/25.

3.1.5 ACTUAL PERFORMANCE

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

- The actual result in terms of the target set
- A performance comment
- Actions to improve the performance against the target set, if the target was not achieved

It is the responsibility of every KPI owner to maintain a POE to support actual performance results updated.

3.2 PERFORMANCE MANAGEMENT

3.2.1 ORGANISATIONAL PERFORMANCE

The organisational performance is monitored and evaluated via the SDBIP and the performance process can be summarised as follows:

The Top Layer SDBIP was approved on 22 June 2025 and loaded on an electronic web-based system

The web-based system sends automated e-mails to the users of the system as a reminder to update their actual performance against KPI targets by the pre-determined day of every month for the previous month's performance

The performance system administrator also reminded all departments on a monthly basis to update their actual performance on the web-based system

The actual results against monthly targets set, are discussed in one-on-one sessions with the Municipal

Manager and Executive Managers to determine early warning indicators and take corrective measures if needed

Performance reports are submitted on a quarterly basis to the Municipal Manager and Council. The Section 72 report, as prescribed by the MFMA, was submitted to the Mayor and Council for approval

3.2.2 INDIVIDUAL PERFORMANCE MANAGEMENT

a) Municipal Manager and Managers Directly Accountable to the Municipal Manager

The MSA, prescribes that the municipality must enter into performance-based agreements with all the S57-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). The performance agreements for the 2025/26 financial year were signed before or on 31 July 2024.

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The final evaluation of the 2024/25 financial year (1 July 2024 to 30 June 2025) took place on 20 October 2025.

The appraisals are done by an evaluation panel as indicated in the signed performance agreements and in terms of Regulation 805 and consisted of the following people:

- Executive Mayor
- Portfolio Chairperson
- Municipal Manager
- Chairperson of the Audit Committee
- Municipal Manager from another municipality

b) Other Municipal Personnel

The Municipality is in process of implementing individual performance management to lower-level staff in annual phases.

Implementation is currently developed and implemented as per the Local Government: Municipal Staff Regulations –GNR 890 as published in GG No. 45181 of 20 September 2020.

3.3 SERVICE DELIVERY PERFORMANCE

This section provides an overview of the key service achievements of the Municipality that came to fruition during 2025/26 in terms of the deliverables achieved compared to the KPI's and objectives in the IDP. It furthermore includes an overview on achievement in 2025/26 compared to actual performance in 2024/25.

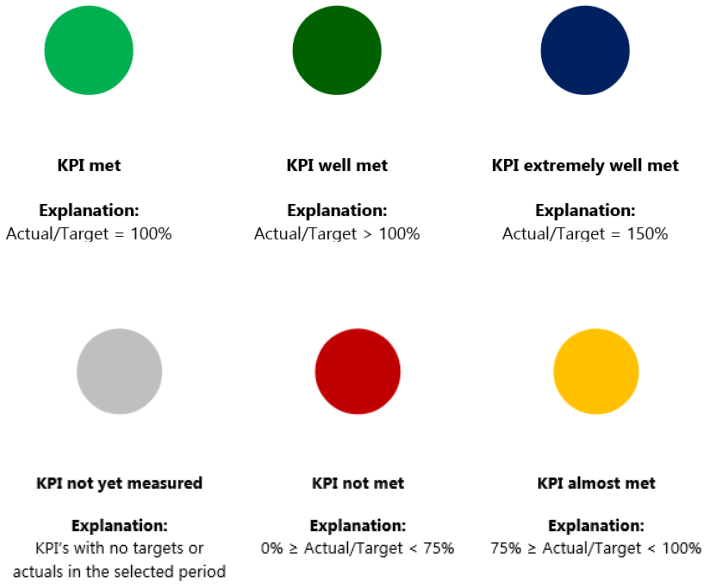
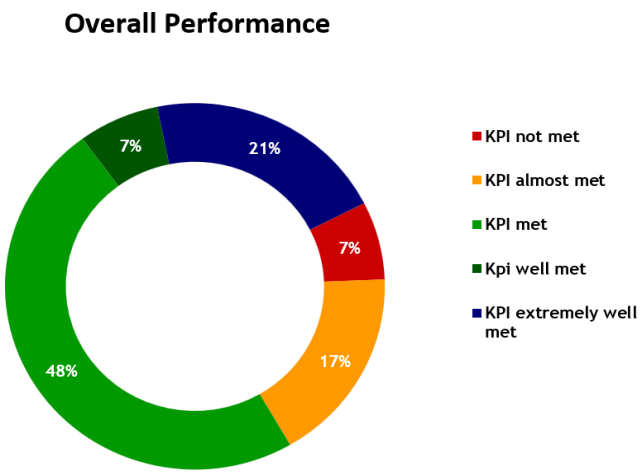


Figure 1:SDIP Measurement Categories

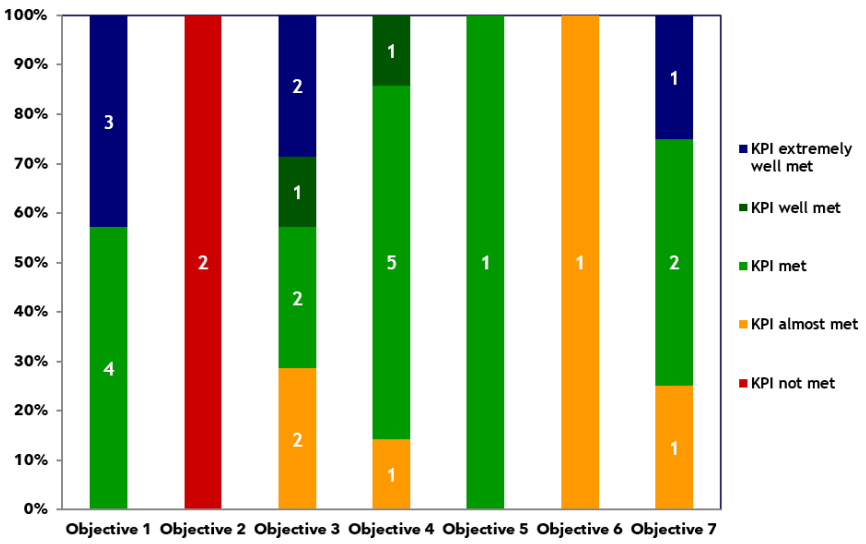
The above indicates the method by which the overall assessment of actual performance against targets set for the KPI'sof the SDBIP is measured.

3.3.1 STRATEGIC SDBIP (TOP LAYER)

The graphs below give an indication of how the Municipality performed in terms of their Top Layer SDBIP: *Overall Peformance for the 2025/2026 Financial Year*



Graph 1: Overall Performance for the 2025/2026 Financial Year



Graph 2: Overall Performance per Strategic Objective

The table and figures below give details of the descriptions of the objectives and how the Municipality performed during the past financial year:

Measurement Criteria	Objective 1	Objective 2	Objective 3	Objective 4	Objective 5	Objective 6	Objective 7
	Skilled Workforce and Community	Bulk Infrastructure Co-ordination	Financial Viability and Sustainability	Good Governance	Growing an Inclusive District Economy	Healthy and Socially Stable Communities	Sustainable Environmental Management and Public Safety
KPI Not Met	0	2	0	0	0	0	0
KPI Almost Met	0	0	2	1	0	1	1
KPI Met	4	0	2	5	1	0	2
KPI Well Met	0	0	1	1	0	0	0
KPI Extremely Well Met	3	0	2	0	0	0	1
Total	7	2	7	7	1	`1	4

Table 1 Top Layer SDBIP Performance per Strategic Objective

3.3.2 ACTUAL PERFORMANCE PER STRATEGIC OBJECTIVE AND CORRECTIVE MEASURES TO BE IMPLEMENTED

a) Skilled Workforce and Community

Ref	KPI	Unit of measurement	Area	Actual of 2024/25	Overall performance 2025/26						
					Targets					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL5	Award 5 external bursaries to qualifying candidates by 31 March 2026	Number of external bursaries awarded by 31 March 2026	All	20	0	0	5	0	**5**	**19**	B
TL11	Spend 1% of personnel budget on training by 30 June 2026 [(Actual total training expenditure/total personnel budget) x 100]	% of the personnel budget spent on training by 30 June 2026	All	1%	0%	0%	0%	1%	**1%**	**1%**	G
TL12	Limit vacancy rate to 10% of budgeted post by 30 June 2026[(Number of funded posts vacant/number of funded posts) x 100]	% vacancy rate	All	5.02%	0%	0%	0%	10%	**10%**	**10%**	G
TL13	Award 8 internal bursaries to qualifying candidates by 31 March 2026	Number of internal bursaries awarded by March 2026	All		0	0	8	0	**8**	**8**	G

TL14	Create training opportunities for EPWP appointees by 30 June 2026	Number of training opportunities created for EPWP appointees by 30 June 2026	All	274	0	0	0	40	**40**	**141**	B
TL15	Number of people from employment equity target groups that will be appointed in the three highest levels of management during the 2025/26 financial year in compliance with the municipality's approved employment equity plan (senior officials & managers, professionals, technicians and associate professionals)	Number of people appointed in the three highest levels of management in compliance with the municipality's approved employment equity plan	All	1	0	0	0	1	**1**	**1**	G
TL26	Create 60 job opportunities through the Roads Services by 30 June 2026	Number of Jobs created by 30 June 2026	All	143	0	0	0	60	**60**	**122**	B

Table 2: Skilled Workforce and Community

b) *Bulk Infrastructure and Co-ordination*

Ref	KPI	Unit of measurement	Area	Actual of 2024/25	Overall performance 2025/26						
					Targets					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL28	Reseal 25 km of roads by 30 June 2026	Number of km's of roads resealed	All	25.98	0	0	0	25	**25**	**18.21**	R
Corrective Action		Road could not be completed due to the procurement moving to DOI and material could not be procured in time, still awaiting.									
TL29	Regravel 35km of roads by 30 June 2026	Number of km's of roads regraveled	All	7.34	0	0	0	35	**35**	**23.97**	R
Corrective Action		R15m was moved to the Gwaing upgrade to complete the project, hence									

Table 3: Bulk Infrastructure and Co-ordination

c) *Financial Viability and Sustainability*

Ref	KPI	Unit of measurement	Area	Actual of 2024/25	Overall performance 2025/26						
					Targets					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL2	The percentage of the municipal capital budget spent on capital projects by 30 June 2026 [(Actual amount spent on capital projects /Total amount budgeted for capital projects) x 100]	% of capital budget spent by 30 June 2026	All	26%	0%	15%	40%	95%	**95%**	**79%**	O
Corrective Action		The Contractor is on track with the programme; however, the actual project expenditure is not aligned with the initial estimated project cashflow that was provided for budget purposes. This will be rectified in the new financial year 2026/27									

TL6	Achieve cash coverage ratio of 3 months. Financial viability measured in terms of the available cash to cover fixed operating expenditure by 30 June 2026[(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)]	Number of months that available cash is sufficient to cover the monthly operating expenditure	All	4.3	0	0	0	3	**3**	**2.28**	O
Corrective Action		Alternative revenue sources to be investigated and incorporated in the budget in order to increase cash resources.									
TL7	Achieve a current ratio of 1.5 (Current assets : Current liabilities) by 30 June 2026	Number of times the Municipality can pay back its short term-liabilities with its short-term assets by 30 June 2026	All	2.56	0	0	0	1.5	**1.5**	**3.02**	B
TL8	Financial viability measured in terms of the municipality's ability to meet its service debt obligations by 30 June 2026 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue - Operating Conditional Grant) x 100]	% of debt coverage	All	36.11%	0%	0%	0%	45%	**45%**	**35.67 %**	B
TL9	Compilation of the Annual Financial Statements (AFS) for the 2024/25 financial year and submit to the Auditor- General (AG) by 31 August 2025	Compilation and submission of the AFS to the AG by 31 August 2025	All	1	1	0	0	0	**1**	**1**	G
TL10	Compile the Mid-year Financial Statements for the 2025/26 financial year and submit to Audit and Performance Audit Committee (APAC) by 28 February 2026	Compilation and submission of the Mid-year Financial	All	1	0	0	1	0	**1**	**1**	G
TL27	Spent 95% of the roads budget allocation by 31 March 2026 (Actual expenditure divided by approved allocation received)	% of the roads spent by 31 March 2026	All	100.79%	30%	50%	95%	0%	**95%**	**99%**	G 2

Table 4: Financial Viability and Sustainability

d) Good Governance

Ref	KPI	Unit of measurement	Area	Actual of 2024/25	Overall performance 2025/26						
					Targets					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL1	Complete 85% of the Risk Based Audit Plan (RBAP) for the 2024/25 financial year by 30 June 2026 [(Number of audits and tasks completed for the period identified in the RBAP/ Number of audits and planned tasks in the RBAP) x 100]	% of the Risk Based Audit Plan completed by 30 June 2026	All	90%	0%	25%	50%	85%	**85%**	**90%**	G 2
TL3	Compile and submit the final Oversight Report for 2024/25 to Council by 31 March 2026	Final Oversight Report for 2024/25 submitted to Council for adoption by 31 March 2026	All		0	0	1	0	**1**	**1**	G
TL4	Submit an Operation Clean Audit Report (OPCAR) progress report to the Management Public Accounts Committee (MPAC) on a quarterly basis	Number of OPCAR reports submitted to MPAC	All		1	1	1	1	**4**	**3**	O
Corrective Action		Only three ordinary MPAC meetings were held during the previous financial year. The remaining meetings were special meetings convened to consider and deliberate on specific reports submitted to MPAC. Going forward, we will also endeavour to table the OPCAR at special MPAC meetings where necessary to ensure timely oversight and reporting during the next financial years.									
TL16	Report half yearly to Council on the progress in terms of the Growth and Development Strategy initiatives within the district	Number of reports submitted	All	2	0	1	0	1	**2**	**2**	G
TL18	Compile and submit the Final Annual Report for Garden Route District Municipality for 2024/25 to Council by 31 December 2025	Final Annual Report (GRDM)for 2024/25 submitted to Council by 31 December 2025	All	No	0	1	0	0	**1**	**1**	G
TL19	Review and submit the Integrated Development Plan (IDP) for the 2022-2027 period to Council by 31 May 2026	IDP Review submitted to Council by 31 May 2026	All	No	0	0	0	1	**1**	**1**	G
TL20	Review and submit the Spatial Development Framework to Council for the period 2026-2030 by 30 June 2026	Submission of the SDF to Council by 30 June 2026	All	No	0	0	0	1	**1**	**1**	G

Table 5: Good Governance

e) Growing an Inclusive District Economy

Ref	KPI	Unit of measurement	Area	Actual of 2024/25	Overall performance 2025/26						
					Targets					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL17	Create job opportunities through the Expanded Public Works Programme (EPWP) for the organisation by 30 June 2026	Number of job opportunities created through the Expanded Public Works Programme (EPWP) by 30 June 2026	All	274	0	0	100	150	**250**	**250**	G

Table 6: Grow an Inclusive District Economy

f) Healthy and Socially Stable Communities

Ref	KPI	Unit of measurement	Area	Actual of 2024/25	Overall performance 2025/26						
					Targets					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL25	Spend 95% of the project budget for the Regional Landfill Facility by 30 June 2026 [(Actual amount spent on project /Total amount budgeted for project) x 100]	% of project budget spent	All	26%	5%	30%	65%	95%	**95%**	**81%**	O
Corrective Action		The estimated project cashflow for the 2025/26 financial year that was provided by the Consulting Engineers amounted to R50 331 971 (Excl. VAT). This was provided to the Finance Department to be included in the adjustment budget. Based on this estimated project cashflow, the total expenditure amounts to approximately 76.9%. The Contractor is on track with the construction programme; however, the actual project expenditure is not aligned with the initial estimated project cashflow that was provided for budget purposes. This will be rectified in the new financial year 2026/27.									

Table 7: Healthy and Socially Stable Communities

g) Sustainable Environmental Management and Public Safety

Ref	KPI	Unit of measurement	Area	Actual of 2024/25	Overall performance 2025/26						
					Targets					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL21	Quarterly report on the conclusion of the MFMA Sec 33(Regional Waste Management Facility)	Number of reports submitted to Council	All	No	1	1	1	1	**4**	**4**	G
TL22	Compile a one District Integrated Veld Fire Management Plan by 30 September 2025	Plan compiled and submitted to Council	All	**0**	1	0	0	0	**1**	**1**	G
TL23	Compile a one Fire Master Plan by 30 September 2025	Plan compiled and submitted to Council	All	No	1	0	0	0	**1**	**1**	G

TL24	Execute 4 emission testing (air quality) initiatives by 30 June 2026	Number of emission testing (air quality) initiatives executed by 30 June 2026	All	No	1	1	1	1	**4**	**6**	B

Table 8: Sustainable Environmental Management and Public Safety

3.4 SERVICE PROVIDER STRATEGIC PERFORMANCE

Section 76(b) of the MSA states that KPI's should inform the indicators set for every municipal entity and service provider with whom the Municipality has entered into a service delivery agreement. A service provider:

Means a person or institution or any combination of persons and institutions which provide to or for the benefit of the local community. External service provider means an external mechanism referred to in Section 76(b) which provides a municipal service for a municipality.

Service delivery agreement means an agreement between a municipality and an institution or person mentioned in Section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality.

During the year under review the Municipality did not appoint any service providers who provided municipal services to or for the benefit of the local community on behalf of the Municipality and therefore this report contains no such details. All other contract appointments are regularly monitored in terms of the required legislation which stipulates that vendor performance must be monitored on a regular basis.

3.5 MUNICIPAL FUNCTIONS

The municipal functional areas are indicated below:

Municipal function	Municipal function
	Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	No
Childcare facilities	Yes, non-core
Electricity and gas reticulation	No
Firefighting services	Yes

Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	Yes
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Bulk infrastructure
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste water and sewage disposal systems	No
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	No
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes, only regarding provincial roads
Licensing of dogs	No
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	No
Local sport facilities	No
Markets	No
Municipal abattoirs	Yes
Municipal parks and recreation	No

Municipal roads	No. Agent for PGWC on provincial roads
Noise pollution	Yes
Pounds	No
Public places	No
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	No
Traffic and parking	No

Table 9: Functional Areas

COMPONENT A: BULK INFRASTRUCTURE PLANNING

3.6 BULK INFRASTRUCTURE PLANNING

The Garden Route District Municipality has committed to the construction of its own fresh produce market in George and also the establishment of a landfill site in Mossel Bay

GRDM seeks to become a Water Services Authority and provide bulk infrastructure at a regional level. Such an intervention will improve the equality of accessibility to quality water, as well as the impact of climate change on water supply. The district has also developed a draft Water Resource Plan for the district as a whole, with the assistance from the Municipal Infrastructure Support Agent (MISA). A response from the CoGTA Minister recommended that GRDM carry out a section 78 study which will then inform the ministerial determination. To this end GRDM has applied for funding to various National and Provincial departments to fund the services of a professional team to carry out the study.

The GRDM is also coordinating the process to secure energy sustainability for the region. At the Council Meeting in June 2022, Council adopted an Energy Master Plan for the region. After this, GRDM went on a call for proposals from Independent Power Producers on the 12th of May 2023 for Renewable Energy. The technical evaluation was completed, and one company was chosen to develop a 130 MW Solar PV Plant and a 140 MW Battery Energy Storage System at Dysselsdorp, Oudtshoorn. A Power Purchase agreement is under discussion that will see energy being made available to the GRDM at a cost less than ESKOMS Megaflex rate. A further Power Purchase Agreement will be drawn up with Eskom or the Oudtshoorn Municipality whose customers will be the final consumers.

Further, negotiations are underway to lease a property in Mossel Bay to an Independent Power Producer who wishes to develop a 2400 MW Gas to Energy Plant. Due diligence is being conducted on the company and a notarial lease is being finalised.

3.6.1 HIGHLIGHTS: BULK SERVICES

The following highlights were achieved during the financial year:

Highlights	Description
Appointment of a new Construction Contractor	Civils 2000 was appointed in January 2026 as the new contractor to complete Phase 1 of the construction of the Garden Route Regional Waste Management Facility

Table 10: Bulk Services Highlights

3.6.2 CHALLENGES: BULK SERVICES

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Lack of MIG or other Infrastructure Grant Funding due to the ineligibility of District Municipalities	Continue to engage with National Treasury and COGTA to explore alternative funding mechanisms and opportunities for infrastructure development.

Table 11: Bulk Services Challenges

3.7 WASTE MANAGEMENT

3.7.1 INTRODUCTION TO WASTE MANAGEMENT

The GRDM waste management functions and powers are set out in the Municipal Structures Act, Act 117 of 1998. In accordance with Section 84(1)(e) of the Municipal Structures Act, as amended, one of the core functions of a District Municipality is solid waste disposal sites, in so far it relates to the determination of a waste disposal strategy; the regulation of waste disposal; and the establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district.

It is a legislative requirement for GRDM to establish a new Regional Waste Management Facility for the local municipalities of Bitou, Knysna, George and Mossel Bay. These municipalities no longer

have waste disposal facilities available in their areas of jurisdiction and are currently making use of the Petroleum, Oil and Gas Corporation of South Africa (PetroSA) landfill site in Mossel Bay to dispose of their municipal solid waste.

Following the termination of the construction contract with the previous contractor in March 2025, the PetroSA landfill reached its height limit of 15 metres in accordance with their Waste Management Licence. GRDM negotiated with PetroSA to further extend their waste disposal agreements with the participating municipalities and requested to apply for a further height extension with the licensing authority, the Department of Forestry, Fisheries & the Environment (DFFE), to accommodate waste disposal in the interim until the Regional Facility is operational. The height extension was approved in December 2025 and subsequently PetroSA agreed to continue accepting domestic waste until the Regional Facility is operational, planned for March 2027.

The District Municipality must assist local municipalities in building capacity or assist in the delivery of services where any is lacking. District municipalities are obligated to liaise with the local municipalities in respect of the functions set out in the Municipal Structures Act and to coordinate regional waste management and minimisation initiatives set out in the GRDM's third generation Integrated Waste Management Plan (IWMP) and Waste Minimisation Plan (WMP) to ensure a cooperative approach towards integrated waste management, in accordance with the waste management hierarchy, throughout the region.

3.7.2 HIGHLIGHTS: WASTE MANAGEMENT

The following highlights were achieved during the financial year:

Highlights	Description
Appointment of a new Construction Contractor	Civils 2000 was appointed in January 2026 as the new contractor to complete Phase 1 of the construction of the Garden Route Regional Waste Management Facility.
Height extension approval of the PetroSA Landfill Site	DFFE approved an increase in the landfill height from 15 metres to 20 metres in December 2025. The extension will provide additional capacity for waste disposal from participating municipalities until the Garden Route Regional Waste Management Facility becomes operational.
Collaboration with Producer Responsibility Organizations (PROs) and other stakeholders	Memorandums of Understanding (MoUs) were signed between GRDM and Polyco and e-WASA, respectively. GRDM also successfully collaborated with the Landmark Foundation on waste minimisation initiatives and school recycling programmes.

Finalisation of the Service Level Agreement between GRDM and PetroSA	A Service Level Agreement (SLA) between GRDM and PetroSA was finalised in December 2025. The agreement provides for the service provider appointed by GRDM to undertake the interim operation and maintenance of the PetroSA landfill site until the Garden Route Regional Waste Management Facility becomes operational.

Table 12: Waste Management Highlights

3.7.3 CHALLENGES: WASTE MANAGEMENT

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Insufficient operational budget for implementation of the IWMP and WMP	Operational budget constraints have limited the implementation of key initiatives, including a district-wide waste management full-cost accounting exercise and the development of a District Waste Management Infrastructure Master Plan, which is urgently required. Alignment of the IWMP and IDP cycles will support improved prioritisation and allocation of funding for waste management initiatives.
Limited landfill airspace at the PetroSA landfill site	The approved height extension will provide additional landfill airspace for a limited period. Continued effective contract management of the operations service provider is required to optimise landfill operations and maximise the remaining available airspace while planning for the urgent closure and rehabilitation of the PetroSA landfill site.

Description	Actions to address
Limited capacity at local municipalities	Capacity constraints at several local municipalities hinder collaborative waste minimisation initiatives, particularly the implementation of waste characterisation studies. Alignment of the next-generation Integrated Waste Management Plans and strengthened collaboration with Producer Responsibility Organisations (PROs) will support the implementation of these initiatives.
Increased waste disposal volumes due to population growth and semigration	Significant increases in waste disposal tonnages have resulted from increased semigration to the Garden Route region. Continued education and awareness programmes, together with the implementation of waste minimisation initiatives, will be prioritised to increase waste diversion from landfill.
Limited resources for waste minimisation initiatives	Collaboration and support from PROs, in terms of the signed Memorandums of Understanding, will assist in implementing identified waste minimisation objectives and initiatives across the district.

Table 13: Waste Management Challenges

3.7.4 INTEGRATED WASTE MANAGEMENT PLAN (IWMP)

IWMP Implementation

In accordance with Section 13 of the National Environmental Management Waste Act, Act No. 59 of 2008, it is a requirement that the annual performance report must contain information on the implementation of the municipal IWMP. The status quo of the implementation of the GRDM's 3rd Generation IWMP (2020 – 2025) is as follows:

Objective	Actions and Targets	Activity Imple-men-ta-tion score	Actions undertaken	If not imple-mented – indi-cate reasons	Planned budget (R)	Actual ex-penditure (R)	Person/s Responsible for Monitor-ing	Frequency of Monitoring (Annually,
Goal 1: Effective waste information management and reporting								
1.1 Accurate waste information	1.1.1 All large general and hazard-ous waste generators need to be registered on the GRWMIS	0,5	Waste generators report di-rectly to the Integrated Pollu-tant and Waste Information System (IPWIS) and South Afri-can Waste Information Sys-tem (SAWIS). GRDM Waste Management by-laws to be amended to only register and report on IP-WIS.	By-laws to be amended	0.00	0.00	J. Gie	Annually

collected through the Garden Route District Waste Management Information System (GRWMIS)	1.1.2 A review of the reporting categories on the GRWMIS needs to be undertaken. These categories need to be aligned with the waste categories listed in the National Waste Information Regulations; however, consideration should be given to adding a further breakdown of waste streams. The data capturing system must be designed so that rolled up data under the broad categories listed in the regulations can be Reported on the IPWIS	1	All waste categories on the GRWMIS are aligned with IPWIS. GRDM Waste Management By-laws to be amended to only register and report on IPWIS	N/A	0.00	0.00	J. Gie	Annually
Objective	**Actions and Targets**	**Activity Implemen-ta-tion score**	**Actions undertaken**	**If not implemented – indicate reasons**	**Planned budget (R)**	**Actual expenditure (R)**	**Person/s Responsible for Monitoring**	**Frequency of Monitoring (Annually,**
	1.1.3 The weighbridge software used at the regional landfill site needs to be compatible with the GRWMIS and IPWIS	1	The software of the weighbridge being installed is compatible for IPWIS reporting	N/A	N/A	N/A	J. Gie	N/A
1.2 The GRWMIS fully interlinked with the IPWIS.	1.2.1 The GRDM to strive to link the GRWMIS needs to the IPWIS so that information uploaded to the GRWMIS is automatically uploaded to the IPWIS and SAWIS	0	This was explored; however, it was confirmed by DEA&DP that it will not be feasible.	Not feasible. GRDM Waste Management By-laws to be amended to only register and report on IPWIS	N/A	N/A	N/A	N/A

1.3 The implementation status of the GRDM IWMP and local municipality IWMP's is regularly reviewed and the implementation status of projects is monitored.	1.3.1 Undertake annual performance reviews of this IWMP and send reports to the Department of Environmental Affairs and Development Planning (DEA&DP) in line with the requirements of the Waste Act and Section 46 of the Municipal Systems Act	1	The implementation of the IWMP is incorporated in the Municipalities Annual Performance Report	N/A	N/A	N/A	J. Gie	Annually
	1.3.2 GRDM to add a progress report on the status of IWMP's at the quarterly Waste Manager Forum meetings	1	This is a standing item on agenda	N/A	N/A	N/A	J. Gie	Quarterly
1.4 Effective internal management of waste related data	1.4.1 Develop an inventory of all internal waste related data sets	1	Concluded and updated accordingly	N/A	N/A	N/A	W. Odendaal	Monthly
	1.4.2 Develop systems for effectively capturing and storing waste data sets identified in the above inventory, such that they are readily available	1	Systems are in place and captured accordingly	N/A	N/A	N/A	W. Odendaal	Monthly
Goal 2: Improved education and awareness								
Objective	**Actions and Targets**	**Activity Imple-men-ta-tion score**	**Actions undertaken**	**If not imple-mented – indi-cate reasons**	**Planned budget (R)**	**Actual ex-penditure (R)**	**Person/s Responsible for Monitor-ing**	**Frequency of Monitoring (Annually,**
2.1 District wide waste awareness campaigns are well planned and executed. Sufficient awareness	2.1.1 Develop an annual waste awareness calendar which is aligned with awareness campaigns planned by the local municipalities	0,5	Request all local municipalities and stakeholders to submit planned campaigns.	Lack of response from local municipalities	N/A	N/A	I. Sikweyiya	Annually
	2.1.2 Waste awareness campaigns are to be undertaken by trained and experienced personnel	1	Awareness initiatives are undertaken by the District Waste Management Officer	N/A	N/A	N/A	I. Sikweyiya	Continually

materials are available for the waste awareness campaigns	2.1.3 The GRDM waste mascot is to be incorporated into future waste awareness materials to ensure standardization across the district	1	Mascot is included in all GRDM waste minimization branding. Templates provided to all local Waste Management Officers (WMOs) to include in awareness material	N/A	N/A	N/A	I. Sikweyiya	Continually
2.2 The public, business and industry are informed of what constitutes hazardous waste and how hazardous waste should be managed	2.2.1 GRDM to undertake hazardous waste awareness programs with business and industry. These programs should focus on the hazardous cell at the regional landfill site and inform business and industry of registration requirements and companies which are authorized to use the site	0	Pending the construction and operation of the hazardous waste cell	No hazardous waste cell in place	N/A	N/A	I. Sikweyiya	N/A
2.3 Waste awareness campaigns are mainstreamed at schools and all learners and educated on good waste management practices	2.3.1 Waste awareness campaigns to be undertaken at all schools in GRDM in collaboration with local municipalities	0,5	Ongoing on an ad hoc basis	Lack of funding and capacity i.e. one official for all schools across the district	0.00	Materials & equipment provided by the PROs distributed to local municipalities and schools	I. Sikweyiya	Monthly
Objective	**Actions and Targets**	**Activity Imple-men-ta-tion score**	**Actions undertaken**	**If not imple-mented – indi-cate reasons**	**Planned budget (R)**	**Actual ex-penditure (R)**	**Person/s Responsible for Monitor-ing**	**Frequency of Monitoring (Annually,**

2.4 Waste awareness campaigns are audience specific and communicated using channels appropriate to the audience	2.4.1 A public perception survey on waste management to determine the public knowledge of waste management and preferred methods for engagement in terms of waste awareness messages (social media vs meetings vs flyers) to be undertaken by GRDM in collaboration with local municipalities	0	N/A	Not achieved due to a lack of budget	0.00	0.00	I. Sikweyiya	N/A
Goal 3: Improved institutional functioning and capacity								
3.1 The GRDM has sufficient well capacitated employees	3.1.1 The GRDM to review the current organogram and ensure it is aligned with the roles required to manage the district waste management function and the regional landfill site management	1	Organogram has been reviewed. To be reviewed again once the RWMF is operational	N/A	N/A	N/A	J. Gie	Annually
	3.1.2 The GRDM to identify training needs of employees and implement training	1	Ongoing. Included in the employees' Professional Development Plans	N/A	N/A	N/A	J. Gie	Annually
	3.1.3 Dedicated employees for waste education and awareness to be appointed, and key performance indicators (KPIs) to be included in their formal job descriptions	1	Included in the job description of the District Waste Management Officer responsible for waste minimisation	N/A	N/A	N/A	J. Gie	Annually
	3.1.4 Implementation of the IWMP to be added as KPIs to the District Waste Manager or WMOs performance evaluation criteria	0	N/A	Not included in performance evaluation criteria due to a lack of budget which directly affects performance	N/A	N/A	J. Gie	Annually

Objective	Actions and Targets	Activity Imple-men-ta-tion score	Actions undertaken	If not imple-mented – indi-cate reasons	Planned budget (R)	Actual ex-penditure (R)	Person/s Responsible for Monitor-ing	Frequency of Monitoring (Annually,
3.2 Information sharing is maxim-ized in the GRDM and regular meet-ings are held to build relationships between the dis-trict and local mu-nicipalities	GRDM continued to host quarterly waste management forum meet-ings and rotate the venue be-tween local municipalities to in-crease participation	1	WMO Forum meetings held quarterly. Meetings held virtu-ally due to cost containment measures	N/A	N/A	N/A	J. Gie	Quarterly
Goal 4: Provision of efficient and financially viable waste management services								
4.1 Cost reflective tariffs are charged to local municipali-ties and businesses for use of the re-gional site	4.1.1 Waste disposal tariffs are to be informed by a full cost accounting exercise, and tariffs to be reviewed annually to determine if they are still appropriate	1	Waste Disposal tariffs are cost reflective including construc-tion / loan costs, operations and maintenance, rehabilita-tion and GRDM administration fee. Determined by third party.	N/A	R87 000.00	R68 920.00	J. Gie	Annually
4.2 Budget is de-termined and al-located for the closure and reha-bilitation of waste management fa-cilities	4.2.1 GRAP assessments of the re-gional landfill site are to be under-taken on an annual basis, and an annual contribution is to be made into a vote for the closure and re-habilitation of the landfill site	1	Included in the current cost recovering disposal tariffs	N/A	N/A	N/A	J. Gie	Annually
Goal 5: Increased waste minimisation and waste diversion from landfill								
5.1 The diversion of recyclables from waste destined for landfill is increased	5.1.1 GRDM to finalize the district waste minimization plan	1	GRDM had waste minimiza-tion plans developed for each of the seven local mu-nicipalities and for the district municipality	N/A	N/A	N/A	J. Gie	Annually

Objective	Actions and Targets	Activity Imple-men-ta-tion score	Actions undertaken	If not imple-mented – indi-cate reasons	Planned budget (R)	Actual ex-penditure (R)	Person/s Responsible for Monitor-ing	Frequency of Monitoring (Annually,
	5.1.2 GRDM to assist Kannaland Local Municipality Oudtshoorn Local Municipality with the roll out of pilot separation at source programs	0,5	In progress with Oudtshoorn Local Municipality. Budget dependent	This is depend-ent on the co-operation from the respective local municipali-ties	0.00	0.00	I. Sikweyiya	N/A
5.2 The diversion of organic waste from landfill is in-creased	5.2.1 Pilot home composting pro-grams to be rolled out in all munici-palities	1	Concluded in all seven local municipalities	N/A	N/A	N/A	J. Gie	N/A
Goal 6: Improved compliance and enforcement								
6.1 The regional landfill site is op-erated according with license con-ditions	6.1.1 The GRDM to undertake inter-nal audits to review the compli-ance status of the regional landfill site	0	RWMF under construction	Pending finalisa-tion and opera-tion of the Re-gional Waste Management Facility (RWMF)	N/A	N/A	J. Gie	Biannually
	6.1.2 All relevant GRDM employ-ees to be trained on auditing prin-cipals to allow them to undertake internal audits	0	RWMF under construction	Pending finalisa-tion and opera-tion of the RWMF	N/A	N/A	J. Gie	Annually
	6.1.3 Annual external audits under-taken of the regional landfill site	0	RWMF under construction	Pending finalisa-tion and opera-tion of the RWMF	N/A	N/A	J. Gie	Annually
	6.1.4 GRDM to monitor the man-agement of the regional landfill site on a daily basis	0	RWMF under construction	Pending finalisa-tion and opera-tion of the RWMF	N/A	N/A	J. Gie	Daily
Goal 7: Improved future waste Infrastructure planning								

Objective	Actions and Targets	Activity Imple-men-ta-tion score	Actions undertaken	If not imple-mented – indi-cate reasons	Planned budget (R)	Actual ex-penditure (R)	Person/s Responsible for Monitor-ing	Frequency of Monitoring (Annually,
7.1 Plans are in place to guide the development of waste manage-ment infrastructure which is required to meet national and provincial waste diversion targets.	7.1.1 The GRDM to facilitate the update of the 2016 DEA&DP waste infrastructure plan for the district	0	Requested for funds in the 2025/26 budget	Not achieved due to lack of budget	N/A	N/A	J. Gie	Annually
	7.1.2 The GRDM to ensure that there is budget available in 5 years for the review of the IWMP	1	R400 000.00 budgeted for in the 2026/27 financial year	N/A	R400 000.00	N/A	J. Gie	Every 5 years
Total number of actual activities implemented		20	**Actual budget expended on Implementing the IWMP**			R68 920.00		
Total number of activities required to be implemented as per the IWMP		11						
Implementation Score		64.5%						

Table 14: Integrated Waste Management Plan Implementation

Measures – Waste Services

The following table indicates the measures taken to secure the efficient delivery of Waste Management Services:

Measures Taken to Secure the Efficient Delivery of Waste Management Services				
Description	**Indicate (Yes/No)**	**Elaborate on Measures Undertaken/ Provide Rea-sons if not Undertaken**	**Indicate (Yes/No)**	**Elaborate on Measures Undertaken/ Provide Rea-sons if not Undertaken**
	2024/25		**2025/26**	
Establishment of additional waste man-agement infrastructure	Yes	Construction of the Garden Route Regional Waste Management Facility	Yes	Construction of the Garden Route Regional Waste Management Facility

Upgrade of existing waste management infrastructure	N/A	N/A	N/A	N/A
Measures Taken to Secure the Efficient Delivery of Waste Management Services				
Description	**Indicate (Yes/No)**	**Elaborate on Measures Undertaken/ Provide Reasons if not Undertaken**	**Indicate (Yes/No)**	**Elaborate on Measures Undertaken/ Provide Reasons if not Undertaken**
	2024/25		**2025/26**	
Addressing compliance issues at waste management facilities	N/A	N/A	N/A	N/A
Clean-up of illegal dumping	Yes	Clean-up campaigns in collaboration with PROs & local municipalities	Yes	Clean-up campaigns in collaboration with PROs & local municipalities
Additional equipment procured	N/A	N/A	N/A	N/A
Additional vehicles procured	N/A	N/A	N/A	N/A
Additional waste management or collection staff employed	N/A	N/A	N/A	N/A
Staff training undertaken	Yes	Training needs included in Staff professional development plans	Yes	Training needs included in Staff professional development plans
Improved waste collection route planning	N/A	N/A	N/A	N/A
Use of technology	N/A	N/A	N/A	N/A
Other measures undertaken e.g. funding applications, shared services, secondments etc.	No	Previous MIG funding applications were rejected – District Municipalities not eligible for MIG funding for waste management	Yes	Memorandum of Understanding with PROs

Table 15: Measures – Waste Management Services

3.7.5 EMPLOYEES: WASTE MANAGEMENT

The table below indicates the number of staff employed by the Unit:

(T-grade)	2024/25	2025/26			
	Employees	Posts	Employees	Vacancies (fulltime equiva-lents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	1	1	1	0	0
10 - 12	0	0	0	0	0
13 - 15	2	2	2	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	**3**	**3**	**3**	**0**	**0**

Table 16: Employees: Waste Disposal

3.7.6 CAPITAL EXPENDITURE: WASTE MANAGEMENT

Capital projects	2025/26				
	Budget	Adjustment Budget	Actual Ex-penditure	Variance from budget	Total Project Value
Regional waste manage-ment facility	105 571	67 122	51 240	15 882	383 666
Total	**105 571**	**67 122**	**51 240**	**15 882**	**383 666**
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)					

Table 17: Capital Expenditure: Waste Disposal

3.8 HUMAN SETTLEMENTS

3.8.1 INTRODUCTION TO HUMAN SETTLEMENTS

This Section seeks to highlight progress reached to date within the 2025/26 financial year (FY) in the GRDM' long term commitment to delivery of sustainable affordable housing opportunities in well located areas. Further this commitment is fairly new in the GRDM which has never played a direct role in either low or affordable housing delivery context. Such a commitment emanates from the conclusion of Memorandum of Agreement (MoA) between the Western Cape.

Department of Infrastructure (WCDoI) and the Garden Route District Municipality which commenced in the 2020/21 financial till the current period under review covering the 2025/26 financial year.

This was preceded by the Provincial Gazetted funding commitments covering the 2024/25, 2025/26 financial years. The WCDoI advised that it will discontinue funding from the 2026/27 financial year, with the 2025/26 allocation being the final contribution due to a shift in departmental priorities.

The Section seeks to highlight the key performance outcomes and related challenges for successful roll out of the Integrated Human Settlements Section for the preceding year covering the 2025/26 financial year. It revolves primarily around the execution to date of the three primary objectives mutually agreed and outlined in the MoA as follows:

1. Establishment of a Human Settlements Department
2. Attainment of Municipal Accreditation (Level 1)
3. Acceleration of Affordable housing programmes and projects [i.e. Social Rental and First Home Finance (FHF)]

3.8.2 BACKGROUND: HUMAN SETTLEMENTS

To support the Human Settlements function within the Integrated Planning and Economic Development Directorate, two contract appointments were made to the position of Manager: Human Settlements, effective 1 February 2021. These contracts were subsequently reviewed and extended in accordance with the Memorandum of Agreement (MoA) and applicable gazetted grant funding provisions. The contracts concluded on 30 April 2025 and 31 July 2025, respectively, due to the incumbents' early retirement and retirement.

In January 2022, a Town Planner and two Administrative Assistants were appointed on fixed-term contracts. Following a review, their contracts were extended until 31 March 2025, coinciding with the conclusion of the Western Cape Department of Infrastructure (WCDoI) funding agreement.

As reported in previous quarterly submissions to the Western Cape Department of Infrastructure (formerly Human Settlements), the Garden Route District Municipality (GRDM) has achieved significant milestones in advancing its Integrated Human Settlements Programme and accreditation agenda during the 2020/21, 2021/22, 2023/24 and 2025/26 financial years. Key achievements include the development, stakeholder engagement, approval, and subsequent annual reviews of the GRDM Integrated Human Settlements Strategic Plan; the completion and review of the Human Settlements Sector Plan, a critical requirement for accreditation; and the appointment of Own Haven Housing Association (OHHA), an SHRA-accredited social housing partner, to drive affordable housing projects across five municipalities within the district.

Notable progress has also been made in advancing social housing developments, including the approval of the Site Development Plan for Erf 26823 in George, endorsement by the Western Cape Social Housing Provincial Steering Committee, and the reservation of strategically located GRDM-owned properties in George and Mossel Bay for pilot social housing projects. In parallel, GRDM has pursued the transfer of well-located state-owned land, established an Intergovernmental Task Team to coordinate programme implementation across all seven local municipalities, and developed an Incentives Policy Framework to support municipal housing delivery.

The Municipality has further secured substantial funding support, including R5 million from the Western Cape Government for Integrated Human Settlements operations, achieving a 94% expenditure rate, and R11 million from the Department of Agriculture, Land Reform and Rural Development to facilitate the review and alignment of Municipal Spatial Development Frameworks. In support of accreditation, GRDM submitted a revised Accreditation Business Plan aligned with the 2023 Accreditation Framework and has secured formal support from five local municipalities.

To strengthen affordable housing delivery, GRDM has established a database of 1,523 prospective beneficiaries interested in Social Housing and First Home Finance opportunities, complementing the Provincial Housing Demand Database of 4,224 applicants. Furthermore, through a competitive procurement process, GRDM has expanded its development capacity by appointing two private sector development partners, ASLA and Ruwacon, to collaborate in unlocking well-located affordable housing opportunities across the district.

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(formerly Human Settlements), the Garden Route District Municipality (GRDM) has achieved significant milestones in advancing its Integrated Human Settlements Programme and accreditation agenda during the 2020/21, 2021/22, 2023/24 and 2025/26 financial years. Key achievements include the development, stakeholder engagement, approval, and subsequent annual reviews of the GRDM Integrated Human Settlements Strategic Plan; the completion and review of the Human Settlements Sector Plan, a critical requirement for accreditation; and the appointment of Own Haven Housing Association (OHHA), an SHRA-accredited social housing partner, to drive affordable housing projects across five municipalities within the district.

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The Municipality has further secured substantial funding support, including R5 million from the Western Cape Government for Integrated Human Settlements operations, achieving a 94% expenditure rate, and R1.1 million from the Department of Agriculture, Land Reform and Rural Development to facilitate the review and alignment of Municipal Spatial Development Frameworks. In support of accreditation, GRDM submitted a revised Accreditation Business Plan aligned with the 2023 Accreditation Framework and has secured formal support from five local municipalities.

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3.8.3PROGRESS TO DATE: KEY MILESTONES

Following the successful review and Council approval of the GRDM Integrated Human Settlements Strategic Plan during the 2024/25 financial year, it was resolved that future reviews be conducted

on a two-year cycle. This approach will provide sufficient time to assess the Plan's effectiveness, responsiveness to legislative, policy, and programme developments, and overall alignment with evolving strategic priorities. The next review of the Strategic Plan is therefore scheduled for November 2026.

In support of this process, the Human Settlements Sector Plan (HSSP) was also reviewed to ensure continued alignment with the Strategic Plan. The revised HSSP was submitted to Council for approval in June 2025, with its next review planned for June 2027.

As outlined in the background section, the existing internal capacity remains adequate to support operational systems, human resources, and corporate strategic requirements. This capacity provides a strong foundation for the effective implementation of GRDM's human settlements strategies, policies, programmes, and projects within the affordable housing sector.

To advance these objectives, GRDM has developed a portfolio of catalytic programmes and projects, which are being implemented in phased stages. The successful delivery of several of these initiatives is dependent on securing key enabling mechanisms and resources, as reflected in the report below.

Programmes & Projects	KPI	Status	Proof of Concept and Implementation
1. Programmes			
1.1 IHS Strategic Plan approved	Council approved Programme Framework/Implementation	• Approved 2021 • Reviewed Annually and approved by Council – 2024/25 & 2025/26 FYs (November 2022 and 2023 • Under current implementation as Version 2	• Strategic and Programme guideline for overall GRDM Projects with effect from 1 December 2024 • Council approved two-year review cycle – next scheduled for November 2026
1.2 HSSP	Approved detailed overall programmes and projects guidelines – short to long term roll-out	• Process finalised May 2025 and presented for approval to Council June 2025	• A useful guide for IHS implementation on programme • Subject to review after two years in June 2027) • Already workshopped with all stakeholders (February/March 2025). • SCM process to use Tshani Consulting – Review and alignment

1.3 Formal appointment of SHI – Development of long-term social housing partner	SCM process and appointment of Own Haven Housing Association – April 2022 Handover of Municipal Property erf 26823, George – Pre-feasibility and SDP done Basic information done on erf 3803. Mossel Bay – 2nd social housing project (Prefeasibility and SDP)	• Preferred SHRA accredited social housing development and management partner • Site Development Plan on erf 26823 omega Framework finalised – July 2023 • Technical information on property handed over to Own Haven • OHHA to submit funding application to SHRA	• OHHA formally appointed – May 2023 • Site handover • Obtained Town Planning approvals from George Municipality
2. Projects			
2.1 Feasibility: Erf 26823, Omega Street George	Potential social housing project being pursued Civil and Geotech Study funded by the WC DoHS (R900 000) done and completed – February 2023 Planning and Engineering Authorities attained OHHA initiated and finalised SDP (4 storey walk up = 166 units yield)	• Own Haven – SDP finalised and approved by GRDM Council – July 2023 • application for departure on erf 26823 submitted to GM by OHHA	• Professional team appointed – SDP • Erf 26823 formally handed to OHHA • Now dealing with objections – July 2023 • Project lodged with WC SH PSC – February 2024 • Targeting November 2024 – SHRA funding application (Consolidated Capital Grants – CCG)
Programmes & Projects	**KPI**	**Status**	**Proof of Concept and Implementation**
2.2 Feasibility: Erf 3803, Mossel Bay	Feasibility study to be concluded by OHHA	• Active technical consultation and Planning assembly together with Mossel Bay Municipality	• Basic information handed over to Own Haven • To proceed with pre-feasibility/SDP over 15 months once site has been successfully handed over to OHHA • MBM confirmed ownership and land status • awaiting finalisation site handover to OHHA as per previous Council resolution authorising such intended transfer for SH Development purposes

2.3 Municipal Accreditation Business Plan	Business Plan formally submitted to the WC & National DoHS ABP 2 being reviewed and aligned to newly approved Accreditation Policy Framework	• Business Plan evaluation and interviews finalised during the September 2023/2024 FY	• Newly approved Policy Framework – September 2023 • 5xB Municipalities' letters of formal support received • New ABP submission prepared and submitted in May 2025 aligned with the new framework • Targeting June 2024 for submission to the WC DoI
2.4 Demand Data Base	Process to encourage interested households in the GRDM initiated. Need to undertake marketing blitz to determine level of demand and supply/project feasibilities	• To be handed over to all GRDM development partners like Own Haven • To extend as well to other future qualifying development partners from the private sector	• Useful indicator of the level demand/need and types of project preferences from local communities • To date 1523 applicants for affordable housing captured – GRDM database • Being aligned to the WC DoI delivery plan. HSS and other qualification requirements and validation
3. FHF/Finance Linked Individual Subsidy Programme (FLISP)/GAP Ownership Schemes	Ongoing process in consultation with local municipalities Two FLISP project already near completion in George and Mossel Bay. RFP for private sector developers done – enhanced delivery	• Two projects (Mossel Bay and Pacaltsdorp) being developed on an assignment basis by the WC DoI • RFP for private sector developers done to enhance delivery of FHF Individual Ownership Schemes	• 2 completed FHF/FLISP individual owners projects completed – George Municipality and Mossel Bay Municipality • Currently being marketed with assistance from GRDM – Housing Database referrals • Appointment of private sector developers done by GRDM – SCM Process: July/August 2024
Programmes & Projects	**KPI**	**Status**	**Proof of Concept and Implementation**
4. Land Acquisition Strategy Programme of Intervention done	The HDA formally approached to consider targeted sites and properties owned by the State for transfer to GRDM. Together with HDA drafted the Implementation Framework Protocol	• Process ongoing with further consultation with the HDA • Ongoing consultation with the HDA • An initial listing of State properties and sites formally applied for • Awaiting confirmation of the outcome from the Intergovernmental Steering Committee	• Ongoing process • The National Government Steering Committee expected to consider the GRDM application – submission by HDA • Numerous formal queries to the HDA not been successful to date • A formal direct request made by the Office of the Executive Mayor to the Minister of Public Works and Infrastructure – May 2024

5. Review GRDM SDF	Critical for defined nodes for concerted developments	• Aligned to the MSDF's of the different district municipalities • GRDM SDF Performance Review presented and approved by C • council – 2024/25 FY • Funding application – to the DALRRD • Confirmed 12 months investigative study	• DALRRD confirmed funding support – March 2024 • To use its internal SCM process with the assistance of the GRDM • Two GRDM officials confirmed to participate in their BSC and BEC structures • Secured 1.1 million for the appointment of Service provider • Plan Associate professional team formally appointed in December 2024 to be commissioned over 12 months during the 2026/27 FY
6. Establishment of District ITT	Task Team to deal with all programme and project coordination requirements. Current focusing on creating enabling and supportive delivery environment. GRDM Incentive Framework already approved in November 2023	• 3 Quarterly sessions during 2024/25 FY • Key consideration – draft Incentives Framework Plan • GRDM formally adopted the current version of the Framework	• Effective coordination – key to sustainability • Reporting structures consists of MANCO, Portfolio Committees, Council, DCF and MMF • 4th Quarterly session was held in May 2025
Programmes & Projects	**KPI**	**Status**	**Proof of Concept and Implementation**
6.1 Incentives Policy	Critical for deriving a supportive and enabling environment for affordable housing delivery. Key for generating interest and partnership arrangements with SHIs and private developers. 2 consultative sessions held during July-October 2022. This culminated in the presentation of an appropriate GRDM Incentive Policy Framework	• All stakeholders consisting of the WC DoHS, 7 B municipalities and the SHRA • B municipalities expected to use the Incentive Policy Framework guideline and linked Template – cost quantities and respective percentage concessions: • Rates and utilities • Parking ratios • Building plan submission costs • Development costs concessions • Land value – internal equity contribution to feasibility of project	• Draft document in advanced preparation • ITT structure for regular and periodical quarterly meetings with all stakeholders (to date these sessions held August 2022 – April 2024 • A cost benefit analysis being looked into with the services of external consultants • To date only George-, Mossel Bay - and have active Incentive Policy Frameworks • SHRA appointed Impact Institute in May 2025 through their SCM processes to conduct a cost quantification exercise to inform the incentive policy across B Municipalities, namely George, Mossel Bay, Bitou, Hessequa and Oudtshoorn

7. Inclusionary Housing Policy Framework	Recently approved by the WC Government as a new policy – November 2022	• Primary focus is forging of a public-private sector partnerships – Municipalities and private sector developers • Shared arrangements and commitments	• Enhancement of scaled delivery – 30-year delivery outline • Realisation of an enabling environment through a set of planning authority concessions (SPLUMA) and a set of identified incentives

Table 18: Catalytic Projects – Human Settlements Programmes and Projects

In addition to the afore-mentioned catalytic programmes and projects, the GRDM' Human Settlements Section has

undertaken elaborate and constructive engagements with the following

key stakeholders**: HDA: Strategic Targeting and Acquisition of State**

Land/Properties

The Municipality formulated the required Institutional Framework to guide the coordination and management of submitted land parcels and properties for acquisition purposes. A consultative session was held on 27 June 2024 in Knysna, during which it was agreed that dedicated work streams would be established to map and ensure compliance. These workstreams will involve the Western Cape Department of Infrastructure (WC DoI) to enhance mutual understanding, support, and implementation. This forms part of a broader effort to improve long-term delivery of affordable housing programmes and projects.

Proposals for Interested Private Sector Developers for Partnerships

During the 2024/25 financial year, GRDM approved a broad Incentive Policy Framework to encourage private sector participation in the affordable and inclusionary housing delivery chain. This policy aligns with legislation and national programmes aimed at facilitating low- to affordable-housing developments in well-located areas to promote socio-economic integration.

Currently, only three municipalities within the district—George, Hessequa, and Mossel Bay—have such incentive packages in active implementation. The other four B-municipalities have not yet developed these packages due to various inherent challenges.

Administrative and Political Support Engagements

GRDM officials attended and presented reports to Management, the Strategic Services Portfolio Committee, the District Consultative Forum, the Municipal Managers' Forum, the Mayoral Committee, and Council Committees. These sessions, held on a weekly, monthly, and quarterly basis, ensure coordinated administrative and political support for GRDM's housing programmes and projects.

Housing Market Studies by CAHF

A housing market study, commissioned by the WC DoI in collaboration with DEA&DP, was conducted by the Centre for Affordable Housing Finance (CAHF). The study examined housing market trends in the Mossel Bay and George municipal areas, identifying challenges and limitations in current low- to affordable-housing interventions. Findings highlighted gaps along the housing ladder and across income streams, from low- to high-end markets. These insights will inform policy adjustments and programme designs to better meet diverse housing needs and market demands.

GRDM Spatial Development Framework (SDF)

Through funding provided by the Department of Rural Development and Land Reform (DRDLR), a service provider was appointed to conduct a qualitative study and update the GRDM Spatial Development Framework. The project was completed successfully, with Council adopting the Garden Route Spatial Development Framework in March 2026. The approved Framework now guides spatial planning as a sector plan of the District Integrated Development Plan.

Regular Intergovernmental Technical Task Team (ITT) Meetings

Quarterly ITT meetings were convened with participation from all B-municipalities, the WC Department of Human Settlements (DoHS), DEA&DP, Social Housing Regulatory Authority (SHRA), Housing Development Agency (HDA), Own Haven Housing Association, City of Cape Town, Social Housing Institutions (SHIs), and other stakeholders. These meetings foster collaboration on topics such as incentive policy frameworks, affordable housing programmes, and the sharing of best practices and lessons learned.

Component B: Roads and Transport

3.9 ROADS

3.9.1 INTRODUCTION TO ROADS

The primary objective is to provide an excellent and efficient service to the principal, the Provincial Department of Transport and Public Works, through consistent planning, monitoring and regular reporting on expenditure, production and service quality.

A key measure of success is the ability to meet the requirements of the principal while simultaneously ensuring that the needs of the general public who utilise the road network are addressed. This is achieved through effective and responsible expenditure, high-quality road maintenance, timely service delivery and prompt responses to public complaints and service requests.

3.9.2 HIGHLIGHTS: ROADS

The following highlight was achieved during the financial year:

Highlight	Description
Upgrade of Gwaiing Road (DR1618)	Completed the upgrade of 4.44 km of Gwaiing Road (DR1618) to a permanent surfaced standard.

Table 19: Roads Highlight

3.9.3 CHALLENGES: ROADS

The table below indicates the challenge faced during the financial year:

Description	Actions to address
Lack of approved borrow pits	Engage with the Provincial Government Western Cape (PGWC) to expedite the approval process and ensure the timely availability of suitable borrow pit material for road construction and maintenance projects.

Table 20: Roads Challenge

3.9.4 ROADS SERVICE DELIVERY STATISTICS

The following table indicates the amount of gravel road infrastructure improved and developed:

Gravel road infrastructure: Kilometres				
Financial year	Total gravel roads	New gravel roads constructed	Gravel roads up-graded to tar	Gravel roads graded/maintained
2024/25	5 298	0	0	5 298
2025/26	5 295	0	0	5 295

Table 21: Gravel Road Infrastructure

The following table indicates the amount of tarred road infrastructure improved and developed:

Tarred road infrastructure: Kilometres					
Financial year	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2024/25	692.42	0	**22.3**	0	692.42
2025/26	692.42	0	18.21	0	692.42

Table 22: Tarred Road Infrastructure

The table below shows the costs involved for the maintenance and construction of roads within the municipal area:

Financial year	New and replacements	Resealed	Maintained
	R'000		
2024/25	34 671	44 532	160 504
2025/26	35 000	34 300	142 700
The cost for maintenance includes stormwater			

Table 23: Construction and Maintenance Cost

3.9.5 EMPLOYEES: ROADS

The table below indicates the number of staff employed by the Unit:

(T-grade)	2024/25	2025/26			
	Employees	Posts	Employees	Vacancies (fulltime equiva-lents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	2	2	1	1	50%
4 - 6	221	234	191	43	18.37%
7 - 9	46	55	38	17	30.90%
10 - 12	23	31	20	11	35.48%
13 - 15	12	13	13	0	0
16 - 18	1	1	0	1	100%
19 - 20	1(HOD)	1(HOD)	1	0	0
Total					

3.10 TRANSPORT

3.10.1 RURAL ROADS ASSET MANAGEMENT SYSTEM (RRAMS)

Rural Roads Asset Management System – The purpose of the grant as stated in the Division of Revenue Act (DORA) is to assist rural district municipalities in setting up their road asset management systems and collect road and traffic data in line with the Road Infrastructure Strategic Framework for South Africa (RISFSA).

Component C: Planning and Local Economic Development

3.11 SOUTHERN CAPE REGIONAL IMPLEMENTATION FRAMEWORK (SCRIF)

3.11.1 PURPOSE AND SCOPE OF SCRIF

The purpose of the SCRIF:

Provide a coherent spatial vision for the Southern Cape functional region considering the environmental, social and economic opportunities and constraints

Provide guidance on the promotion of a rational and predictable infrastructure, economic and land use planning within the region

Coordinate, integrate and align provincial and municipal land use planning, infrastructure and economic development policy, taking a regional approach to address regional environmental management, regional human settlement provision, economic development, regional infrastructure, regional transport, landscape character, a sense of place preservation and heritage

Specifically, the Regional Implementation Framework will give expression to the Provincial Spatial Development Framework (SDF) at a regional level

3.11.2 EMPLOYEES: REGIONAL DEVELOPMENT AND PLANNING

The table below indicates the number of staff employed by the Unit:

	2024/25	2025/26

(T-grade)	Employees	Posts	Employees	Vacancies (fulltime equiva-lents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	0	0	0	0	0
4 - 6	18	1	1	0	0
7 - 9	7	6	5	1	16.66%
10 - 12	10	4	3	1	25%
13 - 15	1	2	2	0	0
16 - 18	2	3	3	0	0
19 - 20	1(HOD)	1(HOD)	1	0	0
Total					

Table 24: Employees: Regional Planning and Development

3.12 LOCAL ECONOMIC DEVELOPMENT (LED)

3.12.1 INTRODUCTION TO LED

The Report presents a comprehensive overview of the Municipality's progress, achievements, and challenges in implementing its LED/Growth and Development strategy over the past financial year. This report reflects the commitment of the Municipality to fostering inclusive economic growth, supporting small and emerging enterprises, and creating sustainable employment opportunities for local communities.

In alignment with national and provincial development frameworks—such as the National Development Plan (NDP), the District Development Model (DDM)/Joint District and Metro Approach (JDMA), and the Integrated Development Plan (IDP)—the LED/Growth and Development strategy serves as a key driver for socio-economic transformation at the district level. Through partnerships with stakeholders including the private sector, government agencies, civil society, and development institutions, the Municipality continues to implement targeted initiatives aimed at enhancing the local economic environment.

This report outlines the key performance indicators (KPIs) related to LED, reviews project implementation progress, and highlights key interventions across priority sectors. It also identifies areas for improvement and provides recommendations for strengthening the Municipality's LED efforts going forward.

By evaluating our performance in this report, we aim to promote transparency, accountability, and continuous improvement in our mission to create a resilient, inclusive, and thriving local economy.

i) Vision of the District Economic Development

The Municipality's vision for economic growth and development continues to develop a diverse, sustainable and shared regional economy through innovation and partnerships. This has stimulated employment and business development opportunities which in turn increases the quality of life for all.

ii) Current Context

The risk context and profile for the District and its plans have been revised, and medium and long-term outlooks adjusted based on the best available information. This forms the Garden Route Growth and Development Strategy. The Strategy is shaped by regional priorities, which are the thematic focus areas listed below, selected through a combination of research, policy analysis and stakeholder engagement:

- A water secure future
- A circular economy
- Resilient agriculture
- Sustainable tourism
- Supporting wellbeing and resilience
- A connected economy: transport and rural-urban integration

These priorities have been identified based on a long-term vision for the Garden Route, as well as on the existing work, strengths, and potential of the region as a whole. Each one is also aligned to existing policies and strategies. In particular, this Strategy draws on the significant work that went into the Regional Spatial Implementation Framework (RSIF).

It should also be noted that the Garden Route District includes a significant portion of South Africa's rich coastline. As such, the coastal economy is an important source of integrated economic development opportunities, as well as social and ecological risks, and spans all six prioritised focus areas.

In addition to these priority focus areas, there are core principles – ways of thinking and working – that cut across each of these areas:

People-oriented: people are at the centre of development and growth planning in this Strategy, and all actions should be tested against the requirements of inclusivity and generating economic opportunities and employment. Safety and security, and crime prevention for citizens and investors, are also included in this principle.

Valuing cultural and ecological heritage: this Strategy aims to work with, conserve, and celebrate the people, places and natural systems that make the Garden Route unique.

A partnering approach: the process for creating, implementing, maintaining, and adapting this Strategy should involve all impacted and interested parties, and draw in the right people and resources relevant to each issue.

Innovation and responsiveness: this Strategy recognises that the challenges and uncertainties facing the region will require novel solutions in many forms.

Sustainability and resilience: any short-term gains in growth and development will be undermined if the ecological base of the region is eroded, or if the risks from existing ecological destruction and climate change are not managed.

Good governance: transparency and accountability are conditions for democracy, as are effective monitoring, learning, and adaptation. Efficient, effective, and integrated management, and good administration and governance, are critical to attract investment to the region.

Working within what is possible: this Strategy recognises and works within current possibilities and constraints to ensure that plans are implementable, and goals are achievable. State-owned assets and regulatory frameworks are critical to local development and growth.

Managing connectivity and change: the COVID-19 pandemic has made it clear that the region's interdependence and interconnection with the Western Cape Province, South Africa as a whole, and other countries need to be managed to optimise flows of resources and demand, as well as to ensure local resilience. Tracking changing variables over time is critical to this process.

These principles have been identified as critical to the successful implementation of growth and development activities and will need to be operationalised in the process of implementation of the Garden Route Growth and Development strategy.

3.12.2 HIGHLIGHTS: LED

The following highlights was achieved during the financial year:

Highlight	Description
Water Security	The Bulk Water Master Plan was placed on hold pending the National Water Resilience Plan process to avoid duplication and leverage national data. Engagement with COGTA regarding GRDM's potential role as a water authority is ongoing.
Circular Economy	The Regional Waste Management Facility is progressing according to planned milestones, with regular reporting to Council.
Resilient Agriculture	Significant progress was made on the Honeybush Agro-Processing Facility, including completion of the processing retort and securing R2 million in additional funding for the construction of the processing facility. The Agricultural Development Plan for the Garden Route was also completed.
Energy Transition	The Master Plan for a Just Energy Transition has been completed, while initiatives for electric vehicle charging infrastructure and renewable energy partnerships are being explored.
Tourism	The Garden Route and Klein Karoo Tourism Strategy was reviewed and approved, with industry workshops held to strengthen the regional tourism ecosystem and attract investment.
Well-being and Resilience	The Garden Route Skills Mecca continues to provide skills development opportunities, while the Municipal Spatial Development Framework review has been completed.
Connected Economy	Initiatives are progressing around digitalisation and the development of the IT sector. ACSA's planned airport expansion is expected to create further economic opportunities for the region.
SMME Development	Funding of R375 777,17 supported the Garden Route SMME Support and Development Programme. Nearly 100 applications
Highlight	**Description**
	were received, with 15 small businesses selected to receive equipment and/or materials.
Investment Promotion:	GRDM participated in the Western Cape Investment Summit and hosted an Investment Readiness Capacity Building Workshop to strengthen municipal preparedness to attract investment and improve the ease of doing business.
International Partnerships	Sister Cities Agreement with Tacoma, USA, was signed on 28 April 2026, creating opportunities for cooperation in tourism, trade, investment, education, culture, skills development and maritime relations.

JDMA Collaboration	Challenges relating to funding, technical capacity and project implementation continue to be addressed through the Joint District and Metro Approach (JDMA), with provincial and national departments increasingly providing technical and financial support.

Table 25: LED

Garden Route Growth and Development Strategy Implementation

1. Water-Secure Future Project Progress

The development of the Bulk Water Master Plan was placed on hold pending the consultation and data-collection process associated with the National Water Resilience Plan. This approach will avoid duplication and enable GRDM to leverage data collected by the National Department of Water and Sanitation to inform the demand and supply model for the Garden Route. The model is required to support long-term regional water planning, particularly as the national process will not incorporate cross-border projects.

GRDM is also engaging with the Department of Cooperative Governance and Traditional Affairs (COGTA) regarding potential support for the District Municipality to become a water authority.

2. Circular Economy Project Progress

Regional Waste Management Facility: Progress on the project remains positive, with implementation proceeding in accordance with the planned milestones. The relevant department continues to provide regular progress updates to Council.

3. Resilient Agriculture Project Progress

Resilient Agriculture Niche Support Programme – Honeybush Agro-Processing Facility

The Honeybush Agro-Processing Facility forms an important intervention in supporting the growing honeybush tea industry in the Western Cape. The project aims to improve the efficiency, quality and sustainability of the processing value chain while creating opportunities for small-scale producers and contributing to economic growth and employment in the region.

The first phase of the project has been completed and included the design and manufacture of a honeybush processing retort. This phase was funded by the Western Cape Department of Local Government through the Joint Metro and District Approach (JDMA) process, with funding of R2 million. Additional processing equipment was also procured.

The retort will enable producers outside the existing value chain to streamline the extraction and

fermentation processes, resulting in a more consistent, high-quality product while reducing waste and promoting sustainable production practices.

A further R2 million was secured from the Western Cape Department of Agriculture for the next phase of the project. This funding will support the construction of a dedicated facility to house the retort and complete the processing plant. The facility will provide the necessary protection and environmental controls for the optimal operation of the equipment, while creating capacity for increased production in line with industry standards.

Casidra SOC Ltd initiated a tender process in December 2025, which was subsequently re-advertised in January 2026. Both processes concluded that the available budget was insufficient to appoint a service provider. A request for additional funding was therefore submitted to address the shortfall. Further assistance is also required for the acquisition of a dynamic dryer and to bridge the funding gap for the construction of the processing facility.

The successful completion of the facility will benefit small-scale honeybush producers across the region and has the potential to stimulate job creation, strengthen the local agricultural value chain and contribute to the broader Garden Route and Western Cape economies. The project is aligned with the objectives of the Garden Route Growth and Development Strategy (GDS) and the Western Cape Growth for Jobs (G4J) strategy.

A demonstration of the processing retort was held on 20 February 2025, with representatives from the Western Cape Government, GRDM, the Department of Agriculture and the Agricultural Research Council in attendance.

GRDM engaged with the Western Cape Department of Agriculture in 2024 to support the development of a regional Agricultural Development Master Plan. A service provider was subsequently appointed to compile the plan, and the process was completed in April 2026. The plan identifies key agricultural commodities, infrastructure requirements and strategic interventions to support informed decision-making and the sustainable growth of the agricultural sector in the Garden Route.

4. Sustainable Local Energy Transition Project Progress

The Master Plan for a Just Energy Transition in the Garden Route has been completed.

GRDM is also actively pursuing green mobility initiatives, including the establishment of fast and efficient Electric Vehicle (EV) charging hubs along the N2 corridor and within key urban centres. Discussions are further underway with international consulates, including India, to explore potential collaboration in renewable energy and information technology sectors.

5. Sustainable Tourism Project Progress

Tourism remains a significant contributor to the regional economy, with the Garden Route emerging as the third-largest contributor to provincial economic output in 2024.

The Garden Route and Klein Karoo Tourism Strategy has been reviewed and approved to strengthen the region's tourism offering, attract investment and enhance collaboration with key stakeholders, including the National Department of Tourism, Wesgro and local tourism offices.

The Regional Tourism Office hosted industry workshops in George and Oudtshoorn on 26 and 27 May 2026, in collaboration with the National Department of Tourism. The workshops focused on strengthening the tourism business ecosystem within and beyond the region.

6. Supporting Well-being and Resilience Project Progress

The Garden Route Skills Mecca initiative continues to be implemented, with the website operational since February 2022 to provide access to skills development and training opportunities. Progress reports are submitted to Council as required.

The review of the Municipal Spatial Development Framework (MSDF) has also been completed.

7. Connected Economy Project Progress

Progress under the Connected Economy pillar includes initiatives aimed at developing the regional information technology sector, with a particular focus on digitalisation.

The Airports Company of South Africa (ACSA) has announced plans to expand its airport terminal and undertake other related developments. These projects are expected to generate significant economic spin-offs for businesses in the region. ACSA presented its plans and opportunities at a supplier workshop held on 5 June 2026.

Challenges relating to project funding, technical capacity and implementation are being addressed through collaboration with relevant stakeholders under the Garden Route Joint Metro and District Approach (JDMA), coordinated by the Western Cape Department of Local Government.

The Garden Route JDMA process is supported by a JDMA Interface Team, co-chaired by GRDM and the Western Cape Department of Local Government. The team comprises representatives from provincial and national government departments and municipalities across the district and focuses on securing interventions, technical assistance and funding for projects identified through the GDS Implementation Plan, Investment Prospectus and local catalytic projects.

Provincial and national departments are increasingly providing technical assistance and funding support to advance GDS implementation through a coordinated approach of co-planning, co-budgeting and co-implementation.

Garden Route SMME Support and Development Programme

Council approved funding of R375 777,17 during the 2025/26 financial year for the GRDM District Economic Development (DED) Unit to implement the Garden Route SMME Support and Development Programme. The programme aims to address the identified needs and development requirements of SMMEs across the Garden Route.

An advertisement was published on Council's social media platforms inviting qualifying SMMEs to apply for support in accordance with the prescribed criteria. The programme attracted just under 100 applications, highlighting the growing demand for business development support among small enterprises.

The screening, vetting and verification process was facilitated by the Small Enterprise Development and Finance Agency (SEDA/SEDA-related agency as applicable). An Adjudication Committee comprising LED Managers from Bitou, Knysna, George, Mossel Bay, Hessequa, Kannaland and Oudtshoorn municipalities, as well as representatives from Casidra, SEDFA and the Western Cape Economic Development Partnership (WCEDP), considered presentations from shortlisted businesses and made recommendations to GRDM management.

A total of 15 small businesses across the district were selected to receive equipment and/or materials to strengthen their business operations, support growth and create potential employment opportunities.

Joint District and Metro Approach (JDMA) Grant – Garden Route Agro-Processing Support Project

The Honeybush Agro-Processing Facility is an important intervention to support the growing honeybush tea industry in the Western Cape. The project is being implemented through a partnership between GRDM, the Western Cape Department of Local Government and the Western Cape Department of Agriculture, with additional funding being sourced from other government departments.

The first phase, which included the design and manufacture of the honeybush processing retort, has been completed. The Western Cape Department of Local Government provided R2 million through the JDMA process, which also enabled the procurement of additional equipment.

The retort and associated equipment will enable producers to streamline the extraction and fermentation processes, improve product consistency and quality, and reduce waste.

A demonstration of the retort was held on 20 February 2025, attended by the Minister of Local Government, the Executive Mayor of GRDM, senior officials from the Western Cape Departments of

Agriculture and Local Government, and representatives of the Agricultural Research Council.

A further funding application to the Department of Agriculture resulted in an additional R2 million allocation. This funding will support the construction of a dedicated structure to house the retort and complete the processing facility.

The completed facility will benefit small-scale honeybush farmers across the region and is expected to contribute to increased production, job creation, economic development and the strengthening of the regional agricultural value chain.

Western Cape Investment Summit – November 2025

The Western Cape Government hosted its inaugural Western Cape Investment Summit in Cape Town in November 2025 under the theme "Catalysing Growth, Connecting Opportunities." The summit provided an important platform for aligning investment initiatives with the Western Cape's Growth for Jobs (G4J) strategy and its objective of building an inclusive R1 trillion economy.

GRDM was represented by a delegation comprising:

Richard Dyantyi, Manager: Tourism, District Economic Development, Job
Creation & EPWP; Natalie Raubenheimer, Senior District Economic Develop-
ment Officer; and
Senior municipal officials and partners from George, Hessequa and Mossel Bay municipalities.

