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2023/24

# **ANNUAL REPORT**

**MATZIKAMA MUNICIPALITY**

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## Chapter 1

### Component A: Mayor's Foreword

Dear Stakeholder,

As the Executive Mayor of Matzikama Municipality, I am pleased to present the Annual Report for the 2023/24 financial and performance year. This document echoes the performance of our Municipality over the past financial and performance year in attaining the strategic objectives as embodied in our Integrated Development Plan (IDP).

#### **Vision**

The review (2022/23) of our 5-year IDP for 2018/2023 and the budget for 2023/24 were approved by Council in May 2023. We retained our Vision- "A safe and prosperous Matzikama" and we retained our Mission - "To achieve effective service delivery and upliftment of the community through sustainable economic development" Our five strategic objectives were reaffirmed in the 2023/24 IDP review process and is reported on in chapter 3 of this report.

#### **Key Policy Developments**

In this reporting period the Matzikama Municipality continued to align our core service delivery strategy with the National Development Plan (NDP- 2030 vision) and the Provincial Strategic Plan (2019-2024). Economic Development Through the implementation of effective structures in partnership with the private sector, we will prioritise economic development to create jobs in a committed effort to reduce poverty.

#### **Public Participation**

The ward committees and IDP unit are acknowledged as our official public participation structures. Our scheduled May 2023 public consultation meetings on the IDP review and Budget for 2023/24 were conducted successfully in all our municipal Wards.

#### **Service delivery mandate**

We will not compromise on the basic service delivery mandate to our communities, Matzikama Municipality is committed to delivering on our vision and mission. The performance and achievements stated in this annual report are testament of our commitment to sustained service delivery. We will also continue to apply sound financial management.

#### **Service Delivery Improvements**

Overcoming major challenges in the delivery of clean water to residents with serious cash flow constraints while still making sure that essential and emergency services were addressed effortlessly.

**Key issues on cost savings:**

- Engagement with Eskom regarding a tariff conversion on Bulk Eskom Supply Points which resulted in reduction of penalties and bulk purchase tariffs for various towns in Matzikama Municipality.
- Measures put in place for the reduction of overtime and standby expenses
- Investigation into the Essential Motor vehicle scheme
- Review of the organogram of the Municipality.
- Circular 29 added to the Cost Containment Policy to ensure that the Municipality's spending is within the available revenue.
- Successfully completed and implemented Cost of Supply Study on Electricity
- Tariff modelling on rest of services done in line with MFMA circular 98. The Municipality is currently in year two of implementation.

We are currently in partnership with West Coast District Municipality and Provincial Government towards water management.

**Future Actions**

The cost containment measures will improve the implementation of our key focus areas. The functioning of the safety forum to ensure the safety of our residents

**Conclusion**

Let us take ownership and show commitment of our vision and always act with honesty, integrity, and responsibility in making Matzikama a place of hope in South Africa. Thank you to all our Councillors, the administration, all workers, the community as well as all government structures for your support.

Glory to God for all our blessings.

J van der Hoven

Executive Mayor of Matzikama Local Municipality



## Component B: Executive Summary

### 1.1 Municipal Manager's Overview

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#### Foreword

It is my privilege to present the Annual Report of Matzikama Municipality, located on the north-west coast of South Africa, bordering the Northern Cape Province, the Cederberg Municipality, and the Atlantic Ocean. Over the past financial year, we have made noteworthy progress in several strategic areas, underscoring our commitment to effective governance, sound financial management, and improved service delivery.

I am particularly pleased to highlight our clean audit report from the Auditor-General. This achievement reflects the diligence, transparency, and accountability upheld by our administration. Building on this success, Matzikama Municipality has also completed and received approval for the cost of supply study for electricity - one of the first municipalities to do so. Effective from 01 July 2024, the implementation of this study ensures more equitable and sustainable electricity tariffs for the Communities.

Through prudent financial practices and robust performance, we have participated in the National Treasury's debt relief programme, leading to the write-off of one third of our Eskom debt - a significant milestone in reducing our liabilities and strengthening our fiscal standing. Additionally, our investment in resources has enabled us to upgrade our small fleet with fourteen new double-cab bakkies, while the procurement of an excavator, bulldozer, and refuse compactor truck is currently underway. These acquisitions will enhance our operational capacity in essential areas such as infrastructure maintenance and waste management.

We have also demonstrated our commitment to community development with the completion of a new sports ground in Klaver, providing recreational facilities that promote social cohesion and healthy lifestyles. To ensure effective communication with stakeholders, we have appointed a senior Communications Officer, and we are grateful for the continued financial support from the provincial government to sustain this important role.

Despite these achievements, we remain mindful of the areas that call for further attention. We acknowledge that potable water quality in certain areas, street cleaning, response times to complaints, and communication strategies all require continuous improvement. The Administration is fully committed to addressing these challenges through targeted interventions, ongoing stakeholder engagement, and enhanced operational frameworks.

In closing, I extend my sincere gratitude to all Councillors, Municipal Staff, Community members, and stakeholders who have contributed to our successes. Your support and collaboration continue to drive

Matzikama Municipality toward greater resilience and service excellence. We look forward to building on these foundations in the coming year as we strive for a brighter future for all residents.

“Not all of us can do great things. But we can do small things with great love.” (St Theresa of Calcutta)

LIONEL PHILLIPS

MUNICIPAL MANAGER

## 1.2 Municipal Overview

---

This report addresses the performance of the Matzikama Municipality in the Western Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the Municipality provides regular and predictable reporting on programme performance and the general situation in their locality.

The 2023/24 Annual Report reflects on the performance of the Matzikama Municipality for the period 1 July 2023 to 30 June 2024. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an Annual Report for each financial year.

### 1.2.1 Vision and Mission

The Matzikama Municipality committed itself to the vision and mission of:

**Vision:**

*“A Safe and Prosperous Matzikama”*

**Mission:**

*“To achieve effective service delivery and upliftment of the community through sustainable economic development”*

### 1.2.2 Demographic Information

#### **Municipal Geographical Information**

Matzikama - (“matzi = he gives, kamma = water”) Municipality, in Southern Namaqualand is a category B municipality proclaimed in terms of Provincial Notice No. 481/2000 of September 2000. Matzikama Municipality is the result of the amalgamation of the towns of Klawer, Vanrhynsdorp, Lutzville, Vredendal, Ebenhaeser, Papendorp, Doring Bay and Strandfontein. The DMA area comprising of towns Kliprand, Bitterfontein, Molsvlei, Rietpoort, Put-se-Kloof, Nuwerus, Stofkraal and Koekenaap also falls within the municipal area.

The region is dominated by the Maskam, Gifberg, Khobee and Bokkeveld Mountains to the East. To the West lies the mighty Atlantic Ocean, with its cold Benguela current which has an impact on the unique flora of the Knersvlakte Bioregion. Southbound, the Cerderberg and the rest of the Western Cape beckons.

Matzikama lies on the N7, Cape Namibia route, approximately 300km (3 hours) North of Cape Town and 1200 km from Windhoek. It can also be reached from the North (Gauteng, Mpumalanga, etc.) along the N14/R27 via Upington, N12/R27 via Kimberley and the N1/R63 via Bloemfontein and Victoria West.

Matzikama is characterized by an arid environment but is served by a life-giving arterial namely the Olifants River. The river with its associated canal systems supports a flourishing agricultural sector that is built on

viniculture. The population is therefore concentrated along the river. Only the villages of Vanrhynsdorp, Doring Bay and Strandfontein are not linked to the river. Doring Bay and Strandfontein are coastal towns.

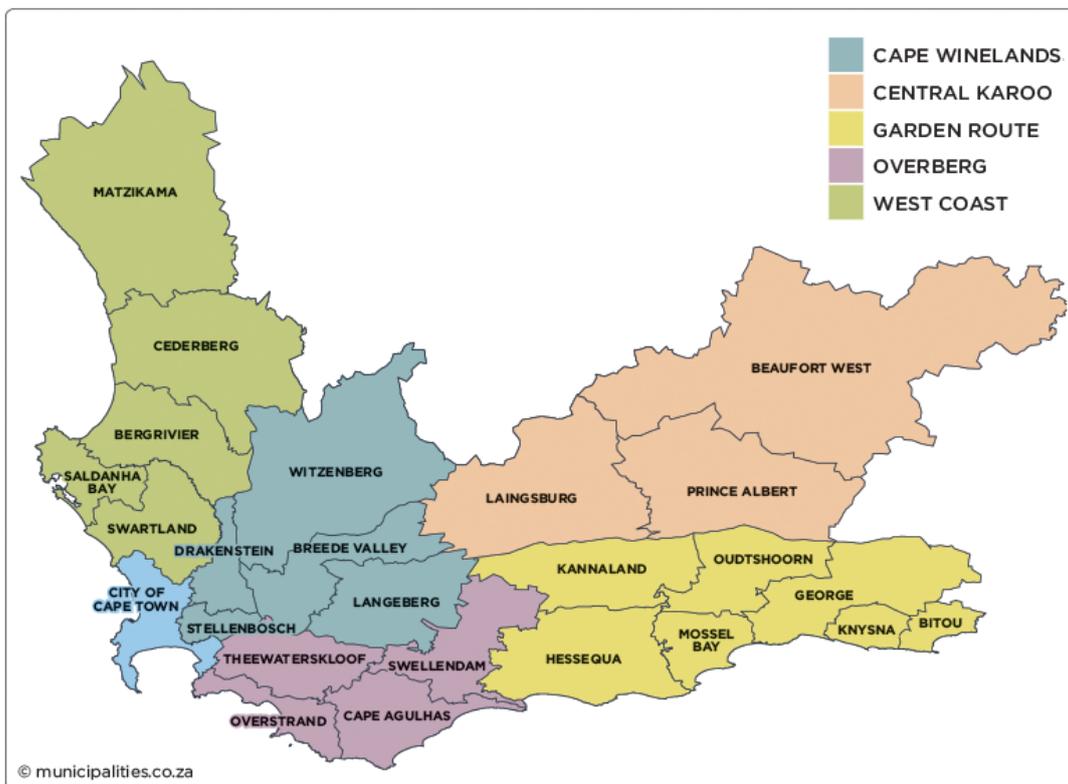
### Wards

The Municipality is currently structured into the following 8 Wards:

Ward	Areas
1	Lutzville, Lutzville-West and the surrounding farms
2	Doring Bay, Strandfontein, Ebenhaeser, Papendorp and surrounding farms
3	The most northern section of Vredendal-North and surrounding farms
4	The southern section of Vredendal North as well as the eastern section of Vredendal-South and surrounding farms
5	Vredendal South and surrounding farms
6	Klawer, Trawal and surrounding farms
7	Vanrhynsdorp and surrounding farms
8	Bitterfontein, Koekenaap, Nuwerus, Kliprand, Stofkraal, Molsvlei, Rietpoort and Put-se-Kloof

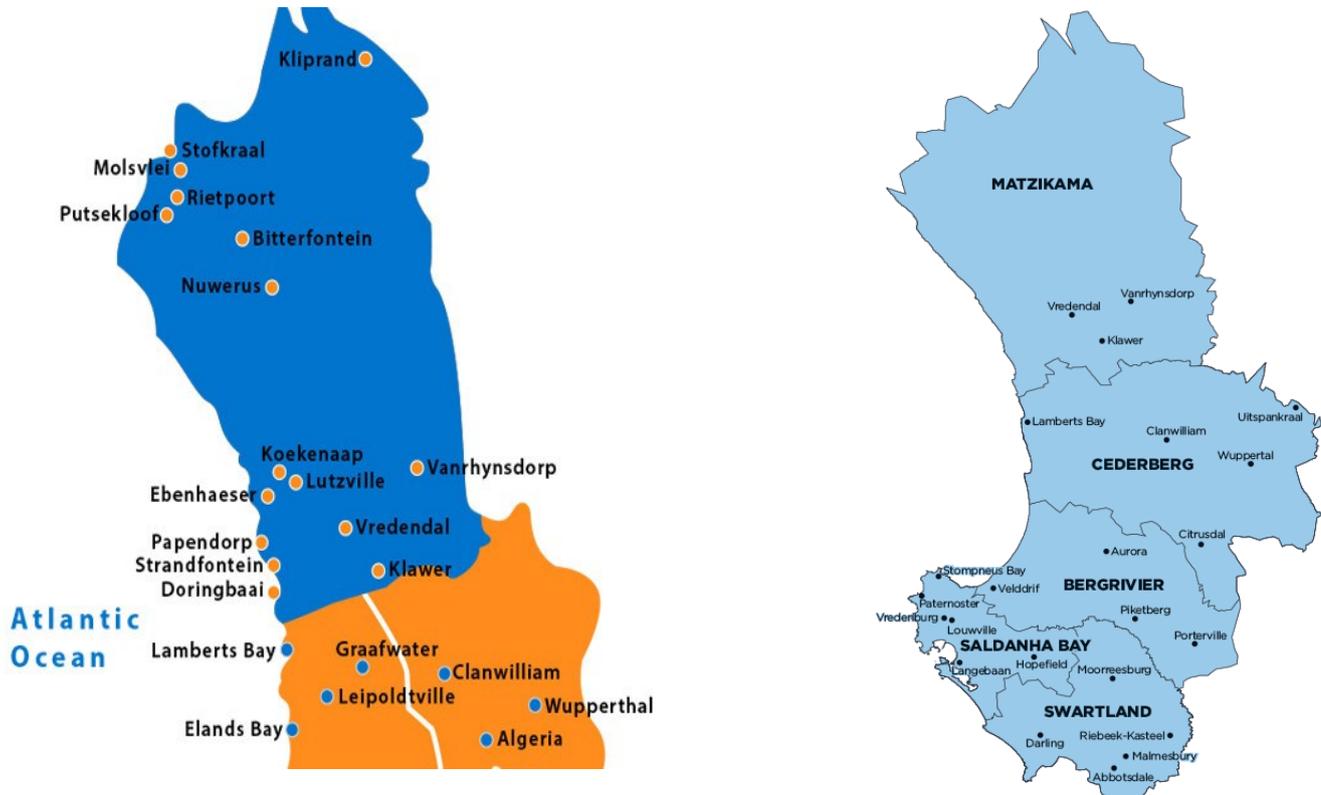
Table 1: Municipal Wards

Below is a map of the Western Cape that indicates the location of the Matzikama Municipality:



Graph 1: Matzikama Municipal Map

Below is a map indicating the towns that resides under the Matzikama Municipal area



Graph 2: Matzikama Towns

## KLAWER

The town is located 22 km south of Vanrhynsdorp on the Cape/Namibia tourism route and developed from a railway crossing between Cape Town and Bitterfontein. Since the reduction in rail transport the agriculture sector and services industry continued to provide income to the population of Klawer. Klawer is surrounded by many farms and attracts many tourists to the area to join in the Agri-tours presented by the Kapel farm in the area.

## VANRHYNSDORP

Vanrhynsdorp is the most southern and oldest town in Namaqualand. It exists since 1661. The town is also the gate way to the Western Cape, Upington, Johannesburg, Namibia, Vredendal and the coastal towns. Vanrhynsdorp is located 300 km north of Cape Town on the intersection to Cape Namibia, Namakwari and West Coast Karoo tourism routes. The economic base comprises the services and agriculture industries.

## LUTZVILLE

Lutzville developed from a farm established in 1923 and is located 48 km west of Vanrhynsdorp on the West Coast Tourism Route. Apart from the many farming activities in the area tourism has the potential to add significantly to the economic base of the local urban economy and is linked to the wine industry, annual agriculture expo, annual wildflower season and its location on the West Coast Tourism Route. The town accommodates a large number of the workers employed by Namaqua Sands as well as farm workers and hence the low unemployment rate.

## **VREDENDAL**

Vredendal is by far the largest town in the area and is also centrally located rendering it the logical economic and administrative centre. The town is located 24 km east of Vanrhynsdorp on the West Coast Tourism Route.

## **EBENHAESER/PAPENDORP**

These two villages function as a residential settlement with very few economic activities apart from government services, farm labourers and subsistence farming activities. The villages are located on the banks of the Olifants River and play an important role in protecting the sensitive eco system of the Olifants River. These two villages developed from a mission station founded by the Rynse Church in 1831.

## **DORING BAY**

Doring Bay is located on the coastline, 80 km west of Vanrhynsdorp and 15 km north of Lamberts Bay, making it ideal for tourism and aquaculture development. Both aquaculture and tourism have huge potential and can play an important role in mitigating unemployment caused by the decline of the fishing industry.

## **STRANDFONTEIN**

Strandfontein has been a holiday resort and retirement village since its existence. The town recorded a high ranking in terms of its resource and development potential. Out of the 131 towns situated in the Western Cape Province, Strandfontein was ranked 28<sup>th</sup> in terms of composite development potential and second in terms of composite resource potential. The town is located on the coastline 5 km north of Doring Bay and 75 km west of Vanrhynsdorp. The town draws many tourists and holiday makers annually and has become more sought after than ever before.

## **REVIOUSLY DISTRICT MANAGED AREA**

The area of roughly 8 000 km<sup>2</sup> with a population of just over 7 000 people comprise of 7 different villages including Kliprand, Bitterfontein, Nuwerus, Molsvlei, Stofkraal, Rietpoort and Put-se-Kloof. Apart from livestock farming, no other major economic activity apart from retail and a few government services exist in the area. The area is a residential area with most of the population being unemployed. The few that is employed work for the nearby mining companies.

## Population

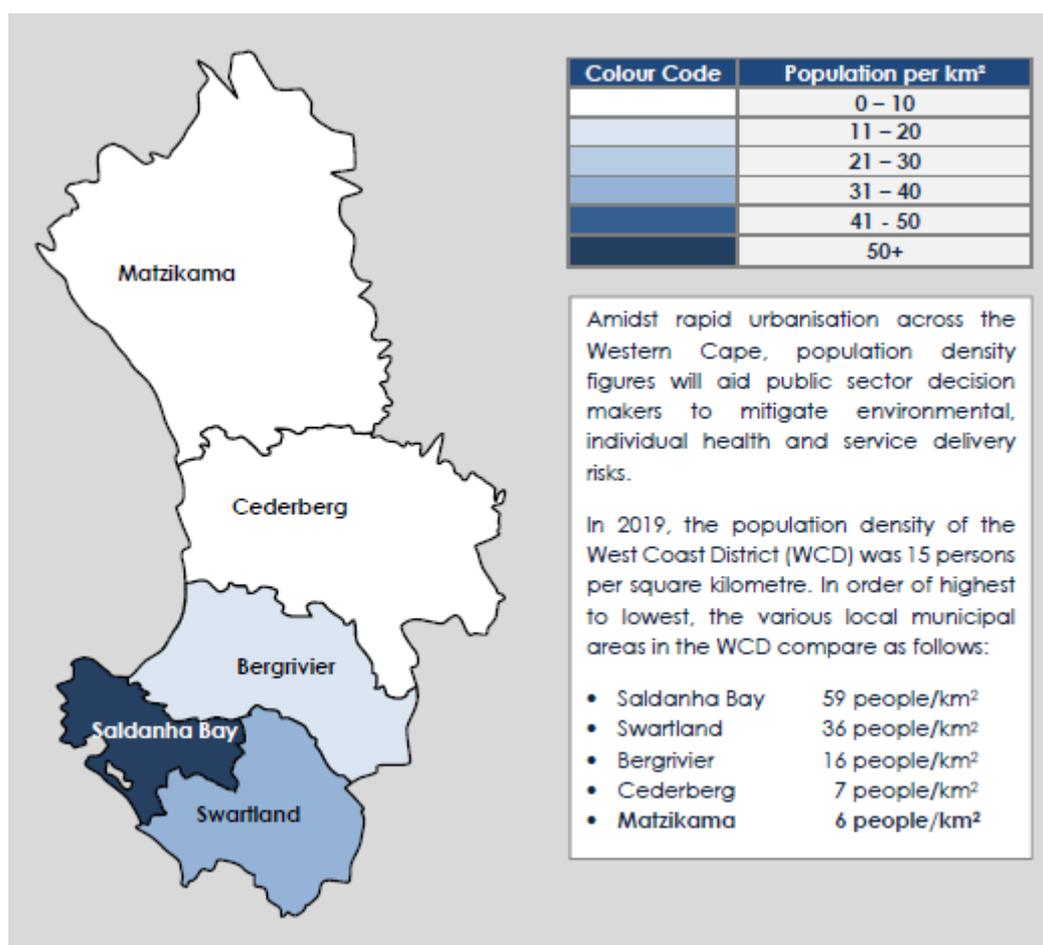
### Total Population

The table below indicates the total population within the municipal area according to the Census of 2011 and the Community Survey 2016:

2011	2018
67 147	74 636

*Source: Socio-Economic Profile 2019*

Table 2: Total Population



Graph 3: Population Density

### Households

The total number of households within the municipal area is 20 885 according to the Socio-Economic Profile 2019.

Households	2011	2019
Number of households in municipal area	18 835	20 885

Table 3: Total Number of Households

## Economic Activities

The 3 largest sectors in the Matzikama Municipality are pertained in the following table:

Key Economic Sectors	Contribution to Gross Domestic Product (GDP)
Agriculture, Forestry and Fishing	24.5%
Wholesale & retail trade, catering & accommodation	16.3%
Manufacturing	13.6%

*Source: Socio-Economic Profile 2019*

Table 4: Contribution to GDP of Matzikama Municipality

The Municipality is dependent on the following economic activities:

Key Economic Sectors	Description
Agriculture	Grapevines, fruit and vegetables, livestock
Fishing	Limited to recreational and small fishing rights
Tourism	Seasonal, especially during the flower season
Mining	The municipal area is home to 10 mining companies that mine a variety of minerals, including heavy sands, rare earth minerals, diamonds, clay, salt, gypsum and lime
Manufacturing	Manufacturing products including tomato paste/sauce, table grapes, wine and spirits, mineral separation (first phase of manufacturing) and dried fruit. Manufacturing in the pipeline include plastic products from waste plastics and mineral separation from rare earth minerals.
The Public Sector	The municipal area is home to ten provincial and national sector departments
The Service Sector	This sector comprises all the banks including ABSA, FNB, Standard, Nedbank, Capitec and African Bank as well as other financial service providers including Old Mutual and Sanlam. As a result of the more than 1 923 farms in the area many engineering and other support services exists

Table 5: Key Economic Activities

## Natural Resources

The Municipality has the following natural resources in its area:

Natural Resources	
Major Natural Resource	Relevance to the Community
Olifants River	The only reliable source of potable and irrigation water
Climate	The agriculture sector that is dependent on the right climatic conditions is the main employment provider
Minerals	Matzikama is home to 10 mining companies which through procurement of local goods and services pumps more than a R100 million per annum into the local economy which is over and above the many jobs they created for the local communities
The ocean	Despite the dwindling fish stocks that resulted with the closure of the fishing industry along the West Coast of the Western Cape including Doring Bay the ocean still provide great potential for aquaculture development in addition to the income it provides to hundreds of small-scale subsistence fishers
The wind	Eskom identified the municipal area as an ideal location for establishing electricity generating wind farms. Despite these facilities not being able to create jobs for the local people due to the high-tech nature Communities may benefit from the available green energy

Natural Resources	
Major Natural Resource	Relevance to the Community
Agriculture land	The municipal area is home to high quality agriculture land (soil) that can grow almost any crop. Apart from the fact that current crop production provides sustainable livelihoods to many in the local communities it also offers opportunities to many emerging farmers
Sun (Solar energy)	Unlike wind farms solar energy creates jobs with the local community Communities may benefit from the available green energy

Table 6: Natural Resources

## 1.3 Service Delivery Overview

### 1.3.1 Basic Service Delivery Highlights

The table below specifies the highlights for the year:

Highlights	Description
Extended Call Centre Hours	Extended the Call Centre to a 24 hour during the months December and January and is considering the 24-hour service throughout the year
The Installation of CCTV cameras improving service delivery	The Municipality installed CCTV cameras at critical infrastructure sites and has been very successful to reduce vandalism and theft at these sites
The appointment of a Senior Communication Officer	The municipality appointed with the help of the Provincial Government a Senior Communication Officer that resulted in much improved communication between the municipality and its stakeholders
Upgrade of the Klawer Sportsgrounds	The Matzikama municipality, with the support of various stakeholders upgraded the Klawer Sportsgrounds to accommodate most of the sporting codes. The facility included an indoor sports center

Table 7: Basic Service Delivery Highlights

### 1.3.2 Basic Service Delivery Challenges

The table below specifies the challenges for the year:

Challenge	Actions to address
The Appointment of Director Corporate and Technical Services	The Municipality has been struggling to appoint the Director of Corporate Services and Technical Services for the last 5 years resulting in poor service delivery. The main reason for this is due to the inability of the municipality to offer competitive remuneration packages.
Vandalism and theft of municipal streetlights	Municipality is still experiencing in certain areas challenges of vandalism and cable theft of streetlights.
Illegal Land invasion	The municipality is struggling with land invasion resulting in strain on our infrastructure capacity.
Inability to collect revenue for services rendered in Eskom servicing area	The Municipality is struggling to collect revenue in areas where Eskom distribute electricity resulting in a lack of services in especially those areas
Illegal dumping in un-serviced area	Illegal dumping, primarily driven by the high number of illegal shacks where the municipality don't deliver services remains a challenge for the municipality

Table 8: Basic Service Delivery Challenges

## 1.4 Financial Health Overview

### 1.4.1 National Key Performance Indicators – Municipal Financial Viability and Management (Ratios)

The following table indicates the Municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area, namely Municipal Financial Viability and Management.

KPA & Indicator	2022/23	2023/24
Financial viability measured in terms of the Municipality's ability to meet its service debt obligations as at 30 June 2024 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	27.04%	22.54%
Financial viability measured in terms of the outstanding service debtors as at 30 June 2024 (Total outstanding service debtors/ revenue received for services)	10.76%	11.39%
Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2024((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)).	(0.16)	(0.12)

Table 9: National KPI's for Financial Viability and Management

### 1.4.2 Financial Overview

Details	Original budget	Adjustment Budget	Actual
	R'000		
<b>Income</b>			
Grants	135 390	164 763	156 855
Taxes, Levies and tariffs	329 288	313 234	300 520
Other	50 782	83 933	71 785
<b>Less: Expenditure</b>	<b>468 088</b>	<b>511 368</b>	<b>483 441</b>
<b>Net surplus/(deficit)</b>	<b>47 372</b>	<b>50 562</b>	<b>45 719</b>

Table 10: Financial Overview

### 1.4.3 Total Capital Expenditure

Detail	2022/23	2023/24
	R'000	
Original Budget	42 433	47 372
Adjustment Budget	53 572	50 562
Actual	48 549	45 719

Table 11: Total Capital Expenditure

#### 1.4.4 Municipal Cost Containment Regulations (MCCR)

National Treasury first published the draft MCCR for public comment on 16 February 2018, with the closing date being 31 March 2018. Comments were received, from the Department of Cooperative Governance and Traditional Affairs, SALGA, municipalities, and other stakeholders. After extensive consultation and consideration of all comments received, the MCCR was finalised and promulgated on 7 June 2019 in the Government Gazette, with the effective date being 1 July 2019.

#### 1.4.5 Municipal Cost Containment Policy

The MCCR does not apply retrospectively, therefore will not impact on contracts concluded before 1 July 2019. If municipalities and municipal entities decided to extend current contracts, such contracts should have been aligned with the principles outlined in the MCCR and SCM regulations.

Regulation 4(1) of the MCCR requires municipalities and municipal entities to either develop or review their cost containment policies. The MCCR requires municipalities to adopt the cost containment policies as part of their budget related policies prior to 30 September 2019. The Matzikama Municipality adopted a cost containment policy on 9 September 2019.

#### 1.4.6 Cost Containment Measure and Annual Cost Saving

The effective implementation of the MCCR is the responsibility of the municipal council and the municipal accounting officer. In terms of the cost containment framework provided in the MCCR, which is consistent with the provisions of the MFMA and other government pronouncements, the following cost savings for the financial year are disclosed:

Cost Containment			
Cost Containment Measure	Budget	Total Expenditure	Savings
	R	R	R
Use of consultants	5 052 418	3 136 421	1 915 997
Vehicles used for political office - bearers	29 700	15 506	14 194
Travel and subsistence	565 329	350 556	214 773
Domestic accommodation	162 264	93 653	68 611
Sponsorships, events, and catering	5 890	5 030	860
Communication	20 254	0	20 254
Other related expenditure items:			
Standby	3 519 006	3 236 605	282 401
Overtime	6 682 074	5 976 707	705 367
Essential Motor Vehicle Scheme	9 279 106	7 400 231	1 878 875
<b>Total</b>	<b>25 316 041</b>	<b>20 214 709</b>	<b>5 101 332</b>

Table 12: Cost Containment Measure and Annual Cost Saving

### 1.4.7 B-BBEE Compliance Performance Information

Section 121(3)(k) of the MFMA indicates that the annual report of a municipality should include any other information as may be prescribed. The Broad Based Black Economic Empowerment (B-BBEE) Act (Act 53 of 2003; as amended by Act 46 of 2013) read in conjunction with the B-BEE Regulations of 2016 states in Section 13G (1) that all spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their Annual Financial Statements and Annual Reports. In accordance with the explanatory notice (Notice 1 of 2018) issued by the B-BBEE Commission the following tables provide details on the Municipality’s compliance regarding broad-based black economic empowerment:

#### Management Control

Category	Number	Race Classification	Gender	Disability
Senior Management	3	3	M	None

Table 13: Management Control

#### Skills Development

Category	Number	Race Classification	Gender	Disability	Total Amount Spend (R)
Employees	3	3 Coloured	M	None	R 78 293
Black non-employees	0	0	None	None	
Black people on internships, apprenticeship, learnership	3	3	M= 2 F= 1	None	

Table 14: Skills Development

## 1.5 Organizational Development Overview

### 1.5.1 Municipal Transformation and Organizational Development Highlights

The table below specifies the highlights for the year:

Highlights	Description
Promotion of Employees	9 Employees were promoted during the financial year
Decrease in the number of injuries on duty (IOD)	The number of IOD decreased from 22 in the previous year to 21
Recruitment and Selection	18 Employees were appointed during the financial year
Appointment of the Municipal Manager and Director Community Development Services	These critical posts were successfully completed during the financial year

Table 15: Municipal Transformation and Organisational Development Highlights

### 1.5.2 Municipal Transformation and Organisational Development Challenges

The table below specifies the challenges for the year:

Challenges	Action to address
Low moral of Staff	Address the issue by organizing wellness programs for all staff members to participate during the year
Appointment of suitable qualified Director Corporate and Director Technical Services	The remuneration packages must be addressed as this is the main cause for this challenge

Table 16: *Municipal Transformation and Organisational Development Challenges*

## 1.6 Audit Outcomes

Detailed audit action plans driven by the CFO and monitored by the Internal Audit Section are developed annually to address the issues raised by the Auditor-General and monitored on a monthly. The detailed corrective measures/steps are also used to improve internal controls with associated management arrangements. The latter informed the review of the Annual Financial Statements prior to submission to the Auditor-General.

Regular management meetings are held to ensure that senior management collectively strive towards and contribute to developing quality and accurate financial reports.

Year	2019/20	2020/21	2021/22	2022/23	2023/24
Status	Financially unqualified with other matters	Financially unqualified with other matters	Financially unqualified with no other matters (Clean Audit Opinion)	Financially unqualified with other matters	Financially unqualified with no other matters (Clean Audit Opinion)

Table 17: *Audit Outcomes*

## 1.7 IDP

### 1.7.1 Introduction

Integrated Development Planning is an approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development.

Apart from the Integrated Development Plan (IDP) being a legislative requirement, its ultimate purpose is to be an instrument of Council and its social partners to accomplish the vision of Council through the successful implementation of the strategic objectives and strategies. These developmental objectives and strategies of the Council are developed by the same Council based on a comprehensive consultation process with all the Communities in the Municipal area. The IDP does several things but first and foremost it enables the Municipality to manage the process of fulfilling its strategic objectives followed by several other things including but not limited to:

-  The IDP through its public participation processes makes provision for Council to be informed of the challenges facing its social partners
-  Through its integrated processes and programs, the IDP equips Council to develop strategies and projects to resolve the challenges of its social partners in a manner that is effective and efficient

- The IDP facilitates the removal of the silo-approach to development practices with the intent to expedite delivery of services amongst other things
- Because the IDP is the only strategic plan that guides development it is instrumental in guiding other spheres of government, the private sector and aid organizations to allocate funds for projects that are aligned with the developmental objectives and strategies of the Municipality
- The IDP is a key strategy of the government to strengthen democracy and transform institutions
- The South African government system comprise three spheres of government that must work together to bring effective and efficient services to the public. The IDP is instrumental in facilitating and coordinating inter-governmental processes between the three spheres of government that are needed to deliver services to the public.

### 1.7.2 Highlights: IDP

The table below specifies the highlights for the year:

Highlights	Description
August 2023: IDP/Budget and Performance Time-schedule was approved by Council	The IDP/Budget and Performance Time Schedule with key deadlines was approved by council for the preparation of the 2023/2024 IDP
September 2023: Successful IDP public engagement	Matzikama Municipal Area
April 2024 and May 2024 IDP consultation sessions with communities	Matzikama Municipal Area
May 2024 – Approval of Matzikama Municipality IDP	IDP - Approve by council

Table 18: Highlights IDP

### 1.7.3 Challenges: IDP

The table below specifies the challenges for the year:

Description	Actions to address challenges
Low attendance of communities of the IDP consultation sessions is a concern for Matzikama Municipality.	Improve public participation efforts regarding the IDP process and used different media platforms like WhatsApp groups to mobilise communities
Consultation sessions timeframes of 15h00-18h00 did not suit everyone	Look at the time frames of the sessions and adjust it where possible to accommodate communities.
Senior management did not attend the IDP sessions as requested by communities. Only attend some of the sessions.	Municipal Manager to address the issue of Senior Management not attending the IDP sessions.
Government Departments low attendance of IDP sessions is a big concern for Matzikama Municipality.	DLG to assist in mobilising the relevant sector departments in Matzikama Municipal Area to address these sessions.
Few Inputs received from community members to be placed on the IDP	Using ward committees as a voice to the community to highlight the importance of these IDP sessions.

Table 19: Challenges IDP

### 1.7.4 IDP Statistics

Matzikama Municipality embarked on a successful public participation process to adopt the IDP document. Community members were cordially invited to attend the meetings in the table below:

## September 2023 IDP Participation Process

Ward	Date	Town	Place	Time	Number of people attending
Ward 1	5 September 2023	Lutzville- West	Lutzville- West Community Hall	15h00-18h00	12
Ward 1	6 September 2023	Lutzville/Uitkyk	Lutzville/Uitkyk Community Hall	15h00-18h00	45
Ward 8	7 September 2023	Koekenaap	Koekenaap Community Hall	15h00-18h00	31
Ward 8	8 September 2023	Kliprand	Kliprand Community Hall	11h00-13h00	17
Ward 8	11 September 2023	Stofkraal	Stofkraal Community Hall	11h00-13h00	29
Ward 8	11 September 2023	Molsvlei	Molsvlei Community Hall	14h00-16h00	15
Ward 8	12 September 2023	Rietpoort	Rietpoort Community Hall	11h00-13h00	9
Ward 8	12 September 2023	Putsekloof	Putsekloof Community Hall	14h00-16h00	19
Ward 8	13 September 2023	Bitterfontein	Bitterfontein Community Hall	11h00-13h00	25
Ward 8	13 September 2023	Nuwerus	Nuwerus Community Hall	14h00-16h00	33
Ward 4	14 September 2023	Vredendal-North	Vredendal-North Community Hall	15h00-18h00	20
Ward 3	18 September 2023	Vredendal-North	Vredendal-North Community Hall	15h00-18h00	81
Ward 5	19 September 2023	Vredendal-South	Vredendal- South Sports Hall	15h00-18h00	12
Ward 6	20 September 2023	Klawer	Klawer-North Community Hall	15h00-18h00	44
Ward 7	26 September 2023	Vanrhynsdorp	Maskamsig Community Hall	15h00-18h00	42
Ward 2	27 September 2023	Ebenhaezer & Papendorp	Ebenhaezer Community Hall	15h00-18h00	34
Ward 2	28 September 2023	Doringbay	Miriam Owies Community Hall	15h00-18h00	14

Table 20: September 2023 IDP Statistics

## April 2024: IDP Participation Process

Ward	Date	Town	Place	Time	Number of people attending
Ward 1	2 April 2024	Lutzville- West	Lutzville- West Community Hall	16h00-19h00	12
Ward 1	3 April 2024	Lutzville/Uitkyk	Lutzville/Uitkyk Community Hall	16h00-19h00	45
Ward 2	22 April 2024	Ebenhaezer	Ebenhaezer Community Hall	16h00-9h00-	34

Ward	Date	Town	Place	Time	Number of people attending
Ward 2	23 April 2024	Doring Bay	Miriam Owies Community Hall	16h00-19h00	14
Ward 8	8 April 2024	Stofkraal	Stofkraal Community Hall	11h00-13h00	29
Ward 8	8 April 2024	Molsvlei	Molsvlei Community Hall	14h00-16h00	15
Ward 3	15 April 2024	Vredendal-North	Vergenoeg School Hall	16h00-19h00	81
Ward 8	5 April 2024	Kliprand	Kliprand Community Hall	11h00-13h00	22
Ward 5	16 April 2024	Vredendal-South	Vredendal-South Sports Hall	16h00-19h00	12
Ward 6	17 April 2024	Klawer	Klawer-North Community Hall	16h00-19h00	44
Ward 8	10 April 2024	Bitterfontein	Bitterfontein Community Hall	11h00-13h00	25
Ward 8	10 April 2024	Nuwerus	Nuwerus Community Hall	14h00-16h00	33
Ward 7	18 April 2024	Vanrhynsdorp	Maskamsig Community Hall	16h00-19h00	42
Ward 8	4 April 2024	Koekenaap	Koekenaap Community Hall	16h00-19h00	31
Ward 4	11 April 2024	Vredendal-North	Vredendal-north Community Hall	16h00-19h00	30
Ward 8	9 April 2024	Rietpoort	Rietpoort Community Hall	11h00-13h00	15
Ward 8	9 April 2024	Putsekloof	Putsekloof Community Hall	14h00-16h00	12

Table 21: April 2024 IDP Statistics

### 1.7.5 2023/24 IDP/Budget Process

The table below provides details of the 2023/24 IDP/Budget process:

No.	Activity	Responsible person	Date
<b>Pre-Budgeting Processes/Tasks</b>			
1.1	Finalise inputs from bulk resource providers (and NERSA) & agree on proposed price increase	CFO	March 2023
1.2	Review whether all bulk resource providers have lodged a request with National Treasury and SALGA seeking comments on proposed price increases of bulk resources	CFO	March 2023
<b>Community Participation Process</b>			
2.1	Community participation in revising the IDP ward in terms of their development needs	Manager: Strategic Services	5 September 2023-28 September 2023
2.2	Community participation in revising the IDP & budget - final recommendations	Manager: Strategic Services	2 April 2024-23 April 2024

No.	Activity	Responsible person	Date
<b>Budget Preparatory Process</b>			
3.1	Finalise detailed operating & capital budgets in the prescribed formats incorporating National and Provincial budget allocations, integrate & align to IDP documentation & draft SDBIP, finalise budget policies including tariff policy	CFO	24 March 2023
3.2	Finalise the draft capital and operating budget and budget related policies	CFO	24 March 2023
3.3	Note any Provincial and National allocations to municipalities for incorporation into budget	CFO	14 March 2023
3.4	Finalise corrective measures from audit report	CFO	30 June 2023
3.5	Receive bulk resource providers' price increases as tabled in Parliament or the provincial legislature	CFO	28 October 2022
3.6	Approval of NERSA tariffs	CFO	30 June 2023
<b>Budgetary Policies</b>			
4.1	Tariff Policy	CFO	31 May 2023
4.2	Property Rates Policy	CFO	31 May 2023
4.3	Credit Control Policy	CFO	31 May 2023
4.4	Indigent Policy	CFO	31 May 2023
4.5	Cash and Investment Policy	CFO	31 May 2023
4.6	Supply Chain Management Policy	CFO	31 May 2023
4.7	Asset Management Policy	CFO	31 May 2023
4.8	Funding and Reserve Policy	CFO	31 May 2023
4.9	Debt Policy	CFO	31 May 2023
4.10	Travel and Subsistence	CFO	31 May 2023
4.11	Virement Policy	CFO	31 May 2023
4.12	Budget Implementation and Monitoring Policy	CFO	31 May 2023
4.13	Rental of caravan//camping stands and chalets in Matzikama	CFO	31 May 2023
<b>Tabling of Budgets</b>			
5.1	A1 Schedule	CFO	31 March 2023
5.2	Submit the budget as well as the IDP to the Provincial Treasury, National Treasury, and other affected organ	CFO	31 March 2023
5.3	Make public the annual budget and invite the community to submit representations	CFO	7 April 2023
5.4	Council must give the Mayor an opportunity to respond to the submissions and, if necessary, to revise the budget and table amendments for consideration by the council	CFO	28 April 2023
5.5	Adjustment Budget: <ul style="list-style-type: none"> <li>• Submit to Mayoral Committee</li> <li>• Submit to Council</li> </ul> Submit the approved adjustments budget to the Provincial Treasury and National Treasury.	CFO	31 October 2023

No.	Activity	Responsible person	Date
5.6	Adjustment Budget: <ul style="list-style-type: none"> <li>• Submit to Mayoral Committee</li> <li>• Submit to Council</li> </ul> Submit the approved adjustments budget to the Provincial Treasury and National Treasury.	CFO	26 February 2024
5.7	Adjustment Budget: <ul style="list-style-type: none"> <li>• Submit to Mayoral Committee</li> <li>• Submit to Council</li> </ul> Submit the approved adjustments budget to the Provincial Treasury and National Treasury.	CFO	21 May 2024
5.8	Adjustment Budget: <ul style="list-style-type: none"> <li>• Submit to Mayoral Committee</li> <li>• Submit to Council</li> </ul> Submit the approved adjustments budget to the Provincial Treasury and National Treasury.	CFO	27 June 2024
<b>Approval of Budget and Policies</b>			
6.1	Table final IDP and budget in Council <ul style="list-style-type: none"> <li>• Submit to Mayoral Committee</li> <li>• Submit to Council</li> </ul>	CFO	24 May 2023
6.2	Council meeting	CFO	31 May 2023
<b>Finalising</b>			
7.1	Completion of Annual Budget amendments / refinements	CFO	22 May 2023
7.2	Place the IDP, annual budget, all budget-related documents, and all budget-related policies on the website	CFO	1 June 2023
7.3	Make public the approved annual budget and supporting documentation	CFO	9 June 2023
7.4	Submit approved budget to the Provincial Treasury and National Treasury	CFO	1 June 2023

Table 22: 2023/24 IDP/Budget Process

# CHAPTER 2

## Component A

### Political and Administrative Governance

The following table indicates the Municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 796 2001 and Section 43 of the MSA. This key performance indicator is linked to the National Key Performance Area - Good Governance and Public Participation.

KPA & Indicators	2022/23	2023/24
The percentage of the municipal capital budget actually spent on capital projects by 30 June 2024 {(Actual amount spent on projects /Total amount budgeted for capital projects) X100}	90.62%	88.66%

Table 23: National KPIs - Good Governance and Public Participation

## 2.1 Governance Structure

### 2.1.1 Political Governance Structure

The Council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles, and have delegated its executive function to the Executive Mayor and the Mayoral Committee. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers, councillors are also actively involved in community work and the various social programmes in the municipal area.

#### a) Council

Below is a table that categorised the councillors within their specific political parties and wards for the 2023/24 financial year:

Council Members	Capacity	Political Party	Ward representing or proportional	Percentage Council Meetings Attendance (%)	Percentage Apologies for non-Attendance (%)
Cllr HJ van der Hoven	Executive Mayor	DA	Proportional	100	N/A
Cllr AFK Job	Executive Deputy Mayor	DA	Ward 2	100	N/A
Cllr CA le Fleur	Ordinary Councilor	ANC	Ward 4	100	N/A
Cllr A Sindyamba	Speaker	DA	Proportional	100	N/A
Cllr CJ Boks	Executive Councillor	DA	Ward	100	N/A
Cllr SP Cornelissen	Executive Councillor	DA	Ward 5	100	N/A

Council Members	Capacity	Political Party	Ward representing or proportional	Percentage Council Meetings Attendance (%)	Percentage Apologies for non-Attendance (%)
Cllr C White	Executive Councillor	VF+	Proportional Representative	100	N/A
Cllr J Koopman	Ordinary Councillor	ANC	Ward 6	100	N/A
Cllr TJ Muller	Ordinary Councillor	ANC	Ward 1	100	N/A
Cllr C Van Der Westruis	Ordinary Councillor	GOOD	Proportional Representative	100	N/A
Cllr AJ Pool	Ordinary Councillor	DA	Ward 8	100	N/A
Cllr SJ Tshabalala	Ordinary Councillor	ANC	Ward 3	100	N/A
Cllr DA Witbooi	Ordinary Councillor	DA	Proportional Representative	100	N/A
Cllr X Tshetu	Ordinary Councillor	EFF	Proportional Representative	100	N/A
Cllr M Bottom	Ordinary Councillor	PA	Proportional Representative	100	N/A

Table 24: Council 2023/24

The table below indicates the dates of the Council meetings, and the number of reports submitted to Council for the 2023/2024 financial year:

Meeting date	Number of items/reports submitted to Council
25/07/2023	18
26/07/2023	1
29/08/2023	33
31/10/2023	40
01/12/2023	2
30/01/2024	14
26/02/2024	33
27/03/2024	11
30/04/2024	6
21/05/2024	17
27/06/2024	11

Table 25: Council Meeting Dates

## b) Executive Mayoral Committee

The Executive Mayor of the Municipality, assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance since executive powers are vested in her to manage the day-to-day affairs. This means that she has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, and as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee.

The name and portfolio of each Member of the Mayoral Committee is listed in the table below for the period 1 July 2023 to 30 June 2024:

Name of member	Capacity
HJ van der Hoven	Executive Mayor
AFK Job	Deputy Executive Mayor
CJ Boks	Member of Mayoral Committee
SP Cornelissen	Member of Mayoral Committee
C White	Member of Mayoral Committee

Table 26: Executive Mayoral Committee

The table below indicates the dates of the committee meetings, and the number of reports submitted to Council for the 2023/24 financial year:

Meeting date	Number of items/reports submitted to Council
26/07/2023	1
24/08/2023	30
23/10/2023	30
20/02/2024	25
23/04/2024	9
21/06/2024	6

Table 27: Executive Mayoral Committee Meeting Dates

### c) Portfolio Committees

Section 80 committees are permanent committees that specialise in a specific functional area of the Municipality and may in some instances make decisions on specific functional issues. They advise and assist the executive committee or the executive Mayor. Section 79 committees are temporary and appointed by the Council as needed. They are usually set up to investigate a particular issue and do not have any decision-making powers, but they can make recommendations to Council. Once their ad hoc task had been completed, Section 79 committees are usually disbanded. External experts, as well as Councillors can be included on Section 79 committees.

The portfolio committees for 2023/24 and their chairpersons are as follow:

Committee	Chairperson	Section 79 or 80 Committee	Number of reports submitted to Council	Meeting Date
MPAC	Cllr J Koopman	Section 79	2	31/08/2023
			1	29/02/2024
			2	15/03/2024
			1	10/06/2024
Corporate Services	Cllr SP Cornelissen	Section 80	2	14/08/2023
			1	11/10/2023
			1	16/04/2024
			2	11/06/2024
Financial Services	Cllr CJ Boks	Section 80	5	16/08/2023
			8	12/10/2023
			9	14/02/2024
			7	16/04/2024
			8	11/06/2024
Development Planning and Community Development Services	Cllr AFK Job	Section 80	7	14/08/2023
			6	10/10/2023
Technical Services	Cllr C White	Section 80	6	16/08/2023
			6	09/10/2023
			8	13/02/2024
			8	16/04/2024

Table 28: Portfolio Committees

### 2.1.2 Administrative Governance Structure

The Municipal Manager is the Accounting Officer of the Municipality. He is the head of the administration and primarily must serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitutes the management team, whose structure is outlined in the table below:

Name of Official	Department	Performance agreement signed
		(Yes/No)
Mr LJ Phillips	Municipal Manager	Yes
Mr RF Saul	Community Development Services	Yes
Mr ER Alfred	Financial Services	Yes

Table 29: Administrative Governance Structure

# CHAPTER 2

## Component B

### Intergovernmental Structures

## 2.2 Intergovernmental Relations

### Intergovernmental Structures

To adhere to the principles of the Constitution as mentioned above the Municipality participates in the following intergovernmental structures:

Name of Structure
Municipal Managers Forum
SALGA Working Groups
IDP Managers Forum
LED Managers Forum
SCM Forum
Integrated Waste Management Forum
Provincial Public Participation and Communication Forum (PPPCOM)
IDP Working Group
Chief Financial Officers Forum
Municipal Accountants Forum
WC District Forum EPWP Forum
Provincial SDF Forum
WC District Forum
WC District Management Community Safety Forum
Premier's Coordinating Forum
Minister's and Mayoral Technical Forum

Table 30: Intergovernmental Structures

# CHAPTER 2

## Component C

### Public Accountability and Participation

## 2.3 Public Meetings

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

- (i) establishment, implementation and review of the performance management system.
- (ii) monitoring and review of the performance, including the outcomes and impact of such performance; and
- (iii) preparation of the municipal budget.

At the council meeting of March 2024, the council of Matzikama Municipality approved the public participation process regarding the 2024/2025 IDP and Budget. These IDP sessions were the final opportunity for communities to give input and comments on the IDP and Budget. The table below illustrates how this process unfolded in the Matzikama Municipal Area. (See table below)

Ward	Date	Town	Place	Time
Ward 1	Tuesday: 2nd April 2024	Lutzville- Wes	Lutzville-Wes Community Hall	16h00-19h00
Ward 1	Wednesday: 3 <sup>rd</sup> April 2024	Lutzville/ Uitkyk	Lutzville/Uitkyk Thusong Hall	16h00-19h00
Ward 8	Thursday: 4 <sup>th</sup> April 2024	Koekenaap	Koekenaap Community Hall	16h00-19h00
Ward 8	Friday: 5 <sup>th</sup> April 2024	Kliprand	Kliprand Community Hall	11h00-13h00
Ward 8	Monday: 8 April 2024	Stofkraal	Stofkraal Community Hall	11h00-13h00
Ward 8	Monday: 8 April 2024	Molsvlei	Molsvlei Community Hall	14h00-16h00
Ward 8	Tuesday: 9 April 2024	Rietpoort	Rietpoort Community Hall	11h00-13h00
Ward 8	Tuesday: 9 April 2024	Putsekloof	Putsekloof Community Hall	14h00-16h00
Ward 8	Wednesday: 10 April 2024	Bitterfontein	Bitterfontein Community Hall	11h00-13h00
Ward 8	Wednesday: 10 April 2024	Nuwerus	Nuwerus Community Call	14h00-16h00
Ward 4	Thursday: 11 April 2024	Vredendal-North	Vredendal-North Community Hall	16h00-19h00
Ward 3	Monday: 15 April 2024	Vredendal-North	Vêrgenoeg School Hall	16h00-19h00
Ward 5	Tuesday: 16 April 2024	Vredendal-South	Vredendal-South Sports Hall	16h00-19h00
Ward 6	Wednesday: 17 April 2024	Klaver	Klaver-North Community Hall	16h00-19h00
Ward 7	Thursday: 18 April 2024	Vanrhynsdorp	Maskamsig Community Hall	16h00-19h00
Ward 2	Monday: 22 April 2024	Ebenhaezer&Papendorp	Ebenhaezer Community Hall	16h00-19h00
Ward 2	Tuesday: 23 April 2024	Doringbay	Miriam Owies Community Hall	16h00-19h00

Table 31: Public Participation

### 2.3.1 Ward Committees

The ward committees support the ward councillor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the Municipality constantly strives to ensure that all ward committees' function optimally with community information provision, convening of meetings, ward planning, service delivery, IDP formulation and performance feedback to communities.

Matzikama Municipality adopted a new Ward Committees in all the 8 wards. The functioning of ward committees started in June/July 2022.

#### Ward 1: Lutzville and Lutzville West

Name of representative	Capacity representing	Dates of quarterly public ward meetings held during the year
J Jantjies	Community Policing Forum (CPF)	17 July 2023  15 February 2024
F Jacobs	Small Scale Farmers	
Vacant	People with Disabilities	
Vacant	Youth/Sport	
N Dirks	Elderly	
E Faroa	West Coast Sovereignty and Solidarity Forum	
Vacant	Business Sector	

Table 32: Ward 1 Committee Meetings

#### Ward 2: Doring Bay, Strandfontein, Ebenhaezer/Papendorp

Name of representative	Capacity representing	Dates of quarterly public ward meetings held during the year
A Isaacs	Badizsa Matzi(NPO) Doring Bay	18 July 2023 14 December 2023 19 February 2024
C Stevens	Kleuterskole Doring Bay	
A Frisley	Sport (Doring Bay)	
B Barlie	Elderly (Doring Bay)	
S Casper	Youth	
A Skippers	Papendorp Representative	
J Oersen	Community Women's League	
G Afrikaner	Fishing Community (Ebenhaezer, Papendorp and Doring Bay)	
B Bock	Community Police Forum (CPF) Doring Bay	
L Owies	Churches (Ebenhaezer)	

Table 33: Ward 2 Committee Meetings

#### Ward 3: Vredendal North

Name of representative	Capacity representing	Dates of quarterly public ward meetings held during the year
N Zilimbola	Kerke/Religious Groups	
W Heys	Onderwys/Education	

Name of representative	Capacity representing	Dates of quarterly public ward meetings held during the year
B Maentse	Kultuur/Culture	31 July 2023 12 December 2023 20 February 2024
A De Vries	People With Disabilities'	
J Visagie	Soup Kitchens (NPO)	
N Damane	Sport and Recreation	
Z Mnwethyana	Youth	
M Maphakath	Elderly	
S Mamane	Community Safety (CPF)	
S Dume	Small Business	

Table 34: Ward 3 Committee Meetings

#### Ward 4: Vredendal North and South

Name of representative	Capacity representing	Dates of quarterly public ward meetings held during the year
Vacant	Youth	8 Augst 2023
J Kooste	Elderly	
A Julies	Women	
Geneno Nero	Sport	
T Mentoor	Traditional Council	
Vacant	CPF	
Izak Claasen	Churches	
K Henderson	Dorcas-NGO	
S De Bruin	Creches	
Vacant	Health	

Table 35: Ward 4 Committee Meetings

#### Ward 5: Vredendal

Name of representative	Capacity representing	Dates of quarterly public ward meetings held during the year
JH Kleynhans	Churches	24 July 2023 29 February 2024
T Potgieter	CPF	
Vacant	Vroue Landbou Vereniging	
D Brand	ATKV Olifantsrivier	
G Cilliers	Education	
E Esterhuyse	Sport	
HS Kotze	NGO - Olifantsrivier APD	
S Engelbrecht	Vredendal Lanbou Vereniging	
Vacant	Badisa Vredendal Tehuis Ouerpersone	

Table 36: Ward 5 Committee Meetings

## Ward 6: Klawer and Trawal

Name of representative	Capacity representing	Dates of quarterly public ward meetings held during the year
J De Jongh	Schools	27 July 2023 27 March 2024
Vacant	Health	
Vacant	Elderly	
L White	Disabled	
A Vermaro	Small Scale Farmers	
Vacant	NGO	
M Cloete	CPF	
K Koegelenberg	Churches	
M Cupido	Sport and Culture	
Vacant	Youth	

Table 37: Ward 6 Committee Meetings

## Ward 7: Vanrhynsdorp

Name of representative	Capacity representing	Dates of quarterly public ward meetings held during the year
A Flink	NGO	15 March 2024
R Greef	Elderly	
M Eiman	Churches	
C Riddles	Schools	
J Kriel	Community Police Forum (CPF)	
R Lakay	People With Disabilities	
W Hewitte	Agriculture	
D Sikondo	Youth	
V Oortman	Small Scale Farmers	
D Booyesen	Sport	

Table 38: Ward 7 Committee Meetings

## Ward 8: Kliprand, Stofkraal, Nuwerus, Rietpoort, Molsvlei, Putsekloof, Bitterfontein, Koekenaap

Name of representative	Capacity representing	Dates of quarterly public ward meetings held during the year
J Cloete	Kliprand	23 August 2023 22 February 2024 20 March 2024
R Cloete	Stofkraal	
T Moses	Molsvlei	
F Owies	Rietpoort	
D Smit	Putsekloof	
P Owies	Bitterfontein	
S Cloete	Nuwerus	
K Brandt	Koekenaap	
K Nel	Farming Community	

Table 39: Ward 8 Committee Meetings

### 2.3.2 Functionality of Ward Committee

The purpose of a ward committee is:

- to get better participation from the community to inform council decisions;
- to make sure that there is more effective communication between the Council and the community; and
- to assist the Ward Councilor with consultation and report-backs to the community and
- to promote Government’s vision of a developmental government

The community should elect ward committees they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they advise the ward councillor who makes specific submissions directly to the Council. These committees play an important role in the development and annual revision of the IDP of the area. The table below provides information on the establishment of ward committees and their functionality:

Ward Number	Committee established Yes / No	Number of reports submitted to the Speakers Office	Number meetings held during the year
1	YES	2	2
2	YES	3	3
3	YES	3	3
4	YES	1	1
5	YES	2	2
6	YES	2	2
7	YES	1	1
8	YES	3	3

Table 40: Functionality of Ward Committee

### 2.3.3 Representative Forums

#### Labour Forum

The table below specifies the members of the Labour Forum for the 2023/24 financial year:

Name of representative	Capacity	Meeting dates
Cllr S Cornelissen	Executive Councillor (Employer)	23 July 2023 28 July 2023 26 October 2023 21 November 2023 25 April 2024 25 June 2024
Cllr C White	Executive Councillor (Employer)	
Cllr C Boks	Executive Councillor (Employer)	
M Beukes	Manager: HR Services (Employer)	
R Saul	Community Development Services (Employer)	
L. Phillips	Municipal Manager (Employer)	
E. Alfred	Director Financial Services (Employer)	
J Baardman	Chairman SAMWU (Union)	
L Katsio	Shop steward SAMWU (Union)	
J Bocks	Shop steward SAMWU (Union)	
A Sterkse	Shop steward SAMWU (Union)	
J Jantjies	Shop steward SAMWU (Union)	
W Filton	Shop steward SAMWU (Union)	
A Dippenaar	Chairman IMATU (Union)	
C Burden	Shop steward IMATU (Union)	
B Willemse	Shop steward IMATU (Union)	
GIA Majiedt	Shop steward IMATU (Union)	

Table 41: Labour Forum

## CHAPTER 2

### Component D

#### Corporate Governance

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

### 2.4 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 Municipality. Section 62(1) of MFMA stipulates that the Accounting Officer must take all reasonable steps to ensure that the Municipality has and maintains an effective, efficient, and transparent system of financial and risk management and internal control as well as the effective, efficient, and economical use of the resources of the Municipality. The Municipality has instituted such a systematic and formalized process to identify, assess, manage, and monitor risks which effectively ensures achievement of those planned goals

and objectives. Thus, risk management is a good governance measure instituted to ensure the Municipality accomplishes its vision, mission, and strategic plans.

The Municipality has an approved Risk Management Policy, Framework and Implementation Plan as approved by Council on 28 May 2019. The Policy is reviewed annually by the risk committee and submitted to the municipal manager for approval.

The risk management function is facilitated internally to ensure the following functions are performed:

-  Assisting management to develop the Risk Management Policy, Strategy, and Implementation Plan;
-  Coordinating risk management activities;
-  Facilitating identification and assessment of risks;
-  Recommending risk responses to management; and
-  Developing and disseminating risk reports.

Further details of the role of the risk committee are included in the approved risk committee charter.

Name of Committee Member	Capacity
L Phillips	Municipal Manager
E Alfred	Director Financial Services
R Saul	Director Community Development Services

Table 42: Risk Committee

#### 2.4.1 The top ten risk identified for 2023/24 are as follow:

	Risk Description
1	Unstable financial position of the Municipality
2	Impact of climate change including drought on economy of the municipal area
3	Current technology inappropriately utilised (IT hardware, software, systems & networks)
4	Aged and over utilised infrastructure
5	Invasion of municipal and private property
6	Failure to implement regional landfill site and transfer stations: Shared services with Cederbergmunicipality to be funded by loan facility by West Coast District Municipality
7	Irregular use of municipal assets and resources
8	Insufficient backup power supply for basic services (water and sewerage)
9	Low Staff moral
10	Inadequate systems to detect and prevent security access risk regarding the Fire Wall (Intrusion Detection System (IDS) vs. Intrusion Prevention System (IPS))

Table 43: Top Ten Risks for 2023/24

## 2.5 Anti-Corruption and Anti-Fraud

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the MFMA, Section 112(1)(m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

### 2.5.1 Developed Strategies

Name of strategy	Developed Yes/No	Date Adopted
Anti-Corruption Strategy	Yes	25 May 2019
Fraud Prevention Action Plan	Yes	25 May 2019

Table 44: Anti-Corruption and Anti-Fraud Strategies

### 2.5.2 Implementation of Strategies

Strategies to implement	Key Risk Areas	Key measures to curb corruption and fraud
Anti-Corruption Strategy	Yes	25 May 2019
Fraud Prevention Action Plan	Yes	25 May 2019

Table 45: Implementation of Anti-Corruption and Anti-Fraud Strategies

## 2.6 Audit Committee

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must-(a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the Municipality, on matters relating to –

-  Internal financial control
-  Risk management
-  Performance management
-  Effective governance

### 2.6.1 Functions of the Audit Committee

The Audit Committee have the following main functions as prescribed in Section 166 (2) (a-e) of the MFMA and the Local Government Municipal and Performance Management Regulation:

-  To advise the Council on all matters related to compliance and effective governance.
-  To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the Municipality, its efficiency, and its overall level of compliance with the MFMA, the annual Division of Revenue Act (DoRA) and other applicable legislation.
-  Respond to the council on any issues raised by the Auditor-General in the audit report.
-  To review the quarterly reports submitted to it by the internal audit.
-  To evaluate audit reports pertaining to financial, administrative, and technical systems.
-  The compilation of reports to the Council at least twice during a financial year.

-  To review the performance management system and make recommendations in this regard to Council.
-  To identify major risks to which the Council is exposed and determine the extent to which risks have been minimised.
-  To review the annual report of the Municipality.
-  Review the plans of the Internal Audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
-  Provide support to the Internal Audit function.
-  Ensure that no restrictions or limitations are placed on the Internal Audit section.
-  Evaluate the activities of the Internal Audit function in terms of their role as prescribed by legislation.
-  Provide the Council with comments and recommendations about the proposed budget for the following year.

## 2.6.2 Members of the Audit Committee

Name of representative	Capacity	Meeting dates
Alfred Wells	Chairperson	30 August 2023 29 February 2024 10 June 2024 27 June 2024
Marlise Smit	Member	
Frikkie Rootman	Member	

Table 46: *Members of the Audit Committee*

## 2.7 Performance Audit Committee

The Regulations require that the performance audit committee be comprised of a minimum of three members, the majority of whom are external (neither a councillor nor an employee) of the Municipality. Section 14(2)(b) of the Regulations further stipulates that the performance audit committee must include at least one person who has expertise in performance management. It is also a requirement of the Regulations in Section 14(2)(d) that the Council of a municipality designate neither a member of the performance audit committee who is neither a councillor nor an employee of the Municipality as the chairperson of the committee.

Both the Regulations and the MFMA, indicate that three is the minimum number of members needed to comprise a performance audit committee. While the regulations preclude the appointment of a councillor as chairperson of the performance audit committee, the MFMA excludes the involvement of a councillor in the composition of a performance audit committee entirely.

