

AMATHOLE DISTRICT MUNICIPALITY'S FINAL 2026/2027 INTEGRATED DEVELOPMENT PLAN (IDP) AND MTREF 2026/2027 BUDGET INCLUDING ASPIRE'S MTREF 2026/2027 BUDGET

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[Mayoral Committee]

[Council: March 2026]

1. PURPOSE

The purpose of the report is for Council in terms of Section 24 of the Municipal Finance Management Act, (Act No. 56 of 2003), to consider the final following documents in the May 2026 being:

- The 2026/2027 Integrated Development plan
- The MTREF 2026/2027 Budget
- Financial Policies and Sector Plans for the financial year 2026/2027
- The MTREF 2026/2027 budget of the Municipal Entity, ASPIRE
- Note the draft 2026/2027 Service Delivery and Budget Implementation Plan

2. BACKGROUND

In August 2025, Amathole District Municipality adopted an IDP Framework Plan together with the IDP/Budget Process Plan. These plans were adopted in accordance with the relevant legal prescripts and have dictated the process to be followed for the development of the IDP and the Budget.

Organizational arrangements were put in place as per the IDP/Budget Process Plan and all legislative prescripts were adhered to in terms of the effective operations of structures, such as IDP/PMS/Budget Representative Forum etc.

After the delivery of the State of the Nation Address by the President of the Republic of South Africa, the tabling of the Budget by the Minister of Finance and the tabling of the State of the Province Address, the District Municipality also held its Strategic Planning Session on 17 and 18 February 2026. The session was to review and facilitate the development of a plan that will guide the municipality's strategic direction for the next year.

Important emphasis for this planning cycle is to take into consideration that 2026/2027 is the last year of the current term and there will be elections between November 2026 and March 2027. The strategic framework encompasses the strategic objectives and strategies aimed at realising the mandate of ADM.

The IDP has been developed in consideration of the alignment of the Sustainable Development Goals (SDG's), National Development Plan (NDP), Provincial Development Plan (PDP) and the District Vision 2030. Further to note that the IDP development is also guided by the development priorities of other spheres of government and strategic partners that will be implemented in the district space.

Amongst the consultation held towards the compilation of the final budget, was one with Provincial Treasury (PT) where specific areas were highlighted such as the generation of revenue by the Municipality. PT agreed that there was little room for downward adjustment on the expenditure side, but certain initiatives could be investigated to increase revenue.

An intervention to investigate the General Valuation Roll (GVR) to ensure that the service charges billed are linked to the correct usage of the properties, particularly the re-zoning of properties as it is understood that some residents have converted their residential properties into commercial properties which has potential of increasing the revenue stream.

In a bid to generate revenue, the Municipality should also consider the sale of plots, working with the Local Municipalities and target newly developed areas where there are requests for new water connections.

Local municipalities should be consulted with regards to their spatial development frameworks, Local Spatial Development frameworks and zone plans to identify any future areas where meters can be installed to increase the billing base.

The revaluation of ADM owned properties should be conducted and the rental rates be adjusted to ensure that ADM maximises its rental income with rentals at the correct market related rates.

3. DISCUSSIONS

IDP OUTLINE

The 2026/2027 final IDP is structured as follows:

- The Mayor's Foreword, Municipal Manager's Message and the Executive Summary provide an overview of the planning and budgeting process, the year challenges and improvements made towards achieving a credible and realistic IDP and Budget
- Chapter one (1) of the IDP provides a concise summary of the municipal vision, mission, and values
- Chapter two (2) provides a detailed profile of the district
- Chapter three (3) provides the situational analysis of the district, together with the district-wide community priorities and needs
- Chapter four (4) provides a detailed breakdown of objectives that indicate what the district municipality can reasonably achieve within the 3-year MTREF period and within the available resources, as well as strategies and programmes that provide the concrete interventions that the district municipality will implement to attain its objectives
- Chapter five (5) provides a list of all ADM sector plans and their status. The sector plans contain strategic interventions that respond to the status quo assessment
- Chapter six (6) provides the District Municipality's financial strategies, medium term expenditure, and proposed budget for the MTREF 2026/2027 financial year as well as the three-year Capital Plan
- Chapter seven (7) provides an overview of the monitoring and evaluation process, a background to the ADM Performance Management Framework as adopted by the District Municipality, as well as the Municipal Service Delivery and Budget Implementation Plan.

Consultation process

The Executive Mayor will present the final IDP and Budget to the Council meeting of May 2026, in accordance with the IDP/Budget Framework adopted by Council in August 2025. The draft IDP was taken for comments during the month of April 2026 to ensure public participation and inputs. The approach was to have sessions in all the local Municipal areas.

DATE	MUNICIPALITY	VENUE	TIME	PRESENTER
09/04/26	Amahlathi	Keiskammahoek	10:00	Cllr Ketelo Cllr Geza
10/04/26	Great Kei	KweNxurha	10:00	Cllr Phumaphi Cllr Madikane
23/04/26	Raymond Mhlaba	Adelaide	11:00	Executive Mayor Cllr Maneli
24/04/26	Mnquma	Tongwana/Ndabakazi	10:00	Cllr Genyane Cllr Mngxaso
07/ 05/ 26	Mbhashe	Tyelekebende	11:00	Executive Mayor Cllr Genyane
29/ 04/ 26	Ngqushwa	KwaDlova	10:00	Cllr Mngxaso Cllr Madikane

In seeking comments and inputs on the IDP and Budget various mechanism are employed including though not limited to:

- Placement of the IDP and Budget in ADM satellite Office for members of the public to take note and provide comments.
- Notification in local newspapers and invitation for communities and community organizations to provide inputs to the IDP office.
- Presentation of the documents to communities and community organization through public hearings using electronic media platforms

Annexure:

- The Final 2026/27 Integrated Development plan
- The Final MTREF 2026/27 Budget
- Financial Policies and Sector Plans for the financial year 2026/27
- The Final MTREF 2026/27 budget of the Municipal Entity, ASPIRE
- Draft 2026/27 Service Delivery and Budget Implementation Plan

IDP SECTOR PLANS

In view of the fact that the development and review of ADM sector plans is forming part of the IDP Review process, it is necessary to consider them for approval with the IDP and Budget, so that they are ready for implementation as they will be reflected in the 2026/27 Service Delivery and Budget Implementation Plan.

A list containing IDP sector plans is reflected in Chapter 5 of the 2026/27 Final IDP.

Final IDP 2026/27 Strategic Objectives, 5-year targets and Service Delivery & Budget Implementation Plan (SDBIP) 2026/27

The 5-year Strategic Objectives and the 5-year targets are an outcome of a consultation process emanating from the Strategic Planning Session and stakeholder engagements. The SDBIP serves as a “contract” between the administration, council, and community, expressing the goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration over the next twelve months. This provides the basis for measuring performance in service delivery against end of-year targets and implementing the budget.

The SDBIP forms part of the performance management system, which is contained in Chapter 7 of the draft IDP. Being a management and implementation plan. The draft SDBIP tabled before council for noting. The draft 2026/27 SDBIP is attached as “**Annexure B**”.

FINAL BUDGET

2026/2027 MTREF ASPIRE

ASPIRE's final budget is attached as “**Annexure T**”, reflecting a balanced budget of R18 830 000. An amount of R881 770 has been budgeted for capital for the year. ASPIRE funding submitted consists of R15 million transfer from ADM and the balance from reserves and interest income from investments. The parent municipality has allocated an indicative amount of R15 million (excluding VAT) from its National Treasury Equitable Share. The R15 million equates to 80% of the entity's revenue for the 2026/27 financial year.

The final ASPIRE budget is attached as approved by the Board of Directors in January 2026.

FINAL 2026/2027 ADM BUDGET

Executive Summary

In view of the aforementioned, the table below is a consolidated overview of the proposed 2026/27 Medium-term Revenue and Expenditure Framework:

DESCRIPTION	2026/2027 R	2027/2028 R	2028/2029 R
Total Operating Revenue	2,116,768,286	2,232,743,854	2,318,120,239
Total Capital Revenue	692,956,050	796,406,950	751,945,600
Total Revenue	2,809,724,336	3,029,150,804	3,070,065,839
Total Expenditure	2,809,724,336	3,029,150,804	3,070,065,839
Surplus / (Deficit)	-	-	-

The total operating revenue for the 2026/27 financial year has been budgeted at R2,116 billion, the capital grant revenue at R692.9 million with total the revenue budget proposed amounting to R2,809 billion. The total expenditure budgeted proposed for 2026/27 amounts to R2,809 billion with a zero deficit.

Budget cuts were implemented to achieve a balanced budget in line with cost containment measures and alignment with the mandatory financial recovery plan. The final budget reflects a balanced budget. This also includes non-cash flow items totalling R497 million as reflected below:

Non- Cash Items	2026/2027	2027/2028	2028/2029
Provision for Bad Debts	384,313,487	407,372,296	388,934,810
Depreciation	112,837,998	119,157,463	126,998,143
Total Non-Cash Items	497,151,485	526,529,759	515,932,953

The development of the budget is informed by the key service delivery priorities as reflected in the IDP to ensure that services are provided sustainably, economically, and equitably to all communities without compromising financial sustainability.

The Municipality has jurisdiction over a rural and poverty-stricken district which is evidenced by the challenge of low payment patterns from its consumers. This coupled with the requirement for the Municipality to pay its creditors within 30 days from receipt of invoice adds further strain to the cash-flow of the Municipality.

The Municipality continues to provide relief to indigent consumers by providing 6kl free basic water monthly. The next challenge being to limit the consumption by this class of consumers to the 6kl level.

The ownership challenge surrounding the RDP houses in the local municipalities is also a contributing factor to the low collection rate and the municipality is exploring alternative solutions to resolve this issue. This will also assist the local municipalities in reducing their obligations. Meetings with Public Works are underway to resolve the transfer issues as well as some the RDP being approved to be written off.

Added to the above challenge, the drought conditions within the district, areas of unrest, no go areas, and current economic conditions have also contributed to the ability to collect debt. Consumers are also not motivated to pay for the water that they have consumed in the past when they do not get water during drought times. Campaigns and communication are underway and restrictions and disconnections are being implemented.

This budget document's preparation involved making critical policy decisions mentioned above (SONA, Budget speech, SOPA and MFMA circulars 132) and the Institutional Strategic session during February 2026.

Budget Assumptions in preparation for MTREF Budget 2026/2027

- A 3.7% increase for directors in line with the CPI
- A 5% increase for Councillor's salaries
- Salary figures based on warm bodies paid in February 2026, only critical vacant positions budgeted for all directorates
- A provisional increment based on South African Local Government Bargaining Council Salary and Wage Agreement forecasted at 4% plus 0.75% plus 2.5% of notch has been considered for the staff increase.
- Electricity budgeted for at a 9.01% increase on the 2026/27 allocation level, in line with the increases for bulk electricity approved by NERSA

- Bulk Water budgeted costs to increase by 9% in line with Amatola Water Board's proposed increase. Over and above the 2026/2027 budget, ADM has an obligation to pay an amount of R4 million per month in terms of old outstanding debt, which will have a huge impact on the cash flow for the year and affect the funding of the budget.
- Qualifying level of income for indigent registration is two times the old age pension grant amount
- A differentiated approach in applying parameters in the operating budget based on trends of previous expenditure, cost containment considerations and strategic needs will be applied. This will vary from an increase of 3.7% in 2026/2027 financial year and 3.3% and 3.2% for the outer two years. This is based on CPI inflation rate estimated in MFMA Circular 132 published on 5 December 2025
- The water tariffs for 2026/27 will be increased by 6%, while all other tariffs will be increased by 6%. This is higher than the 3-6% target range of the inflation band, as specified in MFMA Circular No 129, but with the major cost drivers of water provision, bulk water purchases, electricity and salaries going up by 9%, 9.01% and 4% plus 0.75% and 2.5% notch respectively, ADM needs to factor these in, albeit more than the maximum of the inflation band. ADM needs to start bridging the gap between affordable and sustainable tariffs
- National allocations as per the B5-2026 Division of Revenue Bill (DoRB)
- Due to limited revenue sources, ADM can only afford to subsidize R15 000 000 towards the operations of ASPIRE
- ADM has budgeted for service charges based on billing in 2025/26 financial year and an estimated collection rate of 50%
- ADM needs to adopt a double-sword approach to improve financial sustainability – it is not enough to only focus on reducing expenditure, but need to focus on enhancing revenue as well
- Credit control policy and restrictions needed to be strictly implemented to improve the collection rate. The National Treasury norm specifies a 95% collection rate would be needed for financial sustainability.

The various strategies developed to address the situation include:

- Review of the Water and Sanitation Service Delivery Model
- Implementation of cost containment policy
- Implementation of the Financial Recovery Plan
- Implementation of the Budget Funding Plan
- Improve controls over procurement and contract management
- Review of policies with financial implications

The budget below is the proposed budget for the Amathole District Municipality. The Amathole District Municipality Budget for 2026/27 is balanced with a total income of **R2 809 724 336** and expenditure of **R2 809 724 336** as reflected in the tables below.

REVENUE BY SOURCE 2026/27 TO 2028/29

DETAILS	2025/2026 R	2026/2027 R	2027/2028 R	2028/2029 R	% INCOME	% INCREASE/ (DECREASE) FROM 2025/2026
SERVICES CHARGES - SANITATION	153,581,466	162,796,354	172,564,135	182,917,983	5.79%	6.00% ▲
SERVICES CHARGES - WATER	460,954,800	489,952,093	519,349,219	550,510,172	17.44%	6.29% ▲
INTEREST EARNED - OUTSTANDING DEBTORS	103,169,325	109,359,485	115,921,054	122,876,317	3.89%	6.00% ▲
RENT OF FACILITIES AND EQUIPMENT	400,515	710,715	753,358	798,559	0.03%	77.45% ▲
INTEREST EARNED - EXT. INVESTMENTS	36,963,168	38,866,418	41,198,403	43,670,307	1.38%	5.15% ▲
OTHER REVENUE (FIRE)	7,343,652	7,784,271	9,210,635	9,761,000	0.28%	6.00% ▲
TRANSFERS AND SUBSIDIES:						
MIG PMU OPERATIONAL INCOME	25,583,650	25,923,950	27,965,050	29,931,400	0.92%	1.33% ▲
EQUITABLE SHARE	679,446,000	724,651,000	770,671,000	784,656,500	25.79%	6.65% ▲
LEVY REPLACEMENT GRANT	526,883,000	546,764,000	568,584,000	586,255,000	19.46%	3.77% ▲
FMG FUNDING	2,600,000	2,700,000	2,800,000	2,900,000	0.10%	3.85% ▲
EXPANDED PUBLIC WORKS PROGRAMME	1,513,000	2,016,000	-	-	0.07%	33.25% ▲
RURAL ROADS ASSET MANAGEMENT SYSTEMS GRANT	2,995,652	3,116,522	3,240,870	3,341,739	0.11%	4.03% ▲
CETA	5,990,000	1,660,000	0	0	0.06%	(72.29%) ▼
OWN REVENUE RAMS	449,348	467,478	486,130	501,261	0.02%	4.03% ▲
TOTAL OPERATING INCOME	2,007,873,576	2,116,768,286	2,232,743,854	2,318,120,239	75%	5.42% ▲
TRANSFERS AND SUBSIDIES CAPITAL	674,705,350	692,956,050	796,406,950	751,945,600	24.66%	2.70% ▲
MUNICIPAL INFRASTRUCTURE GRANT	326,056,621	423,671,288	493,805,242	509,354,346	15.08%	13.10% ▲
MIG IN-KIND ALLOCATION	109,310,362	19,524,000	0	0	0.69%	(82.14%) ▼
OWN REVENUE MIG	50,722,367	49,359,762	57,530,708.00	59,342,254	1.76%	(2.69%) ▼
WATER SERVICES INFRASTRUCTURE GRANT	86,622,609	95,652,174	100,434,783	101,466,087	3.40%	10.42% ▲
OWN REVENUE WSIG	12,993,391	14,347,826	15,065,217	15,219,913	0.51%	10.42% ▲
REGIONAL BULK INFRASTRUCTURE GRANT IN KIND	77,391,304	78,609,565	112,670,435	57,880,870	2.80%	1.57% ▲
OWN REVENUE RBIG	11,608,696	11,791,435	16,900,565	8,682,130	0.42%	1.57% ▲
TOTAL INCOME	2,682,578,926	2,809,724,336.0	3,029,150,804	3,070,065,839	100.00%	4.74% ▲

- **Service charge** revenue is shown on a 'billed' (or accrual) basis where applicable. In many instances revenue billed is much higher than cash collected on that billing. The collection rate is anticipated to be at a 50% level to be more realistic and in line with historical trends.
- **Tariffs** for the MTREF have increased by 6% on water tariffs and all other tariffs. The step tariff principle has been applied as detailed in the Proposed Water Consumption Tariff. This is applicable to all categories of consumers. The tariffs are still not cost reflective as affordability has a deciding factor in the tariff increments over the years. A detailed listing of the tariffs and charges is included in this document refer to "**Annexures N to S**".
- To summarize these recommended increases:
 - Water tariffs to increase by 6%
 - Sanitation, Fire, Building Fees, Calgary, SCM and Community Services fees all increase by 6%
 - Solid Waste service fees to be resuscitated from 2019/20 tariff and apply increase of 6% taking into consideration the 7 years CPI increases including the budgeted year forecasted CPI of 3.7%.
 - National Treasury tariff assessment tool utilised to assess the ADM draft tariffs. The outcomes indicated water tariffs to be cost reflective wherein sanitation and solid waste tariffs are not cost reflective. Solid waste to ensure revenue is generated to curb level of solid waste tariff not being cost reflective.

The budget provides free basic service relief that will subsidize the indigent customers at a rate of 6kl per month.

- **Interest Earned Outstanding Debt** is interest on overdue outstanding debt is raised at the prime lending rate.
- The budget for **Rental of facilities and equipment** includes rental income anticipated from the lease of ADM property situated across the district.

- **Interest earned** is based on the interest earned on grant funding which has not yet been spent. Grant money is invested in separate call accounts and only transferred to the primary bank account when payments are about to be made. These call accounts attract a better interest rate than the primary bank account.
- **Other income** consists of Fire Services Income billed.
- **Transfers and Subsidies** this includes:
 - the operational portion of **MIG** is utilised for PMU operating costs and MIG operating costs, such as protective clothing.
 - **Equitable share** and **levy replacement grant** which are the non-conditional grants
 - **FMG** funding for interns
 - **EPWP** to support labour intensive initiatives
 - **RRAMS** which is an allocation for local municipalities roads management system
 - **Own Revenue** operating on MIG RRAMS and WSIG

BUDGETED EXPENDITURE

DETAILS	2025/26	2026/27	2027/28	2028/29	%
	R	R	R	R	EXPENDITURE
SALARIES & CONTRIBUTIONS	851,301,523	852,127,285	892,616,849	937,247,692	30.33%
REMUNERATION OF COUNCILLORS	19,122,232	18,239,505	19,151,481	20,109,057	0.65%
PROVISION FOR BAD DEBTS	352,799,998	384,313,487	407,372,296	388,934,810	13.68%
DEPRECIATION	102,498,180	112,837,998	119,157,463	126,998,143	4.02%
ASPIRE CONTRIBUTION	15,000,000	15,000,000	15,000,000	15,000,000	0.53%
TRANSFERS AND SUBSIDIES PAID	4,195,000	3,865,000	3,992,545	4,120,306	0.14%
FINANCE CHARGES	648,700	11,440,000	11,817,520	12,195,681	0.41%
BULK PURCHASES WATER	164,859,295	179,696,635	197,666,300	203,991,624	6.40%
INVENTORY CONSUMED	168,580,000	150,289,980	130,623,337	140,685,633	5.35%
CONTRACTED SERVICES	218,806,674	196,585,005	222,013,791	244,664,087	7.00%
OTHER EXPENDITURE	251,611,992	296,394,735	305,672,960	318,150,900	10.55%
TOTAL OPERATING EXPENDITURE	2,149,423,594	2,220,789,630	2,325,084,542	2,412,097,932	79.04%
TOTAL INTERNALLY FUNDED NEW CAPITAL	56,674,436	69,387,136	71,677,008	70,960,159	2.47%
TOTAL INTERNALLY FUNDED CAPITAL	56,674,436	69,387,136	71,677,008	70,960,159	2.47%
CAPITAL FROM OPERATING GRANTS	660,000	700,000	723,000	715,869	0.02%
CAPITAL GRANTS AND SUBSIDIES	475,820,896	518,847,570	631,666,253	586,291,879	18.47%
MUNICIPAL INFRASTRUCTURE GRANT CAPITAL S5B	311,806,983	327,099,118	418,561,036	426,944,922	11.64%
MUNICIPAL INFRASTRUCTURE GRANT IN KIND S6B	-	17,486,713	-	-	0.62%
REGIONAL BULK INFRASTRUCTURE GRANT IN KIND	77,391,304	78,609,565	112,670,435	57,880,870	2.80%
WATER SERVICES INFRASTRUCTURE GRANT	86,622,609	95,652,174	100,434,783	101,466,087	3.40%
TOTAL CAPITAL EXPENDITURE	533,155,332	588,934,706	704,066,261	657,967,907	20.96%
TOTAL EXPENDITURE	2,682,578,926	2,809,724,336.00	3,029,150,804	3,070,065,839	100.00%
SURPLUS / (DEFICIT)	-	-	0	0	0.00%

The institution had undergone a process of reviewing its organogram to bring the staff costs in greater alignment with the recommended norm by National Treasury. The placement process is almost concluded. Policies were reviewed to assist in the reduction of the staff levels. These policies were work shopped and tabled to Council for approval before being implemented.

As the placement process is not yet complete, and the budgeting process needs to continue, the current, approved and filled organogram has been used as the basis to develop the 2026/27 salary budget as well as for the two outer years.

On 6 September 2024 a new wage agreement was signed. In terms of this agreement, the salary increases are to be based on the Reserve Banks forecast inflation for January 2026. This is currently at 4% plus 0.75%. The 2.5% notch increment has also been budgeted for in terms of the separate bargaining council agreement.

It must be noted that the 30.35% is the employee costs as a percentage of **total expenditure and is not to be confused with the employee efficiency ratio**. The employee efficiency ratio is calculated as a percentage of **operating expenditure**. The norm recommended by National Treasury is based on the employee efficiency ratio.

- **Provision for doubtful debts** budget is derived from the anticipated collection rate of 50% resulting in a provision being 50% of the services charges anticipated not to be collectable in 2026/27.
- **Depreciation and amortization** budget for 2026/27 comprises the depreciation on all the ADM's assets including infrastructure and software and was increased by 10% on previous year's level. In the MTREF, the depreciation is no longer cashed back due to the depleted reserves.
- **Finance charges** budget is comprised of interest on finance lease agreements for the hire of photocopy machines and includes the interest portion of the post-retirement benefit costs as per GRAP 25.

- The 2026/27 budget for **Other Expenditure** includes items such as third-party vendor commissions, telephone, audit fees, software licenses, water carting, insurance, electricity etc. The 3.3 % and 3.2% inflation forecast level has been used to grow the outer two years where no other specific growth parameters exist
- **Software Licenses** - software licences for the 2026/2027 financial year, which includes the Microsoft license fees which are paid in dollars and subject to foreign exchange fluctuations, have been budgeted according to the existing contractual arrangements.
- **Repairs and Maintenance** - includes repairs of R69.5 million (3% of the operating expenditure) to the following classes of ADM property plant and equipment: - Buildings, Equipment, Vehicles and Water and Waste-water Treatment Plants. The budget has been based on the requirements anticipated for actual costs for repairs and maintenance incurred for the 2026/2027 financial year.
- **Bulk water purchases** - are anticipated to increase by 9% from Amatola Water for next year. These costs are one of the most significant expenditure items for the municipality and thus contributing to the costs of providing water which is not being recovered. The payment arrangements overflowing into 2026/27 must also be considered, as per the court order arrangement where the municipality must pay an amount of R4 million monthly over four years towards the historical debt.
- Contracted services – leasing of properties such as satellite offices, equipment leases for the rental of photocopiers, security services and hygiene services and a portion of the head office. An average of 10% escalation will be applied to all rental accommodation based on respective contracts.

Grants and subsidies including conditional grants and equitable share have increased from **R1 943 429 000** to **R1 998 595 000** when compared to the 2025/26 budget year. The overall increase for grants is 2.84%. The increase is due to an increase in MIG, RBIG and WSIG. The unconditional grants of equitable share and levy replacement grants have increased by 5.32% when combined. This increase is not enough to cover the operational costs; therefore, the Municipality will have to increase its own revenue base to continue funding the budget in future.

DORB 2026

GRANTS AND SUBSIDIES 2026/27 to 2028/29			
DETAILS	2026/2027	2027/2028	2028/2029
		R	R
OPERATING GRANTS:			
EQUITABLE SHARE	724,651,000	770,671,000	784,657,000
LEVY REPLACEMENT GRANT	546,764,000	568,584,000	586,255,000
FMG FUNDING	2,700,000	2,800,000	2,900,000
EXPANDED PUBLIC WORKS PROGRAMME	2,016,000	-	-
RURAL ROADS ASSET MANAGEMENT GRANT	3,584,000	3,727,000	3,843,000
MUNICIPAL SYSTEMS IMPROVEMENT GRANT	-	-	-
TOTAL OPERATING GRANTS	1,279,715,000	1,345,782,000	1,377,655,000
CAPITAL GRANTS:			
MUNICIPAL INFRASTRUCTURE GRANT	498,988,000	579,301,000	598,628,000
MUNICIPAL INFRASTRUCTURE GRANT (IN KIND)	19,524,000	-	-
REGIONAL BULK INFRASTRUCTURE GRANT (IN KIND)	90,401,000	129,571,000	66,563,000
WATER SERVICES INFRASTRUCTURE GRANT	110,000,000	115,500,000	116,686,000
TOTAL CAPITAL GRANTS	718,913,000	824,372,000	781,877,000
TOTAL GRANTS AND SUBSIDIES	1,998,628,000	2,170,154,000	2,159,532,000

The Municipal Infrastructure Grant (MIG) funds the provision and upgrade of infrastructure for basic services. A 1.3% increase has been gazetted for the MIG Grant in 2026/27 amounting to R518 479 000 when including the Schedule 6 MIG In-Kind allocation.

Rural Roads Assets Management Systems Grant (RRAMS)'s purpose is to assist rural district municipalities to set up rural Roads Asset Management Systems, and collect road, bridges, and traffic data on municipal road networks in line with the Road Infrastructure Strategic Framework for South Africa as set out in the DoRB 2026. A 4.03% increase has been gazetted for the RRAMS Grant in 2026/27 amounting to R3 584 000.

The Water Services Infrastructure Grant (WSIG) grant is aimed at facilitating the planning and implementation of various water and sanitation projects to accelerate backlog reduction and provide interim, intermediate water and sanitation supply that ensures provision of services to identified and prioritised. It aims to also support the existing bucket eradication programme intervention in formal residential areas and support drought relief projects in affected municipalities. This allocation has increased by 10.42% amounting to R110 000 000.

The Local Government Financial Management Grant (FMG) aimed at promoting and supporting reforms in financial management by building capacity in Municipalities to implement the MFMA. The allocation has increased by 3.85% for 2026/27 with a budget of R2 800 0000.

The Equitable Share and the Levy Replacement Grants are provided to enable the municipalities to provide basic services as well as perform their functions. This allocation has increased by 5.32% with a total budgeted amount of R1 271 415 000 for both allocations.

Expanded Public Works Programme (EPWP), which is aimed at providing funding for job creation efforts in specific focus areas where labour intensive delivery methods can be maximised. This allocation has increased by 33.25% amounting to R2 016 000. There is no allocation for this grant in the outer two years.

The Regional Bulk Infrastructure Grant (RBIG) is deemed an "allocation – in – kind" this implies that the funds received from these grants will not necessarily be transferred directly to ADM instead RBIG programme targets projects that cut across several municipalities for large bulk projects and in ADM this will be implemented to fund bulk infrastructure needed to provide reticulated water and sanitation to

individual households in Mbhashe and Mnquma local municipalities. This allocation has increased by 1.57% amounting to R90 401 000.

MTREF 2025/26 BUDGET

The DoRB budget allocations have been split accordingly:

DIVISION OF REVENUE BILL B5-2026

GOVERNMENT GAZETTE

	2026/2027	2027/2028	2028/2029	GROWTH / (REDUCTION) ON 2025/26 ALLOCATION	% INCREASE ▲/ DECREASE ▼
GRANT	MUNICIPAL	MUNICIPAL	MUNICIPAL		
Municipal Infrastructure Grant S4B	492,555,050	579,301,000	598,628,000	109,351,050	▲ 28.54%
Municipal Infrastructure Grant*	25,923,950	-	-		▼ -79.82%
Rural Roads Assets Management Systems Grant	3,584,000	3,727,000	3,843,000	139,000	▲ 4.03%
Water Services Infrastructure Grant	110,000,000	115,500,000	116,686,000	10,384,000	▲ 10.42%
Local Government Financial Management Grant	2,700,000	2,800,000	2,900,000	100,000	▲ 3.85%
Equitable Share	724,651,000	770,671,000	784,657,000	46,552,000	▲ 6.87%
Levy Replacement Replacement	546,764,000	568,584,000	586,255,000	19,881,000	▲ 3.77%
Expanded Public Works	2,016,000	-	-	503,000	▲ 33.25%
Regional Bulk Infrastructure Grant*	90,401,000	129,571,000	66,563,000	1,401,000	▲ 1.57%
TOTALS:	1,998,595,000	2,170,154,000	2,159,532,000	188,311,050	▲ 2.84%

BUDGET PER LOCAL MUNICIPALITY

MIG SCHEDULE 5&6B BUDGET PER LOCAL MUNICIPALITY (VAT INCLUSIVE)

Region	Total Planned Expenditure for 2026/2027 R	Total Planned Expenditure for 2027/28 R	Total Planned Expenditure for 2028/29 R
ADM: Whole District	31,767,756	34,965,051	36,931,401
EC121 Mbhashe	142,039,946	180,608,730	188,608,730
EC122 Mnquma	110,068,760	154,524,015	157,524,015
EC123 Great Kei	35,820,918	41,527,405	41,527,405
EC124 Amahlathi	56,400,401	30,499,184	33,859,834
EC126 Ngqushwa	21,510,731	30,976,615	30,976,615
EC129 Raymond Mhlaba	120,888,489	106,200,000	109,200,000
Grand Total	518,479,000	579,301,000	598,628,000

RBIG CAPITAL BUDGET PER LOCAL MUNICIPALITY (VAT INCLUSIVE)

PROJECT TITLE	REGION	2026/2027 BUDGET ALLOCATION R	2027/28 BUDGET ALLOCATION R	2028/29 BUDGET ALLOCATION R
Sundwana Water Supply (Mbhashe LM)	EC121 Mbhashe	-	10,500,000	10,971,000
Ngqamakhwe Bulk Water Supply (Mnquma LM)	EC122 Mnquma	90,401,000	119,071,000	55,592,000
TOTAL RBIG ALLOCATION		90,401,000	129,571,000	66,563,000

WSIG CAPITAL BUDGET PER LOCAL MUNICIPALITY (VAT INCLUSIVE)

REGION	BUDGET 2026/2027 R	BUDGET 2027/2028 R	BUDGET 2028/2029 R
ADM: WHOLE DISTRICT	8,000,000	8,000,000	-
EC121 MBHASHE	25,500,000	35,000,000	30,000,000
EC122 MNQUMA	9,000,000	10,000,000	15,000,000
EC123 GREAT KEI	25,260,905	10,000,000	15,000,000
EC124 AMAHLATI	16,000,000	20,000,000	25,000,000
EC126 NGQUSHWA	9,000,000	10,000,000	15,000,000
EC129 RAYMOND MHLABA	17,239,095	22,500,000	16,686,000
TOTAL	110,000,000	115,500,000	116,686,000

BUDGET RELATED POLICIES

The following budget related policies shall form the basis for the implementation of the MTREF budget focusing on the implementation of 2026/27. The budget related policies have been attached as Annexure W:

1. Budget Policy
2. Tariff Policy
3. Indigent Policy
4. Credit control and Debt Collection Policy
5. Unallocated Deposits Policy
6. Investment Policy
7. Banking and Cash Management Policy
8. Asset Management Policy
9. Supply Chain Management Policy
10. Cost Containment Policy

GOOD GOVERNANCE POLICIES

The below Good Governance Policies will be presented in Council as a separate item as an attempt to ensure full reporting and to reflect on the outcomes of the Policy Workshop.

1. Integrated fraud and corruption mitigation framework
2. Internal Audit Manual
3. Risk Management Policy
4. Systems of Delegations
5. ICT governance framework & charter
6. ICT back up policy
7. ICT security and authorisation policy
8. ICT change management policy
9. SAP security and change management
10. 3G card and APN policy
11. Performance management framework
12. Employee \ individual performance management policy
13. Social Media Policy
14. Branding Policy
15. Communications Policy
16. Customer Care Policy
17. Public Participation and Petitions Management Policy
18. Council Rules

MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

The below Municipal Transformation and Institutional Development will be presented in Council as a separate item as an attempt to ensure full reporting and to reflect on the outcomes of the Policy Workshop.

1. Immovable Property Management policy (review)
2. Recruitment & Selection Policy (review)
3. Placement Policy (review)
4. Leave Policy (review)
5. Overtime and Emergency Work Policy (review)
6. Cell phone Policy
7. Subsistence & Travel Policy
8. Vehicle Allowance Policy (review)
9. Internship Policy
10. Training & Development Policy for Councillors (review)
11. Records Management Policy (Review)

SPATIAL PLANNING AND LOCAL ECONOMIC DEVELOPMENT

The below Spatial Planning and Local Economic Development will be presented in Council as a separate item as an attempt to ensure full reporting and to reflect on the outcomes of the Policy Workshop.

1. ADM Incubator Policy
2. EPWP Policy
3. Land
4. Invasion Policy

PROVINCIAL TREASURY DRAFT BUDGET ASSESSMENT

The municipality's draft budget was assessed by the Provincial Treasury with feedback presented to the management of the municipality on the 24th of April 2026. The draft budget of the municipality was assessed to funded considering the current improved collection rate and the partial write of the Amatola Water debt. Provincial Treasury made emphasis of the need for the municipality monitor its expenditure to eliminate a need to adjust its expenditure upwards during the mid-year adjustment budget which might reposition the municipality back to unfunded budget position.

CONCLUSION

The budget as presented in this document meets the requirements of the Municipal Budgeting Reporting and Regulations and the Municipal Finance Management Act 56 of 2003 and is presented to Council for consideration and revision.

The IDP presented in the report provides the objectives of the last year of the 5-year plan guided by the strategic objectives which are an outcome of several consultation processes and stakeholders.

4. IMPLICATIONS

4.1 FINANCIAL

The full financial effect of the 2026/27 annual budget is summarized in the above reflecting an overall breakeven, with income of **R2 809 724 336** and expenditure of **R2 809 724 336**.

4.2 HUMAN RESOURCES

No staff implications associated with the drafting of this item.

4.3 LEGAL

Section 25 of the Municipal Systems Act 32 of 2000 requires each municipal council to adopt a single, inclusive, and strategic plan for the development of the municipality which links, integrates and co-ordinates plans and considers proposals for the development of the municipality. Implementation of the plan must align the resources and capacity of the municipality and will form the policy framework and general basis on which the annual budget must be based.

Section 34 of the Municipal Systems Act 32 of 2000 further states that:

"A municipal council must review its integrated development plan annually in accordance with an assessment of its performance measurements and to the extent that changing circumstances so demand."

Section 40 of the Municipal Systems Act 32 of 2000 further requires that a municipality must in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed, measure and review performance at least once per year.

Section 16(2) of the Municipal Finance Management Act No.56 of 2003 indicates that the council of a municipality must, annually, approve an annual budget for the municipality before the start of that

financial year. The mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

The Act does not prevent the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.

Section 14 of the Municipal Budget Reporting Regulations requires the annual budget to be credible and realistic such that it is capable of being approved and implemented as tabled. For effective planning and implementation of the annual budget, the service delivery and budget implementation plan may form part of the budget documentation tabled to council

5. CONSULTATIONS

ADM Departments
Provincial Treasury
Local Municipalities
Government Departments

6. ANNEXURES

Annexure “A” _____ 2026/27 Integrated Development Plan

Annexure “B” _____ 2026/27 Service Delivery and Budget Implementation Plan

Annexure “C” Budgeted Financial Performance (Revenue by Source and Expenditure by Type)

Annexure “D1-D3” Graphical Representation of Budgeted Financial Performance – Revenue by Source

Annexure “E1- E3” Graphical Representation of Budgeted Financial Performance – Expenditure by Class

Annexure “F” Capital Budget Source of Funding Summary 3 Years

Annexure “G1-G3” Graphical Representation of Capital budget Source of Funding

Annexure “H1-H3” Internally Funded Capital per Department

Annexure “I1-I3” Graphical Representation of Capital per Department

Annexure “J” External Funds Grants and Subsidies 2026/27 to 2028/29

Annexure “K1” MIG Three Year Capital Plan 2026/27 to 2028/29

Annexure “K2” RBIG Three Year Capital Plan 2026/27 to 2028/29

Annexure “K3” WSIG Three Year Capital Plan 2026/27 to 2028/29

Annexure “L” Division of Revenue Bill B5 2026

Annexure “M”	2025/26 and 2026/27 Budget versus Prior Year Comparison
Annexure “N1”	Proposed Sundry Water Charges 2026/27
Annexure “N2-N4”	Proposed Water Consumption Tariffs 2026/27
Annexure “O”	Proposed Sanitation Tariffs 2026/27
Annexure “P”	Proposed Building Plan Fees 2026/27
Annexure “Q”	Proposed Calgary Museum & Conference Facility Tariffs 2026/27 and SCM Tariffs for Documents
Annexure “R1-R3”	Proposed Fire Services Tariffs 2026/27
Annexure “S1-S8”	Proposed Offences & Fines Air Pollution, Disaster Management, Water Supply and Sanitation Services, Municipal Health, Passenger Transport, Revenue Management, Fire Safety, Municipal Health Services 2026/27
Annexure “T”	ASPIRE final annual budget 2026/27 (to be replaced after Board Meeting)
Annexure “U”	A1 Schedule
Annexure “V”	Procurement Plan
Annexure “W”	Budget Related Policies
Annexure “X”	National Treasury Tariff Assessment Tool
Annexure “Y”	Municipal Manager’s Quality Certificate

7. RECOMMENDATIONS

- [i] ___ That the Council approves the final 2026/267 Integrated Development Plan “**Annexure A**”
- [ii] ___ That the final Sector Plans and Policies as reflected in Chapter 5 of the IDP, be noted
- [iii] That the Draft 2026/27 Service Delivery and Budget Implementation Plan (SDBIP) “**Annexure B**”
- v] That the MTREF Annual Budget of the Amathole District Municipality for the financial year 2026/27 and the multi and single year capital appropriations as set out in the annexures be approved:
 - Budgeted Financial Performance (revenue and expenditure by standard classification
 - Budgeted Financial Performance (revenue and expenditure by municipal vote) _
 - Budgeted Financial Performance (revenue by source and expenditure by type) _
 - Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source_

- [v] That the Council of Amathole District Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2026:
- The tariffs for the supply of water – as set out in “**Annexure N1 to N4**”
 - The tariffs for sanitation services – as set out in “**Annexure O**”
 - The tariffs for Building Plan Fees – as set out in “**Annexure P**”
 - The tariffs for Calgary Museum & Conference Facility and SCM Tariffs for Documents - as set out in “**Annexure Q**”
 - The tariffs for ADM Fire Services – as set out in “**Annexure R1 to R3**”
 - The tariffs for Fines & Offences: Air Pollution Control, Waste Management & Municipal Health, Transport - as set out in “**Annexure S1 to S8**”
- [vi] That ASPIRE’s draft MTREF 2026-2028 annual budget as contained in “**Annexure T**” be approved subject to amendments
- [vii] That the A1 Schedule as contained in “**Annexure U**” be approved
- [viii] That the Procurement Plan as contained in “**Annexure V**” be approved
- [ix] That the Budget Related Policies as contained in “**Annexure W**” be approved
- [x] The full financial effect of the 2026/27 annual budget is summarized in the above reflecting income of **R2 809 724 336** and expenditure of **R2 809 724 336.**



2026/27

FINAL INTEGRATED DEVELOPMENT PLAN (4th IDP Review)



OUR LOCAL Municipalities



MNQUMA LM



NGQUSHWA LM



RAYMOND MHLABA LM



AM AHLATHI LM



GREAT KEI LM



MBASHE LM

A STORY OF AMATHOLE DISTRICT

A place of opportunities whose sole focus is serving its communities.