Agricultural Development Plan for the Garden Route District

The Western Cape Department of Agriculture, in partnership with GRDM, appointed OABS Development to develop an Agricultural Development Plan for the Garden Route District.

A comprehensive situational analysis was completed, providing an overview of the regional agricultural sector, including sector trends, infrastructure and water considerations, climate and environmental risks, and potential strategic focus areas.

A validation workshop was undertaken to test the identified priority interventions against conditions on the ground and to refine practical, high-impact interventions that will enable the agricultural sector to grow and become more resilient.

The project has been completed, and the Garden Route Agricultural Development Plan has been

developed, providing a strategic framework for future agricultural development and investment in the district.

Garden Route Investment Readiness Workshops and Investment Readiness Guide

The Garden Route Investment Readiness Capacity Building Workshop was held on 17–18 March 2026 in George, hosted by GRDM and the Western Cape Department of Economic Development and Tourism (DEDAT).

The two-day workshop brought together the district's local municipalities, including George, Mossel Bay, Knysna, Bitou, Hessequa, Kannaland and Oudtshoorn. The initiative forms part of preparations for the envisaged Garden Route Investment Conference and aims to strengthen the municipalities' ability to attract and retain investment.

Key focus areas included identifying institutional and other barriers to investment, developing an updated Investment Prospectus, reviewing municipal policies to ensure that they are investment-friendly, and developing an investment-readiness checklist for businesses and municipalities.

The initiative also promotes intergovernmental coordination and the sharing of practical tools to streamline investment facilitation and improve the ease of doing business across the Garden Route.

Tacoma Sister Cities Network Visit and Sister Cities Agreement

GRDM officially entered into a Sister Cities Agreement with Tacoma, USA, on 28 April 2026, following an official visit by Ms Melannie Cunningham, representative of the Tacoma Sister Cities Network.

The partnership seeks to strengthen socio-economic development, cultural exchange, tourism, trade and knowledge-sharing between Tacoma and the Garden Route. Key areas of engagement include maritime and port relations, economic development, tourism, education and the Garden Route Skills Mecca.

Ms Cunningham visited the Garden Route from 23–28 April 2026 to advance and formalise the relationship.

Key Objectives

The engagement focused on:

- Strengthening international relations between Tacoma and GRDM;

- Identifying tourism, trade and investment opportunities;
- Exploring educational, cultural and youth exchange programmes;
- Promoting the Garden Route as an international tourism destination;
- Exploring opportunities for maritime and port collaboration;
- and Supporting skills development and knowledge exchange.

Key Engagements

On 23 April, strategic engagements were held with LED Managers, local tourism associations, Home of Golf, South Cape College, Africa Skills Village and Nelson Mandela University.

Discussions focused on tourism promotion, joint marketing opportunities, golf tourism, potential trade and investment linkages, regional commodities, and educational and cultural exchange opportunities.

On 24 April, Ms Cunningham engaged with the Mossel Bay Municipality, including the Mayor, relevant municipal officials and the Acting Port Manager of the Port of Mossel Bay. Discussions focused on economic development, tourism, trade and port-related opportunities.

Signing Ceremony

A formal Sister Cities Agreement signing ceremony was held on 28 April 2026, attended by representatives of GRDM, the City of Tacoma and the Tacoma Sister Cities Network.

The agreement formally establishes a Sister Cities relationship between Tacoma and GRDM and provides a framework for ongoing international cooperation.

Strategic Implications

- The partnership supports GRDM's strategic objectives relating to: International relations and cooperation;
- Economic development and investment promotion;
- Tourism growth and international positioning;
- Trade and business linkages;
- Cultural and educational exchange; and

Skills development and knowledge-sharing.

As part of the visit, Ms Cunningham also visited Oudtshoorn on 28 April 2026, where she met with the Executive Mayor of Oudtshoorn and representatives of Cape Karoo International to explore specific business and trade opportunities.

3.12.3 CHALLENGE: LED

The table below indicate the challenge faced during the financial year:

Description	Actions to address
Lack of funding	Funding applications are submitted on an ongoing basis to various spheres of government, government agencies and private-sector stakeholders to secure financial support for priority projects and initiatives.

Table 26: LED Challenge

3.12.4 STRATEGIC AREAS

The LED strategy identifies various issues and strategic areas for intervention:

Strategic areas	Description
A water secure future	Promoting water efficiency in coastal developments through the adoption of a range of sustainable and ecologically viable technologies — including desalination — to ensure long-term water security and resilience.
A circular economy	Resource efficient development of marine transport and manufacturing.
Resilient agriculture	Agriculture, agri-processing and aquaculture development.
Sustainable tourism	Marine protection services and ocean governance, recreational fishing and other activities.
Supporting wellbeing and resilience	Sustainable resource consumption i.e. Skills Mecca; Spatial Development Framework
A connected economy: transport and rural urban integration	Transport and rural urban integration – support all five priorities above.

Table 27: LED Strategic Area

3.12.5 EMPLOYEES: LED

The table below indicates the number of staff employed by the Unit:

(T-grade)	2024/25	2025/26			
	Employees	Posts	Employees	Vacancies (fulltime equiva-lents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	1	1	1	0	0
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	**2**	**2**	**2**	**0**	**0**

Table 28: Employees: LED

3.13 TOURISM

3.13.1 INTRODUCTION TO TOURISM

The Garden Route District is a scenic region of the Western Cape, known for its diverse landscapes, including lush forests, scenic beaches, and towering mountains. The areas span 24 000 km² stretching from Witsand (Hessequa area) in the west and Plettenberg Bay in the east, including the surrounding areas that includes vibrant towns like Stillbay, Mossel Bay, George, Knysna on the N2 and Oudtshoorn, Calitzdorp and Ladismith on the famous Route62. Famed for its natural beauty, the Garden Route is a major tourism destination, attracting visitors to explore its national parks, wildlife, and outdoor adventures and indigenous environment. The local economy thrives on tourism, agriculture (especially citrus and wine), and retail, with key economic hubs in George and Knysna. Mossel Bay also hosts important port and energy infrastructure. With its combination of natural charm and growing economic opportunities, the Garden Route is a key player in the Western Cape's development, offering a unique balance of work, leisure, and lifestyle.

The Garden Route District Municipality (GRDM) plays a pivotal role in the marketing and

development of tourism within the Garden Route and Klein Karoo region. Operating through the regional tourism office, Garden Route and Klein Karoo Tourism (GR&KK) coordinates and supports the efforts of local tourism bureaus, and collaborate closely with provincial, national, and international tourism organizations to ensure unified and effective promotion of the region.

The two regions have been marketed together by national, provincial and local authorities responsible for tourism marketing and development for several years as Garden Route & Klein Karoo. There are seven local municipalities within the District and they all provide funding for Local Tourism Offices (LTOs) which are either independent, non-profit organisations or departments within each municipality. Those with external LTOs use a range of organisational and funding models with some LTOs funded exclusively with public funds and others that supplement their grant funding with membership fees and corporate sponsorships.

3.13.2 HIGHLIGHTS: TOURISM

The following highlights were achieved during the financial year:

Highlights	Description
GR&KK Tourism Destination Strategy Adopted and Approved	Background: The Tourism unit of GRDM had previously developed a tourism strategy for 2019-2023 in order to stay up to date with the evolution of tourism environment and the economy. This document had a strong focus on stakeholder engagement, in order to ensure that it was an inclusive process and included a clear implementation plan, which consists of marketing, and development plan to streamline all activities of the regional office. We understand that tourism trend and the world has changed, these factors necessitated the Garden Route & Klein Karoo tourisn strategy review and therefore strategic direction should be aligned to the changes in order to ensure that the destination and it's people can still capture the opportunities that the tourism industry provides and develop the destination through sustainable tourism practices. On the 12 of August 2025 the Council policy workshop was held in the Council chambers to workshop the strategy, councillors stated that the implementation plan's actions/activities need to be elaborated and fine-tuned, however overall satisfaction was noted for the review on the strategy and that the committee recommended the strategy to be tabled to council, which approved and adopted the GR&KK Regional Tourism strategy on 24 February 2026.
Mayoral Welcome Campaign	Annually the Regional Tourism Office supports the various Welcome campaigns throughout the region, more specifically the regions' main entry routes; Riversdale, Plettenberg Bay, and De Rust. The purpose of Welcome campaigns is to have visitor's feel welcomed into our region, promote our diverse destination, create awareness around tourism safety and responsible tourism behaviour during their visit to our amazing region, this too encourages return visits and promotes sustainable tourism.

	On 13 December 2025, a Welcome Campaign was held in De Rust as part of the annual festive season tourism programme. The campaign was implemented in partnership with Oudtshoorn and De Rust Tourism, who were responsible for organising and hosting the event. The Regional Tourism Office (GR&KK) provided support to the initiative in line with its rotational approach to ensure equitable assistance across the district. The Welcoming Campaign in De Rust was further supported by the Executive Mayor of the Garden Route
Highlights	**Description**
	District Municipality, Councillor Marais Kruger, who actively engaged with visitors by welcoming tourists and handing out goodie bags. 300 goodie bags were distributed to passing visitors entering the region along with refreshing bottles of water, the goodie bags contained: Sweet treats, holiday vouchers, GR&KK destination guides, highlighters, GR&KK caps, keychains, GR&KK yoyo`s, firefighter games, feathers, sunglasses and beach balls. The following Welcoming Campaigns took place at various locations within the region: George – 12 December 2025 Hessequa (Riversdale) – 12 December 2025 Stilbaai – 13 December 2025 Visit Knysna – 12 December 2025

World Travel Market Africa 2026	Considering the overwhelming success of WTM Africa 2025, Garden Route & Klein Karoo Tourism have chosen to re-exhibit on this marketing platform in 2026 by securing a 90m2 space in collaboration with our local tourism offices and products. In order to increase the number of tours and trips to the Garden Route and Klein Karoo, the region was able to market, promote and interact with tour operators, travel agencies, and travel media thanks to this platform. In order to give local tourism offices, the chance to showcase their tourism experiences and services under a joint marketing umbrella, Garden Route & Klein Karoo Tourism stand. Garden Route & Klein Karoo Tourism organised the platform for the region, for the local tourism offices and products in the region to jointly display and market the Garden Route & Klein Karoo at World Travel Market Africa 2026, the Garden Route District Municipality provided financial assistance for the cost of floor space, stand design, furniture, and branding materials. The LTO's and their respective members each paid their contribution to attend, and this was in all a collective, successful effort and initiative. This regional initiative sent a strong message of unity to our competitors and ensured that the Garden Route & Klein Karoo remain top of mind as the preferred tourism destination. Participants (20) that attended World Travel Market Africa 2026 with Garden Route & Klein Karoo (GR&KK) Regional Tourism Office: Local Tourism Offices: 6 and Products: 14. Six (6) of the products, out of the total14 that attended WTM Africa 2026 were supported by SEDFA, providing market access to these MSME's. This collective initiative is just one of the development aspects to support our MSME's and the marketing of these products reflect the commitment of the District Municipality towards economic development.
Africa's Travel Indaba 2026	Garden Route & Klein Karoo Tourism decided to exhibit on this marketing platform of the Africa's Travel Indaba 2026 exhibition by

Highlights	Description
	securing 12sqm space in the DEC Hall. By exhibiting on the GR&KK platform with two of our Local Tourism Offices – George, Wilderness & Uniondale Tourism and Visit Knysna Tourism, sends a strong unified message to all tourism and travel markets domestically and internationally. This platform provided the region the opportunity to engage with tour operators, travel agents and travel media to direct more tours and travels to the Garden Route & Klein Karoo. Online diaries and set meetings were met timeously with good quality engagements with tour operators, travel agents, travel media and destination marketing companies. Interests ranged from cuisine to scenic drives, media publications and advertorials, standard packages, luxury packages, caravan and camping as well as glamping, museums and the 50+ historical market, familiarisation trips and general enquiries. Besides the scheduled meetings the tourism office had, we also received a number of walk-ins. Generally people felt the need to reconnect with tourism destiantions to establish the current situation in terms of tourism in the regions, they further wanted to enquire what activities and attractions/ businesses still in operation, what new experiences are available in the region and for new markets to get to know the area they have heard about but never considered such as, China, India, Mexica and Brazil which are all new emerging outbound markets. The event attracted approximately 9,810 delegates, including 274 hosted buyers, 637 non-hosted buyers, and 404 registered media generating around R240 million in direct spending and an estimated R835 million in total tourism expenditure, while supporting more than 1,122 jobs.
Western Cape Provincial Parliament Oversight Visit 2026	The Garden Route District Municipality, through the office of the Mayor received a letter from the Western Cape Provincial Parliament to inform the Mayor of a joint pre state of the province address visit of the service delivery cluster – standing committees on Agriculture, Economic Development and Tourism, Finance and Infrastructure, Local Government, Environmental Affairs and Development on 23 – 24 February 2026. The Standing committee's aim was to understand the following during the visit to the Garden Route District Municipality: - Tourism strategies, priorities, and current programmes - Key challenges and constraints affecting tourism development - Opportunities for tourism growth - Integration of tourism within broader municipal planning frameworks - Alignment between district-level tourism initiatives and Wesgro's provincial tourism strategy

Highlights	Description
	Briefing presentations were done by the Department of Economic Development and Tourism focussed on DEDAT's approach to: • Destination Management and Development, • Strategies, • Opportunities, • Challenges and Planning alignment, Wesgro presentation focussed on: • Wegsro's strategic direction • Their Ecosystems to deliver tourism growth • Domestic & International Campaigns • Driving regional spread (Cruise and Air Access) Garden Route & Klein Karoo's presentation focussed on: • The Tourism Mandate • Regional Tourism Strategy • Key Marketing and Development efforts • Budget • Partnerships
Tourism Month Interface 2025	The Garden Route District Municipality through the Executive Mayor had the pleasure of inviting all 7 Local Municipalities to attend a Tourism Month Interface in celebrating Tourism Month 2025, under the Theme: "Tourism and Sustainable Transformation". This engagement seek to bring together MMC's of all 7 Local Municipalities, Head of Departments responsible for economic development and tourism. Tourism Managers with their chairpersons' of the LTO's from across the region to discuss tourism's role in sustainable development and inclusive economic transformation that is sustainable. It also provided a platform to align strategies, strengthen collaboration, and identify regional opportunities that promote a resilient and competitive Garden Route & Klein Karoo. An action plan was drafted and circulated to the LTO's and the private sector that highlight the action points and some of the potential collaboration. Collective tourism initiatives that the region can implement along with the LTO's and private sector through the support of the Local Municipalities. These include but are not limited to; -GR&KK educational/familirisation trip -A Film commission that benefits all -An agreement between the Local Municipalities and LTO's with the RTO

Highlights	Description
	-GR&KK brand/media toolkit -Regional events workshop and events calendar -Continued investigation into a working and effective institutional model with funding (JMO)/GR&KK entity - GR&KK product certification/ambassadors with paid membership -GR&KK brand buy-in from local municipalities.
The Western Cape Municipal Economic Summit 2025	The Western Cape Municipal Economic Summit, held in Cape Winelands from 08 to 09 July 2025 – Stepping Up Tourism and Investment, hosted by Provincial Minister of Agriculture, Economic Development and Tourism, Dr. Ivan Meyer, brought together key stakeholders to collaborate on strategies and to explore practical ways to enhance local economic development through attracting investment and growing tourism in municipalities across the province. The Summit contextualized the economic importance of tourism and showcased tourism initiatives and plans. It provided participants with an understanding of key investment facilitation principles and equip them with practical tools to attract and manage investments effectively. The session sought to co-create district tourism priorities needed to deliver on a Western Cape Growth for Jobs Strategy goal: To double international arrivals by 2030. The first full day addressed the critical role of tourism in economic development, aligning with the "Growth for Jobs" (G4J) strategy. Key topics included tourism marketing, destination planning, data-driven decision-making, and the importance of strong institutional frameworks. Day two focused on investment attraction and facilitation. Participants took part in an Investment Facilitation Masterclass, which shared practical tools, principles, and real-world success stories to guide local governments in attracting and managing investments. The day concluded with a collaborative "World Café" workshop, where participants developed actionable strategies that will be shared across municipalities for implementation.
Home Of Golf Africa	The Home of Golf Africa initiative is powered by a strategic alliance between Mossel Bay Tourism, George, Wilderness and Uniondale Tourism, Knysna Tourism, and Garden Route & Klein Karoo Tourism, working collectively to market the region's golfing excellence on a global stage. Partner Courses Include: • Mossel Bay: Pinnacle Point Estate, Mossel Bay Golf Club

Highlights	Description
	• George: The Links, Montagu, Outeniqua, and The Links Experience at Fancourt, George Golf Club, Kingswood Golf Estate, Oubaai Golf Estate • Knysna: Simola Golf & Country Estate, Pezula Golf Estate, Knysna Golf Club This united approach ensures consistent international branding, shared marketing investment, and a stronger voice in attracting global tour operators, media, and travellers to South Africa's southern coast. The Home of Golf Africa Cup in partnership with Windhoek launched 10 competitive rounds to qualify for 24 final slots through a betterball tournament played over 7 months, showcasing the best golf courses the Garden Route has to offer.
GR&KK Tourism Industry Workshops 2026	The Garden Route & Klein Karoo (GR&KK) Tourism Industry Workshops were held in George and Oudtshoorn in 26&27 May 2026 under the theme: "Unlocking Opportunities, Support & Benefits Across Key Tourism Institutions." The workshops brought together tourism stakeholders, municipalities, tourism businesses, and national tourism organisations to discuss tourism growth, funding opportunities, destination marketing, tourism grading, and industry support programmes. Presentations were delivered by the Department of Tourism, South African Tourism, TBCSA, and TGCSA. Stakeholders also participated in breakaway sessions to discuss challenges, collaboration opportunities, and support needed within the tourism sector.
Wesgro's Quarterly RTO Forum	Wesgro is the official tourism, trade and investment promotion agency for Cape Town and the Western Cape. They are responsible for Destination Marketing, marketing Cape Town and Western Cape as the preferred Tourism destination. Wesgro's Tourism and Leisure division hosts quarterly Regional Tourism Organisation Forum meetings (RTO's). The purpose of the Regional Tourism Organisation Forum meetings is to discuss marketing and development opportunities, as well as challenges that the regions face and in doing so, identifying initiatives and opportunities for collaboration through various campaigns with stakeholders, sharing lessons learnt and implementation plans. Quarterly RTO Meetings for the 2025/2026 financial year took place as follows: 12 August 2025 - Cape Town 17 – 18 March 2026 – Cape Winelands 09 – 10 June 2026 – West Coast
Local Tourism Organisations Forum Meetings	The Garden Route District Municipality through the Tourism section is responsible for hosting, coordinating and facilitation of the Garden

Highlights	Description
	Route and Klein Karoo Tourism Local forum to streamline all tourism activities in the region. Identifying LTO challenges and assistance/interventions required from the Regional Tourism Office. LTO meetings held in 2025/2026: 21 August 2025 20 November 2025 17 February 2026 25 June 2026
Southern Cape Regional Tourism Liaison Committee	The Garden Route District Municipality through its Tourism Unit forms part of the Regional Tourism Liaison committee, which constitutes of the Department of Public Works and Transport, South African Roads Agency (SANRAL), Department of Economic Development and Tourism, Regional Tourism Office and the 8 Local Tourism Offices. This committee meets every quarter to review logged applications for tourism signage in and around the region, approval is granted and reverted back to the applicant for amendments. GRDM's Tourism Unit assumes the chairperson role of the committee. The tourism unit is also responsible for ensuring that all applications for signage are completed and endorsed by all Local Tourism Organisations. RTLC meetings held in 2025/2026: 25 July 2025 26 September 2025 27 November 2025 27 February 2026 24 April 2026
Regional Festive Season's Tourism Performance Of 2025/26	The Garden Route District Municipality is responsible, through the Tourism section, to ensure that council and stakeholders within the tourism sector stay updated with all the latest statistics and trends that directly and indirectly influence the tourism industry and its role players. Marketing research assists organizations to make better, informed and less risky marketing and management decisions. Accordingly, the information obtained and the marketing research must be objective, impartial, translatable, current and relevant. The findings from latest tourism data and statsistics from tourism businesses to understand the current tourism trends and the effects that this had on tourism in the Western Cape regions, more specifically the Garden Route & Klein Karoo over the 2025/2026 season. South Africa's tourism sector recorded a landmark performance in 2025, with total international tourist arrivals reaching 10.5 million, surpassing both pre-pandemic 2019 levels and 2024 figures. This

Highlights	Description
	growth reflects a strong and sustained recovery, underpinned by renewed global demand and sector-wide collaboration. The Western Cape delivered a record-breaking tourism performance in 2025, with 11.1 million two-way passenger movements recorded through Cape Town International Airport, underpinned by a 7% increase in both international and domestic travel compared to the prior year. • Garden Route and Klein Karoo reflected strong overall performance, with high visitor satisfaction, solid accommodation occupancy levels, domestic tourists dominated (56%), with a strong international presence (44%). • Between January and December 2025, George Airport recorded 911,354 two-way passengers, representing an 11% year-on-year increase compared to the same period in 2024, with peak arrivals occurring in December (95,858), reflecting the region's continued growth as a popular tourist destination. It should be noted that the statistic also reflect on the efforts which are perused by GR&KK, LTO's in promoting and marketing the region.
JEWEL Events	The Garden Route & Klein Karoo recognizes Jewel events due to it's ability to unlock economic opportunities and drive tourism. These events are envisioned as not just opportunities to celebrate the unique qualities of the Garden Route region, but also as strategic drivers of sustainable tourism, economic development, and cultural enrichment. Each event targets specific tourism segments, including adventure, sports, arts, and culture, while collectively positioning the region as a global tourism destination of choice. Through the support (financial and Non-financial) of these Jewel events within our region, we seek to foster a stronger regional identity, support local businesses, and create lasting benefits for both residents and visitors alike. The alignment of these events with national heritage celebrations and international sporting and cultural calendars will maximize visibility and impact positively to the GR&KK destination. Plett Arts Festival: 03 – 12 October 2025 Isuzu Ironman: 16 November 2025 – Mossel Bay Vlakte Marathon: 22November 2025 - Heidel- berg MosJazz 27 - 30 November 2025 – Mossel Bay Stilbaai touchies: 26 December 2025 George Old Car Show: 14 February 2026 – George KKNK: 28 March – 04 April 2026 – Oudth- soorn Simola Hill Climb: 30 April – 03 May 2026 – Knysna MUT Marathon: 29 – 31 May 2026 - George

Highlights	Description
	Knysna Oyster Festival: 03 – 12 July 2026 Plett Oceans festival: 03 – 12 July 2026

Table 29: Tourism Highlights

3.13.3 CHALLENGES: TOURISM

The table below indicates the challenge faced during the financial year:

Description	Actions to address
Limited Funding	Local Government still perceive tourism as an unfunded mandate although constitution and white paper states otherwise. This has hindered the development of tourism at Local Government level. Tourism is currently not sufficiently funded and therefore tourism organisations struggle to effectively market and promote destinations domestically as well internationally. Marketing is one of the core functions of any tourism destination as it results in visitors to the area which in turn results in positive economic injection into the destination. Hence financial backing is critical and should match the tourism growth and expectations to sustain the tourism value and experiences in the Garden Route & Klein Karoo. The Tourism structure/model at Local and District model needs to be revised on a provincial and national level to allow for external funding mobilisation or a membership base recruitment to boost the budget, lobbying for tourism levy from NDT. The human capacity is required to enable the GR&KK to execute their mandate, and the section is operating with extremely limited staff and budget.
Auditor General's Findings and Circular 131	Provincial and National lobbying is required to motivate a revisit of the circular 131 as this currently hampers sustainable tourism marketing and development due to it's implementation resulting in the risk of local tourism offices continuous rotation
Institutional Arrangements	A structured model is required that guides tourism roles and responsibilities and there currently fragmented models and approaches from B-municipalities and Local Tourism Offices/organisations that threatens financial sustainability/stability of tourism organisations
Supply Chain Management and Redtape	Tourism is required to be very agile and responsive to continuous tourism trend changes and challenges; therefore, rapid response is required to capitalise on marketing opportunities ie Trade Shows or advertorials and due to the stringent deviation hesitation, these

Description	Actions to address
	opportunities are missed and various initiatives stalled due to timeous supply chain processes. Workshops with supply chain management is required to full understand the functions and operations of the tourism section and to guide on speedier processes to capitalise on opportunities. We are mindful that the tourism sector contributes significantly to the economy of the Country, Western Cape and Garden Route District. Therefore, we are hopeful that amicable solution will be sourced and will ease the operational process.

Table 30: Tourism Challenge

3.13.4 STRATEGIC OBJECTIVES

GRDM's Tourism Unit's strategic objectives underpinned in the approved Tourism Strategy developed in line with this vision and mission, and informed by the national and provincial objectives and local opinions, are:

Effective Marketing

Increase visitor numbers to the region;

Enhance the effectiveness of international marketing to establish the Garden Route and Klein Karoo as a destination of choice;

Expand and improve domestic marketing activities; and

Attraction and hosting of events (business, sporting and lifestyle) to improve the seasonal and regional spread of tourism benefits.

Visitor Experience

Diversify and enhance tourism product offerings;

Enhance local destination sites through cleanliness, safety and security, aesthetics, and information improvements; Enhance tourist safety; and

Improve tourism skills and service excellence.

Destination Management

Improve the focus and delivery of tourism marketing and development support provided by local government (Lobby and ensure policy sustainability support from B-municipalities for tourism);

Effective streamlining and strengthening of collaborative efforts in the region to make more

impact; and To provide knowledge to inform policy, planning and decision-making. **Transformation**

Promote Broad-Based Black Economic Empowerment (B-BBEE); and

Support sustainable enterprise development (LED strategies includes tourism development).

Facilitate Ease of access

Enhance ease of access to the region; and

Facilitate ease of doing business to ensure the growth of the tourism economy.

3.13.5 EMPLOYEES: TOURISM

The table below indicates the number of staff employed by the Unit:

(T-grade)	2024/25	2025/26			
	Employees	Posts	Employees	Vacancies (fulltime equiva-lents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	2	2	2	0	0
13 - 15	0	1	0	1	100%
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	**2**	**3**	**2**	**1**	**33%**

Table 31: Employees: Tourism

3.14 EXPANDED PUBLIC WORKS PROGRAM (EPWP)

3.14.1 INTRODUCTION TO EPWP

The objective of the EPWP is to provide work opportunities and income support to poor and unemployed people through the labour-intensive delivery of public and community assets and services. The social programme contributes to the growth of the participates and economy of the region, province and the country.

The programme's aim is to create 5 million work opportunities over the period 2024 – 2029 and the targeted group as per the 5th phase agreement is: 60% women, 55% youth and 2% for people with disabilities. EPWP Phase 5 provides for a strategic shift towards improving the measurement of the qualitative impact of the Programme, increasing community

participation and achieving greater convergence between sectors to deepen EPWP's overall developmental impact. Furthermore, the Programme continues to promote core EPWP principles to be progressively implemented, namely compliance with the minimum EPWP wage and employment conditions, selection of workers based on a clearly defined processes and criteria, the provision of work opportunities that provides or enhances public goods/community services and the application of minimum labour intensity appropriate to sector to all four-appropriate sector programmes.

Project based training aimed at capacitating EPWP participants remains an important part. All public bodies are encouraged to dedicate a portion of their budgets for training opportunities. In response to the high levels of poverty and unemployment within the District, Council recognised the implementation of the EPWP phase 5 which aim to draw a significant number of the unemployed into productive work. This will ensure workers gain skills while they work, increase their capacity for labour market and earn an income/salary.

The National Development Plan Vision 2030 through the diagnostic report identified nine main challenges facing South Africa. Amongst others are "too few people work and the quality of education available to the majority is poor". The persistently high rate of unemployment in South Africa is one of the most pressing socio-economic challenges facing government and the three quarters unemployment rate were noted *for the period of:* Q3 July – September 2025 (31,9%), Q4 October – December 2025 (31,4%), Q1 January – March 2026 (32,7%)municipal financial cycle. We are positive that government public employment programme plays a vital role on employment. High youth unemployment means that young people are not acquiring the skills or experience needed to drive the economy forward and discrimination towards the people with disability in our communities. This inhibits the country's economic development and imposes a larger burden on the state to provide social assistance.

3.14.2 HIGHLIGHTS: EPWP

The following highlights were achieved during the financial year:

Highlights	Description
The Garden Route District Municipality created **255** work opportunities through EPWP Grant and Own Funding.	Target 250 Work Opportunities for 2025/2026 Financial Year have been achieved.
The Internal Steering Committee Meeting Endorsed 2025/2026 Project Plan and was successfully scheduled as per the SDBIP.	Grant Agreement and project list (Plan) was signed by the Municipal Manager on 30June 2026
The District Municipal Forum Meetings were scheduled and successfully reconvened with the participation of National Department of Public Works and Infrastructure, Department of Transport and Public Works.	District Municipal Forum Meeting scheduled as per the signed EPWP Protocol Agreement.

Highlights	Description
Garden Route District Municipality strive and commit to the EPWP Exit Strategy for permanent appointment of participants.	The participants received the necessary skills within the EPWP Programme as training is a key focus area of the programme for participants to be absorbed into the labour market.
The Garden Route District Municipality created 81 FTE'S through EPWP Grant and Own Funding.	Target 107 FTE'S for 2025/2026 Financial Year have been achieved and exceeded
4 Participant– Appointed permanently - 2 Appointed at Afrika Skills and 2 Appointed in the Retail Sector	EPWP Participant previously part on EPWP contract appointed in Roads Department & Private Sector
20 BIGHEARTS Participants appointed internal at GRDM for the 2025/2026 financial year on a contractual basis.	GRDM sign SLA with Bighearts Africa to appoint unemployed youth in various Internal Departments to provide additional capacity.

Table 32: EPWP Highlights

3.14.3 WORK OPPORTUNITIES BREAKDOWN IN EACH EPWP SECTOR

The following table gives detail of the EPWP projects that were implemented throughout the financial year:

Focus Area	Project Name	Project Number	Work Opportuniti es Created	Funding Source:	Start Date	End Date	Status
Infra Sector	Reseal Project	159006-EPWPRS	6	Own Funding	07 April 2025	31 March 2026	Inactive
Infra Sector	Gwaing 5	158381-EPWPRS	34	Own Funding	01 April 2025	05 December 2025	Inactive
Social Sector	Vicbay/Swartvlei-Admin	164740-EPWPRS	3	Own Funding	14 July 2025	30 June 2026	Inactive
Infra Sector	Maintenance Project	162477-EPWPRS	3	Grant & Own Funding	14 July 2025	30 June 2026	Inactive
Environmental	Swartvlei General Workers	164742-EPWPRS	2	Own Funding	14 July 2025	30 June 2026	Inactive
Social Sector	ECD Project	162416-EPWPRS	25	Grant & Own Funding	01 August 2025	30 June 2026	Inactive
Social Sector	GRDM – Amdin	162451-EPWPRS	11	Grant & Own Funding	14 July 2025	30 June 2026	Inactive
Social Sector	Calitzdorp Security Guard	164760-EPWPRS	1	Own Funding	01 July 2025	31 December 2025	Inactive
Environmental	De Hoek General Workers	164736-EPWPRS	9	Own Funding	08 July 2025	30 June 2026	Inactive
Environmental	De Hoek Security Guards	164734-EPWPRS	2	Own Funding	08 July 2025	30 June 2026	Inactive
Environmental	De Hoek Housekeeper	1644733-EPWPRS	1	Own Funding	16 July 2025	30 June 2026	Inactive

Social Sector	Law Enforcement	162452-EPWPRS	36	Grant & Own Funding	08 December 2025	30 June 2026	Inactive
Focus Area	**Project Name**	**Project Number**	**Work Opportunitiies Created**	**Funding Source:**	**Start Date**	**End Date**	**Status**
Environmental	De Hoek Seasonal Workers	168266-EPWPRS	3	Own Funding	02 December 2025	31 March 2026	Inactive
Environmental	Fire Fighters25/26	162478-EPWPRS	22	Grant & Own Funding	01 December 2025	31 March 2026	Inactive
Environmental	Swartvlei Seasonal Workers	167910-EPWPRS	9	Own Funding	17 November 2025	28 February 2026	Inactive
Environmental	Vicbay Seasonal Workers	167911-EPWPRS	5	Own Funding	15 November 2025	28 February 2026	Inactive
Environmental	Seasonal Fire Fighters Project 2	169461-EPWPRS	10	Own Funding	01 February 2026	30 April 2026	Inactive
Environmental	Hotsprings Security	169459-EPWPRS	1	Own Funding	26 January 2026	30 June 2026	Inactive
Infra Sector	Gwaing 6	174693 – EPWPRS	20	Own Funding	14 January 2026	31 March 2026	Inactive
Environmental	Landfill Site	174715-EPWPRS	15	Own Funding	02 March 2026	30 June 2026	Active
Environmental	Cleaning Project	173078-EPWPRS	20	Own Funding	11 May 2026	30 June 2026	Inactive
Environmental	De Hoek Contract Workers25/26	171969-EPWPRS	3	Own Funding	09 May 2026	30 June 2026	Inactive
Infra Sector	Glentana 1	174691-EPWPRS	7	Own Funding	01 September 2025	30 November 2025	Inactive
Infra Sector	Glentana 2	174692-EPWPRS	7	Own Funding	02 February 2026	27 February 2026	Inactive

Table 33: EPWP Projects

3.14.4 CHALLENGES: EPWP

The table below indicates the challenge faced during the financial year:

Description	Actions to address
Limited Budget available for creation and implementation of more work opportunities.	Form partnership for resource mobilisation and align GRDM projects with EPWP objectives.

Table 34: EPWP Challenges

3.14.5 JOB CREATION THROUGH THE NATIONAL EPWP

GRDM has created work 255 opportunities in the 2025/26 financial year through the National EPWP. The table below indicates the number of opportunities that were created for 2024/25 and 2025/26:

Financial year	Number of EPWP Projects	Number of work Opportunities	Number of training opportunities	Number of training person days	Number of FTE [Full Time Equivalent]
2024/25	30	274	58	178	96
2025/26	23	255	141	208	107

Table 35: EPWP Job Creation

3.14.6 EPWP PERFORMANCE AGAINST NATIONAL EPWP STANDARDS

With regards to the national targets of vulnerable groups, the code of good practice articulates that the specific targets for the share of EPWP participants should be 60% for women, 55% for youth and 2% for people with disabilities. Targets are calculated within targets of work opportunities that were created. The Municipality's focus was on the less fortunate communities within the rural areas of the district and areas where unemployment figures are high. These target groups were identified through a combination of geographical and community-based targeting, as well as self-targeting in the region. The signed protocol agreement by the Executive Mayor of Garden Route District Municipality also highlights the above targets and reconfirm the Council commitment towards the public employment programme.

The following tables explains the Municipality's projected EPWP performance for the Financial Year 2025/26:

Description of sector programme	Number						% Achieved					
	EPWP Target Annual	Job opportunities per Sector	FTE's		Person days		Youth		Women		Disabled	
			Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Environmental	74	102	19	23	N/A	4805	55%	77	60%	36	2%	0
Social	60	76	15	52		8793		73		52		0
Infrastructure	116	77	47	32		7260		42		9		0
# National EPWP standard												
** GRDM's actual achievement: The percentage calculated for youth includes males and females aged 16 to 35. Percentage women include youth and adults aged 36 and above*												

Table 36: 2025/26 EPWP Performance against National EPWP Standards

3.15 MUNICIPAL RESORTS

3.15.1 INTRODUCTION TO MUNICIPAL RESORTS

- The District operated four resorts during the financial

  year: Calitzdorp Spa
- De Hoek Mountain Resort
- Swartvlei Caravan Park
- Victoria Bay Caravan Park

3.15.2 DESCRIPTION OF MUNICIPAL RESORTS

Calitzdorp Spa

This resort, situated 45 km from Oudtshoorn and 22 km from Calitzdorp on the old cement road linking the two towns is slightly off the beaten track, comprises of 42 self-catering chalets, 30 caravan sites as well as a day visitor area. The resort has cold and natural warm water pools, hiking trails, tennis courts and mountain bikes trails and a bird lookout. The resort has been closed since 2025 due to severe infrastructure failure caused by the flooding events

De Hoek Mountain Resort

Situated 33 km north of Oudtshoorn enroute to Prince Albert via the historic Swartberg pass, this resort offers visitors 27 self-catering chalets, numerous camping sites and two dormitories which can accommodate 144 persons.

Swartvlei Caravan Park

Swartvlei is situated just off the N2 and borders on the Swartvlei Lake approximately 25 km from George. The caravan park consists of 156 grassed sites, 49 are electrified with 4 ablution blocks. Three staff members are employed at Swartvlei.

Victoria Bay Caravan Park

Victoria Bay Caravan Park has 38 caravan sites and is approximately 10 km from George. Four staff members are employed at Victoria Bay.

Kleinkrantz Holiday Resort

Kleinkrantz Holiday Resorts is situated between Wilderness and Sedgefield on the southern side of the N2. The resort has not been in use for many years and has been vandalised substantially. The infrastructure is also vandalized substantially.

A tender process was followed and awarded to develop a Residential Complex. This development has been cancelled, and the long-term lease agreement was terminated.

3.15.3 HIGHLIGHTS: MUNICIPAL RESORTS

The following highlights were achieved during the financial year:

Resort	Highlights	Description
Victoria Bay (Vicbay) Caravan Park	Occupancy during the 2025 peak season at Vicbay	Vicbay achieved 90% occupancy rate during 2025/26 December peak season.
Swartvlei Caravan Park	Occupancy during the 2025 peak season	Swartvlei achieved 90% occupancy rate during 2025/26 December peak season.
	Events held during 2025/26	The yearly events held at Swartvlei has increased the occupancy at the camp site.
De Hoek Mountain Resort	Occupancy	The occupancy has increased due to the main attraction being the dormitories for big school groups, events and family reunions.

Table 37: Highlights: Municipal Resorts

3.15.4 CHALLENGES: MUNICIPAL RESORTS

The table below indicate the challenges faced during the financial year:

Resort	Challenges	Actions to address
Calitzdorp Hot Springs	Budget constraints at Calitzdorp Hot Springs	Minimal maintenance could be done at the Resort.
	Infrastructure failure due to the adverse weather conditions and flooding events	The resort has subsequently been closed
Victoria Bay Caravan Park	Training	The Employees need the necessary training, example: administration, electrical, plumbing, Chainsaw operating etc.
	Shortage of staff	The vacant positions must be filled.

	Equipment	Not having the sufficient equipment/tools for the work, example lawnmowers, brush cutters, etc. (no capital budget).
Resort	**Challenges**	**Actions to address**
	Budget constraints for contracted services	Insufficient budget allocations to pay for security services
Swartvlei Caravan Park	Equipment	Not having the sufficient equipment/tools for the work, example lawnmowers, brush cutters, etc. (no capital budget).
	Signal/internet/equipment	The signal is very poor at the office, which causes delays in service delivery as the system is often offline.
	Budget constraints for contracted services	Insufficient budget allocations to pay for security & sewerage removal services
De Hoek Mountain Resort	Wi-Fi and connectivity	Wi-Fi is needed at the Resort. This will attract more guests. The connectivity needs attention; the Resort is mostly without connectivity which impacts on service delivery.
	Shortage of employees	The vacant positions must be filled.

Table 38: Challenges: Municipal Resorts

3.15.5 RESORTS INCOME FOR 2025/26

The table below gives a layout of the financial year's income generated at the resorts:

Month	Calitzdorp Spa	De Hoek	Swartvlei	Victoria Bay
(R)				
2024/25	3 010 337	2 329 495	1 784 514	1 760 623
2025/26	0.00	1 376 972	539 915	1 133 501

Table 39: Resorts Income for 2025/26

3.15.6 EMPLOYEES: MUNICIPAL RESORTS

The table below indicates the number of staff employed by the Unit:

(T-grade)	2024/25	2025/26			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)

	Number				%
0 - 3	0	0	0	0	0
4 - 6	17	17	16	1	5.88%
7 - 9	0	0	0	0	0
(T-grade)	2024/25	2025/26			
	Employees	Posts	Employees	Vacancies (fulltime equiva-lents)	Vacancies (as a % of total posts)
	Number				%
10 - 12	2	3	2	1	33.33%
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	**19**	**20**	**18**	**2**	**10%**

Table 40: Employees: Municipal Resorts

Component D: Environmental Protection

3.16 AIR QUALITY CONTROL

3.16.1 INTRODUCTION TO AIR QUALITY CONTROL

Air quality is a constitutional right and the GRDM recognizes the impact air pollution may have on the health, safety, and quality of life of all our citizens. With increased urbanization and industrial activity in the Southern Cape it is essential to manage the air pollution and ambient air quality.

Environmental governance is complex and is subject to a fragmented and ever-changing legislative framework. The National Environmental Management Air Quality Act, No. 39 of 2004 (NEMAQA) was promulgated in 2005 and replaced the 1965 Atmospheric Pollution Prevention Act, No.45 of 1965 (APPA). The NEMAQA's management framework promotes a collaborative and integrated approach (between polluters, the public and government) and assigns a strong mandate for air quality management to municipalities as the local sphere of government.

Withstanding the challenges and complexity, GRDM has succeeded in substantially meeting the diverse tasks and duties associated with air quality management as defined in its 4th generation Air Quality Management Plan (AQMP). As a result, the general quality of ambient air in the district is good.

The Air Quality Unit focussed on executing the goals and objectives of the Air Quality Management

Plan and one of the objectives is improved coordination and support to the B-authorities. The Garden Route is still the second most industrialized district municipality within the Western Cape and as such placing a huge responsibility to keep the air clean and healthy for its citizens.

3.16.2 HIGHLIGHTS: AIR QUALITY CONTROL

The following highlights were achieved during the financial year:

Highlights	Description
Garden Route fourth Generation Air Quality Management Plan	Successfully implemented the objectives of the Fourth-Generation Air Quality Management Plan. Quarterly meetings were held with local municipalities to ensure a coordinated district-wide approach and to provide support where required. A new incentive programme was introduced to recognise industry excellence in compliance. The industry with the best compliance record for 2025 received a trophy and certificate, presented by the Executive Mayor.
Atmospheric Emissions Licencing	All atmospheric emission licence applications were processed and licences issued within the legislated timeframes.
Garden Route Clean Fires campaign	The programme, in its previous format, was discontinued due to budgetary constraints. However, the Air Quality Unit continued to conduct air quality awareness campaigns at primary schools, with a focus on clean-burning practices.
Garden Route Clean Fires campaign	The programme in its current format was terminated due to budgetary constraints, but the air quality unit still conducted awareness campaigns at primary schools.
Industrial Forum	Four quarterly meetings were held with industry to provide training, technical assistance and relevant information on air quality management. Guest speakers were also invited to share knowledge and best practices with industry representatives.
Air Quality Officers Forum	The forum formed part of the Intergovernmental Relations framework and facilitated coordination of air quality management matters across the district. It also provided support to local municipalities in carrying out their air quality management functions and promoted a coordinated approach to implementing the objectives of the Air Quality Management Plan.
Air Quality Monitoring	Various sampling initiatives were conducted to monitor ambient air quality across the district, including fixed, mobile and passive sampling, as well as transport emission monitoring. The EarthSense mobile analyser provided live air quality data to the South African Air Quality Information System, making information accessible to the public. The analyser was also made available to industry on a rental basis, generating additional revenue for the Air Quality Unit.
Compliance and Enforcement	Inspections, site visits and investigations were conducted at industrial facilities to monitor compliance with atmospheric emission licence conditions and to support effective enforcement where non-compliance was identified.

Table 41: Air Quality Control Highlights

3.16.3 CHALLENGES: AIR QUALITY CONTROL

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Limited capital funding for air quality monitoring equipment and insufficient operational funding for equipment maintenance, calibration and passive sampling.	Implementing innovative approaches to maximise available resources, including the use of dispersion modelling as an alternative to certain sampling activities. A Memorandum of Understanding between GRDM and industry was also utilised to supplement monitoring activities. The EarthSense analyser was rented to industry to generate additional revenue for the Air Quality Unit.
Appeals and summonses from members of the public regarding licences issued.	Ensuring that all licensing functions are performed in accordance with applicable legislation and that processes are procedurally correct, transparent and properly documented.
Land use planning: Residential developments increasingly encroaching on areas surrounding industrial activities, creating potential air quality conflicts.	Providing comments on proposed developments where residential activities may be affected by industrial operations and strengthening cooperation with B-municipality Town Planning Departments to promote appropriate land use planning.
Additional duties	The promulgation of the new Dust Control Regulations (2026) has resulted in additional responsibilities for the Air Quality Unit.

Table 42: Air Quality Control Challenges

3.16.4 EMPLOYEES – AIR QUALITY CONTROL

The table below indicates the number of staff employed by the Unit:

(T-grade)	2024/25	2025/26			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	0	0	0	0	0
4 - 6	1	1	1	0	0
7 - 9	2	2	2	0	0
10 - 12	0	0	0	0	0
13 - 15	2	2	2	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	**5**	**5**	**5**	**0**	**0**

Table 43: Employees: Air Quality Control

3.17 ENVIRONMENTAL MANAGEMENT

3.17.1 INTRODUCTION TO ENVIRONMENTAL MANAGEMENT

District municipalities play a crucial role in environmental management by ensuring the consistent application of environmental legislation and procedures. They also develop strategies for climate change adaptation and mitigation, along with various other environmental programs. District environmental management involves coordinating environmental policies and programs within a specific geographical area, usually encompassing multiple local municipalities.

Environmental Management within the Garden Route District Municipality is part of the sustainable development principle as outlined in the National Environmental Management Act (NEMA) (Act 107 of 1998), and Integrated Development Plans (IDP's) of municipalities. Environmental Management in the GRDM includes the following key aspects:

- Integrated Coastal and Estuarine Management Biodiversity Management
- Environmental Regulation and Control Climate Change Adaptation and Mitigation
- Environmental Education and Awareness Raising Partnerships and Support to Local Municipalities

Sustainable development looks for a balance between economic, social and natural environmental needs. The term environment is defined to include our natural, social, economic, urban, rural and cultural context as experienced by the communities of the Garden Route District. The Environmental Management Section, (under the umbrella of the Disaster Management Centre) functions by adopting and implementing the principles and underlying approaches to the sustainable development of the Garden Route District, and to ensure the integration of environmental issues into district government decision-making at all levels. It aims to ensure that the current generation's use of natural resources is sustainable ad protected for the use of future generations.

It strives towards the protection of the constitutional right to a healthy environment and the recognition of the responsibilities and obligations of sustainable service delivery and ecologically sustainable development for the benefit for all. The Section adopts a holistic approach to the environment and to protect the Garden Route District's unique biodiversity.

We foster responsible stewardship of the resources within the district government's charge, through open, consultative, integrated and transparent governance of the region. This is achieved by ensuring that best practice environmental solutions and activities are implemented and that sustained partnerships with communities are achieved. The core functions of municipal environmental obligations as per the Western Cape Government and South African Local Government Association (SALGA) include biodiversity management, climate change mitigation and adaptation, coastal management, risk reduction, and environmental compliance.

The Section's main purpose is therefore to focus on:

1. A district wide environmental management, climate change and related risk reduction function dealing with a variety of professional issues, research, investigation, evaluation, coordination, sourcing of funding, recommendation and decision-making to inform, direct and input into the district wide strategic forward planning, policy and project initiatives, initiate and manage environmental improvement projects, monitor compliance with development control conditions and monitor and remedy illegal activities which are detrimental to the environment in order to ensure that relevant legislation, the District Integrated Development Planning (IDP), Spatial Development Framework (SDF), the Unit policy directives and service delivery requirements are met. This entails the following:

I. To manage the coordination and collaborative district wide environmental management, climate change, and related risk reduction function, which extends to supplying the below functions to the seven local Category B-Municipalities within the District's borders:

- Prevention, preparedness and management of the district environmental and climate change risk reduction profile.
- Strategic coordination, guidance and monitoring of the district wide Category B-Municipalities' implementation of policies related to environmental management, which includes coastal management, biodiversity management, environmental regulation, climate change, and related risk reduction.
- Develop, review, coordinate and monitor the district wide environmental management policies, programmes and plans, which includes coastal management, biodiversity management, environmental regulation, climate change, and related risk reduction strategies,
- Provide a strategic coordination, collaboration, guidance and monitoring function to the seven Category B-Municipalities within the District's borders, relating to environmental

management, climate change, and related risk reduction;

- Quality management and control; and
- Research and information dissemination.

II. To apply a substantial body of professional knowledge and manage, decide, set, provide, and co-ordinate an environmental management, climate change, and related risk reduction service for the Garden Route District to implement National, Provincial and Local government mandated functions assigned to the District Municipality, and best practice skills relating to:

    - Environmental management: such as integrated coastal management, biodiversity management, and environmental regulation, assigned to the District Municipality as per the National Environmental Management (NEMA) Act 107 of 1998, National Environmental Management: Biodiversity (NEMBA) Act 10 of 2004, and the National Environmental Management: Integrated Coastal Management (NEM: ICMA) Act 24 of 2008;
    - Risk reduction: such as the management of vulnerability assessments, risk prevention and reduction, preparedness, prediction and forward planning; and
    - Climate change: adaptation and mitigation, energy and water security, climate risk reduction, prediction and forward planning.

III. To manage and ensure that municipal land-use and coastal planning and decision-making strives towards sustainable development and to be a biodiversity informant for multi-sectoral planning as required by NEMA Act No 107 of 1998.

IV. To implement policies, statutory requirements and programs designed to create awareness and reduce environmental risks, through the development of strategies and plans, coordination and execution of biodiversity, coastal management and climate change policies, dissemination of information and the implementation of projects and initiatives with respect to ensuring ecological patterns and processes are not compromised in the Garden Route District region.

V. The environmental management section also ensures, oversight, enforcement and regulating of the following environmental and Climate Change Legislation as complied with by various public and government sectors:

- Climate Change Bill 22 of 2024
- Constitution of the Republic of South Africa 1996
- Development Facilitation Act 67 of 1995
- Disaster Management Act 57 of 2002
- Dumping at Sea Control Act 73 of 1980
- Environmental Conservation Act 73 of 1989
- Genetically Modified Organisms Act 15 of 1997
- Local Government: Municipal Systems Act 32 of 2000
- Marine Living Resources Act 18 of 1998
- Marine Pollution (Prevention of Pollution from Ships) Act 2 of 1986
- Mine Health and Safety Act 29 of 1996
- Mineral and Petroleum Resources Development Act 28 of 2002
- Mountain Catchment Areas Act 63 of 1970
- National Energy Act 34 of 2006
- National Environmental Management Act 107 of 1998
- National Environmental Management: Biodiversity Act 10 of 2004
- National Environmental Management: Integrated Coastal Management Act 24 of 2008
- National Environmental Management: Protected Areas Act 57 of 2003
- National Forests Act 94 of 1998
- National Heritage Resources Act 25 of 1999
- National Veld and Forest Fire Act 101 of 1998
- National Water Act 36 of 1998
- Promotion of Administrative Justice Act 3 of 2000
- Sea Birds and Seals Protection Act 46 of 1973
- World Heritage Convention Act 49 of 1999

3.17.2 HIGHLIGHTS: ENVIRONMENTAL MANAGEMENT

The following highlights were achieved during the financial year:

Highlights	Description
Support and participation in the Future24 Symposium	Future24 Launch Symposium – 20 April 2026: The GRDM participated in the Nelson Mandela University Future24 Launch Symposium and delivered a presentation titled "*Sustainable Socio-ecological Systems in the Garden Route District*", highlighting sustainability and the importance of collaborative partnerships in achieving sustainable development outcomes.
Review and updating of Garden Route District Coastal Management Programme (CMP)	The Garden Route District CMP was reviewed and updated and subjected to two public participation processes. A substantial number of comments and inputs were received and are being incorporated into the draft CMP as part of the Comments and Responses Report. The next step is submission of the final CMP to Council for adoption, followed by publication of a notice in the Provincial Government Gazette.
Review and updating of Garden Route Climate Change Adaptation and Mitigation documents to comply with new draft National Climate Change Bill of 2022: • Developed an abbreviated version of the draft Garden Route District Climate Change Response Implementation Plan	As part of the 2024/25 review process, the current Garden Route District Climate Change Adaptation Strategy 2019 was split into two separate documents, as is required by the new National Climate Change Act 2024 (Act 22 of 2024) namely the: 1. Garden Route District Climate Change Adaptation Needs and Response Assessment 2024/25, and the;
Hosted a workshop with local Municipalities on the GRDM's Climate Change Plans, 17 March 2026.	2. Garden Route District Climate Change Adaptation Response Implementation Plan 2024/25 (abbreviated version). Worked on the finalisation of the abbreviated version of the Garden Route District Climate Change Response Implementation Plan. With support from the Department of Environmental Affairs and Development Planning's Climate Change Directorate, the GRDM also hosted a workshop where representatives from the 7 local Municipalities within the district's borders were invited to provide their inputs. Six Municipalities responded and participated in the workshop. Climate change related risks, vulnerabilities, and needs and responses throughout the district were discussed, with the aim to identify responses at different scales that can be collated into an implementation plan suitable to the local context.
Review and updating of the Eden District Municipality Wetland Strategy and Action Plan, 2017, now titled the Garden Route District Wetland Strategy and Action Plan, 2026 - 2031.	Completed with the review and updating process of the 2017 Eden District Municipality Wetland Strategy and Action Plan, now titled the Garden Route District Wetland Strategy and Action Plan, 2026 - 2031. The next step is the circulation of the document to key stakeholders for their comments and inputs, as part of the public participation process.
Development of a draft Coastal Access and Coastal Management Memorandum of Understanding (MoA) that can be used between the Garden Route District Municipality and the 5 coastal local Municipalities.	In order to assist the local municipalities with the legislative issues regarding the functions of coastal management and coastal access, the Garden Route District Municipality's Environmental Management Section drafted a draft Memorandum of Understanding (MoA) that can be used between the GRDM and the 5 local coastal Municipalities.

Highlights	Description
Development of proposed Garden Route District Biodiversity and Environmental Management Framework.	The GRDM is in the initial / planning phase with the Development of a proposed Garden Route District Biodiversity and Environmental Management Framework. The Department of Forestry, Fisheries and the Environment (DFFE) has indicated their support to the GRDM with the development of this Framework and is currently in the process of internally coordinating and aligning their role in supporting the development of the document, which includes engagement across the relevant branches to ensure that the necessary technical inputs, roles, and processes are appropriately structured.
Circulation of the processes and procedures from the Breede-Olifants Catchment Management Agency to stakeholders.	As part of the GRDM's Disaster Response measures, we circulated the processes and procedures from the Breede-Olifants Catchment Management Agency (BOCMA) regarding the correct responses to potential flood-related impacts on infrastructure within and near watercourses, following the storm events during May 2026. This includes the process to request urgent regulatory assistance for repair and rehabilitation works associated with flood damage, where such activities may trigger water uses in terms of section 21(c) and (i) of the National Water Act, 1998 (Act 36 of 1998).
Coordination of coastal storm impact data, submitted by the local Municipalities, for the Garden Route district's Disaster Management Centre's database, and the	Following the storm events during May 2026, we will be coordinating the coastal storm impact data, submitted by the local Municipalities, for the Garden Route district in order to update the Disaster Management Centre's database. The information will then also be sent to the Department of Environmental Affairs and Development
Department of Environmental Affairs and Development Planning's Biodiversity and Coastal Management section.	Planning's Biodiversity and Coastal Management section. This information is critical to support coastal management, assess the extent of storm-related impacts, the verification of flood-line determinations and coastal risk modelling, as well as the determination of appropriate mitigation measures.
Fallen tree trend assessment and report.	Drafted a fallen tree trend assessment report. This assessment has revealed that alien invasive trees were a major contributor to the damages that occurred during the storms and is another confirmation that investing in the clearing of alien tree species should be prioritised, and funding for clearing programmes should be considered as an essential part of reducing the risks to human lives, property, and infrastructure during future similar events, which will become the norm as climate change increases.
Coordination and arrangements for Arbor Week/Month, September 2025.	The GRDM coordinated and arranged various tree planting events, and indigenous tree donations, for the Arbor Week / Month September 2025 celebrations.

Highlights	Description
Coastal access Pacaltsdorp fishers' workshop and coordination of their comments on the Garden Route District Coastal Management Programme.	The GRDM, together with the Department of Forestry, Fisheries and the Environment (DFFE), and the George Municipality, held a Coastal Access Municipal Engagement Workshop on 27 October 2025. At this workshop the GRDM and coastal Municipalities provided feedback on the progress with the designation of coastal access servitudes, as well as the challenges that they are experiencing with restrictions of coastal access. The GRDM also coordinated the comments from the Pacaltsdorp fishers on the Garden Route District Coastal Management Programme.
Drafting of Media Releases on environmental calendar days and events.	Drafted various Media Releases on environmental calendar days and events throughout the financial year 2025/26, for publication by the GRDM's Communications Section.
International Coastal Clean-up and Marine Week Celebrations during September/October 2025.	In celebration of the International Coastal Clean-up and Marine Week September/October 2025, the Garden Route District Municipality's Environmental Management section, the Department of Forestry, Fisheries and the Environment (DFFE), the local municipalities within the district, as well as various other stakeholders, conducted awareness and clean-up events as part of the Coastal Clean-up and Marine Week celebrations during the months of September/October 2025, to try and mitigate enormous number of wastes from ending up into the ocean. The GRDM's support to local Municipalities included Arbor events' logistics, coordination of promotional resources allocations, coastal clean-up catering and promotional resources collection, etc.
District Coordination of the Garden Route District Estuary Advisory Forums (EAF's).	During the 2025/26 financial year, the GRDM supported the various quarterly Garden Route Estuary Advisory Forums (EAF's held within the district. Its support included updated reminder notifications of the Forums' details such as dates, venues, online links, Agendas and Minutes, etc., to all the coastal stakeholders.
Attendance of estuary breaching committees	Attended the various estuary breaching committees held during the 2025/26 financial year to provide input into the estuary breaching decisions and processes when circumstances require it.
Environmental Management support by the Garden Route District Municipality (GRDM) to the Category-B Municipalities within the district's borders.	Local Municipality Support were provided by the GRDM on various environmental aspects, including Coastal Management, Estuary Management, Climate Change and Biodiversity Management support, amongst others.

Highlights	Description
Commenting and support by the GRDM on Environmental Impact Assessment matters, including development monitoring and control.	As a commenting authority on Environmental Impact Assessments within the district, the GRDM commented on various new development applications throughout the financial year.
Information dissemination on Environmental Management and Climate Change related matters through the Garden Route District Municipality's (GRDM's) website.	The GRDM disseminated important Environmental Management and Climate Change related information throughout the 2025/26 financial year by means of the publication of various media releases on its website.

Table 44: Environmental Management Highlights

3.17.3 PROJECT STEERING COMMITTEES

The Municipality's Environmental Management Section serves on the following steering committees which play an

important role with regards to environmental protection on a district, provincial and national level:

1) Garden Route District Coastal Access Task Team

The Coastal Access Task Team was established to discuss and address the coastal access challenges experienced in the district.

2) Garden Route District Estuaries Task Team

Participation in this Garden Route District-focused Task Team involves collaborative discussions on the key challenges related to estuary management within the district. The Task Team serves as a platform for stakeholders to identify and deliberate on pressing issues and to explore practical and sustainable solutions to enhance the management, protection, and resilience of estuarine systems in the region.

3) Garden Route District Municipal Coastal Committee (MCC)

The Environmental Management Section coordinates and chairs the Garden Route Municipal Coastal Committee (MCC) on a quarterly basis. The committee is attended by all relevant coastal management authorities operating within the region, including representatives from provincial departments.

The MCC serves as a collaborative platform where stakeholders discuss coastal management challenges, share best practices, and work together to develop practical solutions to address coastal issues within the district.

4) Western Cape Estuaries Task Team

Participation in this Western Cape-focused Task Team involves engaging in collaborative discussions on key challenges related to estuary management across the province. The Task Team brings together stakeholders from various spheres of government and relevant sectors to share experiences, identify common issues, and explore practical, province-wide solutions aimed at improving the sustainable management and protection of estuarine systems in the Western Cape.

5) Western Cape Coastal Erosion Task Team

The establishment of this Provincial Coastal Erosion Risk Task Team represents a multi-stakeholder collaborative effort aimed at enhancing the governance of coastal erosion risk. The Task Team provides valuable context, insights, and strategic direction to support effective decision-making and the achievement of its objectives.

The lessons learned and best practices emerging from this Task Team are expected to offer meaningful guidance in shaping more informed and proactive approaches to coastal erosion risk management along the Municipality's coastline.

6) Provincial Coastal Committee (PCC)

The Environmental Management Section participates in Provincial Coastal Committee (PCC) meetings on a quarterly basis. These meetings provide a platform for engaging with provincial coastal authorities to discuss and address more complex or unresolved coastal management issues that could not be resolved at the Municipal Coastal Committee (MCC) level.

The PCC plays a critical role in fostering intergovernmental collaboration and developing strategic, province-wide solutions to pressing coastal challenges.

7) National Coastal Committee (NCC)

The Municipality's Environmental Management Section also participates in National Coastal Committee (NCC) meetings on a quarterly basis. These meetings serve as a platform to engage with national coastal management authorities and stakeholders to discuss and address critical or complex issues that could not be resolved at the Provincial Coastal Committee (PCC) level.

The NCC plays a key role in ensuring national coordination, policy alignment, and the development of strategic solutions to support effective coastal management across all spheres of government.

3.17.4 FORUMS

The Environmental Management Section also serves on the following Forums which plays an important role with regards to environmental protection on a district, provincial and national level:

1) Environmental Forums

- The Provincial PSG4 Climate Change Forum
- Department of Forestry, Fisheries and the Environment: Local Government Support Forum
- The Outeniqua Protected Areas Advisory Committee
- SANParks Knysna Section Protected Areas Advisory Committee
- SANParks Wilderness Section Stakeholder Liaison Forum

2) Estuary Advisory Forums (EAF)

- Breede River Estuary Advisory Forum (EAF)
- Keurbooms River Estuary Advisory Forum (EAF)
- Goukamma Estuary Advisory Forum (EAF)
- Groot Brak Estuary Advisory Forum (EAF)
- Klein Brak Estuary Advisory Forum (EAF)
- Hartenbos Estuary Advisory Forum (EAF)
- Goukou Estuary Advisory Forum (EAF)
- Gourtizmond Estuary Advisory Forum (EAF), (GRDM is Chairing)

3.17.5 CHALLENGES: ENVIRONMENTAL MANAGEMENT

The following challenges were experienced during the financial year:

Challenges	Actions to address
Lack of dedicated environmental management staff at local Category-B municipalities	• Provide environmental management support in the interim. • Provide awareness on the environmental mandates of local municipalities.
Lack of environmental, climate change and research project funding	• Source external funding opportunities; • Collaboration with tertiary institutions.
Increasingly unstable climate conditions	• Monitor and provide guidance on the implementation of climate change related projects at local municipal level.
	• Provide climate change awareness support and guidance on the latest climate change projections and atmospheric data / key climate change vulnerabilities within the local municipalities.

Table 45: Environmental Management Challenges

Component E: Municipal Health

3.18 MUNICIPAL HEALTH

According to the Constitution of the Republic of South Africa, 1996, the Local Government: Municipal Structures Act (No. 117 of 1998), and the National Health Act (No. 61 of 2003), it is the statutory responsibility of municipalities to render municipal health services.

Section 24 of the Constitution guarantees the right of all citizens to live in an environment that is not harmful to their health or well-being. In line with this, Section 1 of the National Health Act defines municipal health services and clearly outlines the responsibilities of municipalities in delivering these services.

Environmental Health encompasses all aspects of human health, including quality of life, that are influenced by physical, chemical, biological, social, and psycho-social factors in the environment. It involves the theory and practice of assessing, correcting, controlling, and preventing environmental factors that may adversely affect the health of current and future generations.

Environmental Health Services implement environmental health policies through continuous monitoring and control measures. These services aim to improve environmental conditions, promote the use of environmentally friendly and healthy technologies and behaviours, and provide leadership in the development of new policy areas. These definitions align with the standards of the World Health Organization (WHO).

3.18.1SERVICES RENDERED

Residential, business and public premises are regularly monitored to ensure that there are no health nuisances. This is done to ensure compliance with the applicable legislation, the principles of Agenda 21 and the "Healthy Cities" approach, and the minimisation of any detrimental environmental health risk.

Key Performance Areas:

Chemical safety Disposal of the dead

Environmental pollution control Food control

Health surveillance of premises

Surveillance and prevention of communicable diseases Vector control/monitoring
Waste management Water quality monitoring Administration – general
Health Education, Promotion and Community Development Collection of Environmental Health Data to inform decision making

3.18.2 HEALTH INSPECTION, FOOD AND ABATTOIR LICENSING AND INSPECTION

To fulfil its constitutional and legal obligations, the Municipal Health Services Unit fulfils its mandate through knowledge and expertise of our highly qualified and skilled environmental health practitioners (EHPs). They provide and facilitate comprehensive, pro-active and needs-related services to ensure a safe, healthy and clean environment by preventing and eliminating sources of diseases.

There is functional municipal health offices located in all the local municipalities in the district. The municipal health inspectorate is divided into 4 regions, namely:

- Klein-Karoo Region (Oudtshoorn and Kannaland)
- George (Wilderness and Outeniqua)
- Lakes Region (Bitou and Knysna)
- Langeberg (Mossel Bay and Hessequa)

Municipal health services are personnel driven function because monitoring, according to the scope of practice of environmental health, forms the basis of performing this function. Performing these functions will add value to "healthier people in healthier places."

Nine (9) KPI's:

1. Water quality monitoring
2. Food control
3. Waste management
4. Health surveillance of premises
5. Surveillance and prevention of communicable diseases, excluding immunisations
6. Vector control
7. Environmental pollution control
8. Disposal of the dead
9. Chemical safety

Actions that arise from these Key Performance Indicators:

- Monitoring of water reticulation
- Protection of water sources by enforcement of laws and regulations Implementation of health and hygiene awareness
- Control of food premises by issuing compliance certificates to food premises
- Ensure that food is safe and healthy for human consumption by the enforcement of laws and regulations
- The monitoring of the storage, treatment, collection, handling and disposal of the various categories of waste
- The identification, monitoring and evaluation of health risks, nuisances and hazards
- The promotion of health and hygiene aimed at preventing the incidence of environmental conditions that will result in contagious diseases
- Monitoring, identification, evaluation to ensure the prevention of vectors
- The identification, evaluation, monitoring and prevention of the pollution of soil, water and air Monitoring of cemeteries, crematoriums and other facilities for the disposal of corpses
- The monitoring, identification, evaluation and prevention of risks relating to chemicals hazardous to humans

3.18.3 HIGHLIGHTS: MUNICIPAL HEALTH

The following highlights were achieved during the financial year:

Highlights	Description
Environmental Health Day	Social media platforms such as Facebook, Garden Route website and radio were used to present the role and responsibilities of EHP's in the community. This information was communicated in all three Western Cape languages. World Environmental Health Day was celebrated within the Garden Route and our Member of the Mayoral Committee for Community Services (MMC) were present in partnership with our local municipalities within the region.
Handwash Campaign	Several institutions were visited and trained on proper hand wash techniques.

Highlights	Description

Combined Blitz Inspections	Joint law enforcement compliance inspections were conducted by EHP's, SAPS, local Municipal Law Enforcement Officials and other sector departments.
Illegal Dumping Campaigns	During the campaigns, EHP's had outreaches in the areas where illegal dumping is prevalent. The purpose of outreach was to inform the members of public on the health and environmental effects of illegal dumping; the implications of a person caught in the act and the details where illegal dumping activities should be reported.
Nelson Mandela Day Celebrations	All EHP's celebrates this day by giving back to the community in the form of providing health and hygiene education or distributing items such as books and vegetables to Soup Kitchens.
Spaza shop inspections and awareness training	Environmental Health Practitioners (EHPs) from the Garden Route District Municipality provided essential training on food safety, hygiene standards, and regulatory compliance to spaza shop owners in the region. The sessions were well-attended by owners/or managers, who collectively oversee the operations of spaza shops across these regions. Some of these sessions were attended by MMC of Community Services as part of his oversight responsibilities.
Municipal Health Riversdale	
Agricultural Show – Heidelberg and Riversdale February 2026	Agricultural show was well supported, and the amount of food stalls increased. Hygiene standards were very good. Regular inspections were conducted to monitor food safety, waste removal and sanitation. Hygiene education was also conducted on a continuous basis.
Communicable Diseases Awareness Hand, foot and mouth disease - Still Bay, Heidelberg and Albertinia -March and April 2026	Considering numerous confirmed cases in various childcare facilities across the region, Municipal Health Services: Hessequa conducted a Health and Hygiene awareness session at these facilities in Heidelburg, Still Bay and Albertinia. Awareness sessions included how the disease is transmitted, signs and symptoms and how to prevent the spread of the disease. Handwash demonstrations was also done during these sessions.
Work Integrated Learning 11 May 2026 – 24 June 2026	For the time period between May and June, Garden Route DM, accommodated an Environmental Health Practitioner (student) to undergo Work Integrated Learning (WIL) in the Hessequa region. We are proud to report that the student fully participated in MHS operational activities as well as health and hygiene awareness sessions held.
Municipal Health Mossel Bay	
September 2025	A food safety awareness training programme was conducted in Mossel Bay including formal and informal businesses in the area.
Highlights	**Description**

October 2025 Food Safety & Hygiene Training	EHP`s had an awareness session at Kwa-Nonqaba Mall to educate the public on Labelling (best before, use by and expiring) in commemoration of World Food Day on 16 October 2025.
April 2026 Sonskyn- vallei	Health & Hygiene training was presented at De Dekke Bar and Restaurant and training on handwashing was presented to the Sonskynvallei Crèche in Hartenbos.
Municipal Health George (Outeniqua Region)	
Health and hygiene education - August 2025	Health and hygiene education was given to the Children at Dirk Boshoff Primary school In Uniondale.
Global Hand-Washing Day Outreach – October 2025	The learners of Kwakhanya Crèche were educated on the importance of hand washing and were taught proper hand-washing techniques.
World Toilet Day - November 2025	An outreach was held in Mdongwe Informal Settlement to educate the community on the importance of maintaining their communal toilets and on good hygiene practices.
Food Safety & Hygiene training Awareness - December 2025	Health and Hygiene education was given to Food Handlers and crèches to ensure compliance to legislation.
World Water Day – April 2026	Health & Hygiene education was conducted at Mina Moo & Chris Nissen Crèche in celebration of the World Water Day.
World Health Day – April 2026	Health & Hygiene education was conducted at Akkertjies in celebration of the World Water Day.
Municipal Health George (Wilderness Region)	
TB Awareness	On World TB Day (24 March 2026) EHP'S of GRDM in collaboration with Department of Health conducted a health awareness campaign at Lawaaikamp Clinic. Over forty (40) patients were reached on this day. Thereafter a door-to door campaign was conducted in Borcherds reaching households with over fifteen (15) community members.
Regulation 638 Training	In April 2026, Food handlers of one of the busiest butcheries in the region received training on Regulation 638. The aim of the training was to equip food handlers on safe measures of handling food at food production thereby reducing the risk of food poisoning that may occur in the grater local community.
Municipal Health Oudtshoorn	
EHP participation in the COPC (Community Orientated Primary Care) imbizo in Smarty Town, Oudtshoorn.	EHP's participated in the COPC Imbizo in Oudtshoorn in an approach to combine primary health care with public health to improve the health of the whole community.
Klein Karoo National Arts Festival (KKNK).	The Klein Karoo Municipal Health Office provided environmental health services during the 2026 KKNK in Oudtshoorn.
Highlights	**Description**
Health and Hygiene education and cleaning program awareness provided to food handlers at restaurants, formal food premises, informal food traders and Spaza shops.	EHP's provided Health and Hygiene Education to food handlers on World Health Organisation's five keys for safer food and Garden Route education material regarding cleaning programs for formal and informal food premises in the Oudtshoorn area.

EHP collaboration with Oudtshoorn Municipality, Disaster Management and relevant Joint Operation Centre role-players during the heavy rainfall and flood disasters.	EHP's provided environmental Health Services and did health surveillance of premises, water quality monitoring, food safety monitoring, and waste management monitoring, during the accommodation of displaced persons in the Greater Oudtshoorn including Oudtshoorn, Dysselsdorp and De Rust.
Municipal Health Kannaland	
EHP collaboration with Kannaland Municipality during Day Zero water crisis in Zoar and water crisis in Ladismith.	EHP collaborated with Kannaland Municipality and to provide awareness to the public and schools regarding water safety and monitor water quality and availability in Zoar and Kannaland region during the drought crisis.
Health and Hygiene training presented to the Klein Karoo Early childhood development forum and ECD principals in in Kannaland area.	The EHP's provided training on how to apply for health certificates for creches and the health requirements in terms of Health legislation and GRDM Municipal Health By-laws.
Health, Hygiene & Sanitation awareness at schools and the public in Calitzdorp.	EHP's combined with community members, Department of Health and Calitzdorp clinic committee to provide hygiene education and promote sanitation awareness in Calitzdorp during upgrade of the Bergsig pumpstation.
EHP collaboration with Kannaland Municipality, Disaster Management and relevant role-players during the heavy rainfall and flood disasters.	EHP's provided environmental Health Services and did health surveillance of premises, water quality monitoring, food safety monitoring, and waste management monitoring during the accommodation of displaced persons in the Kannaland area.
Municipal Health Knysna	
Water Quality monitoring - Knysna estuary (Monthly)	To safeguard and protect the Knysna estuary from land-based pollution, monthly water sampling of identified sites in and around the estuary have been undertaken by this office to determine the bacteriological status of this important water body. Fourteen (14) identified points in and around the Knysna estuary are being monitored every month to determine the bacteriological status. At particular sites, sign boards are posted by SAN Parks (on recommendation of GRDM MHS), alerting the public regarding the safety status of a particular water body.
Environmental Pollution Control	The Knysna Municipal Health office undertook a collaborative "Walk about" with the National Deputy Minister: Water and Sanitation to assist and identify chronic pollution "Hot spots" entering and polluting the Knysna estuary.
Knysna Oyster Festival - Environmental Health Surveillance and Inspections - July 2026	The Municipal Health Services of the Knysna office is actively involved every year in terms of implementing a mitigation and monitoring work schedule to minimize and address any public health issue that might arise during the annual Knysna Oyster Festival.
Highlights	**Description**
	Pre – festival inspections, as well as inspections during the event are undertaken of all informal/formal food premises, as well as other public amenities to ensure compliance.