Section 14(3)(a) of the Regulations requires that the performance audit committee of a municipality must meet at least twice during each financial year. However, additional special meetings of the performance audit committee may be called for by any member of the committee, where sufficient justification exists in terms of Section 14(3)(b) of the Regulations.

### 2.7.1 Functions of the Performance Audit Committee

In terms of Section 14(4) (a) of the Regulations the performance audit committee has the responsibility to -

- (iv) review the quarterly reports produced and submitted by the internal audit process;
- (v) review the Municipality's performance management system and make recommendations in this regard to the council of the Municipality; and
- (vi) at least twice during each financial year submit a performance audit report to the council of the Municipality.

### 2.7.2 Members of the Performance Audit Committee

Name of representative	Capacity	Experience	Meeting dates
Alfred Wells	Chairperson	4	30 August 2023
Marlise Smit	Member	2	29 February 2024
Frikkie Rootman	Member	6	10 June 2024 27 June 2024

Table 47: Members of the Performance Audit Committee

## 2.8 Internal Auditing

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Section 165 (2) (a), (b)(iv) of the MFMA requires that:

The Internal Audit Unit of a municipality must -

- a) prepare a risk-based audit plan and an internal audit program for each financial year; and
- b) advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to risk and risk management.

The Municipality has an in-house internal audit function consisting of 2 internal auditors. Parts of the function was outsourced to Claassen Stone Chartered Accountants.

## 2.8.1 Annual Audit Plan

The Risk Based Audit Plan for 2023/24 was implemented with available resources. The Operational Audit Plan for the 2024/25 financial year was approved by the Audit Committee on 27 June 2024. The table below provide details on audits completed:

2023/24				
Description				
Audit Engagement	Departmental System	Detail	No of Hours	Date completed
Performance Audit Quarter 1	Performance review on all departments	Evaluating the accuracy, validity and completeness of the key performance indicators (KPIs)	90	24 October 2023
Performance Audit Quarter 2	Performance review on all departments	Evaluating the accuracy, validity and completeness of the key performance indicators (KPIs)	120	29 January 2024
Performance Audit Quarter 3	Performance review on all departments	Evaluating the accuracy, validity and completeness of the key performance indicators (KPIs)	104	26 April 2024
Performance Audit Quarter 4 (Top Layer)	Performance review on all departments	Evaluating the accuracy, validity and completeness of the key performance indicators (KPIs)	126	30 July 2024
Landfill compliance audit	Infrastructure services landfill sites	1. The management of the landfill sites 2. Implementation of the requirements of the license surrounding waste dumped at landfill sites, access control and facility security. 3. Landfill sites include: Bitterfontein, Doringbaai, Ebenhaezer, Klawer, Kliprand, Lutzville, Nuwerus, Rietpoort, Strandfontein	120	19 September 2024
Infrastructure grants	MIG conditional grant	Review of the grant spending to adhere to the following: 1. Municipal Infrastructure Grant (MIG) Policy of February 2004 2. Act No. 3 of 2017: Division of Revenue Act, 2017 3. MIG Framework (Gazette 36581 dated 24 June 2013) 4. National MIG management unit program management processes and procedures 5. Processes and Procedure Manual for the payment schedule including the withholding/stopping and reallocation of the MIG.	40	30 June 2024
OPCAR	Operation Clean Audit Report	Review of findings on Audit report for 30 June 2024. Review of supply chain management process.	220	23 August 2024
Employee Cost	Employee Cost Controls	Internal audit on employee cost process.	150	22 February 2024
Risk Monitoring	Risk Monitoring Controls	Internal audit on risk monitoring process.	120	31 August 2024

Table 48: Internal Audit Coverage Plan

## 2.9 By-Laws and Policies

Section 11 of the MSA gives a Council the executive and legislative authority to pass and implement by-laws and policies.

Below is a list of all the By-laws and policies developed and/or reviewed during the financial year:

Policies developed/ revised	Date adopted	Public Participation Conducted Prior to adoption of policy Yes/No
Tariff Policy	31 May 2023	Yes
Property Taxes Policy	31 May 2023	Yes
Credit Control and Debt Management Policy	31 May 2023	Yes
Indigent Policy	31 May 2023	Yes
Infrastructure Procurement and Delivery Management Policy	31 May 2023	Yes
Cash Management and Investment policy	31 May 2023	Yes
Supply Chain Management Policy	31 May 2023	Yes
Preferential Procurement Policy	31 May 2023	Yes
Asset Management Policy	31 May 2023	Yes
Funding and-Reserves Policy	31 May 2023	Yes
Debt Policy	31 May 2023	Yes
Travel and Accommodation Policy	31 May 2023	Yes
Virement policy	31 May 2023	Yes
Budget Implementation and Monitoring Policy	31 May 2023	Yes
Rental of caravan camping sites and chalets in Matzikama Municipal Areas Policy	31 May 2023	Yes
Cost Containment Policy	31 May 2023	Yes
Delegation table for Supply Chain Management	31 May 2023	Yes
Asset Accounting Policy	31 May 2023	Yes
Asset Disposal Policy	31 May 2023	Yes
Strategic Asset Management Plan	31 May 2023	Yes
ICT Disaster Recovery Policy	31 May 2023	Yes
DATA Backup and Recovery Policy	31 May 2023	Yes
ICT Service Level Agreement Management Policy (ICT & Municipality)	31 May 2023	Yes
ICT Service Level Agreement Management Policy (External Service Providers)	31 May 2023	Yes
ICT User Access Management Policy	31 May 2023	Yes
ICT Security Controls Policy	31 May 2023	Yes
ICT Operation System Security Controls Policy	31 May 2023	Yes
Reward and Recognition Policy	31 May 2023	Yes
Succession Planning Policy	31 May 2023	Yes
Recruitment Policy	31 May 2023	Yes

Policies developed/ revised	Date adopted	Public Participation Conducted Prior to adoption of policy Yes/No
Task Job Evaluation Policy	31 May 2023	Yes
Performance Management Policy Framework	31 May 2023	Yes
Local Economic Development Policy	31 May 2023	Yes
Clothing Policy	31 May 2023	Yes
Placement Policy	31 May 2023	Yes
Insurance Management Policy	31 May 2023	Yes
Protection of Personal Information Policy	31 May 2023	Yes

Table 49: By-laws and Policies Developed/Reviewed

## 2.10 Communication

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa Act 1996 and other statutory enactments all impose an obligation on local government communicators and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

The communities, on the other hand, have a right and a responsibility to participate in local government affairs and decision-making and ample provision is made in the abovementioned legislation for them to exercise their right in this respect. Our democratic government is committed to the principle of *Batho Pele* and this, in simple terms, means that those we elect to represent us (councillors at the municipal level) and those who are employed to serve us (the municipal officials at municipal level) must always put people first in what they do.

South Africa has adopted a system of developmental local government, which addresses the inequalities, and backlogs of the past while ensuring that everyone has access to basic services, to opportunities and an improved quality of life.

To be successful, communications must focus on the issues that are shown to impact on the residents' perceptions, quality of service, value for money and efficiencies. They should ideally look to close the communication-consultation loop, i.e. tell people how they can have a say and demonstrate how those who have given their views have had a real impact.

Communication activities	Yes/No
Communication Strategy	No
Communication Policy	No
Functional complaint management systems	Yes (Call Centre)
Customer satisfaction surveys	No

Table 50: Communication Activities

### 2.10.1 Communication Unit

Communication Unit	Yes/No	Number of people in the Unit	Job titles
	Yes	1	Communication Clerk

Table 51: Communication Unit

### 2.10.2 Newsletters

Type of Newsletter	Number distributed	Date distributed
Weekly External Newsletter (every Friday since 14 June 2024)	3	14,21,28 June 2024

Table 52: Newsletters

### 2.10.3 Communication Channels Utilised

Channel	Frequency
Internal newspapers	None
Website	Daily
Facebook	Daily
WhatsApp Channel	Daily
Pamphlets	As needed

Table 53: Communication Channels Utilised

### 2.10.4 Additional Communication Channels Utilized

Channel	Target audience
Radio	Whole of West Coast District
Newspapers	Whole of West Coast District
Loud hailing	Citizens of specific towns
Public engagement	Citizens of specific towns
Campaigns	Citizens of specific towns

Table 54: Additional Communication Channels Utilised

## 2.11 Website

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of S75 of the MFMA and Section 21A and B of the MSA as amended.

The website should serve as a mechanism to promote accountability and transparency to communities and therefore information posted should be accurate and timeously updated.

The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation. It is a communication tool that should allow easy and convenient access to relevant information. The municipal website should serve as an integral part of the Municipality's communication strategy.

The table below gives an indication about the information and documents that are published on our website.

Description of information and/or document	Yes/No and/or Date Published
<b>Municipal contact details (Section 14 of the Promotion of Access to Information Act)</b>	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
<b>Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)</b>	
Draft Budget 2023/24	Yes
Adjusted Budget 2023/24	Yes
Customer Care, Credit Control & Debt Collection Policy	Yes
Indigent Policy	Yes
Funds and Reserves Policy	Yes
Investment & Cash Management Policy	Yes
Rates Policy	Yes
Supply Chain Management Policy	Yes
Tariff Policy	Yes
Virement Policy	Yes
Travel and Subsistence Policy	Yes
Borrowing Policy	Yes
SDBIP 2023/24	Yes
Budget and Treasury Office Structure	Yes
Budget and Treasury Office Delegations	Yes
<b>IDP and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)</b>	
Reviewed IDP for 2023/24	Yes
IDP Process Plan for 2023/24	Yes
<b>Reports (Sections 52(d), 71, 72 &amp; 75(1)(c) and 129(3) of the MFMA)</b>	
Annual Report of 2022/23	Yes
Oversight reports	Yes
Mid-year budget and performance assessment	Yes
Quarterly reports	Yes
<b>Local Economic Development (Section 26(c) of the MSA)</b>	
Local Economic Development Strategy	Yes
Economic Profile	Yes
<b>Performance Management (Section 75(1)(d) of the MFMA)</b>	
Performance agreements for employees appointed as per S57 of Municipal Systems Act	Yes

Table 55: Website



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## CHAPTER 3

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This chapter provides an overview of the key service achievements of the Municipality that came to fruition during 2023/24 in terms of the deliverables achieved compared to the key performance objectives and indicators in the Integrated Development Plan (IDP).

### 3.1 OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

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

At local government level performance management is institutionalised through the legislative requirements 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.

#### 3.1.1 LEGISLATIVE REQUIREMENTS

The Constitution of the RSA, 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, with reference to 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
- 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 IDP to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

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

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 the performance of the previous financial year. The report must, furthermore, 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.

### 3.1.2 ORGANISATIONAL PERFORMANCE

Strategic performance indicates how well the Municipality is meeting its objectives and whether policies and processes are working effectively. All government institutions must measure and report on their strategic performance to ensure that service delivery is done in an efficient, effective and economical manner. Municipalities must therefore develop strategic plans and allocate resources for the implementation. The implementation of the plans must be monitored on an on-going 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 SDBIP, high level performance in terms of the strategic objectives and performance on the National Key Performance Indicators as prescribed in terms of Section 43 of the MSA.

### 3.1.3 PERFORMANCE MANAGEMENT SYSTEM

#### A) THE IDP AND THE BUDGET

The IDP and the main budget for 2023/24 were approved by Council on **31 May 2023**. As the IDP process and the performance management process are integrated, the IDP fulfils the planning stage of performance management whilst performance management in turn, fulfils the implementation management, monitoring, and evaluation of the IDP.

In terms of the performance management framework, the Mayor approved the Top Layer SDBIP on **28 June 2023**. The Top Layer SDBIP indicators are aligned with the budget which was prepared in terms of the reviewed IDP. The key performance indicators (KPI's) in the Top Layer SDBIP include indicators required by legislation, indicators that will assist to achieve the objectives adopted in the IDP and indicators that measure service delivery responsibilities.

The actual performance achieved in terms of the KPI's were reported on a quarterly basis. The indicators and targets were adjusted after the finalisation of the previous year and mid-year budget assessments. The Top Layer SDBIP was revised with the adjustments budget in terms of Section 26(2)(c) of the Municipal Budget and Reporting Regulations.

The performance agreements of the senior managers were compiled and revised in terms of the SDBIP indicators and the portfolio of evidence that support the actual targets reported.

#### C) ACTUAL PERFORMANCE

The Municipality utilise 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
- All performance comments
- Actions to improve the performance in alignment with the designated target, if the target was not achieved

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

### 3.1.4 MONITORING OF THE SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN



Municipal performance was measured in the following way:

- Quarterly reports were submitted to Council concerning the actual performance in terms of the Top Layer SDBIP
- The mid-year assessment was completed along with the submission of the mid-year report to the Mayor in terms of Sections 72(1)(a) and 52(d) of the MFMA to assess the performance of the Municipality during the first half of the financial year.

#### **a) ORGANISATIONAL PERFORMANCE**

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

- The Mayor approved the Top Layer SDBIP on **28 June 2023** and the information was loaded on the electronic web-based system
- The web-based system routinely sent automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against KPIs targets
- The performance agreements of the senior managers are aligned with the approved Top Layer SDBIP

#### **b) MUNICIPAL MANAGER AND MANAGERS DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER**

The MSA prescribes that the Municipality must enter into performance-based agreements with the all Section 57-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 Municipal Manager and applicable directors for the 2023/24 financial year were signed in **July 2023**.

The final evaluation of the 2022/23 financial year (1 January 2023 to 30 June 2023) took place on **25 November 2023**. The appraisals were done by an evaluation panel as indicated in the signed performance agreements and in terms of Regulation 805 and consisted of the following people:

- Mayor
- Portfolio Councillor
- Municipal Manager
- Chairperson of the Audit Committee
- External Municipal Manager

## **3.2 INTRODUCTION TO STRATEGIC AND MUNICIPAL PERFORMANCE FOR 2023/24**

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This section provides an overview of the key service achievements of the Municipality that came to fruition during 2023/24 in terms of the deliverables achieved against the strategic objectives of the IDP

### **3.2.1 STRATEGIC SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (TOP LAYER)**

This section provides an overview on the achievement of the Municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer SDBIP assists with documenting and monitoring of the Municipality's strategic plan and shows the strategic alignment between the IDP, budget and performance plans.

In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP KPI's applicable to 2023/24 in terms of the IDP strategic objectives.



The following table explains the method by which the overall assessment of the actual performance against the targets set for the key performance indicators (KPI's) of the SDBIP are measured: The following table explains the method by which the overall assessment of the actual performance against the targets set for the key performance indicators (KPI's) of the SDBIP are measured:

Category	Colour	Explanation
KPI Not Met	R	0% > = Actual/Target < 75%
KPI Almost Met	O	75% > = Actual/Target < 100%
KPI Met	G	Actual/Target = 100%
KPI Well Met	G2	100% > Actual/Target < 150%
KPI Extremely Well Met	B	Actual/Target > = 150%

• SDBIP Measurement Criteria

The overall performance results achieved by the Municipality in terms of the Top Layer SDBIP are indicated in the tables and graphs below:

### Overall Performance

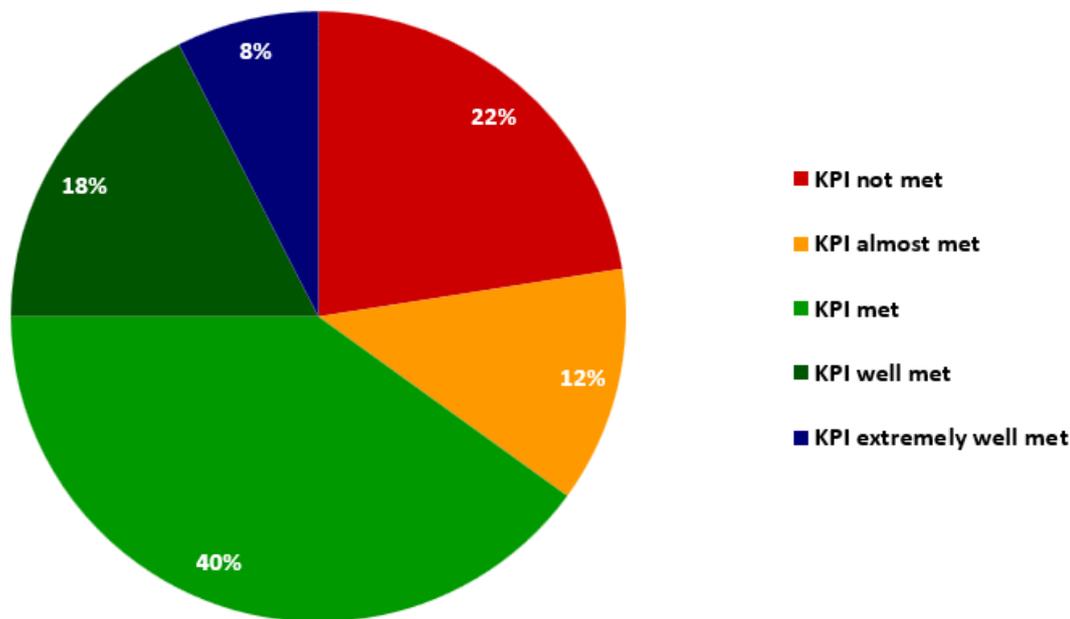


Figure 1: SDBIP Overall Performance



## Performance per Objective

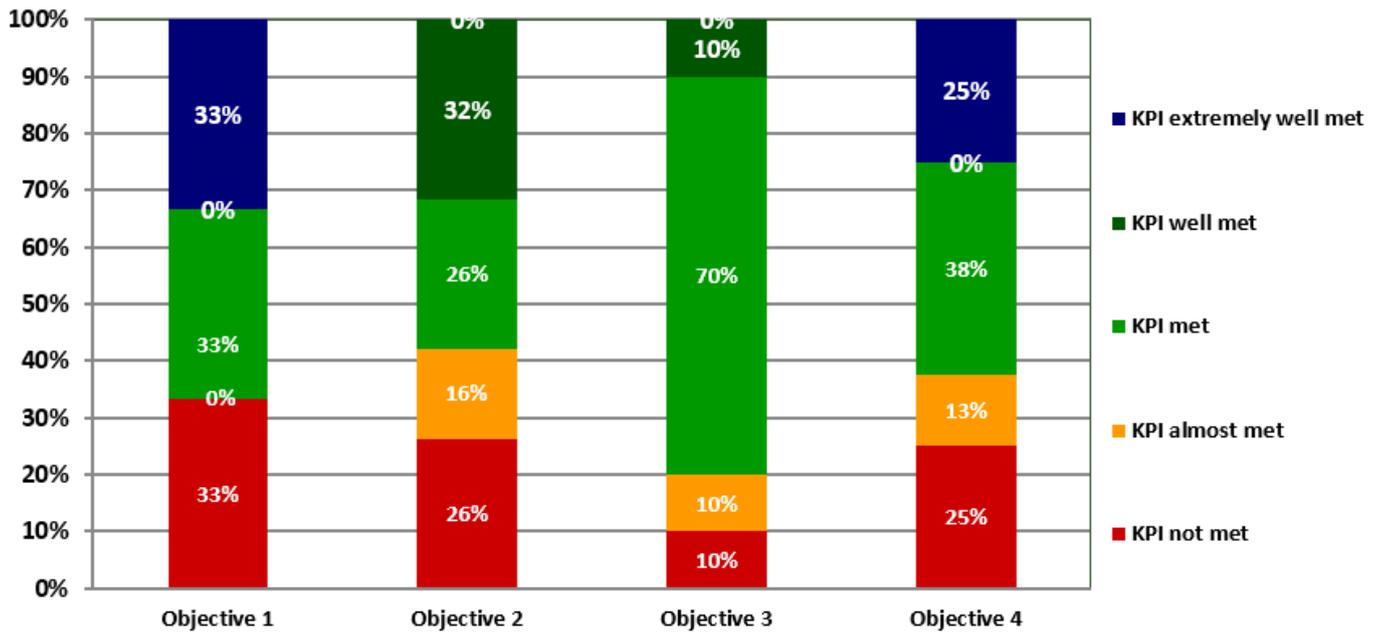


Figure 2: Top Layer SDBIP per Strategic Objective

Measurement Category	Objective 1	Objective 2	Objective 3	Objective 4
	Grow a professional, knowledgeable, innovative and motivated workforce	Improve basic service delivery and related infrastructure	Involve Communities in the development processes of the Municipality through effective communication	Turnaround the dwindling economy to create employment, reduce poverty and improve the financial position of the Municipality
KPI Not Met	1	5	1	2
KPI Almost Met	0	3	1	1
KPI Met	1	5	7	3
KPI Well Met	0	6	1	0
KPI Extremely Well Met	1	0	0	2
<b>Total</b>	<b>3</b>	<b>19</b>	<b>10</b>	<b>8</b>

Table 1: Top Layer SDBIP per Strategic Objective

### A) ACTUAL STRATEGIC PERFORMANCE FOR 2023/24 PER STRATEGIC OBJECTIVE AND CORRECTIVE MEASURES THAT WILL BE IMPLEMENTED

#### i. GROW A PROFESSIONAL, KNOWLEDGEABLE, INNOVATIVE AND MOTIVATED WORKFORCE

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2022/23	Overall Performance 2023/24						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL11	Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment	Number of people employed in the three highest levels of management as at 30 June 2024	All	1	0	0	0	1	1	2	B



Ref	KPI	Unit of Measurement	Ward	Actual performance for 2022/23	Overall Performance 2023/24							
					Target					Actual	R	
					Q1	Q2	Q3	Q4	Annual			
	equity plan as at 30 June 2024											
TL12	The percentage of the municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2024 [(Actual amount spent on training/total personnel budget)x100]	% of personnel budget actually spent on implementing its workplace skills plan by 30 June 2024 [(Actual amount spent on training/total personnel budget)x100]	All	0.16%	0.00%	0.00%	0.00%	0.40%	0.40%	0.04%	R	
<b>Corrective Measures</b>		The municipality is continuing the implementation of it's financial recovery plan, this will improve the cashflow of the municipality and avail financial resources to implement it's Workplace Skills Plan										
TL28	Submit the Workplace Skills Plan to Local Government SETA by 30 April 2024	Work Skills Plan submitted to LGSETA by 30 April 2024	All	1	0	0	0	1	1	1	G	

**Table 2:** Grow a professional, knowledgeable, innovative and motivated workforce

**ii. IMPROVE BASIC SERVICE DELIVERY AND RELATED INFRASTRUCTURE**

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2022/23	Overall Performance 2023/24						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL1	Provide water services to formal residential properties which are billed for water or have prepaid meters that is connected to the municipal water infrastructure network as at 30 June 2024	Number of residential properties which are billed for water or have prepaid meters as at 30 June 2024	All	9948	9 714	9 714	9 714	9 714	9 714	9 953	G2
TL2	Provide electricity to formal residential properties which are billed for electricity or have prepaid meters as at 30 June 2024 (excluding Eskom areas)	Number of residential properties which are billed for electricity or have prepaid meters as at 30 June 2024 (Excluding Eskom areas)	All	10101	10 300	10 300	10 300	10 300	10 300	10 518	G2
TL3	Provide waste water services to formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage as at 30 June 2024	Number of residential properties which are billed for sewerage as at 30 June 2024	All	9680	9 269	9 269	9 269	9 269	9 269	9 830	G2
TL4	Provide refuse removal services to formal residential properties which are billed for refuse removal as at 30 June 2024	Number of residential properties which are billed for refuse removal as at 30 June 2024	All	11316	10 924	10 924	10 924	10 924	10 924	11 478	G2
TL5	The number of indigent households earning less than R4660 per month that have	Number of households that have access to free basic water	All	1776	1 742	1 742	1 742	1 742	1 742	2 163	G2



Ref	KPI	Unit of Measurement	Ward	Actual performance for 2022/23	Overall Performance 2023/24						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
	access to free basic water as at 30 June 2024	as at 30 June 2024									
TL6	The number of indigent households earning less than R4660 per month that have access to free basic electricity as at 30 June 2024	Number of households that have access to free basic electricity as at 30 June 2024	All	2496	2 977	2 977	2 977	2 977	2 977	2 163	R
<b>Corrective Measures</b>		The municipality implemented the directive of SALGA and fewer households qualified for the subsidy. The qualifying amount reduced from R5161 to R4660 and less households qualified for free basic electricity. The target will adjusted in accordance with audit outcomes in the following financial year									
TL7	The number of indigent households earning less than R4660 per month that have access to free basic sanitation as at 30 June 2024	Number of households that have access to free basic sanitation as at 30 June 2024	All	2524	2 560	2 560	2 560	2 560	2 560	2 163	O
<b>Corrective Measures</b>		The municipality implemented the directive of SALGA and fewer households qualified for the subsidy. The qualifying amount reduced from R5161 to R4660 and less households qualified for free basic sanitation. The target will adjusted in accordance with audit outcomes in the following financial year.									
TL8	The number of indigent households earning less than R4660 per month that have access to free basic refuse removal as at 30 June 2024	Number of households that have access to free basic refuse removal as at 30 June 2024	All	2639	2 685	2 685	2 685	2 685	2 685	2 163	O
<b>Corrective Measures</b>		The municipality implemented the directive of SALGA and fewer households qualified for the subsidy. The qualifying amount reduced from R5161 to R4660 and less households qualified for free basic refuse removal. The target will adjusted in accordance with audit outcomes in the following financial year									
TL9	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2024 {(Actual amount spent on projects /Total amount budgeted for capital projects)X100}	% of the municipal budget spent by 30 June 2024	All	90.62%	0.00%	30.00%	60.00%	90.00%	90.00%	88.66%	O
<b>Corrective Measures</b>		Roll over applications was submitted for the National Electrification Programme Grant as well as the Klawer Housing Phase 4									
TL19	Limit unaccounted for electricity to less than 12% by 30 June 2024 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) x 100}	% unaccounted electricity at 30 June 2024 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) _ 100}	All	11.23%	0.00%	0.00%	0.00%	12.00%	12.00%	14.03%	R
<b>Corrective Measures</b>		The municipality is still in the process of replacing meters. Smart electricity meters was procured and will be installed. Conventional electricity meters will be replaced with prepaid meters as first choice									
TL20	Limit unaccounted for water to less than 15% by 30 June 2024 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres	% unaccounted water at 30 June 2024 {(Number of Kilolitres Water Purchased or Purified - Number	All	41.50%	0.00%	0.00%	0.00%	15.00%	15.00%	51.22%	R



Ref	KPI	Unit of Measurement	Ward	Actual performance for 2022/23	Overall Performance 2023/24							
					Target					Actual	R	
					Q1	Q2	Q3	Q4	Annual			
	Water Purchased or Purified x 100}	of Kilotres Water Sold) / Number of Kilotres Water Purchased or Purified _ 100}										
<b>Corrective Measures</b>		The Chief Financial Officer (CFO) is committed to research, cost, and implement a pressure management system to reduce pipe bursts. The Municipal Manager (MM) has established a task team to proactively address informal settlement challenges, with a target of relocating 250 households to serviced erven										
TL21	The percentage of water samples that comply with SANS241 micro biological indicators monthly {(Number of water samples that comply with SANS21 indicators/Number of water samples tested)x100}	% of water samples compliant monthly	All	100%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	100.00%	G2
TL33	Spend the allocated budget for the Vredendal North Bulk Water and Sewer Infrastructure Upgrade project by 30 June 2024	Vredendal North Bulk Water And Sewer Infrastructure Upgrade project completed by 30 June 2024	2	0	0	100%	0	0	0	100%	100%	G
TL34	Complete the Klaver: Upgrade Of Sportsfacility project by 30 March 2024	Klaver: Upgrade Of Sportsfacility project completed by 30 March 2024	1	1	1	0	0	0	0	1	1	G
TL35	Spend the allocated budget for the Vredendal-North: Pave Roads Phase 5 project by 30 June 2024	Vredendal-North: Pave Roads Phase 4 project completed by 30 June 2024	6	New KPI	0	0	0	100%	100%	100%	100%	G
TL36	Spend the allocated budget for the Ebenhaeser Upgrading of Roads and Stormwater project by 30 June 2024	Ebenhaeser Upgrading Of Roads And Stormwater project completed by 30 June 2024	7	New KPI	0	0	0	100.00%	100.00%	100.00%	100.00%	G
TL37	Complete the Vredendal North Informal Housing Phase 7 project by 31 March 2024	Vredendal North Informal Housing Phase 7 project completed by 31 March 2024	3	New KPI	0	0	1	0	1	0	0	R
<b>Corrective Measures</b>		The municipality submitted a roll-over application to the Department of Human Settlements to finalise the project										
TL38	Complete the Lutzville Formal Housing Phase 2 project by 31 December 2023	Lutzville Formal Housing Phase 2 project completed by 31 December 2023	All	New KPI	0	1	0	0	1	1	1	G
TL44	Service 100 Sites of the Vredendal North Phase 6 housing civil services by 30 June 2024	100 service sites completed by 30 June 2024	3	New KPI	0	0	0	100	100	0	0	R
<b>Corrective Measures</b>		This is a multi-year project and will be completed in the next financial year										

**Table 3: Improve basic service delivery and related infrastructure**



iii. INVOLVE COMMUNITIES IN THE DEVELOPMENT PROCESSES OF THE MUNICIPALITY THROUGH EFFECTIVE COMMUNICATION

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2021/22	Overall Performance 2022/23							Actual	R
					Target					Annual			
					Q1	Q2	Q3	Q4					
TL16	Submit the Annual Performance Report in terms of Section 46 of the Municipal Systems Act to the Auditor-General by 31 August 2023	Report submitted to the Auditor-General by 31 August 2023	All	1	1	0	0	0	1	1	G		
TL17	Submit the Draft Annual Report to Council by 31 January 2024	Draft report submitted to council by 31 January 2024	All	1	0	0	1	0	1	1	G		
TL18	Submit the reviewed Draft IDP to Council by 31 March 2024	Reviewed draft IDP submitted to Council by 31 March 2024	All	1	0	0	1	0	1	1	G		
TL22	Compile the Risk based Audit Plan (RBAP) for 2024/25 and submit to the Audit Committee by 30 June 2024	RBAP submitted to the Audit Committee by 30 June 2024	All	1	0	0	0	1	1	1	G		
TL23	Complete planned audits in terms of the Risk Based Audit plan by 30 June 2024 {(Planned audits completed divided by the audits planned for the financial year)x100}	% of planned audits completed by 30 June 2024	All	80%	10.00%	30.00%	50.00%	80.00%	80.00%	84.00%	G2		
TL26	Submit the final reviewed IDP to Council by 31 May 2024	Final reviewed IDP submitted by 31 May 2024.	All	1	0	0	0	1	1	1	G		
TL27	Limit the vacancy rate to less than 10% of budgeted posts by 30 June 2024 {(Actual approved budgeted vacant positions / total budgeted approved posts)x100}	% Vacancy rate by 30 June 2024 {(Actual approved budgeted vacant positions / total budgeted approved posts)x100}	All	10%	0.00%	0.00%	0.00%	10.00%	10.00%	19.00%	R		
<b>Corrective Action</b>		The municipality experienced a high level of resignations and retirements during the final quarter of the financial year. New positions was added during the review of the macro structure. The filling of critical vacancies will be prioritised in the new financial year											
TL29	Submit the reviewed Draft Disaster Management Plan to Council by 31 March 2024	Reviewed Draft Disaster Management Plan submitted to Council by 31 March 2024	All	1	0	0	1	0	1	1	G		
TL30	Submit the Annual EE Report to the Department of Labour by 15 January 2024	EE Report submitted by end of January 2024	All	1	0	0	1	0	1	1	G		
TL32	Ensure that any issues raised by the Auditor General in an Audit Report are addressed by 30 June 2024	% of issues raised by the Auditor General in an audit report addressed by 30 June 2024	All	78%	0.00%	0.00%	0.00%	100.00%	100.00%	97.00%	O		
<b>Corrective Action</b>		The ICT policies served before Council and was approved. DLG assisted the municipality with funding to upgrade it's ICT infrastructure - The equipment was procured during June 2024 and the commissioning is ongoing											

Table 4: Involve Communities in the development processes of the Municipality through effective communication



iv. **TURNAROUND THE DWINDLING ECONOMY TO CREATE EMPLOYMENT, REDUCE POVERTY AND IMPROVE THE FINANCIAL POSITION OF THE MUNICIPALITY**

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2022/23	Overall Performance 2023/24							Actual	R
					Target					Annual			
					Q1	Q2	Q3	Q4					
TL10	Create temporary jobs opportunities through EPWP projects by 30 June 2024	Number of temporary job opportunities created by 30 June 2024	All	186	148	10	0	0	158	89	G2		
TL13	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2024 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	% of debt coverage as at 30 June 2024	All	27.04%	0.00%	0.00%	0.00%	24.00%	24.00%	22.54%	B		
TL14	Financial viability measured in terms of the outstanding service debtors as at 30 June 2024 (Total outstanding service debtors/ revenue received for services)	% of outstanding service debtors as at 30 June 2024	All	10.76%	0.00%	0.00%	0.00%	45.00%	45.00%	11.39%	B		
TL15	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2024 ((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 it takes to cover fixed operating expenditure with available cash as at 30 June 2024	All	0	0	0	0	0.2	0.2	-0.12	R		
<b>Corrective Action</b>		Cost of supply study were completed for electricity tariffs and submitted to NERSA on 25 April 2023 however, NERSA approved the implementation of the tariffs from 1 July 2024 and not from 1 July 2023. Attached find final approval letter from NERSA. Cost reflective study was done by the municipality for all other trading services and implementation are over a 3-year period effective from 1 July 2023. The municipality successfully converted the following bulk electricity distribution points at Lutzville, Bitterfontein, Strandfontein, Vanrhynsdorp, Vredendal North and Klawer to a cheaper tariff resulting in a saving of up to R7.1 million during the 2022/23 and 2023/24 financial year. The municipality are engaging with provincial treasury on a continuous basis to report and address all actions to be taken by the municipality to improve the financial status of the municipality. A supplier was appointed to assist the municipality with the data cleansing exercise of all debtors to ensure all revenues are billed. The Close-out Report was received on 28 June 2024 and will be implemented from 1 July 2024. Additional cost and revenue lost on loadshedding which had a significant impact on our Budget Funding Plan											
TL24	Achieve a debtors payment percentage of 88% at 30 June 2024 (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off / Billed Revenue x 100)	Payment % achieved at 30 June 2024	All	85.11%	0.00%	0.00%	0.00%	88.00%	88.00%	81.77%	O		
<b>Corrective Action</b>		Council reviewed Credit Control Strategy in March 2024. The CFO consulted with Eskom on several engagements regarding the collection of debt in Eskom distribution areas to improve the collection rate and enforce the Debt Collection Policy. This is a condition of the Debt Relief MFMA Circular 124											
TL25	Submit the Annual Financial Statements for 2022/23 by	Financial statements submitted by 31	All	1	1	0	0	0	1	1	G		



Ref	KPI	Unit of Measurement	Ward	Actual performance for 2022/23	Overall Performance 2023/24							
					Target					Actual	R	
					Q1	Q2	Q3	Q4	Annual			
	31 August 2023 to the Office of the Auditor-General	August 2023 to the Office of the Auditor-General										
TL31	Number of LED interventions by 30 June 2024	LED interventions conducted by 30 June 2024	All	4	1	1	1	1	1	4	4	G
TL43	Submit LED Progress reports to Council quarterly	LED Progress reports submitted to Council quarterly	All	4	1	1	1	1	1	4	4	G

**Table 5:** Turnaround the dwindling economy to create employment, reduce poverty and improve the financial position of the Municipality

### 3.2.2 SERVICE PROVIDERS PERFORMANCE

Section 76(b) of the MSA states that KPIs 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 a municipal service to or for the benefit of the local community
- 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 a municipal service 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 and ensured, that the requirements of the contract are complied with.

### 3.2.3 MUNICIPAL FUNCTIONS

#### A) ANALYSIS OF FUNCTIONS

The table below indicates the functional areas that the Municipality are responsible for in terms of the Constitution:

Municipal Function	Municipal Function (Yes/ No)
<b>Constitution Schedule 4, Part B functions:</b>	
Air pollution	MOU with WCDM
Building regulations	Yes
Childcare facilities	Yes
Electricity and gas reticulation	Yes
Fire Fighting services	MOU with WCDM
Local tourism	Yes
Municipal airports	Yes
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes



Municipal Function	Municipal Function (Yes/ No)
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	Yes
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading and lighting	Yes
Street lighting	Yes
Traffic and parking	Yes

**Table 6:** Functional Areas

## COMPONENT A: BASIC SERVICES

This component includes basic service delivery highlights and challenges, includes details of services provided for water, wastewater (sanitation), electricity, waste management, housing services and a summary of free basic services.

### NATIONAL KEY PERFORMANCE INDICATORS – BASIC SERVICE DELIVERY



The following table indicates the Municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA.

These key performance indicators are linked to the National Key Performance Area: Basic Service Delivery.

KPA and Indicators	2022/23	2023/24
<b>Basic Service Delivery</b>		
The number of indigent households earning less than R4660 per month that have access to free basic water as at 30 June 2024	1 776	2 163
The number of indigent households earning less than R4660 per month that have access to free basic electricity as at 30 June 2024	2 496	2 163
The number of indigent households earning less than R4660 per month that have access to free basic sanitation as at 30 June 2024	2 524	2 163
The number of indigent households earning less than R4660 per month that have access to free basic refuse removal as at 30 June 2024	2 639	2 163
Provide water services to formal residential properties which are billed for water or have prepaid meters that is connected to the municipal water infrastructure network as at 30 June 2024	9 948	9 953
Provide electricity to formal residential properties which are billed for electricity or have prepaid meters as at 30 June 2024 (excluding Eskom areas)	10 101	10 518
Provide wastewater services to formal residential properties connected to the municipal wastewater sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage as at 30 June 2024	9 680	9 830
Provide refuse removal services to formal residential properties which are billed for refuse removal as at 30 June 2024	11 316	14 478
<i>The figures above are based on the number of households billed for services as measured in terms of TL1 – TL8 included in the 2023/24 Top Layer SDBIP</i>		

**Table 7:** National KPIs – Basic Service Delivery

### 3.3 WATER PROVISION

#### 3.3.1 INTRODUCTION TO WATER SERVICES

Over the years, it has been established that there is an urgent need for the Municipality to consider the upgrade of the storage capacity of the raw water dams in Vredendal. The Municipality has a storage capacity of 90ML which was upgraded in late 1970. There is an urgent need to upgrade and to ensure that there is sufficient storage especially if the canal is closed.

The current demand for water provision, to all households has proven to be a challenge to the municipality. The raw water quality has deteriorated and our older treatment works require urgent upgrades to effectively treat our potable water. Vandalism has hampered the operation and the safety of our premises and the water itself.

#### 3.3.2 HIGHLIGHTS: WATER SERVICES

The table below specifies the highlights for the year:

Highlights	Description
Upgrade of Canal Pump line	The upgrade process of the canal pump line has been initiated with the procurement currently underway. Work will be completed within due course
Additional Clear water pump for Vredendal North Reservoir	Most water pump stations have been equipped with backup generators



Highlights	Description
New vehicles for Water maintenance teams	Water maintenance teams received double cab vehicles to improve service delivery across the municipality and shorted their lead time

**Table 8:** Water Services Highlights

### 3.3.3 CHALLENGES: WATER SERVICES

The table below specifies the challenges for the year:

Description	Actions to address
Old and dilapidated infrastructure	The issue of old infrastructure remains a huge challenge, hence the upgrade of the canal pump station has been identified as the solution. The Municipality is replacing the pump shaft and bearing on each interval of the pumping cycle
Replacement of AC pipes with PVC pipes	When there are pipe bursts the Municipality must replace the entire section of the AC pipe with PVC pipe as part of the operational and maintenance program. There is a long-term plan for the replacement of AC pipes with PVC pipes
Upgrade of Vredendal and Lutzville Bulk water	The project is in the process of being funded but the current status quo is that if upgrades/ refurbishments do not take place soon major collapses may occur in these two systems

**Table 9:** Water Services Challenges

### 3.3.4 SERVICE DELIVERY LEVELS: WATER SERVICES

Economic activities in the municipal area include agriculture, processing of agricultural products, mining, fishing and tourism. Water supply by the Municipality is driven primarily by domestic water demand and business and industrial consumers in the towns. Vredendal is by far the largest town in the area and is also centrally located, rendering it the logical economic and administrative centre. Vanrhynsdorp, Klawer and Lutzville could be regarded as secondary towns with established business districts. Addressing the housing backlog in the municipal area is the main driver of increasing water demand.

The table below indicates the water use by sector:

Total Use of Water by Sector (kl)				
Year	Agriculture	Forestry	Industrial	Domestic
2022/23	0	0	393 697	1 783 514
2023/24	0	0	318 951	2 295 602

**Table 10:** Total Use of Water by Sector

The table below specifies the different water service delivery levels per household for the financial years 2022/23 and 2023/24:

Number of Households		
Description	2022/23	2023/24
<u>Water: (above min level)</u>		
Piped water inside dwelling	8 457	9 953
Piped water inside yard (but not in dwelling)	1 491	0
Using public tap (within 200m from dwelling)	0	0
Other water supply (within 200m)	0	0



Number of Households		
Description	2022/23	2023/24
Minimum Service Level and Above sub-total	9 948	9 953
Minimum Service Level and Above Percentage	100	100
<u>Water: (below min level)</u>		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling)	0	0
No water supply	0	0
Below Minimum Service Level sub-total	0	0
Below Minimum Service Level Percentage	0	0
<b>Total number of households</b>	<b>9 948</b>	<b>9 953</b>

**Table 11:** Water Services Service Delivery Levels

Potable water is supplied to all existing consumers and there are no basic water and sanitation service backlogs in the urban areas of the Municipality. All the formal households in the urban areas are provided with water connections and waterborne sanitation facilities inside the houses (higher level of service). Communal ablution facilities are provided in the informal areas as a temporary emergency service.

The Municipality works towards providing all households with a water connection inside the house and connecting all households to a waterborne sanitation system. The Municipality is faced with various challenges with regard to the provision of services on privately owned land in a financial sustainable manner.

### 3.3.5 EMPLOYEES: WATER SERVICES

Staff composition forms part of the section 3.9.4 Employees: Water, Sanitation, Roads and Stormwater

### 3.3.6 CAPITAL: WATER SERVICES

The following table indicates the capital expenditure for this division:

Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget (%)	Total Project Value
	R				R
Water Pumps and Motors	1 510 000.00	764 000.00	405 392.83	46.94	405 392.83
450 kVa Emergency Power Supply	0.00	1 043 478.00	1 043 478.00	0.00	1 043 478.00
75 KW Booster Pump	0.00	304 348.00	0.00	100.00	0.00
450 kVa Emergency Power Supply	0.00	27 000.00	26 897.00	0.38	26 897.00
75 KW Booster Pump	0.00	270 000.00	0.00	100.00	0.00
Mobile waterpump (sewerage & water)	0.00	120 126.00	120 126.00	0.00	120 126.00
Telemetric Control & Related Infrastructure - Vredendal Wate	0.00	260 869.00	256 271.27	1.76	256 271.27
Sewerage Pumpstation Back-up Power Supply Project	0.00	762 609.00	0.00	100.00	0.00



Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget (%)	Total Project Value
	R				R
Vredendal North Bulk Water and Sewer Infrastructure Upgrade	0.00	1 062 609.00	334 028.84	68.57	334 028.84
Equipment Control Room Monitoring	0.00	86 957.00	0.00	100.00	0.00
Vredendal North Bulk Water and Sewer Infrastructure Upgrade	9 565 217.00	9 565 217.00	9 565 217.00	0.00	9 565 217.00
Vredendal Raw Water Pumpstation, Water Treatment Works & Bulk Upgrade	0.00	956 298.00	956 298.00	0.00	956 298.00
Vredendal Raw Water Pumpstation, Water Treatment Works & Bulk Upgrade	0.00	344 682.00	0.00	100.00	0.00
Jetting Machine	0.00	613 034.00	611 816.97	0.20	611 816.97
PH Meters	0.00	42 675.00	42 673.40	0.00	42 673.40
<b>Water Services Total</b>	<b>11 075 217.00</b>	<b>16 223 902.00</b>	<b>13 362 199.31</b>	<b>17.64</b>	<b>13 362 199.31</b>

**Table 12:** Capital Expenditure 2023/24: Water Services

### 3.4 WASTEWATER (SANITATION) PROVISION

#### 3.4.1 INTRODUCTION TO WASTEWATER (SANITATION) PROVISION

The provision of bulk infrastructure remains a priority for future development, together with the maintenance of existing infrastructure.

Sanitation services are supplied to all existing consumers and there are no basic sanitation service backlogs in the urban areas of the Municipality. It is a given that there might be households on the farms in the rural areas with existing service levels below RDP standard.

It must be mentioned that the low-cost housing developments and the rapid expansion of towns, put enormous pressure on the limited resources of the Municipality. As a result, effective and efficient service delivery is thus tremendously challenged.

There are a lot of informal areas, especially in Vredendal, Klaver and Lutzville where residents are without sanitation services. Due to the lack of funds, resources and the difficult geographical profile, the informal areas are difficult to attend to.

Another major challenge the department experiences is the Waste Water Treatment Works (WWTW).

The Municipality has started the process of implementing an ongoing program of dealing with constant maintenance of the sewerage challenges which is mainly caused by vandalism and theft of cables and equipment at sewerage plants.

#### 3.4.2 HIGHLIGHTS: WASTEWATER (SANITATION) PROVISION

The table below specifies the highlights for the year:

Highlights	Description
Fewer Sewer Blockages	The municipality obtained its own jetting machine saving time and cutting operational costs



Highlights	Description
Supply and delivery of New Pumps	The municipality has appointed a tenderer for the supply and delivery of new sewer pumps as emergency backup pumps for the entire municipal area
Millwright	A millwright and an assistant has temporarily been appointed to ensure better service delivery with regards to sewer pumps

**Table 13:** Wastewater (Sanitation) Provision Highlights

### 3.4.3 CHALLENGES: WASTEWATER (SANITATION) PROVISION

The table below specifies the challenges for the year:

Description	Actions to address
Cable theft and vandalism	The Municipality has started an anti-vandalism on municipal infrastructure campaign. The idea is to lobby all sectors involved to assist with the challenge of vandalism and cable theft and to continue with this type of awareness throughout the financial year
Foreign objects on the sewer lines and pump stations	The Municipality clears and removes foreign objects that are blocking the system on a daily basis. It is therefore vital that community meetings and awareness campaigns are held in conjunction with the Ward Councillor to educate our community and address this matter
No dedicated sewer department	Currently, the Municipality is not operating in such a way that sewer is a priority on its own. It falls under a manager that is responsible for Water, Roads, Parks, Street Cleaning, Refuse removal and Sanitation. The sanitation part will thus not be prioritised as it should be. Also, there is no dedicated sewer maintenance team, the sewer function is combined with water maintenance thus creating a backlog in basic maintenance

**Table 14:** Wastewater (Sanitation) Provision Challenges

### 3.4.4 SERVICES DELIVERY LEVELS: WASTEWATER (SANITATION) PROVISION

The table below specifies the different sanitation service delivery levels per household for the financial years 2022/23 and 2023/24 in the areas in which the Municipality is responsible for the delivery of the service:

Description	Number of Households	
	2022/23	2023/24
<b>Sanitation/sewerage: (above minimum level)</b>		
Flush toilet (connected to sewerage)	9 680	9 830
Flush toilet (with septic tank)	508	382
Chemical toilet	0	0
Pit toilet (ventilated)	0	0
Other toilet provisions (above min. service level)	0	0
<b>Minimum Service Level and Above sub-total</b>	<b>10 188</b>	<b>10 212</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100</b>	<b>100</b>
<b>Sanitation/sewerage: (below minimum level)</b>		
Bucket toilet	0	0
Other toilet provisions (below min. service level)	0	0
No toilet provisions	0	0



Number of Households		
Description	2022/23	2023/24
<b>Below Minimum Service Level sub-total</b>	0	0
Below Minimum Service Level Percentage	0	0
<b>Total households</b>	<b>10 188</b>	<b>10 212</b>

**Table 15:** Wastewater (Sanitation) Provision Service Delivery Levels

### 3.4.5 EMPLOYEES: WASTEWATER (SANITATION)

Staff composition forms part of the section 3.9.4 Employees: Water, Sanitation, Roads and Stormwater

### 3.4.6 CAPITAL: WASTEWATER (SANITATION) PROVISION

The following table indicates the capital expenditure for this division:

Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget (%)	Total Project Value
	R				R
Sewerage Pumps and Motors	1 610 000.00	997 199.00	738 987.10	25.89	738 987.10
Clarifying Aerator	0.00	253 000.00	244 821.60	3.23	244 821.60
<b>Wastewater (Sanitation) Total</b>	<b>1 610 000.00</b>	<b>1 250 199.00</b>	<b>983 808.70</b>	<b>21.31</b>	<b>983 808.70</b>

**Table 16:** Capital Expenditure 2023/24: Wastewater (Sanitation) Provision

## 3.5 ELECTRICITY

### 3.5.1 INTRODUCTION TO ELECTRICITY

The electricity department is dedicated to providing basic electricity services to all households within the municipal area. The Municipality aims to offer a high-quality and reliable electricity supply, in accordance with national regulations (NRS 048). The supply voltage is maintained at 230V ( $\pm 10\%$ ) for single-phase connections and 400V ( $\pm 10\%$ ) for three-phase connections.

The Municipality actively monitors and addresses illegal connections and meter tampering, ensuring that faulty meters are replaced promptly after verification. Additionally, the Municipality will collaborate with the Municipal Infrastructure Support Agent (MISA) on various projects to improve service delivery.

### 3.5.2 HIGHLIGHTS: ELECTRICITY

The table below specifies the highlights for the year:

Highlights	Description
Completion of Vredendal and Lutzville housing projects	New developments in Lutzville Uityk and Vredendal Mangaung were completed (Electrification VE Electrical Contractors)
Meter installation project	1200 meters were bought to replace faulty meters in the Matzikama area. The project is currently in progress

**Table 17:** Electricity Highlights



### 3.5.3 CHALLENGES: ELECTRICITY

The table below specifies the challenges for the year:

Description	Actions to address
Cable thefts	Cable thefts were reported to SAPS. Cases were opened and investigations are still on going
Material availability	Tenders were advertised to acquire material in order to address this matter
Crane Truck, Cherrie Picker, Bakkies	The Crane Truck have been out of service for approximately one year and the Cherrie Picker for 2 years. Both have been reported to investigate the possibility of budget for repairs or the acquisition of new vehicles. The replacement of bakkies is also in progress
Staff shortage	Vacancies need to be filled

**Table 18:** Electricity Challenges

### 3.5.4 SERVICE DELIVERY LEVELS: ELECTRICITY

The table below specifies the different electricity service delivery levels per household for the financial years 2022/23 and 2023/24

Number of Households		
Description	2022/23	2023/24
<b>Energy: (above minimum level)</b>		
Electricity (at least min. service level)	862	824
Electricity - prepaid (min. service level)	9 239	9 694
<b>Minimum Service Level and Above sub-total</b>	<b>10 101</b>	<b>10 518</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100</b>	<b>100</b>
<b>Energy: (below minimum level)</b>		
Electricity (< min. service level)	0	0
Electricity - prepaid (< min. service level)	0	0
Other energy sources	0	0
<b>Below Minimum Service Level sub-total</b>	<b>0</b>	<b>0</b>
<b>Below Minimum Service Level Percentage</b>	<b>0</b>	<b>0</b>
<b>Total number of households</b>	<b>10 101</b>	<b>10 518</b>

**Table 19:** Electricity Service Delivery Levels

### 3.5.5 EMPLOYEES: ELECTRICITY

The following table indicates the staff composition for this division:

Job Level	2022/23		2023/24		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	3	4	2	2	50
4 – 6	9	16	8	8	50



Job Level	2022/23		2023/24		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
7 – 9	2	4	2	2	50
10 - 12	4	9	5	4	44
13 - 15	3	4	3	1	25
<b>Total</b>	<b>21</b>	<b>37</b>	<b>20</b>	<b>13</b>	<b>35</b>

*Employees and Posts numbers are as at 30 June*

**Table 20:** Employees: Electricity Services

### 3.5.6 CAPITAL: ELECTRICITY

The following table indicates the capital expenditure for this division:

Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget (%)	Total Project Value
	R				R
Transformers	449 000.00	170 000.00	170 000.00	0.00	170 000.00
Vredendal North Informal Housing Phase 7 (250)	0.00	31 411.00	0.00	100.00	0.00
Vredendal North Informal Housing Phase 7 (250)	4 021 739.00	4 021 739.00	3 026 185.90	24.75	3 026 185.90
Lutzville Formal Housing Phase 2 (200)	3 217 391.00	3 217 391.00	2 078 406.00	35.40	2 078 406.00
Electrical Equipment	0.00	68 062.00	61 800.00	9.20	61 800.00
Starters/Motors	0.00	56 500.00	31 853.99	43.62	31 853.99
Substation Batteries	0.00	24 112.00	24 111.22	0.00	24 111.22
Fuel Tanker Tractor	0.00	75 000.00	74 338.00	0.88	74 338.00
Electrification Klawer Housing	0.00	3 000 000.00	1 662 973.85	44.57	1 662 973.85
Substation telemetry	0.00	29 132.00	29 131.97	0.00	29 131.97
Kiosk Electrical Equipment	0.00	0.00	157 320.55	0.00	157 320.55
<b>Electricity Services Total</b>	<b>7 688 130.00</b>	<b>10 693 347.00</b>	<b>7 316 121.48</b>	<b>31.58</b>	<b>7 316 121.48</b>

**Table 21:** Capital Expenditure 2023/24: Electricity

## 3.7 HOUSING

### 3.7.1 INTRODUCTION TO HOUSING

The Municipality has embarked on a program to create the necessary infrastructure to sustain future housing projects. Our objective is to eradicate informal settlements and to provide every household with a basic service which includes a toilet, electricity, water and refuse removal.



### 3.7.2 HIGHLIGHTS: HOUSING

The table below specifies the highlights for the year:

Description	Actions to address
Control of the influx of people in informal settlements	A survey of all residents in the informal settlements will be conducted in collaboration with other stakeholders like Hoen Affairs, SAPS, EMS, LGO, Social Development etc.
Submitting applications for funding for basic services in informal settlements	Moving of all informal structures to shared service plots in line with streets which allow ambulance services and police assistance in the informal settlements.
Housing project in Vredendal	The erection of Phase 6 for 271 housing opportunities.
Housing project Klawer	Providing 199 houses to beneficiaries in Klawer.

**Table 22:** *Housing Highlights*

#### KLAWER HOUSING PROJECT



#### VREDENDAL HOUSING



### 3.7.3 CHALLENGES: HOUSING

The table below specifies the challenges for the year:

Description	Actions to address
Housing waiting list backlog	Removal of unlawful informal structures in the informal settlements. Lack of sufficient law enforcement capacity to be addressed through LEAP officers.



Description	Actions to address
Growing population of illegal occupants on municipal land	We need a special team that will help us to monitor all the towns and that will break down any illegal structures that are constructed.
The safety of officials when visiting informal settlements	Officials need protection when they are working in the informal settlement. It can be dangerous because you don't know what to expect within the high-density erected shacks.

**Table 23:** Housing Challenges

### 3.7.4 SERVICE DELIVERY LEVELS: HOUSING

The table below indicates that 99.4% of the households in the municipal area are living in formal settlements:

Percentage of households with access to basic housing			
Financial year	Total households (including formal and informal settlements)	Households in formal settlements	% of HHs in formal settlements
2022/23	21 312	20 661	96.9
2023/24	22 615	20 721	91.63

**Table 24:** Access to Housing

### 3.7.5 HOUSING WAITING LIST

The following table indicates an increase in the number of housing units on the waiting list from 2022/23 to 2023/24:

Financial year	No of housing units on the waiting list	% Housing waiting list increase/(decrease)
2022/23	9 977	4.1
2023/24	13 052	34%

**Table 25:** Housing Waiting List

### 3.7.6 EMPLOYEES: HOUSING

The following table indicates the staff composition for this division:

Job Level	2022/23		2023/24		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	0	0	0	0	0
7 – 9	0	0	0	0	0
10 - 12	4	4	4	0	0
13 - 15	0	0	0	0	0
<b>Total</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0</b>

Employees and Posts numbers are as at 30 June

**Table 26:** Employees: Housing



### 3.8 FREE BASIC SERVICES AND INDIGENT SUPPORT

The table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved Indigent Policy of the Municipality, all households earning less than R4 660 per month will receive free basic services. The table, furthermore, indicates the total number of indigent households and other households that received free basic services in the past two financial years. The total households are based on the Western Cape Government Socio Economic Profile document.

Financial year	Number of households								
	Total no of HH	Free Basic Electricity		Free Basic Water		Free Basic Sanitation		Free Basic Refuse Removal	
		No. Access	%	No. Access	%	No. Access	%	No. Access	%
2022/23	20 821	2 496	11.98%	1 776	8.53%	2 542	12.21%	2 639	12.67%
2023/24	20 821	2 163	10.40%	2 163	10.40%	2 163	10.40%	2 163	10.40%

**Table 27:** Free Basic Services to Indigent Households

Electricity		
Financial year	Indigent Households	
	No. of HH	Value
		R'000
2022/23	2 660	258
2023/24	2 163	213

**Table 28:** Free Basic Electricity Services to Indigent Households

Water			
Financial year	Indigent Households		
	No. of HH	Kl per HH	Value
			R'000
2022/23	1 797	10	757
2023/24	2 163	6	945

**Table 29:** Free Basic Water Services to Indigent Households

Sewage and Sanitation			
Financial year	Indigent Households		
	No. of HH	R-value per HH	Value
			R'000
2022/23	2 531	241.53	5 635
2023/24	2 163	265.68	2 535

**Table 30:** Free Basic Sewage and Sanitation Services to Indigent Households



Refuse Removal			
Financial year	Indigent Households		
	No. of HH	Services per HH per week	Value
			R'000
2022/23	2 646	1	4 888
2023/24	2 163	1	2 250

**Table 31:** Free Basic Refuse Removal Services to Indigent Households

## COMPONENT B: ROAD TRANSPORT

### 3.9 ROADS AND STORMWATER

#### 3.9.1 INTRODUCTION TO ROADS AND STORMWATER

The current average condition of the road network within the municipal area can be rated as poor to very poor. To restore the existing condition of the roads, the Municipality will have to budget extensively over the next few years. Routine maintenance, for example, patching of potholes, replacement of curbs and cleaning of stormwater networks, is done by the maintenance team of the Municipality. This however is not sufficient. Gravel roads are graded monthly depending on the availability of graders to ensure that they remain in a fair and serviceable condition.

The priorities for the Municipality are to maintain existing tarred roads by means of re-sealing and to construct new paved roads (upgrading of existing gravel roads) that include stormwater systems. Maintenance of roads is funded by the Municipality and construction of new paved roads, with the Municipal Infrastructure Grant (MIG). Technical reports for such construction/upgrades are compiled, submitted and prioritised for implementation.

A Stormwater Master Plan, as well as a stormwater maintenance plan, need to be developed for all the towns within the municipal area as informal settlements were allocated to areas where there is no stormwater drainage.

There are plans that have been developed by the Municipality to deal with the challenges of roads and stormwater. But those plans will require some form of assistance from the external stakeholders. It should be stated that the issue of roads, will not be addressed by the municipality only, but mainly by the collective.

Stakeholders like minds have a huge role to play in terms of dealing with the issue of service delivery, using the vehicle of social labour plan. The business sector also has a role to play in assisting the Municipality in dealing with the challenges of service delivery.

#### 3.9.2 HIGHLIGHTS: ROADS AND STORMWATER

The table below specifies the highlights for the year:

Highlight	Description
Intensive pothole repair program for all towns	The municipality is in the process of a pothole repair program whereby all roads and stormwater personnel of all towns are placed into one team and work together in specific areas where the condition of the road is very poor



Highlight	Description
Supply and Delivery of a New Vibratory Drum Roller	The municipality purchased new equipment to improve service delivery from its own funding

**Table 32:** Roads and Stormwater Highlights

### 3.9.3 CHALLENGES: ROADS AND STORMWATER

The table below specifies the challenges for the year:

Description	Actions to address
Lack of a Roads and Stormwater Master Plan	Lack of a Roads and Stormwater Master Plan
Construct new stormwater systems where necessary	Address priority sections of the stormwater systems and construct new stormwater systems where necessary
Funding is required to upgrade/refurbish the roads	Prioritise budget and source additional funding- Pavement Management Assessment done in 2008 shows a need of R30.3m to do short-term Surfacing

**Table 33:** Roads and Stormwater Challenges

### 3.9.4 EMPLOYEES: WATER, SANITATION, ROADS AND STORMWATER

The following table indicates the staff composition for this division:

Job Level	2022/23		2023/24		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	9	57	33	24	42
4 – 6	13	113	69	44	39
7 – 9	8	32	24	8	25
10 – 12	3	13	8	5	38
13 - 15	4	14	12	2	14
<b>Total</b>	<b>37</b>	<b>229</b>	<b>146</b>	<b>83</b>	<b>36</b>

*Employees and Posts numbers are as at 30 June*

**Table 34:** Employees: Water, Sanitation, Roads and Stormwater

### 3.9.5 SERVICE DELIVERY LEVELS: ROADS AND STORMWATER

The table below specifies the service delivery levels for the year:

Gravel Road Infrastructure: Kilometres				
Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2022/23	76.08	0	1.92	78.00
2023/24	74.95	0	1.13	76.08

**Table 35:** Gravel Road Infrastructure: Kilometres



Tarred Road Infrastructure: Kilometres					
Year	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2022/23	118	0	0	0	118
2023/24	118	0	0	0	118

**Table 36:** Tarred Road Infrastructure: Kilometres

The tables below specify that there are 26 kilometres of stormwater channels in the municipal area:

Stormwater Infrastructure: Kilometres				
Year	Total Stormwater measures	New Stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2022/23	26.82	0.785	0	26.04
2022/24	26.82	0	0	26.82

**Table 37:** Stormwater Infrastructure: Kilometres

### 3.9.6 CAPITAL: ROADS AND STORMWATER

The following table indicates the capital expenditure for this division:

Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget (%)	Total Project Value
	R				R
Lutzville Housing Project:35 sites Civil	0.00	376 602.00	376 602.45	0.00	376 602.45
Vredendal North Phase 6 - Housing Civil Services 100 Sites	0.00	5 838 533.00	5 838 532.39	0.00	5 838 532.39
Machinery and Equipment Roads	0.00	30 000.00	3 724.57	87.58	3 724.57
Ebenhaeser Upgrading of Roads and Stormwater	4 869 747.00	8 618 261.00	8 618 261.87	0.00	8 618 261.87
4 x Drum Rollers	0.00	191 000.00	190 324.00	0.35	190 324.00
Vredendal-North: Pave Roads Phase 4	6 477 971.00	3 121 248.00	3 121 247.66	0.00	3 121 247.66
Vredendal-North: Pave Roads Phase 5	0.00	733 179.00	733 178.28	0.00	733 178.28
<b>Roads and Stormwater Total</b>	<b>11 347 718.00</b>	<b>18 908 823.00</b>	<b>18 881 871.22</b>	<b>0.14</b>	<b>18 881 871.22</b>

**Table 38:** Capital Expenditure 2023/24: Roads and Stormwater

## COMPONENT C: PLANNING AND LOCAL ECONOMIC DEVELOPMENT (LED)

### 3.10 TOWN PLANNING AND BUILDING CONTROL

#### 3.10.1 INTRODUCTION TO TOWN PLANNING AND BUILDING CONTROL

The Municipality's planning and building control function encompasses spatial planning, as well as the effective and efficient processing of land development and building plan applications in accordance with applicable legislation. This function also includes the enforcement of regulations concerning unauthorized development and construction activities.