Siyakukhonza mhlali wase Amathole!

A district named after intaba zeMathole, on the calves of the Drakensberg.

Indawo apho ilanga xa liphuma likhanyisa likhazimle lixele ububele babemi balendawo.

Apho kugquba ikhala (the aloe), as one of the most prominent indigenous flowers, kunye no mnga, umthi omfutshane nowomeleleyo, ofana nje nqwa, nomxhelo wabantu balapha.

Apho umkhonto negqudu (the spear and knobkerrie) symbolise the liberation struggle and frontier wars of resistance fought throughout the district.

As well as the peaceful state that we currently enjoy.

Apho iimpondo zenkomo (bull's horns) symbolise strength, power, stability and fertility.

Ze iinkomo nemfuyo, zibonisa ubutyebi, which is the all-time focal point of Xhosa existence.

FOREWORD BY THE EXECUTIVE MAYOR



It gives great joy to present the Integrated Development Plan and Budget for the year 2026/2027. The process of development of the Integrated Development Plan entails extensive consultation with key stakeholders including Communities, Provincial and National Treasury, Sector Departments and private sector partners. True to the dictates of the District Development Model stakeholders have converged to give inputs to the process.

The consultation of communities is mandated by the Municipal Systems Act and must include communities and community organizations, ostensibly to ensure that the end product succinctly captures the development needs of

the poor.

Impelled by the National Development Plan and Provincial Development Plan our Vision 2030 projects a future with greater intergovernmental cooperation to achieve seamless service delivery within the framework of District Development Model.

We continue to enjoy political and administrative stability which is the bedrock for good and accountable governance which is the foundation for sustainable development of communities. I am happy to present an IDP and Budget that is anchored on such key value, informed by up-to-date statistical research and data. The IDP and Budget that we present is an instrument to galvanize resources and integrate national and provincial plans with the district and local plans to advance socio-economic development of communities.

The Institution continues to maintain good audit outcomes for the third year running which is an affirmation that our administration is on the right path.

We present the IDP/Budget on the eve of local government elections which will usher in new leadership for the municipality and communities. We remain confident that the plans will lay a firm foundation for the new councils to heat the road running and advance service delivery to communities.

However, the global geo-political environment presents new challenges that will require prudent management of available resources to maximize impact in our development initiatives.

We remain committed to work tirelessly through innovative and creative ways to ensure our infrastructure meet the required standards, and in this regard, we have made budget allocations to deal with the perennial challenge of vandalism of water and sanitation infrastructure as well as investigation of alternative sources of energy to supply uninterrupted water and sanitation services to communities.

A word of appreciation to the Council as led by the Speaker which through disciplined adherence to and implementation of schedules, made sure that we don't miss deadlines for compliance to legal frameworks for the development and submission of our plans. Let me also express a word of appreciation to the

Administration as led by the Municipal Manager, to Sector Departments, and our strategic partners for their support during this period and plead for more support, collaborations and cooperation.

.....
CLLR. A. NTSANGANI
EXECUTIVE MAYOR

EXECUTIVE SUMMARY BY MUNICIPAL MANAGER



With the years passing steadily and the profound privilege of serving the public enduring, Amathole District Municipality stands at a defining crossroads. The 2026/2027 Integrated Development Plan (IDP) review—the fourth and final for this Council term—represents far more than an administrative milestone. It is a reflection of our collective responsibility to transform hardship into hope, backlog into breakthrough, and institutional fragility into enduring strength. The people of Amathole deserve nothing less than an institution that delivers reliably, governs cleanly, and stewards every rand with accountability.

We have entered an era of Efficiency—an era deliberately grounded in uncompromising customer-centric service delivery and rigorous financial stewardship. This theme was born from deep, ongoing collaboration with our local municipalities and meticulously refined through intensive Technical and Institutional planning sessions. It has galvanised every department and every official to place service excellence and fiscal discipline at the centre of all we do. While we have stabilised in unqualified audit territory after numerous years of disclaimers, this hard-won stability is not our destination—it serves as a powerful springboard toward the Clean Audit that will truly signal maturity and trustworthiness in the eyes of our communities, our funders, and the Auditor-General.

Throughout this review cycle we have demonstrated our growing capacity to identify blind spots swiftly, respond decisively to crisis and maintain service equilibrium even under severe pressure. We have institutionalised the latest Auditor-General recommendations, performance dashboards, and all critical strategic documents, recommitting ourselves to full alignment between ADM's IDP, the District Development Model (DDM), and our Long-Term Plan—Vision 2030. This alignment will ensure that planning, budgeting, implementation and monitoring speak with one voice.

To this end, ADM council has approved the revised DMM, this One Plan embodies our operational reality—eradicating silos, integrating efforts internally and forging seamless cooperation with strategic partners in our space. These partnerships will remain our lifeline: ensuring that the residents of Amathole are the unequivocal primary beneficiaries, while enabling faster resolution of inter-governmental challenges through established IGR mechanisms and supporting sustained revenue growth for ADM.

For the year ahead, our administration will live and breathe Efficiency—accelerating responsive, high-quality service delivery in strict accordance with Council's mandate, while progressing decisively through the remaining phases of the Revised Municipal Financial Recovery Plan toward Clean Audit status. We have pinpointed high-impact, immediately executable interventions to safeguard and grow our financial position: stringent curtailment of non-essential spending, aggressive revenue enhancement through unwavering enforcement of credit control policies, targeted recovery from businesses and government debtors, continuous refinement of the indigent register, accelerated implementation of yard connection policies, and rapid expansion of smart meter installations.

Amathole District Municipality has ramped up communications and engagement capabilities across the district, building a strong sense of active participation among residents in the delivery and protection of our essential services. Amongst our core messaging we are tackling vandalism head-on and making it clear that ADM's infrastructure is a community asset, built for the people and deserving of collective safeguarding from vandalism, theft, or any form of damage. By breathing new life into Water Forums and similar grassroots platforms, we are equipping communities to step forward as true partners and vigilant protectors of the systems that sustain daily life.

The Municipality maintains an outstanding record in utilising grants effectively, consistently achieving all Regulatory Accounting Standards (RAS) benchmarks and obligations. This disciplined approach ensures uninterrupted, high-quality service provision. Through structured monthly procurement scheduling and the ongoing work of our expenditure monitoring group, we gain clear, timely insights into financial flows, project advancement, delivery milestones, and real-world service impacts. This transparency enables swift, targeted leadership action to address any potential setbacks or inefficiencies before they escalate.

In strong collaboration with organized labour, management is dedicated to nurturing a motivated, resilient, and results-oriented organization. Positive, open employer-employee relationships form the essential foundation for lasting excellence in service delivery—they are fundamental, not optional. The groundwork is complete: every pledge made in the 2026 Institutional Strategic Planning process and every aspiration raised through community dialogues is now shifting into tangible execution.

Guided by unwavering discipline and efficiency, Amathole District Municipality will keep fortifying its governance framework and delivering meaningful, lasting improvements to the quality of life for all who call this district home.

.....
Dr. BJ MTHEMBU

MUNICIPAL MANAGER

ACRONYMS AND ABBREVIATIONS

AA	Accountability Agreements
ACR	Audit Committee Reviews
ADM	Amathole District Municipality
ADMIAF	ADM Internal Audit Forum
ADR	Alternative Dispute Resolution
AEM	Asset and Expenditure Management
AFS	Annual Financial Statements
AG	Auditor General
AIDS	Acquired Immune Deficiency Syndrome
AMS	Asset Management Strategy
AQC	Auditing and Quality Control
AQMP	Air Quality Management Plan
ARC	Audit and Risk Committee
ARPH	Annual Report Public Hearings
ASP	Application Service Provider
AWB	Amatola Water Board
BAC	Bid Adjudication Committee
BCP	Business Continuity Plan
BFI	Budget Facility for Infrastructure
BMNP	Business Marketing and Networking Platforms
BRS	Brand Repositioning Strategy
BSD	Basic Service Delivery
CBI	Cross Border Initiatives
CBNRM	Community-Based Natural Resource Management
CBO	Community Based Organisation
CBT	Community-Based Tourism
CCRP	Climate Change Response Plan
CCVA	Climate Change Vulnerability Assessment
CDBEP	Contractor Development and Business Empowerment Programme
CFO	Chief Financial Officer
CHDM	Chris Hani District Municipality
CIRP	Community Integrated Response Plans
CMP	Coastal Management Plan
COGTA	Department of Cooperative Governance & Traditional Affairs

CS	Communications Strategy
CS	Corporate Services Department
CSD	Community Safety Department
CSO	Civil Society Organisation
CSP	Civilian Secretariat for Policing
DEFF	Department of Environment, Forestry & Fisheries
DCSP	District Community Safety Plan
DDM	District Development Model
DDRMAF	District Disaster Risk Management Advisory Forum
DEDEA	Department of Economic Development, Environmental Affairs & Tourism
DFA	Development Facilitation Act
DGDS	District Growth and Development Strategy
DHAC	District Health Advisory Committee
DMP	Disaster Management Plan
DHS	Department of Human Settlement
DMRE	Department of Minerals Resources & Energy
DoRB	Division of Revenue Bill (DoRB)
DPSA	Department of Public Service and Administration
DRRP	Disaster Risk Reduction and Planning
DSD	Department of Social Development
DSDF	District Spatial Development Framework
DSDS	District Sport Development Strategy
DSRAC	Department of Sport Recreation Arts and Culture
DWDF	District Wide Director's Forums
DWLSF	District Wide Legal Services Forum
DWS	Department of Water and Sanitation
EA	Environmental Assessment
ECD	Early Childhood Development
ECDC	Eastern Cape Development Corporation
EDA	Economic Development Agency
EDS	Economic Development Strategy
EEP	Employment Equity Plan
EF	Expenditure Framework
EGDP	Economic Growth and Development Programmes
EHO	Environmental Health Offices
EIA	Environmental Impact Assessment

EMC	Executive Management Committee
EMLP	Executive Mayor Legacy Projects
EMP	Environmental Management Plan
EP	Establishment Plan
EPMP	Employee Performance Management Policy.
EPWP	Expanded Public Works Program
ES	Equitable Share
ESP	Economic Stimulus Plan
ESRI	Environmental Systems Research Institute
ESS	Executive Support Services
EWS	Employee Wellness Strategy
FAO	Financial Audit Outcome
FAS	Financial Asset Management
FBS	Free Basic Services
FET	Further Education and Training
FF	Financial Framework
FID	Film Industry Development
FMS	Financial Management Strategies
FMS	Fleet Management Strategy
FPA	Fire Protection Association
FRMP	Fire Risk Management Plan
MFV	Municipal Financial Viability
GAMAP	Generally Accepted Municipal Accounting Practice
GCIS	Government Communications and Information Systems
GDP	Gross Domestic Product
GFMEP	Governance and Finance Management and Economic Positioning
GGP	Good Governance and Public Participation
GIS	Geographic Information System
GKLM	Great Kei Local Municipality
GNP	Gross National Product
GRAP	Generally Recognised Accounting Practice
GSP	Generalised System of Preferences
HDI	Human Development Index
HIV/AIDS	Human Immunodeficiency Virus/Acquired
HPI	Human Poverty Index
HRDS	Human Resources Development Strategy

HRP	Human Resources Plan
IA	Internal Audit
IACM	Infrastructure Assets and Capital Commitments
IAM	Infrastructure Asset Management
ICT	Information and Communication Technology
ICZMP	Integrated Coastal Zone Management Plan
IDCSF	Integrated District Community Safety Forum
IDP	Integrated Development Plan
IEMP	Integrated Environmental Management Plan
IFCMF	Integrated Fraud and Corruption Mitigation Framework
IHSP	Integrated Human Settlement Plan
IMATU	Independent Municipal Allied Trade Union
IMCS	Information Management and Communication System
IMESA	Institute for Municipal Engineers South Africa
IMS	Incident Management System
IPM	Individual Performance Management
IR	Infrastructure Refurbishment
ISHSS	Integrated Sustainable Human Settlement Strategy
ISO	International Standards Organisation
ISRDP	Integrated Sustainable Rural Development Programme
ITP	Integrated Transport Plan
IW	Integrated Wellness
IWMP	Integrated Waste Management Plan
KPA	Key Performance Area
KPI	Key Performance Indicator
LAN	Local Area Network
LAR	Land and & Agrarian Reform
LCF	Local Communicators Forums
LEC	Local Economic Contribution
LED	Local Economic Development
LGCCS	Local Government Climate Change Support
LGSETA	Local Government SETA
LM	Local Municipality
LMS	Litigation Management Strategy
LRSP	Land reform & settlement plan
LUMS	Land Use Management System

MAYCO	Mayoral Committee
MBRR	Municipal Budget Reporting Regulations
MDGs	Millennium Development Goals
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MFRP	Mandatory Financial Recovery Plan
MHSP	Municipal Housing Sector Plans
MHSPS	Municipal Health Services and Protection Service
MHSS	Municipal Health Services Strategy
MIG	Municipal Infrastructure Grant
MISA	Municipal Infrastructure Support Agent
MM	Municipal Manager
MMP	Maintenance Management plans
MOU	Memorandum of Understanding
MPAC	Municipal Public Accounts Committee
MPAP	Municipal Priority Action plan
MRM	Moral Regeneration Movement
MSA	Municipal Systems Act
MSP	Municipality's Strategic Plans
MTI	Municipal Transformation and Organizational Development
MTREF	Medium-Term Revenue and
MTSF	Medium-Term Strategic Framework
NCF	National Communication Framework,
NCS	National Communications Strategy
NDMPF	National Disaster Management Policy Framework
NDoT	National Department of Transport
NDP	National Development Plan.
NGO	Non-Governmental Organisation
NMU	Nelson Mandela University
NMMM	Nelson Mandela Metro Municipality
NPO	Non-Profit Organisation
NSDP	National Spatial Development Plan
NSNP	National School Nutrition Programme
NT	National Treasury
ODS	Organisational development Strategy
OFS	Operational Financing Strategies

OHS	Occupational Health and Safety
OMA	Operation & Maintenance of Assets
OPM	Organisational Performance Management
OTP	Office of the Premier
OWS	Occupational Wellness Strategy
PAJA	Promotion of Just Administration Act
PCPS	Provincial Crime Prevention Strategy
PESP	Poverty Eradication Sector Plan
PGDP	Provincial Growth and Development Plan
PHSHDA	Priority Human Settlements and Housing Development Areas
PMF	Performance Management Framework
PMRNP	Provincial Municipal Roads Network Plan
PMS	Performance Management System
PMCT	Prevention of Mother to Child Transmission
PP	Performance Promises
PP	Public Participation
PPR	Preferential Procurement Regulations
PSDP	Provincial Spatial Development Plan
RES	Revenue Enhancement Strategy
RSC	Risk Steering Committee.
RSA	Republic of South Africa
RVA	Risk and Vulnerability Assessment
SALGA	South African Local Government Association
SAMWU	South African Municipal Workers Union
SAP	Systems Applications Products
SCMS	Supply Chain Management Strategy
SDA	Service Delivery Agreement
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SDM	Service Delivery Model
SDP	Supplier Development Programme:
SEA	Strategic Environmental Assessment
SLA	Service Level Agreement
SMME	Small Medium and Micro Enterprises
SONA	State of the Nation Address
SOP	Standard Operating Procedures

SOPA	State of the Province Address
STATSSA	Statistics South Africa
STDs	Sexually Transmitted Diseases
TB	Tuberculosis
TDP	Tourism Development and Promotion
ToR	Terms of Reference
TRS	Talent Retention Strategy
UIF&W	Unauthorised, Irregular and Fruitless and Wasteful Expenditure
URA	User Requirement Assessment
VAT	Value Added Tax
VPN	Virtual Private Network
WBC	Water Balance Calculations
WCDM	Water Conservation and Demand Management
WDM	Water Demand Management
WESRC	Wastewater/Environmental Safety & Regulatory Compliance
WRM	Water Resource Management
WSA	Water Service Authority
WSD	Water & Services Development
WSDP	Water Services Development Plan
WSI	Water and Sanitation Infrastructure
WSSQ	Water and Sanitation Service Quality

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CHAPTER ONE: STRATEGIC OUTLOOK



CHAPTER ONE

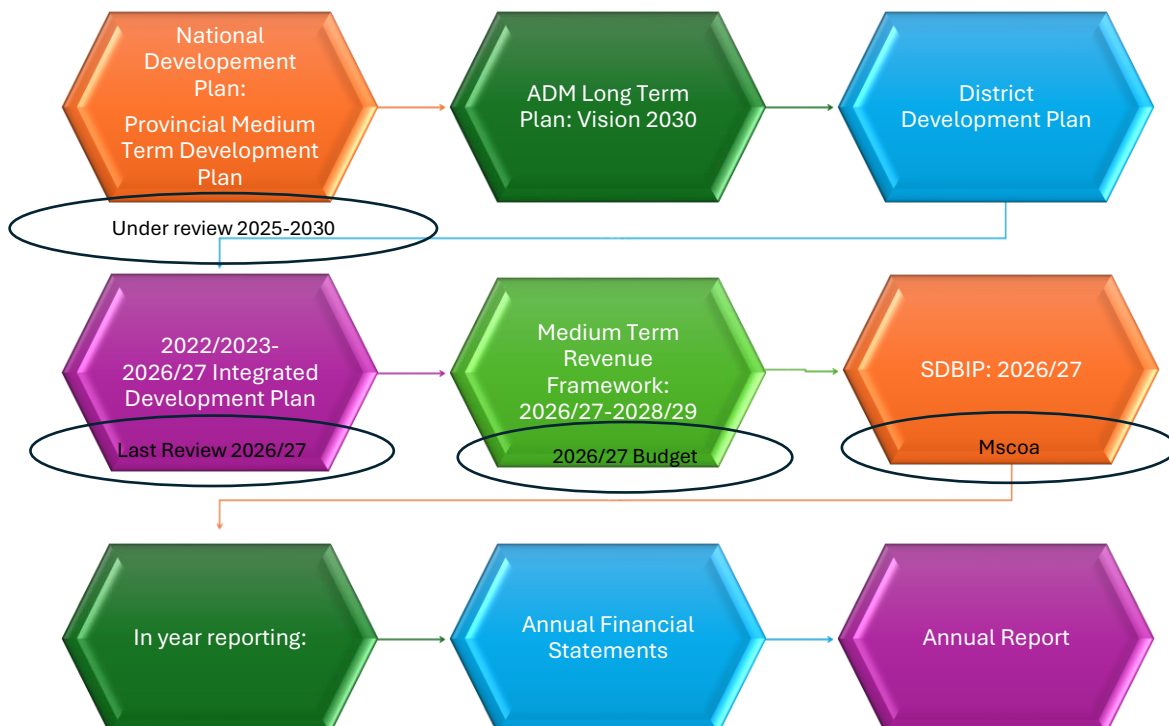
STRATEGIC OUTLOOK

1.1 LOCAL GOVERNMENT STRATEGIC PLANNING AND MUNICIPAL ACCOUNTABILITY FRAMEWORK

The Municipal Systems Act outlines the process which needs to be undertaken in order to develop an Integrated Development Plan in order to effectively utilise the scarce resources which are allocated. In addition, the IDP is a Corporate Strategy that assists with accelerating service delivery in an effective and efficient manner and also attraction of funding and investment in line with the development plans of the area.

In order to guide this process, the Accountability cycle illustrated below is customised into a Local Government Strategic planning framework which has been undertaken by Amathole District Municipality (ADM). However, the Municipality takes into considerations its own long-term plans that inform the development of the Integrated Development Plan (IDP). This process is then followed by the allocation of the budget for the realisation of the IDP. The Service Delivery and Budget Implementation are the Business Scorecard which Amathole District Municipality utilises to implement projects. Moreover, an important component is the Performance Management which monitors and evaluates implementation against the stated targets.

FIGURE 1: ACCOUNTABILITY CYCLE



1.2 AMATHOLE DISTRICT MUNICIPALITY VISION, MISSION AND VALUES

The Vision, Mission and Core Values of Amathole District Municipality as adopted by Council in 2017 remain the same as for the new term as follows:

VISION:

Amathole District Municipality: Commitment towards selfless, excellent and sustainable service to all our communities.

MISSION:

Amathole District Municipality, in its developmental mandate, is dedicated to contributing to:

- Ensuring equal access to socio-economic opportunities;
- Building the capacity of local municipalities within Amathole District Municipality's area of jurisdiction;
- Ascribe to a culture of accountability and clean governance;
- Sound financial management;
- Political and administrative interface to enhance good service delivery; and
- Contributing to the betterment of our communities through a participatory development process.

CORE VALUES:

Selflessness - In all our business activities we commit that corruption and unscrupulous business practices will be dealt with decisively and objectively.

Pro-poor - The poorest of the poor will be the main focal point for an Amathole District Municipality DM's business and service delivery.

Responsiveness - We will continue to strive for improved turnaround time in the delivery of services and in dealing with our valuable customers.

Transformative - We will make considerable strides to ensure that adequate capacity (skills and human capital) equates the mandate and business of Amathole District Municipality.

Inclusivity - We will include all our stakeholders in our planning, implementation, monitoring, evaluation and reporting in ensuring an integrated effort towards service delivery.

Dignity and respect - We will ensure that our service delivery restores human dignity and respect.

Good work ethics - We will be professional in our conduct and ascribe to the Batho Pele principles.

Transparency - Throughout our business operation, we will ensure access to information and fairness to our stakeholders.

Integrity - We will constantly conduct ourselves with the utmost integrity as councillors and officials of Amathole District Municipality

Accountability - We are committed in being held to account by our stakeholders and primary customers.

1.3 POWERS AND FUNCTIONS

The Constitution of South Africa, 1996 provides for the establishment of municipalities with specific criteria for category C municipalities and also make provision for appropriate division of powers and functions between different categories of municipalities. The Local Government: Municipal Structures Act (No. 117 of 1998) further elaborates on the types of category C municipalities, their establishment, as well as the division of powers and functions of municipalities.

The Amathole District Municipality is a Category C Executive Mayoral Type Municipality with all the Executive powers of the Council vested in the Executive Mayor, who is assisted by members of the Mayoral Committee.

In terms of Sections 83 and 84 of the Municipal Structures Act, read with Schedule 4B and 5B of the Constitution, the ADM's assigned powers and functions in respect of:

- a) Water and Sanitation;
- b) Municipal Health Services;
- c) Disaster Management;
- d) Local Economic Development;
- e) Municipal Planning;
- f) Fire Fighting Services;
- g) Solid Waste Disposal sites;
- h) Regulation of Passenger Transport Services

1.4 AMATHOLE DISTRICT MUNICIPALITY LONG TERM PLAN

The National Development Plan (NDP) as our country's development blueprint has set a tone for all spheres of government to step up efforts to accelerate the delivery of services and the betterment of life for all. Amathole District Municipality which is a critical component of developmental local government deemed it fit to localize the NDP to ensure the realisation of the ideals enshrined in the national development blueprint. ADM Vision 2030 was developed with an expressed purpose of tackling triple challenges i.e. inequality, poverty and unemployment through forging partnerships with our national and provincial counter parts. In this endeavour, the role of our social partners which includes business, labour, industry, CBO, NGO'S etc. cannot be understated.

Our vision was developed through an intensive, participatory, and consultative process that was designed to ensure meaningful contribution of stakeholders as well as ownership and accountability during the implementation stages of the plan. It is worth mentioning that the plan is premised on six pillars that emerged from the process which included comprehensive situational analysis, stakeholder engagement and broader political consultation and participation.

During the process of identification and formulation of the pillars, the United Nation's Sustainable Development Goals (SDGs), National Development Plan's (NDP) key focus areas and the pillars of Provincial Development Plan (PDP) were carefully considered. There were used as the guiding framework for the development of ADM's vision in order to ensure alignment and monitoring and evaluation of progress to be made. In addition, lessons were drawn from the growth and development strategies of other municipalities as the benchmarks to be utilized in the visioning exercise.

1.4.1 Key Pillars of the Long-Term Plan- Vision 2030

Environmental Sustainability

The integrated Model for Sustainable Development Goals proposes the proper integration of policy interventions in different functional areas to ensure that the ecological integrity of our geographic space is not compromised. Currently, the environmental state of our district is in good shape which provides massive opportunities for socio-economic betterment of the citizens. Guided by the principles of sustainable development, there is a commitment to reversing the environmental degradation that has taken place within the district and to adopt a "green" approach to all public and private sector activity within the region. The intention will be to consider all investment in terms of the 3 P's – people, profit and planet – and ensure that trade-offs are made in terms of the long-term interests of the region.

Strategic Infrastructure Investment – the district is faced with a huge infrastructure backlog that was as a result of historical poor planning and deliberate inequitable spatial configuration. These infrastructure backlogs include human settlements, roads network, water, sanitation, electricity, solid waste sites, health and transport facilities as well as information and communication networks. Economic development and provision of services are heavily reliant on infrastructure in order to succeed hence the need to invest in infrastructure. Currently, there is low rate of investment in infrastructure by both the private and public sectors. The low rates of are insufficient to drive high rates of the desired socio-economic growth.

The intention is to utilise investment in infrastructure in order to spatially reconfigure the district, generate jobs and to boost economic activity. A district Spatial Development Framework have been completed but Infrastructure audit has to be conducted in order to guide this investment. Government, in fulfilling its mandate of creating an environment conducive for society and business, must drive investment in infrastructure, with support from private sector partners. Land and tenure security is a major constraint that needs urgent attention.

Economic Development and Support –Economic development is an all-encompassing term that may refer to the efforts and initiatives by both the policymakers and the citizens of a region to promote factors that will lead to the development of that region. The benefits of economic development are drawn from factors like improvement in human capital, solid infrastructure, environmental awareness and health, and a good welfare system. Another aspect that can be seen as a benefit is an improvement in the competitiveness of the region with others in the province and the country.

One of the benefits of economic development is an improvement in human capital, which means an improvement in the skills, talents and education of the general population through the provision of good schools, quality learning environments and materials. Human beings are the main drivers behind economic development, which they can achieve through the application of their skill, knowledge and experience

toward the development of the nation. In order to acquire this education, they must receive training or formal instruction from well-equipped schools with modern laboratories and other learning aids. Sometimes the training is acquired on the job as they learn and grow from experience. This knowledge is referred to as human capital because it is an investment in people that is expected to pay dividends over time.

It against this backdrop, Amathole District Municipality should partner with key sectors such as tourism, agriculture, agro-processing furniture, etc. through jointly managed action-research projects that identify value-chain investment opportunities and support needs within these industries. Joint implementation plans are being agreed to in order to maximize their shared growth and job creation potential in the region.

Education and Skills development – the way people experience economic, political and social life is shaped by education. Education takes a centre stage in determining human development and the quality of life in general. It is viewed as an important tool to deal with issues of unemployment, poverty and inequality and is the main servant of the productive economy and prosperity. The current education and skills level in the district does not augur with the strategic intent of taking a giant leap from poverty to widely shared prosperity and equity. The dire need to invest in human capital in order to turn the situation towards the desired direction cannot be overlooked in order to accelerate the process of development

The idea of this pillar is to mobilise all key stakeholders around a single Human Resource Development Strategy for the region that addresses life-long and quality learning throughout the district with the aim of ensuring higher employment, productivity and entrepreneurship levels in our community.

Safety and Empowerment of Communities –This concept seeks to operationalize human security, human development and state-building paradigms at the local level. The contemporary concept of community security, narrowly defined, includes both group and personal security. The approach focuses on ensuring that communities and their members are free from danger and fear. Like community safety and citizen security, it promotes a multi-stakeholder approach that is driven by an analysis of local needs. A safe community embraces a methodology and infrastructure where all sectors of the community work together collaboratively to safeguard citizens' well-being and property. Sharing information fosters partnerships that enhance safety, manage risk, and increase overall communal engagement. "Community" does not just refer to individual community members, but refers to all actors, groups and institutions within the specific geographic space. It therefore also includes civil society organizations, the police and the local authorities that are responsible for delivering security and other services in that area.

Social development requires investment into the physical and mental health and security of the district population, not to mention ensuring poverty alleviation and a conscious transformation towards economic empowerment. Mobilisation of stakeholders, particularly NGOs and CBOs, is crucial to ensuring that citizens are sufficiently housed, protected against the social ills of society, and are actively engaged in improving communities.

Institutional Development – The creation or reinforcement of a network of organisations to effectively generate, allocate and use human, material and financial resources to attain specific objectives on a sustainable basis is the essence of institutional development. Institutions are inefficient because of bad or weak policies, procedures, resource management, organization, leadership, frameworks, and communication. In this context this driver addresses the need to strengthen and build collaborative

partnerships within government, and amongst the public, private and civil society sectors. The acknowledgement is that better co-ordination, collaboration, good governance, and the creation of an enabling environment for businesses and institutions to thrive will be essential for development in the region.

It is worth noting that the IDP as the central planning tool of the municipality be used as the implementation mechanism of the long-term plan. In addition, DDM should be used as the vehicle that provides the how part of the attainment of the vision through coordination and cooperation.

1.5 DISTRICT DEVELOPMENT MODEL (ONE PLAN)

The President of the Republic of South Africa has articulated this in the Presidency Budget Speech (2019) by indicating that things have to work differently from now on:

“For the effective implementation of our seven priorities, the structures of government will need to function with maximum coordination and cooperation as it is envisaged in our Constitution.

The truth is that lack of coordination between national and provincial governments, between departments and particularly at local government level, has not served us. We have slid into a pattern of operating in silos. This has led to lack of coherence in planning and implementation and has made monitoring and oversight of government’s programme difficult. It has become a significant deterrent to investment as businesspeople have had to move from pillar to post in search of support and services in what are essentially the same sectors. At the heart of most service delivery protests is fragmented planning on our part as well as poor communication. As the 6th Administration we are going to do away with this fragmented approach to development.”

Therefore we are called upon to:

- Ensure that we bring to life the aspirations of the people shall govern
- Bring government closer to the people through the District with the support of provincial and national government, so as to enhance development and cooperative governance at all spheres

The Model consists of a process by which joint and collaborative planning is undertaken at local, district and metropolitan by all three spheres of governance resulting in a single strategically focussed One Plan for each of the 44 districts and 8 metropolitan geographic spaces in the country, wherein the district is seen as the ‘landing strip’.

The District Development Model builds on the White Paper on Local Government (1998), which seeks to ensure that “local government is capacitated and transformed to play a developmental role”. The White Paper says developmental local government “is local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives

1.5.1 DDM Objectives

- Coordinate a government to challenges of poverty, unemployment and inequality particularly amongst women, youth and people living with disabilities.
- Ensure inclusivity by gender budgeting based on the needs and aspirations of our people and communities as a local level. Narrow the distance between people and government by strengthening the coordination role and capabilities at the District and City levels.
- Foster a practical intergovernmental relations mechanism to plan, budget and implement jointly in order to provide a coherent government for the people in the Republic; (solve silo's, duplication and fragmentation) maximise impact and align plans and resources at our disposal through development of "One District, One Plan and One Budget"
- Build government capacity to support municipalities. Strength monitoring and evaluation at district and local levels. Implement a balanced approach towards development between urban and rural areas.
- Exercise oversight over budgets and projects in an accountable and transparent manner.

1.6 INTEGRATED DEVELOPMENT PLAN (IDP)

Amathole District Municipality (ADM) is required by Section 25 of the Local Government: Municipal Systems Act 32 of 2000 to develop a 5 year plan i.e Integrated Development Plan (IDP) that will guide planning of the entire space. This plan has to be reviewed annually to take stock of what has happened and review the order of priorities. This legal requirement obligation further requires the municipality to consider all developments planned by all parties and ensure synergy.

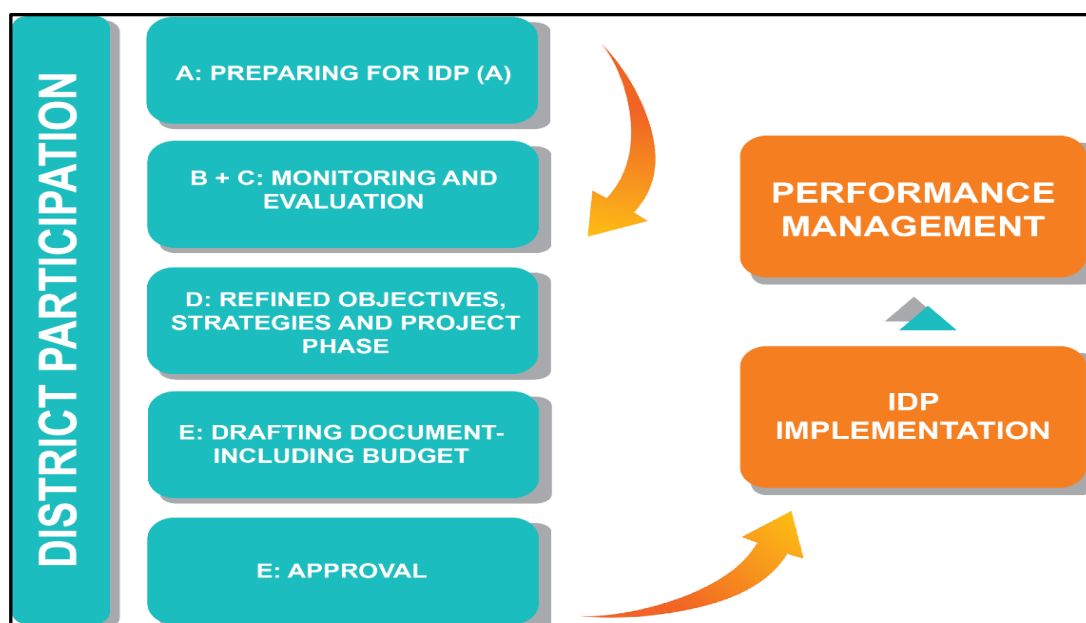
In addition to the legal requirement for every Municipality to compile an Integrated Development Plan, the Municipal Systems Act 32 of 2000 also requires that:

- the IDP be implemented;
- the Municipality monitors and evaluates its performance with regards to the IDP's implementation;
- the IDP be reviewed annually to effect necessary changes and improvements.

1.6.1 The IDP Development and Review Process

This process describes a continuous cycle of planning, implementation, and review as can be seen in Figure below. During the year new information becomes available and unexpected events may occur. Some of the information can make immediate changes to the planning and the implementation of the IDP. After the reviewed IDP has been adopted, implementation as well as situational changes will continue to occur, which is again monitored throughout the year and evaluated as indicated in Diagram 1 for consideration in the next IDP (DPLG, IDP Guide Pack IV).

FIGURE 2: DEVELOPMENT REVIEW PROCESS



Amathole District Municipal Council held on the 29th of August 2025 adopted its District IDP Framework Plan together with the IDP/PMS/Budget Process Plan. The District IDP Framework serves as a guide to all six local municipalities within Amathole, to ensue alignment in planning budgeting processes. In addition, it outlines the time frames of scheduled events/activities, structures involved, roles and responsibilities.

The IDP/Budget and PMS Process Plan outlines in detail, the manner in which ADM embarked on its 2025/26 IDP review, Budget and PMS processes.

The Organizational arrangements put in place to oversee the processes, ensuring achievements of key milestones and deliverables. These are:

- IDP/Budget and PMS Representative Forum,
- IDP/Budget and PMS Steering Committee,
- District Mayor's Forum (DIMAFO)
- Municipal Manager's Forum
- Director's Forum

In the process of developing the IDP and Budget, Strategic Planning sessions was held in 17-18 February 2026 the objective of the session was to facilitate a framework that will guide the municipality's strategic direction as reflected in Chapter Four.

The table below outlines the public participation process with specific reference to meetings and workshop dates of the various role players.