Annual ULWALUKO (Traditional initiation): Health surveillance of Premises - September 2025 - March 2026	Health and Hygiene awareness sessions held with all participants, as well as inspections of the identified initiation sites and regular communications with the ULWALUKO Forum forms a crucial part of the Knysna Municipal Health interventions to safeguard this important annual event from a public health perspective and to minimize the spread of communicable diseases.
Municipal Health Plettenberg Bay	
World TB Day	EHP'S in Bitou area participated in the event aimed at raising awareness about the disease. The event took place at Kwanokuthula Community Daycare Centre, other stakeholders present included Hospice Plett Aid, Plett Aid Foundation, Department of Health and Environmental Health Practitioners from Bitou office.
Blue Flag Status on Beaches	Plettenberg Bay is a premier coastal town with six internationally Blue Flag beaches for 17 years with WESSA. Total of 78 Ocean water samples were taken by EHP's with 100% compliance rate for the period 2025/2026.
Plettenberg Bay Water Quality Monitoring	Joint Co-operation with Bitou Municipality for the sampling of SANS drinking water, Recreational water, Agriculture water, Final Effluent and Stormwater Points.
Cholera Moore Pads sampling campaign	EHP's have conducted a sample run by placing Moore Pads samples in "hotspot" rivers/lagoon areas connected to WWTP final effluent outlets.

Table 46: Highlights: Municipal Health

3.18.4 CHALLENGES: MUNICIPAL HEALTH

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Manpower shortage (lack of EHP's)	Addressing and rectifying the ratio between total population of area: number of EHP's to render a satisfactory service.
Budget constraints	Availability of budget to ensure more efficient service delivery to all communities.
Knysna MHS office space	Securing of long-term office space
Safety of personnel	Continuous unsafe working conditions for EHP's while conducting inspections on a daily basis.

Table 47: Challenges: Municipal Health

3.18.5 SERVICE STATISTICS: MUNICIPAL HEALTH

The following table indicates the services rendered by the Municipality:

Type of service	2024/25	2025/26
Inspections at food production and/or handling sites formal and informal	8 707	7 685
Inspections at dairies to ensure legislative compliance	86	64
Inspection to informal settlements	306	298
Inspection of sewerage treatment /wastewater sites	400	413
Inspection of farms	188	247
Inspection of non-food premises e.g. garages, crèches, caravan parks	31 274	24 588
Inspection environmental pollution	2 658	2 199
Inspection conditions promoting breeding and habits of vectors	10 834	10 038
Awareness sessions	10 836	9 793
Legislation: labelling	7 972	7 003
Samples	2 466	2 271
Media articles	0	30

Table 48: Service Statistics – Municipal Health

3.18.6 EMPLOYEES: MUNICIPAL HEALTH

The table below indicates the number of staff employed by the Unit:

(T-grade)	2024/25	2025/26			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
0 – 3	1	1	1	0	0
4 – 6	3	3	3	0	0
7 – 9	7	7	7	0	0
10 – 12	30	32	30	2	6.25%
13 – 15	5	8	5	2	25%
16 – 18	1	1	1	0	0
19 – 20	0	0	0	0	0
Total	**47**	**52**	**47**	**4**	**7.69%**

Table 49: Employees - Municipal Health

Component F: Fire Services and Disaster Management

3.19 FIRE

3.19.1 INTRODUCTION TO FIRE SERVICES

The Municipality provides the Fire and Rescue Service in compliance with Section 84(j) of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), which assigns the following powers and functions:

Planning, coordination, and regulation of firefighting services;

Provision of specialised firefighting services, including mountain, veld, and chemical fire services; Co-ordination and standardisation of infrastructure, vehicles, equipment, and operational procedures; and Training of fire officers.

In addition, the Municipality has established and continues to maintain Fire and Rescue Services in accordance with the Fire Brigade Services Act, 1987 (Act 99 of 1987). The service area covers 23 331 square kilometres and includes the following local municipalities:

- George Municipality
- Mossel bay Municipality
- Hessequa Municipality
- Kannaland Municipality
- Knysna Municipality
- Bitou Municipality
- Oudtshoorn Municipality

The Municipality operates three fire stations, with the main station located in George and two satellite stations situated in Riversdale and Ladismith. The approved organogram and current staffing complement are as follows:

Coordination

The Municipality has 3 fire stations, with the main station located in George and 2 satellite stations, respectively based in Riversdale and Ladismith. The organogram of the service includes a Chief Fire Officer, a Deputy Chief Fire Officer, 1 Station Commander, 3 Platoon Commanders, 14 Senior Firefighters, 1 Firefighter and 1 Junior Firefighter at George, 3 Junior Firefighters, 1 Firefighter and 1 Senior Firefighter at Riversdale as well as 4 Senior Firefighters and 1 Firefighter at Ladismith respectively. This staff compliment is unfortunately inadequate for the area of coverage.

The service was able to appoint 30 qualified learner firefighters for the high summer season, which included the period 01 December 2025 to 31 March 2026. This is an annual seasonal project, with the intention of boosting staff capacity for the critical summer period, when the occurrence of fire is increased.

The 3 stations are manned as listed below:

Fire Stations			
Name	**George Fire Station**	**Ladismith Fire Station:**	**Riversdale Fire Station**
Members	1 Platoon Officer, 4 members comprising either of Junior Firefighters, Firefighters or Senior Firefighters per shift. Total operational shift personnel for George are 22	5 total members, 1 Firefighter and 4 Senior Firefighters	5 total members, 3 Junior Firefighters, 1 Firefighter and 1 Senior Firefighter
Station hours	The shift system is arranged from 06:00 to 18:00 (2 days) & 18h00 to 06h00 (2 nights), over a four (4) day work period, and, with 4 rest days thereafter.	Only day shifts apply to the Ladismith Fire Station and provision is made for stand-by duties daily for 4 days on, and 4 days off thereafter. 06h00-18h00	Only day shifts apply to the Riversdale Fire Station and provision is made for stand-by duties daily for 4 days on, and 4 days off thereafter. 06h00-18h00

Table 50: Fire Stations in the Region

In terms of the Establishment Notice of 2003, the firefighting service in the Kannaland Municipal Area delivers an inclusive firefighting function. This encompasses structure fires, structural emergencies, motor vehicle incidents, flood-related incidents, and any associated emergencies, as well as hazardous materials incidents and veld and mountain fires.

In addition to fulfilling the legal mandate of GRDM, the service also performs functions in accordance with the National Building Regulations related to fire safety.

Specialised Firefighting Services

The Municipality provides specialised firefighting services, including mountain, veld, and chemical fire response. The Service has responded to every notified incident, successfully mitigating and preventing any loss of life and avoiding adverse environmental impacts. This includes the management of hazardous materials incidents with the potential to escalate into chemical fires.

In addition to these specialised functions, the Service has assisted local municipalities, notably the George and Knysna Municipal Fire Brigades, with structural firefighting operations.

Planning and Regulation of Fire Services

Within the Kannaland Municipal area, the district ensures that building fire safety is continuously regulated, as per the prescripts of the National Building Regulations and South African National Standards. The Department Local Government: Directorate Fire Services and Disaster Management also funded an Incident Management Team based simulation and exercise for the Keurbooms and Crags (Bitou Municipality) high risk area, as part of the Incident Management and Leadership Programme, and was coordinated by the District Municipality Fire and Rescue Services.

The Service have also initiated a Winter Season Aerial Firefighting Tender, that will run for a three (3) year period that will ensure that Aerial Firefighting standby services are secured during the winter and autumn seasons, inclusive of Integrated Fire Management partners, San Parks and Cape Nature.

The Municipality & Fire Services has memorandum of agreements in place with George Municipality, Knysna Municipality, Mossel Bay Municipality, Kannaland Municipality, Hessequa Municipality, Oudtshoorn Municipality, as well as Bitou Municipality for the provision and optimisation of firefighting services. The Municipality and Fire Services have also concluded a Mutual Aid Agreement with the City of Cape Town & Western Cape District Municipalities, a Cross Border Agreement with the Sarah Baartman District Municipality as well as a Mutual Aid Agreement with the Petroleum, Oil And Gas Corporation of South Africa (SOC) LTD. (Petrosa).

A Partnership Agreement is also concluded with the Working on Fire Pty Ltd, for the provision of, and optimisation of fire prevention and ground (mop up) firefighting crews in the veld and mountain fire environment.
The Department Local Government, Western Cape, Provincial Directorate Fire & Rescue Services and Disaster Management, via the District Municipality Fire Services, makes provision for aerial firefighting resources during the high summer season which include the period December to March. The support provided by the DLG allows the District Municipality, and subsequently the local municipalities to have aerial firefighting support for the first hour of each determined high-risk fire. The provision comprises generally of 1 helicopter, 1 Air Tractor 802-F aerial tractors (bombers) and 2 command (spotter) airplanes. These resources are deployed jointly when so required for fire breakout in determined high risk areas during the high summer period.

Co-ordination of the standardization of infrastructure

The DLG WC, Provincial Disaster Management Centre (PDMC), Directorate Fire & Rescue Services, also allocated grant funding to the amount of R 500 000 for a mobile equipped hazardous materials trailer in 2025/26 financial year.

Training of fire officers, (and related training)

Four (4) members of the Service will finalise their Fire Safety Officer Development Programme toward the end of November 2026. One (1) member is on a Disaster Management course for Municipal Officials. 40 participants of San Parks and Cape Nature were trained in a part qualification in Wildland Firefighting during March and April 2026.

Governance and Collaboration (Procedures)

Two workgroups, including a District Veld Fire Workgroup, and a Chief Fire Officers Working Group is established and functional, with quarterly meetings held, comprising of all local municipalities and related stakeholders. The Service also attend the Disaster Management Advisory Forum Meeting quarterly.

The Service also attend the Provincial Chief Fire Officers Committee, Provincial Veld Fire Committee, Provincial Hazmat Workgroup, Provincial Building Fire Safety Workgroup, Provincial Fire Training Workgroup, as well as Provincial Firefighting Ground Operations Workgroup Meetings on a quarterly basis.

3.19.2 HIGHLIGHTS: FIRE SERVICES

The following table provides the highlights achieved during the financial year:

Highlights	Description
100% attendance rate of Incidents.	The Service responded to all notified incidents within the district in compliance with the mandated function and assisted each local municipality and state landowners when so required.
No lives lost in fire related incidents.	No injuries to personnel
Lowlights: 7 Structures lost in a wildfire	Mossel Bay wildfire 2026

Highlights	Description
Grant funding obtained and successfully expended	R 500 000 (Hazmat Equipment)
Toughest Fire Fighter Competition successfully hosted	Several firefighters attained individual fitness and skills awards, with a Top 2 place individually and Top 3 place in team relays
Incident Command Systems Incident Management Team Scenario based training hosted in the Garden Route	5 members, including Disaster Management officials attended.
Fire Safety Officer Development Program	Four members of the Service must conclude the programme with a Peace Officer course in November 2026
Disaster Management Course for Municipal Officials	30 September 2024 - 1 February 2027

Table 51: Fire Services Highlights

In terms of Firefighter Skills, Fitness and Practical Events, a highlight once more was the attendance and participation of one of our firefighters in an international firefighting competition abroad with senior firefighter Emile Conrad representing the Municipality and Service in Saudi Arabia, with Emile finishing amongst the top 10 in various categories and achieving 2nd overall position in the South African Event, and additionally our relay team achieving 3rd place

3.19.3 CHALLENGES: FIRE SERVICES

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Overgrown properties, non-compliance with the National Veld and Forest Fire Act, Absent landowners	Enacting a Fire Safety By-Law, Fire Protection Officer Appointment, and subsequent enforcement powers.
Staffing Levels remain a limitation for Veld & Mountain fire function	Temporary Staff appointed over summer season, 2025/26:
Inadequate revenue for Firefighting Services	• Monthly verification of incident information • GPS Locations obtained for all fire movements • Deed Searches obtained to establish correct landowners • Communication of relevant legislation • Fire Investigation services contracted
Cost of Firefighting Services (aerial firefighting)	Emphasis on rapid response and mitigation of fires with the aim of keeping fires relatively small and limiting cost.

Table 52: Fire Services Challenges

3.19.4 SERVICE STATISTICS FOR FIRE SERVICES

The following table gives information on the statistical information for services delivered during the financial year:

Service	2023/24	2024/25
Average turnout time - urban areas	5-10 minutes (George)	5-10 minutes (George) (Second Response)
	30 – 35 minutes (Knysna) 0-05 minutes (Kannaland)	0-05 minutes (Kannaland)
Average turnout time - rural areas	10 to 60 minutes & 60 to 90 minutes	10 to 60 minutes & 60 to 90 minutes
Fire fighters in post at financial year-end	32	32
Total fire appliances	14	14
Reservists and volunteers	26 contracted (summer season) 46 on database	30 Seasonal Firefighters appointed over summer season 60 firefighters on the EPWP Database
Veld, mountain, and vegetation fires	89	121
Motor vehicle accidents (automobile)	29	39
Vehicle fires	1	1
Chemical incidents	12	39
Structural fires	20	8

Service	2023/24	2024/25
Informal dwelling fires	10	15
Rescue incidents	1	1
Snake removals	15	39
Refuse fires	1	1
Medical assistants	2	1
Aircraft incidents	0	0
Water delivery	Multiple days: Oudtshoorn and Knysna	Multiple days: Kannaland and Knysna
Building collapse	0	58
False calls	2	2
Public education interventions	50 interventions	17

Total Number of Emergency Calls Attended By GRDM				
Type of Incident	George	Kannaland	Riversdale	Total
Fire	46	53	38	137
MVA / Hazmat	6	33	0	39
Special Services	8	55	1	64
Training Attended	12	4	4	20
Fire Prevention/Inspections	5	45	8	58
Fire Safety Awareness and Educational Training	10	0	7	17
Total Number of Emergency Calls Attended By GRDM				
Type of Incident	**George**	**Kannaland**	**Riversdale**	**Total**
Governance meetings	18			
Total Number of Fires Attended				
Bush and Veld	46	37	38	121
Structural	0	16	15	31
Vehicle	6	33	0	39
Other	0	0	0	0

Table 53: Services Statistics for Fire Services

3.19.5 EMPLOYEES: FIRE SERVICES

The table below indicates the number of staff employed by the Unit:

(T-grade)	2024/25	2025/26			
	Employees	Posts	Employees	Vacancies (fulltime equiva-lents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	0	0	0	0	0
4 - 6	1	5	5	0	0
7 - 9	2	5	5	0	0
10 - 12	18	22	22	0	0
13 - 15	1	1	1	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	**23**	**34**	**34**	**0**	**0**

Table 54:Employees: Fire Services

3.20 DISASTER MANAGEMENT SERVICES

3.20.1 INTRODUCTION TO DISASTER MANAGEMENT SERVICES

The GRDM Disaster Management Centre faces the challenge of ensuring a safe environment and to support sustainable development in the face of a growing population and economic sector while attempting to alleviate poverty and reduce inequality, particularly in the face of increasing climate change and the multi-dimensional impact of both man-made as well as major natural events and classified/declared disasters. To add to the complexity, GRDM is required to address diverse urban, rural and coastal needs, while ensuring the protection of diverse wilderness, coastal lake systems, estuaries and lagoons, indigenous forests, and mountain ranges within the district area.

In order to achieve this goal, the Garden Route District Municipality has a fully functional Disaster Management Centre (DMC). The centre is equipped with a joint operational command and tactical decision area. To stay abreast with regional emergency related activities, a 24/7 Call Centre has been established adjacent to the DMC. The 24/7 Call Centre is operated in conjunction with the Provincial Emergency and Medical Services (EMS) and renders an emergency call taking and

dispatch platform servicing the district. Other services included at the Call Centre include Provincial Traffic as well as private ambulance services i.e. ER 24.

During this year a proposed partnership agreement has been formalised with the South African Police Service to include them into the joint 24/7 emergency call centre.

The Garden Route DMC strives to deliver cost effective and efficient services to ensure that the district remains a safe and secure destination, not only to its inhabitants, but all those visiting the area.

3.20.2 STRATEGIC OVERVIEW

Economic Perspective

The GRDM is an important economic growth area for the Western Cape. It has an expanding population on account of immigration from other parts of the country, bringing a dynamic mix of skills and cultures to the district. The relatively high percentages of households with no income in areas with higher population density, creates several social challenges. Storm surge and flood disasters over the last five years as well as the earlier drought conditions will continue to cripple the local economy of the district.

Basic Services and Infrastructure

Challenges in terms of the provision of basic services infrastructure are experienced at the local municipalities that have seen rapid population growth. The natural environment and its resources of the GRDM are sensitive and susceptible to over exploitation or inappropriate use.

Condition of Natural "Disaster Barriers"

The Garden Route has largely intact wetlands which attenuate water, prevent erosion and flooding and which naturally purify the water. However, many wetlands are being slowly degraded through illegal channelling, the removal of reeds, peat and other water flora by transgressors who abstract water, mostly for agricultural purposes

District Council Commitment

The GRDM Council recognises that if the objective of achieving sustainable development in Garden Route is realised, a concerted effort is required to reduce recurrent disaster risks in its area.

This can only be achieved by:

- creating resilience amongst its people and its infrastructure; strengthening capacity to anticipate significant events and disasters; and
- improving the management of such events to limit the effects wherever possible.
- It also requires the development and implementation of appropriate disaster risk reduction (DRR) methodologies and the integration of such methodologies into development plans, programs, and initiatives as well as the management of high-risk developments. These DRR plans should be included into the IDP and SDF of each local authority with sustainable implementable projects and plans aligned to the budget.

Extremely High Risks:

Should the relative risk priority of a particular hazard event impacting on a community be rated as extremely high, that community faces a potentially destructive risk with a high probability of occurrence, for which they are unprepared. This combination equates to an extremely high risk and is a disaster in the making. For these extremely high risks you must prepare urgent risk reduction interventions.

High Risks:

If the relative risk priority of a particular hazard event impacting on a community is rated as high, the risks to which these communities are exposed are potentially destructive, but the community is modestly prepared for the hazard event occurrence. This combination equates to a high risk, and you must prepare a combination of risk reduction interventions and preparedness plans for these risks.

Tolerable Risks:

If the relative risk priorities of a particular hazard event impacting on a community is rated as tolerable, it translates into an acceptable risk for a largely prepared community. This combination equates to a tolerable risk, and you must prepare preparedness plans for these risks.

Low Risks:

Relative risk priorities of a particular hazard event impacting on a community is rated as low risk, it translates into a very small risk for a largely prepared community. This combination equates to a low risk and any hazard preparedness plans are sufficient for these risks.

3.20.3 ORGANISATIONAL STRUCTURE

The table below gives the departments structure in terms of the service rendered:

Department:	Community Services
Division:	**Disaster Management**
Municipal Official	**Designation**
M Stratu	Municipal Manager
Nthabeleng Raisa-Mlandu	Executive Manager: Community Services
G Otto	Manager Disaster Management
W Jacobs	Snr Disaster Management Practitioner
N Viljoen	Disaster Risk Reduction and Climate Change Adaptation Practitioner
L Joubert	Snr Disaster Management Coordinator
S Bouwer	Call Centre Supervisor
Call Centre Operators	4 Permanent and 2 Ad-Hoc
G Bekeer	Administrative Assistant and safety projects coordinator
2x Graduate Interns	Disaster Management interns
M Stratu	Municipal Manager
The following people will be activated to render assistance to the DMC when the Garden Route Joint Operational Centre is activated in terms of the District Disaster Response Plan	
Spatial information	
GIS Section	Koos Niewoudt and S Damons
Finance and Corporate Services	
CFO	R Boshoff
Roads	
Executive Manager Roads	J Daniels
Media	
Strategic Manager	T Loliwe/ Herman Pieters
Risk and Logistics	
DMC Building	L Menze
Call Centre	T Bouwer
Department:	Community Services
Division:	Disaster Management
Municipal Official	Designation
JOC/ MACC	W Jacobs

Table 55: Disaster Management Structure

3.20.4 DMC'S OPERATIONAL STRATEGIES

The table below reflects the Municipality's annual plan and operational strategies:

Action	Description
Garden Route vision	Garden Route" the leading, enabling, and inclusive district, characterised by equitable and sustainable development, high quality of life and equal opportunities for all.
DMC departmental vision	Building towards a district of resilient communities where vulnerable people can prepare for, mitigate against, recover from, and adapt to hazards and a changing climate.
Strategic objectives	The Garden Route DMC believes in the 'added value' and complementarity of working together to achieve shared objectives and goals by undertaking joint actions and mutual support. The interaction between district role-players is guided by shared values of trust, mutual accountability; gender equity; a respect for diverse identities, perspectives, and beliefs; a commitment to inclusion and participation; and openness to sharing and learning to build consensus and mutual understanding.
Inputs	Disaster risk assessments, research, GIS mapping, provincial decision support tool, the Unity disaster information management software, weather data, RADAR data, AFIS data and early warnings.
Activities/mission	Building resilience against disaster risk.
Output	Disaster risk assessments, disaster response and mitigation plans, disaster risk reduction plans. Rehabilitation and reconstruction after disasters to "build back better," as well as to develop a climate smart district.
Predetermined outcomes	Developing a disaster resilient district.
Impact	To build the capacity at local authority level to pro-actively plan and implement mitigation as well as adaptation strategies and disaster risk reduction actions to limit the exposure to, as well as the possible impact of future disastrous events.

Table 56: APP and Operational Strategy

3.20.5 LEGISLATIVE MANDATE

The legislative mandate of the Municipality in terms of disaster management services are:

- The 1996 Constitution RSA
- Disaster Management Amendment Act, 16 of 2015 as amended
- National Disaster Management Framework, GN 654 OF 2005
- The Municipal Systems Act 32 of 2000
- The Municipal Structures Act 117 of 1998

3.20.6 DMC'S PROJECTS AND PROGRAMMES

Project/Program	Objective	Date from – date to
Continuous updating of the District Disaster Risk Assessment	To identify emerging disaster risks to build resilience or to mitigate the possible effects thereof	Updated and completed
To maintain a disaster risk reduction (DRR) dashboard	To spatially indicate all DRR initiatives currently being implemented/ to be implemented by local authorities in the district	Continuous and updated as information is provided by Local Municipalities
First aid training and building disaster management awareness	To train disaster management volunteers to first aid level 3 level	Continuous, at least 6 courses per year
Invasive alien plant clearing	The alignment of current programs aimed at the reduction of alien invasive plants	Continuous over the next 2 years
Disaster rehabilitation and reconstruction	To ensure that the funds allocated in terms of post disaster rehabilitation and reconstruction are being spent as per the project plans	Continuous
Build local municipal disaster management capacity	To provide guidance to local municipalities in terms of disaster management practices	Continuous
Regional drought, fire and flood public awareness campaigns	To raise public awareness as well as to build resilience	Continuous
Garden Route Public Health Section		
Water Quality Monitoring	• Monitoring water quality • (Bacteriological and chemical) Report to Water Services Authority and other relevant departments, stakeholders and interested and affected parties • Awareness programs • Law-enforcement	Continuous
Food Control	• Monitoring food quality (bacteriological, chemical, and histological) • Awareness and education • Law- enforcement	Continuous
Waste Management	• Surveillance of premises • Awareness and education • Law-enforcement	Continuous
Project/Program	Objective	**Date from – date to**
Health Surveillances of Premises	• Surveillance of premises • Awareness and education • Law-enforcement • Reports	**Continuous**

Project/Program	Objective	Date from – date to
Surveillance And Prevention of Communicable Diseases	• Surveillance and monitoring programs • Disease investigation • Awareness and education • Report to relevant departments, stakeholders and interested and affected parties	**Continuous**
Environmental Pollution Control	• Monitoring water quality • (Bacteriological and chemical) • Report to Water Services Authority and other relevant departments, stakeholders and interested and affected parties • Awareness programs • Law-enforcement	**Continuous**
Disposal of the Dead	• Monitoring • Awareness and education • Law-enforcement and Reporting	**Continuous**
Chemical Safety	• Monitoring Awareness and education • Law-enforcement • Reporting	**Continuous**
Climate Change	• Adaptation measures • Mitigation measures • Awareness and education • Alternative food sources • Water security measures • Smarter building • Increasing resilience • Research • Investment in renewable energy forms • Biomass to energy • Reforestation	**Continuous**
Biodiversity	• Critical biodiversity mapping incorporated into district SDF declaration of more protected areas protection of core and buffer areas for connectivity • Education and awareness • Research • Robust coastal and estuary management • Sustainable building practices	**Continuous**

Table 57: Breakdown of GRDM DMC's Projects 2025/26

3.20.7 GRANT FUNDED PROJECTS IMPLEMENTED DURING THIS YEAR

Project Description	Funding Source
To procure a 6000-litre water tanker to be able to assist local communities in water stressed areas.	Provincial funding
To build flood response capacity by procuring a rescue hovercraft to be used for rescue services during flood	Provincial funding

Project Description	Funding Source
events	
To erect a storage facility at the regional fire station to be used to shelter flood response equipment	Provincial funding
To procure an additional trailer to be used to transport diesel-powered generators to assist local municipalities during periods of extended power outages.	Provincial funding

Table 58: Project Description

3.20.8 DISASTERS AND MAJOR INCIDENTS

During the 2025/26 financial year the Municipality had to deal with the following major events/disasters:

Drought

Seasonal predictions for the Garden route indicated that the district would not be receiving normal rainfall during historical peak rainfall months, October and November and it was clear that especially for towns with bulks water storage constraints and mainly reliant on surface water special steps would be required to avoid a water crisis. Water management and water conservation measures were put in place at the Knysna Municipality and later followed by Kannaland-, Bitou-, George- as well as Hessequa Municipalities. In many of these local municipal areas severe water supply constraints was experienced with the potential to result in significant adverse impacts on the municipality, its communities, and the local economy.

Drought conditions can be classified into two (2) categories, namely:

(1) Hydro-meteorological drought, and
(2) Agricultural drought.

The water situation in towns was mainly driven by prolonged dry conditions and declining storage levels exacerbated by the absence of meaningful rainfall with no significant rainfall expected over the latter parts of Summer.

The GRDM disaster centre supported local municipalities with requests to be classified as local drought disaster areas and at both Knysna and Bitou the centre formed part of local joint operational structures established to coordinate drought related interventions.

Severe weather events – Cut Off Low as well as gale force winds

Between 6 and 11 May as well as 3 to 5 June the district was hit by a Cut- Off Low weather

phenomenon that brought record braking downpours of rain to mainly the Western parts of the district. In the Langkloof some areas received nearly their annual rainfall in 48 hours. Initial assessments indicate that this flood in some parts of the district peaked at 2,5 times the level of recorded data covering the last thirty years.

On Friday 5 May 2026 at 14:00 the Gamkapoort dam was at 194,19% full spilling at 1868,1 cubic metres of water per second this equal the total water use of George per day spilling over the dam wall every 20 seconds.On Monday the 11th of June gale force wind speed topped at more than 156 km/h uprooting more than 1000 trees in the district.The storm led to the loss of four lives, two men drowning while attempting to cross flooded rivers as well as two women killed by fallen trees. Access to parts of the district were cut off for extended periods of time and of particular concern is extensive damaged caused to the main access route from the North, nl Meiringspoort.Both these events were classified as National disasters by the National Disaster Management Centre. The district disaster centre supported disaster grant funding request and will be aiding local municipalities during the rebuild and reconstruction process that would be flowing these events.

3.20.9 CHALLENGES EXPERIENCED BY THE GRDM DMC WITHIN ITS OPERATING ENVIRONMENT

The three major challenges that the GRDM DMC face is the following:

Capacity constraints

The total number of qualified disaster management practitioners at the GRDM is three, two at the centre in George and one at the satellite office in Bitou. To effectively coordinate response as well as preventative disaster management activities at least one dedicated disaster management practitioner should be appointed for each local municipal area.

Funding disaster risk reduction initiatives

There is currently no dedicated funding arrangement in place to cover disaster risk reduction (DRR) projects and programs. Disaster Risk Assessments have been done at all the local municipalities and the required DRR have been identified but no funding for the implementation thereof exists.

No motorised suitably equipped operational command vehicle

The Garden Route DMC do not have the capacity to deploy command staff to local municipalities

during major incidents due to the lack of a motorised suitably equipped operational command vehicle.

Challenges experienced by the GRDM DMC - identified at local municipal level

Municipalities do have contingency plans, but these plans are not tested during annual tabletop or full-scale exercises.

Mass care facilities have been identified for some areas, but not for inhabitants in rural areas. The management of these facilities does not form part of current contingency plans.

Municipalities lack a proper plan to oversee the receipt and storage of humanitarian relief donations. At some municipalities there is still a need for integrated planning with all spheres of government in terms of humanitarian aid management. A plan and monitoring tool needs to be developed to be used for registration of aid recipients and use this tool to prioritise aid as well as to manage distribution.

A formal disaster management volunteer regime for each local municipal areas needs to be established.

At some local municipalities disaster risk reduction projects have not been listed as part of the local authority level IDP's and included into multi –year budgets.

3.20.10 COORDINATION STRUCTURE

The DM Section consults regularly at various platforms with other Government Departments. The Garden Route DM has a fully functional District Disaster Management Advisory Forum (DMAF) as well as a Safety and Security Cluster Joints Structure and a District Safety Forum that meets on a quarterly basis with B-municipalities and other stakeholders.

In addition to the above-mentioned meetings quarterly heads of disaster centre (HOC) as well as the Provincial Advisory Forum (PDMAF) meetings is used to highlight any existing or emerging disaster concerns. At these meetings regional matters that could not be addressed at a district level is escalated to Provincial- as well as National governmental level.

Frequent meetings are held with senior officials from the Departments of Social Development, Water Affairs, Environmental Affairs, Education and Training, Heath, Agriculture and Transport as well as NGO's including the Red Cross, Lions, Garden Route Initiative, South Cape Land Initiative (SCLI) etc. In addition to these local engagements with major role players i.e., ACSA, Petro SA, Cape Nature,

San Parks, the South Cape Fire Protection Association (SCFPA) the local industry i.e., Cape Pine, PG Bison etc. is held.

The following table shows the various coordination structures:

Forum name	Is forum active?	Frequency of meetings	Forum purpose	Forum composition	Forum chairperson
DMAF	Yes	Quarterly	Discuss regional disaster management issues	Regional	Garden Route Portfolio Chairperson
PDMAF	Yes	Quarterly	Discuss provincial disaster management issues	Provincial	Head of Prov. Centre
SAPS Cluster joints	Yes	Bi-monthly	Discuss district safety and security concerns	Regional	Col Kennedy
Garden Route Environmental Forum	Yes	Bi-annually	Discuss environmental as well as biodiversity concerns	Regional	Kobus Meiring Dr Nina Viljoen

Table 59: Disaster Management Coordination Structures

Disaster Management Plans Developed for the District

The following table depicts the status quo of current plans for GRDM:

Municipal Area	Plan	Last Updated
GRDM	Corporate Disaster Management Plan	February 2022
	Winter Preparedness Plan	May 2025
	Disaster Management Relief Protocol	June 2022
	Load Shedding Contingency Plan	December 2022
	Infectious Disease Contingency Plan	June 2025
Bitou	Disaster Management Plan	January 2019
	Keurbooms Estuary Management Plan	September 2019
	Load Shedding Contingency Plan	December 2019
Knysna	Disaster Management Plan	July 2020
	Knysna Estuary Management Plan	July 2018
	Plan	Last Updated
	Disaster Management Plan	November 2024
	Load Shedding Contingency Plan	June 2022

Municipal Area	Plan	Last Updated
	Great Brak River Estuary Management Plan	February 2018
	Klein Brak River Estuary Management Plan	January 2018
	Hartenbos River Estuary Management Plan	March 2018
	Disaster Management Plan	February 2020
	Contingency Plan for Prolonged Power Outages	June 2022
	Gouritz Estuary Management Plan	June 2017
	Disaster Management Plan	December 2020
	Disaster Management Plan	February 2019
	Meiringspoort Flood Contingency Plan	April 2020
George	Disaster Management Plan	March 2021
	Major Electricity Disruption Plan	June 2022
	Gwaing Estuary Management Plan	October 2019
	Kaaimans Estuary Management Plan	October 2019
	Maalgate Estuary Management Plan	October 2019

Table 60: Status Quo of Disaster Management Plans in the District

3.20.11 EMPLOYEES – DISASTER MANAGEMENT SERVICES

The table below indicates the number of staff employed by the Unit:

(T-grade)	2024/25	2025/26			
	Employees	Posts	Employees	Vacancies (fulltime equiv-alents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	4	4	4	0	0
10 - 12	3	3	3	0	0
13 - 15	2	2	2	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	**10**	**10**	**10**	**0**	**0**

Table 61: Employees – Disaster Management Services

3.20.12 CAPITAL EXPENDITURE: FIRE SERVICES AND DISASTER MANAGEMENT

The table below indicates the capital expenditure incurred by Fire Services and Disaster Management:

Capital projects	2025/26				
	Budget	Adjustment Budget	Actual Expenditure	Variance from budget	Total Project Value
Fire Fighting and Disaster Management	3 000	4 750	1 351	3 399	5 500
Total	**3 000**	**4 750**	**1 351**	**3 399**	**5 500**
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)					

Table 62: Capital Expenditure: Fire and Disaster Management Services

Component G: Corporate Policy Offices and Other Services

3.21 EXECUTIVE AND COUNCIL

3.21.1 EMPLOYEES: EXECUTIVE AND COUNCIL

The table below indicates the number of staff employed by the Unit:

Political employees	2024/25	2025/26
Councillors	35	34
Administrative staff (contract employees employed in the Office of the Executive Mayor)	This included 3 x PAs to Executive Mayor, Deputy Mayor and Speaker, 1 x Chief of Staff and 1 x Driver	This included 3 x PAs to Executive Mayor, Deputy Mayor and Speaker, 1 x Chief of Staff and 1 x Manager Deputy Mayor Office

Table 63: Employees: Executive and Council

3.21.2 HIGHLIGHTS: EXECUTIVE AND COUNCIL

The following highlight was achieved during the financial year:

Highlights	Description
Stability of Council	This is one of the reasons for good performance by the Municipality. It has had a stability in Council throughout the financial year.

Highlights	Description
Regular Council meetings were held	Council and its committees met regularly to transact on Council business.
Financial assistance to residents	Assistance was provided to the neediest through donations and bursaries.
Highlights	Description
Community safety initiatives	The Municipality coordinates community safety for the District, working hand in hand with local municipalities. During the year under review, funding was allocated to local municipalities who spent these on community safety initiatives.

Table 64: Executive and Council Highlights

3.21.3 CHALLENGES: EXECUTIVE AND COUNCIL

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Budget constraints resulted in cutting assistance to the neediest in terms of donations and bursaries. Other austerity measures included discontinuing catering during Council meetings and limited travelling by Councillors	Council resolved that focus should be on replenishing its capital replacement reserve fund.

Table 65: Executive and Council Challenges

3.22 FINANCIAL SERVICES

3.22.1INTRODUCTION TO FINANCIAL SERVICES

Financial Services 2025/26 priorities:

Review the budget, cash, and cash reserve policies in preparation for the final budget of 2026/27 accountable public administration.
Develop an action plan to implement the Long-term Financial Plan with focus on revenue generation
Compile and submit an implementation plan with tangible solutions for Debt Collection

3.22.2 HIGHLIGHTS: FINANCIAL SERVICES

The following highlights were achieved during the financial year:

Highlights	Description
New payroll administration system	Installation of a new payroll system which is fully integrated with the current financial management system to ensure proper and accurate integration.
Collaborator Catalogue system introduction	Final implementation of catalogue system to streamline the purchase process and assist user departments in more accurate budgeting, contract management, pricing and vote allocation
AFS Readiness plan	Design and implementation of an AFS readiness plan to streamline processes in leading up to obtain next consecutive clean audit.

Table 66: Financial Services Highlights

3.22.2 CHALLENGES: FINANCIAL SERVICES

The table below indicates the challenges faced during the financial year:

Challenge	Actions to address
Budgetary controls	Ensure appropriate budgetary controls maintained to curb deficit while ensuring service delivery.
Implementing the takeover process of the Roads department by the Department of Infrastructure	Ensure that the Labour relations act, Section 197 take over process is smoothly completed and the financial risks mitigated.

Table 67: Financial Services Challenges

3.22.4 EMPLOYEES: FINANCIAL SERVICES

The table below indicates the number of staff employed by the Unit:

(T-grade)	2024/25	2025/26			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	0	5	5	0	0
4 - 6	3	6	5	1	16.66%
7 - 9	2	8	8	0	0
10 - 12	20	23	21	2	8.69%
13 - 15	7	9	6	3	33.33%
16 - 18	2	2	2	0	0

19 - 20	2 (&HOD)	2 (& HOD)	2	0	0
Total	**36**	**55**	**49**	**6**	**10.90%**

Table 68: Employees: Financial Services

3.22.5 CAPITAL EXPENDITURE: FINANCIAL SERVICES

The table below indicates the capital expenditure incurred by Financial Services:

Capital projects	2025/26				
	Budget	**Adjustment budget**	**Actual expenditure**	Variance from budget	Total Project Value
Financial Services	150	174	9	165	174
Total	**150**	**174**	**9**	**165**	**174**
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)					

Table 69: Capital Expenditure: Financial Services

3.23 HUMAN RESOURCE MANAGEMENT

3.23.1 INTRODUCTION TO HUMAN RESOURCES MANAGEMENT (HRM)

The Human Resources Section serves as a strategic partner to all departments within the Municipality by providing integrated people management services that support organisational performance, service delivery excellence, and compliance with applicable legislation.

As at 30 June 2026, the Municipality employed Total: 495 permanent employees of which is indicated as GRDM: 235 Funded positions (232 filled and 3 vacant) and the Roads and Transport Services: Funded positions 337 (263 filled and 74 vacant) and approximately 317 contract employees. These employees remain integral to the achievement of the Municipality's strategic objectives and service delivery mandate The HR Section's core objective is to provide an innovative service that addresses both skills development and administrative functions, thereby supporting organisational efficiency and employee growth..

HR Vision: A professional, ethical, and Services-oriented workforce that enables GRDM to Services its district-wide mandate efficiently and within a constrained fiscal environment.

HR Mission: To attract, develop, position, and retain competent people for the core District Municipal functions while Services, HR Employees, strengthening compliance and improving productivity

The HR Unit strives to:

Empower employees to maximise their potential and exceed organisational performance expectations. Continuously align the HR Strategy and the IDP, legislative requirements and best practices in HR fields;

Promote the Batho Pele principle of "Putting People First" through equity, fairness, objectivity and consistency.

Maintain the highest standards of professional conduct and ethical behaviour; and

Develop and maintain effective systems and procedures that support transparent and efficient personnel administration

The HR Unit consists of the following disciplines:

- Labour Relations, Employment Equity, Employee Wellness & Policies
- Recruitment, Selection & Contract Management
- Occupational Health & Safety
- Benefits & Organisational Structure
- District TASK Unit

3.23.2 HIGHLIGHTS: HUMAN RESOURCES MANAGEMENT

The following highlights were achieved during the financial year:

Highlights	Description
Wellness days	During the 2025/26 financial year, the HR Unit continued to implement employee wellness and awareness programmes aimed at promoting physical, mental, emotional and financial well-being. These initiatives contributed to a healthier and more resilient workforce and supported employee productivity and engagement. Initiatives during the reporting period included: • Mental Health Awareness Programmes • Employee Wellness Day • Blood Donation Drive • Debriefing Sessions • SARS Assistance Visits • 16 Days of Activism • Mandela Day activities These activities form part of the Municipality's commitment to fostering a healthy, informed, and resilient workforce.

Highlights	Description
E-Recruit Online System	Continuous enhancements and system maintenance improved the effectiveness, accessibility and efficiency of the Municipality's electronic recruitment platform.
Vacancy Rate	The Municipality maintained a vacancy rate of 15.55% that is split into GRDM: 1.29% and the ROADS and Roads and Transport function maintained a vacancy rate of 21.96%. GRDM remained well below the organisational target of 10% but the Roads and Transport department is above the 10% required norm that has an overall impact on the District Municipal vacancy rate of 15.55%.
Municipal Staffing Regulations	Implementation of the Municipal Staff Regulations in alignment with legislative requirements and organisational policies.
Highlights	Description
Staff Establishment Alignment with Municipal Staffing Regulations	Council approved the review of the staff establishment on 27 May 2025 for implementation during the 2026/27 financial year. The review seeks to ensure alignment between organisational requirements, service delivery priorities and legislative compliance
Review of Staff Establishment for 2026/27 – Approved by Council 27 May 2025 for the financial year 2026/27	Implementation of the staff establishment, job descriptions, and job evaluation processes in accordance with Chapter 2 of the Municipal Staffing Regulations.
HR policies updated and developed	Various HR policies were updated and developed to ensure alignment with current legislation and best practices.
Safe Working Environment	Ongoing maintenance of the safety management system within GRDM premises to ensure a safe and compliant working environment.
Job Evaluation	Training provided to the Job Evaluation Committee, which is now fully functional in executing its responsibilities.
Implementation of the Risk Reduction Strategy	To ensure the ongoing safety of employees and visitors, GRDM implemented its Risk Reduction Strategy, which included: • OHS Awareness Campaigns • Safety Tips and Educational Workshops • Distribution of Safety Manuals • Occupational Health & Safety (OHS) Inspections

Table 70: Human Resources Management Highlights

3.23.3 CHALLENGES: HUMAN RESOURCES MANAGEMENT

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Office space for all HR Section	Office space has been allocated for all HR Section officials; however, some staff members continue to share offices.

Description	Actions to address
HR Capacity constraints in terms of additional staff (interns/graduates)	The HR Section continues to experience capacity limitations in securing additional staff, such as interns and graduates, due to budget constraints.
Budget constraints	Budget allocation has been concluded however allocations are not adequate for the execution of HR demands. • Budget constraints restrict the rollout any projects.
Management expectations from HR versus responsibility level, capacity and workload	• Consistent application of HR policies and procedures across all levels of management remains essential for good governance and effective people management. Ongoing awareness and support initiatives will continue to strengthen policy compliance and organisational accountability.

Description	Actions to address
Chairpersons/Initiators for disciplinary processes	Each Manager is required to chair or initiate two to three disciplinary cases per annum as part of their Key Performance Indicators (KPIs). This ensures equitable distribution of disciplinary responsibilities and strengthens managerial accountability.
Inability to implement diversity training & cross-cultural professional development	Urgent interventions must be instituted to address the needs of diversity and cultural.
Still operates at transactional instead of developmental/integrated and excellence maturity	Build strong relations between all HR Staff compliment to enhance abilities and capabilities.
Communication	Strengthen communication and collaboration through scheduled subsection meetings, monthly HR team engagements and improved interdepartmental coordination mechanisms.
Difficulty in the filling of other vacant positions due to high minimum requirements	Apply the guidance from the Municipal Staffing Regulations Competency Framework.
HR Maturity	Transitioning from a predominantly transactional HR model towards a strategic, integrated, and high-performance HR environment

Table 71: Human Resources Management Challenges

3.23.4 LABOUR RELATIONS STATISTICS

The table below indicates the labour relations activities throughout the financial year:

Description	Number	
	2024/25	2025/26
Cases	25	16

Terminations	2	1
Counselling sessions	0	1
Disputes	2	2
Incapacities	6	3
Grievances	13	6
Suspensions	2	3

Table 72: Labour Relations Statistics

The Human Resources Section remains committed to building a capable, ethical, and high-performing workforce that supports the Municipality's service delivery objectives. During the 2025/26 financial year, significant progress was made in workforce wellness, recruitment processes, organisational compliance, and labour relations management. Going forward, the Section will continue to focus on organisational development, skills enhancement, employee wellness and the implementation of legislative reforms to strengthen institutional performance

3.23.5 EMPLOYEES: HUMAN RESOURCES MANAGEMENT

The table below indicates the number of staff employed by the Unit:

(T-grade)	2024/25	2025/26			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	5	4	4	0	0
10 - 12	8	8	7	1	12.5%
13 - 15	2	3	3	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	**16**	**16**	**15**	**1**	**6.25%**

Table 73: Employees: Human Resources Management

3.24 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The Garden Route ICT function is currently serving about 400 (ICT-related) users with computer and network services within the Garden Route District Municipality. Our coverage area consists of Garden Route DM Head Office, Roads, Health Environment, Fire stations in George, Disaster Management, Remote Offices, Calitzdorp Spa, De Hoek Resort, Swartvlei, and we are also directly involved with the B Municipalities in our region with regards to Shared Services initiatives.

The ICT Unit actively serves as members on the following forums:

- Western Cape ICT Forum
- Garden Route Regional ICT and Geographic and Information System (GIS) Forum Garden Route ICT Steering Committee
- South African Geomatics Council Western Cape Spatial Information Forum
- Garden Route Regional GIS discussion groups
- SALGA MDS Working Group

3.24.1 HIGHLIGHTS: ICT SERVICES

The following highlights were achieved during the financial year:

Highlights	Description
Digital transformation Strategy implementation in line with GDS	Digital transformation Strategy in line with approved GDS
Capital Projects	Capital Projects 100% Completed
All relevant ICT Policies approved	All ICT Policies approved reviewed, workshopped, and approved by Council
GIS BI Dashboards implemented successfully.	Additional GIS BI Dashboards implemented successfully.
Cyber Security controls implement successfully	Cyber Security controls tested monthly with success.

Table 74: ICT Service Highlights

3.24.2 CHALLENGES: ICT SERVICES

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Outdated ICT Infrastructure is mainly due to Capital Budget constraints. Many local authorities struggle with outdated or insufficient ICT infrastructure, which hampers their ability to implement modern e-government services	Investigate modern ICT infrastructure for example Cloud Services, high-speed internet and updated hardware, is crucial. ICT Section to explore different options to ensure Budget availability to address shortcomings.
Unconnected and nonintegrated islands of information systems and related technology that do not conform to architectural requirements (mSCOA)	mSCOA Working Group to address integration issues. ICT due diligence process to be conducted. Testing current System capabilities against mSCOA criteria. Implement BI-driven portals for sharing of specific information across different Systems.
Inadequate communication of the project across the Clusters and other roll players, resulting in limited participation, insufficient information	Creating a mechanism for dialogue between different Clusters and other Government institutions. Implement Bi-driven portals for sharing of specific information across different Systems.
Outdated ICT Infrastructure is mainly due to Capital Budget constraints. Many local authorities struggle with outdated or insufficient ICT infrastructure, which hampers their ability to implement modern e-government services	Investigate modern ICT infrastructure for example Cloud Services, high-speed internet and updated hardware, is crucial. ICT Section to explore different options to ensure Budget availability to address shortcomings.

Table 75: ICT Service Challenges

3.24.3 SERVICE STATISTICS – ICT SERVICES

The table below indicates the services rendered by the Unit:

Details	2024/25	2025/26
% of software licensed	100	100
% of back-ups done	100	100
% of viruses attended to	100	100
% of network downtime	100	100
% of queries resolved with guidelines of the policy	90.5	92

Table 76: Service Data for ICT Services

3.24.4 EMPLOYEES: ICT SERVICES

The table below indicates the number of staff employed by the Unit:

(T-grade)	2024/25	2025/26			
	Employees	Posts	Employees	Vacancies (fulltime equiva-lents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	5	7	5	2	28.58%
13 - 15	3	3	3	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	**9**	**11**	**9**	**2**	**18.19%**

Table 77: Employees: ICT Services

3.24.5 CAPITAL EXPENDITURE: ICT (DRAFT INFORMATION)

The table below indicates the capital expenditure incurred by the Unit:

Capital projects	2025/26				
	Budget	Adjustment Budget	Actual Ex-penditure	Variance from budget	Total Project Value
ICT	200	200	199	1	200
Total	**200**	**200**	**199**	**1**	**200**
Total project value represents the estimated cost of the project on approval by Council (including past and future ex-penditure as appropriate)					

Table 78: Capital Expenditure: ICT

3.25 LEGAL SERVICES

3.25.1 INTRODUCTION TO LEGAL SERVICES

The Legal Services Unit consists of three (3) employees.

Legal Services assist Council and the administration with legal opinions, commenting on policies, review and/or comments on new and amended legislation, proclamations, compliance issues, vetting and drafting of contracts and ensure litigation matters are instituted and/or defended to prevent costs being incurred for or against the Municipality. We also provide training on the drafting of policies and contract management.

The legal services also assist the labour relations office to provide training to employees of the municipality on labour related matters and disciplinary hearings.

3.25.2 HIGHLIGHTS: LEGAL SERVICES

The following highlights were achieved during the financial year:

Highlights	Description
Anti-Fraud Hotline	The tender was awarded to a service provider who provides the Municipality with incident reports as and when members of the public report cases.
New and amended legislation	New and amended legislation, case-law, news articles relating to Local Government are submitted to Management on a daily basis to ensure the Municipality is aware of the latest development affecting Local Government.

Table 79: Legal Services Highlights

3.25.3 CHALLENGES: LEGAL SERVICES

The Municipality faced the following challenges to address in the new financial year:

Challenges	Actions to address
Changing environment	Knowledge to address challenges relating to construction Law, Renewable Energy and Fresh Produce Markets/Abattoirs to ensure that the risks of the Municipality is mitigated when venturing into these fields.
Budgetary Constrains	Provision for legal service fees on the next financial year's budget

Table 80: Legal Services Challenges

3.25.4 EMPLOYEES: LEGAL SERVICES

The table below indicates the number of staff employed by the Unit:

(T-grade)	2024/25	2025/26			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	0	0	0	0	0

10 - 12	1	1	1	0	0
13 - 15	0	0	0	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	**2**	**2**	**2**	**0**	**0**

Table 81: Employees: Legal Services

3.26 PROPERTY SERVICES

3.26.1 INTRODUCTION TO PROPERTY SERVICES

GRDM is interested in cleaner /green energy generation projects and the District Municipality will be an off taker of the power generated. The successful bidder will finance, design, procure, construct, commission, operate and maintain the proposed cleaner/green power plant. The bidder shall be responsible for interconnection studies. The Bidder will provide a connection to the plant at its own cost. The type of equipment proposed for the project shall have a proven track record and must have demonstrated success in similar projects in other countries or locally.

The following renewable energy generation technologies but not limited to, will be considered:

- Solar PV
- Wind
- Hydrogen
- Wave
- Waste to energy
- Or any other renewable source

Call for proposals

Call for proposals from IPPs to establish alternative energy producing facilities and alternative technology to waste management on the following municipal properties:

- Remainder of Farm 419,
- Portion 2 Farm 238
- Portion 0 Farm 459 Doordrift
- Portion 9 Farm 291 Defontein Outspan
- Farm 60/88 Warmwater Calitzdorp
- Farm 60/118 Warmwater Calitzdorp
- Farm 60/119 Warmwater Calitzdorp
- Farm 60/126 Warmwater Calitzdorp

- Farm 60/127 Warmwater Calitzdorp
- Farm 29/0 Groenefontein
- Farm 29/9 Groenefontein
- Farm 29/22 Groenefontein
- ERF 975 Dysselsdorp
- ERF 2 Dysselsdorp

Property Verification:

The unit has verified the properties listed above on the municipality's Asset Register

Current Status:

The heads of argument are being discussed which might lead to a PPA being entered into.

3.26.2 HIGHLIGHTS: PROPERTY SERVICES

The following highlights were achieved during the financial year:

Highlights	Description
Negotiated lease of portion 419 Mossel Bay with an IPP	Notarial lease drawn was up for the development of a 2400 MW Gas to Energy Plant
Obtained a Council Resolution for the alienation of Council properties	A Council Resolution was obtained for the alienation of certain strategic council properties. These properties have huge development potential. Tender GRDM/26/25-26 was advertised to appoint a suitably qualified and experienced service provider to render valuation, auctioneering, and conveyancing services for the disposal of redundant non-core immovable properties owned by the Garden Route District Municipality over a three (3) year period. Tenderers were required to be capable of providing all three service components. The tender was advertised on 23 March 2026 in *Die Burger*, on the GRDM website, and on the National Treasury e-Tender Publication Portal. A non-compulsory briefing session was held on 8 April 2026, attended by 16 prospective tenderers. The tender closed on 14 April 2026, with six (6) submissions received. The Bid Evaluation Committee (BEC) considered the evaluation report on 10 June 2026 and resolved to refer it back for the inclusion of additional information and updates. The revised report was resubmitted to the BEC on 7 July 2026, where it was recommended to the Bid Adjudication Committee (BAC) for final approval and the appointment of a service provider.

Obtained a Council Resolution for the long-term leasing of certain Council Owned Properties	A Council Resolution was obtained to lease out strategic council properties on a long-term basis. The Council resolution is being implemented.
Property Valuations	The Garden Route District Municipality (GRDM) established a panel of seven (7) registered property valuers to conduct

Table 82: Property Services Highlights

3.26.3 CHALLENGES: PROPERTY SERVICES

The table below indicates the challenges faced during the financial year:

Description	Action to address
Land Claim	The Property Section is engaging with the Land Claims Commission to resolve the long outstanding land claim on one of its strategic properties.
Property Disputes	The Property Section is engaging with the relevant Municipality to resolve the dispute(s)

Table 83: Property Services Challenges

3.27 PROCUREMENT SERVICES

3.27.1 INTRODUCTION TO PROCUREMENT SERVICES

GRDM has in terms of Section 111 of the Act implemented a Supply Chain Management Policy that:

- Gives effect to Section 217 of the Constitution, is fair, equitable, transparent, competitive and cost effective in the contracting of services and procurement of goods
- It complies with regulatory framework as prescribed and with any minimum norms and standards that are prescribed in terms of section 168 of the Municipal Finance Management Act 56 of 2003 (Treasury regulations and guidelines)
- It is consistent with other applicable legislation
- Does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres

Council undertakes an annual review of the Supply Chain Management Policy in line with the Regulations and may subsequently have additional reviews should the accounting officer consider it necessary. The Procurement Policies have been reviewed, amended and approved by council.

Annual Review of the Supply Chain Management Policy was undertaken with all other budget related policies and approved by Council on the 17th of May 2025..

3.27.2 CENTRAL SUPPLIER DATABASE (CSD)

Council continues to subscribe to the use of National Treasury's Central Supplier Database for sourcing suppliers to provide goods or render services to Council.

3.27.3 PREFERENTIAL PROCUREMENT POLICY

Council has adopted the Growth and Development Strategy, one of the primary objectives is to use Supply Chain Management Policies as a conduit to realise local economic growth and development for the region. In order to achieve growth and development in the regional economy, Council has adopted a Preferential Procurement Policy that awards preferential points to bidders based on their BBBEE level and Locality. Locality is a preferential point system that awards preference points to entities based on locality.

3.27.4 SUMMARY OF BB-EEE COMPANIES DIFFERENTIATING BETWEEN CAPITAL, NON–CAPITAL ITEMS FOR FORMAL TENDERS

Capital projects with value exceeding one million rand

The following table indicates the number of tenders awarded exceeding R1 million:

Type	Total number of tenderers awarded for the year	Total number of companies with BB-EEE certificates to whom tenders was awarded	Total number of companies without bee certificates to whom tenders were awarded to	Percentage of bee certified companies
Formal: Garden Route	1	1	0	100
Formal: Roads	0	0	0	N/A
Section 32 applications	0	0	0	N/A
Capital projects consist of all capital related items				

Table 84: Capital Projects with Value Exceeding One Million Rand

Non-capital projects with value exceeding one million rand

The table below indicates non-capital projects awarded:

Type	Total number of tenderers awarded for the year	Total number of companies with BB-EEE certificates to whom tenders was awarded	Total number of companies without bee certificates to whom tenders were awarded to	Percentage of BEE certified companies
Formal: GRDM	2	2	0	100%
Type	**Total number of tenderers awarded for the year**	**Total number of companies with BB-EEE certificates to whom tenders was awarded**	**Total number of companies without bee certificates to whom tenders were awarded to**	**Percentage of BEE certified companies**
Formal: Roads	0	0	0	N/A
Section 32 applications	0	0	0	N/A
Non-capital refers to all service providers and small quotations for all goods and services procured other than non-capital				

Table 85: Non-Capital Projects with Value Exceeding One Million Rand

Capital projects with value less than one million rand

The table below indicates capital projects awarded for less that R1 million.

Type	Total number of tenderers awarded for the year	Total number of companies with BB-EEE certificates to whom tenders was awarded	Total number of companies without bee certificates to whom tenders were awarded to	Percentage of BEE certified companies
Formal: GRDM	0	0	0	N/A
Formal: Roads	0	0	0	N/A
Informal: GRDM	1	1	0	100%
Informal: Roads	0	0	0	N/A
Quotations	0	0	0	N/A
Section 32 applications	0	0	0	N/A
Capital projects consist of all capital related items				

Table 86: Capital Projects with Value Less than One Million Rand

Non-capital projects (regardless of value)

The table below indicates the awarding of all tenders for non-capital projects:

Type	Total number of tenderers awarded for the year	Total number of companies with BB-EEE certificates to whom tenders was awarded	Total number of companies without bee certificates to whom tenders were awarded to	Percentage of BEE certified companies
Formal: GRDM	24	24	0	100%
Formal: Roads	2	2	0	100%
Informal: GRDM	0	0	0	N/A
Informal: Roads	0	0	0	N/A
Quotations	803	n/a	n/a	N/A
Type	Total number of tenderers awarded for the year	Total number of companies with BB-EEE certificates to whom tenders was awarded	Total number of companies without bee certificates to whom tenders were awarded to	Percentage of BEE certified companies
Section 32 applications	0	0	0	N/A
Non-capital refers to all service providers and small quotations for all goods and services procured other than non-capital				

Table 87: Non-Capital Projects (Regardless of Value)

Consolidated projects (Capital & Non Capital - regardless of value):

The table below indicates the awarding of all tenders for non-capital projects:

Type	Total number of tenderers awarded for the year	Total number of companies with BB-EEE certificates to whom tenders was awarded	Total number of companies without bee certificates to whom tenders were awarded to	Percentage of BEE certified companies
Formal: GRDM	27	27	0	100%
Formal: Roads	2	0	0	100%
Informal: GRDM	7	7	0	100%
Informal: Roads	0	0	0	N/A
Quotations	803	N/A	N/A	N/A
Section 32 applications	0	0	0	0%
Non-capital refers to all service providers and small quotations for all goods and services procured other than non-capital				

Table 88: Capital & Non- Capital Projects (Regardless of Value)

3.27.5 ANNUAL DEVIATIONS (DRAFT INFORMATION)

The table below shows the summary of deviations for the 2024/25 and 2025/26 financial years:

Annual deviation			
Department	**Annual deviations 2024/25 (R)**	**Annual deviations 2025/26 (R)**	**Change in percentages**
Community Services	1 950 092	279 756	Decrease 86%
Corporate Services	6 288 926	1 957 276	Decrease of 69%
Financial Services	95 747	0	Decrease of 100%
Planning and Economic Development	186 294	46 368	Decrease of 75%
Annual deviation			
Department	**Annual deviations 2024/25 (R)**	**Annual deviations 2025/26 (R)**	**Change in percentages**
Roads and Transport Services	846 563	1 277 247	Increase of 51%
Office of the Municipal Manager	448 250	863 694	Increase of 93%
Total	**9 815 872**	**4 424 341**	**Decrease of 72%**

Table 89: Annual Deviations

3.27.6 HIGHLIGHTS: PROCUREMENT SERVICES

The following highlights were achieved during the financial year:

Highlights	Description
Catalogue Management System Project Expanded	Procurement System expanded beyond catalogue management system to eradicate any manual process and have one seamless process and document management system form initiating of procurement Plan to signing off Service level agreement and readiness for procurement using catalogue
Review and Approval of Procurement-Related Policies	All procurement-related policies were reviewed and updated to incorporate recent regulatory changes, and subsequently approved by Council, ensuring compliance, transparency, and alignment with best practices.
Garden Route Skills Mecca Project	Significant external funding secured during the current financial year has enabled an increase in the number of training tenders awarded, expanding skills development opportunities across the district.

Major Review of Procurement System	In partnership with Business Engineering, a comprehensive review of the procurement system and internal control processes is being conducted to align with best practices and strengthen operational efficiency, compliance, and governance.

Table 90: Procurement Services Highlights

3.27.7 CHALLENGES: PROCUREMENT SERVICES

The table below indicate the challenge faced during the financial year:

Description	Actions to address
Cancellation of Regional Landfill Site Contract	The contract for the regional landfill site was cancelled, and a new procurement process has been initiated to appoint a replacement service provider to ensure continuity of operations.
Draft Public Procurement Regulation	Post Procurement Act we are still awaiting the conclusion of the draft Public Procurement Regulations of 2026. Post promulgations of the regulations there will be a total overhaul of the procurement policies of council and supply chain management system and process to align to the new Regulations. Organisational change management processes will follow to ensure Supply Chain Management System remains aligned to the new regulatory framework and act. This process is expected to start in 2026 calendar year.

Table 91: Procurement Services Challenge

3.27.8 THE WAY FORWARD

The Procurement Bill was approved and adopted by Parliament; the process is currently underway to develop the related procurement regulations.

The aim of the Procurement Bill is:

To create a single framework that regulates public procurement, including preferential procurement, by all organs of state when the Procurement Bill is approved, the following current legislation will be repealed:

PPPFA, MFMA Chapter 11, PFMA - s 38(1)(a)(iii), s 51(1)(a)(iii), 76(4)(o); CIDBA s 5(3)(c)

Public procurement remains a central focus of Government and the public at large. The desire to keep public procurement free from corruption and fraud means that supply chain will always remain under public scrutiny. Garden Route District Municipality is committed to clean administration and ensuring that we are open and transparent in our procurement processes, we are committed to the section 217 of the Constitution in ensuring that procurement policy, procurement process is fair, equitable, transparent, competitive and cost effective.

3.28 SHARED SERVICES

3.28.1 INTRODUCTION TO SHARED SERVICES

Shared Services is the responsibility of all the departments within the Garden Route District Municipality. It is a business model that enables resources to be leveraged between departments in an organisation or municipality or shared amongst different entities, resulting in lower costs with agreed upon customer service levels.

3.28.2 SHARED SERVICES AGREEMENTS IN PLACE

The following agreements are currently in place:

Agreement	Description
Emergency Medical Services (Western Cape Provincial Department) and GRDM Call Centre	Call Centre is situated at the GRDM head office in the Disaster Management Section, under the Community Services Department. The Western Cape Provincial Government fund and maintain the telephone system and GRDM provide the facility.
Task Regional Unit	Forms part of the Human Resource Section under the Corporate Services Department. The unit provides a service to 12 B-municipalities in the district. Each B municipality makes an annual contribution to the cost the Task Unit as GRDM.
Coordinating air quality matters between GRDM and the B-authorities	Ensuring that the objectives of the Air Quality Management Plan is executed in a uniformed approach within the Garden Route. Assisting B-municipalities with dealing with air quality complaints and monitoring activities.
Hessequa Municipality Service Level Agreement	Execute the air quality functions as per the Service Level Agreement between GRDM and Hessequa Municipality and deliver an annual report in terms of the said agreement.

Table 92: Shared Services Agreements

3.29 INTERNAL AUDIT

3.29.1INTRODUCTION TO INTERNAL AUDIT

Section 165 of the MFMA prescribes that each municipality must have an Internal Audit Unit. The district's Internal Audit Charter defines the service and function as follows:

The purpose of the internal audit function is to strengthen Garden Route District Municipality's ("GRDM") ability to create, protect, and sustain value by providing the Audit and Performance Audit Committee ("APAC") and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The Internal Audit Unit is responsible for the following:

Develop a Risk-Based Audit Plan (RBAP), incorporating any risks or control concerns identified by management and submit the plan to the Audit and Performance Audit Committee (APAC) for review and approval.

Implement the annual internal audit plan, as approved covering Section 165(2) of the MFMA and, as appropriate, any special tasks or projects requested by management and the APAC.

Advising the Municipal Manager and report to the APAC on the implementation of the internal audit plan and matters relating to:

- Internal audit
- Internal controls
- Accounting procedures and practices
- Risk and risk management
- Performance management
- Loss control
- Compliance with the MFMA, the annual Division of Revenue Act and any other applicable legislation

Performing any other such duties as may be assigned to the unit by the Municipal Manager

3.29.2 ROLE OF INTERNAL AUDIT

Assist the Municipal Manager and Council to meet their objectives and to discharge their responsibilities by providing an independent evaluation of the adequacy and effectiveness of the Municipality's network of risk management, control and governance processes;

Establish policies and procedures to guide the Internal Audit Unit and direct its administrative functions;

Implement the approved RBAP, covering Section 165(2) of the MFMA and, as appropriate, any special tasks or projects requested by management and the Audit and Performance Audit Committee;

Establish policies and procedures to guide the Internal Audit Unit and direct its administrative functions;

Maintain a professional audit staff with sufficient knowledge, skills, experience and professional certifications to meet the requirements of this charter;

Develop and implement a Quality Assurance Improvement Program (QAIP) designed by the Chief Audit Executive to provide reasonable assurance to the various stakeholders regarding the operations of the Internal Audit Unit;

Perform consulting services, beyond internal auditing assurance services, to assist management in meeting its objectives. Examples include advisory services on the implementation of mSCOA, as well as training as and when required. Informal consulting engagements include routine activities such as participating in Council and management meetings, ad-hoc meetings and routine information exchange;

Monitor the implementation of action plans to address Auditor-General findings and report progress to management and the APAC; and

Issue at least quarterly reports to the APAC and management, summarising results of audit activities and reporting on progress on the annual RBAP.

3.29.3 SERVICE STATISTICS: INTERNAL AUDIT

Internal audit procedures were performed based on the 2025/26 RBAP on the following areas and listed the following number of findings for each audit performed:

No.	AREA AND SUB-AREA	RISK RATING	BUDGETED HOURS
	Quarter 1		
1	Annual Financial Statements	Compulsory	120
2	Grants/DoRA	Compulsory	96
3	Employee verification	AGSA	120
4	Immovable Asset Verification	AGSA	120
5	Audit of Performance Information - Q4	Compulsory	100
6	OPCAR	Compulsory	40
	Quarter 2		
7	Eunomia Compliance	Compulsory	120
8	mSCOA Compliance	High	80
9	Audit of Performance Information - Q1	Compulsory	100
10	Risk Management	Compulsory	96
11	Information and Communication Technology	Compulsory	120
12	OPCAR	Compulsory	40

No.	AREA AND SUB-AREA	RISK RATING	BUDGETED HOURS
13	Eunomia Compliance	Compulsory	120
	Quarter 3		
14	Disaster Management	Medium	80
15	Expenditure	Medium	120
16	Insurance	Medium	80
17	Audit of Performance Information – Q2	Compulsory	100
18	Human Resources	High	160
19	Holiday Resorts	High	120
20	Section 32 Investigations UIFW Expenditure	Compulsory	200
21	OPCAR	Compulsory	40
	Quarter 4		
22	Inventory	AGSA	160
23	AG Culture Audit Study	Medium	160
24	Supply Chain Management	High	120
25	Municipal Health	Medium	80
26	Eradication of Alien Vegetation	Medium	80
27	Occupational Health and Safety	Compulsory	80
28	Audit of Performance Information – Q3	Compulsory	100
29	OPCAR	Compulsory	40
30	mSCOA Compliance	High	40

Table 93: Service Statistics: Internal Audit

3.29.4 ASSISTANCE TO LOCAL MUNICIPALITIES

Internal Audit remains an important factor in change management in GRDM. GRDM's Internal Audit initiated the now strong and active District Chief Audit Executive (CAE) and Chief Risk Officer (CRO) Forum that endeavours to meet on a quarterly basis. This initiative was welcomed by all seven municipalities in the district and is a platform of information sharing, networking and solution seeking amongst the professionals. It also allows members to give constructive inputs into audit and risk discussions that affect the district. This platform also serves to discuss issues raised by the Provincial CAE and CRO Forums for further deliberations and inputs.

The Office of the Auditor General South Africa (AGSA) has for many years, requested direct assistance from the Internal Audit Unit, to conduct the year-end inventory stock count on their behalf. For the

previous two (2) financial years, AGSA expanded their scope of work done by internal audit on their behalf to include Employee verification as well as Immovable Asset verification.

3.29.5 HIGHLIGHTS: INTERNAL AUDIT

Key projects that were achieved during the financial year:

Project name	Description	Duration / When
Implementation of the RBAP	Completed 90% planned audits in the 2025/26 RBAP	2025/2026
Completed IIA SA Learnership	Ms G Rwayi (Senior Internal Auditor) and Ms N Skosana (Internal Auditor) completed a two-year training from the Institute of Internal Auditors and were awarded an Occupational Certificate: Internal Audit.	2025/2026

Table 94: Internal Audit Highlights

3.29.6 CHALLENGES: INTERNAL AUDIT

The table below indicate the challenge faced during the financial year:

Description	Actions to address
Completion of audits within the budgeted hours	Quality of the reports are always a priority more than completion within budgeted hours. However, the time spent on each audit will be monitored more closely with the implementation of individual performance.
Insufficient funding for training and/or learning opportunities	We continue to make submissions through the bursary and workplace skills development processes as well as own funding.
Conduction External Quality Assurance Review	This could not be done due to financial constraints that the municipality is challenged with, internal reviews are done and we will consider peer reviews with neighbouring municipalities.

Table 95: Internal Audit Challenge

The Internal Audit Unit is striving to cover the full mandate of the Internal Audit Charter within the Municipality by ensuring that the unit is providing an independent, objective assurance and consulting service beyond internal auditing assurance service, to assist Management in meeting its objectives that is designed to add value and improve the Municipality's operations.

The RBAP as approved by the APAC is an extensive plan that covers all areas of the Municipality, focusing on areas with higher risks as identified by management and recorded in the Municipality's risk

register. Over and above the approved plan, the IA unit is regularly approached by management to assist in other areas (investigations, reviews, consulting assignments).

The capacity in the Internal Audit Unit has been enhanced, the seconded official that was a Trainee Internal Auditor has now been placed permanently as an Internal Auditor is adding the much-needed value in the Internal Audit Unit.

3.29.7 COMPOSITION OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE (APAC)

The APAC is an independent advisory body to Council, and this committee was established to assist Council with the execution of its mandate. Currently the APAC comprises of four members, namely:

Mr ABJ Dippenaar (Chairperson)

Adv L Mtunzi

Mr C Lamprecht – CA (SA)

Adv E Page

Both the internal and external auditors had unrestricted access to the APAC. The roles of the APAC are set out in the Municipality's APAC Charter and covers the requirements of Section 166 of the MFMA.

3.29.8 MAIN RESPONSIBILITIES OF THE APAC

Advising Council, the political office-bearers, the Accounting Officer and the management staff of the Municipality;

Overseeing internal controls, financial reporting and compliance with regulatory matters;

Review the effectiveness of the Council's system of internal control and risk management;

Review the financial reporting and financial statements;

Review the internal audit function;

Review the performance management system and reports;

Review compliance to policies, regulations and procedures in terms of prescribed guidelines and applicable laws;

Internal audit reports are submitted to the APAC on a quarterly basis for review, through formal meetings; and

The APAC is functional and their purpose is in line with the MFMA and clearly outlined in the Council approved APAC Charter.