Additionally, the division is responsible for the effective implementation of the Spatial Development Framework (SDF) for Matzikama Municipality, along with other planning-related strategies and policies. This ensures that development within the municipal area complies with statutory regulations and policy guidelines, promoting an orderly, harmonious, and sustainable built environment.

Planning applications for new developments or requests for deviations from title deed restrictions and land use scheme regulations (such as encroachment on building lines or exceeding height limits) are a vital, albeit time-consuming, process. These applications serve as the legal mechanism to ensure responsible development, protect neighbours' rights, and safeguard resources, including adequate municipal services such as potable water, sewage, and stormwater management.

Moreover, the department handles Business License applications, provides maps and plans, and manages municipal land to generate revenue.

Building plans can only be evaluated if the application is accompanied by proof that the proposed development complies with other relevant legislation. Therefore, timely research and planning by the developer are of the utmost importance. It is also essential to ensure that the developer understands the roles and legal responsibilities of all involved parties, including the draughtsperson and the property owner.

To deliver efficient and effective services to the public, this division is committed to developing policies and standard operating procedures, appointing qualified staff with relevant expertise, and implementing applicable legislation within the municipal area.

### 3.10.2 HIGHLIGHTS: TOWN PLANNING AND BUILDING CONTROL

The table below specifies the highlights for the year:

Highlights	Description
SDF	Funding sourced, together with Western Cape Province, from DBSA was successful and a consultant appointed for the compilation of a credible SDF, CEF and Long-Term Financial Plan. It is an eighteen-month project which has already commenced
Integrated Zoning Scheme	The Municipality, in collaboration with the National and Provincial Development Divisions, has compiled an approved draft of the Integrated Zoning Scheme, following three rounds of public participation. Comments have been received, and further amendments are currently being made. The documents are being updated to incorporate the latest best practices and lessons learned from other municipalities in the Western Cape. These revisions will be finalized before the final round of public participation, prior to the scheme's promulgation and commencement
Internships/Temporary Assistance: Town Planning Section	The Municipality permanently employed a qualified clerk dedicated to the Town Planning Section on 1 July 2023 to address the capacity shortage within the department in recent years. Additionally, MISA is providing assistance by funding the appointment of a student town planner for two years to gain the necessary experience for SACPLAN registration. The student town planner began in May 2023 and will assist with planning and administrative processes until April 2025. As of 30 June 2024, the office was staffed with only one permanent Town Planner, the Manager, one permanent clerk, one temporary clerk (on a three-month contract), and the student town planner in training from MISA
Town Planning Section	The successful processing and finalization of land use, building, and business license applications, along with the compilation and maintenance of legislation, continue despite the challenges. Training



Highlights	Description
	of a temporary clerk and assistant is ongoing, yet the section faces the same shortage of permanent staff as it did 12 years ago, even though the workload has tripled over the last five to six years
Collaborator: Planning Portal Module	The Planning Module for the Collaborator program nears implementation with best practices and lessons learned at other Western Cape municipalities
Collaborator: Building Portal Control Module	The detail for using the Collaborator program is addressed and nears "going live" early in the new financial year
Building Control Section	The Building Control Official left the Municipality's service in October 2023. As of 30 June 2024, this office is permanently staffed with only two Building Inspectors. One of them has been appointed as the Building Control Official for a two-month period, as the Municipality is legally unable to make any decisions regarding building plan applications without this critical position being filled
South African Council for the Architectural Profession (SACAP) Training: where the architectural profession in South Africa is governed and regulated by the South African Council	SACAP visited Matzikama Municipal area on 27 February 2024 to: <ul style="list-style-type: none"> <li>• Raise awareness regarding the registration of draughts persons in the Matzikama area</li> <li>• The legal aspects of why draughts persons must be registered</li> <li>• The SACAP Code of Conduct applicable to registered draughts persons</li> </ul>
1MAP Training: An online digital mapping program for users to view their data within the context of a map, designed for users who may not have any GIS training or experience	The purpose of 1MAP training March 2024: <ul style="list-style-type: none"> <li>• To enable decision-makers to quickly and effectively access the information they need at the press of a button, which can improve management efficiency and governance for the benefit of the Municipality</li> <li>• To provide a single system that integrates various information sources from the Municipality</li> </ul>
Public information / educational notices	The goal is to issue an informational and/or educational notice on a monthly or bi-monthly basis, which will be posted multiple times on Facebook and the website to encourage community engagement and sharing. These notices will cover important topics such as asbestos removal, land beacons, the importance of submitting a building plan, and other relevant subjects aimed at informing and educating the public
Office equipment	Loadshedding challenges have been addressed by providing a linkage between computers and generators

**Table 39:** Town Planning and Building Control Highlights

### 3.10.3 CHALLENGES: TOWN PLANNING AND BUILDING CONTROL

The table below specifies the challenges for the year:

Description	Actions to address
From 1 April 2020, only one registered planner at the South African Council for Planners (SACPLAN) in terms of the Planning Profession Act, 2002 (No 36 of 2002) is employed in the Town Planning Department by the Municipality	The Municipality will explore potential funding options to address the shortage of skilled staff within the Town Planning Section by appointing permanent employees. An Assistant Town Planner and a Town Planning Clerk, both positions provided for in the approved organogram and budgeted for, have not been appointed
Training of temporary staff left section/division also due to uncertainty within temporary appointed position over a long period of time	Expand the existing pool of knowledgeable officials within the Town Planning Section by establishing permanent positions, while considering the impact of the in-house training conducted in the previous year. This is imperative to address the issue of inconsistency that has arisen



Description	Actions to address
Unfinalised land use application reports/decisions	Due to capacity constraints within the Town Planning Department and the increasing volume of emails, walk-ins, workload, meetings, tasks, and other daily interruptions, it has become challenging to adhere to the time frames outlined in planning legislation. The previous year the Town Planner & Manager attempted to mitigate these challenges by working at least 2 days from home to focus on writing and finalizing land use application reports. This financial year they decreased the days to work from home to a maximum of one (1) day per week. This adjustment has resulted in an average of approximately three decisions being made per month, a decrease of about 1.8 decisions compared to the 2022/23 period. In the current financial year, only 38 decisions were made, which is 16 fewer compared to 51 decisions taken in the previous financial year — the highest number since 2013/14, when the department, staffed with five permanent officials, made 64 decisions
Addressing law enforcement procedures in the absence of a dedicated qualified law enforcement official/s regarding environmental-, land development- and building control as well as trading legislation. The COVID-19 pandemic caused that unauthorised building activities and unauthorised house shops to increase from the end of March 2020. General minimum basic service delivery is also adversely impacted, making the evaluation and approval of building applications within the mandated legislative timeframes challenging for Building Control. This is attributed to the necessity for commentary officials to prioritize the provision of adequate services over building plan applications	Employ dedicated law enforcement officials and develop clear and concise standard operating procedures. To implement an amnesty period for unauthorized building and land use activities. To employ officials to execute legal procedures in cooperation with the Department of Justice and the South African Police. Seek help from the City of Cape Town regarding the implementation of the penalty fee structure and the enforcement thereof, as well as zinc structures
Office equipment	Challenges are also faced with office telephones and networks and causing frustration for the public and officials. The Municipality will investigate the availability of budget in order to address these matters. Upgraded computers/laptops is a challenge, as well as lights during loadshedding
Spatial Development Framework is not credible in terms of SPLUMA	Knowledgeable and experienced resources must be made available to conduct all necessary studies to support the development of a credible Spatial Development Framework (SDF) for approval by the Council, in cooperation with the Western Cape Province
Approved Integrated Land Use Management Scheme must be implemented	The Municipality must make resources available to commence the further processes before the implementation date can be promulgated
Non-compliance with the requirements set by the South African Council for Planners (SACPLAN) with regards to continuous professional development points	The Municipality must allocate funding and resources to ensure that the two SACPLAN-registered planners, each in different departments, can attend short courses, meetings, seminars, and conferences to earn the required Continuous Professional Development (CPD) points
Registered Professional Planner according to SACPLAN	Appoint another professional planner as legislation is in the process of amendment which will require by law for municipalities to have professional planners to handle all town planning-related applications
Lack of support from external institutions as well as provincial and national departments with regards to submission of comments on land use applications within legal timeframes	Improving inter-governmental relations with all the relevant departments to also ensure that comments/approvals regarding applications were received within legal timeframes so that this office can make informed recommendations to the relevant decision-makers
The planning process at the Municipality is hard copy-driven driven which is very time-consuming and hinders worker productivity and output	The installation and integration of the Collaborator: Planning Portal Module with the existing Collaborator systems needs to be completed and implemented within the new financial year
The registration of one Building Inspector in terms of the Architectural Profession Act, 2000 (No 44 of 2000) in accordance with the South African Council for the Architectural Profession (SACAP)	Building Inspectors must register at the SACAP in terms of the Architectural Profession Act, 2000 (No 44 of 2000)



Description	Actions to address
Incomplete land use and building plan applications provide for submission due to incompetence of applicants	Building Control and Land Use Portal Modules which will assist in making it impossible to submit incomplete applications

**Table 40:** Town Planning and Building Control Challenges

### 3.10.4 STATISTICS: TOWN PLANNING AND BUILDING CONTROL

The table below specifies that 58 land use and 237 building applications were handled during 2023/24:

Detail	Formalisation of Townships		Land use Applications		Built Environment	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
Applications received in the relevant year	1***	0	113	71	147	105
Applications of the previous year not yet determined	0	1	45	54	23	0
<b>Total</b>	<b>1</b>	<b>1</b>	<b>158</b>	<b>125</b>	<b>170</b>	<b>105</b>
Determinations made	0	0	51	38	139	98
Applications withdrawn	0	0	21	6	0	3
Applications still incomplete at year-end**	1	1	69	53	26	2
Complete applications outstanding at year-end	0	0	17	28	5	2
<b>Total</b>	<b>1</b>	<b>1</b>	<b>158</b>	<b>125</b>	<b>170</b>	<b>105</b>
* Includes relevant applications from 2018 to 2023						
** An incomplete application includes applications that still have outstanding information during any of the process phases of the application						
*** Application overlooked previous year						

**Table 41:** Planning and Building Control Service Delivery Statistics

### 3.10.6 CAPITAL: TOWN PLANNING AND BUILDING CONTROL

The following table indicates the capital expenditure for this division:

Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget (%)	Total Project Value
	R				R
Filling Cabinets	0.00	10 000.00	8 736.51	12.63	8 736.51
<b>Town Planning and Building Control Total</b>	<b>0.00</b>	<b>10 000.00</b>	<b>8 736.51</b>	<b>12.63</b>	<b>8 736.51</b>

**Table 42:** Capital Expenditure 2023/24: Planning and Building Control



## 3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKETPLACES)

### 3.11.1 INTRODUCTION TO LOCAL ECONOMIC DEVELOPMENT (LED)

Section 152(c) of the Constitution, obliged municipalities to promote social and economic development. To give effect to this constitutional obligation, the Matzikama Municipality are always in the process of seeking and identifying development initiatives to grow its economy.

During public participation processes in the past in various communities, local economic development was prioritized as a highly regarded strategic objective for the Matzikama area. More specifically, LED seeks to contribute as a locally driven process by national-, provincial-, local government, private sector and communities, working collectively to stimulate and transform the local economy to create sustainable job opportunities. The main focus remains industrial development to grow and diversify the economy, the creation of decent job opportunities and the reduction of poverty. It is envisaged that the vision of the Matzikama Municipality seeks to improve its capability through effectiveness, responsiveness and accountability in sustainable forms to ensure a well-educated, healthy and pleased community.

### 3.11.2 HIGHLIGHTS: LED

The table below includes the highlights with the implementation of the LED Strategy:

Highlights	Description
Agricultural development key to Matzikama	One of the key elements of the local economic development strategy of the Matzikama Municipality is to promote agriculture and agribusiness. It is therefore imperative for the Matzikama Municipality to strive towards the establishment of a conducive environment to lure investors to the municipal area. In doing so, the Municipality was keen to attract a worldwide investor in agribusiness, Redsun Raisin to the Matzikama area as a huge catalytic project for the region. The project is in its final phase in terms of legal requirements approval. The project is seen as one of the biggest job creators in the Matzikama area. The investment is earmarked for Vredendal and will generate 80+ permanent employment opportunities for small farmer development and approximately 300 seasonal workers towards the end of the year
Informal Economy Development Project	Municipalities in South Africa has a crucial role to play in developing and implementing a supportive environment for the informal economy. The Matzikama Municipality has taken the lead in establishing an informal township economy with the assistance of the private sector to involve youth in Ward 3 in the local economy. The informal economy is an important part of South Africa's entrepreneurial development and job creation interventions, especially among the youth. The proposed project lends itself to addressing the needs of the informal economy. The project forms part of the IDP of the Municipality and is in its planning phase.
Working closer with the fishers' communities	Upgrading of the "Vlekplek" area to be developed as an economic development project and possible tourism attraction, will give opportunities to the fisher communities in the Matzikama area. Entrepreneurs will have the opportunity to sell fried fish, chips, etc. This fresh fish market project aims to address some of the unemployment and poverty challenges faced by the communities of Doring Bay, Papendorp and Ebenaeser. All aspects for implementation of the project have been put in place such as tender processes. The project will be implemented in 2024



Highlights	Description
Matzikama Local Economic Development Forum (MLEDF)	The MLEDF can be seen as a platform where residents assemble with the goal of exchanging knowledge and insights, combining resources, and resolving issues that arise during the execution of LED projects. The MLEDF was established in 2023. The forum ought to prioritize fostering discussions on government economic policy among academia, non-governmental organizations, and the private sector. In addition, the important concerns impacting the municipality will be discussed. Additionally, the forum contributes to the process of identifying suitable solutions by communicating ideas to legislators and government officials as well as business associations and economic media
Matzikama Investment Profile	The Matzikama Investment Profile has been developed to convey investment opportunities in the Matzikama economy to potential and future investors. The profile needs to be launched in the near future and will then be made available to the world
Succulent festival – Vanrhynsdorp	The Vanrhynsdorp Succulent Festival with approximately 500 attendees was held in 2023. A good range of vendors whilst the aim is to expand the festival on an annual basis but also to create awareness for the protection of the succulents in our area
Farmer Production Support Unit (FPSU)	The FPSU was established in Ebenhaeser (Vaalkrans) to render agricultural services to small-scale farmers in the surrounding areas. The unit was established with the help of the Department of Agriculture, Rural Development and Land Reform on the property of the Ebenhaeser Communal Property Association in Vaalkrans

**Table 43:** LED Highlights

### 3.11.3 CHALLENGES: LED

The table below includes the challenges with the implementation of the LED Strategy:

Description	Actions to address
Lack of electricity	Due to an insufficient capacity of electricity, it is merely impossible to accommodate new developments in the Matzikama area. The cost to increase electricity bulk supply on Eskom points is lengthy and expensive and has as a result a negative impact on the growth of the local economy. The establishment of more renewable energy will be helpful in this regard
Draught	Water shortages were supplemented with underground water. Communities are to be warned to spare water through water restriction activities by the Municipality. A continuous education program is needed to support our local communities
Water	The Clanwilliam Dam is the only source of irrigation water for the agricultural-driven local economy of the Matzikama area. Due to the non-completion of the raising of the Clanwilliam Dam, water remains a huge challenge for the development of agricultural initiatives in our area, however, the Municipality continuously supports the emerging farmers by providing treated sewage water for the purpose of cultivating lucerne as an additional fodder for their cattle. A lack of funding for storage infrastructure remains a huge challenge. The Municipality should engage various stakeholders such as the Department of Water and Sanitation on deliberations of the Clanwilliam Dam Project
Land	As a result of a shortage of agricultural land for commercial and emerging farmers, no further development or little development can take place. It is therefore imperative that the Department of Rural Development make sufficient budget available to buy land from commercial farmers in order to support emerging farmers, especially



Description	Actions to address
	for the purpose of acquiring additional water from the raising of the Clanwilliam Dam Project. Moreover, entities such as wine cellars and commercial farmers are urged to accelerate the transformation of land ownership by active participation in the process. Engagements with the dedicated department of government land to be taken place rapidly to avail land to the communities of the Matzikama area
Development of SMME's through increased capacity and sustainability	The improvement of sustainability of SMME's through increased capacity to bid for and win of local tenders. The Municipality should also embark on a process to appoint local SMME's for the duration of 3 years which will enable them to participate in local procurement processes. The Municipality should increase its capacity to support SMME's by easing up municipal procurement for the development and sustainability of SMME's. Identify and address key challenges that the Municipality faces in supporting SMME's in practice which are related to capacity, legislation and other areas of difficulty. Communication through various platforms has been enhanced for SMME's to participate in Municipal procurement processes
Lack of electricity	Due to an insufficient capacity of electricity, it is merely impossible to accommodate new developments in the Matzikama area. The cost to increase electricity bulk supply on Eskom points is lengthy and expensive and has as a result a negative impact on the growth of the local economy. The establishment of more renewable energy will be helpful in this regard.

**Table 44:** Challenges LED

### 3.11.4 LED STRATEGY

The focus of the IDP is “Economic Development: A pre-requisite for successful service delivery”. A new LED Strategy has been adopted and approved by Council. The LED Forum of Matzikama Municipality comprises of a diverse membership emanating from various sectors of society. The current LED Strategy is built around a commitment to develop a climate in which economic development and economic growth can prosper.

The LED Strategy identifies various issues and strategic areas for intervention including but not limited to:

- Financial support from provincial and national government
- The lack of skills and training facilities in our communities which are contributing largely to our poor developed economies, particularly in terms of Black Economic Empowerment (BEE)
- The lack of project development aid for the local communities has a negative impact on BEE and makes it increasingly difficult for BEE to meaningful impact on the local economy
- Community ownership of local projects
- Aqua culture development, both marine and freshwater, can have a meaningful impact on the local economy, especially in the coastal towns
- SMME development has the potential to contribute significantly to the socio-economic challenges of the Municipality
- Accessing government land is a major obstacle and needs earnest attention should we want to attract investment to the area for LED
- Although economic development is a function of established bodies such as emerging farmers, women in construction, fishing and aqua culture, commercial farmers, etc., the concern is that they do not function effectively due to the lack of leadership, expertise, funding, etc

The progress made regarding the implementation of the LED Strategy can be summarised as follows:



- Five key development areas including primary and secondary aqua-culture sector development, primary and secondary agriculture development, recycling of waste plastics and manufacturing of plastic products and tourism were identified as focused areas in terms of LED
- The aqua culture sector development was identified as the area with the most potential and as an area of priority due to the impact it potentially has
- The Municipality facilitated a process that culminated in the establishment of a partnership between the private sector and the Doring Bay Development Trust (DDT) to establish the first community-owned abalone farm. This laid the foundation for the rolling-out of the further development of this sector
- At least two other primary and secondary agri-culture products have been identified and will soon form part of the development process

Further LED priorities include:

- To speed up the development processes that will lead to the establishment of 4 abalone farms. Provincial and national government and the private sector will be engaged to support this development
- To market the area as the prime location for aquaculture development. The Department of Economic Development and Tourism (DEDT) will be approached to support the development of plans that will include realistic and implementable marketing strategies
- To compile a business/feasibility plan for the production of almond nuts. The West Coast District Municipality will be approached to make funds available for the development of the required business/feasibility plan
- To establish a wool manufacturing project in the northern part of the municipal area. Funds to be sourced from the private sector and relevant government departments

### 3.11.5 LED STATISTICS

The table below provides the detail of the job opportunities created through the Extended Public Works Programme (EPWP):

Details	Number of Projects	Number of Job opportunities created
	No.	No.
2022/23	10	186
2023/24	7	89

**Table 45:** Job Creation through EPWP Projects

### 3.11.6 EMPLOYEES: LED

The following table indicates the staff composition for this division:

Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	0	0	0	0	0
4-6	1	0	0	0	0
7-9	0	0	0	0	0



Job Level	2022/23		2023/24		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
10 - 12	5	1	1	0	0
13 - 15	4	0	1	1	100
<b>Total</b>	<b>10</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>50</b>

*Employees and Posts numbers are as at 30 June*

**Table 46:** Employees: LED

## COMPONENT D: COMMUNITY AND SOCIAL SERVICES

### 3.12 LIBRARY SERVICES

#### 3.12.1 INTRODUCTION TO LIBRARY SERVICES

The public library acts as an important force in rural community development and empowerment. Therefore the public library plays a significant role in a community's economic and social development and in this context the public library can be viewed as a social and cultural institution that offers an ever-changing range of cultural resources for the community. The public library is in many cases seen solely as an expenditure that in no means contributes to the government's treasury. Furthermore, remains the role of public libraries often unrecognized and the major challenge is how to capitalize on the public libraries' potential contribution to community development and empowerment.

There are fifteen (15) public libraries in the Matzikama municipal area respectively in Vredendal-South, Vredendal-North (Eureka), Vanrhynsdorp, Vanrhynsdorp-North (Troë-Troë), Lutzville, Lutzville-North (Uitkyk), Klawer, Ebenhaeser, Doring Bay, Bitterfontein, Nuwerus, Rietpoort, Molsvlei, Stofkraal and Koekenaap.

These 15 libraries promote the economic and social upliftment of the communities within the municipal area by providing a wide range of information and recreational library materials free of charge to the communities. To provide this information and materials to the most rural parts of Matzikama Municipality wheelie wagon "libraries" are provided in some of the settlements namely, Stofkraal and Kliprand of the former DMA-area of the West Coast District Municipality. The "wheelie wagon" at Molsvlei was altered into an actual library equipped with PC's an internet connection.

Many scholars and students, especially from those communities living in poverty visits the libraries for information regarding their studies, assignments, and other schoolwork because school libraries are poorly equipped or do not exist anymore. Job seekers obtain information regarding job opportunities with free access to internet at the 13 libraries and can even create and update their CVs on the computers at the libraries.

The personnel at the libraries also present special programmes and exhibitions for library users and especially for children to promote reading habits, the correct use of the indexes of encyclopaedias to find information and in book education (the correct way to use a book while reading). Libraries are an important and essential part of the community and social services rendered by the Municipality, especially to those communities that are living in poverty.



The Vredendal-South Library has an on-going partnership with the Library for the Blind in Grahamstown. The Library for the Blind provides audiobooks to the library to fill the void for reading material for the visually impaired reader.

### 3.12.2 HIGHLIGHTS: LIBRARY SERVICES

The table below specify the highlights for the year:

Highlights	Description
YearBeyond initiative launched by DCAS	This initiative was still rolled out in 2023. The Yeboneers have been appointed to assist the library personnel in there working environment by means of a Reading or ICT Champion. The duration of the program was 9 months. Unemployed young people between the ages of 18-25 years were given the opportunity to apply
Renovation at Ebenhaeser Library	There were some structural changes done at Ebenhaeser Library – the replacement of the roof, installation of new lightning, as well as improvement to the interior of the library building
Renovation at Eureka Library, Vredendal-North	The renovations at the library included the new entrance, as well as ablution facilities and improvement of the interior

**Table 47:** Library Services Highlights

### 3.12.3 CHALLENGES: LIBRARY SERVICES

The table below specify the challenges for the year:

Description	Actions to address
Filling of vacancies	Municipal Systems Act requires the appointment of library staff with a post-matric qualification in LIS – the major challenge is to obtain qualified staff that will be willing to re-locate
Crashing of SLIMS/BROCADE Library System in 2023	This had a negative effect on service delivering at libraries and libraries were forced to return to the manual way of lending material

**Table 48:** Library Services Challenges

### 3.12.4 SERVICE STATISTICS FOR LIBRARY SERVICES

The table below specifies the service statistics for the year:

Type of service	2022/23	2023/24
Library members	6 594	6 665
Books circulated	101 176	91 412
Exhibitions held	89	237
ICT users	8 349	8 832
Children programs	382	232
Visits by/to school groups	526	418
Primary and Secondary Book Education sessions	209	370
Book reviews and marketing	20	31
People Counter (actual library visits)	103 790	129 828
Library Hall bookings	174	178
Photocopies made to public	24 985	92 929



Type of service	2022/23	2023/24
Service to Old Age Home	103	143
Other activities (arts & craft)	21	59

**Table 49:** Service Statistics for Library Services

### 3.12.5 CAPITAL EXPENDITURE: LIBRARY SERVICES

The following table indicates the capital expenditure for this division:

Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
	R				R
Furniture and Office Equipment	0.00	42 628.00	33 034.62	22.50	33 034.62
Renovations Eureka Library	0.00	304 295.00	290 000.00	4.70	290 000.00
Furniture and office equipment	0.00	26 237.00	26 237.00	0.00	26 237.00
Replacement of roof at Ebenhaeser	0.00	200 104.00	200 103.96	0.00	200 103.96
Computer Equipment - Laptop	0.00	30 000.00	23 056.00	23.15	23 056.00
Computer Equipment	0.00	153 771.00	18 792.48	87.78	18 792.48
Computer Equipment Contributed Assets(insurance)	0.00	0.00	43 016.74	0.00	43 016.74
<b>Library Services Total</b>	<b>0.00</b>	<b>757 035.00</b>	<b>634 240.80</b>	<b>16.22</b>	<b>634 240.80</b>

**Table 50:** Capital Expenditure 2023/24: Library Services

## 3.13 CEMETERIES

Facilities are based in all towns within the boundaries of the Municipality and maintained within the municipal area. All cemeteries are maintained on a continuous basis and are generally in good condition.

### 3.13.1 HIGHLIGHTS: CEMETERIES

The table below specifies the highlights for the year:

Highlights	Description
Regular maintenance and cleaning of cemeteries	The maintenance and cleaning of cemeteries are usually done by EPWP personnel.
Building of grave plots	A contractor is annually appointed to erect grave plots.

**Table 51:** Cemeteries Highlights



### 3.13.2 CHALLENGES: CEMETERIES

The table below specifies the challenges for the year:

Description	Actions to address
No Supervision caretaker and no fencing	Provide a budget for the construction of fencing

**Table 52:** Cemeteries Challenges



### 3.13.3 SERVICE STATISTICS FOR CEMETERIES

The table below specifies the service delivery levels for the year:

Type of service	2022/23	2023/24
Pauper burials	21	5

**Table 53:** Service Statistics for Cemeteries

## 3.14 CHILDCARE, AGED CARE AND SOCIAL PROGRAMMES

The Municipality provide access to buildings for child care, aged care and other social programmes. These programs are mostly done on behalf of the Municipality by other stakeholders, due to financial constraints.

### 3.14.1 HIGHLIGHTS: CHILDCARE, AGED CARE AND SOCIAL PROGRAMMES

The table below specifies the highlights for the year:

Highlights	Description
01 August 2023 Meeting with acting Director Community Services regarding soup kitchens in Matzikama	Collect database on all soup kitchens in Matzikama- Soup kitchens have a feeding scheme for vulnerable people in the Matzikama area
03 & 6 August 2023 Picketing at Vredendal Court -GBV murder case	Picketing against the bail application of Monique Thabosh with GBV activists and community members from Matzikama
09 August 2023 & 20 August 2023 -Women’s Day celebration	Invitation from Koekenaap AFM and Calitzdorp AFM Guest speaker women to address the women
18 August 2023 Visits soup kitchen in Vredendal North Dorcas and Thokazi Upliftment Center	Gather Database information
18 August 2023 Elderly Care	Visits Vredendal North Diens Sentrum – Golden games application forms



Highlights	Description
18 August 2023 & 25 August 2023 LDAC meeting	Stakeholders' engagement
25 August 2023 Women's Day celebration	Association for People with Disabilities (APD) – Invite as guest speaker – Address the parents of children at the disabled school, one disabled woman from the community and staff of APD on awareness and their rights as women
29 August 2023 Water Distribution	Due to the water crisis, the GBV office assisted with the delivery of water cans to Soup kitchens, ECDS, Clinics, Elderly care centres and the traffic department
07 September 2023 Visits Vredendal North Primary School	Meeting with the principal and Mr. A. Smith regarding substance abuse, drugs, and vaping at school
08 September 2023 LDAC executive meeting	Planning meeting with executive
13 September 2023 Meeting at Vredendal North Primary School	Meeting with parents of the children smoking air pops, vapes and who experiment with drugs. We visit the municipal dumping site where the people sell the used air pops to vulnerable learners
14 September 2023 – Meeting farmworkers sport day	Planning meeting with LGO, West Coast District Municipality and Matzikama municipality to discuss the event
15 September 2023 LDAC meeting	Monthly meetings with stakeholders
19 September 2023 ECD Matzikama Forum	Forum meeting with Grassroots, WCDM, Matzikama Mun and teachers of ECDS and playgroups
22 September 2023 Chaperone Ruan Klaase to Cape Town to Cape Town International Airport	Ruan Klaase a child Government Monitor who was elected flew to Geneva Switzerland in October 2020 to attend and participate in the 96 <sup>th</sup> Pre-Sessional Working Group by the United Nations Committee on the Rights of the Child. Ruan visited the African United Nations in Lesotho to speak about the Rights of children in South Africa
26 September 2023 Meeting at Social Development with NPO stakeholders	Programme for ICB Workshop -How to register your NPO, De-Registration process and NPO Compliance process
26 September 2023 -Ruan Klaase presentation in Geneva Switzerland	Presentation: Addressing the United Nations Committee on the Rights of the Child in Geneva Switzerland on the lived realities of children in the province and country
01 October 2023 Accompany Ruan Klaase from Cape Town airport to his home	Ruans represent the country in Geneva Switzerland on child rights
07 October 2023 Meeting at MADA office	LDAC meeting – DOOR- TO DOOR campaign in Lutzville West – Substance abuse and GBV
10 October 2023 Ramot Workshop	Workshop on substance abuse: Drugs and alcohol. LGO office Vredendal
11 October 2023 Farm Workers Sports Day meeting and Golden Games meeting	Planning meeting of sport day 26 October 2023
18 October 2023 Door-to-Door campaign	It took place in Lutzville West – stakeholders involve MADA, Saps Lutzville Matzikama municipality – GBV office
20 October 2023 LDAC monthly meeting	Monthly meeting
20 October 2023 Visits Vredendal Senior Secondary School	Matriculants receive examination numbers – support
23 October 2023 Vredendal Court	GBV Murder case postponed – Monique Thaboshe
24 October 2023 Picketing at Vredendal Court	Murder case of Nadine Fortuin. Her life was brutally taken on 06 October 2023 by her boyfriend -The GBV activists picketed in front of the court to deny the bail application of the perpetrator
26 October 2023 ECD Forum meeting	All ECDS and playgroups were present at the meeting except ward 8 – Transport
27 October 2023 Farm Workers Sport Day	Sports Day event takes place at Vredendal South Sports grounds. The mayor of Matzikama municipality opened the day and welcomed all



Highlights	Description
	stakeholders - WCDM, Matzikama Mun, LGO, Dept Agriculture Vredendal, DPLG, DCAS, CMAN, and SAPS
21-22 November 2023 Vredendal Court	Case of Monique Thaboshe – Supporting family members of the deceased. Henry Moses preparator was sent to prison for 25 years. It was a great victory for the family and GBV Femicide activists
23 November 2023 LDAC executive meeting	To discuss & plan a strategic meeting with DSD provincial and the LOCAL LDAC Committee
24 November 2023 Planning meeting of 16 days of Activism	Planning the engagement meeting with 3 stakeholders Matzikama Broken Angels Network NGO, Sisters Empowerment Movement NGO Ubuntu Rural WOMEN and Youth Movement & Matzikama municipality GBV office
01 December 2023 – World Aids Day Program	Distributing flyers at Mall and shops in town
05 December 2023 APD Christmas Party	Thanks, Tronox for spoiling the disabled children with presents
08 December 2023 Closing /Ending of 16 Days of Activism Campaign	Supporting Saps Vredendal with their campaign, roadblock at Vredendal Woelige Hoek/Vallei motors and distribution of pamphlets and flyers of GBV at Maskam Mall Vredendal

**Table 54:** Highlights: Childcare; Aged Care and Social Programmes

### 3.14.2 CHALLENGES: CHILDCARE, AGED CARE AND SOCIAL PROGRAMMES

The challenges experienced are as follows:

Description	Actions to address
Difficult to reach out to communities due to transport and tools of trade	Fleet transport to be available
Budget constraints	Budget for social programs

**Table 55:** Challenges: Childcare; Aged Care and Social Programmes

## COMPONENT E : ENVIRONMENTAL PROTECTION

### 3.15 ENVIRONMENTAL PROTECTION

#### STRATEGIC OBJECTIVES

Objectives are designed within the milieu of municipal government objectives as set out in section 152(1) of the Constitution referring to the objective “To promote a safe and healthy environment” including the Principles of the National Environmental Management Act (NEMA) and the Bill of Rights as stated in the Constitution. Government’s commitment to long-term sustainable development is achieved, when explicit recognition is given in its policy-making processes that its economic systems are essentially products of and dependent on social systems, which in turn are products or, and dependent on, **natural systems**. Effective management of the interdependencies between ecosystem health, social equity and economic growth will further require a significant change in current governance practices, in adopting an integrated and co-operative environmental management approach to governance that includes an accurate valuation of environmental goods and services.

Environmental management further aims to ensure that ecosystem services and biodiversity are protected and maintained for equitable use by future human generations and maintains ecosystem integrity as an end by taking into consideration ethical,



economic, and scientific (ecological) variables. Environmental management tries to identify the factors that have a stake in the conflicts that may arise between meeting the needs and protecting the environment.

### 3.15.1 BIODIVERSITY

Bioregional planning refers to land use planning and management that promotes sustainable development by recognizing the relationship between, and giving practical effect to, environmental integrity, human well-being and economic efficiency within a defined geographical space, the boundaries of which are determined in accordance with environmental and social criteria. (Western Cape Biodiversity Spatial Plan Handbook 2017).

Matzikama Municipal area falls within the Knersvlakte Bio Region and receives winter rainfall (20-290 mm per annum) with sea fog serving as a form of precipitation. Winter temperatures are mild during the day and can drop significantly at night, summer temperatures can be extremely hot rising to 40°C. The most prominent biodiversity features in the municipal area consist of coastal forests, rocky outcrops along the coast, wetland mosaics, inselbergs (isolated mountain peaks) and rocky coastal gorges. Many of these ecosystems are also considered threatened (Vulnerable, Endangered or Critically Endangered) because of extensive loss and degradation of natural habitat.

#### Vegetation in the Matzikama Municipal Area

The Matzikama municipal area has a blend of vegetation types and can be classified into six different vegetation bioregions, namely:

- Coastal Corridor
- Endangered Sand Fynbos Triangle
- Olifants River Corridor
- Knersvlakte Corridor
- Northern Cederberg Corridor
- Hardeveld Corridor

Municipal officials comment on EIA's and land use applications as an affected and interested party.

#### Municipal Protected Areas/ Nature Reserves

The Municipality attends quarterly meetings of the Cape Nature Knersvlakte Biosphere Committee relating to the Knersvlakte Nature Reserve and the proposed expanded Knersvlakte Biosphere Reserve for the Matzikama West Coast area.

The Municipality is also supporting Cape Nature as the Managing Authority at the Olifantsriver Estuary to establish a protected area in the surrounds of the water body of the estuary through the Olifantsriver Estuary.

### 3.15.2 AIR QUALITY MANAGEMENT

The air pollution control function in our area is executed in terms of a service-level agreement with the West Coast District Municipality (WCDM). The main function is to regulate the listed activities licenced in terms of the National Environmental Management Air Quality Act, 2004 (Act 39 of 2004). These activities include major industries such as steel manufacturing, cement manufacturing, handling and export of iron ore in bulk, fishmeal production, galvanizing, crude oil storage, clay brick



manufacturing, lime processes, waste incineration, etc. Two of these activities namely, clay brick manufacturing and lime processes, are located in the municipal area. The air quality levels of pollution in our area are within the legislative requirements.

A communication platform with industry, the West Coast Air Quality Working Group chaired by WCDM has been established. The Municipality attends the quarterly meetings and reports on the listed activities in a specific agreed-upon format. The minutes of these meetings are distributed to all attendees including the provincial government and all the local municipalities in the West Coast District.

According to the abovementioned Act, municipalities must compile Air Quality Management Plans that set out what will be done to achieve the prescribed air quality standards. Our plan forms part of the Municipality's IDP. The WCDM appointed external experts to draft the plans and by-laws for all the municipalities within the West Coast District.

### 3.15.3 CLIMATE CHANGE MANAGEMENT

#### Pressures and Threats

Matzikama Municipality has been affected by two main factors namely the extreme drought which has had a major impact on agricultural production (viticulture), and mining of the alluvial mineral sands along the coastline which is home to the second largest estuary in the country.

Main pressures in this Municipality are agriculture and mining. The main target minerals include rare earths and limestone which involve large open cast/strip mining. Due to the arid nature of the region rehabilitation is difficult, takes long and will thus cause additional environmental impacts if not rehabilitated sufficiently. Within the Western Cape, Matzikama has been a high target area for renewable energy development, both wind and solar.

The Matzikama area will experience a significant increase in average temperature (1.8 to 2.2 degrees Celsius) and approximately 10% decrease in rainfall. The challenge will be less pronounced along the coast with special temperature markers being more intense further inland.

The Municipality is currently working with MISA to compile its Climate Change Response Plan. It is waiting for the Climate Change Bill to be adopted to align the plan and then the Bill must be accepted into an Act from where it will be addressed accordingly.

Although there are no specific projects identified yet the Municipality will mainstream climate change functions into sector functions which will assist in filtering climate change considerations down into municipal decision-making and planning.

### 3.15.4 COASTAL MANAGEMENT AND ESTUARY MANAGEMENT

The Municipality has adopted their Coastal Management Plan as part of the bigger West Coast Coastal Management Plan and has compiled and gazetted a Coastal Management By-law. Officials of the Municipality attend the quarterly meetings of the District Municipal Coastal Committee where discussions on strategic coastal and estuarine management issues that impact the Municipality can promote integrated and co-operative governance in terms of the Integrated Coastal Management Act and responsibilities in terms of the Municipal Coastal Management Programs (currently reviewed) and Estuarine Management Plans.



### Environmental Protection Infrastructure Programme

The Municipality was successful in applying for funding to enhance coastal infrastructure along the Coastline of the Matzikama Municipality. The Municipality is currently waiting for the Department of Environmental Affairs to implement a suitable Project Implementer for the Business Plan to commence accordingly.

### Working for the Coast EPWP Programme

Matzikama Municipality has been part of the Working for the Coast Programme from the Olifantsriver to Bergriver Mouth from 2013. Since then the coastal communities of Papendorp and Doringbaai as well as the environment have greatly benefited from it regarding job creation, poverty alleviation and environmental protection. The municipality is currently awaiting the next rollout from the Department of Environmental Affairs.

### National Coastal Cleanup Campaigns

As part of the National Coastal Cleanup Campaign Week in September, the Municipality together with different role players in the area coordinates a coastal cleanup along the coast with the communities of the coastal towns.

### 3.15.5 EMPLOYEES: ENVIRONMENTAL PROTECTION

The following table indicates the staff composition for this division:

Job Level	2022/23		2023/24		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	0	0	0	0	0
7 – 9	0	0	0	0	0
10 - 12	0	0	0	0	0
13 - 15	1	1	1	0	0
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>

*Employees and Posts numbers are as at 30 June*

**Table 56:** Employees: Environmental Protection

## COMPONENT F: SECURITY AND SAFETY

Our objective is to limit crime in the municipal area in collaboration with other government institutions and implement security measures within the available budget.

We are experiencing theft, damage and vandalism at our municipal properties, which happens especially over weekends and at night. A further challenge is the number of homeless people in the Vredendal CBD. These challenges are due to the high rate of unemployment in the area that increases the level of crime in the municipal area



## 3.16 TRAFFIC SERVICES

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### 3.16.1 INTRODUCTION TO TRAFFIC SERVICES

The Traffic and Law Enforcement division comprises of 14 officers which is divided into three districts.

In the **Central District**, Vredendal and Vredendal North, we have a driver's license testing and roadworthy facility. The staff capacity is divided as follows:

- 1 Superintendent
- 1 Assistant Superintendent
- 2 Traffic Officers for the testing of vehicles and driver's licenses
- 3 Traffic Officers for traffic safety and law enforcement for the specific district

In the **Western District**, Lutzville, Koekenaap and Doring Bay there are:

- 1 Assistant Superintendent
- 2 Traffic Officers for traffic safety and law enforcement

In the **Eastern District**, Vanrhynsdorp to Klaver and North to Bitterfontein, including the old district municipal area there are:

- 1 Assistant Superintendent
- 3 Traffic Officers

The following services within the municipal area are rendered:

- enforcement of by-laws
- road safety training at schools
- roadworthy of motor vehicles
- testing of learner and driver's licenses
- escort duties
- traffic safety enforcement
- accident control
- safety education at businesses
- issuing of warrants of arrest
- deployment in times of disasters and major incidents

We have four vehicle registration and licensing offices in Vredendal, Vanrhynsdorp, Lutzville and Klaver. This division comprises of:

- 1 Senior Officer
- 4 Cashiers of which 2 posts are currently vacant

They are responsible for the following services:

- motor vehicle registration and all related functions
- application and issuing of learner and driver licenses
- eye testing



- learner’s classes

The office of the summons and fines administration is situated in Vredendal with 1 Administration Clerk who is responsible for the following:

- capturing of summonses on the MVS system for provincial and local traffic offences
- managing and capturing of warrants of arrest on the provincial eNATIS system
- managing the financial administration of fines that are paid
- liaisons with the Public Prosecutor
- managing the case representations
- attending the cash-flow meetings with the National Prosecuting Authority

### 3.16.2 HIGHLIGHTS: TRAFFIC SERVICES

The table below specifies the highlights for the year:

Highlight	Description
Privatisation of VTS	The VTS tender has been successfully awarded.

**Table 57:** Traffic Services Highlight

### 3.16.3 CHALLENGES: TRAFFIC SERVICES

The table below specifies the challenges for the year:

Description	Actions to address
Shortages of vehicles	More vehicles need to be purchased.

**Table 58:** Traffic Services Challenges

### 3.16.5 EMPLOYEES: TRAFFIC SERVICES

The following table indicates the staff composition for this division:

Job Level	2022/23		2023/24		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	0	0	0	0	0
7 – 9	13	19	14	5	26
10 - 12	10	16	11	5	31
13 - 15	4	2	1	1	50
<b>Total</b>	<b>27</b>	<b>37</b>	<b>26</b>	<b>11</b>	<b>30</b>

*Employees and Posts numbers are as at 30 June*

**Table 59:** Employees: Traffic Services

### 3.16.6 CAPITAL EXPENDITURE: TRAFFIC SERVICES



The table below indicates the capital expenditure relating to Traffic Services:

Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget (%)	Total Project Value
	R				R
NRSC Testing Equipment	0.00	25 920.00	25 913.04	0.00	25 913.04
<b>Traffic Services Total</b>	<b>0.00</b>	<b>25 920.00</b>	<b>25 913.04</b>	<b>0.00</b>	<b>25 913.04</b>

**Table 60:** Capital Expenditure 2023/24 Traffic Services

### 3.17 FIRE AND DISASTER MANAGEMENT

Fire Services are rendered in terms of a memorandum of understanding (MOU) with the WCDM. As for disaster management, the Municipality has a Disaster Management Plan which is reviewed annually during the IDP public participation process. We can carry out our plans and have thus far not had any serious disasters.

## COMPONENT G: SPORT AND RECREATION

### 3.18 SPORT AND RECREATION

#### 3.18.1 INTRODUCTION TO SPORT AND RECREATION

In terms of our mandate, we make facilities such as sports fields, available to the broader community. The Municipality is responsible for the development of the facilities and the upgrade thereof.

The Department is responsible for organising sports events and assisting different sporting codes in the Matzikama area, as well as the maintenance of municipal facilities in our area which consists of the following:

- 21 parks which are maintained according to a weekly schedule including the caravan parks
- 1 sports hall in Vredendal South and 1 in Vredendal North
- 10 sport fields
- swimming pool (Vredendal North) – Closed and due for an upgrade.
- swimming pool (Vredendal South) – Closed and due for an upgrade.

The parks and sports fields are maintained according to a daily work programme and staff members are also deployed to clean all the halls in the municipal area.

#### 3.18.2 HIGHLIGHTS: SPORT AND RECREATION

The table below specifies the highlights for the year:

Highlight	Description
Club Rugby by Invincibles FC, Excelsiors FC, Eagles FC, Young Spurs FC	The rugby teams are utilizing the sports facilities for practising and playing their competitive games
Soccer Games by Vredendal FC, Young Stars FC, Future Builders FC, Eleven Bullets FC, Lutzville United FC, Rangers FC, Bitterfontein FC, Royal Stars FC, Everton FC, Kangaroo Spurs FC, Arrows FC, Vredendal	The soccer teams are making use of sports facilities. Soccer is predominantly supported by communities in these selective towns



Highlight	Description
United FC, Evergreens FC, Acadian Shepards FC, Ebenhaeser, Doornbaai	
Vineyards and Sussex Cricket Teams	The cricket teams use sports facilities for social cricket and club games

**Table 61:** Sport and Recreation Highlights

### 3.18.3 CHALLENGES: SPORT AND RECREATION

The table below specifies the challenges for the year:

Description	Actions to address
Poor field surface as well as insufficient irrigation systems in place	Sufficient funds must be made available
Availability of greywater	Irrigation systems should be installed because some areas have sufficient grey water available

**Table 62:** Sport and Recreation Challenges

### 3.18.4 SERVICE STATISTICS FOR SPORT AND RECREATION

The table below specifies the service delivery levels for the year:

Type of service	2022/23	2023/24
<b>Community parks</b>		
Number of parks with play park equipment	23	22
Number of wards with community parks	8	8
<b>Swimming pools</b>		
Number of visitors per annum	0	0
R-value collected from entrance fees	0	0
<b>Campsites/Resorts</b>		
Number of visitors per annum	12 881	12 341
R-value collected from visitation and/or accommodation fees	2 926 623	3 190 152.74
<b>Sport fields</b>		
Number of wards with sports fields	8	8
Number of sports associations utilizing sports fields	28	28
R-value collected from utilization of sports fields	0	46 158.12
<b>Sport halls</b>		
Number of wards with sports halls	8	10
Number of sports associations utilizing sports halls	9	12
R-value collected from the rental of sports halls	0	46 158.12
<b>Decline in number of visitors and loss of income due to COVID-19 lockdown. Amounts realistic estimates</b>		



**Table 63:** Service Statistics for Sport and Recreation



### 3.18.5 CAPITAL EXPENDITURE: SPORT AND RECREATION

The table below indicates the capital expenditure relating to Sport and Recreation:

Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget (%)	Total Project Value
	R				R
Machinery and Equipment	0.00	106 140.00	89 764.51	15.43	89 764.51
Klawer: Upgrade of Sport facility	6 508 193.00	6 508 193.00	6 508 193.00	0.00	6 508 193.00
Klawer: Upgrade of Sport facility	2 200 000.00	3 544 227.00	3 544 227.77	0.00	3 544 227.77
<b>Sport and Recreation Total</b>	<b>8 708 193.00</b>	<b>10 158 560.00</b>	<b>10 142 185.28</b>	<b>15.43</b>	<b>10 142 185.28</b>

**Table 64:** Capital Expenditure 2023/24: Sport and Recreation



## COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES

### 3.19 CORPORATE SERVICES

#### 3.19.1 INTRODUCTION TO CORPORATE SERVICES

The Municipality moved from three directorates to four and subsequently Corporate Services directorate accommodates the units of library services, human capital, administration and legal services.

Support services are being provided to the different directorates in accordance with relevant legislation, collective agreements, and internal policies to enable the Municipality to deliver quality services to our communities.

Human Resources Management and Library Services are covered extensively in other sections of this.

#### 3.19.2 HIGHLIGHTS: CORPORATE SERVICES

The table below specifies the highlights for the year:

Highlight	Description
Finalization of the municipal organizational structure	Placement letters have been issued to all staff members
Submission of all Job Descriptions	All staff members' JDs submitted for re-evaluation.
Lowest vacant positions in the department	The majority of vacant, budgeted positions have been filled in the department.

**Table 65:** Corporate Services Highlights

#### 3.19.3 CHALLENGES: CORPORATE SERVICES

The table below specifies the challenges for the year:

Description	Actions to address
Performance and PDPs do not adhere to	Cascading of the performance management system from level T-17 to T-3 needs to be implemented, and the appointment of a Services Provider is in progress for support and implementation
Inadequate budget for Training and development	Sufficient budget provision needs to be set aside for training purposes in the organisation
Appointment of Corporate Director	Re-advertisement of the post and liaison with broader stakeholders to support the process to ensure the vacancy is filled

**Table 66:** Corporate Services Challenges

#### 3.19.4 EMPLOYEES: CORPORATE SERVICES

The following table indicates the staff composition for this division:

Job Level	2022/23		2023/24		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	5	0	0	0	0



Job Level	2022/23		2023/24		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
4 – 6	11	2	2	0	0
7 – 9	19	1	1	0	0
10 - 12	16	9	39	30	333
13 - 15	7	3	3	0	0
<b>Total</b>	<b>58</b>	<b>15</b>	<b>45</b>	<b>30</b>	<b>200</b>

*Employees and Posts numbers are as at 30 June*

**Table 67:** Employees: Corporate Services

## 3.20 FINANCIAL SERVICES

### 3.20.1 INTRODUCTION TO FINANCIAL SERVICES

The Finance Department is responsible for the Financial Strategy and overall financial management. This department is also responsible for ensuring financial balance in the Municipality, compliance with relevant legislation, regulation and governance practices and the MFMA.

### 3.20.2 HIGHLIGHTS: FINANCIAL SERVICES

The table below specifies the highlights for the year:

Highlights	Description
Tariff Conversions on Electricity Bulk Accounts	The municipality converted electricity supply bulk points to a cheaper tariff resulting in a once-off reduction of R7 092 120 on the accounts.
Municipal Debt Relief in terms of MFMA Circular 124 Approved	Interest reversal amount of R 11 710 418. Municipality needs to adhere to Debt Relief Conditions for the next 36 months.
Data Cleansing Project Completed	Ensure accurate Billing for Revenue Enhancement

**Table 68:** Financial Services Highlights

### 3.20.3 CHALLENGES: FINANCIAL SERVICES

The table below specifies the challenges for the year:

Description	Actions to address
Financial constraints and cash flow	The Municipality approved a Budget Funding Plan and reported on a quarterly basis to Council and Provincial Treasury
The core Financial Management System (FMS) did not utilize an Asset Management System (AMS)	The FMS needs to implement an AMS within the core system

**Table 69:** Financial Services Challenges

### 3.20.4 EMPLOYEES: FINANCIAL SERVICES

The following table indicates the staff composition for this division:



Job Level	2022/23		2023/24		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	7	0	0	0	0
4 – 6	2	1	1	0	0
7 – 9	33	20	20	0	0
10 - 12	18	17	17	0	0
13 - 15	10	7	7	0	0
<b>Total</b>	<b>70</b>	<b>45</b>	<b>45</b>	<b>0</b>	<b>0</b>

*Employees and Posts numbers are as at 30 June*

**Table 70:** Employees: Financial Services

### 3.20.5 CAPITAL: FINANCIAL SERVICES

The following table indicates the capital expenditure for this division:

Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget (%)	Total Project Value
	R				R
2 x Handheld UHF RFID Reader	0.00	34 000.00	31 345.00	7.81	31 345.00
Computer Equipment	0.00	101 691.00	101 691.00	0.00	101 691.00
Furniture and office equipment contributed Assets	0.00	0.00	695.64	0.00	695.64
<b>Financial Services Total</b>	<b>0.00</b>	<b>135 691.00</b>	<b>133 731.64</b>	<b>1.44</b>	<b>133 731.64</b>

**Table 71:** Capital Expenditure 2023/24: Financial Services

Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget (%)	Total Project Value
	R				R
Aircons	0.00	71 965.00	62 350.00	13.36	62 350.00
<b>Asset Management Total</b>	<b>0.00</b>	<b>71 965.00</b>	<b>62 350.00</b>	<b>13.36</b>	<b>62 350.00</b>

**Table 72:** Capital Expenditure 2023/24: Asset Management

## 3.21 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

### 3.21.1 INTRODUCTION TO ICT SERVICES

The ICT Department is responsible for planning, coordinating and rendering ICT services to the Municipality to ensure efficient operations and support. Backups are done daily and stored for safekeeping. The maintenance of the municipal system and financial systems is outsourced. The internal network and computer hardware are maintained by the ICT department.



ICT is also responsible for the provisioning of a VOIP telephone system, mailbox creation and setup on user's PC's, client-side software setup and support, printer setup and user configuration. The network printer's hardware is maintained by the hardware vendors.

User's data backups are managed by the ICT Department in that users have folders on the Municipality file server, this server is included in the daily and weekly backups to a second hardware device and finally to tape.

### 3.21.2 HIGHLIGHTS: ICT SERVICES

The table below specifies the highlights for the year:

Highlights	Description
Procurement of new servers Upgrading of server infrastructure	The old host was replaced with a new production host and backup host. The municipality upgraded its server infrastructure by procuring two new servers
DR Site: New Disaster Recovery Site	Establishment of ICT DR Site located in Vanrhynsdorp
Procurement of surveillance cameras	Surveillance cameras were procured and installed at the water and sewage pump stations

**Table 73:** Highlights: ICT Services

### 3.21.3 CHALLENGES: ICT SERVICES

The table below specifies the challenges for the year:

Description	Actions to address
Load Shedding	Load shedding had the potential to cause data corruption due to the ageing UPS powering the server infrastructure. Due to financial constraints, deep cycle batteries are used for this system, these batteries are not ideal for this system. Lithium-ion batteries should be procured for this system. Budgetary provisions must be made to address this problem
Budgetary constraints	Old PCs and laptops which is unable to join the municipal domain for effective control and management. PCs are operating on unsupported versions of the operating system and require hardware upgrades. Replace all outdated PCs, laptops, switches, and server infrastructure with the procurement of new hardware
Human Resources Constraints	The IT department is understaffed – the budget to fill the vacancies needs to be secured

**Table 74:** Challenges: ICT Services

### 3.21.4 EMPLOYEES: ICT SERVICES

The following table indicates the staff composition for this division:

Job Level	2022/23		2023/24		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	0	2	0	2	100



Job Level	2022/23		2023/24		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
7 – 9	2	1	0	1	100
10 - 12	0	1	0	1	100
13 - 15	4	3	2	1	33
<b>Total</b>	<b>6</b>	<b>7</b>	<b>2</b>	<b>5</b>	<b>71</b>

*Employees and Posts numbers are as at 30 June*

**Table 75:** Employees: ICT Services

### 3.21.4 CAPITAL: ICT SERVICES

The following table indicates the capital expenditure for this division:

Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget (%)	Total Project Value
	R				R
Back-up Server	0.00	516 000.00	515 772.25	0.04	515 772.25
Back-up Server	0.00	347 826.00	347 826.00	0.00	347 826.00
Computer Cabinets	0.00	18 793.00	0.00	100.00	0.00
<b>ICT Total</b>	<b>0.00</b>	<b>882 619.00</b>	<b>863 598.25</b>	<b>2.16</b>	<b>863 598.25</b>

**Table 76:** Capital Expenditure 2023/24: ICT

## 3.22 HUMAN RESOURCES (HR)

### 3.22.1 INTRODUCTION TO HUMAN RESOURCES

The Matzikama Municipality currently employs 396 permanent officials, who individually and collectively contribute to the achievement of municipal objectives. The primary objective of a sound Human Resource System is to render an innovative HR service that addresses both skills development and an administrative function that attracts, retains, motivates and develops human resources to achieve organizational goals and objectives.

### 3.22.2 HIGHLIGHTS: HUMAN RESOURCES

The table below specifies the highlights for the year:

Highlights	Description
MMCL training for interns and officials	Interns and managers on the MFMP programme who need to comply with the Minimum Competency Regulation
Training of SHE Reps and First Aiders	Training of relevant officials that is required by legislation
The alignment of various HR policies with the Municipal Staff Regulations	Approval of critical HR policies by Council
Recruitment and selection	Appointment of 16 new employees and promotion of 11 employees



Highlights	Description
2 Successful visits by the Cape Retirement Fund	Information session for workers with regards to the new system for pension funds
Successful visit by Medical Aid Funds	Information sessions for workers during the window period for possible changes between medical aid funds and the recruitment of new members
Financial wellness information sessions	Workshop presented to employees by Imas

**Table 77:** Human Resources Highlights

### 3.22.3 CHALLENGES: HUMAN RESOURCES

The table below specifies the challenges for the year:

Challenges	Actions to address
Appointment of a suitable qualified Director for the Corporate Services and Technical Services Department	Appointments to be made before 31 December 2024
The appointment of black males and females in senior and middle management positions	To advertise all vacancies for positions at this level provincially or nationally and to encourage these target groups to apply for these positions when advertised
The appointment of a suitable qualified Labour Relations Officer	Appointment to be made before 31 December 2024
The implementation and management of individual performance management for middle managers and other employees	Get the buy-in and commitment of both management and personnel to participate. Include the management of Individual Performance as a KPI in Senior Managers' Performance Management Contract
Limited financial resources for the successful implementation of the Workplace Skills Plan	To make more funding available for the implementation of the Workplace Skills Plan
Low morale of employees	Address the issues by organizing wellness programs for all staff members to participate in during the year. Conduct a survey to determine the reasons
Contravention/ Confirmatory Notice regarding Occupational Health & Safety non-compliance issues from the Department of Labour	Outstanding findings to be rectified during the new financial year. A Consultant is to be appointed for the removal of all asbestos roof projects. Funding to be made available to address these findings
The finalization of the micro personnel structure	Finalised structure by the end of September 2024
Increase in resignations of employees due to financial problems	Seek ways to assist employers to do proper budgeting and to improve their financial situation

**Table 78:** Human Resources Challenges

### 3.22.4 EMPLOYEES: HUMAN RESOURCES

The following table indicates the staff composition for this division:

Job Level	2022/23		2023/24		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	0	0	0	0	0
4-6	0	0	0	0	0
7-9	0	1	0	1	100



Job Level	2022/23		2023/24		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
10 - 12	0	6	5	1	17
13 - 15	3	3	3	0	0
<b>Total</b>	<b>3</b>	<b>10</b>	<b>8</b>	<b>2</b>	<b>20</b>

*Employees and Posts numbers are as at 30 June*

**Table 79:** Employees: Human Resources

### 3.23 PROCUREMENT SERVICES

#### 3.23.1 HIGHLIGHTS: PROCUREMENT SERVICES

The table below specifies the highlights for the year:

Highlight	Description
Fully functional SCM Unit	Appropriately staffed
Stores	Stores were implemented in February 2024. It will be phased in throughout the Financial Year. The position of Store man has been advertised
Changes in SCM Regulations	On 14 December 2023, there was a change in SCM Regulations. Certain Regulations were deleted, and that “forced” us to move to Formal Quotation processes, which have a good impact on our day-to-day activities
Ensure that capital grants are spent	Procurement plans are in place

**Table 80:** Procurement Services Highlights

#### 3.23.2 CHALLENGES: PROCUREMENT SERVICES

The table below specifies the challenges for the year:

Description	Actions to address
Integration of Financial Systems	The integration between Collaborator and Phoenix is a challenge because we can’t make use of the Tender Management Module of Phoenix due to Collaborator still needing to improve its programmes for full integration between the two systems
Training	Of Bid Committee Members as well as new recruitments at Matzikama Municipality
Paper-based system	Collaborator – the system that Supply Chain Management use to capture requisitions, should move from a paper-based system to an electronic system to allow for effective and efficient service delivery specifically between the first week after month end

**Table 81:** Procurement Services Challenges



### 3.23.3 DETAILS OF DEVIATIONS FOR PROCUREMENT SERVICES

The table below indicates a summary of deviations from the SCM Policy:

Type of deviation	Number of deviations	Value of deviations ®R
Clause 36(1)(a)(i)-Emergency	75	4 696 309
Clause 36(1)(a)(ii)-Sole Supplier	0	0
Clause 36(1)(a)(vii) ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required to call for bids	0	0
Clause 36(1)(a)(viii)- workshop strip and quote	98	4 295 653
<b>Total</b>	<b>173</b>	<b>8 991 962</b>

**Table 82:** Statistics of Deviations from the SCM Policy

## COMPONENT I: SERVICE DELIVERY PRIORITIES FOR 2022/23

The main development and service delivery priorities for 2023/24 forms part of the Municipality's Top Layer SDBIP for 2023/24 and are indicated in the table below:

### 3.24 DEVELOPMENT AND SERVICE DELIVERY PRIORITIES FOR 2024/25

#### 3.24.1 GROW A PROFESSIONAL, KNOWLEDGEABLE, INNOVATIVE AND MOTIVATED WORKFORCE

Ref	KPI	Unit of Measurement	Ward	Annual Target
TL11	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 as at 30 June 2025	Number of people employed in the three highest levels of management as at 30 June 2025	All	1
TL12	The percentage of the municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2025 [(Actual amount spent on training/total personnel budget)x100]	% of personnel budget actually spent on implementing its workplace skills plan by 30 June 2025 [(Actual amount spent on training/total personnel budget)x100]	All	0.40%
TL28	Submit the Workplace Skills Plan to Local Government SETA by 30 April 2025	Work Skills Plan submitted to LGSETA by 30 April 2025	All	1

**Table 83:** Grow a professional, knowledgeable, innovative and motivated workforce

#### 3.24.2 IMPROVE BASIC SERVICE DELIVERY AND RELATED INFRASTRUCTURE

Ref	KPI	Unit of Measurement	Ward	Annual Target
TL1	Provide water services to formal residential properties which are billed for water or have prepaid meters that is connected to the municipal water infrastructure network as at 30 June 2025	Number of residential properties which are billed for water or have prepaid meters as at 30 June 2025	All	9 714
TL19	Limit unaccounted for electricity to less than 12% by 30 June 2025 {(Number of Electricity Units Purchased and/or Generated - Number of	% unaccounted electricity at 30 June 2025 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) /	All	12%



Ref	KPI	Unit of Measurement	Ward	Annual Target
	Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) x 100}	Number of Electricity Units Purchased and/or Generated) _ 100}		
TL2	Provide electricity to formal residential properties which are billed for electricity or have prepaid meters as at 30 June 2025 (excluding Eskom areas)	Number of residential properties which are billed for electricity or have prepaid meters as at 30 June 2025 (Excluding Eskom areas)	All	10 300
TL20	Limit unaccounted for water to less than 15% by 30 June 2025 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified x 100}	% unaccounted water at 30 June 2025 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified _ 100}	All	15%
TL21	The percentage of water samples that comply with SANS241 micro biological indicators monthly {(Number of water samples that comply with SANS21 indicators/Number of water samples tested)x100}	% of water samples compliant monthly	All	95%
TL3	Provide waste water services to formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage as at 30 June 2025	Number of residential properties which are billed for sewerage as at 30 June 2025	All	9 269
TL33	Complete the Vredendal North Phase 6 Housing Civil Services 100 sites project by 30 June 2025	Vredendal North Phase 6 Housing Civil Services 100 sites project completed by 30 June 2025	Ward 4	1
TL34	Complete the Vredendal- North: Pave Roads Phase 5 by 30 June 2025	Klawer: Vredendal- North: Pave Roads Phase 5 completed by 30 June 2025	Ward 4	1
TL35	Procure the specialised vehicles for Waste Management by 30 June 2025	Specialised vehicles for waste management procured by 30 June 2025	All	1
TL36	Complete the Papendorp Upgrading of Roads And Stormwater project by 30 June 2025	Papendorp Upgrading of Roads And Stormwater project completed by 30 June 2025	Ward 2	1
TL37	Complete the Vanrhynsdorp Bulk Water Infrastructure project by 30 June 2025	Vanrhynsdorp Bulk Water Infrastructure project completed by 30 June 2025	Ward 7	1
TL38	Complete the Ebenhaeser upgrading of Roads and Stormwater by 30 June 2025	Ebenhaeser Upgrading of Roads and Stormwater project completed by 30 June 2025	Ward 2	1
TL39	Complete the Lutzville Phase 3 (82) Restant of 397 Houses project by 30 June 2025	Lutzville Phase 3 (82) Restant of 397 Houses project completed by 30 June 2025	Ward 1	1
TL4	Provide refuse removal services to formal residential properties which are billed for refuse removal as at 30 June 2025	Number of residential properties which are billed for refuse removal as at 30 June 2025	All	10 924
TL40	Complete the Sewer Pumpstation Refurbishment project by 30 June 2025	Sewer Pumpstation Refurbishment project completed by 30 June 2025	All	1
TL41	Complete the Klawer Upgrade of Sports Facility project by 30 June 2025	Klawer Upgrade of Sports Facility project completed by 30 June 2025	Ward 6	1
TL42	Complete the Fencing & Lining (Klawer) project by 30 June 2025	Fencing & Lining (Klawer) project completed by 30 June 2025	Ward 6	1
TL5	The number of indigent households earning less than R4660 per month that have access to free basic water as at 30 June 2025	Number of households that have access to free basic water as at 30 June 2025	All	1 742
TL6	The number of indigent households earning less than R4660 per month that have access to free basic electricity as at 30 June 2025	Number of households that have access to free basic electricity as at 30 June 2025	All	2 977



Ref	KPI	Unit of Measurement	Ward	Annual Target
TL7	The number of indigent households earning less than R4660 per month that have access to free basic sanitation as at 30 June 2025	Number of households that have access to free basic sanitation as at 30 June 2025	All	2 560
TL8	The number of indigent households earning less than R4660 per month that have access to free basic refuse removal as at 30 June 2025	Number of households that have access to free basic refuse removal as at 30 June 2025	All	2 685
TL9	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2025 $\{(\text{Actual amount spent on projects} / \text{Total amount budgeted for capital projects}) \times 100\}$	% of the municipal budget spent by 30 June 2025	All	90%

**Table 84:** Improve basic service delivery and related infrastructure

### 3.24.3 INVOLVE COMMUNITIES IN THE DEVELOPMENT PROCESSES OF THE MUNICIPALITY THROUGH EFFECTIVE COMMUNICATION

Ref	KPI	Unit of Measurement	Ward	Annual Target
TL16	Submit the Annual Performance Report in terms of Section 46 of the Municipal Systems Act to the Auditor-General by 31 August 2024	Report submitted to the Auditor-General by 31 August 2024	All	1
TL17	Submit the Draft Annual Report to Council by 31 January 2025	Draft report submitted to council by 31 January 2025	All	1
TL18	Submit the reviewed Draft IDP to Council by 31 March 2025	Reviewed draft IDP submitted to Council by 31 March 2025	All	1
TL22	Compile the Risk based Audit Plan (RBAP) for 2025/26 and submit to the Audit Committee by 30 June 2025	RBAP submitted to the Audit Committee by 30 June 2025	All	1
TL23	Complete planned audits in terms of the Risk Based Audit plan by 30 June 2025 $\{(\text{Planned audits completed divided by the audits planned for the financial year}) \times 100\}$	% of planned audits completed by 30 June 2025	All	80%
TL26	Submit the final reviewed IDP to Council by 31 May 2025	Final reviewed IDP submitted by 31 May 2025.	All	1
TL27	Limit the vacancy rate to less than 10% of budgeted posts by 30 June 2025 $\{(\text{Actual approved budgeted vacant positions} / \text{total budgeted approved posts}) \times 100\}$	% Vacancy rate by 30 June 2025 $\{(\text{Actual approved budgeted vacant positions} / \text{total budgeted approved posts}) \times 100\}$	All	10%
TL29	Submit the reviewed Draft Disaster Management Plan to Council by 31 March 2025	Reviewed Draft Disaster Management Plan submitted to Council by 31 March 2025	All	1
TL30	Submit the Annual EE Report to the Department of Labour by 15 January 2025	EE Report submitted by end of January 2025	All	1
TL32	Ensure that any issues raised by the Auditor-General in an Audit Report are addressed by 30 June 2025	% of issues raised by the Auditor-General in an audit report addressed by 30 June 2025	All	100%

**Table 85:** Involve communities in the development of the Municipality through effective communication

### 3.24.4 TURNAROUND THE DWINDLING ECONOMY TO CREATE EMPLOYMENT, REDUCE POVERTY AND IMPROVE THE FINANCIAL POSITION OF THE MUNICIPALITY



Ref	KPI	Unit of Measurement	Ward	Annual Target
TL10	Create temporary jobs opportunities through EPWP projects by 30 June 2025	Number of temporary job opportunities created by 30 June 2025	All	158
TL13	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2025 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	% of debt coverage as at 30 June 2025	All	24%
TL14	Financial viability measured in terms of the outstanding service debtors as at 30 June 2025 (Total outstanding service debtors/ revenue received for services)	% of outstanding service debtors as at 30 June 2025	All	45%
TL15	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2025 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Number of months it takes to cover fix operating expenditure with available cash as at 30 June 2025	All	0.2
TL24	Achieve a debtors payment percentage of 88% at 30 June 2025 (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off / Billed Revenue x 100)	Payment % achieved at 30 June 2025	All	88%
TL25	Submit the Annual Financial Statements for 2023/24 by 31 August 2024 to the Office of the Auditor-General	Financial statements submitted by 31 August 2024 to the Office of the Auditor-General	All	1
TL31	Number of LED interventions by 30 June 2025	LED interventions conducted by 30 June 2025	All	4
TL43	Complete the Lutzville Roads and Stormwater PH 1.3 project completed by 30 June 2025	Lutzville Roads and Stormwater project by 30 June 2025	All	1

**Table 86:** Turnaround the dwindling economy to create employment, reduce poverty and improve the financial position of the Municipality



## CHAPTER 4

### 4.1 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The following table indicates the Municipality’s performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area – Municipal Transformation and Organizational Development.