Table 1: Amathole District Municipality Action Plan-Public Participation Structures & Meeting Dates 2025/26

AMATHOLE DISTRICT MUNICIPALITY ACTION PLAN - PARTICIPATION STRUCTURES & MEETING DATES	
PHASE & ACTIVITIES	Timeframe
A Preparation phase / Pre-planning	
IDP AND BUDGET	
MM's Forum meeting	09/09/2025
IDP/ Budget & PMS Steering Committee meeting to review Implementation progress and prepare for the 25/26 IDP Launch	07/08/2025
DIMAFO Meeting	18/09/2025
Launch (District wide level). IDP/Budget & PMS Representative Forum to outline terms of reference, report progress, explain review process.	21/08/2025
ANNUAL REPORT	
Annual Report is made public and representation is invited	October 2025
B+C Analysis Phase / Monitoring and evaluation	
IDP AND BUDGET	
MM's Forum meeting (Sector specific analysis information)	04/11/2025
IDP/PMS & Budget Steering Committee meeting to review Implementation progress and present the situational analysis for 2025/26 IDP	06/11/2025
DIMAFO meeting (Sector specific analysis information and prioritized local issues	21/11/2025
IDP/PMS/Budget Rep Forum meeting (District-wide consultation and inputs on district priorities)	25/11/2025
Technical Strategic Planning Session	27-28/01/2025 & 11-13/02/2026
D Strategies Phase / Refined objectives, strategies, programmes and projects phase	
IDP AND BUDGET	
IDP/ Budget & PMS Steering Committee Meeting - KPAs to present planning and implementation progress	31/01/2026
IDP/ Budget & PMS Steering Committee meeting to present the draft IDP and Budget	19/03/2026
MM's Forum meeting to get inputs on district-wide development plans and funding commitments	
DIMAFO meeting to get inputs on the draft IDP and Budget	27/02/2026
IDP/Budget & PMS Representative Forum meeting to present the draft IDP (district-wide consultation)	25/03/2026
ADM Council approval of the draft IDP & Budget and noting of the SDBIP	31/03/2026
E Reviewed IDP document (Integration/programme implementation and operational plan)	
IDP AND BUDGET	
IDP/Budget roadshows - public hearings	April 2026
IDP/Budget & PMS Steering Committee meeting Incorporate projects from sector departments	May 2026
F Approval phase	
IDP AND BUDGET	
IDP/Budget & PMS Steering Committee meeting implementation and to present the Final 2026/27 IDP & Budget	13/05/2026
MM's Forum meeting to get inputs on district-wide development plans and funding commitments	07/05/2026
IDP/Budget & PMS Rep Forum to present the Final 2026/27 IDP & Budget	21/05/2026
DIMAFO meeting to get inputs on the draft IDP and Budget	29/05/2026
ADM Council Approval of IDP & Budget	28/05/2026

1.6.2 Relevant Documents for the IDP Development

The following documentation should be read with the IDP:

- Municipal Systems Act and relevant regulations
- IDP Guide Pack, with specific reference to Guide 3 and Guide 6
- District IDP Framework

- ADM IDP/PMS and Budget Process Plan
- Various sector plans and programmes
- Amathole Category B LM IDP's
- ADM Performance Management Framework
- Provincial Development Plan
- Provincial Spatial Development Plan (PSDP)
- National Spatial Development Plan (NSDP)
- National Development Plan
- Provincial Medium Term Development Plan 2025-2030
- District Development Plan (One Plan)
- ADM Vision 2030
- Local Municipalities' Long-Term Plans

1.6.3 IDP Assessments as Assessed by EC-COGTA

Table 2: 5 Year IDP Assessments

KPAs	RATING 2021/22	RATING 2022/23	RATING 2023/24	RATING 2024/25	RATING 2025/26
Spatial Planning, Land, Human Settlements and Environmental Management	High	High	High	High	Medium
Financial Planning and Budgets	Medium	High	Medium	Medium	Medium
Good Governance and Public Participation	High	High	Medium	High	High
Local Economic Development	High	High	High	High	High
Institutional Arrangements	Medium	High	High	High	Medium
Service Delivery and Infrastructure Planning	High	High	Medium	High	Basic

- The Municipality recorded a decline in IDP assessments compared to the previous financial year. While most of the Key Performance Areas (KPAs) achieved a combination of high and medium ratings, the Service Delivery and Infrastructure Planning KPA rating has dropped to a basic level.
- All the issues that were raised will be addressed in the 2026/27 IDP in particular those that are within means of being achieved within the institution. A process plan has been done to address some as depicted below:

Table 3: IDP Assessments findings Action Plan

KPA	ISSUES FROM COGTA	COMMENTS	TIMEFRAME
Spatial Planning, Land Human Settlement and Environmental Management	The municipality must reflect on a co-ordinated plan to leverage donor funding for climate change particularly labour-intensive initiatives in light of unemployment figures.	The municipality will address this matter in the next IDP review cycle as it requires the review of the Climate Change Strategy.	2027/28
	The municipality must reflect on budgetary provision being made for planned housing projects.	This matter has been addressed and incorporated into the 2026/27 IDP.	
	The municipality must indicate continuous consultation with traditional leadership on land development and rehabilitation of land.	The municipality will address this matter in the next IDP review cycle as it requires the review of the Land Reform & Settlements Plan and the Environmental Management Plan	2026/27
	The municipality must review the Air Quality Management Plan and reflect in the IDP.	The municipality will address this matter in the next IDP review cycle as it requires funding for the review.	
	The district must enter into an agreement with DEDEAT to keep the function of a licensing authority.	The municipality will address this matter in the next IDP review cycle as it requires the commitments and MoU's to be concluded	2026/27
	The municipality must indicate all capital projects that will require environmental authorization to comply with an Environmental Impact Assessment (EIA) process.	The municipality will address this matter in the next IDP review cycle.	
	The municipality must indicate its attempt to develop environment planning tools such as State of the Environment Reporting (SOER), Environmental Management Frameworks (EMFs), Coastal Management Plans, aquatic ecosystem, ecological infrastructure, wetlands bioregional plans and associated Environmental Management Plans.	This has been incorporated in the IDP as there is a chapter reflecting ADM state of environment. Also it will be reflect on an continuous basis and will be indicated in the IDP	2026/27
	The municipality must reflect on all the elements of the Environmental Health Plan namely, food control, water quality monitoring, health surveillance of premises,		2026/27

	surveillance and prevention of communicable diseases, waste management monitoring, environmental pollution control, vector control, disposal of the dead and chemical safety. • The municipality must gazette municipal health services by-laws. • The municipality must appoint officials in terms of Criminal Procedure Act, 1977 (Act No. 51 of 1977) for the enforcement of environmental health laws. • The municipality must appoint officials to deal with environmental health issues as per applicable norms and standards. • The municipality must indicate whether a qualified town planner has been appointed to deal with town planning requirements in terms of SPLUMA. • The municipality must reflect whether it is an Air Quality licensing authority. •The municipality must reflect on the budget set aside for the implementation of the Environmental Health Plan. •The municipality must gazette municipal health services by-laws. •The municipality must appoint officials designated as inspectors in terms of health officers in terms of the Foodstuffs, Cosmetics & Disinfectant Act (Act No. 54 of 1972).	Municipal Health Services elements are reflected in the IDP and annual reports of the municipality are reflective of the elements of Municipal Health Services. The Gazetting of the By-Laws process has been commenced. The process has been initiated and will be continued for the EHPs to be appointed as Peace Officers for the enforcement of MHS By-Laws. 27 EHPs are currently servicing communities on Environmental Health Issues. The municipality will address this matter in the next IDP review cycle as it will be indicated in Chapter 1 on Planning of the IDP as it is in the process of partnering with DEDEAT for the implementation of the program until the capacity issues are solved. There is a budget for delivery of Municipal Health Services The Gazetting of the By-Laws process has been commenced. 27 EHPs are currently servicing communities on Environmental Health Issues	2026/27 2027-2032 2026/27 2026/27

	•The municipality must appoint officials in terms of Criminal Procedure Act, 1977 (Act No. 51 of 1977) for the enforcement of environmental health laws. •The municipality must appoint officials to deal with environmental health issues as per applicable norms and standards.	The process has been initiated and will be continued for the EHPs to be appointed as Peace Officers for the enforcement of MHS By-Laws. 27 EHPs are currently servicing communities on Environmental Health Issues, it will reflect in the next IDP cycle	2026/27
Service Delivery and Infrastructure Planning	• The municipality must reflect on the key District Development Model programmes and catalytic projects. • The municipality must reflect on the appointment of the Head of the Centre (HOC) in terms of Section 51 of the Disaster Management Act. • The municipality must reflect in the IDP the appointment of qualified staff in as per sect 5A of the Act. • The municipality must have a compliant Disaster Integrated Information Management and Communication System. • The municipality must set aside budget for disaster response and recovery in line with gazetted national thresholds. • The municipality must reflect in the IDP on the appointment of Chief Fire Officer. • The municipality must budget for operations of Fire Services and that must be reflected in the IDP. • The municipality must budget for firefighting equipment and reserve vehicles and reflect in the IDP. • The municipality must reflect on the Fire Master Plan.	The municipality will address this matter in the next IDP review cycle . The appointment of an HOC was done in December 2024. And complied with all requirements. It reflects in the 2026/27 IDP It has been incorporated in the 2026/27 IDP The system has been installed it will be functional as from 20th February 2026 There is a budget available The chief Fire Officer has been appointed in 2024. This matter will be addressed and incorporated into the 2026/27 IDP Budget is provided annually for equipment, but inadequate for reserve vehicles The Fire master plan will be reviewed and incorporated into the 2026/2027 IDP	2026/27 2026/27 2025/2026 2026/2027

	• The Municipality must develop and reflect Fire Service tariff policy in the IDP.	There is an existing tariff policy, but it must be included into the IDP for 2026/27	2026/2027
	• The municipality must reflect on the Fire Hydrant Maintenance Plan.	There is an existing fire hydrant maintenance plan and must be incorporated into the 2026/27 IDP	2026/2027
	• The Municipality must develop, sign and implement the Fire Fighting cross border Mutual Aid Agreements and reflect in the IDP.	This matter will be addressed and incorporated into the 2026/27 IDP	2026/2027
	• The Municipality must develop Standard Operational Procedures and be reflected in the IDP.	There is existing Standard Operational Procedures in place and will be incorporated into the 2026/27 IDP	2026/2027
	• The municipality must reflect a functional Chief Fires Officer Forum in the IDP.	There is an existing forum and will be incorporated into the 2026/27 IDP	2026/2027
	• The municipality must reflect on the functionality of the Chief Fires Officers' Forum.	The forum is functional.	
	• The municipality must finalise the approval of the Water Services Development Plan (WSDP).	The municipality is currently finalizing its WSDP, and the final document will be available on the 30 June 2026.	2026/2027
	• The municipality must include mining and tourism in the reviewed WSDP.	The municipality will include the issues around mining and tourism in the WSDP which will be completed by end June 2026	2027/28
	• The municipality must implement the water services infrastructure maintenance plan.	The Infrastructure Asset Management Plan is currently being finalized (25/26fy) which will form the basis of an effective Infrastructure Maintenance plan. Implementation of the Maintenance Plan will begin in 26/27.	
	• The municipality must reflect on the institutional arrangement for the provision of water services.	The institutional arrangement will be incorporated in the WSDP.	

	The municipality must indicate clear demarcation or Service Level Agreement between Water Services Authority or Water Services Provider.	Lastly, the SLA for the WSA and WSP is still under discusses and will be incorporated in the WSDP once decisions are made guided by the Water Act and other governing legislation.	2026/27
Financial Planning and Budgets	- The municipality must indicate whether relevant policies are promulgated into by-laws. - The municipality must spend 100% of its capital budget. - The municipality must spend 100% of its grants. - The municipality must ensure that the salary budget is within the norms and standards. - The municipality must service its creditors on time, in line with the norms and standards. - The municipality must have accurate data for billing and reflect it in the IDP. - The municipality must have an effective and efficient billing system to bill consumers. - The municipality should collect at least more than 50% of its revenue from the consumers in terms of financial norms and standards. - The municipality must reflect on mechanisms to curb water losses and illegal electricity connections in the IDP. - The municipality must include the Service Delivery Budget Implementation Plan (SDBIP) reflect the SDBIP objectives, strategies, projects, budget allocations, projects and timeframes. - The municipality must reflect whether there is a functional contract management system in place. - The municipality must reflect the free basic services budget for the previous two years.	This matter has been addressed and incorporated into the 2026/27 IDP.	2026/27
		This matter has been addressed and incorporated into the 2026/27 IDP.	2026/27
		This matter has been addressed and incorporated into the 2026/27 IDP.	2025/2026
		This matter has been addressed and incorporated into the 2026/27 IDP.	2026/2027
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		This matter has been addressed and incorporated into the 2026/27 IDP.	2026/2027
		This matter has been addressed and incorporated into the 2026/27 IDP.	2026/2027

	• The municipality must reflect whether there is a dedicated staff/unit for Free Basic Services. • The municipality must establish the Indigent Steering Committee.	This matter has been addressed and incorporated into the 2026/27 IDP. As advised by CoGTA the Indigent steering committee is organized by them and sits quarterly with all the district councils and LMs.	2027/28 2026/27
Local Development	Economic • The municipality must finalise the development and adoption of a local economic development strategy and reflect in the IDP. • The municipality must budget for the implementation of LED programmes and initiatives. • The municipality must reflect on set targets for enterprise development support. • The municipality must reflect on dedicated LED budget to implement prioritized LED programmes and initiatives. • The municipality must reflect on its support on the implementation of the Small-Town Development Framework.	This matter has been addressed and incorporated into the 2026/27 IDP. SPLED Strategy was finalised and approved by Council. This matter has been addressed and incorporated into the 2026/27 IDP. Allocation for LED programs has been made available and will be reflecting in the IDP. This matter has been addressed and incorporated into the 2026/27 IDP. This matter has been addressed and incorporated into the 2026/27 IDP. Allocation for LED programs has been made available and will be reflecting in the IDP. The municipality will address this matter in the next IDP review cycle as it reviews the Economic Development overview. This will include collaborating with the Prov. Dept of COGTA assigned of such functional area.	2026/27 2026/27 2026/27

Good Governance and Public Participation	• The municipality must reflect on the functionality of the District War Rooms. • The municipality must develop a policy for reasonable accommodation for persons with disability. • The municipality must improve its audit findings and reflect in the IDP.	As the district we don't have wards the war rooms are a planning space for LMs however if District is invited, they participate. What DM has is the SPU Strategy which has a chapter that talks to Disability and was last updated in 2016 which is due for reviewal. The DM has improved from disclaimer to qualification 23/25 and 24/25 also qualification with less paragraphs. It will be incorporated in the 2026/27 IDP	2026/27
Institutional Arrangements	• The municipality must indicate the political and the administrative seats in the IDP. • The municipality must clearly indicate its powers and functions in the IDP. • The municipality must reflect on the review of the organisational structure and include the structure in the IDP. • The municipality must indicate whether Municipal Manager and all other Section 56 managers positions are currently filled. • The municipality must indicate critical and scarce skills. The municipality needs to reflect the action plans to address the challenges of information and communication technology.	This matter has been addressed and incorporated into the 2026/27 IDP. This matter has been addressed and incorporated into the 2026/27 IDP. This matter has been addressed and incorporated into the 2026/27 IDP. This matter has been addressed and incorporated into the 2026/27 IDP. This matter has been addressed and incorporated into the 2026/27 IDP. This matter has been addressed and incorporated into the 2026/27 IDP.	2026/27



2026/27

CHAPTER TWO: GEOGRAPHIC & DEMOGRAPHIC PROFILE SITUATIONAL DATA



CHAPTER TWO

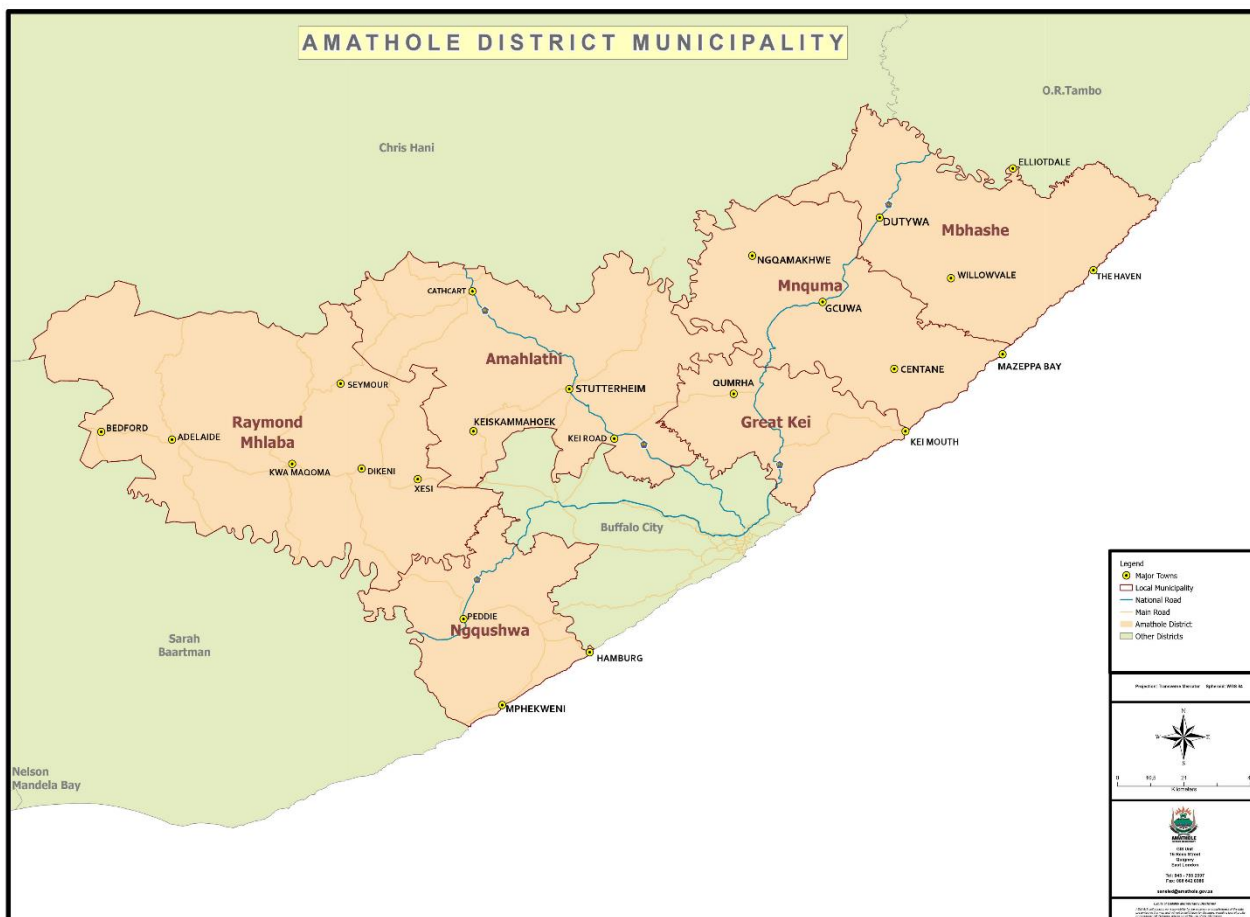
PHYSIC & DEMOGRAPHIC SITUATIONAL DATA

2.1 MUNICIPAL GEOGRAPHICAL INFORMATION

The Amathole District Municipality is a Category C municipality situated in the central part of the Eastern Cape. It stretches along the Sunshine Coast from the Fish River Mouth and along the Eastern Seaboard to just south of Hole in the Wall along the Wild Coast. It is bordered to the north by the Amathole Mountain Range. The municipality is comprised of six local municipalities: Mbhashe, Mnquma, Great Kei, Amahlathi, Ngqushwa and Raymond Mhlaba. The district has spectacular views of endless undulating grasslands, valley bush, pristine estuaries, beautiful beaches, forests, waterfalls and the Amathole mountain range from which the Municipality derives its name.

Four heritage routes have been developed that are named after Xhosa kings and heroes. They are the Maqoma Route, the Makana Route, the Sandile Route and the Phalo Route. These intertwine with the other tourism routes located within the district, namely the Sunshine Coast Route, the Wild Coast Route, the Amathole Mountain Escape Route and the Friendly N6 Route.

FIGURE 3: AMATHOLE MAP



Source: ADM, GIS 2026

2.2 DEMOGRAPHICS

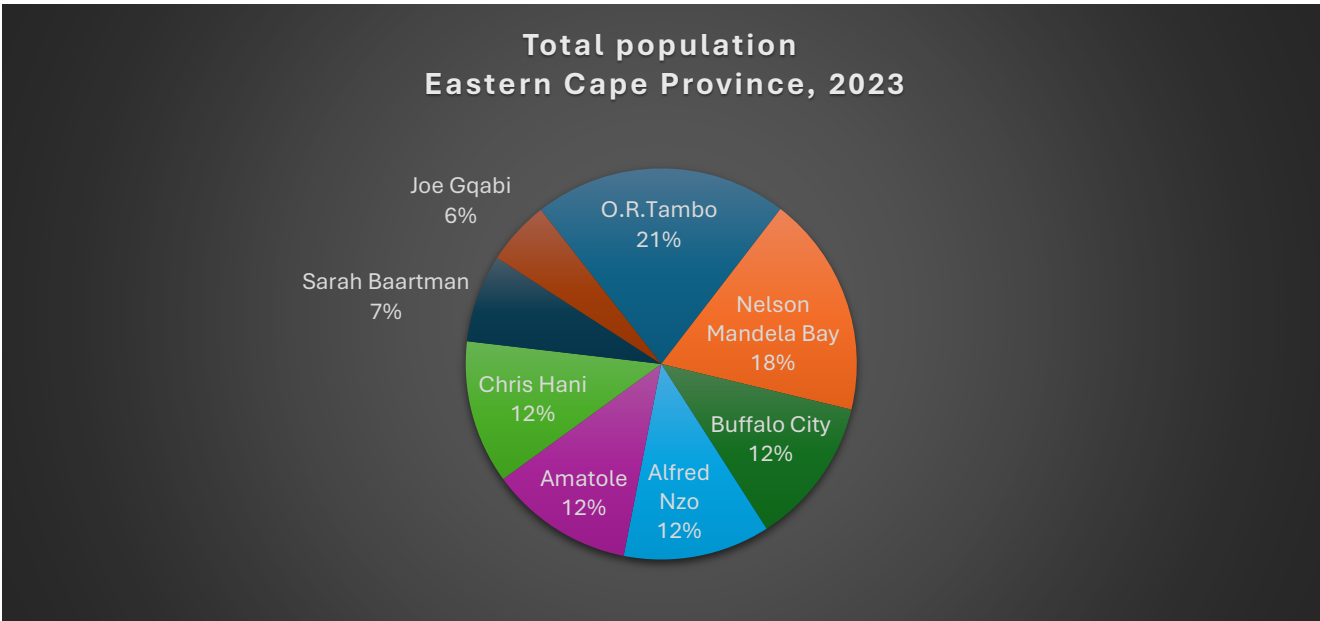
"Demographics", or "population characteristics", includes analysis of the population of a region. Distributions of values within a demographic variable, and across households, as well as trends over time are of interest. In this section, an overview is provided of the demography of the and all its neighbouring regions, Amathole District Municipality, Eastern Cape Province and South Africa as a whole.

Amathole District Municipality uses Statistics South Africa as its main source of data to inform planning. It is worth noting that the point of reference for the 2026/2027 IDP Review. Data that has been used within the document was released in 2023 by Stats SA (2022). Reference on the community survey conducted in 2016 by Stats SA has also been made. The institution has also sourced data from ECSECC so as to compliment the current review process.

2.2.1 TOTAL POPULATION

Population statistics are important when analysing an economy, as the population growth, directly and indirectly, impacts employment and unemployment, as well as other economic indicators such as economic growth and per capita income. The population estimates for 2016 Community Survey indicated the district had 914 842 people, which is a 2% increase from 892 637 in 2011 Census. In 2019 as per the ECSECC survey the district's population 885 047 which is captured as a huge decrease due to demarcation factors as mentioned above, the table below illustrates the estimated population until 2030.

FIGURE 4: TOTAL POPULATION - AMATHOLE AND THE REST OF EASTERN CAPE, 2023 [PERCENTAGE]

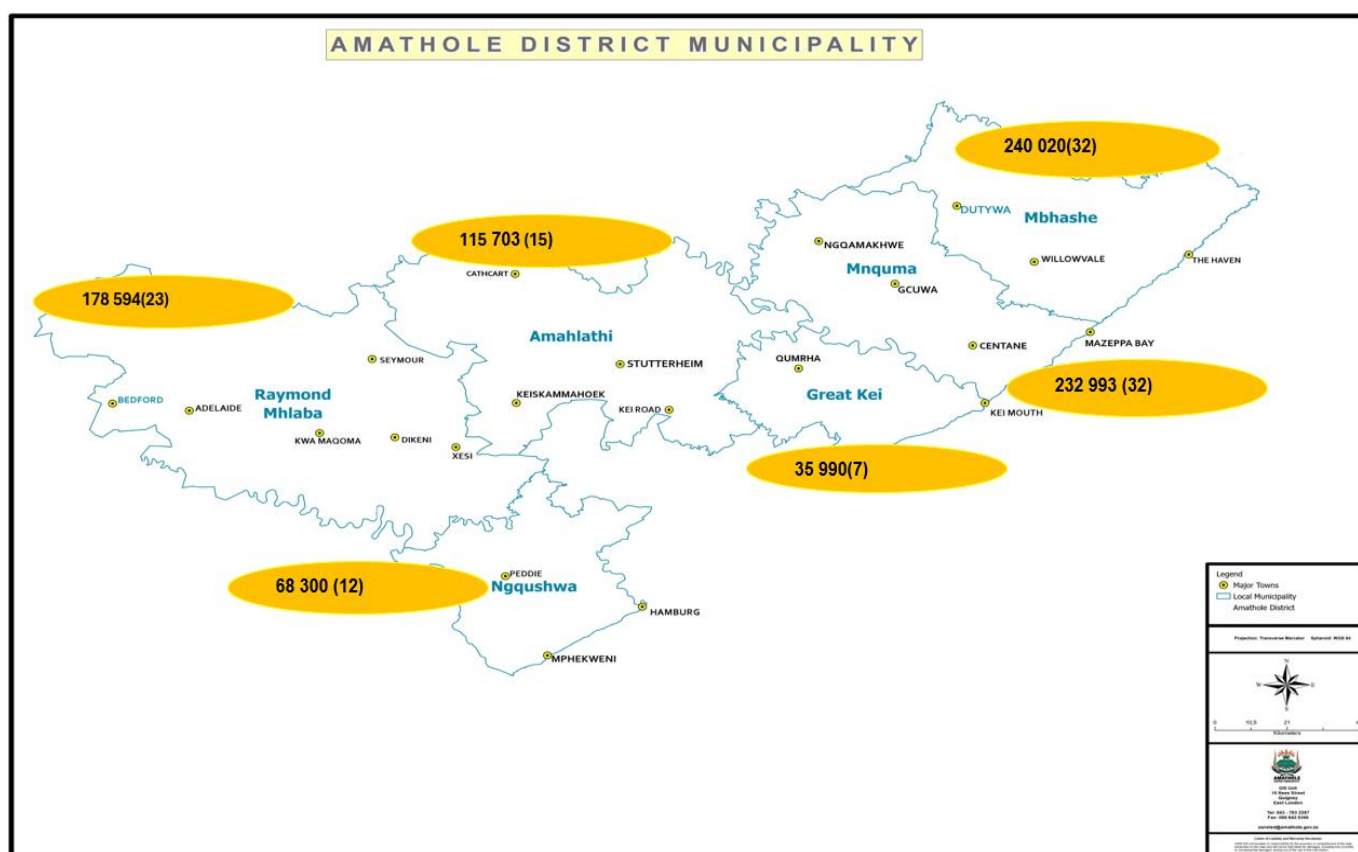


Source: ECSECC, 2024

When compared to other regions, the Amathole District Municipality accounts for a total population of 898,000, or 11.9% of the total population in the Eastern Cape Province, with the O.R.Tambo being the most populous region in the Eastern Cape Province for 2023. Amathole decreased in importance from ranking third in 2013 to fifth in 2023. In terms of its share the Amathole District Municipality was slightly smaller in 2023 (11.9%) compared to what it was in 2013 (12.7%). When looking at the average annual growth rate, it is noted that Amathole ranked lowest (relative to its peers in terms of growth) with an average annual growth rate of 0.4% between 2013 and 2023

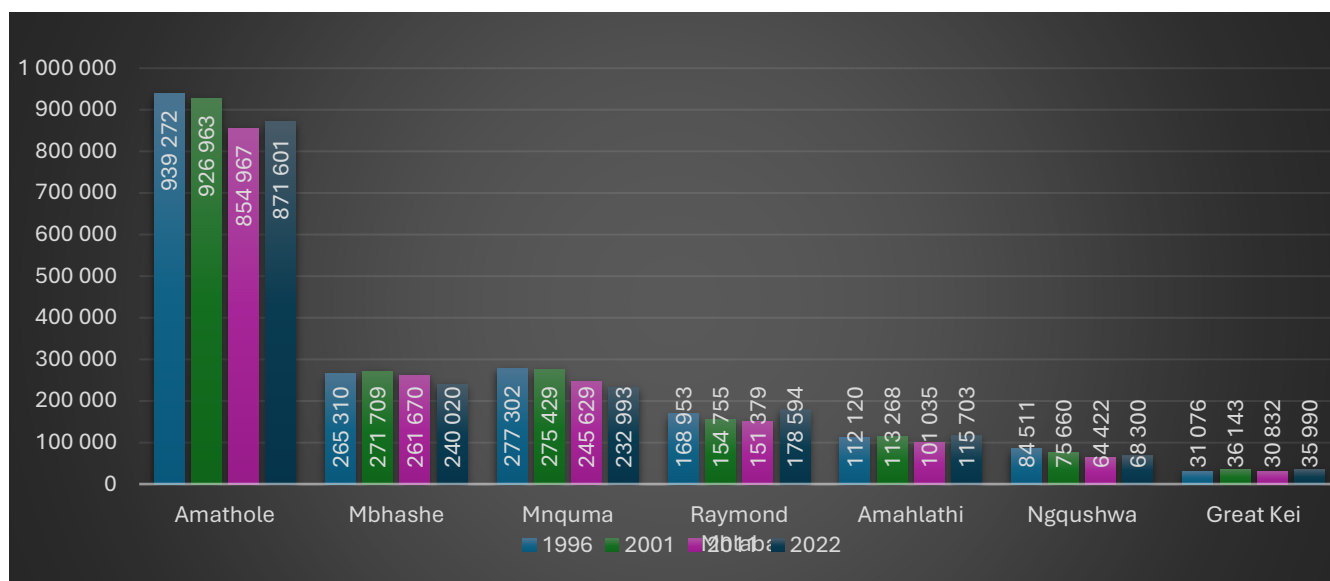
Statistic South Africa has released 2022 data which shows an increase from the 2016 community survey. The population estimates for 2022 Census indicate that Amathole district has 871601 people, which constitutes 12% of the total population of the Eastern Cape. A significant part of the former Ciskei homeland is located within Amathole District, and this has influenced the region's population growth. Population density is high in settlements along major transportation routes including the N2 (Butterworth & Idutywa), the R72 (Peddie), the R63 (Alice) and the N6 (Sutterheim)

FIGURE 5: AMATHOLE MAP



Source: ADM, GIS 2026

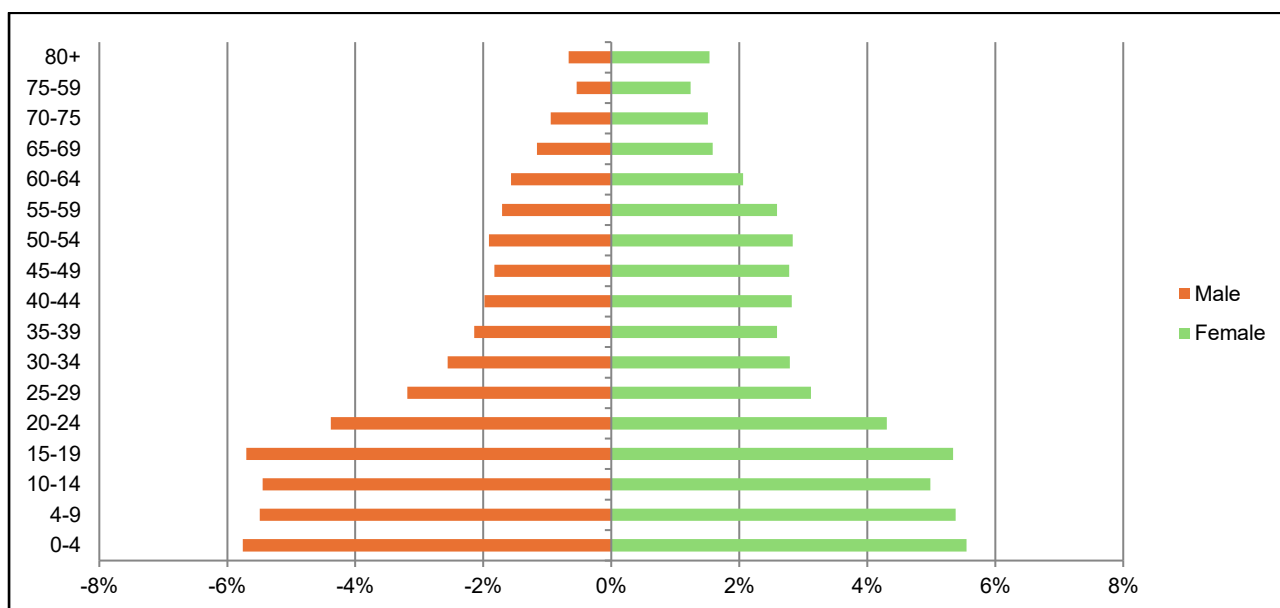
FIGURE 6: TOTAL POPULATION - AMATHOLE AND THE REST OF EASTERN CAPE, 2023 [PERCENTAGE]



Source: Stats SA 2022

Mbashe has the highest number of population which constitutes 28%(240, 020) , followed by Mnquma at 27 %(232, 993), Raymond Mhlaba with 20%(178, 594), Amahlathi 13%(115, 703), Ngqushwa 8%(68,300) and Great Kei at 4% (35, 990) It is worth noting that the percentage of population per local municipality has no direct bearing on the geographic space. This is evident, for instance, Raymond Mhlaba has the largest geographic space but occupies the third space in terms of percentage of total population of Amathole. It is worth noting that there has been a significant decrease in Mbashe and Mnquma when compared to previous years. Table 4 above indicates the number of population per local municipality.

FIGURE 7: POPULATION PYRAMID - AMATHOLE DISTRICT MUNICIPALITY, 2023 [PERCENTAGE]



Source: ECSECC, 2022

The population pyramid reflects a projected change in the structure of the population from 2023 and 2028. The differences can be explained as follows:

- In 2023, there is a significantly larger share of young working age people between 20 and 34 (22.4%), compared to what is estimated in 2028 (20.6%). This age category of young working age population will decrease over time.
- The fertility rate in 2028 is estimated to be slightly higher compared to that experienced in 2023.
- The share of children between the ages of 0 to 14 years is projected to be significantly smaller (28.5%) in 2028 when compared to 2023 (30.5%).

In 2023, the female population for the 20 to 34 years age group amounts to 10.4% of the total female population while the male population group for the same age amounts to 12.0% of the total male population. In 2028, the male working age population at 11.1% still exceeds that of the female population working age population at 9.5%, although both are at a lower level compared to 2023.

2.2.2.1 Population Projections

Based on the present age-gender structure and the present fertility, mortality and migration rates, Amatole's population is projected to grow at an average annual rate of 0.7% from 885 000 in 2019 to 917 000 in 2024.

Table 4: POPULATION PROJECTIONS - AMATHOLE, EASTERN CAPE AND NATIONAL TOTAL, 2019-2024 [NUMBERS PERCENTAGE]

	Amatole	Eastern Cape	National Total	Amatole as % of province	Amatole as % of national
2019	885,000	7,290,000	59,000,000	12.1%	1.50%
2020	890,000	7,360,000	59,800,000	12.1%	1.49%
2021	896,000	7,430,000	60,600,000	12.1%	1.48%
2022	903,000	7,500,000	61,500,000	12.0%	1.47%
2023	910,000	7,570,000	62,300,000	12.0%	1.46%
2024	917,000	7,630,000	63,100,000	12.0%	1.45%
Average Annual growth					
2019-2024	0.72%	0.92%	1.35%		

Source: ECSECC, 2019

The population projection of Amatole District Municipality shows an estimated average annual growth rate of 0.7% between 2019 and 2024. The average annual growth rate in the population over the forecasted period for Eastern Cape Province and South Africa is 0.9% and 1.3% respectively. The Eastern Cape Province is estimated to have average growth rate of 0.9% which is higher than the Amatole District Municipality. The South Africa as a whole is estimated to have an average annual growth rate of 1.3% which is higher than that of Amatole's growth rate.

2.2.2.2 Population by Population Group, Gender and Age

The total population of a region is the total number of people within that region measured in the middle of the year. The total population can be categorised according to the population group, as well as the sub-

categories of age and gender. The population groups include African, White, Coloured and Asian, where the Asian group includes all people originating from Asia, India and China. The age subcategory divides the population into 5-year cohorts, e.g. 0-4, 5-9, 10-13, etc.

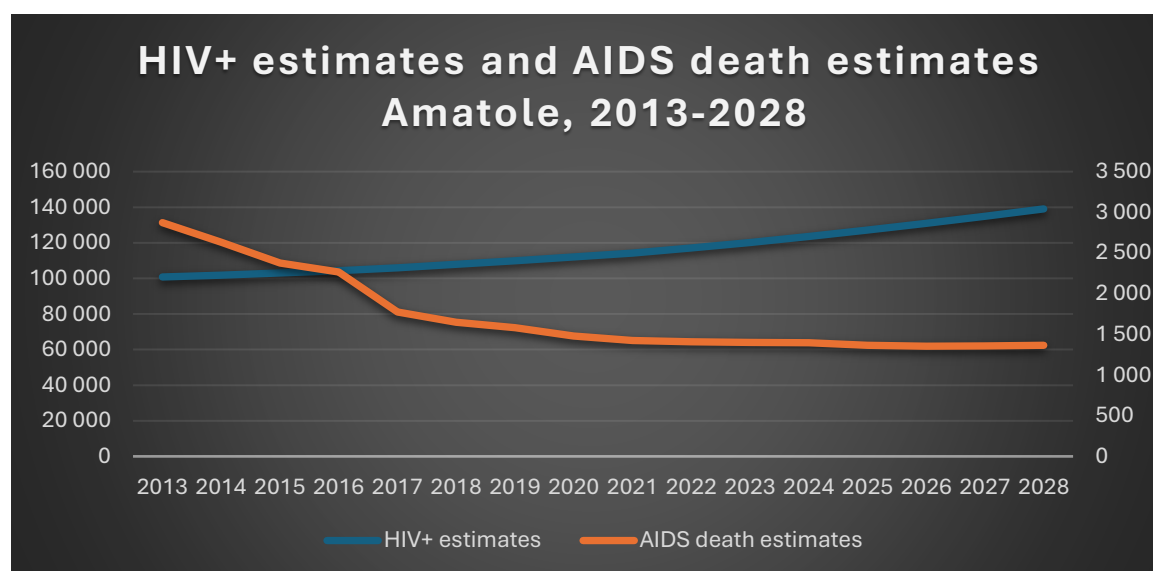
2.2.3 HIV+ AND AIDS ESTIMATES

HIV and AIDS can have a substantial impact on the growth of a particular population. However, there are many factors affecting the impact of the HIV virus on population progression: adult HIV prevalence rates; the speed at which the virus progresses; age distribution of the virus; the mother-to-child transmission; child treatment; adult treatment; and the percentage by which the virus decreases total fertility. ARV treatment can also prolong the lifespan of people that are HIV+. In the absence of any treatment, people diagnosed with HIV live for approximately 10 years before reaching the final stage of the disease (called AIDS). When patients reach this stage, recovery is highly unlikely.

HIV+ and AIDS estimates are defined as follows - The HIV+ estimates are calculated by using the prevalence rates from the HIV/AIDS model built by the Actuarial Society of Southern Africa (ASSA-2008). These rates are used as base rates on a provincial level. IHS slightly adjusted the provincial ASSA-2008 data to more accurately reflect the national HIV Prevalence rate per population group as used in the national demographic models. The ASSA model, in turn, uses the prevalence rates from various primary data sets, in particular, the HIV/AIDS surveys conducted by the Department of Health and the Antenatal clinic surveys. Their rates are further adjusted for over-reporting and then smoothed.

In 2019, 121 000 people in the Amatole District Municipality were infected with HIV. This reflects an increase at an average annual rate of 1.33% since 2009, and in 2019 represented 13.68% of the district municipality's total population. The Eastern Cape Province had an average annual growth rate of 1.84% from 2009 to 2019 in the number of people infected with HIV, which is higher than that of the Amatole District Municipality. When looking at the South Africa as a whole it can be seen that the number of people that are infected increased from 2009 to 2019 with an average annual growth rate of 2.32%.

FIGURE 8: AIDS PROFILE AND FORECAST - AMATHOLE DISTRICT MUNICIPALITY, 2013-2028 [NUMBERS]



Source: ECSECC, 2024

Presenting the number of HIV+ people against the number of people living with AIDS, the people with AIDS added up to 2870 in 2013 and 1400 for 2023. This number denotes an decrease from 2013 to 2023 with a high average annual rate of -6.93% (or -1470 people). For the year 2023, they represented 0.16% of the total population of the entire district municipality.

2.2.4 ECONOMY

The economic state of Amathole District Municipality is put in perspective by comparing it on a spatial level with its neighbouring district municipalities, Eastern Cape Province and South Africa. The section will also allude to the economic composition and contribution of the regions within Amathole District Municipality. The Amathole District Municipality does not function in isolation from Eastern Cape, South Africa and the world and now, more than ever, it is crucial to have reliable information on its economy for effective planning. Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

2.2.4.1 Gross Domestic Product by Region (GDP-R)

The Gross Domestic Product (GDP), an important indicator of economic performance, is used to compare economies and economic states. Gross Domestic Product by Region (GDP-R) represents the value of all goods and services produced within a region, over a period of one year, plus taxes and minus subsidies. GDP-R can be measured using either current or constant prices, where the current prices measure the economy in actual Rand, and constant prices measure the economy by removing the effect of inflation and therefore captures the real growth in volumes as if prices were fixed in a given base year.