For the period under review, the APAC had five formal meetings. APAC minutes are presented to Council and the Chairperson prepares a report on performance management to Council on a bi-annual basis and annually on internal audit activity. Below is a table that highlights the attendance of the APAC meetings per member:

Date of meeting	Attendance			
	Chairperson: Mr Dippenaar	Member: Adv Mtunzi	Member: Mr C Lamprecht	Member: Adv E Page
27 August 2025	a	a	a	a
02 October 2025	a	a	a	a
24 November 2025	a	a	a	a
05 February 2026	a	a	a	a
24 April 2026	a	a	r	a

Table 96: Audit and Performance Audit Committee Meeting Attendance

3.29.9 EMPLOYEES: INTERNAL AUDIT

The table below indicates the number of staff employed by the Unit:

(T-grade)	2024/25	2025/26			
	Employees	Posts	Employees	Vacancies (fulltime equiva-lents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	4	3	3	0	0
13 - 15	0	1	1	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	**5**	**5**	**5**	**0**	**0**

Table 97: Employees: Internal Audit

Component H: Organisational Performance Scorecard

3.29.10 DEVELOPMENT AND SERVICE DELIVERY PRIORITIES FOR 2026/27

The main development and service delivery priorities forms part of the Municipality's Top Layer SDBIP for 2026/27 and are indicated in the table below:

3.29.11 SKILLED WORKFORCE AND COMMUNITY

Ref	KPI	Unit of measurement	Areas	Annual target
TL5	Award 7 external bursaries to qualifying candidates by 31 March 2027	Number of external bursaries awarded by 31 March 2027	All	**7**
TL11	Number of people from employment equity target groups that will be appointed in the three highest levels of management during the 2026/27 financial year in compliance with the municipality's approved employment equity plan (senior officials & managers, professionals, technicians and associate professionals)	Number of people appointed in the three highest levels of management in compliance with the municipality's approved employment equity plan (senior officials & managers, professionals, technicians and associate professionals)	All	**1**
TL12	Spend 1% of personnel budget on training by 30 June 2027 [(Actual total training expenditure/total personnel budget) x 100]	% of the personnel budget spent on training by 30 June 2027	All	**1%**
TL13	Limit vacancy rate to 10% of budgeted post by 30 June 2027[(Number of funded posts vacant/number of funded posts) x 100]	% vacancy rate	All	**10%**
TL14	Award 9 internal bursaries to qualifying candidates by 31 March 2027	Number of internal bursaries awarded by March 2027	All	**9**
TL15	Create training opportunities for EPWP appointees by 30 June 2027	Number of training opportunities created for EPWP appointees by 30 June 2027	All	**20**

Table 98: Service Delivery Priorities for 2026/27 – Skilled Workforce and Community

3.29.12 BULK INFRASTRUCTURE AND CO-ORDINATION

Ref	KPI	Unit of measurement	Areas	Annual target
N/A				

Table 99: Services Delivery Priorities for 2026/27– Bulk Infrastructure and Co-ordination

3.29.13 FINANCIAL VIABILITY AND SUSTAINABILITY

Ref	KPI	Unit of measurement	Areas	Annual target
TL2	The percentage of the municipal capital budget spent on capital projects by 30 June 2027	% of capital budget spent by 30 June 2027	All	**95%**
Ref	**KPI**	**Unit of measurement**	**Areas**	**Annual target**
	[(Actual amount spent on capital projects /Total amount budgeted for capital projects) x 100]			
TL6	Achieve cash coverage ratio of 3 months. Financial viability measured in terms of the available cash to cover fixed operating expenditure by 30 June 2027[(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)]	Number of months that available cash is sufficient to cover the monthly operating expenditure	All	**6**
TL7	Achieve a current ratio of 1.5 (Current assets: Current liabilities) by 30 June 2027	Number of times the Municipality can pay back its short term- liabilities with its short-term assets by 30 June 2027	All	**1.5**
TL8	Financial viability measured in terms of the municipality's ability to meet its service debt obligations by 30 June 2025 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue - Operating Conditional Grant) x 100]	% of debt coverage	All	**45%**
TL9	Compilation of the Annual Financial Statements (AFS) for the 2025/26 financial year and submit to the Auditor- General (AG) by 31 August 2026	Compilation and submission of the AFS to the AG by 31 August 2026	All	**1**
TL10	Compile the Mid-year Financial Statements for the 2026/27 financial year and submit to Audit and Performance Audit Committee (APAC) by 28 February 2027	Compilation and submission of the Mid-year Financial Statements to APAC by 28 February 2027	All	**1**
TL24	Spend 95% of the project budget for the Regional Landfill Facility by 30 June 2027 [(Actual amount spent on project /Total amount budgeted for project) x 100]	% of project budget spent	All	**90%**
TL25	Develop and submit a comprehensive Financial Recovery Plan incorporating deficit reduction, revenue enhancement, cost containment and debt recovery measures to Council	Financial Recovery Plan submitted to Council by August 2026	All	**1**
TL26	Report to Council on the review of tariffs where applicable, that reflets the assurance on cost-effective pricing within the core district functions	Report submitted to Council by September 2026	All	**1**

Ref	KPI	Unit of measurement	Areas	Annual target
TL27	Report to Council on the review of lease agreements, enforced outstanding rentals and assessment of non-strategic assets for disposal or alternative utilisation	Report submitted to Council by September 2026	All	**1**

Table 100: Services Delivery Priorities for 2026/27– Financial Viability and Sustainability

3.29.14 GOOD GOVERNANCE

Ref	KPI	Unit of measurement	Areas	Annual target
TL1	Complete 85% of the Risk Based Audit Plan (RBAP) for the 2025/26 financial year by 30 June 2027 [(Number of audits and tasks completed for the period identified in the RBAP/ Number of audits and planned tasks in the RBAP) x 100]	% of the Risk Based Audit Plan completed by 30 June 2027	All	**85%**
TL3	Compile and submit the final Oversight Report for 2025/26 to Council by 31 December 2026	Final Oversight Report for 2025/06 submitted to Council for adoption by 31 December 2026	All	**1**
TL4	Submit an Operation Clean Audit Report (OPCAR) progress report to the Management Public Accounts Committee (MPAC) on a quarterly basis	Number of OPCAR reports submitted to MPAC	All	**4**
TL16	Report quarterly to Council on the progress in terms of the Growth and Development Strategy initiatives within the district	Number of reports submitted	All	**4**
TL18	Compile and submit the Final Annual Report 2025/26 to Council by 31 December 2026	Final Annual Report for 2025/26 submitted to Council by 31 December 2026	All	**1**
TL19	Submit the Integrated Development Plan (IDP) for the 2027 - 2032 period to Council by 31 May 2027	IDP Review submitted to Council by 31 May 2027	All	**1**

Table 101: Service Delivery Priorities for 2026/27- Good Governance

3.29.15 GROWING AN INCLUSIVE DISTRICT ECONOMY

Ref	KPI	Unit of measurement	Areas	Annual target
TL17	Create job opportunities through the Expanded Public Works Programme (EPWP) for the organisation by 30 June 2027	Number of job opportunities created through the Expanded Public Works Programme (EPWP) by 30 June 2027	All	**253**

Table 102: Service Delivery Priorities for 2026/27- Growing an Inclusive District Economy

3.29.16 HEALTHY AND SOCIALLY STABLE COMMUNITIES

	KPI	Unit of measurement	Areas	Annual target
TL23	Execute 4 emission testing (air quality) initiatives by 30 June 2027	Number of emission testing (air quality) initiatives executed by 30 June 2027	All	**4**

Table 103: Service Delivery Priorities for 2026/27- Healthy and Socially Stable Communities

3.29.17 SUSTAINABLE ENVIRONMENTAL MANAGEMENT AND PUBLIC SAFETY

Ref	KPI	Unit of measurement	Areas	Annual target
TL20	Quarterly report on the conclusion of the MFMA sec 33(Regional Waste Management Facility)	Number of reports submitted to Council	All	**4**
TL21	Execute 4 emergency preparedness exercises and submit reports to the Portfolio Committee by 30 June 2027	Number of reports submitted by 30 June 2027	All	**1**
TL22	Report to Council on the Water Service Authority as per the Section 78 process in terms of the Local Government: Municipal Systems Act, No. 32 of 2000	Number of reports submitted to Council	All	**1**

Table 104: Service Delivery Priorities for 2026/27: - Sustainable Environmental Management and Public Safety

CHAPTER 4
ORGANISATIONAL DEVELOPMENT

AS AT 26 AUGUST 2026

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 NATIONAL KPI'S – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The following table indicates the Municipality's performance in terms of the national KPI's required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These KPI's are linked to the national key performance area – municipal transformation and organisational development.

KPA and indicators	Municipal achievement	
	2024/25	2025/26
Number of people from employment equity target groups that will be appointed in the three highest levels of management during the 2025/26 financial year in compliance with the municipality's approved employment equity plan	1	1
Spend 1% of personnel budget on training by 30 June 2024 (Actual total training expenditure divided by total personnel budget)	1%	1%

Table 105: National KPIs– Municipal Transformation and Organisational Development

4.2 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The District Municipality currently employs 549 permanent officials as on 30 June 2025, who individually and collectively contribute to the achievement of the Municipality's objectives. The primary objective of HR is to render an innovative service that addresses both skills development and an administrative function.

4.2.1 EMPLOYMENT EQUITY

The Employment Equity Act (1998) Chapter 3, Section 15(1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to: "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".

a) Occupational Levels - Race

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

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management	1	1	0	1	1	0	0	1	5
Professionally qualified and experienced specialists and mid- management	7	11	0	10	3	8	1	2	42
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	22	38	0	18	25	41	0	9	153
Semi-skilled and discretionary decision making	68	94	1	15	46	58	0	6	288
Unskilled and defined decision making	0	0	0	0	5	3	0	0	8
Total permanent	**98**	**144**	**1**	**44**	**80**	**110**	**1**	**18**	**496**
Non- permanent employees	47	102	0	4	11	87	0	1	252
Grand total	**145**	**246**	**5**	**48**	**91**	**197**	**1**	**19**	**748**

Table 106: Occupational Levels

b) Departments - Race

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

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Municipal Manager	4	1	0	1	5	8	1	1	21
Financial & Corporate Services	13	21	0	6	14	15	0	5	74
Community Services	8	30	0	11	14	29	0	8	100
Planning and Economic Development	8	12	0	0	2	14	0	1	37
Roads and Transport Development Services	65	80	1	27	46	42	0	3	264
Total permanent	**98**	**144**	**1**	**45**	**81**	**108**	**1**	**18**	**496**
Non- permanent	47	102	0	4	11	87	0	1	252
Grand total	**145**	**246**	**1**	**49**	**92**	**195**	**1**	**19**	**748**

Table 107: Department – Race Classification

c) Vacancy Rate

The approved organogram for the Municipality had 591 (including the MM), posts for the 2025/26 financial year. The actual positions filled are indicated in the tables below by post level and by

functional level. 95 Posts were vacant at the end of 2025/26, resulting in a vacancy rate of 16% in terms of the organogram (.

As at 30 June 2026, the Municipality employed a total of 495 permanent employees of which is indicated as GRDM: 235 Funded positions (232 filled and 3 vacant) and the Roads and Transport Services: funded positions 337 (263 filled and 74 vacant) and approximately 317 contract employees

Per post level		
Post level	**Filled**	**Vacant**
MM & MSA section 57 & 56 Employees	5	0
Middle management	42	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	153+288	64+27
Unskilled and defined decision making	8	0
Total	**496**	**95**
Per functional level		
Functional area	**Filled**	**Vacant**
Office of the Municipal Manager	21	4
Financial & Corporate Services	74	9
Community Services	100	4
Planning and Economic Development	37	5
Roads and Transport Development Services	264	73
Total	**496**	**95**

Table 108: Vacancy Rate Per Post and Functional Level

d) Employee Turnover Rate

A high employee turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organisational knowledge. Below is a table that shows the employee turnover rate within the Municipality for the past two financial years:

Financial year	Total no appointments at the end of each financial year	New appointments	Terminations during the year	Turn-over rate
2024/25	549	34	58	10.56%
2025/26	496	1	54	9.19%

Table 109: Employee Turnover Rate

4.3 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

4.3.1 INJURIES

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 and can be costly to a municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The table below indicates the total number of injuries within the different departments:

Department	2024/25	2025/26
Office of the Municipal Manager	0	1
Financial & Corporate Services	1	1
Community Services	0	3
Planning and Economic Development	5	2
Roads and Transport Development Services	34	33
Total	**39**	**39**

Table 110: Injuries

Injuries at Roads Services are normally higher due to the nature of work and the constant handling of equipment and machinery.

4.3.2 SICK LEAVE

The table below indicates the total number sick leave days taken within the different directorates:

Department	2024/25	2025/26
Office of the Municipal Manager	125.31	144.94
Corporate Finance Services	6221.1	388.68
Community Services	578.61	724.67
Planning and Economic Development Services	114.39	228.37
Roads and Transport Planning	2 003.55	2 324.45
Total	**3 443.96**	**3 811.11**

Table 111: Sick Leave Days

4.3.3 HR POLICIES AND PLANS

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the HR policies and plans that are approved:

Approved policies	
Name of policy	**Council resolution**
Acting Allowance Policy	DC E6/06/20
Additional Responsibility Allowance Policy	DC E5/09/21
Bouquets Policy	DC 517/08/13 / DC E2/08/20
Contract Appointments Policy	DC 516/08/13 / DC E6/06/20
Disability Policy	DC E2/08/20
Employees leaving Council's Service (Contract staff)	DC E4/06/21
Employment Equity Policy	DC E6/06/20
Essential Users Scheme Policy	DC E9/06/23
Experiential Training Policy	DC 515/08/13
Funeral/Memorial Services Policy	DC 1091/06/16 / DC E6/06/20
Gender Empowerment Policy	DC 1091/06/16
Gender Mainstreaming Policy	DC E6/06/20
Gift for Long service years and Retirement Policy	2009
Grievance Procedure Policy	DC E2/08/20
HIV/AIDS Policy	DC E2/11/20

Approved policies	
Incapacity/ILL Health Policy	DC E2/08/20
Induction/Onboarding Policy	DC E9/06/23
Leave Policy	DC 1091/06/16 / DC C16/12/2017 / DC E2/11/20 / DC E2/12/22/DC E3/03/24
(OHS) Health and Safety Policy	DC E2/08/20 / DC E9/06/23
Overtime Policy	DC 520/03/14 / DC E6/6/20 / DC E7/07/21
Perk Motor Scheme Policy	DC E2/06/20
Placement Policy	DC 520/08/13 / DC 192/07/17 / DC E2/03/24
Private Work Policy	DC 58/08/05 / DC E1/03/24
Recruitment & Selection Policy	DC 444/04/11 / DC 744/12/14 / DC 1091/06/16 /DC 06/2020
Remote Working Policy	DC E9/06/23
Remuneration and Conditions of Service Policy	DC E6/06/20
Sexual Harassment Policy	DC E2/11/20
SHE Committee Policy	DC 520/03/14
SHE Rep Policy	DC 520/03/14 / DC E2/08/20
Skills Development Policy	DC 744/12/14
Smoking Policy	DC 514/08/13 / DC03/15 / DC E9/06/23
Standby Policy	DC E9/08/20
Stop Gender Based Violence Policy	DC E2/09/20
Subsistence Abuse/Drug Management Policy	DC E6/06/20
Succession Planning & Career Pathing	DC 12/14
Staff Movements Policy	DC E6/06/20 (Transfer Policy) / DC E5/03/24
TASK Policy (SALGA)	DC E5/04/25
Travel & Subsistence Policy	DC 744/12/14 / DC 520/03/14 / DC C15/12/2017 / DC E1/12/22

Table 112: HR Policies and Plans

4.3.4 INDIVIDUAL PERFORMANCE AND REWARDS

In accordance with Regulation 32, a performance bonus, based on affordability, may be paid to an employee, after -

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

4.4 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that a municipality must develop its HR capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose, the HR capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

4.4.1 SKILLS MATRIX

The table below indicates the number of employees that received training in the year under review:

Management	Gender	Number of employees identified for training at start of the year	Number of employees that received training
MM and S57	Female	0	0
	Male	1	1
Legislators, senior officials and managers	Female	10	10
	Male	32	21
Associate professionals and Technicians	Female	28	28
	Male	69	13
Professionals	Female	28	28
	Male	29	21
Clerks	Female	56	45
	Male	51	14
Service and Sales workers	Female	3	2
	Male	35	15
Craft and related trade workers	Female	0	0
	Male	3	0
Plant and machine operators and assemblers	Female	10	10
	Male	150	134
Elementary Occupations	Female	80	63
	Male	50	97
Sub total	**Female**	**215**	**184**
	Male	**420**	**318**
Total		**635**	**502**

Table 113: Skills Matrix

The following training was provided for employees trained:

Type of learning interventions	Name of training intervention	Number trained at 30 June	
		NQF 1-2	NQF 3-8
Occupational Certificate	Occupational Health and Safety Assistant	0	25
Occupational Certificate	Chipper Machine Operator	12	0
Occupational Certificate	Overhead Crane Pendant Radio-Controlled Operator	15	0
Occupational Certificate	Dump Truck Operator	45	0
Learnership	Road Construction	0	11
Learnership	Minimum Competency Levels (MMC)	0	43
Learnership	Internal Audit	0	2
Learnership	Master's Management	0	1
Learnership	Postgraduate Diploma in Public Management Monitoring & Evaluation	0	1
Learnership	Bursaries (GRDM)	0	11
Skills Program	Crane Truck training	21	
Skills Program	Small Plant Training	102	
Skills Program	Water Truck Operator	17	
Skills Programme	Grader Operator	5	0
Skills Program	First Aid	20	0
Skills Program	Low Bed Operators Training	5	0
Skills Program	Grader Training	20	0
Skills Program	Crane Truck Training	21	0
Skills Program	Truck Mounted Crane Training	20	0
Skills Program	Tip Truck Training	18	0
Skills Program	Wear Check Training	0	4
Skills Program	Flagman Training	0	10
Skills Programs	CPD Points Program Environmental Health Training	0	47
Skills Programs	Dangerous Goods and Hazardous Substances Management	36	0
Total		**347**	**155**

Table 114: Training Provided

4.4.2. SKILLS DEVELOPMENT TRAINING

The Skills Development Act (1998) and the MSA (2000), require employers to supply employees with the necessary training to develop its HR capacity. Section 55(1)(f) states that as head of administration, the Municipal Manager is responsible for the management, utilization and training of staff. The table below indicates the training that was provided to various levels of staff:

Occupational categories	Gender	Training provided within the reporting period (2025/26)					
		Learnership		Skills programmes and other short courses		Total	
		Actual	Target	Actual	Target	Actual	Target
MM and S57	Female	0	0	0	0	0	0
	Male	1	1	0	0	1	1
Legislators, senior officials and managers	Female	5	10	5		10	10
	Male	11	32	10	15	21	21
Professionals	Female	10	28	18	0	28	28
	Male	13	69		00	13	13
Technicians and associate professionals	Female	10	28	18	20	28	28
	Male	21	29	9	0	21	21
Clerks	Female		0	45	56	45	45
	Male	14	51	0	0	14	14
Service and sales workers	Female	2	3	0	0	2	2
	Male	15	35	0	0	15	15
Craft and related trade workers	Female	0	0			0	0
	Male	0	3			0	0
Plant and machine operators and assemblers	Female	10	10			10	10
	Male	115	150			115	134
Elementary occupations	Female	63	80			63	63
	Male	97	50			97	97
Sub total	**Female**	**100**	**159**	32	76		**184**
	Male	287	420	73	127	91	318
Total		**387**	**559**	**105**	**203**	**91**	**502**

Table 115:Skills Development Training

4.4.3 SKILLS DEVELOPMENT BUDGET ALLOCATION (DRAFT INFORMATION)

The table below indicates the budget allocated and total spent on skills development:

Financial Year	Total Personnel Budget	Total allocated	Total Spent	% Spent
	(R)			%
2024/25	301 504 359	3 405 590	2 834 185	0.98
2025/26	310 302 502,00	3 134 255,00	2 792 041,72	0.90

Table 116: Budget Allocated and Spent on Skills Development

4.4.4 MFMA COMPETENCIES

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the MFMA. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcome based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013 (exempted until 30 September 2015 as per Government Notice No. 179 of 14 March 2014), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

The table below provides details of the financial competency development progress as required by the Regulation:

Descriptions	Total number of officials employed by municipality (Regulation 14 (4) (a) and (C)	Competency assessments completed (Regulations 14 (b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14 (4) (f))
Financial Officials			
Accounting Officer	1	1	1
Chief Financial Officer	1	1	1
Senior managers	4	4	1
Any other financial officials	15	15	0
Supply Chain Management Officials			

Descriptions	Total number of officials employed by municipality (Regulation 14 (4) (a) and (C)	Competency assessments completed (Regulations 14 (b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14 (4) (f))
Financial Officials			
Heads of SCM units	1	1	0
SCM senior managers	1	1	0
Total	**21**	**21**	**3**

Table 117: Financial Competency Development Progress of Officials

4.5 THE MUNICIPAL WORKFORCE EXPENDITURE

Section 66 of the MSA states that the Accounting Officer of a municipality must report to Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

4.5.1 PERSONNEL EXPENDITURE (DRAFT INFORMATION)

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past two financial years. The Municipality is well over the national norm of between 35 to 40%:

Financial year	Total expenditure salary and allowances	Total operating expenditure	Percentage
	R'000	R'000	
2024/25	312 608	492 515	63.00%
2025/26	311 988	497 824	62.67%

Table 118: Personnel Expenditure against Operating Expenditure

Below is a summary of Councillors and staff benefits for the year under review: (Draft Information)

Financial year	2024/25	2025/26		
Description	Actual	Original budget	Adjusted budget	Actual
	R'000			
Councillors (Political office bearers plus other)				
Salary	10 214	10 724	11 621	9 824
Pension contributions	509	534	560	478

Medical-aid contributions	124	130	139	160
Motor vehicle allowance	1 906	2 001	1 005	2 767
Cell phone allowance	948	995	995	1 069
Financial year	**2024/25**	**2025/26**		
Description	**Actual**	**Original budget**	**Adjusted budget**	**Actual**
	R'000			
Housing allowance	4	41	0	0
Other benefits or allowances	783	825	1 659	0
In-kind benefits	0	10 724	11 621	0
Sub Total	**14 488**	**15 251**	**15 980**	**14 298**
% increase/ (decrease)	**(14.06%)**	**0**	**4,8%**	**(1.31%)**
Senior managers of the Municipality				
Salary	6 272	5 057	7 920	7 625
Pension contributions	791	529	493	480
Medical-aid contributions	402	300	275	279
Performance bonus	1 153	1 056	1 328	1 422
Motor vehicle allowance	2 620	3 015	3 951	4 191
Cell phone allowance	137	147	257	137
Housing allowance	365	192	100	100
Other benefits or allowances	43	26	230	358
Payments in lieu of leave	176	188	0	0
Long service awards	0	0	0	0
In-kind benefits	0	0	0	0
Sub total	**11 960**	**10 510**	**14 555**	**14 592**
% increase/ (decrease)	**0**	**0**	**38.5%**	**22.01%**
Other municipal staff				
Basic salaries and wages	182 912	191 209	185 720	185 044
Pension contributions	30 338	33 631	32 409	30 950
Medical aid contributions	38 017	36 702	29 117	29 848
Overtime	3 647	2 731	3 796	6 245
Motor vehicle allowance	15 021	14 020	12 504	12 419
Cell phone allowance	157	124	126	125
Housing allowance	2 899	2 707	2 437	2 428
Other benefits or allowances	21 436	20 723	21 464	27 036
Payments in lieu of leave	5 103	5 949	5 305	3 301
Post-retirement benefits obligations	0	1 073	0	0
Sub total	**299 528**	**308 870**	**292 879**	**297 396**

Financial year	2024/25	2025/26		
Description	Actual	Original budget	Adjusted budget	Actual
	R'000			
% increase/ (decrease)	0	0	(5,2%)	(0.71%)
Total Municipality	325 975	334 630	323 413	326 286
% increase/ (decrease)	0	0	(3,4%)	0.10%

Table 119: Personnel Expenditure

*Note: Figures in the previous year may be amended and will therefore not necessarily match the figures in the previous year Annual Performance Report. Figures for 2025/26 are being finalised as part of AFS preparation that is due for submission on 31 August 2026 financial year are unaudited figures as at 30 June 2026.

CHAPTER 5
FINANCIAL PERFORMANCE

CHAPTER 5: FINANCIAL PERFORMANCE (AS AT 14 AUGUST 2026)

5.1 FINANCIAL MATTERS

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

COMMENT ON FINANCIAL PERFORMANCE:

Based on the consolidated 2025/26 financial performance, the municipality had a net deficit of R11,5 million in comparison with a R26,4 million deficit in 2024/25. Council has embarked on various strategic initiatives to increase the revenue streams of the municipality to ensure long term financial sustainability, as well as decreasing non-core expenditure. This represents a decrease of R14,9 million in the net deficit from 2024/25 to 2025/26 (56% decrease).

5.2 GRANTS

COMMENT ON OPERATING TRANSFERS AND GRANTS:

The municipality is more than 80% dependent on grants and subsidies and is aiming to be less dependable on grants and to generate more own revenue. A Revenue Enhancement Strategy is in process. Included in grants is the Department of Infrastructure (DOI) Roads agency transfer of R228m.

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

An asset management unit is established at Garden Route District Municipality, consisting of the asset manager and one official. An annual asset verification is conducted to ensure that all assets are accounted for. Missing assets must be explained by the responsible person to whom it is allocated to.

When assets are transferred, an asset transfer form must be completed and submitted to the asset section to update their records. Every personnel member to whom assets are allocated to, is responsible for the safeguarding of their assets. The asset management policy is reviewed annually to ensure it is aligned with GRAP requirements.

The key objectives of the asset management policy are:

1. The accurate recording of essential asset information;
2. The accurate recording of asset movements;
3. Exercising strict physical controls over all assets;
4. Treating the assets correctly in the Municipality's Financial Statements;
5. Providing accurate and meaningful management information;
6. Compliance with the Council's accounting policies and GRAP;
7. Adequate insuring of assets;
8. Maintenance of Council's assets;
9. Ensuring that managers are aware of their responsibilities with regard to the assets; and
10. Setting out the standards of management, recording and internal controls so as to safeguard the assets against inappropriate utilization or loss.

Details of capital expenditure		
1	Construction of the Regional Waste Management Facility	R51 240 138
2	Hazardous Materials Equipment	R559 960
3	Building of Disaster Management Store	R503 552
4	Equipment	R287 451
5	Desktop Computers (PC)	R85 536
Other assets	Other Assets	R122 619

COMMENT ON ASSET MANAGEMENT

Refer to previous table and comments with regards to the additions for the year.

Repair and Maintenance Expenditure 2025/26				
(R'000)				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and maintenance expenditure	5 157	3 850	3 689	161

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

There is limited funding available to allocate to repairs and maintenance. The equitable share increases by 2-3% which is not aligned to the average CPIX.

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Liquidity ratios measure the municipality's ability to pay its bills and is calculated by dividing the current assets due within one year by the municipality's current liabilities payable within one year. The higher the ratio, the better it is for the organisation.

Current Ratio:		(Current Assets / Current Liabilities)				
		Norm: 1.5 - 2.1				
			30 June 2026	**30 June 2025**		
Current Assets			148 066 916	220 813 011		
Current Liabilities			47 534 592	73 118 336		
Current ratio			**3,11**	**3,02**	*times*	

Comment

The purpose of the current ratio is to determine whether GRDM has the ability to pay its short-term liabilities.

The norm is 1.5 – 2.1 times. As at 30 June 2026, GRDM's current ratio is above the norm.

Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants):				
	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)			
	Norm: 1-3 months			
		30 June 2026	**30 June 2025**	
Cash and cash equivalents		73 922 215	155 010 868	
Unspent conditional grants		- 3 434 413	- 2 579 003	
		70 487 802	152 431 865	
Total expenditure		492 741 341	463 457 038	
Depreciation and Amortisation		- 7 058 248	- 7 135 055	
Provision for bad debts		- 69 877 737	- 69 877 737	
		415 805 357	386 444 246	
Monthly average		34 650 446	32 203 687	
Cost cover		**2,0**	**4,7**	*months*

Comment: The purpose of this ratio is to determine the amount of cash available to pay monthly operating expenses. The norm is 1-3 months. As at 30 June 2026, GRDM is within the norm.

Grant dependency:	(Government grants and subsidies including roads income/ Total revenue) x 100	
	30 June 2026	**30 June 2024**
Total revenue	480 767 668	459 072 155
Government grants and subsidies	434 204 236	405 199 335
	90%	**88%**

Comments: The purpose of this ratio is to indicate the dependency of GRDM on government grants and subsidies. As mentioned in the report, GRDM is highly dependent on grants. GRDM is therefore actively pursuing alternative sources of own revenue to address this in the future. Included in grants is the Department of Infrastructure (DOI) Roads agency transfer of R228m.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL EXPENDITURE

Introduction to spending against capital budgets

Total Capital Expenditure: 2023/24 to 2025/26 (R'000)			
Detail	2023/24	2024/25	2025/26
Original Budget	158 050	224 926	108 921
Adjustment Budget	53 316	188 619	72 246
Actual	52 190	48 103	52 799

COMMENT ON CAPITAL EXPENDITURE:

Refer to table T5.3.1 above for the depiction of the capital expenditure on assets.

FUNDING OF CAPITAL BUDGET: 2025/26

Expenditure on the Regional Waste Management Facility is funded through an external loan. Other items are financed by grants or own funds.

5.6 SOURCES OF FINANCE

With the current financial constraints, limited funding is available to fund capital expenditure. Expenditure on the Regional Waste Management Facility is funded through an external loan. GRDM also applied for MIG funding in this regard – outcome outstanding on date of reporting.

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

The capital expenditure was spent on:

Details of capital expenditure		
1	Construction of the Regional Waste Management Facility	R51 240 138
2	Hazardous Materials Equipment	R559 960
3	Building of Disaster Management Store	R503 552
4	Equipment	R287 451
5	Desktop Computers (PC)	R85 536
Other assets	Other Assets	R122 619

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.8 CASH FLOW

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENT

After the abolishment of the Regional Service Council (RSC) levies, District Municipalities are cash strained as they are about 85% dependent on grant funding to sustain operations. The Equitable Share Grant only increases by 2-3%, which is not aligned to the continuous increase in expenditure. Included in grants is the Department of Infrastructure (DOI) Roads agency transfer of R228m.

District Municipalities have very limited own revenue sources e.g. tariffs that can be raised. Various engagements are in process with Provincial Treasury and National Treasury to address this issue. A district municipality task team for the Western Cape has been established.

5.9 BORROWING AND INVESTMENTS

5.9.1 INVESTMENTS

Where money is available for investment, it shall be invested in accordance with the Banking, Cash Management and Investment policy. To limit exposure, where large sums of money are available for investment, the Chief Financial Officer shall ensure that:

1. They are invested with more than one institution, wherever practicable, to limit the risk exposure of the municipality, so that no more than 50% is invested at the institution with the highest rate, 30% at the institution with the second highest rate and 20% at the institution with the third highest rate of available funds at that date; and
2. As far as practically and legally possible, the municipality's investments are so distributed that more than one investment category is covered.

5.9.2 BORROWINGS

Council took up an external loan to fund the construction of the regional waste management facility during the 2023/24 financial year.

5.10 PUBLIC PRIVATE PARTNERSHIPS

N/a

5.11 PERFORMANCE OF SERVICE PROVIDERS **(To be included in Final Annual report)**

In terms of section 116(2)(d) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), the Accounting Officer of a municipality must report on the management of the contract or agreement and the performance of the contractor. Please see below the performance of service providers who delivered material services. Contracts continuing from previous financial years:

CHAPTER 6
AUDITOR - GENERAL AUDIT FINDINGS

6.1 GRDM Audit Report

Note: This section will be completed following the completion of the external audit process.

6.2 Previous financial year audit issues and remedial actions

Control Deficiency	Action Plan	Status	Action Plan Due Date	Action Plan Owners	Comment
COMAF 1– Declaration of interest not obtained at the time of award During the audit of written quotations, the auditors identified instances where annual declarations were considered from the providers who submitted quotations. Auditors are of the view that verification of bidders on Central Supplier Database (CSD) would not be adequate since it does not indicate if there are conflicts of interest from the point of submission of written quotations or point of consideration by the municipality As AG's interpretation of these requirements have changed from the proceeding years, AG agreed to afford management an opportunity to update policies and internal processes and will assess compliance against the afore-mentioned regulations for any formal written price quotations awarded on and after 1 January 2025.					
Financial and performance management Management was of the opinion that annual declarations are sufficient as management makes use of the Central Supplier Database (CSD), managed by National Treasury as well to determine whether there is conflict of interest.	The quotation process has already been amended as well as the MBD4 form for this procurement process.	Completed	31 March 2026	SCM Manager T Mpuru	Confirmed that the new quotation process has been initiated and MBD4 form amended.
COMAF 2 – SCM PPR Non-compliance **Issue 1:** During the testing of price quotations (procurement between R2 000 and R30 000), it was identified that, on one supplier, the applicable preference point system was not stipulated in the tender documents when prospective suppliers were verbally approached to supply a quotation **Issue 2:** During the testing of quotations, it was identified that specific points for locality were not correctly calculated for awards on two suppliers, based on evidence of operational locality **Issue 3:** During the testing of competitive bids, it was identified that preference points for two awarded items in GRDM/17/24/25 were incorrectly calculated.					
Financial and performance management **Issue 1**: Management did not stipulate the applicable preference point system, on the quotation process. **Issue 2**: Management incorrectly determined the preference points for specific goals (locality), as reliance was placed on the supplier profile on Collaborator (historic information), rather than current information sources (Central Supplier Database (CSD) registration reports, invoices) **Issue 3**: Management did not review the inputs to the supplier pricing information in the supplier scoring sheets	Issue: 1, 2 & 3 Management notes the Auditors recommendation and will put measures in place to have the necessary mitigating controls in place	Completed	31 March 2026	SCM Manager T Mpuru	We confirmed that every request for quotation has an attachment that describes the evaluation process to the supplier as well as supplying them with the MDB.4 form. We also confirmed that the request for quotation has been amended to be indicative of the address or location from which the quotation will be serviced. The address on the quotation to be in line with the address on the CSD report, this is to be fully effective as of 31 March 2026.

Control Deficiency	Action Plan	Status	Action Plan Due Date	Action Plan Owners	Comment
COMAF 3 – SCM Non-compliance **Issue 1**: During the audit of competitive bid GRDM/02/24-25: Supply, delivery and installation of multifunctional printers & associated services for a period of three (3) years, the auditors noted that the ICT Manager was present at the Bid Evaluation Committee (BEC) meeting relating to GRDM/02/24-25 held on 18 September 2024. It was further noted that that the ICT Manager was also a member of the Bid Adjudication Committee (BAC) meeting relating to GRDM/02/24-25 held on 27 September 2024. **Issue 2:** During the audit of requisition 192262 relating to evaluation of property owned by the Municipality. It was noted that Rondo Consulting were disqualified from the process and not included in the supplier point scoring sheet as they indicated that they would only be able to provide a valuation report after 30 working days. This timeframe for delivery of the service was not stated in the emails sent out to the prospective suppliers, and Rondo Consulting were thus unaware that they would have to deliver the report within four weeks. The only deadline listed was the date by which the quote would have to be submitted, which Rondo Consulting adhered to.					
Financial and performance management **Issue 1**: Management incorrectly interpreted the definition of a person advising or assisting the evaluation committee. Management allowed Mr K Nieuwoudt to advise the Bid Evaluation Committee regarding the .strategic outlook/ budget implications of the of the tender and then serve on the Bid Adjudication Committee. **Issue 2**: Management did not ensure due diligence was performed for the setting of the evaluation criteria applicable to the award before the invitation to quote was sent to prospective suppliers which resulted in management only considering the operational requirements during the evaluation of the quotations received	Issue 1: Effective immediately the Bid Adjudication Committee will have a standard internal control process in reviewing the BEC attendance register against all items serving in the BAC. Issue 2: the CFO's Office will ensure that the necessary capacitation takes place in preventing such an occurrence in the future.	Completed	30 June 2026	SCM Manager T Mpuru CFO R Boshoff	Effective 1 December 2025, the CFO reviews attendance at the BAC to ensure that no member of the BAC would have been part of the BSC or BEC on any item that serves before the BAC. Members are also asked to declare if there is any item on the agenda, they might have been part of in any of the two committees. An additional internal control has been introduced - every disqualification is reviewed to ensure an unbiased approach in evaluation is identified. The BEC will review the disqualifications by evaluating the written quotations & open bids against the stipulated specifications.
COMAF 5 – HR Management **Issue 1**: During the audit of Human Resource Compliance Management, it was identified that the application submitted by the preferred candidate for the vacant Executive Manager: Community Services post did not include any proof of her previous employment. Instead, Garden Route District Municipality relied on an external verification (performed by SALGA) to confirm the applicants employment history. While this would confirm the applicant indeed worked at her previous place of employment, the above regulation makes it clear that an applicant must submit proof of previous employment before signing of the employment contract. **Issue 2**: During the audit of Human Resource Compliance Management, it was identified that the advertisement for the position of the Executive Manager: Community Services was not advertised within 14 days of receipt of the approval by council. **Issue 3:** During the audit of Human Resource Compliance Management, it was identified that performance agreements for non-Section 57 employees were not implemented during the 2024/25 financial year.					

Control Deficiency	Action Plan	Status	Action Plan Due Date	Action Plan Owners	Comment
Financial and performance management **Issue 1**: Management did not consider Regulation 4(4)(b) of the Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers in relation to the appointment. Management only considered the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014.) **Issue 2**: Management misinterpreted the Regulation 10(1) of the Regulations on Appointment and Conditions of Employment of Senior Managers as management is of the view that Regulation 10(1) instructs the municipal manager to only ensure the advertising process has commenced. **Issue 3**: Management did not implement performance agreements for non-s57 employees during the 2024/25 financial year.	Issue 1: A checklist will be introduced for all senior management appointments to ensure compliance with all regulatory requirements, including Regulation 4(4)(b), and to maintain a clear audit trail. Issue2: The HR department will review and streamline its internal processes to ensure future advertisements are published within the prescribed timeframe by introducing a compliance checklist to monitor key deadlines in the recruitment cycle for senior managers. Issue 3: Management will ensure that all performance agreements are signed by June 2026.	Completed (1 &2) In progress (3)	30 June 2026	HR Manager M Smit Individual Performance Manager N Klaas	Confirmed that a checklist is developed and will be implemented with the next recruitment process for senior managers. Confirmed that as compliance checklist for monitoring key deadlines is developed and will be implemented with the next recruitment process for senior managers. 120 performance plans have been activated for system users for 2025/26 Financial Year. The non-system users and the remainder of the staff will be activated for the 2026/27 financial year.
COMAF 6 – Deviations non-compliance **Issue 1** – Entsha Henra Plant Hire (Requisition 188101) The municipality followed a deviation in terms of SCM regulation 36(1)(a)(v) for the hiring of a recycler to process the cement stabilised layer at the Gwaing upgrade project (DR1618). The process followed considered cost savings by the municipality above the fairness. **Issue 2** – Arena Holdings (Requisition 192821) Requisition number 192821 was awarded to Arena Holdings by way of deviation. According to the workflow, the deviation was approved on 13 February 2025. In the deviation report tabled to Council on 23 April 2025, the deviation approval date is stated to be 13 February 2025. The buyer responsible for the requisition noted that Arena Holdings were not tax-compliant, as he sent them an email at 14:54 pm on 13 February 2025 to inform them and to ask them to correct their status. However, as was evident from the approval by the Municipal Manager, Arena Holdings were not given time to correct their tax compliance status. **Issue 3** – Appointment of Khabokedi Waste Management (Pty) Ltd for the operation of the PetroSA Landfill Site. The municipality followed a deviation in terms of SCM regulation 36(1)(a)(v) for the provision of a landfill compactor to be used at the PetroSA landfill site. The municipality however approved prior deviations for the same service, for the period of June – September 2024 (Raalebborg Environmental Solutions (Pty) Ltd). Given the time lapse of approximately four months from the date of the initial deviation, the auditors are of the opinion that reasonable time was available to follow a competitive procurement process.					
Financial and Performance Management **Issue 1**: Management misinterpreted SCM Regulation 36(1)(a). Management applied the consideration of cost savings as a basis to	Issue 1 & 3: A repeat finding on the matter will occur as the transaction occurred in the 2025/26 financial year before the matter was raised in the Audit, going		30 June 2026	SCM Manager T Mpuru	Management confirmed that normal procurement process will be undertaken even for the service providers from the panel.

Control Deficiency	Action Plan	Status	Action Plan Due Date	Action Plan Owners	Comment
deviate, rather than following a competitive process. **Issue 2**: Management misinterpreted the application of SCM Regulation 36 (1)(a) read with Regulation 43. Regulation 43 explicitly stipulates that irrespective of the procurement process followed, an award may not be made to a person whose tax matters have not been declared by the SARS to be in order. **Issue 3**: Management misinterpreted SCM Regulation 36(1)(a). Management elected to make use of a supplier from an existing contract (GRDM /19/23-24), rather than following a competitive procurement process.	forward any items that are not market related will be excluded from the Panel and due procurement process will be undertaken to procure the necessary goods or services required. Issue 2: Management did take note of the tax matters concerned and requested the service provider to correct its Tax status which was ultimately done by the Service provider.	Completed			Management confirmed that issues of Tax are being adhered to for procurement above R30 000 as required by legislation.
COMAF 8 – Vat on Roads function The GRDM does not account for Output VAT of 15% on the reimbursement expenditure relating to the roads function fulfilled by GRDM. During the current year, it was noted that the municipality did not account for the Output VAT on the roads service charges received from the department. Furthermore, a liability relating to the possible penalties and interest was not disclosed in the financial statements. Although the municipality approached SARS, they were unable to obtain a binding ruling. Therefore, our opinion on the VAT treatment as per the prior year remains unchanged and the funding cannot therefore be treated as zero-rated in terms of section 11(2)(t) of the VAT Act and the municipality must levy VAT at the standard rate of 15% in terms of section 7(1)(a) of the VAT Act.					
Leadership The municipality did not adequately re-assess its VAT treatment on reimbursed expenditure. As such, the financial statements submitted for audit were not free from material misstatement.	Contingent liability was included in the AFS and confirmed by AG	Completed	30 June 2026	Manager BTO, AFS/Assets L Hoek	Inspected the adjusted financial statements and confirmed that the corrections were made.
COMAF 9 – Asset Management During the audit of asset management, it was observed that the fair market value of some cell phones disposed during the 2024/2025 financial year was not taken into consideration prior to disposal.					
Financial and performance management There is no evidence to indicate that the Council in a meeting open to the public considered the fair market value of the cell phones, or the economic and community	Management will include a paragraph for disposal of assets setting out the considerations and provide written audit evidence to the AGSA	Completed	30 June 2026	Manager BTO,AFS/Assets L Hoek	Amendments were made to AFS for 2024/25 and audited as such.

Control Deficiency	Action Plan	Status	Action Plan Due Date	Action Plan Owners	Comment
value to be received in exchange for the assets, prior to the employees retaining the cell phones.					
COMAF 10 – Budget Information During the audit of the Statement of Comparison of Budget and Actual Amounts, it was noted that certain financial statement line items exhibit fluctuations that are based on management's criteria for assessing material variances, as outlined in Note 1.7. However, no explanations have been provided for these fluctuations, or the explanations disclosed are not sufficient to reasonably explain the increases or decreases observed.					
Financial and performance management Management's controls over the financial statement review process were not adequate to identify the reasons for variances were complete, valid and accurate. Management did not adequately plan for the review of the financial statements after the processing of period 13 journals to ensure that the reasons for variances were appropriately disclosed and aligned with the variances prior to the submission of the annual financial statements.	Management will update the narratives as identified by the Auditor-General to ensure GRAP compliance. The corrective action is therefore procedural rather than remedial, aimed at synchronising narrative explanations with late-cycle period-13 adjustments. The controls over financial reporting remain effective and reliable.	Completed	30 June 2026	Manager BTO,AFS/Assets L Hoek	Amendments were made to AFS for 2024/25 and audited as such.
COMAF 11 – Infrastructure (WIP) During the audit of Infrastructure Work-in-Progress (WIP), a sample of transactions were selected from the listing comprising the total amount disclosed in the financial statements under Note 2: Property, Plant and Equipment. For the selected transactions, the relevant supporting invoices were obtained and examined to confirm whether the total costs capitalised to the Infrastructure Asset (Landfill Site) meet the recognition criteria outlined in paragraph 21 of GRAP 17 – Property, Plant and Equipment.					
Financial and performance management Management did not implement adequate controls over the monthly processing of amounts capitalised to the cost of the asset (Infrastructure Work-in-Progress) to verify that such amounts comply with the criteria outlined in paragraph 21 of GRAP 17: Property, Plant, and Equipment. Management capitalized the total costs invoiced by the service provider without performing a detailed review to ensure that only costs meeting the	Management does not agree with the auditor's conclusion, the auditors will therefore follow up with this matter in the new financial year through a technical consultation.	In Progress	30 June 2026	CFO R Boshoff	Management is still in disagreement with the AG on the capitalization of expenditure for the WIP. Discussions are still to be held with the new Audit Manager (AGSA).

Control Deficiency	Action Plan	Status	Action Plan Due Date	Action Plan Owners	Comment
capitalization criteria were included in the asset's cost.					
COMAF 12 – Various AFS misstatements **Issue 1:** Audit finding During the audit of the Cash Flow Statement, it was identified that interest earned on exchange debtors amounting to R5 379 004 was not disclosed separately, as envisioned by GRAP 2 paragraph 31. The misstatement is a factual misstatement and is not considered material and will be included in the management report. If not corrected, the misstatement will be accumulated with other individual misstatements to assess any impact on the auditor's report. **Issue 2:** During the audit of competitive bids, it was identified that the MBD 4 document submitted by Libkaz Investments as the winning bidder of R/07/24-25 included a declaration that the spouse of the winning bidders' director, is in the service of the state. The award was however not disclosed in the annual financial statements note 47,9. The misstatement is a factual misstatement and is not considered material and will be included in the management report **Issue 3:** During the audit of the financial statements, it was identified that deviations awarded in the previous financial year were disclosed for the 2024-25 period. The following payments made, in relation to deviations awarded in the 2023-24 financial year were noted as deviations during the 2024-25 financial year **Issue 4**: During the audit of long-term borrowings, it was identified that an amount of R1 375 658.21 relating to interest incurred during the period of July 2025 was capitalised to the closing balance of the municipality's annuity loan as at 30 June 2025. Similarly for the comparative figure, an amount of R1 107 749. 21 relating to interest incurred during the period of July 2024 was capitalised to the closing balance of the municipality's annuity loan as at 30 June 2024.					
Financial and performance management **Issue 1**: The municipality misinterpreted GRAP 2 paragraph 31 and thus failed to apply its principle to the portion of interest earned on exchange debtors in the Cash Flow Statement and thus did not achieve compliance with GRAP 2 disclosure requirements. **Issue 2**: Management oversight resulted in the municipality not disclosing the award to Libkaz Investments in the notes to the annual financial statements as required by Regulation 45 of the Municipal Supply Chain Management Regulations. This occurred because the information disclosed in the MBD 4 form was not appropriately captured, reviewed, and reconciled to the SCM disclosure workings during the preparation of the annual financial statements **Issue 3**: Management interpreted the disclosure requirement based on the timing of payments rather than the timing of the approval of the deviation. This resulted in amounts associated with prior-year deviations being carried forward into the current-year SCM deviation disclosure note.	Amendments will be made to the AFS and internal controls enhanced.	Completed	30 June 2026	Manager: BTO,AFS/Assets L Hoek	Amendments were made to AFS for 2024/25 and audited as such.

Control Deficiency	Action Plan	Status	Action Plan Due Date	Action Plan Owners	Comment
Issue 4: The misstatement occurred due to inadequate review and monitoring controls over the cutoff and classification of interest expenses relating to long-term borrowings. Management incorrectly capitalised interest incurred after year-end (July interest) to the closing loan balances at 30 June					
COMAF 13 – Understatement of irregular expenditure During the audit of the presentation of irregular expenditure for the 2024/2025 financial year, we noted that irregular expenditure arising from non-compliance with Regulation 35 of the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers (as communicated in COMAF 03 of 2024: Upper Limits) was removed in the current financial year					
Financial and performance management Management misinterpreted the conclusion of the court order, which led to the incorrect reversal and recording of the irregular expenditure. This misinterpretation has resulted in the presentation of inaccurate irregular expenditure in the 2024/2025 Annual Financial Statements	Irregular expenditure note to AFS will be amended.	Completed	30 November 2026	Manager: BTO, AFS/Assets L Hoek	Amendments were made to AFS for 2024/25 and audited as such.
PERCENTAGE OF IMPLEMENTATION		**87%**	**13 out of 15**		

APPENDICES

APPENDIX A: COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

JULY 2025 – JUNE 2026

Party	PR	Part	Councillor	29 July 2025	22 Aug 2025	30 September 2025	29 October 2025	11 December 2025	27 January 2026	12 February 2026	25 February 2026	12 March 2026	31 March 2026
ANC	x		CN Lichaba	Y	Y	Y	Y	Y	Y	Y	Y	A	Y
ANC	x		NV Gungubele	Y	Y	A	Y	Y	Y	Y	Y	Y	Y
ANC	x		S De Vries	Y	A	Y	Y	Y	Y	Y	Y	Y	A
DA	x		F September	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
DA	x		G Wolmarans	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
DA	x		JG Meiring	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
DA	x		A Stroebel (resigned on 31 October 2025) and was replaced by M Jansen as of 12 November 2025	Y	Y	Y	Y		Y	Y	Y	Y	Y
DA	x		NS Ndayi	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
DA	x		K Malooi	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
DA	x		P Terblanche	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
ICOSA	x		J Cornelius	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
GOOD	X		A Oktober (resigned on 26 March and was replaced by SN Bentley as of 01 April 2026)	Y	Y	Y	Y	Y	Y	Y	Y	Y	n/a
PBI	X		AR Marbi	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Freedom Front Plus	X		D Acker	Y	Y	Y	Y	A	A	Y	Y	Y	Y
George		x	R Windwaai	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
George		x	R Louw	Y	Y	Y	Y	Y	Y	Y	Y	A	Y
George		x	M Kruger	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
George		x	SM Toto	Y	Y	Y	Y	Y	A	Y	Y	Y	AWL
George		x	DL Cronje (was recalled on 24 November 2025 and was replaced by J Fry as of 18 December 2025)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
George		x	DB Coeries	A	Y	Y	Y	Y	Y	Y	A	Y	Y
Hessequa		x	J Hoogbaard	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Hessequa		x	CP Taute	Y	Y	A	Y	Y	Y	Y	A	Y	Y
Kannaland		x	WP Meshoa	Y	Y	Y	Y	Y	Y	A	Y	Y	AWL
Knysna		x	HT Stroebel	Y	A	Y	Y	Y	Y	Y	Y	Y	Y

Party	PR	Part	Councillor	29 July 2025	22 Aug 2025	30 September 2025	29 October 2025	11 December 2025	27 January 2026	12 February 2026	25 February 2026	12 March 2026	31 March 2026
Knysna		x	P Petros (resigned on 11 September 2025) / L Nohana joined on 01 December 2025)	Y	A	n/a	n/a	n/a	Y	Y	Y	Y	Y
Knysna		x	RW Arends (resigned on 11 September 2025)	Y	A								
Mossel Bay		x	MA Mkonto	Y	Y	Y	Y	Y	A	Y	Y	Y	Y
Mossel Bay		x	M Kannemeyer	Y	Y	Y	A	Y	Y	Y	Y	Y	Y
Mossel Bay		x	J Bavuma	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mossel Bay		x	RH Ruiters	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Oudtshoorn		x	V Donson	Y	Y	A	Y	Y	Y	Y	Y	Y	Y
Oudtshoorn		x	JC Lambaatjeen	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Oudtshoorn		x	J van der Ross	Y	A	Y	Y	Y	Y	Y	Y	Y	Y
Bitou		x	S Mangxaba	Y	A	Y	Y	Y	Y	A	Y	Y	Y
Bitou		x	D Swart	Y	Y	Y	Y	Y	Y	Y	Y	Y	A

Party	PR	Part	Councillor	Special Council 31 March 2026	28 April 2026	27 May 2026	24 June 2026
ANC	x		CN Lichaba	A	Y	Y	Y
ANC	x		NV Gungubele	A	A	Y	Y
ANC	x		S De Vries	A	Y	Y	A
DA	x		F September	Y	Y	Y	Y
DA	x		G Wolmarans	Y	Y	Y	Y
DA	x		JG Meiring	Y	Y	Y	Y
DA	x		M Jansen	Y	Y	Y	Y
DA	x		NS Ndayi	Y	Y	Y	Y
DA	x		K Malooi	Y	Y	Y	Y
DA	x		P Terblanche	Y	Y	Y	Y
ICOSA	x		J Cornelius	Y	Y	Y	Y
GOOD	X		SN Bentley	n/a	Y	Y	Y
PBI	X		AR Marbi (resigned on 14 May 2026) was replaced by VD Carolus as of 09 June 2026)	X	A	n/a	Y
Freedom Front Plus	X		D Acker	Y	Y	A	Y
George		x	J Fry	AWL	Y	AWL	Y
George		x	R Louw	Y	Y	Y	Y
George		x	M Kruger	Y	Y	Y	Y
George		x	SM Toto	A	Y	Y	A

Party	PR	Part	Councillor	Special Council 31 March 2026	28 April 2026	27 May 2026	24 June 2026
George		x	DB Coeries	Y	Y	Y	Y
George		x	R Windwaai	Y	A	Y	Y
Hessequa		x	J Hoogbaard	Y	Y	Y	Y
Hessequa		x	CP Taute	A	A	A	A
Kannaland		x	WP Meshoa	AWL	Y	Y	Y
Knysna		x	HT Stroebel	Y	Y	Y	Y
Knysna		x	L Nohana	A	Y	Y	Y
Knysna		x	VACANT				
Mossel Bay		x	MA Mkonto	A	Y	Y	Y
Mossel Bay		x	M Kannemeyer	Y	Y	Y	Y
Mossel Bay		x	J Bavuma	Y	A	Y	Y
Mossel Bay		x	RH Ruiters	Y	Y	Y	Y
Oudtshoorn		x	V Donson	Y	Y	Y	Y
Oudtshoorn		x	JC Lambaatjeen	Y	Y	Y	Y
Oudtshoorn		x	J van der Ross	A	Y	Y	AWL
Bitou		x	S Mangxaba	A	Y	Y	Y
Bitou		x	D Swart	Y	Y	Y	Y

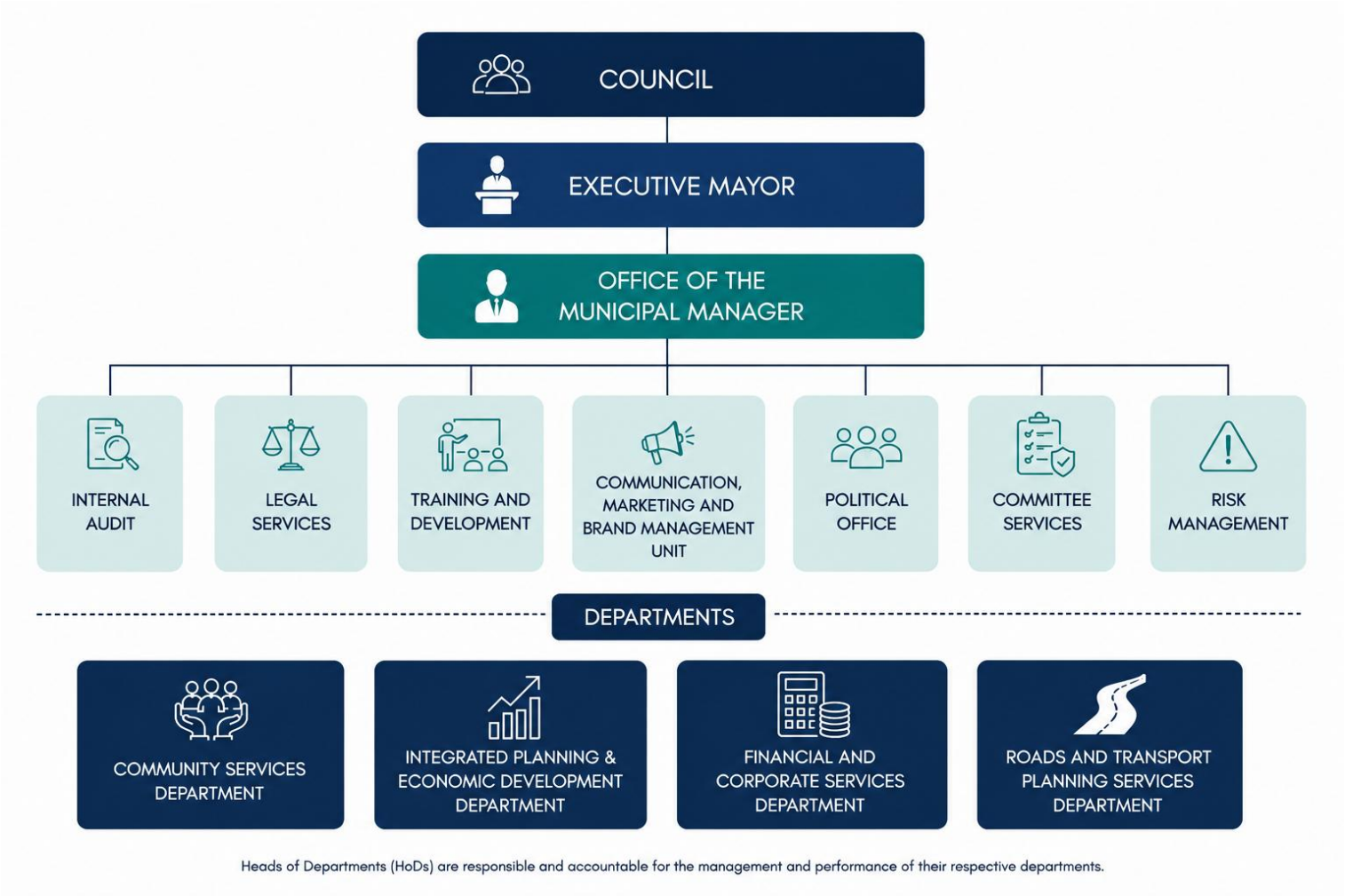
MAYORAL COMMITTEE MEETINGS: 01 JULY 2025 UNTIL 30 JUNE 2026

Councillors	28 July 2025	22 Aug 2025	29 Sept 2005	29er 2024	28 Oct 2025	26 Jan 2026	23 Feb 2026	30 March 2026	28 April 2026	25 May 2026	24 June 2026
Ald Andrew Stroebel (Resigned 31 October 2025)	Y	Y	Y	Y	Y						
Ald M Kruger (elected as Mayor as from 11 November 2025						Y	Y	Y	Y	Y	Y
Ald Vlancio Donson	Y	Y	A	A	Y	Y	Y	Y	Y	Y	Y
Ald Rosina Ruiters	Y	Y	Y	Y	Y	Y	Y	A	Y	Y	Y
Cllr Jobieth Hoogbaard	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Ald Dave Swart	Y	Y	Y	Y	Y	Y	Y	A	Y	Y	Y
Ald N Ndayi	Y	Y	Y	Y	A	Y	Y	Y	Y	Y	Y
Cllr Hilton Stroebel	Y	A	A	Y	Y	Y	Y	Y	Y	Y	Y
Ald Werner Meshoa	Y	Y	Y	Y	Y	Y	A	Y	Y	Y	Y
Cllr Daniel Cronje (was recalled on 24 November 2025 and was replaced by J Fry as of 18 December 2025) / Cllr J Fry	Y	Y	Y	Y	Y	Y	Y	Y	AWL	Y	AWL

APPENDIX B: COMMITTEE AND COMMITTEE PURPOSE

Addressed under 2.1.7

APPENDIX C: THIRD TIER ADMINISTRATIVE STRUCTURE



APPENDIX D: FUNCTIONS OF GARDEN ROUTE DM

2025/26Functions of Garden Route DM		
Municipal Functions	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
According to the Constitution, Schedule 4, Part B.		
Air Pollution	Yes	Department: Community Services
Child Care Facilities	Yes	Department: Community Services
Electricity and Gas Reticulation	No	N/A
Firefighting Services	Yes	Department: Community Services

2025/26Functions of Garden Route DM		
Municipal Functions	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Local Tourism	Yes	Department: Integrated Planning & Economic Development
Municipal Planning	Yes	Department: Integrated Planning & Economic Development
Municipal Health Services	Yes	Department: Community Services
Municipal Public Transport	Yes	Department: Roads Services
Municipal Public Works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	Department: Roads Services
Storm water Management Systems in built-up areas	No	N/A
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	N/A
Municipal Airports	No	N/A
Trading Regulations	No	N/A
Building Regulations	No	N/A
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No	N/A
Constitution Schedule 5, part B functions		
Licensing and control of undertakings that sell food to the public	Yes	Department: Community Services
Municipal roads	Yes	Garden Route DM, however, only upgrade and maintain provincial roads
Beaches and amusement facilities	No	N/A
Billboards and the display of advertisements in public places	No	N/A
Cemeteries, funeral parlours and crematoria	No	N/A
Cleansing	No	N/A
Control of public nuisances	No	N/A
Control of undertakings that sell liquor to the public	No	N/A
Facilities for the accommodation, care and burial of animals	No	N/A

2025/26Functions of Garden Route DM		
Municipal Functions	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Fencing and fences	No	N/A
Licensing of dogs	No	N/A
Local amenities	No	N/A
Local sport facilities	No	N/A
Markets	No	N/A
Municipal abattoirs	No	N/A
Municipal parks and recreation	No	N/A
Noise pollution	No	N/A
Pounds	No	N/A
Public places	No	N/A
Refuse removal, refuse dumps and solid waste disposal	No	N/A
Street trading	No	N/A
Street lighting	No	N/A
Traffic and parking	No	N/A

APPENDIX E: WARD REPORTING

N/A

APPENDIX F: WARD INFORMATION

N/A

APPENDIX G: MUNICIPAL AUDIT AND PERFORMANCE AUDIT COMMITTEE RECOMMENDATIONS

Date of Meeting	Committee recommendations during year 2025/26	Recommendations adopted (enter Yes) If not adopted (provide explanation)
27 August 2025	APAC takes note of the content of the report. **(ITEM: PRESENTATIONN OF THE FINAL AUDIT REPORT FOR 2023/2024 FINANCIAL YEAR BY THE OFFICE OF THE AGSA)**	Yes
	APAC takes note of the content of the report. **(ITEM: ANNUAL REP0ORT FOR 2023/2024 FINANCIAL YEAR)**	Yes
	APAC takes note of the content of the report. **(ITEM: DRAFT UNAUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024)**	Yes
02 October 2025	APAC takes note of the contents of the FMR submitted for the month ending 31 August 2025. **(ITEM: SEC 71 FINANCIAL MANAGEMENT REPORT (FMR))**	Yes
	APAC takes note of the current status of the litigation matters. **(ITEM: STATUS QUO ON CURRENT LITIGATION CASES)**	Yes
	1. APAC discussed the updated policy register for the period July – Sept 2025 2. That the Standard Operating Procedure for Policy Development and the Draft Consequence Management Policy be distributed to the members of the committee. **(ITEM: UPDATED POLICY REGISTER OF GRDM JULY – SEPT 2025)**	Yes No
	APAC takes note of the progress pm the Garden Route Regional Waste Management Facility project. **(ITEM: PROGRESS REPORT ON THE GARDEN ROUTE REGIONAL WASTE MANAGEMENT FACILITY PROJECT)**	Yes
	APAC takes note of the content of the report. **(ITEM: REPORT ON PERFORMANCE MANAGEMENT FOR QUARTER 4 OF 2024/2025)**	Yes
	APAC takes note of the content of the report. **(ITEM: REPORT ON OPCAR FOR 2023/2024 FINANCIAL YEAR)**	Yes
	1. APAC takes note of the content of the report. 2. APAC approves the QAIP for implementation	Yes

Date of Meeting	Committee recommendations during year 2025/26	Recommendations adopted (enter Yes) If not adopted (provide explanation)
	(ITEM: REPORT ON QUALITY ASSURANCE AND IMPROVEMENT PROGRAM)	
	APAC takes note of the content of the report. **(ITEM: REPORT ON INFORMATION AND COMMUNICATION TECHNOLOGY)**	Yes
	APAC takes note of the content of the report. **(ITEM: FOLLOW-UP REPORT ON HUMAN RESOURCE – LEAVE MANAGEMENT AND TRAINING AND SKILLS DEV)**	Yes
	APAC takes note of the content of the report. **(ITEM: REPORT ON HR – RECRUITMENT AND SELECTION)**	Yes
	APAC takes note of the content of the report. **(ITEM: REPORT ON ERADICATION OF ALIEN VEGETATION)**	Yes
	APAC takes note of the content of the report. **(ITEM: REPORT ON SUPPLY CHAIN MANAGEMENT)**	Yes
	APAC takes note of the content of the report. **(ITEM: FOLLOW-UP REPORT ON MUNICIPAL HEAL – COA'S)**	Yes
	APAC takes note of the content of the report. **(ITEM: REPORT ON GRANT MANAGEMENT)**	Yes
	APAC takes note of the content of the report. **(ITEM: REPORT ON EXPENDITURE MANAGEMENT)**	Yes
	APAC takes note of the content of the report. **(ITEM: REPORT ON MSCOA COMPLIANCE)**	Yes
	APAC takes note of the content of the report. **(ITEM: REPORT ON INSURANCE)**	Yes
	APAC takes note of the content of the progress made on the RBAP for the 2025/2025 financial year. **(ITEM: REPORT ON IMPLEMENTATION OF RISK BASED INTERNAL AUDIT PLAN FOR 2024/2025)**	Yes
	1. APAC reviews the contents of the Strategic Internal Audit Plan for the period 2023-2026 and Operational Plan for 2025/2026 financial year	Yes

Date of Meeting	Committee recommendations during year 2025/26	Recommendations adopted (enter Yes) If not adopted (provide explanation)
	2. APAC approve the Operational Plan for 2025/2026 financial year for implementation. **(ITEM: STRATEGIC INTERNAL AUDIT PLAN FOR THE PERIOD JULY 2023 – JUNE 2026 AND OPERATIONAL PLAN FOR THE 2025/2026 FINANCIAL YEAR)**	
24 November 2025	1. APAC notes the findings made by the AGSA and the responses argued by GRDM on the related two COMAFS's 2. APAC have no objections that management dispute the AGSA findings **(ITEM: STATUS UPDATE ON THE PROGRESS OF THE AGSA FINDINGS RELATING TO THE TREATMENT OF SCM REG 13 & THE ROADS VAT MATTER)**	Yes
05 February 2026	APAC notes the tabling of the 2024/2025 Annual Report and Initiate the oversight process as required in terms of Sec 129 of the MFMA **(ITEM: ANNUAL REPORT FOR 2024/2025 FINANCIAL YEAR)**	Yes
	That APAC take note of the content of the report **(ITEM: REPORT ON THE OPERATION CLEAN AUDIT REPORT (OPCAR) FOR 2024/2025 FINANCIAL YEAR)**	Yes
24 April 2026	APAC takes note of the contents of the FMR submitted for the month ending 31 March 2026. **(ITEM: SEC 71 FINANCIAL MANAGEMENT REPORT (FMR))**	Yes
	APAC takes note of the current status of the litigation matters. **(ITEM: STATUS QUO ON CURRENT LITIGATION CASES FOR THE PERIOD JAN – MARCH 2026)**	Yes
	That APAC take note of the content of the report **(ITEM: ALIGNMENT OF POLICY REGISTER WITH THE GRDM WEBSITE FROM JANUARY – MARCH 2026)**	Yes
	That APAC take note of the quarterly report on the implementation of the budget and the financial affairs of the municipality for the year to date and the quarter ending 31 March 2026. **(ITEM: SECTION 52 REPORT)**	Yes
	That APAC take note of the Interim Financial Statements for the period ended 31 December 2025.	Yes

Date of Meeting	Committee recommendations during year 2025/26	Recommendations adopted (enter Yes) If not adopted (provide explanation)
	(ITEM: INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31 DECEMBER 2025)	
	That APAC take note of the content of the report **(ITEM: AUDIT REPORT ON LAWS AND REGULATIONS)**	Yes
	That APAC take note of the content of the report **(ITEM: REPORT ON OPCAR FOR 2024/2025)**	Yes
	That APAC take note of the content of the report **(ITEM: FOLLOW-UP REPORT ON INFORMATION, COMMUNICATION AND TECHNOLOGY)**	Yes
	That APAC take note of the content of the report **(ITEM: AUDIT REPORT ON DISASTER MANAGEMENT)**	Yes
	That APAC take note of the content of the report **(ITEM: AUDIT REPORT ON INSURANCE MANAGEMENT)**	Yes
	That APAC take note of the content of the report **(ITEM: INTERNAL AUDIT REVIEW OF THE 2023/2024 IRREGULAR EXPENDITURE ON UPPER LIMITS)**	Yes
	That APAC take note of the content of the report **(ITEM: AUDIT REPORT ON PERFORMANCE MANAGEMENT FOR QUARTERS 1 – 3 OF 2025/2026)**	Yes
	That APAC take note of the content of the progress made on the RBAP for the 2025/2026 financial year. **(ITEM: IMPLEMENTATION OF THE RISK BASED INTERNAL AUDIT PLAN FOR 2025/2026)**	Yes

APPENDIX H: LONG TERM CONTRACTS AND PUBLIC-PRIVATE PARTNERSHIPS

Council has not entered into any long term contracts or Public Private Partnerships in the financial year 2025/26.

APPENDIX I: MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE SCHEDULE

N/A – no municipal entities

APPENDIX J: DISCLOSURES OF FINANCIAL INTERESTS

Declaration of interest is undertaken by all personnel in the employ of Council including Political staff and the councillors. There is various control measures put in place to allow employees to disclose any financial interest before any matters are discussed that may be of relevance to them. This would be in any of the Supply Chain Management Committee meetings or any of the council meetings. Any matters where there is conflict of interest identified is addressed through the office of the Municipal Manager and disclosed accordingly in the Annual Financial Statements.

APPENDIX K(I): REVENUE COLLECTION PERFORMANCE BY VOTE

2025/26

Vote Description	2025/26				2024/25
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Restated Audited Outcome
Revenue by Vote					
Vote 1 - Office of the Municipal Manager	74 390	(2 643)	71 746	480 971	222 851
Vote 2 - Office of the Municipal Manager (cont)	–	–	–	–	–
Vote 3 - Financial Services	49 644	(18 969)	30 675	–	2 499
Vote 4 - Financial Services (cont)	–	–	–	–	20
Vote 5 - Corporate Services	39 949	(1 128)	38 821	–	1 882
Vote 6 - Corporate Services (cont)	9 644	5 561	15 205	–	13 184
Vote 7 - Community Services	57 341	(3 734)	53 607	–	3 038
Vote 8 - Community Services (cont)	80 194	(32 788)	47 406	–	17 801
Vote 9 - Planning and Economic Development	3 075	–	3 075	–	4 922
Vote 10 - Planning and Economic Development (cont)	10 258	6 472	16 729	–	11 747
Vote 11 - Planning and Economic Development(cont2)	16 138	(1 047)	15 091	–	4 307
Vote 12 - Roads	216 780	(15 695)	201 085	–	177 024
Vote 13 - Roads (cont)	–	–	–	–	–
Vote 14 - Community Services (cont 2)	–	–	–	–	–
Vote 15 -	–	–	–	–	–
Total Revenue by Vote	**557 413**	**(63 972)**	**493 442**	**480 971**	**459 275**

2024/25

Vote Description	2024/25				2023/24
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Restated Audited Outcome
Revenue by Vote					
Vote 1 - Office of the Municipal Manager	253 317	(29 065)	224 252	222 851	240 625
Vote 2 - Office of the Municipal Manager (cont)	–	–	–	–	–
Vote 3 - Financial Services	4 359	1 096	5 454	2 499	1 764
Vote 4 - Financial Services (cont)	–	(0)	(0)	20	(14)
Vote 5 - Corporate Services	2 299	5 924	8 222	1 882	1 590
Vote 6 - Corporate Services (cont)	1 042	8 261	9 303	13 184	929
Vote 7 - Community Services	580	3 133	3 713	3 038	474
Vote 8 - Community Services (cont)	5 717	26 234	31 951	17 801	2 635
Vote 9 - Planning and Economic Development	37	5 071	5 108	4 922	37
Vote 10 - Planning and Economic Development (cont)	11 945	3 105	15 050	11 747	10 182
Vote 11 - Planning and Economic Development(cont2)	4 463	126	4 589	4 307	3 540
Vote 12 - Roads	196 860	3 660	200 520	177 024	182 533
Vote 13 - Roads (cont)	–	–	–	–	–
Vote 14 -	–	–	–	–	–
Vote 15 -	–	–	–	–	–
Total Revenue by Vote	**480 618**	**27 545**	**508 163**	**459 275**	**444 296**

APPENDIX K (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

2025/26

Description	2025/26				2024/25
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Restated Audited Outcome
Revenue By Source					
Exchange Revenue					
Service charges - Electricity	–	–	–	–	–
Service charges - Water	–	–	–	–	–
Service charges - Waste Water Management	–	–	–	–	–
Service charges - Waste Management	47 855	(47 855)	–	–	–
Sale of Goods and Rendering of Services	21 280	9 450	30 730	23 278	23 671
Agency services	22 763	(4 833)	17 930	227 919	192 234
Interest		–	–	–	–
Interest earned from Receivables	6 711	1 036	7 747	7 087	5 379
Interest earned from Current and Non Current Assets	14 385	(5 797)	8 588	11 396	16 541
Dividends		–	–	–	–
Rent on Land	593	117	710	594	481
Rental from Fixed Assets	3 199	(1 074)	2 126	1 246	1 324
Licence and permits	165	–	165	108	–
Operational Revenue	217 188	(17 515)	199 673	2 856	1 106
Non-Exchange Revenue					
Property rates	–	–	–	–	–
Surcharges and Taxes	–	–	–	–	–
Fines, penalties and forfeits	–	–	–	–	–
Licences or permits	–	–	–	–	309
Transfer and subsidies - Operational	214 504	6 311	220 814	203 578	210 403
Interest	–	–	–	–	–
Fuel Levy	–	–	–	–	–
Operational Revenue	–	–	–	–	–
Gains on disposal of Assets	1 350	(1 350)	–	–	–
Other Gains	4 420	(4 212)	209	204	203
Discontinued Operations	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	**554 413**	**(65 722)**	**488 692**	**478 265**	**451 650**

2024/25

Description	2024/25				2023/24
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Restated Audited Outcome
Revenue By Source					
Exchange Revenue					
Service charges - Electricity	–	–	–	–	–
Service charges - Water	–	–	–	–	–
Service charges - Waste Water Management	–	–	–	–	–
Service charges - Waste Management	–	13 051	13 051	–	–
Sale of Goods and Rendering of Services	16 875	2 923	19 797	23 671	13 340
Agency services	24 214	–	24 214	192 234	201 022
Interest	–	–	–	–	–
Interest earned from Receivables	6 224	2 053	8 277	5 379	5 222
Interest earned from Current and Non Current Assets	12 017	6 247	18 263	16 541	12 400
Dividends	–	–	–	–	–
Rent on Land	495	64	559	481	495
Rental from Fixed Assets	1 763	129	1 892	1 324	1 010
Licence and permits	–	–	–	309	–
Operational Revenue	201 316	416	201 732	1 106	1 589
Non-Exchange Revenue					
Property rates	–	–	–	–	–
Surcharges and Taxes	–	–	–	–	–
Fines, penalties and forfeits	–	108	108	2 568	–
Licences or permits	71	571	642	–	68
Transfer and subsidies - Operational	214 786	(1 670)	213 116	210 403	196 275
Interest	–	–	–	–	–
Fuel Levy	–	–	–	–	–
Operational Revenue	–	–	–	–	–
Gains on disposal of Assets	–	(623)	(623)	–	–
Other Gains	(1 343)	3 564	2 221	203	234
Discontinued Operations	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	**476 418**	**26 832**	**503 250**	**454 219**	**431 655**

APPENDIX L: CONDITIONAL GRANTS RECEIVED EXCLUDING MIG

APPENDIX B
GARDEN ROUTE DISTRICT MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2025	Correction of Error	Restated Balance 30 June 2025	Contributions during the year	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	VAT on Grants	Balance 30 June 2026	Unspent 30 June 2026 (Creditor)	Unpaid 30 June 2026 (Debtor)
National Government Grants											
Equitable Share	-	-	-	188 026 000	-	(188 026 000)	-	-	-	-	-
Local Government Financial Management Grant	48 386	-	48 386	1 000 000	(48 000)	(620 751)	-	-	379 634	379 634	-
Expanded Public Works Programme Integrated Grant	-	-	-	2 293 000	-	(2 185 498)	-	-	107 502	107 502	-
Energy Efficiency and Demand-side Management Grant	-	-	-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	-	-	-	3 398 000	-	(3 297 013)	-	-	100 987	100 987	-
Total National Government Grants	**48 386**	**-**	**48 386**	**194 717 000**	**(48 000)**	**(194 129 262)**	**-**	**-**	**588 124**	**588 124**	**-**
Provincial Government Grants											
Integrated Transport Planning	224	-	224	982 000	(224)	(560 556)	-	-	421 444	421 444	-
Municipal Accreditation and Capacity Building Grant (Human Settlements)	(1 281 419)	-	(1 281 419)	-	-	(1 362 381)	-	-	(2 643 800)	-	(2 643 800)
Fire Service Capacity Building Grant	1 750 000	-	1 750 000	3 000 000	-	-	(2 706 614)	-	2 043 386	2 043 386	-
Municipal Service Delivery and Capacity Building Grant (Agro-processing Support)	-	-	-	-	-	-	-	-	-	-	-
Municipal Service Delivery and Capacity Building Grant (Disaster Management Internship)	200 000	-	200 000	-	-	(193 279)	-	-	6 721	6 721	-
Western Cape Municipal Interventions Grant (Disaster Management Internship)	-	-	-	-	-	-	-	-	-	-	-
Municipal Water Resilience Grant	333 970	-	333 970	-	(333 970)	-	-	-	0	0	-
Safety Initiative Implementation - Whole of Society Approach (WOSA)	43 295	-	43 295	1 000 000	(43 295)	(841 512)	-	-	158 488	158 488	-
Western Cape Financial Management Capability Grant (Bursary Programme)	203 128	-	203 128	150 000	(3 128)	(133 750)	-	-	216 250	216 250	-
Total Provincial Government Grants	**1 249 198**	**-**	**1 249 198**	**5 132 000**	**(380 617)**	**(3 091 477)**	**(2 706 614)**	**-**	**202 489**	**2 846 289**	**(2 643 800)**
Total Grants	**1 297 584**	**-**	**1 297 584**	**199 849 000**	**(428 617)**	**(197 220 740)**	**(2 706 614)**	**-**	**790 613**	**3 434 413**	**(2 643 800)**

APPENDIX M: CAPITAL EXPENDITURE - NEW AND UPGRADE / RENEWAL PROGRAMMES

N/A

APPENDIX M (I): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

The capital expenditure was spent on the below:

Details of capital expenditure		
1	Construction of the Regional Waste Management Facility	R51 240 138
2	Hazardous Materials Equipment	R559 960
3	Building of Disaster Management Store	R503 552
4	Equipment	R287 451
5	Desktop Computers (PC)	R85 536
Other assets	Other Assets	R122 619

APPENDIX M (II) CAPITAL EXPENDITURE - UPGRADE / RENEWAL PROGRAMME

N/A

APPENDIX N: CAPITAL PROGRAM BY PROJECT YEAR 1

Limited funding is available for capital projects. The major project that is currently in progress is the establishment of a regional landfill site in Mossel Bay that will be funded by external loan funding.