KPA & Indicators	Municipal Achievement	Municipal Achievement
	2022/23	2023/24
The number of people from <b>employment equity</b> target groups employed in the three highest levels of management in compliance with a municipality’s approved employment equity plan	1	2
The percentage of the Municipality’s salary budget actually spent on implementing its workplace skills plan	0.16%	0.4%

**Table 87:** National KPIs– Municipal Transformation and Organisational Development

### 4.2 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Matzikama Municipality currently employs 396 permanent officials, who individually and collectively contribute to the achievement of municipal objectives. The primary objective of a sound Human Resource System is to render an innovative HR service that addresses both skills development and an administrative function and attract, retain, motivate and develop human resources to achieve organizational goals and objectives.

#### 4.2.1 EMPLOYMENT EQUITY

The Employment Equity (EE) Act (1998) Chapter 3, Section 15(1) states that affirmative action measures are measures designed to ensure that suitably 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”.

The tables below specify the targets of the Municipality and the actual performance as at 30 June 2023/24:

African			Coloured			Indian			White		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
144	48	33%	171	326	191%	6	1	17%	75	21	28%

**Table 88:** Employment Equity Targets and Actual Performance by Racial Classification



Male			Female			Disability		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
221	245	111%	175	151	86%	10	10	100%

**Table 89:** Employment Equity Targets and Actual Performance by Gender Classification

#### A) EMPLOYMENT EQUITY VS. POPULATION

Description	African	Coloured	Indian	White	Total
Population numbers	5 707	50 159	1 343	9 938	67 147
% Population	8%	75%	2%	15%	100%
Number of positions filled	52	336	1	22	411
% for Positions filled	1.65%	81.75%	0.24%	5.35%	100%

**Table 90:** EE Population 2023/24 (including non-permanent officials)

#### B) SPECIFIC OCCUPATIONAL CATEGORIES - RACE

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

Occupational Categories	Posts filled								Total
	Male				Female				
	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers	0	9	1	0	0	3	0	3	16
Professionals	2	9	0	1	1	7	0	5	25
Technicians and associate professionals	0	17	0	0	1	9	0	3	30
Clerks / Service and Sales	5	23	0	1	3	59	0	7	98
Craft and related trades workers	2	10	0	1	0	0	0	0	13
Plant and machine operators and assemblers	4	27	0	0	0	0	0	0	31
Elementary occupations	22	111	0	0	8	42	0	0	183
<b>Total permanent</b>	<b>35</b>	<b>206</b>	<b>1</b>	<b>3</b>	<b>13</b>	<b>120</b>	<b>0</b>	<b>18</b>	<b>396</b>
Non-permanent	2	6	0	0	2	4	0	1	15
<b>Grand total</b>	<b>37</b>	<b>212</b>	<b>1</b>	<b>3</b>	<b>15</b>	<b>124</b>	<b>0</b>	<b>19</b>	<b>411</b>

**Table 91:** Occupational Categories

#### C) SPECIFIC 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	0	1	0	0	0	0	0	0	1
Senior management/ Managers	0	2	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	1	13	1	0	0	6	0	8	29
Skilled technical and academically qualified workers, junior management,	4	43	0	3	3	36	0	8	97



Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
supervisors, foremen and superintendents									
Semi-skilled and discretionary decision-making	21	113	0	0	3	55	0	2	194
Unskilled and defined decision-making	9	34	0	0	7	23	0	0	73
<b>Total permanent</b>	<b>35</b>	<b>206</b>	<b>1</b>	<b>3</b>	<b>13</b>	<b>120</b>	<b>0</b>	<b>18</b>	<b>396</b>
Non-permanent employees	2	6	0	0	2	4	0	1	15
<b>Grand total</b>	<b>37</b>	<b>212</b>	<b>1</b>	<b>3</b>	<b>15</b>	<b>124</b>	<b>0</b>	<b>19</b>	<b>411</b>

**Table 92:** Occupational Levels

#### d) DEPARTMENTS - RACE

The following table categories 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	0	4	0	0	0	3	0	2	9
Financial Services	2	13	0	0	0	34	0	5	54
Corporate Services	1	8	0	0	3	8	0	2	22
Community Development Services	15	79	0	1	7	54	0	5	161
Infrastructure Services	17	102	1	2	3	21	0	4	150
<b>Total permanent</b>	<b>35</b>	<b>206</b>	<b>1</b>	<b>3</b>	<b>13</b>	<b>120</b>	<b>0</b>	<b>18</b>	<b>396</b>
Non- permanent	2	6	0	0	2	4	0	1	15
<b>Grand total</b>	<b>37</b>	<b>212</b>	<b>1</b>	<b>3</b>	<b>15</b>	<b>124</b>	<b>0</b>	<b>19</b>	<b>411</b>

**Table 93:** Department - Race

### 4.2.2 VACANCY RATE

The approved organogram for the Municipality had 596 posts for the 2023/24 financial year and 489 of the permanent posts were budgeted for. The actual permanent positions filled are 396 as indicated in the tables below by post level and by functional level. 93 Budgeted posts were vacant at the end of 2023/24, resulting in a vacancy rate of 19%.

Per Post Level		
Post level	Filled	Vacant
MM & MSA section 57 & 56	3	2
Middle management	13	2
Admin Officers	216	35
General Workers	185	30
<b>Total</b>	<b>417</b>	<b>69</b>
Per Functional Level		
Functional area	Filled	Vacant
Office of the Municipal Manager	9	0



Per Post Level		
Post level	Filled	Vacant
Financial Services	54	10
Corporate Services	22	5
Community Development Services	161	31
Infrastructure Services	150	47
<b>Total</b>	<b>396</b>	<b>93</b>

**Table 94:** Vacancy Rate per Post and Functional Level

The table below indicates the number of staff per senior level expressed as total positions and current vacancies as full-time staff equivalents:

Salary level	Number of current critical vacancies	Number total posts as per organogram	Vacancy job title	Vacancies (as a proportion of total posts per category)
Municipal Manager	0	1	N/A	0
Chief Financial Officer	0	1	N/A	0
Other Section 57	2	3	Director: Corporate Services Director: Technical Services	67%
<b>Total</b>	<b>2</b>	<b>5</b>		<b>40%</b>

**Table 1-** Vacancy rate per senior salary level

### 4.2.3 EMPLOYEE TURNOVER RATE

A high employee turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. Below is a table that specifies that the employee turnover rate for the Municipality increased from 7.61% in 2022/23 to 9.10% in 2023/24.

The table below indicates the turnover rate for the last three financial years:

Financial year	Total number of Appointments at the end of each Financial Year	New Appointments	Number of Terminations During the Year	Employee Turnover Rate
2021/22	446	12	29	6.38%
2022/23	417	4	33	7.61%
2023/24	396	16	37	9.10%

**Table 95:** 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 injury rate increased from 26 employees injured in the 2022/23 financial year to 30 employees in the 2023/24 financial year.

The table below specifies the total number of injuries within the different departments:

Directorates	2022/23	2023/24
Office of the Municipal Manager	0	1
Corporate Services	1	0
Financial Services	2	0
Community Development Services	14	14
Infrastructure Services	9	15
<b>Total</b>	<b>26</b>	<b>30</b>

**Table 96:** Injuries

### 4.3.2 SICK LEAVE

The number of sick leave days taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of sick leave days taken during the 2023/24 financial year decreased when compared to the 2022/23 financial year.

The table below specifies the total number of sick leave days taken within the different directorates:

Department	2022/23	2023/24
Municipal Manager	60	112
Corporate Services	202	239
Financial Services	333	365
Community Services	1 575	1 150
Technical Services	1 314	853
<b>Total</b>	<b>3 484</b>	<b>2 719</b>

**Table 97:** Sick Leave

### 4.3.3 HR POLICIES AND PLANS

The Human Resource Management policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the management of staff.

The table below shows the HR policies and plans that were approved and/or revised in 2022/23-2023/24 and that still needs to be developed:



Approved Policies	
Name of Policy	Date Approved/ Revised
Placement of Personnel Policy	25 October 2022
Study aid for Personnel Policy	25 October 2022
Protection of Personal Information Policy	25 October 2022

Policies to be reviewed	
Name of Policy	Target date for approval
Recruitment & Selection Policy	30 September 2023
Induction Policy	31 December 2023
Clothing Policy	30 September 2023
Standby Policy	30 September 2023

Policies still to be developed	
Name of Policy	Target date for approval
Education, Training & Development Policy	30 June 2024
Individual Performance Management Policy	30 June 2024
Employment Equity Policy	30 June 2024
Probation Policy	30 June 2024
Exit Policy	30 June 2024
Occupational Health & Safety Policy	30 June 2024

**Table 98:** HR Policies and Plans

## 4.4 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose, the human resource 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 who received training (skills programs, short courses, etc.) in the year under review:

Management level	Gender	Number of employees Identified for Training at the Start of the Year	Number of Employees that Received Training as Identified in WSP	Number of Employees that Received <i>Ad-hoc</i> Training
MM and S57	Female	0	0	0
	Male	9	0	1
	Female	21	6	0



Management level	Gender	Number of employees Identified for Training at the Start of the Year	Number of Employees that Received Training as Identified in WSP	Number of Employees that Received <i>Ad-hoc</i> Training
Legislators, senior officials, and managers	Male	22	8	0
Professionals	Female	8	2	0
	Male	4	2	1
Associate professionals and Technicians	Female	0	2	1
	Male	17	2	0
Clerks	Female	19	5	0
	Male	8	4	0
Service and sales workers	Female	6	1	0
	Male	9	2	0
Craft and related trade workers	Female	0	0	0
	Male	0	9	0
Plant and machine operators and assemblers	Female	5	1	0
	Male	22	3	0
Elementary occupations	Female	4	4	0
	Male	59	21	0
Sub total	Female	63	21	1
	Male	150	51	2
Total		213	72	3

**Table 99:** Skills Matrix

#### 4.4.2 SKILLS DEVELOPMENT – TRAINING PROVIDED

The Skills Development Act (1998) and the MSA, require employers to supply employees with the necessary training to develop its human resource capacity. Section 55(1)(f) states that as head of administration, the Municipal Manager is responsible for the management, utilization and training of staff.

Occupational categories	Gender	Training provided within the reporting period							
		Learnerships		Skills programmes & other short courses		Ad-hoc training	Total		
		Actual	Target	Actual	Target	Actual	Actual	Target	% Variance
MM and S57	Female	0	0	0	0	0	0	0	N/A
	Male	0	0	0	9	1	1	9	-89%
MM and S57	Female	0	0	6	21	0	6	21	-71%
	Male	2	1	6	21	0	8	22	-64%
Professionals	Female	1	2	1	6	0	2	8	-75%
	Male	1	2	1	2	1	3	4	-25%
Associate professionals and Technicians	Female	0	0	2	0	1	3	0	N/A
	Male	0	0	2	17	0	2	17	-88%



Occupational categories	Gender	Training provided within the reporting period							
		Learnerships		Skills programmes & other short courses		Ad-hoc training	Total		
		Actual	Target	Actual	Target	Actual	Actual	Target	% Variance
Clerks	Female	3	3	2	16	0	5	19	-74%
	Male	3	4	1	4	0	4	8	-50%
Service and sales workers	Female	0	0	1	6	0	1	6	-83%
	Male	0	0	2	9	0	2	9	-78%
Craft and related trade workers	Female	0	0	0	0	0	0	0	N/A
	Male	0	0	9	0	0	9	0	N/A
Plant and machine operators and assemblers	Female	0	1	1	4	0	1	5	N/A
	Male	0	8	3	14	0	3	22	-86%
Elementary occupations	Female	0	0	4	4	0	4	4	0%
	Male	0	19	21	40	0	21	59	-64%
Sub total	Female	4	6	17	57	1	22	63	-65%
	Male	6	34	45	116	2	53	150	-65%
Total		10	40	62	173	3	75	213	-65%

**Table 100:** Skills Development Training provided

#### 4.4.3 SKILLS DEVELOPMENT - BUDGET ALLOCATION

The table below indicates that a total amount of R640 000 was allocated to the workplace skills plan and that 31% of the total amount was spent in the 2023/24 financial year:

Year	Total personnel budget	Total Allocated	Total Spend	% Spend
	R			
2021/22	R176 588 096	R314 842	R36 486	12%
2022/23	R185 587 500	R519 000	R298 760	58%
2023/24	R185 583 772	R640 000	R198 464	31%

**Table 101:** Budget Allocated and Spent for 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 in acquiring the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes-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 to 30 September 2015 in terms of Government Notice 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.”

All 3 senior managers and 11 of the 13 middle managers in the employment of the municipality as at 30 June 2024 have completed the Municipal Minimum Competency Level training.

The table below provides details of the financial competency development progress as required by the Annexure to the Regulations:

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>				
Accounting officer	1	1	1	1
Chief financial officer	1	1	1	1
Senior managers	1	1	1	1
Any other financial officials	1	N/A	N/A	1
Heads of supply chain management units	1	N/A	N/A	1
Supply chain management senior managers	0	0	0	0
<b>Total</b>	<b>5</b>	<b>3</b>	<b>3</b>	<b>5</b>

**Table 102:** Budget Allocated and Spent for Skills Development

## 4.5 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

Section 66 of the MSA states that the accounting officer of a municipality must report to the Council on all expenditure incurred by the Municipality on staff salaries, wages, allowances and benefits. This is in line with 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

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past two financial years and that the Municipality is within the national norm of between 35 to 40%:

Financial year	Total Expenditure Salary and Allowances	Total Operating Expenditure	Percentage
	R	R	
2022/23	179 097 668	459 951 360	39%
2023/24	181 296 831	485 936 032	37%



**Table 103:** Personnel Expenditure

Below is a summary of Councillor and staff benefits for the year under review:

Financial year	2022/23	2023/24		
Description	Actual*	Original Budget	Adjusted Budget	Actual
	R			
<b>Councillors (Political Office Bearers plus Other)</b>				
Salary	6 605 092	6 979 415	7 435 264	7 125 668
Pension Contributions	174 417	173 845	208 777	208 777
Medical Aid Contributions	0	0	0	0
Motor Vehicle Allowance	172 172	180 608	172 172	172 172
Cell Phone Allowance	609 517	641 987	785 140	731 404
<b>Sub Total</b>	<b>7 561 198</b>	<b>7 975 855</b>	<b>8 601 353</b>	<b>8 238 021</b>
<b>% increase/ (decrease)</b>	<b>0</b>	<b>5.48%</b>	<b>7.8%</b>	<b>8.95%</b>
<b>Senior Managers of the Municipality</b>				
Salary	3 298 066	5 813 090	2 947 916	2 667 857
Pension Contributions	6 908	12 750	5 844	5 668
Medical Aid Contributions	30 811	117 324	44 330	24 638
Motor Vehicle Allowance	815 329	1 268 938	723 853	745 932
Cell Phone Allowance	126 111	204 000	127 503	159 400
Performance Bonus	776 282	517 952	330 108	499 358
Other Benefits or Allowances	319 324	379 341	235 753	236 631
<b>Sub Total</b>	<b>5 372 831</b>	<b>8 313 395</b>	<b>4 415 307</b>	<b>4 339 483</b>
<b>% increase/ (decrease)</b>	<b>0</b>	<b>54.73%</b>	<b>-46.9%</b>	<b>-19.23%</b>
<b>Other Municipal Staff</b>				
Basic Salaries and Wages	109 384 951	115 286 551	114 129 751	111 067 658
Pension Contributions	18 871 870	19 669 348	19 106 964	18 865 441
Medical Aid Contributions	4 922 465	5 401 634	5 256 808	5 167 672
Motor Vehicle Allowance	8 201 571	8 848 746	8 383 081	7 509 619
Cell Phone Allowance	189 969	192 300	190 350	167 692
Housing Allowance	358 167	536 008	451 021	276 404
Overtime	5 892 552	3 846 610	6 682 074	6 379 204
Other Benefits or Allowances	18 342 094	19 602 321	18 367 063	19 285 637
<b>Sub Total</b>	<b>166 163 639</b>	<b>173 383 518</b>	<b>172 567 112</b>	<b>168 719 326</b>
<b>% increase/ (decrease)</b>	<b>0</b>	<b>4.35%</b>	<b>-0.5%</b>	<b>1.54%</b>
<b>Total Municipality</b>	<b>179 097 668</b>	<b>189 672 768</b>	<b>185 583 772</b>	<b>181 296 831</b>
<b>% increase/ (decrease)</b>	<b>0</b>	<b>5.90%</b>	<b>-2.2%</b>	<b>1.23%</b>
<i>*Note: figures in the previous years were amended and will therefore not match the figures in the previous year report.</i>				

**Table 104:** Personnel Expenditure



## LIST OF ABBREVIATIONS

<b>AG</b>	Auditor (General	<b>KPA</b>	Key Performance Area
<b>AFS</b>	Annual Financial Statements	<b>KPI</b>	Key Performance Indicator
<b>CAPEX</b>	Capital Expenditure	<b>LED</b>	Local Economic Development
<b>CBP</b>	Community Based Planning	<b>MAYCOM</b>	Executive Mayoral Committee
<b>CFO</b>	Chief Financial Officer	<b>MFMA</b>	Municipal Finance Management Act (Act No. 56 of 2003)
<b>CMTF</b>	Council Meets The People	<b>MIG</b>	Municipal Infrastructure Grant
<b>COGHSTA</b>	Department of Cooperative Governance, Human settlements and Traditional Affairs	<b>MM</b>	Municipal Manager
<b>DAFF</b>	Department of Agriculture, Forestry and Fisheries	<b>MMC</b>	Member of Mayoral Committee
<b>DPLG</b>	Department of Provincial and Local Government	<b>MSA</b>	Municipal Systems Act No. 32 of 2000
<b>DWA</b>	Department of Water Affairs	<b>MTECH</b>	Medium Term Expenditure Committee
<b>EE</b>	Employment Equity	<b>NCOP</b>	National Council of Provinces
<b>EPWP</b>	Extended Public Works Programme	<b>NERSA</b>	National Energy Regulator South Africa
<b>EXCO</b>	Executive Committee	<b>NGO</b>	Non (governmental organisation
<b>FBS</b>	Free Basic Services	<b>NT</b>	National Treasury
<b>GAMAP</b>	Generally Accepted Municipal Accounting Practice	<b>OPEX</b>	Operating expenditure
<b>GRAP</b>	Generally Recognised Accounting Practice	<b>PMS</b>	Performance Management System
<b>HR</b>	Human Resources	<b>PT</b>	Provincial Treasury
<b>IDP</b>	Integrated Development Plan	<b>SALGA</b>	South African Local Government Association
<b>IFRS</b>	International Financial Reporting Standards	<b>SAMDI</b>	South African Management Development Institute
<b>IMFO</b>	Institute for Municipal Finance Officers	<b>SCM</b>	Supply Chain Management
		<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
		<b>SDF</b>	Spatial Development Framework



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# CHAPTER 5

## Component A

### Statements of Financial Performance

This chapter provides details regarding the financial performance of the Municipality for the 2023/24 financial year.

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

### 5.1 Financial Summary

The table below indicates the summary of the financial performance for the 2023/24 financial year:

The table below shows a summary of performance against budgets:

Cash flow management is critical to the Municipality as it enables the organisation to assess whether enough cash is available at any point in time to cover the council's commitments.

Financial Summary						
R'000						
Description	2022/23	2023/24		2023/24 % Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
<b>Financial Performance</b>						
Property rates	49 550	51 652	51 548	51 341	-0,60	-0,40
Service charges	211 021	277 636	261 686	249 179	-11,42	-5,02
Investment revenue	1 419	1 580	1 486	1 729	8,59	14,06
Transfers recognised - operational	88 967	98 089	102 320	99 090	1,01	-3,26
Other own revenue	48 842	49 202	82 447	70 056	29,77	-17,69
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>399 799</b>	<b>478 159</b>	<b>499 486</b>	<b>471 395</b>	<b>-1,43</b>	<b>-5,96</b>
Employee costs	171 536	181 697	176 982	173 059	-4,99	-2,27
Remuneration of councillors	7 561	7 976	8 601	8 238	3,18	-4,41
Depreciation & asset impairment	70 500	53 989	79 884	76 934	29,82	-3,83
Finance charges	28 166	15 291	29 400	28 970	47,22	-1,48
Materials and bulk purchases	138 837	158 933	152 656	148 792	-6,82	-2,60
Transfers and grants	1 747	2 165	2 467	2 002	-8,12	-23,21
Other expenditure	41 604	48 036	61 377	45 445	-5,70	-35,06
<b>Total Expenditure</b>	<b>459 951</b>	<b>468 088</b>	<b>511 368</b>	<b>483 441</b>	<b>3,18</b>	<b>-5,78</b>
<b>Surplus/(Deficit)</b>	<b>(60 153)</b>	<b>10 071</b>	<b>(11 881)</b>	<b>(12 046)</b>	<b>183,61</b>	<b>1,37</b>
Transfers recognised - capital	39 332	37 301	50 530	45 806	18,57	-10,31
Contributions recognised - capital & contributed assets	2 169	-	11 913	11 959	100,00	0,39

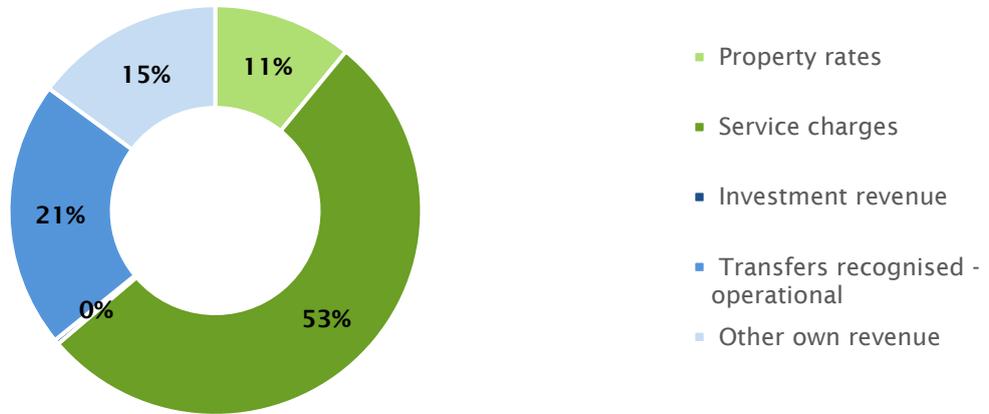
Financial Summary						
R'000						
Description	2022/23	2023/24		2023/24 % Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Surplus/(Deficit) after capital transfers & contributions	(18 651)	47 372	50 562	45 719	-3,62	-10,59
<b>Capital Expenditure &amp; funds sources</b>						
<b>Capital Expenditure</b>						
Transfers recognised - capital	39 332	37 301	50 530	45 141	17,37	-11,94
Public contributions & donations	2 169	-	202	249	100,00	18,98
Borrowing	39 332	37 301	50 530	45 141	17,37	-11,94
Internally generated funds	39 332	37 301	50 530	45 141	17,37	-11,94
<b>Total sources of capital funds</b>	<b>2 169</b>	<b>-</b>	<b>202</b>	<b>249</b>	<b>100,00</b>	<b>18,98</b>
<b>Financial Position</b>						
Total current assets	39 332	37 301	50 530	45 141	17,37	-11,94
Total non-current assets	2 169	-	202	249	100,00	18,98
Total current liabilities	39 332	37 301	50 530	45 141	17,37	-11,94
Total non-current liabilities	2 169	-	202	249	100,00	18,98
Community wealth/equity	640 198	690 141	696 224	685 917	-0,62	-1,50
<b>Cash flow</b>						
Net cash from (used) operating	39 332	37 301	50 530	45 141	17,37	-11,94
Net cash from (used) investing	2 169	-	202	249	100,00	18,98
Net cash from (used) financing	39 332	37 301	50 530	45 141	17,37	-11,94
Cash/cash equivalents at the year end	15 256	19 878	1 135	20 338	2,27	94,42
<b>Cash back/surplus reconciliation</b>						
Cash and investments available	18 509	6 002	4 233	2 427	-147,35	-74,42
Application of cash and investments	(25 727)	(662)	(3 285)	(7 988)	91,72	58,87
<b>Balance - surplus (shortfall)</b>	<b>(7 218)</b>	<b>5 341</b>	<b>947</b>	<b>(5 562)</b>	<b>196,02</b>	<b>117,03</b>
<b>Asset management</b>						
Asset register summary (WDV)	919 184	915 978	941 272	943 480	2,91	0,23
Depreciation & asset impairment	25 974	23 440	26 617	25 073	6,51	-6,16
Renewal of existing assets	139	-	585	546	100,00	-7,13
Repairs and maintenance	9 764	7 834	10 152	7 221	-8,49	-40,60
<b>Free Services</b>						
Cost of free basic services provided	11 538	7 248	5 494	5 944	-21,93	7,58
Revenue cost of free services provided	752	5 355	3 213	433	-1136,40	-641,92

*Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual.*

Table 161: Financial Performance 2023/24

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

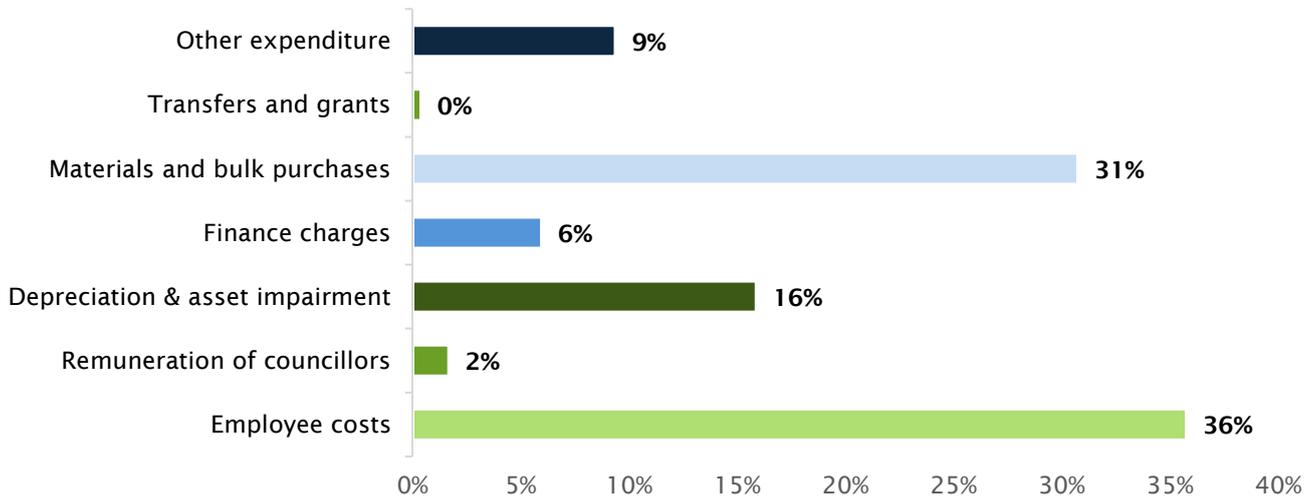
### Operational Revenue



Graph 5: Revenue

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

### Operational Expenditure



Graph 6: Expenditure

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000				R'000			
2022/23	477 404	441 301	(36 104)	-8	477 793	459 951	(17 842)	-4
2023/24	561 929	529 160	(32 770)	-6	511 368	483 441	(27 927)	-5

Table 162: Performance Against Budgets

### 5.1.1 Revenue Collection by Vote

The table below indicates the revenue collection performance by vote:

Vote Description	2022/23	2023/24			2023/24 % Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Vote 1 - Municipal Manager	8 457	-	8 800	2 163	100,00	-306,87
Vote 2 - Development & Planning	-	537	563	502	-6,91	-11,98
Vote 3 - Financial Services	-	150 293	173 424	172 435	12,84	-0,57
Vote 4 - Technical Services	-	302 318	299 238	278 215	-8,66	-7,56
Vote 5 - Community Services	-	62 083	79 262	75 081	17,31	-5,57
Vote 6 - Corporate Services	-	229	643	763	69,97	15,71
Vote 2 - Financial Services	139 284	-	-	-	-	-
Vote 3 - Corporate Management	23 978	-	-	-	-	-
Vote 4 - Development Planning	8 441	-	-	-	-	-
Vote 5 - Technical Services	261 141	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>441 301</b>	<b>515 460</b>	<b>561 929</b>	<b>529 160</b>	<b>2,59</b>	<b>-6,19</b>

Table 163: Revenue by Vote

### 5.1.2 Revenue Collection by Source

The table below indicates the revenue collection performance by source for the 2023/24 financial year:

Description	2022/23	2023/24			2023/24 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
<b>Exchange Revenue</b>	135 886	180 682	162 115	148 812	-18%	-8%
Service Charges - Electricity	29 372	39 254	36 433	37 332	-5%	2%
Service Charges - Water	22 338	27 971	30 396	30 502	9%	0%
Service Charges - Waste Water Management	23 425	29 729	32 742	32 532	9%	-1%
Service Charges - Waste Management	3 871	5 074	4 972	4 208	-17%	-15%
Sale of Goods and Rendering of Services	4 156	4 974	4 767	4 390	-12%	-8%

Description	2022/23	2023/24			2023/24 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Agency Services	7 592	9 239	12 816	12 822	39%	0%
Interest Earned from Receivables (Exchange)	1 419	1 580	1 486	1 729	9%	16%
Interest Earned from Current and Non Current Assets	1 984	3 232	2 045	1 816	-44%	-11%
Rental from Fixed Assets	40	66	39	32	-51%	-17%
Licences and Permits	3 798	9 106	8 023	2 634	-71%	-67%
Operational Revenue	135 886	180 682	162 115	148 812	-18%	-8%
<b>Non-Exchange Revenue</b>						
Property Rates	135 886	180 682	162 115	148 812	-18%	-8%
Fines, Penalties and Forfeits	29 372	39 254	36 433	37 332	-5%	2%
Licences or permits	22 338	27 971	30 396	30 502	9%	0%
Transfers and Subsidies - Operational	23 425	29 729	32 742	32 532	9%	-1%
Interest Earned from Receivables (Non- Exchange)	3 871	5 074	4 972	4 208	-17%	-15%
Operational Revenue (Non-Exchange)	4 156	4 974	4 767	4 390	-12%	-8%
Gains on disposal of Assets	7 592	9 239	12 816	12 822	39%	0%
Other Gains	1 419	1 580	1 486	1 729	9%	16%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>399 799</b>	<b>478 159</b>	<b>499 486</b>	<b>471 395</b>	<b>-1%</b>	<b>-6%</b>

Table 164: Revenue by Source

### 5.1.3 Operational Services Performance

The table below indicates the operational services performance for the 2023/24 financial year:

Financial Performance of Operational Services						
Description	2022/23	2023/24			2023/24 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
<b>Operating Cost</b>						
Water	480	13 472	14 243	14 819	9,09	3,88
Waste Water (Sanitation)	(706)	11 712	11 169	8 257	-41,85	-35,27
Electricity	(5 883)	22 039	13 758	3 602	-511,82	-281,94
Waste Management	(8 478)	(389)	(2 045)	(2 182)	82,16	6,31
Housing	460	(2 194)	7 116	6 207	135,34	-14,63

<b>Component A: sub-total</b>	(14 128)	44 640	44 242	30 703	-45,39	-44,10
Roads and Stormwater	6 684	(521)	(4 822)	(2 717)	80,83	-77,47
<b>Component B: sub-total</b>	6 684	(521)	(4 822)	(2 717)	80,83	-77,47
Planning and Building Control	(4 369)	(5 088)	(4 866)	(4 187)	-21,51	-16,21
Local Economic Development	(8 548)	(8 867)	(6 908)	(6 786)	-30,66	-1,79
Tourism	(2 230)	(2 565)	(2 629)	(2 342)	-9,50	-12,25
<b>Component C: sub-total</b>	(15 147)	(16 520)	(14 402)	(13 316)	-24,06	-8,16
Libraries	(1 304)	(392)	783	(587)	33,17	233,41
Cemeteries	7	(175)	(9)	237	173,84	103,63
Community Halls	(18 067)	(18 167)	(17 696)	(18 865)	3,70	6,20
Child Care, Aged Care Social Programmes	-	-	-	-	-	-
<b>Component D: sub-total</b>	(19 364)	(18 734)	(16 922)	(19 215)	2,50	11,93
Environmental Protection	-	-	-	-	-	-
<b>Component E: sub-total</b>	-	-	-	-	-	-
Traffic Services and Law Enforcement	(11 128)	(6 444)	(11 002)	(10 167)	36,62	-8,21
<b>Component F: sub-total</b>	(11 128)	(6 444)	(11 002)	(10 167)	36,62	-8,21
Sport and Recreation	(4 328)	(5 791)	(5 449)	(4 739)	-22,21	-14,99
<b>Component G: sub-total</b>	(4 328)	(5 791)	(5 449)	(4 739)	-22,21	-14,99
Financial Services	70 319	97 386	102 260	104 464	6,78	2,11
Corporate Services	(24 687)	(29 558)	(27 243)	(26 268)	-12,52	-3,71
Executive and council	(6 871)	(17 086)	(16 101)	(13 026)	-31,17	-23,60
<b>Component H: sub-total</b>	38 760	50 742	58 917	65 169	22,14	9,59
<b>Total Expenditure</b>	(18 651)	47 372	50 562	45 719	-3,62	-10,59
<i>In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						

Table 165: Operational Services Performance

## 5.2 Financial Performance per Municipal Function

The tables below indicate the financial performance per municipal function:

### 5.2.1 Water Services

Description	2022/23	2023/24			Variance to Budget
	Actual	Original Budget	Adjusted Budget	Actual	
	R'000				
Total Operational Revenue	38 518	50 254	57 422	56 165	10,53

Expenditure:					
Employees	12 023	11 873	12 161	11 599	-2,36
Repairs and Maintenance	1 891	1 825	2 110	1 389	-31,38
Other	24 124	23 084	28 907	28 358	18,60
<b>Total Operational Expenditure</b>	<b>38 038</b>	<b>36 782</b>	<b>43 178</b>	<b>41 346</b>	<b>11,04</b>
<b>Net Operational (Service)</b>	<b>480</b>	<b>13 472</b>	<b>14 243</b>	<b>14 819</b>	<b>9,09</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 166: Financial Performance: Water Services

## 5.2.2 Waste Water (Sanitation)

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	24 588	34 234	39 357	35 572	3,76
<b>Expenditure:</b>					
Employees	5 427	5 525	5 745	4 623	-19,52
Repairs and Maintenance	1 160	1 727	2 383	1 182	-46,06
Other	18 707	15 270	20 061	21 510	29,01
<b>Total Operational Expenditure</b>	<b>25 294</b>	<b>22 522</b>	<b>28 189</b>	<b>27 315</b>	<b>17,55</b>
<b>Net Operational (Service)</b>	<b>(706)</b>	<b>11 712</b>	<b>11 169</b>	<b>8 257</b>	<b>-41,85</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 167: Financial Performance: Waste Water (Sanitation) Services

## 5.2.3 Electricity

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	137 995	189 007	174 437	159 494	-18,50
<b>Expenditure:</b>					
Employees	10 919	11 431	12 821	12 052	5,16
Repairs and Maintenance	1 675	2 187	2 356	1 564	-39,85
Other	131 284	153 350	145 502	142 275	-7,78
<b>Total Operational Expenditure</b>	<b>143 878</b>	<b>166 968</b>	<b>160 679</b>	<b>155 892</b>	<b>-7,11</b>
<b>Net Operational (Service)</b>	<b>(5 883)</b>	<b>22 039</b>	<b>13 758</b>	<b>3 602</b>	<b>-511,82</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 168: Financial Performance: Electricity

## 5.2.4 Waste Management

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	23 637	29 795	37 116	38 125	21,85
<b>Expenditure:</b>					
Employees	15 397	17 103	17 776	17 375	1,56
Repairs and Maintenance	817	157	891	795	80,20
Other	15 901	12 923	20 495	22 136	41,62
<b>Total Operational Expenditure</b>	<b>32 116</b>	<b>30 184</b>	<b>39 161</b>	<b>40 307</b>	<b>25,11</b>
<b>Net Operational (Service)</b>	<b>(8 478)</b>	<b>(389)</b>	<b>(2 045)</b>	<b>(2 182)</b>	<b>82,16</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 169: Financial Performance: Waste Management

## 5.2.5 Housing

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	2 517	101	9 317	7 878	98,71
<b>Expenditure:</b>					
Employees	2 016	2 048	2 036	1 659	-23,47
Repairs and Maintenance	40	70	35	4	-1611,89
Other	2	177	130	8	-2047,33
<b>Total Operational Expenditure</b>	<b>2 057</b>	<b>2 295</b>	<b>2 201</b>	<b>1 671</b>	<b>-37,35</b>
<b>Net Operational (Service)</b>	<b>460</b>	<b>(2 194)</b>	<b>7 116</b>	<b>6 207</b>	<b>135,34</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 170: Financial Performance: Housing

## 5.2.6 Roads and Stormwater

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	40 993	34 250	33 121	31 624	-8,30
<b>Expenditure:</b>					
Employees	19 620	20 463	20 872	20 033	-2,14
Repairs and Maintenance	3 222	2 127	2 537	1 517	-40,19

Other	11 467	12 181	14 533	12 791	4,77
<b>Total Operational Expenditure</b>	<b>34 309</b>	<b>34 771</b>	<b>37 942</b>	<b>34 341</b>	<b>-1,25</b>
<b>Net Operational (Service)</b>	<b>6 684</b>	<b>(521)</b>	<b>(4 822)</b>	<b>(2 717)</b>	<b>80,83</b>

*Variations are calculated by dividing the difference between the actual and original budget by the actual*

Table 171: Financial Performance: Roads and Stormwater

## 5.2.7 Planning (Development Management Spatial Planning and Environmental Management Building Control and Property Management)

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	676	537	563	502	-6,91
<b>Expenditure:</b>					
Employees	4 908	4 912	4 766	4 501	-9,13
Repairs and Maintenance	-	-	-	-	-
Other	137	713	662	189	-278,09
<b>Total Operational Expenditure</b>	<b>5 045</b>	<b>5 625</b>	<b>5 428</b>	<b>4 689</b>	<b>-19,95</b>
<b>Net Operational (Service)</b>	<b>(4 369)</b>	<b>(5 088)</b>	<b>(4 866)</b>	<b>(4 187)</b>	<b>-21,51</b>

*Variations are calculated by dividing the difference between the actual and original budget by the actual*

Table 172: Financial Performance: Planning

## 5.2.8 Local Economic Development (LED)

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	1 121	1 148	1 237	1 236	7.12
<b>Expenditure:</b>					
Employees	9 496	9 668	7 955	7 763	-24.54
Repairs and Maintenance	-	-	-	-	-
Other	173	346	190	259	-33.79
<b>Total Operational Expenditure</b>	<b>9 669</b>	<b>10 014</b>	<b>8 145</b>	<b>8 022</b>	<b>-24.84</b>
<b>Net Operational (Service)</b>	<b>(8 548)</b>	<b>(8 867)</b>	<b>(6 908)</b>	<b>(6 786)</b>	<b>-30.66</b>

*Variations are calculated by dividing the difference between the actual and original budget by the actual*

Table 173: Financial Performance : Local Economic Development (LED)

## 5.2.9 Tourism

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	0	0	0	0	0
<b>Expenditure:</b>					
Employees	824	826	826	862	4,24
Repairs and Maintenance	-	-	-	-	-
Other	1 405	1 738	1 802	1 480	-17,41
<b>Total Operational Expenditure</b>	<b>2 230</b>	<b>2 565</b>	<b>2 629</b>	<b>2 342</b>	<b>-9,50</b>
<b>Net Operational (Service)</b>	<b>(2 230)</b>	<b>(2 565)</b>	<b>(2 629)</b>	<b>(2 342)</b>	<b>-9,50</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 174: Financial Performance: Tourism

## 5.2.10 Libraries

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	7 791	9 104	10 055	8 689	-4,77
<b>Expenditure:</b>					
Employees	8 766	9 025	8 867	8 967	-0,65
Repairs and Maintenance	9	14	104	85	83,35
Other	320	457	301	225	-103,39
<b>Total Operational Expenditure</b>	<b>9 095</b>	<b>9 496</b>	<b>9 272</b>	<b>9 276</b>	<b>-2,37</b>
<b>Net Operational (Service)</b>	<b>(1 304)</b>	<b>(392)</b>	<b>783</b>	<b>(587)</b>	<b>33,17</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 175: Financial Performance: Libraries

## 5.2.11 Cemeteries

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	273	291	299	274	-6,19
<b>Expenditure:</b>					
Employees	-	-	-	-	#DIV/0!
Repairs and Maintenance	136	244	178	17	-1314,85

Other	130	222	129	20	-1009,11
<b>Total Operational Expenditure</b>	<b>266</b>	<b>466</b>	<b>307</b>	<b>37</b>	<b>-1150,78</b>
<b>Net Operational (Service)</b>	<b>7</b>	<b>175)</b>	<b>(9)</b>	<b>237</b>	<b>173,84</b>

*Variances are calculated by dividing the difference between the actual and original budget by the actual*

Table 176: Financial Performance: Cemeteries

## 5.2.12 Community Halls and Facilities

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	531	255	1 040	719	64,60
<b>Expenditure:</b>					
Employees	16 170	16 624	16 191	17 179	3,24
Repairs and Maintenance	41	115	150	123	6,53
Other	2 387	1 683	2 395	2 282	26,26
<b>Total Operational Expenditure</b>	<b>18 598</b>	<b>18 421</b>	<b>18 736</b>	<b>19 585</b>	<b>5,94</b>
<b>Net Operational (Service)</b>	<b>(18 067)</b>	<b>(18 167)</b>	<b>(17 696)</b>	<b>(18 865)</b>	<b>3,70</b>

*Variances are calculated by dividing the difference between the actual and original budget by the actual*

Table 177: Financial Performance: Community Halls and Facilities

## 5.2.13 Traffic and Law Enforcement

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	9 798	11 673	11 246	10 279	-13,56
<b>Expenditure:</b>					
Employees	11 355	11 073	10 810	11 150	0,69
Repairs and Maintenance	115	182	141	49	-271,36
Other	9 457	6 862	11 296	9 247	25,79
<b>Total Operational Expenditure</b>	<b>20 927</b>	<b>18 117</b>	<b>22 248</b>	<b>20 446</b>	<b>11,39</b>
<b>Net Operational (Service)</b>	<b>(11 128)</b>	<b>(6 444)</b>	<b>(11 002)</b>	<b>(10 167)</b>	<b>36,62</b>

*Variances are calculated by dividing the difference between the actual and original budget by the actual*

Table 178: Financial Performance: Traffic and Law Enforcement

## 5.2.14 Corporate Services

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	320	229	643	763	69,97
<b>Expenditure:</b>					
Employees	14 241	17 617	15 536	16 678	-5,63
Repairs and Maintenance	75	208	158	80	-160,39
Other	10 691	11 963	12 191	10 273	-16,45
<b>Total Operational Expenditure</b>	<b>25 007</b>	<b>29 787</b>	<b>27 886</b>	<b>27 031</b>	<b>-10,20</b>
<b>Net Operational (Service)</b>	<b>(24 687)</b>	<b>(29 558)</b>	<b>(27 243)</b>	<b>(26 268)</b>	<b>-12,52</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 179: Financial Performance: Corporate Services

## 5.2.15 Financial Services

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	140 687	150 286	173 418	172 435	12,84
<b>Expenditure:</b>					
Employees	30 284	30 717	29 602	29 104	-5,54
Repairs and Maintenance	127	283	194	179	-57,64
Other	39 958	21 900	41 361	38 687	43,39
<b>Total Operational Expenditure</b>	<b>70 368</b>	<b>52 900</b>	<b>71 158</b>	<b>67 971</b>	<b>22,17</b>
<b>Net Operational (Service)</b>	<b>70 319</b>	<b>97 386</b>	<b>102 260</b>	<b>104 464</b>	<b>6,78</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 180: Financial Performance: Financial Services

## 5.2.16 Sport and Recreation

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	3 399	4 296	3 860	3 242	-32,51
<b>Expenditure:</b>					
Employees	6 578	8 363	7 821	6 552	-27,63
Repairs and Maintenance	455	731	586	236	-209,86

Other	693	993	902	1 192	16,71
<b>Total Operational Expenditure</b>	<b>7 727</b>	<b>10 087</b>	<b>9 309</b>	<b>7 980</b>	<b>-26,39</b>
<b>Net Operational (Service)</b>	<b>(4 328)</b>	<b>(5 791)</b>	<b>(5 449)</b>	<b>(4 739)</b>	<b>-22,21</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 181: Financial Performance: Executive and Council

## 5.2.17 Executive and council

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	8 457	-	8 800	2 163	100,00
<b>Expenditure:</b>					
Employees	11 970	13 144	12 771	12 158	-8,11
Repairs and Maintenance	-	11	-	-	-
Other	3 358	3 932	12 129	3 032	-29,70
<b>Total Operational Expenditure</b>	<b>15 328</b>	<b>17 086</b>	<b>24 901</b>	<b>15 189</b>	<b>-12,49</b>
<b>Net Operational (Service)</b>	<b>(6 871)</b>	<b>(17 086)</b>	<b>(16 101)</b>	<b>(13 026)</b>	<b>-31,17</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 182: Financial Performance: Executive and council

## 5.3 Grants

### 5.3.1 Grant Performance

Description	2022/23	2023/24			2023/24 Variance	
	Actual (Audited Outcome)	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	79 682	87 803	87 538	87 218	-0,67	-0,37
Local Government Equitable Share	69 892	76 264	76 264	76 264	0,00	0,00
Finance Management	1 771	1 771	1 669	1 669	-6,09	0,00
Regional Bulk Infrastructure Grant	1 309	-	-	-	-	-
EPWP Incentive	1 569	3 028	2 859	2 859	-5,91	0,00
Municipal Infrastructure Grant	4 085	4 219	4 082	4 082	-3,36	0,00
Integrated National Electrification Program	-	1 086	1 086	766	-41,82	-41,82
Water Services Infrastructure Grant (WSIG)	1 056	1 435	1 578	1 578	9,08	0,00
<b>Provincial Government:</b>	8 996	10 077	13 960	11 254	10,46	-24,05
Library Service grant	7 707	9 038	9 264	8 089	-11,74	-14,54
Financial Assistance To Municipalities For Maintenance And Construction Of Transport Infrastructure	-	945	945	20	-4737,62	-4737,62
Community Development Workers	183	94	94	94	0,00	0,00
Western Cape Municipal Interventions Grant	59	-	52	52	100,00	0,00
Water Resilience Grant Allocation	-	-	528	245	100,00	-115,50
Western Cape Municipal Capacity Building Grant	194	-	453	431	100,00	-5,07
Municipal Service Delivery and Capacity Building Grant	172	-	1 328	1 028	100,00	-29,19
Emergency Municipal Load-Shedding Relief Grant	137	-	-	-	-	-
Western Cape Municipal Financial Recovery Services Grant	-	-	1 000	1 000	100,00	-0,01
Financial Management Support Grant	545	-	296	296	100,00	0,00
Other grant providers:	289	209	821	618	66,17	-32,97
Tormin Mineral Sands	-	-	612	330	100,00	-85,82
SETA	289	209	209	288	27,47	27,47
<b>Total Operating Transfers and Grants</b>	<b>88 967</b>	<b>98 089</b>	<b>102 320</b>	<b>99 090</b>	<b>1,01</b>	<b>-3,26</b>
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual</i>						

Table 183: Grant Performance for 2023/24

### 5.3.2 Conditional Grants

Description	2022/23	2023/24			2023/24 Variance	
	<i>Actual (Audited Outcome)</i>	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
<b>Operating Transfers and Grants</b>						
Finance Management	1 771	1 771	1 771	1 771	0,00	0,00
Municipal Water Infrastructure Grant	8 096	11 000	12 100	12 100	9,09	0,00
EPWP Incentive	1 569	3 028	2 859	2 859	-5,91	0,00
Municipal Infrastructure Grant	23 817	24 716	23 063	23 063	-7,17	0,00
Integrated National Electrification Program	-	8 325	8 325	6 535	-27,39	-27,39
Regional Bulk Infrastructure Grant (RBIG)	10 000	-	-	-	-	-
Library Service grant	7 758	9 038	9 868	8 661	-4,35	-13,93
Municipal Service Delivery and Capacity Building Grant	172	-	1 328	1 028	100,00	-29,19
Western Cape Financial Management Capacity Building Grant	194	-	453	431	100,00	-5,07
Financial Assistance to Municipalities For Maintenance And Construction Of Transport Infrastructure	-	945	945	20	-4737,62	-4737,62
Municipal Interventions Grant	450	-	400	400	100,00	0,00
Community Development Workers	183	94	94	94	0,00	0,00
Municipal Financial Recovery Services Grant	-	-	1 000	1 000	100,00	-0,01
Emergency Municipal Load-Shedding Relief Grant	1 050	-	-	-	-	-
Human Settlement Development Grant	2 515	-	9 215	7 878	100,00	-16,97
Water Resilience Grant Allocation	-	-	4 049	1 879	100,00	-115,50
Western Cape Financial Management Support Grant	545	-	296	296	100,00	0,00
SETA	289	209	209	288	27,47	27,47
<b>Total Conditional Grants</b>	<b>58 408</b>	<b>59 126</b>	<b>75 974</b>	<b>68 302</b>	<b>13,43</b>	<b>-11,23</b>
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual</i>						

Table 184: Conditional Grant

### 5.3.3 Level of Reliance on Grants & Subsidies

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000		%
2022/23	128 300	441 301	29,07
2023/24	144 896	529 160	27,38

Table 185: Reliance on Grants

## 5.4 Asset Management

### 5.4.1 Capital Spending on 5 Largest Projects

Projects with the highest capital expenditure in 2023/24 were as follow:

Name of Project	Current Year: 2023/2024			Variance Current Year: 2023/24	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
	R'000			%	
Vredendal North Bulk Water & Sewer Infrastructure Upgrade	9 565 217	11 928 806	10 855 544	-13,49%	9%
Klawer: Upgrade of Sport Facility	8 708 193	10 052 420	10 052 421	-15,44%	0%
Ebenhaeser: Upgrade of Roads & Stormwater	4 869 747	8 618 261	8 618 262	-76,98%	0%
Vredendal North Phase 6: Housing civil services	-	5 838 533	5 838 532	0,00%	0%
Vredendal North Informal housing Phase 7	4 021 739	4 053 150	3 026 186	24,75%	25%

Table 186: Capital Expenditure on the 5 Largest Projects

Name of Project - A	Vredendal North Bulk Water & Sewer Infrastructure Upgrade
Objective of Project	Ensure reliable bulk infrastructure to provide quality potable water to community
Delays	Turn-around time for wayleave approval & raw water source maintenance period
Future Challenges	Part of the existing infrastructure will reach its maximum capacity with growing population and housing need and therefore increase demand. The municipality is grant dependant
Anticipated citizen benefits	Ensure reliable bulk infrastructure to provide quality potable water to community

Table 187: Project A

Name of Project - B	Klawer Housing Internal Services
Objective of Project	Development of Low-Cost Housing
Delays	None.
Future Challenges	None
Anticipated citizen benefits	Low-Cost housing

Table 188: Project B

Name of Project - C	Klawer: Upgrade of Sport Facility
Objective of Project	to provide sufficient infrastructure to stimulate social and sport development
Delays	None
Future Challenges	The population growth and need of the community may outgrow the capacity of the facility in future and the current site has limited potential for expansion
Anticipated citizen benefits	Access to a high standard sport facility that enables the community to practice and host sport events and ultimate excel in in the various sport

Table 189: Project C

Name of Project - D	Vredendal North Phase 6: Housing civil services
Objective of Project	Ensure engineering services for housing department
Delays	None
Future Challenges	Current bulk infrastructure will require to be refurbished and upgraded.
Anticipated citizen benefits	Provide upliftment to communities and provision of basic services to community water, sanitation and roads

Table 190: Project D

Name of Project - E	Vredendal North Informal housing Phase 7
Objective of Project	To provide access to basic electrical services to informal housing
Delays	Currently awaiting ASLA to begin with earth works to prepare the site for construction
Future Challenges	Possibility of the informal settlement illegally growing and leading to illegal connections being made to the new electrical infrastructure
Anticipated citizen benefits	Access to electricity

Table 191: Project E

## 5.4.2 Repairs and Maintenance

Description	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Budget variance
		R' 000			
Repairs and Maintenance Expenditure	9 764	9 882	11 826	7 221	-63,78

Table 192: Repairs & Maintenance

## 5.5 Financial Ratios Based on Key Performance Indicators

### 5.5.1 Liquidity Ratio

Description	Basis of calculation	2022/23	2023/24
Current Ratio	Current assets/current liabilities	0.43 : 1	0.49 : 1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0,35	0,37
Liquidity Ratio	Monetary Assets/Current Liabilities	0,11	0,02

Table 193: Liquidity Financial Ratio

### 5.5.2 IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2022/23	2023/24
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	-0,16	-0,12
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	-0,16	-0,12
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0,11	0,11

Table 194: Financial Viability National KPAs

### 5.5.3 Borrowing Management

Description	Basis of calculation	2022/23	2023/24
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1,12%	1,00%

Table 195: Borrowing Management

### 5.5.4 Employee costs

Description	Basis of calculation	2022/23	2023/24
Employee costs	Employee costs/(Total Revenue ( capital revenue))	43%	37%

Table 196: Employee Costs

### 5.5.5 Repairs & Maintenance

Description	Basis of calculation	2022/23	2023/24
Repairs & Maintenance	R&M (Total Revenue excluding capital revenue)	2,44%	1,53%

Table 197: Repairs & Maintenance

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.6 Sources of Finance

#### 5.6.1 Capital Expenditure by New Assets Program

Description	2022/23	2023/24			Planned Capital expenditure		
	Audited outcome	Original Budget	Adjustment Budget	Actual Expenditure	2024/25	2025/26	2026/27
R'000							
<u>Capital expenditure by Asset Class</u>							
Infrastructure - Total	9 964	20 158	30 623	26 449	32 061	21 647	21 019
Infrastructure: Road transport - Total	5 069	11 348	18 688	18 688	27 630	11 213	8 696
Roads, Pavements & Bridges	5 069	11 348	18 688	18 688	27 630	11 213	8 696
Infrastructure: Electricity - Total	2 750	4 591	7 252	5 046	2 488	8 696	10 000
Transmission & Reticulation	2 750	4 591	7 252	5 046	2 488	8 696	10 000
Street Lighting	-	-	-	-	-	-	-
Infrastructure: Water - Total	1 428	2 610	2 670	1 732	1 043	-	-
Dams & Reservoirs	288	-	-	-	-	-	-
Reticulation	1 139	2 610	2 670	1 732	1 043	-	-
Infrastructure: Sanitation - Total	717	1 610	2 013	984	900	-	-

Description	2022/23	2023/24			Planned Capital expenditure		
	Audited outcome	Original Budget	Adjustment Budget	Actual Expenditure	2024/25	2025/26	2026/27
R'000							
Reticulation	717	1 610	2 013	739	-	-	-
Sewerage purification	-			245	900	-	-
Infrastructure: Other - Total	-	-	-	-	-	1 739	2 323
Waste Management	-	-	-	-	-	1 739	2 323
Community - Total	-	1 980	-	-	-	-	-
Recreational facilities	-	1 980	-	-	-	-	-
Capital expenditure by Asset Class	3 831	7 808	2 712	2 433	8 132	7 853	7 890
Other assets	3 831	7 808	2 712	2 433	8 132	7 853	7 890
General vehicles	409	6 748	75	74	6 087	7 826	7 866
Specialised vehicles	0	-	0	0	0	0	0
Plant & equipment	1 851	617	1 284	1 146	1 240	-	-
Computers - hardware/equipment	185	-	1 183	1 081	692	-	-
Furniture and other office equipment	1 364	443	170	131	114	26	24
Intangibles	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	13 794	29 947	33 334	28 882	40 194	29 500	28 909

Table 198: Capital Expenditure by New Assets Program

## 5.6.2 Capital Expenditure: Funding Sources

The table below indicates the capital expenditure by funding source for the 2021/22 financial year:

Capital Expenditure: Funding Sources							
Details	2022/23	2023/24					
	Audited outcome	Original Budget	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance	
Source of Finance							
Description	R'000					%	
External loans	39 332	37 301	50 530	45 141	0,00	0,00	
Public contributions and donations	2 169	-	202	249	0,00	0,00	
Grants and subsidies	39 332	37 301	50 530	45 141	35,47	-10,67	

Description	R'000				%		
Own funding	39 332	37 301	50 530	45 141	35,47	-10,67	
Total	120 167	111 903	151 793	135 671	26,28	17,52	
Percentage of finance							
External loans	33%	33%	33%	33%	0,00	0,00	
Public contributions and donations	2%	0%	0%	0%	0,00	0,00	
Grants and subsidies	33%	33%	33%	33%	-0,13	-0,05	
Own funding	33%	33%	33%	33%	-0,13	-0,05	
Capital expenditure							
Description	R'000				%		
Capital Expenditure: Funding Sources							
Details	2020/21	2021/22				Adjustment to OB Variance	Actual to OB Variance
	Audited outcome	Original Budget (OB)	Adjustment Budget	Actual	Actual		
Source of Finance							
Description	R'000				%		
Water and sanitation	18 028	14 463	17 474	14 346	20,82	-17,90	
Electricity	3 589	7 808	10 693	7 316	36,95	-31,58	
Housing	-	-	0	-	0,00	0,00	
Roads and storm water	19 394	13 045	18 935	18 908	45,15	-0,14	
Other	7 538	16 332	12 016	11 845	-26,43	-1,42	
Total	48 549	51 648	59 118	52 415	12,64	1,46	
Percentage of expenditure							
Water and sanitation	37%	28%	30%	27%	5,55	-7,40	
Electricity	7%	15%	18%	14%	19,65	-22,83	
Housing	0%	0%	0%	0%	0,00	0,00	
Roads and storm water	40%	25%	32%	36%	26,81	12,63	
Other	16%	32%	20%	23%	-35,72	11,18	

Table 199: Capital Expenditure by Funding Source

### 5.6.3 Municipal Infrastructure Grant (MIG) Expenditure on Service Backlogs

The table below indicates the MIG expenditure on service backlogs:

MIG Expenditure on Service Backlogs					
Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustment Budget
	R'000			%	%
<b>Infrastructure (Sanitation) Reticulation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Infrastructure - Roads</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><i>Other Specify: Recreational Facilities</i></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Outdoor Sport facilities	6 508 193	6 508 193	6 508 193	0,00	0,00
Furniturand office equipment PMU	-	-	-	0,00	0,00
Roads	11 347 718	12 472 688	12 472 688	9,02	0,00
<b>Total</b>	<b>17 855 911</b>	<b>18 980 881</b>	<b>18 980 881</b>	<b>5,93</b>	<b>0,00</b>
<p><i>* MIG is a government grant program designed to fund a reduction in service backlogs mainly: Water; Sanitation; Roads; Electricity. Expenditure on new upgraded and renewed infrastructure. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i></p>					

Table 200: MIG Expenditure on Service Backlogs

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

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

### 5.7 CASH FLOW

Cash Flow Outcomes				
R'000				
Description	2022/23	2023/24		
	<i>Audited Outcome</i>	Original Budget	Adjusted Budget	Actual
	R'000			
<b>Cash flow from operating activities</b>				
<b>Receipts</b>				
Ratepayers and other	249 757	327 998	298 789	281 678
Government - operating	99 117	98 089	100 952	82 869
Government - capital	39 332	37 301	50 354	45 806
Interest	1 399	10 946	14 701	1 495
Dividends	-	-	-	-
<b>Payments</b>				
Suppliers and employees	(333 599)	(395 605)	(422 078)	(371 144)
Finance charges	(10 927)	(6 308)	(3 402)	(2 996)
Transfers and Grants	(1 747)	(2 165)	(2 467)	(2 002)
<b>Net cash from/(used) operating activities</b>	<b>43 333</b>	<b>70 257</b>	<b>36 850</b>	<b>35 706</b>
<b>Cash flows from investing activities</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	3 837	11 884	11 884	3 982
Decrease (Increase) in non-current debtors	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-
<b>Payments</b>				
Capital assets	(45 178)	(51 648)	(58 916)	(52 166)
<b>Net cash from/(used) investing activities</b>	<b>(41 341)</b>	<b>(39 764)</b>	<b>(47 032)</b>	<b>(48 184)</b>
<b>Cash flows from financing activities</b>				
<b>Receipts</b>				
Short term loans	-	-	-	-
Borrowing long term/refinancing	-	6 748	-	-

Payments

Cash Flow Outcomes

R'000

Description	2020/21	2021/22		
	<i>Audited Outcome</i>	Original Budget	Adjusted Budget	Actual
	R'000			
Repayment of borrowing	(3 821)	(51 630)	(4 094)	(3 604)
Net cash from/(used) financing activities	(3 821)	(44 883)	(4 094)	(3 604)
Net increase/ (decrease) in cash held	(1 829)	(14 390)	(14 277)	(16 082)
Cash/cash equivalents at the year begin:	20 338	20 392	18 509	18 509
Cash/cash equivalents at the year-end:	18 509	6 002	4 233	2 427

Table 201: Cash Flow

## 5.8 GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
R'000						
2022/23	26 362	40 780	58 522	620	25 756	152 041
2023/24	28 589	52 971	79 941	998	40 963	203 462
Difference	2 227	12 191	21 419	378	15 207	51 421
% growth year on year	8	30	37	61	59	34

Note: Figures exclude provision for bad debt

Table 202: Gross Outstanding Debtors per Service

## 5.9 TOTAL DEBTORS AGE ANALYSIS

Financial year	Less than 30 days	Between 30(60 days	Between 60(90 days	More than 90 days	Total
	R'000				
2022/23	20 919	8 539	6 136	116 447	152 041
2023/24	25 080	12 549	8 578	157 255	203 462
Difference	4 162	4 010	2 442	40 808	51 421
% growth year on year	20	47	40	35	34

*Note: Figures exclude provision for bad debt.*

Table 203: Service Debtor Age Analysis

## 5.10 BORROWING AND INVESTMENTS

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

### 5.10.1 Actual Borrowings

Actual Borrowings		
R' 000		
Instrument	2022/23	2023/24
	R'000	
Long (term loans (annuity/reducing balance)	11 483	8 222
Financial leases	1 081	738
<b>Total</b>	<b>12 564</b>	<b>8 960</b>

Table 204: Actual Borrowings

### 5.10.2 Grants Made by the Municipality: 2023/24

All Organisation or Person in receipt of Grants provided by the municipality	Nature of project	Conditions attached to funding	Value 2023/24	Total Amount committed over previous and future years
			R'000	
Tourism	Contribution to Tourism Council	Tourism activities	1 479	0
Poverty Alleviation	Indigent Support	Distribution of refuse bags to poor communities	41	0
Lifeguards	Strandfontein Lifesavers	Strandfontein Lifesavers	97	0
Upgrading of doringbay "Visplek" Area for Doringbay	Support to community	Upgrading facilities for fishermen	293	0

# CHAPTER 6

## Auditor General Opinion

### 6.1 Introduction

Our Constitution, Section 188 (1) (b) states that the functions of the Auditor-General include the auditing and reporting on the accounts, financial statements and financial management of all municipalities. The responsibility of the Auditor-General is to perform an audit to obtain reasonable assurance whether the annual financial statements reflect in all material aspects financial position and the state of financial affairs in the required formats and to express an opinion based on the audit conducted in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing.