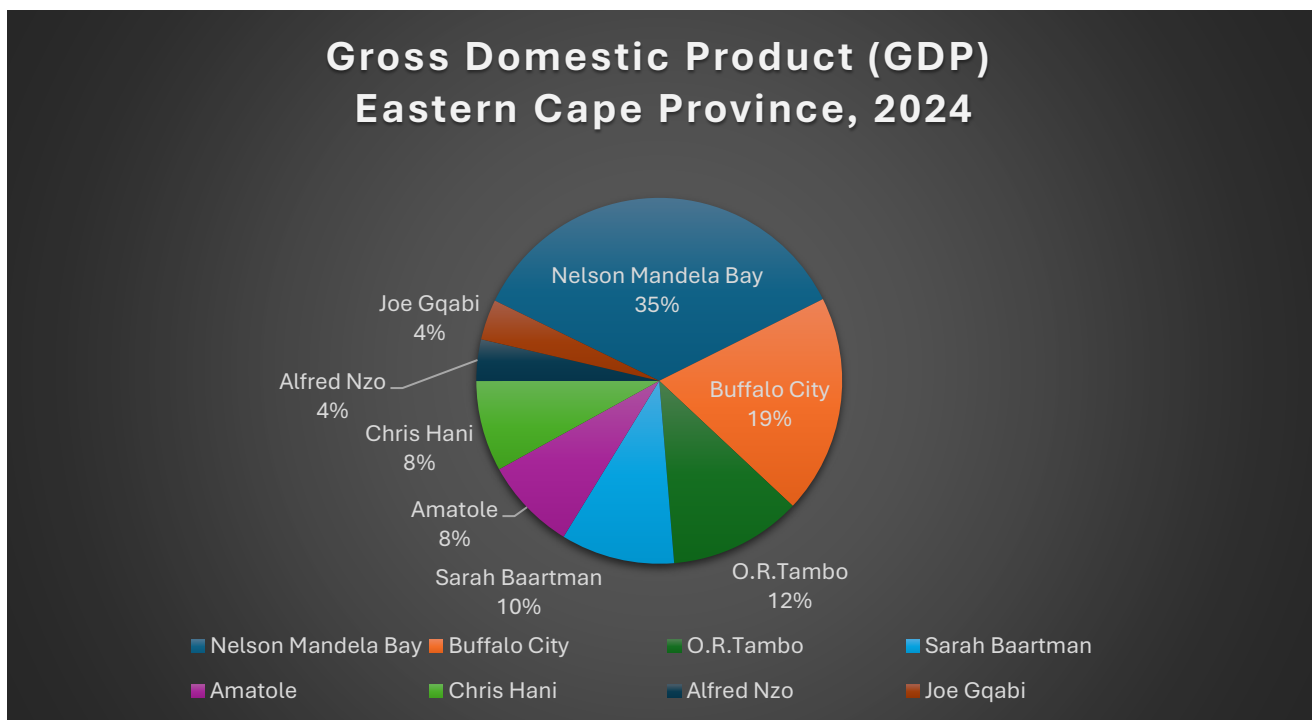
Table 5: Gross Domestic Product (Gdp) - Amathole, Eastern Cape and National Total, 2013-2023 [R Billions, Current Prices]

	Amatole	Eastern Cape	National Total	Amatole as % of province	Amatole as % of national
2013	24.8	309.6	3,868.6	8.0%	0.64%
2014	26.5	330.8	4,133.9	8.0%	0.64%
2015	28.4	354.1	4,420.8	8.0%	0.64%
2016	30.5	379.0	4,759.6	8.0%	0.64%
2017	32.5	403.4	5,078.2	8.1%	0.64%
2018	34.0	420.9	5,363.2	8.1%	0.63%
2019	35.5	437.2	5,625.2	8.1%	0.63%
2020	35.2	430.3	5,568.0	8.2%	0.63%
2021	38.8	472.9	6,208.8	8.2%	0.62%
2022	41.1	501.0	6,628.6	8.2%	0.62%
2023	43.7	531.9	6,970.2	8.2%	0.63%

Source: ECSECC, 2024

With a GDP of R 43.7 billion in 2023 (up from R 24.8 billion in 2013), the Amatole District Municipality contributed 8.21% to the Eastern Cape Province GDP of R 532 billion in 2023 increasing in the share of the Eastern Cape from 8.00% in 2013. The Amatole District Municipality contributes 0.63% to the GDP of South Africa which had a total GDP of R 6.97 trillion in 2023 (as measured in nominal or current prices). It's contribution to the national economy stayed similar in importance from 2013 when it contributed 0.64% to South Africa, but it is lower than the peak of 0.64% in 2015.

FIGURE 9: GROSS DOMESTIC PRODUCT (GDP) - AMATHOLE DISTRICT MUNICIPALITY AND THE REST OF EASTERN CAPE, 2024 [PERCENTAGE]



Source: ECSECC, 2024

The Amatole District Municipality had a total GDP of R 43.7 billion and in terms of total contribution towards Eastern Cape Province the Amatole District Municipality ranked fifth relative to all the regional economies to total Eastern Cape Province GDP. This ranking in terms of size compared to other regions of Amatole remained the same since 2013. In terms of its share, it was in 2023 (8.2%) slightly larger compared to what it was in 2013 (8.0%). For the period 2013 to 2023, the average annual growth rate of 0.8% of Amatole was the third relative to its peers in terms of growth in constant 2010 prices.

Table 6: GROSS DOMESTIC PRODUCT (GDP) - LOCAL MUNICIPALITIES OF AMATHOLE DISTRICT MUNICIPALITY, 2013 TO 2023, SHARE AND GROWTH

	2023 (Current prices)	Share of district municipality	2013 (Constant prices)	2023 (Constant prices)	Average Annual growth
Mbhashe	6.34	14.53%	4.09	4.33	0.58%
Mnquma	12.48	28.59%	7.20	8.50	1.67%
Great Kei	4.84	11.10%	3.24	3.35	0.33%
Amahlathi	6.36	14.57%	4.24	4.41	0.40%
Ngqushwa	4.36	9.98%	2.85	3.00	0.53%
Raymond Mhlaba	9.27	21.24%	6.04	6.45	0.66%
Amatole	43.66		27.65	30.04	

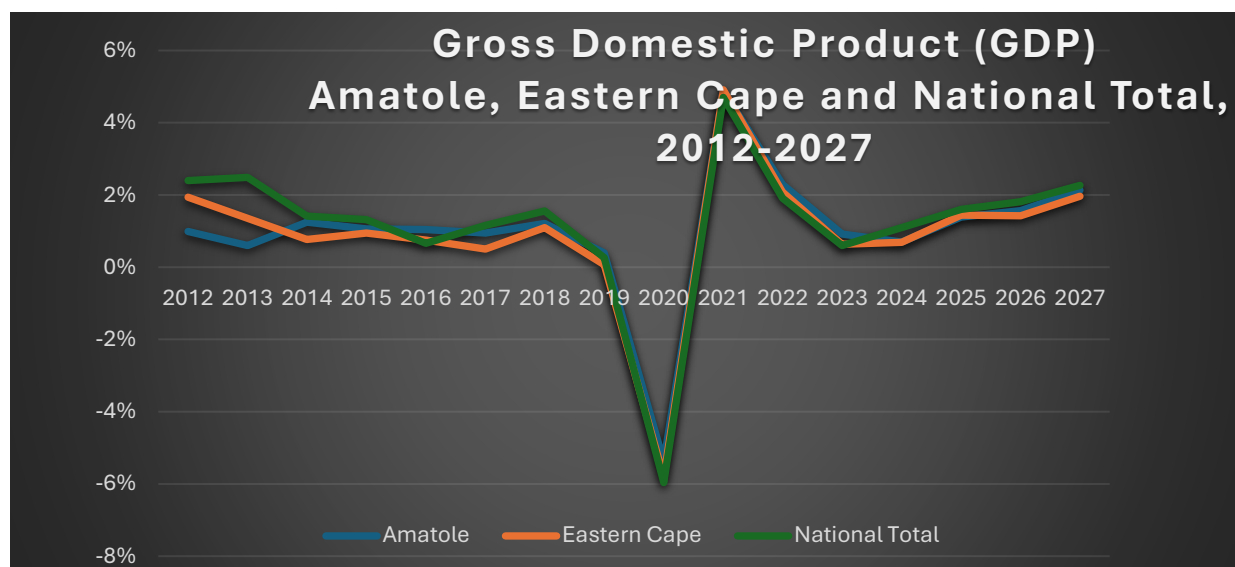
Source: ECSECC, 2024

Mnquma had the highest average annual economic growth, averaging 1.67% between 2013 and 2023, when compared to the rest of the regions within the Amatole District Municipality. The Raymond Mhlaba Local Municipality had the second highest average annual growth rate of 0.66%. Great Kei Local Municipality had the lowest average annual growth rate of 0.33% between 2013 and 2023.

2.2.4.2 Economic Growth Forecast

It is expected that Amatole District Municipality will grow at an average annual rate of 1.60% from 2023 to 2028. The average annual growth rate of Eastern Cape Province and South Africa is expected to grow at 1.51% and 1.82% respectively.

FIGURE 10: GROSS DOMESTIC PRODUCT (GDP) - AMATHOLE, EASTERN CAPE AND NATIONAL TOTAL, 2012-2027
[AVERAGE ANNUAL GROWTH RATE, CONSTANT 2010 PRICES]



Source: ECSECC, 2024

In 2028, Amathole's forecasted GDP will be an estimated R 32.5 billion (constant 2010 prices) or 8.2% of the total GDP of Eastern Cape Province. The ranking in terms of size of the Amathole District Municipality will remain the same between 2023 and 2028, with a contribution to the Eastern Cape Province GDP of 8.2% in 2028 compared to the 8.2% in 2023. At a 1.60% average annual GDP growth rate between 2023 and 2028, Amathole ranked the second compared to the other regional economies

2.2.5 LABOUR

The labour force of a country consists of everyone of working age (above a certain age and below retirement) that are participating as workers, i.e. people who are actively employed or seeking employment. This is also called the economically active population (EAP). People not included are students, retired people, stay-at-home parents, people in prisons or similar institutions, people employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work.

Table 7: WORKING AGE POPULATION IN AMATHOLE, EASTERN CAPE AND NATIONAL TOTAL, 2013 AND 2023
[NUMBER]

	Amatole		Eastern Cape		National Total	
	2013	2023	2013	2023	2013	2023
15-19	94,900	90,300	702,000	718,000	4,870,000	5,300,000
20-24	92,500	66,500	769,000	596,000	5,390,000	4,590,000
25-29	70,300	63,700	655,000	635,000	5,370,000	5,060,000
30-34	49,700	71,300	471,000	701,000	4,400,000	5,590,000
35-39	34,900	64,600	325,000	602,000	3,550,000	5,380,000
40-44	31,200	48,900	277,000	435,000	3,030,000	4,260,000
45-49	32,500	36,000	264,000	299,000	2,630,000	3,330,000
50-54	35,900	32,400	267,000	254,000	2,290,000	2,800,000
55-59	33,700	31,400	240,000	240,000	1,910,000	2,380,000
60-64	29,100	32,400	198,000	236,000	1,530,000	2,020,000
Total	505,000	538,000	4,170,000	4,720,000	35,000,000	40,700,000

Source: ECSECC, 2024

The working age population in Amatole in 2023 was 538 000, increasing at an average annual rate of 0.64% since 2013. For the same period the working age population for Eastern Cape Province increased at 1.24% annually, while that of South Africa increased at 1.53% annually.

2.2.5.1 Economically Active Population (EAP)

The economically active population (EAP) is a good indicator of how many of the total working age population are in reality participating in the labour market of a region. If a person is economically active, he or she forms part of the labour force. The economically active population (EAP) is defined as the number of people (between the age of 15 and 65) who are able and willing to work, and who are actively looking for work. It includes both employed and unemployed people.

People, who recently have not taken any active steps to find employment, are not included in the measure. These people may (or may not) consider themselves unemployed. Regardless, they are counted as discouraged work seekers, and thus form part of the non-economically active population.

Table 8: ECONOMICALLY ACTIVE POPULATION (EAP) - AMATHOLE, EASTERN CAPE AND NATIONAL TOTAL, 2013-2023
[NUMBER, PERCENTAGE]

	Amatole	Eastern Cape	National Total	Amatole as % of province	Amatole as % of national
2013	165,000	1,830,000	19,300,000	9.0%	0.85%
2014	175,000	1,920,000	20,100,000	9.1%	0.87%
2015	184,000	2,000,000	20,800,000	9.2%	0.88%
2016	194,000	2,090,000	21,500,000	9.3%	0.91%
2017	206,000	2,180,000	22,000,000	9.5%	0.94%
2018	213,000	2,240,000	22,300,000	9.5%	0.95%
2019	225,000	2,330,000	22,700,000	9.7%	0.99%
2020	224,000	2,330,000	22,100,000	9.6%	1.01%
2021	232,000	2,390,000	22,200,000	9.7%	1.04%
2022	241,000	2,470,000	23,100,000	9.8%	1.04%
2023	246,000	2,520,000	24,100,000	9.8%	1.02%
Average Annual growth					
2013-2023	4.10%	3.25%	2.26%		

Source: ECSECC, 2024

Amatole District Municipality's EAP was 246 000 in 2023, which is 27.36% of its total population of 898 000, and roughly 9.77% of the total EAP of the Eastern Cape Province. From 2013 to 2023, the average annual increase in the EAP in the Amatole District Municipality was 4.10%, which is 0.847 percentage points higher than the growth in the EAP of Eastern Cape's for the same period.

2.2.5.2 Labour Force Participation Rate

The labour force participation rate (LFPR) is the Economically Active Population (EAP) expressed as a percentage of the total working age population.

The following is the labour participation rate of the Amathole, Eastern Cape and National Total as a whole.

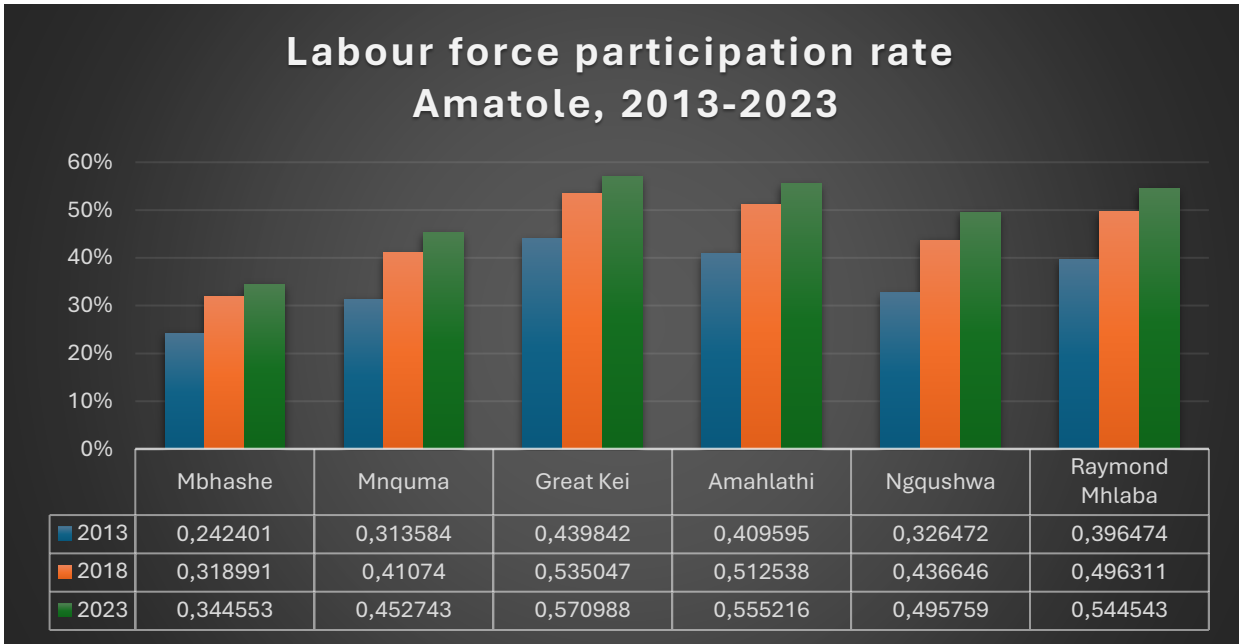
Table 9: THE LABOUR FORCE PARTICIPATION RATE - AMATHOLE, EASTERN CAPE AND NATIONAL TOTAL, 2013 TO 2023 [PERCENTAGE]

	Amatole	Eastern Cape	National Total
2013	32.6%	43.8%	55.2%
2014	34.8%	45.6%	56.6%
2015	36.4%	47.0%	57.7%
2016	38.5%	48.5%	58.8%
2017	40.8%	50.2%	59.5%
2018	41.8%	50.9%	59.4%
2019	43.8%	52.3%	59.4%
2020	43.2%	51.5%	57.0%
2021	44.3%	52.2%	56.5%
2022	45.4%	53.1%	57.8%
2023	45.7%	53.3%	59.3%

Source: ECSECC, 2024

The Amatole District Municipality's labour force participation rate increased from 32.60% to 45.72% which is an increase of 13 percentage points. The Eastern Cape Province increased from 43.84% to 53.35%, South Africa increased from 55.20% to 59.31% from 2013 to 2023. The Amatole District Municipality labour force participation rate exhibited a higher percentage point change compared to the Eastern Cape Province from 2013 to 2023. The Amatole District Municipality had a lower labour force participation rate when compared to South Africa in 2023.

FIGURE 11: THE LABOUR FORCE PARTICIPATION RATE - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2013, 2018 AND 2023 [PERCENTAGE]



Source: ECSECC, 2024

Great Kei Local Municipality had the highest labour force participation rate with 57.1% in 2023 increasing from 44.0% in 2013. Mbhashe Local Municipality had the lowest labour force participation rate of 34.5% in 2023, this increased from 24.2% in 2013.

2.2.5.3 Total Employment

Employment data is a key element in the estimation of unemployment. In addition, trends in employment within different sectors and industries normally indicate significant structural changes in the economy. Employment data is also used in the calculation of productivity, earnings per worker, and other economic indicators. Total employment consists of two parts: employment in the formal sector, and employment in the informal sector.

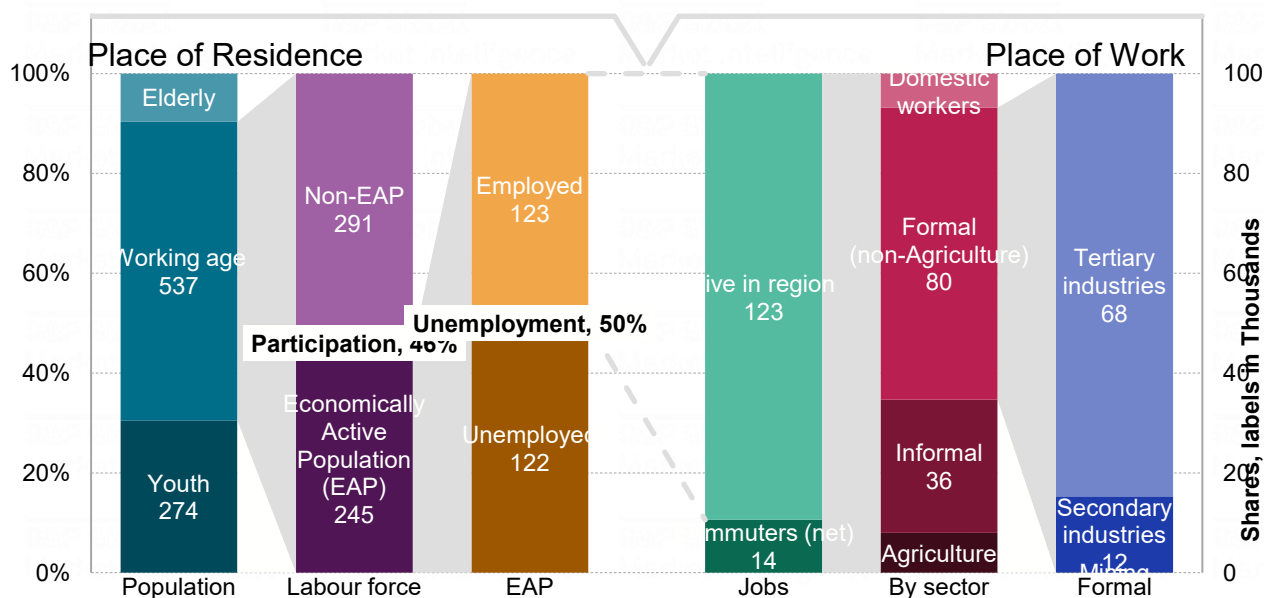
Table 10: TOTAL EMPLOYMENT - AMATHOLE, EASTERN CAPE AND NATIONAL TOTAL, 2008-2019 [NUMBERS]

	Amatole	Eastern Cape	National Total
2009	127,000	1,310,000	13,800,000
2010	120,000	1,260,000	13,500,000
2011	119,000	1,260,000	13,700,000
2012	119,000	1,270,000	14,000,000
2013	123,000	1,310,000	14,500,000
2014	131,000	1,370,000	15,100,000
2015	138,000	1,430,000	15,600,000
2016	142,000	1,470,000	15,900,000
2017	143,000	1,480,000	16,100,000
2018	141,000	1,470,000	16,300,000
2019	138,000	1,450,000	16,300,000
Average Annual growth 2009-2019	0.80%	1.07%	1.65%

Source: ECSECC, 2019

In 2019, Amatole employed 138 000 people which is 9.46% of the total employment in Eastern Cape Province (1.45 million), 0.85% of total employment in South Africa (16.3 million). Employment within Amatole increased annually at an average rate of 0.80% from 2009 to 2019.

FIGURE 12: LABOUR GLIMPSE - AMATOLE DISTRICT MUNICIPALITY, 2023



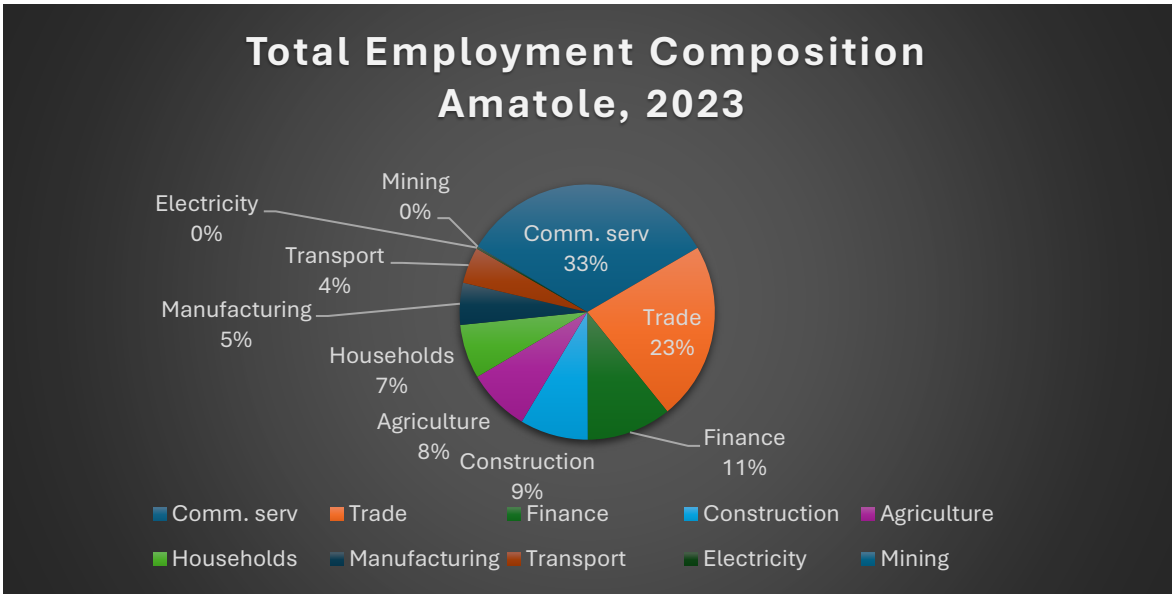
Source: ECSECC, 2024

Reading the chart from the left-most bar, breaking down the total population of the Amatole District Municipality (898 000) into working age and non-working age, the number of people that are of working age is about 538 000. As per definition, those that are of age 0 - 19 (youth) or age 65 and up (pensioners) are part of the non-working age population. Out of the working age group, 45.7% are participating in the labour force, meaning 246 000 residents of the district municipality forms currently part of the economically active population (EAP). Comparing this with the non-economically active population (NEAP) of the district

municipality: fulltime students at tertiary institutions, disabled people, and those choosing not to work, sum to 292 000 people. Out of the economically active population, there are 123 000 that are unemployed, or when expressed as a percentage, an unemployment rate of 49.9%. Up to here all the statistics are measured at the place of residence.

On the far right we have the formal non-Agriculture jobs in Amatole, broken down by the primary (mining), secondary and tertiary industries. The majority of the formal employment lies in the Tertiary industry, with 68 300 jobs. When including the informal, agricultural and domestic workers, we have a total number of 138 000 jobs in the area. Formal jobs make up 58.5% of all jobs in the Amatole District Municipality. The difference between the employment measured at the place of work, and the people employed living in the area can be explained by the net commuters that commute every day into the district municipality.

FIGURE 13: TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - AMATOLE DISTRICT MUNICIPALITY, 2023 [PERCENTAGE]



Source: ECSECC, 2024

Amatole District Municipality employs a total number of 138 000 people within its district municipality. The district municipality that employs the highest number of people relative to the other regions within Eastern Cape Province is Nelson Mandela Bay district municipality with a total number of 428 000. The district municipality that employs the lowest number of people relative to the other regions within Eastern Cape Province is Joe Gqabi district municipality with a total number of 73 400 employed people.

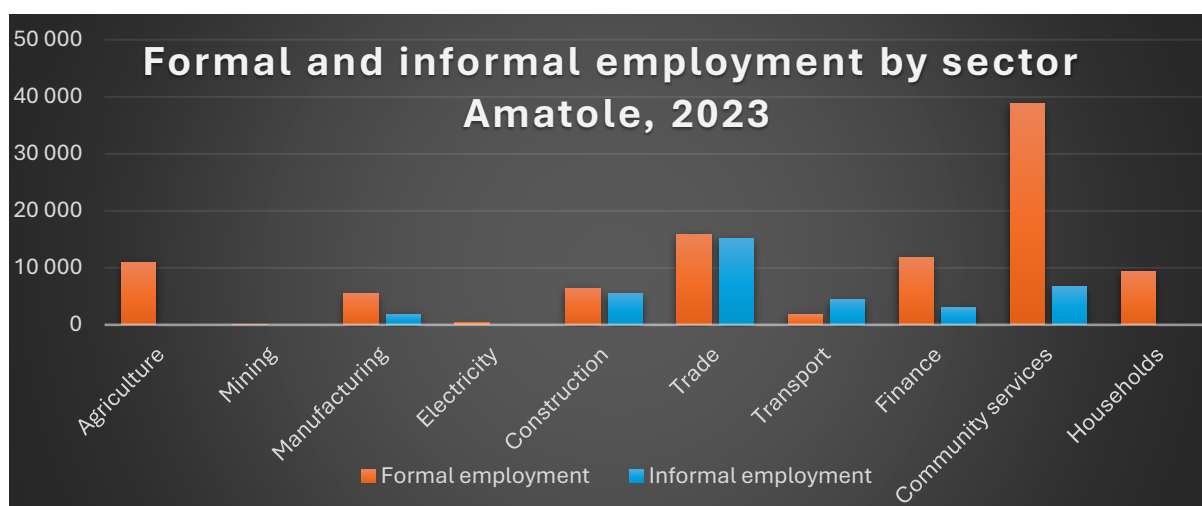
In Amatole District Municipality the economic sectors that recorded the largest number of employment in 2023 were the community services sector with a total of 45 500 employed people or 33.0% of total employment in the district municipality. The trade sector with a total of 31 100 (22.6%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 96 (0.1%) is the sector that employs the least number of people in Amatole District Municipality, followed by the electricity sector with 351 (0.3%) people employed

2.2.5.4 Formal and Informal Employment

Total employment can be broken down into formal and informal sector employment. Formal sector employment is measured from the formal business side, and the informal employment is measured from the household side where formal businesses have not been established. Formal employment is much more stable than informal employment. Informal employment is much harder to measure and manage, simply because it cannot be tracked through the formal business side of the economy. Informal employment is, however, a reality in South Africa and cannot be ignored.

The number of formally employed people in Amathole District Municipality counted 101 000 in 2023, which is about 73.32% of total employment, while the number of people employed in the informal sector counted 36 800 or 26.68% of the total employment. Informal employment in Amathole increased from 30 000 in 2013 to an estimated 36 800 in 2023.

FIGURE 14: FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR - AMATHOLE DISTRICT MUNICIPALITY, 2023 [NUMBERS]



Source: ECSECC, 2024

In 2023 the Trade sector recorded the highest number of informally employed, with a total of 15 200 employees or 41.43% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Manufacturing sector has the lowest informal employment with 1 860 and only contributes 5.07% to total informal employment.

2.2.5.5 Unemployment

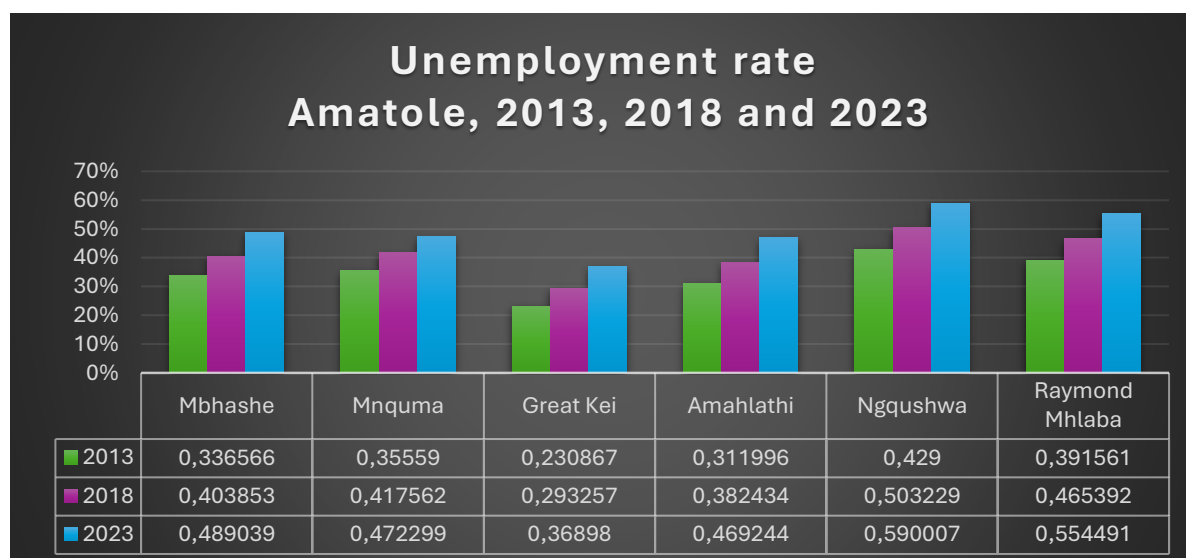
The unemployed includes all persons between 15 and 65 who are currently not working, but who are actively looking for work. It, therefore, excludes people who are not actively seeking work (referred to as discouraged work seekers).

The choice of definition for what constitutes being unemployed has a large impact on the final estimates for all measured labour force variables. The following definition was adopted by the Thirteenth International Conference of Labour Statisticians (Geneva, 1982): The "unemployed" comprise all persons above a specified age who during the reference period were:

- "Without work", i.e. not in paid employment or self-employment;
- "Currently available for work", i.e. were available for paid employment or self-employment during the reference period; and
- "Seeking work", i.e. had taken specific steps in a specified reference period to seek paid employment or self-employment. The specific steps may include registration at a public or private employment exchange; application to employers; checking at worksites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; seeking assistance of friends or relatives; looking for land.

In 2023 the Trade sector recorded the highest number of informally employed, with a total of 15 200 employees or 41.43% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Manufacturing sector has the lowest informal employment with 1 860 and only contributes 5.07% to total informal employment.

FIGURE 15: UNEMPLOYMENT RATE - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2013, 2018 AND 2023 [PERCENTAGE]



Source: ECSECC, 2024

When comparing unemployment rates among regions within Amatole District Municipality, Ngqushwa Local Municipality has indicated the highest unemployment rate of 59.0%, which has increased from 42.9% in 2013. It can be seen that the Great Kei Local Municipality had the lowest unemployment rate of 36.9% in 2023, which increased from 23.1% in 2013.

2.2.6 INCOME AND EXPENDITURE

In a growing economy among which production factors are increasing, most of the household incomes are spent on purchasing goods and services. Therefore, the measuring of the income and expenditure of households is a major indicator of a number of economic trends. It is also a good marker of growth as well as consumer tendencies.

2.2.6.1 Number of Households by Income Category

The number of households is grouped according to predefined income categories or brackets, where income is calculated as the sum of all household gross disposable income: payments in kind, gifts, homemade goods sold, old age pensions, income from informal sector activities, subsistence income, etc.). Note that income tax is included in the income distribution.

Income categories start at R0 - R2,400 per annum and go up to R2,400,000+ per annum. A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. These income brackets do not take into account inflation creep: over time, movement of households "up" the brackets is natural, even if they are not earning any more in real terms.

Table 11: HOUSEHOLDS BY INCOME CATEGORY - AMATHOLE, EASTERN CAPE AND NATIONAL TOTAL, 2023 [NUMBER PERCENTAGE]

	Amatole	Eastern Cape	National Total	Amatole as % of province	Amatole as % of national
0-2400	16	139	1,240	11.4%	1.29%
2400-6000	162	1,390	11,400	11.7%	1.42%
6000-12000	1,100	9,100	71,000	12.1%	1.55%
12000-18000	3,590	29,000	222,000	12.4%	1.61%
18000-30000	13,400	104,000	761,000	12.9%	1.76%
30000-42000	21,000	160,000	1,140,000	13.2%	1.84%
42000-54000	22,900	169,000	1,210,000	13.5%	1.89%
54000-72000	33,900	242,000	1,740,000	14.0%	1.95%
72000-96000	35,600	257,000	1,950,000	13.8%	1.82%
96000-132000	31,900	238,000	1,960,000	13.4%	1.63%
132000-192000	29,800	232,000	2,060,000	12.9%	1.44%
192000-360000	29,300	261,000	2,630,000	11.2%	1.12%
360000-600000	12,900	138,000	1,580,000	9.3%	0.82%
600000-1200000	9,430	122,000	1,560,000	7.8%	0.60%
1200000-2400000	2,460	40,200	558,000	6.1%	0.44%
2400000+	283	7,390	112,000	3.8%	0.25%
Total	248,000	2,010,000	17,600,000	12.3%	1.41%

Source: ECSECC, 2024

It was estimated that in 2023 7.38% of all the households in the Amatole District Municipality, were living on R30,000 or less per annum. In comparison with 2013's 25.62%, the number is more than half. The 72000-96000 income category has the highest number of households with a total number of 35 600,

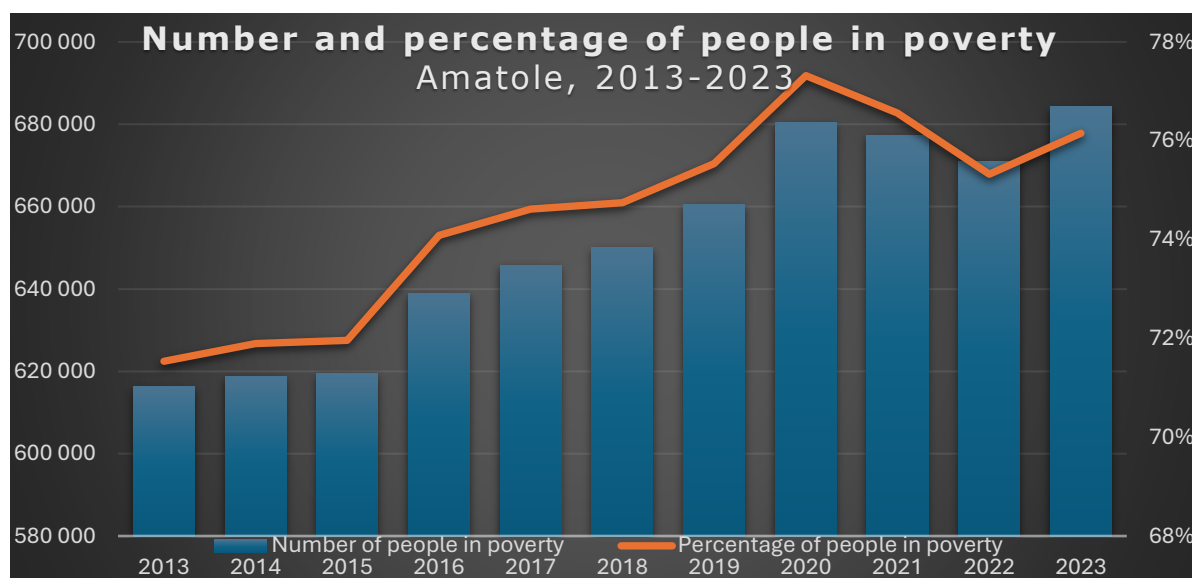
followed by the 54000-72000 income category with 33 900 households. Only 16 households fall within the 0-2400 income category

2.2.7 DEVELOPMENT

2.2.7.1 Poverty

The upper poverty line is defined by StatsSA as the level of consumption at which individuals are able to purchase both sufficient food and non-food items without sacrificing one for the other. These variable measures the number of individuals living below that particular level of consumption for the given area and is balanced directly to the official upper poverty rate as measured by StatsSA.

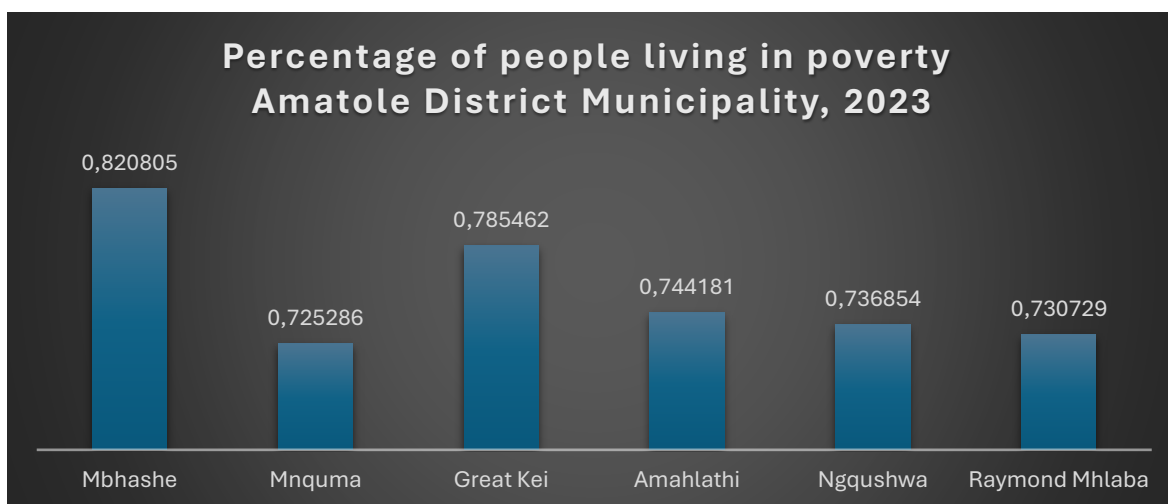
FIGURE 16: NUMBER AND PERCENTAGE OF PEOPLE LIVING IN POVERTY - AMATHOLE DISTRICT MUNICIPALITY, 2013-2023 [NUMBER PERCENTAGE]



Source: ECSECC, 2024

In 2023, there were 684 000 people living in poverty, using the upper poverty line definition, across Amathole District Municipality - this is 11.02% higher than the 616 000 in 2013. The percentage of people living in poverty has increased from 71.54% in 2013 to 76.15% in 2023, which indicates a increase of -4.61 percentage points.