CAPITAL EXPENDITURE – MUNICIPAL AND ENVIRONMENTAL HEALTH

Capital Projects	2025/26 (R'000)				
	Budget	Adjustment Budget	Actual Expenditure	Variance from budget	Total Project Value
Municipal Health	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)					

CAPITAL EXPENDITURE – CORPORATE SERVICES

Capital Projects	2025/26 (R'000)				
	Budget	Adjustment Budget	Actual Expenditure	Variance from budget	Total Project Value
Corporate Services	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)					

CAPITAL: BULK SERVICES

Capital expenditures incurred on the regional waste management facility.

Capital Projects	2025/26 (R'000)				
	Budget	Adjustment Budget	Actual Expenditure	Variance from budget	Total Project Value
Regional waste management facility	105 571	67 122	51 240	15 882	383 666
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)					

CAPITAL: ICT

Capital Projects	2025/26 (R'000)				
	Budget	Adjustment Budget	Actual Expenditure	Variance from budget	Total Project Value
ICT	200	200	199	1	200

Capital Projects	2025/26 (R'000)				
	Budget	Adjustment Budget	Actual Expenditure	Variance from budget	Total Project Value
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)					

CAPITAL EXPENDITURE – FINANCIAL SERVICES

Capital Projects	2025/26 (R'000)				
	Budget	Adjustment Budget	Actual Expenditure	Variance from budget	Total Project Value
Financial Services	150	174	9	165	174
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)					

CAPITAL EXPENDITURE – EPWP

Capital Projects	2025/26 (R'000)				
	Budget	Adjustment Budget	Actual Expenditure	Variance from budget	Total Project Value
EPWP	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)					

CAPITAL EXPENDITURE – FIRE FIGHTING AND DISASTER MANAGEMENT

Capital Projects	2025/26 (R'000)				
	Budget	Adjustment Budget	Actual Expenditure	Variance from budget	Total Project Value
Fire Fighting and Disaster Management	3 000	4 750	1 351	3 399	5 500
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)					

CAPITAL EXPENDITURE – EXECUTIVE AND COUNCIL

Capital Projects	2025/26 (R'000)				
	Budget	Adjustment Budget	Actual Expenditure	Variance from budget	Total Project Value
Executive and Council	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)					

CAPITAL EXPENDITURE - MUNICIPAL RESORTS

Capital Projects	2025/26 (R'000)				
	Budget	Adjustment Budget	Actual Expenditure	Variance from budget	Total Project Value
Municipal Resorts	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)					

CAPITAL EXPENDITURE – HUMAN SETTLEMENTS

Capital Projects	2025/26 (R'000)				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Human Settlements	0	0	0	0	0

CAPITAL EXPENDITURE – PMU

Capital Projects	2025/26 (R'000)				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
PMU	0	0	0	0	0

APPENDIX O: CAPITAL PROGRAMME BY PROJECT BY WARD CURRENT YEAR

N/A – wards are not applicable to district municipalities.

APPENDIX P: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

N/A to District Municipalities

APPENDIX Q: SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF OVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

GDS/IDP Strategic Objective	George	Mossel Bay	Oudtshoorn	Knysna	Hessequa	Bitou	Kannaland
IDP: Skilled Workforce and Communities GDS: Supporting wellbeing and resilience	Schools are over crowded Building of and high school Building of primary school Provision of school bus for Kleinkrantz	Implement Skills programmes for the unemployed		Identify & examine feasibility of agricultural projects, related skills training & job opportunities	Early childhood development Education / schools needed	Upgrading south cape college to align its curriculum with the local economy. Tender processes Animal husbandry	
IDP: Bulk Infrastructure Co-ordination GDS: A circular economy GDS: A water secure future Sustainable local energy transition transport and rural-urban integration and ICT GDS: A connected economy	Lack of Roads Maintenance: Upgrading of gravel roads in previously disadvantaged areas		Various Human Settlements needs •Water Project in Volmoed and Kliplokasie •Water Reservoir	Low cost housing development Provision of secure Water & Sanitation Supply for Sedgefield Planning & Implementation of renewable energy projects by 2028: Photo-Voltaic & Waste to Energy – Bio-fuel	Housing project / need Sustainable water source management / planning	Upgrading of the road linking witted rift with the N2 Investigate the development of the WaDrift Dam Renewable energy Housing development Upgrading of rural roads Upgrading of intersection of beacon way and N2 highway Construction of a pedestrian from Kurland to crags Construction of street lights from	Renewable energy supplies needs to be considered, including but not limited to: solar, wind, and hydro power Housing and water quality needs to be relooked urgently, water purification system must be erected Replacement of asbestos roofs with tin roofs must be attended to The whole water system must be upgraded as well as the water infrastructure

GDS/IDP Strategic Objective	George	Mossel Bay	Oudtshoorn	Knysna	Hessequa	Bitou	Kannaland
						Kurland to the N2 highway Construction of a pedestrian walk-way and street-lights along Piesang Road to the N2 highway Upgrading of the gravel road from the N2 highway into harmony park (Harkeville)	Water dams and sewerage dam need to be fenced Water must be managed properly Sewerage blockages must be attended to The water storage capacity problem needs to be attended to by building a dam (drinking and irrigation water) New reservoir needs to be build, Water agents must be appointed to repair water leakages.
IDP: Growing an inclusive district economy. GDS: A connected economy: transport and rural-urban integration and ICT Resilient agriculture Sustainable tourism	Entrepreneurship Development Land for emerging farmers	More focus needed on township economy to improve small businesses and build infrastructure like beehives for street vendors in Asla.	•Agri-park in Vlakteplaas •Job opportunities for the youth •Tourism Opportunities (Small Businesses, Crafts, Guest-houses) •Upgrade or Further Develop De Rust Business Centre: (Banking Facilities, Retail shops, Post Office)	Create and implement job creation initiatives for unemployed residents and utilization of local skilled labour in municipal projects Establishment of an effective and affordable public transport system on major routes	Economic development planning Establishment of Business Chamber Destination Marketing of Hesseua Heritage management Land availability for agricultural use Tourism development	Funding for the development and implementation of a functional LED strategic plan. Support Bitou Municipality with the construction of the correctional facility Investigate the possible ocean economic opportunities from the Bitou coastline	Community must be supported with programs for self-empowerment and job creation projects for example Guest houses Reliable telecommunications networks provide access to learning and information opportunities in homes, schools, and workplaces.

GDS/IDP Strategic Objective	George	Mossel Bay	Oudtshoorn	Knysna	Hessequa	Bitou	Kannaland
				Establishment of a container village/entrepreneurial space	Transport planning	Investigate possible recycling project with the option of waste beneficiation Position Bitou Municipal area as a potential global call centre hub 6Mobilize the defence for to utilize the Bitou air strip and coastline for specialized training activities.	Business and industry embrace high-speed broadband networks to become more productive and innovative. Energy efficiency is promoted by telecommuting. Opportune the youth and informal business owners to register as a proper business and to transfer skills to others Support local businesses (Clorans Development) Tourism Indaba's There is a critical shortage of land for small farming initiatives (crops and livestock), The EPWP and CWP should be re-launched so that the general public could have a clearer understanding

GDS/IDP Strategic Objective	George	Mossel Bay	Oudtshoorn	Knysna	Hessequa	Bitou	Kannaland
							of the concept and process; these programmes should also be linked to the Integrated Waste Management of the Municipali
IDP:Healthy and socially stable communities GDS: Supporting wellbeing and resilience.	Housing opportunities for retired citizens Bushleepers – municipality need funding to monitor areas after hours Lack of clinics Clinic too small Health services for elderly and disabled	Request for playpark with an artificial turf for 5-aside soccer and netball pitch. Establish Neighbourhood Watch for all areas in Khayelitsha. SAPS to empower them through the Community Policing Forum.	Visibility of the Police or Alternatively a Police Station Mobile Police Stations Youth and women Development Centre at old Fezekile High School and the centre should be named after Michael Lucas the freedom fighter. Consider an Old Age Home Social program for the youth Upgrading of Sports facilities Hospices for Greater Oudtshoorn, TB is highly prevalent	Social Development; Sport & Recreation Development of a Youth Centre & Sports facilities Establishment of a fully resourced clinic facility Establishment of an adequately resourced Youth Advisory Centre in order to facilitate youth development programmes effectively Identify and encourage private & municipal land for middle & social income housing	Community safety and law enforcement Emergency services / service standards: Health / Ambulance / Safety Recreational / development programmes Increase housing allocation		Housing requests include the request for RDP houses and houses in general. Social infrastructure supports healthy lifestyles, learning opportunities, and community unity and social cohesion. Health infrastructure is readily available and meets community needs Strengthen the partnership with SAPS to create a more safe and clean town – Neighborhood watch needs to be placed in Zoar

GDS/IDP Strategic Objective	George	Mossel Bay	Oudtshoorn	Knysna	Hessequa	Bitou	Kannaland
			among the disadvantaged community Upgrading waiting shelter in front of the clinic. Ambulance station in De Rust Clinic in Rosedle				
IDP: Sustainable Environmental GDS: Management and Public Safety Supporting wellbeing and resilience	Introduction of satellite offices in respective areas to increase police visibility and improved services Establishment of neighbourwood watches	Removal of Asbestos roofs in JCC ''leaking and health hazard''	Investigate possibility of using grey water as alternative to irrigate gardens and sport fields	Alien Species Clearing Control Programme Removal of asbestos (old homes Fire hydrants Effective management plan to prevent degradation of the estuary	Environmental management / conservation	1.	Implementation of Advanced Waste Management Systems that reflect community values around waste minimisation. Air quality management needs to be managed more frequently with regards to pollution

APPENDIX R : DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

No loans or grants have been made by District Municipality for the year under review. Due to the financial constraints, there is no available funding to make available as loans or grants to other institutions.

APPENDIX S: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER THE MFMA S71

All MFMA Section 71 returns were made during the year according to reporting requirements.

APPENDIX T: NATIONAL AND PROVINCIAL OUTCOME FOR LOCAL GOVERNMENT

N/A

APPENDIX U: RISK MANAGEMENT REPORT FOR ANNUAL REPORT 2025/2026

REPORT FROM THE RISK MANAGEMENT COMMITTEE

It is with great pleasure that we present our annual report for the financial year ending 30 June 2026

1. RESPONSIBILITY

The GARDEN ROUTE DISTRICT MUNICIPALITY (hereinafter referred to as GRDM) has constituted its Risk Management Committee (hereafter referred to as the RMC) to function in terms of the provisions of Section 62 of the Municipal Finance Management Act, 2003 (MFMA).

The RMC is an advisory body to the Council, Audit Committee and Accounting officer, of the municipality on matters relating to internal financial control, risk management and effective governance, the MFMA and any other applicable legislation and issues.

The role of the RMC is to promote accountability and service delivery through evaluating and monitoring responses to risks and overseeing the effectiveness of the action plans and any emerging risks to the environment, including financial and performance reporting and compliance with legislation.

The RMC is also expected to review the RMC Charter and Risk Management policy to provide an authoritative and credible view of the municipality, its efficiency and effectiveness and its overall level of compliance with applicable legislation.

2. TERMS OF REFERENCE

The Municipal Finance Management Act section 62 and Treasury Regulations 3.2.1 requires the Accounting Officer to ensure that Garden Route District Municipality has and maintains an effective, efficient and transparent system of financial management, risk management and internal control, and that risks are assessed on a regular basis.

3. COMPOSITION OF THE RMC

At the beginning of the financial year for 01 July 2024, the RMC comprised of five members and one independent member (the Chairperson). The internal auditors had unrestricted access to the RMC during the year under review.

RMC Members:

1. Independent Member Adv L Mtunzi
2. Strategic Manager OMM (Chairperson): T Loliwe

3. Executive Manager: Financial and Corporate Services – Rian Boshoff
4. Executive Manager: Community Services – N Raisa-Mdlandu
5. Executive Manager: Planning and Economic Development – Lusanda Menze

   Executive Manager: Roads Services – John Daniels

The following risk committee meetings were held during the period under review:

Date of meeting	Chairperson T Loliwe	Member R Boshoff	Member N Raisa-Mdlandu	Member L Menze	Member J Daniels	Adv L Mtunzi
16 October 2025	Present	Present	Apology	Present	Apology	Present
22 April 2026 (Combined Q2 and Q3)	Apology	Present	Present	Present	Present	Apology
30 June 2026	Present	Present	Apology	Present	AWOL	Present

4. ACTIVITIES

The RMC carried out the following functions in terms of the charter:

1. formally define its roles and responsibilities with respect to risk management in its charter;
2. meet on a quarterly basis;
3. review and approve the risk appetite;
4. review and recommend to Council for approval, the risk management policy, strategy and implementation plan;
5. evaluate and amend all respective risk registers, including Covid19, Departmental and Strategic Risks;
6. advise council on how to improve management of the municipalities risks;
7. review risk management progress;
8. provide a timely and useful ERM report exported from the BarnOwl system to the Audit Committee. The report should contain the current top strategic risks of GRDM, which includes:
   - the key strategic & financial risks facing the municipality (All extreme and high inherent risk exposures);
   - the key operational risks per Strategic goal (minimum the top 5 identified risks); and
   - Any risk developments (changes) / incidents / losses; and recommendations to address any deficiencies identified.
9. measure and understand the municipality's overall exposure to IT risks and ensure that proper processes are in place; and

10. review the risk registers/ dashboard at each meeting and update the register's contents to reflect any changes without formally reassessing the risks as per the BarnOwl electronic system

The Municipality is now fully utilizing the Risk and Audit system (BarnOwl) throughout the District. The system is live and updating takes place as the incident happens or the risk emerges. Allowing the municipality to track risks and action plans continuously which ensures a more accurate and effective way of dealing with the risk culture.

Monitoring and evaluation has taken place at the following platforms: Risk Management Committee, Audit and Performance Committee, Municipal Public Accounts Committee and Council. We endeavor to include all our stakeholders in participating in driving this process to its full capability for our organisation.

Various structural amendments have taken place in the past financial year, one being the transfer of the Roads Agency function back to the Department of Infrastructure (DOI). This resulted in robust workshopping of the current risk environment and ultimately amendment to the departmental and organisational risk registers.
Although this transition is in process, departmental activities that supported the Roads Services continues as normal.

The upcoming municipal election is also taking up importance and we are proactively ensuring that we engage and are prepared.

CONCLUSION

We would like to thank the Municipal Manager, Mr Monde Stratu and his staff for the cooperation, support and goodwill that they showed towards the Risk Management Committee during this financial year and many more to come.

APPENDIX V: APAC REPORT FOR ANNUAL REPORT 2025/2026

Note: This section will be completed following the completion of the external audit process.

VOLUME II
ANNUAL FINANCIAL STATEMENTS

As at 20 August 2026

GARDEN ROUTE DISTRICT
MUNICIPALITY

UNAUDITED ANNUAL FINANCIAL STATEMENTS

30 JUNE 2026

GARDEN ROUTE DISTRICT MUNICIPALITY

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GARDEN ROUTE DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

GENERAL INFORMATION

LEGAL FORM

Municipality in terms of section 1 of the Local Government: Municipal Structures Act (Act 117 of 1998) read with section 155 (1) of the Constitution of the republic of South Africa. (Act 108 of 1996)

NATURE OF BUSINESS

Garden Route District Municipality is a district municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category C Municipality (District Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998). The demarcation code is DC04.

JURISDICTION

The Garden Route District Municipality includes the following municipalities:

Bitou Municipality
George Municipality
Hessequa Municipality
Kannaland Municipality
Knysna Municipality
Mossel Bay Municipality
Oudtshoorn Municipality

REGISTERED OFFICE

54 York Street
GEORGE
6529

TELEPHONE NUMBER	*044 803 1300*
E-MAIL ADDRESS	*info@gardenroute.gov.za*
MUNICIPAL WBESITE	*www.gardenroute.gov.za*

EXECUTIVE MAYOR

Alderman M Kruger

DEPUTY EXECUTIVE MAYOR

Alderman V Donson

SPEAKER

Alderlady GR Wolmarans

WHIP OF COUNCIL

Cllr K Malooi

MEMBERS OF THE EXECUTIVE COMMITTEE

Executive Mayor	*Alderman M Kruger*
Deputy Executive Mayor	*Alderman V Donson*
Whip of Council	*Cllr K Malooi*
Executive Councillor	*District Economic Development and Tourism: Alderlady RH Ruiters*
Executive Councillor	*Corporate Services: Ald NS Ndayi*
Executive Councillor	*Strategic Services: Alderman WP Meshoa*
Executive Councillor	*Financial Services: Alderman D Swart*
Executive Councillor	*Community Services: Cllr J Hoogbaard*
Executive Councillor	*Property Development and Management: Cllr HRT Stroebel*
Executive Councillor	*Infrastructure. Transport and Mobility: Cllr J Fry*

GARDEN ROUTE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026
GENERAL INFORMATION

LEGAL FORM

MEMBERS OF SECTION 79 COMMITTEE: MPAC

Chairperson	*Cllr J Cornelius*
Member	*Cllr F September*
Member	*Cllr MD Jansen*
Member	*Cllr JG Meiring*
Member	*Cllr M Kannemeyer*
Member	*Cllr R Windwaai*
Member	*Ald CN Lichaba*
Member	*Cllr CP Taute*
Member	*Cllr D Acker*
Member	*Cllr SN Bentley*
Member	*Cllr VD Carolus*

MUNICIPAL MANAGER

Ms Nthabeleng Raisa-Mlandu (Acting)

CHIEF FINANCIAL OFFICER

Mr. C.H.R. Boshoff

AUDITORS

Office of the Auditor General (WC)

PRINCIPLE BANKERS

Nedbank, George

ATTORNEYS

Raubenheimers Attorneys
Millers Attorneys
Schroter Attorneys
Coetzee Van der Berg Attorneys
Brand & van der Bergh Attorneys
Mutsetsho Attorneys
GMI Attorneys
McWilliams & Elliot Attorneys

AUDIT COMMITTEE

Chairperson	*Mr ABJ Dippenaar – Chairperson*
Member	*Adv L Mtunzi*
Member	*Mr C Lamprecht*
Member	*Adv E Page*

LEGAL FORM

RELEVANT LEGISLATION

Constitution (Act no.108 of 1998)
Basic Conditions of Employment Act (Act no 75 of 1997)
Collective Agreements
Division of Revenue Act
Electricity Act (Act no 41 of 1987)
Employment Equity Act (Act no 55 of 1998)
Housing Act (Act no 107 of 1997)
Infrastructure Grants
Municipal Budget and Reporting Regulations
Municipal Finance Management Act (Act no 56 of 2003)
Municipal Planning and Performance Management Regulations
Municipal Property Rates Act (Act no 6 of 2004)
Municipal Regulations on Standard Chart of Accounts
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Systems Amendment Act (Act no 7 of 2011)
Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) and regulations issued in terms of the Act)
SALBC Leave Regulations
Skills Development Levies Act (Act no 9 of 1999)
Supply Chain Management Regulations, 2005
The Income Tax Act
Unemployment Insurance Act (Act no 30 of 1966)
Value Added Tax Act
Water Services Act (Act no 108 of 1997)

MEMBERS OF THE GARDEN ROUTE DISTRICT MUNICIPALITY

WARD		COUNCILLOR
Proportional		*Cllr F September*
Proportional		*Ald GR Wolmarans*
Proportional		*Cllr JG Meiring*
Proportional		*Ald NS Ndayi*
Proportional		*Cllr MD Jansen*
Proportional		*Cllr K Malooi*
Proportional		*Ald P Terblanche*
Proportional		*Ald CN Lichaba*
Proportional		*Cllr NV Gungubele*
Proportional		*Ald S de Vries*
Proportional		*Cll JJ Cornelius*
Proportional		*Cllr SN Bentley*
Proportional		*Cllr D Acker*
Proportional		*Cllr VD Carolus*
Representative:	George Municipality	*Cllr R Louw*
Representative:	George Municipality	*Cllr J Fry*
Representative:	George Municipality	*Cllr R Windwaai*
Representative:	George Municipality	*Cllr SM Toto*
Representative:	George Municipality	*Ald M Kruger*
Representative:	George Municipality	*Cllr DB Coeries*
Representative:	Mossel Bay Municipality	*Cllr MA Mkonto*
Representative:	Mossel Bay Municipality	*Cllr M Kannemeyer*
Representative:	Mossel Bay Municipality	*Cllr J Bavuma*
Representative:	Mossel Bay Municipality	*Ald R Ruiters*

LEGAL FORM

MEMBERS OF THE GARDEN ROUTE DISTRICT MUNICIPALITY (CONTINUED)

Representative:	Oudtshoorn Municipality	*Ald JC Lambaatjeen*
Representative:	Oudtshoorn Municipality	*Ald V Donson*
Representative:	Oudtshoorn Municipality	*Cllr J van der Ross*
Representative:	Knysna Municipality	*Cllr HRT Stroebel*
Representative:	Knysna Municipality	*Vacant position*
Representative:	Knysna Municipality	*Cllr L Nohana*
Representative:	Hessequa Municipality	*Cllr J Hoogbaard*
Representative:	Hessequa Municipality	*Cllr CP Taute*
Representative:	Bitou Municipality	*Cllr S Mangxaba*
Representative:	Bitou Municipality	*Ald D Swart*
Representative:	Kannaland Municipality	*Ald WP Meshoa*

ABBREVIATIONS

ASB	Accounting Standards Board
COID	Compensation for Occupational Injuries and Diseases
DBSA	Development Bank of South Africa
DOI	Department of Infrastructure
DORA	Division of Revenue Act
GRAP	Generally Recognised Accounting Practice
GRDM	Garden Route District Municipality
HDF	Housing Development Act
LGSETA	Local Government Services Sector Education & Training Authority
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MPAC	Municipal Public Accounts Committee
mSCOA	Municipal Standard Chart of Accounts
MSIG	Municipal System Improvement grant
NDPG	Neighbourhood Development and Partnership Grant
SALGA	South African Local Government Association
SARS	South African Revenue Service

GARDEN ROUTE DISTRICT MUNICIPALITY

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements for the year ended 30 June 2026 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board.

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

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on and place considerable importance on maintaining a strong control environment. To enable me/us to meet these responsibilities, I/we have set standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

I am of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2026 and am satisfied that the Municipality can continue in operational existence for the foreseeable future.

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

In terms of Section 13G, read with regulation 12 of the B-BBEE Regulations, all spheres of government, public entities and organs of state must report on their compliance with broad-based black empowerment in their audited annual financial statements and annual reports.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements were prepared on the going concern basis and the Municipality has neither the intention nor the need to liquidate or curtail materially the scale of the Municipality.

Ms Nthabeleng Raisa-Mlandu (Acting) **Accounting Officer**	**Date**

GARDEN ROUTE DISTRICT MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2026

	Notes	2026 R	Restated 2025 R
ASSETS			
Non-Current Assets		**387 127 257**	**340 214 579**
Property, Plant and Equipment	2	320 277 982	273 276 861
Investment Property	3	65 621 771	65 730 481
Intangible Assets	4	1 211 840	1 191 571
Investments	5	15 665	15 665
Employee Benefits	11	-	-
Current Assets		**173 951 358**	**222 305 848**
Inventory	7	74 332	3 217 063
Receivables from Exchange Transactions	8	73 895 603	57 489 321
Unpaid Transfers and Subsidies	14	1 143 800	1 281 419
Operating Lease Asset	6	33 282	65 869
Taxes	15	3 775 111	1 577 209
VAT Receivable	15		
Current Portion of Non-Current Employee Benefits	11	3 664 100	3 664 100
Cash and Cash Equivalents	9	91 365 129	155 010 868
Total Assets		**561 078 615**	**562 520 426**
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		**289 269 716**	**270 696 570**
Long-term Borrowings	10	165 055 800	172 266 554
Non-current Employee Benefits	11	124 213 916	98 430 016
Current Liabilities		**87 974 192**	**74 557 102**
Current Employee Benefits	12	40 462 299	43 926 255
Trade and Other Payables from Exchange Transactions	13	36 376 200	27 455 687
Unspent Transfers and Subsidies	14	3 823 021	2 579 003
VAT Payable	15	-	-
Current Portion of Long-term Borrowings	10	7 312 672	596 158
Total Liabilities		**377 243 908**	**345 253 672**
Net Assets		**183 834 707**	**217 266 754**
Capital Replacement Reserve	17	9 213 054	9 213 054
Employee Benefits Reserve	17	58 753 347	58 753 347
Accumulated Surplus/(Deficit)		115 868 306	149 300 354
Total Net Assets and Liabilities		**561 078 615**	**562 520 426**

GARDEN ROUTE DISTRICT MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2026

	Notes	2026 R	Restated 2025 R
REVENUE			
Revenue from Non-exchange Transactions		**205 896 231**	**218 027 341**
Transfer Revenue		**198 983 745**	**203 137 868**
Government Grants and Subsidies	18	198 983 745	198 076 297
Contributed Property, Plant and Equipment	19	-	2 493 353
Fines, Penalties and Forfeits		-	2 568 218
Other Revenue		**6 912 486**	**14 889 472**
Government Incentives Received - Skills Mecca		6 912 486	14 889 472
Revenue from Exchange Transactions		**274 821 395**	**241 044 814**
Department of Infrastructure - Roads Service Charges	21	227 919 397	192 233 565
Sales of Goods and Rendering of Services	22	23 282 201	23 671 358
Rent on Land	23	410 998	481 309
Rental of Facilities and Equipment	24	1 408 040	1 324 166
Interest Earned - External Investments	25	11 750 767	16 540 501
Interest Earned - Exchange Transactions	26	7 086 617	5 379 004
Licences and Permits	20	107 523	308 600
Operational Revenue	27	2 855 852	1 106 311
Total Revenue		**480 717 626**	**459 072 155**
EXPENDITURE			
Employee related costs	28	(310 908 147)	(309 453 321)
Remuneration of Councillors	29	(13 896 685)	(13 953 179)
Bad Debts Written Off	30	(7 934 087)	(1 613 949)
Contracted Services	31	(36 873 385)	(28 160 041)
Depreciation and Amortisation	32	(7 061 501)	(7 135 055)
Finance Costs	33	(104 604)	(434 547)
Inventory Consumed	7.1	(46 967 715)	(46 498 111)
Operating Leases		(14 400)	(88 457)
Transfers and Subsidies	34	(3 928 930)	(8 903 581)
Operational Costs	35	(66 896 534)	(47 216 796)
Total Expenditure		**(494 585 986)**	**(463 457 038)**
Operating Surplus/(Deficit) for the Year		**(13 868 361)**	**(4 384 883)**
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	7,2	203 656	202 974
Actuarial Gains / (Losses)	11	(20 006 300)	(4 135 784)
Reversal of Impairment Loss/(Impairment Loss) on Receivables	36	-	(17 487 996)
Gains/(Loss) on Sale of Fixed Assets	37	238 957	(172 135)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	38	-	(430 100)
NET SURPLUS/(DEFICIT) FOR THE YEAR		**(33 432 047)**	**(26 407 924)**

GARDEN ROUTE DISTRICT MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2026

	Capital Replacement Reserve	Employee Benefits Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R
Balance at 1 July 2024	**2 606 941**	**35 183 127**	**204 722 792**	**242 512 859**
Restated balance	2 606 941	35 183 127	204 722 792	242 512 859
Net Surplus/(Deficit) for the year	-	-	(25 246 105)	(25 246 105)
Net Surplus/(Deficit) previously reported	-	-	(26 407 924)	(26 407 924)
Effects of Correction of Errors - note 39	-	-	1 161 819	1 161 819
Change in Accounting Policy - note 40	-	-	-	-
Transfer to/from CRR	7 135 055	-	(7 135 055)	-
Transfer to/from Employee Benefits Reserve	-	23 570 219	(23 570 219)	-
Property, Plant and Equipment purchased	(528 941)	-	528 941	-
Balance at 30 June 2025	**9 213 055**	**58 753 347**	**149 300 354**	**217 266 754**
Effects of Correction of Errors - note 39	-	-	-	-
Change in Accounting Policy - note 40	-	-	-	-
Restated balance	**9 213 055**	**58 753 347**	**149 300 354**	**217 266 754**
Remeasurement due to the implementation of GRAP 104 (revised)				
Net Surplus/(Deficit) for the year	-	-	(33 432 047)	(33 432 047)
Transfer to/from CRR	-		-	-
Transfer to/from Employee Benefits Reserve	-	-	-	-
Property, Plant and Equipment purchased	-	-	-	-
Balance at 30 June 2026	**9 213 055**	**58 753 347**	**115 868 306**	**183 834 707**

GARDEN ROUTE DISTRICT MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2026

	Notes	2026 R	Restated 2025 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts		458 220 099	499 484 199
Other Revenue		231 676 227	263 555 594
Government - Operating		206 160 130	211 061 415
Government - Capital		1 546 358	2 947 686
Interest Earned - Exchange Transactions		7 086 617	5 379 004
Interest earned Financial Instruments		11 750 767	16 540 501
Cash payments		(467 636 373)	(511 243 757)
Suppliers of goods and services		(140 683 036)	(125 137 618)
Employee related cost		(322 491 187)	(376 381 951)
Finance Charges	33	(104 604)	(434 547)
Government grants repaid		(428 617)	(386 059)
Transfers and Grants	34	(3 928 930)	(8 903 581)
Taxes			
Net Cash from Operating Activities	41	**(9 416 274)**	**(11 759 558)**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	2	(53 777 633)	(45 287 699)
Proceeds on Disposal of Fixed Assets			-
Purchase of Investment Properties		-	-
Purchase of Intangible Assets	4	(196 547)	(54 000)
Decrease (Increase) in Non-current receivables		-	-
Decrease (Increase) in Investments		-	-
Net Cash from Investing Activities		**(53 974 180)**	**(45 341 699)**
CASH FLOW FROM FINANCING ACTIVITIES			
Borrowing - Long term and Finance Leases		-	63 751 914
Repayment of Borrowings and Finance Leases		(494 239)	(8 455 363)
Net Cash from Financing Activities		**(494 239)**	**55 296 551**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(63 884 694)**	**(1 804 706)**
Cash and Cash Equivalents at the beginning of the year		155 010 868	156 815 575
Cash and Cash Equivalents at the end of the year	42	**91 365 129**	**155 010 868**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(63 645 736)**	**(1 804 706)**

GARDEN ROUTE DISTRICT MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2026

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Final Budget	Actual Outcome 2026	Variance as a % of Final Budget
			R	R	R	R	R	%
ASSETS								
Current Assets								
Cash and cash equivalents			56 897 867	55 842 852	112 740 719	112 740 719	91 365 129	-18,96%
Trade and other receivables from exchange transactions			64 507 677	(1 252 370)	63 255 307	63 255 307	73 895 603	16,82%
	Receivables from Exchange Transactions - Services							
Receivables from non-exchange transactions			45 989	(45 989)	-	-	-	0,00%
	Receivables from Non-exchange Transactions							
Other current assets			2 700 433	(2 600 264)	100 169	100 169	1 177 082	1075,10%
	Unpaid Transfers and Subsidies Operating Lease Asset							
Current portion of non-current receivables	Current Portion of Employee Benefits		4 293 176	(4 293 176)	-	-	3 664 100	100,00%
VAT	Taxes		10 678 270	936 933	11 615 203	11 615 203	3 775 111	-67,50%
Inventory	Inventory		3 048 879	(3 048 879)	-	-	74 332	100,00%
Total Current Assets		**45.2.1**	142 172 291	45 539 107	187 711 398	187 711 398	173 951 358	-7,33%
Non-Current Assets								
Non-current receivables from non-exchange transactions	Employee Benefits		59 935 324	(59 935 324)	-	-	-	0,00%
Investments	Investments		15 665	-	15 665	15 665	15 665	0,00%
Investment Property	Investment Property		65 619 389	(16 977)	65 602 412	65 602 412	65 621 771	0,03%
Property, Plant and Equipment	Property, Plant and Equipment		314 384 086	(25 988 770)	288 395 316	288 395 316	320 277 982	11,06%
Intangible Assets	Intangible Assets		(2 375 501)	3 310 610	935 109	935 109	1 211 840	29,59%
Total Non-Current Assets		**45.2.2**	437 578 963	(82 630 461)	354 948 502	354 948 502	387 127 257	9,07%
TOTAL ASSETS			579 751 254	(37 091 354)	542 659 900	542 659 900	561 078 615	3,39%
LIABILITIES								
Current Liabilities								
Financial liabilities			13 255 249	(6 080 249)	7 175 000	7 175 000	7 312 672	1,92%
	Current Portion of Long-term Borrowings Short-term Borrowings							
Consumer Deposits	Consumer Deposits		659 894	(659 894)	-	-	-	0,00%
Trade and other payables from exchange transactions			40 403 599	(27 680 146)	12 723 453	12 723 453	36 376 200	185,90%
	Trade and Other Payables from Exchange Transactions							
Trade and other payables from non-exchange transactions			640 319	657 265	1 297 584	1 297 584	3 823 021	194,63%
	Unspent Transfers and Subsidies Transfers and Subsidies Payable							
Provisions			24 792 882	(1 192 882)	23 600 000	23 600 000	40 462 299	71,45%
	Provisions Current Employee Benefits							
VAT	Taxes		8 983 329	1 150 425	10 133 754	10 133 754	-	-100,00%
	Operating Lease Asset Construction contracts - liability							
Total Current Liabilities		**45.2.3**	88 735 272	(33 805 481)	54 929 791	54 929 791	87 974 192	60,16%
Non-Current Liabilities								
Borrowing	Long-term Borrowings		92 316 037	74 174 066	166 490 103	166 490 103	165 055 800	-0,86%
Provisions	Non-current Employee Benefits		13 048 480	92 084 320	105 132 800	105 132 800	124 213 916	18,15%
Other non-current liabilities			135 268 000	(135 268 000)	-	-	-	0,00%
Total Non-Current Liabilities		**45.2.4**	240 632 517	30 990 386	271 622 903	271 622 903	289 269 716	6,50%
TOTAL LIABILITIES			329 367 789	(2 815 095)	326 552 694	326 552 694	377 243 908	15,52%
NET ASSETS								
Accumulated Surplus/(Deficit)			212 597 878	(47 020 728)	165 577 150	165 577 150	115 868 306	-30,02%
Funds and reserves			37 785 587	12 744 469	50 530 056	50 530 056	67 966 401	34,51%
	Capital Replacement Reserve Employee Benefits Reserve							
TOTAL NET ASSETS		**45.2.5**	250 383 465	(34 276 259)	216 107 206	216 107 206	183 834 707	-14,93%

GARDEN ROUTE DISTRICT MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2026

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Notes	Original Budget R	Budget Adjustments (i.t.o. s28 and s31 of the MFMA) R	Final Adjustment Budget R	Final Budget R	Actual Outcome 2026 R	Variance as a % of Final Budget %
REVENUE								
Exchange Revenue								
Service charges - Waste Management	Service Charges		47 854 679	(47 854 679)	-	-	-	0,00%
Sale of Goods and Rendering of Services	Sales of Goods and Rendering of Services		21 279 843	9 450 438	30 730 281	30 730 281	23 282 201	-24,24%
Agency Services	Department of Infrastructure - Roads Service Charges		22 762 902	(4 832 610)	17 930 292	17 930 292	227 919 397	1171,14%
Interest earned from Receivables	Interest Earned - Exchange Transactions		6 711 276	1 035 571	7 746 847	7 746 847	7 086 617	-8,52%
Interest earned from Current and Non Current Assets	Interest Earned - External Investments		14 385 226	(5 797 336)	8 587 890	8 587 890	11 750 767	36,83%
Rent on Land	Rent on Land		592 853	116 754	709 607	709 607	410 998	-42,08%
Rental from Fixed Assets	Rental of Facilities and Equipment		3 199 288	(1 073 677)	2 125 611	2 125 611	1 408 040	-33,76%
Licence and permits	Licences and Permits		164 807	-	164 807	164 807	107 523	100,00%
Operational Revenue	Operational Revenue		217 188 158	(17 515 002)	199 673 156	199 673 156	2 855 852	-98,57%
			334 139 032	(66 470 541)	267 668 491	267 668 491	274 821 395	2,67%
Non-Exchange Revenue								
Fines, penalties and forfeits			-	-	-	-	-	0,00%
Licences or permits	Licences and Permits		-	-	-	-	-	0,00%
Transfers Recognised - Operational			214 503 679	6 310 732	220 814 411	220 814 411	204 366 316	-7,45%
	Government Grants and Subsidies (Operational only)							
	Government Incentives Received							
Other Revenue	Government Incentives Received		-	-	-	-	-	0,00%
Gains on disposal of Assets			1 350 000	(1 350 000)	-	-	-	0,00%
Other Gains			4 420 387	(4 211 722)	208 665	208 665	203 656	-2,40%
	Actuarial Gains							
	Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets							
	Inventories:(Write-down)/Reversal of Write-down to Net Realisable Value							
			220 274 066	749 010	221 023 076	221 023 076	204 569 972	-7,44%
Total Revenue (excluding capital transfers and contributions)		45.2.6	554 413 098	(65 721 531)	488 691 567	488 691 567	479 391 367	-1,90%
EXPENDITURE								
Employee Related Costs	Employee related costs		319 379 384	(9 076 882)	310 302 502	310 302 502	310 908 147	0,20%
Remuneration of Councillors	Remuneration of Councillors		15 250 923	727 777	15 978 700	15 978 700	13 896 685	-13,03%
Inventory Consumed	Inventory Consumed		56 871 778	(9 132 307)	47 739 471	47 739 471	46 967 715	-1,62%
Debt Impairment	Reversal of Impairment Loss/(Impairment Loss) on Receivables		-	4 000 000	4 000 000	4 000 000	-	-100,00%
Depreciation and Amortisation			11 095 314	(2 932 041)	8 163 273	8 163 273	7 061 501	-13,50%
Interest	Finance Costs		135 907	283 973	419 880	419 880	104 604	-75,09%
Contracted Services	Contracted Services		47 206 984	7 310 433	54 517 417	54 517 417	36 873 385	-32,36%
Transfers and Subsidies	Transfers and Subsidies		1 016 685	295 000	1 311 685	1 311 685	3 928 930	199,53%
Irrecoverable debts written off	Bad Debts Written Off		1 650 000	1 350 000	3 000 000	3 000 000	7 934 087	164,47%
Operational costs			100 401 006	(30 827 424)	69 573 582	69 573 582	66 910 934	-3,83%
	Operational Costs							
	Operating Leases							
Losses on disposal of Assets	Gains/(Loss) on Sale of Fixed Assets		1 025 107	(852 972)	172 135	172 135	(238 957)	-238,82%
Other Losses			30 000	2 885 173	2 915 173	2 915 173	20 006 300	586,28%
	Actuarial Losses							
	Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets							
	Profit/(Loss) on Fair Value Adjustments							
	Inventories:(Write-down)/Reversal of Write-down to Net Realisable Value							
Total Expenditure		45.2.7	554 063 088	(35 969 270)	518 093 818	518 093 818	514 353 329	-0,72%
Surplus/(Deficit)			350 010	(29 752 261)	(29 402 251)	(29 402 251)	(34 961 963)	18,91%
Transfers and subsidies - capital (monetary allocations)	Government Grants and Subsidies (Capital only)		3 000 000	1 750 000	4 750 000	4 750 000	1 529 916	-67,79%
Transfers and subsidies - capital (in-kind - all)	Contributed Property, Plant and Equipment		-	-	-	-	-	0,00%
Surplus/(Deficit) after Capital Transfers & Contributions			3 350 010	(28 002 261)	(24 652 251)	(24 652 251)	(33 432 047)	35,61%
Surplus/(Deficit) for the year			3 350 010	(28 002 261)	(24 652 251)	(24 652 251)	(33 432 047)	35,61%

GARDEN ROUTE DISTRICT MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2026

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Final Budget	Actual Outcome	Variance as a % of Final Budget
							2026	
			R	R	R	R	R	%
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Service Charges	Service Charges		49 661 636	(49 661 636)	-	-	-	0,00%
Other Revenue	Other Revenue		52 598 400	14 933 031	67 531 431	67 531 431	231 676 227	243,06%
Transfers and Subsidies - Operational	Government - Operating		428 678 640	(10 432 552)	418 246 088	418 246 088	206 160 130	-50,71%
Transfers and Subsidies - Capital	Government - Capital		3 000 000	1 750 000	4 750 000	4 750 000	1 546 358	-67,45%
Interest Earned - Exchange Transactions			-	-	-	-	7 086 617	100,00%
Interest earned Financial Instruments	Interest		12 679 437	(4 091 547)	8 587 890	8 587 890	11 750 767	36,83%
Payments								
Suppliers and Employees			(538 018 030)	41 653 078	(496 364 952)	(496 364 952)	(463 174 223)	-6,69%
	Suppliers of goods and services Employee related cost							
Finance costs	Finance Charges		(135 907)	48 042	(87 865)	(87 865)	(104 604)	19,05%
Government grants repaid	Government grants repaid		-	-	-	-	(428 617)	100,00%
Transfers and Grants	Transfers and Grants		-	-	-	-	(3 928 930)	100,00%
Net Cash from/(used) Operating Activities		**45.2.8**	8 464 176	(5 801 584)	2 662 592	2 662 592	(9 416 274)	-453,65%
CASH FLOW FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE			-	-	-	-	-	0,00%
Decrease/(Increase) in Non-Current Investments			-	-	-	-	-	0,00%
Payments								
Capital Assets			(108 921 286)	36 676 876	(72 244 410)	(72 244 410)	(53 974 180)	-25,29%
	Purchase of Property, Plant and Equipment Purchase of Investment Properties Purchase of Intangible Assets							
Net Cash from/(used) Investing Activities		**45.2.9**	(108 921 286)	36 676 876	(72 244 410)	(72 244 410)	(53 974 180)	-25,29%
CASH FLOW FROM FINANCING ACTIVITIES								
Receipts								
Short Term Loans			-	-	-	-	-	
Borrowing long term/refinancing			118 555 433	(51 433 433)	67 122 000	67 122 000	-	-100,00%
Increase/(Decrease) in Consumer Deposits			-	-	-	-	-	0,00%
Payments								
Repayment of Borrowing			(12 036 656)	12 036 656	-	-	(494 239)	100,00%
Net Cash from/(used) Financing Activities		**45.2.10**	106 518 777	(39 396 777)	67 122 000	67 122 000	(494 239)	-100,74%
NET INCREASE/(DECREASE) IN CASH HELD			6 061 667	(8 521 485)	(2 459 818)	(2 459 818)	(63 884 696)	2497,13%
Cash and Cash Equivalents at the year begin:			52 614 361	62 496 171	115 110 532	115 110 532	155 010 868	34,66%
Cash and Cash Equivalents at the year end:			58 676 028	53 974 686	112 650 714	112 650 714	91 126 172	-19,11%

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1. ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE FINANCIAL STATEMENTS

1.1. BASIS OF PREPARATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention unless specified otherwise.

The annual financial statements have been prepared in accordance with the Municipal Finance Management Act (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB) and also in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

Accounting policies for material transactions, events, or conditions not covered by the GRAP reporting framework have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

Assets, liabilities, revenue and expenses have not been offset except when offsetting is permitted or required by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, except where an exemption or transitional provision has been granted. The details of any changes in accounting policies are explained in the relevant notes to the annual financial statements.

1.2. PRESENTATION CURRENCY

Amounts reflected in the financial statements are in South African Rand and at actual values. Financial values are rounded to the nearest one Rand.

1.3. GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

1.4. COMPARATIVE INFORMATION

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated unless a standard of GRAP does not require the restatement of comparative information. The nature and reason for the reclassification are disclosed. Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.5. CONSISTENT AND NEW ACCOUNTING POLICIES

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements.

1.6. MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the annual financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total operating expenditure. This materiality is from Management's perspective and does not correlate with the auditor's materiality.

1.7. PRESENTATION OF BUDGET INFORMATION

The presentation of budget information is prepared in accordance with GRAP 24 and guidelines issued by the National Treasury. The comparison of budget and actual amounts is disclosed as a separate additional financial statement, namely, Statement of Comparison of Budget and Actual Amounts.

The information is presented for budgets that are made publicly available.

Budget information is presented on the accrual basis and is based on the same period as the actual amounts. The budget information is, therefore, on a comparable basis to the actual amounts.

The comparable information includes the following:

- the approved and final budget amounts;
- actual amounts and final budget amounts.

The approved budget is the expenditure authority derived from laws, appropriation bills, regulations and other decisions related to the anticipated revenue or receipts for the budgetary period. Thus, this is the budget as approved by Council.

The final budget is the approved budget adjusted for transfers, allocations, supplemental appropriations, and other changes applicable to the budget period. Therefore, the final budget includes all changes subsequently made to the Council's approval (e.g., virements).

Explanations are provided in the budget comparison regarding classification differences between the approved budget and the actual figure.

Explanations for material differences between the final budget amounts and actual amounts are included in the relevant notes 45 to the Financial Statements.

Explanations for differences between the approved and final budget are included in the notes to the Financial Statements.

Explanatory comments are provided for overall growth or decline in the budget and motivations for over or under spending on line items. The municipality considers a variance between the actual and budget of more than 10% of the budgeted value as material, provided that such variance exceeds R500,000.

1.8. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the Municipality:

REFERENCE	TOPIC	EFFECTIVE DATE
GRAP 103	**Heritage assets** There are proposed amendments to the classification of mixed-use assets, cultural significance and the fair value accounting. The amendments to the Standard are approved by the Board. The amendments may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance. No significant impact is expected as the Municipality's currently do not have any Heritage assets.	1 April 2027
GRAP 1: Going concern	**Presentation of Financial statements: Going concern** The objective of this Standard is to prescribe the basis for presentation of general purpose financial statements, to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities. Adjustments for going concern proposed to provide guidance on the preparation of AFS as going concern and the related disclosure. The transitional provisions are specified in the revised Standard. The amendments may not be applied. A by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	1 April 2027

REFERENCE	TOPIC	EFFECTIVE DATE
Improvement to GRAP standards (2023)	**Improvement to GRAP standards (2023)** The Improvements are approved by the Board. The effective date is yet to be determined by the Minister of Finance. The Improvements may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the Improvements once an effective date has been determined by the Minister of Finance. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	Unknown
GRAP 105, GRAP 106 and GRAP 107 (amendments)	**Transfer of Functions and Mergers** The amendments to the Standards are approved by the Board. The amendments may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance. No significant impact is expected as the standards is not applicable to the operations of the Municipality.	1 April 2027
Guideline	**Application of Materiality of Financial Statements** The guideline is not authoritative but only encourage. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	No effective date as only encouraged

1.9. RESERVES

1.9.1. Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus to the CRR. The cash in the CRR can only be utilised to finance items of property, plant and equipment. The CRR is reduced, and the accumulated surplus is credited by a corresponding amount when the amounts in the CRR are utilised.

1.9.2. Employee Benefits Reserve

The reserve aims to ensure sufficient cash resources are available for the future payment of employee benefits. Contributions equal to the short-term portion of employee benefits, plus 10% of the prior year closing balance of long-term employee benefits is contributed to the reserve from accumulated surplus/(deficit) (Roads Department is excluded from this calculation).

1.10. LEASES

1.10.1. Municipality as Lessee

Initial Recognition and Measurement

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments (including any indirect costs) The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent Measurement

Subsequent recognition, the leased assets are accounted for in accordance with the accounting policies on assets. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to the disclosure and de-recognition of financial instruments are applied to lease payables. Contingent rents shall be charged as expenses in the periods in which they are incurred.

1.10.2. Municipality as Lessor

Operating Leases

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease revenue is recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined revenue and actual payments received will give rise to an asset. The Municipality recognises the aggregate cost of incentives as a reduction of rental revenue over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern over which the benefit of the leased asset is diminished.

1.11. BORROWING COST

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised to the cost of the asset. All other borrowing costs are recognised as an expense in the period in which it is incurred. The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is disclosed in the notes below.

1.12. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Conditional transfers and subsidies are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent conditional grants are liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from government organs. Unspent conditional grants are not considered to be financial instruments as there are no contractual arrangements as required per GRAP 104. The revenue received is driven from legislation. Once the conditional grant becomes repayable to the donor due to conditions not met, the remaining portion of the unspent conditional grant is reclassified as payables, which is considered a financial instrument.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder, it is recorded as part of the liability. If it is the Municipality's interest, it is recognised as interest earned in the Statement of Financial Performance.

1.13. PROVISIONS

Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at the reporting date and adjusted to reflect the current best estimate of future outflows of resources. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

When expenditure incurred on the provision will be reimbursed, the reimbursement is recognised as a separate asset, when it is virtually certain the reimbursement will be received when the obligation is settled. The reimbursement will not exceed the provision. The expenditure is recognised in the Statement of Financial Performance, net of the reimbursement.

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision is derecognised.

1.14. EMPLOYEE BENEFITS

The Municipality provides retirement benefits for its employees and councillors. Defined contribution plans are post-employment benefit plans under which the Municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year they become payable.

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

The defined benefit funds, which are administered on a provincial basis, are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump-sum payments or increased future contributions on a proportional basis to all participating municipalities. The contributions and lump sum payments are charged against income in the year they become payable. Sufficient information is not available to use defined benefit accounting for a multi-employer plan. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

The Municipality contributes to various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Municipality has both defined benefit and defined contribution plans. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to income.

For defined contribution plans, the Municipality pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.14.1. Post-Retirement Medical Obligations

The Municipality provides post-retirement medical benefits by subsidising the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution, and the remaining 30% is paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the net defined benefit liability is actuarially determined in accordance with GRAP 25 – "Employee Benefits" (using a discount rate applicable to government bonds). The plan is unfunded.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The net interest cost of the defined benefit obligation is recognised as employee cost in the Statement of Financial Performance. The liability was calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

1.14.2. Long Service Awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries periodically, and the corresponding liability is raised. Payments are set-off against the net defined benefit liability, including notional interest,

resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance. Defined benefit plans are post-employment plans other than defined contribution plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are recognised in the Statement of Financial Performance in the period that it occurs.

1.14.3. Ex gratia Gratuities

Ex gratia gratuities are provided to employees who were not previously members of a pension fund. The Municipality's obligation under these plans is valued by independent qualified actuaries annually, and the corresponding liability is raised. Payments made by the Municipality are set off against the net defined benefit liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance. Defined benefit plans are post-employment plans other than defined contribution plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are recognised in the Statement of Financial Performance in the period that they occur.

1.14.4. Provision for Staff Leave

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year-end and also on the total remuneration package of the employee at year-end.

Accumulated leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term.

In terms of the Collective Agreement for Local Government, annual leave shall only be accumulated to a maximum of forty-eight (48) working days. The provision for annual leave is limited to a maximum of 48 days per employee.

Accumulated leave is vesting.

1.14.5. Staff Bonuses

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year-end is based on bonus accrued at year-end for each employee.

1.14.6. Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrues to Section 57 employees. The performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

1.14.7. Exit Gratuity

Employees whose employment contracts are linked to political office bearers do not always enjoy the same benefits enjoyed by permanent employees. The Council considered the above risk associated with these positions – the fact that the contract will terminate when the political office bearer leaves.

In an effort to show appreciation to these employees for having served Council well, these employees are automatically eligible to an exit gratuity equal to 10% of their annual remuneration package for each completed year of service payable when their contracts terminate. The exit gratuity is applicable to appointments up to 30 June 2024.

1.14.8. Other Short-term Employee Benefits

When an employee has rendered service to the Municipality during a reporting period, the Municipality recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the Municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and

- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

1.15. PROPERTY, PLANT AND EQUIPMENT

1.15.1. Initial Recognition and Measurement

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

The following items will be regarded as Property, plant and equipment rather than investment property:

- Owner-occupied property (including held for future use);
- Owner-occupied property held for development;
- Property occupied by employees for housing;
- Owner-occupied property held for disposal;
- Property held by the municipality to fulfil their mandated function rather than rental or capital appreciation; and
- Property held by the municipality for strategic purpose.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost or fair value of the item can be measured reliably. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

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

Where an asset is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired (including transaction cost).

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the assets acquired are initially measured at fair value (the cost). It the acquired item's fair value is not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the Municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Infrastructure assets are any assets that are part of a network of similar assets. Infrastructure assets are treated similarly to all other assets of the municipality in terms of the asset management policy. If cost can, however, not be established, then infrastructure assets will be initially measured and recognised at depreciated replacement cost. Depreciated replacement cost is an accepted fair value calculation for assets where there is no active and liquid market.

1.15.2. Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits or service potential associated with the asset.

1.15.3. Depreciation and Impairment

Land is not depreciated as it is regarded as having an unlimited life. Depreciation on assets other than land is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets to the residual value of the asset, where applicable. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by Management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately.

The annual depreciation rates are based on the following estimated useful lives:

	Years		*Years*
Infrastructure		**Other**	
Roads Infrastructure	20 – 29	Computer equipment	2 – 29
		Furniture and Office Equipment	2 - 36
		Machinery and Equipment	2 - 27
		Transport Assets	6 - 43
		Leased Assets	1 - 4
		Municipal Buildings	5 - 103

The depreciation charge is recognised in the Statement of Financial Performance.

Changes to the useful life of assets and residual value are reviewed if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP 3 prospectively as a change in the accounting estimate.

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

Additional considerations for impairment are included in policy 1.19: Impairment of non-financial assets.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use. The municipality assesses at each reporting date if there is an indication of impairment.

1.15.4. De-recognition

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.15.5. Land and buildings and Other Assets – application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009 and amended on 1 April 2023 (revised effective date). The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Land and Buildings, the fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2023. For Other Assets, the depreciation cost method was used to establish the deemed cost as on 1 July 2023.

1.15.6. Decommissioning and Restoration Assets

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, shall be accounted for as follows:

The related asset (under the cost model) is measured as follows:

- Changes in the liability, shall be added or deducted from the asset cost.
- The amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognised immediately in surplus or deficit.
- If the adjustment results in an addition to the cost of an asset, the municipality shall consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the entity shall test the asset for impairment by estimating its recoverable amount or recoverable service amount, and shall account for any impairment loss, in accordance with its impairment policy. Refer to paragraph 1.20 of the policy.

1.16. INTANGIBLE ASSETS

1.16.1. Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset meets the identifiability criterion in the definition of an intangible asset when it:

- is separable, i.e. is capable of being separated or divided from the Municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the Municipality intends to do so; or

- arises from binding arrangements from contracts, regardless of whether those rights are transferable or separable from the Municipality or from other rights and obligations.

The Municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

The cost of the intangible asset includes the purchase price and any cost incurred to prepare the asset for its intended use.

The Municipality does not internally generate intangible assets.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, it's deemed cost is the carrying amount of the asset(s) given up. Where an intangible asset is acquired through a non-exchange transaction it is measured fair value.

1.16.2. Subsequent Measurement – Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and any accumulated impairments losses. The cost of an intangible asset is amortised over the useful life where that useful life is finite.

1.16.3. Amortisation and Impairment

Amortisation is charged so as to write off the cost or valuation of intangible assets over its estimated useful lives using the straight-line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by Management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The annual amortisation rates are based on the following estimated useful lives:

Intangible Assets	**Years**
Computer Software	4 - 29

The amortisation charge is recognised in the Statement of Financial Performance.

Changes to the useful life and residual values of assets are reviewed if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP 3 prospectively as a change in accounting estimate.

Considerations for impairment is included for policy 1.19: Impairment of non-financial assets.

1.16.4. De-recognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.16.5. Application of Deemed Cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009 and amended on 1 April 2023 (revised effective date). The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Intangible Assets, the depreciation cost method was used to establish the deemed cost as at 1 July 2023.

1.17. INVESTMENT PROPERTY

1.17.1. Initial Recognition

Investment property is recognised as an asset when, and only when:

- it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the Municipality, and
- the cost or fair value of the investment property can be measured reliably.

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

Based on management's judgement, the following criteria have been applied to distinguish investment properties from owner occupied property or property held for resale:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties;
- Land held for a currently undetermined future use. (If the Municipality has not determined that it will use the land as owner-occupied property or held for sale, the land is regarded as held for capital appreciation);
- A building owned by the municipality (or held by the municipality under a finance lease) and leased out under one or more operating leases;
- A property owned by the municipality and leased out at a below market rental; and
- Property that is being constructed or developed for future use as investment property.

At initial recognition, the Municipality measures investment property at cost, including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition (including transaction cost).

Transfers are made to or from investment property only when there is a change in use.

For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use.

For a transfer from investment property to inventory (view sale), the deemed cost for subsequent accounting is the fair value as at date of change.

For a transfer from owner occupied property becomes an investment property measured at fair value, the difference between the carrying value and fair value at the reporting date, shall be recognised in surplus and deficit.

For a transfer from inventory to investment property (operating lease), the difference between the carrying value and the fair value at the reporting date, shall be recognised in surplus and deficit.

1.17.2. Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and any accumulated impairment losses.

1.17.3. Depreciation and Impairment – Cost Model

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Land is not depreciated as it is deemed to have an indefinite useful life.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by Management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately.

Investment Property	**Years**
Buildings	27 – 103

Considerations for impairment is included for policy 1.19: Impairment of non-financial assets.

Changes to the useful life of assets and residual value are reviewed if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP prospectively as a change in estimate.

1.17.4. De-recognition

Investment property is derecognised when it is disposed or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.17.5. Application of Deemed Cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009 and amended on 1 April 2023 (revised effective date). The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Intangible Assets, the depreciation cost method was used to establish the deemed cost as at 1 July 2023.

1.18. HERITAGE ASSETS

1.18.1. Initial Recognition

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance and is held and preserved indefinitely for the benefit of present and future generations.

A heritage asset is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the asset will flow to the Municipality, and the cost or fair value of the asset can be measured reliably.

A heritage asset that qualifies for recognition as an asset, is measured at its cost. Where a heritage asset is acquired through a non-exchange transaction, its cost is deemed to be its fair value as at the date of acquisition (including any transaction cost).

1.18.2. Subsequent Measurement – Cost Model

After recognition as an asset, heritage assets are carried at its cost less any accumulated impairment losses.

1.18.3. Depreciation and Impairment

Heritage assets are not depreciated

Heritage assets are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.18.4. De-recognition

Heritage assets are derecognised when it is disposed or when there are no further economic benefits or service potential expected from the use of the heritage asset. The gain or loss arising on the disposal or retirement of a heritage asset is

determined as the difference between the sales proceeds and the carrying value of the heritage asset and is recognised in the Statement of Financial Performance.

1.18.5. Application of Deemed Cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009 and amended on 1 April 2023 (revised effective date). The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Intangible Assets, the depreciation cost method was used to establish the deemed cost as at 1 July 2023.

1.19. IMPAIRMENT OF NON-FINANCIAL ASSETS

1.19.1. Cash-generating assets

Cash-generating assets are assets held with the primary objective of generating a commercial return.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

(a) External sources of information

- During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use;
- Significant changes with an adverse effect on the Municipality have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Municipality operates or in the market to which an asset is dedicated; and
- Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.

(b) Internal sources of information

- Evidence is available of obsolescence or physical damage of an asset;
- Significant changes with an adverse effect on the Municipality have taken place during the period or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite;
- A decision to halt the construction of the asset before it is complete or in a usable condition; and
- Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

The re-designation of assets from a cash-generating asset to a non-cash generating asset or from a non-cash-generating asset to a cash-generating asset shall only occur when there is clear evidence that such a re-designation is appropriate. A re-designation, by itself, does not necessarily trigger an impairment test or a reversal of an impairment loss. Instead, the indication for an impairment test or a reversal of an impairment loss arises from, as a minimum, the indications listed above.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Municipality estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

1.19.2. Non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable service amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

(a) External sources of information

- Cessation, or near cessation, of the demand or need for services provided by the asset; and
- Significant long-term changes with an adverse effect on the Municipality have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the Municipality operates.

(b) Internal sources of information

- Evidence is available of physical damage of an asset;
- Significant long-term changes with an adverse effect on the Municipality have taken place during the period or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, or plans to dispose of an asset before the previously expected date;
- A decision to halt the construction of the asset before it is complete or in a usable condition; and
- Evidence is available from internal reporting that indicates that the service performance of an asset is, or will be, significantly worse than expected.

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss is recognised in the Statement of Financial Performance.

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches, depending on the nature of the asset in question:

- *depreciation replacement cost approach* - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

- *restoration cost approach* - the cost of restoring the service potential of an asset to its pre-impaired level. Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is usually determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

- *service unit approach* - the present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform with the reduced number of service units expected from the asset in its impaired state. As in the restoration cost approach, the current cost of replacing the remaining service potential of the asset before impairment is usually determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

1.20. INVENTORIES

1.20.1. Initial Recognition

Inventories comprise of current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition.

Where inventory is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

1.20.2. Subsequent Measurement

Inventories, consisting of consumable stores and raw materials, are valued at the lower of cost and net realisable value, unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

The basis of allocating cost to inventory items is the weighted average method.

1.21. FINANCIAL INSTRUMENTS (for periods before 1 July 2025)

Financial instruments recognised in the Statement of Financial Position include receivables from exchange transactions cash and cash equivalents, annuity loans and payables from exchange transactions and non-current investments. The future utilisation of Unspent Conditional Grants is evaluated in order to determine whether it is treated as a financial instrument, as per policy 1.12.

1.21.1. Initial Recognition

Financial instruments are initially recognised when the Municipality becomes a party to the contractual provisions of the instrument at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. If finance charges in respect of financial assets and financial liabilities are significantly different from similar charges usually obtained in an open market transaction, adjusted for the specific risks of the Municipality, such differences are immediately recognised in the period it occurs, and the unamortised portion adjusted over the period of the loan transactions.

1.21.2. Subsequent Measurement

Financial assets are categorised according to their nature as either financial assets at fair value or financial assets at amortised cost. Financial liabilities are categorised as either at fair value or financial liabilities carried at amortised cost. The subsequent measurement of financial assets and liabilities depends on this categorisation.

1.21.2.1. *Receivables*

Receivables are classified as financial assets at amortised cost and are subsequently measured at amortised cost using the effective interest rate method.

1.21.2.2. *Payables and Borrowings*

Financial liabilities consist of payables and borrowings. They are categorised as financial liabilities held at amortised cost and are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

Finance costs are expensed in the Statement of Financial Performance in the period in which they are incurred except where stated otherwise (see accounting policy on borrowing costs).

1.21.2.3. *Cash and Cash Equivalents*

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid deposits. The Municipality categorises cash and cash equivalents as financial assets carried at amortised cost.

1.21.2.4. *Non-Current Investments*

Investments which include fixed deposits invested in registered commercial banks, are stated at fair value.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of Financial Performance.

The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

1.21.3. ***De-recognition of Financial Instruments***

1.21.3.1. *Financial Assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired, settled or waived; or
- the Municipality has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Municipality has transferred substantially all the risks and rewards of the asset, or (b) the Municipality has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Municipality has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the old asset is derecognised and a new asset is recognised to the extent of the Municipality's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Municipality could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Municipality's continuing involvement is the amount of the transferred asset that the Municipality may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

On the derecognition of financial asset, the difference between carrying amount and sum of consideration received, is recognised in surplus or deficit.

1.21.3.2. *Financial Liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, expires or waived.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

The difference between carrying value of financial liability derecognised and the consideration paid, is recognised in surplus or deficit.

1.21.4. Impairment of Financial Assets

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue). If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Municipality, after the appropriate legislative processes have been followed. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate, if material. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

1.21.5. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.22. FINANCIAL INSTRUMENTS (for periods after 1 July 2025)

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or residual interest of another entity.

1.22.1. Initial Recognition

The municipality recognises a financial asset or financial liability in its statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument. Financial assets are recognised using trade date accounting.

1.22.2. Initial Measurement

A municipality shall measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or a financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability.

Where the financial instrument does not contain a material financing transaction, it is measured at the transaction cost.

The fair value of a short-term receivable or short-term payable on initial recognition is the transaction price, where it is market-related. No discounting is required where the initial credit period is consistent with the public sector, based on established practices or legislation (credit period of 30 days).

1.22.3. Classification of Financial Assets

A financial asset is cash, a residual interest of another entity, or a contractual right to receive cash or another financial asset from another entity under conditions that are potentially favourable to the entity.

The classification of financial assets is dependent on the municipality's management model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets shall be measured at amortised cost if:

- The financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If the criteria for measuring a financial asset at amortised cost are not met, it is measured at fair value through surplus or deficit.

The municipality has the following financial assets:

Class	Category
Cash and cash equivalents	Amortised cost
Non-current investments	Amortised cost
Finance leases	Amortised cost
Current portion of finance leases	
Receivables from exchange transactions	Amortised cost
Receivables from non-exchange transactions (availability charges)	Amortised cost
Construction contract receivable	Amortised cost
Non-current receivables from exchange transactions	Amortised cost
Current portion of non-current receivables from exchange transactions	Amortised cost
Non-current receivables from non-exchange transactions	Amortised cost
Current portion of non-current receivables from non-exchange transactions	Amortised cost
Unpaid conditional grants and receipts	Amortised cost

1.22.4. Subsequent Measurement of Financial Assets

Subsequently, the municipality shall measure financial assets at:

- Amortised cost;
- Fair value through surplus or deficit or:
- Cost.

All financial assets measured at amortised cost or cost is subject to an impairment review.

<u>Impairment of receivables:</u>

The municipality applies the expected credit loss (ECL) model to receivables in accordance with the simplified approach. Per the simplified approach, the municipality recognises a loss allowance at an amount equal to the lifetime expected credit losses.

The provision matrix approach is used. As per this methodology, the impairment on outstanding receivables is calculated as:

1. Group the debtor into shared risk categories (e.g. residential, business, other).
2. Historic period of sales: Data is analysed for the historic period 2021 to 2025.
3. Historic payment period: For each group and age bucket, the probability of repayment is calculated to determine the historical default rate for each group.
4. Historical loss rate: The probability of non-payment for each group is estimated, assessing the likelihood that a debtor will ultimately fail to settle their balance. The probabilities are determined from historical patterns and applied to each group.

5. Adjustment for current and forward-looking information: Consider the impact of forward-looking information. If an indicator exists that could have a significant impact, adjust the historical loss rate accordingly. This is only done if forward-looking information is available without undue cost or effort. After this adjustment, this would be the final loss rate.
6. Calculate the ECL per group: Ageing bucket x final loss rate.

The impairment gain or loss is recognised in surplus or deficit.

Impairment of financial assets (other than receivables):

The general approach is applied to cash and cash equivalents. The approach determines the loss allowance based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those for which credit risk has not significantly increased since initial recognition, the loss allowance is measured at the amount of 12-month expected credit losses. For the instruments where the credit risk has increased significantly, lifetime expected credit losses are recognised. The municipality assumes that the credit risk has increased significantly if the balance is more than 30 days past due, and that the credit risk has not increased when the credit risk is assessed as low.

The municipality considers financial assets to be in default when the balance is more than 90 days past due, or the debtor is unlikely to pay their credit obligations in full, without recourse by the municipality.

The municipality assesses the credit risk rating of cash and cash equivalents by using the latest published credit ratings from xx. The municipality considers cash and cash equivalents to have a low credit risk when the credit risk rating is xx or higher.

Write-offs:

A municipality shall directly reduce the gross carrying amount of a financial asset when it has no reasonable expectation of recovering the financial asset in its entirety or a portion thereof, and it has been approved by Council. When financial assets are considered uncollectible, they are written off directly through the Statement of Financial Performance. The amounts written off are not subject to enforcement activities. Subsequent recoveries of amounts previously written off are recognised in the Statement of Financial Performance.

Modification of contractual cash flows:

When the contractual cash flows of a financial asset are renegotiated or otherwise modified, and the renegotiation or modification does not result in the derecognition of that financial asset, the municipality shall recalculate the gross carrying amount of the financial asset and shall recognise a modification gain or loss in surplus or deficit.

The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

1.22.5. Classification of Financial Liabilities

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity or exchange financial assets or financial liabilities with another entity under conditions potentially unfavourable to the entity.

The municipality shall measure financial liabilities at amortised cost.

The municipality has the following financial liabilities:

Class	Category
Long-term borrowings	Amortised cost
Current portion of long-term borrowings	Amortised cost
Finance leases	Amortised cost
Current portion of financial leases	Amortised cost
Bank overdraft	Amortised cost
Payables from exchange transactions	Amortised cost
Consumer deposits	Fair value
Long-term payables (non-current)	Amortised cost
Long-term payables (current)	Amortised cost
Unspent conditional grants and receipts	Amortised cost
Service concession liability	Amortised cost

1.22.6. Subsequent Measurement of Financial Liabilities

Subsequently, the municipality shall measure financial liabilities at amortised cost.

1.22.7. Reclassification of Financial Liabilities

A financial liability shall not be reclassified.

1.22.8. Derecognition of Financial Assets

The municipality derecognises financial assets using trade date accounting.

The municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality shall:
    - derecognise the asset; and
    - recognise separately any rights and obligations created or retained in the transfer.

The carrying amount of the transferred asset shall be allocated between the rights or obligations retained and those transferred on the basis of their relative fair values as of the transfer date. Newly created rights and obligations shall be measured at their fair values at that date.

Any gain or loss from derecognition is recognised in surplus or deficit.

1.22.9. Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, expires or waived.

When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

The difference between the carrying value of a financial liability derecognised and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in surplus or deficit.

1.22.10. Offsetting of Financial Assets and Liabilities

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

1.23. STATUTORY RECEIVABLES

1.23.1. Identification

Statutory receivables arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. Receivables that arise due to contractual arrangements are accounted for in terms of the accounting policy on Financial Instruments. Statutory receivables can arise from both exchange and non-exchange transactions.

1.23.2. Initial Recognition and Measurement

Statutory receivables are recognised when the related revenue is recognised or when the receivable meets the definition and recognition criteria of an asset.

The Municipality initially measures the statutory receivables at their transaction amount.

1.23.3. Subsequent Measurement

The Municipality measure statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement is adjusted with:

(a) interest or other charges that may have accrued on the receivable;
(b) impairment losses; and
(c) amounts derecognised.

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable may be impaired. If there is an indication that a statutory receivable may be impaired, the Municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable is reduced directly or through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. In estimating future cash flows, the Municipality considers both the amount and timing of the cash flows it will receive. Consequently, where the effect of the time value of money is material, the Municipality discounts the estimated future cash flows using a rate that reflects the current risk-free rate and any risks specific to the statutory receivable for which the future cash flow estimates have not been adjusted.

The municipality considers the following as indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows. Any previously recognised impairment loss is adjusted directly against the carrying amount or by adjusting the allowance account. The amount of any adjustment is recognised in the Statement of Financial Performance.

1.23.4. De-recognition

The Municipality derecognises a statutory receivable when:

(a) the rights to the cash flows from the receivable are settled, expire or are waived;
(b) the Municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
(c) the Municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the Municipality:

    (i) derecognise the receivable; and
    (ii) recognise separately any rights and obligations created or retained in the transfer.

Any difference between consideration received and amounts derecognised/recognised is recognised in surplus and deficit.

1.24. REVENUE

1.24.1. Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Government grants and subsidies received or receivable are recognised when the resources that have been transferred, meet the criteria for recognition as an asset. A corresponding liability is recognised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and

equipment qualifies for recognition and first becomes available for use by the Municipality. Where public contributions have been received, but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue is measured at the fair value of the consideration received or receivable.

When, as a result of a non-exchange transaction, a Municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised, it will be measured as the best estimate of the amount required to settle the present obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability will be recognised as revenue.