The MSA Section 45 states that the results of performance measurement must be audited annually by the Auditor-General. The reported performance against predetermined objectives is evaluated against the overall criteria of usefulness and reliability. The usefulness of information relates to whether the reported performance is consistent with the planned development priorities or objectives and if indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.

### Component A: Auditor-General Opinion 2022/23

### 6.2 Auditor General-Report 2022/23

#### 6.2.1 Financial Performance for 2022/23

Auditor-General Report on Financial Performance 2022/23	
Audit Report Status:	Financially unqualified with other matters

Table 56: Financial performance for 2023/24

#### 6.2.2 Service Delivery Performance 2022/2023

The Auditor-General in its audit report did not find any material findings on the annual performance report concerning the usefulness and reliability of the information. The Auditor-General, furthermore, did not include any matters in the audit report that have an impact on the audit findings on predetermined objectives reported. The Auditor – General raised a finding that money owed to the municipality was not always paid within 30 days as required by section 65 (2) of the MFMA. The Municipality took reasonable steps in relation to the Eskom account

## Component B: Auditor-General Opinion 2023/24

### 6.3 Auditor General-Report 2023/24

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#### 6.3.1 Financial Performance for 2023/24

Auditor-General Report on Financial Performance 2023/24	
Audit Report Status:	Financially unqualified with no other matters (Clean Audit Opinion)

Table 57: Financial performance for 2023/24

#### 6.3.2 Service Delivery Performance 2023/24

The Auditor-General in its audit report did not find any material findings on the annual performance report concerning the usefulness and reliability of the information.

## LIST OF ABBREVIATIONS

<b>AG</b>	Auditor (General	<b>KPA</b>	Key Performance Area
<b>AFS</b>	Annual Financial Statements	<b>KPI</b>	Key Performance Indicator
<b>CAPEX</b>	Capital Expenditure	<b>LED</b>	Local Economic Development
<b>CBP</b>	Community Based Planning	<b>MAYCOM</b>	Executive Mayoral Committee
<b>CFO</b>	Chief Financial Officer	<b>MFMA</b>	Municipal Finance Management Act (Act No. 56 of 2003)
<b>CMTF</b>	Council Meets The People	<b>MIG</b>	Municipal Infrastructure Grant
<b>COGHSTA</b>	Department of Cooperative Governance, Human settlements and Traditional Affairs	<b>MM</b>	Municipal Manager
<b>DAFF</b>	Department of Agriculture, Forestry and Fisheries	<b>MMC</b>	Member of Mayoral Committee
<b>DPLG</b>	Department of Provincial and Local Government	<b>MSA</b>	Municipal Systems Act No. 32 of 2000
<b>DWA</b>	Department of Water Affairs	<b>MTECH</b>	Medium Term Expenditure Committee
<b>EE</b>	Employment Equity	<b>NCOP</b>	National Council of Provinces
<b>EPWP</b>	Extended Public Works Programme	<b>NERSA</b>	National Energy Regulator South Africa
<b>EXCO</b>	Executive Committee	<b>NGO</b>	Non (governmental organisation
<b>FBS</b>	Free Basic Services	<b>NT</b>	National Treasury
<b>GAMAP</b>	Generally Accepted Municipal Accounting Practice	<b>OPEX</b>	Operating expenditure
<b>GRAP</b>	Generally Recognised Accounting Practice	<b>PMS</b>	Performance Management System
<b>HR</b>	Human Resources	<b>PT</b>	Provincial Treasury
<b>IDP</b>	Integrated Development Plan	<b>SALGA</b>	South African Local Government Association
<b>IFRS</b>	International Financial Reporting Standards	<b>SAMDI</b>	South African Management Development Institute
<b>IMFO</b>	Institute for Municipal Finance Officers	<b>SCM</b>	Supply Chain Management
		<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
		<b>SDF</b>	Spatial Development Framework

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The Executive Mayor of the Municipality, assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance since executive powers are vested in her to manage the day-to-day affairs. This means that she has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated

by the Council, and as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee. .... 25

The name and portfolio of each Member of the Mayoral Committee is listed in the table below for the period 1 July 2023 to 30 June 2024:..... 26

Table 26: Executive Mayoral Committee..... 26

The table below indicates the dates of the committee meetings, and the number of reports submitted to Council for the 2023/24 financial year:..... 26

Table 27: Executive Mayoral Committee Meeting Dates..... 26

Section 80 committees are permanent committees that specialise in a specific functional area of the Municipality and may in some instances make decisions on specific functional issues. They advise and assist the executive committee or the executive Mayor. Section 79 committees are temporary and appointed by the Council as needed. They are usually set up to investigate a particular issue and do not have any decision-making powers, but they can make recommendations to Council. Once their ad hoc task had been completed, Section 79 committees are usually disbanded. External experts, as well as Councillors can be included on Section 79 committees. .... 26

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# Report of the auditor-general to Western Cape Provincial Parliament and council on the Matzikama Municipality

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Matzikama Municipality set out on pages 4 to 90, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Matzikama Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (Dora).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matters

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

### Restatement of corresponding figures

7. As disclosed in note 47 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2024.

## Material impairments

8. As disclosed in note 3 to the financial statements, the municipality provided for debt impairment of receivables from exchange transactions amounting to R137,5 million (2022-23: R97,5 million) and write-off of irrecoverable receivables from exchange transactions amounting to R2,3 million (2022-23: R7,5 million).
9. As disclosed in note 4 to the financial statements, the municipality provided for debt impairment of receivables from non-exchange transactions amounting to R52,2 million (2022-23: R40,4 million) and write-off of irrecoverable receivables from non-exchange transactions amounting to R0,9 million (2022-23: R7,5 million).

## Material losses - Water

10. As disclosed in note 53.1 to the financial statements, material water distribution losses of 2 602 549 kilolitres (2022-23: 1 851 859) was incurred, which represents 51,22% (2022-23: 41,50%) of total kilolitres purchased.

## Material losses - Electricity

11. As disclosed in note 53.2 to the financial statements, material electricity losses of 9 462 522 kilowatts (Kwh) (2022-23: 7 561 264) were incurred, which represents 14,03% (2022-23: 11,23%) of total Kwh purchased.

## Underspending of conditional grants

12. As disclosed in note 14 to the financial statements, the municipality underspent its conditional grants by R6,3 million (2022-23: R23,6 million).

## Other matters

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

## Unaudited disclosure notes

14. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

## Unaudited supplementary schedules

15. The supplementary information set out on pages 91 to 99 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on it.

## Responsibilities of the accounting officer for the financial statements

16. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the MFMA and Dora and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

17. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

### **Responsibilities of the auditor-general for the audit of the financial statements**

18. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

19. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 7, forms part of our auditor's report.

### **Report on the annual performance report**

20. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

21. I selected the following material performance indicators related to strategic objective 2 – Improve basic service delivery and related infrastructure, presented in the annual performance report for the year ended 30 June 2024. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

- Provide water services to formal residential properties which are billed for water or have prepaid meters that is connected to the municipal water infrastructure network as at 30 June 2024
- Provide electricity to formal residential properties which are billed for electricity or have prepaid meters as at 30 June 2024 (excluding Eskom areas)
- Provide waste water services to formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage as at 30 June 2024
- Provide refuse removal services to formal residential properties which are billed for refuse removal as at 30 June 2024

- The number of indigent households earning less than R4660 per month that have access to free basic water as at 30 June 2024
- The number of indigent households earning less than R4660 per month that have access to free basic electricity as at 30 June 2024
- The number of indigent households earning less than R4660 per month that have access to free basic sanitation as at 30 June 2024
- The number of indigent households earning less than R4660 per month that have access to free basic refuse removal as at 30 June 2024
- Limit unaccounted for electricity to less than 12% by 30 June 2024  $\{( \text{Number of Electricity Units Purchased and/or Generated} - \text{Number of Electricity Units Sold} ) / \text{Number of Electricity Units Purchased and/or Generated} ) \times 100\}$
- Limit unaccounted for water to less than 15% by 30 June 2024  $\{( \text{Number of Kilolitres Water Purchased or Purified} - \text{Number of Kilolitres Water Sold} ) / \text{Number of Kilolitres Water Purchased or Purified} \times 100\}$
- The percentage of water samples that comply with SANS241 micro biological indicators monthly  $\{( \text{Number of water samples that comply with SANS21 indicators} / \text{Number of water samples tested} ) \times 100\}$
- Spend the allocated budget for the Vredendal North Bulk Water And Sewer Infrastructure Upgrade project by 30 June 2024
- Spend the allocated budget for the Vredendal-North: Pave Roads Phase 4 project by 31 March 2024
- Spend the allocated budget for the Ebenhaeser Upgrading Of Roads And Stormwater project by 30 June 2024
- Complete the Vredendal North Informal Housing Phase 7 project by 31 March 2024
- Complete the Lutzville Formal Housing Phase 2 project by 31 December 2024
- Service 100 Sites of the Vredendal North Phase 6 housing civil services by 30 June 2024

22. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

23. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included

- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.

24. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

25. I did not identify any material findings on the reported performance information for the selected indicators.

**Other matter**

26. I draw attention to the matter below.

**Achievement of planned targets**

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

28. The table that follow provide information on the achievement of planned targets and list the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages 9 to 11.

**Objective 2 – Improve basic service delivery and related infrastructure**

<p><i>Targets achieved: 57,9%</i>  <i>Budget spent: 89.8%</i></p>		
<b>Key service delivery indicator not achieved</b>	<b>Planned target</b>	<b>Reported achievement</b>
The number of indigent households earning less than R4660 per month that have access to free basic electricity as at 30 June 2024	2 977	2 163
The number of indigent households earning less than R4660 per month that have access to free basic sanitation as at 30 June 2024	2 560	2 163

Key service delivery indicator not achieved	Planned target	Reported achievement
The number of indigent households earning less than R4660 per month that have access to free basic refuse removal as at 30 June 2024	2 685	2 163
Limit unaccounted for electricity to less than 12% by 30 June 2024 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) x 100}	12,00%	14,03%
Limit unaccounted for water to less than 15% by 30 June 2024 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified x 100}	15,00%	51,22%
Complete the Vredendal North Informal Housing Phase 7 project by 30 June 2024	1	0
Service 100 Sites of the Vredendal North Phase 6 housing civil services by 30 June 2024	100	0

### Report on compliance with legislation

29. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
30. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
31. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
32. I did not identify any material non-compliance with the selected legislative requirements.

### Other information in the annual report

33. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in objective presented in the annual performance report that have been specifically reported on in this auditor's report.

34. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
35. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in objective presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
36. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

### Internal control deficiencies

37. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
38. I did not identify any significant deficiencies in internal control.

*Auditor-General*

*Z*

Cape Town

30 November 2024



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

### Auditor-general's responsibility for the audit

#### Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the municipality's compliance with selected requirements in key legislation.

#### Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Division of Revenue Act 5 of 2022	Section 11(6)(b), 12(5), 16(1), 16(3)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a)  Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b), 22(2), 27(2)(a)  Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b)  Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c)  Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43  Regulations 44, 46(2)(e), 46(2)(f)
Municipal Finance Management Act 56 of 2003	Section 1 – paragraph (a), (b) & (d) of the definition: irregular expenditure  Section 1 – definition: service delivery and budget implementation plan  Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1)  Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b)  Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i)  Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b)  Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e)  Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1)  Sections 126(1)(a), 127(2), 127(5)(a)(i), 127(5)(a)(ii)

Legislation	Sections or regulations
	<p>Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170</p> <p>Sections 171(4)(a), 171(4)(b)</p>
Municipal Property Rates Act 6 of 2004	Section 3(1)
Municipal Systems Act 32 of 2000	<p>Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b)</p> <p>Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a)</p> <p>Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)</p>
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Municipal Planning and performance Management Regulations, 2001	<p>Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a)</p> <p>Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)</p>
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	<p>Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8)</p> <p>Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2)</p> <p>Regulations 11(1), 11(2)</p>
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

**MATZIKAMA LOCAL MUNICIPALITY**

**matzikama**



**AUDITED ANNUAL FINANCIAL STATEMENTS**

**30 JUNE 2024**



# MATZIKAMA LOCAL MUNICIPALITY

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# MATZIKAMA LOCAL MUNICIPALITY

## GENERAL INFORMATION

### NATURE OF BUSINESS

Matzikama Local Municipality performs the functions as set out in the Constitution (Act no 105 of 1996).

### LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act (Act no 117 of 1998).

### JURISDICTION

The Matzikama Local Municipality includes the following areas:

Vredendal	Lutzville	Bitterfontein	Rietpoort
Vanrhynsdorp	Ebenhaezer	Nuwerus	Kliprand
Klawer	Strandfontein	Stofkraal	
Koekenaap	Doringbaai	Molsvlei	

### MEMBERS OF THE COUNCIL

Ward 1	Tieties Johan Muller
Ward 2	Amelia Fransina Kristina Job
Ward 3	Sampi Jackes Tshabalala
Ward 4	Cecil Andrew le Fleur
Ward 5	Stephanus Petrus Cornelissen
Ward 6	Jan Koopman
Ward 7	Christo Boks
Ward 8	Albertus Johannes Pool
Proportional	Hermanus Johannes van der Hoven
Proportional	Andreas Sindyamba
Proportional	Davine Angela Witbooi
Proportional	Xolani Peterson Tshetu
Proportional	Christoffel van der Westruis
Proportional	Monica Bottom
Proportional	Chris White

### MEMBERS OF THE EXECUTIVE COMMITTEE

ClIr Hermanus Johannes van der Hoven  
ClIr Amelia Fransina Kristina Job  
ClIr Stephanus Petrus Cornelissen  
ClIr Christo Boks  
ClIr Chris White

### MUNICIPAL MANAGER

Lionel Phillips

### CHIEF FINANCIAL OFFICER

ER Alfred

### AUDIT COMMITTEE

A Wells  
M Smit  
F Rootman

### REGISTERED OFFICE

37 Church Street  
Vredendal  
8160



# MATZIKAMA LOCAL MUNICIPALITY

## GENERAL INFORMATION

### POSTAL ADDRESS

PO Box 98  
VREDENDAL  
8160

### AUDITORS

Office of the Auditor General (WC)

### PRINCIPAL BANKERS

Standard Bank Limited

### ATTORNEYS

Swanepoel en Swanepoel  
Koos Coetzee

### RELEVANT LEGISLATION

Basic Conditions of Employment Act, 1997 (Act 75 of 1997)  
Collective Agreements  
Compensation for Occupational Injuries and Diseases Act, 1993 (Act 130 of 1993)  
Division of Revenue Act  
Electricity Act, 1987 (Act 41 of 1987)  
Employment Equity Act, 1998 (Act 55 of 1998)  
Employment Services, 2014 (Act 4 of 2014)  
Housing Act, 1997 (Act 107 of 1997)  
Labour Relations Act, 1995 (Act 66 of 1995)  
Municipal Budget and Reporting Regulations  
Municipal Finance Management Act, 2003 (Act 56 of 2003)  
Municipal Planning and Performance Management Regulations  
Municipal Property Rates Act, 2004 (Act 6 of 2004)  
Municipal Regulations on a Standard Chart of Accounts, 2014  
Municipal Structures Act, 1998 (Act 117 of 1998) as amended  
Municipal Systems Act, 2000 (Act 32 of 2000) as amended  
National Environmental Management Act, 2008 (Act 62 of 2008)  
National Minimum Wage Act 9 of 2018  
Occupational Health and Safety Act, 1993 (Act 85 of 1993)  
Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)  
Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998)  
SALGBC Leave Regulations  
Skills Development Levies Act, 1999 (Act 9 of 1999)  
Supply Chain Management Regulations, 2005  
The Income Tax Act  
Unemployment Insurance Act, 1966 (Act 30 of 1966)  
Unemployment Insurance Contributions Act 4 of 2002  
Value Added Tax Act  
Water Services Act, 1997 (Act 108 of 1997)



# MATZIKAMA LOCAL MUNICIPALITY

## APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

### ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

I am responsible for the preparation of these annual financial statements year ended 30 June 2024, which are set out on pages 1 to 90 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 GRAP, including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB).

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.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2025 and I 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.

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.



Lionel Phillips  
Municipal Manager

31824  
Date

# MATZIKAMA LOCAL MUNICIPALITY

## STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

	Notes	2024 R (Actual)	2023 R (Restated)
<b>ASSETS</b>			
<b>Current Assets</b>			
		<b>73 409 888</b>	<b>75 464 087</b>
Cash and Cash Equivalents	2	2 426 657	18 509 123
Receivables from Exchange Transactions	3	28 754 106	21 303 171
Receivables from Non-Exchange Transactions	4	17 746 121	10 573 122
Taxes	5	19 649 693	22 500 804
Operating Lease Assets	6	5 655	-
Current Portion of Long-term Receivables	7	3 084 740	1 691 015
Inventory	8	1 742 915	886 852
<b>Non-Current Assets</b>			
		<b>946 580 441</b>	<b>920 875 513</b>
Operating Lease Assets	6	73 876	56 676
Long-term Receivables	7	3 026 567	1 635 240
Investment Property	9	93 467 300	95 845 100
Property, Plant and Equipment	10	849 902 103	823 225 848
Intangible Assets	11	110 595	112 649
<b>Total Assets</b>		<b>1 019 990 328</b>	<b>996 339 600</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
		<b>149 909 602</b>	<b>175 502 516</b>
Current Portion of Long-term Liabilities	12	37 410 052	33 762 418
Payables from Exchange Transactions	13	80 366 293	94 669 022
Unspent Conditional Government Grants	14	6 327 518	23 597 615
Unspent Public Contributions	15	282 843	612 415
Current Employee Benefits	16	18 923 678	17 468 481
Current Provisions	17	6 599 217	5 392 565
<b>Non-Current Liabilities</b>			
		<b>184 163 846</b>	<b>180 639 096</b>
Long-term Liabilities	12	76 731 821	80 420 896
Employee Benefits	18	40 203 000	38 484 000
Non-Current Provisions	19	67 229 025	61 734 200
<b>Total Liabilities</b>		<b>334 073 448</b>	<b>356 141 611</b>
<b>NET ASSETS</b>		<b>685 916 880</b>	<b>640 197 989</b>
<b>COMMUNITY WEALTH</b>			
Accumulated Surplus		685 916 880	640 197 989
		<b>685 916 880</b>	<b>640 197 989</b>



# MATZIKAMA LOCAL MUNICIPALITY

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2024

	Notes	2024 R (Actual)	2023 R (Restated)
<b>REVENUE</b>			
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>		<b>248 989 801</b>	<b>211 390 459</b>
<b>Taxation Revenue</b>		<b>51 341 376</b>	<b>49 549 692</b>
Property Rates	20	51 341 376	49 549 692
<b>Transfer Revenue - Operating</b>		<b>99 089 715</b>	<b>88 967 422</b>
Government Grants and Subsidies - Operating	21	98 760 143	88 967 422
Public Contributions and Donations - Operating	22	329 572	-
<b>Transfer Revenue - Capital</b>		<b>46 054 780</b>	<b>41 501 819</b>
Government Grants and Subsidies - Capital	21	45 805 823	39 332 475
Contributed Assets	23	248 957	2 169 344
<b>Other Revenue</b>		<b>52 503 930</b>	<b>31 371 525</b>
Availability Charges	24	4 438 723	4 144 322
Fines, Penalties and Forfeits	25	10 278 418	10 365 793
Fair Value Adjustment Gains	26	24 874 692	13 851 823
Debt Forgiveness	27	11 710 418	-
Other Income (Non-Exchange)	28	1 201 678	3 009 587
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>		<b>280 169 900</b>	<b>229 910 215</b>
<b>Operating Activities</b>		<b>280 169 900</b>	<b>229 910 215</b>
Service Charges	29	249 178 610	209 104 591
Rental of Facilities and Equipment	30	1 815 553	1 983 766
Interest Earned - External Investments	31	1 728 706	1 418 787
Interest Earned - Outstanding Debtors	32	16 363 919	7 592 133
Licences and Permits	33	1 021 206	996 352
Agency Services	34	4 390 080	4 155 961
Other Income (Exchange)	35	5 671 825	4 658 626
<b>TOTAL REVENUE</b>		<b>529 159 701</b>	<b>441 300 674</b>
<b>EXPENDITURE</b>			
Employee Related Costs	36	174 017 426	172 433 024
Remuneration of Councillors	37	8 238 021	7 561 198
Debt Impairment	38	51 860 653	44 525 563
Depreciation and Amortisation	39	23 520 054	23 714 612
Impairments	40	1 553 377	2 259 693
Finance Charges	41	28 970 288	28 166 446
Bulk Purchases	42	141 567 713	129 262 183
Contracted Services	43	8 905 319	8 504 252
Transfers and Grants	44	2 002 388	1 746 581
Other Expenditure	45	42 132 935	41 133 483
Loss on disposal of Non-Monetary Assets	46	672 635	644 324
<b>TOTAL EXPENDITURE</b>		<b>483 440 810</b>	<b>459 951 360</b>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>45 718 891</b>	<b>(18 650 686)</b>



# MATZIKAMA LOCAL MUNICIPALITY

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDING 30 JUNE 2024

	ACCUMULATED SURPLUS R	TOTAL R
<b>Balance on 30 June 2022</b>	<b>663 145 172</b>	<b>663 145 172</b>
Correction of error restatement - note 47.4	(4 296 500)	(4 296 500)
<b>Balance on 30 June 2022 - Restated</b>	<b>658 848 672</b>	<b>658 848 672</b>
Net Deficit for the year	(18 650 683)	(18 650 683)
<b>Balance on 30 June 2023 - Restated</b>	<b>640 197 989</b>	<b>640 197 989</b>
Net Surplus for the year	45 718 891	45 718 891
<b>Balance on 30 June 2024</b>	<b>685 916 880</b>	<b>685 916 880</b>



# MATZIKAMA LOCAL MUNICIPALITY

## CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2024

	Notes	2024 R (Actual)	2023 R (Restated)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Property Rates		48 374 142	45 682 779
Service Charges and Interest		218 805 985	187 083 457
Other Revenue and Receipts		14 497 816	16 990 302
Government Grants		128 674 811	138 449 133
Investment Interest		1 495 383	1 398 999
<b>Payments</b>			
Suppliers and employees		(371 144 203)	(333 598 754)
Finance charges		(2 995 904)	(10 926 598)
Transfers and Grants		(2 002 388)	(1 746 581)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>49</b>	<b>35 705 642</b>	<b>43 332 737</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds from sale of Property, Plant and Equipment		3 981 699	3 837 093
<b>Payments</b>			
Purchase of Capital Assets		(52 165 799)	(45 178 470)
<b>NET CASH USED INVESTING ACTIVITIES</b>		<b>(48 184 100)</b>	<b>(41 341 377)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
<b>Payments</b>			
Loans repaid		(3 604 008)	(3 820 705)
<b>NET CASH USED FINANCING ACTIVITIES</b>		<b>(3 604 008)</b>	<b>(3 820 705)</b>
<b>NET DECREASE IN CASH HELD</b>		<b>(16 082 466)</b>	<b>(1 829 345)</b>
Cash and Cash Equivalents at the beginning of the year		18 509 123	20 338 468
Cash and Cash Equivalents at the end of the year		2 426 657	18 509 123



# MATZIKAMA LOCAL MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
<b>STATEMENT OF FINANCIAL POSITION</b>					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and Cash Equivalents	6 002 259	(1 769 732)	4 232 528	2 426 657	(1 805 870)
Trade and Other Receivables from Exchange Transactions	22 645 425	(3 362 868)	19 282 556	28 754 106	9 471 549
Receivables from Non-Exchange Transactions	14 149 502	(5 088 135)	9 061 366	17 746 121	8 684 755
Current Portion of Non-Current Receivables	1 460 513	568 705	2 029 218	3 084 740	1 055 522
Inventory	1 542 975	(442 607)	1 100 368	1 742 915	642 547
VAT	24 480 034	4 715 831	29 195 865	19 649 693	(9 546 172)
Other Current Assets	929 182	1 680 217	2 609 399	5 655	(2 603 744)
<b>Total current assets</b>	<b>71 209 890</b>	<b>(3 698 589)</b>	<b>67 511 301</b>	<b>73 409 888</b>	<b>5 898 587</b>
<b>Non current assets</b>					
Investment Property	75 853 212	10 204 600	86 057 812	93 467 300	7 409 488
Property, Plant and Equipment	840 003 810	15 116 713	855 120 523	849 902 103	(5 218 420)
Intangible Assets	120 805	(27 113)	93 692	110 595	16 902
Trade and Other Receivables from Exchange Transactions	1 831 324	130 964	1 962 288	3 026 567	1 064 279
Other Non-Current Assets	-	71 914	71 914	73 876	1 962
<b>Total non current assets</b>	<b>917 809 151</b>	<b>25 497 079</b>	<b>943 306 229</b>	<b>946 580 441</b>	<b>3 274 211</b>
<b>TOTAL ASSETS</b>	<b>989 019 041</b>	<b>21 798 490</b>	<b>1 010 817 530</b>	<b>1 019 990 328</b>	<b>9 172 798</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Financial Liabilities	2 865 380	27 361 519	30 226 899	37 410 052	7 183 153
Consumer Deposits	10 763	1 350	12 113	-	(12 113)
Trade and Other Payables from Exchange Transactions	74 290 702	1 659 152	75 949 854	80 366 293	4 416 440
Trade and Other Payables from Non-Exchange Transaction	42 581	1 311 023	1 353 604	6 610 361	5 256 758
Provision	20 087 293	(1 208 484)	18 878 809	25 522 895	6 644 087
VAT	4 422 474	693 977	5 116 451	-	(5 116 451)
<b>Total current liabilities</b>	<b>101 719 192</b>	<b>29 818 536</b>	<b>131 537 729</b>	<b>149 909 602</b>	<b>18 371 873</b>
<b>Non current liabilities</b>					
Financial Liabilities	10 666 692	(4 249 330)	6 417 362	6 002 904	(414 458)
Provision	120 120 212	(8 708 805)	111 411 407	107 432 025	(3 979 382)
Long-term Portion of Trade Payables	66 372 145	(1 145 131)	65 227 014	70 728 917	5 501 903
<b>Total non current liabilities</b>	<b>197 159 048</b>	<b>(14 103 265)</b>	<b>183 055 783</b>	<b>184 163 846</b>	<b>1 108 063</b>
<b>TOTAL LIABILITIES</b>	<b>298 878 241</b>	<b>15 715 271</b>	<b>314 593 512</b>	<b>334 073 448</b>	<b>19 479 936</b>
<b>NET ASSETS</b>	<b>690 140 800</b>	<b>6 083 219</b>	<b>696 224 019</b>	<b>685 916 880</b>	<b>(10 307 138)</b>
<b>COMMUNITY WEALTH</b>					
Accumulated Surplus	690 140 800	6 083 219	696 224 019	685 916 880	(10 307 138)
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>690 140 800</b>	<b>6 083 219</b>	<b>696 224 019</b>	<b>685 916 880</b>	<b>(10 307 138)</b>

Refer to note 51.2 for explanations of material variances.

Material variances are considered to be any variances greater than R4.5 million.

# MATZIKAMA LOCAL MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024

	ORIGINAL APPROVED BUDGET R	ADJUSTMENTS R	FINAL APPROVED BUDGET R	VIREMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>							
<b>REVENUE</b>							
<b>Exchange Revenue</b>							
Service Charges - Electricity	180 682 489	(18 567 726)	162 114 763	-	162 114 763	148 812 286	(13 302 477)
Service Charges - Water	39 253 599	(2 820 900)	36 432 699	-	36 432 699	37 332 282	899 583
Service Charges - Waste Water Management	27 970 743	2 425 121	30 395 864	-	30 395 864	30 502 452	106 588
Service Charges - Waste Management	29 729 209	3 013 032	32 742 241	-	32 742 241	32 531 590	(210 651)
Sale of Goods and Rendering of Services	5 073 621	(102 111)	4 971 510	-	4 971 510	4 208 104	(763 406)
Agency Services	4 973 541	(206 463)	4 767 078	-	4 767 078	4 390 080	(376 998)
Interest Earned from Receivables (Exchange)	9 239 200	3 576 746	12 815 946	-	12 815 946	12 822 099	6 153
Interest Earned from Current and Non Current Assets	1 580 286	(94 618)	1 485 668	-	1 485 668	1 728 706	243 038
Rental from Fixed Assets	3 231 951	(1 187 200)	2 044 751	-	2 044 751	1 815 553	(229 198)
Licences and Permits	65 857	(27 000)	38 857	-	38 857	32 075	(6 782)
Operational Revenue	9 106 181	(1 082 900)	8 023 281	-	8 023 281	2 633 870	(5 389 411)
<b>Non-Exchange Revenue</b>							
Property Rates	51 651 632	(103 404)	51 548 228	-	51 548 228	51 341 376	(206 852)
Fines, Penalties and Forfeits	11 703 434	(443 257)	11 260 177	-	11 260 177	10 278 418	(981 759)
Licences or permits	1 091 740	(75 000)	1 016 740	-	1 016 740	989 130	(27 610)
Transfers and Subsidies - Operational	98 089 015	4 230 858	102 319 873	-	102 319 873	99 089 715	(3 230 158)
Interest Earned from Receivables (Non-Exchange)	1 053 000	2 490 335	3 543 335	-	3 543 335	3 541 821	(1 514)
Operational Revenue (Non-Exchange)	2 263 496	2 210 779	4 474 275	-	4 474 275	4 438 723	(35 552)
Gains on disposal of Assets	1 400 000	-	1 400 000	-	1 400 000	-	(1 400 000)
Other Gains	-	28 091 200	28 091 200	-	28 091 200	24 906 220	(3 184 980)
<b>Total Revenue (excluding capital transfers)</b>	<b>478 158 994</b>	<b>21 327 492</b>	<b>499 486 486</b>	<b>-</b>	<b>499 486 486</b>	<b>471 394 502</b>	<b>(28 091 984)</b>
<b>EXPENDITURE</b>							
Employee Related Costs	181 696 913	(4 714 494)	176 982 419	-	176 982 419	173 058 810	(3 923 609)
Remuneration of Councillors	7 975 855	625 498	8 601 353	-	8 601 353	8 238 021	(363 332)
Bulk Purchases - Electricity	141 302 660	(9 535 709)	131 766 951	-	131 766 951	132 569 826	802 875
Inventory Consumed	17 630 659	3 258 416	20 889 075	-	20 889 075	16 222 424	(4 666 651)
Debt Impairment	30 549 016	22 718 184	53 267 200	-	53 267 200	51 860 653	(1 406 547)
Depreciation and Amortisation	23 440 176	3 176 797	26 616 973	-	26 616 973	25 073 432	(1 543 541)
Interest	15 290 987	14 108 724	29 399 711	-	29 399 711	28 970 288	(429 423)
Contracted Services	13 023 777	(124 607)	12 899 170	-	12 899 170	8 905 319	(3 993 851)
Transfers and Subsidies	2 165 059	302 054	2 467 113	-	2 467 113	2 002 388	(464 725)
Operational Costs	35 012 447	4 965 244	39 977 691	-	39 977 691	35 866 418	(4 111 273)
Losses on Disposal of Assets	-	-	-	-	-	672 635	672 635
Other Losses	-	8 500 000	8 500 000	-	8 500 000	596	(8 499 404)
<b>Total Expenditure</b>	<b>468 087 549</b>	<b>43 280 107</b>	<b>511 367 656</b>	<b>-</b>	<b>511 367 656</b>	<b>483 440 810</b>	<b>(27 926 846)</b>
<b>Surplus/(Deficit)</b>	<b>10 071 445</b>	<b>(21 952 615)</b>	<b>(11 881 170)</b>	<b>-</b>	<b>(11 881 170)</b>	<b>(12 046 308)</b>	<b>(165 138)</b>
Transfers and Subsidies - Capital (monetary allocations)	37 300 985	13 229 327	50 530 312	-	50 530 312	45 805 823	(4 724 489)
Transfers and Subsidies - Capital (in-kind)	-	11 912 696	11 912 696	-	11 912 696	11 959 376	46 680
<b>Surplus/(Deficit) for the year</b>	<b>47 372 430</b>	<b>3 189 408</b>	<b>50 561 838</b>	<b>-</b>	<b>50 561 838</b>	<b>45 718 891</b>	<b>(4 842 947)</b>

Refer to note 51.1 for the reconciliation performed of actuals to be on a comparable basis to the budget.

Refer to note 51.3 for explanations of material variances.

Material variances are considered to be any variances greater than R4.5 million.



# MATZIKAMA LOCAL MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
<b>CASH FLOW STATEMENT</b>					
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Receipts</b>					
Property rates, penalties & collection charges	47 002 985	(2 156 027)	44 846 958	48 374 142	3 527 184
Service charges	252 233 910	(25 161 553)	227 072 357	218 805 985	(8 266 373)
Other revenue	28 761 538	(1 892 027)	26 869 512	14 497 816	(12 371 696)
Government Grants	135 390 000	15 916 135	151 306 135	128 674 811	(22 631 324)
Interest	10 946 188	3 755 064	14 701 252	1 495 383	(13 205 869)
<b>Payments</b>					
Suppliers and Employees	(395 604 707)	(26 473 360)	(422 078 066)	(371 144 203)	50 933 864
Finance Charges	(6 308 159)	2 906 655	(3 401 504)	(2 995 904)	405 600
Transfers and Grants	(2 165 059)	(302 054)	(2 467 113)	(2 002 388)	464 725
<b>Net Cash from/(used) Operating Activities</b>	<b>70 256 696</b>	<b>(33 407 165)</b>	<b>36 849 531</b>	<b>35 705 642</b>	<b>(1 143 889)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
<b>Receipts</b>					
Proceeds on disposal of PPE	11 884 288	-	11 884 288	3 981 699	(7 902 589)
<b>Payments</b>					
Capital Assets	(51 648 038)	(7 268 327)	(58 916 365)	(52 165 799)	6 750 566
<b>Net Cash from/(used) Investing Activities</b>	<b>(39 763 750)</b>	<b>(7 268 327)</b>	<b>(47 032 077)</b>	<b>(48 184 100)</b>	<b>(1 152 023)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
<b>Receipts</b>					
Borrowing long term/refinancing	6 747 826	(6 747 826)	-	-	-
<b>Payments</b>					
Repayment of Borrowing	(51 630 484)	47 536 434	(4 094 050)	(3 604 008)	490 042
<b>Net Cash from/(used) Financing Activities</b>	<b>(44 882 658)</b>	<b>40 788 608</b>	<b>(4 094 050)</b>	<b>(3 604 008)</b>	<b>490 042</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(14 389 711)</b>	<b>113 116</b>	<b>(14 276 596)</b>	<b>(16 082 466)</b>	<b>(1 805 871)</b>
Cash and Cash Equivalents at the year begin	20 391 970	(1 882 847)	18 509 123	18 509 123	-
Cash and Cash Equivalents at the year end	6 002 259	(1 769 731)	4 232 528	2 426 657	(1 805 870)

Refer to note 51.4 for explanations of material variances.

Material variances are considered to be any variances greater than R4.5 million.

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1 ACCOUNTING POLICIES

#### 1.01 BASIS OF PREPARATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with 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, guidelines and directives issued by the Accounting Standards Board (ASB) 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, unless explicitly stated otherwise. The details of any changes in accounting policies are explained in the relevant notes to the financial statements.

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

#### 1.02 TRANSITIONAL PROVISIONS

The Municipality resolved to take advantage of the following transitional provisions:

In terms of Directive 7 - "The Application of Deemed Cost on the Adoption of Standards of GRAP", the Municipality applied deemed cost to Investment Property and Property, Plant and Equipment where the acquisition cost of an asset could not be determined.

#### 1.03 PRESENTATION CURRENCY

The financial statements are presented in South African Rand, rounded off to the nearest Rand, which is the Municipality's functional currency.

#### 1.04 GOING CONCERN ASSUMPTION

These financial statements have been prepared on a going concern basis. Refer to note 66 for the going concern assessment performed by the Municipality.

#### 1.05 COMPARATIVE INFORMATION

##### 1.05.1 Prior year comparatives

When the presentation or classification of items in the financial statements are amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed.

Where material accounting errors, which relate to prior periods, 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.

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.05.2 Amended 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.

No significant amendments were made to the accounting policy in the current year.

### 1.06 MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the 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 actual operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

Standards of GRAP set out how an item should be recognised, measured and disclosed in the financial statements. In some cases, the Municipality does not recognise, measure, present or disclose information in accordance with the specific requirements outlined in the Standards of GRAP if the effect of applying those requirements are immaterial.

### 1.07 BUDGET INFORMATION

Budget information is presented on the accrual basis and is based on the same fiscal period as the actual amounts.

The Statement of Comparison of Budget and Actual Amounts includes the comparison between the approved and final budget amounts, as well as a comparison between the actual amounts and final budget amounts.

The disclosure of comparative information in respect of the previous period is not required by the Standards of GRAP.

### 1.08 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

#### 1.08.1 Effective dates determined

Where a Standard of GRAP has been issued but is not yet effective, the Municipality may resolve to early adopt such a Standard of GRAP if an effective date has been determined by the Minister of Finance.

The Municipality resolved not to early adopt the following Standards of GRAP which was issued but is not yet effective:

##### 1.08.1.1 GRAP 104 (Revised 2019) - Financial Instruments (effective 1 April 2025)

The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments. This Standard was revised to align it with IFRS 9 on Financial Instruments.

The impact of the revised Standard may be significant on the financial statements, due to the following key changes to the Standard:

- (a) Changes in the classification of instruments for subsequent measurement – financial assets are measured at either amortised cost or fair value based on the reason why they are held and their economic characteristics. Specific liabilities are measured at fair value, and all others are measured at amortised cost.
- (b) The approach to impairing financial assets changed from an incurred loss to an expected loss model. As indicated in the name, expected losses estimate the expected default of financial assets over a period of time rather than only recognising an impairment loss when an event occurs.
- (c) Loan commitments and financial guarantee contracts are recognised and measured differently. They are no longer in the scope of GRAP 19 on *Provisions, Contingent Liabilities and Contingent Assets*. When entering into these transactions there is an economic consequence that exposes an entity to risk. Accounting for them as financial instruments best captures this risk exposure.
- (d) With the changes in the classification of instruments and impairment approach, there is new information that GRAP 104 requires entities to disclose.

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.08.1.2 *iGRAP 22 - Foreign Currency Transactions and Advance Consideration (effective 1 April 2025)*

This Interpretation addresses how to determine the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or revenue (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency.

No significant impact is expected as the Municipality is not exposed to any significant foreign currency transactions.

### 1.08.2 **Effective dates not yet determined**

Where a Standard of GRAP has been issued but not yet effective and the Minister of Finance has not yet determined an effective date for application, the Municipality may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event.

The following Standards of GRAP have been issued but are not yet effective as the Minister of Finance has not yet determined the effective date for application:

#### 1.08.2.1 *GRAP 103 (Revised 2022) - Heritage Assets*

The objective of this Standard is to prescribe the accounting treatment for heritage assets and related disclosure requirements.

This revised Standard may have a significant impact with regards to heritage assets which have a dual purpose. Even though some heritage assets can have cultural significance while being used in delivering services, the revised Standard will now require that all heritage assets be accounted for using GRAP 103. A consequence of this amendment is that a heritage asset will no longer be depreciated. Instead, a heritage asset should be tested for impairment when an impairment indicator has been triggered.

#### 1.08.2.2 *GRAP 105 (Revised 2023) - Transfer of Functions Between Entities Under Common Control*

This Standard of GRAP was revised in order to align to IPSAS 40 on Public Sector Combinations and IFRS 3 on Business Combinations.

The impact of this Standard on the financial statements will not be significant, as the Municipality is not currently party to, or foresee that it will be party to any transfers of functions in the near future.

#### 1.08.2.3 *GRAP 106 (Revised 2023) - Transfer of Functions Between Entities Not Under Common Control*

This Standard of GRAP was revised in order to align to IPSAS 40 on Public Sector Combinations and IFRS 3 on Business Combinations.

The impact of this Standard on the financial statements will not be significant, as the Municipality is not currently party to, or foresee that it will be party to any transfers of functions in the near future.

#### 1.08.2.4 *GRAP 107 (Revised 2023) - Mergers*

This Standard of GRAP was revised in order to align to IPSAS 40 on Public Sector Combinations and IFRS 3 on Business Combinations.

The impact of this Standard on the financial statements will not be significant, as the Municipality is not currently party to, or foresee that it will be party to any mergers in the near future.

#### 1.08.2.5 *Amendments to GRAP 1 on Presentation of Financial Statements (2022)*

The amendments to the Standard clarifies how to apply going concern assumption in the public sector and improve disclosure on related judgements and conclusions.

The impact of these amendments to the Standard on the financial statements will not be significant.

#### 1.08.2.6 *Improvements to the Standards of GRAP (2023)*

The effect of the improvements to the current pronouncements to the Standard of GRAP is considered insignificant. The improvements mainly relates to the clarification of accounting principles.

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.09 INVESTMENT PROPERTY

#### 1.09.1 Initial Recognition

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, for administration purposes, or the sale of an asset in the ordinary course of operations. Property with a currently undetermined use, is also classified as investment property.

Investment property is recognised as an asset 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 is initially measured at cost on its acquisition date. The cost of investment property is the purchase price and other costs attributable to bring the asset to a condition necessary for it to be capable of operating in the manner intended by the Municipality.

Where an investment property is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition and any other costs attributable to bring the asset to a condition necessary for it to be capable of operating in the manner intended by the Municipality. The cost of self-constructed investment property is the cost at date of completion. Transfers are made to or from investment property only when there is a change in use.

Where investment property 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 was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

#### 1.09.2 Subsequent Measurement – Fair Value Model

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is recognised in the Statement of Financial Performance for the period in which it arises.

For a transfer from investment property carried at fair value to owner-occupied property or inventories, the property's deemed cost is its fair value at the date of change in use.

If an owner-occupied property becomes an investment property that will be carried at fair value, any differences between the carrying amount of the property and its fair value is treated in the same way as a revaluation in accordance with the Standard of GRAP on Property, Plant and Equipment.

For a transfer from inventories to investment property that will be carried at fair value, any difference between the fair value of the property and its previous carrying amount is recognised in the Statement of Financial Performance.

#### 1.09.3 Impairment

Investment property is 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.

#### 1.09.4 Derecognition

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

Gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Financial Performance in the period of the retirement or disposal.

Compensation from third parties for items of investment property that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

### 1.10 PROPERTY, PLANT AND EQUIPMENT

#### 1.10.1 Initial Recognition

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year.

The cost of an item of property, plant and equipment is recognised as an asset if 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 at cost on its acquisition date. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired through a non-exchange transaction, the cost is deemed to be equal to the fair value of that asset as at date of acquisition and any 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.

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 asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

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

Spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment.

#### 1.10.2 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. Land is not depreciated as it is deemed to have an indefinite useful life.

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.

#### 1.10.3 Depreciation

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 the Municipality. Depreciation of an asset ceases at the date that the asset is derecognised.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The depreciation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The depreciation method is reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

At each reporting date the Municipality assesses whether there is any indication that expectations about the residual value and the useful life of an asset may have changed since the preceding reporting date. If any such indication exists, the expected residual value and useful life are revised and the effect of any changes in estimate accounted for on a prospective basis.

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

The annual depreciation rates are based on the following estimated useful lives:

	YEARS		YEARS
<b>Land and Buildings</b>		<b>Community</b>	
Land	Infinite	Community Facilities	10 - 100
Buildings	10 - 100	Sport and Recreational Facilities	15 - 100
Work in Progress	N/A	Work in progress	N/A
<b>Infrastructure</b>		<b>Other</b>	
Roads and Storm Water	15 - 100	Computer Equipment	4 - 17
Electricity	5 - 80	Furniture and Office Equipment	5 - 22
Water Supply	15 - 100	Machinery and Equipment	4 - 34
Sanitation	10 - 100	Transport Assets	5 - 24
Solid Waste	10 - 100		
Work in Progress	N/A		
<b>Finance lease assets</b>			
Furniture and Office Equipment	2 - 5		

### 1.10.4 Impairment

Property, plant and equipment is 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.

### 1.10.5 Derecognition

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.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

## 1.11 INTANGIBLE ASSETS

### 1.11.1 Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance.

The Municipality recognises an intangible asset only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost on its acquisition date. The cost of an intangible asset 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.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost is measured at its fair value at the date of acquisition and any 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.

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, its deemed cost is the carrying amount of the asset(s) given up.

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

Internally generated intangible assets are subject to a strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) its intention to complete the intangible asset and use or sell it;
- (c) its ability to use or sell the intangible asset;
- (d) how the intangible asset will generate probable future economic benefits or service potential;
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

### 1.11.2 Subsequent Measurement - Cost Model

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

### 1.11.3 Amortisation

The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is still subject to an annual impairment test.

Amortisation of an intangible with a finite life 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 the Municipality. Amortisation ceases at the date that the asset is derecognised.

Amortisation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the intangible assets. The amortisation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The residual value of an intangible asset with a finite useful life is considered to be zero.

The amortisation period and amortisation method are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

The annual amortisation rates are based on the following estimated useful lives:

	Years
Computer Software	2 - 15
Rights (Servitudes)	Indefinite

### 1.11.4 Impairment

Intangible 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.

### 1.11.5 Derecognition

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.

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.12 IMPAIRMENT OF NON-MONETARY ASSETS

An impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

Cash-generating assets are assets held with the primary objective of generating a commercial return. Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Municipality estimates the recoverable amount of the asset.

#### 1.12.1 Recoverable amount of Cash-generating assets

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

The best evidence of fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

#### 1.12.2 Recoverable amount of Non-cash-generating assets

The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use.

The value in use for a non-cash generating asset is the present value of the asset's remaining service potential. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

#### 1.12.3 Impairment loss

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance.

An impairment loss of assets carried at a revalued amount in accordance with another Standard of GRAP is treated as a revaluation decrease in accordance with that Standard of GRAP.

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.

#### 1.12.4 Reversal of an impairment loss

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance.

A reversal of an impairment loss of assets carried at a revalued amount in accordance with another Standard of GRAP is treated as a revaluation increase in accordance with that Standard of GRAP.

After the reversal 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.

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.13 INVENTORIES

#### 1.13.1 Initial Recognition

Inventories are assets:

- (a) in the form of materials or supplies to be consumed in the production process;
- (b) in the form of materials or supplies to be consumed or distributed in the rendering of services;
- (c) held for sale or distribution in the ordinary course of operations; or
- (d) in the process of production for sale or distribution.

Inventories are recognised as an asset 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. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventories are acquired through a non-exchange transaction, the cost is measured at the fair value as at the date of acquisition plus any other costs in bringing the inventories to their current location and condition.

#### 1.13.2 Subsequent Measurement

When inventories are sold, exchanged or distributed the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expense is recognised when the goods are distributed, or related service is rendered.

Inventories 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.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution. Current replacement cost is the cost the Municipality would incur to acquire the asset on the reporting date.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories is recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The basis of allocating cost to inventory items is the first-in-first-out method.

At reporting date, the water volume is determined by way of dip readings and the calculated volume in the distribution network. Water inventory is then measured by multiplying the cost per kilo litre of purified water by the amount of water in storage.

Cost of land held for sale is assigned by using specific identification of their individual costs.

### 1.14 EMPLOYEE BENEFITS

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 recognised in the Statement of Financial Performance in the year during which they become payable.

Defined-benefit plans are post-employment benefit plans other than defined-contribution plans.

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.14.1 Post-Retirement Benefits

The Municipality provides retirement benefits for its employees and councillors. Retirement benefits consist of defined-contribution plans and defined-benefit plans.

#### 1.14.1.1 Defined Contribution Plans

The Municipality contributes to various defined contribution plans on behalf of its qualifying employees. The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year they become payable.

#### 1.14.1.2 Post Retirement Medical Benefits

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 60% as contribution and the remaining 40% 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 defined benefit liability is actuarially determined. The plan is unfunded.

Contributions are recognised in the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability is 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 present value of the defined benefit obligation at the reporting date, minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly, plus any liability that may arise as a result of a minimum funding requirements. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in 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-term Benefits

#### 1.14.2.1 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 annually and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

### 1.14.3 Short-term Benefits

#### 1.14.3.1 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 reporting date and also on the total remuneration package of the employee.

Accumulating leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term. Accumulated leave is vesting.

#### 1.14.3.2 Bonuses

The liability for staff bonuses is based on the accrued bonus for each employee at reporting date.

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.14.3.3 Provision for Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrue to Section 57 employees. Provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

### 1.15 PROVISIONS

A provision is a liability of uncertain timing or amount. 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 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.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received if the Municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement will not exceed the amount of the provision. In the Statement of Financial Performance, the expense relating to a provision may be presented net of the amount recognised for a reimbursement.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

- (a) The Municipality has a detailed formal plan for the restructuring identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented.
- (b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

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.

### 1.16 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

#### 1.16.1 Municipality as Lessee

##### 1.16.1.1 Finance Leases

At the commencement of the lease term, the Municipality recognises assets acquired under finance leases as assets and the associated lease obligations as liabilities in the Statement of Financial Position.

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

At the inception of the lease, the assets and liabilities are recognised at the lower of the fair value of the leased property and the present value of the minimum lease payments. The discount rate to be used in calculating the present value of the minimum lease payment is the interest rate implicit in the lease. If the rate implicit to the lease is not available the Municipality's incremental borrowing rate is used. Any initial direct costs of the Municipality are added to the amount recognised as an asset.

Subsequent to initial recognition, the minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents, if any, are charged as expenses to the Statement of Financial Performance in the periods in which they are incurred. The leased assets are accounted for in accordance with the stated accounting policies applicable to the assets.

### 1.16.1.2 Operating leases

Lease payment under an operating lease is recognised as an expense in the Statement of Financial Performance on a straight-line basis over lease term, unless another systematic basis is more representative of the time pattern of the user's benefit. The difference between the straight-lined expenses and actual payments made will give rise to a liability.

### 1.16.2 Municipality as Lessor

#### 1.16.2.1 Finance Leases

The Municipality recognises lease payments receivable under a finance lease as assets (receivable) in the Statement of Financial Position. The asset (receivable) is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the Municipality, discounted at the interest rate implicit in the lease.

The asset (receivable) is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis in the Statement of Financial Performance.

#### 1.16.2.2 Operating Leases

Operating lease revenue is recognised in the Statement of Financial Performance on a straight-line basis over the term of the relevant lease, unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished. The difference between the straight-lined revenue and actual payments received will give rise to an asset.

### 1.17 FINANCIAL INSTRUMENTS

#### 1.17.1 Initial Recognition

Financial instruments (financial assets and financial liabilities) are recognised on the Municipality's Statement of Financial Position when it becomes party to the contractual provisions of the instrument.

Financial instruments are initially recognised 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.

#### 1.17.2 Subsequent Measurement

Financial instruments are categorised as follow:

- (a) **Financial instruments at amortised cost** are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. They are included in current assets or current liabilities, except for maturities greater than 12 months, which are classified as non-current. After initial recognition, both financial assets and financial liabilities are measured at amortised cost, using the effective interest rate method. Financial assets are also subject to an impairment review.
- (b) **Financial instruments at cost** are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured. Both financial assets and financial liabilities are subsequently measured at cost. Financial assets are subject to an impairment review.

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

- (c) **Financial instruments at fair value** comprise of financial assets or financial liabilities that are:
- (i) derivatives;
  - (ii) combined instruments that are designated at fair value;
  - (iii) instruments held for trading;
  - (iv) non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; or
  - (v) financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Both, financial assets and financial liabilities are subsequently measured at fair value with unrealised gains or losses recognised directly in the Statement of Financial Performance.

### 1.17.3 Impairment and uncollectability of financial assets

Financial assets, other than those at fair value, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence of impairment of financial assets.

#### 1.17.3.1 Financial assets measured at amortised cost

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Cash flows relating to short-term financial assets are not discounted where the effect of discounting is immaterial. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment is reversed by adjusting an allowance account. The amount of the reversal is recognised in Statement of Financial Performance.

#### 1.17.3.2 Financial assets measured at cost

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses is not be reversed.

### 1.17.4 Derecognition of financial instruments

#### 1.17.4.1 Financial assets

The Municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. Financial assets (receivables) are also derecognised when Council approves the write-off of financial assets due to non-recoverability.

If the Municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the Municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### 1.17.4.2 Financial liabilities

The Municipality derecognises financial liabilities when the Municipality's obligations are discharged, cancelled or they expire.

The Municipality recognises the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in the Statement of Financial Performance.

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.17.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position 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.

### 1.18 STATUTORY RECEIVABLES

Statutory receivables arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. Statutory receivables can arise from both exchange and non-exchange transactions.

#### 1.18.1 Initial Recognition

Statutory receivables are recognised when the related revenue (exchange or non-exchange revenue) is recognised or when the receivable meets the definition of an asset. The Municipality initially measure statutory receivables at their transaction amount.

#### 1.18.2 Subsequent Measurement

The Municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is subsequently changed to reflect any interest or other charges that may have accrued on the receivable, less any impairment losses and amounts derecognised.

#### 1.18.3 Impairment and uncollectability of statutory receivables

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, through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. In estimating the future cash flows, the Municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the 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.

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 by adjusting the allowance account. The amount of any adjustment is recognised in the Statement of Financial Performance.

#### 1.18.4 Derecognition

The Municipality derecognises a statutory receivable when the rights to the cash flows from the receivable are settled, expire or are waived or the Municipality transfers the receivable and substantially all the risks and rewards of ownership of the receivable to another entity.

When the Municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of receivable to another entity, the Municipality derecognises the receivable and recognises separately any rights and obligations created or retained in the transfer.

### 1.19 CASH AND CASH EQUIVALENTS

Cash includes cash on hand, cash held with banks, and call deposits. Cash equivalents are short-term highly liquid investments with registered banking institutions with maturities of three months or less from inception, readily convertible to cash without significant change in value.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred in the Statement of Financial Performance.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any bank overdrafts.

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.20 RECEIVABLES

Receivables are recognised initially at fair value, which approximates amortised cost less provision for impairment. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of receivables is established when there is objective evidence that the Municipality will not be able to collect all amounts due according to the original terms of receivables. An estimate is made for impairment of receivables, based on past default experience of all outstanding amounts at reporting date.

Bad debts are written off in the year during which they are identified as irrecoverable, subject to the approval by the appropriate delegated authority. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the Statement of Financial Performance.

### 1.21 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 in the Statement of Financial Position. The Municipality accounts for value-added tax (VAT) on the payment basis.

### 1.22 PAYABLES AND ANNUITY LOANS

Payables and annuity loans 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.

### 1.23 CONDITIONAL GOVERNMENT GRANTS AND PUBLIC CONTRIBUTIONS

Grants, transfers and donations received or receivable are recognised as assets when the resources that have been transferred to the Municipality meet the definition and criteria for recognition as assets.

Conditional grants, transfers and donations are recognised as revenue to the extent that the Municipality has complied with the conditions embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the conditions have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

The liability recognised to the extent that the conditions associated with the grant, transfer or donation have not been met, always has to be cash-backed. The cash which backs up the liability is invested as a individual investment or part of the general investments of the Municipality until it is utilised.

Interest earned on investments of grants, transfers and donations are treated in accordance with conditions as stipulated in the agreement. If it is payable to the grantor it is recorded as part of the creditor and if it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

### 1.24 REVENUE

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 Municipality has no intention of collecting this revenue. Where the Municipality has no intention of collecting the revenue, rebates and discounts are offset against the related revenue. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

#### 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.

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.24.1.1 *Taxation Revenue*

Taxation revenue comprises of property rates. Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

### 1.24.1.2 *Transfer Revenue*

Grants, transfers and donations 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, transfers and donations without any conditions attached are recognised as revenue when the asset is recognised.

### 1.24.1.3 *Availability Charges*

Availability charges are based on the approved tariffs of the Municipality. These charges are levied where the Municipality has installed the relevant infrastructure networks (relating to water, electricity, sewerage and solid waste) in the area where the consumer resides, but the consumer has not requested to be and is not connected to the networks.

### 1.24.1.4 *Fines*

Fine Revenue constitutes both spot fines and summonses. All fines issued during the year less any cancellations or reductions are recognised as revenue.

### 1.24.1.5 *Insurance Refund*

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.

### 1.24.1.6 *Unclaimed deposits*

All unclaimed deposits are initially recognised as a liability until 36 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue. This policy is in line with prescribed debt principle as enforced by law.

### 1.24.1.7 *Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure*

Income from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the MFMA (Act 56 of 2003), and is recognised upon the recovery thereof from the responsible party.

### 1.24.1.8 *Services in-kind*

Services in-kind include services provided by individuals to the Municipality at no charge or where the Municipality has the right to use assets at no charge.

The Municipality's recognises services in-kind that are significant to its operations as assets and recognises 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.

When the criteria for recognition is satisfied, services in-kind are recognised at their fair value as at the date of acquisition.

If the services in-kind are not significant to the Municipality's operations or does not satisfy the criteria for recognition, the Municipality only disclose the nature and type of services in-kind received during the reporting period.

### 1.24.1.9 *Contributed Assets*

Contributed assets are recognised at fair value when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.24.1.10 Debt Forgiveness

Debt forgiveness are instances when creditors waive their right to collect a debt owed by the Municipality, effectively cancelling the debt.

The Municipality recognises revenue in respect of debt forgiveness 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.

### 1.24.1.11 Off-Market Portion of Municipal Debt Relief

The Municipal Debt Relief are loans received by the Municipality at below market terms. The off-market portion of the loans is calculated as the difference between the proceeds received from the loan, and the present value of the contractual cash flows of the loan, discounted using a market related rate of interest.

### 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.

#### 1.24.2.1 Service Charges

Service Charges are levied in terms of approved tariffs.

Service charges relating to electricity and water are based on consumption and a basic charge as per the approved tariffs. Meters are read on a monthly basis and are recognised as revenue when invoiced. Where the Municipality was unable to take the actual month's reading of certain consumers, a provisional estimate of consumption for that month will be created, based on consumption history. The provisional estimates of consumption are recognised as revenue when invoiced, except at reporting date when estimates of consumption up to the reporting date are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. An adjustment is made at year-end for unused units. The pre-paid electricity sold, but not consumed yet at reporting date is recognised as a liability under Payables from Exchange Transactions in the Statement of Financial Position.

Service charges relating to sewerage and sanitation are recognised on a monthly basis in arrears by applying the approved tariff to each property. These service charges are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved and are levied on a monthly basis.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

#### 1.24.2.2 Interest earned

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

#### 1.24.2.3 Rental income

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

#### 1.24.2.4 Income from Agency Services

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.

Income from agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.24.2.5 Other Tariffs

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.