FIGURE 17: PERCENTAGE OF PEOPLE LIVING IN POVERTY - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2023 [PERCENTAGE]



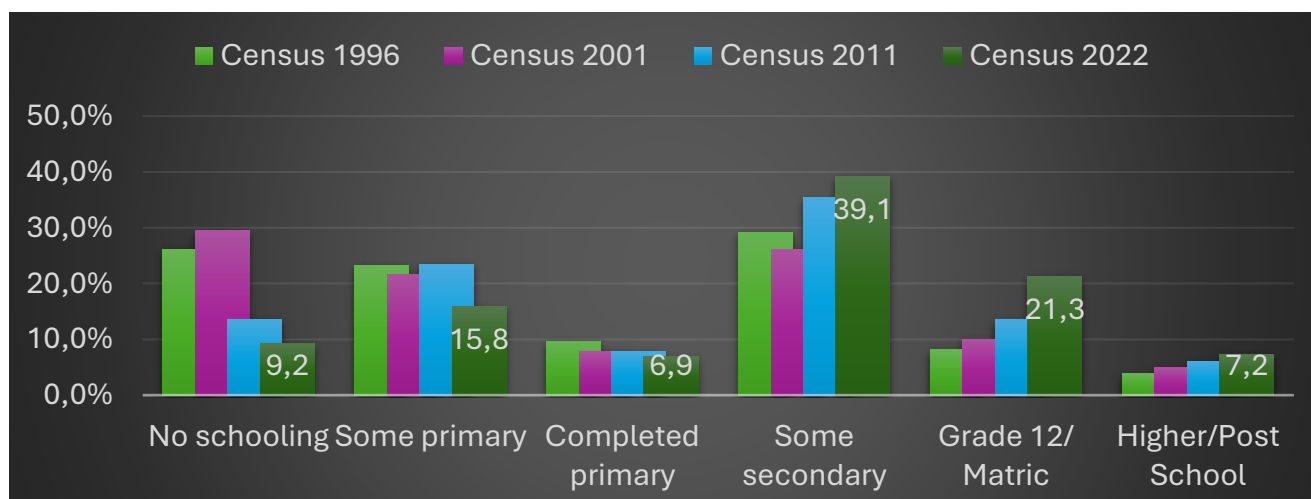
Source: ECSECC, 2024

In terms of the percentage of people living in poverty for each of the regions within the Amatole District Municipality, Mbhashe Local Municipality has the highest percentage of people living in poverty, using the upper poverty line definition, with a total of 82.1%. The lowest percentage of people living in poverty can be observed in the Mnquma Local Municipality with a total of 72.5% living in poverty, using the upper poverty line definition.

2.2.7.2 Education

Educating is important to the economic growth in a country and the development of its industries, providing a trained workforce and skilled professionals required. The education measure represents the highest level of education of an individual, using the 15 years and older age category. (According to the United Nations definition of education, one is an adult when 15 years or older. IHS uses this cut-off point to allow for cross-country comparisons. Furthermore, the age of 15 is also the legal age at which children may leave school in South Africa).

FIGURE 18: HIGHEST LEVEL OF EDUCATION: IN AMATHOLE, 1996-2022 [PERCENTAGE]



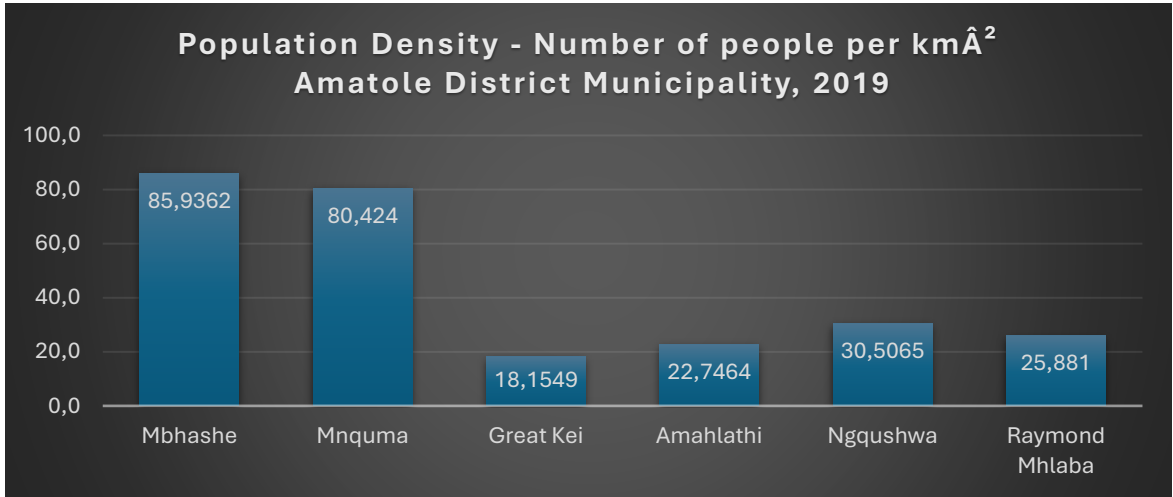
Source: ECSECC, 2024

The number of people without any schooling in Amatole District Municipality accounts for 9.2% of the number of people without schooling in the province and a total share of 2.11% of the national. In 2022, the percentage of people in Amatole District Municipality with a matric increased by a significant percentage to 21.3% compared to the previous year. There has been a gradual increase observed in the percentage of people with higher or post school education to 7.2% comparison made from 1996 to 2022. It is however worth noting that the population with some secondary education has also been gradually improving and was recorded to be 39.1% in 2022.

2.2.8 POPULATION DENSITY

Population density measures the concentration of people in a region. To calculate this, the population of a region is divided by the area size of that region. The output is presented as the number of people per square kilometre.

FIGURE 19: POPULATION DENSITY - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES,2024 [PERCENTAGE]



Source: ECSECC, 2024

In terms of the population density for each of the regions within the Amatole District Municipality, Mbhashe Local Municipality had the highest density, with 85.9 people per square kilometre. The lowest population density can be observed in the Great Kei Local Municipality with a total of 18.2 people per square kilometre

2.2.9 CRIME

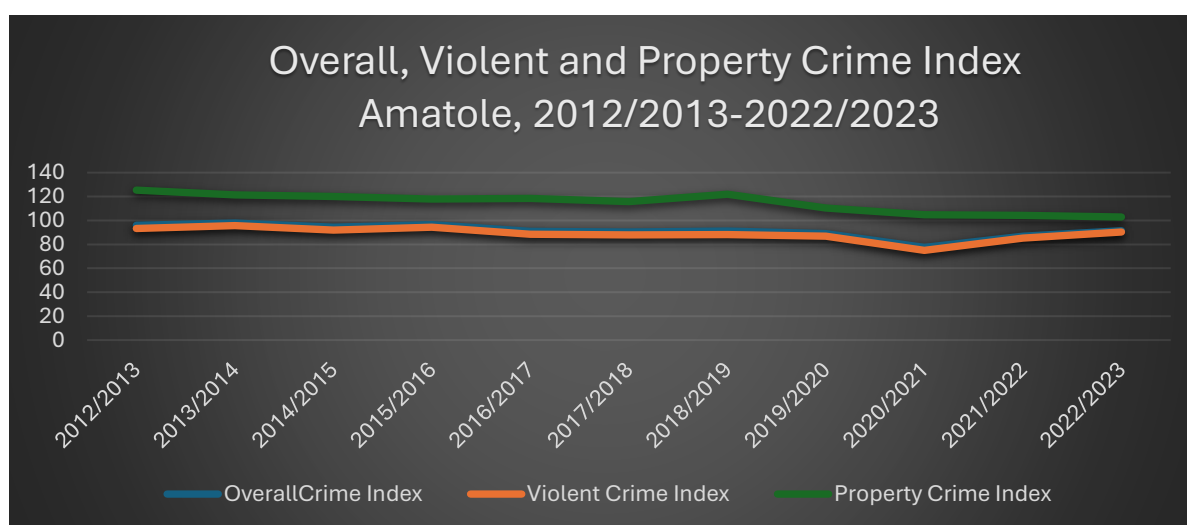
The state of crime in South Africa has been the topic of many media articles and papers in the past years, and although many would acknowledge that the country has a crime problem, very little research has been done on the relative level of crime.

The media often tend to focus on more negative or sensational information, while the progress made in combating crime is neglected.

2.2.9.1 IHS Composite Crime Index

The crime index is a composite, weighted index which measures crime. The higher the index number, the higher the level of crime for that specific year in a particular region. The index is best used by looking at the change over time or comparing the crime levels across regions. The IHS Composite Crime Index makes use of the official SAPS data, which is reported in 27 crime categories (ranging from murder to crime injuries). These 27 categories are divided into two groups according to the nature of the crime: i.e. violent crimes and property crimes. IHS uses the (a) Length-of-sentence and the (b) Cost-of-crime in order to apply a weight to each category.

FIGURE 20: IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - AMATHOLE DISTRICT MUNICIPALITY, 2012/2013-2022/2023 [INDEX VALUE]



Source: ECSECC, 2024

For the period 2012/2013 to 2022/2023 overall crime has decrease at an average annual rate of 0.49% within the Amatole District Municipality. Violent crime decreased by 0.33% since 2012/2013, while property crimes decreased by 1.95% between the 2012/2013 and 2022/2023 financial years

2.2.10 HOUSEHOLD INFRASTRUCTURE

Drawing on the household infrastructure data of a region is of essential value in economic planning and social development. Assessing household infrastructure involves the measurement of four indicators:

- Access to dwelling units;
- Access to proper sanitation;
- Access to running water;
- Access to refuse removal; and
- Access to electricity.

A household is considered "serviced" if it has access to all four of these basic services. If not, the household is considered to be part of the backlog. The way access to a given service is defined (and how to accurately measure that specific Definition over time) gives rise to some distinct problems. IHS has therefore developed a unique model to capture the number of households and their level of access to the four basic services. A household is defined as a group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone.

2.2.10.1 Household by Dwelling Type

Using the StatsSA definition of a household and a dwelling unit, households can be categorised according to the type of dwelling. The categories are:

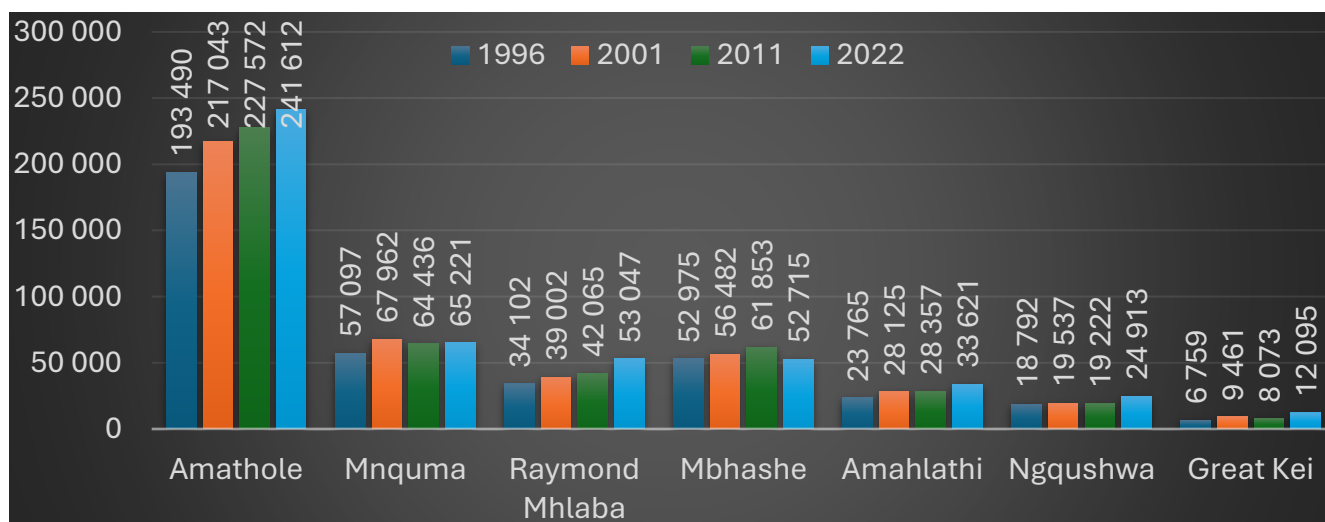
- **Very formal dwellings** - structures built according to approved plans, e.g. houses on a separate stand, flats or apartments, townhouses, rooms in backyards that also have running water and flush toilets within the dwelling;
- **Formal dwellings** - structures built according to approved plans, i.e. house on a separate stand, flat or apartment, townhouse, room in backyard, rooms or flatlet elsewhere etc, but without running water or without a flush toilet within the dwelling;
- **Informal dwellings** - shacks or shanties in informal settlements, serviced stands or proclaimed townships, as well as shacks in the backyards of other dwelling types;
- **Traditional dwellings** - structures made of clay, mud, reeds, or other locally available material; and
- **Other dwelling units** - tents, ships, caravans, etc.

Table 12: NUMBER OF HOUSEHOLDS – AMATHOLE AND SIX MUNICIPALITIES, 2022 [NUMBER PER DWELLING TYPE]

2022	Households 2022		Type of main dwelling 2022			
Municipality	Total households	Average household size	Formal dwelling	Traditional dwelling	Informal dwelling	Other
Amathole	241 612	3,6	195 938	39 419	4 892	1 362
Mbashe	52 715	4,6	36 476	15 734	268	237
Mnquma	65 221	3,6	51 526	12 249	782	664
Great Kei	12 095	3,0	10 335	599	1 099	62
Amahlathi	33 621	3,4	28 344	4 145	986	147
Ngqushwa	24 913	2,7	22 268	2 143	420	83
Raymond Mhlaba	53 047	3,4	46 990	4 549	1 339	170

Source: ECSECC, 2024

FIGURE 21: NUMBER OF HOUSEHOLDS – AMATHOLE AND SIX MUNICIPALITIES, 1996-2022



Source: Stats SA, 2022

Amatole District Municipality had a total of 195 938 of households formal dwelling units and a total number of 4 892 informal dwelling units.

The region within the Amatole District Municipality with the highest number of formal dwelling units is the Raymond Mhlaba Local Municipality with 46 900 of the total very formal dwelling units within Amatole District Municipality. The region with the lowest number of formal dwelling units is the Great Kei Local Municipality with a total of 10 335 of the total very formal dwelling units within Amatole District Municipality. It is worth noting that in Great Kei Local Municipality it almost double its households between 1996 and 2022.

2.2.10.2 Household by Type of Sanitation

Sanitation can be divided into specific types of sanitation to which a household has access. We use the following categories:

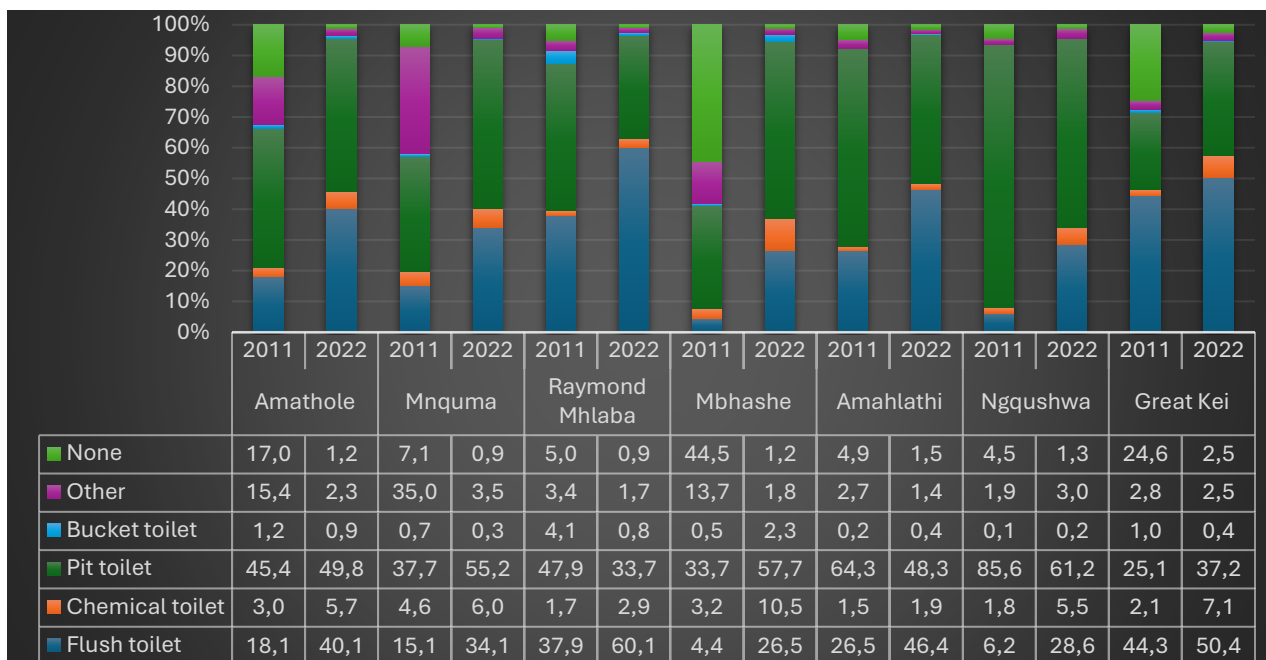
- **No toilet** - No access to any of the toilet systems explained below;
- **Bucket system** - A top structure with a seat over a bucket. The bucket is periodically removed and the contents disposed of. (Note: this system is widely used but poses health risks to the collectors. Most authorities are actively attempting to discontinue the use of these buckets in their local regions);
- **Pit toilet** - A top structure over a pit;
- **Ventilation improved pit** - A pit toilet but with a fly screen and vented by a pipe. Depending on soil conditions, the pit may be lined;
- **Flush toilet** - Waste is flushed into an enclosed tank, thus preventing the waste to flow into the surrounding environment. The tanks need to be emptied or the contents pumped elsewhere.

Table 13: HOUSEHOLDS BY TYPE OF SANITATION - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2018 [NUMBER]

Municipality	Flush toilet	Chemical toilet	Pit toilet	Bucket toilet	Other	None	Total
Mbhashe	13,944	5,521	30,426	1,234	933	657	52,715
Mnquma	22,244	3,899	36,015	210	2,281	571	65,221
Great Kei	6,091	854	4,494	54	296	305	12,095
Amahlathi	15,592	643	16,237	150	487	514	33,621
Ngqushwa	7,137	1,381	15,259	56	746	335	24,913
Raymond Mhlaba	31,877	1,516	17,851	436	899	469	53,047
Amathole	96,884	13,815	120,281	2,139	5,642	2,851	241,612

Source: ECSECC, 2024

FIGURE 22: HOUSEHOLDS BY TYPE OF SANITATION -IN AMATHOLE, 2022 [PERCENTAGE]

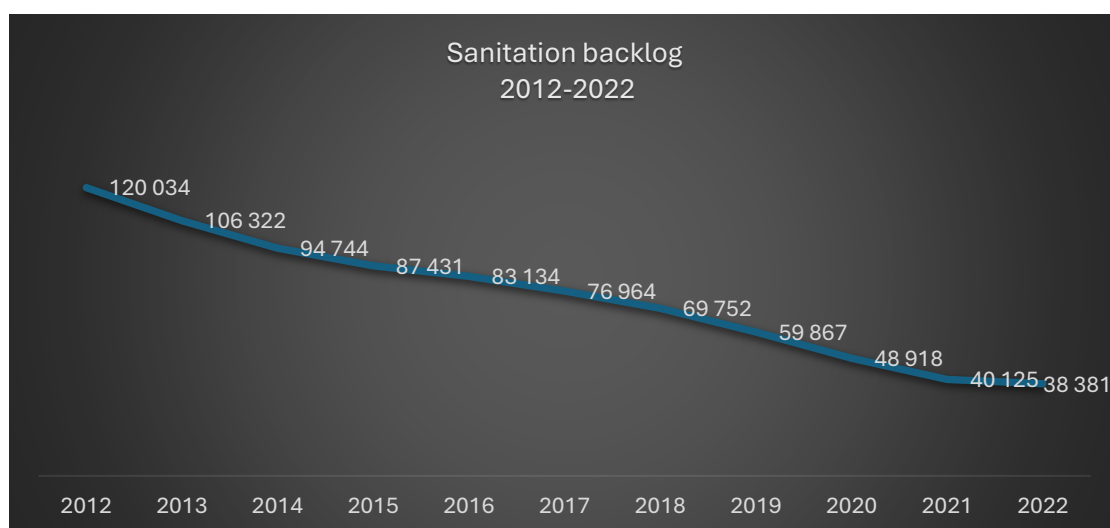


Source: Stats SA, 2022

Amatole District Municipality had a total number of 96 884 flush toilets (40.1% of total households), 13 815 Chemical toilet 13 815 (5.7% of total households) and 120 281 (49.8%) of total households pit toilets.

The region within Amatole with the highest number of flush toilets is Raymond Mhlaba Local Municipality with 31 877 of the flush toilets within Amatole. The region with the lowest number of flush toilets is Great Kei Local Municipality with a total of 6 091 of the total flush toilets within Amatole District Municipality.

FIGURE 23: SANITATION BACKLOG - AMATHOLE DISTRICT MUNICIPALITY, 2012-2022 [NUMBER OF HOUSEHOLDS WITHOUT HYGIENIC TOILETS]



Source: ECSECC, 2024

When looking at the sanitation backlog (number of households without hygienic toilets) over time, it can be seen that in 2012 the number of Households without any hygienic toilets in Amatole District Municipality was 120 000, this decreased annually at a rate of -10.78% to 38 400 in 2022

2.2.10.3 Households by Access to Water

Table 14: HOUSEHOLDS BY TYPE OF WATER ACCESS - AMATHOLE DISTRICT MUNICIPALITY, 2022 [NUMBER]

	Piped (tap) water inside dwelling	Piped (tap) water inside yard	Piped (tap) water on community stand	No access to piped (tap) water	Total
Mbhashe	14,061	2,565	10,448	25,641	52,715
Mnquma	21,712	4,008	14,074	25,426	65,221
Great Kei	4,569	1,522	2,965	3,039	12,095
Amahlathi	12,866	10,579	7,116	3,060	33,621
Ngqushwa	7,254	5,337	5,880	6,443	24,913
Raymond Mhlaba	23,192	13,542	10,413	5,900	53,047
Total Amatole	83,655	37,554	50,896	69,508	241,612

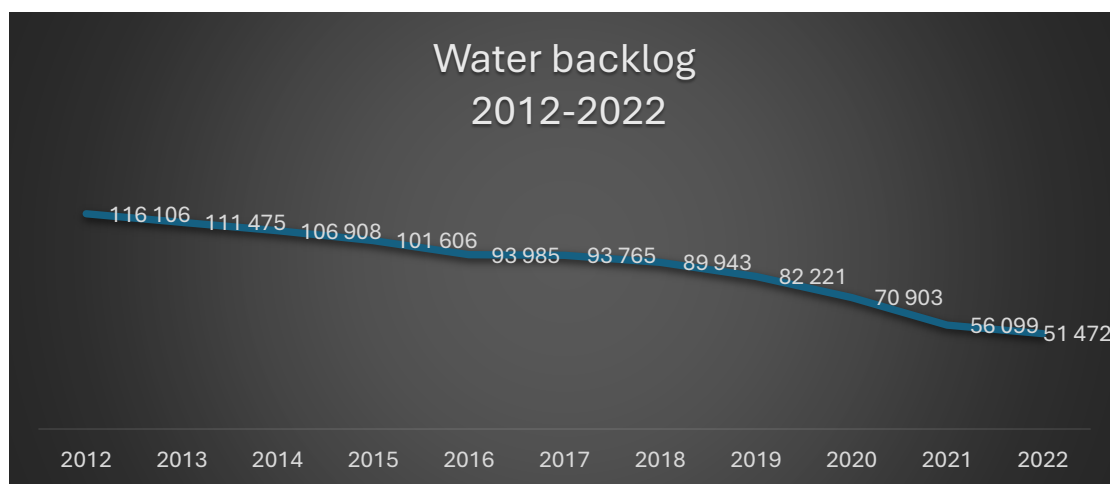
Source: Stats SA, 2022

Amatole District Municipality had a total number of 83 655 households with piped water inside the dwelling, a total of 37 554 households had piped water inside the yard and a total number of 69 508 households had no access to piped water.

The regions within Amatole District Municipality with the highest number of households with piped water inside the dwelling is Raymond Mhlaba Local Municipality with 23 192 of the households with piped water inside the dwelling within Amatole District Municipality. The region with the lowest number of households with piped water inside the dwelling is Great Kei Local Municipality with a total of 4 569 of the total

households with piped water inside the dwelling within Amatole District Municipality mainly because it has the lowest number of household and population.

FIGURE 24: WATER BACKLOG - AMATHOLE DISTRICT MUNICIPALITY, 2012-2024 [NUMBER OF HOUSEHOLDS BELOW RDP-LEVEL]



Source: ECSECC, 2024

When looking at the water backlog (number of households below RDP-level) over time, it can be seen that in 2012 the number of households below the RDP-level were 116 000 within Amatole District Municipality, this decreased annually at -7.81% per annum to 51 500 in 2022.

2.2.10.4 Households by Type of Electricity

Households are distributed into 3 electricity usage categories: Households using electricity for cooking, Households using electricity for heating, households using electricity for lighting. Household using solar power are included as part of households with an electrical connection. This time series categorises households in a region according to their access to electricity (electrical connection).

Table 15: HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2022 [NUMBER]

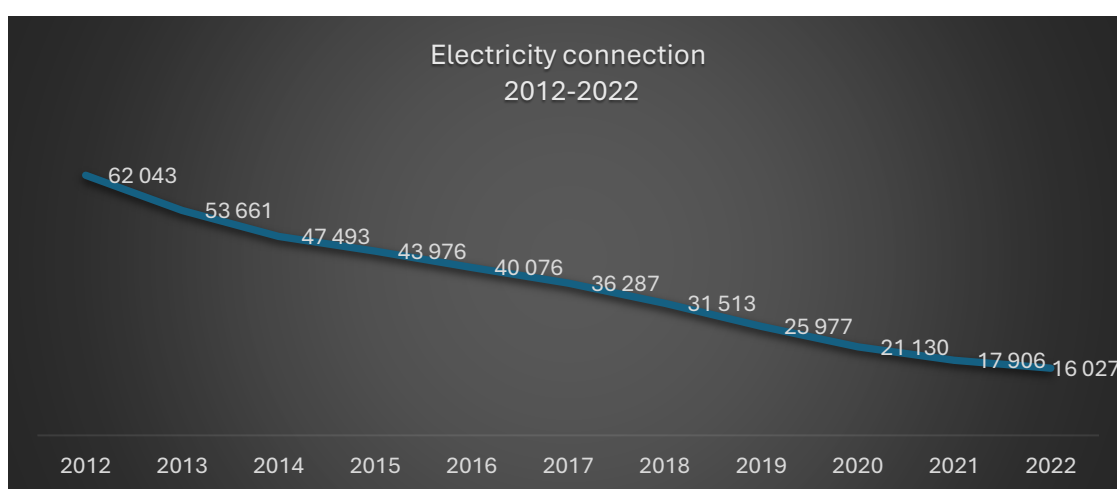
	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Mbhashe	5,930	54,857	7,825	68,612
Mnquma	4,082	61,197	5,978	71,258
Great Kei	309	7,881	520	8,710
Amahlathi	1,094	27,183	712	28,989
Ngqushwa	805	18,250	291	19,346
Raymond Mhlaba	977	42,883	700	44,560
Total Amatole	13,197	212,252	16,027	241,476

Source: ECSECC, 2024

Amatole District Municipality had a total number of 13 197 households with electricity for lighting only, a total of 212 252 households had electricity for lighting and other purposes and a total number of 16 027 households did not use electricity.

The region within Amatole with the highest number of households with electricity for lighting and other purposes is Mnquma Local Municipality with 61 200 or a share of 28.83% of the households with electricity for lighting and other purposes within Amatole District Municipality. The Region with the lowest number of households with electricity for lighting and other purposes is Great Kei Local Municipality with a total of 7 881 or a share of 3.71% of the total households with electricity for lighting and other purposes within Amatole District Municipality.

FIGURE 25: ELECTRICITY CONNECTION - AMATHOLE DISTRICT MUNICIPALITY, 2012-2022 [NUMBER OF HOUSEHOLDS WITH NO ELECTRICAL CONNECTION]



Source: ECSECC, 2024

When looking at the number of households with no electrical connection over time, it can be seen that in 2012 the households without an electrical connection in Amatole District Municipality was 62 000, this decreased annually at -12.66% per annum to 16 000 in 2022.

2.2.10.5 Households by Refuse Disposal

A distinction is made between formal and informal refuse removal. When refuse is removed by the local authorities, it is referred to as formal refuse removal. Informal refuse removal is where either the household or the community dispose of the waste, or where there is no refuse removal at all. A further breakdown is used in terms of the frequency by which the refuse is taken away, thus leading to the following categories:

- Removed weekly by authority
- Removed less often than weekly by authority
- Removed by community members
- Personal removal / (own dump)
- No refuse removal

Table 16: HOUSEHOLDS BY REFUSE DISPOSAL - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2018 [NUMBER]

	Removed by local authority/ private company/ community members at least once a week	Removed by local authority/ private company/ community members less often	Communal refuse dump	Communal container/ central collection point	Own refuse dump	Dump or leave rubbish anywhere (no rubbish disposal)	Other	Total
Mbhashe	14,139	88	564	678	29,587	6,847	812	52,715
Mnquma	21,086	60	1,104	431	33,371	6,112	3,057	65,221
Great Kei	5,067	57	120	233	5,244	932	443	12,095
Amahlathi	13,336	227	410	1,323	16,067	1,471	788	33,621
Ngqushwa	6,024	15	338	433	16,527	1,271	306	24,913
Raymond Mhlaba	25,808	327	478	1,164	21,600	3,099	572	53,047
Total Amatole	85,459	773	3,013	4,261	122,396	19,733	5,976	241,612

Source: Stats SA, 2022

Amatole District Municipality had a total number of 85 459 households which had their refuse removed by local authority/ private company/ community members at least once a week, a total of 773 households had their refuse Removed by local authority/ private company/ community members less often and a total number of 122 396 households which had to remove their own refuse dump, which is a significant high number and minimum decrease is observed compared to other years.

The region within Amatole with the highest number of households where the refuse removed by local authority/ private company/ community members at least once a week, is Raymond Mhlaba Local Municipality with 25 808 within Amatole. Great Kie Local Municipality has the lowest at 5 076 mainly due to a significant low number of households and population at large.

FIGURE 26: REFUSE REMOVAL - AMATHOLE DISTRICT MUNICIPALITY, 2012-2022 [NUMBER OF HOUSEHOLDS WITH NO FORMAL REFUSE REMOVAL]



Source: ECSECC, 2024

When looking at the number of households with no formal refuse removal, it can be seen that in 2012 the households with no formal refuse removal in Amatole District Municipality was 188 000, this increased annually at 0.80% per annum to 204 000 in 2022. The total number of households within Amatole District Municipality increased at an average annual rate of 0.58% from 2012 to 2022, which is higher than the annual increase of 1.62% in the number of households in South Africa.

2.2.11 TOURISM

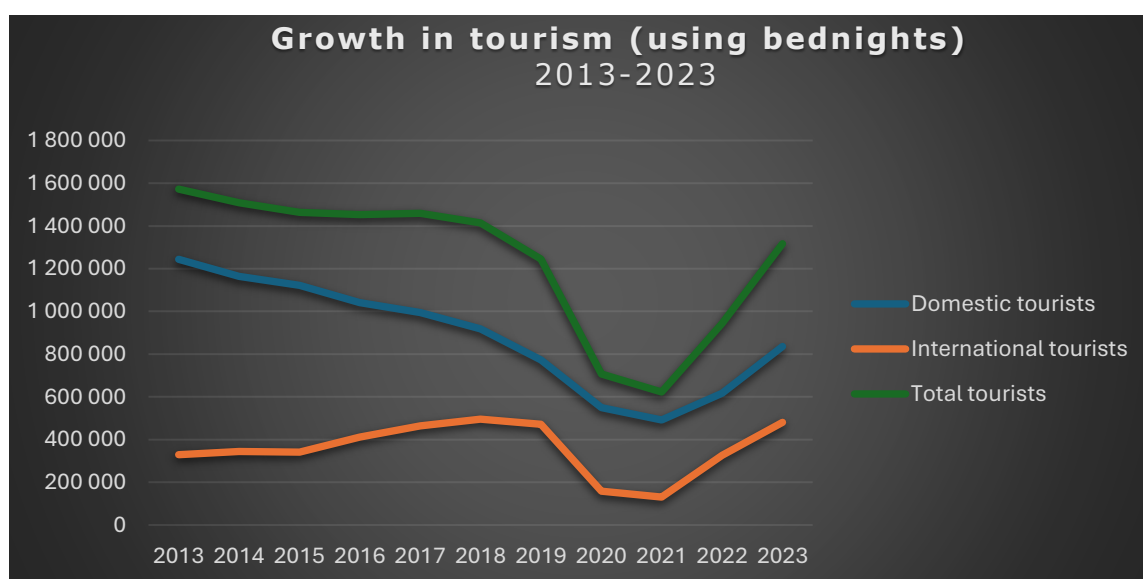
Tourism can be defined as the non-commercial organisation plus operation of vacations and visits to a place of interest. Whether you visit a relative or friend, travel for business purposes, go on holiday or on medical and religious trips - these are all included in tourism. As defined by the United Nations World Tourism Organisation (UN WTO), a trip refers to travel, by a person, from the time they leave their usual residence until they return to that residence.

This is usually referred to as a round trip. IHS likes to narrow this definition down to overnight trips only, and only those made by adult visitors (over 18 years). Also note that the number of "person" trips are measured, not household or "party trips".

The main purpose of an overnight trip is grouped into these categories:

- Leisure / Holiday;
- Business;
- Visits to friends and relatives; and
- Other (Medical, Religious, etc.)

FIGURE 27: GROWTH IN TOURISM (USING BEDNIGHTS) BY ORIGIN - AMATHOLE DISTRICT MUNICIPALITY, 2013-2023
[NUMBER]



Source: ECSECC, 2024

The number of trips by tourists visiting Amatole District Municipality from other regions in South Africa has increased at a very high average annual rate of 5.30% from 2013 (356 000) to 2023 (597 000). The tourists visiting from other countries increased at an average annual growth rate of -0.58% (from 30 800 in 2013 to 29 000). International tourists constitute 4.64% of the total number of trips, with domestic tourism representing the balance of 95.36%. From 2013 to 2023, the number of bed nights spent by domestic tourists has decreased at an average annual rate of -3.89%, while in the same period the international tourists had an average annual increase of 3.87%. The total number of bed nights spent by tourists decreased at an average annual growth rate of -1.76% from 1.57 million in 2013 to 1.32 million in 2023.

2.2.12 AGRICULTURE

The Agricultural Sector contributes 11.7% on the gross domestic product of the Eastern Cape in terms of Statistics South Africa of 2022. The percentage varies according to quarterly data provided every year. However, what could be noted is live data which the Department of Agriculture produces as estimates in ensuring there is better planning towards greater contributions in GDP. Over the years the department has noted a need to improve infrastructure that could yield greater lucrative for the district. One of the species that have been identified as highest contributors are cattle and sheep farming with estimates on the table below:

Table 17: LIVESTOCK NUMBERS 2025

MUNICIPALITY	SPECIES		
	CATTLE	SHEEP	DOGS/CATS
AM AHLATHI	30 513	19 154	10 254
GREAT KEI	20 050	11 545	11 373
MBASHE	100 000	500 000	35 312
MNQUMA	55 005	300 000	53 000
NGQUSHWA	46 890	32 848	6 923
RAYMOND Mhlaba	98 931	52 320	12 383
TOTAL	292 393	62 867	126 245

Source: Department of Agriculture 2026 Estimates

There are a number of backlogs that have been identified which pose as farming challenges across the district. Ensuring that there are dipping facilities which could create better care of livestock within the district. Backlogs are depicted as per table below:

Table 18: DIPPING TANK INFORMATION AND BACKLOG 2021- 2025

MUNICIPALITY	TOTAL NUMBER OF DIPTANKS	TOTAL NEEDING REPAIRS	NATURE OF REPAIRS	NUMBER REPAIRED IN 2021 - 2025	VALUE ASSOCIATED WITH REPAIRS
Amahlathi	51	43	kraals, fences, dipping holes plunge walls	3	Increase in livestock numbers Improved access for primary animal health care
Great Kei	10	4	kraals, fences, dipping holes plunge walls	3	
Mbashe	123	55	kraals, fences, dipping holes plunge walls	6	

MUNICIPALITY	TOTAL NUMBER OF DIPTANKS	TOTAL NEEDING REPAIRS	NATURE OF REPAIRS	NUMBER REPAIRED IN 2021 - 2025	VALUE ASSOCIATED WITH REPAIRS
Mnquma	125	93	kraals, fences, dipping holes plunge walls	5	Employment of Community Animal Health Workers
Ngqushwa	77	49	kraals, fences, dipping holes plunge walls	3	
RMM	113	70	kraals, fences, dipping holes plunge walls	3	
TOTAL	599	314			

Source: Department of Agriculture 2026 Estimates

The table below illustrates the number of economic road fractures and kilometres that could be developed to harness greater scales of economic growth with a funding requirement estimated to be R39 million rand to develop 78 kms:

Table 19: ECONOMIC ROAD INFRASTRUCTURE

PROJECT	ACTIVITY	EST. COST	SPECIFICS	KM
TOMATO ROADS				
Design of Tomato Roads	Design of Siyavuselela, Sixolweni, Wattlegrove, Abba and Endaweni gravel road	400 000.00	Siyavuselela Brakfontein	1
Re-gravel and upgrade of Tomato Roads	Regravelling of Siyavuselela road	850 000.00	Siyavuselela Brakfontein	1.5
Re-gravel and upgrade Tomato Road	Regravelling of Sixolweni regravelling of road	1 250 000.00	Brakfontein	2.5
Re-gravel and upgrade Tomato Road	Wattlegroove Regravelling of road	750 000.00	Brakfontein	1.5
Re-gravel and upgrade Tomato Road	Abba Regravelling of road	2 000 000.00	Thornpark	4
Re-gravel and upgrade Tomato Road	Endalweni Regravelling of road	1 500 000.00	Mooiplaas	3
Sub-total		R6 750 000.00		13.5
CITRUS ROADS				
Design of Citrus Farm Roads	Design of Ripplemead, Naudeshoek, Siyamila and Waterfall Roads	2 000 000.00	Peddie	
Re-gravel and upgrade Citrus Roads	Pipplemead Farm Regravelling of road	14 750 000.00	Peddie	33.5
Re-gravel and upgrade Citrus Roads	Naudeshoek Farm Regravelling of road	2 250 000.00	Peddie	4.5
Re-gravel and upgrade Citrus Roads	Siyamila Farm Regravelling of road	1 500 000.00	Peddie	3
Re-gravel and upgrade Citrus Roads	Waterfall Farm Re-gravelling of road	3 000 000.00	Peddie	6
Sub-total		23 500 000.00		47

PROJECT	ACTIVITY	EST. COST	SPECIFICS	KM
ZANYOKWE IRRIGATION				
Design of Zanyokwe Irrigation Road	Design of Zanyokwe Road	250 000.00	Keiskammahoek	
Re-gravel and upgrade Zankokwe Irrigation Road	Zanyokwe Scheme Regravelling of road	8 500 000.00	Keiskammahoek	17.5
Sub-total		8 750 000.00		17.5
Grand Total		R39m		78km

Source: Department of Agriculture 2026 Estimates



2026/27

CHAPTER THREE: STATUS QUO ANALYSIS



CHAPTER THREE

STATUS QUO ANALYSIS

3.1 KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

DDM: Demographic Change and People Development
Governance and Finance Management
Economic Positioning
B2B: Building Capable Institutions and Administration

A diagnostic analysis was undertaken by ADM in conjunction with Municipal Infrastructure Support Agency (MISA)/Lidwala to determine the overall size of the workforce as well as its composition, demographical and educational levels. The aim was also to determine the numbers per occupational level and functional area of responsibility, as well as the number of vacancies. The analysis also covered the total volume of work, type of work and skills requirements per occupational category.

Notably, in the status quo analysis, there were discrepancies regarding positions in the staff establishment that were not in line with the powers and functions of a Water Services Authority, incorrect skills levels of positions and the bloated Budget & Treasury Office.

As part of the MTI component and its contribution to the pillar that deals with a Resilient district, the department will roll out programmes which will ensure that ADM is stabilized financially and administratively, and such programmes are listed below. The implementation of the job evaluation programme which is linked to the reviewal of the Establishment Plan will ensure that the cost of employment is brought to acceptable levels.

The implementation of the Makhanda High Court Judgement which set aside the illegal standardization and re-categorisation further enhance the objective to lower the cost of employment within Amathole District Municipality.