Services in-kind that are significant to the Municipality's operations are recognised as assets and the related revenue when:

- it is probable that the future economic benefits or service potential will flow to the Municipality; and
- the fair value of the assets can be measured reliably.

If the services in-kind are not significant to the Municipality's operations or does not satisfy the above-mentioned criteria, the Municipality only disclose the nature and type of services in-kind received during the reporting period. When the criteria for recognition is satisfied, services in-kind are measured on initial recognition at their fair value as at the date of acquisition. Services in-kind include services provided by individuals to the Municipality and the right to use assets in a non-exchange transaction. These services meet the definition of an asset, because the Municipality controls the resource from which future economic benefits or service potential is expected to flow to the Municipality. The assets are immediately consumed and a transaction of equal value is also recognised to reflect the consumption of these services in-kind, resulting in a decrease of the asset and an increase in an expense. The Municipality, therefore, recognises an expense and related revenue for the consumption of services in-kind.

Revenue arising from legislation is recognised in accordance with the approved tariff.

Debt forgiven is recognised when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners. Revenue arising from debt forgiveness is measured at the carrying amount of the debt forgiven.

1.24.2. Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The Municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods.
- The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the services rendered is recognised when:

- The amount of revenue can be measured reliably;
- It is probable that economic benefits or service potential associated with the transaction will flow to the municipality;
- The stage of completion at the reporting date can be measured reliably; and

- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

At the time of initial recognition, the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the individual collectability is considered to be improbable. If the Municipality does not successfully enforce its obligation to collect the revenue, this would be considered a subsequent event.

Interest revenue is recognised using the effective interest rate method.

Revenue from third parties i.e. insurance payments for assets impaired are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

All unclaimed deposits are initially recognised as a liability until 12 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue. Historical patterns have indicated that minimal unidentified deposits are reclaimed after a period of twelve months. This assessment is performed annually at 30 June. Therefore the substance of these transactions indicates that even though the prescription period for unclaimed monies is legally three years, it is reasonable to recognised all unclaimed monies older than twelve months as revenue. Although unclaimed deposits are recognised as revenue after 12 months, the Municipality still keep record of these unclaimed deposits for three years in the event that a party should submit a claim after 12 months, in which case it will be expensed.

Revenue from the rental of facilities and equipment and rent on land is recognised on a straight-line basis over the term of the lease agreement.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits, operational revenue and entrance fees.

Rental from Holiday Resorts is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the Municipality, as well as the Cancellation Policy of the Municipality. The Cancellation Policy has the following refund principles:

- Less than 72 hours: 0% refund of the fees paid.
- Less than 14 days: 25% refund of the fees paid.
- Less than 1 month: 50% refund of the fees paid.
- More than 1 month: 90% refund of the fees paid.

Revenue arising out of situations where the Municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the Municipality as compensation for executing the agreed services.

Revenue is measured at the fair value of the consideration received or receivable.

The amount of revenue arising on a transaction is usually determined by agreement between the Municipality and the purchaser or user of the asset or service. It is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the Municipality.

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either:

- The prevailing rate for a similar instrument of an issuer with a similar credit rating; or

- A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

1.25. ACCOUNTING BY AGENTS AND PRINCIPALS

A principal-agent arrangement exists where there is a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Where the Municipality is considered the principal, all revenues, expenses, liabilities and assets are recorded in the records of the Municipality in accordance with the relevant standards of GRAP.

Where the Municipality is the agent to the transaction, only the portion of revenue and expenses it receives or incurs in executing the transactions on behalf of the principal is recorded with unspent or moneys due being recorded in terms of GRAP 104: Financial Instruments.

1.25.1. Identification

When the Municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement. In the assessment, reference is made to substance over form. Therefore, the exact wording of the contract is not the only indicator (for example, if reference is made to "agent"). If rights and obligations are substantially transferred, this could indicate a principal/agent arrangement. If not, the arrangement is accounted for as a normal supplier/customer relationship.

1.26. SERVICE CONCESSION ARRANGEMENTS: (Municipality as grantor)

1.26.1. Identification

Service concession arrangements of the Municipality include the provision of mandated functions on behalf of the Municipality by the operator for a specified period of time, for which the operator is compensated for its services over the period of the service concession arrangement.

1.26.2. Initial Recognition

The service concession assets are recognised by grantor when:

- The Grantor controls the services provided by the operator, to who and the price of services, and
- The Grantor controls any significant residual interest in the asset at the end of the arrangement term.

Service concession assets are measured initially at fair value except where the assets are existing assets of the municipality, in which case the assets are reclassified at their carrying amounts. Service concession assets will be identified separately.

The service concession liability is recognised and initially measured at:

- The same amount as the service concession asset, and
- Adjusted by the amount of any other consideration (e.g., cash) from the municipality to the operator, or from the operator to the municipality.

1.26.3. Subsequent Measurement

The Municipality initially measures the service concession asset at fair value if it Is not an existing asset of the Municipality.

After initial recognition, the Municipality applies the measurement (including impairment) and de-recognition principles to the service concession asset applicable to similar items of Property, Plant and Equipment, Intangible Assets or Heritage Assets.

Where the Municipality has an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, the Municipality accounts for the liability as a financial liability.

The municipality allocates the payments to the operator and accounts for them according to their substance as a reduction in the service concession liability, a finance charge, and charges for services provided by the operator. The finance charge and charges for services are recognised as expenses in the Statement of Financial Performance.

1.26.4. Other Liabilities, Contingent Liabilities, Contingent Assets and Revenue

The Municipality accounts for other liabilities, contingent liabilities, and contingent assets arising from a service concession arrangement in accordance with the policy on Provisions, Contingent liabilities and contingent assets and Financial Instruments.

The Municipality accounts for revenues from a service concession arrangement, other than those relating to the grant of a right to the operator model, in accordance with the principles of Revenue from Exchange Transactions.

1.26.5. Dividing the arrangement

When the Municipality pays for the construction, development, acquisition, or upgrade of a service concession asset partly by incurring a financial liability and partly by the grant of a right to the operator, it accounts separately for each part of the total liability.

Recognition of the performance obligation and the right to receive a significant interest in a service concession asset.

1.26.6. Recognition of the performance obligation and the right to receive a significant interest in a service concession asset

Were the municipality controls a significant residual interest in a service concession asset at the end of the service concession arrangement through ownership, beneficial entitlement or otherwise, and the arrangement does not constitute a finance or an operating lease, the municipality recognises its right to receive the residual interest (i.e., a receivable) in the service concession asset at the commencement of the arrangement. The value of the receivable at the end of the service concession arrangement reflects the value of the service concession asset as if it were already in the age and in the condition expected at the end of the service concession arrangement.

1.27. RELATED PARTIES

A related party is a person or an entity:

- with the ability to control or jointly control the other party,
- or exercise significant influence over the other party, or vice versa, and
- or an entity that is subject to common control, or joint control.

Significant influence is the power to participate in the financial and operating policy decisions of the entity, but is not in control of the policies.

The following are regarded as related parties of the Municipality:

(a) A person or a close member of that person's family is related to the Municipality if that person:

- has control or joint control over the Municipality.
- has significant influence over the Municipality. Significant influence is the power to participate in the financial and operating policy decisions of the Municipality.
- is a member of the Management of the Municipality or its controlling entity.

(b) An entity is related to the Municipality if any of the following conditions apply:

- the entity is a member of the same Municipality (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others).
- one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Municipality of which the other entity is a member).

- both entities are joint ventures of the same third party.
- one entity is a joint venture of a third entity, and the other entity is an associate of the third entity.
- the entity is a post-employment benefit plan for the benefit of employees of either the Municipality or an entity related to the Municipality. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity.
- the entity is controlled or jointly controlled by a person identified in (a).
- a person identified in (a) has significant influence over that entity or is a member of the Management of that entity (or its controlling entity).

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties.

Close members of the family of a person are those family members who may be expected to influence or be influenced by that person in their dealings with the Municipality. A person is considered to be a close member of the family of another person if they:

(a) are married or live together in a relationship similar to a marriage; or
(b) are separated by no more than two degrees of natural or legal consanguinity or affinity.

Management (formerly known as "Key Management") includes all persons having the authority and responsibility for planning, directing and controlling the activities of the Municipality, including:

(a) all members of the governing body of the Municipality;
(b) a member of the governing body of an Economic Entity who has the authority and responsibility for planning, directing and controlling the activities of the Municipality;
(c) any key advisors of a member, or sub-committees, of the governing body who has the authority and responsibility for planning, directing and controlling the activities of the Municipality; and
(d) the senior management team of the Municipality, including the accounting officer or permanent head of the Municipality, unless already included in (a).

Management personnel include:

(a) All directors or members of the governing body of the Municipality, being the Executive Mayor, Deputy Mayor, Speaker, WIP of council and members of the Mayoral Committee.

(b) Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting Municipality being the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Remuneration of Management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of Management do not meet the definition of remuneration. Remuneration of Management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

Only transactions with such parties which are not at arm's length and not on normal commercial terms are disclosed.

1.28. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality, or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.29. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.30. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.31. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality. A contingent liability could also be a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where the inflow of economic benefits or service potential is probable.

Management judgement is required when recognising and measuring contingent liabilities and assets.

Contingent Assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not fully within the control of the Municipality.

1.32. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

In preparing the annual financial statements, Management is required to make judgements, estimates and assumptions that affect the carrying amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results in the future could differ from these estimates, which may be material to the annual financial statements. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations, that Management has made in the process of applying the Municipality's Accounting Policies and that have the most significant effect on the amounts recognised in the Annual Financial Statements:

1.32.1. Post-retirement medical obligations, Long service awards, Ex gratia gratuities and Ex gratia pensions

The cost of post-retirement medical obligations, long service awards, ex gratia gratuities and ex gratia pensions are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Major assumptions used are disclosed in the relevant section of the annual financial statements. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

1.32.2. Impairment of Receivables (GRAP 104: 2009: for comparative information)

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

1.32.3. Impairment of Receivables (GRAP 104: 2019: for current year balances)

The municipality applies the expected credit loss (ECL) model to receivables in accordance with the simplified approach. Per the simplified approach, the municipality calculates the lifetime expected credit losses (ECL) for receivables.

The calculation of ECL is based on management judgement for:

- Determine if the debtor is in default;
- Group the debtor into share risk categories (e.g. residential, business);
- Consider the historic payment behaviour of the debtor and calculate the historical loss rate;

- Consider the impact of forward-looking information. If an indicator exists that could have a significant impact, adjust the historical loss rate accordingly. This is only done if forward-looking information is available without undue cost or effort; and
- Calculate the ECL based on the final loss rate determined.

The expected credit losses is discounted as per the effective interest rate determined at initial recognition.

Or

Interest is levied on the outstanding balance at the prime lending rate. However, per management judgement it was concluded that discounting the impairment values to present value is not required, as it has an immaterial effect.

The municipality considered a financial asset to be in default when it is more than 90 days past due on it contractual payments or where there is evidence that the debtor is unlikely to pay their obligation in full.

1.32.4. Property, Plant and Equipment

The useful lives of property, plant and equipment are based on Management's estimation. Infrastructure's useful lives are based on technical estimates of the practical useful lives for the different infrastructure types, given engineering technical knowledge of the infrastructure types and service requirements. For other assets and buildings management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on Management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful lives and residual values of property, plant and equipment:

- The useful life of movable assets was determined using the age of similar assets available for sale in the active market. Discussions with people within the specific industry were also held to determine useful lives.
- Local Government Industry Guides was used to assist with the deemed cost and useful life of infrastructure assets.
- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings. The Municipality also consulted with engineers to support the useful life of buildings, with specific reference to the structural design of buildings.

For deemed cost applied to other assets as per adoption of Directive 7, Management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

The cost for depreciated replacement cost was determined by using either one of the following:

- cost of items with a similar nature currently in the Municipality's asset register;
- cost of items with a similar nature in other municipalities' asset registers, given that the other Municipality has the same geographical setting as the Municipality and that the other Municipality's asset register is considered to be accurate; or
- cost as supplied by suppliers.

For deemed cost applied to land and buildings as per adoption of Directive 7, Management made use of on independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

1.32.5. Intangible Assets

The useful lives of intangible assets are based on Management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

Reference was made to intangibles used within the Municipality and other municipalities to determine the useful life of the assets.

For deemed cost applied to intangible assets as per adoption of Directive 7, Management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

1.32.6. Investment Property

The useful lives of investment property are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum

useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their economic lives, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful lives and valuation of investment property:

- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings.

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of on independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

1.32.7. Provisions, Contingent Liabilities and Assets

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities and assets. Provisions are discounted where the time value effect is material.

1.32.8. Revenue Recognition

Accounting Policy 1.23.1 on Revenue from Non-Exchange Transactions and Accounting Policy 1.23.2 on Revenue from Exchange Transactions describe the conditions under which revenue will be recognised by the Management of the Municipality.

In making their judgement, Management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions.). Specifically, whether the Municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been performed. The Management of the Municipality is satisfied that recognition of the revenue in the current year is appropriate.

1.32.9. Provision for Staff leave

Staff leave is accrued to employees in accordance with collective agreements. Provision is made for the full cost of accrued leave at reporting date, capped at 48 days. This provision will be realised as employees take leave or when employment is terminated.

1.32.10. Provision for Performance bonuses

The provision for performance bonuses represents the best estimate of the obligation at year-end and is based on historic patterns of payment of performance bonuses. Performance bonuses are subject to an evaluation by Council.

1.32.11. Componentisation of Infrastructure assets

All infrastructure assets are unbundled into their significant components in order to depreciate all major components over the expected useful lives. The cost of each component is estimated based on the current market price of each component, depreciated for age and condition and recalculated to cost at the acquisition date if known or to the date of initially adopting the Standards of GRAP.

1.33. TAXES – VALUE ADDED TAX

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

The municipality is registered with the South African Revenue Service (SARS) for VAT on a payment basis (section 15(2) of the VAT Act No. 89 of 1991).

VAT comprises the following main categories:

Categories	Description
VAT control	This is the balance due by/from SARS.
VAT receivable: Input tax accrual	VAT accrued on outstanding creditors. The VAT can only be claimed from SARS, once the creditors balance is paid. Once the balance is paid, it is transferred from the VAT receivable: Input tax accrual to the VAT control account.

VAT payable: Output tax accrual	VAT accrued on outstanding debtor account. The VAT only becomes payable to SARS, once the debtor pay their account. Once the balance is paid, it is transferred from the VAT payable: Output tax accrual to the VAT control account.
VAT payable: Provision for doubtful debt impairment	This is the VAT portion relating to impairment of debtors.

1.34. CAPITAL COMMITMENTS

Capital commitments disclosed in the annual financial statements represents the contractual balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

Commitments are disclosed in the notes inclusive of VAT.

1.35. EVENTS AFTER REPORTING DATE

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the annual financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

1.36. SEGMENT REPORTING

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Management identifies reportable segments in accordance with the monthly Section 71 report, which are regularly reviewed by management. Management reviews the performance on an aggregated basis of total revenue and total expenditure.

The municipality manages its assets and liabilities as a whole and is not reviewed on a segregated basis for each town. Segment reporting per geographical area is not deemed relevant.

The measurement basis per the monthly reports is the same as the annual financial statements.

1.37. DISCONTINUED OPERATIONS

Discontinued operation is a component of a municipality that has been disposed of and:

- represents a distinguishable activity, group of activities or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a distinguishable activity, group of activities or geographical area of operations; or
- is a controlled entity acquired exclusively with a view to resale.

Where a significant part of the municipality is disposed of, disclosure would be made in the annual financial statements. An asset temporarily taken out of use or a change in use does not qualify as a discontinued operation.

1.38. TRANSFERS AND SUBSIDIES – NON-EXCHANGE EXPENDITURE

The Municipality transfers money to individuals, organisations and other sectors of government from time to time. These transfers are recognised in the financial statements as expenses in the period that the events giving rise to the transfer occurred.

1.39. UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Unpaid conditional grants are assets in terms of the Framework that are separately disclosed in the Statement of Financial Position. The asset is recognised when the Municipality has an enforceable right to receive the grant or if it is virtually certain that it will be

received based on that grant conditions have been met. They represent unpaid government grants, subsidies and contributions from the public.

The following provisions are set for the creation and utilisation of grant receivables:

- Unpaid conditional grants are recognised as an asset when the grant is receivable.

1.40. ACCUMULATED SURPLUS

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

2. PROPERTY, PLANT AND EQUIPMENT

2.1 30 JUNE 2026

	Cost/Revaluation							Accumulated Depreciation and Impairment Losses							Carrying Value
	Opening Balance	Class Transfers	Additions	Transfers In	Transfers Out	Disposals/ Impairment	Closing Balance	Opening Balance	Class Transfers	Depreciation	Impairment	Reversal of Impairment	Disposals	Closing Balance	
Infrastructure															
Solid Waste Facility (Work in Progress)	91 282 665	-	53 777 632	-	-	-	145 060 297	-	-	-	-	-	-	-	145 060 297
Roads	104 489	-	-	-	-	-	104 489	74 650	-	-	-	-	-	74 650	29 839
	91 387 154	-	53 777 632	-	-	-	145 164 787	74 650	-	-	-	-	-	74 650	145 090 137
Other Assets															
Other Land	185 119 699	-	-	-	-	-	185 119 699	85 273 710	-	-	-	-	-	85 273 710	99 845 989
Municipal Buildings	75 633 186	-	-	-	-	-	75 633 186	24 211 584	-	-	-	-	-	24 211 584	51 421 602
Municipal Buildings - Work-in-Progress	653 200	-	-	-	-	-	653 200	-	-	-	-	-	-	-	653 200
Computer Equipment	23 748 919	-	-	-	-	-	23 748 919	17 478 052	-	6 776 512	-	-	-	24 254 564	(505 646)
Furniture and Office Equipment	14 754 943	-	-	-	-	-	14 754 943	8 533 466	-	-	-	-	-	8 533 466	6 221 477
Machinery and Equipment	10 376 197	-	-	-	-	-	10 376 197	5 962 604	-	-	-	-	-	5 962 604	4 413 594
Transport Assets	22 137 932	-	-	-	-	-	22 137 932	10 028 436	-	-	-	-	-	10 028 436	12 109 496
	332 424 076	-	-	-	-	-	332 424 076	151 487 852	-	6 776 512	-	-	-	158 264 364	174 159 712
Leases															
Computer Equipment	1 678 796	-	-	-	-	-	1 678 796	947 918	-	-	-	-	-	947 918	730 878
Furniture and Office Equipment	356 121	-	-	-	-	-	356 121	58 866	-	-	-	-	-	58 866	297 255
	2 034 916	-	-	-	-	-	2 034 916	1 006 783	-	-	-	-	-	1 006 783	1 028 133
Total	425 846 147	-	53 777 632	-	-	-	479 623 779	152 569 285	-	6 776 512	-	-	-	159 345 797	320 277 982

2.2 30 JUNE 2025

	Cost/Revaluation							Accumulated Depreciation and Impairment Losses							Carrying Value
	Opening Balance	Class Transfers	Additions	Transfers In	Transfers Out	Disposals/ Impairment	Closing Balance	Opening Balance	Class Transfers	Depreciation	Impairment	Reversal of Impairment	Disposals	Closing Balance	
Infrastructure															
Solid Waste Facility (Work in Progress)	49 890 737	-	41 391 929	-	-	-	91 282 665	-	-	-	-	-	-	-	91 282 665
Balance previously reported	49 890 737	-	41 659 863	-	-	-	91 550 599	-	-	-	-	-	-	-	91 550 599
Correction of Error - Accrued Interest correction- refer Note 39	-	-	(267 933)	-	-	-	(267 933)	-	-	-	-	-	-	-	(267 933)
Roads	104 489	-	-	-	-	-	104 489	71 699	-	2 951	-	-	-	74 650	29 839
	49 995 226	-	41 391 929	-	-	-	91 387 154	71 699	-	2 951	-	-	-	74 650	91 312 504

PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

30 JUNE 2025 ***(Continued)***

	Cost/Revaluation							Accumulated Depreciation and Impairment Losses							Carrying Value
	Opening Balance	Class Transfers	Additions	Transfers In	Transfers Out	Disposals/ Impairment	Closing Balance	Opening Balance	Class Transfers	Depreciation	Impairment	Reversal of Impairment	Disposals	Closing Balance	
Other Assets															
Other Land	184 644 499	-	475 200	-	-	-	185 119 699	84 843 610	-	-	430 100	-	-	85 273 710	99 845 989
Municipal Buildings	73 762 027	-	1 941 440	-	-	(70 281)	75 633 186	22 711 857	-	1 570 007	-	-	(70 281)	24 211 584	51 421 602
Municipal Buildings - Work-in-Progress	-	-	653 200	-	-	-	653 200	-	-	-	-	-	-	-	653 200
Computer Equipment	24 291 634	-	334 609	-	-	(877 324)	23 748 919	17 103 805	-	1 251 263	-	-	(877 016)	17 478 052	6 270 866
Furniture and Office Equipment	15 033 920	-	111 541	-	-	(390 518)	14 754 943	7 808 844	-	1 115 104	-	-	(390 482)	8 533 466	6 221 477
Machinery and Equipment	10 318 624	-	80 312	-	-	(22 739)	10 376 197	5 133 635	-	851 665	-	-	(22 696)	5 962 604	4 413 594
Transport Assets	20 369 319	-	1 772 974	-	-	(4 361)	22 137 932	8 737 699	-	1 295 099	-	-	(4 361)	10 028 436	12 109 496
	328 420 023	-	5 369 276	-	-	(1 365 223)	332 424 076	146 339 449	-	6 083 138	430 100	-	(1 364 836)	151 487 852	180 936 224
Leases															
Computer Equipment	1 821 271	-	663 726	-	-	(806 202)	1 678 796	880 224	-	702 148	-	-	(634 454)	947 918	730 878
Furniture and Office Equipment	-	-	356 121	-	-	-	356 121	-	-	58 866	-	-	-	58 866	297 255
	1 821 271	-	1 019 847	-	-	(806 202)	2 034 916	880 224	-	761 013	-	-	(634 454)	1 006 783	1 028 133
Total	380 236 520	-	47 781 051	-	-	(2 171 425)	425 846 147	147 291 372	-	6 847 103	430 100	-	(1 999 289)	152 569 285	273 276 861

2. PROPERTY, PLANT AND EQUIPMENT

2.3 Property, Plant and Equipment which is in the process of being constructed or developed:

	2026 R	2025 R
Infrastructure Assets	145 060 297	91 282 665
Solid Waste	145 060 297	91 282 665
Other Assets	653 200	653 200
Total Property, Plant and Equipment under construction	145 713 497	91 935 865

2.4 Property, Plant and Equipment that is taking a significantly longer period of time to complete than expected:

	2026 R	2025 R
Infrastructure Assets	145 060 297	91 550 599
Solid Waste	145 060 297	91 550 599
Total	145 060 297	91 550 599

Delays are due to the following:

The previous contract was terminated on 5 March 2025 due to poor contractor performance and cash flow constraints. During the 2025/26 financial year, a new contractor was appointed for the construction of Phase 1 of the Garden Route Regional Waste Management Facility. Construction commenced on 18 February 2026, with the anticipated completion date being 24 February 2027.

A competitive bidding process for the appointment of a contractor to construct Phase 2 of the project will commence in the 2026/27 financial year.

2.5 Expenditure incurred to repair and maintain Property, Plant and Equipment:

	2026 R	2025 R
Other materials	2 563 773	2 563 773
Contracted Services	2 326 713	2 326 713
Other Expenditure	139 901	139 901
Total Repairs and Maintenance	**5 030 387**	**5 030 387**

2.6 Assets pledged as security:

Leased Property, Plant and Equipment of R1 028 133 (2025: R1 028 133) is secured for leases as set out in **Note 10.**

2.7 Third party payments received for losses incurred:

	2026 R	2025 R
Payments received (Excluding VAT)	40 589	325 896
Carrying value of assets written off/lost	-	(172 135)
Surplus/(Deficit)	**40 589**	**153 760**

2.8 Impairment losses of Property, Plant and Equipment

Impairment losses on Property, Plant and Equipment recognised in Statement of Financial Performance are as follows:

	2026 R	2025 R
Other - Note 38	-	430 100
Total Impairment Losses	-	430 100

2.9 Effect of changes in accounting estimates

The effect of a change in accounting estimate will have on the current period and subsequent periods.

	2026 R	2027 R	2028 R
Effect on Property, plant and equipment	768 191	1 525 024	2 209 632

		2026 R	2025 R
2.	**PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**		
2.10	**Contractual commitments for acquisition of Property, Plant and Equipment:**		
	Approved and contracted for: Infrastructure - Solid Waste	74 912 605	5 555 991
	Balance previously reported	-	-
	Correction of the 30 June 2025 year balance	-	5 555 991
	Total	**74 912 605**	**5 555 991**
	This expenditure will be financed from:		
	Capital Replacement Reserve	-	-
	Government Grants	-	-
	External Loans	74 912 605	5 555 991
	Total	**74 912 605**	**5 555 991**

The commitments presented above are inclusive of VAT.

The previous contract was terminated on 5 March 2025 due to poor contractor performance and cash flow constraints. During the 2025/26 financial year, a new contractor was appointed for the construction of Phase 1 of the Garden Route Regional Waste Management Facility. Construction commenced on 18 February 2026, with the anticipated completion date being 24 February 2027.

A competitive bidding process for the appointment of a contractor to construct Phase 2 of the project will commence in the 2026/27 financial year.

		2026 R	2025 R
3.	**INVESTMENT PROPERTY**		
3.1	**Net Carrying amount at 1 July**	**65 730 481**	**65 839 192**
	Cost	240 211 209	240 211 209
	Accumulated Depreciation	(3 389 202)	(3 280 491)
	Accumulated Impairment Loss	(171 091 526)	(171 091 526)
	Depreciation for the year	(108 711)	(108 711)
	Impairment loss	-	-
	Reversal of Impairment loss	-	-
	Net Carrying amount at 30 June	**65 621 771**	**65 730 481**
	Cost	240 211 209	240 211 209
	Accumulated Depreciation	(3 497 912)	(3 389 202)
	Accumulated Impairment Loss	(171 091 526)	(171 091 526)

		2026 R	2025 R
3.2	**Revenue from Investment Property**		
	Revenue derived from the rental of Investment Property	1 144 926	962 878

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

		2026 R	2025 R
4.	**INTANGIBLE ASSETS**		
	Net Carrying amount at 1 July	**1 191 571**	**1 316 812**
	Cost	2 342 452	2 345 126
	Accumulated Amortisation	(1 150 881)	(1 028 314)
	Additions	196 547	54 000
	Amortisation	(176 278)	(179 241)
	Disposals	-	-
	Cost	-	(56 673)
	Accumulated Amortisation	-	56 673
	Net Carrying amount at 30 June	**1 211 840**	**1 191 571**
	Cost	2 538 999	2 342 452
	Accumulated Amortisation	(1 327 160)	(1 150 881)

No intangible asset were assessed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities.

There are no contractual commitments for the acquisition of intangible assets.

		2026 R	2025 R
5.	**INVESTMENTS**		
	Unlisted	15 665	15 665
	KKLK shares and Loan Account	15 665	15 665
	Total Investments	**15 665**	**15 665**

Listed shares are held in public companies. No specific maturity dates and interest rates are applicable to those shares.

Unlisted investments comprise of the following. Valuations of investments supplied by council are:

KKLK shares	15 665	15 665
	15 665	15 665

		2026 R	2025 R
6.	**OPERATING LEASE ARRANGEMENTS**		
	The Municipality as Lessor		
	Operating Lease Asset	33 282	65 869

	2026 R	2025 R
Reconciliation		
Balance at the beginning of the year	65 869	25 134
Movement during the year	(32 587)	40 735
Balance at the end of the year	**33 282**	**65 869**

	2026 R	2025 R
At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:		
Up to 1 Year	93 726	290 958
1 to 5 Years	28 058	121 784
Total Operating Lease Arrangements	**121 784**	**412 742**

This lease income was determined from contracts that have a specific conditional contractual income. The leases are in respect of land and buildings being leased.

The municipality does not engage in any sub-lease arrangements. The municipality did not receive any contingent rent during the year.

		2026 R	2025 R
7.	**INVENTORY**		
	Consumables	74 332	3 217 063
	Total Inventory	**74 332**	**3 217 063**

		2026 R	2025 R
7.1	**Inventories recognised as an expense during the year:**		
	Consumables	15 757 821	25 041 750
	Materials and Supplies	31 209 894	21 456 362
	Total	**46 967 715**	**46 498 111**

Roads Function inventory is classified as consumables as this inventory is consumed in the performance of the service of maintaining the provincial roads on behalf of the Department of Infrastructure. The roads are not the asset of the Garden Route District Municipality.

With effect from 1 April 2026, the Roads Function inventory was transferred to the Department of Infrastructure. Accordingly, inventory relating to the Roads Function is no longer held or controlled by the Municipality and is therefore not included in the Garden Route District Municipality's inventory balance as at 30 June 2026.

7.2	**Inventory surpluses / (written down due to losses) as identified during the annual stores counts:**		
	Consumables	203 656	202 974
	Total	**203 656**	**202 974**

No inventories were pledged as security for liabilities.

8. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2026 R	2025 R
Property Rentals	12 240 479	5 287 984
Fire Fighting Fees	45 023 696	52 855 107
Input VAT accrual	1 517 582	1 540 674
Balance previously reported	-	-
Correction of JDMA Receivable created at 30 June 2022 - refer to Note 39	-	1 540 674
Other Arrears	(5 916 030)	26 763 719
Balance previously reported	-	26 907 314
Correction of Consumer Deposit account incorrectly linke to Trade Receivables - refer tot Note 39	-	(143 595)
Department of Infrastructure - Roads	90 907 613	40 919 573
Total: Receivables from exchange transactions (before provision)	**143 773 340**	**127 367 057**
Less: Provision for Debt Impairment	(69 877 737)	(69 877 737)
Total: Receivables from exchange transactions (after provision)	**73 895 603**	**57 489 321**

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.

The fair value of receivables approximate their carrying value.

Ageing of Receivables from exchange transactions that is past due as at 30 June	2026 R	2025 R
Property Rentals: Ageing		
31 - 60 Days	153 197	153 197
61 - 90 Days	131 137	131 137
+ 90 Days	5 016 550	5 016 550
Total	**5 300 884**	**5 300 884**
Fire Fighting Fees: Ageing		
31 - 60 Days	402 148	402 148
61 - 90 Days	394 418	394 418
+ 90 Days	52 058 541	52 058 541
Total	**52 855 107**	**52 855 107**
Other Arrears: Ageing		
31 - 60 Days	20 524 406	20 524 406
61 - 90 Days	200 722	200 722
+ 90 Days	5 614 070	5 614 070
Total	**26 339 198**	**26 339 198**
(Total): Ageing		
31 - 60 Days	21 079 751	21 079 751
61 - 90 Days	726 277	726 277
+ 90 Days	62 689 160	62 689 160
Total Receivables from exchange transactions that is past due as at 30 June	**84 495 189**	**84 495 189**
Reconciliation of Provision for Debt Impairment		
Garden Route District Municipality		
Balance at beginning of year	69 877 737	50 591 262
Contribution to provision	-	17 487 996
VAT on provision	-	1 798 479
Total Balance at end of year	**69 877 737**	**69 877 737**
Ageing of amounts past due but not impaired:		
1 month past due	29 000 152	29 000 152
2+ months past due	25 933 171	25 933 171
	54 933 324	**54 933 324**

The provision for doubtful debts on debtors exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

		2026 R	2025 R
8.	**RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)**		
	Reconciliation of bad debts written off (Inclusive of VAT)		
	Property Rentals	7 600	7 600
	Fire Fighting Fees	837 742	837 742
	Other Arrears	848 128	848 128
		1 693 469	**1 693 469**

Uneconomical to recover as per assessment from appointed legal presentation.

Collection Rate of Receivables from exchange transactions

Property Rentals	49%	49%
Fire Fighting Fees	24%	24%
Other Arrears	25%	25%
Department of Infrastructure - Roads	104%	104%

		2026 R	2025 R
9.	**CASH AND CASH EQUIVALENTS**		
9.1	**Cash and Cash Equivalents**		
	Current Accounts	86 275 557	150 269 968
	Call Deposits and Investments	5 066 660	4 711 400
	Cash On-hand	22 912	29 500
	Total Cash and Cash Equivalents - Assets	**91 365 129**	**155 010 868**

Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.

Included in other deposits and bank balances are an amount of 2026: R3 823 021 (2025: R2 579 003) which is attributable to unspent grants and subsidies; and 2026: R9 213 054 (2025: R9 213 054) which is attributable to the Capital Replacement Reserve and 2026: R58 753 347 (2025: R58 753 347) which is attributable to the Employee Benefit Reserve.

The municipality has the following bank accounts:

Current Accounts and Call Deposits and Investments Accounts

Nedbank Limited - Account Number 1186616261 (Primary Current Account):	63 493 748	150 246 800
Nedbank Limited - Account Number 1153066203 (Secondary Current Account)	5 651 454	25 629
Nedbank Limited - Account Number 1278487034 (Secondary Current Account)	42 701	(2 462)
Nedbank Limited - Account Number 03/7881073772/000164 (32 Notice Deposit Account)	5 066 661	4 711 400
	74 254 563	**154 981 368**

Details of current accounts and call deposits and investments accounts are as follow:

Nedbank Limited - Account Number 1186616261 (Primary Current Account):		
Cash book balance at beginning of year	150 246 800	121 449 940
Cash book balance at end of year	63 493 748	150 246 800
Bank statement balance at beginning of year	150 229 789	121 447 811
Bank statement balance at end of year	80 581 027	150 229 789
Nedbank Limited - Account Number 1153066203 (Secondary Current Account)		
Cash book balance at beginning of year	25 629	30 968 556
Cash book balance at end of year	5 651 454	25 629
Bank statement balance at beginning of year	25 629	30 968 556
Bank statement balance at end of year	5 654 501	25 629
Nedbank Limited - Account Number 1278487034 (Secondary Current Account)		
Cash book balance at beginning of year	(2 462)	24 970
Cash book balance at end of year	42 701	(2 462)
Bank statement balance at beginning of year	(2 462)	24 970
Bank statement balance at end of year	42 701	(2 462)
Nedbank Limited - Account Number 03/7881073772 (32 Notice Deposit Account)		
Cash book balance at beginning of year	4 711 400	4 342 610
Cash book balance at end of year	5 066 661	4 711 400
Bank statement balance at beginning of year	4 711 400	4 342 610
Bank statement balance at end of year	5 066 661	4 711 400

10. LONG-TERM BORROWINGS

	2026 R	2025 R
Annuity Loans	171 912 000	171 912 000
Balance previously reported	-	173 287 682
Correction of accrud interest included under Trade Payables - refer tot Note 39	-	(1 375 682)
Capitalised Lease Liability - At amortised cost	456 472	950 712
	172 368 472	**172 862 712**
Less: Current Portion transferred to Current Liabilities	**7 312 672**	**596 158**
Annuity Loans	6 975 590	-
Capitalised Lease Liability - At amortised cost	337 083	596 158
Non-current portion of Long-term Borrowings	**165 055 800**	**172 266 554**

The obligations under annuity loans are scheduled below:

	Minimum payments 2026 R	2025 R
Amounts payable under annuity loans:		
Amounts still to be drawn	-	-
Payable within one year	22 657 402	15 608 969
Payable within two to five years	118 016 401	111 169 703
Payable after five years	118 016 401	147 520 501
	258 690 204	274 299 173
Less: Future finance obligations	(86 778 204)	(102 387 173)
Present value of annuity loans obligations	**171 912 000**	**171 912 000**

The Telkom obligations under finance leases are scheduled below:

	Minimum payments 2026 R	2025 R
Amounts payable under finance leases:		
Payable within one year	225 287	527 670
Payable within two to five years	55 043	166 643
Payable after five years	-	-
	280 330	694 313
Less: Future finance obligations	(16 837)	(48 356)
Capitalised Lease Liability: Telkom	**263 493**	**645 957**

The Konica Minolta obligations under finance leases are scheduled below:

	Minimum payments 2026 R	2025 R
Amounts payable under finance leases:		
Payable within one year	140 414	140 414
Payable within two to five years	70 207	210 621
Payable after five years	-	-
	210 621	351 035
Less: Future finance obligations	(17 641)	(46 280)
Capitalised Lease Liability: Konica Minolta	**192 980**	**304 755**
Total capitalised lease liablity	**456 473**	**950 712**

Supplier	Description of leased item	Effective Interest rate	Annual Escalation	Lease Term	Maturity Date
Konica Minolta	Photocopiers	Prime	None	36 Months	2027/12/31
Telkom	Mobile Communication Devices	Prime	None	24 /36 Months	Various
Standard Bank	Regional Landfill Site Loan	9,42%	3-Month JBAR per annum Variable Interest Rate	120 months	2035/06/29

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

11 NON-CURRENT EMPLOYEE BENEFITS

		2026 R	2025 R
Provision for Post Retirement Health Care Benefits	Note 11.1	119 481 000	97 272 000
Provision for Ex-Gratia Pension Benefits	Note 11.2	105 700	122 900
Provision for Long Service Awards	Note 11.3	11 951 000	11 854 000
Provision for Exit Gratuity		456 516	456 516
Total Non-current Employee Benefits		**131 994 216**	**109 705 416**
Less: Transfer of Current Portion to Current Provisions - Note 12		(7 780 300)	(11 275 400)
		124 213 916	**98 430 016**

Employee Benefits - Receivables (Note 11.5)

Included in the above provision for Employee Benefits are the following amounts receivable from the Department of Infrastructure with regards to employee benefits:

Roads - Provision for Post Employment Health Care Benefits (Note 11.5)	2 716 000	2 716 000
Roads - Provision for Ex-Gratia Pension Benefits (Note 11.5)	16 100	16 100
Roads - Provision for Long Service Leave Awards (Note 11.5)	932 000	932 000
	3 664 100	3 664 100
Less: Short Term Portion Transferred to Current Employee Benefits Receivable (Note 11.5)	(3 664 100)	(3 664 100)
	-	-

Post Retirement Health Care Benefits	2026 R	2025 R
Balance 1 July	97 272 001	142 969 001
Contribution for the year	12 372 000	19 805 000
Expenditure for the year	(8 759 000)	(9 402 608)
Roads transfer-out	-	(59 125 000)
Actuarial Loss/(Gain)	18 596 000	3 025 608
Total provision 30 June	**119 481 001**	**97 272 001**
Less: Transfer of Current Portion to Current Provisions - Note 12	(6 069 000)	(8 309 000)
Balance 30 June	**113 412 001**	**88 963 001**

Ex-Gratia Pensions	2026 R	2025 R
Balance 1 July	122 900	274 700
Contribution for the year	8 700	24 100
Expenditure for the year	(44 200)	(57 787)
Roads transfer-out	-	(129 000)
Actuarial Loss/(Gain)	18 300	10 887
Total provision 30 June	**105 700**	**122 900**
Less: Transfer of Current Portion to Current Provisions - Note 12	(26 300)	(42 400)
Balance 30 June	**79 400**	**80 500**

Long Service Awards	2026 R	2025 R
Balance 1 July	11 854 000	16 160 000
Contribution for the year	1 822 000	2 921 000
Expenditure for the year	(3 117 000)	(2 383 678)
Roads transfer-out	-	(5 692 000)
Actuarial Loss/(Gain)	1 392 000	848 678
Total provision 30 June	**11 951 000**	**11 854 000**
Less: Transfer of Current Portion to Current Provisions - Note 12	(1 685 000)	(2 924 000)
Balance 30 June	**10 266 000**	**8 930 000**

Exit Gratuity		
Balance 1 July	456 516	961 953
Contribution for the year	-	-
Expenditure for the year	-	(505 437)
Total provision 30 June	**456 516**	**456 516**
Less: Transfer of Current Portion to Current Provisions - Note 12	-	-
Balance 30 June	**456 516**	**456 516**

11. NON-CURRENT EMPLOYEE BENEFITS (CONTINUED)

11.1 Provision for Post Retirement Health Care Benefits

Nature of the plan

Eligible employees will receive a post-employment subsidy of 70% of the contributions payable should they be a member of a medical scheme at retirement.

Continuation members and their eligible dependants receive a 70% subsidy.

Upon a member's death-in-service, surviving dependants are entitled to commence receipt of the same post-employment subsidy. Upon a member's death-in-retirement, surviving dependants are entitled to continue to receive the same subsidy.

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas
Hosmed
LA Health
Key Health, and
SAMWU Medical Aid

Regulatory framework

GRAP 25, derived from IPSAS 39 and IAS 19, has been approved by the ASB and the Minister of Finance, and is effective for financial periods commencing on or after 1 April 2023.

It applies to institutions falling within the ambit of the Finance Management Act.

Risks of the plan

Inflation: The risk that future CPI inflation and medical aid contribution inflation are higher than assumed and present in an uncontrolled manner.

Longevity: The risk that eligible individuals live longer than assumed i.e. their benefits are payable for longer than expected.

Volatility of open-ended, long-term DBO: The risk that the DBO may be volatile which is exacerbated by its long-term nature.

Enforcement of eligibility criteria and rules: The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.

Future changes in legislation: The risk that changes to legislation with respect to the post-employment medical aid benefit may increase the DBO for the Municipality.

There are no curtailments or settlement to reflect.

The Projected Unit Credit Method has been used to value the defined benefit obligation.

	2026 R	2025 R
Post Retirement Benefits (PEMA)	119 481 000	97 272 000
Total Net defined benefit liability	**119 481 000**	**97 272 000**

The total DBO has increased by 23% (or R 22,209 million) since the last valuation. A numerical analysis of the unexpected movement (actuarial gain/loss) is provided in the next section. The main reasons for the change in liability:

1. An increase in the average age, which means members are closer to retirement (less discounting) and less likely to leave before retirement
2. An increase in the average past service
3. An increase in the average post-employment subsidy
4. An increase in the proportion of members with a spouse dependant (continuation members)

	2026 R	2025 R
Provision for Post Retirement Health Care Benefits		
The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:		
In-service (employee) members	161	285
In-service (employee) non-members	58	264
Continuation members (e.g. Retirees, widows, orphans)	81	141
Total Members	**300**	**690**

	2026 R	2025 R
The liability in respect of past service has been estimated to be as follows:		
In-service (employee) members	45 140 000	31 594 000
In-service (employee) non-members	579 000	379 000
Continuation (retiree & widow) members	73 762 000	65 299 000
Total Liability	**119 481 000**	**97 272 000**

11. NON-CURRENT EMPLOYEE BENEFITS (CONTINUED)

The Current-service Cost for the ensuing year is estimated to be R2,849,000, whereas the Interest Cost for the next year is estimated to be R10,590,000.

Key actuarial assumptions used:	2026 %	2025 %
i) Rate of interest		
Discount rate	9,10%	11,00%
CPI (Consumer Price inflation)	4,30%	5,00%
Medical Aid Contribution Inflation Rate	6,10%	6,80%
Net Effective Discount Rate	**2,80%**	**3,90%**

The next contribution increases were assumed to occur at 1 January 2027.

ii) Mortality during employment

SA85-85-90 tables, adjusted for female lives

iii) Mortality rates post-employment

The PA (90)-1 with 1% mortality improvement from p.a from 2010

iv) Average retirement age

The normal retirement age of employees is 65. It has been assumed that employees will retire at age 60 on average, which then implicitly allows for expected rates of ill-health and early retirement. Employees who have passed the assumed average retirement age, have been assumed to retire at their next birthday.

v) Proportion with a spouse dependant at retirement

It has been assumed that 5% of eligible in-service non-members will be on a medical scheme by retirement (should they not exit employment before then) and continue with the subsidy at and after retirement.

vi) Continuation from membership

It has been assumed that 80% of in-service members will remain on the Municipality's health care arrangement should they stay until retirement.

vii) Termination of service

Valuation: 30 June 2026

Age	Rate
20-24	9%
25-29	8%
30-34	6%
35-39	5%
40-44	5%
45-49	4%
50-54	3%
55+	0%

The amounts recognised in the Statement of Financial Position are as follows:	2026 R	2025 R
Present value of fund obligations	119 481 000	97 272 000
Net liability/(asset)	**119 481 000**	**97 272 000**

There are currently no long-term assets set aside off-balance sheet in respect of the DBO, thus plan assets is zero.

As there is no plan asset, the net defined benefit liability is equal to the defined benefit obligation.

Reconciliation of present value of fund obligation:	2026 R	2025 R
Present value of fund obligation at the beginning of the year	97 272 001	142 969 001
Total expenses	12 372 000	19 805 000
Current service cost	2 141 000	3 069 000
Interest Cost	10 231 000	16 736 000
Remeasurement of net defined benefit liability	18 596 000	(56 099 392)
Actuarial (gains)/losses from financial assumptions	18 596 000	3 025 608
Roads transfer-out	-	(59 125 000)
Experience adjustments	-	-
Benefits Paid	(8 759 000)	(9 402 608)
Present value of fund obligation at the end of the year	119 481 001	97 272 001
Less: Transfer of Current Portion	(6 069 000)	(8 309 000)
Net defined benefit liability	**113 412 001**	**88 963 001**

11. NON-CURRENT EMPLOYEE BENEFITS (CONTINUED)

Sensitivity Analysis

Sensitivity Analysis on the Accrued Liability on 30 June 2026

Assumption	Change	Total liability (R)	% change
Central Assumptions		119 481	
Medical aid contribution inflation rate	1%	136 988	15%
Medical aid contribution inflation rate	-1%	105 206	-12%
Discount rate	1%	105 677	-12%
Discount rate	-1%	136 631	14%
Post-employment mortality	1 year	115 901	-3%
Post-employment mortality	(1 year)	123 063	3%
Average retirement age	(1 year)	121 473	2%
Membership continuation	-10%	113 965	-5%

Sensitivity Analysis on the Accrued Liability on 30 June 2025

Assumption	Change	Total liability (R)	% change
Central Assumptions		97 272	
Medical aid contribution inflation rate	1%	109 772	13%
Medical aid contribution inflation rate	-1%	86 932	-11%
Discount rate	1%	87 371	-10%
Discount rate	-1%	109 370	12%
Post-employment mortality	1 year	94 663	-3%
Post-employment mortality	(1 year)	99 865	3%
Average retirement age	(1 year)	99 976	3%
Membership continuation	-10%	93 424	-4%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2026

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)
Central Assumptions	2 141 000	10 231 000	12 372 000

The effect of movements in the assumptions are as follows:

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Health care inflation	1%	2 617 000	11 604 000	14 221 000	15%
Health care inflation	-1%	1 771 000	9 096 000	10 867 000	-12%
Discount rate	1%	1 802 000	9 974 000	11 776 000	-5%
Discount rate	-1%	2 577 000	10 509 000	13 086 000	6%
Post-retirement mortality	+1 year	2 095 000	9 945 000	12 040 000	-3%
Post-retirement mortality	-1 year	2 189 000	10 515 000	12 704 000	3%
Average retirement age	-1 year	2 370 000	10 525 000	12 895 000	4%
Continuation of membership at retirement	-10%	1 888 000	9 810 000	11 698 000	-5%

The method used to prepare the sensitivity analysis remained unchanged from the previous period. The assumptions used would be based on the market conditions and demographic inputs as at 30 June 2026.

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2025

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)
Central Assumptions	3 069 000	16 736 000	19 805 000

The effect of movements in the assumptions are as follows:

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Health care inflation	1%	3 755 000	18 921 000	22 676 000	14%
Health care inflation	-1%	2 531 000	14 918 000	17 449 000	-12%
Discount rate	1%	2 576 000	16 238 000	18 814 000	-5%
Discount rate	-1%	3 698 000	17 288 000	20 986 000	6%
Post-retirement mortality	+1 year	3 002 000	16 249 000	19 251 000	-3%
Post-retirement mortality	-1 year	3 135 000	17 221 000	20 356 000	3%
Average retirement age	-1 year	3 308 000	17 263 000	20 571 000	4%
Continuation of membership at retirement	-10%	2 704 000	16 000 000	18 704 000	-6%

11 NON-CURRENT EMPLOYEE BENEFITS (CONTINUED)

Future Cashflows

The Current-service Cost for the ensuing year is estimated to be R2,849,000, whereas the Interest Cost for the next year is estimated to be R10,590,000.

Maturity analysis

Year	Future year	Expected Benefit Payments (R)
2027	1	6 343 000
2028	2	6 837 000
2029	3	7 360 000
2030	4	7 799 000
2031	5	8 210 000
2032-2036	6-10	49 736 000
2037-2041	11-15	65 164 000
2042-2046	16-20	86 098 000
2047-2051	21-25	108 661 000
2052-2056	26-30	130 110 000
2057-2066	31-40	279 936 000
2067-2076	41-50	246 481 000
2077-2086	51-60	156 031 000
2087-2096	61-70	58 588 000
2097-2106	71-80	8 924 000

11.2 Provision for Ex-Gratia Pension Benefits

	2026 R	2025 R
The Ex-Gratia Pension Plans are defined benefit plans. As at year end the following number of former employees were eligible for Ex-Gratia Pension Benefits.	2	4

Nature of the plan

The ex-gratia pensions valued here are pensions that are paid by the Municipality from its revenue i.e. they are not funded or paid from one of the Municipality's formalised pension arrangements.

All pensioners receive annually increasing monthly pension amounts until death.

Regulatory framework

GRAP 25, derived from IPSAS 39 and IAS 19, has been approved by the ASB and the Minister of Finance, and is effective for financial periods commencing on or after 1 April 2023.

It applies to institutions falling within the ambit of the Finance Management Act.

Risks of the plan

Inflation: The risk that future CPI inflation and earnings inflation are higher than assumed and present in an uncontrolled manner.

Longevity: The risk that eligible individuals live longer than assumed i.e. their benefits are payable for longer than expected.

Volatility of open-ended, long-term DBO: The risk that the DBO may be volatile which is exacerbated by its long-term nature.

Enforcement of eligibility criteria and rules: The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.

Future changes in legislation: The risk that changes to legislation with respect to the ex-gratia benefits may increase the DBO for the Municipality.

There are no curtailments or settlement to reflect.

Valuation Method

The Projected Unit Credit Method has been used to value the defined benefit obligation.

	2026 R	2025 R
Ex-Gratia Pension Benefits	105 700	122 900
Total Net defined benefit liability	**105 700**	**122 900**

The total DBO has also increased by 14% (or R 17,200) since the last valuation, due to the above being more than offset by a decrease in the number of pensioners.

Key actuarial assumptions used:	2026 %	2025 %
i) Rate of interest		
Discount rate	7,80%	8,60%
CPI inflation rate	3,70%	3,10%
Pension inflation rate	1,90%	1,60%
Net discount rate	**5,80%**	**6,90%**

These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 30 June 2026.

11 NON-CURRENT EMPLOYEE BENEFITS (CONTINUED)

	2026 R	2025 R
Demographic assumptions		
ii) Mortality post-employment		
PA(90) -1 with a 1% mortality improvement p.a. from 2010		
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	105 700	122 900
Net liability/(asset)	**105 700**	**122 900**

Since there is no plan asset, this is also the Municipality's net defined benefit liability.

Reconciliation of present value of net defined benefit liability

Present value of fund obligation at the beginning of the year	122 900	274 700
Total expenses	8 700	24 100
Current service cost	-	-
Interest Cost	8 700	24 100
Remeasurement of net defined benefit liability	18 300	(118 113)
Actuarial (gains)/losses from demographic assumptions	-	-
Actuarial (gains)/losses from financial assumptions	18 300	10 887
Roads transfer-out	-	(129 000)
Experience adjustments	-	-
Benefits Paid	(44 200)	(57 787)
Present value of fund obligation at the end of the year	**105 700**	**122 900**
Less: Transfer of Current Portion	(26 300)	(42 400)
Net defined benefit liability	**79 400**	**80 500**

Sensitivity Analysis

Sensitivity Analysis on the Accrued Liability on 30 June 2026

	Change	Liability (R)	% change
Assumption			
Central assumptions		105 700	
Inflation rate	+1%	109 200	3%
Inflation rate	-1%	102 500	-3%
Discount Rate	+1%	102 700	-3%
Discount Rate	-1%	109 000	3%
Post-employment mortality	+1 yr	100 200	-5%
Post-employment mortality	-1 yr	111 600	6%

Sensitivity Analysis on the Accrued Liability on 30 June 2025

	Change	Liability (R)	% change
Assumption			
Central assumptions		122 900	
Inflation rate	+1%	126 400	3%
Inflation rate	-1%	119 500	-3%
Discount Rate	+1%	119 800	-3%
Discount Rate	-1%	126 200	3%
Post-employment mortality	+1 yr	117 400	-4%
Post-employment mortality	-1 yr	128 600	5%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2026

	Interest Cost (R)
Assumption	
Central Assumptions	8 700

The effect of movements in the assumptions are as follows:

	Change	Interest Cost (R)	% change
Assumption			
Health care inflation	1%	9 000	3%
Health care inflation	-1%	8 400	-3%
Discount rate	1%	9 400	8%
Discount rate	-1%	7 900	-9%
Post-retirement mortality	+1 year	8 200	-6%
Post-retirement mortality	-1 year	9 200	6%

The method used to prepare the sensitivity analysis remained unchanged from the previous period. The assumptions used would be based on the market conditions and demographic inputs as at 30 June 2026.

11 NON-CURRENT EMPLOYEE BENEFITS (CONTINUED)

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2025

Assumption	Interest Cost (R)
Central Assumptions	24 100

The effect of movements in the assumptions are as follows:

Assumption	Change	Interest Cost (R)	% change
Health care inflation	1%	25 300	5%
Health care inflation	-1%	23 000	-5%
Discount rate	1%	25 400	5%
Discount rate	-1%	22 600	-6%
Post-retirement mortality	+1 year	22 900	-5%
Post-retirement mortality	-1 year	25 300	5%

Future Cashflows

There is no Current-service cost as there are no in-service members eligible for ex-gratia pension benefits, whereas the Interest- Cost for the next year is estimated to be R7,200.

Maturity analysis

Year	Future year	Expected Benefit Payments (R)
2027	1	27 300
2028	2	22 900
2029	3	18 900
2030	4	15 500
2031	5	12 500
2032-2036	6-10	32 100
2037-2041	11-15	7 600
2042-2046	16-20	1 200
2047-2056	21-30	100
2057-2066	31-40	-

11.3 Provision for Long Service Bonuses

	2026	2025
The Long Service Bonus plans are defined benefit plans. As at year end the following number of employees were eligible for Long Service Bonuses.	216	546

Nature of the plan

The Municipality offers employees LSA for every five years of service completed, from ten years of service to 45 years of service, inclusive.

In the month that each "completed service" milestone is reached, the employee is granted an LSA.

Regulatory framework

GRAP 25, derived from IPSAS 39 and IAS 19, has been approved by the ASB and the Minister of Finance, and is effective for financial periods commencing on or after 1 April 2023.

It applies to institutions falling within the ambit of the Finance Management Act.

Risks of the plan

Inflation: The risk that future CPI inflation and earnings inflation are higher than assumed and present in an uncontrolled manner.

Termination of service: The risk that fewer eligible employees terminate their service at the Municipality i.e. more long service awards vest than expected.

Volatility of open-ended, long-term DBO: The risk that the DBO may be volatile which is exacerbated by its long-term nature.

Enforcement of eligibility criteria and rules: The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.

Future changes in legislation: The risk that changes to legislation with respect to long service awards may increase the DBO for the Municipality.

There are no curtailments or settlement to reflect.

Valuation Method

The Projected Unit Credit Method has been used to value the defined benefit obligation.

	2026 R	2025 R
Long Service Awards	11 951 000	11 854 000
Total Net defined benefit liability	**11 951 000**	**11 854 000**

The total DBO has increased by 1% (or R 97,000) due to the above, partially offset by a decrease in the number of eligible employees since the last valuation.

11 NON-CURRENT EMPLOYEE BENEFITS (CONTINUED)

	2026 %	2025 %
Key actuarial assumptions used:		
i) Rate of interest		
Discount rate	8,50%	10,00%
CPI (Consumer Price Inflation)	3,70%	4,00%
Normal Salary Increase Rate	4,70%	5,00%
Net Discount rate	**3,60%**	**4,80%**

Demographic assumptions

ii) Normal retirement age

The normal retirement age is 65 for males and 60 for females

iii) Average retirement age

The normal retirement age of employees is 65. It has been assumed that employees will retire at age 60 on average, which then implicitly allows for expected rates of ill-health and early retirement. Employees who have passed the assumed average retirement age, have been assumed to retire at their next birthday.

iv) Mortality during employment

SA 85-90 ultimate table,adjustes for female lives

v) Termination of Service

Valuation: 30 June 2026

Age	Rate
20-24	9%
25-29	8%
30-34	6%
35-39	5%
40-44	5%
45-49	4%
50-54	3%
55+	0%

	2026 R	2025 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	11 951 000	11 854 000
Net liability/(asset)	**11 951 000**	**11 854 000**

Since there is no plan asset, this is also the Municipality's net defined benefit liability.

Reconciliation of present value of net defined benefit liability

Present value of fund obligation at the beginning of the year	11 854 000	16 160 000
Total expenses	1 822 000	2 921 000
Current service cost	789 000	1 216 000
Past service cost	-	-
Interest Cost	1 033 000	1 705 000
Remeasurement of net defined benefit liability	1 392 000	(4 843 322)
Actuarial (gains)/losses from demographic assumptions	-	-
Actuarial (gains)/losses from financial assumptions	1 392 000	848 678
Roads transfer-out	-	(5 692 000)
Experience adjustments	-	-
Benefits Paid	(3 117 000)	(2 383 678)
Present value of fund obligation at the end of the year	11 951 000	11 854 000
Less: Transfer of Current Portion	(1 685 000)	(2 924 000)
Net defined benefit liability	**10 266 000**	**8 930 000**

Sensitivity Analysis

Sensitivity Analysis on the Accrued Liability on 30 June 2026

Assumption	Change	Liability (R)	% change
Central assumptions		11 951 000	
General earnings inflation	1%	12 754 000	7%
General earnings inflation	-1%	11 229 000	-6%
Discount rate	1%	11 211 000	-6%
Discount rate	-1%	12 787 000	7%
Average retirement age	2 year	13 333 000	12%
Average retirement age	(2 year)	10 664 000	-11%
Withdrawal rates	x2	9 635 000	-19%
Withdrawal rates	x0.5	13 544 000	13%

11 NON-CURRENT EMPLOYEE BENEFITS (CONTINUED)

Sensitivity Analysis

Sensitivity Analysis on the Accrued Liability on 30 June 2025

Assumption	Change	Liability (R)	% change
Central assumptions		11 854	
General earnings inflation	1%	12 540	6%
General earnings inflation	-1%	11 236	-5%
Discount rate	1%	11 222	-5%
Discount rate	-1%	12 564	6%
Average retirement age	2 year	12 979	9%
Average retirement age	(2 year)	10 773	-9%
Withdrawal rates	x2	9 834	-17%
Withdrawal rates	x0.5	13 246	12%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2026

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)
Central Assumptions	789 000	1 033 000	1 822 000

The effect of movements in the assumptions are as follows:

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
General earnings inflation	1%	852 000	1 102 000	1 954 000	7%
General earnings inflation	-1%	733 000	971 000	1 704 000	-6%
Discount rate	1%	739 000	1 067 000	1 806 000	-1%
Discount rate	-1%	845 000	994 000	1 839 000	1%
Average retirement age	2 year	867 000	1 164 000	2 031 000	11%
Average retirement age	(2 year)	717 000	924 000	1 641 000	-10%
Rates of termination of service	x2	593 000	832 000	1 425 000	-22%
Rates of termination of service	x0.5	931 000	1 172 000	2 103 000	15%

The method used to prepare the sensitivity analysis remained unchanged from the previous period. The assumptions used would be based on the market conditions and demographic inputs as at 30 June 2026.

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2025

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)
Central Assumptions	1 216 000	1 705 000	2 921 000

The effect of movements in the assumptions are as follows:

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
General earnings inflation	1%	1 315 000	1 815 000	3 130 000	7%
General earnings inflation	-1%	1 129 000	1 604 000	2 733 000	-6%
Discount rate	1%	1 138 000	1 745 000	2 883 000	-1%
Discount rate	-1%	1 305 000	1 658 000	2 963 000	1%
Average retirement age	2 year	1 340 000	1 932 000	3 272 000	12%
Average retirement age	(2 year)	1 089 000	1 473 000	2 562 000	-12%
Rates of termination of service	x2	909 000	1 388 000	2 297 000	-21%
Rates of termination of service	x0.5	1 442 000	1 922 000	3 364 000	15%

Future Cashflows

The Current-service Cost for the ensuing year is estimated to be R813,000, whereas the Interest Cost for the next year is estimated to be R942,000.

Maturity analysis

Year	Future year	Benefit
2027	1	1 767 000
2028	2	1 339 000
2029	3	1 410 000
2030	4	1 679 000
2031	5	1 299 000
2032-2036	6-10	8 689 000
2037-2041	11-15	10 071 000
2042-2046	16-20	10 197 000
2047-2056	21-30	10 488 000
2057-2066	31-40	308 000

11 NON-CURRENT EMPLOYEE BENEFITS (CONTINUED)

11.4 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Consolidated retirement fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

LA RETIREMENT FUND (PREVIOUSLY CAPE JOINT PENSION FUND)

The contribution rate payable is 9%, by the members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2025 revealed that the fund has a funding level of 112,1% (30 June 2024 - 118,5%) and is in a sound financial position.

CONSOLIDATED RETIREMENT FUND (PREVIOUSLY CAPE JOINT RETIREMENT FUND)

The contribution rate paid by the members (9,0%) and Council (18,0%). The last actuarial valuation performed for the year ended 30 June 2025 revealed that the fund is in a sound financial position with a funding level of 100.2% (30 June 2024 - 100,2%).

Contributions paid recognised in the Statement of Financial Performance.

DEFINED CONTRIBUTION FUNDS

Council contribute to the Government Employees Pension Fund, Municipal Council Pension Fund, IMATU Retirement Fund and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

	2026 R	2025 R
Contributions paid recognised in the Statement of Financial Performance		
Government Employees Pension Fund	29 571 404	29 571 404
Municipal Councillors Pension Fund	558 919	558 919
	30 130 323	30 130 323
Expected contributions for the next period		
Government Employees Pension Fund	31 075 707	31 075 707
Municipal Councillors Pension Fund	562 904	562 904
	31 638 611	31 638 611

11.5 Employee Benefits Receivable

Department of Infrastructure: Roads - Post Employment Health Care Benefits (Note 11.1) - At amortised cost	2 716 000	2 716 000
Department of Infrastructure: Roads - Ex-Gratia Pension Benefits (Note 11.2) - At amortised cost	16 100	16 100
Department of Infrastructure: Roads - Long Service Awards (Note 11.3) - At amortised cost	932 000	932 000
	3 664 100	3 664 100
Less: Current portion transferred to current employee benefits receivable	3 664 100	3 664 100
Department of Infrastructure: Roads - Post Employment Health Care Benefits (Note 11.1) - At amortised cost	2 716 000	2 716 000
Department of Infrasturcture: Roads - Ex-Gratia Pension Benefits (Note 11.2) - At amortised cost	16 100	16 100
Department of Infrastructure: Roads - Long Service Awards (Note 11.3) - At amortised cost	932 000	932 000
Total	-	-

DEPARTMENT OF INFRASTRUCTURE: ROADS

	2026 R	2025 R

The Employee Benefits: Roads Receivable relates to the provision for post-retirement health benefits, long service awards and ex-gratia pension benefits made in respect of employees directly appointed for Roads Function performed on behalf of the Provincial Administration: Western Cape.

In terms of the agreement between the Western Cape Provincial Government and past practice, Provincial Government funds will be made available to maintain the approved organogram of the Roads department, including all employee post retirement benefits. The future claim for the provision for retirement benefits has therefore been raised as a long term debtor. The carrying amount of these assets approximates their fair value.

Net actuarial gains/(losses) on employee benefit assets and liabilities	(20 006 300)	(4 135 784)

		2026 R	2025 R
12.	**CURRENT EMPLOYEE BENEFITS**		
	Performance Bonuses	1 462 563	1 462 563
	Staff Bonuses	7 508 307	7 584 594
	Staff Leave	23 711 130	23 603 698
	Current Portion of Non-Current Provisions	7 780 300	11 275 400
	Current Portion of Post Retirement Benefits - Note 11	6 069 000	8 309 000
	Current Portion of Ex-Gratia Pension Provisions - Note 11	26 300	42 400
	Current Portion of Long-Service Provisions - Note 11	1 685 000	2 924 000
	Current Portion of Exit Gratuity Provisions - Note 11	-	-
	Total Provisions	**40 462 299**	**43 926 255**

12.1 ***Performance Bonuses***

Balance at beginning of year	1 462 563	1 517 541
Contribution to current portion	-	1 258 554
Expenditure incurred	-	(1 313 532)
Balance at end of year	**1 462 563**	**1 462 563**

Performance bonuses are being paid to the Municipal Manager and five Section 57 Executive Managers after an evaluation of performance by the council.

12.2 ***Staff Bonuses***

	2026 R	2025 R
Balance at beginning of year	7 584 594	7 295 654
Contribution to current portion	-	13 817 538
Expenditure incurred	(76 287)	(13 528 598)
Balance at end of year	**7 508 307**	**7 584 594**

Bonuses are being paid to all municipal staff, excluding Section 57 employees. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle.

12.3 ***Staff Leave***

Balance at beginning of year	23 603 698	22 267 700
Contribution to current portion	107 431	3 595 295
Expenditure incurred	-	(2 259 297)
Balance at end of year	**23 711 130**	**23 603 698**

Staff leave accrued to employees according to collective agreement, capped at a maximum of 48 days. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave.

		2026 R	2025 R
13.	**TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**		
	Trade Payables	21 068 116	15 115 305
	Balance previously reported	-	15 115 085
	Correction of Trade Paybles account incorrectly linked to Other Paybles - refer tot Note 39	-	220
	Consumer Advance Payments	5 047 981	1 336 358
	Balance previously reported	-	1 479 953
	Correction of Consumer Deposit account incorrectly linked to Trade Receivables - refer tot Note 39	-	(143 595)
	VAT output accrual	(405 518)	1 636 432
	Balance previously reported	-	-
	Correction of accrued interest trasferred to Long Term Borrowings - refer tot Note 39	-	1 636 432
	Control, Clearing and Interface Accounts	1 799 423	1 708 267
	Other Payables	426 647	1 740 844
	Balance previously reported	-	1 741 064
	Correction of Trade Payables account incorrectly linked to Other Payables - refer tot Note 39	-	(220)
	Retentions	8 439 550	5 918 481
	Total Trade Payables	**36 376 200**	**27 455 687**

Payables are being recognised net of any discounts.

Payables are payable within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

14. UNSPENT TRANSFERS AND SUBSIDIES

	2026 R	2025 R
Unspent Transfers and Subsidies	3 823 021	2 579 003
National Government Grants	35 160	48 386
Provincial Government Grants	3 787 861	2 530 617
Less: Unpaid Transfers and Subsidies	(1 143 800)	(1 281 419)
National Government Grants	-	-
Provincial Government Grants	(1 143 800)	(1 281 419)
Total Unspent Transfers and Subsidies	**2 679 221**	**1 297 584**

See Appendix "B" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised.

No grants were delayed or withheld.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

15. VAT

		2026 R	2025 R
15.1	VAT Payable	-	-
	VAT Output in Suspense	-	-
	Balance previously reported	-	(1 636 432)
	Reclassification correction - VAT Output Suspense now disclosed as part of Trade Payables	-	1 636 432
	Less: Contribution to Provision for Doubtful Debt Impairment	-	-
	Total VAT Payable	**-**	**-**
15.2	VAT Receivable	3 775 111	1 577 209
	VAT Input in Suspense	-	-
	Balance previously reported	-	1 540 674
	Reclassification correction - VAT Input Suspense now disclosed as part of Receivables from exchange transactions	-	(1 540 674)
	Total VAT Receivable	**3 775 111**	**1 577 209**
15.3	**Net VAT (Payable)/Receivable**	**3 775 111**	**1 577 209**

VAT is accounted for on the payment basis.

The municipality requested a binding VAT ruling from SARS concerning the output VAT treatment of the roads funding received from the Western Cape Department of Infrastructure. The objective of the opinion or request was to confirm if the municipality must declare output VAT at 15% or zero % on the funding received from the Western Cape Department of Transport and Public Works.

The Municipality received the correspondence from SARS 30 July 2025 which stated that the application contains issues that are substantially similar to issues that are the subject of a policy document that has been published, i.e. Binding General Ruling 74 (refer to section 80 (1)(b)(iii)(bb) of the Tax Administration Act. According to section 4 Ruling of the BGR 74, the municipality applies the agency basis and treated VAT correctly as per ruling.

16 SHORT-TERM BORROWINGS

The Municipality has no short term borrowings.

17 NET ASSET RESERVES

	2026 R	2025 R
RESERVES	67 966 401	67 966 401
Capital Replacement Reserve	9 213 054	9 213 054
Employee Benefit Reserve	58 753 347	58 753 347
Total Net Asset Reserve and Liabilities	**67 966 401**	**67 966 401**

17.1 The Capital Replacement Reserve is used to finance future capital expenditure from own funds.

17.2 The Employee Benefits Reserve is used to finance future payment of post retirement as well as current employee benefits, excluding those relating to staff in the Roads Department, as this is payable by the Western Cape Provincial Department of Infrastructure and Public Works.

18 GOVERNMENT GRANTS AND SUBSIDIES

	2026 R	2025 R
Government Grants and Subsidies - Operating	197 453 830	195 513 092
Equitable Share	188 026 000	182 224 000
Municipal Accreditation and Capacity Building Grant (Human Settlements)	1 362 381	4 772 046
Expanded Public Works Programme Integrated Grant	2 293 000	1 545 000
Energy Efficiency and Demand-side Management Grant	-	-
Rural Road Asset Management Systems Grant	2 808 226	2 721 000
Local Government Financial Management Grant	1 000 000	951 614
Local Government Public Employment Support Grant	-	-
Municipal Service Delivery and Capacity Building Grant (Smoke Detectors)	-	-
Municipal Service Delivery and Capacity Building Grant (Agro-processing Support)	-	1 000 000
Municipal Service Delivery and Capacity Building Grant (Disaster Management Internship)	-	-
Western Cape Municipal Interventions Grant (Disaster Management Water Tanks)	-	-
Municipal Water Resilience Grant	-	266 029
Integrated Transport Planning	560 556	938 776
Contribution Towards Acceleration of Housing Delivery	-	-
Safety Initiative Implementation - Whole of Society Approach (WOSA)	853 668	956 705
Western Cape Municipal Interventions Grant (Disaster Management Internship)	200 000	100 000
Western Cape Financial Management Capability Grant	350 000	37 921
Government Grants and Subsidies - Capital	1 529 916	2 563 205
Municipal Accreditation and Capacity Building Grant (Human Settlements)	-	-
Fire Service Capacity Building Grant	1 529 916	1 314 815
Fire Service Capacity-building Grant (Flood Response Vehicle)	-	-
Municipal Water Resilience Grant	-	1 248 390
Emergency Municipal Load-Shedding Relief Grant	-	-
Western Cape Municipal Interventions Grant (Disaster Management Internship)	-	-
Energy Efficiency and Demand-side Management Grant	-	-
Total Government Grants and Subsidies	**198 983 745**	**198 076 297**

Included in above are the following grants and subsidies received during the year:

Unconditional	188 026 000	182 224 000
Equitable Share	188 026 000	182 224 000
Conditional	12 768 000	16 895 627
Local Government Financial Management Grant	1 000 000	1 000 000
Expanded Public Works Programme Integrated Grant	2 293 000	1 545 000
Rural Road Asset Management Systems Grant	2 843 000	2 721 000
Municipal Accreditation and Capacity Building Grant (Human Settlements)	1 500 000	3 490 627
Integrated Transport Planning	982 000	939 000
Municipal Service Delivery and Capacity Building Grant (Agro-processing Support)	-	1 000 000
Western Cape Municipal Interventions Grant (Disaster Management Internship)	-	-
EEDSM (Energy Efficiency and Demand-side Management)	-	-
Western Cape Financial Management Capability Grant (Bursary Programme)	150 000	200 000
Safety Initiative Implementation - Whole of Society Approach (WOSA)	1 000 000	1 000 000
Fire Service Capacity Building Grant	3 000 000	3 000 000
Fire Service Capacity-building Grant (Flood Response Vehicle)	-	-
Municipal Water Resilience Grant	-	1 800 000
Municipal Service Delivery and Capacity Building Grant (Disaster Management Internship)	-	**200 000**
Total Government Grants and Subsidies	**200 794 000**	**199 119 627**

	2026 R	2025 R
Unconditional		
Equitable Share	188 026 000	182 224 000

Revenue recognised per vote as required by Section 123 (c) of the MFMA:

Conditional grants	3 642 520	15 852 297
Office of the Municipal Manager	-120 933 586	-
Financial Services	15 654 887	951 614
Corporate Services	21 166 567	37 921
Community Services	74 673 336	3 885 940
Planning and Economic Development	9 712 535	7 317 046
Roads	3 368 781	3 659 776
Total Government Grants and Subsidies	**191 668 520**	**198 076 297**

Based on the allocations set out in the Division of Revenue Act (DoRA), no significant changes in the level of government funding are expected over the forthcoming 3 financial years.

18	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)	2026 R	2025 R
18.1	**Equitable Share**		
	Opening balance	-	-
	Grants received	188 026 000	182 224 000
	Conditions met - Operating	(188 026 000)	(182 224 000)
	Conditions still to be met	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

18.2	**Local Government Financial Management Grant**		
	Opening balance	48 386	-
	Grants received	1 000 000	1 000 000
	VAT on Grants	-	(51 762)
	Conditions met - Operating	(1 000 000)	(899 852)
	Conditions still to be met	**386**	**48 386**

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act 56 of 2003 (MFMA). The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

18.3	**Safety Initiative Implementation - Whole of Society Approach (WOSA)**		
	Opening balance	43 295	-
	Grants received	1 000 000	1 000 000
	VAT on Grants	(1 161)	(3 330)
	Repaid to National Revenue Fund	(43 295)	-
	Conditions met - Operating	(852 507)	(953 375)
	Conditions met - Capital	-	-
	Conditions still to be met	**146 332**	**43 295**

Grant utilised for the operationalisation of a Safety Plan.