### 1.24.2.6 Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- (a) The Municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods.
- (b) The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- (c) The amount of revenue can be measured reliably.
- (d) It is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality.
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

### 1.24.2.7 Deferred payment

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 difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

## 1.25 BORROWING COSTS

Borrowing costs that are incurred by the Municipality are expensed in the Statement of Financial Performance in the period during which they are incurred, regardless of how the borrowings are applied.

## 1.26 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.

## 1.27 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 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.

## 1.28 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.

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.29 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.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality.

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.

### 1.30 CAPITAL COMMITMENTS

Capital commitments disclosed in the 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.

### 1.31 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 financial statements are authorised for issue. Two types of events can be identified:

- (a) those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- (b) 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.

### 1.32 RELATED PARTIES

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Related party transaction is a transfer of resources, services or obligations between the Municipality and a related party, regardless of whether a price is charged.

Management is considered a related party and comprises those persons responsible for planning, directing and controlling the activities of the Municipality, including those charged with the governance of the Municipality in accordance with legislation, in instances where they are required to perform such functions.

A close family member of management is also considered to be related party. A person is considered to be a close member of the family of another person if they are married or live together in a relationship similar to a marriage or are separated by no more than two degrees of natural or legal consanguinity or affinity.

The Municipality is exempt from the disclosure requirements in relation to related party transactions if that transactions occurs within the normal supplier and/or client/recipient relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the Municipality to have adopted if dealing with that individual entity or person in the same circumstances, and the terms and conditions are within the normal operating parameters established by Municipality's legal mandate.

Where the Municipality is exempt from the disclosures in accordance with the above-mentioned paragraph, the Municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable to users of the financial statements to understand the effect of related party transactions.

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.



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms, are disclosed.

### 1.33 ACCOUNTING BY PRINCIPAL AND AGENTS

An agent is an entity that has been directed another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

When the Municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement. The assessment of whether the Municipality is a principal or an agent requires the Municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

The Municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement shall re-assess whether they act as a principal or an agent in accordance with this Standard.

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 an entity 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:

- (a) It does not have the power to determine the significant terms and conditions of the transaction.
- (b) It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- (c) It is not exposed to variability in the results of the transaction.

Where the Municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The Municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether an entity is an agent.

Where the Municipality acts as a principal, it recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirement of the relevant Standards of GRAP.

Where the Municipality acts as an agent, it recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The Municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of other Standards of GRAP.

### 1.34 LIVING AND NON-LIVING RESOURCES

Living resources are those resources that undergo biological transformation which comprises the processes of growth, degeneration, production, and procreation that cause qualitative or quantitative changes in a living resource.

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted. Non-living resources, other than land, is not recognised as assets. The Standard only requires disclosure of the relevant resources.

The Municipality has assessed that it does not control any living resources, but is however responsible for non-living resources as set out in notes to the financial statements.

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.35 SEGMENT REPORTING

A segment is an activity of the Municipality:

- (a) that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same Municipality);
- (b) whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- (c) for which separate financial information is available.

Management comprises of those persons responsible for planning, directing and controlling the activities of the Municipality, including those charged with the governance of the Municipality in accordance with legislation.

Financial information relating to the reporting segments are aligned to the financial information distributed to management on a regular basis (similar basis of preparation). This information is utilised to measure performance of the relevant services provided by the Municipality and also to ensure that resources are appropriately allocated to various departments/segments to provide high quality services to the community.

Adjustments and eliminations made in preparing the Municipality's financial statements, which includes the allocation basis of revenues and expenses, are prepared on a similar basis as the information distributed to management on a regular basis.

Financial information distributed to management does not include a segment/department analysis of assets and liabilities associated with each segment/department. In line with this principle utilised during the financial year, the segment reporting included in the financial statements are prepared on a similar basis which excludes such an analysis. Assets and liabilities are reported on for the Municipality as a whole.

Management reviews capital expenditure/performance on a regular basis and accordingly the relevant information is reported on per segment.

### 1.36 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

#### 1.36.1 Application of Directive 7

For deemed cost applied to Property, Plant and Equipment as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of an 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.

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of an 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.

GRAP implementation date for the Municipality is 1 July 2009 which is also the date applicable when applying Directive 7. The GRAP compliant period is therefore determined to be from 1 July 2009 to the current year's reported date. Where the economic useful life of an item of Property, Plant and Equipment is less than the GRAP compliant period, it is assumed that the item was either incorrectly written off in the past, or that the capital expenditure of the said item was incorrectly included in surplus. In such cases the item shall not be recognised on GRAP implementation date, but shall be taken into account on that date of the opening balances of the comparative amounts.

#### 1.36.2 Impairment of Receivables

The calculation in respect of the impairment of receivables 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.

#### 1.36.3 Useful lives and residual values

The useful lives of assets are based on management's estimates. 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.

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

The estimated residual values of assets are also based on management's judgement on whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

### 1.36.4 Impairment of non-monetary assets

Non-monetary assets can include, but is not limited to, Property, Plant and Equipment, Investment Property and Intangible assets.

The Municipality is not a profit-oriented entity, as its primary objective is service delivery. Tariffs and charges are cost-reflective to ensure continued financial sustainability. No profit element is included in the determination of a tariff. As such, management has determined that the Municipality does not control assets that meet the definition of cash-generating assets and that the Standard of GRAP on Impairment of Non-cash-generating Assets will apply to all assets of the Municipality.

The calculation in respect of the impairment of non-monetary assets is based on an assessment of the extent to which the recoverable amount of the asset has declined below the carrying amount. This calculation will only be performed if there is an indication of an impairment.

### 1.36.5 Post-Retirement and Long-term Benefits

The cost of post retirement medical benefits and long-service awards 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. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

### 1.36.6 Provisions and Contingent Liabilities

Management's judgement is required when recognising and measuring provisions, as well as when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value at the reporting date of the expected future cash flows to rehabilitate the landfill site. The discount rate used to calculate the effect of time value of money is linked to the index for earthwork as published by Statistics South Africa.

### 1.36.7 Financial Instruments and Statutory Receivables

The Municipality analyses the terms and conditions of the transactions that give rise to its receivables in order to understand whether they arise directly from legislation or similar means, or from a separate contract concluded with a party. Judgement is applied in applying the principles as set out in the respective Standards of GRAP on Financial Instruments and Statutory Receivables.

### 1.36.8 Financial assets and liabilities

The classification of financial assets and liabilities, into categories, is based on judgement by management. In making the judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in the Standard of GRAP on Financial Instruments.

### 1.36.9 Revenue Recognition

Accounting Policy on Revenue from Non-Exchange Transactions and Accounting Policy on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as prescribed in the Standard of GRAP on Revenue from Exchange Transactions and Standard of GRAP on Revenue from Non-Exchange Transactions. Specifically, when goods are sold, whether the significant risks and rewards of ownership of the goods have been transferred to the buyer and when services are rendered, whether the service has been performed.

In considering the revenue to which the Municipality is entitled, the Municipality considers other factors that may impact the inflow of future economic benefits or service potential on initial recognition of revenue. Such factors include fines issued which will be reduced or withdrawn after reporting date. The Municipality applies judgement based on past experience and current facts and circumstances in order to adjust the traffic fine revenue accordingly.

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.36.10 Recognition and Derecognition of Land

In order for land to meet the definition of an asset, the Municipality must be able to prove that control is being exercised. Control of land is evidenced by either legal ownership and/or the right to direct access to land, and to restrict or deny the access of others to land.

To demonstrate access/restriction rights, the Municipality assesses whether it has a substantive right for an unlimited period through a binding arrangement.

The above-mentioned assessment is subject to management's judgements and assumptions are applied to conclude that the Municipality controls land.

### 1.36.11 Materiality

Since materiality is an entity-specific concept, its application may result in different outcomes based on the Municipality's circumstances. The assessment of materiality therefore requires management to apply judgement about:

- (a) How information could reasonably be expected to influence the discharge of accountability by the Municipality or decisions that the users make on the basis of those financial statements.
- (b) How the nature or size or both, of the information could reasonably be expected to influence users' decisions.

### 1.36.12 Water Inventory

The estimation of the water stock in the reservoirs is based on the measurement of water via electronic level sensors, where the level indicates the depth of the water in the reservoir, which is then converted into volumes based on the total capacity of the relevant reservoir. Furthermore, the length and width of all pipes are also taken into account in determining the volume of water on hand at year-end.

### 1.36.13 Pre-paid electricity

Pre-paid electricity is only recognised as income once the electricity is consumed. The prepaid electricity balance (included under payables) represents the best estimate of electricity sold at year-end, which is still unused. The average pre-paid electricity sold per day during the year under review is used, and the estimate is calculated using 5 days' worth of unused electricity.

### 1.36.14 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.

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>	2024	2023
<b>2 CASH AND CASH EQUIVALENTS</b>		
Bank Accounts	2 420 797	18 503 263
Cash Floats	5 860	5 860
<b>Total</b>	<b>2 426 657</b>	<b>18 509 123</b>
Due to the short term nature of cash deposits, all balances included above are in line with their fair values.		
Cash and Cash Equivalents are held to support the following:		
Unspent Conditional Government Grants - note 14	6 327 518	23 597 615
Unspent Public Contributions - note 15	282 843	612 415
VAT Payable - note 54.3	1 377 940	1 516 842
<b>Total</b>	<b>7 988 301</b>	<b>25 726 872</b>
Grant funding utilised for own working capital requirements	5 561 644	7 217 749
Overdraft facilities available during the financial year with Standard Bank	25 000 000	25 000 000
Guarantee in favour of Eskom registered with Standard Bank (Account 082 451 885)	6 000 000	4 580 815
<b>Bank Accounts</b>		
ABSA Bank Limited - Account Number 40-5057-5029 (Former Primary Bank Account)	-	-
Standard Bank Limited - Account Number 082 451 885 (Primary Bank Account)	2 259 575	3 417 746
Standard Bank Limited - Account Number 082 452 024 (Grants)	150 470	10 402 304
Standard Bank Limited - Account Number 082 455 333 (Housing)	10 752	4 683 213
<b>Total</b>	<b>2 420 797</b>	<b>18 503 263</b>
Bank accounts consists out of the following accounts:		
<b>ABSA Bank Limited - Account Number 40-5057-5029 (Former Primary Bank Account)</b>		
Cash book balance at beginning of year	-	51 907
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	51 907
Bank statement balance at end of year	-	-
<b>Standard Bank Limited - Account Number 082 451 885 (Primary Bank Account)</b>		
Cash book balance at beginning of year	3 417 746	2 118 830
Cash book balance at end of year	2 259 575	3 417 746
Bank statement balance at beginning of year	2 891 942	1 503 340
Bank statement balance at end of year	1 098 644	2 891 942
<b>Standard Bank Limited - Account Number 082 452 024 (Grants)</b>		
Cash book balance at beginning of year	10 402 304	18 122 760
Cash book balance at end of year	150 470	10 402 304
Bank statement balance at beginning of year	10 402 304	18 122 760
Bank statement balance at end of year	150 470	10 402 304
<b>Standard Bank Limited - Account Number 082 455 333 (Housing)</b>		
Cash book balance at beginning of year	4 683 213	39 151
Cash book balance at end of year	10 752	4 683 213
Bank statement balance at beginning of year	4 683 213	39 151
Bank statement balance at end of year	10 752	4 683 213



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>	2024	2023
<b>3 RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>		
<b>Service Receivables</b>		
Electricity	17 082 180	15 431 456
Water	35 888 639	25 348 794
Refuse	41 313 797	30 020 222
Sewerage	38 627 168	28 501 806
Other	33 339 493	19 489 400
Interest	26 279 158	12 636 604
Housing Selling Scheme	248 386	253 013
Property Rental Debtors	998 214	620 477
Other Services	4 135 861	4 313 371
Sundry Arrears	1 677 875	1 665 935
<b>Total Gross Balance</b>	<b>166 251 277</b>	<b>118 791 677</b>
Less: Allowance for Debt Impairment	(137 497 171)	(97 488 506)
<b>Total Net Receivable</b>	<b>28 754 106</b>	<b>21 303 171</b>

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 trade and other receivables on initial recognition is not deemed necessary. No interest has been levied on outstanding accounts since the National State of Disaster was declared in March 2020 until December 2022. Interest charged on outstanding accounts was approved by Council on 29 November 2022 and charged from 31 December 2022 at a rate of prime +1%.

### Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year	97 488 506	72 402 942
Movement in the contribution to the provision	42 263 954	32 605 632
Electricity	861 300	1 790 194
Water	8 484 378	8 674 097
Refuse	10 146 319	7 421 261
Sewerage	9 393 531	8 062 892
Other	13 378 426	6 657 188
Bad Debts Written off	(2 255 289)	(7 520 068)
Electricity	(552 126)	(278 278)
Water	(387 052)	(2 509 508)
Refuse	(517 459)	(1 837 053)
Sewerage	(633 067)	(2 156 223)
Other	(165 585)	(739 006)
Balance at the end of the year	<b>137 497 171</b>	<b>97 488 506</b>

The allowance for impairment of receivables has been made for all consumer balances outstanding based on the payment ratio over the last 12 months. No allowance for debt impairment is made for outstanding government debt. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
<b>30 June 2024</b>			
<b>Service Receivables</b>			
Electricity	17 082 180	(4 522 375)	12 559 805
Water	35 888 639	(30 681 649)	5 206 990
Refuse	41 313 797	(36 252 870)	5 060 927
Sewerage	38 627 168	(34 196 492)	4 430 676
Other	33 339 493	(31 843 785)	1 495 708
<b>Total</b>	<b>166 251 277</b>	<b>(137 497 171)</b>	<b>28 754 106</b>



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>		2024	2023
<b>3</b>	<b>RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)</b>		
		<b>Gross Balance</b>	<b>Allowance for Debt</b>
		<b>R</b>	<b>Impairment</b>
			<b>R</b>
			<b>Net Receivable</b>
			<b>R</b>
<b>30 June 2023</b>			
<b>Service Receivables</b>			
Electricity	15 431 456	(4 213 201)	11 218 255
Water	25 348 794	(22 584 323)	2 764 471
Refuse	30 020 222	(26 624 011)	3 396 211
Sewerage	28 501 806	(25 436 028)	3 065 778
Other	19 489 400	(18 630 943)	858 457
<b>Total</b>	<b>118 791 677</b>	<b>(97 488 506)</b>	<b>21 303 171</b>
<b>Ageing of Receivables from Exchange Transactions</b>			
<b>Electricity</b>			
Current (0 - 30 days)		9 223 011	8 626 590
31 - 60 Days		2 695 654	1 851 661
61 - 90 Days		930 426	782 156
+ 90 Days		4 233 090	4 171 050
<b>Total</b>		<b>17 082 180</b>	<b>15 431 456</b>
<b>Water</b>			
Current (0 - 30 days)		3 797 692	2 303 704
31 - 60 Days		2 128 139	1 128 506
61 - 90 Days		1 593 555	979 268
+ 90 Days		28 369 253	20 937 316
<b>Total</b>		<b>35 888 639</b>	<b>25 348 794</b>
<b>Refuse</b>			
Current (0 - 30 days)		3 213 406	2 370 015
31 - 60 Days		2 161 423	1 345 925
61 - 90 Days		1 646 530	1 061 894
+ 90 Days		34 292 438	25 242 388
<b>Total</b>		<b>41 313 797</b>	<b>30 020 222</b>
<b>Sewerage</b>			
Current (0 - 30 days)		3 013 311	2 373 696
31 - 60 Days		2 104 993	1 418 451
61 - 90 Days		1 723 528	1 150 593
+ 90 Days		31 785 336	23 559 065
<b>Total</b>		<b>38 627 168</b>	<b>28 501 806</b>
<b>Interest</b>			
Current (0 - 30 days)		1 569 266	1 113 814
31 - 60 Days		1 549 853	1 053 484
61 - 90 Days		1 437 455	990 330
+ 90 Days		21 722 583	9 478 975
<b>Total</b>		<b>26 279 158</b>	<b>12 636 604</b>
<b>Housing Selling Scheme</b>			
Current (0 - 30 days)		230	20
31 - 60 Days		7 040	31
61 - 90 Days		20	79
+ 90 Days		241 095	252 883
<b>Total</b>		<b>248 386</b>	<b>253 013</b>



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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>	2024	2023
<b>3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)</b>		
<b>Property Rental Debtors</b>		
Current (0 - 30 days)	99 841	107 268
31 - 60 Days	60 826	39 587
61 - 90 Days	41 385	40 156
+ 90 Days	796 162	433 466
<b>Total</b>	<b>998 214</b>	<b>620 477</b>
<b>Other Services</b>		
Current (0 - 30 days)	7 390	(22 841)
31 - 60 Days	1 987	1 348
61 - 90 Days	1 297	1 154
+ 90 Days	4 125 187	4 333 711
<b>Total</b>	<b>4 135 861</b>	<b>4 313 371</b>
<b>Sundry Arrears</b>		
Current (0 - 30 days)	98 236	87 152
31 - 60 Days	44 192	27 683
61 - 90 Days	12 308	20 812
+ 90 Days	1 523 139	1 530 288
<b>Total</b>	<b>1 677 875</b>	<b>1 665 935</b>
<b>Summary Ageing of all Receivables from Exchange Transactions</b>		
Current (0 - 30 days)	21 022 381	16 959 419
31 - 60 Days	10 754 106	6 866 676
61 - 90 Days	7 386 505	5 026 442
+ 90 Days	127 088 284	89 939 141
<b>Total</b>	<b>166 251 277</b>	<b>118 791 677</b>
<b>4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS</b>		
<b>Service Receivables</b>	<b>37 210 867</b>	<b>33 249 562</b>
Property Rates	28 588 684	26 361 987
Availability Charges	8 622 183	6 887 575
<b>Other Receivables</b>	<b>32 691 141</b>	<b>17 771 265</b>
Unpaid Traffic Fines	23 291 005	15 385 255
Other Receivables	11 539	54 122
Deposits	9 388 597	2 159 598
Unpaid Grants	-	172 289
<b>Total Gross Balance</b>	<b>69 902 008</b>	<b>51 020 827</b>
Less: Allowance for Debt Impairment	(52 155 887)	(40 447 705)
<b>Total Net Receivable</b>	<b>17 746 121</b>	<b>10 573 122</b>

Rates are payable monthly within 30 days after the date of accounts. An option to pay rates annually is also available and the account must be settled on or before 30 September. 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 receivables on initial recognition is not deemed necessary. No interest has been levied on outstanding accounts since the National State of Disaster was declared in March 2020 until December 2022. Interest charged on outstanding accounts was approved by council on 29 November 2022 and charged from 31 December 2022 at a rate of prime +1%.



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>	2024	2023
<b>4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)</b>		
<b>Reconciliation of Allowance for Debt Impairment</b>		
Balance at the beginning of the year	40 447 705	34 035 105
Movement in the contribution to the provision	12 647 629	13 937 529
Property Rates	2 962 229	4 138 975
Availability Charges	1 868 508	2 127 439
Traffic Fines	7 816 892	7 671 115
Bad Debts Written off	(939 447)	(7 524 929)
Property Rates	(740 537)	(798 826)
Availability Charges	(198 910)	(66 168)
Traffic Fines	-	(6 659 935)
Balance at the end of the year	<b>52 155 887</b>	<b>40 447 705</b>

The allowance for debt impairment of property rates has been made for all balances outstanding based on the payment ratio over the last 12 months. No allowance for debt impairment is made for outstanding government debt. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

The allowance for debt impairment of unpaid traffic fines has been made for all balances outstanding based on the cumulative collection rate.

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
<b>30 June 2024</b>			
<b>Service Receivables</b>			
Property Rates	28 588 684	(21 169 766)	7 418 918
Availability Charges	8 622 183	(8 190 121)	432 062
<b>Other Receivables</b>			
Unpaid Traffic Fines	23 291 005	(22 796 000)	495 005
Other Receivables	11 539	-	11 539
Deposits	9 388 597	-	9 388 597
<b>Total</b>	<b>69 902 008</b>	<b>(52 155 887)</b>	<b>17 746 121</b>
<b>30 June 2023</b>			
<b>Service Receivables</b>			
Property Rates	26 361 987	(18 948 074)	7 413 913
Availability Charges	6 887 575	(6 520 523)	367 052
<b>Other Receivables</b>			
Unpaid Traffic Fines	15 385 255	(14 979 108)	406 147
Other Receivables	54 122	-	54 122
Deposits	2 159 598	-	2 159 598
Unpaid Grants	172 289	-	172 289
<b>Total</b>	<b>51 020 827</b>	<b>(40 447 705)</b>	<b>10 573 122</b>

### Ageing of Receivables from Non-Exchange Transactions

#### Property Rates

Current (0 - 30 days)	3 639 443	3 514 070
31 - 60 Days	1 486 750	1 403 547
61 - 90 Days	924 073	860 141
+ 90 Days	22 538 418	20 584 230
<b>Total</b>	<b>28 588 684</b>	<b>26 361 987</b>



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>	2024	2023
<b>4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)</b>		
<b>Availability Charges</b>		
Current (0 - 30 days)	418 584	445 411
31 - 60 Days	307 847	268 344
61 - 90 Days	267 443	249 853
+ 90 Days	7 628 309	5 923 968
<b>Total</b>	<b>8 622 183</b>	<b>6 887 575</b>
<b>Unpaid Traffic Fines</b>		
Current (0 - 30 days)	624 150	799 800
31 - 60 Days	476 500	801 550
61 - 90 Days	389 150	1 406 100
+ 90 Days	21 801 205	12 377 805
<b>Total</b>	<b>23 291 005</b>	<b>15 385 255</b>
<b>5 TAXES</b>		
VAT Claimable/(Payable)	(1 377 939)	(2 167 581)
VAT Output in Suspense	(14 403 993)	(10 034 253)
VAT Input in Suspense	19 253 340	22 751 471
VAT on Allowance for Debt Impairment	16 178 285	11 951 166
<b>Total</b>	<b>19 649 693</b>	<b>22 500 804</b>
<b>Reconciliation of VAT on Allowance for Debt Impairment</b>		
Balance at beginning of year	11 951 166	9 095 948
Debt Impairment for current year	4 227 119	2 855 218
Balance at the end of the year	<b>16 178 285</b>	<b>11 951 166</b>
<b>6 OPERATING LEASES</b>		
<b>6.1 OPERATING LEASE ASSETS</b>		
Operating Lease Asset	<b>79 531</b>	<b>56 676</b>
Disclosed as follows:		
Non-Current Operating Lease Asset	73 876	56 676
Current Operating Lease Asset	5 655	-
<b>Total</b>	<b>79 531</b>	<b>56 676</b>
The operating lease asset is derived from contracts where the Municipality acts as the lessor in the agreement.		
<b>Reconciliation of Operating Lease Asset</b>		
Balance at the beginning of the year	56 676	2 824
Movement during the year	22 856	53 852
Balance at the end of the year	<b>79 531</b>	<b>56 676</b>
<b>The Municipality will receive the following lease payments from contracts that have defined lease payments and terms.</b>		
Within 1 Year	507 948	481 467
Between 1 and 5 Years	993 045	1 500 993
After 5 Years	-	-
<b>Total operating lease payments</b>	<b>1 500 993</b>	<b>1 982 460</b>



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

Figures in Rand	2024	2023
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### 6 OPERATING LEASES (CONTINUED)

This lease income was determined from contracts that have a specific conditional income and does not include lease income which has a undetermined conditional income.

The Municipality is leasing land and buildings to different lessees for periods ranging from 1 - 60 months with escalations linked to CPI or 5.5% per year ranging until 2028.

Significant lease agreements include, but are not limited to:

- Lease of various properties to the Department of Transport and Public Works for periods not exceeding 5 years, with the last agreement ending 30 September 2027. These agreements have an annual escalation of 5.5%.
- Lease of houses to employees. These agreements are reviewed annually.

The Municipality does not engage in any sub-lease arrangements nor did the Municipality receive any contingent rent during the year.

#### 6.2 OTHER OPERATING LEASES

The Municipality entered into an agreement for the lease of various vehicles for a period of 3 years (ending May 2027) with no escalation per annum.

The Municipality will incur the following lease expenditure from contracts that have defined lease payments and terms.

Within 1 Year	1 517 140	-
Between 1 and 5 Years	2 820 887	-
After 5 Years	-	-
<b>Total operating lease payments</b>	<b>4 338 028</b>	<b>-</b>

The Municipality does not engage in any sub-lease arrangements.

The Municipality did not pay any contingent rent during the year.

### 7 LONG-TERM RECEIVABLES

Receivables with repayment arrangements	10 536 972	6 575 731
Less: Allowance for Debt Impairment	(4 425 665)	(3 249 476)
<b>Total Net Receivable</b>	<b>6 111 307</b>	<b>3 326 255</b>
Less: Current portion of Long-term Receivables	(3 084 740)	(1 691 015)
<b>Total</b>	<b>3 026 567</b>	<b>1 635 240</b>

Receivables subject to repayment arrangements are debtors which are repaying their outstanding consumers accounts over a period of more than 12 months. There are no standard repayment terms, therefore no age analysis is available for these non-current receivables.

#### Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year	3 249 476	2 411 855
Movement in the contribution to the provision	1 176 189	837 620
Balance at the end of the year	<b>4 425 665</b>	<b>3 249 476</b>

The allowance for debt impairment of arrangements has been made for all balances outstanding based on the payment ratio over the last 12 months. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<b>Figures in Rand</b>		<b>2024</b>	<b>2023</b>		
<b>8</b>	<b>INVENTORY</b>				
	Consumables	1 009 277	332 020		
	Water	733 638	554 832		
	<b>Total</b>	<b>1 742 915</b>	<b>886 852</b>		
	Inventory are disclosed at the lower of cost or net realisable value.				
	No inventory were pledged as security for liabilities.				
	Inventory written down due to losses identified during the annual stores counts	-	-		
	Inventory recognised as an expense during the year				
	Consumables	615 795	623 314		
	Finished Goods	831 217	133 008		
	Water	9 992 901	8 475 196		
	<b>Total</b>	<b>11 439 913</b>	<b>9 231 518</b>		
<b>9</b>	<b>INVESTMENT PROPERTY</b>				
	Investment Property - Fair Value	<b>93 467 300</b>	<b>95 845 100</b>		
	As previously reported		96 087 100		
	Correction of error restatement - note 47.1		(242 000)		
	Restated balance		<b>95 845 100</b>		
	The carrying value of Investment Property is reconciled as follows:				
	Opening Fair Value	95 845 100	93 633 182		
	Gains arising from changes in fair value	1 909 400	5 222 918		
	Disposals	(4 287 200)	(3 011 000)		
	Closing Fair Value	<b>93 467 300</b>	<b>95 845 100</b>		
	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.				
	Revenue derived from the rental of investment property	366 160	440 615		
	No significant operating expenditure was incurred on investment property during the 2023/24 and 2022/23 financial year.				
<b>10</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>				
		<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Accumulated Impairment</b>	<b>Carrying Value</b>
		<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
	<b>30 June 2024</b>				
	Land and Buildings	109 533 360	(9 798 147)	(646 049)	99 089 164
	Infrastructure	847 829 681	(190 344 992)	(9 634 103)	647 850 586
	Community Assets	96 604 859	(18 964 570)	(163 461)	77 476 827
	Other Assets	39 440 720	(22 806 503)	(158 300)	16 475 917
	Leased Assets	1 200 983	(533 284)	-	667 698
	Capitalised Restoration Cost	39 113 164	(30 771 253)	-	8 341 911
	<b>Total</b>	<b>1 133 722 766</b>	<b>(273 218 750)</b>	<b>(10 601 914)</b>	<b>849 902 103</b>



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

**Figures in Rand** **2024** **2023**

### 10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Cost R	Accumulated Depreciation R	Accumulated Impairment R	Carrying Value R
<b>30 June 2023</b>				
Land and Buildings	111 793 932	(9 680 068)	(1 567 488)	100 546 376
Infrastructure	809 819 632	(173 528 862)	(8 476 612)	627 814 158
Community Assets	86 050 785	(17 592 885)	(635 210)	67 822 689
Other Assets	36 815 207	(20 691 223)	(123 615)	16 000 370
Leased Assets	1 200 983	(133 321)	-	1 067 662
Capitalised Restoration Cost	39 413 156	(29 438 561)	-	9 974 594
<b>Total</b>	<b>1 085 093 694</b>	<b>(251 064 920)</b>	<b>(10 802 925)</b>	<b>823 225 848</b>
As previously reported				823 055 477
Correction of error restatement - note 47.1				185 000
Correction of error restatement - note 47.2				(14 629)
Restated balance				<b>823 225 848</b>

#### 10.1 Repairs and maintenance incurred on Property, Plant and Equipment

**7 220 760**

**9 763 793**

The comparative figure has been restated from R10 895 451 to R9 763 793 due to items included which were not repairs and maintenance in nature.

#### 10.2 Capital Restoration Costs

The Municipality is required by relevant Environmental Legislation to rehabilitate landfill sites at the closure date of each respective site. The "Capitalised Restoration Cost" asset, which is capitalised in line with the requirements of GRAP 17 and iGRAP 2, relates to the initial estimate of costs involved to restore landfill sites under control of the Municipality.

#### 10.3 Carrying value of Property, Plant and Equipment pledged as security

**667 698**

**1 067 662**

The leased assets are financed through a finance lease agreement and are secured as set out in note 12.

#### 10.4 Work in Progress projects taking a significant longer period to complete

There are no material projects that are taking a significantly longer period of time to complete than expected. There are also no significant projects where construction or development has been halted.

#### 10.5 Change in estimate useful lives

During the current year the remaining useful lives of Property, Plant and Equipment were reviewed, and accordingly adjusted. The effect on the current and future periods are as follow:

	2024	2025	After 2025
Increase / (Decrease) in Depreciation and Amortisation	(2 415 771)	(1 467 585)	3 883 357
Increase / (Decrease) in Accumulated Surplus	2 415 771	1 467 585	(3 883 357)
Increase / (Decrease) in Property, Plant and Equipment	2 415 771	1 467 585	(3 883 357)



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### 10.6 Reconciliation of Carrying Value

30 June 2024	Cost						Accumulated Depreciation and Impairment					Carrying Value
	Opening Balance	Additions	Disposals	Contributed Assets	Transfer to Capital Assets	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	
<b>Land and Buildings</b>	<b>111 793 932</b>	-	<b>(1 468 687)</b>	-	<b>(791 885)</b>	<b>109 533 360</b>	<b>11 247 556</b>	<b>551 574</b>	<b>113 753</b>	<b>(1 468 687)</b>	<b>10 444 196</b>	<b>99 089 164</b>
Land	68 103 112	-	-	-	-	68 103 112	-	-	-	-	-	68 103 112
Buildings	42 850 852	-	(1 468 687)	-	-	41 382 165	11 247 556	551 574	113 753	(1 468 687)	10 444 196	30 937 969
Work in Progress	839 968	-	-	-	(791 885)	48 083	-	-	-	-	-	48 083
<b>Infrastructure</b>	<b>809 819 632</b>	<b>38 996 474</b>	<b>(1 172 877)</b>	<b>186 453</b>	-	<b>847 829 681</b>	<b>182 005 474</b>	<b>17 506 596</b>	<b>1 316 273</b>	<b>(849 247)</b>	<b>199 979 095</b>	<b>647 850 586</b>
Roads and Storm Water	245 486 354	-	(36 817)	-	8 067 710	253 517 247	49 955 888	5 877 908	123	(34 731)	55 799 187	197 718 060
Electricity	68 632 409	-	(20 637)	186 453	2 152 855	70 951 079	29 693 795	1 570 897	-	(15 654)	31 249 039	39 702 041
Water Supply	187 547 707	-	(421 609)	-	1 279 670	188 405 768	43 450 784	4 326 091	139 559	(349 848)	47 566 586	140 839 182
Sanitation	275 584 983	-	(693 814)	-	983 809	275 874 977	58 400 184	5 703 182	1 176 591	(449 014)	64 830 943	211 044 034
Solid Waste	771 077	-	-	-	-	771 077	504 823	28 518	-	-	533 341	237 737
Work in Progress	31 797 102	38 996 474	-	-	(12 484 044)	58 309 532	-	-	-	-	-	58 309 532
<b>Community Assets</b>	<b>86 050 785</b>	<b>10 542 525</b>	<b>(644 641)</b>	-	<b>656 190</b>	<b>96 604 859</b>	<b>18 228 095</b>	<b>1 494 243</b>	<b>50 335</b>	<b>(644 641)</b>	<b>19 128 032</b>	<b>77 476 827</b>
Sport and Recreation Facilities	38 228 784	-	(628 972)	-	8 015 771	45 615 584	8 434 533	854 351	50 335	(628 972)	8 710 247	36 905 337
Community Facilities	43 151 693	-	(15 670)	-	656 190	43 792 214	9 793 563	639 891	-	(15 670)	10 417 785	33 374 429
Work in progress	4 670 307	10 542 525	-	-	(8 015 771)	7 197 061	-	-	-	-	-	7 197 061
<b>Other Assets</b>	<b>36 815 207</b>	<b>2 626 800</b>	<b>(199 487)</b>	<b>62 505</b>	<b>135 695</b>	<b>39 440 720</b>	<b>20 814 838</b>	<b>2 232 932</b>	<b>73 017</b>	<b>(155 983)</b>	<b>22 964 803</b>	<b>16 475 917</b>
Computer Equipment	3 224 419	1 275 962	(89 281)	61 809	-	4 472 909	1 985 827	201 181	7 356	(58 309)	2 136 056	2 336 853
Furniture and Office Equipment	4 609 308	130 358	(13 874)	696	135 695	4 862 183	3 107 011	233 356	1 607	(10 193)	3 331 781	1 530 402
Machinery and Equipment	2 221 343	534 326	(51 333)	-	-	2 704 336	1 645 547	128 094	(7 171)	(50 734)	1 715 736	988 600
Transport Assets	26 760 137	686 155	(45 000)	-	-	27 401 292	14 076 452	1 670 301	71 225	(36 748)	15 781 230	11 620 062
<b>Leased Assets</b>	<b>1 200 983</b>	-	-	-	-	<b>1 200 983</b>	<b>133 321</b>	<b>399 963</b>	-	-	<b>533 284</b>	<b>667 698</b>
Furniture and Office Equipment	1 200 983	-	-	-	-	1 200 983	133 321	399 963	-	-	533 284	667 698
<b>Capitalised Restoration Cost</b>	<b>39 413 156</b>	<b>809 357</b>	<b>(1 109 349)</b>	-	-	<b>39 113 164</b>	<b>29 438 561</b>	<b>1 332 691</b>	-	-	<b>30 771 253</b>	<b>8 341 911</b>
Landfill Site Rehabilitation	39 413 156	809 357	(1 109 349)	-	-	39 113 164	29 438 561	1 332 691	-	-	30 771 253	8 341 911
	<b>1 085 093 694</b>	<b>52 975 156</b>	<b>(4 595 042)</b>	<b>248 957</b>	-	<b>1 133 722 766</b>	<b>261 867 846</b>	<b>23 517 999</b>	<b>1 553 377</b>	<b>(3 118 559)</b>	<b>283 820 663</b>	<b>849 902 103</b>

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### 10.6 Reconciliation of Carrying Value

30 June 2023	Cost						Accumulated Depreciation and Impairment					Carrying Value (Restated)
	Opening Balance	Additions	Disposals	Contributed Assets	Transfer to Capital Assets	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	
<b>Land and Buildings</b>	<b>111 815 515</b>	<b>147 917</b>	<b>(169 500)</b>	-	-	<b>111 793 932</b>	<b>10 697 440</b>	<b>550 116</b>	-	-	<b>11 247 556</b>	<b>100 546 376</b>
Land	68 250 873	21 739	(169 500)	-	-	68 103 112	-	-	-	-	-	68 103 112
Buildings	42 850 852	-	-	-	-	42 850 852	10 697 440	550 116	-	-	11 247 556	31 603 296
Work in Progress	713 791	126 178	-	-	-	839 968	-	-	-	-	-	839 968
<b>Infrastructure</b>	<b>771 316 265</b>	<b>37 825 920</b>	<b>(886 895)</b>	<b>1 564 341</b>	-	<b>809 819 632</b>	<b>162 840 696</b>	<b>17 166 281</b>	<b>2 170 196</b>	<b>(171 699)</b>	<b>182 005 474</b>	<b>627 814 158</b>
Roads and Storm Water	229 415 635	-	-	-	16 070 719	245 486 354	44 166 727	5 788 443	718	-	49 955 888	195 530 466
Electricity	62 842 269	-	(286 465)	1 564 341	4 512 263	68 632 409	27 949 551	1 725 343	30 273	(11 372)	29 693 795	38 938 614
Water Supply	168 663 248	-	(13 259)	-	18 897 718	187 547 707	39 578 385	3 618 360	267 297	(13 257)	43 450 784	144 096 923
Sanitation	274 851 402	-	(587 171)	-	1 320 752	275 584 983	50 673 021	6 002 325	1 871 908	(147 070)	58 400 184	217 184 799
Solid Waste	771 077	-	-	-	-	771 077	473 012	31 810	-	-	504 823	266 255
Work in Progress	34 772 635	37 825 920	-	-	(40 801 453)	31 797 102	-	-	-	-	-	31 797 102
<b>Community Assets</b>	<b>80 327 792</b>	<b>5 117 990</b>	-	<b>605 003</b>	-	<b>86 050 785</b>	<b>16 873 262</b>	<b>1 339 875</b>	<b>14 959</b>	-	<b>18 228 095</b>	<b>67 822 689</b>
Sport and Recreation Facilities	26 291 372	-	-	605 003	11 332 409	38 228 784	7 727 186	707 347	-	-	8 434 533	29 794 252
Community Facilities	43 007 695	-	-	-	143 998	43 151 693	9 146 076	632 528	14 959	-	9 793 563	33 358 130
Work in progress	11 028 725	5 117 990	-	-	(11 476 407)	4 670 307	-	-	-	-	-	4 670 307
<b>Other Assets</b>	<b>37 592 037</b>	<b>2 086 646</b>	<b>(2 863 476)</b>	-	-	<b>36 815 207</b>	<b>20 029 758</b>	<b>2 988 552</b>	<b>74 539</b>	<b>(2 278 011)</b>	<b>20 814 838</b>	<b>16 000 370</b>
Computer Equipment	3 027 090	353 886	(156 557)	-	-	3 224 419	1 789 377	317 609	49	(121 208)	1 985 827	1 238 592
Furniture and Office Equipment	4 552 320	150 262	(93 274)	-	-	4 609 308	2 847 711	345 260	54	(86 014)	3 107 011	1 502 297
Machinery and Equipment	2 340 862	118 859	(238 378)	-	-	2 221 343	1 639 638	194 830	9 298	(198 218)	1 645 547	575 796
Transport Assets	27 671 765	1 463 640	(2 375 267)	-	-	26 760 137	13 753 033	2 130 852	65 138	(1 872 571)	14 076 452	12 683 685
<b>Leased Assets</b>	<b>69 629</b>	<b>1 200 983</b>	<b>(69 629)</b>	-	-	<b>1 200 983</b>	<b>68 074</b>	<b>134 877</b>	-	<b>(69 629)</b>	<b>133 321</b>	<b>1 067 662</b>
Furniture and Office Equipment	69 629	1 200 983	(69 629)	-	-	1 200 983	68 074	134 877	-	(69 629)	133 321	1 067 662
<b>Capitalised Restoration Cost</b>	<b>39 901 605</b>	<b>997 726</b>	<b>(1 486 175)</b>	-	-	<b>39 413 156</b>	<b>28 006 025</b>	<b>1 432 536</b>	-	-	<b>29 438 561</b>	<b>9 974 594</b>
Landfill Site Rehabilitation	39 901 605	997 726	(1 486 175)	-	-	39 413 156	28 006 025	1 432 536	-	-	29 438 561	9 974 594
	<b>1 041 022 844</b>	<b>47 377 181</b>	<b>(5 475 675)</b>	<b>2 169 344</b>	-	<b>1 085 093 694</b>	<b>238 515 255</b>	<b>23 612 237</b>	<b>2 259 693</b>	<b>(2 519 339)</b>	<b>261 867 846</b>	<b>823 225 848</b>



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<b>Figures in Rand</b>		<b>2024</b>	<b>2023</b>
<b>11</b>	<b>INTANGIBLE ASSETS</b>		
	Intangible Assets - Carrying Value	<b>110 595</b>	<b>112 649</b>
	As previously reported		112 650
	Correction of error restatement - note 47.2		(1)
	Restated balance		<b>112 649</b>
	The carrying value of intangible Assets is reconciled as follows:		
	<b>Opening Carrying Value</b>	<b>112 649</b>	<b>215 280</b>
	Cost	573 669	1 078 224
	Accumulated Amortisation	(461 020)	(862 944)
	Accumulated Impairment	-	-
	Additions	-	-
	Amortisation	(2 055)	(102 375)
	Disposal	-	(256)
	Cost	-	(504 555)
	Accumulated Amortisation	-	504 299
	<b>Closing Carrying Value</b>	<b>110 595</b>	<b>112 649</b>
	Cost	573 669	573 669
	Accumulated Amortisation	(463 074)	(461 020)
	Accumulated Impairment	-	-
	Computer Software have a life span of 15 years and rights (servitudes) have an indefinite lifespan because there is no foreseeable limit to the period over which the servitudes are expected to generate net cash inflows or service potential for the municipality.		
	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.		
<b>12</b>	<b>LONG-TERM LIABILITIES</b>		
	Annuity Loans	8 222 094	11 482 514
	Finance Lease Liabilities	737 673	1 081 260
	Payables with Repayment Arrangements	3 897 954	101 619 540
	Municipal Debt Relief	101 284 151	-
	<b>Sub-Total</b>	<b>114 141 872</b>	<b>114 183 314</b>
	Less: Current portion of Long-term Liabilities	<b>37 410 052</b>	<b>33 762 418</b>
	Annuity Loans	2 542 406	4 094 050
	Finance Lease Liabilities	414 457	343 587
	Payables with Repayment Arrangements	3 897 954	29 324 781
	Municipal Debt Relief	30 555 235	-
	<b>Total</b>	<b>76 731 821</b>	<b>80 420 896</b>
	Long-term Liabilities were utilised as follow:		
	Total loans taken up	8 959 767	12 563 774
	Used to finance Property, Plant and Equipment at cost	(8 959 767)	(12 563 774)
	<b>Unspent Borrowings</b>	<b>-</b>	<b>-</b>
	Long-term Liabilities have been utilised in accordance with the Municipal Finance Management Act.		



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>	2024	2023
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### 12 LONG-TERM LIABILITIES (CONTINUED)

#### 12.1 Annuity Loans

Annuity Loans, disclosed at amortised cost, consist out of the following agreements:

Institution and loan number	Rate	Maturity Date	Carrying Value of Liability	
DBSA (WC12007362.1)	11.79%	2031	5 474 490	6 126 855
DBSA (12007652)	12.15%	2027	2 747 604	3 508 692
Standard Bank (514952)	10.08%	2024	-	1 846 967
<b>Total</b>			<b>8 222 094</b>	<b>11 482 514</b>

All annuity loans are unsecured.

Annuity loans are payable as follows:

Payable within one year	3 307 704	5 139 566
Payable within two to five years	5 221 425	7 354 236
Payable after five years	2 318 616	2 796 879
<b>Total amount payable</b>	<b>10 847 745</b>	<b>15 290 681</b>
Less: Outstanding Future Finance Charges	(2 625 651)	(3 808 167)
<b>Present value of annuity loans</b>	<b>8 222 094</b>	<b>11 482 514</b>

#### 12.2 Finance Lease Liabilities

Finance Lease Liabilities, disclosed at amortised cost, consist out of the following agreements:

Supplier	Lease Period	Maturity Date	Carrying Value of Liability	
Konica Minolta - Printers	3 years	2026/02/28	328 866	492 103
SkyMetro - Printers	3 years	2026/02/28	408 807	589 157
<b>Total</b>			<b>737 673</b>	<b>1 081 260</b>

Finance Leases Liabilities are secured by Property, Plant and Equipment - refer to note 10.

Leased assets remain the property of the lessor after maturity and new lease contracts are negotiated to replace lapsed contracts.

Finance Lease Liabilities are payable as follows:

Payable within one year	520 332	520 332
Payable within two to five years	346 888	867 221
Payable after five years	-	-
<b>Total amount payable</b>	<b>867 221</b>	<b>1 387 553</b>
Less: Outstanding Future Finance Charges	(129 548)	(306 293)
<b>Present value of finance lease liabilities</b>	<b>737 673</b>	<b>1 081 260</b>

#### 12.3 Payables with Repayment Arrangements

The Municipality entered into the following repayment arrangements:

Supplier	Rate	Maturity Date	Carrying Value of Liability	
Landis+Gyr (Pty) Ltd	7.1%	2024/02/01	-	1 086 864
Eskom Holdings SOC Ltd	0%	2024/10/31	3 897 954	100 532 676
<b>Total</b>			<b>3 897 954</b>	<b>101 619 540</b>

All payables with repayment arrangements are unsecured.



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<b>Figures in Rand</b>		<b>2024</b>	<b>2023</b>
<b>12</b>	<b>LONG-TERM LIABILITIES (CONTINUED)</b>		
	Payables with Repayment Arrangements are payable as follows:		
	Payable within one year	3 897 954	29 353 918
	Payable within two to five years	-	72 294 758
	<b>Total amount payable</b>	<b>3 897 954</b>	<b>101 648 677</b>
	Less: Outstanding Future Finance Charges	-	(29 137)
	<b>Present value of finance lease liabilities</b>	<b>3 897 954</b>	<b>101 619 540</b>
<b>12.4</b>	<b>Municipal Debt Relief</b>		
	Municipal Debt Relief, disclosed at amortised cost, consist out of the following agreements:		
	<b>Supplier</b>	<b>Discount Rate</b>	<b>Maturity Date</b>
			<b>Carrying Value of Liability</b>
	Eskom Holdings SOC Ltd	10.16%	31 Aug 2026
			101 284 151
	<b>Total</b>		<b>101 284 151</b>
	The Municipal Debt Relief liability is unsecured.		
	National Treasury approved the Municipality's application for Municipal Debt Relief. In terms of the arrangement, Eskom Holdings SOC Ltd will write-off outstanding debt amounting to R112 992 550 over a period of 3 years, given that the Municipality adheres to certain conditions. As at year-end, the Municipality has complied with all the conditions, and it is therefore anticipated that debt will be written off as follows:		
	Within one year	37 664 183	-
	Within two to five years	75 328 367	-
	<b>Total amount payable</b>	<b>112 992 550</b>	<b>-</b>
	Less: Outstanding Future Finance Charges	(11 708 398)	-
	<b>Present value of payables with repayment arrangements</b>	<b>101 284 151</b>	<b>-</b>
<b>13</b>	<b>PAYABLES FROM EXCHANGE TRANSACTIONS</b>		
	Trade Payables	62 424 255	77 315 362
	Retentions	4 807 090	3 073 175
	Payments received in advance	1 817 531	2 023 552
	Pre-paid Electricity	745 239	680 599
	Sundry Creditors	8 482 063	7 685 498
	Unknown Bank Deposits	1 647 781	2 488 038
	Sale of Land Deposits	430 612	1 379 255
	Accrued Interest	11 723	23 541
	<b>Total</b>	<b>80 366 293</b>	<b>94 669 022</b>
	Payables are being recognised net of any discounts received.		
	The 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.		
	Sundry deposits include hall, builders and housing deposits.		
	The following serves as security for payables:		
	- Bank guarantee as per note 2	6 000 000	4 580 815
	- Cash deposits as per note 4	9 388 597	2 159 598
	<b>Total</b>	<b>15 388 597</b>	<b>6 740 413</b>



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>		2024	2023
<b>14</b>	<b>UNSPENT CONDITIONAL GOVERNMENT GRANTS</b>		
	National Government	1 144 886	21 099 546
	Provincial Government	5 140 052	2 455 489
	District Municipality	42 580	42 580
	<b>Total</b>	<b>6 327 518</b>	<b>23 597 615</b>
	Detail reconciliations of all grants received and grant conditions met are included in note 21. Unspent grant balances are recognised to the extent that conditions are not yet met.		
	No grants were withheld in the current year.		
	Due to the short term nature of unspent grant balances, the carrying value approximates the fair value of the unspent conditional grants at year-end.		
<b>15</b>	<b>UNSPENT PUBLIC CONTRIBUTIONS</b>		
	Tormin Mineral Sands	282 843	612 415
	<b>Total</b>	<b>282 843</b>	<b>612 415</b>
	Detail reconciliations of all public contributions received are included in note 22. Unspent public contribution balances are recognised to the extent that conditions of the contribution are not yet met.		
	Due to the short term nature of unspent public contributions, the carrying value approximates the fair value of the unspent public contribution at year-end.		
<b>16</b>	<b>CURRENT EMPLOYEE BENEFITS</b>		
	Bonuses	4 683 227	4 619 770
	Staff Leave	10 682 924	9 917 557
	Performance Bonuses	499 358	334 984
	Pension	25 169	25 169
	Current portion of Non-Current Employee Benefits - note 18	3 033 000	2 571 000
	Post Retirement Medical Benefits	1 820 000	1 630 000
	Long Service Awards	1 213 000	941 000
	<b>Total</b>	<b>18 923 678</b>	<b>17 468 481</b>
	The movement in current employee benefits are reconciled as follows:		
<b>16.1</b>	<b>Bonuses</b>		
	Opening Balance	4 619 770	4 647 678
	Contribution during the year	8 759 348	8 738 398
	Payments made	(8 695 892)	(8 766 306)
	Balance at the end of the year	<b>4 683 227</b>	<b>4 619 770</b>
	Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represent to portion of the bonus that have already vested for the current salary cycle.		
<b>16.2</b>	<b>Staff Leave</b>		
	Opening Balance	9 917 557	10 608 062
	Contribution during the year	2 084 979	500 032
	Payments made	(1 319 612)	(1 190 537)
	Balance at the end of the year	<b>10 682 924</b>	<b>9 917 557</b>
	Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave or when employment is terminated.		



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<b>Figures in Rand</b>		<b>2024</b>	<b>2023</b>
<b>16</b>	<b>CURRENT EMPLOYEE BENEFITS (CONTINUED)</b>		
<b>16.3</b>	<b>Performance Bonuses</b>		
	Opening Balance	334 984	-
	Contribution during the year	499 358	776 282
	Payments made	(334 984)	(441 298)
	Balance at the end of the year	<u><b>499 358</b></u>	<u><b>334 984</b></u>
	Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the council.		
<b>16.4</b>	<b>Pension</b>		
	Opening Balance	25 169	25 169
	Contribution during the year	-	-
	Payments made	-	-
	Balance at the end of the year	<u><b>25 169</b></u>	<u><b>25 169</b></u>
	Pension payments to staff who did not belong to a pension fund in 1994, according to a formula prescribed by a collective agreement. Payment of the amount will occur when respective employees retire. There is no possibility of reimbursement.		
<b>17</b>	<b>CURRENT PROVISIONS</b>		
	SARS Ruling - Output VAT Payable on Library Grants	6 599 217	5 392 565
	<b>Total</b>	<u><b>6 599 217</b></u>	<u><b>5 392 565</b></u>
	As previously reported		-
	Correction of error restatement - note 47.3		5 392 565
	Restated balance		<u><b>5 392 565</b></u>
	The movement in the provision is reconciled as follows:		
	Opening balance	5 392 565	4 237 043
	Increase based on Output VAT portion of grant funding received	1 206 652	1 155 522
	Total balance at year-end	<u><b>6 599 217</b></u>	<u><b>5 392 565</b></u>
	Refer to note 47.3 for a brief description of the nature of the obligation.		
	It is estimated that the formal SARS ruling will be issued within the next 12 months, and accordingly the provision is considered to be a current liability.		
	The main uncertainty is what periods SARS will include when making its ruling and assessment. The Municipality took a conservative approach and calculated the provision based on a period of 6 year, i.e. from 2018/19 to 2023/24.		
	Another uncertainty is whether any penalties or interest will be levied by SARS. As the Municipality disclosed the potential obligation to SARS via the voluntary disclosure programme (VDP), it is assumed that no penalties and interest will be levied by SARS, and accordingly no penalties or interest were included in the provision.		
	Should the outcome of the formal ruling be unfavourable towards the Municipality, the Municipality will approach the Department of Cultural Affairs and Sport (DCAS) for possible reimbursement.		
<b>18</b>	<b>EMPLOYEE BENEFITS</b>		
	Post Retirement Medical Benefits	34 539 000	32 727 000
	Long Service Awards	8 697 000	8 328 000
	<b>Sub-Total</b>	<u><b>43 236 000</b></u>	<u><b>41 055 000</b></u>
	Less: Current portion of Employee Benefits	<b>3 033 000</b>	<b>2 571 000</b>
	Post Retirement Medical Benefits	1 820 000	1 630 000
	Long Service Awards	1 213 000	941 000
	<b>Total</b>	<u><b>40 203 000</b></u>	<u><b>38 484 000</b></u>



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>	2024	2023
<b>18 EMPLOYEE BENEFITS (CONTINUED)</b>		
<b>18.1 Post Retirement Medical Benefits</b>		
The Post Retirement Medical Benefit Plan is a defined benefit plan. The movement in the defined benefit obligation is reconciled as follows:		
Opening Balance	32 727 000	36 348 000
Contribution during the year	5 472 000	5 877 000
Current Service Cost	1 470 000	1 678 000
Interest Expense	4 002 000	4 199 000
Payments made	(1 652 340)	(1 618 791)
Actuarial Loss/(Gain)	(2 007 660)	(7 879 209)
Change in Financial Assumptions	(1 215 000)	(4 134 000)
Change in Demographic Assumptions	-	-
Experience Adjustments	(792 660)	(3 745 209)
Total balance at year-end	34 539 000	32 727 000
Less: Current portion	(1 820 000)	(1 630 000)
<b>Total</b>	<b>32 719 000</b>	<b>31 097 000</b>

Based on the number of individuals entitled to a post-employment medical aid subsidy at year-end, the defined benefit obligation was estimated to be as follows:

	Number of individuals			
	2024	2023		
In-service members	138	128	13 501 000	12 013 000
In-service non-members	252	285	3 869 000	4 137 000
Continuation members	31	30	17 169 000	16 577 000
<b>Total</b>	<b>421</b>	<b>443</b>	<b>34 539 000</b>	<b>32 727 000</b>

The defined benefit obligation is unfunded, and therefore no disclosures are made relating to plan assets and the effect of the asset ceiling.

### Actuarial Method

The Projected Unit Credit Method has been used to value the liabilities. The last valuation was performed on 8 August 2024.

### Characteristics of defined benefit plans and risks associated with them

The Municipality provides post employment medical benefits as follows:

- Eligible employees will receive a post-employment subsidy of 70% of the contribution payable should they be a member of a medical scheme at retirement.
- Continuation members and their eligible dependants receive a 70% subsidy.
- The post-employment subsidies are not limited to a maximum Rand value/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.

Notable benefit plan risks faced by the Municipality can be summarised as follows:

- **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 defined benefit obligation:** The risk that the defined benefit obligation 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 defined benefit obligation for the Municipality.

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<b>Figures in Rand</b>		<b>2024</b>	<b>2023</b>
<b>18</b>	<b>EMPLOYEE BENEFITS (CONTINUED)</b>		
	<b>Significant Actuarial Assumptions</b>		
	<b>i) Financial Assumptions</b>		
	- Medical Aid Contribution Inflation Rate	7.70%	8.26%
	- Discount Rate	12.22%	12.53%
	- Net Discount Rate	4.20%	3.94%
	<b>ii) Demographic Assumptions</b>		
	- Post-Employment Mortality	PA(90)	PA(90)
	The PA(90) ultimate table, adjusted down by 1 year of age, and a 1% annual compound mortality improvement from 2010.		
	- Average Retirement Age	62 years	62 years
	- Membership continuation	75%	75%

### Sensitivity Analysis - Defined Benefit Obligation at year-end

The defined benefit obligation is based on a number of assumptions as indicated above. The extent to which the actual defined benefit obligation faced in the future by the Municipality differs from these results will depend on the extent to which actual experience differs from the assumptions made. The assumption which tends to have the greatest impact on the results is the medical aid contribution inflation rate relative to the discount rate. The impact of the aforementioned and the other significant assumptions are disclosed below:

<b>Assumption</b>	<b>Eligible Employees (R)</b>	<b>Continuation Members (R)</b>	<b>Total Obligation (R)</b>	<b>% Change</b>
Current defined benefit obligation	17 370 000	17 169 000	34 539 000	
Medical Aid Contribution Inflation Rate ( + 1% )	20 951 000	18 604 000	39 555 000	15%
Medical Aid Contribution Inflation Rate ( - 1% )	14 515 000	15 908 000	30 423 000	-12%
Discount Rate ( + 1% )	14 640 000	15 966 000	30 606 000	-11%
Discount Rate ( - 1% )	20 824 000	18 555 000	39 379 000	14%
Post-Employment Mortality ( + 1 year )	16 953 000	16 577 000	33 530 000	-3%
Post-Employment Mortality ( - 1 year )	17 780 000	17 764 000	35 544 000	3%
Average Retirement Age ( - 1 year )	19 333 000	17 169 000	36 502 000	6%
Membership Continuation ( - 10% )	15 191 000	17 169 000	32 360 000	-6%

There were no changes from the previous reporting period in the methods and assumptions used in preparing the sensitivity analyses.

### Expected contributions and maturity analysis

As there is no plan asset, the net defined benefit liability is equal to the defined benefit obligation. There are no specific funding arrangements and funding policy that affect future contributions, other than the funding and reserve policy of the Municipality which aims to ensure that the cash position of the Municipality remains sufficient to cover all working capital requirements (which includes contributions to the relevant medical schemes).

Maturity analysis of the future undiscounted expected benefits to be paid in respect of the current eligible employees and continuation members can be illustrated as follows:

<b>Future Year</b>	<b>Expected Benefit Payments R</b>	<b>% Contribution of Bracket</b>
Future year 1 - 10	29 562 000	2%
Future year 11 - 20	83 946 000	7%
Future year 21 - 30	187 320 000	15%
Future year 31 - 40	288 470 000	24%
Future year 41 - 50	305 634 000	25%
Future year 51 - 60	220 582 000	18%
Future year 61 - 70	92 224 000	8%
Future year 71 - 80	16 025 000	1%
Future year 80 + (considered insignificant to include in analysis)	-	0%
<b>Total future expected benefits to be paid</b>	<b>1 223 763 000</b>	<b>100%</b>



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

Figures in Rand

2024

2023

### 18 EMPLOYEE BENEFITS (CONTINUED)

#### 18.2 Long Service Awards

The Long Service Awards plans are defined benefit plans. The movement in the defined benefit obligation is reconciled as follows:

Opening Balance	8 328 000	7 917 000
Contribution during the year	1 633 000	1 579 000
Current Service Cost	721 000	728 000
Interest Expense	912 000	851 000
Payments made	(1 108 813)	(590 130)
Actuarial Loss/(Gain)	(155 187)	(577 870)
Change in Financial Assumptions	(99 000)	(445 000)
Change in Demographic Assumptions	-	-
Experience Adjustments	(56 187)	(132 870)
Total balance at year-end	<b>8 697 000</b>	<b>8 328 000</b>
Less: Current portion	(1 213 000)	(941 000)
<b>Total</b>	<b>7 484 000</b>	<b>7 387 000</b>
As at year end, the following number of employees were eligible for Long Service Awards	390	413

The defined benefit obligation is unfunded, and therefore no disclosures are made relating to plan assets and the effect of the asset ceiling.

#### Actuarial Method

The Projected Unit Credit Method has been used to value the liabilities. The last valuation was performed on 8 August 2024.

#### Characteristics of defined benefit plans and risks associated with them

The Municipality provides a Long Service Award benefits as follows:

- The Municipality offers employees Long Service Awards for every 5 years of service completed, from 10 years of service to 45 years of service, inclusive.
- In the month that each "completed service" milestone is reached, the employee is granted a Long Service Award.
- The Long Service Award is calculated as a percentage of basic salary which is then multiplied by the number of years in service, divided by 250. The percentage calculated on the basic salary is determined by the milestone reached which ranges from 4% (10 years) to 26.4% (45 years).
- The Municipality does not pay any pro-rata Long Service Awards.

Notable benefit plan risks faced by the Municipality can be summarised as follows:

- **Inflation:** The risk that future CPI inflation and medical aid contribution 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 Defined-Benefit Obligation:** The risk that the defined benefit obligation 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 Defined-Benefit Obligation for the Municipality.

#### Significant Actuarial Assumptions

##### i) Financial Assumptions

- General Earnings Inflation Rate	6.42%	6.91%
- Discount Rate	11.29%	11.58%
- Net Discount Rate	4.58%	4.37%



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<b>Figures in Rand</b>		<b>2024</b>	<b>2023</b>
<b>18</b>	<b>EMPLOYEE BENEFITS (CONTINUED)</b>		
	<b>ii) Demographic Assumptions</b>		
	- Average Retirement Age	62 years	62 years
	- Termination of Services		
	If an eligible employee leaves due to resignation or retrenchment, the Municipality's defined benefit obligation in respect of that employee ceases. The termination rates per annum is assumed as follows:		
	Age: 20 - 24	9.00%	9.00%
	Age: 25 - 29	8.00%	8.00%
	Age: 30 - 34	6.00%	6.00%
	Age: 35 - 44	5.00%	5.00%
	Age: 45 - 49	4.00%	4.00%
	Age: 50 - 54	3.00%	3.00%
	Age: 55 +	0.00%	0.00%

### Sensitivity Analysis - Defined Benefit Obligation at year-end

The defined benefit obligation is based on a number of assumptions as indicated above. The extent to which the actual defined benefit obligation faced in the future by the Municipality differs from these results will depend on the extent to which actual experience differs from the assumptions made. The impact of the significant assumptions are disclosed below:

<b>Assumption</b>	<b>Impact on Defined Benefit Obligation (R)</b>	<b>% Change</b>
Current Defined Benefit Obligation	8 697 000	
General Earnings Inflation Rate ( + 1%)	9 237 000	6%
General Earnings Inflation Rate ( - 1%)	8 207 000	-6%
Discount Rate ( + 1% )	8 200 000	-6%
Discount Rate ( - 1% )	9 253 000	6%
Average Retirement Age ( + 2 years )	9 567 000	10%
Average Retirement Age ( - 2 years )	7 328 000	-16%
Rates of Termination of Services ( x 2 )	7 120 000	-18%
Rates of Termination of Services ( x 0.5 )	9 764 000	12%

There were no changes from the previous reporting period in the methods and assumptions used in preparing the sensitivity analyses.

### Expected contributions and maturity analysis

As there is no plan asset, the net defined benefit liability is equal to the defined benefit obligation. There are no specific funding arrangements and funding policy that affect future contributions, other than the funding and reserve policy of the Municipality which aims to ensure that the cash position of the Municipality remains sufficient to cover all working capital requirements (which includes Long Service Awards when it becomes due).

Maturity analysis of the future undiscounted expected benefits to be paid in respect of the current eligible employees can be illustrated as follows:

<b>Future Year</b>	<b>Expected Benefit Payments R</b>	<b>% Contribution of Bracket</b>
Future year 1 - 10	14 588 000	30%
Future year 11 - 20	19 835 000	41%
Future year 21 - 30	13 036 000	27%
Future year 31 - 40	1 333 000	3%
Future year 40 + (considered insignificant to include in analysis)	-	0%
<b>Total future expected benefits to be paid</b>	<b>48 792 000</b>	<b>100%</b>



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>		2024	2023
<b>18</b>	<b>EMPLOYEE BENEFITS (CONTINUED)</b>		
<b>18.3</b>	<b>Defined Contribution Plans</b>		
	Council contributes to the following defined benefit plans:		
	Consolidated Retirement Fund	17 331 159	17 201 208
	LA Retirement Fund	43 314	41 096
	Municipal Workers Retirement Fund	710 901	879 387
	<b>Total</b>	<b>18 085 374</b>	<b>18 121 691</b>

The retirement benefit funds are 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.