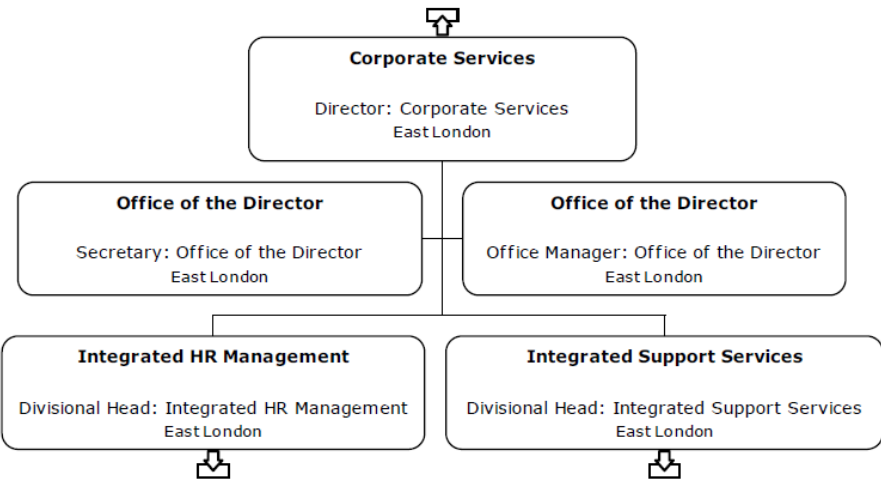
On the other hand, the Municipal Turnaround Strategy (MTAS), prompted the review of the Organisational Structure to properly align the Organogram with the mandate and core business of the organisation. The MTAS emerged with eight pillars and for purposes of this chapter, the focus will be on Institutional Development which “seeks to build a culture of excellence and a value based organization through, amongst others, organizational development and design”.

3.1.1 DIRECTORATE OVERVIEW

The Corporate Services department is one of 6 departments within Amathole District Municipal and is headed by a Director, who was appointed in terms of section 56/57 of the Municipal System Act 32 of 2000 as amended.

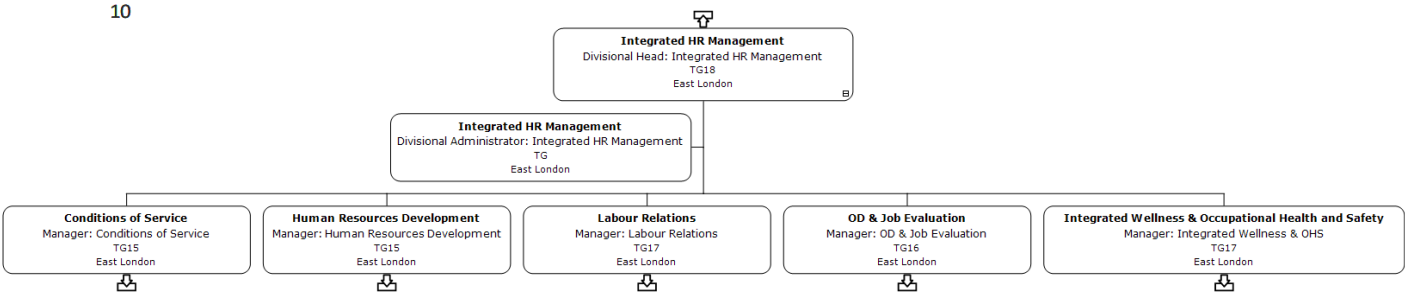
The mandate of the department is to become a strategic partner to core business through the provisioning of sound human resources and efficient administration services. The Office of the Director: Corporate Services is resourced with a Personal Assistant (PA) to the Head of Department and Office Manager.

Corporate Services Department developed a staff establishment plan and was tabled before Council on the 31 January 2024, where it was approved. The 2023/2024 organogram contains 1897 employees, and this figure includes Section 55 and 56 Managers positions. The Department has its core staff situated in the head office in East London whilst there are some few staff members who are based in the satellite offices. The Department has two divisions which are namely, Integrated Human Resource Management (IHRM) and Integrated Support Services (ISS). The structure of the Department then allows for the Divisions to be supported by Units which are managed by Unit Managers. The Structure of Corporate Services at a micro level is as follows:-



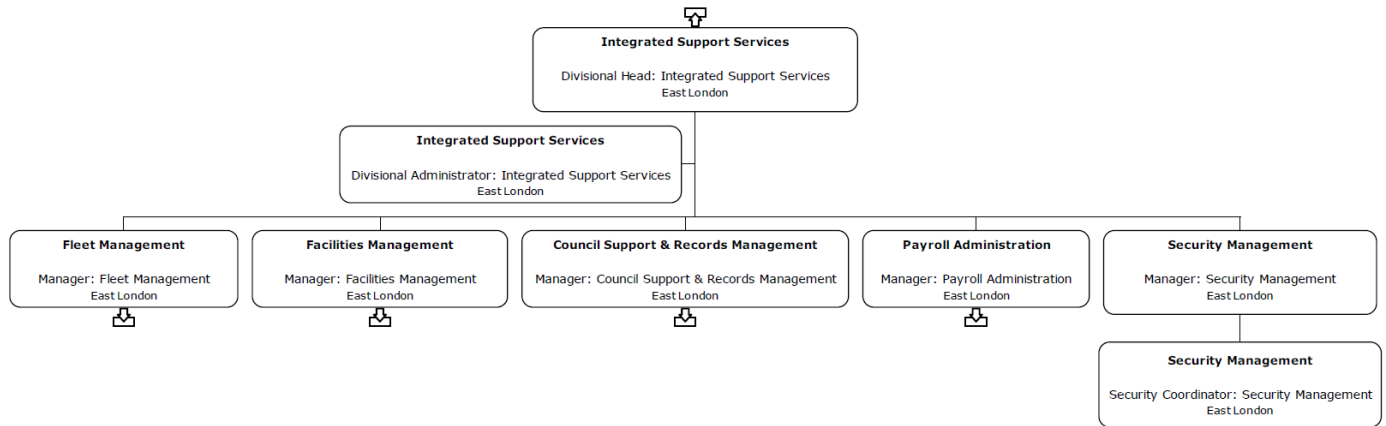
The department is structured such that there are three Divisions in the form of :-

INTEGRATED HR MANAGEMENT DIVISION



INTEGRATED SUPPORT SERVICES DIVISION

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KEY FUNCTIONS OF THE DEPARTMENT

- Conditions of service, which includes recruitment & selection, as well as benefits management
- Organisational Development and Job Evaluation
- Human Resource Development
- Fleet Management
- Facilities Management
- Security Services
- Records Management
- Payroll Management
- Council Support
- Labour Relations
- Employee Wellness and Occupational Health and Safety

The Corporate Services functions being executed in the satellite offices are personnel administrative functions like staff leave, overtime claims and other supporting functions like employee wellness and safety and Fleet Management. In a nutshell, the Corporate Services Department provides strategic support to the provisioning of water and sanitation to the communities of Amathole District. The Corporate Services department exists to render a comprehensive, integrated human resource and administration function to enhance service delivery and the welfare of all employees.

The department is the custodian of a range of Policies which include:- Induction Policy, Fleet Management Strategy, Records Management Strategy, Workplace Skills Plan, Employment Equity Plan, Occupational Health & Safety Strategy, Human Resource Plan, Employee Wellness Strategy, Talent and Retention Strategy, Recruitment & Selection, Leave Management policy, Transfer, Secondment and Acting Allowance, Placement, Cell Phone Allowance, Overtime and Emergency, Subsistence and Travel Allowance, Travel Allowance, Individual Life Assurance, Essential Vehicle User Policy, Internship Policy, Training and Development Policy for Councillors, Training and Development Policy for Officials,

Occupational Health and Safety and Record Management Policies. In the Council meeting of May 2026, the following 9 new and reviewed policies will be submitted for approval;

- Staff Establishment Policy
- Induction Policy
- Probation Policy
- Transfer, Secondment, Acting and Additional Responsibilities Policy
- Sexual Harassment Policy
- Fleet Management Policy
- Essential User Vehicle Allowance Policy
- Immovable Property Management Policy
- Security Management Policy

This is done through:

- The Promotion of an effective Job Evaluation system that seeks to ensure that the jobs are properly graded and audited.
- Promotion of sound employee relations and labour stability.
- Promotion and practising effective recruitment and retention practises and be the employer of choice.
- Encouraging a culture of excellence and high work ethic.
- Promoting a safe and healthy working environment for all employees
- Constantly developing individual employees and Councillors through training interventions to enhance service delivery.
- Contributing to the realisation of externally focused IDP objectives

3.1.2 ORGANIZATIONAL STRUCTURE AND ESTABLISHMENT PLAN

Section 66 of the Local Government: Municipal Systems Act (Act No 32 of 2000), requires a Municipal Manager to develop a policy framework determined by the Municipal Council and subject to any applicable legislation including Local Government Municipal Staff Regulations, establish a mechanism, to regularly evaluate the staff establishment of a Municipality and, if necessary, review the staff establishment yearly.

The primary goal of the Municipality is to develop the staff establishment plan to enhance the effective, efficient and systematic performance of its legislative mandate and strategic objectives.

3.1.2.1 INSTITUTIONAL STRUCTURE OF ADM

The Institutional structure of Amathole District Municipality (ADM) is divided into two components, namely, Political and Administrative structures. The Administrative structure is accountable to the Political structure.

Political Structure

The principalship of ADM lies with Council under the Chairpersonship of The Speaker and it operates several committees that assist in the realisation of the Council's mandates. ADM Council is made up of 47 councillors of which 40 per cent are directly elected from party lists and 60 percent are representatives of local municipalities appointed to sit in ADM Council. The Council also has 3 traditional leaders that are participating in the district in line with the provisions of section 81 of the Local Government Municipal Structures, Act 117 of 1998 as amended read with the Traditional Leadership and Governance Framework Act, 13 of 2003.

Political Component: includes the Executive Mayor, the Members of the Mayoral Committee, the Council Speaker, the Council's Chief Whip, Chairpersons of Section 79 committees and Councillors.

The ADM Council has a Committee system in line with the provisions of Section 79 and 80 (1) of the Municipal Structures Act 117 of 1998, as amended. Committees established in terms of section 79 of the Municipal Structures Act (Act 117 of 1998 as amended) perform functions assigned to them by the Council, through terms of reference and report directly to Council under the Legislative Support Reports. Section 80 Committees referred to as Standing Committees, assist the Executive Mayor in the execution of his duties and their reports are submitted to the Mayoral Committee and processed through that Committee to Council.

The Standing Committees are constituted by both Portfolio [Mayoral Committee Members] and Part-Time Councillors and Traditional Leaders designated for participation in municipal council. The Standing Committees are chaired by Portfolio Councillors and attended by the Municipal Manager and Heads of Department. They have the power to consider and make recommendations to the Mayoral Committee/ Executive Mayor on all issues falling within the ambit of their functional areas. Standing Committees meet bi-monthly in line with the Institutional Calendar developed by the Speaker and adopted by the Council.

Administrative Structure

The Municipal Manager is the Head of Administration and Accounting Officer of the Municipality. The Municipal Manager is accountable to the Executive Mayor. The ADM has six Section 56 Managers referred to as Executive Directors directly accountable to the Municipal Manager. Administratively, the Amathole District Municipality consists of the following departments:

- Office of the Municipal Manager
- Budget & Treasury Office
- Corporate Services
- Technical Services and Infrastructure Development
- Community Services
- Spatial Planning & Economic Development
- Strategic Planning and Management

The Executive Management amongst other responsibilities serves as a collective in the IDP Representative Forum which is the strategic platform to deal with IDP and other service delivery issues. In this forum departments, as a collective, ensure that there is inclusive planning and integration to produce a credible and implementable IDP. The Municipal Manager leads this process in preparation for presentation to other structures and stakeholders in line with Municipal Systems Act. The Executive Management as led by the Municipal Manager ensures that this process is conducted in line with all pieces of legislation and also is aligned with budget and expenditure thereof.

3.1.2.2 ORGANOGRAM

Table 20: APPROVED 2023/2024 ORGANOGRAM

Department	2023/2024
Office of the Municipal Manager	28
Strategic Planning & Management	91
Corporate Services	120
Community Services	244
Technical Services & Infrastructure Development	1182
Spatial Planning & Economic Development	39
Budget and Treasury Office	193
Total no. of positions	1897

It is worth mentioning that the reviewed proposed organogram of 2025/2026 went through consultative processes of Executive Management, Local Labour Forum, Councillor Workshop. The proposed 2025/2026 organogram was submitted to Council on the 27 June 2025 and 29 August 2025 for first leg of approval before submission to Co-operative Governance and Traditional Affairs Department for comments

3.1.3 INTEGRATED HUMAN RESOURCE MANAGEMENT

The Integrated Human Resources Division is a strategic support partner to the ADM core business. The division is charged with overseeing and executing the following strategic functions; the implementation of Employee Assistance Programs, Human Resource Development, Organisational Development and Job Evaluation and Conditions of Employment, including Recruitment and Selection. An intervention to move Payroll Management function from Integrated Support Services Division to Integrated Human Resource Management Division due to its functional nature was made and this change is also included in the proposed review of the structure. Further to these duties, the Division is responsible for implementation of all Human Resources related policies and strategies including the Human Resources Plan.

3.1.3.1 Human Resource Plan

Human Resource Plan is the continuous process of systematic planning to achieve optimum use of an organization's most important asset; the employees. Human resources planning ensures the best fit between employees and jobs while avoiding manpower shortages or surpluses.

The Human Resource plan will guide the implementation of the strategy in terms of the actions/key activities identified and progress against the action plan and the performance indicators that will need to be measured in line with the HR plan. The impact and effectiveness of each of the interventions from the strategy must be measured and if necessary, corrective action taken and interventions made to direct HR activities towards their objectives.

3.1.3.2 Organisational Development and Job Evaluation

The aim of Organisational Development and Job Evaluation Unit, amongst other things, is to provide advisory services in developing an appropriate organisational structure, maintain organisational charts, provide work study services to departments and coordinate job evaluation services in order to fulfil the primary objective of Section 66 (1) of The Local Government Municipal Systems Act 32 of 2000.

Organisational Development & Job Evaluation Unit has the following policy & Strategy:

- TASK Job Evaluation Policy
- Organizational Development Strategy
- The Change Management Strategy is under review

The District Municipality has assessed its short to medium strategic and operational objectives and has developed an organogram that would satisfy the functional needs of the municipality. The organizational structure of the ADM has a total of 1897 positions (including Section 56/57 Managers) as per the organogram which was approved by Council in January 2024. The ADM has introduced Satellite Model in the organizational structure that will enhance quality service delivery in the six local municipalities. This on-the-ground approach helps to streamline the service delivery process and ensure effective and efficient response. The Senior Managers in Satellite Offices focus on coordination and monitoring integrated service delivery within satellite offices.

Table 21: SECTION 57 AND SECTION 56 POSITIONS

NAME OF DEPARTMENT	SECTION 57/56 MANAGERS	FILLED/VACANT
Office of the Municipal Manager	Dr B.J. Mthembu	Filled
Budget and Treasury Office	Mr. N. Zengethwa	Filled
Corporate Services	Dr. V. Dlelaphantsi	Filled
Technical Services & Infrastructure Development	Ms. N. Msebi	Filled
Community Services	Ms. N.C. Zondani	Filled
Spatial Planning & Economic Development	Ms. Z.C. Xabadiya	Filled
Strategic Planning & Management	Mr. N.L. Sovasi	Filled

Vacancy Rate

Below is the table of the vacancies and filled positions per directorate as at June 2025:

Table 22: AMATHOLE DISTRICT MUNICIPALITY VACANCY RATE PER DIRECTORATE

Directorates	Number of Positions	Filled Positions	Vacant Positions	Percentage
Office of the Municipal Manager	28	20	8	29%
Community Services	244	174	70	29%
Corporate Services	120	96	24	20%
Land, Human Settlement & Economic Development	39	30	9	23%
Budget & Treasury Office	193	169	24	12%
Technical Services & Infrastructure Development	1182	719	463	39%
Strategic Planning & Management	91	80	11	12%
	1897	1288	609	32%

- Vacancy rate: 32%
- Filled positions: 68%

The high vacancy rate is caused by moratorium which will be addressed once the financial viability of the municipality improves. Only critical positions will be considered during the 2025/2026 financial year.

2023/2024 structure

Post the institutional Strategic Planning session, it is logical that review of staff establishment processes follow, in accordance with Section 66 of the Local Government: The Municipal Systems Act (Act No 32 of 2000), which requires a Municipal Manager to, within a policy framework determined by the Municipal Council and subject to any applicable legislation, establish a mechanism to regularly evaluate the staff establishment of a Municipality and, if necessary, review the staff establishment yearly. Furthermore, Chapter 2 of Municipal Staff Regulations (No. 45181 of 2021) requires that a Municipal council must:

- Determine the municipality's staff establishment, which will provide the basis for each departments' strategic workplace and human resource planning. The human resource planning will, in the staff supply planning process, consider race, gender, disability, occupational level and grade with reference to their competencies, training needs and capacities.
- Determine the staff establishment necessary to perform its functions which will guide the staff demand planning, with particular reference to the number of staff members required, the minimum competencies which the staff members must possess, the posts and post levels in which each of the staff members will be appointed, and

- (c) Planned for the recruitment, retention and development of staff members according to the municipality's requirements within the available budgeted funds, including funds for the remaining period of the relevant medium term revenue and expenditure framework.

The 2023 organisational structure review underwent numerous consultative processes with the relevant structures such as the management echelon, and the Local Labour Forum. Thus, a comprehensive consultation culminated to the proposed structure which was submitted to the Council meeting on the 14 July 2023 and was adopted. In line with the Local Government Staff Regulations, the adopted 2023/24 Staff Establishment was submitted to the Cooperative Governance and Traditional Affairs Department for comments.

Details of the approved 2023/2024 structure are as follows:

Table 23: AMATHOLE DISTRICT MUNICIPALITY 2023/24 ORGANISATIONAL STRUCTURE PER DIRECTORATE

Department	2023/2024
Office of the Municipal Manager	28
Strategic Planning & Management	91
Corporate Services	120
Community Services	244
Technical Services & Infrastructure Development	1182
Spatial Planning & Economic Development	39
Budget and Treasury Office	193
Total no. of positions	1897

The approved structure was adopted with comments which warranted the municipality to review the staff establishment and consider the recommendation. The 2025/2026 staff establishment was consultant at by all relevant structures in the institution and approved by Council on 29 August 2025 and was submitted to COGTA during November 2025 for comments. ADM is still in consultation with COGTA before the issuing of response. Since the ADM has introduced Satellite Model in the organizational structure that will enhance quality service delivery in the six local municipalities constant communication is made with affected managers to determine the relevance of staff provisioning. During the review of staff establishment, it is to be noted that under revenue section, the provisioning of cashiers and credit control personnel was not adequately provided and therefore needed attention in the reviewed structure.

Placement of staff in the approved structure

The Placement Policy is in existence and was last reviewed in May 2025. The process started on the 21 August 2023, and completion of the entire process is currently at 99%. Once the 2025/2026 structure is approved, placement of extra warm bodies will be finalized. It is worth the placement process has reduced the number of acting appointments by employees in various positions. Some of the employees

who became redundant as a result of abolished functions were placed in an alternative position using the skills audit.

Job Evaluation Update

The TASK Job Evaluation Policy exists and was last reviewed in May 2025. Progress on the grading and auditing of positions on the 2023/24 approved structure is at 87%. This is due to the TASK Job Evaluation System contract that has expired on 30 June 2024. The renewal of the contract depends on SALGA and DeLoitte. SALGA has issued a circular indicating that the development of job catalogue for the municipalities is underway.

3.1.3.3 Human Resource Development

Rendering of human resources development services is done in respect of Councillors and employees. Other functions include the following:

Implementation of District HRD Strategy through;

- Administration of learnership programmes
- Administration of Internship programme (for unemployed)
- Administration of Workplace Integrated Learning (WIL) Programme (for unemployed)
- Training and Development for Councillors
- Training and Development for Officials
- Administration of Bursary Scheme for Rare Skills, for Unemployed Historically Disadvantage Individuals
- Administration of Employee Study Assistance Scheme for employees
- Coordination of ABET Programme
- Minimum Competency Levels Programme
- Develop & review policies related to Human Resources Development
- Administration of Skills Development Grants
- Development and implementation of Workplace Skills Plan. (WSP)

The Training and Development Policies for Councillors and for Officials were last reviewed in May 2022. The Internship Policy was also last reviewed and approved in May 2022. In 2025/2026 financial year, the Induction Policy was developed and approved.

Workplace Skills Plan (WSP)

Workplace Skills Plan (WSP) is a regulated document, which is comprised of an Annual Training Report (for the previous financial year), and planned training (for the forthcoming financial year). The process of development of WSP commences from Training Needs Analysis of the various Departments. All training identified from this process finds expression in the WSP. The training identified is also linked to IDP objectives, strategic objectives of the Department, Provincial & District HRD Strategy, Political pronouncements and current trends aligned to skills development. Submissions of the WSP are made to LGSETA each year.

Challenges

Implementation of the WSP is a challenge as the Training budget continues to be suspended each financial year, due to financial constraints. Despite this suspension, some targeted training is conducted through both the Mandatory and Discretionary Grants, and also from external funders.

LGSETA Grant

The municipality applies for funding for Discretionary Grants in each financial year. With the submission of the WSP as well as payment of Skills Levy, Mandatory Grant is paid back to ADM by Local Government SETA. These funds are always received as a result of fully complying with the LGSETA requirements, regarding submission of a credible Workplace Skills Plan, which is evaluated after submission. The funding received from the SETA is utilised for programmes such as Internships, Workplace Integrated Learning (WIL), Learnerships, Skills programmes and Bursaries.

District Human Resource Development (HRD) Strategy

The District HRD Strategy was developed in 2015 and reviewed in 2018. Implementation of programmes in the HRD strategy have been ongoing. The Strategy is being reviewed in this financial year 2024/25. Programmes were designed to cater for ADM Employees, Councillors and Unemployed Youth. Implementation included facilitation of the following programmes;

Employees: Corporate Services Workshops (at Satellite Offices & Head Office); Bid Committee Training; Health & Safety; Minimum Competency Levels Training. Currently, the ADM training budget is suspended due to financial constraints.

Councillors: None in Quarter 1 of 2024/2025 financial year.

Unemployed: ADM implemented Internships and Workplace Integrated Learning programmes. In line with the Strategy, partnerships are also forged with FETs where Workplace Integrated Learning (WIL) learners are placed for practical purposes.

Internship Programme: In 2024/25, a total of fifty- five (55) unemployed graduates were enrolled for the Internship Programme, and the breakdown was as follows; Four (04) Interns were financed by National Treasury through Municipal Financial Grant for 2024/2025 financial year, and fifty-one (51) Interns were financed by LGSETA for the 2024/2025 financial year. Due to the practical work experience that the Internship candidates gain, most Interns manage to get permanently employed either by the municipality or by other Organisations.

Workplace Integrated Learning Programme (WIL): During 2024/25 financial year, Thirty-one (31) learners were engaged with their WIL programme in both Local Municipalities and ADM Head Office, which provided them with Work Integrated Learning (WIL). This gave them the required work exposure, which was a requirement to enable them to graduate. Budget was allocated by Local Government Sector

Education & Training (LGSETA), through their Discretionary grant. ADM had no budget for the training programmes due to financial constraint.

Learnership Programme: There was no Learnership programme conducted during 2024/25 financial year

Bursary Programme: During 2024/25 financial year, ADM, through the Workplace Skills Plan (WSP) applied at LGSETA for Bursaries, but LGSETA did not offer the Municipality any bursaries for the year under review.

Critical and Scarce Skills:

The Scarce Skills Policy is in existence and the policy dictates that if a position has been advertised on two occasions without success, then that position shall be deemed as scarce. The identified scarce and critical skills include the following:

Scarce:

Corporate Services also identified Payroll Master as a Scarce Skill and Technical Services identified a need for artisan development of:

- Electricians
- Millwrights
- Fitters & turners
- Diesel Mechanics
- Renewable energy artisans
- Instrumentation technicians

Critical Skills

- Supply Chain Management
- Water Care Services
- Audit
- Occupational Health and Safety
- Payroll
- Fire Services

3.1.3.4 Conditions of Services

Purpose is to recruit and provide staffing solutions through the implementation of the Recruitment and Selection, Placement, Transfer and Secondment, leave management policies and administration of all ADM Conditions of Services. The latter function had been the responsibility of the Integrated Support Services, but ADM management took a decision to transfer it to the Integrated Human Resources Management Division in 2022. The unit is also charged with implementing the Talent Management Strategy and responsible for the compliance with the Employment Equity Act 55 of 1998

Functions

- Staff provisioning through recruitment, selection and formal appointments.
- HR internal and external movements guided by Secondment and Transfer Policy

- Management of contingent employees' employment contracts
- Management and administration of acting as a condition of service
- Managing and monitoring Employment Equity for compliance and cohesion within ADM.
- Participating in the development and implementation of the SDBIP
- The administration of all ADM Conditions of Services
- Implementation of all the relevant pieces of legislations, strategies, plans and Bargaining Council resolutions.

With all changes which included the increase of responsibilities, the unit has managed to integrate the additional responsibilities well. The benefit administration function is service orientated and is occupied by two employees that provide a service to internal employees in the form of administering rental allowance, housing, cell phone and travel allowances, pension benefit, medical aid benefit and Group Life. The Recruitment function is service orientated and is occupied by 5 employees who provide a service to internal employees and external applicants in the form of recruitment and selection processes. The recruitment unit remains understaffed. The leave administration function is service orientated and is occupied by three employees who provide a service to internal employees in the form of leave management.

Employment Equity

The Employment Equity Plan (EEP) was reviewed and adopted in 2022 for a period that will end on 30 June 2027. The analysis of the existing employee profile of ADM revealed that at ADM coloured race is a problem and the main challenges are under representation of females in the top management, senior management, semi-skilled occupational levels and Gross under representation of People with Disabilities in all occupational levels. The EEP's objective is to pursue and achieve a female representation of 47.2% as per the Provincial EAP Gender Statistics, and 2% in People with Disability category. 45% resembles the total percentage of female employees at ADM as of 30th June 2024. To meet the 47.2% recommended provincial target, ADM needs to have 2.2% and that is an equivalent of 33 female employees. If everything remains constant, the institution needs 33 more females to meet the recommended provincial target of 47.2%.

With regards to people with disabilities, both the national and provincial goal stand at 2%, while Amathole District Municipality stands at 0.3%. To meet the 2% recommended national goal, ADM needs to have 1.7% and that is an equivalent of 22 employees. If everything remains constant, the institution needs 23 more PwDs to meet the recommended national and provincial goal of 2%.

In 2024/2025 financial period, female representation stands at 46% whilst the percentage is 0.4% on People with Disabilities. The current Employment Equity Plan that stretches to 30 June 2027 seeks to address the percentage gaps.

Opportunities/Enablers

Opportunities that were identified include the following:

- To ensure that job adverts cite the preferred candidate for the post as informed by the EE Status Quo Report
- To ensure that all managers and supervisors participating in ADM selection panels are sensitive to EE issues and always discuss it in their selection sessions.
- To ensure ongoing engagements with Disabled People of South Africa to encourage submission of applications when jobs are advertised

Talent Management Strategy

As part of these strategies, the Municipality identified risk factors. Through this process, poor talent management was identified as one of high risks in the municipality. The objective of the Talent Management Strategy is to attract, develop, retain and mobilize the best talent to help the municipality to deliver on its mandate and alleviate risks identified. Also, by cultivating talent pools internally, management will be ensuring that ADM will have experienced and trained workforce that is able to deliver in line with the institutional goals and objectives, specifically, as enshrined in the Institutional Development as well as Human Capital Development pillars of the broader Vision 2030. There are several staff development programs in the strategy, one of which is Job Rotation, where employees are offered an opportunity to be exposed to other related functions within their line of work. Due to budget constraints, the Talent Retention Strategy is not fully implemented by the institution.

Challenges

- The inability of employees to take leave as required by the law remains a challenge to ADM. This is further compounded by the non-submissions of leave plans by departments.
- Moratorium on employment which was declared in 2018 has increased the number of acting on vacant positions. There are many positions where rotation acting is not possible, and, yet the position cannot be left vacant.
- Most of the programs in Talent Management Strategy require budget and cannot be implemented because of budget constraints.
- Due to lack of finances at ADM the E-recruit was never activated as a result the strenuous manual process has always been employed by the unit.
- Overtime is unavoidable at this stage as there are enormous number of vacancies, especially in the ADM core function department.

Achievements

- SAP system is capping accumulated leave at 48 days.
- The placement process addresses many staffing issues, including the excessive acting on positions and contract positions.
- Completion of the process is currently at 99%

- The stand-by allowance is operating according to the applicable policy.
- Travel Allowance, Cellphone Allowance, Leave, Recruitment Structured Overtime, Emergency Work and Remote Working Policies have been reviewed to close gaps that existed and were approved by Council on 31 May 2025.
- Approved Employment Equity Plan is in place.
- Submission of Annual Employment Equity Report to Department of Employment and Labour

3.1.3.5 Employee Relations Division

Labour Relations

Providing strategic advice to the District Municipality including strategic support in negotiations and consultations on labour relations matters representing the Municipality at the Bargaining Council and related labour related institutions/ forums.

Functions:

- The management of employer/employee relations
- The provision of professional assistance on disciplinary matters
- The resolution of disputes
- The promotion of workplace transformation
- The conducting of negotiations and consultations

The primary objective of to advance economic development, social justice, labour peace and the democratization of the workplace by fulfilling the primary objects of the Act. The Division provides the function of managing and controlling Administration and Implementation of the Industrial Relations function to ensure implementation and compliance with relevant legislation, SALGBC Directives and Council's Policies/procedures. Engagements with Organised Labour take place through the Local Labour Forum. The Chairing of the Local Labour Forum rotates annually between Labour and employer as required by the SALGBC Collective Agreement. The District has two unions operating: South African Municipal Workers Union (SAMWU) and IMATU. The Local Labour Forum (LLF) is functional and its meetings are convened monthly and sit accordingly with issues of mutual interest taking centre stage in such meetings. When the need arises, Special Meetings are called by any party which requires an urgent matter to be attended. Funds permitting, it would be ideal to hold a few days away from office, a retreat between the membership of the LLF to try and rekindle the spirit that had characterised the relationship in the past. Due to the busy nature and short staffing within the institution, the Unit relies on assistance from other municipalities on officiating in disciplinary cases. Workshops were conducted in 2024/2025 financial year to all satellite offices on Code of Conduct Policy which was reviewed and approved in June 2024.

Disciplinary cases

The Division facilitates the sitting and conclusion of disciplinary matters. There are two precautionary suspensions that took place in the period under review and are currently running. There are a number of disciplinary and grievance matters that are dealt with that are separate from the precautionary suspensions.

The institution has also managed to institute disciplinary actions within 3 months of all reported cases and with that, it is compliant with the South African Local Government Bargaining Council Collective Agreement.

High Court Judgment on Standardization and Recategorization

Following the taking on review of both the decisions to standardize salaries and the recategorization of the Municipality from Grade 6 to 7, the High Court on the 19th of August 2021 found that both processes were unlawful and set them aside.

Klinkradt Accountants were appointed through Wesley Pretorius Attorneys to calculate what the employees and the ADM owe each other and what is also due to each other.

The external accountants have submitted 100% of their calculations, which is verified by the ADM internal accountants, and the verification will be concluded by the end of the 2025/2026 financial year

Challenges

- The unit staff still needs training on management practices.
- Inefficiencies in the administration of the Unit

Remedials

- An administrative assistant needs to be appointed for the Unit in the 2026/2027 financial year.

3.1.3.6 Employee Wellness and Occupational Safety

The purpose of the ADM Integrated Employee Wellness and Occupational Health & Safety Unit is:

- to promote the health and wellness, Rehabilitation, and rejuvenation of all ADM employees, through assessment, provide interventions and ongoing education and communication on health, wellness & safety related matters.
- To provide a safe and healthy working environment with minimal safety risks for all ADM employees at the workplace.

According to the Occupational Health and Safety Act 85 of 1993, employers have a responsibility to ensure healthy and safe environment as well as health and safety of employees. To ensure this, ADM, through the Employee Wellness and Occupational Health and Safety Unit, has made the following services available to its employees including the employees based in the Satellite Offices:

- Employee Assistant Programme
- HIV/AIDS Workplace Programmes.
- Emergency and First Aid support
- Internal Recreation
- Physical Wellness
- Rehabilitation and Support
- Occupational Health & Safety

Due to the number of workshops intervention that are continuously facilitated/conducted, there is a noticeable decrease in workplace injuries.

The Occupational Health and Safety, Employee Wellness and HIV and Chronic Illnesses Strategies were developed and approved in 2012/2013 financial year and were all reviewed in 2018/19 financial year. Implementation of both strategies is currently in process. In the current financial year, in order to comply with the requirements of the Occupational Health and Safety, and Compensation for Occupational Injuries and Diseases Acts, following programs will be conducted namely: Workplace Risk Assessment and Medical

Surveillance. The processes have already started, and the profiling has already been developed. Provision of personal protective equipment is ongoing, and the use is monitored on a regular basis.

Due to the number of workshops intervention that are continuously facilitated/conducted, there is a noticeable decrease in workplace injuries.

Challenges

- Ever-changing SCM processes, and lack of in-service training from BTO delays and interferes with the Unit plans.
- Mismanagement of personal finances
- Increase in substance abuse especially in the satellites, a number of employees use drugs
- Lack of rehabilitation centres.
- Certain plants lack compliance
- ADM owned and rented properties that do not comply with Occupational Health and Safety regulations

3.1.3.7 Payroll Services

Payroll Administration forms part of the Integrated Human Resources Division of the Corporate Services Department and is the custodian of payroll, payments of benefits of employees and councillors and employee's statistics.

- The payroll function is service orientated and has eight (8) positions but currently occupied by four (4) permanent employees and four contracted employees that provide a service to a population of about 1946 incumbents (Councillors and officials). This includes processing new and terminated employees, maintenance of employee records, processing, and payment of salaries to Councillors and employees; and payment of third parties.
- The payroll function also serves employees in the form of payment of rental allowance, housing, and motor vehicle subsidy.

- The Councillor Administration function is serviced oriented and is occupied by one (1) employee that provides a service to Councillors in the form of payroll and benefits.

Challenges

- Payroll unit is understaffed.
- Transition from SAP system to CCG system (SAGE)
- Lack of capacity

Remedial Actions

- Finalisation of Placement process will assist to address the insufficient staff
- Handholding and fully functional CCG system
- Filling of positions
- Training and development of Payroll Staff

3.1.3.8 Integrated Support Services

The Integrated Support Services Division provides efficient and effective support services to internal departments to enable the municipality to achieve its strategic objectives. The responsibilities assigned to the division include the following:

- Records Management
- Facilities Management (Management and Maintenance of ADM owned and leased properties and buildings, Switchboard operations & Office Automation and Housekeeping Services)
- Provision of Security Services to ADM assets and personnel and managing and overseeing all ADM's assets.
- Fleet Management
- Council Support-provision of Secretariat support to Council and its Committees

3.1.3.8.1 Council Support

The objective of the Council Support Services Unit is to enable the Council to run its meetings smoothly. That includes the compilation of Agendas, scheduling of meetings and the distribution of the Agendas and Minutes.

Compilation and adoption of the ADM Annual calendar which contains all statutory meetings. Statutory meetings convene as scheduled, there are few instances where meetings had to be rescheduled and/or cancelled due to lack of a quorum and/or other institutional programmes. In such instances, reports that ought to have been discussed by the Committees are submitted for consideration by Mayoral Committee and Council.

A report on the functionality of Council and its structures is presented by the Speaker to Council on a quarterly basis, which include sitting and reporting of the Audit & Risk Committee and the MPAC. The functionality report assists the Office of the Speaker when it comes to implementation of the Code of

Conduct. The Ethics Committee conducts its investigations based on this report. Meetings of Council are held virtually to save on costs thus contributing to the Financial Recovery Plan. Council developed a system wherein resolutions that had been taken by Council are followed up and a progress report on the implementation of such resolutions is submitted to Council quarterly. Provide support to the Office of the Speaker in the execution of their legislated and delegated responsibilities. The ADM Council has never experienced a situation where its scheduled meetings were cancelled, postponed and or disrupted by petitioners or disgruntled individuals/groups.

Challenges

- Inadequate ICT infrastructure in ADM Satellite Offices for Councillors attend meetings virtually.
- Shortage of venues with adequate communication infrastructure
- Lack of tools of trade

Remedial Action

- ADM to consider installing ICT infrastructure to all Satellite Offices.
- ADM to consider procuring communication infrastructure.
- Adequate tools trade to be procured such as recording devices.
- To consider office space in Satellite Offices wherein all Councillors could converge and connect to ADM network infrastructure and/or use portable network gadget.

3.1.3.8.2 Records Management

The main objective of Records Management Unit can be summarized as the recordkeeping, classification of documentation generated by the municipality and easy retrieval of requested information. The Unit has the responsibility to manage the creation, use, maintenance and disposal of records in an organized and systematic way. In compliance with the National Archives and Records Service Act 43 of 1996, the records management function of ADM is regulated by the following approved documents that define the roles, responsibilities, rules and standards for managing records:

- Records Management Policy
- File Plan
- Registry Procedure Manual

The Records Management Unit has developed and adopted a Records Management Strategy during 2020/2021 financial year. The programme that has been implemented is the review of the File Plan during 2021/2022 financial year. Workshops on the use of file plan and records management awareness were conducted for all departments. In 2022/2023 financial year, the compliance on the use of the file plan was included in Corporate Services Departmental SDBIP and 50% compliance was achieved based on the application of reference numbers by ADM's internal departments.

The other programme of the Strategy was the establishment of an electronic records management system. The Strategy indicates that to achieve a systematic, orderly, and consistent creation, retention, appraisal, and disposal procedures for records throughout their life cycle, recordkeeping systems should be easy to

understand, clear and efficient in terms of minimizing staff time and optimizing the use of space for storage. In 2023/2024 Corporate Service's SDBIP included 20% implementation of electronic records management system. The annual target for 2024/2025 for the implementation of electronic records management system has increased to 40%. The ICT with the assistance of the records management unit has established an electronic records management system as a pilot solution for the ADM Records Management team to explore the use and adoption of an online Records Center. The records center has been created to adhere to the National Archives & Records Service Act and is also configured to align with the official File Plan of the municipality. The system allows for uploading of documents, tracking for easy access to information and optimises the use of storage space which is a huge challenge in the municipality.

Challenges

- Absence of fully fledged Electronic Document & Records Management System (EDRMS) with document workflow and electronic signatures for all business areas.
- No registry for document filing
- No security to storage areas with personal files
- Inadequate space for records.
- Absence of Disaster Recovery Plan

Remedial Actions

- The ADM should have a detailed proposal or plan for the introduction of electronic document and records management system including high volume scanners.
- Movement of central registry to a conducive space that will be provided with adequate security and in compliance with records management policies and regulations.
- Explore the use of Prefabricated Containers for preservation of records.
- Develop a disaster recovery plan in collaboration with risk management.

3.1.3.8.3 Fleet Management

The objective of the Fleet Management Unit is to provide, maintain and manage such fleet in a manner that the Municipality's mission, vision, goals, and objectives are achieved in a cost-effective way. To regulate the management and use of vehicles by officials and ensure that the fleet is used in an efficient manner.

The ADM fleet is composed of fire engines, trailers, trucks, TLBs, sewer jet machines, a minibus, executive vehicle and bakkies, which totals to 283 as of September 2024. The Fleet Management Procedure Manual stipulates that vehicle will be replaced every 5-7 years or 150 000 km for sedans and 7-10 years or 300 000 km for bakkies and trucks, Plant Machinery and Fire Engines, subject to the overall condition of the vehicle

Repairs and Maintenance

ADM participates in the RT46-2022 contract on the provision of vehicle management to the State for a period of 36 months from 01 July 2026 to 30 June 2029. Repairs, maintenance and fuel management will be outsourced through Afrirent. The repairs and maintenance cost are high due to the normal wear and tear of aged fleet, high costs of parts and due to the terrain on which the vehicles operate. A large number of vehicles have reached their useful lives and require constant maintenance and servicing. The costs of repairs and maintenance will be significantly reduced as the municipality has leased 83 vehicles in the 2025/2026 financial year on a full maintenance lease and aged vehicles will be disposed of through a public auction.