18.4	**Expanded Public Works Programme Integrated Grant**		
	Opening balance	-	-
	Grants received	2 293 000	1 545 000
	Conditions met - Operating	(2 293 000)	(1 545 000)
	Conditions still to be met	-	-

The grant is utilised for job creation.

18.5	**Integrated Transport Planning**		
	Opening balance	224	-
	Correction of Error	-	-
	Grants received	982 000	939 000
	VAT on Grants	(73 116)	(122 449)
	Conditions met - Operating	(487 440)	(816 327)
	Conditions still to be met	**421 444**	**224**

Grant utilised to review and update integrated transport plans to improve public transport services.

18.6	**Municipal Service Delivery and Capacity Building Grant (Agro-processing Support)**		
	Opening balance	-	-
	Grants received	-	1 000 000
	Conditions met - Operating	-	(1 000 000)
	Conditions still to be met	-	-

Grant utilised for Agro-processing support - Erection of a multi-purpose processing unit to support the value chain for indigenous products within the Garden Route District.

18.7	**Rural Road Asset Management Systems Grant**		
	Opening balance	-	-
	Grants received	2 843 000	2 721 000
	VAT on Grants	(242 913)	(117 596)
	Conditions met - Operating	(2 565 312)	(2 603 404)
	Conditions still to be met	**34 774**	-

The purpose is to assist rural district municipalities in setting up their road asset management systems and collect road and traffic data in line with the Road Infrastructure Strategic Framework for South Africa (RISFSA).

18	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)	2026 R	2025 R
18.8	**Municipal Service Delivery and Capacity Building Grant (Smoke Detectors)**		
	Opening balance	-	-
	Correction of Error	-	-
	Grants received	-	-
	VAT on Grants	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	-	-
	Conditions met - Capital	-	-
	Conditions still to be met	-	-

The purpose is to provide assistance and protection to the vulnerable households of society with the installation of smoke detectors.

18.9	**Municipal Accreditation and Capacity Building Grant (Human Settlements)**		
	Opening balance	(1 281 419)	73 808
	Grants received	1 500 000	3 490 627
	VAT on Grants	(255)	-
	Repaid to National Revenue Fund	-	(73 808)
	Conditions met - Operating	(1 362 126)	(4 772 046)
	Conditions still to be met	**(1 143 800)**	**(1 281 419)**

Financial assistance to support GAP housing initiatives.

18.10	**Contribution Towards Acceleration of Housing Delivery**		
	Opening balance	-	-
	Correction of Error	-	-
	Grants received	-	-
	VAT on Grants	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	-	-
	Conditions met - Capital	-	-
	Conditions still to be met	-	-

18.11	**Western Cape Financial Management Capability Grant**		
	Opening balance	203 128	41 049
	Correction of Error	-	-
	Grants received	150 000	200 000
	VAT on Grants	-	-
	Repaid to National Revenue Fund	(3 128)	-
	Conditions met - Operating	(350 000)	(37 921)
	Conditions met - Capital	-	-
	Conditions still to be met	**(0)**	**203 128**

Financial assistance to provide bursaries to external recipients.

18.12	**Energy Efficiency and Demand-side Management Grant**		
	Opening balance	-	267 041
	Grants received	-	-
	VAT on Grants	-	-
	Repaid to National Revenue Fund	-	(267 041)
	Conditions met - Operating	-	-
	Conditions met - Capital	-	-
	Conditions still to be met	-	-

Financial assistance to implement energy efficient measures.

18.13	**Western Cape Municipal Interventions Grant (Disaster Management Internship)**		
	Opening balance	-	145 210
	Grants received	-	-
	Repaid to National Revenue Fund	-	(45 210)
	Conditions met - Operating	-	(100 000)
	Conditions still to be met	-	-

Financial assistance to appoint disaster management interns.

18.14	**Emergency Municipal Load-Shedding Relief Grant**		
	Opening balance	-	-
	Conditions met - Capital	-	-
	Conditions still to be met	-	-

18.15	**Fire Service Capacity Building Grant**		
	Opening balance	1 750 000	64 815
	Grants received	3 000 000	3 000 000
	Conditions met - Capital	(1 344 659)	(1 314 815)
	Conditions still to be met	**3 220 084**	**1 750 000**

Financial assistance to purchase equipment for Fire and Disaster Section.

18	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)	2026 R	2025 R
18.16	**Fire Service Capacity Building Grant (Flood Response Vehicle)**		
	Opening balance	-	-
	Grants received	-	-
	Conditions met - Capital	-	-
	Conditions still to be met	**-**	**-**
18.17	**Municipal Water Resilience Grant**		
	Opening balance	333 970	48 390
	Correction of Error	-	-
	Grants received	-	1 800 000
	VAT on Grants	-	-
	Repaid to National Revenue Fund	(333 970)	(386 059)
	Conditions met - Operating	-	(266 029)
	Conditions met - Capital	-	(1 248 390)
	Conditions still to be met	**-**	**(52 089)**
	Financial assistance to purchase a water tanker and water tanks to be donated.		
18.18	**Municipal Service Delivery and Capacity Building Grant (Disaster Management Internship)**		
	Opening balance	200 000	-
	Correction of Error	-	-
	Grants received	-	200 000
	VAT on Grants	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	(200 000)	-
	Conditions met - Capital	-	-
	Conditions still to be met	**-**	**200 000**
	Financial assistance to appoint interns for the Disaster Section.		
18.19	**Total Grants**		
	Opening balance	1 297 584	640 314
	Correction of Error	-	-
	Grants received	200 794 000	199 119 627
	VAT on Grants	(502 702)	(295 137)
	Repaid to National Revenue Fund	(428 617)	(772 118)
	Conditions met - Operating	(197 136 384)	(195 217 956)
	Conditions met - Capital	(1 344 659)	(2 563 205)
	Conditions still to be met/(Grant expenditure to be recovered)	**2 679 222**	**911 525**

19	CONTRIBUTED PROPERTY, PLANT AND EQUIPMENT	2026 R	2025 R
	Contributed Property, Plant and Equipment	-	2 493 353
	Total Contributed Property, Plant and Equipment	**-**	**2 493 353**

20	LICENCES AND PERMITS	2026 R	2025 R
	Health Certificates	107 523	308 600
	Total Licences and Permits	**107 523**	**308 600**

21	DEPARTMENT OF INFRASTRUCTURE - ROADS SERVICE CHARGES	2026 R	2025 R
	Department of Infrastructure - Roads Service Charges	209 989 104	168 741 756
	Income for admin services	17 930 293	18 859 599
	Income from increase/(decrease) in Employee Benefit Asset with the Department of Infrastructure	-	4 632 211
	Total Service Charges	**227 919 397**	**192 233 565**

22	SALES OF GOODS AND RENDERING OF SERVICES	2026 R	2025 R
	Camping Fees	2 926 258	7 963 171
	Computer Services	4 148	-
	Entrance Fees	107 259	216 477
	Fire Services	4 796 764	4 263 743
	Health Services	1 304 975	1 423 163
	Sale of Goods	1 306 973	1 415 988
	Service charges - Waste Management Disposal Facilities	12 835 825	8 388 816
	Total Sales of Goods and Rendering of Services	**23 282 201**	**23 671 358**

		2026 R	2025 R
23	**RENT ON LAND**		
	Land	410 998	481 309
	Investment Property	243 986	244 471
	Undeveloped Land	167 012	236 837
	Total Rent on Land	**410 998**	**481 309**

		2026 R	2025 R
24	**RENTAL OF FACILITIES AND EQUIPMENT**		
	Investment Property	900 940	718 407
	Property, Plant and Equipment	507 101	605 759
	Total Rental from Fixed Assets	**1 408 040**	**1 324 166**

		2026 R	2025 R
25	**INTEREST EARNED - EXTERNAL INVESTMENTS**		
	Bank accounts	5 998 489	10 379 160
	Financial assets	5 752 278	6 161 341
	Total Interest Earned - External Investments	**11 750 767**	**16 540 501**

		2026 R	2025 R
26	**INTEREST EARNED - RECEIVABLES**		
	Trade Receivables - exchange	7 086 617	5 379 004
	Total Interest Earned - Outstanding Receivables	**7 086 617**	**5 379 004**

		2026 R	2025 R
27	**OPERATIONAL REVENUE**		
	Administrative Handling Fees	5 800	13 244
	Incidental Cash Surplus	-	1 027
	Insurance Refund	1 087 363	325 896
	Merchandising, Jobbing and Contracts	343 451	338 149
	Request for Information	-	2 963
	Staff Recoveries	127 694	149 388
	Skills Development Levy Refund	1 291 543	275 645
	Total Operational Revenue	**2 855 852**	**1 106 311**

28 **EMPLOYEE RELATED COSTS**

	2026 R	2025 R
Basic Salaries and Wages	193 715 957	193 720 951
Pension and UIF Contributions	31 469 943	31 025 627
Medical Aid Contributions	29 803 686	32 915 038
Overtime	6 541 735	3 568 917
Acting allowance	841 831	638 317
Group life insurance	4 534 454	3 792 878
Bargaining council	74 070	82 790
Bonuses	19 614 892	17 494 704
Motor Vehicle Allowance	16 272 277	15 040 902
Cell Phone Allowance	261 050	279 758
Housing Allowances	2 527 769	2 964 996
Other benefits and allowances	952 536	1 676 305
Payments in lieu of leave	2 775 283	4 356 477
Standby allowance	1 522 663	1 895 662
Total Employee Related Costs	**310 908 147**	**309 453 321**

KEY MANAGEMENT PERSONNEL

Key management personnel are appointed permanently, except for the municipal manager who is appointed on a 5 year fixed contract. There are post-employment or termination benefits payable at the end of his/her term.

28 EMPLOYEE RELATED COSTS (CONTINUED)

	2026 R	2025 R
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
Remuneration of the Municipal Manager - Mr MG Stratu	**12 Months**	**12 Months**
Basic Salary	2 051 643	2 005 028
Pension and UIF Contributions	2 125	52 539
Medical Aid Contributions	69 494	65 703
Motor Vehicle Allowance	300 000	300 000
Other benefits and allowances	151	20 340
	2 423 413	**2 443 610**
Total remuneration as per Ministerial Waiver dated 23 October 2023		
Cell Phone Allowance	137 400	137 400
Other benefits and allowances	56 387	32 072
Performance Bonus	346 595	339 278
	540 382	**508 750**
Remuneration of Executive Manager Finance - Mr CHR Boshoff	**12 Months**	**12 Months**
Basic Salary	1 350 650	1 410 192
Pension and UIF Contributions	241 315	267 432
Medical Aid Contributions	69 494	65 703
Motor Vehicle Allowance	443 000	216 000
Other benefits and allowances	151	20 340
Total	**2 104 610**	**1 979 667**
Total remuneration as per Ministerial Waiver dated 2 April 2024		
Other benefits and allowances	31 274	4 282
Cell Phone Allowance	27 500	-
Acting allowance	13 209	-
Backpay 2024/2025 - Basic Salary	32 356	-
Backpay 2024/2025 - Cell Phone Allowance	30 000	-
Backpay 2024/2025 - Performance Bonus	4 059	-
Performance Bonus	280 901	261 545
	419 298	**265 827**
Remuneration of the Executive Manager Corporate Services - Mrs B Holtzhausen	**0 Months**	**10 Months**
Basic Salary	-	1 133 095
Pension and UIF Contributions	-	199 965
Motor Vehicle Allowance	-	93 686
Other benefits and allowances	-	16 950
	-	**1 443 696**
Other benefits and allowances	177	59 119
Backpay 2024/2025 - Basic Salary	220 145	-
Backpay 2024/2025 - Cell Phone Allowance	25 000	-
Backpay 2024/2025 - Performance Bonus	31 636	-
Backpay 2024/2025 - Payments in lieu of leave	49 803	-
Performance Bonus	202 916	238 760
Payments in lieu of leave	-	254 992
	529 677	**552 871**
Remuneration of the Executive Manager Community Services - NM Raisa-Mlandu	**12 Months**	**8 Months**
Basic Salary	872 092,03	27 212
Pension and UIF Contributions	94 918	6 315
Medical Aid Contributions	57 449	35 999
Other benefits and allowances	151	-
Motor Vehicle Allowance	1 080 000	690 000
	2 104 610	**759 526**
Acting Allowance	186 409	-
Cell Phone Allowance	27 500	-
Other benefits and allowances	26 248	**82 348**
Backpay 2024/2025 - Basic Salary	569 415	
Backpay 2024/2025 - Cell Phone Allowance	20 000	-
Backpay 2024/2025 - Performance Bonus	81 446	-
Performance Bonus	106 650	-
Other benefits and allowances	**1 017 668**	**82 348**

28 EMPLOYEE RELATED COSTS (CONTINUED)

REMUNERATION OF KEY MANAGEMENT PERSONNEL

	2026 R	2025 R
Remuneration of the Executive Manager Roads - Mr JG Daniels	**12 Months**	**12 Months**
Basic Salary	592 699	196 426
Pension and UIF Contributions	42 964	37 482
Medical Aid Contributions	28 796	31 518
Other benefits and allowances	151	20 340
Motor Vehicle Allowance	1 440 000	1 440 000
Total	**2 104 609**	**1 725 766**
Performance Bonus	244 607	238 760
Cell Phone Allowance	27 500	
Backpay 2024/2025 - Basic Salary	248 950	-
Backpay 2024/2025 - Cell Phone Allowance	30 000	-
Backpay 2024/2025 - Performance Bonus	37 619	-
Other benefits and allowances	44 752	21 573
	633 429	**260 333**
Remuneration of Executive Manager: Planning and Economic Development – Mr L Menze	**12 Months**	**12 Months**
Basic Salary	924 165	1 091 490
Pension and UIF Contributions	98 402	198 594
Medical Aid Contributions	53 892	65 698
Motor Vehicle Allowance	928 000	144 000
Housing Allowances	100 000	180 000
Other benefits and allowances	151	20 340
	2 104 609	**1 700 122**
Performance Bonus	240 992	235 189
Acting Allowance	26 873	-
Cell Phone Allowance	27 500	-
Backpay 2024/2025 - Basic Salary	271 798	-
Backpay 2024/2025 - Cell Phone Allowance	30 000	-
Backpay 2024/2025 - Performance Bonus	41 234	
Other benefits and allowances	44 401	48 126
	682 799	**283 315**

The following employees acted in management positions for a significant time (more than one month continuosly) during the course of the year. The amounts as indicated below are the acting allowances received for the period in which they acted in the respective positions:

		Number of months acting in this position		2026 R	2025 R
Employee	**Acting position**	**2026**	**2025**		
NM Raisa-Mlandu	Municipal Manager		2	-	72 707
J Strydom	Executive Manager Roads		2	-	60 662
M Smit	Executive Manager Corporate Services		2	-	34 585
J Compion	Executive Manager Community Services		2	-	12 972
G Otto	Executive Manager Community Services			-	-
				-	**180 927**

Remuneration of Key Management Personnel - TOTAL	2026 R	2025 R
Basic Salary	7 133 913	5 863 443
Pension and UIF Contributions	479 902	762 327
Medical Aid Contributions	279 125	264 621
Performance Bonus	1 618 655	1 313 532
Motor Vehicle Allowance	4 191 000	2 883 686
Cell Phone Allowance	382 400	137 400
Acting Allowance	226 491	-
Payments in lieu of leave	49 803	
Basic salary backpay 2024/2025	-	-
Cell phone allowance backpay 2024/2025	-	-
Housing Allowances	100 000	180 000
Payments in lieu of leave	-	254 992
Other benefits and allowances	203 816	428 178
Total Remuneration of Key Management Personnel	**14 665 104**	**12 088 179**

		2026 R	2025 R
29	**REMUNERATION OF COUNCILLORS**		
	Alderlady - CN Lichaba	435 660	430 352
	Alderlady - GR Wolmarans	1 031 196	1 019 297
	Alderlady - IC Kritzinger	-	55 404
	Alderlady - N Ndayi	969 687	949 292
	Alderlady - RH Ruiters	624 182	609 518
	Alderman - A Stroebel	425 750	1 224 879
	Alderman - DJ Swart	624 182	597 221
	Alderman - JC Lambaatjeen	-	207 046
	Alderman - JJC Lambaatjeen	194 969	10 283
	Alderman - M Booysen	-	31 547
	Alderman - P Terblanche	435 660	444 583
	Alderman - SA Mangxaba	90 155	87 602
	Alderman - SE September	-	74 921
	Alderman - SF de Vries	435 660	430 352
	Alderman - V Gericke	-	269
	Alderman - VM Donson	685 691	652 444
	Alderman - WP Meshoa	644 545	581 286
	Councillor - A Oktober	320 889	427 368
	Councillor - AR Marbi	380 617	111 868
	Councillor - B Petrus	-	18
	Councillor - B van Noordwyk	-	7 005
	Councillor - CP Taute	90 155	88 726
	Councillor - D Acker	435 660	449 452
	Councillor - D Gultig	-	1 013
	Councillor - DB Coeries	77 876	20 135
	Councillor - DC Saptoe	-	2 500
	Councillor - DL Cronje	244 761	585 798
	Councillor - F September	546 639	535 814
	Councillor - GJ van Niekerk	-	23 014
	Councillor - HD Ruiters	-	6 995
	Councillor - HRT Stroebel	624 182	595 264
	Councillor - J Cornelius	765 920	535 814
	Councillor - J Fry	329 719	1 191
	Councillor - J Gertse	-	194 545
	Councillor - J Hoogbaard	624 182	626 203
	Councillor - J Van Der Ross	90 155	74 995
	Councillor - JC Petersen	-	7 342
	Councillor - JG Meiring	435 660	430 352
	Councillor - JJ Bavuma	201 134	194 188
	Councillor - JP Buys	-	4 650
	Councillor - K Malooi	516 212	442 422
	Councillor - LSS van Rooyen	-	13 966
	Councillor - M Kannemeyer	90 155	88 726
	Councillor - M Kruger	683 965	22 983
	Councillor - MA Mkonto	90 155	88 726
	Councillor - MA Simmers	-	130 684
	Councillor - MR Gericke	-	46 576
	Councillor - NT Seti	-	1 128
	Councillor - NV Gungubele	435 660	430 352
	Councillor - PE Petros	15 902	88 726
	Councillor - R Windwaai	77 876	22 983
	Councillor - RJ April	-	3 623
	Councillor - RM Louw	77 876	76 428
	Councillor - RW Arends	656	88 726
	Councillor - MD Jansen	278 315	-
	Councillor - L Nohana	52 590	-
	Councillor - SN Bentley	108 915	-
	Councillor - VD Carolus	26 624	-
	Councillor - SM Toto	77 876	76 586
	Total Councillors' Remuneration	**13 896 685**	**13 953 179**

Remuneration paid to Councillors can be summarised as follows:

	Salary	Travel Allowance	Other Allowances	Contributions	Total
Executive Mayor	853 787	72 433	29 468	60 091	1 015 779
Deputy-Mayor	513 030	151 061	21 600	-	685 691
Speaker	837 072	148 388	45 736	-	1 031 196
Executive Committee Members	3 260 810	1 040 734	181 816	296 015	4 779 375
Councillors	4 358 920	1 354 862	790 236	281 604	6 785 622
Total Councillors' Remuneration	**9 823 619**	**2 767 478**	**1 068 856**	**637 710**	**14 297 663**

In-kind Benefits

The Executive Mayor, Executive Deputy Mayor, Speaker, Chief Whip and Executive Committee Members are full-time Councillors. Each is provided with an office and shared secretarial support at the cost of the Municipality. The Executive Mayor may utilise official Council transportation when engaged in official duties.

The Executive Mayor is entitled to stay at the mayoral residence owned by the Council at no cost.

30 BAD DEBTS WRITTEN OFF

	2026 R	2025 R
Bad Debts Written Off	7 934 087	1 613 949
	7 934 087	**1 613 949**

The write-off mostly relates to fire fighting and other arrears fees written off.

31 CONTRACTED SERVICES

	2026 R	2025 R
Outsourced Services	899 660	3 314 284
Business and Advisory	-	1 817 190
Alien Vegetation Control	9 864	-
Hygiene Services	615 625	529 812
Medical Services [Medical Health Services & Support]	(950)	1 077
Printing Services	1 074	-
Professional Staff	-	99 950
Swimming Supervision	185 705	99 950
Transport Services	-	53 140
Security Services	88 343	713 166
Consultants and Professional Services	22 367 499	13 254 754
Business and Advisory	17 410 314	10 864 103
Legal Cost	1 837 967	1 048 044
Infrastructure and Planning	2 037 844	36 673
Laboratory Services	1 081 375	1 305 934
Contractors	13 606 226	11 591 002
Catering Services	352 839	284 778
Employee Wellness	62 366	238 676
Fire Protection	8 254	15 384
Fire Services	4 748 416	2 475 044
First Aid	9 597	-
Gardening Services	10 500	36 929
Gas	26 733	-
Maintenance of Buildings and Facilities	638 526	650 354
Maintenance of Equipment	1 940 688	2 970 099
Maintenance of Unspecified Assets	647 564	1 409 934
Medical Services	-	355 325
Pest Control and Fumigation	8 761	12 883
Plants, Flowers and Other Decorations	2 823	500
Transportation	-	49 870
Safeguard and Security	4 976 590	3 049 301
Sewerage Services	130 725	-
Removal of Hazardous Waste	41 843	41 926
Total Contracted Services	**36 873 385**	**28 160 041**

32 DEPRECIATION AND AMORTISATION

	2026 R	2025 R
Property, Plant and Equipment	6 776 512	6 847 103
Intangible Assets	176 278	179 241
Investment Property carried at cost	108 711	108 711
Total Depreciation and Amortisation	**7 061 501**	**7 135 055**

33 FINANCE COSTS

	2026 R	2025 R
Long-term Borrowings	78 604	95 989
Payables	26 000	338 558
Total Finance Costs	**104 604**	**434 547**

34 TRANSFERS AND SUBSIDIES

	2026 R	2025 R
Capital	13 500	603 375
Allocations In-kind	13 500	603 375
Households	13 500	603 375
Operational	3 915 430	8 300 207
Allocations In-kind	358 209	79 145
Households	358 209	79 145
Local Government	-	-
Non-profit Institutions	-	-
Private Enterprises	-	-
Monetary Allocations	3 557 220	8 221 062
Higher Educational Institutions	20 100	-
Households	73 652	6 545 175
Non-profit Institutions	321 066	210 314
Private Enterprises	3 142 402	3 000
Local Government	-	-
Public Corporations	-	1 462 573
Total Transfers and Subsidies	**3 928 930**	**8 903 581**

35 OPERATIONAL COSTS

	2026 R	2025 R
Achievements and Awards	574	-
Advertising, Publicity and Marketing	344 117	556 562
Assets less than the Capitalisation Threshold	338 474	-
External Audit Fees	5 038 748	4 774 907
Bank Charges, Facility and Card Fees	179 956	210 981
Bursaries (Employees)	327 323	490 925
Cleaning Services	580	2 150
Courier and Delivery Services	851	3 550
Communication	4 689 707	2 841 528
Deeds	1 187	2 038
Entertainment	10 870	11 990
External Computer Service	7 574 540	7 928 927
Fines and penalties	-	-
Freight Services	-	11 558
Full Time Union Representative	-	64 516
Hire Charges	5 770 198	1 881 988
Insurance Underwriting	2 225 899	1 925 434
Learnerships and Internships	129 950	179 043
Licences	224 681	132 560
Management Fee	20 619 837	113 643
Municipal Services	8 413 096	7 923 682
Printing, Publications and Books	68 920	79 999
Professional Bodies, Membership and Subscription	2 144 638	3 328 757
Registration Fees	841 511	3 935 976
Repayment of Forfeited Deposits	-	3 240
Rewards Incentives	57 800	45 800
Road Worthy Test	30 092	41 179
Samples and Specimens	7 783	13 561
Skills Development Fund Levy	1 478 298	1 499 565
Travel and Subsistence	4 776 731	5 859 822
Travel Agency Fees	16 503	48 606
Uniform and Protective Clothing	603 549	1 713 864
Wet Fuel	19 364	-
Workmen's compensation	960 755	1 590 447
Total Operational Costs	**66 896 534**	**47 216 796**

36 REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON RECEIVABLES

	2026 R	2025 R
Receivables from Exchange Transactions - Note 8	-	(17 487 996)
Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables	**-**	**(17 487 996)**

37 GAINS/ (LOSS) ON SALE OF FIXED ASSETS

	2026 R	2025 R
Property, Plant and Equipment and Intangible Assets	238 957	(172 135)
Total Gains/ (Loss) on Sale of Fixed Assets	**238 957**	**(172 135)**

		2026 R	2025 R
38	**REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON FIXED ASSETS**		
	Property, Plant and Equipment Calitzdorp Spa property group:	-	(430 100)

During the current and previous year, the municipality assessed its assets for indications of impairment. The floods that occurred in 2025 and 2024, caused damage to the Calitzdorp Spa property, this was identified as an impairment trigger. Valuations were performed to determine whether the carrying amount of the asset exceeded its recoverable amount, which was determined based on fair value less costs to sell. The impairment recognised in the 2024/2025 financial year relates to one erf (land value) within the Calitzdorp Spa property group. No further impairments were recognised, as the valuations of the other properties within the Calitzdorp Spa group exceeded their carrying amounts.

	Total Reversal of Impairment Loss/ (Impairment Loss) on Fixed Assets	**-**	**(430 100)**

		2025 R	2024 R
39	**CORRECTION OF ERROR IN TERMS OF GRAP 3**		

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:

39.1	**Long-term Borrowings**		
	Balance previously reported	173 642 236	110 170 811
	Correction of accured interest on Long Term Borrowings - Refer to Note 13 & 10	(2 483 431)	(1 107 749)
	Restated Balance	**171 158 805**	**109 063 062**
39.2	**Property, Plant and Equipment**		
	Balance previously reported	273 544 795	232 945 148
	Correction of accured interest on Long Term Borrowings - Refer to Note 13 & 10	(1 375 682)	-
	Restated Balance	**272 169 113**	**232 945 148**
39.3	**Trade and Other Payables from Exchange Transactions**		
	Balance previously reported	26 016 920	30 786 157
	Correction of incorrect Group Life expenditure- Note 15 & 2	54 070	54 070
	Restated Balance	**26 070 989**	**30 840 227**

		2024
39.4	**Accumulated Surplus/(Deficit) - 1 July 2024**	
	Correction of incorrect Group Life expenditure- Note 15 & 2	54 070
	Correction of provision for Long-Term Borrowings at 30 June 2024	1 107 749
	Total	**1 161 819**

39 CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUED)

39.5 Changes to Statement of Financial Performance

Movement on operating account as a result of GRAP standards not implemented, changes in accounting policies, or standards not implemented correctly, in prior years:

	Note	Balance previously reported	Change in Accounting Policies Note 41	Correction of Errors	Restated Balance
Revenue					
Government Grants and Subsidies		198 076 297	-	-	198 076 297
Contributed Property, Plant and Equipment		2 493 353	-	-	2 493 353
Fines, Penalties and Forfeits		2 568 218	-	-	2 568 218
Government Incentives Received - Skills Mecca		14 889 472	-	-	14 889 472
Department of Infrastructure - Roads Service Charges		192 233 565	-	-	192 233 565
Sales of Goods and Rendering of Services		23 671 358	-	-	23 671 358
Rent on Land		481 309	-	-	481 309
Rental of Facilities and Equipment		1 324 166	-	-	1 324 166
Interest Earned - External Investments		16 540 501	-	-	16 540 501
Interest Earned - Exchange Transactions		5 379 004	-	-	5 379 004
Licences and Permits		308 600	-	-	308 600
Operational Revenue		1 106 311	-	-	1 106 311
Total		**459 072 155**	**-**	**-**	**459 072 155**
Expenditure					
Employee related costs		(309 453 321)	-	-	(309 453 321)
Remuneration of Councillors		(13 953 179)	-	-	(13 953 179)
Bad Debts Written Off		(1 613 949)	-	-	(1 613 949)
Contracted Services		(28 160 041)	-	-	(28 160 041)
Depreciation and Amortisation		(7 135 055)	-	-	(7 135 055)
Finance Costs		(434 547)	-	-	(434 547)
Inventory Consumed		(46 498 111)	-	-	(46 498 111)
Operating Leases		(88 457)	-	-	(88 457)
Transfers and Subsidies		(8 903 581)	-	-	(8 903 581)
Operational Costs		(47 216 796)	-	-	(47 216 796)
Total		**(463 457 038)**	**-**	**-**	**(463 457 038)**
Gains and Losses					
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value		202 974	-	-	202 974
Actuarial Gains / (Losses)		(4 135 784)	-	-	(4 135 784)
Reversal of Impairment Loss/(Impairment Loss) on Receivables		(17 487 996)	-	-	(17 487 996)
Gains/(Loss) on Sale of Fixed Assets		(172 135)	-	-	(172 135)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets		(430 100)	-	-	(430 100)
Total		**(22 023 041)**	**-**	**-**	**(22 023 041)**
Net Surplus/(Deficit) for the year		**(26 407 924)**	**-**	**-**	**(26 407 924)**

40 CHANGE IN ACCOUNTING POLICY

	2025 R	2024 R

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of the allowed alternative treatment of borrowing cost in terms of GRAP 5. Borrowing cost on qualifying assets are now capitalised.

GRAP 104 Financial instruments (Revised 2019)

The Municipality has adopted GRAP 104 Financial Statements. GRAP 104 (Revised 2019) ,issued in April 2019 and has an initial promulgated implementation date of 1 July 2025.

The Municipality applied the new Standard retrospectively, except for the transitional provisions applied as set out below

However, in line with the Transitional Provisions for the Standards of GRAP on Financial Instruments (Revised 2019), the Municipality did not restate the prior periods

The Municipality recognised differences between the previous carrying amounts on 30 June 2025 and those on 1 July 2025 in the opening accumulated surplus or deficit on 1 July 2025

A. Transition - classification and measurement

The Municipality applied the classification and measurement requirements retrospectively, except for the transitional provisions applied as set out below.:

The Municipality assessed the objective of its management models for financial assets based on the facts and circumstances that existed on 1 July 2025

The classification was applied retrospectively, irrespective of the Municipality's management model in prior periods.

B. Transition - Impairment

The Municipality applied the impairment requirements retrospectively, except for the transitional provisions applied as set out

The Municipality measured the impairment losses using the expected credit losses on 1 July 2025

On 1 July 2025, the assessment of the credit of all financial assets at initial recognition requires undue costs or efforts. Consequently, the Municipality shall recognise a loss allowance equal to lifetime expected credit losses until that financial asset is derecognised.

C. Impact on measurement categories

The nature and effects of the key changes to the Municipality's accounting policies resulting from the adoption of GRAP 104 (Revised 2019) are summarised below.

The table shows the measurement categories per GRAP 104 (2009) and the new measurement categories per GRAP 104 (Revised 2019) on 1 July 2025.

Financial asset classes	Note	Original classification GRAP 104 (2009)	New classification GRAP 104 (2019)	Original amount GRAP 104 (2009)	New amount GRAP 104 (2019)
Cash and cash equivalents	9			155 010 868	
Non-current investments	5			15 665	
Receivables from exchange transactions	8			57 489 321	
				212 515 854	**-**

40 CHANGE IN ACCOUNTING POLICY (CONTINUED)

Financial liability classes	Note	Original classification GRAP 104 (2009)	New classification GRAP 104 (2019)	Original amount GRAP 104 (2009)	New amount GRAP 104 (2019)
Long-term borrowings	10	Amortised Cost		171 912 000	171 912 000
Current portion of long-term borrowings	10	Amortised Cost		-	-
Finance leases (non-current)	10	Amortised Cost		354 554	354 554
Current portion of finance leases	10	Amortised Cost		596 158	596 158
Trade Payables	13	Amortised Cost		15 115 305	
Other Payables	13	Amortised Cost		1 740 844	
Retentions	13	Amortised Cost		5 918 481	
Unspent conditional grants and receipts	14	Amortised Cost		-	
				195 637 342	**172 862 712**

The table below reconciles the carrying amounts of financial assets under GRAP 104 (2009) to the new carrying amounts under GRAP 104 (Revised 2019) on 1 July 2025.

Financial asset classes	Note	Carrying amount GRAP 104 (2009)	Reclassifications	Change in measurements	New amount GRAP 104 (2019)
Amortised cost					
Cash and cash equivalents	9				
Non-current investments	5				
Receivables from exchange transactions	8				

The table below reconciles the carrying amounts of financial liabilities under GRAP 104 (2009) to the new carrying amounts under GRAP 104 (Revised 2019) on 1 July 2025.

Financial asset classes	Note	Carrying amount GRAP 104 (2009)	Reclassifications	Change in measurements	New amount GRAP 104 (2019)
Amortised cost					
Long-term borrowings	10				
Current portion of long-term borrowings	10				
Finance leases (non-current)	10				
Current portion of finance leases	10				
Trade Payables	13				
Other Payables	13				
Retentions	13				
Unspent conditional grants and receipts	14				

The table reconciles the carrying amounts of impairment losses under GRAP 104 (2009) to the new carrying amounts under GRAP 104 (Revised 2019) on 1 July 2025.

At amortised cost	Note	Non-current receivables from exchange	Trade and other receivables from exchange transactions	Total
Carrying amount under GRAP 104 (2009)				
Reclassifications to FVTSD				
Reclassifications to amortised cost				
Change in measurement				
New carrying amount under GRAP 104 (2019)				

40.1 Property, Plant and Equipment

Balance previously reported	**228 787 768**	**228 787 768**
Borrowing costs now capitalised in 2023/2024 - Note 2	-	4 466 220
Restated Balance	**228 787 768**	**233 253 988**

		2026 R	2025 R
41	**RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS**		
	Surplus/(Deficit) for the year	(33 432 047)	(26 407 924)
	Adjustments for:		
	Depreciation and Amortisation	7 061 501	7 135 055
	Loss/(Gain) on Sale of Fixed Assets	(238 957)	172 135
	Impairment Loss/(Reversal of Impairment Loss)	-	430 100
	Contributed Property, Plant and Equipment	-	(2 493 353)
	Government Grants and Subsidies received	200 794 000	199 119 627
	Government Grants and Subsidies repaid to National Revenue Fund	(428 617)	(386 059)
	Government Grants and Subsidies recognised as revenue	(198 983 745)	(198 076 298)
	Contribution from/to provisions - Non-Current Receivables	-	60 313 789
	Contribution from/to provisions - Non-Current Receivables - Actuarial losses	-	250 611
	Contribution from/to provisions - Non-Current Receivables - Actuarial gains	-	-
	Contribution from/to provisions - Non-Current Employee Benefits	2 282 500	(54 545 410)
	Contribution from/to provisions - Non-Current Employee Benefits - Actuarial losses	-	-
	Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains	20 006 300	3 885 173
	Contribution from/to - Current Employee Benefits	31 145	1 569 960
	Fines, Penalties and Forfeits	-	-
	Contribution to provisions – Bad Debt	-	19 286 475
	Operating Surplus/(Deficit) before changes in working capital	(2 907 921)	10 253 881
	Changes in working capital	(6 508 356)	(22 013 440)
	Increase/(Decrease) in Operating Lease Liability	-	-
	Increase/(Decrease) in Trade and Other Payables	8 920 513	(3 276 402)
	Increase/(Decrease) in Taxes	(2 197 903)	454 729
	Increase/(Decrease) in Unpaid Transfers and Subsidies	-	-
	(Increase)/Decrease in Inventory	3 142 731	(555 514)
	(Increase)/Decrease in Trade Receivables from Exchange Transactions	(16 406 284)	(18 595 518)
	(Increase)/Decrease in Operating Lease Asset	32 587	(40 735)
	Cash generated/(absorbed) by operations	(9 416 277)	(11 759 560)

		2026 R	2025 R
42	**CASH AND CASH EQUIVALENTS**		
	Cash and cash equivalents included in the cash flow statement comprise the following:		
	Current Accounts - Note 9	86 275 557	150 269 968
	Call Deposits and Investments - Note 9	5 066 660	4 711 400
	Cash Floats - Note 9	22 912	29 500
	Total cash and cash equivalents	**91 365 129**	**155 010 868**

		2026 R	2025 R
43	**RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES**		
	Cash and Cash Equivalents - Note 42	91 365 129	155 010 868
	Less:	(3 823 021)	(2 579 003)
	Unspent Transfers and Subsidies - Note 14	(3 823 021)	(2 579 003)
	Net cash resources available for internal distribution	87 542 109	152 431 865
	Allocated to:		
	Capital Replacement Reserve	(9 213 054)	(9 213 054)
	Employee Benefit Reserve	(58 753 347)	(58 753 347)
	Resources available for working capital requirements	**19 575 708**	**84 465 464**

		2026 R	2025 R
44	**UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION**		
	Long-term Liabilities - Note 10	172 368 473	172 862 712
	Used to finance property, plant and equipment - at cost	(172 368 473)	(172 862 712)
	Cash invested for repayment of long-term liabilities	**-**	**-**

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.

45 BUDGET INFORMATION

The Annual Budget of the Municipality is prepared for the 2025/2026 MTREF period and is applicable from 1 July 2025 until 30 June 2026.

The reasons for the variances between the approved and final budgets are mainly due to lower expenditure (and its related revenue) on Roads Services, that is duly explained in applicable variance explanations below.

45.1 Explanation of variances between approved and final budget amounts

The reasons for the variances between the approved and final budgets are mainly due to lower expenditure (and its related revenue) on Roads Services, that is duly explained in applicable variance explanations below.

Explanation of variances greater than 10% and R500,000: Final Budget and Actual Amounts

45.2 Statement of Financial Position

45.2.1 Current Assets

	Variance
Cash and Cash equivalents	-19%

Increase in cash balance due to draw down of long term loan and not utilized 100% at year-end.

Trade and other receivables from exchange transactions	17%

Decrease in trade receivables due to increase in debt impairment provision.

Receivables from non-exchange transactions	0%

GRDM does not provide water or electricity services and therefore thus not have any consumer debtors.

Other current assets	1075%

Increase in operating lease assets due to renewal of rental contracts and alignment of rental to market related value.

Current portion of non-current receivables	100%

This is based on actuarial valuations performed by actuaries, which is subject to unpredicted changes in actuarial assumptions and therefore impacting the variance between budget and actual amounts.

VAT	-67%

VAT receivable less at 30 June 2025 than anticipated as orders/invoices closed prior to June.

Inventory	100%

Inventory levels higher than budgeted for due to operational requirements of the Roads agency services department.

45.2.2 Non-current assets

Non-current receivables from non-exchange transactions	0%

Decrease due to non-current Debtor of Roads as the function will be transferred to Province 1 April 2026.

Property, Plant and Equipment	11,06%

It was anticipated that the regional landfill site would have been completed and the WIP would have been capitalized, however due to delays, landfill site is not completed due to various factors.

Intangible Assets	30%

ICT budget was re-prioritised from PPE to address urgent need for intangible assets, causing the closing balance of this asset class being higher than the budgeted balance.

45.2.3 Current Liabilities

Financial liabilities	2%

It was anticipated that the landfill site would have been operational during 2024/2025 and capital repayments of the loan would have been made.

Consumer Deposits	0%

This should be included under other payables.

Trade and other payables from exchange transactions	186%

Trade payables less at 30 June 2025 than anticipated as orders/invoices closed prior to June and creditors balance decreased at year-end with earlier payments.

45 BUDGET INFORMATION (CONTINUED)

Trade and other payables from non-exchange transactions 195%

Grants utilization higher than anticipated resulted in significant decrease in unspent grants at 30 June 2025.

Provisions 71%

Increase in employee benefits provisions due to salary increases, other factors included in calculations.

VAT -100%

No VAT payable to SARS at year-end, VAT was receivable from SARS.

45.2.4 Non-Current Liabilities

Long-term Borrowings -1%

It was anticipated that the landfill site would have been operational during 2024/2025 and capital repayments of the loan would have been made and that the last drawdown of the loan would have been received.

Provisions 18%

The budget amount is included under Other non-current liabilities. The actuarial valuation was less than anticipated due to the transfer of the Roads function to the Department of Infrastructure, which resulted in a decrease in the liability.

Other Non-current Liabilities 0%

The actual amount is included under Provisions. The actuarial valuation was less than anticipated due to the transfer of the Roads function to the Department of Infrastructure, which resulted in a decrease in the liability.

45.2.5 Net Assets

Accumulated Surplus/(Deficit) -30,02%

Accumulated surplus is based on the net of assets and liabilities and after transfers to/ from reserves. The variances as explained under the Statement of Financial Performance therefore contributes to the Accumulated surplus variance.

Funds and reserves 35%

Increase in Employee benefit reserve and capital replacement reserve balances at year-end.

Statement of Financial Performance

45.2.6 Revenue (excluding capital transfers and contributions)

Service charges - Waste Management 0,00%

Regional landfill site construction delayed and no revenue was generated from waste management.

Sale of Goods and Rendering of Services -24,24%

Income from Fire Fighting services higher due to increase in major fires and contributions to be received from PetroSA for the operations of their landfill site.

Agency Services 1171,14%

Budget amount relating to the Roads function is included under Operational revenue. A journal was processed during the compilation of the annual financial statements to write back the Roads capital expenditure and expenditure relating to the agency fee. Actual expenditure on Inventory consumed was less than budgeted for. The revenue relating to the Roads function is based on actual expenditure incurred, therefore the above resulted in the revenue being less than the budget.

Interest earned from Receivables -8,52%

Decrease in reicevable balances on which interest is raised.

Interest earned from Current and Non Current Assets 36,83%

Lower interest derived from investments than anticipated.

Rent on Land -42,08%

Property section in process of revisiting expired leases and enter into new lease agreements at market related value.

45 BUDGET INFORMATION (CONTINUED)

Rental from Fixed Assets -33,76%

Revenue for one of the resorts was budgeted under Rental of facilities and equipment, however the actual revenue was reclassified under Sales of goods and rendering of services.

Operational Revenue -98,57%

Actual amount relating to the Roads function is included under Agency Services. A journal was processed during the compilation of the annual financial statements to write back the Roads capital expenditure and expenditure relating to the agency fee. Actual expenditure on Inventory consumed was less than budgeted for. The revenue relating to the Roads function is based on actual expenditure incurred, therefore the above resulted in the revenue being less than the budget.

The recovery of the medical aid contributions from retired employees is included under the revenue budget but the actual amount is offset against employee related costs in the financial statements.

Skills development levy refund and Air quality revenue was less than anticipated.

Fines, penalties and forfeits 0,00%

Penalties raised on cancellation of contract which had penalty clauses.

Licences or permits 0,00%

Actual amount recognised under Exchange revenue but the budget is under Non-exchange revenue.

Gains on disposal of Assets 0,00%

Auction would have been held end of June 2025 for assets to be written off, due to SCM processes auction will be in 2025/2026.

Other Gains -2,40%

Actuarial gains on post retirment benefits were included in the budget based on assumptions using the average of the preceeding years.

45.2.7 Expenditure

Debt Impairment -100%

Increase in debt impairment due to the impairment of one new major debtor with a balance of R10m.

Depreciation and Amortisation -13,50%

Depreciation was budgeted for the Landfill site, which was anticipated to be operational to date.

Interest -75%

Increase due to new cellphone contracts and contracts for printers entered into during 2024/2025.

Contracted Services -32%

Decrease in contracted services due to cost saving measures implemented and re-allocation of projects in the roads department.

Transfers and Grants 200%

Increase in housing fencing subsidies paid by the Roads Department and actual amounts aligned to the correct mSCOA classification.

Operational costs -4%

Decrease in operational cost due to cost savings measures implemented.

Losses on disposal of Assets -238,82%

GRAP related transactions processed in preparation of the AFS.

Other Losses 586%

Actuarial losses on post retirment benefits was excluded from the budget based on assumptions.

45 BUDGET INFORMATION (CONTINUED)

45.2.8 Net Cash from/(used) Operating Activities

Service Charges *0,00%*

It was anticipated that the regional landfill site would have been completed and operational in 2024/2025 and service charges would have been collected, due to various factors the project was delayed.

Other Revenue 243,06%

Budgeted amount included under Transfers and Subsidies – Operational.

Increase in Government Incentives received which includes the National Skills Fund (NSF) received in the current year; as well as increased receipts from the Department of Infrastructure for the Roads function performed and Sales of goods and rendering of services.

Transfers and Subsidies - Operational -50,71%

Actual amount included under Other Revenue.

Increase in Government Incentives received which includes the National Skills Fund (NSF) received in the current year; as well as increased receipts from the Department of Infrastructure for the Roads function performed and Sales of goods and rendering of services.

Transfers and Subsidies - Capital -67,45%

Capital grants received by disaster section for hovercraft grant not spend at year end as anticipated due to delivery of items in 2025/2026, roll-over application has been submitted.

Interest earned Financial Instruments 36,83%

Interest received higher than anticipated due to the excess loan drawdowns received and not spend due to delays in construction of landfill sites, this money was invested to derive maximum interest.

Interest Earned - Exchange Transactions 100,00%

The interest was included under operational revenue in the budget and not classified separately as interest from exchange transactions.

Suppliers and Employees -6,69%

Minor increase due to increase in payment of suppliers.

45 BUDGET INFORMATION (CONTINUED)

Finance Cost 19,05%

New finance lease agreements entered into for cellphones and 5 new printers not anticipated.

Government grants repaid 100,00%

Approval for roll-over grant was denied and had to be repaid, which was not anticipated for.

Transfers and Grants 100,00%

This includes items that were budgeted under different expenditure classifications but was reclassified to Transfers and Grants during the compilation of the annual financial statements based on reviews performed. This includes reclassifications relating to Grants, Government incentives and Roads fencing subsidy.

45.2.9 Net Cash from/(used) Investing Activities

Capital Assets -25,29%

Included in budget is the regional landfill site, majority of underspending was on the landfill site.

45.2.10 Net Cash from/(used) Financing Activities

Borrowing long term/refinancing -100,00%

Last drawdown for external loan was not received in 2024/2025.

Repayment of Borrowing 100,00%

Payments for new finance leases entered into in 2024/2025 were made, was not anticipated.

	2026 R	2025 R
46 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
46.1 Unauthorised expenditure		
Reconciliation of unauthorised expenditure:		
Opening balance	21 426 918	18 908 782
Unauthorised expenditure current year - operational	22 257 803	18 038 825
Unauthorised expenditure current year - capital	3 273 074	2 891 661
Approved by Council or condoned	(21 426 918)	(18 412 350)
Unauthorised expenditure awaiting authorisation	**25 530 878**	**21 426 918**

The over expenditure incurred by municipal departments on their operating budgets during the year is attributable to the following categories:

Non-cash	22 257 803	18 038 825
Cash	-	-
	22 257 803	**18 038 825**

Analysed as follows: Non-cash

Employee related cost (Actuarial Valuations)	4 805 859	152 105
Depreciation and Amortisation	-	434 776
Impairment Loss on Receivables	17 451 944	17 451 944
	22 257 803	**18 038 825**

Analysed as follows: Cash

Employee related cost	-	-
	-	**-**

The overspending of the Budget per municipal vote can be summarised as follows:

	2026 Actual R	2026 Final Budget R	2026 Variance R	2026 Unauthorised R
Unauthorised expenditure current year - operating				
Vote 1 and 2 - Office of the Municipal Manager	101 599 153	79 341 350	(22 257 803)	(22 257 803)
Vote 3 and 4 - Financial Services	24 738 135	31 328 099	6 589 964	-
Vote 5 and 6 - Corporate Services	53 659 127	65 224 366	11 565 239	-
Vote 7 and 8 - Community Services	101 569 044	106 463 641	4 894 597	-
Vote 9, 10 and 11 - Planning and Economic Development	33 140 488	34 651 820	1 511 332	-
Vote 12 and 13 - Roads	199 647 382	201 084 542	1 437 160	-
	514 353 329	**518 093 818**	**3 740 489**	**(22 257 803)**

46 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED (CONTINUED)

	2026 Actual R	2026 Final Budget R	2026 Variance R	2026 Unauthorised R
Unauthorised expenditure current year - capital				
Vote 1 and 2 - Office of the Municipal Manager	165 638	-	(165 638)	(165 638)
Vote 3 and 4 - Financial Services	52 172	173 739	121 567	-
Vote 5 and 6 - Corporate Services	451 898	200 000	(251 898)	(251 898)
Vote 7 and 8 - Community Services	44 577 739	71 872 133	27 294 394	-
Vote 9, 10 and 11 - Planning and Economic Development	2 718 908	-	(2 718 908)	(2 718 908)
Vote 12 and 13 - Roads	136 630	-	(136 630)	(136 630)
	48 102 985	**72 245 872**	**24 142 887**	**(3 273 074)**

46.2 Fruitless and wasteful expenditure

	2026 R	2025 R
Reconciliation of fruitless and wasteful expenditure:		
Opening balance	95 867	149 541
Interest: Creditors	(217 092)	95 466
Penalties and fines	-	-
Approved by Council or condoned	(95 867)	(149 141)
Fruitless and wasteful expenditure awaiting condonement	**(217 092)**	**95 867**

46.3 Irregular expenditure

Reconciliation of irregular expenditure:		
Opening balance	43 972 712	35 158 500
Irregular expenditure current year	14 489 312	26 581 328
Irregular expenditure - prior years	2 037	10 889 583
Irregular expenditure recovered	(6 000)	(3 000)
Irregular expenditure written-off as irrecoverable supported by council i.t.o section 32 of MFMA	(27 578 382)	(28 653 699)
Irregular expenditure awaiting further action	**30 879 679**	**43 972 712**

Majority of the irregular movement for the current and prior year:
Non-compliance with SCM Regulations: Preferential Procurement Policy Framework Act: R4 046 710 (2025: 3 956 795)
Non-compliance with CIDB Regulations: R0 (2025: R541 177)
Non-compliance of SCM Regulation 36 (1) R7 020 809 (2025: R12 939 427)
Non-compliance with pre-determined requirements: R0 (2025: R4 320 608)
Non-compliance with SCM Regulation 29 (4) R201 672 (2025: R63 042)
Non-compliance with SCM Regulation 2 (1)(b) R0 (2025: R29 974)
Non-compliance with SCM Regulation 19 (a) R234 569.06 (2025: R160 523.37)
Non-compliance with SCM Regulation 116(2) R0 (2025: R2 748 907)
Non-compliance with SCM Regulation 43(1) R0 (2025: R53 232)
Non-compliance with Regulation 19(a) of the Municipal Supply Chain Management Regulations: R2 985 552 (2025: R3 188 314)
Non-Compliance with MFMA (S65, 78, 116) R0 (2025: R 7 143 622)

Council resolved to write off as irrecoverable on: 24 June 2026 R27 578 382)
Recoverability of newly identified irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies.

		2026 R	2025 R
47	**ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**		
47.1	**Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)**		
	Opening balance	-	-
	Council subscriptions	-	3 090 987
	Amount paid - current year	-	(3 090 987)
	Balance unpaid (included in creditors)	**-**	**-**

		2026 R	2025 R
47.2	**Audit fees - [MFMA 125 (1)(c)]**		
	Opening balance	-	8 073
	Current year audit fee	-	5 291 049
	External Audit - Auditor-General	-	5 291 049
	Internal Audit	-	-
	Audit Committee	-	-
	Amount paid - current year	-	(5 299 122)
	Balance unpaid (included in creditors)	**-**	**-**

		2026 R	2025 R
47.3	**VAT - [MFMA 125 (1)(c)]**		
	Amount paid - current year	-	2 279
	Amounts received - current year	-	7 619 615
	Closing balance	**-**	**7 619 615**

VAT is payable on the receipt basis. Only once payment is received from the debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year.

47.4	**PAYE, UIF and SDL - [MFMA 125 (1)(c)]**		
	Opening balance	-	-
	Current year payroll deductions	-	49 109 219
	Amount paid - current year	-	(49 109 219)
	Balance unpaid (included in creditors)	**-**	**-**

		2026 R	2025 R
47.5	**Pension and Medical Aid Contributions - [MFMA 125 (1)(c)]**		
	Opening balance	-	-
	Current year pension and medical aid contributions	-	82 250 225
	Amount paid - current year	-	(82 250 225)
	Balance unpaid (included in creditors)	**-**	**-**

47.6	**Levies paid to other government organisations (MFMA sec (1)(c)**		
	Opening balance	-	-
	Current year payroll deductions	-	165 579
	Amount paid - current year	-	(165 579)
	Amount paid - previous year	-	-
	Balance unpaid (included in creditors)	**-**	**-**

47.7 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]

No Councillor who served during the financial year had an account in arrears for a period exceeding 90 days.

47	ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)	2026 R	2025 R

47.8 Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005

The following deviations and ratifications of minor breaches of procurement processes are reported to Council in terms of Paragraph 36(2) of the SCM Policy:

Deviations per deviation type can be summarised as follows:

Emergency	21 810	288 975
Impractical	4 191 507	2 658 034
Single Supplier	211 024	192 423
	4 424 341	**3 139 432**

Deviations from procurement processes in terms of section 36 of the Supply Chain Management Regulations were identified on the following categories:

30 June 2026	Up to R30,000	Between R30,001 and R200,000	Between R200,001 and R2,000,000	More than R2,000,001
Community Services	17 979	261 777	-	-
Corporate/Strategic Services	-	-	1 957 276	-
Financial Services	-	-	-	-
Office of the Municipal Manager	13 793	323 163	526 739	-
Planning and Economic Development Services	46 368	-	-	-
Roads Services	60 753	612 251,10	604 243	-
	138 893	**1 197 191**	**3 088 257**	**-**

The major deviations were as follows:

Awarded to	Reason/Explanation	Amount
A New Resort Wilderness	Impractical Procurement Process	66 090
Africa Trading Academy	Impractical Procurement Process	59 800
Massmart Retail	Impractical Procurement Process	293 800
Brand & Van Der Bergh Attorneys	Impractical Procurement Process	198 365
C&M Consulting Engineers (Pty) Ltd	Single Supplier	116 495
Deon Boshoff (Municipal Health Service Office - Knysna)	Impractical Procurement Process	145 283
Forever Resorts	Impractical Procurement Process	152 760
Entsha Henra	Impractical Procurement Process	310 443
Everinghams Incoporated	Impractical Procurement Process	124 798
Kinergy Site Automation Specialist	Impractical Procurement Process	185 265
Millers Attorneys	Impractical Procurement Process	526 739
South African Local Government Association	Impractical Procurement Process	1 957 276
Total		**4 137 114**

47 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005 (continued)

30 June 2025	Up to R30,000	Between R30,001 and R200,000	Between R200,001 and R2,000,000	More than R2,000,001
Community Services	91 519	124 833	1 508 800	-
Corporate/Strategic Services	5 846	37 950	-	-
Financial Services	95 747	-	-	-
Office of the Municipal Manager	65 164	383 087	-	-
Planning and Economic Development Services	38 267	148 028	-	-
Roads Services	302 378	108 482	229 333	-
	598 921	**802 380**	**1 738 133**	**-**

The major deviations were as follows:

Awarded to	Reason/Explanation	
Stadler & Swart Attorneys	Impractical Procurement Process	74 102
Brand van der Bergh Attorneys	Impractical Procurement Process	155 656
C & M Consulting Engineers	Impractical Procurement Process	94 570
Makhukane Consulting Engineers T/A CVW Electrical	Emergency	138 346
Marx Concrete Pipes	Impractical Procurement Process	229 333
Millers Attorneys	Impractical Procurement Process	207 522
Raaleborg Environemental Solutions	Impractical Procurement Process	251 930
Raaleborg Environemental Solutions	Impractical Procurement Process	477 020
Raaleborg Environemental Solutions	Impractical Procurement Process	378 810
Raaleborg Environemental Solutions	Impractical Procurement Process	401 580
Wear Check	Impractical Procurement Process	63 521
Total		**2 472 391**

47 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

47.9 Awards to close family members of persons in the service of the state

The following purchases were made from close family members of persons in the service of the state :

2025/2026 Financial Year

Supplier	Connected person	Position held in state	Actual Expenditure	Awarded Amount
			R	R
United Brothers Football Club	M.E Dayimani	PR Councillor	1 587	1 587
NEC XON System	Barney Godley Molokoane Motsepe	Personnel Officer (Department of Education)	233 635,97	233 636
	Monica Betty Motsepe	Teacher (Department of Education)		
	David Muleya	Care Officer (Department of Social Development)		
	Grace Molelekeng Muleya	Assistant Director Strategic Planning (Department of Higher Education &		
The Institute of Internal Auditors	Mamadimo Mogano	Internal Auditor At Limpopo Economic Development Agency and Director at IIA	23 426	23 426
C EN M Raadgewende Ingenieurs	LZ Ngele	Technician at SA Weather Services	116 495	116 495
Lezmin 2021 t/a K1 Quarries	Spouse of C Pieterse	Secretary in South African Police Service	3 423 520	rates based
Group Editors	AM Aucamp	Accountant Stores - Garden Route District Municipality	26 127	26 127
Zutari (Pty) Ltd	Cathrine H Ahlschlager	Special Investigating Unit - Legal representative	2 305 726	rates based
	Johan H Compion	Senior Manager Municipal Health & Solid Waste and Air Quality Control - Community Services at Garden Route District Municipality		
	K Nadesen	Director at National Department of Public Works		
	M Marques	Director at Home Affairs		
	U Jugwanth	Deputy Director: Head of Labour KZN Department of Sports, Arts and Culture		
	N Jugwanth	Chief Engineer at the Department of Water Affair		
	Byron M Ehrenreich	Civil Engineer Transnet NPA		
	Shanaaz Seegers	Manager Distributed Computing: City of Cape Town		
	Nadiema Allie	Operations Manager SARS		
	Tlou J Ndala	Debt Collections SARS		
	Tlou J Ndala	School Principal: Gauteng Department of Education		
School of Public Leadership (SPL) - University of Stellenbosch	FEM Douglas	Chief Municipal Heath Practitioner: Garden Route District Municipality	1 463 400	rate per learner
Mubesko Africa (Pty) Ltd	L Saaiman	Advisor at the Western Cape Department of Education	1 149 931	rates based
Nedbank	Venisha Subramoney	Department of Education	1 007 607	rates based
The Business Zone 1681 (ProWorx)	Mother of R Meyer	South African Police Service	-	-
Engineering Advice and Services	S Westerberg	Manager: Building Development: Mossel Bay Municipality	1 773 075	4 885 200
	EM Westerberg	Personal Assistant to the Municipal Manager: Mossel Bay Municipality		
SMEC South Africa	LT Viljoen	Department of Defence	560 556	1 499 332
			12 085 084	

47 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

47.9 Awards to close family members of persons in the service of the state (continued)

2024/2025 Financial Year

Supplier	Connected person	Position held in state	Actual Expenditure R	Awarded Amount R
Libkaz Investments	Simphiwe Mzuku	Spouse to Maninzi Mzuku (Director), employed by South African Social Security Agency (SASSA) as a Team Leader	-	rates based
The Institute of Internal Auditors	Mamadimo Mogano	Internal Auditor At Limpopo Economic Development Agency and Director at IIA	21 600	21 600
Duokorp 109 T/A Irrikor	Celste Immink	Accountant at South Cape College	1 175	1 175
Playtime Production	Myrtle Sacuenda	Chairperson - Indigo Community Development NPO	13 570	13 570
C EN M Raadgewende Ingenieurs	LZ Ngele	Technician at SA Weather Services	94 570	106 893
Piston Power Chemical CC	Nadira Aweshee	Teacher at KZN Department of Education	1 009 244	rates based tender / quotations
Lezmin 2021 t/a K1 Quarries	Spouse of C Pieterse	Secretary in South African Police Service	147 869	rates based
Henna's Catering	Child of JL du Preez	Western Cape Department of Education	5 950	51 180
	Spouse of JL du Preez	Kannaland Municipality		
	Child of JL du Preez	Department of Agriculture		
Group Editors	AM Aucamp	Accountant Stores - Garden Route District Municipality	100 430	461 770
Zutari (Pty) Ltd	Cathrine H Ahlschlager	Special Investigating Unit - Legal representative	1 880 521	rates based
	Johan H Compion	Senior Manager Municipal Health & Solid Waste and Air Quality Control - Community Services at Garden Route District Municipality		
	K Nadesen	Director at National Department of Public Works		
	M Marques	Director at Home Affairs		
	U Jugwanth	Deputy Director: Head of Labour KZN Department of Sports, Arts and Culture		
	N Jugwanth	Chief Engineer at the Department of Water Affair		
	Byron M Ehrenreich	Civil Engineer Transnet NPA		
	Shanaaz Seegers	Manager Distributed Computing: City of Cape Town		
	Nadiema Allie	Operations Manager SARS		
	Tlou J Ndala	Debt Collections SARS		
	Tlou J Ndala	School Principal: Gauteng Department of Education		
School of Public Leadership (SPL) - University of Stellenbosch	FEM Douglas	Chief Municipal Heath Practitioner: Garden Route District Municipality	1 272 333	rate per learner
Mubesko Africa (Pty) Ltd	L Saaiman	Advisor at the Western Cape Department of Education	1 179 935	rates based
Nedbank	Venisha Subramoney	Department of Education	1 292 954	rates based
The Business Zone 1681 (ProWorx)	Mother of R Meyer	South African Police Service	13 750	13 750
Engineering Advice and Services	S Westerberg	Manager: Building Development: Mossel Bay Municipality	964 377	4 885 200
	EM Westerberg	Personal Assistant to the Municipal Manager: Mossel Bay Municipality		
SMEC South Africa	LT Viljoen	Department of Defence	938 776	1 383 795
			8 937 054	

48 FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price Risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

Cash funds are managed in accordance with operational requirements and are invested with reputable financial institutions in South Africa at favourable market-related rates.

The municipality did not hedge against any interest rate risks during the current year.

	2026 R	2025 R
The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:		
1% (2025: 1%) Increase in interest rates	(434 912)	121 680
1% (2025: 1%) Decrease in interest rates	434 912	(121 680)

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

The credit quality of receivables are further assessed by grouping individual debtors into different categories with similar risk profiles. The categories include the following: Bad Debt, Deceased, Good payers, Slow Payers, Government Departments, Debtors with Arrangements, Indigents, Municipal Workers, Handed over to Attorneys and Untraceable account. These categories are then impaired on a group basis based on the risk profile/credit quality associated with the group.

	2026 %	2026 R	2025 %	2025 R
The debtors per age analysis could be summarised as follows:				
Bad debt	#DIV/0!		#DIV/0!	
Deceased	#DIV/0!		#DIV/0!	
Good Payers	#DIV/0!		#DIV/0!	
Municipal Worker	#DIV/0!		#DIV/0!	
Slow Payers	#DIV/0!		#DIV/0!	
Government Departments	#DIV/0!		#DIV/0!	
Debtors with arrangements	#DIV/0!		#DIV/0!	
Indigents	#DIV/0!		#DIV/0!	
Handed over to Attorneys	#DIV/0!		#DIV/0!	
Untraceable accounts	#DIV/0!		#DIV/0!	
Total	**#DIV/0!**	**-**	**#DIV/0!**	**-**

All services are payable within 30 days from invoice date. Refer to note 8 for all balances outstanding longer than 30 days These balances represent all debtors at year end which defaulted on their credit terms.

Exchange Receivables	2026 %	2026 R	2025 %	2025 R
Rental Agreements	#DIV/0!		#DIV/0!	
Fire Fighting Fees	#DIV/0!		#DIV/0!	
Other Arrears	#DIV/0!		#DIV/0!	
Department of Infrastructure - Roads	#DIV/0!		#DIV/0!	
	#DIV/0!	**-**	**#DIV/0!**	**-**

The provision for bad debts could be allocated between the different classes of debtors as follows:

	2026 %	2026 R	2025 %	2025 R
Rental Agreements	7,37%	5 151 309	7,37%	5 151 309
Fire Fighting Fees	75,04%	52 435 277	75,04%	52 435 277
Other Arrears	17,59%	12 291 150	17,59%	12 291 150
Total	**100,00%**	**69 877 736**	**100,00%**	**69 877 736**

Ageing of amounts past due but not impaired are as follow:	Exchange Receivables	Non-exchange Receivables
2026		
1 month past due	29 000 152	-
2+ months past due	25 933 171	-
	54 933 324	**-**
2025		
1 month past due	29 000 152	-
2+ months past due	25 933 171	-
	54 933 324	**-**

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

Cash and cash equivalents are held with banks registered under the Banks Act, 1990, as required by section 7(3)(b) of the Municipal Finance Management Act and the Municipal Investment Regulations. These institutions are prudentially supervised by the Prudential Authority, subject to minimum capital, liquidity and large-exposure requirements, and carry investment-grade national-scale credit ratings. The municipality assessed these balances as having low credit risk in terms of GRAP 104 paragraph 5.25 and measured the loss allowance at an amount equal to 12-month expected credit losses. Given the minimal probability of default and the on-demand nature of the balances, the resulting expected credit loss is immaterial and no loss allowance has been recognised. No indicators of a significant increase in credit risk (liquidity stress, curatorship, regulatory breach or ratings downgrade) existed at the reporting date.

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The banks utilised by the municipality for current and non-current investments are all listed on the JSE (Nedbank and ABSA). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

Financial assets exposed to credit risk at year end are as follows:	2026 R	2025 R
Receivables from exchange transactions	143 773 340	127 367 057
Cash and Cash Equivalents	91 342 217	154 981 368
	235 115 557	282 348 425

(e) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

2026	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
Long-term Liabilities	23 023 103	118 141 651	118 016 401	
Trade and Other Payables from Exchange Transactions	36 376 200	-	-	
Unspent conditional grants and subsidies	3 823 021	-	-	
	63 222 324	118 141 651	118 016 401	-

2025	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
Long-term Liabilities	16 277 053	111 546 967	147 520 501	
Trade and Other Payables from Exchange Transactions	27 455 687	-	-	
Unspent conditional grants and subsidies	2 579 003	-	-	
	46 311 742	111 546 967	147 520 501	-

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

FINANCIAL INSTRUMENTS

In accordance with GRAP104.45 the financial liabilities and assets of the municipality are classified as follows:

Financial Assets	Classification	2026 R	2025 R
Investments			
Unlisted Shares	Financial Instruments at fair value	15 665	15 665
Receivables from Exchange Transactions			
Property Rentals	Financial Instruments at amortised cost	12 240 479	5 287 984
Fire Fighting Fees	Financial Instruments at amortised cost	45 023 696	52 855 107
Other Arrears	Financial Instruments at amortised cost	84 991 583	67 683 292
VAT input accrual	Financial Instruments at amortised cost		
Cash and Cash Equivalents			
Bank Balances	Financial Instruments at amortised cost	86 275 557	150 269 968
Investment Accounts	Financial Instruments at amortised cost	5 066 660	4 711 400
Cash on hand	Financial Instruments at fair value	22 912	29 500
Total Financial Assets		**233 636 554**	**280 852 916**

SUMMARY OF FINANCIAL ASSETS

		2026 R	2025 R
Financial Instruments at amortised cost:			
Receivables from Exchange Transactions	Property Rentals	12 240 479	5 287 984
Receivables from Exchange Transactions	Fire Fighting Fees	45 023 696	52 855 107
Receivables from Exchange Transactions	Other Arrears	84 991 583	67 683 292
Receivables from Exchange Transactions	VAT input accrual		
Cash and Cash Equivalents	Cash on Hand	22 912	29 500
Cash and Cash Equivalents	Bank Balances	86 275 557	150 269 968
Cash and Cash Equivalents	Call Deposits and Investments	5 066 660	4 711 400
		233 620 888	**280 837 251**

		2026 R	2025 R
Financial Instruments at fair value:			
Investments	Unisted Investments	15 665	15 665
		15 665	**15 665**
Total Financial Assets		**233 636 553**	**280 852 916**

Financial Liabilities	Classification	2026 R	2025 R
Long-term Liabilities			
Annuity Loans	Financial Instruments at amortised cost	164 936 410	171 912 000
Capitalised Lease Liability	Financial Instruments at amortised cost	119 390	354 554
		2026 R	**2025 R**
Trade and Other Payables			
Trade Payables	Financial Instruments at amortised cost	21 068 116	15 115 305
Other Payables	Financial Instruments at amortised cost	426 647	1 740 844
Retentions	Financial Instruments at amortised cost	8 439 550	5 918 481
VAT output accrual	Financial Instruments at amortised cost		
Current Portion of Long-term Liabilities			
Annuity Loans	Financial Instruments at amortised cost	6 975 590	-
Capitalised Lease Liability	Financial Instruments at amortised cost	337 083	596 158
Cash and Cash Equivalents			
Bank Overdraft	Financial Instruments at amortised cost	-	-
		202 302 785	195 282 788

SUMMARY OF FINANCIAL LIABILITIES

		2026 R	2025 R
Financial instruments at amortised cost:			
Long-term Liabilities	Annuity Loans	171 912 000	171 912 000
Long-term Liabilities	Capitalised Lease Liability	456 472	950 712
Trade and Other Payables	Trade Payables	21 068 116	15 115 305
Trade and Other Payables	Other Payables	426 647	1 740 844
Trade and Other Payables	Retentions	8 439 550	5 918 481
Trade and Other Payables	VAT output accrual		
		202 302 785	**195 637 342**

		2026 R	2025 R
49	**STATUTORY RECEIVABLES**		
	In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:		
	Taxes		
	VAT Receivable	3 775 111	1 577 209
	Total Statutory Receivables (before provision)	**3 775 111**	**1 577 209**
	Less: Provision for Debt Impairment	-	-
	Total Statutory Receivables (after provision)	**3 775 111**	**1 577 209**

		2026 R	2025 R
50	**CONTINGENT LIABILITY**		
50.1	**Possible Property Dispute: Calitzdorp Spa - Prins Family**		
	This municipality became aware of a land claim submitted by the Prins Family more than twenty (20) years ago. This dispute is still with the Land Claims Commissioner.	6 717 112	6 717 112
	The Land Claims Commissioner informed us that the comprehensive research report was completed and the research report was approved by the Regional Land Claims Commissioner. The Office is currently busy with the verification of beneficiaries. This process involves claimant interviews, family tree designs (linking claimants to the homestead/s) and collecting all supporting documents from beneficiaries.		
	Once the verification of beneficiaries' process is completed, the Office will thereafter conduct the options workshop to official obtain the binding preferred restitution option of the Prins family.		
50.2	**Mossel Bay Transfer Agreement**		
	Portion of Portion 2 of the Farm Hoogekraal No.238 (Erf 832 Glentana)		
	Possible transfer to Mossel Bay Municipality as per signed Transfer Agreement between the parties, subject to completion of subdivision process. Herbie Oosthuizen Attorneys have been appointed by Mossel Bay Municipality to handle this matter. In process.	32 115	32 115
	Portion of Erf 271, Reebok		
	Erf 271 Reebok transfer to Mossel Bay Municipality will be finalised during the 2025/2026 financial year and is therefore removed as a Contingent Liability.	-	-
	Northern Portion of Erf 3803, Mossel Bay		
	Possible transfer to Mossel Bay Municipality as per signed Transfer Agreement between the parties, subject to completion of subdivision process. Herbie Oosthuizen Attorneys have been appointed by Mossel Bay Municipality to handle this matter. In process.	1 486 659	1 486 659
50.3	**Combined Summons: Geelhoutvlei CC**		
	On 09 January 2018, a veldfire originated and spread to the Plaintiffs plantation. It is alleged that the Defendants failed to extinguish this fire whilst it was still small and containable and the fire therefore spread, causing damage.	13 488 244	13 488 244
	The Second and Third Defendants filed their amended plea's after the Plaintiff amended theirs. The First Defendant did not provide their plea by 15 October 2021. There has been no movement from the Plaintiff after the Defendants filed their plea. The Plaintiff is *dominus litis* (owner of the case/trial) and will determine the procession of this litigation. The matter is kept in abeyance until further notice. The status quo remains the same. Raubenheimers Attorneys was appointed to defend this matter.		
50.4	**Knysna Municipality Property Dispute**		
	Ongoing challenge from Knysna Municipality claiming ownership of land registered in the name of Garden Route District Municipality. The parties are in discussion to find a resolution. Knysna municipality communicated their Council resolution to GRDM stating that the following properties are under dispute:	54 586 454	54 586 454
	Erf 20, 21 & 22 Belvedere Farm 185, Portion 0-2 George Road (Swartvlei) Farm 215, Portion 1-3 Knysna Rd (Buffalo Bay) Erf 2790, Knysna Farm 191, Portion 22, Knysna RD Westford		
50.5	**Combined Summons: S Pretorius**		
	On or about 23 October 2020 the Plaintiff, Shanelle Pretorius was driving a motor vehicle which drove through a pothole on Bibby's Hoek Road in Rheenendal. Summons was received by the Municipality on the 17th of January 2023. This matter was referred to the Insurance Company to defend.	120 613	120 613
	According to the Roads Department, only a portion of the road belongs to GRDM. This is still in progress.		

50 CONTINGENT LIABILITY (CONTINUED)

		2026 R	2025 R
50.6	**Labour disputes: M Salani**		
	A dispute was lodged by M Salani alleging unfair labour practice, which has been referred to the Labour Court. The matter is still in progress.	620 000	620 000
50.7	**Labour disputes: M Arends**		
	A dispute was lodged by M Arendse alleging unfair dismissal, which has been referred to the Bargaining Council. The matter is still in progress.	700 000	-
50.8	**Labour disputes: E Qhokolo**		
	A dispute was lodged by E Qhokolo alleging unfair labour practice, which has been referred to the Bargaining Council. The matter is still in progress.	500 000	-
50.9	**Labour disputes: Contract NSF Learners**		
	A dispute was lodged by contract NSF learners, alleging unfair labour practice, which has been referred to the CCMA for arbitration. The matter was resolved during the year, and no contingent liability existed as at 30 June 2026.	-	350 000
50.10	**VAT Treatment of Roads Function Performed on Behalf of the Department of Infrastructure**		
	Management has considered the VAT implications relating to the roads function performed on behalf of the Department of Infrastructure (DOI). Management's position, supported by a SARS non-binding ruling (2013), Binding General Ruling 74 (2023), an independent legal opinion (2025), and confirmation from the DOI (2025), is that the function is performed on an agency basis and therefore does not give rise to output VAT on the full receipts. The Office of the Auditor-General concluded that the function represents a delegated activity, which would require output VAT to be levied on the full amount received. SARS is currently conducting a VAT audit of GRDM, and the outcome will provide clarity on the appropriate VAT treatment.	75 510 624	75 510 624
50.11	**La Manzi Boerdery (Plaintiff) / Cape Nature Conservation Board (1st Defendant) & Garden Route District Municipality (2nd Defendant)**		
	It is alleged that Cape Nature started a fire in the Nature Reserve and failed to take reasonable steps to control the fire to prevent its spread into the mountains and farm there, onto Bergplaas. The Plaintiff furthermore alleges that Garden Route District Municipality failed to adequately fight the fire and by failing to provide the necessary planning and co-ordination to adequately fight the fire, they've suffered damages in the amount of R3 243 125.		
	Garden Route District Municipality is defending this matter. Our Discovery Affidavit was filled and served on 1 June 2026, the matter is still in progress.	3 243 125	
		157 004 945	**152 911 820**

51 RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

Related party relationship

Councillors and management comprises of those persons responsible for planning, directing and controlling the activities of the Municipality. Related parties include:

- Accounting officer
- Other spheres of government
- Members of key management
- Councillors

51 RELATED PARTIES (CONTINUED)

51.1 Compensation of key management personnel

The compensation of key management personnel and councillors are set out in note 28 to the Annual Financial Statements.