The Municipality previously assessed the Consolidated Retirement Fund and LA Retirement Fund to be multi-employer defined benefit plans. This assessment was however incorrect as the Municipality's obligation is only limited to the contributions made to the said funds. This is in contrast to the former funds (Cape Joint Retirement Fund and Cape Joint Pension Fund) which were deemed to be defined benefit plans. Accordingly, any contributions previously disclosed as defined benefit plans are now included as part of the defined contributions plans, which resulted in the comparative amount being restated from R879 387 to R18 121 691.

## 19 NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites	<b>67 229 025</b>	<b>61 734 200</b>
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The movement in Rehabilitation Provision - Landfill Sites are reconciled as follows:

Opening Balance	61 734 200	56 437 135
Contribution during the year	5 494 825	5 297 065
Increase/(decrease) in estimate added to /(deducted from) cost of related asset	(299 991)	(488 449)
Decrease in estimate recognised in surplus	(1 211 935)	(171 826)
Interest Cost	7 006 751	5 957 340
<b>Total</b>	<b>67 229 025</b>	<b>61 734 200</b>

The calculation for the rehabilitation of the landfill site provision was compiled by an independent qualified engineer in order to determine the present value to rehabilitate the landfill sites at the end of its useful life.

The future obligations for rehabilitating the landfill sites has been calculated using a discount rate (SA Bond yield) between 8.94% - 11.70% depending on the remaining useful life of the landfill-sites.

The total obligation at year-end can be attributed to the following sites:

Location	Discount Rate	Site Dimension (m <sup>2</sup> )	Rehabilitation cost per m <sup>2</sup> (Rand)	Current Cost of Rehabilitation	Current Cost of Rehabilitation
Bitterfontein	11.70%	4 658	1 392	3 694 693	4 399 576
Doringbaai	11.70%	13 297	470	4 214 866	3 730 905
Klawer	11.70%	11 895	593	4 253 940	3 762 175
Kliprand	8.94%	1 818	1 986	3 089 149	2 446 854
Lutzville	8.94%	45 805	328	13 678 295	12 476 800
Nuwerus	11.70%	3 276	963	1 901 967	1 682 182
Rietpoort	11.70%	796	3 262	1 479 912	1 755 637
Strandfontein	11.70%	9 607	512	3 319 655	2 835 133
VanRhynsdorp	11.70%	31 345	971	12 554 757	11 763 147
Vredendal	11.70%	55 062	326	10 817 654	9 557 190
Ebenhaeser	11.70%	3 918	1 057	2 793 485	2 480 322
Koekenaap	11.70%	5 044	1 696	5 430 653	4 844 279
<b>Total</b>				<b>67 229 025</b>	<b>61 734 200</b>



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

**Figures in Rand** 2024 2023

### 19 NON-CURRENT PROVISIONS (CONTINUED)

The estimate cost, based on an average inflation rate of 5.59% (2023 - 5.59%), and date of decommission of the sites are as follows:

Location	Estimated Decommission Date	Future Cost of Rehabilitation	Future Cost of Rehabilitation
Bitterfontein	2034	11 171 464	8 637 565
Doringbaai	2031	9 144 416	9 171 806
Klawer	2033	11 515 158	11 580 834
Kliprand	2029	4 740 406	4 803 840
Lutzville	2027	17 685 527	17 727 347
Nuwerus	2033	5 148 509	5 178 140
Rietpoort	2034	4 474 738	3 446 794
Strandfontein	2031	7 202 200	6 969 701
VanRhynsdorp	2040	72 709 007	70 064 063
Vredendal	2033	29 282 737	29 419 217
Ebenhaeser	2031	6 060 640	6 097 458
Koekenaap	2033	13 960 343	14 144 637
<b>Total</b>		<b>193 095 144</b>	<b>187 241 402</b>

### 20 PROPERTY RATES

Rateable Land and Buildings	51 774 465	50 301 491
Less: Rebates	(433 089)	(751 799)
<b>Total</b>	<b>51 341 376</b>	<b>49 549 692</b>

Property rate levied are based on the following rateable valuations:

Domestic	3 639 521 500	3 687 968 500
Commercial	895 380 000	886 307 500
Church	142 687 000	142 687 000
Light Industrial	174 760 000	174 760 000
Agricultural/Rural	4 105 258 000	4 053 872 500
State	432 698 000	423 445 000
Other - Pensioners etc.	70 930 000	78 246 000
Vacant Land	207 278 900	209 928 900
<b>Total Valuation</b>	<b>9 668 513 400</b>	<b>9 657 215 400</b>

Rate that is applicable to the valuations:

Residential (40% rebate on Residential - Agricultural)	0.008075 c/R	0.008240 c/R
Business and Commercial	0.013279 c/R	0.012551 c/R
Agricultural	0.001994 c/R	0.001885 c/R

Valuations on land and buildings are performed every five years. The last valuation came into effect on 1 July 2020. Interim valuations are processed on an annual basis to include changes in property values and subdivisions.

The first R 15 000 of the valuation on properties used only for residential purposes are exempted from property rates in terms of the Property Rates Act.

Rates are levied monthly and annually. Monthly rates are payable by the end of the 25th of each month in which the amount was levied and annual rates are payable before 30 September.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but in terms of Council's own policy opted not to collect it. Rebates on tariffs are granted as follows:

- Agricultural - 30% discount on agriculture land
- Agricultural - 40% Rebate on Residential -Agriculture properties - residential tariff
- Pensioners - 75 % discount where income of less than R10 000 per residential erven
- Pensioners - 25 % discount where income of between R10 001 and R15 000 per residential erven



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>	2024	2023
<b>21 GOVERNMENT GRANTS AND SUBSIDIES</b>		
<b>Unconditional Grants - National Government</b>	<b>76 264 000</b>	<b>69 892 000</b>
Equitable Share	76 264 000	69 892 000
<b>Conditional Grants - National Government</b>	<b>46 327 826</b>	<b>45 253 258</b>
Financial Management Grant (FMG)	1 771 000	1 771 000
Municipal Infrastructure Grant (MIG)	23 062 999	23 817 000
Expanded Public Works Programme (EPWP)	2 859 000	1 569 000
Water Services Infrastructure Grant (WSIG)	12 099 546	8 096 258
Regional Bulk Infrastructure Grant (RBIG)	-	10 000 000
Integrated National Electrification Programme (INEP)	6 535 281	-
<b>Conditional Grants - Provincial Government</b>	<b>21 974 141</b>	<b>13 154 639</b>
Community Development Workers (CDW)	94 000	182 690
Libraries, Archives and Museums	8 660 975	7 757 851
Western Cape Financial Management Support Grant	295 976	544 500
Municipal Capacity Building Grant	430 926	193 765
Municipal Service Delivery and Capacity Building Grant	1 027 711	172 289
Thusong Services Centres	-	-
Human Settlements	7 878 109	2 514 648
Transport, Education and Training SETA	288 158	288 898
Sport and Recreational Facilities	-	-
Municipal Interventions Grant	400 000	450 000
Emergency Municipal Load-Shedding Relief Grant	-	1 049 999
Municipal Financial Recovery Services Grant	999 908	-
Water Resilience Grant	1 878 845	-
Maintenance of Main Roads	19 534	-
<b>Conditional Grants - District Municipality</b>	<b>-</b>	<b>-</b>
West Coast District Municipality (COVID 19 Relief)	-	-
<b>Total</b>	<b>144 565 966</b>	<b>128 299 897</b>
As previously reported		129 455 419
Correction of error restatement - note 47.3		(1 155 522)
Restated balance		128 299 897
Disclosed as:		
Government Grants and Subsidies - Operating	98 760 143	88 967 422
Government Grants and Subsidies - Capital	45 805 823	39 332 475
<b>Total</b>	<b>144 565 966</b>	<b>128 299 897</b>
Grants per Vote (MFMA Sec 123 (c)):		
Equitable share	76 264 000	69 892 000
Vote 1 - Municipal Manager	-	-
Vote 2 - Development & Planning	-	-
Vote 3 - Financial Services	2 201 926	-
Vote 4 - Technical Services	48 778 799	-
Vote 5 - Community Services	16 633 084	-
Vote 6 - Corporate Services	688 158	-
Vote 1 - Municipal Manager	-	-
Vote 2 - Financial Services	-	1 946 950
Vote 3 - Corporate Management	-	8 247 253
Vote 4 - Development Planning	-	3 635 379
Vote 5 - Technical Services	-	44 578 315
<b>Total</b>	<b>144 565 966</b>	<b>128 299 897</b>



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<b>Figures in Rand</b>		<b>2024</b>	<b>2023</b>
<b>21</b>	<b>GOVERNMENT GRANTS AND SUBSIDIES</b>		
	The movements per grant can be summarised as follows:		
<b>21.01</b>	<b>Equitable Share</b>		
	Opening Unspent Balance	-	-
	Grants Received / (Repaid)	76 264 000	69 892 000
	Transferred to Revenue - Operating	(76 264 000)	(69 892 000)
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	-	-
	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.		
<b>21.02</b>	<b>Financial Management Grant (FMG)</b>		
	Opening Unspent Balance	-	-
	Grants Received / (Repaid)	1 771 000	1 771 000
	Transferred to Revenue - Operating	(1 669 309)	(1 771 000)
	Transferred to Revenue - Capital	(101 691)	-
	Closing Unspent Balance	-	-
	The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).		
<b>21.03</b>	<b>Municipal Infrastructure Grant (MIG)</b>		
	Opening Unspent Balance	-	-
	Grants Received / (Repaid)	23 062 999	23 817 000
	Transferred to Revenue - Operating	(4 082 118)	(4 084 770)
	Transferred to Revenue - Capital	(18 980 881)	(19 732 230)
	Closing Unspent Balance	-	-
	The Municipal Infrastructure Grant was used for capital projects relating to roads, sport and recreation and waste water infrastructure as well as salaries of the Project Management Unit (PMU).		
<b>21.04</b>	<b>Expanded Public Works Programme (EPWP)</b>		
	Opening Unspent Balance	-	-
	Grants Received / (Repaid)	2 859 000	1 569 000
	Transferred to Revenue - Operating	(2 859 000)	(1 569 000)
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	-	-
	The EPWP grant is a conditional grant to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the identified focus areas in compliance with the EPWP guidelines.		
<b>21.05</b>	<b>Water Services Infrastructure Grant (WSIG)</b>		
	Opening Unspent Balance	1 099 546	9 896 804
	Grants Received / (Repaid)	11 000 000	(701 000)
	Transferred to Revenue - Operating	(1 578 031)	(1 056 034)
	Transferred to Revenue - Capital	(10 521 515)	(7 040 224)
	Closing Unspent Balance	-	1 099 546
	The Water Services Infrastructure Grant was utilised to increase accessibility to water resources and upgrading of sewerage services for all residents.		



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<b>Figures in Rand</b>	<b>2024</b>	<b>2023</b>
<b>21 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)</b>		
<b>21.06 Regional Bulk Infrastructure Grant (RBIG)</b>		
Opening Unspent Balance	20 000 000	-
Grants Received / (Repaid)	(20 000 000)	30 000 000
Transferred to Revenue - Operating	-	(1 309 437)
Transferred to Revenue - Capital	-	(8 690 562)
Closing Unspent Balance	<u>-</u>	<u>20 000 000</u>
This grant was utilised to increase accessibility to water resources in Klawer.		
<b>21.07 Integrated National Electrification Programme (INEP)</b>		
Opening Unspent Balance	-	-
Grants Received / (Repaid)	8 325 000	-
Transferred to Revenue - Operating	(765 689)	-
Transferred to Revenue - Capital	(5 769 592)	-
Other Transfers	(644 833)	-
Closing Unspent Balance	<u>1 144 886</u>	<u>-</u>
This grant was utilised to increase accessibility to electricity resources in Vredendal North and Lutzville.		
<b>21.08 Community Development Workers (CDW)</b>		
Opening Unspent Balance	5 310	198 300
Grants Received / (Repaid)	88 690	(10 300)
Transferred to Revenue - Operating	(94 000)	(182 690)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	<u>-</u>	<u>5 310</u>
The grant was used for operating expenses relating to the Community Development Workers (CDW) programme.		
<b>21.09 Libraries, Archives and Museums</b>		
Opening Unspent Balance	616 627	671 000
Grants Received / (Repaid)	8 044 348	7 703 478
Transferred to Revenue - Operating	(8 088 543)	(7 707 388)
Transferred to Revenue - Capital	(572 432)	(50 463)
Closing Unspent Balance	<u>-</u>	<u>616 627</u>
The grant was used to finance library activities in the municipal area.		
<b>21.10 Western Cape Financial Management Support Grant</b>		
Opening Unspent Balance	295 975	840 475
Grants Received / (Repaid)	-	-
Transferred to Revenue - Operating	(295 975)	(544 500)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	<u>-</u>	<u>295 975</u>
The grant was used to implement standard operating procedures (SOP's) and implementation of mSCOA.		
<b>21.11 Municipal Capacity Building Grant</b>		
Opening Unspent Balance	737 555	192 829
Grants Received / (Repaid)	(284 779)	738 491
Transferred to Revenue - Operating	(430 926)	(193 765)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	<u>21 850</u>	<u>737 555</u>
The grant was used to assist students with academic study fees.		



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<b>Figures in Rand</b>		<b>2024</b>	<b>2023</b>
<b>21</b>	<b>GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)</b>		
<b>21.12</b>	<b>Municipal Service Delivery and Capacity Building Grant</b>		
	Opening Unspent Balance	-	31 485
	Grants Received / (Repaid)	1 500 000	(31 485)
	Transferred to Revenue - Operating	(1 027 711)	(172 289)
	Transferred to Revenue - Capital	-	-
	Other Transfers	(172 289)	172 289
	Closing Unspent Balance	<u>300 000</u>	<u>-</u>
	The grant was used to assist Vredendal North home work hub.		
<b>21.13</b>	<b>Thusong Services Centres</b>		
	Opening Unspent Balance	-	147 822
	Grants Received / (Repaid)	-	(147 822)
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	<u>-</u>	<u>-</u>
	The grant was used for operational maintenance of Thusong centres.		
<b>21.14</b>	<b>Human Settlements</b>		
	Opening Unspent Balance	22	1 610 317
	Grants Received / (Repaid)	10 526 134	904 353
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	(7 878 109)	(2 514 648)
	Closing Unspent Balance	<u>2 648 047</u>	<u>22</u>
	The grant was used to facilitate and provide basic infrastructure and title deed transfers.		
<b>21.15</b>	<b>Transport, Education and Training SETA</b>		
	Opening Unspent Balance	-	-
	Grants Received / (Repaid)	288 158	288 898
	Transferred to Revenue - Operating	(288 158)	(288 898)
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	<u>-</u>	<u>-</u>
	The grant was used for training of municipal officials.		
<b>21.16</b>	<b>Sport and Recreational Facilities</b>		
	Opening Unspent Balance	800 000	800 000
	Grants Received / (Repaid)	(800 000)	-
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	<u>-</u>	<u>800 000</u>
	The grant will be used for the construction of netball fields in Doringbaai.		
<b>21.17</b>	<b>Municipal Interventions Grant</b>		
	Opening Unspent Balance	-	-
	Grants Received / (Repaid)	1 277 000	450 000
	Transferred to Revenue - Operating	(52 174)	(58 696)
	Transferred to Revenue - Capital	(347 826)	(391 304)
	Closing Unspent Balance	<u>877 000</u>	<u>-</u>
	The grant was used for the purchase of a TLB tractor.		



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<b>Figures in Rand</b>		<b>2024</b>	<b>2023</b>
<b>21</b>	<b>GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)</b>		
<b>21.18</b>	<b>Emergency Municipal Load-Shedding Relief Grant</b>		
	Opening Unspent Balance	-	-
	Grants Received / (Repaid)	-	1 050 000
	Transferred to Revenue - Operating	-	(136 956)
	Transferred to Revenue - Capital	-	(913 043)
	Closing Unspent Balance	-	-
	The grant was used for back-up generators purchased for the supply of water.		
<b>21.19</b>	<b>Municipal Financial Recovery Services Grant</b>		
	Opening Unspent Balance	-	-
	Grants Received / (Repaid)	999 908	-
	Transferred to Revenue - Operating	(999 908)	-
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	-	-
	The grant was used for back-up generators purchased for the supply of water.		
<b>21.20</b>	<b>Water Resilience Grant</b>		
	Opening Unspent Balance	-	-
	Grants Received / (Repaid)	3 172 000	-
	Transferred to Revenue - Operating	(245 067)	-
	Transferred to Revenue - Capital	(1 633 778)	-
	Closing Unspent Balance	1 293 155	-
	The grant was used for back-up generators purchased for the supply of water.		
<b>21.21</b>	<b>Maintenance of Main Roads</b>		
	Opening Unspent Balance	-	-
	Grants Received / (Repaid)	19 534	-
	Transferred to Revenue - Operating	(19 534)	-
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	-	-
	The grant was used for back-up generators purchased for the supply of water.		
<b>21.22</b>	<b>West Coast District Municipality (COVID 19 Relief)</b>		
	Opening Unspent Balance	42 580	42 580
	Grants Received / (Repaid)	-	-
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	42 580	42 580
	The grant was used for COVID-19 related marketing and procurement of personal protective equipment.		
<b>21.23</b>	<b>Total Grants</b>		
	Opening Unspent Balance	23 597 617	14 431 612
	Grants Received / (Repaid)	128 112 992	137 293 613
	Transferred to Revenue - Operating	(98 760 143)	(88 967 422)
	Transferred to Revenue - Capital	(45 805 823)	(39 332 475)
	Other Transfers	(817 122)	172 289
	Closing Unspent Balance	6 327 521	23 597 617



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>		2024	2023
<b>22</b>	<b>PUBLIC CONTRIBUTIONS AND DONATIONS</b>		
	Tormin Mineral Sands	329 572	-
	<b>Total</b>	<b>329 572</b>	<b>-</b>
	Disclosed as:		
	Public Contributions and Donations - Operating	329 572	-
	Public Contributions and Donations - Capital	-	-
	<b>Total</b>	<b>329 572</b>	<b>-</b>
	The movements per grant can be summarised as follows:		
<b>22.01</b>	<b>Tormin Mineral Sands</b>		
	Opening Unspent Balance	612 415	612 415
	Received	-	-
	Transferred to Revenue - Operating	(329 572)	-
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	282 843	612 415
	The contribution was used for upgrading of Doringbaai Fish Stain Facility.		
<b>23</b>	<b>CONTRIBUTED ASSETS</b>		
	Property, Plant and Equipment	248 957	2 169 344
	<b>Total</b>	<b>248 957</b>	<b>2 169 344</b>
	Contributed Assets consists out of the following:		
	- Mini-Substation	-	1 564 341
	- Ebenhaeser Sports grounds Ablution Upgrade	-	605 003
	- Substation Telemetry	29 132	-
	- Kiosk	157 321	-
	- Computer Equipment	18 792	-
	- Computer and Office Equipment	43 712	-
	<b>Total</b>	<b>248 957</b>	<b>2 169 344</b>
	The contributed assets were donated from the following parties:		
	- Echo Canyon	-	1 564 341
	- Tronox	-	605 003
	- Vredendal Solar Power Park	29 132	-
	- Vredendal Namaqua Eiendomme	157 321	-
	- Saldanha Bay Local Municipality	18 792	-
	- Insurance company replaced the assets rather than paying a refund	43 712	-
	<b>Total</b>	<b>248 957</b>	<b>2 169 344</b>
<b>24</b>	<b>AVAILABILITY CHARGES</b>		
	Electricity	1 748 151	1 614 768
	Water	1 428 188	1 311 860
	Sewerage and Sanitation	1 134 976	1 099 650
	Refuse Removal	127 409	118 043
	<b>Total</b>	<b>4 438 723</b>	<b>4 144 322</b>
	Availability charges are levied where the Municipality has installed the relevant infrastructure networks (relating to water, electricity, sewerage and solid waste) in the area where the consumer resides, but the consumer has not requested to be and is not connected to the networks.		

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>		2024	2023
<b>25</b>	<b>FINES, PENALTIES AND FORFEITS</b>		
	Traffic Fines	10 266 785	9 793 350
	Retentions	-	559 373
	Overdue Book Fines	11 633	12 489
	Building	-	580
	<b>Total</b>	<b>10 278 418</b>	<b>10 365 793</b>
	In terms of the requirements of GRAP 23 and IGRAP 1, all fines issued during the year less any cancellations or reductions identified are recognised as revenue.		
<b>26</b>	<b>FAIR VALUE ADJUSTMENT GAINS</b>		
	Actuarial Gains	2 162 847	8 457 079
	Post Retirement Medical Benefits	2 007 660	7 879 209
	Long Service Awards	155 187	577 870
	Investment Property	1 909 400	5 222 918
	Landfill Sites - iGRAP 2 adjustments	1 211 935	171 826
	Off-Market Portion of Municipal Debt Relief	19 590 510	-
	<b>Total</b>	<b>24 874 692</b>	<b>13 851 823</b>
	As previously reported		5 234 918
	Correction of error restatement - note 47.2		(12 000)
	Reclassification - note 48		8 628 905
	Restated balance		13 851 823
	The actuarial gains mainly originated as a result of an increase in the net discount rate being used by the actuaries to calculate the employee benefits.		
	The fair value adjustment gains on Investment Property relate to a change in the market value of properties held as Investment Properties.		
	Landfill Sites - iGRAP2 adjustments relate to a decrease in the landfill site's rehabilitation provision of which the decrease is in excess of the carrying value of the related asset.		
	The off-market portion of Municipal Debt Relief relates to the interest benefit received by the Municipality on the Municipal Debt Relief as disclosed in note 12.4. The Municipal Debt Relief is interest free for a period of three years. The interest benefit is calculated by using a market related discount rate of 10.16%.		
<b>27</b>	<b>DEBT FORGIVENESS</b>		
	Eskom Holdings SOC Ltd	11 710 418	-
	<b>Total</b>	<b>11 710 418</b>	<b>-</b>
	Eskom permanently suppressed interest on the Municipal Debt Relief from 1 April 2023 up to the effective date, being 31 August 2023. Interest charged by Eskom during the afore-mentioned period was subsequently written off.		
<b>28</b>	<b>OTHER INCOME (NON-EXCHANGE)</b>		
	Incidental Cash Surpluses	9 342	11 145
	Insurance Refund	167 536	1 876 676
	Staff Recoveries	36 350	2 540
	Unclaimed Money	956 922	1 119 226
	Gains on Foreign Exchange Transactions	31 529	-
	<b>Total</b>	<b>1 201 678</b>	<b>3 009 587</b>
	As previously reported		3 181 413
	Reclassification - note 48		(171 826)
	Restated balance		3 009 587



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>		2024	2023
<b>29</b>	<b>SERVICE CHARGES</b>		
	Electricity	149 025 521	134 529 189
	Water	38 277 476	28 816 412
	Sewerage and Sanitation	33 037 722	29 101 720
	Refuse Removal	34 782 058	28 195 004
	<b>Total Revenue</b>	<b>255 122 776</b>	<b>220 642 325</b>
	Less: Rebates	(5 944 166)	(11 537 734)
	Electricity	(213 235)	(258 001)
	Water	(945 194)	(756 741)
	Sewerage and Sanitation	(2 535 270)	(5 635 147)
	Refuse Removal	(2 250 467)	(4 887 846)
	<b>Total</b>	<b>249 178 610</b>	<b>209 104 591</b>
	Rebates can be defined as any income that the Municipality is entitled to levy, but in terms of Council's own policy opted not to collect it.		
<b>30</b>	<b>RENTAL OF FACILITIES AND EQUIPMENT</b>		
	Halls and Sportfields	349 153	434 827
	Buildings	1 454 869	1 548 722
	Equipment	11 530	217
	<b>Total</b>	<b>1 815 553</b>	<b>1 983 766</b>
<b>31</b>	<b>INTEREST EARNED - EXTERNAL INVESTMENTS</b>		
	Banking Institutions	1 495 383	1 398 999
	Eskom Deposits	233 323	19 788
	<b>Total</b>	<b>1 728 706</b>	<b>1 418 787</b>
<b>32</b>	<b>INTEREST EARNED - OUTSTANDING DEBTORS</b>		
	Outstanding Debtors	16 363 919	7 592 133
	<b>Total</b>	<b>16 363 919</b>	<b>7 592 133</b>
	Interest is charged at a rate of prime +1% on overdue accounts.		
<b>33</b>	<b>LICENCES AND PERMITS</b>		
	Hoarding (Collecting/Storing)	32 075	40 392
	Trading	2 480	3 090
	Road and Transport	978 813	944 260
	Market Porters	7 837	8 610
	<b>Total</b>	<b>1 021 206</b>	<b>996 352</b>
	The Municipality earns revenue from applications for driver's and learner's licences, issuing of public driver permits, driver's and learner's licences and the issue of roadworthy certificates.		

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>		2024	2023
<b>34</b>	<b>AGENCY SERVICES</b>		
	Department of Transport and Public Works	4 390 080	4 155 961
	Department of Human Settlements	-	-
	<b>Total</b>	<b>4 390 080</b>	<b>4 155 961</b>
	The Municipality acts as an agent for the Department of Transport and Public Works and manages the issuing of vehicle licences for a commission.		
	The Municipality acts as an agent for the Department of Human Settlements and the beneficiaries of the developed low-cost housing.		
	Refer to note 59.2 for additional disclosure in this regard.		
<b>35</b>	<b>OTHER INCOME (EXCHANGE)</b>		
	Sales of Goods and Rendering of Services	4 208 104	3 870 511
	Advertisements	18 709	7 199
	Application Fees for Town Planning	107 059	71 097
	Building Plan Approval and Clause Levy	320 587	529 147
	Camping Fees	3 190 266	2 724 706
	Cemetery and Burial	274 215	272 875
	Clearance Certificates	109 834	111 590
	Photocopies and Faxes	24 717	18 341
	Sub-division, Rezoning and Consolidation Fees	54 930	66 780
	Tender documents	102 458	66 790
	Sundry Income	5 329	1 987
	Operational Revenue	1 463 721	788 114
	Roadworthy Certificates	506 099	437 384
	Collection Charges	-	6 681
	Commission	163 981	173 182
	Development Charges	143 504	21 769
	Sundry Income	650 137	149 099
	<b>Total</b>	<b>5 671 825</b>	<b>4 658 626</b>
<b>36</b>	<b>EMPLOYEE RELATED COSTS</b>		
	Basic Salaries and Wages	113 735 514	112 683 017
	Pension and UIF Contributions	18 871 108	18 878 777
	Medical Aid Contributions	5 192 311	4 953 277
	Overtime	6 379 204	5 892 552
	Motor Vehicle Allowances	8 255 550	9 016 900
	Cell Phone Allowances	327 092	316 080
	Housing Allowances	512 671	677 069
	Other benefits and allowances	6 250 674	6 698 085
	Bargaining Council	60 007	59 519
	Group Life Insurance	2 666 159	3 337 977
	Standby Allowances	3 524 508	3 300 589
	Contributions to Employee Benefits	13 534 685	12 420 712
	Bonuses	8 759 348	8 738 398
	Staff Leave	2 084 979	500 032
	Performance Bonus	499 358	776 282
	Long Service Awards	721 000	728 000
	Post Retirement Medical Benefits	1 470 000	1 678 000
	Workmens Compensation Fund	958 617	896 554
	<b>Total</b>	<b>174 017 426</b>	<b>172 433 024</b>



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>	2024	2023
<b>36 EMPLOYEE RELATED COSTS (CONTINUED)</b>		
<b>36.01 Remuneration of Management Personnel</b>		
Key management personnel are all appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.		
<b>Municipal Manager - Mr GRJ Seas (18 November 2021 - 30 April 2023)</b>		
Basic Salary	-	911 840
Pension and UIF Contributions	-	1 771
Performance Bonus	-	120 878
Motor Vehicle Allowance	-	263 138
Cell Phone Allowance	-	34 000
Other benefits and allowances	-	217 718
<b>Total</b>	<u>-</u>	<u>1 549 344</u>
<b>Municipal Manager - Mr LJ Phillips (1 November 2023 - current)</b>		
Basic Salary	656 572	-
Pension and UIF Contributions	1 417	-
Medical Aid Contributions	16 706	-
Motor Vehicle Allowance	220 559	-
Cell Phone Allowance	80 000	-
Other benefits and allowances	90 134	-
<b>Total</b>	<u>1 065 388</u>	<u>-</u>
<b>Chief Financial Officer - Mr ER Alfred (4 May 2020 - current)</b>		
Basic Salary	763 364	612 092
Pension and UIF Contributions	2 125	2 125
Performance Bonus	167 492	160 210
Motor Vehicle Allowance	325 560	293 201
Cell Phone Allowance	40 800	40 800
Other benefits and allowances	356 922	424 369
<b>Total</b>	<u>1 656 263</u>	<u>1 532 798</u>
<b>Director: Community Development Services - Mr LJ Phillips (1 January 2007 - 10 December 2023)</b>		
Basic Salary	354 081	952 120
Pension and UIF Contributions	708	2 125
Medical Aid Contributions	7 932	23 155
Performance Bonus	167 492	160 210
Motor Vehicle Allowance	52 040	232 902
Cell Phone Allowance	13 600	40 800
Other benefits and allowances	382 179	165 276
<b>Total</b>	<u>978 033</u>	<u>1 576 589</u>
<b>Director: Community Services - Mr RF Saul (1 November 2023 - Current)</b>		
Basic Salary	546 734	-
Pension and UIF Contributions	1 417	-
Motor Vehicle Allowance	147 772	-
Cell Phone Allowance	25 000	-
Other benefits and allowances	59 442	-
<b>Total</b>	<u>780 366</u>	<u>-</u>



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>		2024	2023
<b>36</b>	<b>EMPLOYEE RELATED COSTS (CONTINUED)</b>		
	<b>Director: Infrastructure Services - Mr R Basson (11 April 2022 - 30 September 2022)</b>		
	Basic Salary	-	259 518
	Pension and UIF Contributions	-	531
	Cell Phone Allowance	-	3 711
	Other benefits and allowances	-	45 986
	<b>Total</b>	-	<b>309 747</b>
	<b>Director: Infrastructure Services - Z Nongene (1 January 2023 - 28 February 2023)</b>		
	Basic Salary	-	141 869
	Pension and UIF Contributions	-	354
	Medical Aid Contributions	-	7 656
	Motor Vehicle Allowance	-	26 088
	Cell Phone Allowance	-	6 800
	Other benefits and allowances	-	26 950
	<b>Total</b>	-	<b>209 717</b>

### 36.02 Employee acting in management positions

The following employees acted in management positions for a significant time during the course of the year. The amounts as indicated below are the acting allowances and additional benefits received for the period in which they acted in the respective positions.

Employee	Acting Position	Number of days in acting position		2024	2023
		2024	2023		
RF Saul	Municipal Manager	12	0	18 437	-
LJ Phillips	Municipal Manager	86	61.21	90 058	81 800
Z Nongene	Director: Infrastructure Services	0	21	-	18 164
D Wessels	Director: Development & Planning	84.87	76.55	69 162	58 812
ER Alfred	Director: Corporate Services	62	0	81 140	-
RF Saul	Director: Community Services and Director: Corporate Services	86	186	73 433	147 786
<b>Total</b>				<b>332 230</b>	<b>306 561</b>

RF Saul acted as both Director: Community Services and Director: Corporate Services simultaneously for a period of 86 days (2023: 186 days).

### 37 REMUNERATION OF COUNCILLORS

ClIr HJ van der Hoven	1 002 843	927 485
ClIr A Sindyamba	807 312	750 149
ClIr AFK Job	812 029	750 149
ClIr WH Nell	8 475	208 529
ClIr XP Tshetu	254 773	-
ClIr CA le Fleur	348 833	321 403
ClIr S Tshali	97 689	367 780
ClIr SP Cornelissen	764 327	705 815
ClIr AJ Pool	350 699	321 403
ClIr DA Witbooi	436 042	395 564
ClIr C White	764 327	705 815
ClIr TJ Muller	350 699	321 403
ClIr J Koopman	434 483	354 530
ClIr SJ Tshabalala	350 699	321 403
ClIr CJ Boks	764 397	701 682
ClIr M Bottom	348 833	314 778
ClIr C Van Der Westruis	341 562	93 311
<b>Total</b>	<b>8 238 021</b>	<b>7 561 198</b>



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

**Figures in Rand** **2024** **2023**

### 37 REMUNERATION OF COUNCILLORS (CONTINUED)

	Basic Salary	Allowances	Total
<b>2024</b>			
Executive Mayor	781 901	220 942	1 002 843
Deputy Executive Mayor	763 259	48 770	812 029
Speaker	663 095	144 217	807 312
Executive Committee Members	2 146 741	146 310	2 293 051
All Other Councillors	2 770 672	552 114	3 322 787
<b>Total</b>	<b>7 125 668</b>	<b>1 112 354</b>	<b>8 238 021</b>
<b>2023</b>			
Executive Mayor	714 513	212 972	927 485
Deputy Executive Mayor	709 349	40 800	750 149
Speaker	616 825	133 324	750 149
Executive Committee Members	1 987 894	121 961	2 109 856
All Other Councillors	2 576 511	447 049	3 023 559
<b>Total</b>	<b>6 605 092</b>	<b>956 106</b>	<b>7 561 198</b>

#### In-kind Benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee member serve in a full-time capacity. They are provided with secretarial support and an office each at the cost of the Council.

Councillors may utilize municipal transportation when engaged in official duties.

### 38 DEBT IMPAIRMENT

Receivables from Exchange Transactions	42 263 954	32 605 632
Receivables from Non-Exchange Transactions	12 647 629	13 937 529
Long-term Receivables	1 176 189	837 620
<b>Total Debt Impairment</b>	<b>56 087 773</b>	<b>47 380 781</b>
Movement in VAT included in debt impairment	(4 227 119)	(2 855 218)
<b>Total</b>	<b>51 860 653</b>	<b>44 525 563</b>

### 39 DEPRECIATION AND AMORTISATION

Property, Plant and Equipment	23 517 999	23 612 237
Intangible Assets	2 055	102 375
<b>Total</b>	<b>23 520 054</b>	<b>23 714 612</b>
As previously reported		23 714 696
Correction of error restatement - note 47.2		(84)
Restated balance		23 714 612

### 40 IMPAIRMENTS

Property, Plant and Equipment	1 553 377	2 259 693
<b>Total</b>	<b>1 553 377</b>	<b>2 259 693</b>

Impairment was identified on items that are in poor conditions which are subject to refurbishment in order restore them to a functional condition.



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<b>Figures in Rand</b>		<b>2024</b>	<b>2023</b>
<b>41</b>	<b>FINANCE CHARGES</b>		
	<b>Cash</b>	9 167 425	17 159 106
	Long-term Liabilities	1 222 426	1 325 438
	Bank Overdraft	1 628 714	1 150 163
	Overdue Accounts	6 316 286	14 683 505
	<b>Non-cash</b>	19 802 863	11 007 340
	Post Retirement Medical Benefits	4 002 000	4 199 000
	Long Service Awards	912 000	851 000
	Rehabilitation of Landfill Sites	7 006 751	5 957 340
	Municipal Debt Relief	7 882 111	-
	<b>Total</b>	<b>28 970 288</b>	<b>28 166 446</b>
	Finance charges on overdue accounts mainly relate to interest which was charged by Eskom on overdue accounts. Eskom interest amounting to R11 710 418 was written-off in the 2023/24 financial year upon the approval of the Municipal Debt Relief application.		
	Finance charges on the Municipal Debt Relief relate to the unwinding of the interest free loan at a rate of 10.16%		
<b>42</b>	<b>BULK PURCHASES</b>		
	Electricity	132 569 826	121 620 623
	Water	8 997 886	7 641 559
	<b>Total</b>	<b>141 567 713</b>	<b>129 262 183</b>
	Bulk Purchases are the cost of commodities not generated by the Municipality, which the Municipality distributes in the municipal area for re-sale to consumers. Electricity is purchased from Eskom and water is purchased from Lower Olifants River Water User Association.		
<b>43</b>	<b>CONTRACTED SERVICES</b>		
	Accounting and Auditing	1 378 464	1 004 971
	Audit Committee	21 811	46 006
	Business and Financial Management	2 491 085	1 409 237
	Catering Services	16 813	71 835
	Commissions and Committees	253 040	163 162
	Electrical	257 370	528 140
	Employee Wellness	-	48 453
	Fire Protection	68 418	26 537
	Fire Services	544 415	984 183
	First Aid	16 367	12 000
	Graves Contractors	20 000	130 000
	Human Resources	-	90 490
	Internal Auditors	828 500	846 500
	Laboratory Services	397 446	382 413
	Legal Cost	21 512	2 000
	Maintenance Services	2 103 092	1 953 289
	Management of Informal Settlements	2 726	1 654
	Medical Services	13 292	68 017
	Quality Control	-	210 775
	Security Services	229 562	192 786
	Traffic Fines Management	189 110	125 870
	Translators, Scribes and Editors	-	4 500
	Transport Services	7 800	56 470
	Valuer and Assessors	42 913	144 965
	Pest Control	1 582	-
	<b>Total</b>	<b>8 905 319</b>	<b>8 504 252</b>



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>		2024	2023
<b>44</b>	<b>TRANSFERS AND GRANTS</b>		
	Life Guards	96 730	114 783
	Development Programmes	292 914	20 030
	Poverty Relief	-	24 230
	Tourism	1 478 939	1 404 500
	Bursaries	93 036	142 765
	Social Relief	40 768	40 273
	<b>Total</b>	<b>2 002 388</b>	<b>1 746 581</b>
<b>45</b>	<b>OTHER EXPENDITURE</b>		
	Advertising, Publicity and Marketing	394 550	245 359
	Audit Fees	2 865 479	2 878 122
	Bank Charges, Facility and Card Fees	898 142	924 539
	Chemicals	995 015	833 637
	Cleaning Materials	86 576	139 554
	Commission	3 098 237	2 657 037
	Prepaid Electricity Vendors	3 090 646	2 641 742
	Other Third Party Vendors	7 591	15 296
	Communication	717 199	929 999
	Telephone, Fax, Telegraph and Telex	692 328	918 770
	Postage, Stamps and Franking Machines	15 913	5 886
	Licences (Radio and Television)	8 959	5 344
	Entertainment	1 662	1 214
	External Computer Service	3 446 628	2 065 836
	Fuel	7 602 001	7 438 351
	Full Time Union Representative	171 928	125 249
	Hire Charges	2 936 671	2 185 259
	Insurance Underwriting	1 991 995	1 950 156
	Licences	275 481	283 212
	Loss on Foreign Exchange Transactions	596	60 818
	Maintenance Materials	5 964 102	8 383 000
	Management Fee	30 777	41 055
	Electricity - Internal usage	4 018 866	3 083 093
	Printing, Publications and Books	1 391 939	1 364 366
	Professional Bodies, Membership and Subscription	1 980 872	1 939 711
	Registration Fees	99 659	350 334
	Skills Development Fund Levy	1 445 738	1 434 548
	System Access and Information Fees	29 155	31 345
	Travel and Subsistence	490 470	812 200
	Uniform and Protective Clothing	893 696	634 644
	Vehicle Tracking	118 339	99 765
	Ward Committees	35 350	8 750
	Sundries and Other Consumables	151 812	232 332
	<b>Total</b>	<b>42 132 935</b>	<b>41 133 483</b>



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<b>Figures in Rand</b>		<b>2024</b>	<b>2023</b>
<b>46</b>	<b>GAIN/LOSS ON DISPOSAL OF NON-MONETARY ASSETS</b>		
	Proceeds	3 981 699	3 837 093
	Less: Carrying value of Investment Property disposed	(4 287 200)	(3 011 000)
	Less: Carrying value of Property, Plant and Equipment disposed	(367 134)	(1 470 161)
	Less: Carrying value of Intangible Assets	-	(256)
	<b>Total</b>	<b>(672 635)</b>	<b>(644 324)</b>
	As previously reported		(644 068)
	Correction of error restatement - note 47.2		(256)
	Restated balance		(644 324)
<b>47</b>	<b>PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERRORS</b>		
<b>47.1</b>	<b>Investment Property</b>		
	The following errors were noted:		
	- Properties with a fair value of R87 000 of which the Municipality does not exercise control, were incorrectly included in the asset register.		
	- Properties with a fair value of R155 000 were incorrectly classified as Investment Property, rather than Property, Plant and Equipment.		
	The net effect of the above-mentioned were as follows:		
	- Investment Property - note 9	Overstated	(242 000)
	- Property, Plant and Equipment - note 10	Understated	185 000
	- Fair Value Adjustment Gains - note 26	Overstated	(12 000)
	- Accumulated Surplus - note 47.4	Overstated	(45 000)
<b>47.2</b>	<b>Property, Plant and Equipment</b>		
	The following errors were noted:		
	- Assets with a carrying value of R12 428 of which the Municipality does not exercise control, were incorrectly included in the asset register.		
	- A minor error occurred during the unbundling of infrastructure assets, resulting that depreciation amounting to R2 201 was not calculated.		
	- Intangible Assets with a carrying value of R256 was disposed during the 2022/23 financial year, but not removed from the asset register.		
	The net effect of the above-mentioned were as follows:		
	- Property, Plant and Equipment - note 10	Overstated	(14 629)
	- Intangible Assets - note 11	Overstated	(1)
	- Depreciation and Amortisation - note 39	Overstated	(84)
	- Loss on disposal of Non-Monetary Assets - note 46	Overstated	(256)
	- Accumulated Surplus - note 47.4	Overstated	(14 457)



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

**Figures in Rand** 2024 2023

### 47 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERRORS (CONTINUED)

#### 47.3 Output VAT on Library Grants

In prior years, all funds received from the Department of Cultural Affairs and Sport (DCAS) relating to the library services were treated as zero rated grants and accordingly no Output VAT was declared on the said funds.

During the 2022/23 statutory audit, the Auditor-General issued a finding that the funds being received from the DCAS are in deed for services being rendered to the Department, as the library function has not been assigned to municipalities. Given the afore-mentioned, it was concluded that the standard VAT rate of 15% be applied, resulting in Output VAT being payable to SARS.

During the current year, the Municipality requested a Section 41B VAT class ruling from the South African Revenue Service (SARS). As at reporting date, no formal ruling has been issued by SARS. Preliminary discussions with SARS indicated that the ruling may not be favourable towards to Municipality. Given this, the Municipality took a conservation approach to recognised a provision in this regard, whereby Output VAT was calculated on funds received for the financial periods from 2018/19 to 2023/24. The afore-mentioned will result in the comparative figures being restated.

The net effect of the above-mentioned were as follows:

- Current Provisions - note 17	Understated	5 392 565
- Government Grants and Subsidies - Operating - note 21	Overstated	(1 155 522)
- Accumulated Surplus - note 47.4	Overstated	(4 237 043)

#### 47.4 Accumulated Surplus

Investment Property - note 47.1	Overstated	(45 000)
Property, Plant and Equipment - note 47.2	Overstated	(14 457)
Output VAT on Library Grants - note 47.3	Overstated	(4 237 043)
<b>Total</b>		(4 296 500)

### 48 PRIOR PERIOD ADJUSTMENTS - RECLASSIFICATION

In line with the requirements of GRAP 1, the Municipality resolved to reclassify the following items to reflect the nature of the item under a more appropriate line item in the Statement of Financial Performance:

Item	Previous Classification	Revised Classification	Amount
Post Retirement Medical Benefits	Actuarial Gains (removed)	Fair Value Adjustment Gains	7 879 209
Long Service Awards	Actuarial Gains (removed)	Fair Value Adjustment Gains	577 870
Landfill Sites - iGRAP 2 Adjustments	Other Income (Non-Exchange)	Fair Value Adjustment Gains	171 826



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>	2024	2023
<b>49 NET CASH FROM OPERATING ACTIVITIES</b>		
Net Surplus/(Deficit) for the year	45 718 891	(18 650 686)
Adjusted for:		
Non-cash revenue included in Net Surplus	(36 856 923)	(16 075 019)
Contributed Assets	(248 957)	(2 169 344)
Fair Value Adjustment Gains	(24 874 692)	(13 851 823)
Actuarial Gains	(2 162 847)	(8 457 079)
Investment Property	(1 909 400)	(5 222 918)
Landfill Sites - iGRAP 2 Adjustments	(1 211 935)	(171 826)
Off-Market Portion of Municipal Debt Relief	(19 590 510)	-
Debt Forgiveness	(11 710 418)	-
Rental of Facilities and Equipment - decrease in operating lease asset	(22 856)	(53 852)
Non-cash expenditure included in Net Surplus	110 944 268	94 572 245
Employee Related Costs - Contributions towards	13 534 685	12 420 712
Post Retirement Medical Benefits	1 470 000	1 678 000
Long Service Awards	721 000	728 000
Bonuses	8 759 348	8 738 398
Staff Leave	2 084 979	500 032
Performance Bonuses	499 358	776 282
Debt Impairment	51 860 653	44 525 563
Depreciation and Amortisation	23 520 054	23 714 612
Impairments	1 553 377	2 259 693
Finance Charges	19 802 863	11 007 340
Post Retirement Medical Benefits	4 002 000	4 199 000
Long Service Awards	912 000	851 000
Rehabilitation of Landfill Sites	7 006 751	5 957 340
Municipal Debt Relief	7 882 111	-
Loss on disposal of Non-Monetary Assets	672 635	644 324
Cash expenditure not included in Net Surplus	(13 111 640)	(12 607 062)
Post Retirement Medical Benefits	(1 652 340)	(1 618 791)
Long Service Awards	(1 108 813)	(590 130)
Bonuses	(8 695 892)	(8 766 306)
Staff Leave	(1 319 612)	(1 190 537)
Performance Bonus	(334 984)	(441 298)
Pension	-	-
Operating Surplus before changes in working capital	106 694 596	47 239 479
Movement in working capital	(70 988 954)	(3 906 741)
Receivables from Exchange Transactions	(49 714 888)	(33 367 596)
Receivables from Non-Exchange Transactions	(19 820 628)	(15 521 509)
Inventory	(856 064)	244 294
Long-term Receivables	(3 961 241)	(911 539)
Long-term Liabilities (Repayment Arrangements)	(97 721 586)	76 238 740
Long-term Liabilities (Municipal Debt Relief)	112 992 550	-
Payables from exchange transactions	(2 592 310)	(38 165 410)
Unspent Conditional Government Grants	(17 270 097)	9 166 003
Unspent Public Contributions	(329 572)	-
Current Provisions	1 206 652	1 155 522
Taxes	7 078 230	(2 745 246)
<b>Cash Flow from Operating Activities</b>	<b>35 705 642</b>	<b>43 332 737</b>



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>		2024	2023
50	<b>CASH AND CASH EQUIVALENTS (FOR CASH FLOW STATEMENT PURPOSES)</b>		
	Cash and Cash Equivalents comprise out of the following:		
	Primary Bank Account	2 420 797	18 503 263
	Cash Floats	5 860	5 860
	<b>Total</b>	<b>2 426 657</b>	<b>18 509 123</b>

Refer to note 2 for more details relating to cash and cash equivalents.

### 51 BUDGET COMPARISONS

#### 51.1 Comparable Basis

Differences were identified between the disclosure requirements in terms of GRAP and the reporting requirements in terms of National Treasury budget formats.

The following items are affected by these classification differences:

#### Statement of Financial Position

Employee Benefits and Provisions (Current and Non-Current) are included under the provisions line item in the budget statements.

#### Statement of Financial Performance

The following actual results were reclassified to ensure that the performance for the year is measured on a comparable basis to the budget approved, which are guided by mSCOA and National Treasury (NT) classifications and principles:

Reconciliation of adjustments to Actuals	Notes	Actuals per Statement of Financial Performance R	Reclassification due to mSCOA versus GRAP classification R	Actuals per Budget Comparison R
<b>REVENUE</b>				
<b>Exchange Revenue</b>		<b>280 169 900</b>	<b>(3 360 802)</b>	<b>276 809 098</b>
Service Charges - Electricity	29	148 812 286	-	148 812 286
Service Charges - Water	29	37 332 282	-	37 332 282
Service Charges - Waste Water Management	29	30 502 452	-	30 502 452
Service Charges - Waste Management	29	32 531 590	-	32 531 590
Sale of Goods and Rendering of Services	35	4 208 104	-	4 208 104
Agency Services	34	4 390 080	-	4 390 080
Interest Earned from Receivables (Exchange)	32	16 363 919	(3 541 821)	12 822 099
Interest Earned from Current and Non Current Assets	31	1 728 706	-	1 728 706
Rental from Fixed Assets	30	1 815 553	-	1 815 553
Licences and Permits	33	1 021 206	(989 130)	32 075
Operational Revenue	35	1 463 721	1 170 150	2 633 870
<b>Non-Exchange Revenue</b>		<b>202 935 021</b>	<b>(8 349 617)</b>	<b>194 585 404</b>
Property Rates	20	51 341 376	-	51 341 376
Fines, Penalties and Forfeits	25	10 278 418	-	10 278 418
Licences or Permits		-	989 130	989 130
Transfers and Subsidies - Operational	21 & 22	99 089 715	-	99 089 715
Interest Earned from Receivables (Non-Exchange)		-	3 541 821	3 541 821
Operational Revenue (Non-Exchange)	24 & 28	5 640 401	(1 201 678)	4 438 723
Other Gains	26 & 27	36 585 110	(11 678 890)	24 906 220
<b>Total Revenue (excluding capital transfers)</b>		<b>483 104 921</b>	<b>(11 710 418)</b>	<b>471 394 502</b>



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

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### 51 BUDGET COMPARISONS (CONTINUED)

Reconciliation of adjustments to Actuals	Notes	Actuals per Statement of Financial Performance R	Reclassification due to mSCOA versus GRAP classification R	Actuals per Budget Comparison R
<b>EXPENDITURE</b>				
Employee Related Costs	36	174 017 426	(958 617)	173 058 810
Remuneration of Councillors	37	8 238 021	-	8 238 021
Bulk Purchases - Electricity	42	141 567 713	(8 997 886)	132 569 826
Inventory Consumed		-	16 222 424	16 222 424
Debt Impairment	38	51 860 653	-	51 860 653
Depreciation and Amortisation	39 & 40	25 073 432	-	25 073 432
Interest	41	28 970 288	-	28 970 288
Contracted Services	43	8 905 319	-	8 905 319
Transfers and Subsidies	44	2 002 388	-	2 002 388
Operational Costs	45	42 132 935	(6 266 517)	35 866 418
Losses on Disposal of Assets	46	672 635	-	672 635
Other Losses		-	596	596
<b>Total Expenditure</b>		<b>483 440 810</b>	<b>-</b>	<b>483 440 810</b>
<b>Surplus/(Deficit)</b>		<b>(335 889)</b>	<b>(11 710 418)</b>	<b>(12 046 308)</b>
Transfers and Subsidies - Capital (monetary allocations)	21	45 805 823	-	45 805 823
Transfers and Subsidies - Capital (in-kind)	23	248 957	11 710 418	11 959 376
<b>Surplus/(Deficit) for the year</b>		<b>45 718 891</b>	<b>-</b>	<b>45 718 891</b>

The items reclassified were as follows:

Item	GRAP Classification	Budget Classification	Amount
<b>Revenue</b>			
Outstanding Debtors	Interest Earned - Outstanding Debtors	Interest Earned from Receivables (Non-Exchange)	3 541 821
Trading	Licences and Permits	Licences or Permits	2 480
Road and Transport	Licences and Permits	Licences or Permits	978 813
Market Porters	Licences and Permits	Licences or Permits	7 837
Insurance Refund	Other Income (Non-Exchange)	Operational Revenue	167 536
Unclaimed Money	Other Income (Non-Exchange)	Operational Revenue	956 922
Incidental Cash Surpluses	Other Income (Non-Exchange)	Operational Revenue	9 342
Staff Recoveries	Other Income (Non-Exchange)	Operational Revenue	36 350
Gains on Foreign Exchange Transactions	Other Income (Non-Exchange)	Other Gains	31 529
Eskom Holdings SOC Ltd	Debt Forgiveness	Transfers and Subsidies - Capital (in-kind)	11 710 418
<b>Expenditure</b>			
Workmens Compensation Fund	Employee Related Cost	Operational Costs	958 617
Water	Bulk Purchases	Inventory Consumed	8 997 886
Chemicals	Other Expenditure	Inventory Consumed	995 015
Cleaning Materials	Other Expenditure	Inventory Consumed	86 576
Maintenance Materials	Other Expenditure	Inventory Consumed	5 964 102
Printing, Publications and Books	Other Expenditure	Inventory Consumed	75 976
Sundries and Other Consumables	Other Expenditure	Inventory Consumed	102 869
Loss on Foreign Exchange Transactions	Other Expenditure	Other Losses	596

#### Cash Flow Statement

The Cash Flow Statement is presented on a comparable basis in all material aspects.



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

Figures in Rand

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### 51 BUDGET COMPARISONS (CONTINUED)

#### 51.2 Statement of Financial Position

##### Adjustments to Original Budget

Items in the State of Financial Position were adjusted to take into account adjustments made to the operating and capital budget and also to align balances with the actual audit outcomes of 2022/23.

##### Actual Amounts vs Final Budget

Trade and Other Receivables from Exchange Transactions	Actuals more than budget due to the overall collection rate for services and interest budgeted at 86%, where as the actual collections rate is calculated at just below 80%, resulting in more outstanding debtors at year-end than anticipated.
Receivables from Non-Exchange Transactions	Actuals more than budget due to additional deposits paid to Eskom which was not budgeted.
VAT	mSCOA requires that VAT be separately budgeted for as an asset (Input VAT) and liability (Output VAT). For GRAP purposes, the VAT amounts are off-set and reported as either an asset or liability. When being off-set, the budget variance is immaterial.
Investment Property	Actuals more than budget mainly due to fair value adjustment gains not budgeted for.
Property, Plant and Equipment	Actuals less than budget as capital budget was not spent in full.
Current Financial Liabilities	During the budget process both the short-term and long-term portion of the Municipal Debt Relief liability was incorrectly calculated.
Trade and Other Payables from Exchange Transactions	Actuals more than budget due to more unpaid creditors at year-end than anticipated.
Trade and Other Payables from Non-Exchange Transactions	Actuals more than budget due to housing projects not concluded at year-end.
Current Provision	Actuals more than budget due to the provision created for potential Output VAT on library grants as disclosed in note 47.3.
Long-term Portion of Trade Payables	During the budget process both the short-term and long-term portion of the Municipal Debt Relief liability was incorrectly calculated.
Accumulated Surplus	Actuals are less than budget as a result of the items listed under the "Statement of Financial Performance" section.

#### 51.3 Statement of Financial Performance

##### Adjustments to Original Budget

Service Charges - Electricity	Decreased due to cost reflective tariff structure not approved by NERSA.
Other Gains	Increased due to the off-market portion of Municipal Debt Relief which relate to the interest benefit received by the Municipality on the interest free loan. In addition, the budget was also increased to make provision for potential actuarial gains emanating from the annual actuarial calculation on Employee Benefits.
Employee Related Costs	Decreased due to vacant posts not filled during course of year.
Bulk Purchases - Electricity	Decreased due to new Eskom tariff conversions implemented during the course of the year.
Debt Impairment	Initial budget for debt impairment was deemed insufficient and accordingly adjusted to be in line with the collection rate.

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

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### 51 BUDGET COMPARISONS (CONTINUED)

Interest	Increased to make provision for the unwinding of the off-market portion of the Municipal Debt Relief. In addition, the unwinding of the provision for the rehabilitation of landfill sites was also increased to be in line with the final 2022/23 report from the independent engineers.
Operational Costs	Increased to make provision for fuel cost to run generators during load-shedding stages.
Other Losses	Increased to make provision for potential actuarial losses emanating from the annual actuarial calculation on Employee Benefits.
Transfers and Subsidies - Capital (monetary allocations)	Increased due to additional funding from the Department of Human Settlement for the installation of services for housing projects.
Transfers and Subsidies - Capital (in-kind)	Increased to make provision for debt forgiveness (write-offs) pertaining to Eskom.

#### Actual Amounts vs Final Budget

Service Charges - Electricity	Actuals less than budget as more consumers are making use of alternative electricity resources than initially anticipated.
Operational Revenue	Actuals are less than budget due to anticipated development charges revenue not realising.
Inventory Consumed	Actuals less than budget due to general savings on projects.
Other Losses	Actuals less than budget as no actuarial losses emanated from the annual actuarial calculation on Employee Benefits.
Transfers and Subsidies - Capital (monetary allocations)	Actuals less than budget due to housing projects not concluded at year-end.

### 51.4 Cash Flow Statement

#### Adjustments to Original Budget

Net Cash From/(Used) Operating Activities	Decreased mainly due to the decrease in service charges as a result of the cost reflective tariff structure not approved by NERSA.
Net Cash from/(used) Investing Activities	Increased mainly due to additional funding from the Department of Human Settlement for the installation of services for housing projects.
Net Cash from/(used) Financing Activities	Decreased due to National Treasury approval the Municipality's application for Municipal Debt Relief, whereby the Eskom debt will be written off over a period of 3 years, and not repaid as initially budgeted.

#### Actual Amounts vs Final Budget

No material variances noted.

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>		2024	2023
<b>52</b>	<b>UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE</b>		
<b>52.1</b>	<b>Unauthorised Expenditure</b>		
	Unauthorised expenditure can be reconciled as follow:		
	Opening balance	-	14 480 078
	Unauthorised expenditure current year - operating	-	-
	Unauthorised expenditure current year - capital	-	-
	Approved by Council	-	(14 480 078)
	<b>Unauthorised expenditure awaiting further action</b>	<b>-</b>	<b>-</b>
	Unauthorised expenditure only relates to expenditure in excess of approved budget votes. No disciplinary steps or criminal proceedings were instituted as a result of unauthorised expenditure incurred. Refer below for votes of which the expenditure was in excess of the approved budget:		
		<b>2024</b>	<b>2024</b>
		<b>(Actual)</b>	<b>(Final Budget)</b>
		<b>R</b>	<b>R</b>
	<b>Expenditure - Operating</b>		
	Vote 1 - Municipal Manager	16 855 379	26 217 146
	Vote 2 - Development & Planning	13 883 197	15 321 553
	Vote 3 - Financial Services	65 562 524	68 759 613
	Vote 4 - Technical Services	263 651 004	275 066 673
	Vote 5 - Community Services	96 457 752	98 117 095
	Vote 6 - Corporate Services	27 030 954	27 885 576
	<b>Total</b>	<b>483 440 810</b>	<b>511 367 656</b>
	<b>Expenditure - Capital</b>		
	Vote 1 - Municipal Manager	-	-
	Vote 2 - Development & Planning	8 737	10 000
	Vote 3 - Financial Services	133 732	135 691
	Vote 4 - Technical Services	40 632 264	47 174 156
	Vote 5 - Community Services	10 776 426	10 915 595
	Vote 6 - Corporate Services	863 598	882 619
	<b>Total</b>	<b>52 414 756</b>	<b>59 118 061</b>
<b>52.2</b>	<b>Irregular Expenditure</b>		
	Irregular expenditure can be reconciled as follow:		
	Opening balance	85 186 609	63 739 611
	Irregular expenditure incurred in the current year	55 920 533	85 186 609
	Irregular expenditure identified in the current year relating to the prior year	3 904 640	-
	Approved by Council	(85 186 609)	(63 739 611)
	Amount Recoverable	(35 483)	-
	<b>Irregular expenditure awaiting further action</b>	<b>59 789 691</b>	<b>85 186 609</b>
	Details of irregular expenditure incurred in the current year		
	(a) Bid Adjudication Committee not constituted in terms of SCM Reg 29(2)	-	712 556
	(b) Open ended contract awarded without following a competitive bidding process	46 770 684	74 843 963
	(c) Incorrect interpretation and application of SCM Reg 32	2 564 989	6 252 213
	(d) Operating expenditure incurred contrary to legislative SCM requirements	9 710 714	2 488 353
	(e) Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000	778 787	889 523
	<b>Total irregular expenditure identified in current year</b>	<b>59 825 173</b>	<b>85 186 609</b>



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>	2024	2023
<b>52 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)</b>		
Details of irregular expenditure awaiting further action:		
(a) Bid Adjudication Committee not constituted in terms of SCM Reg 29(2)	-	712 556
(b) Open ended contract awarded without following a competitive bidding process	46 770 684	74 843 963
(c) Incorrect interpretation and application of SCM Reg 32	2 564 989	6 252 213
(d) Operating expenditure incurred contrary to legislative SCM requirements	9 675 231	2 488 353
(e) Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000	778 787	889 523
<b>Total irregular expenditure awaiting further action</b>	<b>59 789 691</b>	<b>85 186 609</b>
Matters will be referred to Municipal Public Accounts Committee (MPAC).		
Incidents/cases identified in the current year include:		
(a) Bid Adjudication Committee not constituted in terms of SCM Reg 29(2)	-	3
(b) Open ended contract awarded without following a competitive bidding process	-	1
(c) Incorrect interpretation and application of SCM regulation 32	-	5
(d) Operating expenditure incurred contrary to legislative SCM requirements	7	5
(e) Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000	58	106
Amount recoverable		
(d) Operating expenditure incurred contrary to legislative SCM requirements	35 483	-
<b>Total amount recoverable</b>	<b>35 483</b>	<b>-</b>
<b>52.3 Fruitless and Wasteful Expenditure</b>		
Fruitless and wasteful expenditure can be reconciled as follow:		
Opening balance	14 683 505	7 225 843
Fruitless and wasteful expenditure incurred	6 316 286	14 683 505
Fruitless and wasteful expenditure recovered / debt waived by supplier	(6 183 338)	-
Approved by Council	(14 683 505)	(7 225 843)
<b>Fruitless and wasteful expenditure awaiting further action</b>	<b>132 948</b>	<b>14 683 505</b>
Details of fruitless and wasteful expenditure incurred		
(a) Interest paid on overdue accounts of Eskom	6 198 673	14 464 389
(b) Interest paid on overdue accounts of suppliers	117 613	219 117
<b>Total</b>	<b>6 316 286</b>	<b>14 683 505</b>
Details of fruitless and wasteful expenditure awaiting further action:		
(a) Interest paid on overdue accounts of Eskom	15 335	14 464 389
(b) Interest paid on overdue accounts of suppliers	117 613	219 117
<b>Total</b>	<b>132 948</b>	<b>14 683 505</b>
Disciplinary steps or criminal proceedings undertaken on above-mentioned fruitless and wasteful expenditure incurred:		
(a) This matter will be referred to Municipal Public Accounts Committee (MPAC).		
(b) This matter will be referred to Municipal Public Accounts Committee (MPAC).		