Vehicle Tracking and Monitoring

Fleet is one of the main cost drivers in the municipality and therefore to intensify controls and for security reasons, each Council vehicle is fitted with a monitoring and tracking device that captures important information and gives reports about the conduct of the driver with respect to harsh braking, over speeding, vehicle usage weekend reports, after hour usage reports, daily movement, weekly report, idling and speed before and after an accident. Already, these reports have decreased unauthorized vehicle usage as drivers are aware of the consequences that are outlined in the Fleet Management Policy and Procedure Manual.

Vehicle Procurement and Disposal

The Community Services Department has for the 2024/2025 Financial Year made a budget provision of R6 million for the procurement of a 4x4 Fire Water Tanker Truck. The National Treasury RT57-2022 contract will be utilized when procuring the truck and delivery is expected early December 2024. The ADM has further put aside a budget of R14 million for the leasing of vehicles. In June 2024 Council approved the leasing of vehicles, the project is currently underway through tender processes. On the 26 April 2024, ADM disposed 34 vehicles through auction and made R2,2 million from the sale. The proceeds from the sale will be used to procure new fleet.

Licensing and Driver's Compliance

All municipal vehicles licenses are renewed as required by the National Road Traffic Act. The Municipality has an Accident Committee to focus on cases where there are accidents and other related transgressions.

Essential User Vehicle Allowance

The Essential User Vehicle Allowance Policy was tabled in the Council meeting held on the 28 March 2024 and was provisionally adopted pending a workshop to be conducted for Councillors. On the 06 June 2024 the policy was workshopped to Councillors and was adopted.

Challenges

- Vehicle misuse and abuse and fuel theft by officials.
- High costs in repairs and maintenance
- Aging ADM Fleet

- Rising cost of fuel
- Bad state of roads in the District

Remedial Actions

- Conduct roadshows on fleet usage to officials
- Disposal of old fleet
- To enforce accountability to both drivers and supervisors
- Senior Managers in Satellite Offices to be responsible for managing and control ADM Fleet.
- Implement consequence management to transgressors
- To implement the Essential Car User Scheme to eligible employees
- Partner with other government departments and Local Municipalities to enforce the Road Traffic Act

3.1.3.8.4 Building and Property Management

ADM Owned Properties

ADM has several properties scattered within its area of jurisdiction in the Local Municipalities and in the Buffalo City Metropolitan Municipality. In terms of the organization's Asset Register, Amathole District Municipality has 134 properties. ADM properties can be classified into two categories.

The first category is made up of two types of properties:

Table 24: AMATHOLE DISTRICT MUNICIPALITY OWNED LAND AND BUILDINGS

ADM OWNED OPEN LAND PARCELS	ADM OWNED BUILDINGS
These are properties like farms with and With no buildings, including sleeper site. The majority of these Properties are in Buffalo City.	These are buildings owned by ADM like 40 Cambridge Street and Calgary. These Buildings a scattered throughout the District.

The Second category is made up of the following three types:

LAND CLAIMS	DEVOLUTION	INVESTMENT
These are properties that are not necessary ADM Owned but have to be transferred communities in terms of Land Claims Court decision. The 9 Villages in Qoqobo-Qobo fall into this type.	These are properties that are supposed to be transferred to BCM in terms of the Section 12 Notice. Ducats in BCM is but one of such Properties.	These properties were declared by ADM as "Investment Properties". These are properties that remained under the direct ownership of ADM. The properties include Calgary, 40 Cambridge St, Whelan Depot.

As much as ADM has properties as mentioned above, their capacity and condition does not permit permanent utilisation of these properties for Office accommodation hence the rental of some offices.

Office accommodation

- Since Amathole District Municipality was appointed as a Water Services Authority, Satellites Offices were established in all the Municipal Areas that are under its jurisdiction. The Satellite Offices have since been staffed with officials responsible for Fleet, EAP, HRD, Engineering, Community Services, SPLED, Finance and Customer Care. Due to non-availability of suitable properties at the Local Municipalities, ADM entered into Lease Agreements with Landlords, renting properties for office accommodation, except Great Kei Satellite Office, Cathcart Satellite Office and Stutterheim (Engineering Offices) which are currently using ADM owned properties. Similarly, ADM is collaboration with both National and Eastern Cape Department of Public Works & Infrastructure and Local Municipalities (Mnquma Local Municipality) for office accommodation. ADM has entered three-year lease contract with NDPWI for ADM Sub-satellite office in Adelaide (Raymond Mhlaba) where ADM will realise a saving in rentals amounting to **R81 333,11** per month. Also, there is a pending lease contract for ADM Middledrift office where ADM will also realise a saving amounting to **R 12 504,22** per month. There are advanced formal engagement with Mnquma Local Municipality regarding leasing their properties for ADM office accommodation in Ngqamakwe, Butterworth and Centane.
- Currently the ADM Head Office is situated in East London, in the jurisdiction of Buffalo City Metro Municipality where it entered into a two-year lease agreement with Sthathu Funding Pty (Ltd) to rent office space for East London-based employees and Councillors at 15 Rees Street, 14 Fitzpatrick in Quigney, and the storage facility for furniture at 32 Dyer Street in Arcadia. The lease contract expired on 28 February 2025, and the council endorsed continual month-to-month till the suitable lessee is appointed.
- The municipality is also in the process of acquiring its own permanent Head Office in Great Kei Local Municipal area of jurisdiction, as resolved by Council. An advertisement for Expression of interest for Professional Service Provider (PSP) was out on tender on the 18 February 2026 and closed on the 17 April 2026. There are 21 submitted bids and project is waiting for technical valuation.

Challenges

- High rentals by lessors due to lack of ADM owned office accommodation at the Head Office and some Satellite Offices.
- Long term lease agreements that are no longer market related.
- Lack of tools and equipment to conduct maintenance.
- Unit is understaffed and lack critical skills.
- High payment of rates due to incomplete land transfers to local municipalities and Metro for properties obtained through the devolution of powers and functions.
- Continuous illegal occupation of Council properties by communities.

Remedial Actions

- ADM to urgently consider acquiring land to construct its own offices in the Local Municipalities to avoid the high rentals.
- Reviewal of all lease agreements to be consistent with the current property market.
- ADM to engage with other Government Departments and Local Municipalities concerning office space.
- ADM to make budget provision for purchasing of tools and equipment to be utilised for maintenance.
- ADM to consider employing people with the required critical skills.
- Prioritisation of maintenance and provisioning of resources (budget and attraction of skilled personnel).
- Eviction of the illegal occupants and engagements with the Local Municipalities.
- Leasing out of vacant properties to generate income.

3.1.3.8.5 Switchboard Services

The purpose of the Switchboard Services is to provide effective and efficient telephonic communication system for ADM staff Councilors and clients.

- To provide effective telephonic communication system (land lines).
- Ensure that the system meets minimal requirements of Council's needs
- To ensure compliance with the Telephone Usage Policy by Staff

Challenges

- Delays from service provider to attend to faults and repairs.
- Some officials are not connected due to lack of office accommodation.

Remedial Actions

- Skills transfer to official to handle faults and repairs.
- To acquire accommodation that will accommodate all employees and to consider the modern technology as a way of communication.

3.1.3.8.6 Security Services

The ADM provides security services for the protection of personnel, infrastructure, equipment and municipal assets on a 24-hour basis through contracted security service providers. The Municipality is divided into 3 regions, Eastern, Central and Western with approximately 223 sites comprising of water treatment works, boreholes, wastewater treatment [plants, pump stations rented office buildings and fire stations.

Some sites continue to experience challenges relating to inadequate security infrastructure such as fencing, lighting, guard houses and access control measures due to budgetary constraints. These limitations increase the vulnerability of municipal infrastructure to theft, vandalism and unlawful activities particularly at remote and critical service delivery sites.

ADM currently utilizes outsourced security services through contracted service providers. The Municipality is continuously assessing and reviewing security service delivery models, including the enhancement of internal security oversight, improved monitoring systems and phased implementation of technological security solutions such as CCTV surveillance, alarm systems and access control measures subject to budget availability and the process is at an advanced stage with site inspections being undertaken and a solid report being available in terms of needs analysis.

Council has resolved to strengthen security risk management within the institution through enhancement of security governance compliance monitoring and capacitation of security management Unit to improve coordination and oversight of the function across municipal sites.

Challenges

- Increased incidents of vandalism, theft, and intrusion at Municipal infrastructure sites
- Damage to critical water and wastewater infrastructure affecting service delivery
- Insufficient funding for modern security technology and infrastructure upgrades
- Inadequate fencing, lighting and guard facilities at most sites
- Limited human resources within the Security Management Unit
- Increasing safety risk faced by security personnel while protecting municipal infrastructure

Remedial Actions

- Source funding through budget process for the 2026/2027 to improve security infrastructure such as guardroom and ablution facilities
- Gradually implement security technology solutions including CCTV cameras, alarms, and access control
- Strengthen collaborations with communities, law enforcement agencies other stakeholders to protect municipal infrastructure.
- Improve monitoring and contracts management of appointed service providers
- Conduct regular security risk assessments at municipal facilities
- Enhance incident reporting, response coordination and communication protocols at all sites.

3.2 KPA 2: SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT

DDM: Infrastructure Engineering

Spatial Restructuring and Environmental Sustainability

Economic Positioning

Integrated Service Provisioning

B2B: BASIC SERVICES

3.2.3 INFRASTRUCTURE DEVELOPMENT

To determine the extent and quality of water and sanitation services provided, as well as to identify any gaps and the necessity of accelerating service delivery to communities, Following the release of the 2022 Census results, ADM has continued to systematically review and update its water and sanitation services data. This ongoing process ensures that service delivery planning and institutional reporting remain aligned with the most current demographic and socio-economic information, thereby strengthening evidence-based decision-making and enhancing the accuracy of performance monitoring.

ADM is currently developing a comprehensive water and sanitation master plan that will coordinate water services infrastructure development between local municipalities (LM) and neighbouring WSAs. Master plans exist for certain local municipalities and local areas. There is a need to coordinate numerous resource plans and endeavors performed both inside the ADM and by its neighbours, the DWS and Amatola Water Board. It is a statutory requirement; ADM is also reviewing the Water Services Development Plan (WSDP) as well developing an Infrastructure Asset Management Plan as sector plans of the Integrated Development Plan (IDP) of the municipality. The plans mentioned above will go a long way in assisting ADM with ensuring progressive efficient, affordable, economical and sustainable water services that promote sustainable livelihoods and economic development in the district.

The Department of Water and Sanitation (DWS) oversees the annual use of the **Municipal Strategic Self-Assessment** (MuSSA) to survey and assess the overall “business health” of a Municipality when fulfilling its water services function. The MuSSA is a carefully structured, comprehensive municipal self-assessment that provides a wealth of semi-quantitative information as to the Institutional “business health” of municipal water and sanitation services.

The 2025 Municipal Strategic Self-Assessment (MuSSA) was successfully conducted, resulting in the identification of key areas of institutional vulnerability in order to develop a Municipal Priority Action plan (MPAP) where contribution factors and actions are developed in addressing above areas of concern. The assessment applies a standardized scoring framework to categorize levels of vulnerability as follows: 0–50% (Extreme Vulnerability), 50–60% (High Vulnerability), 60–75% (Moderate Vulnerability), and 75–100% (Low Vulnerability). The identified top areas of vulnerability for ADM were as follows:

- Financial Management (35.0%)
- Revenue Collection (45.0%)

- Financial Asset Management (40.0%)
- Water and Sanitation Service Quality (55.0%)
- Water Resource Management (WRM) (44.0%)
- Basic Sanitation (54.0%)
- Operation & Maintenance of Assets (60.0%)

While certain areas of vulnerability reflected improvements from the 2024 assessment scores, notable regressions were observed. Specifically, both basic sanitation and financial management recorded an approximate 10% decline. These regressions highlight persistent challenges in critical service delivery and governance functions, warranting targeted corrective measures and sustained monitoring. Also, the municipality's overall Vulnerability Index has improved from 0.65 to 0.58, indicating that implemented interventions are bearing fruit and should be maximised going forward.

The improvements are the result of interventions that have been successfully completed, as well as projects that are currently under development.

Other focus areas in the 2022-2027 term are:

- Financial sustainability where the District Municipality will be focusing on the implementation of Rural Yard Connection Policy.
- Development of integrated and sustainable energy mix.

3.2.3.4 DIRECTORATE OVERVIEW

The Directorate has the responsibility to ensure that it provides new water and sanitation infrastructure, provision of water and sanitation service, maintaining the existing infrastructure and also refurbish or upgrade the existing infrastructure within the District. Apart from building of infrastructure it also provides a coordination role for all infrastructure development activities across the District from different stakeholders be it Provincial or National Departments. The Directorate consists of the following divisions:

- Project Management Division
- Water Care Division
- Mechanical and Electrical Division
- WSA and Infrastructure Planning Division and
- Civil Division

Institutional arrangement

The Amathole District Municipality is a Water Services Authority since 2003 and a Water Services Provider since 2006 and both functions are conducted within Technical Services and Infrastructure Development Department, with Amatola Water supplying bulk water partly in three Local Municipalities namely, Ngqushwa, Raymond Mhlaba and Amahlathi. ADM has entered into a Service Level Agreement with Amatola Water which is revised annually. This internal arrangement ensures cohesive approach to water services delivery, enables efficient coordination, streamlined processes and effective service delivery.

Further to that, all the responsibilities of WSA component such as water and sanitation policy making, planning, oversight, ensuring compliance with the guiding legislation etc. are done by the WSA and Infrastructure Planning Division. Whilst Water Services Provision is conducted by all following Divisions such as Civil, Water care, Mechanical and Electrical. Roles and responsibility for each division have since been developed to avoid overlapping duties.

Fort Hare University in Dikeni (Alice) constructed its own Wastewater Treatment Works (WWTW) in 1983 and has operated the facility since then. In terms of an agreement with the Amathole District Municipality (ADM), Fort Hare treated effluent from Dikeni town on behalf of ADM, with ADM paying a tariff for the service. The previous SLA expired on 30 June 2025, currently in the process to extend to ensure continuity of wastewater treatment services for Dikeni.

3.2.3.5 WATER AND SANITATION

The Amathole District Municipality as Water Services Authority (WSA) has the responsibility of ensuring that all communities residing in the municipal area have access to at least a basic supply of water and sanitation service. Amathole District Municipality is developing a 5-year Water and Sanitation Development Plan (WSDP) for the cycle 2024/25 to 2028/29. The Water Services Act, 1997 (Act No. 108 of 1997) places a duty on Water Services Authorities to prepare a Water Services Development Plan as part of the process of preparing any integrated development plan.

The Amathole District Municipality is required to report annually to all relevant departments i.e. Department of water and Sanitation (DWS), Department of Cooperative Governance and South African Local Government Association (SALGA) as required by the Water Services Act of 1997 on the implementation of its Water Services Development Plan (WSDP). The ADM has been actively developing and reviewing its Water Services Development Plan (WSDP). Domestic water consumption has steadily increased due to ongoing projects aimed at eradicating water backlogs and improving household service levels, a trend expected to continue. Commercial and industrial consumption remains low, reflecting their limited presence in the district, though slight growth is anticipated in areas like Mquma and Mbhashe Local Municipalities.

As that may be, it is acknowledged that the Water Services Development Plan (WSDP) must account for all commercial water demand to ensure realistic forecasting, infrastructure sizing, and tariff structuring. It is critical to identify these commercial and industrial consumptions. The Spatial Development Frameworks

for both district and local were also used for this purpose. It is recognized that commercial operations like mining often consume significant volumes of water for processing, dust suppression, and other industrial needs. Mining will be included in more detail in the forthcoming review of the WSDP so as to ensure its needs and impacts are included.

3.2.3.5.1 Status of Backlog

The Water Services Act, 1997 (Act No. 108 of 1997) places a duty on Water Services Authorities to prepare a Water Services Development Plan as part of the process of preparing any integrated development plan. Section 15 (5) of the Water Services Act, 1997 states that:

- *A water services development plan must form part of any integrated development plan contemplated in the Local Government Transition Act, 1993 (Act No. 209 of 1993).*

ADM is currently developing its districtwide Water and Sanitation Services Master Plan (WSMP). This plan will also include development of the Water Services Development Plan (WSDP) as well as the Infrastructure Asset Register (IAR) and Management Plan (IAMP). This plan will go a long way in assisting ADM with strategies that will ensure access to basic water services for the current and future needs to everyone within the jurisdiction of ADM in a cost-effective, efficient, affordable economical and sustainable manner.

Old infrastructure, vandalism funding constraints, high water loss and low levels of revenue collection are constant challenges that the ADM faces in trying to meet its objectives. As the Water Service Authority (WSA), ADM has the responsibility of ensuring that all residents residing in the municipal area have access to at least a basic supply of water (communal supply) and sanitation service (VIP).

Since the release of Census 2022, ADM has implemented many new projects and made significant progress in eradicating backlogs (water and sanitation). However, while the population may have not grown significantly, the number of households has. This suggests a move to smaller household sizes.

3.2.3.5.2 Water

Water Services Infrastructure Supply Level Profile

The National Norms and Standards for Domestic Water and Sanitation Services (2025) define the basic level of water supply as a yard connection to every household; however, this has not yet been fully funded. Consequently, the RDP standard of providing access to piped water within 200 meters walking distance from households remains applicable within the Amathole District Municipality.

The water services profile at end Q2 of the 2025/26 financial year in figure 28 below indicates gradual improvement in water service delivery across the district. Overall water coverage increased to 68.85%, with

166 361 households receiving water services. District water backlogs declined from 32.62% at the end of the 2024/25 financial year to 31.15%, although 75 251 households remain without adequate water access.

Despite this progress, significant water service delivery challenges persist, particularly in Mbhashe, Mnquma, and Great Kei Local Municipalities, where backlog levels remain critically high. Continued infrastructure investment improved operational capacity, and accelerated implementation of water projects will be essential to achieving universal and sustainable water access, especially in rural areas characterized by dispersed settlements and aging infrastructure systems.

FIGURE 28: WATER LEVEL OF SERVICE (LOS)

Level of Services (LOS)	Amahlathi	Great Kei	Mbhashe	Mnquma	Ngqushwa	Raymond Mhlaba	Amathole	% of Total
Piped (tap) water inside the dwelling	12 866	4 569	14 061	21 712	7 254	23 192	83 655	34.6%
Piped (tap) water inside the yard	10 579	1 522	2 565	4 008	5 337	13 542	37 554	15.5%
Piped (tap) water on community stand: distance less than 200m from dwelling	5 596	1 581	7 151	9 296	7 954	10 011	41 589	17.2%
Piped (tap) water to community stand: between 200m and 500m from dwelling	1 113	1 016	2 200	2 602	926	1 132	8 989	3.7%
Piped (tap) water to community stand: between 500m and 1000m from dwelling	311	336	537	1 324	346	484	3 338	1.4%
Piped (tap) water on community stand: distance greater than 1000m (1 km) from dwelling	96	31	560	852	235	164	1 938	0.8%
No access to piped (tap) water	3 060	3 039	25 641	25 426	2 861	4 523	64 549	26.7%
Total	33 621	12 095	52 715	65 221	24 913	53 047	241 612	100%

Source: Stats SA, 2022

3.2.3.5.3 Sanitation

Sanitation Services Infrastructure Supply Level Profile

The Ventilated Improved Pit (VIP) latrine is regarded as the minimum acceptable sanitation service level, as per the National norms and standards for domestic water and sanitation services, 2025. Any sanitation facility below this standard, including bucket toilets, unimproved pits, and unserved households, is classified as a sanitation backlog. The municipality excluded the chemical toilets from backlog calculations, as it is believed that they were incorrectly classified instead of newer sanitation technologies such as pour-flush systems provided by the municipality.

The sanitation service profile in figure 29 below, indicates that the district achieved an overall sanitation coverage level of 93.75%, with 226 506 households receiving sanitation services across the six local municipalities. Since the end of the 2024/25 financial year, sanitation backlogs decreased significantly from 19 427 households (8.04%) to 15 106 households (6.25%) by the end of Quarter 2 of the 2025/26 financial year.

Although notable progress has been made, sanitation service delivery challenges remain particularly in Mbhashe, Mnquma, and Amahlathi Local Municipalities, where backlog levels remain above the district average. Continued investment in sanitation infrastructure, accelerated implementation of projects, and targeted interventions in rural and underserved communities will be essential to achieving universal sanitation access and ensuring sustainable service delivery across the district.

FIGURE 29: SANITATION LEVEL OF SERVICE (LOS)

Level of Services (LOS)	Amahlathi	Great Kei	Mbhashe	Mnquma	Ngqushwa	Raymond Mhlaba	Amathole	% of Total
Flush toilet connected to a public sewerage system	14 794	5 109	13 767	21 832	6 902	30 696	93 100	38.5%
Flush toilet connected to a septic tank or conservancy tank	797	982	177	412	235	1 181	3 783	1.6%
Chemical toilet	643	854	5 521	3 899	1 381	1 516	13 815	5.7%
Pit latrine/toilet with ventilation pipe (VIP)	14 692	4 410	26 338	31 217	14 047	16 261	106 965	44.3%
Pit latrine/toilet without ventilation pipe	1 545	83	4 088	4 798	1 212	1 589	13 316	5.5%
Ecological toilet (e.g. urine diversion, enviroloo, etc)	104	31	242	1 262	609	664	2 912	1.2%
Bucket toilet (collected by municipality)	17	9	340	23	8	55	451	0.2%
Bucket toilet (emptied by household)	133	45	894	187	48	381	1 688	0.7%
None	514	305	657	571	335	469	2 851	1.2%
Other	383	265	691	1 019	137	235	2 730	1.1%
Total	33 621	12 095	52 715	65 221	24 913	53 047	241 612	100%

Source: Stats SA, 2022

Having outlined the levels of water and sanitation services above, ADM has developed a three-year capital plan, which is reviewed every three years to reassess priorities, ensure the continued relevance of projects, and facilitate the proper closure of implemented projects. The plan is presented below in Chapter Four.

3.2.3.6 WATER AND SANITATION INFRASTRUCTURE

Amathole District Municipality owns and operates approximately R18 billion (current replacement cost) worth of Infrastructure. ADM's responsibilities include the operation and maintenance of dams, boreholes, treatment facilities and pump currently consisting of:

Table 25: AMATHOLE DISTRICT MUNICIPALITY WATER AND SANITATION INFRASTRUCTURE

No.	Description
1	18 ADM owned Dams supplying ADM
2	286 Boreholes currently in use
3	10 River Abstractions
4	31 ADM Owned and Operated Water Treatment Works
5	156 ADM Water Pump station (Excl boreholes)
6	15 ADM operated waste water treatment works
7	55 ADM sewage pump stations
8	Over 7000kms of pipeline maintained by ADM
9	1264 reservoirs

*These figures are continually updated as new infrastructure is completed and capitalised

3.2.3.6.1 Status of Wastewater Treatment Works

Wastewater treatment is a process used to remove contaminants from wastewater and converted into an effluent that can be returned to the water cycle. Wastewater is treated in various processes i.e., aerobic, and anaerobic processes:

Anaerobic

- Pond system

Aerobic

- Activated sludge system
- Biofilter system
- Aerator system

The Department of Water and Sanitation as part of their regulatory role has issued a number of Directives against the Municipality which have been responded in addressing non-compliance.

The minimum Green Drop score required for certification is $\geq 95\%$. During the latest assessment conducted in 2024, none of the wastewater treatment works (WWTWs) within ADM achieved Green Drop Certification. ADM recorded an overall municipal score of 46%, indicating a decline from the previous scores of 54% in 2021 and 60% in 2013.

Despite the overall decline, ADM has shown improvement in several critical areas, including staffing, availability of technical personnel, and risk assessment and mitigation practices, particularly when compared to other municipalities. Furthermore, with the reintroduction of the assessment programme, performance is anticipated to improve progressively in future assessment cycles.

One of the major factors preventing ADM from achieving Green Drop status is the poor and dysfunctional condition of many facilities, primarily due to vandalism. This has severely impacted operations and maintenance activities, consequently affecting overall compliance and operational performance. The table below illustrates the status of Amathole District Municipality Wastewater treatment works which provides for further intervention required in the maintenance and or improvement of the infrastructure.

Table 26: STATUS OF AMATHOLE DISTRICT MUNICIPALITY WASTEWATER TREATMENT WORKS

Local Municipality	Name of WWTW	Current Problems	Current Interventions	Further interventions Required
Amahlathi	Keiskammahoek	General maintenance	Refurbishment recently completed	Upgrade of works
	Cathcart	Clarifier blocked & chlorination system faulty	Refurbishment of WWTW's underway, but contract with sp has been terminated	Upgrade WWTW's
	Stutterheim	Clarifier design fault,	General ad-hoc maintenance	Repair clarifier, upgrade of works
	Amabele	Plant old and dilapidated	Minor refurbishment, reinstate vandalised electricity connection	Full refurbishment required
Great Kei	Qumra	General maintenance	General ad-hoc maintenance	Upgrade of sewer system in Qumra required – feasibility study completed and application for funding in progress
	Kei Mouth	Plant under capacity	Repairing pumpstations and upgrading rising main from Morgans Bay to Kei Mouth WWTW's complete	Requires substantial upgrade of WWTW's as well as sewer system for Kei Mouth and Morgans bay
	Chinsta	Plant under capacity	Minor refurbishment	Substantial upgrade of WWTW's as well sewer system for Chinsta at design stage
Mnquma	Butterworth	Sewer pumpstation have been vandalised	Repair of sewer pumpstations	Plant upgrade required and ongoing maintenance of sewer pumpstations

Local Municipality	Name of WWTW	Current Problems	Current Interventions	Further interventions Required
Mbashe	Dutywa	Plant recently vandalised	General ad-hoc maintenance	Plant upgrade required
Raymond Mhlaba	Middledrift	Plant old and dilapidated and undersized	Refurbishment of pumpstations and WWTWs' recently completed, but vandalised again.	Plant upgrade required / merge with Middledrift prison
	Fort Beaufort	General maintenance	Sewer pumpstations refurbished	Plant upgrade required and ongoing maintenance of sewer pumpstations
	Seymour	General maintenance	Pumpstations refurbished	Requires upgrade and pumpstations require security
	Adelaide	General maintenance	Refurbishment of WWTWs' underway	Cleaning of pond
	Bedford	Plant under capacity	Minor refurbishment	Plant upgrade required
	Alice (belongs to Fort Hare)	3 pumpstations not functional	Fort Hare has increased the capacity of WWTW's by 2MI/day.	Refurbishment of pumpstations
Ngqushwa	Peddie	Plant under capacity	Construction of new WWTW's is underway.	

The following funding has been allocated to repairs and refurbishment of Sanitation Infrastructure for the 2024/2025 financial year:

Table 27 :REPAIRS & REFURBISHMENT ALLOCATIONS

No.	Project	Amount Allocated (26/27)	Funding Source	Status
1	Emergency interventions of Sewer system in Amathole District Municipality: Raymond Mhlaba	R7m	MIG	Currently under implementation

3.2.3.6.2 Status of ADM Water Treatment Facilities

Water is obtained from two sources i.e. ground water and surface water which requires a specific treatment process i.e. flocculation, settling, filtration and disinfection.

The Department of Water and Sanitation introduced the Blue Drop Programme to promote continuous improvement and recognise excellence in drinking water quality management across South Africa. A minimum score of 95% is required to achieve Blue Drop Certification. However, during the most recent

assessment conducted in 2023, none of the water treatment works (WTW) systems attained Blue Drop Certification. ADM achieved an overall municipal Blue Drop score of 59.49% during the assessment. ADM has since participated in the Blue Drop Progress Assessment Tool (PAT), which is intended to prepare the municipality for the full assessment scheduled for 2026.

ADM operates and maintains thirty (30) water treatment facilities. In addition, Amatola Water Board provides bulk treated water to ADM from an additional eight (8) water treatment works. The table below lists the facilities and current status:

Table 28: WATER TREATMENT FACILITIES

LM	Water Treatment Works	Status
Amahlathi	Cathcart WTW (1.5MI/d)	This is operational but operating over capacity and requires upgrade. Contractor was on site – but contract cancelled
	Heckel WTW (0.1MI/d)	This is operational. Requires refurbishment
	Kei Road WTW (4.8MI/d)	This is operational. Minor refurbishment required
	Masinedane WTW (AW Owned)	AW Owned. This is operational.
	Sandile WTW (AW Owned)	AW Owned. This is operational. Requires upgrading.
	Stutterheim WTW (6MI/d)	This is operational. Requires minor refurbishment and upgrade
	Upper Myameni (AW Owned)	This is operational. AW Owned
Great Kei	Chinsta East WTW (1MI/d)	This is operational. Refurbishment and upgrade at design stage.
	Haga Haga (0.3MI/d)	This is operational. Requires minor refurbishment
	Kei Bridge (1.8MI/d)	This is operational. Requires minor refurbishment and upgrade
	Kei Mouth (2MI/d)	This is operational. Requires minor refurbishment
	Morgans Bay (0.7MI/d)	This is operational. Requires minor refurbishment
Mbashe	Cwebe WTW (0.4MI/d)	This is operational. Requires minor refurbishment
	Dutywa WTW (2.6MI/d)	This is operational. Requires minor refurbishment
	Dwesa	This is operational. Requires minor refurbishment
	Elliotdale WTW (0.7MI/d)	This is operational. Requires minor refurbishment
	Mbashe North WTW (3.8MI/d)	This is operational. Requires minor refurbishment
	Mendu WTW (0.3MI/d)	This is operational. Requires minor refurbishment
	Mncwasa WTW (4MI/d)	This is operational. Requires minor refurbishment - Contractor on site
	Nqadu WTW (0.7MI/d)	This is operational. Requires minor refurbishment
	Qwaninga WTW (0.8MI/d)	This is operational. Requires minor refurbishment
	Willowvale WTW (0.7MI/d)	This is operational. Requires minor refurbishment
	Xhora WTW (12MI/d)	This is operational. Requires minor refurbishment
Mnquma	Butterworth WTW (22MI/d)	This is operational. Refurbishment undertaken during 25/26 fy
	Kotana WTW (4MI/d)	This is operational. Refurbishment undertaken during 25/26 fy
	Ngqamakwe (0.1MI/d)	This is operational. To be superseded by Ngqamakwe Regional Scheme
	Qolora by the Sea (0.3MI/d)	This is operational. Refurbishment undertaken during 25/26 fy
	Toleni WTW (1.7MI/d)	This is operational. Refurbishment undertaken during 25/26 fy
Ngqushwa	Glenmore WTW (AW Owned)	This is operational. AW Owned
	Laing WTW (AW Owned)	This is operational. AW Owned
	Peddle WTW (6MI/d- AW owned)	This is operational. AW Owned and requires upgrading.
Raymond Mhlaba	Adelaide WTW (8MI/d)	Requires minor refurbishment
	Alice WTW (5MI/d)	Upgrade complete
	Bedford WTW (2.2MI/d)	This is operational. Minor refurbishment required
	Binefield WTW (4.8MI/d – AW owned)	This is operational. AW Owned
	Debe Neck WTW (AW Owned)	This is operational. AW Owned
	Fort Beaufort WTW (7MI/d)	This is operational. Refurbishment and upgrade on going.
	Hogsback WTW (1MI/d)	New plant
	Seymour WTW (0.7MI/d)	This is operational. Requires minor refurbishment

The following funding has been allocated to repairs and refurbishment of Water Treatment Infrastructure for the 2026/2027 financial year:

Table 29: WATER TREATMENT INFRASTRUCTURE REPAIRS AND REFURBISHMENT

No.	Project	Amount Allocated (26/27)	Funding Source	Status
1	Refurbishment of Mncwasa Water Supply Scheme	R8m	WSIG	Tender evaluation
2	Equipping of boreholes in Mbhashe and Mnquma	R8.5m	WSIG	Contractor on site
3	Refurbishment of Amahlathi Water Retaining Structures	R2m	WSIG	Still to appoint
4	Refurbishment of Chintsa, Haga Haga, Kei Bridge and Morgans bay WTWs	R11m	WSIG	To use panel of contractors
5	Upgrading of Adelaide Raw Water Supply	R4m		PSP appointed
6	Non revenue water loss control project : Mbhashe	R9m	WSIG	Tender evaluation
7	Non revenue water loss control project : Mnquma	R9m	WSIG	Tender evaluation
8	Non revenue water loss control project : Great Kei	R9m	WSIG	Tender evaluation
9	Non revenue water loss control project : Amahlathi	R9m	WSIG	Tender evaluation
10	Non revenue water loss control project : Raymond Mhlaba	R9m	WSIG	Tender evaluation
11	Non Revenue Water Loss Control Project: Ngqushwa	R9m	WSIG	Tender evaluation

Challenges

The Amathole District Municipality is entirely dependent on grant funding for the construction of infrastructure to reduce water and sanitation backlogs. The speed at which backlogs can be eradicated is thus directly proportional to the size of the grant allocation. While the Amathole District Municipality is making significant progress in eradicating backlogs the following should be noted:

3.2.3.6.3 Challenges affecting the provision of Water Supply

- Owing to the reliance on grant funding to construct infrastructure the speed at which water and sanitation backlogs can be reduced is almost entirely dependent on the size of the grant;
- Old and dilapidated infrastructure (especially old towns);
- Land claim issues during implementation of Infrastructure projects;
- Limited assessment of the integrated development needs and demand forecasting. Of particular concern is the limited long-term water resource planning;
- Limited development of bulk water resources (dams), which is further exacerbated by frequent droughts in the area, illegal connections, high water loss;

- Insufficient operating, maintenance and asset renewal budget. Currently, the rate of investment in new infrastructure is outstripping the increase in the operations and maintenance budget, which essentially means that Amathole District Municipality is having to operate more with less each year;
- Staff and skills shortages;
- Quantifiable backlogs, especially with the new extensions;
- No funding for economic development infrastructure e.g town infrastructure upgrading and coastal and tourism infrastructure;
- In our investigations, analysis and calculations we have still not categories the water services supplied to sectors such as mining, agriculture and tourism in an informed and appropriate manner; and
- In addition to the eradication of backlogs, there is ever increasing pressure on the Amathole District Municipality to improve levels of service, particularly in rural areas where the current policy is to provide communal standpipes within a 200m walking distance of each household. The demand for yard/house connections has resulted in a growing rate of illegal connections. Since neither the water supply systems nor the institutional arrangement (to either bill or disconnect) has been designed to cater for this, the result is high water losses, dysfunctional water supply schemes, poor service delivery and irate consumers. A policy has been developed to address this issue and is being rolled out.
- Infrastructure vandalism. Amathole District Municipality has experienced a notable increase in incidents of vandalism specifically targeting its water and sanitation infrastructure. These destructive acts encompass the theft of copper elements from electrical wiring that serves pump stations, including electric motors and control panel components. Furthermore, the acts of vandalism extend to the pilfering of various infrastructure components such as pumps, motors, transformers, and generators, along with the unlawful siphoning of diesel from diesel generators.

The Engineering Department has conducted a comprehensive assessment of the consequences of vandalism on various types of infrastructure assets, as outlined in the following table:

Table 30: IMPACT OF VANDALISM ON TYPICAL INFRASTRUCTURE

Type of Infrastructures	Impact of Vandalism
Vandalized pumps / control panels	Disruption of pumping operations leading to water supply interruptions or sewage spillages.
Vandalized air / scour valves	Water losses resulting in limited water supply availability.
Illegal water connections	Increased water leaks and consumption, ultimately resulting in water supply disruptions.
Illegal electricity connections to pump stations	Electrical phase imbalances that prevent pumps from operating, leading to water or sewage spillages.
Dumping foreign materials into manholes	Sewage blockages, leading to sewage spillages.

In response to these incidents, Amathole District Municipality allocated significant financial resources for the repair of the vandalized infrastructure. Regrettably, this approach proved inadequate in meeting the community's water services demands, which subsequently led to protest actions and road closures.

It's important to note that in accordance with Section 152 of the constitution, municipalities are obligated to ensure the sustainable delivery of services to their communities and to promote social and economic development. However, municipalities encounter considerable challenges in fulfilling this constitutional mandate due to the adverse impacts of infrastructure vandalism and theft, which significantly impede their ability to provide essential services to the local population. It is henceforth required that a set of actions and strategies be designed to decrease the occurrence of vandalism incidents within the jurisdiction of the Amathole District municipality.

It is recommended that ADM conducts an engineering feasibility study to enhance the physical safety and security of water and sanitation schemes. The study aims to achieve the following objectives:

Ensure the long-term safety of water and sanitation by protecting raw water sources, schemes, and treatment facilities.

Enhance security and access control at treatment facilities, reservoirs, and pump stations.

Prevent or minimize inadvertent water quality deterioration and respond to distribution system tampering.

Minimize sewage and wastewater spills.

Additionally, to follow the example of some Water Services Providers, it is suggested that ADM develops a vandalism monitoring and reporting tool. This tool aims to gain insights into each vandalism incident to refine strategies and reduce the likelihood of repeat occurrences. The tool will classify vandalism events based on:

- Location and date information.
- Immediate action requirements.
- Suspected motives.
- Estimated severity of the incident's impact on utility operations and public health risks.

3.2.3.7 WATER CONSERVATION AND DEMAND MANAGEMENT

One of the ways of addressing the lack of sufficient water resources is to reduce and control consumption, in particular consumption caused by leaks and illegal usage. To this end, ADM will appoint a conservation and demand management specialist company to assist with the following key activities:

- Repair of reticulation and bulk water pipe network;
- Billing Analysis
- Repair and/or replacement of bulk and zone meters;
- Consumer meter audits;
- Reservoir Repairs and Dam Repairs;
- Consumer meter installation and replacement;

- Retrofitting of internal plumbing and drainage beyond the domestic water meter; and
- Training of community plumbers.
- Water Awareness and Education

Other water conservation and demand management activities include the disconnection and restriction of consumers who fail to pay for their services or who have connected illegally. These initiatives continue to provide positively to the revenue collection initiatives of the institution. Water Balance Calculations have become possible and assist with identification of problem areas where Municipal water is lost through leakage.

R54m has been allocated for the 2026/27 fy for these initiatives. Substantial water savings are being made and, in most cases, the financial savings from the interventions, effectively pay for themselves within a year. The task is mammoth however, and substantially more investment in these initiatives is required if ADM wishes to see an impact on overall water demand during the year.

Other initiatives to reduce operational costs include an audit of all ADM's electricity connections. The first objective being to ensure that ADM is not being billed unintentionally for other consumers accounts. Once this is complete, the second objective will be to investigate ways of more efficient energy usage in order to reduce consumption. The Energy Master Plan for Renewable Energy Resources in the Amathole District Municipality has since been completed with the support of MISA. This master plan has been shared with Local Municipalities who are electricity authorities in the district to take the process of funding application forward. ADM will also not stop in finding ways of leveraging this master plan in trying to source funding for energising of our water infrastructure assets.

3.2.3.8 DROUGHT

While Amathole District Municipality is prone to drought conditions, the rainfall over the past four years has filled most of the supply dams in the area. Owing to the small size of the dams in ADM, storage is limited and if rainfall is not regular, drought conditions will resurface. As such it is important for ADM to continue developing drought mitigation strategies, even when the water sources are full. In this regard, ADM will continue with ground water investigations and the equipping of boreholes to augment supply to drought prone areas.