51.2 Current Employee Benefits

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on 30 June 2026:

Name	Position	Staff Leave Obligations	Staff Bonus Obligations
Mr MG Stratu	Municipal Manager	-	-
Mr. C.H.R. Boshoff	Chief Financial Officer	-	-
Mrs B Holtzhausen	Executive Manager: Corporate Services	-	-
Mrs M Smit	Acting Executive Manager: Corporate Services	-	-
Mr JH Compion	Acting Executive Manager: Community Services	-	-
Mrs NM Raisa-Mlandu	Executive Manager: Community Services	-	-
Mr JG Daniels	Executive Manager: Roads	-	-
Mr L Menze	Executive Manager: Planning and Economic Development	-	-
		-	**-**

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on 30 June 2025:

Name	Position	Staff Leave Obligations	Staff Bonus Obligations
Mr MG Stratu	Municipal Manager	285 143	346 595
Mr. C.H.R. Boshoff	Chief Financial Officer	79 388	280 901
Mrs B Holtzhausen	Executive Manager: Corporate Services	-	202 916
Mrs M Smit	Acting Executive Manager: Corporate Services	73 583	39 902
Mr JH Compion	Acting Executive Manager: Community Services	334 426	-
Mrs NM Raisa-Mlandu	Executive Manager: Community Services	71 791	106 650
Mr JG Daniels	Executive Manager: Roads	352 964	244 607
Mr L Menze	Executive Manager: Planning and Economic Development	238 637	240 992
		1 435 933	**1 462 563**

52 PRINCIPAL - AGENT ARRANGEMENTS

Principal in Principal-Agent Arrangement (Material)

Garden Route District Municipality's binding arrangements for services delivered on behalf of the municipality and for which commissions were paid, have been evaluated and it was found that the conditions don't meet the applicable GRAP 109 criteria to be regarded as a principal arrangements.

53 EVENTS AFTER REPORTING PERIOD

The roads agency function currently performed on behalf of the Department of Infrastructure (DOI) will be transferred to the DOI effective 1 April 2026. Negotiations regarding the terms of this transfer are ongoing. As these negotiations have not yet been finalized, the financial impact of the transfer cannot be reliably measured at the reporting date.

54 FINANCIAL SUSTAINABILITY

Management is of the opinion that will municipality will continue to operate as a going concern and perform its functions as set out in the Constitution.

As with most municipalities, the municipality is dependent on transfers and subsidies from National and Provincial Government.

54.1 Financial Indicators

The following ratios are considered to be key financial indicators to determine financial health and going concern:

i) Current ratio
This ratio has degressed from the prior to the current year. It stands at 1.98 times and is above the norm set for municipalities.

Current Ratio: (Current Assets / Current Liabilities)
Norm: 1.5 - 2.1

	30 June 2026	30 June 2025	
Current Assets	173 951 358	222 305 848	
Current Liabilities	87 974 192	74 557 102	
Current ratio	**1,98**	**2,98**	*times*

ii) Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants):
This ratio has degressed from the prior to the current year. It stands at 2.1 times and is better than the norm set for municipalities of 1 to 3 times.

Cash (Excl. Unspent Conditional Grants) / Monthly Fixed Cash Operating Expenditure

	30 June 2026	30 June 2025	
Cost cover	**2,1**	**3,9**	*times*

ii) Reconciliation of Available Cash and Investment Resources

Refer to note 43 that shows cash available after deduction of cash-backed items from the bank balances as at 30 June 2026.

55 DISCLOSURES IN TERMS OF BROAD BASED BLACK ECONOMIC EMPOWERMENT ACT

Information on compliance with the Broad Based Black Economic Empowerment Act is included in the annual report under the section titled B-BBBEE Compliance Performance Information.

56 REPORTABLE SEGMENTS REPORT FOR THE YEAR ENDED 30 JUNE 2026

For management purposes, the municipality is organised and operates in key functional segments (or business units). To this end, management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessment of performance. Revenues and expenditures relating to these business units are allocated at a transactional level.

Management receives on a monthly basis a C Schedule that provides actual amounts at that time per both the department and function.

The key functional segments comprise of:

PRIMARY SEGMENTS

Functional Segments	Sub vote	Aggregation	Reportable Segment	Types of Goods/Services delivered
Vote 1 - Office of the Municipal Manager	1.1 - Municipal Manager	Aggregated	Office of the Municipal Manager	Supporting service departments
	1.2 - Office: of the Executive Mayor	Aggregated	Office of the Municipal Manager	Supporting service departments
	1.3 - Office: of the Deputy Executive Mayor	Aggregated	Office of the Municipal Manager	Supporting service departments
	1.4 - Office : of the speaker	Aggregated	Office of the Municipal Manager	Supporting service departments
	1.5 - Mayor and Council	Aggregated	Office of the Municipal Manager	Supporting service departments
	1.6 - Strategic Manager	Aggregated	Office of the Municipal Manager	Supporting service departments
	1.7 - Legal Services	Aggregated	Office of the Municipal Manager	Supporting service departments
	1.8 - Legal Services	Aggregated	Office of the Municipal Manager	Supporting service departments
	1.9 - Legal Services	Aggregated	Office of the Municipal Manager	Supporting service departments
	1.8 - Performance Management	Aggregated	Office of the Municipal Manager	Supporting service departments
Vote 2 - Office of the Municipal Manager (cont)	2.1 - Risk Management unit	Aggregated	Office of the Municipal Manager	Supporting service departments
	2.2 - Internal audit	Aggregated	Office of the Municipal Manager	Supporting service departments
	2.3 - Marketing publicity& media cor	Aggregated	Office of the Municipal Manager	Supporting service departments
Vote 3 - Financial Services	3.2 - Manager: Finance (CFO)	Aggregated	Financial Services	Supporting service departments
	3.3 - Expenditure	Aggregated	Financial Services	Supporting service departments
	3.4 - BTO & AFS	Aggregated	Financial Services	Supporting service departments
	3.5 - FMG Interns	Aggregated	Financial Services	Supporting service departments
	3.7 - Income	Aggregated	Financial Services	Supporting service departments
	3.8 - Assets	Aggregated	Financial Services	Supporting service departments
	3.9 - Data	Aggregated	Financial Services	Supporting service departments
	3.10 - Assets Management	Aggregated	Financial Services	Supporting service departments
Vote 4 - Financial Services (cont)	4.1 - SCM	Aggregated	Financial Services	Supporting service departments
Vote 5 - Corporate Services	5.1 - Executive Manager: Corporate Services	Aggregated	Corporate Services	Supporting service departments
	5.2 - Support Services: committee	Aggregated	Corporate Services	Supporting service departments
	5.3 - Support services: registry	Aggregated	Corporate Services	Supporting service departments
	5.4 - Task unit	Aggregated	Corporate Services	Supporting service departments
	5.5 - Training & Development	Aggregated	Corporate Services	Supporting service departments
	5.6 - Labour Relations	Aggregated	Corporate Services	Supporting service departments
	5.7 - Recruitment & Selection	Aggregated	Corporate Services	Supporting service departments
	5.8 - Basic Conditions of Service	Aggregated	Corporate Services	Supporting service departments
	5.9 - OHS	Aggregated	Corporate Services	Supporting service departments
	5.10 - EAP	Aggregated	Corporate Services	Supporting service departments
Vote 6 - Corporate Services (cont)	6.1 - Section 79/80 committees	Aggregated	Corporate Services	Supporting service departments
	6.2 - IT Section	Aggregated	Corporate Services	Supporting service departments
	6.3 - HR Manager	Aggregated	Corporate Services	Supporting service departments
	6.4 - It section	Aggregated	Corporate Services	Supporting service departments
Vote 7 - Community Services	7.1 - Disaster Management	Aggregated	Community Services	Disaster Management Services
	7.2 - Executive Manager: Community Services	Aggregated	Community Services	Health Services
	7.3 - Municipal Health Services: Administration	Aggregated	Community Services	Health Services
	7.4 - Municipal Health Services: George	Aggregated	Community Services	Health Services
	7.5 - Municipal Health Services: Klein Karoo	Aggregated	Community Services	Health Services
	7.6 - Municipal Health Services: Langeberg	Aggregated	Community Services	Health Services
	7.7 - Municipal Health Services: Lakes Areas	Aggregated	Community Services	Health Services
	7.8 - Disaster Management	Aggregated	Community Services	Disaster Management Services
	7.9 - Disaster Management	Aggregated	Community Services	Disaster Management Services
	7.10 - Environmental Management	Aggregated	Community Services	Environmental Protection

Functional Segments	Sub vote	Aggregation	Reportable Segment	Types of Goods/Services delivered
Vote 8 - Community Services (cont)	8.1 - Fire fighting	Aggregated	Community Services	Fire Fighting Services
	8.2 - Fire services: Riversdal	Aggregated	Community Services	Fire Fighting Services
	8.3 - Fire services: Kannaland	Aggregated	Community Services	Fire Fighting Services
	8.4 - Fire Fighting	Aggregated	Community Services	Fire Fighting Services
	8.5 - Bulk infrastructure:(m hubbe)	Aggregated	Community Services	Waste Management Services
	8.6 - Refuse	Aggregated	Community Services	Waste Management Services
	8.7 - Bulk infr.: water	Aggregated	Community Services	Waste Management Services
	8.8 - Air quality control	Aggregated	Community Services	Environmental Protection
	8.9 - Landfill Sites	Aggregated	Community Services	Waste Management Services
	8.10 - Solid Waste Removal	Aggregated	Community Services	Waste Management Services
Vote 9 - Planning and Economic Development	9.1 - Property Development	Aggregated	Planning and Development	Supporting service departments
	9.2 - Executive Manager: Planning and Economic Developm	Aggregated	Planning and Development	Supporting service departments
	9.3 - Regional planning	Aggregated	Planning and Development	Supporting service departments
	9.4 - Tourism	Aggregated	Planning and Development	Supporting service departments
	9.5 - Human Settlement	Aggregated	Planning and Development	Supporting service departments
	9.6 - EPWP Manager	Aggregated	Planning and Development	Supporting service departments
	9.7 - EPWP Projects	Aggregated	Planning and Development	Supporting service departments
	9.8 - Population Development	Aggregated	Planning and Development	Supporting service departments
	9.9 - Pollution Control	Aggregated	Planning and Development	Supporting service departments
	9.10 - Tourism	Aggregated	Planning and Development	Supporting service departments
Vote 10 - Planning and Economic Development (cont)	10.1 - PMU	Aggregated	Planning and Development	Supporting service departments
	10.2 - Led	Aggregated	Planning and Development	Local Economic Development Services
	10.3 - Idp	Aggregated	Planning and Development	Supporting service departments
	10.4 - EPWP Manager	Aggregated	Planning and Development	Supporting service departments
	10.5 - EPWP Projects	Aggregated	Planning and Development	Supporting service departments
	10.6 - Resorts: Calitzdorp Spa Kiosk	Aggregated	Planning and Development	Resorts
	10.7 - Resorts: Calitzdorp Spa Resort	Aggregated	Planning and Development	Resorts
	10.8 - Resorts: De Hoek Mountain Resort	Aggregated	Planning and Development	Resorts
	10.9 - Resorts: De Hoek Mountain Shop	Aggregated	Planning and Development	Resorts
	10.10 - Led	Aggregated	Planning and Development	Local Economic Development Services
Vote 11 - Planning and Economic Development(cont2)	11.1 - Resorts: Swartvlei	Aggregated	Planning and Development	Resorts
	11.2 - Resorts: Victoriabaai	Aggregated	Planning and Development	Resorts
	11.3 - Resorts: Kleinkrantz	Aggregated	Planning and Development	Resorts
Vote 12 - Roads	12.1 - Public transport	Aggregated	Roads Services	Roads Services
	12.2 - Road Transport - Roads General	Aggregated	Roads Services	Roads Services
	12.3 - ROADS OPERATIONAL COST 1	Aggregated	Roads Services	Roads Services
	12.4 - ROADS WORKSHOP OPERATIONAL COST 1	Aggregated	Roads Services	Roads Services
	12.5 - ROADS - MAINTENANCE OUDTSHOORN - PROJECT 1 PREVENTATIVE CONDI	Aggregated	Roads Services	Roads Services
	12.6 - ROADS - GRADER OUDTSHOORN - PROJECT 1	Aggregated	Roads Services	Roads Services
	12.7 - ROADS - MAINTENANCE RIVERSDALE - PROJECT 1 - PREVENTATIVE CONDI	Aggregated	Roads Services	Roads Services
	12.8 - ROADS - GRADER RIVERSDALE - PROJECT 1	Aggregated	Roads Services	Roads Services
	12.9 - ROADS - GRADER GEORGE - PROJECT 1	Aggregated	Roads Services	Roads Services
	12.10 - ROADS - REGRAVEL - PROJECT 2 - SHORT SECTION	Aggregated	Roads Services	Roads Services
Vote 13 - Roads (cont)	13.1 - Roads	Aggregated	Roads Services	Roads Services
	13.2 - ROADS - MAINTENANCE GEORGE - PROJECT 1 - PREVENTATIVE CONDITION	Aggregated	Roads Services	Roads Services
	13.3 - ROADS - REGRAVEL - PROJECT 1 - MAINTENANCE RO	Aggregated	Roads Services	Roads Services
	13.4 - ROADS - RESEAL - PROJECT 1 - MAINTENANCE ROAD	Aggregated	Roads Services	Roads Services
	13.5 - ROADS - CONSTR (UPGRADE)- PROJECT 1 - CORRECTIVE MAINT - SLANGRIVIER	Aggregated	Roads Services	Roads Services
	13.6 - ROADS - CONSTR - CORRECTIVE MAINTEN SMALL IN/OUTLET STRUCTURES	Aggregated	Roads Services	Roads Services

SECONDARY SEGMENTS

Mscoa Functional Segments identified	Aggregation	Aggregation	Reportable Segment	Types of Goods/Services delivered
• **Governance and Administration**	Executive and council	Aggregated	Governance and Administration	Supporting service departments
	Finance and administration	Aggregated	Governance and Administration	Supporting service departments
	Internal audit	Aggregated	Governance and Administration	Supporting service departments
• **Community and public safety**	Community and social services	Aggregated	Community and public safety	Resorts and community services
	Sport and recreation	Aggregated	Community and public safety	
	Public safety	Aggregated	Community and public safety	Fire services
	Health services	Aggregated	Community and public safety	Health Services
• **Economic and environmental services**	Planning and development	Aggregated	Economic and environmental services	Supporting service departments
	Road transport	Aggregated	Economic and environmental services	Road services
	Environmental protection	Aggregated	Economic and environmental services	Environmental Protection
• **Trading services**	Water management	Individually Reported	Water management	Water management
	Waste management	Individually Reported	Waste management	Waste management service
• **Other**	Tourism	Individually Reported	Other	Tourism

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered (if any).

Garden Route District Municipality consists of the following municipalities situated in different geographical areas:

Bitou Municipality
George Municipality
Hessequa Municipality
Kannaland Municipality
Knysna Municipality
Mossel Bay Municipality
Oudtshoorn Municipality

Management does monitor performance geographically but does not at present have reliable separate financial information for decision making purposes. Processes have been put in place to generate this information at a transaction level and in the most cost effective manner.

GARDEN ROUTE DISTRICT MUNICIPALITY

PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2026

	Office of the Municipal Manager	Financial Services	Corporate Services	Planning and Development	Community Services	Roads Services	Total
	R	R	R	R	R	R	R
SEGMENT REVENUE							
External revenue from exchange transactions	19 961 879	12 759 629	2 967 047	10 014 263	19 217 278	209 901 299	274 821 395
Roads Service Charge	17 930 293	-	-	-	-	209 989 104	227 919 397
Service Charges - Refuse Revenue	-	-	-	-	-	-	-
Rent on land	167 012	-	-	243 986	-	-	410 998
Rental from Fixed Assets	-	1 408 040	-	-	-	-	1 408 040
Interest Earned - External Investments	355 276	11 324 147	71 345	-	-	-	11 750 767
Interest Earned - Exchange Transactions	-	-	366 729	6 719 888	-	-	7 086 617
Licences and Permits	-	-	-	-	107 523	-	107 523
Sales of Goods and Rendering of Services	52 601	4 148	1 237 500	3 050 388	18 937 563	-	23 282 201
Other Revenue	1 456 697	23 293	1 291 473	-	172 192	(87 804)	2 855 852
External revenue from non-exchange transactions	67 092 414	15 858 543	28 079 053	17 027 760	73 143 421	3 368 781	204 569 972
Transfers And Subsidies - Operating	67 092 414	15 654 887	28 079 053	17 027 760	73 143 421	3 368 781	204 366 316
Public contributions and donations	-	-	-	-	-	-	-
Fines, Penalties and Forfeits	-	-	-	-	-	-	-
Gains	-	203 656	-	-	-	-	203 656
Total Segment Revenue (excluding capital transfers and contributions)	**87 054 293**	**28 618 172**	**31 046 100**	**27 042 022**	**92 360 699**	**213 270 081**	**479 391 367**
SEGMENT EXPENDITURE							
Employee Related Costs	(40 115 323)	(21 762 760)	(36 126 461)	(26 468 448)	(74 627 210)	(111 807 944)	(310 908 147)
Remuneration of Councillors	(13 896 685)	-	-	-	-	-	(13 896 685)
Irrecoverable debt written off	(7 934 087)	-	-	-	-	-	(7 934 087)
Debt Impairment	-	-	-	-	-	-	-
Depreciation and Amortisation	(329 752)	(207 666)	(1 135 973)	(2 660 071)	(2 619 214)	(108 825)	(7 061 501)
Finance Costs	(5 531)	(2 255)	(11 290)	(34 413)	(43 724)	(7 392)	(104 604)
Other Materials	(158 554)	(67 761)	(428 317)	(1 093 285)	(1 341 644)	(43 878 155)	(46 967 715)
Contracted Services	(3 621 274)	(1 673 042)	(2 107 397)	(1 291 154)	(19 640 862)	(8 539 655)	(36 873 385)
Transfers and Subsidies	(342 616)	-	(3 142 402)	(20 100)	(423 812)	-	(3 928 930)
Operating leases	-	-	-	-	(14 400)	(0)	(14 400)
Operational Cost	(15 427 990)	(1 024 651)	(10 707 288)	(1 573 017)	(2 858 177)	(35 305 411)	(66 896 534)
Losses	(19 767 343)	-	-	-	-	-	(19 767 343)
Total Segment Expenditure	(101 599 153)	(24 738 135)	(53 659 127)	(33 140 488)	(101 569 044)	(199 647 382)	(514 353 329)
Surplus/(Deficit)	(14 544 861)	3 880 037	(22 613 028)	(6 098 465)	(9 208 345)	13 622 699	(34 961 963)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	1 529 916	-	1 529 916
Surplus/(Deficit) after Capital Transfers & Contributions	(14 544 861)	3 880 037	(22 613 028)	(6 098 465)	(7 678 430)	13 622 699	(33 432 047)
Surplus/(Deficit) for the year	**(14 544 861)**	**3 880 037**	**(22 613 028)**	**(6 098 465)**	**(7 678 430)**	**13 622 699**	**(33 432 047)**
CAPITAL EXPENDITURE FOR THE YEAR	**165 638**	**52 172**	**451 898**	**2 718 908**	**44 577 739**	**136 630**	**48 102 985**

GARDEN ROUTE DISTRICT MUNICIPALITY

SECONDARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2026

	Community and public safety	Economic and environmental services	Trading services	Governance and Administration	Other	Total
			Waste management			
	R	R			R	R
SEGMENT REVENUE						
External revenue from exchange transactions	9 152 126	217 144 889	12 835 825	35 688 554	-	274 821 395
Roads Service Charge	-	209 989 104	-	17 930 293	-	227 919 397
Rent on land	-	243 986	-	167 012	-	410 998
Rental from Fixed Assets	-	-	-	1 408 040	-	1 408 040
Interest Earned - External Investments	-	-	-	11 750 767	-	11 750 767
Interest Earned - Exchange Transactions	-	6 719 888	-	366 729	-	7 086 617
Licences and Permits	-	107 523	-	-	-	107 523
Sales of Goods and Rendering of Services	9 152 126	-	12 835 825	1 294 250	-	23 282 201
Other Revenue	-	84 388	-	2 771 464	-	2 855 852
External revenue from non-exchange transactions	67 217 669	11 506 080	1 820 399	122 450 588	1 575 236	204 569 972
Transfers And Subsidies - Operating	67 217 669	11 506 080	1 820 399	122 246 932	1 575 236	204 366 316
Public contributions and donations	-	-	-	-	-	-
Fines, Penalties and Forfeits	-	-	-	-	-	-
Gains	-	-	-	203 656	-	203 656
Total Segment Revenue (excluding capital transfers and contributions)	**76 369 795**	**228 650 969**	**14 656 224**	**158 139 143**	**1 575 236**	**479 391 367**
SEGMENT EXPENDITURE						
Employee Related Costs	(71 226 298)	(125 805 289)	(2 836 946)	(109 800 913)	(1 238 700)	(310 908 147)
Remuneration of Councillors	-	-	-	(13 896 685)	-	(13 896 685)
Irrecoverable debt written off	-	-	-	(7 934 087)	-	(7 934 087)
Debt Impairment	-	-	-	-	-	-
Depreciation and Amortisation	(3 549 762)	(197 257)	(13 329)	(3 295 838)	(5 315)	(7 061 501)
Actuarial Losses	-	-	-	-	-	-
Finance Costs	(26 000)	(7 392)	-	(71 212)	-	(104 604)
Other Materials	(1 816 195)	(44 197 371)	(9 429)	(944 720)	-	(46 967 715)
Contracted Services	(7 130 956)	(8 726 659)	(13 093 755)	(7 922 016)	-	(36 873 385)
Transfers and Subsidies	(423 812)	(20 100)	-	(3 485 018)	-	(3 928 930)
Operating leases	(14 400)	(0)	-	-	-	(14 400)
Operational Cost	(2 896 323)	(35 881 938)	(196 108)	(27 651 179)	(270 985)	(66 896 534)
Losses	-	-	-	(19 767 343)	-	(19 767 343)
Total Segment Expenditure	(87 083 747)	(214 836 005)	(16 149 568)	(194 769 010)	(1 515 000)	(514 353 329)
Surplus/(Deficit)	(10 713 952)	13 814 964	(1 493 344)	(36 629 867)	60 236	(34 961 963)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1 529 916	-	-	-	-	1 529 916
Surplus/(Deficit) after Capital Transfers & Contributions	(9 184 036)	13 814 964	(1 493 344)	(36 629 867)	60 236	(33 432 047)
Surplus/(Deficit) for the year	**(9 184 036)**	**13 814 964**	**(1 493 344)**	**(36 629 867)**	**60 236**	**(33 432 047)**
CAPITAL EXPENDITURE FOR THE YEAR	**2 999 361**	**2 754 711**	**41 659 863**	**689 051**	**-**	**48 102 985**

GARDEN ROUTE DISTRICT MUNICIPALITY

PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2025

	Office of the Municipal Manager	Financial Services	Corporate Services	Planning and Development	Community Services	Roads Services	Total	
	R	R	R	R	R	R	R	
SEGMENT REVENUE								
External revenue from exchange transactions	36 650 713	1 350 748	1 621 132	13 551 517	14 492 844	173 377 860	241 044 814	
Roads Service Charge	18 859 599	-	-	-	-	173 373 967	192 233 565	
Rent on land	236 837	-	-	244 471	-	-	481 309	
Rental from Fixed Assets	2 400	1 321 766	-	-	-	-	1 324 166	
Interest Earned - External Investments	16 540 501	-	-	-	-	-	16 540 501	
Interest Earned - Exchange Transactions	-	-	335 384	5 043 620	-	-	5 379 004	
Licences and Permits	-	-	-	-	308 600	-	308 600	
Sales of Goods and Rendering of Services	391 121	-	1 000 071	8 202 050	14 075 722	2 393	23 671 358	
Other Revenue	620 255	28 982	285 677	61 376	108 521	1 500	1 106 311	212 965 770
External revenue from non-exchange transactions	183 706 516	1 168 144	13 444 877	7 425 264	3 782 735	3 646 220	213 173 756	
Transfers And Subsidies - Operating	183 706 516	951 614	13 444 877	7 317 046	1 322 735	3 659 776	210 402 565	
Fines, Penalties and Forfeits	-	-	-	108 218	2 460 000	-	2 568 218	
Gains	-	216 530	-	-	-	(13 556)	202 974	
Total Segment Revenue (excluding capital transfers and	**220 357 229**	**2 518 892**	**15 066 010**	**20 976 782**	**18 275 578**	**177 024 080**	**454 218 571**	
SEGMENT EXPENDITURE								
Employee Related Costs	(38 217 079)	(20 608 987)	(41 774 105)	(29 532 246)	(71 960 949)	(107 359 956)	(309 453 321)	
Remuneration of Councillors	(13 953 179)	-	-	-	-	-	(13 953 179)	
Irrecoverable debt written off	(1 613 949)	-	-	-	-	-	(1 613 949)	
Debt Impairment	(17 487 996)	-	-	-	-	-	(17 487 996)	
Depreciation and Amortisation	(278 932)	(221 204)	(1 142 853)	(2 642 279)	(2 728 693)	(121 094)	(7 135 055)	
Finance Costs	(45 633)	(2 024)	(39 772)	(12 085)	(328 761)	(6 273)	(434 547)	
Inventory consumed	(184 941)	(64 612)	(548 394)	(754 669)	(1 043 983)	(43 901 512)	(46 498 111)	
Contracted Services	(1 231 260)	(1 853 309)	(1 268 229)	(1 556 929)	(13 517 092)	(8 733 222)	(28 160 041)	
Transfers and Subsidies	(953 684)	-	(5 360 978)	(1 462 573)	(657 553)	(468 794)	(8 903 581)	
Operating leases	-	-	(60 583)	-	(17 977)	(9 898)	(88 457)	
Operational cost	(15 805 499)	(1 041 664)	(12 558 659)	(2 859 224)	(2 335 660)	(12 616 089)	(47 216 796)	
Losses	(4 057 308)	-	-	(430 100)	-	(250 611)	(4 738 019)	
Total Segment Expenditure	(93 829 458)	(23 791 800)	(62 753 572)	(39 250 106)	(92 590 667)	(173 467 449)	(485 683 052)	
Surplus/(Deficit)	126 527 771	(21 272 908)	(47 687 563)	(18 273 324)	(74 315 089)	3 556 631	(31 464 482)	
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	2 563 205	-	2 563 205	
Transfers and subsidies - capital (in-kind - all)	2 493 353	-	-	-	-	-	2 493 353	
Surplus/(Deficit) after Capital Transfers & Contributions	129 021 124	(21 272 908)	(47 687 563)	(18 273 324)	(71 751 884)	3 556 631	(26 407 924)	
Surplus/(Deficit) for the year	**129 021 124**	**(21 272 908)**	**(47 687 563)**	**(18 273 324)**	**(71 751 884)**	**3 556 631**	**(26 407 924)**	
CAPITAL EXPENDITURE FOR THE YEAR	**190 911**	**122 625**	**607 555**	**8 010 311**	**19 290 710**	**210 074**	**28 432 187**	

GARDEN ROUTE DISTRICT MUNICIPALITY

SECONDARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2025

	Community and public safety	Economic and environmental services	Trading services			Governance and Administration	Other	Total
			Water Management	Waste water management	Waste management			
	R	R	R				R	R
SEGMENT REVENUE								
External revenue from exchange transactions	13 911 202	179 080 110	-	-	8 388 816	39 664 686	-	241 044 814
Roads Service Charge	-	173 373 967	-	-	-	18 859 599	-	192 233 565
Rent on land	-	244 471	-	-	-	236 837	-	481 309
Rental from Fixed Assets	-	-	-	-	-	1 324 166	-	1 324 166
Interest Earned - External Investments	-	-	-	-	-	16 540 501	-	16 540 501
Interest Earned - Exchange Transactions	-	5 043 620	-	-	-	335 384	-	5 379 004
Licences and Permits	-	308 600	-	-	-	-	-	308 600
Sales of Goods and Rendering of Services	13 888 957	2 393	-	-	8 388 816	1 391 192	-	23 671 358
Other Revenue	22 246	107 059	-	-	-	977 007	-	1 106 311
External revenue from non-exchange transactions	3 516 705	11 229 296	-	-	-	198 319 538	108 218	213 173 756
Transfers And Subsidies - Operating	1 056 705	11 242 852	-	-	-	198 103 007	-	210 402 565
Agency Services	-	-	-	-	-	-	-	-
Fines, Penalties and Forfeits	2 460 000	-	-	-	-	-	108 218	2 568 218
Gains	-	(13 556)	-	-	-	216 530	-	202 974
Total Segment Revenue (excluding capital transfers and	**17 427 908**	**190 309 406**	**-**	**-**	**8 388 816**	**237 984 224**	**108 218**	**454 218 571**
SEGMENT EXPENDITURE								
Employee Related Costs	(71 795 856)	(124 820 592)	-	-	(2 671 788)	(108 948 437)	(1 216 648)	(309 453 321)
Remuneration of Councillors	-	-	-	-	-	(13 953 179)	-	(13 953 179)
Irrecoverable debt written off	-	-	-	-	-	(1 613 949)	-	(1 613 949)
Debt Impairment	-	-	-	-	-	(17 487 996)	-	(17 487 996)
Depreciation and Amortisation	(3 692 208)	(219 624)	-	-	(13 544)	(3 202 630)	(7 048)	(7 135 055)
Finance Costs	(307 577)	(32 559)	-	-	-	(94 412)	-	(434 547)
Inventory consumed	(1 499 854)	(43 933 549)	-	-	(12 968)	(1 051 741)	-	(46 498 111)
Contracted Services	(4 279 393)	(10 113 427)	-	-	(8 910 534)	(4 756 686)	(100 000)	(28 160 041)
Transfers and Subsidies	(391 524)	(2 197 396)	-	-	-	(6 314 662)	-	(8 903 581)
Operating leases	(17 977)	(9 898)	-	-	-	(60 583)	-	(88 457)
Operational cost	(3 012 094)	(13 799 588)	-	-	(109 508)	(30 032 389)	(263 217)	(47 216 796)
Losses	-	(250 611)	-	-	-	(4 487 408)	-	(4 738 019)
Total Segment Expenditure	(84 996 482)	(195 377 243)	-	-	(11 718 343)	(192 004 071)	(1 586 913)	(485 683 052)
Surplus/(Deficit)	(67 568 575)	(5 067 837)	-	-	(3 329 527)	45 980 153	(1 478 695)	(31 464 482)
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	2 563 205	-	2 563 205
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	2 493 353	-	2 493 353
Surplus/(Deficit) after Capital Transfers & Contributions	(67 568 575)	(5 067 837)	-	-	(3 329 527)	51 036 711	(1 478 695)	(26 407 924)
Surplus/(Deficit) for the year	**(67 568 575)**	**(5 067 837)**	**-**	**-**	**(3 329 527)**	**51 036 711**	**(1 478 695)**	**(26 407 924)**
CAPITAL EXPENDITURE FOR THE YEAR	**6 115 172**	**6 506 689**	**-**	**-**	**-**	**981 255**	**14 829 071**	**28 432 187**

Reconciliation Between Statement of Financial Performance and Segment Report

	2026		2026
	R		R
Item	**Statement of Financial Performance**	**Budget Schedule Classification**	**Statement of Financial Performance**
Government Grants and Subsidies - Operating	197 453 830	Transfers Recognised - Operational	197 453 830
Government Grants and Subsidies - Capital	1 529 916	Transfers and subsidies - capital (monetary allocations)	1 529 916
Contributed Property, Plant and Equipment	-	Transfers and subsidies - capital (in-kind - all)	-
Actuarial Gains	-	Other Gains	-
Fines. Penalties and Forfeits	-	Fines, penalties and forfeits	-
Government Incentives Received	6 912 486	Transfers Recognised - Operational	6 912 486
Department of Infrastructure - Roads Service Charges	227 919 397	Agency Services	227 919 397
Sales of Goods and Rendering of Services	23 282 201	Sale of Goods and Rendering of Services	23 282 201
Rent on Land	410 998	Rent on Land	410 998
Rental of Facilities and Equipment	1 408 040	Rental from Fixed Assets	1 408 040
Interest Earned - External Investments	11 750 767	Interest earned from Current and Non Current Assets	11 750 767
Interest Earned - Exchange Transactions	7 086 617	Interest earned from Receivables	7 086 617
Licences and Permits	107 523	Licence and permits	107 523
Operational Revenue	2 855 852	Operational Revenue	2 855 852
Total Revenue	**480 717 626**		**480 717 626**
Employee related costs	(310 908 147)	Employee related costs	(310 908 147)
Remuneration of Councillors	(13 896 685)	Remuneration of Councillors	(13 896 685)
Bad Debts Written Off	(7 934 087)	Irrecoverable debts written off	(7 934 087)
Contracted Services	(36 873 385)	Contracted Services	(36 873 385)
Depreciation and Amortisation	(7 061 501)	Depreciation and Amortisation	(7 061 501)
Actuarial Losses	(20 006 300)	Other Losses	(20 006 300)
Finance Costs	(104 604)	Interest	(104 604)
Inventory Consumed	(46 967 715)	Inventory Consumed	(46 967 715)
Operating Leases	(14 400)	Operational Costs	(14 400)
Transfers and Subsidies	(3 928 930)	Transfers and Grants	(3 928 930)
Operational Costs	(66 896 534)	Operational Costs	(66 896 534)
Total Expenditure	**(514 592 286)**		**(514 592 286)**
Operating Surplus/(Deficit) for the Year	**(33 874 661)**		**(33 874 661)**
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	203 656	Other Gains	203 656
Reversal of Impairment Loss/(Impairment Loss) on Receivables	-	Other Losses	-
Gains/(Loss) on Sale of Fixed Assets	238 957	Other Losses	238 957
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	-	Depreciation & Asset Impairment	-
NET SURPLUS/(DEFICIT) FOR THE YEAR	**(33 432 047)**		**(33 432 047)**

APPENDIX A
GARDEN ROUTE DISTRICT MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2026

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2025	Correction of Error	Received during the period	Redeemed written off during the period	Balance at 30 June 2026	Carrying Value of Property, Plant & Equipment	Other Costs in accordance with the MFMA
LEASE LIABILITY										
Annuity Loan - Regional Landfill Site Loan	9.42%	803554	2035/06/29	171 912 000	-	-	-	171 912 000	-	-
Photocopiers	Prime	40287810	2027/12/31	304 755	-	-	(111 775)	192 980	297 255	-
Mobile Communication Devices	Prime	334621609	Various	645 957	-	-	(382 464)	263 493	730 878	-
Total Lease Liabilities				172 862 712	-	-	(494 239)	172 368 473	-	-
TOTAL EXTERNAL LOANS				**172 862 712**	**-**	**-**	**(494 239)**	**172 368 473**	**-**	**-**

APPENDIX B
GARDEN ROUTE DISTRICT MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2025	Correction of Error	Restated Balance 30 June 2025	Contributions during the year	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	VAT on Grants	Balance 30 June 2026	Unspent 30 June 2026 (Creditor)	Unpaid 30 June 2026 (Debtor)
National Government Grants											
Equitable Share	-	-	-	188 026 000	-	(188 026 000)	-	-	-	-	-
Local Government Financial Management Grant	48 386	-	48 386	1 000 000	(48 000)	(1 000 000)	-	-	386	386	-
Expanded Public Works Programme Integrated Grant	-	-	-	2 293 000	-	(2 293 000)	-	-	-	-	-
Energy Efficiency and Demand-side Management Grant	-	-	-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	-	-	-	2 843 000	-	(2 565 312)	-	(242 913)	34 774	34 774	-
Total National Government Grants	**48 386**	**-**	**48 386**	**194 162 000**	**(48 000)**	**(193 884 312)**	**-**	**(242 913)**	**35 160**	**35 160**	**-**
Provincial Government Grants											
Integrated Transport Planning	224	-	224	982 000	(224)	(487 440)	-	(73 116)	421 444	421 444	-
Municipal Accreditation and Capacity Building Grant (Human Settlements)	(1 281 419)	-	(1 281 419)	1 500 000	-	(1 362 126)	-	(255)	(1 143 800)	-	(1 143 800)
Fire Service Capacity Building Grant	1 750 000	-	1 750 000	3 000 000	-	-	(1 344 659)	(185 257)	3 220 084	3 220 084	-
Municipal Service Delivery and Capacity Building Grant (Agro-processing Support)	-	-	-	-	-	-	-	-	-	-	-
Municipal Service Delivery and Capacity Building Grant (Disaster Management Internship)	200 000	-	200 000	-	-	(200 000)	-	-	-	-	-
Western Cape Municipal Interventions Grant (Disaster Management Internship)	-	-	-	-	-	-	-	-	-	-	-
Municipal Water Resilience Grant	333 970	-	333 970	-	(333 970)	-	-	-	-	-	-
Safety Initiative Implementation - Whole of Society Approach (WOSA)	43 295	-	43 295	1 000 000	(43 295)	(852 507)	-	(1 161)	146 332	146 332	-
Western Cape Financial Management Capability Grant (Bursary Programme)	203 128	-	203 128	150 000	(3 128)	(350 000)	-	-	-	-	-
Total Provincial Government Grants	**1 249 198**	**-**	**1 249 198**	**6 632 000**	**(380 617)**	**(3 252 072)**	**(1 344 659)**	**(259 789)**	**2 644 061**	**3 787 861**	**(1 143 800)**
Total Grants	**1 297 584**	**-**	**1 297 584**	**200 794 000**	**(428 617)**	**(197 136 384)**	**(1 344 659)**	**(502 702)**	**2 679 221**	**3 823 021**	**(1 143 800)**

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received. No grants were withheld.

APPENDIX C: MUN - Reconciliation of Table A1 Budget Summary

Description	2025/26								2024/25			
R thousands	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Financial Performance												
Property rates	–	–	–	–		–	0,0%	0,0%				–
Service charges	47 855	–	(0)	–		–	0,0%	0,0%				–
Investment revenue	14 385	(5 797)	8 588	11 751		–	0,0%	0,0%				16 541
Transfers recognised - operational	214 504	6 311	220 814	204 366		–	0,0%	0,0%				210 403
Other own revenue	277 670	11 396	289 065	263 274		–	0,0%	0,0%				227 276
Total Revenue (excluding capital transfers and contributions)	**554 413**	**11 909**	**518 468**	**479 391**		**–**	**0,0%**	**0,0%**				**454 219**
Employee costs	319 379	(11 946)	307 434	310 908	–	–	0,0%	0,0%	–	–	–	309 453
Remuneration of councillors	15 251	729	15 980	13 897	–	–	0,0%	0,0%	–	–	–	13 953
Depreciation & asset impairment	11 095	1 095	12 191	7 062	–	–	0,0%	0,0%	–	–	–	7 135
Interest	136	284	420	105	–	–	0,0%	0,0%	–	–	–	435
Inventory consumed and bulk purchases	56 872	(7 344)	49 528	46 968	–	–	0,0%	0,0%	–	–	–	46 498
Transfers and subsidies	1 017	320	1 337	3 929	–	–	0,0%	0,0%	–	–	–	8 904
Other expenditure	150 313	(19 108)	131 205	131 486	–	–	0,0%	0,0%	–	–	–	99 305
Total Expenditure	**554 063**	**(35 969)**	**518 094**	**514 353**	**–**	**–**	**0,0%**	**0,0%**	**–**	**–**	**–**	**485 683**
Surplus/(Deficit)	**350**	**47 878**	**374**	**(34 962)**		**–**	**0,0%**	**0,0%**				**(31 464)**
Transfers and subsidies - capital (monetary allocations)	3 000	1 750	4 750	1 530		–	0,0%	0,0%				2 563
Transfers and subsidies - capital (in-kind - all)	–	–	–	–		–	0,0%	0,0%				2 493
Surplus/(Deficit) after capital transfers & contributions	**3 350**	**49 628**	**5 124**	**(33 432)**		**–**	**0,0%**	**0,0%**				**(26 408)**
Share of surplus/ (deficit) of associate	–	–	–	–		–	-	-				–
Surplus/(Deficit) for the year	**3 350**	**49 628**	**5 124**	**(33 432)**		**–**	**0,0%**	**0,0%**				**(26 408)**
Capital expenditure & funds sources												
Capital expenditure	**108 921**	**(36 675)**	**72 246**	**48 103**								
Transfers recognised - capital	3 000	1 750	4 750	1 530		–	0,0%	0,0%				3 149
Public contributions & donations	–	–		–		–	0,0%	0,0%				3 284
Borrowing	105 571	(38 449)	67 122	53 778		–	0,0%	0,0%				1 712
Internally generated funds	350	24	374	(7 205)		–	0,0%	0,0%				20 287
Total sources of capital funds	**108 921**	**(36 675)**	**72 246**	**48 103**		**–**	**0,0%**	**0,0%**				**28 432**
Financial position												
Total current assets	142 172	75 343	217 515	173 951		–	0,0%	0,0%				222 306
Total non current assets	437 579	(82 658)	354 921	387 127		–	0,0%	0,0%				340 215
Total current liabilities	88 735	(33 805)	54 930	87 974		–	0,0%	0,0%				74 557
Total non current liabilities	240 633	30 990	271 623	289 270		–	0,0%	0,0%				270 697
Community wealth/Equity	**250 383**	**(4 500)**	**245 883**	**183 835**		**–**	0,0%	0,0%				**217 267**
Cash flows												
Net cash from (used) operating	8 464	20 652	29 116	(9 416)		–	0,0%	0,0%				(11 760)
Net cash from (used) investing	(108 921)	104 171	(4 750)	(53 974)		–	0,0%	0,0%				(45 342)
Net cash from (used) financing	106 519	–	–	(494)		–	0,0%	0,0%				55 297
Cash/cash equivalents at the year end	**58 676**	**80 800**	**139 476**	**91 365**		**–**	**0,0%**	**0,0%**				**155 011**
Cash backing/surplus reconciliation												
Cash and investments available	56 914	82 271	139 185	91 365		–	0,0%	0,0%				155 011
Application of cash and investments	48 800	30 231	79 031	71 789		–	0,0%	0,0%				70 545
Balance - surplus (shortfall)	**8 113**	**52 040**	**60 154**	**19 576**		**–**	**0,0%**	**0,0%**				**84 465**
Asset Management												
Asset register summary (WDV)	239 248	(112 607)	126 641	387 112		–	0,0%	0,0%				340 199
Depreciation & asset impairment	11 095	(2 905)	8 191	7 062		–	0,0%	0,0%				7 135
Renewal and Upgrading of Existing Assets	–	0	0	48 103		–	0,0%	0,0%				28 432
Repairs and Maintenance	10 345	823	11 167	5 030		–	0,0%	0,0%				5 030

APPENDIX C: MUN - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Description	2025/26								2024/25			
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Revenue - Functional												
Governance and administration	**177 732**	**(17 179)**	**160 553**	**157 544**		–	**0,0%**	**0,0%**				**240 478**
Executive and council	74 390	(2 643)	71 746	93 774		–	0,0%	0,0%				222 851
Finance and administration	103 343	(14 536)	88 806	63 770		–	0,0%	0,0%				17 627
Internal audit	–	–	–	–		–	0,0%	0,0%				–
Community and public safety	**90 130**	**(2 626)**	**87 504**	**77 900**		–	**0,0%**	**0,0%**				**17 797**
Community and social services	13 200	1 950	15 150	10 594		–	0,0%	0,0%				2 571
Sport and recreation	8 347	(363)	7 983	3 050		–	0,0%	0,0%				8 221
Public safety	27 547	1 471	29 018	29 178		–	0,0%	0,0%				5 582
Housing	–	–	–	–		–	0,0%	0,0%				–
Health	41 036	(5 684)	35 352	35 078		–	0,0%	0,0%				1 423
Economic and environmental services	**236 494**	**(9 803)**	**226 691**	**229 246**		–	**0,0%**	**0,0%**				**190 043**
Planning and development	19 549	5 788	25 337	15 697		–	0,0%	0,0%				12 605
Road transport	216 780	(15 695)	201 085	213 270		–	0,0%	0,0%				177 024
Environmental protection	165	104	269	280		–	0,0%	0,0%				414
Trading services	**51 482**	**(34 363)**	**18 695**	**16 231**		–	**0,0%**	**0,0%**				**10 957**
Energy sources	–	–	–	–		–	0,0%	0,0%				–
Water management	–	–	–	–		–	0,0%	0,0%				–
Waste water management	–	–	–	1 820		–	0,0%	0,0%				–
Waste management	51 482	(34 363)	17 119	12 836		–	0,0%	0,0%				10 849
Other	**1 575**	–	**1 575**	**1 575**		–	**0,0%**	**0,0%**				108
Total Revenue - Standard	**557 413**	**(63 972)**	**493 442**	**480 921**		–	**0,0%**	**0,0%**				**459 275**
Expenditure - Functional												
Governance and administration	**170 929**	**9 971**	**180 900**	**188 188**	–	–	**0,0%**	**0,0%**	–	–	–	**183 670**
Executive and council	62 663	1 770	64 432	87 858	–	–	0,0%	0,0%	–	–	–	79 391
Finance and administration	104 250	8 157	112 407	100 329	–	–	0,0%	0,0%	–	–	–	100 423
Internal audit	4 017	45	4 061	–	–	–	0,0%	0,0%	–	–	–	3 856
Community and public safety	**86 267**	**5 586**	**91 853**	**87 084**	–	–	**0,0%**	**0,0%**	–	–	–	**86 048**
Community and social services	10 837	(380)	10 456	8 027	–	–	0,0%	0,0%	–	–	–	10 640
Sport and recreation	8 212	2 310	10 522	9 891	–	–	0,0%	0,0%	–	–	–	10 935
Public safety	27 018	4 561	31 579	30 741	–	–	0,0%	0,0%	–	–	–	27 020
Housing	–	–	–	–	–	–	0,0%	0,0%	–	–	–	–
Health	40 200	(905)	39 295	38 426	–	–	0,0%	0,0%	–	–	–	37 453
Economic and environmental services	**244 558**	**(18 228)**	**226 330**	**221 417**	–	–	**0,0%**	**0,0%**	–	–	–	**202 660**
Planning and development	23 442	(2 325)	21 116	17 617	–	–	0,0%	0,0%	–	–	–	24 985
Road transport	216 780	(15 695)	201 085	199 647	–	–	0,0%	0,0%	–	–	–	173 467
Environmental protection	4 337	(208)	4 129	4 153	–	–	0,0%	0,0%	–	–	–	4 207
Trading services	**50 733**	**(33 337)**	**17 396**	**16 150**	–	–	**0,0%**	**0,0%**	–	–	–	**11 718**
Energy sources	–	–	–	–	–	–	0,0%	0,0%	–	–	–	–
Water management	–	–	–	–	–	–	0,0%	0,0%	–	–	–	–
Waste water management	–	–	–	2 161	–	–	0,0%	0,0%	–	–	–	–
Waste management	50 733	(33 337)	17 396	13 989	–	–	0,0%	0,0%	–	–	–	11 718
Other	**1 575**	39	**1 614**	**1 515**	–	–	**0,0%**	**0,0%**	–	–	–	1 587
Total Expenditure - Standard	**554 063**	**(35 969)**	**518 094**	**514 353**	–	–	**0,0%**	**0,0%**	–	–	–	**485 683**
Surplus/(Deficit) for the year	**3 350**	**(28 002)**	**(24 652)**	**(33 432)**	–	–	**0,0%**	**0,0%**	–	–	–	**(26 408)**

APPENDIX C: MUN - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2025/26								2024/25			
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Revenue by Vote												
Vote 1 - Office of the Municipal Manager	74 390	(2 643)	71 746	87 054		–	0,0%	0,0%				222 851
Vote 2 - Office of the Municipal Manager (cont)	–	–	–	–		–	0,0%	0,0%				–
Vote 3 - Financial Services	49 644	(18 969)	30 675	28 618		–	0,0%	0,0%				2 499
Vote 4 - Financial Services (cont)	–	–	–	–		–	0,0%	0,0%				20
Vote 5 - Corporate Services	39 949	(1 128)	38 821	24 605		–	0,0%	0,0%				1 882
Vote 6 - Corporate Services (cont)	9 644	5 561	15 205	6 441		–	0,0%	0,0%				13 184
Vote 7 - Community Services	57 341	(3 734)	53 607	49 777		–	0,0%	0,0%				3 038
Vote 8 - Community Services (cont)	80 194	(32 788)	47 406	44 114		–	0,0%	0,0%				17 801
Vote 9 - Planning and Economic Development	3 075	–	3 075	2 938		–	0,0%	0,0%				4 922
Vote 10 - Planning and Economic Development (cont)	10 258	6 472	16 729	15 116		–	0,0%	0,0%				11 747
Vote 11 - Planning and Economic Development(cont2)	16 138	(1 047)	15 091	8 989		–	0,0%	0,0%				4 307
Vote 12 - Roads	216 780	(15 695)	201 085	213 270		–	0,0%	0,0%				177 024
Vote 13 - Roads (cont)	–	–	–	–		–	0,0%	0,0%				–
Vote 14 - Community Services (cont 2)	–	–	–	–		–	0,0%	0,0%				–
Vote 15 -	–	–	–	–		–	0,0%	0,0%				–
Total Revenue by Vote	**557 413**	**(63 972)**	**493 442**	**480 921**		**–**	**0,0%**	**0,0%**				**459 275**
Expenditure by Vote *to be appropriated*												
Vote 1 - Office of the Municipal Manager	69 692	452	70 144	91 945	–	–	0,0%	0,0%	–	–	–	86 159
Vote 2 - Office of the Municipal Manager (cont)	7 875	1 322	9 198	9 654	–	–	0,0%	0,0%	–	–	–	7 670
Vote 3 - Financial Services	22 829	(1 919)	20 910	20 900	–	–	0,0%	0,0%	–	–	–	17 282
Vote 4 - Financial Services (cont)	6 448	3 970	10 418	3 838	–	–	0,0%	0,0%	–	–	–	6 510
Vote 5 - Corporate Services	21 405	2 017	23 421	18 102	–	–	0,0%	0,0%	–	–	–	19 534
Vote 6 - Corporate Services (cont)	39 691	2 112	41 803	35 557	–	–	0,0%	0,0%	–	–	–	43 219
Vote 7 - Community Services	54 078	(420)	53 657	53 149	–	–	0,0%	0,0%	–	–	–	49 089
Vote 8 - Community Services (cont)	81 999	(29 192)	52 806	48 420	–	–	0,0%	0,0%	–	–	–	43 502
Vote 9 - Planning and Economic Development	3 113	1 400	4 513	6 905	–	–	0,0%	0,0%	–	–	–	8 102
Vote 10 - Planning and Economic Development (cont)	16 417	1 004	17 422	16 410	–	–	0,0%	0,0%	–	–	–	20 085
Vote 11 - Planning and Economic Development(cont2)	13 736	(1 019)	12 717	9 825	–	–	0,0%	0,0%	–	–	–	11 064
Vote 12 - Roads	134 114	(12 662)	121 452	118 096	–	–	0,0%	0,0%	–	–	–	106 891
Vote 13 - Roads (cont)	82 666	(3 033)	79 633	81 551	–	–	0,0%	0,0%	–	–	–	66 577
Vote 14 - Community Services (cont 2)	–	–	–	–	–	–	0,0%	0,0%	–	–	–	–
Vote 15 -	–	–	–	–	–	–	0,0%	0,0%	–	–	–	–
Total Expenditure by Vote	**554 063**	**(35 969)**	**518 094**	**514 353**	**–**	**–**	**0,0%**	**0,0%**	**–**	**–**	**–**	**485 683**
Surplus/(Deficit) for the year	**3 350**	**(28 002)**	**(24 652)**	**(33 432)**		**–**	**0,0%**	**0,0%**				**(26 408)**

APPENDIX C: MUN - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2025/26								2024/25			
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Revenue By Source												
Exchange Revenue												
Service charges - Electricity	–	–	–	–		–	0,0%	0,0%				–
Service charges - Water	–	–	–	–		–	0,0%	0,0%				–
Service charges - Waste Water Management	–	–	–	–		–	0,0%	0,0%				–
Service charges - Waste Management	47 855	(47 855)	–	–		–	0,0%	0,0%				–
Sale of Goods and Rendering of Services	21 280	9 450	30 730	23 282		–	0,0%	0,0%				23 671
Agency services	22 763	(4 833)	17 930	227 919		–	0,0%	0,0%				192 234
Interest		–	–	–		–	0,0%	0,0%				–
Interest earned from Receivables	6 711	1 036	7 747	7 087		–	0,0%	0,0%				5 379
Interest earned from Current and Non Current Assets	14 385	(5 797)	8 588	11 751		–	0,0%	0,0%				18 541
Dividends		–	–	–		–	0,0%	0,0%				–
Rent on Land	593	117	710	411		–	0,0%	0,0%				481
Rental from Fixed Assets	3 199	(1 074)	2 126	1 408		–	0,0%	0,0%				1 324
Licence and permits	185	–	185	108		–	0,0%	0,0%				309
Operational Revenue	217 188	(17 515)	199 673	2 856		–	0,0%	0,0%				1 106
Non-Exchange Revenue												
Property rates	–	–	–	–		–	0,0%	0,0%				–
Surcharges and Taxes	–	–	–	–		–	0,0%	0,0%				–
Fines, penalties and forfeits	–	–	–	–		–	0,0%	0,0%				2 568
Licences or permits	–	–	–	–		–	0,0%	0,0%				–
Transfer and subsidies - Operational	214 504	6 311	220 814	204 366		–	0,0%	0,0%				210 403
Interest	–	–	–	–		–	0,0%	0,0%				–
Fuel Levy	–	–	–	–		–	0,0%	0,0%				–
Operational Revenue	–	–	–	–		–	0,0%	0,0%				–
Gains on disposal of Assets	1 350	(1 350)	–	–		–	0,0%	0,0%				–
Other Gains	4 420	(4 212)	209	204		–	0,0%	0,0%				203
Discontinued Operations	–	–	–	–		–	0,0%	0,0%				–
Total Revenue (excluding capital transfers and contributions)	**554 413**	**(65 722)**	**488 692**	**479 391**		–	**0,0%**	**0,0%**				**454 219**
Expenditure By Type			–				-	-				
Employee related costs	319 379	(9 077)	310 303	310 908	–	–	0,0%	0,0%	–	–	–	309 453
Remuneration of councillors	15 251	728	15 979	13 897	–	–	0,0%	0,0%	–	–	–	13 953
Bulk purchases - electricity	–	–	–	–								–
Inventory consumed	56 872	(9 132)	47 739	46 968								46 498
Debt impairment	–	4 000	4 000	–	–	–	0,0%	0,0%	–	–	–	17 488
Depreciation and amortisation	11 095	(2 932)	8 163	7 062	–	–	0,0%	0,0%	–	–	–	7 135
Interest	136	284	420	105	–	–	0,0%	0,0%	–	–	–	435
Contracted services	47 207	7 310	54 517	36 873								28 180
Transfers and subsidies	1 017	295	1 312	3 929	–	–	0,0%	0,0%	–	–	–	8 904
Irrecoverable debts written off	1 650	1 350	3 000	7 934	–	–	0,0%	0,0%	–	–	–	1 814
Operational costs	100 401	(30 827)	69 574	66 911	–	–	0,0%	0,0%	–	–	–	47 305
Losses on disposal of Assets	1 025	(853)	172	(239)	–	–	0,0%	0,0%	–	–	–	172
Other Losses	30	2 885	2 915	20 008	–	–	0,0%	0,0%	–	–	–	4 566
Total Expenditure	**554 063**	**(35 969)**	**518 094**	**514 353**	–	–	**0,0%**	**0,0%**	–	–	–	**485 683**
Surplus/(Deficit)	**350**	**(29 752)**	**(29 402)**	**(34 962)**		–	**0,0%**	**0,0%**				**(31 464)**
Transfers and subsidies - capital (monetary allocations)	3 000	1 750	4 750	1 530		–	0,0%	0,0%				2 563
Transfers and subsidies - capital (in-kind - all)	–	–	–	–		–	0,0%	0,0%				2 493
Surplus/(Deficit) after capital transfers & contributions	**3 350**	**(28 002)**	**(24 652)**	**(33 432)**		–	**0,0%**	**0,0%**				**(26 408)**
Taxation	–	–	–	–		–	0,0%	0,0%				–
Surplus/(Deficit) after taxation	**3 350**	**(28 002)**	**(24 652)**	**(33 432)**		–	**0,0%**	**0,0%**				**(26 408)**
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–		–	0,0%	0,0%				–
Share of Surplus/Deficit attributable to Minorities	–	–	–									
Surplus/(Deficit) attributable to municipality	**3 350**	**(28 002)**	**(24 652)**	**(33 432)**		–	**0,0%**	**0,0%**				**(26 408)**
Share of Surplus/Deficit attributable to Associate	–	–	–	–		–	0,0%	0,0%				–
Intercompany/Parent subsidiary transactions	–	–	–									
Surplus/(Deficit) for the year	**3 350**	**(28 002)**	**(24 652)**	**(33 432)**		–	**0,0%**	**0,0%**				**(26 408)**

APPENDIX C: MUN - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2025/26								2024/25			
R thousand	Original Budget	Total Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Capital expenditure - Vote												
Multi-year expenditure												
Vote 1 - Office of the Municipal Manager	–	–	–	–	–	–	0%	0%	–	–	–	–
Vote 2 - Office of the Municipal Manager (cont)	–	–	–	72	–	–	0%	0%	–	–	–	–
Vote 3 - Financial Services	150	0	150	–	–	–	0%	0%	–	–	–	–
Vote 4 - Financial Services (cont)	–	–	–	–	–	–	0%	0%	–	–	–	–
Vote 5 - Corporate Services	–	–	–	–	–	–	0%	0%	–	–	–	–
Vote 6 - Corporate Services (cont)	200	0	200	–	–	–	0%	0%	–	–	–	–
Vote 7 - Community Services	2 500	750	3 250	2 859	–	–	0%	0%	–	–	–	–
Vote 8 - Community Services (cont)	106 071	(38 449)	67 622	41 719	–	–	0%	0%	–	–	–	–
Vote 9 - Planning and Economic Development	–	–	–	–	–	–	0%	0%	–	–	–	–
Vote 10 - Planning and Economic Development (c	–	–	–	–	–	–	0%	0%	–	–	–	–
Vote 11 - Planning and Economic Development(co	–	–	–	–	–	–	0%	0%	–	–	–	–
Vote 12 - Roads	–	–	–	–	–	–	0%	0%	–	–	–	–
Vote 13 - Roads (cont)	–	–	–	–	–	–	0%	0%	–	–	–	–
Vote 14 - Community Services (cont 2)	–	–	–	–	–	–	0%	0%	–	–	–	–
Vote 15 -	–	–	–	–	–	–	0%	0%	–	–	–	–
Capital multi-year expenditure	**108 921**	**(37 699)**	**71 222**	**44 649**	**–**	**–**	**0%**	**0%**	**–**	**–**	**–**	**–**
Single-year expenditure												
Vote 1 - Office of the Municipal Manager	–	–	–	94	–	–	0%	0%	–	–	–	138
Vote 2 - Office of the Municipal Manager (cont)	–	–	–	–	–	–	0%	0%	–	–	–	53
Vote 3 - Financial Services	–	24	24	52	–	–	0%	0%	–	–	–	86
Vote 4 - Financial Services (cont)	–	–	–	–	–	–	0%	0%	–	–	–	28
Vote 5 - Corporate Services	–	–	–	452	–	–	0%	0%	–	–	–	60
Vote 6 - Corporate Services (cont)	–	–	–	–	–	–	0%	0%	–	–	–	548
Vote 7 - Community Services	–	1 000	1 000	–	–	–	0%	0%	–	–	–	19 000
Vote 8 - Community Services (cont)	–	–	–	–	–	–	0%	0%	–	–	–	288
Vote 9 - Planning and Economic Development	–	–	–	2 637	–	–	0%	0%	–	–	–	6 377
Vote 10 - Planning and Economic Development (c	–	–	–	81	–	–	0%	0%	–	–	–	1 633
Vote 11 - Planning and Economic Development(co	–	–	–	–	–	–	0%	0%	–	–	–	–
Vote 12 - Roads	–	–	–	137	–	–	0%	0%	–	–	–	210
Vote 13 - Roads (cont)	–	–	–	–	–	–	0%	0%	–	–	–	–
Vote 14 - Community Services (cont 2)	–	–	–	–	–	–	0%	0%	–	–	–	–
Vote 15 -	–	0	0	–	–	–	0%	0%	–	–	–	–
Capital single-year expenditure	–	1 024	1 024	3 454	–	–	0%	0%	–	–	–	28 432
Total Capital Expenditure - Vote	**108 921**	**(36 675)**	**72 246**	**48 103**	**–**	**–**	**0%**	**0%**	**–**	**–**	**–**	**28 432**

APPENDIX C: MUN - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2025/26								2024/25			
R thousand	Original Budget	Total Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Capital Expenditure - Functional												
Governance and administration	**350**	**24**	**374**	**689**	–	–	**0%**	**0%**	–	–	–	**981**
Executive and council	–	0	0	94	–	–	0%	0%	–	–	–	97
Finance and administration	350	24	374	595	–	–	0%	0%	–	–	–	875
Internal audit	–	–	–	–	–	–	0%	0%	–	–	–	9
Community and public safety	**3 000**	**0**	**4 750**	**2 999**	–	–	**0%**	**0%**	–	–	–	**6 115**
Community and social services	2 500	–	4 250	1 819	–	–	0%	0%	–	–	–	1 072
Sport and recreation	–	–	–	81	–	–	0%	0%	–	–	–	1 544
Public safety	500	0	500	780	–	–	0%	0%	–	–	–	2 586
Housing	–	–	–	–	–	–	0%	0%	–	–	–	110
Health	–	0	0	319	–	–	0%	0%	–	–	–	804
Economic and environmental services	–	–	–	**2 755**	–	–	**0%**	**0%**	–	–	–	**6 507**
Planning and development	–	–	–	2 618	–	–	0%	0%	–	–	–	6 330
Road transport	–	–	–	137	–	–	0%	0%	–	–	–	177
Environmental protection	–	–	–	–	–	–	0%	0%	–	–	–	–
Trading services	**105 571**	**(38 449)**	**67 122**	**41 660**	–	–	**0%**	**0%**	–	–	–	**14 829**
Energy sources	–	–	–	–	–	–	0%	0%	–	–	–	–
Water management	–	–	–	–	–	–	0%	0%	–	–	–	–
Waste water management	–	–	–	–	–	–	0%	0%	–	–	–	–
Waste management	105 571	(38 449)	67 122	41 660	–	–	0%	0%	–	–	–	14 829
Other	–	–	–	–	–	–	**0%**	**0%**	–	–	–	–
Total Capital Expenditure - Standard	**108 921**	**(38 425)**	**72 246**	**48 103**	–	–	**0%**	**0%**	–	–	–	**28 432**
Funded by:												
National Government	–	–	–	–	–	–	0%	0%	–	–	–	2 970
Provincial Government	3 000	1 750	4 750	1 530	–	–	0%	0%	–	–	–	179
District Municipality	–	–	–	–	–	–	0%	0%	–	–	–	–
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	0%	0%	–	–	–	–
Transfers recognised - capital	**3 000**	**1 750**	**4 750**	**1 530**	–	–	**0%**	**0%**	–	–	–	**3 149**
Public contributions & donations	–	–	–	–	–	–	**0%**	**0%**	–	–	–	3 284
Borrowing	**105 571**	**(38 449)**	**67 122**	**53 778**	–	–	**0%**	**0%**	–	–	–	1 712
Internally generated funds	**350**	**24**	**374**	**(7 205)**	–	–	**0%**	**0%**	–	–	–	20 287
Total Capital Funding	**108 921**	**(36 675)**	**72 246**	**48 103**	–	–	**0%**	**0%**	–	–	–	**28 432**

APPENDIX C: MUN - Reconciliation of Table A7 Budgeted Cash Flows

Description	2025/26							2024/25
R thousand	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts				**458 220**				**494 105**
Property rates	–	–	–	–	–	0,0%	0,0%	–
Service charges	49 662	(49 662)	(0)	–	–	0,0%	0,0%	–
Other revenue	52 598	14 933	67 531	231 676	–	0,0%	0,0%	263 556
Transfers and Subsidies - Operational	428 679	(10 433)	418 246	206 160	–	0,0%	0,0%	211 061
Transfers and Subsidies - Capital	3 000	1 750	4 750	1 546	–	0,0%	0,0%	2 948
Interest	12 679	(4 092)	8 588	11 751	–	0,0%	0,0%	16 541
Interest Earned - Exchange Transactions	–	–	–	7 087		0,0%	0,0%	–
Dividends	–	–		–	–	0,0%	0,0%	–
Payments				(467 636)				(511 244)
Suppliers and employees	(538 018)	41 653	(496 365)	(463 174)	–	0,0%	0,0%	(501 520)
Interest	(136)	48	(88)	(105)	–	0,0%	0,0%	(435)
Transfers and Subsidies	–	–	–	(4 358)	–	0,0%	0,0%	(9 290)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**8 464**	**(5 802)**	**2 662**	**(9 416)**	**–**	**0,0%**	**0,0%**	**(17 139)**
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts				–				–
Proceeds on disposal of PPE	–	–	–	–	–	0,0%	0,0%	–
Decrease (Increase) in non-current debtors	–	–	–	–	–	0,0%	0,0%	–
Decrease (increase) other non-current receivables	–	–	–	–	–	0,0%	0,0%	–
Decrease (increase) in non-current investments	–	–	–	–	–	0,0%	0,0%	–
Payments				(53 974)				(45 342)
Capital assets	(108 921)	36 677	(72 244)	(53 974)	–	0,0%	0,0%	(45 342)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(108 921)**	**36 677**	**(72 244)**	**(53 974)**	**–**	**0,0%**	**0,0%**	**(45 342)**
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts				–				63 752
Short term loans	–	–	–	–	–	0,0%	0,0%	–
Borrowing long term/refinancing	118 555	(51 433)	67 122	–	–	0,0%	0,0%	63 752
Increase (decrease) in consumer deposits	–	–	–	–	–	0,0%	0,0%	–
Payments				(494)				(8 455)
Repayment of borrowing	(12 037)	–	–	(494)	–	0,0%	0,0%	(8 455)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**106 519**	**(51 433)**	**67 122**	**(494)**	**–**	**0,0%**	**0,0%**	**55 297**
NET INCREASE/ (DECREASE) IN CASH HELD	**6 062**	**(20 558)**	**(2 460)**	**(63 885)**				**(7 184)**
Cash/cash equivalents at the year begin:	**52 614**	62 496	115 111	155 011				156 816
Cash/cash equivalents at the year end:	58 676	53 975	112 651	91 126	–	0,0%	0,0%	149 632

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LIST OF ABBREVIATIONS

ACSA	Airports Company of South Africa
ACF	Adaptive Capacity Facility
AEL	Atmospheric Emission Licence
AFIS	Advanced Fire Information System
AG	Auditor-General
AGSA	Auditor-General South Africa
AH	Agri-Hub
AQMP	Air Quality Management Plan
AQO	Air Quality Officer
CANSA	Cancer Association of South Africa
CAPEX	Capital Expenditure
CASIDRA	Cape Agency for Sustainable Integrated Development in Rural Areas
CATHSSETA	Culture, Arts, Tourism, Hospitality, Sports, Sector Education Training Authority
CBO	Community Based Organisation
CBP	Community Based Planning
CCR	Climate Change Response
CDW	Community Worker Programme
CETA	Construction Education and Training Authority
CFO	Chief Financial Officer
CHIETA	Chemical Industries Education and Training Authority
CoGTA	Cooperative Governance and Traditional Affairs
CPUT	Cape Peninsula University of Technology
CRR	Capital Replacement Reserve
CSD	Central Supplier Database
CSIR	Council for Scientific and Industrial Research
DCF	District Coordinators Forum
DEDAT	Department of Development and Tourism
GIS	Geographic Information System
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GR	Garden Route
GRAP	Generally Recognised Accounting Practice
GRDM	Garden Route District Municipality
GREF	Garden Route Environmental Forum
GRFC	Garden Route Film Commission
GRFO	Garden Route Film Office
GRRI	Garden Route Rebuild Initiative
HAZMAT	Hazardous Materials
HOD	Head of Department
HR	Human Resources
ICS	Incident Command System
IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
ICM	Integrated Coastal Management
IMFO	Institute for Municipal Finance Officers
JOC	Joint Operational Command
KPA	Key Performance Area
DFFE	Department of Forestry, Fisheries and the Environment
DMAF	Disaster Management Advisory Forum
DMC	Disaster Management Centre
DoE	Department of Energy
DOH	Department of Health
DORA	Division of Revenue Act
DPLG	Department of Provincial and Local Government
DRR	Disaster Risk Reduction
DTI	Department of Trade and Industry
DWAF	Department of Water Affairs and Forestry
DWS	Department of Water and Sanitation
EAF	Estuary Advisory Forum
EAP	Employee Assistance Programme
ECD	Early Childhood Development
EDMAF	Eden Disaster Management Advisory Forum
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EHP	Environmental Health Practitioner
EMF	Estuary Management Forum
EMS	Emergency and Medical Services
ESCA	Eden School of Culinary Art
EWSETA	Energy and Water Sector Education and Training Authority
FBO	Faith Based Organisation
FEDHASA	Federated Hospitality Association of South Africa
FSPU	Farmer Production Support Unit
FTE	Full Time Equivalent
GAMAP	Generally Accepted Municipal Accounting Practice
GBF	Global Biodiversity Framework
GDS	Growth and Development Strategy
MMC	Member of the Mayoral Committee
MMF	Municipal Managers Forum
MIG	Municipal Infrastructure Grant
MISA	Municipal Infrastructure Support Agent
MM	Municipal Manager
MMC	Member of Mayoral Committee
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MSA	Municipal Systems Act No. 32 of 2000
mSCOA	Municipal Standard Chart of Accounts
MTECH	Medium Term Expenditure Committee
NAEIS	National Atmospheric Emissions Inventory System

KPI	Key Performance Indicator
LED	Local Economic Development
LGSETA	Local Government Sector Education and Training Authority
LHAP	Landowner Herbicide Assist Programme
LM	Local Municipality
LTO's	Local Tourism Offices
MAYCO	Executive Mayoral Committee
MCC	Municipal Coastal Commission
MEC	Member of Executive Council
MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
MFMP	Municipal Financial Management Programme
PDWP	Provincial Department of Public Works
PEC	Provincial Executive Committee
PetroSA	Petroleum, Oil and Gas Corporation of South Africa
PGWC	Provincial Government of the Western Cape
PMS	Performance Management System
PPE	Personal Protective Clothing
PPP	Public Private Partnership
PT	Provincial Treasury
QCTO	Quality Council for Trades & Occupations
RAP	Resilience Action Planning
RSIF	Regional Spatial Implementation Framework
RTO	Regional Tourism Organisation
SAAELIP	South African Atmospheric Emission Licensing and Inventory Portal
SA-EU	South Africa-European Union
SA-LED	South Africa Low Emissions Development
SALGA	South African Local Government Association
SAMDI	South African Management Development Institute
SAMTRAC	Safety Management Training Course
SANPark	South African National Park
SANRAL	The South African National Roads Agency SOC Ltd
SAPS	South African Police Services
SATSA	South Africa Tourism Services Association
SAWS	South African Weather Services
SCEP	South Cape Economic Partnership
SCLI	Southern Cape Landowners Initiative
SCM	Supply Chain Management
SCFPA	Southern Cape Fire Protection Association
SCRIF	Southern Cape Regional Implementation Framework
NCCIS	National Climate Change Information System
NCPC	National Cleaner Production Centre
NDMC	National Disaster Management Centre
NDT	National Department of Tourism
NEMA	National Environmental Management Act
NEMBA	National Environmental Management: Biodiversity Act
NGO	Non-governmental organisation
NPC	Non-Profit Company
NSF	National Skills Fund
NT	National Treasury
N12TR	N12 Treasure Route
ODETP	Directed Education Training and Development Practices
OHS	Occupational Health and Safety
OPEX	Operating expenditure
PCC	Provincial Coastal Committee
PCR	Polymerase Chain Reaction
PDMC	Provincial Disaster Management Centre
PDP	Personal Development Plan
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SEIA	Scoping and Environmental Impact Assessment
SEDA	Small Enterprise Development Agency
SETA	Sector Education and Training Authority
SLA	Service Level Agreement
SME	Small and Medium Enterprise
SMME's	Small, Medium and Micro-Enterprises
SOC	State-owned Company
SOP	Standard Operating Procedure
SUFF	Southern Youth Film Festival
TB	Tuberculosis
TETA	Transport Education and Training Authority
TL	Top Layer
TVET	Technical Vocational Education and Training
USAID	United States Agency for International Development
WASH	Water, Sanitation and Hygiene
Wesgro	Western Cape Tourism, Trade and Investment Promotion Agency
WESSA	Wildlife and Environment Society of South Africa
WFW	Working for Water
WMP	Waste Minimisation Plan
WOF	Working on Fire
WSA	Water Services Authority
WTM	World Travel Market