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<b>Figures in Rand</b>		<b>2024</b>	<b>2023</b>
<b>53</b>	<b>MATERIAL LOSSES</b>		
<b>53.1</b>	<b>Water distribution losses</b>		
	Kilo litres disinfected/purified/purchased	5 080 907	4 462 761
	Kilo litres sold and free basic services	(2 478 358)	(2 610 902)
		<hr/>	<hr/>
	Kilo litres lost during distribution	2 602 549	1 851 859
	Percentage lost during distribution	51.22%	41.50%
	Normal pipe bursts and field leakages are responsible for water losses.		
<b>53.2</b>	<b>Electricity distribution losses</b>		
	Units purchased (Kwh)	67 438 231	67 358 922
	Units sold, free basic services and standard friction losses	(57 975 709)	(59 797 658)
		<hr/>	<hr/>
	Units lost during distribution (Kwh)	9 462 522	7 561 264
	Percentage lost during distribution	14.03%	11.23%
	Distribution losses are largely due to internal usage (street lighting etc. which are not metered) and electricity theft on pre-paid meters. Fines were issued for first time offenders.		
<b>54</b>	<b>ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT</b>		
<b>54.1</b>	<b>SALGA Contributions [MFMA 125 (1)(b)]</b>		
	Opening balance	-	-
	Expenditure incurred	1 975 972	1 919 446
	Payments	(1 975 972)	(1 919 446)
		<hr/>	<hr/>
	<b>Outstanding balance</b>	<b>-</b>	<b>-</b>
<b>54.2</b>	<b>Audit Fees [MFMA 125 (1)(c)]</b>		
	Opening balance	-	-
	Expenditure incurred	3 295 300	3 309 840
		<hr/>	<hr/>
	Audit Fees	2 865 479	2 878 122
	VAT	429 822	431 718
		<hr/>	<hr/>
	Payments	(3 295 300)	(3 309 840)
		<hr/>	<hr/>
	<b>Outstanding Balance</b>	<b>-</b>	<b>-</b>
<b>54.3</b>	<b>VAT [MFMA 125 (1)(c)]</b>		
	Opening balance	(1 516 842)	(1 631 243)
	Net amount claimed/(declared) during the year	1 624 679	(4 142 796)
	Net amount paid/(received) during the year	(1 485 776)	4 257 197
		<hr/>	<hr/>
	<b>Outstanding Balance Receivable/(Payable)</b>	<b>(1 377 940)</b>	<b>(1 516 842)</b>
	VAT is payable/receivable on the cash basis. VAT is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors. All VAT returns have been submitted by the due date throughout the year.		
<b>54.4</b>	<b>PAYE, SDL and UIF [MFMA 125 (1)(c)]</b>		
	Opening balance	2 159 444	2 167 434
	Payroll deductions and Council Contributions during the year	27 504 780	27 231 199
	Payments	(27 438 704)	(27 239 189)
		<hr/>	<hr/>
	<b>Outstanding Balance</b>	<b>2 225 520</b>	<b>2 159 444</b>



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>	2024	2023
<b>54 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)</b>		
<b>54.5 Pension and Medical Aid Contributions [MFMA 125 (1)(c)]</b>		
Opening balance	3 138 011	3 115 964
Payroll deductions and Council Contributions during the year	24 928 052	24 693 759
Payments made to pension and medical fund	(24 839 907)	(24 671 712)
<b>Outstanding Balance</b>	<b>3 226 155</b>	<b>3 138 011</b>
<b>54.6 Councillors Arrear Accounts [MFMA 124 (1)(b)]</b>		
The following Councillors had arrear accounts for more than 90 days as at 30 June:		
M Bottom	-	1 195
X Tshetu	13 706	-
<b>Total</b>	<b>13 706</b>	<b>1 195</b>
<b>54.7 Other Non-Compliance [MFMA 125(2)(e)]</b>		
<b>(a) Payments not made within 30 days</b>		
Money owed by the Municipality was not always paid within 30 days, as required by section 65(2)(e) of the Municipal Finance Management Act.		
<b>54.8 Deviations from Supply Chain Management Regulations</b>		
Deviations from Supply Chain Management Regulations were identified on the following categories:		
Section 36(1)(a)(i) - Emergencies	3 462 549	5 637 495
Section 36(1)(a)(ii) - Single provider	-	-
Section 36(1)(a)(iii) - Specialised services	-	-
Section 36(1)(a)(iv) - Acquisition of animals for zoo's	-	-
Section 36(1)(a)(v) - Impractical to follow official procurement process	4 175 507	2 258 949
<b>Total</b>	<b>7 638 056</b>	<b>7 896 444</b>
Deviations from Supply Chain Management Regulations can be allocated as follow:		
Municipal Manager	234 058	6 945
Financial Services	1 404 833	1 031 891
Corporate Services	121 340	53 111
Community Development Services	82 984	-
Infrastructure Services	5 794 839	6 804 497
<b>Total</b>	<b>7 638 056</b>	<b>7 896 444</b>
All the deviations were ratified by the Municipal Manager and reported to Council.		
<b>55 CAPITAL COMMITMENTS</b>		
Approved and contracted for		
Infrastructure	8 706 966	13 186 222
Community Assets	1 043 478	8 714 393
<b>Total</b>	<b>9 750 444</b>	<b>21 900 615</b>
This expenditure will be financed from:		
Government Grants	9 750 444	21 894 415
Own funding	-	6 200
<b>Total</b>	<b>9 750 444</b>	<b>21 900 615</b>
Capital Commitments are disclosed exclusive of Value Added Tax (VAT).		

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>	2024	2023
<b>56 FINANCIAL RISK MANAGEMENT</b>		
The Municipality is potentially exposed to the following risks:		
<b>56.1 Credit Risk</b>		
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.		
The following financial assets are exposed to credit risk:		
Cash and Cash Equivalents	2 420 797	18 503 263
Receivables from exchange transactions	28 754 106	21 303 171
Receivables from non-exchange transactions	432 062	367 052
Long-term Receivables	6 111 307	3 326 255
<b>Total</b>	<b>37 718 273</b>	<b>43 499 742</b>
<u>Cash and Cash Equivalents</u>		
Deposits of the Municipality is only held at reputable banks that are listed on the JSE. The credit quality is regularly monitored through required SENS releases by the various banks. The risk pertaining to these deposits are considered to be very low.		
There are no restrictions on the cash deposits held and no cash were pledged as security. No collateral is held for any cash and cash equivalents.		
<u>Receivables</u>		
Receivables comprise of a large number of users, dispersed across different sectors and geographical areas. On-going credit evaluations are performed on the financial condition of these receivables. Credit risk pertaining to receivables are 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.		
Receivables are disclosed after taking into account the provision for impairment raised against each class of receivable.		
Receivables are payable within 30 days. All receivables outstanding for more than 30 days are considered to be passed due.		
Refer to note 3 and 4 for more information regarding the provision for impairment raised against each service type as well as receivables considered to be past due.		
Also refer to note 7 for more information regarding balances renegotiated beyond the original 30 days payment period initially granted.		
No receivables were pledged as security for liabilities and no collateral is held from any consumers (other than consumer deposits).		
The following service receivables are past due, but not impaired:		
Electricity	3 839 830	2 986 369
Water	2 600 029	1 403 793
Refuse	3 126 611	1 984 813
Sewerage	2 752 346	1 790 440
Other	1 190 918	624 909
Availability Charges	262 195	194 616
<b>Total</b>	<b>13 771 930</b>	<b>8 984 939</b>
Past due receivables are aged as follow:		
Past Due (31 - 60 Days)	5 066 657	3 054 048
Past Due (61 - 90 Days)	1 994 267	1 382 487
Past Due (90 Days +)	6 711 006	4 548 404
<b>Total</b>	<b>13 771 930</b>	<b>8 984 939</b>



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>	2024	2023
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### 56 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 56.2 Currency risk (Market Risk)

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Municipality procured goods and services denominated in a foreign currency, but the Rand value was determined at the time of procurement and the risk was low at the time of payment. It was for the payment of Microsoft licences and the supplier was the only provider of the product.

#### 56.3 Interest rate risk (Market Risk)

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The following balances are exposed to interest rate fluctuations:

Cash and Cash Equivalents (excluding cash on hand)	2 420 797	18 503 263
Long-term Liabilities (including current portion)	(8 222 094)	(9 635 547)
<b>Net balance exposed</b>	<b>(5 801 297)</b>	<b>8 867 716</b>

Potential effect of changes in interest rates on surplus and deficit for the year:

0.5% (2023 - 0.5 %) increase in interest rates	(29 006)	44 339
0.5% (2023 - 0.5%) decrease in interest rates	29 006	(44 339)

#### 56.4 Liquidity risk

Liquidity risk is the risk encountered by the Municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is mitigated by approving cash funded budgets at all times to ensure commitments can be settled once due over the long term. The Municipality also monitors its cash balances on a daily basis to ensure cash resources are available to settle short term obligations.

The following balances are exposed to liquidity risk:

	Within 1 Year	Between 2 to 5 years	After 5 years	Total
<b>30 JUNE 2024</b>				
Annuity Loans	3 307 704	5 221 425	2 318 616	10 847 745
Finance Lease Liabilities	520 332	346 888	-	867 221
Payables with Repayment Arrangements	3 897 954	-	-	3 897 954
Municipal Debt Relief	37 664 183	75 328 367	-	112 992 550
Payables from Exchange Transactions	77 372 912	-	-	77 372 912
<b>Total</b>	<b>122 763 086</b>	<b>80 896 680</b>	<b>2 318 616</b>	<b>205 978 381</b>
<b>30 JUNE 2023</b>				
Annuity Loans	5 139 566	7 354 236	2 796 879	15 290 681
Finance Lease Liabilities	520 332	867 221	-	1 387 553
Payables with Repayment Arrangements	29 353 918	72 294 758	-	101 648 677
Payables from Exchange Transactions	90 585 615	-	-	90 585 615
<b>Total</b>	<b>125 599 431</b>	<b>80 516 215</b>	<b>2 796 879</b>	<b>208 912 526</b>

#### 56.5 Other price risk (Market Risk)

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Municipality is not exposed to any other price risk.



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>	2024	2023
<b>57 FINANCIAL INSTRUMENTS</b>		
The Municipality recognised the following financial instruments at amortised cost:		
<u>Financial Assets</u>		
Cash and Cash Equivalents	2 420 797	18 503 263
Bank Accounts	2 420 797	18 503 263
Receivables from Exchange Transactions	28 754 106	21 303 171
Electricity	12 559 805	11 218 255
Water	5 206 990	2 764 471
Refuse	5 060 927	3 396 211
Sewerage	4 430 676	3 065 778
Other	1 495 708	858 457
Receivables from Non-Exchange Transactions	432 062	367 052
Availability Charges	432 062	367 052
Long-term Receivables	6 111 307	3 326 255
Receivables with repayment arrangements	6 111 307	3 326 255
<b>Total</b>	<b>37 718 273</b>	<b>43 499 742</b>
<u>Financial Liabilities</u>		
Long-Term Liabilities	114 141 872	114 183 314
Annuity Loans	8 222 094	11 482 514
Finance Lease Liabilities	737 673	1 081 260
Payables with Repayment Arrangements	3 897 954	101 619 540
Municipal Debt Relief	101 284 151	-
Payables from exchange transactions	77 372 912	90 585 615
Trade Payables	62 424 255	77 315 362
Retentions	4 807 090	3 073 175
Sundry Creditors	8 482 063	7 685 498
Unknown Bank Deposits	1 647 781	2 488 038
Accrued Interest	11 723	23 541
<b>Total</b>	<b>191 514 784</b>	<b>204 768 928</b>
<b>58 STATUTORY RECEIVABLES</b>		
In accordance with the principles of GRAP 108, Statutory Receivables of the Municipality are classified as follows:		
Receivables from Non-Exchange Transactions	7 913 923	7 820 061
Rates	7 418 918	7 413 913
Fines	495 005	406 147
<b>Total</b>	<b>7 913 923</b>	<b>7 820 061</b>
The amounts above are disclosed after any provision for impairment has been taken into account.		
Property Rates are levied in term of the Municipal Property Rates Act, 2004 (Act 6 of 2004). Refer to note 20 for property rates levied for the year and basis for interest and rate used on outstanding balances.		
Traffic Fines are issued in terms of the Criminal Procedure Act, 1977. Refer to note 25 for traffic fines issued for the year. No interest is levied on outstanding traffic fines.		
Refer to note 4 for determining the recoverability of property rates and traffic fines.		
Property Rates		
- Past due at the reporting date, and which have been impaired	20 583 663	18 359 280
- Past due that have not been impaired	4 365 578	4 488 638



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>		2024	2023
59	<b>PRINCIPAL-AGENT ARRANGEMENTS</b>		
59.1	<b>Principal in Principal-Agent Arrangements (non-material)</b>		
	The Municipality is the Principal in arrangements with various service providers who sell prepaid electricity on their behalf. Prepaid vendors earn commission on the value of each transaction.		
	Compensation paid for agency activities		
	Commision - note 45	3 090 646	2 641 742
59.2	<b>Agent in Principal-Agent Arrangements</b>		
	<u>Department of Transport and Public Works</u>		
	The Municipality is the agent in the principal-agent arrangement with the Provincial Department of Transport and Public Works, and collects licencing fees on behalf of the Department. The Municipality can retain a portion of the fees collected and the net amount is due to the Department. The amount retained is recorded as agency fees income in the Statement of Financial Performance. The amounts due to the Department at year end is included in the balances reported as Trade and Other Payables from Exchange Transactions in the Statement of Financial Position.		
	The Municipality does not incur any expenses on behalf of the Department. No significant risks are noted to arise from the arrangement as the Municipality merely collects monies on behalf of the Department as part of its existing service offering at the traffic department and municipal cashier collection points. No resources are held on behalf of the Department, other than the collections.		
	Reconciliation of agency funds received and remittance		
	Collections payable to the Department at beginning of year	1 887 713	1 052 314
	Revenue collected from third parties on behalf of Department	19 897 504	19 010 924
	Collections paid over to the Department	(17 796 678)	(18 175 525)
	Collections payable to the Department at year-end	3 988 539	1 887 713
	<u>Department of Human Settlements</u>		
	The Municipality is the Agent in the principal-agent arrangement with the Department of Human Settlements and the beneficiaries of the developed low-cost housing. The Municipality benefits from the arrangement through contributed infrastructure assets developed as part of the housing development. Certificates of completion are issued to the Municipality by the consulting engineers when pre-determined milestones are achieved. The Department then pays the funds into the Municipality's account, whereafter the funds are redistributed to the contractor. Income received is recognised as Contributed Property, Plant and Equipment income in the Statement of Financial Performance when the housing project is complete. No other revenue is received or expenditure is incurred in terms of this arrangement.		
	In determining whether the Municipality is the agent or if not, by default the principal, in the arrangement is evaluated in terms of the specific criteria set out in the Standards of GRAP. The Municipality does not have the power to determine significant terms and conditions of the transaction, does not have the ability to use all, or substantially all of the resources resulting from the transaction for its own benefit and is not exposed to variability in the result of the transaction.		
	No resources are held on behalf of the Department.		
	Reconciliation of agency funds received and remittance		
	Balance at beginning of year	-	39 151
	Payments received from the Department	36 917 478	68 115 076
	Expenditure incurred on behalf of the Department	(36 917 478)	(68 154 228)
	Balance at year-end	-	-



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

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2023

### 59 PRINCIPAL-AGENT ARRANGEMENTS (CONTINUED)

#### Other third parties

The Municipality is also the agent in the principal-agent arrangements with various third parties for authorised salary deductions from officials. The Municipality receives commission on the total funds deducted on a monthly basis. The amount received is recorded as Other Income (Exchange) in the Statement of Financial Performance.

Reconciliation of agency funds received and remittance

Deductions payable at beginning of year	589 800	816 181
Deductions collections from officials	6 937 890	7 327 155
Deductions paid over to third parties	(6 993 655)	(7 553 536)
	<hr/>	<hr/>
Deductions payable at year-end	534 035	589 800
	<hr/> <hr/>	<hr/> <hr/>

#### Compensation received for agency activities

The Municipality received the following compensation for acting as an agent:

Agency fees - note 34	4 390 080	4 155 961
Commission - note 35	163 981	173 182
	<hr/>	<hr/>
Total	4 554 061	4 329 143
	<hr/> <hr/>	<hr/> <hr/>

### 60 EVENTS AFTER REPORTING DATE

The following events after reporting date are noted:

- Council Approved an overdraft of R 25 million from 1 July 2024 in terms of Section 45 (1)(a) of MFMA.
- Disposals of Property, Plant and Equipment which are already accounted for as on 30 June 2024, were approved by Council on 27 August 2024.
- Determination of upper limits of salaries, allowances and benefits of different members of municipal councils (Gazette no. No. 51407) were gazetted on 17 October 2024 for implementation effective from 1 July 2023. The financial impact is estimated at R279 998.

### 61 IN-KIND DONATIONS AND ASSISTANCE

The Municipality received donations as disclosed in note 23.

### 62 PRIVATE PUBLIC PARTNERSHIPS (PPP's)

The Municipality did not enter into any PPP's in the current and prior year.

### 63 CONTINGENT LIABILITIES

The Municipality were not exposed to any contingent liabilities at year end.

### 64 RELATED PARTIES

All rates, service charges and other charges in respect of related parties are in accordance with approved tariffs that were advertised to the public. No impairment charge have been recognised in respect of amounts owed by related parties.

Other related parties transactions relates to the acquisition of goods under terms and conditions applicable to open market trading on a willing buyer and seller principles. The payment terms are not favourable to other transactions (other related parties) and are not secured or encumbered. Settlement terms are in accordance with the general terms of trade with no guarantees received or given.



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>	2024	2023
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### 64 RELATED PARTIES (CONTINUED)

#### 64.1 Related Party Loans

There are no loans outstanding to any related party. Since 1 July 2004 loans to councillors and senior management employees are not permitted.

#### 64.2 Compensation of management personnel

Remuneration of management personnel are disclosed in notes 36 and 37.

#### 64.3 Current Employee Benefits

The Municipality has the following accrued leave obligation towards management personnel at year-end:

L Phillips	- Municipal Manager	110 999	-
ER Alfred	- Chief Financial Officer	178 451	54 696
RF Saul	- Head: Community Services	29 951	-
L Phillips	- Head: Community Development Services	-	174 542
<b>Total</b>		<b>319 400</b>	<b>229 239</b>

### 65 TRANSACTIONS IN TERMS OF SECTION 45 OF THE MUNICIPAL SUPPLY CHAIN REGULATIONS

Section 45 of the Municipal Supply Chain Management regulations requires the disclosure of particulars of any award of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months. The following transactions are disclosed in this regard:

Company Name	Related Party	Service Capacity	Relationship	Amount	Amount
Sunfox	A Michinon	Senior Clerk / Cashier	Daughter	23 732	18 265
PR Civils	M Koopman	General Assistant	Husband	-	16 979 461
BFI Traders and Services N7	J Ovis	Manager Community Service	Father	13 124	11 310
BFI Traders and Services N7	C Ovis	Public Participation clerk	Father	-	-
<b>Total</b>				<b>36 855</b>	<b>17 009 036</b>

### 66 FINANCIAL SUSTAINABILITY

#### 66.1 Financial Indicators

The following financial indicators were assessed:

Cash available for working capital requirements (positive balance)	-	-
Current Ratio (norm - at least 2:1)	0.49 : 1	0.43 : 1
Cash coverage ratio (norm - 3 months or more)	0 months	0 months
Creditors days (norm - 30 days or less)	223 days	259 days
Debtors collection rate (95% or more)	81.77%	85.11%
Operating surplus / (deficit)	(335 889)	(60 152 505)

When analysing the results of the ratio's it can be concluded that Municipality's financial position has regressed which is indicative of the strained cash flow position the Municipality finds itself.

The extremely high cost associated with the delivery of basic services and infrastructure needs to communities due to the vast distances between several towns coupled with the social-economic profile (high unemployment rate) of the local communities resulted in a serious risk for Matzikama Municipality's going concern.

Taking the above in mind the Municipality will therefore balance service delivery and operations based on revenue collections and ensure that grant funding is spent within the prescribed timeframes as agreed with National Treasury.



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

Figures in Rand

2024

2023

### 66 FINANCIAL SUSTAINABILITY (CONTINUED)

#### 66.2 Other Indicators

Contingent Liabilities are disclosed in note 63. The Municipality has no financial exposure relating to contingent liabilities and therefore does pose any threat to the going concern assumption.

The Municipality is not aware of any events after reporting date which may pose a threat to the going concern assumption.

#### 66.3 Future Budget

When analysing the 2025/26 MTREF (Medium Term Revenue and Expenditure Framework) budget which was approved by Council in 2023/24, the projected financial indicators are as follow:

	2024/25	2025/26	2026/27
Cash available for working capital requirements (positive balance)	25 102 604	47 319 834	70 823 389
Current Ratio (norm - at least 2:1)	0.97 : 1	1.29 : 1	1.57 : 1
Cash coverage ratio (norm - 3 months or more)	0.67 months	1.21 months	1.69 months
Creditors days (norm - 30 days or less)	91 days	94 days	86 days
Debtors collection rate (95% or more)	87%	87%	87%
Operating surplus / (deficit)	27 825 140	25 165 201	16 935 009

Although the above-mentioned ratio's are still below the required norms, there is a projected improvement.

#### 66.4 Going concern assessment

The above-mentioned indicators may indicate that the going concern assumption of the Municipality may be in serious doubt, as the Municipality is grant dependant. The amounts promulgated in the DORA have a serious impact on the level of services that the Municipality can render and it may well raise doubt about the future financial sustainability of the Municipality and may cause serious health and other risks regarding service delivery to the communities within the jurisdiction of this municipality.

The definition of a going concern is that there is no reason to believe that an institution will have to close down or be liquidated within 12 months after the reporting date. The financial statements for this Municipality have been prepared, as indicated in the accounting policy, on a going concern assumption as allocations of equitable share have been promulgated in the Division of Revenue Act for the three financial years following after the reporting date.

### 67 B-BBEE PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

### 68 NON-LIVING RESOURCES

Other than land, the Municipality identified aquifers in the Matzikama municipal area as the only non-living resources of which the water is being extracted with the use of boreholes in the following towns:

- Bitterfontein
- Klaver



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

Figures in Rand

2024

2023

### 69 SEGMENT REPORTING

#### 69.1 General Information

The segments were organised based on the type and nature of service delivered by the Municipality. These services are delivered in various municipal departments, which for reporting purposes are allocated to a standardised functional area (guided by mSCOA regulations). Budgets are prepared for each functional area and the budget versus actual amounts are reported on a monthly basis. Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

The Municipality has 79 departments/functional areas and accordingly the segments were aggregated for reporting purposes as follow:

No	Reportable Segment	Goods and/or services delivered
1	Governance and administration	Supply of overall governance and administrative services to the segments below
2	Community Services	Sportfields, halls, parks, housing, cemeteries and library services
3	Tourism	Promote tourism in area
4	Public Safety	Traffic control, fire fighting and animal control
5	Town Planning and Building Control	Town planning and building control
6	Roads and Stormwater	Construction and maintenance of roads and storm water
7	Electricity Services	Supply of electricity services
8	Water Services	Supply of water services
9	Sewerage and Sanitation Services	Supply of sewerage services
10	Refuse Services	Refuse removal

#### 69.2 Reporting on segment assets and liabilities

The Municipality has assessed that assets and liabilities associated with each segment is not used by management for decision making purposes, and neither is it being reported on. Assets and liabilities are utilised by management to assess key financial indicators for the Municipality as a whole. Accordingly, the assets and liabilities per segment is not required to be disclosed.

#### 69.3 Geographic Segment Reporting

Although the Municipality operates in a number of geographical areas (i.e. wards), the geographical information is not considered relevant to management for decision-making. The goods and services provided to the community throughout the entire municipal area are based on similar tariffs and service standards. Therefore, the Municipality has assessed that it operates in a single geographical area.

#### 69.4 Measurement of specific segment information

The accounting policies of the respective segments are the same as those prescribed in the summary of significant accounting policies.

The Municipality had no changes the structure of its internal organisation in a manner that caused the composition of its reportable segments to change from the prior year.

Information about the surplus/(deficit) and capital expenditure of the respective segments are disclosed on the following page.

# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

69 SEGMENT REPORTING (CONTINUED)

69.5 Specific Segment Reporting	Governance and administration R	Community Services R	Tourism R	Public Safety R	Town Planning and Building Control R	Roads and Stormwater R	Electricity Services R	Water Services R	Sewerage and Sanitation Services R	Refuse Services R	Total R
<b>2024</b>											
<b>REVENUE</b>											
<b>External Revenue from Non-Exchange Transactions</b>	<b>168 367 804</b>	<b>16 974 289</b>	-	<b>10 266 785</b>	-	<b>25 734 258</b>	<b>9 765 767</b>	<b>15 406 579</b>	<b>1 134 976</b>	<b>1 339 343</b>	<b>248 989 801</b>
Property Rates	51 341 376	-	-	-	-	-	-	-	-	-	51 341 376
Government Grants and Subsidies - Operating	79 939 553	8 182 543	-	-	-	6 753 377	2 061 572	1 823 098	-	-	98 760 143
Public Contributions and Donations - Operating	-	329 572	-	-	-	-	-	-	-	-	329 572
Government Grants and Subsidies - Capital	449 517	8 450 540	-	-	-	18 980 881	5 769 592	12 155 293	-	-	45 805 823
Contributed Assets	62 505	-	-	-	-	-	186 453	-	-	-	248 957
Availability Charges	-	-	-	-	-	-	1 748 151	1 428 188	1 134 976	127 409	4 438 723
Fines, Penalties and Forfeits	-	11 633	-	10 266 785	-	-	-	-	-	-	10 278 418
Fair Value Adjustment Gains	23 662 757	-	-	-	-	-	-	-	-	1 211 935	24 874 692
Debt Forgiveness	11 710 418	-	-	-	-	-	-	-	-	-	11 710 418
Other Income (Non-Exchange)	1 201 678	-	-	-	-	-	-	-	-	-	1 201 678
<b>External Revenue from Exchange Transactions</b>	<b>8 228 099</b>	<b>3 828 528</b>	-	<b>5 887 288</b>	<b>502 377</b>	<b>14 876</b>	<b>149 728 015</b>	<b>40 758 467</b>	<b>34 437 065</b>	<b>36 785 184</b>	<b>280 169 900</b>
Service Charges	-	-	-	-	-	-	148 812 286	37 332 282	30 502 452	32 531 590	249 178 610
Rental of Facilities and Equipment	1 453 969	360 714	-	-	-	870	-	-	-	-	1 815 553
Interest Earned - external investments	1 728 706	-	-	-	-	-	-	-	-	-	1 728 706
Interest Earned - outstanding debtors	4 009 378	-	-	-	-	-	915 729	3 426 186	3 791 108	4 221 519	16 363 919
Licences and Permits	-	-	-	978 813	2 480	7 837	-	-	-	32 075	1 021 206
Agency Services	-	-	-	4 390 080	-	-	-	-	-	-	4 390 080
Other Income (Exchange)	1 036 045	3 467 814	-	518 394	499 897	6 170	-	-	143 504	-	5 671 825
<b>TOTAL REVENUE</b>	<b>176 595 903</b>	<b>20 802 817</b>	-	<b>16 154 073</b>	<b>502 377</b>	<b>25 749 134</b>	<b>159 493 782</b>	<b>56 165 046</b>	<b>35 572 041</b>	<b>38 124 528</b>	<b>529 159 701</b>
<b>EXPENDITURE</b>											
Employee Related Costs	57 465 266	34 357 098	862 129	11 149 810	4 500 735	20 033 429	12 052 416	11 598 915	4 622 624	17 375 004	174 017 426
Remuneration of Councillors	8 238 021	-	-	-	-	-	-	-	-	-	8 238 021
Debt Impairment	8 758 109	-	-	7 816 892	-	-	1 787 050	10 321 316	11 395 286	11 782 000	51 860 653
Depreciation and Amortisation	914 109	2 071 296	-	-	807	7 482 964	1 582 840	4 342 891	5 792 456	1 332 691	23 520 054
Impairments	237 104	-	-	-	-	123	-	139 559	1 176 591	-	1 553 377
Finance Charges	20 915 555	-	-	-	-	363 617	7 875	-	644 685	7 038 556	28 970 288
Bulk Purchases	-	-	-	-	-	-	132 569 826	8 997 886	-	-	141 567 713
Contracted Services	5 396 052	159 419	-	750 482	49 105	-	521 357	779 248	499 413	750 244	8 905 319
Transfers and Grants	93 036	389 645	1 478 939	-	-	-	-	-	-	40 768	2 002 388
Other Expenditure	16 195 954	1 571 986	1 075	728 580	138 772	5 788 371	7 370 167	5 166 228	3 184 148	1 987 654	42 132 935
Loss on disposal of Non-Monetary Assets	-	-	-	-	-	672 635	-	-	-	-	672 635
<b>Total Expenditure</b>	<b>118 213 207</b>	<b>38 549 445</b>	<b>2 342 143</b>	<b>20 445 763</b>	<b>4 689 418</b>	<b>34 341 139</b>	<b>155 891 532</b>	<b>41 346 043</b>	<b>27 315 204</b>	<b>40 306 917</b>	<b>483 440 810</b>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>58 382 697</b>	<b>(17 746 627)</b>	<b>(2 342 143)</b>	<b>(4 291 691)</b>	<b>(4 187 041)</b>	<b>(8 592 005)</b>	<b>3 602 251</b>	<b>14 819 003</b>	<b>8 256 837</b>	<b>(2 182 389)</b>	<b>45 718 891</b>
Less: Government Grants and Subsidies - Capital	(449 517)	(8 450 540)	-	-	-	(18 980 881)	(5 769 592)	(12 155 293)	-	-	(45 805 823)
Less: Contributed Assets	(62 505)	-	-	-	-	-	(186 453)	-	-	-	(248 957)
<b>NET OPERATING SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>57 870 675</b>	<b>(26 197 168)</b>	<b>(2 342 143)</b>	<b>(4 291 691)</b>	<b>(4 187 041)</b>	<b>(27 572 885)</b>	<b>(2 353 794)</b>	<b>2 663 710</b>	<b>8 256 837</b>	<b>(2 182 389)</b>	<b>(335 889)</b>
<b>CAPITAL EXPENDITURE FOR THE YEAR</b>	<b>1 059 680</b>	<b>10 776 426</b>	-	<b>25 913</b>	<b>8 737</b>	<b>18 881 871</b>	<b>7 316 121</b>	<b>13 362 199</b>	<b>983 809</b>	-	<b>52 414 756</b>



# MATZIKAMA LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

69 SEGMENT REPORTING (CONTINUED)

69.5 Specific Segment Reporting	Governance and administration R	Community Services R	Tourism R	Public Safety R	Town Planning and Building Control R	Roads and Stormwater R	Electricity Services R	Water Services R	Sewerage and Sanitation Services R	Refuse Services R	Total R
<b>2023</b>											
<b>REVENUE</b>											
<b>External Revenue from Non-Exchange Transactions</b>	<b>139 505 671</b>	<b>11 072 681</b>	-	<b>9 793 350</b>	<b>580</b>	<b>35 446 931</b>	<b>3 723 609</b>	<b>10 458 118</b>	<b>1 099 650</b>	<b>289 869</b>	<b>211 390 459</b>
Property Rates	49 549 692	-	-	-	-	-	-	-	-	-	49 549 692
Government Grants and Subsidies - Operating	73 266 394	7 890 077	-	-	-	6 073 461	544 500	1 192 990	-	-	88 967 422
Government Grants and Subsidies - Capital	-	2 565 111	-	-	-	28 814 097	-	7 953 267	-	-	39 332 475
Contributed Assets	-	605 003	-	-	-	-	1 564 341	-	-	-	2 169 344
Availability Charges	-	-	-	-	-	-	1 614 768	1 311 860	1 099 650	118 043	4 144 322
Fines, Penalties and Forfeits	-	12 489	-	9 793 350	580	559 373	-	-	-	-	10 365 793
Fair Value Adjustment Gains	13 679 997	-	-	-	-	-	-	-	-	171 826	13 851 823
Other Income (Non-Exchange)	3 009 587	-	-	-	-	-	-	-	-	-	3 009 587
<b>External Revenue from Exchange Transactions</b>	<b>11 078 384</b>	<b>3 438 650</b>	-	<b>5 542 555</b>	<b>675 265</b>	<b>8 610</b>	<b>134 271 189</b>	<b>28 059 671</b>	<b>23 488 342</b>	<b>23 347 550</b>	<b>229 910 215</b>
Service Charges	-	-	-	-	-	-	134 271 189	28 059 671	23 466 573	23 307 158	209 104 591
Rental of Facilities and Equipment	1 546 148	437 618	-	-	-	-	-	-	-	-	1 983 766
Interest Earned - external investments	1 418 787	-	-	-	-	-	-	-	-	-	1 418 787
Interest Earned - outstanding debtors	7 592 133	-	-	-	-	-	-	-	-	-	7 592 133
Licences and Permits	-	-	-	944 260	3 090	8 610	-	-	-	40 392	996 352
Agency Services	-	-	-	4 155 961	-	-	-	-	-	-	4 155 961
Other Income (Exchange)	521 315	3 001 033	-	442 334	672 175	-	-	-	21 769	-	4 658 626
<b>TOTAL REVENUE</b>	<b>150 584 055</b>	<b>14 511 331</b>	-	<b>15 335 905</b>	<b>675 845</b>	<b>35 455 541</b>	<b>137 994 798</b>	<b>38 517 789</b>	<b>24 587 992</b>	<b>23 637 419</b>	<b>441 300 674</b>
<b>EXPENDITURE</b>											
Employee Related Costs	58 430 654	33 529 962	824 387	11 354 660	4 907 787	19 619 710	10 919 080	12 023 042	5 426 989	15 396 753	172 433 024
Remuneration of Councillors	7 561 198	-	-	-	-	-	-	-	-	-	7 561 198
Debt Impairment	11 552 273	-	-	7 671 115	-	-	2 227 549	8 457 962	7 887 115	6 729 549	44 525 563
Depreciation and Amortisation	1 038 840	1 932 740	402	-	785	7 688 693	1 732 862	3 619 613	6 268 396	1 432 536	23 714 868
Impairments	89 497	-	-	-	-	718	30 273	267 297	1 871 908	-	2 259 693
Finance Charges	20 967 057	-	-	-	-	446 618	31 171	-	638 378	6 083 223	28 166 446
Bulk Purchases	-	-	-	-	-	-	121 620 623	7 641 559	-	-	129 262 183
Contracted Services	4 145 188	230 827	-	1 168 155	6 500	-	674 360	1 439 215	-	840 007	8 504 252
Transfers and Grants	203 068	139 013	1 404 500	-	-	-	-	-	-	-	1 746 581
Other Expenditure	15 740 309	1 910 711	301	732 571	129 945	6 553 111	6 642 188	4 589 500	3 201 402	1 633 447	41 133 483
Loss on disposal of Non-Monetary Assets	644 068	-	-	-	-	-	-	-	-	-	644 068
<b>Total Expenditure</b>	<b>120 372 152</b>	<b>37 743 253</b>	<b>2 229 591</b>	<b>20 926 501</b>	<b>5 045 017</b>	<b>34 308 851</b>	<b>143 878 106</b>	<b>38 038 186</b>	<b>25 294 188</b>	<b>32 115 515</b>	<b>459 951 360</b>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>30 211 903</b>	<b>(23 231 922)</b>	<b>(2 229 591)</b>	<b>(5 590 596)</b>	<b>(4 369 172)</b>	<b>1 146 690</b>	<b>(5 883 308)</b>	<b>479 602</b>	<b>(706 195)</b>	<b>(8 478 096)</b>	<b>(18 650 686)</b>
Less: Government Grants and Subsidies - Capital	-	(2 565 111)	-	-	-	(28 814 097)	-	(7 953 267)	-	-	(39 332 475)
Less: Contributed Assets	-	(605 003)	-	-	-	-	(1 564 341)	-	-	-	(2 169 344)
<b>NET OPERATING SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>30 211 903</b>	<b>(26 402 036)</b>	<b>(2 229 591)</b>	<b>(5 590 596)</b>	<b>(4 369 172)</b>	<b>(27 667 407)</b>	<b>(7 447 649)</b>	<b>(7 473 665)</b>	<b>(706 195)</b>	<b>(8 478 096)</b>	<b>(60 152 504)</b>
<b>CAPITAL EXPENDITURE FOR THE YEAR</b>	<b>1 566 775</b>	<b>5 845 010</b>	-	<b>126 178</b>	-	<b>19 393 602</b>	<b>3 589 253</b>	<b>17 310 626</b>	<b>717 353</b>	-	<b>48 548 797</b>



# MATZIKAMA LOCAL MUNICIPALITY

## APPENDIX A (UNAUDITED)

### SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDING 30 JUNE 2024

INSTITUTION	LOAN NUMBER	RATE	MATURITY DATE	OPENING BALANCE 1 JULY 2023	RECEIVED DURING YEAR	REDEEMED DURING YEAR	CLOSING BALANCE 30 JUNE 2024
<b><u>ANNUITY LOANS</u></b>							
DBSA	WC12007362.1	11.79%	2031	6 126 855	-	(652 365)	5 474 490
DBSA	12007652	12.15%	2027	3 508 692	-	(761 088)	2 747 604
Standard Bank	514952	10.08%	2024	1 846 968	-	(1 846 968)	-
<b>Total Annuity Loans</b>				<b>11 482 515</b>	<b>-</b>	<b>(3 260 421)</b>	<b>8 222 094</b>
<b><u>FINANCE LEASE LIABILITIES - PRINTERS</u></b>							
Konica Minolta - Printers	4434638	14.19%	2026/02/28	492 103	-	(163 237)	328 866
SkyMetro - Printers	SLA	23.00%	2026/02/28	589 157	-	(180 350)	408 807
<b>Total Finance Lease Liabilities - Printers</b>				<b>1 081 260</b>	<b>-</b>	<b>(343 587)</b>	<b>737 673</b>
<b>Total Long-Term Liabilities</b>				<b>12 563 775</b>	<b>-</b>	<b>(3 604 008)</b>	<b>8 959 767</b>

# MATZIKAMA LOCAL MUNICIPALITY

## APPENDIX B (UNAUDITED)

### DISCLOSURE OF GRANTS AND SUBSIDIES FOR THE YEAR ENDING 30 JUNE 2024

	OPENING BALANCE R	GRANTS RECEIVED R	GRANTS REPAID R	TRANSFERRED TO REVENUE (OPERATING) R	TRANSFERRED TO REVENUE (CAPITAL) R	OTHER TRANSFERS R	CLOSING BALANCE R
<b>NATIONAL GOVERNMENT</b>							
Equitable Share	-	76 264 000	-	(76 264 000)	-	-	-
Financial Management Grant (FMG)	-	1 771 000	-	(1 669 309)	(101 691)	-	-
Municipal Infrastructure Grant (MIG)	-	23 062 999	-	(4 082 118)	(18 980 881)	-	-
Expanded Public Works Programme (EPWP)	-	2 859 000	-	(2 859 000)	-	-	-
Water Services Infrastructure Grant (WSIG)	1 099 546	11 000 000	-	(1 578 031)	(10 521 515)	-	-
Regional Bulk Infrastructure Grant (RBIG)	20 000 000	-	(20 000 000)	-	-	-	-
Integrated National Electrification Programme (INEP)	-	8 325 000	-	(765 689)	(5 769 592)	(644 833)	1 144 886
<b>Total</b>	<b>21 099 546</b>	<b>123 281 999</b>	<b>(20 000 000)</b>	<b>(87 218 147)</b>	<b>(35 373 679)</b>	<b>(644 833)</b>	<b>1 144 886</b>
<b>PROVINCIAL GOVERNMENT</b>							
Community Development Workers (CDW)	5 310	94 000	(5 310)	(94 000)	-	-	-
Libraries, Archives and Museums	616 627	8 044 348	-	(8 088 543)	(572 432)	-	-
Western Cape Financial Management Support Grant	295 975	-	-	(295 976)	-	-	-
Municipal Capacity Building Grant	737 555	50 000	(334 779)	(430 926)	-	-	21 850
Municipal Service Delivery and Capacity Building Grant	-	1 500 000	-	(1 027 711)	-	(172 289)	300 000
Human Settlements	22	10 526 134	-	-	(7 878 109)	-	2 648 047
Transport, Education and Training SETA	-	288 158	-	(288 158)	-	-	-
Sport And Recreational Facilities	800 000	-	(800 000)	-	-	-	-
Municipal Interventions Grant	-	1 277 000	-	(52 174)	(347 826)	-	877 000
Municipal Financial Recovery Services Grant	-	999 908	-	(999 908)	-	-	-
Water Resilience Grant	-	3 172 000	-	(245 067)	(1 633 778)	-	1 293 155
Maintenance of Main Roads	-	19 534	-	(19 534)	-	-	-
<b>Total</b>	<b>2 455 489</b>	<b>25 971 082</b>	<b>(1 140 089)</b>	<b>(11 541 996)</b>	<b>(10 432 144)</b>	<b>(172 289)</b>	<b>5 140 052</b>
<b>DISTRICT MUNICIPALITY</b>							
West Coast District Municipality (COVID 19 Relief)	42 580	-	-	-	-	-	42 580
<b>Total</b>	<b>42 580</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42 580</b>
<b>ALL SPHERES OF GOVERNMENT</b>							
	<b>23 597 615</b>	<b>149 253 081</b>	<b>(21 140 089)</b>	<b>(98 760 143)</b>	<b>(45 805 823)</b>	<b>(817 122)</b>	<b>6 327 518</b>

# MATZIKAMA LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
<b>FINANCIAL PERFORMANCE</b>						
Property rates	51 651 632	(103 404)	51 548 228	51 341 376	(206 852)	49 549 692
Service charges	277 636 040	(15 950 473)	261 685 567	249 178 610	(12 506 957)	211 020 803
Investment revenue	1 580 286	(94 618)	1 485 668	1 728 706	243 038	1 418 787
Transfers and subsidies - operational	98 089 015	4 230 858	102 319 873	99 089 715	(3 230 158)	88 967 422
Other own revenue	49 202 021	33 245 129	82 447 150	70 056 095	(12 391 055)	48 842 150
<b>Total Operating Revenue (excluding capital transfers)</b>	<b>478 158 994</b>	<b>21 327 492</b>	<b>499 486 486</b>	<b>471 394 502</b>	<b>(28 091 984)</b>	<b>399 798 855</b>
Employee costs	181 696 913	(4 714 494)	176 982 419	173 058 810	(3 923 609)	171 536 470
Remuneration of councillors	7 975 855	625 498	8 601 353	8 238 021	(363 332)	7 561 198
Depreciation & asset impairment	53 989 192	25 894 981	79 884 173	76 934 085	(2 950 088)	70 499 868
Finance charges	15 290 987	14 108 724	29 399 711	28 970 288	(429 423)	28 166 446
Inventory consumed and bulk purchases	158 933 319	(6 277 293)	152 656 026	148 792 250	(3 863 776)	138 837 164
Transfers and subsidies	2 165 059	302 054	2 467 113	2 002 388	(464 725)	1 746 581
Other expenditure	48 036 224	13 340 637	61 376 861	45 444 968	(15 931 893)	41 603 633
<b>Total Expenditure</b>	<b>468 087 549</b>	<b>43 280 107</b>	<b>511 367 656</b>	<b>483 440 810</b>	<b>(27 926 846)</b>	<b>459 951 360</b>
<b>Surplus/(Deficit)</b>	<b>10 071 445</b>	<b>(21 952 615)</b>	<b>(11 881 170)</b>	<b>(12 046 308)</b>	<b>(165 138)</b>	<b>(60 152 504)</b>
Transfers and subsidies - capital (monetary allocations)	37 300 985	13 229 327	50 530 312	45 805 823	(4 724 489)	39 332 475
Transfers and subsidies - capital (in-kind - all)	-	11 912 696	11 912 696	11 959 376	46 680	2 169 344
<b>Surplus/(Deficit) for the year</b>	<b>47 372 430</b>	<b>3 189 408</b>	<b>50 561 838</b>	<b>45 718 891</b>	<b>(4 842 947)</b>	<b>(18 650 686)</b>
<b>CAPITAL EXPENDITURE &amp; FUNDS SOURCES</b>						
<b>Capital expenditure</b>	<b>51 648 038</b>	<b>7 470 023</b>	<b>59 118 061</b>	<b>52 414 756</b>	<b>(6 703 305)</b>	<b>48 548 797</b>
Transfers recognised - capital	37 300 985	13 431 023	50 732 008	45 389 780	(5 342 228)	41 501 819
Borrowing	6 747 826	(6 747 826)	-	-	-	1 200 983
Internally generated funds	7 599 227	786 826	8 386 053	7 024 976	(1 361 077)	5 845 996
<b>Total sources of capital funds</b>	<b>51 648 038</b>	<b>7 470 023</b>	<b>59 118 061</b>	<b>52 414 756</b>	<b>(6 703 305)</b>	<b>48 548 797</b>
<b>CASH FLOWS</b>						
Net cash from (used) operating	70 256 696	(33 407 165)	36 849 531	35 705 642	(1 143 889)	43 332 737
Net cash from (used) investing	(39 763 750)	(7 268 327)	(47 032 077)	(48 184 100)	(1 152 023)	(41 341 377)
Net cash from (used) financing	(44 882 658)	40 788 608	(4 094 050)	(3 604 008)	490 042	(3 820 705)
Net Cash Movement for the year	(14 389 711)	113 115	(14 276 596)	(16 082 466)	(1 805 871)	(1 829 345)
Cash/cash equivalents at beginning of year	20 391 970	(1 882 847)	18 509 123	18 509 123	-	20 338 468
<b>Cash/cash equivalents at the year end</b>	<b>6 002 259</b>	<b>(1 769 731)</b>	<b>4 232 528</b>	<b>2 426 657</b>	<b>(1 805 871)</b>	<b>18 509 123</b>

# MATZIKAMA LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
<b>REVENUE (STANDARD CLASSIFICATION)</b>						
<b>Governance and administration</b>						
Executive and council	-	8 800 000	8 800 000	2 162 847	(6 637 153)	8 457 079
Finance and administration	150 515 207	23 545 567	174 060 774	173 197 478	(863 296)	141 006 244
Internal audit	-	-	-	-	-	-
<b>Community and public safety</b>						
Community and social services	9 649 501	1 743 627	11 393 128	9 682 663	(1 710 465)	8 594 851
Sport and recreation	4 295 624	(435 581)	3 860 043	3 241 695	(618 348)	3 399 103
Public safety	11 673 334	(427 257)	11 246 077	10 279 080	(966 997)	9 798 300
Housing	101 494	9 215 135	9 316 629	7 878 459	(1 438 170)	2 517 378
<b>Economic and environmental services</b>						
Planning and development	1 684 647	114 938	1 799 585	1 737 955	(61 630)	1 796 576
Road transport	34 249 779	(1 129 204)	33 120 575	31 624 127	(1 496 448)	40 993 145
<b>Trading services</b>						
Energy sources	189 007 489	(14 570 445)	174 437 044	159 493 782	(14 943 262)	137 994 798
Water management	50 253 599	7 168 111	57 421 710	56 165 046	(1 256 664)	38 517 789
Waste water management	34 234 239	5 123 216	39 357 455	35 572 041	(3 785 414)	24 587 992
Waste management	29 795 066	7 321 408	37 116 474	38 124 528	1 008 054	23 637 419
<b>Total Revenue - Standard</b>	<b>515 459 979</b>	<b>46 469 515</b>	<b>561 929 494</b>	<b>529 159 701</b>	<b>(32 769 793)</b>	<b>441 300 674</b>
<b>EXPENDITURE (STANDARD CLASSIFICATION)</b>						
<b>Governance and administration</b>						
Executive and council	17 086 452	7 814 176	24 900 628	15 189 234	(9 711 394)	15 328 014
Finance and administration	82 686 896	16 356 517	99 043 413	95 001 987	(4 041 426)	95 374 965
Internal audit	-	-	-	-	-	-
<b>Community and public safety</b>						
Community and social services	28 383 440	(68 434)	28 315 006	28 897 777	582 771	27 959 058
Sport and recreation	10 086 783	(777 823)	9 308 960	7 980 483	(1 328 477)	7 726 928
Public safety	18 117 244	4 130 527	22 247 771	20 445 763	(1 802 008)	20 926 501
Housing	2 295 419	(94 341)	2 201 078	1 671 184	(529 894)	2 057 267
Health	-	-	-	-	-	-
<b>Economic and environmental services</b>						
Planning and development	15 639 437	(2 066 589)	13 572 848	12 711 404	(861 444)	14 714 190
Road transport	34 770 621	3 171 815	37 942 436	34 341 139	(3 601 297)	34 308 851
<b>Trading services</b>						
Energy sources	166 968 201	(6 289 563)	160 678 638	155 891 532	(4 787 106)	143 878 106
Water management	36 782 096	6 396 167	43 178 263	41 346 043	(1 832 220)	38 038 186
Waste water management	22 521 788	5 666 741	28 188 529	27 315 204	(873 325)	25 294 188
Waste management	30 184 435	8 976 640	39 161 075	40 306 917	1 145 842	32 115 515
<b>Other</b>	2 564 737	64 274	2 629 011	2 342 143	(286 868)	2 229 591
<b>Total Expenditure - Standard</b>	<b>468 087 549</b>	<b>43 280 107</b>	<b>511 367 656</b>	<b>483 440 810</b>	<b>(27 926 846)</b>	<b>459 951 360</b>
<b>Surplus/(Deficit) for the year</b>	<b>47 372 430</b>	<b>3 189 408</b>	<b>50 561 838</b>	<b>45 718 891</b>	<b>(4 842 947)</b>	<b>(18 650 686)</b>

# MATZIKAMA LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
<b>REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)</b>						
<b>REVENUE</b>						
Vote 1 - Municipal Manager	-	8 800 000	8 800 000	2 162 847	(6 637 153)	8 457 079
Vote 2 - Development & Planning	1 293 929	25 486	1 319 415	502 969	(816 446)	-
Vote 3 - Financial Services	149 535 796	23 131 774	172 667 570	172 434 898	(232 672)	-
Vote 4 - Technical Services	302 318 283	(3 080 407)	299 237 876	278 214 989	(21 022 887)	-
Vote 5 - Community Services	62 082 958	17 178 869	79 261 827	75 081 418	(4 180 409)	-
Vote 6 - Corporate Services	229 013	413 793	642 806	762 580	119 774	-
Vote 2 - Financial Services	-	-	-	-	-	139 284 142
Vote 3 - Corporate Management	-	-	-	-	-	23 977 535
Vote 4 - Development Planning	-	-	-	-	-	8 441 108
Vote 5 - Technical Services	-	-	-	-	-	261 140 810
<b>Total Revenue by Vote</b>	<b>515 459 979</b>	<b>46 469 515</b>	<b>561 929 494</b>	<b>529 159 701</b>	<b>(32 769 793)</b>	<b>441 300 674</b>
<b>EXPENDITURE</b>						
Vote 1 - Municipal Manager	18 015 245	8 201 901	26 217 146	16 855 379	(9 361 767)	16 923 867
Vote 2 - Development & Planning	17 804 738	(2 483 185)	15 321 553	13 883 197	(1 438 356)	-
Vote 3 - Financial Services	50 086 105	18 673 508	68 759 613	65 562 524	(3 197 089)	-
Vote 4 - Technical Services	264 630 129	10 436 544	275 066 673	263 651 004	(11 415 669)	-
Vote 5 - Community Services	87 764 234	10 352 861	98 117 095	96 457 752	(1 659 343)	-
Vote 6 - Corporate Services	29 787 098	(1 901 522)	27 885 576	27 030 954	(854 622)	-
Vote 2 - Financial Services	-	-	-	-	-	72 017 451
Vote 3 - Corporate Management	-	-	-	-	-	68 253 851
Vote 4 - Development Planning	-	-	-	-	-	22 095 431
Vote 5 - Technical Services	-	-	-	-	-	280 660 760
<b>Total Expenditure by Vote</b>	<b>468 087 549</b>	<b>43 280 107</b>	<b>511 367 656</b>	<b>483 440 810</b>	<b>(27 926 846)</b>	<b>459 951 360</b>
<b>Surplus/(Deficit) for the year</b>	<b>47 372 430</b>	<b>3 189 408</b>	<b>50 561 838</b>	<b>45 718 891</b>	<b>(4 842 947)</b>	<b>(18 650 686)</b>

# MATZIKAMA LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
<b>REVENUE AND EXPENDITURE</b>						
<b>REVENUE BY SOURCE</b>						
<b>Exchange Revenue</b>						
Service Charges - Electricity	180 682 489	(18 567 726)	162 114 763	148 812 286	(13 302 477)	135 885 957
Service Charges - Water	39 253 599	(2 820 900)	36 432 699	37 332 282	899 583	29 371 531
Service Charges - Waste Water Management	27 970 743	2 425 121	30 395 864	30 502 452	106 588	22 338 114
Service Charges - Waste Management	29 729 209	3 013 032	32 742 241	32 531 590	(210 651)	23 425 201
Sale of Goods and Rendering of Services	5 073 621	(102 111)	4 971 510	4 208 104	(763 406)	3 870 511
Agency Services	4 973 541	(206 463)	4 767 078	4 390 080	(376 998)	4 155 961
Interest Earned from Receivables (Exchange)	9 239 200	3 576 746	12 815 946	12 822 099	6 153	7 592 133
Interest Earned from Current and Non Current Assets	1 580 286	(94 618)	1 485 668	1 728 706	243 038	1 418 787
Rental from Fixed Assets	3 231 951	(1 187 200)	2 044 751	1 815 553	(229 198)	1 983 766
Licences and Permits	65 857	(27 000)	38 857	32 075	(6 782)	40 392
Operational Revenue	9 106 181	(1 082 900)	8 023 281	2 633 870	(5 389 411)	3 797 702
<b>Non-Exchange Revenue</b>						
Property Rates	51 651 632	(103 404)	51 548 228	51 341 376	(206 852)	49 549 692
Fines, Penalties and Forfeits	11 703 434	(443 257)	11 260 177	10 278 418	(981 759)	10 365 793
Licences or permits	1 091 740	(75 000)	1 016 740	989 130	(27 610)	955 960
Transfers and Subsidies - Operational	98 089 015	4 230 858	102 319 873	99 089 715	(3 230 158)	88 967 422
Interest Earned from Receivables (Non-Exchange)	1 053 000	2 490 335	3 543 335	3 541 821	(1 514)	-
Operational Revenue (Non-Exchange)	2 263 496	2 210 779	4 474 275	4 438 723	(35 552)	2 228 110
Gains on disposal of Assets	1 400 000	-	1 400 000	-	(1 400 000)	-
Other Gains	-	28 091 200	28 091 200	24 906 220	(3 184 980)	13 851 823
<b>Total Revenue (excl capital transfers)</b>	<b>478 158 994</b>	<b>21 327 492</b>	<b>499 486 486</b>	<b>471 394 502</b>	<b>(28 091 984)</b>	<b>399 798 855</b>
<b>EXPENDITURE BY TYPE</b>						
Employee Related Costs	181 696 913	(4 714 494)	176 982 419	173 058 810	(3 923 609)	171 536 470
Remuneration of Councillors	7 975 855	625 498	8 601 353	8 238 021	(363 332)	7 561 198
Bulk Purchases - Electricity	141 302 660	(9 535 709)	131 766 951	132 569 826	802 875	121 620 623
Inventory Consumed	17 630 659	3 258 416	20 889 075	16 222 424	(4 666 651)	17 216 541
Debt Impairment	30 549 016	22 718 184	53 267 200	51 860 653	(1 406 547)	44 525 563
Depreciation and Amortisation	23 440 176	3 176 797	26 616 973	25 073 432	(1 543 541)	25 974 305
Interest	15 290 987	14 108 724	29 399 711	28 970 288	(429 423)	28 166 446
Contracted Services	13 023 777	(124 607)	12 899 170	8 905 319	(3 993 851)	8 504 252
Transfers and Subsidies	2 165 059	302 054	2 467 113	2 002 388	(464 725)	1 746 581
Operational Costs	35 012 447	4 965 244	39 977 691	35 866 418	(4 111 273)	32 394 239
Losses on Disposal of Assets	-	-	-	672 635	672 635	644 324
Other Losses	-	8 500 000	8 500 000	596	(8 499 404)	60 818
<b>Total Expenditure</b>	<b>468 087 549</b>	<b>43 280 107</b>	<b>511 367 656</b>	<b>483 440 810</b>	<b>(27 926 846)</b>	<b>459 951 360</b>
<b>Surplus/(Deficit)</b>	<b>10 071 445</b>	<b>(21 952 615)</b>	<b>(11 881 170)</b>	<b>(12 046 308)</b>	<b>(165 138)</b>	<b>(60 152 504)</b>
Transfers and Subsidies - Capital (monetary allocations)	37 300 985	13 229 327	50 530 312	45 805 823	(4 724 489)	39 332 475
Transfers and Subsidies - Capital (in-kind)	-	11 912 696	11 912 696	11 959 376	46 680	2 169 344
<b>Surplus/(Deficit) for the year</b>	<b>47 372 430</b>	<b>3 189 408</b>	<b>50 561 838</b>	<b>45 718 891</b>	<b>(4 842 947)</b>	<b>(18 650 686)</b>

# MATZIKAMA LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
<b>CAPITAL EXPENDITURE</b>						
<b>CAPITAL EXPENDITURE (MUNICIPAL VOTE)</b>						
<b>Multi-year expenditure</b>						
Vote 1 - Municipal Manager	-	-	-	-	-	-
Vote 2 - Development & Planning	-	-	-	-	-	-
Vote 3 - Financial Services	-	-	-	-	-	-
Vote 4 - Technical Services	6 521 449	1 395 587	7 917 036	5 851 429	(2 065 607)	-
Vote 5 - Community Services	8 708 193	1 344 227	10 052 420	10 052 421	1	-
Vote 6 - Corporate Services	-	-	-	-	-	-
Vote 2 - Financial Services	-	-	-	-	-	-
Vote 3 - Corporate Management	-	-	-	-	-	-
Vote 4 - Development Planning	-	-	-	-	-	-
Vote 5 - Technical Services	-	-	-	-	-	28 741 820
<b>Total Multi-year expenditure</b>	<b>15 229 642</b>	<b>2 739 814</b>	<b>17 969 456</b>	<b>15 903 849</b>	<b>(2 065 607)</b>	<b>28 741 820</b>
<b>Single-year expenditure</b>						
Vote 1 - Municipal Manager	-	-	-	-	-	-
Vote 2 - Development & Planning	-	10 000	10 000	8 737	(1 263)	-
Vote 3 - Financial Services	-	135 691	135 691	133 732	(1 959)	-
Vote 4 - Technical Services	28 795 060	10 462 060	39 257 120	34 780 835	(4 476 285)	-
Vote 5 - Community Services	7 623 336	(6 760 161)	863 175	724 005	(139 170)	-
Vote 6 - Corporate Services	-	882 619	882 619	863 598	(19 021)	-
Vote 2 - Financial Services	-	-	-	-	-	1 542 103
Vote 3 - Corporate Management	-	-	-	-	-	201 313
Vote 4 - Development Planning	-	-	-	-	-	11 488
Vote 5 - Technical Services	-	-	-	-	-	18 052 072
<b>Total Single-year expenditure</b>	<b>36 418 396</b>	<b>4 730 209</b>	<b>41 148 605</b>	<b>36 510 907</b>	<b>(4 637 698)</b>	<b>19 806 977</b>
<b>Total Capital Expenditure by Vote</b>	<b>51 648 038</b>	<b>7 470 023</b>	<b>59 118 061</b>	<b>52 414 756</b>	<b>(6 703 305)</b>	<b>48 548 797</b>

# MATZIKAMA LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
<b>CAPITAL EXPENDITURE (CONTINUED)</b>						
<b>CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)</b>						
<b>Governance and administration</b>						
Executive and council	-	-	-	-	-	-
Finance and administration	-	1 090 275	1 090 275	1 059 680	(30 595)	1 566 775
Internal audit	-	-	-	-	-	-
<b>Community and public safety</b>						
Community and social services	-	757 035	757 035	634 241	(122 794)	138 402
Sport and recreation	11 740 224	(1 581 664)	10 158 560	10 142 185	(16 375)	5 706 608
Public safety	-	-	-	-	-	126 178
Housing	-	-	-	-	-	-
<b>Economic and environmental services</b>						
Planning and development	-	10 000	10 000	8 737	(1 263)	-
Road transport	13 044 901	5 889 842	18 934 743	18 907 784	(26 959)	19 393 602
<b>Trading services</b>						
Energy sources	7 808 130	2 885 217	10 693 347	7 316 121	(3 377 226)	3 589 253
Water management	12 853 478	3 370 424	16 223 902	13 362 199	(2 861 703)	17 310 626
Waste water management	1 610 000	(359 801)	1 250 199	983 809	(266 390)	717 353
Waste management	4 591 305	(4 591 305)	-	-	-	-
<b>Other</b>	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	<b>51 648 038</b>	<b>7 470 023</b>	<b>59 118 061</b>	<b>52 414 756</b>	<b>(6 703 305)</b>	<b>48 548 797</b>
<b>FUNDING SOURCES</b>						
National Government	37 300 985	(457 768)	36 843 217	34 708 679	(2 134 538)	35 463 017
Provincial Government	-	13 687 095	13 687 095	10 432 144	(3 254 951)	3 869 458
District Municipality	-	-	-	-	-	-
Other transfers and grants	-	201 696	201 696	248 957	47 261	2 169 344
<b>Transfers recognised - capital</b>	<b>37 300 985</b>	<b>13 431 023</b>	<b>50 732 008</b>	<b>45 389 780</b>	<b>(5 342 228)</b>	<b>41 501 819</b>
Borrowing	6 747 826	(6 747 826)	-	-	-	1 200 983
Internally generated funds	7 599 227	786 826	8 386 053	7 024 976	(1 361 077)	5 845 996
<b>Total Capital Funding</b>	<b>51 648 038</b>	<b>7 470 023</b>	<b>59 118 061</b>	<b>52 414 756</b>	<b>(6 703 305)</b>	<b>48 548 797</b>

# MATZIKAMA LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATEd OUTCOME 2023 R
<b>CASH FLOWS</b>						
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
Property rates, penalties & collection charges	47 002 985	(2 156 027)	44 846 958	48 374 142	3 527 184	45 682 779
Service charges	252 233 910	(25 161 553)	227 072 357	218 805 985	(8 266 373)	187 083 457
Other revenue	28 761 538	(1 892 027)	26 869 512	14 497 816	(12 371 696)	16 990 302
Government - operating	98 089 015	2 862 742	100 951 757	82 868 988	(18 082 769)	99 116 658
Government - capital	37 300 985	13 053 393	50 354 378	45 805 823	(4 548 555)	39 332 475
Interest	10 946 188	3 755 064	14 701 252	1 495 383	(13 205 869)	1 398 999
<b>Payments</b>						
Suppliers and employees	(395 604 707)	(26 473 360)	(422 078 066)	(371 144 203)	50 933 864	(333 598 754)
Finance charges	(6 308 159)	2 906 655	(3 401 504)	(2 995 904)	405 600	(10 926 598)
Transfers and grants	(2 165 059)	(302 054)	(2 467 113)	(2 002 388)	464 725	(1 746 581)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>70 256 696</b>	<b>(33 407 165)</b>	<b>36 849 531</b>	<b>35 705 642</b>	<b>(1 143 889)</b>	<b>43 332 737</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Receipts</b>						
Proceeds on disposal of PPE	11 884 288	-	11 884 288	3 981 699	(7 902 589)	3 837 093
<b>Payments</b>						
Capital assets	(51 648 038)	(7 268 327)	(58 916 365)	(52 165 799)	6 750 566	(45 178 470)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(39 763 750)</b>	<b>(7 268 327)</b>	<b>(47 032 077)</b>	<b>(48 184 100)</b>	<b>(1 152 023)</b>	<b>(41 341 377)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Receipts</b>						
Borrowing long term/refinancing	6 747 826	(6 747 826)	-	-	-	-
<b>Payments</b>						
Repayment of borrowing	(51 630 484)	47 536 434	(4 094 050)	(3 604 008)	490 042	(3 820 705)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(44 882 658)</b>	<b>40 788 608</b>	<b>(4 094 050)</b>	<b>(3 604 008)</b>	<b>490 042</b>	<b>(3 820 705)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(14 389 711)</b>	<b>113 116</b>	<b>(14 276 596)</b>	<b>(16 082 466)</b>	<b>(1 805 871)</b>	<b>(1 829 345)</b>
Cash/cash equivalents at the year begin:	20 391 970	(1 882 847)	18 509 123	18 509 123	-	20 338 468
Cash/cash equivalents at the year end:	6 002 259	(1 769 731)	4 232 528	2 426 657	(1 805 870)	18 509 123