In order to mitigate the drought conditions in Mnquma, the Department of Water and Sanitation is funding the installation of a pumpstation and pipeline from Tsomo to Butterworth, via Ngqamakwe and Ndabakazi. The construction period is 36 months, but the actual timeframe to complete the project will be funding dependent. The current value of the project is estimated to be R1.3b and is currently under construction. Other interventions being implemented are as follows:

Table 31:DROUGHT FUNDING

No.	Project	Amount Allocated (26/27)	Funding Source	Status
1	Refurbishment of Adelaide Canal	R4m	WSIG	Contractor on site
2	Equipping of Mbashe and Mnquma Boreholes	R8.5m	WSIG	Contractors on site
3	Non-Revenue Water Loss Control Project: ADM	R54m	WSIG	Tender at adjudication stage
4	Nggamakwe Regional Water Supply	R110m	RBIG	Contractor on site

3.2.3.9 SUSTAINABLE WATER SOLUTIONS

In order to mitigate the future effects of drought and climate change the ADM has identified the development of a number of water sources in order to provide sustainable water solutions and provide a catalyst for growth and development. The list of projects and their current status is captured in the table overleaf.

Table 32:SUSTAINABLE WATER SOLUTION PROJECTS

MUNICIPALITY	NAME OF PROJECT	BUDGET REQUESTED	CURRENT STATUS	INTERVENTION REQUIRED
Raymond Mhlaba	- Construction of Foxwood dam; - Drilling & equipping of boreholes - Equipping of boreholes drilled during last financial year in Bedford, Adelaide and Hogsback	R3.3b R100m R30m	- Gazetted, but no funding allocated - No funding allocated - Ongoing ground water investigations – service provider on site	- Unlocking of funding - Funding - Funding
Mnquma	- Ngqamakhwe Regional Water Supply Scheme - Kolofini Wetland Rehabilitation	R1.4b R6.3m	- R724m gazetted and funded by DWS (Total project cost R862m –therefore shortfall of R138m) Under construction - No funding allocated	- Balance of funding required: R676m - Funding
Mbhashe	- Construction of Dam and Water Treatment Works for Sundwana Regional Water Supply Scheme - Equipping of Dutywa boreholes	R650m R70m	- R28.5m allocated from MIG for reticulation - Equipping of boreholes and installation of rising main is almost complete	Funding / unlocking of funding for Bulk Infrastructure
Great Kei	Extension of Kei Road Water Treatment works and bulk pipeline	R1.1b	Pre-feasibility undertaken. No funding allocated	Funding required for detailed feasibility and implementation
Ngqushwa and Amahlathi	Upgrade of Water Treatment Works and construction of pipeline from Sandile Dam to Peddie	R1.5b	Feasibility undertaken, but no funding allocated	Funding required
District Wide	Aqua Solar Hybrid Power Plant and Sea Water Desalination Plant	R4b	Pre-feasibility undertaken	Funding required for detailed feasibility and implementation
GRAND TOTAL:		R12.2b		

3.2.4 TRANSPORT

Amathole District Municipality (ADM) responsible for municipal public transport, which is a shared function with local municipalities in terms of services and infrastructure provision. The last major review for Integrated Transport plan was done in 2012 and is supposed to be reviewed every five years, however due to funding constraints it is reviewed on an annual basis through minor reviews. According to the Integrated Transport Plan (ITP), the majority of residents in the district do not have access to public transport services and/or transport facilities which are close by especially the rural areas.

Amathole District Municipality has upgraded and constructed a number of public transport facilities in the past. The Grant funding (ECDoT) that was received by ADM has since been stopped, also the MIG portion earmarked for Transport related projects was also stopped due to ADM being a Water Services Authority thus required 100% expenditure on Water & Sanitation Services. ADM has since stopped upgrading and construction of facilities utilizing internal funding due to Liquidity challenges. ADM continues with a process of handing over all public transport facilities to relevant local municipalities. This process was initiated and concluded in Mnquma, Mbhashe, Great Kei, and is currently being extended in Amahlathi.

The district continues to participate in the Eastern Cape Integrated Transport Planning Coordinating Committee driven by the EC Department of Transport. This committee provides a platform where all transport initiatives are ventilated where each stakeholder is required to present a progress report on the rollout of transport initiatives.

Amathole District Municipality is also implementing Road Asset Management System (RAMS) in the district on behalf of the National Department of Transport. A specialist service provider has been appointed so as to provide the specialist technical support to the District and its Local Municipalities. On completion of the RAMS systems, the national Department of Transport will through National Treasury look on fund rehabilitation, upgrading and construction of rural roads, lobbying for such is continuing. The role of districts during the implementation phase of RAMS is still being assessed.

The Outputs for Road Asset Management System (RAMS) will include Road condition Data for paved and unpaved roads; Traffic Data; Data on condition of Structures (Bridges & Culverts); Borrow Pit Management Data; Safety Assessment Data; Prioritized project list for roads to inform MIG project selection by Roads Authorities ie Local Municipalities. It must also be noted that all other amenities like Clinics, Schools and Hospitals have also been captured during data collection. This process will be extended to Community Halls as well as Police Stations and Sports fields so that all amenities accessed by roads are captured. This data will be useful when relevant authority rollout their maintenance and capital plans.

It must also be noted that ADM is no longer active in provision of amenities be it Community Halls or Sports fields due to funding constraints.

Even though the funding application for upgrading of strategic roads to the Transport System Upgrade Programme, for funding consideration to the Budget Facility for Infrastructure (BFI) for the 2021 Medium

Term Expenditure Framework (MTEF) cycle has not been successful, ADM continues to look for alternative sources of funding. Upgrading of these strategic roads will go a long way in supporting sustainability and integration of transport planning while promoting economic investments in the district. The Funding application has not been successful due to lack of detailed technical information. This outstanding information is only generated during Technical Report Development. Unfortunately, detailed stages of funding application should be undertaken by the relevant Roads Authorities i.e Local Municipalities.

The Amathole District Municipality has also submitted a Municipal Roads Situation Analysis Report to EC CoGTA to assist in speeding up the development of the comprehensive Provincial Municipal Roads Network Plan (PMRNP). This initiative is also in line with one of the key projects of the ADM Vision 2030, “Integrated Transport Systems”. Upgrading of roads will also assist in supporting sustainability and integration of transport planning while promoting economic investments in the district. This application has also unfortunately been unsuccessful.

EC SALGA is also in the process of developing guiding documents that will be able to assist municipalities and relevant stakeholders to address transport challenges while ensuring objectives of transport services. To facilitate this process, District municipalities were requested to share their RAMS information with SALGA. Districts are currently also lobbying the National Department of Transport (DoT) to review the RAMS grant so that it addresses Capital budget.

In addition, the Amathole District Municipality ITP revealed a number of key public transport issues within the district as listed below:

- Funding due to non-core nature of the function
- Use of Bakkies and Un-roadworthy vehicles as public transport
- Lack of public transport Services regulation
- Enforcement of by-laws
- Buy-in at Local Level

The National Department of Transport advised the Amathole District Municipality of their intention to develop an Integrated Public Transport Network (IPTN) in Amathole District Municipality starting during the financial year 2019/2020. The primary objective of developing IPTN is to improve transport systems and to provide communities with access and mobility to basic services. IPTN will provide integrated, safe and reliable public transport services to the users. ADM as an integral part of this program will be at the forefront and will involve all local municipalities within the area of its jurisdiction. This initiative has since stalled on the funder’s side.

3.2.5 WASTE MANAGEMENT

Amathole District Municipality is responsible for the operation of Regional Waste Sites. All the Landfill Waste sites under Amathole District Municipality jurisdiction are licensed either for closure or operations with one site attending the process of renewing the Licence for Operations. The Eastern Regional Solid Waste Landfill Site established in Butterworth is facing financial challenges leading to stalling of operations on the site. The district is currently engaging with Mquma local municipality in trying to come up with a workable solution where responsibility of the site will be borne by the affected local municipality within legislative imperatives. A Memorandum of Understanding will be entered between ADM and Mquma local municipality. Interventions talking to Alternative Energy, Composting and Recycling Market are currently underway with EWASA. ADM has currently appointed a service provider for maintenance and operations for the period of three (3) years, the contract will end on 30th June 2028.

The Community Services department took over the Ibika Regional Landfill site situated under Mquma local municipality as it was moved from Technical Services department. The site is being utilised by Mquma local municipality. The ADM is in the process of reviewing the Memorandum of Understanding (MOU's) between the Mquma and ADM.

The IWMP will be reviewed during the 2026/27 financial year as it has been budgeted for with all the processes will unfold up until the endorsement by the MEC as required by the Waste Act. District Waste Forum will be re-instated involving all waste management relevant keyholders, Terms of Reference have been developed and distributed.

The district will also look to secure external funding from relevant stakeholders to assist on the operations and maintenance of the Landfill site. The department must do a benchmarking on the operations of Landfill site from one of a good practice waste management in the province and outside the province during the 2026/27 financial year.

In terms of the Environmental Conservation Act, sites are required to be engineered and operated under license issued by Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) The number of licensed or permitted sites 12, currently out of 19 operational sites in the district, as presented in the table below:

Table 33: LICENSED SOLID WASTE MANAGEMENT FACILITIES

Waste Site	Size	Status	Commen
RAYMOND MHLABA MUNICIPALITY			
Alice	C	Licensed for closure	GCB-
Middledrift	C	Licensed for closure	GCB-
Fort Beaufort Transfer Station		Licensed	Transfer Station
Bedford	C	Permit Issued	GCB-
AMAHLATHI MUNICIPALITY			

Waste Site	Size	Status	Commen
Stutterheim	GSB+	Licenced	GSB+
Carthcart	C	Licenced for closure	Transfer Station
Keiskammahoek	C	Licenced	GCB-
NGQUSHWA MUNICIPALITY			
Hamburg	C	Non - functional	Transfer Station
Peddie	C	Licenced	GCB-
MNQUMA MUNICIPALITY			
Eastern Regional Waste Site	M	Expired	GMB+
Mbashe Local municipality		Licenced for closure	
Elliotdale Waste Site	C	Permit Issued	GCB-
GREAT KEI MUNICIPALITY			
Kei Mouth	C	Licence Issued	Transfer Station
Chintsa East	C	Licence Issued	Transfer Station
Komga	C	Licenced for closure	

Challenges

- Site not permitted with a fine from DEDEAT of R680 000.00
- The fence is porous needs fixing
- Needs more funding
- Recycling facilities needs equipment and renovation
- Illegal connection
- Non-compliant of landfill site and waste facilities
- Shortage of solid waste management personnel
- Lack of specialised waste collection vehicles including yellow fleet
- Illegal dumping across the district
- Lack of key regulatory instruments such as IWMP and Waste Bylaws

Intervention

- There are still efforts to engage provincial Department of Economic Development, Environmental Affairs and Tourism (DEDEAT), informing them of the progress made about the Regional Landfill site, as there is an operator on site, which appointed at the end of 2024/2025 financial year, that also includes the fine that was issued due to non-compliance.
- A letter has been written to the MEC and HOD for DEDEAT to consider reducing the fine to a reasonable figure as ADM is under Mandatory Financial Recovery Plan (MFRP).
- Establishment of District Waste Forum to address all Waste Management challenges and it will sit on a quarterly basis

3.2.6 SPATIAL DEVELOPMENT

Spatial Planning is a scientific discipline adopted for land space planning, with a comprehensive approach, for the physical organization of space according to an overall strategy, directed towards promoting sustainable and inclusive development of urban and rural areas providing geographical expression to developmental, economic, social, cultural, environmental and ecological policies of society.

This therefore means that this is a Strategic Process, underpinned by evidence-based and normative Regional Planning Approaches, that seeks to Organize, Co-Ordinate and Integrate how the Economy, Society and The Built Environment operate in Space, in a manner that is complementary over the Long Term, to the healthy functioning of Natural Ecosystems and Landscapes, and the need to ensure their Protection and Restoration. Spatial Planning in Amathole District Municipality includes methods and approaches used to influence the distribution of people and activities in spaces of various scales. This being done through a revised and confirming Spatial Development Framework as was adopted by Council. The revision was considered in this current IDP Cycle and Municipal term of 2022 – 2027. This being done due to change in circumstances, e.g. new legislation and policy evolution. This therefore meant that ADM SDF does conform to changes in the distribution of activities in space and the linkages between them through the conversion of land and property

3.2.6.4 Spatial Development Framework

The ADM Spatial Development Framework (SDF) is a framework that seeks to guide overall spatial distribution of current and desirable land uses within a municipality in order to give effect to the vision, goals and objectives of a municipal IDP.

The requirements for SDFs are also set out in the Spatial Planning and Land Use Management Act No. 16 of 2013 (SPLUMA), where the development of this SDF has ensured alignment to SPLUMA as well as alignment to National, Provincial and Regional policy directives and legislation. This includes the alignment to the ADM Vision 2030.

Further, Section 26 (e) of the Municipal Systems Act (Act no. 32 of 2000), clearly states that the Spatial Development Framework (SDF) in respect of a Municipality's area of jurisdiction is a legally required component of a Municipality's Integrated Development Plan (IDP). As such ADM has a credible Spatial Plan that conforms to all required prescripts. The summary outline of the Plan, including its status quo pronouncements, is as mentioned below.

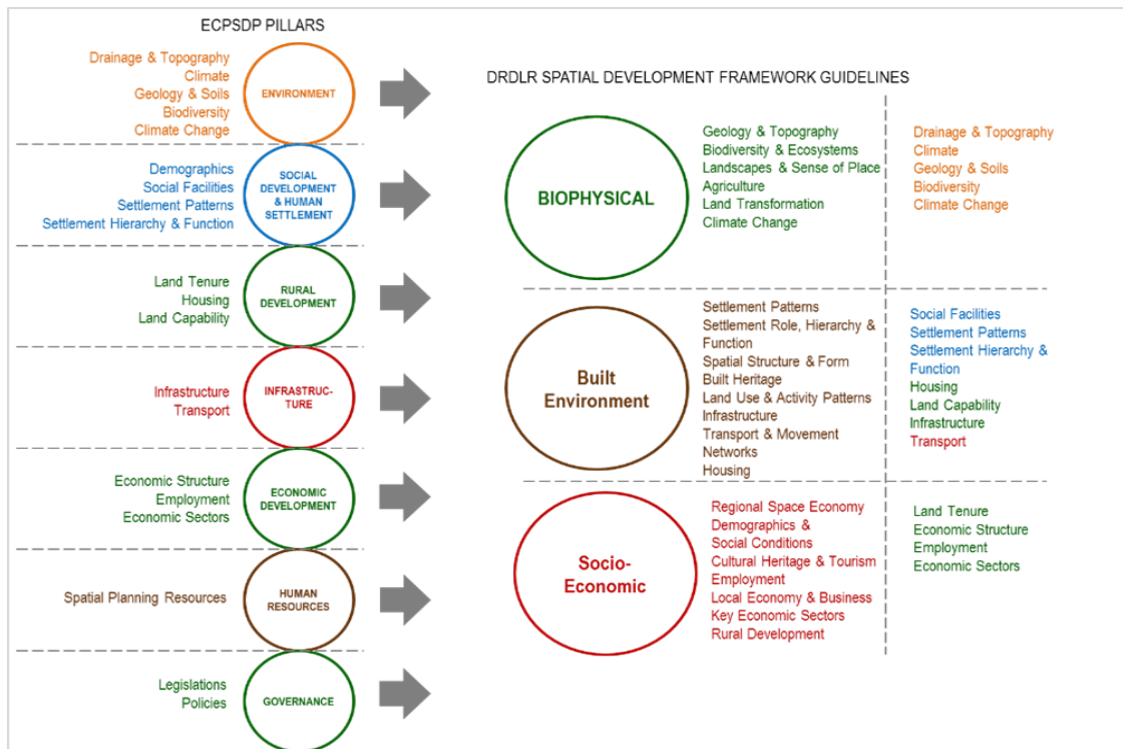
3.2.6.4.1 Objective

The ADM SDF Objectives are given to effect to the founding development principles set out in Section 7(a) of SPLUMA and the norm and standard set out in Chapter 2 Section 8 (2) of SPLUMA. This suggests that the SDF is an overarching framework within which the evaluation and development of proposal can take place. This framework has 3 substantive Spatial Themes, Biophysical, Socio-Economic and Built Environments. The Amathole District Municipality SDF addresses these 3 themes specifically. This framework has 3 substantive Spatial Themes,

- Biophysical,
- Socio-Economic and
- Built Environments

The Amathole District Municipality SDF addresses these 3 themes specifically.

FIGURE 30: SDF THEMES



Beyond the above-mentioned generic objectives of an SDF, the SDF must include amongst others the following;

- Updating the refinement of the current SDF document in order to comply with the legal requirements and be conversant with the recent developments and planning within the region, especially with the reviewed SDF of the District;
- Amendments and expansion of the existing documentation based on the NSDP, EC Vision 2030, Draft Eastern Cape Spatial Development Framework, Eastern Cape Rural Development Plans, Integrated Urban Development Framework and IDP in order to ensure proper alignment;
- Incorporation and alignment of all relevant information and proposals deriving from spatial relevant plans (ABP) etc...

3.2.6.4.2 Overview

Initially the Amathole District SDF formed a component of the Amathole District Land Reform & Settlement Plan. It was compiled as one of the outcomes of the LRSP, with inputs from a number of Sector Plans that were developed concurrently, which included the District Environmental Strategy, the District Integrated Transport Plan, the District LED Strategy, and the District Waste Management Plan

Key elements

Given its origins as one of a number of tasks required of the team drafting the ADM LRSP, the current (or 1st Generation) ADM SDF has a strong focus on the spatial elements of land reform and settlement development, which were informed for the purposes of the SDF by the spatial elements derived from other Sector Plans developed in tandem, as listed above. The following is a brief description of the key elements making up the current ADM SDF: -

Structuring elements

- The current SDF identifies a number of spatial structuring elements (that is, spatial areas or features that provide a structure and/or a pattern to inform development initiatives and associated financial and human resource investment). These Structuring Elements are set out in the SDF component of the LRSP as: -A Hierarchy of Settlements
- The Identification of Special Development Areas
 - Land Reform & Settlement Zones
 - Tourism Development Zones
- Key Transport Routes
- Cross-Boundary Infrastructure & Facilities
- Generalised Areas of need
- Environmental Informants/Conservation

Comment on the Environmental Impact of the Proposed SDF

- Special Development Areas

Finally, the ADM SDF includes a brief comment on the likely environmental impact and or consequences of the proposals contained in the SDF. These comments do not constitute a comprehensive assessment of the spatial proposals but merely highlight four areas where proposed key road developments or extended special development areas are located within or close to areas of known environmental sensitivity

3.2.6.4.3 Key Focus Areas of Development

Based on a consideration of the information set out in various Plans as well as a perusing document listed in the IDP, the following are taken as key focus areas for spatial development in the Amathole district: -

- As a Water Services Authority in SIX Local Municipalities, the focus of ADM's efforts in the provision of water and sanitation services falls on:
 - Ensuring a basic minimum level of service to all communities
 - Building capacity in existing infrastructure networks in urban centres by focusing on the refurbishment and maintenance of existing plant and infrastructure in the first instance and extending capacity of networks where this is necessary
 - In the medium term, to focus on the provision of adequate sanitation in rural settlements.

Recognising the low level of socio-economic well-being of the majority of the communities residing in the district,

- Natural resource-based enterprises (agriculture and forestry relating to enterprises such as bio-fuels, high-value crops, cotton, wool, leather, hemp, timber etc.).

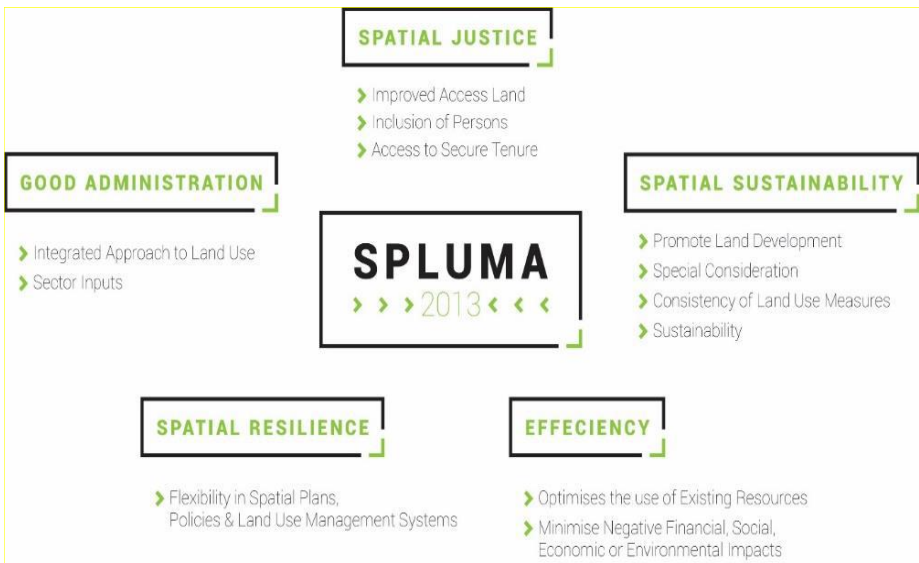
- The spatial dimensions of the above focus on economic development are identified as “Locality-Based Spatial Development”, which includes district-wide initiatives as well as spatially specific initiatives aimed at identified development nodes (towns or centres) and transport Corridors. It seems clear that the emphasis is likely to fall in the first instance on the regeneration of the urban economies of towns located within the Corridors associated with the main transport routes of the N2, the N6, the R63 and the R72.
- Clear emphasis is to be placed on the development over time of improved access linkages to areas where development investment and/or development potential has been identified.
- Land Reform and its correlative, Agrarian Reform remains a key area of focus in the district, and it is clear from an assessment of current and planned land development initiatives/projects that the existing framework of the LRSP remains valid.
- Finally, accepting its mandate to foster sustainable development, all spatial development in the Amathole district is to be mediated by a consideration of the environment, which remains a fundamental resource and an asset that provides much of the competitive advantage for the district in respect of tourism and agricultural/forestry potential.

There are several other pieces of legislation that had to be considered in the drafting of a SDF. The most noteworthy are outlined in the table below: -

- The Environment Conservation Act (No. 73 of 1989)
- The National Environment Management Bio-Diversity Act (No. 10 of 2004)
- The National Heritage Resources Act (No. 25 of 1999)
- The National Environment Management Act (NEMA – No. 107 of 1998)
- The National Forests Act (No. 84 of 1998)
- The National Water Act (No. 36 of 1998)
- The National Spatial Development Perspective

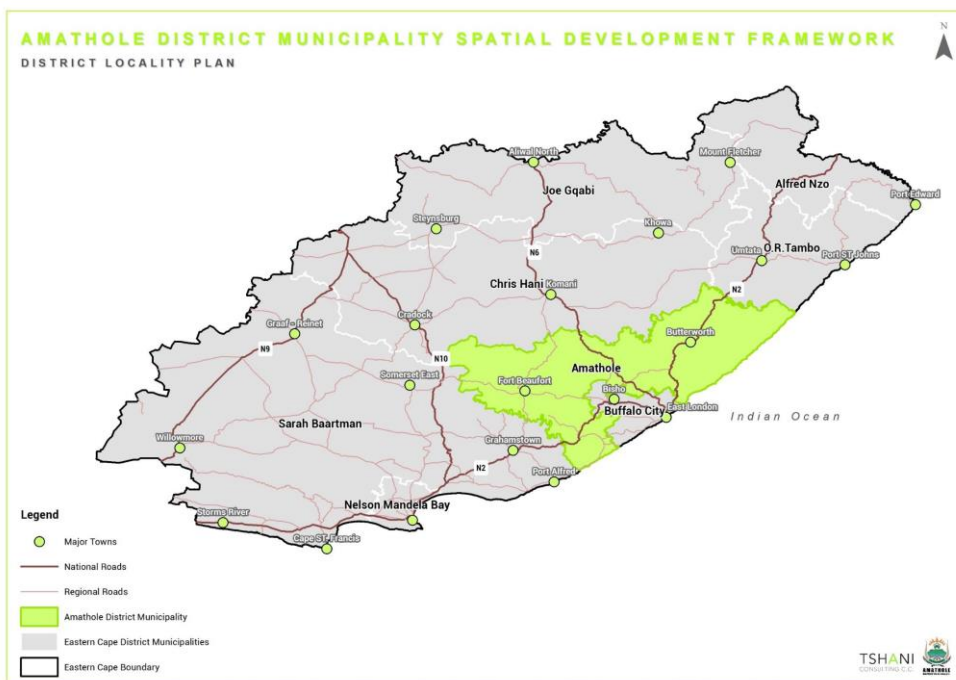
In line with Spatial Planning and Land Use Management Act No. 16 of 2013 (SPLUMA) the SDF now does promote consistency and uniformity in procedures and decision-making. It also addresses the objective that include addressing historical spatial imbalances and the integration of the principles of sustainable development into land use and planning regulatory tools and legislative instruments

FIGURE 31: SPLUMA 2013



Amathole District Municipality is a 'Category C' Municipality, situated in the central part of the Eastern Cape. ADM is bordered on the Eastern side by O.R. Tambo District Municipality, Chris Hani District Municipality to the north, Sarah Bartman to the West and Indian Ocean to the South.

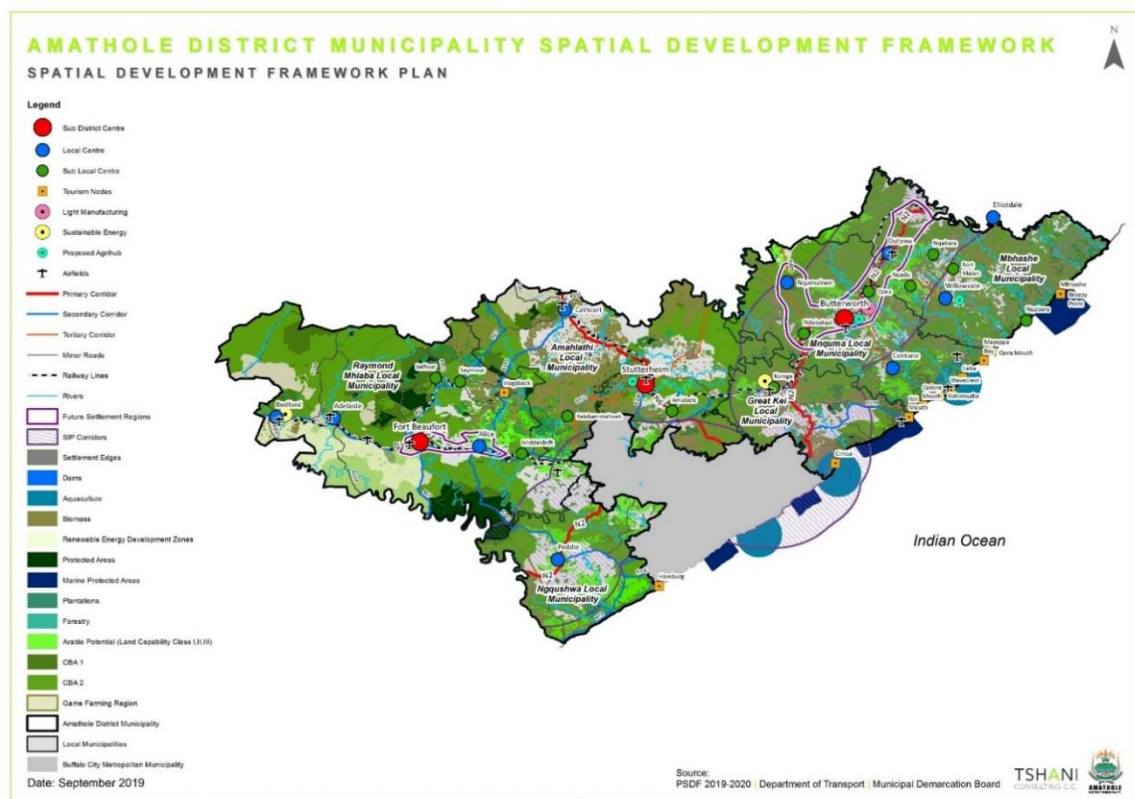
FIGURE 32: SDF AREA APPROXIMITY MAP



ADM is made up of five LMs; Amahlathi, Great Kei, Mbhashe, Mnquma, Ngqushwa and Raymond Mhlaba. The District covers an area of approximately 21 117km² which is home to an estimated Population of 880 790 persons (Statistics South Africa Community Survey 2016).

- To be a strategic, indicative and flexible forward looking planning tool, and to guide decisions on land development;
- To be a spatial image of the Integrated Development Plan; Develop a set of policies and principles and an approach for the management of spatial development;
- To guide decision-makers to make and take sound land development decisions.
- To Facilitate the social, economic, and environmental sustainability of the District by providing framework for :
 - Natural resource management;
 - Land reform and capability;
 - The conservation of prime land, wetland, biophysical (built environment), tourism and agricultural land;
 - Corridor framework

FIGURE 33: SDF LAND USE GUIDELINE MAP



The ADM SDF illustrates the above information on maps; and set out basic guidelines for a land use management system in Amathole District Municipality, with due acknowledgement of the fact that the District Municipality itself is not a land use regulator.

The map above depicts the Amathole District Municipality Spatial Development Framework. It's a map that identify areas with potential for socio-economic growth, biodiversity conservation areas, social facilities, etc.

3.2.6.4.4 Spatial Development Framework Objectives

Table 34: SPATIAL DEVELOPMENT FRAMEWORK OBJECTIVES

OBJECTIVES	STRATEGIES
BASIC NEEDS: Ensuring availability-acceptable level of infrastructure and service delivery	• Social Amenities; • The development of Integrated Sustainable Human Settlements; • Communication and connectivity - technological • Develop smart strategies for the basic service delivery • Identify and prioritize areas of greatest need; • Link services and service supply networks to optimize efficiency; • Focus on involvement of all relevant stakeholders
SPATIAL FRAGMENTATION: Creating an efficient and integrated settlement pattern in Amathole District Municipality	• Consolidate and densify settlements where appropriate; • Promote the integration of sprawling settlements; • Prioritize, maintain and upgrade strategic link routes
LINKAGES AND ACCESSES: Well-structured road and rail network system to ease movement; and efficient and effective links between nodes, relevant products and services	• Identify nodes and products that require linkages; • Identify and prioritize where the need is the greatest;
LAND USE MANAGEMENT: An appropriate Land Use Management Systems in operation across the District Municipality; and security of access to land for development	• Support and implement a programme to develop appropriate new Zoning Scheme for urban and rural areas in line with the direction of new legislation; • Support Land Reform and Settlement upgrade initiatives by identifying zones of opportunities according to land needs.
ENVIRONMENT: Adhering to sound environmental practices in line with applicable legislations and protecting environmentally sensitive areas	• Support and implement a programme to develop appropriate new Zoning Scheme for urban and rural areas in line with the direction of new legislation; • Support Land Reform and Settlement upgrade initiatives by identifying zones of opportunities according to land needs.

3.2.6.5 LAND REFORM

Amathole District Municipality developed a “Land Reform and Settlement Plan” (LRSP) that form part of the IDP. LRSP was prepared with specific reference to the key land issues relating to land reform and settlement development in the District. The complexity of the Land Reform environment has been acknowledged throughout the LR&SP, with specific reference to the identified challenges located within the areas of land access, land tenure, and land administration. Land reform has a composite suite of issues and interlocking components; the precise make up of which differ from one Local Municipal Area to the other.

Some of these components include:

- in-situ upgrade and tenure upgrade,
- land planning for residential and productive uses,
- Land-legal issues (eg. land rights audits, title adjustments, land survey, registration of ownership, etc.),
- post implementation livelihoods support,
- implementation land use management,
- Infrastructure/asset maintenance and operation issues.”
- land identification, and
- land acquisition,

It is acknowledged that Land Reform is a specific functional competency of the National Department of Rural Development and Land Reform. However, it has been the policy of the National Department to ensure that the implementation of the delivery of land reform “products” is undertaken at the local level of government.

This effectively means, that within the context of the ADM LR&SP, the principle role in driving land reform processes and initiating land and settlement planning resorts with the Local Municipalities, whilst the ADM would only render support and assistance to these municipalities, in relation to the performance of these functions, when a specific need arises, or when called upon to do so by the relevant local municipality. A visible manifestation of the implementation of the above will clearly be found in the Implementation Plan dealing with the areas of Support and Capacity Building for Local Municipalities.”

It is important to add that a legislative imperative exist in specifically the Local Government: Municipal Systems Act 117 of 1998, in terms of which the District Municipality is charged with the duty to build the capacity of local municipalities within its area of jurisdiction to ensure that such municipalities are capable of performing their duties and functions (Section 83).

The key challenge for the District in Land Reform process is to deal effectively with the injustices of land dispossession, equitable distribution of ownership, reduction of poverty and economic growth, tenure security as well as system of land management which will support sustainable land use patterns. This is in line with the National Policy on Land Reform, 1997. These will be dealt with in terms of the required land related legislations.

An assessment of the changes in the technical / operating environment for land reform and a review of the challenges facing the ongoing processes of land reform and settlement development in the Amathole District have led to changes being proposed in some of the Objectives, Strategies and Projects moving forward towards 2027 (5-year term).

These changes have, in turn, led to minor amendments in the Operational Plan of the LRSP. Principally, these amendments relate to a proposed focus on rolling out implementation in some key land reform areas:-

- Tenure Security
- Land Acquisition and Implementation Actions; and
- Settlement Inventory
- Building of Strategic Partnership
- Good governance between the District Municipality, the Local Municipalities and the Provincial Department of Rural Development and Agrarian Reform.
- The Model 2 Settlement Zone Planning

Challenges

Land Reform issues within the Amathole area encompass a complex array of challenges and problems located within the spheres of land access, land tenure, and land administration. The legislative framework and functional responsibility for dealing with these issues lie across all tiers of Government and between different authorities. During the analysis these have shown as “opportunities” of the Land Reform issues in the Amathole area:

- Land reform initiatives largely remain geographically focused and limited to certain types of interventions, to the detriment of a preferred, holistic implementation of the complete land reform package;
- Land Redistribution, Planning Needs have focused on certain areas where eg. Commonage Needs are extensive throughout the district;
- Tenure insecurity remains prevalent notwithstanding interim.
- Pace of land reform within the municipal area still lags behind nationally.

It thus acknowledged that development should be more than the striving for material improvement, but that "Ubuntu" should form an integral part of such development strategy which will imply a striving for:

- Social Justice
- comprehensive consultation and joint decision-making
- the alleviation of all forms of suffering (or satisfaction of basic needs)
- respect for the local eco-system & local and cultural patterns, and the advancement of people through their own endeavours-freedom of expression

As such everybody had to remain committed to ensure that ultimately the IDP & LR&SP that will translate in "improved humanness" for all communities will succeed. The Land Development Initiatives on Land Reform for the District are clearly outlined in the Revised Land Reform and Settlement Plan

3.2.7 HUMAN SETTLEMENTS

The Constitution of the Republic of South Africa, of 1996 as amended defines the housing function as a concurrent competency of both National and Provincial spheres of Government. However, the Department of Human Settlements requires municipalities through legislation and policies, to formulate Housing delivery goals as part of the IDP process.

Housing is seen as one of the primary service delivery components as a result municipalities are obliged to be proactive in executing these responsibilities. It is these kind of responsibilities for municipalities that are implicitly indicated in S83(3) (a-d) of the Municipal Structures Act. ADM Housing strategy inherits its main focus from the aspirations rooted in the Freedom Charter and has shifted its focus from Housing delivery to provision of Sustainable Human Settlements. Sustainable Human Settlements and improved quality of household life are defined by:

- Access to adequate accommodation that is suitable, relevant, appropriately located, affordable and fiscally sustainable;
- Access to basic services (water, sanitation, refuse removal and electricity);
- Security of tenure irrespective of ownership or rental, formal or informal structures;
- Access to social services and economic opportunity within reasonable distance.

The outcome of achieving these is of critical importance for various reasons. Firstly, it is a requirement of the Constitution and Bill of Rights. Secondly, it is core to human dignity and social stability and is a key enabler of health, education and social cohesion outcomes. Lastly, with good planning, it can also serve as a catalyst for economic development and job creation. The outcomes of the national effort around human settlements must be seen in the context of social development and transformation as well as meeting the objectives of rolling back under-development.

Amathole District Municipality plays a role with regard to housing development or sustainable human settlements development in our area, as outlined in the ADM Integrated Human Settlements Plan (Housing Strategy), (IDP Sector Plan). The municipality made a commitment in the provision of Sustainable Human Settlements through housing development in line with applicable legislative and policy provisions. The role and responsibility assigned to Amathole District Municipality is not defined between any tier of local government in the legislative and policy environment except for assignment of such responsibility to local government. Amathole District Municipality with its 6 Local Municipalities agreed that ADM will assume direct responsibility of addressing the housing needs of its inhabitants in the manner outlined hereunder, especially where there is lack of personnel in those municipalities. This approach is as detailed in its Integrated Human Settlements Plan (Housing Strategy) (IDP Sector Plan). The outline of such a role identified through a participatory process, endorsed by all spheres of Government is as detailed hereunder:

Table 35: HOUSING SECTOR PLAN PARTICIPATORY PROCESS

ROLE	FUNCTION
Guide	▪ Development and review of Municipal Housing Sector Plans ▪ Help set up appropriate designed municipal housing institutional arrangements ▪ Development of user-friendly manuals/models/systems ▪ Matters dealt with Housing Finance and Fraud management ▪ Consumer education
Support	▪ The planning and implementation of subsidy projects (Land, house designs, and quality, town planning layout, etc.) towards integrated settlements ▪ Development and implementation of housing capacity development programmes
Co-ordinate	▪ Funding for housing related bulk infrastructure and social infrastructure; ▪ Participation of housing institutions and other relevant support agencies in local municipalities ▪ Formulation and review of housing policy and legislation
Advocate	▪ Provincially, nationally and internationally for local municipalities
Implement	▪ Where there is need (determined by both local and district municipalities) the ADM will directly implement subsidy projects in a manner that capacitates the local municipality concerned so as to perform this function in the near future

In doing so Amathole District Municipality is fulfilling of its role as a District Municipality to give a supportive role to Local Municipalities in terms of Section 83 (3) of the Municipal Structure Act, Act 117 of 1998. Therefore, the clear role of Amathole District Municipality as outlined in the Integrated Human Settlements Plan. This Plan therefore states that a key development issue identified during the IDP processes is also “housing development”, which was listed as one of the most important issues for the District Municipality to address.

This Plan therefore states that a key development issue identified during the IDP processes is also “housing development”, which was listed as one of the most important issues for the District Municipality to address. The Plan on human settlements serves as a guiding framework for the strategic engagement of the ADM in housing development including its role in supporting the 6 Category B municipalities within its area of jurisdiction. This position has furthermore been endorsed by the National Department of Housing. In addition to the above-stated role and responsibilities of the ADM, the National Department stated that the ADM “...could play a more prominent role in the housing development planning and co-ordinating process and perhaps the decision-making authority regarding the National Housing Programmes.”

Policy perspective

The Minister of Housing identified key strategic areas to be focussed on during this period of IDP Cycle.

The strategic areas are identified include:

- Prioritisation of informal settlement eradication;
- Eradicating corrupt practices;
- Occupancy audits;
- Emergency Housing;
- Urbanisation – ensuring rural development
- Subsidised rental stock;
- Forfeiture of provincial funds in cases of under spending

Therefore ADM Integrated Human Settlements Plan had taken shape to such new policy shifts.

3.2.7.4.1 Housing Needs

The ADM Housing Strategy, and comprehensively analyse the housing needs in ADM. The analysis of the housing needs in ADM as qualified and quantified in various documents by different government institutions has been analysed. An analysis done through Expressed Needs is placing more emphasis on rural needs. A comparison of the total needs indicate that approximately 128 425 units need to be erected within the District area. Further, ADM Local Municipalities expressed a much stronger need for urban housing. Generally, this is in line with observed migration from villages to small towns in many municipalities as mentioned above. With regard to rural housing the expressed needs differ strongly. Amahlathi, Mbashe and Mquma expressed a far lower need. All other municipalities expressed greater need for rural housing than the empirical method.

A clear detail of Housing Needs according to each Municipality and their IDPs is detailed comprehensively in the Strategy document which also forms part of Local Municipal IDPs. However, the new detail data recently published by the Provincial Department of Housing in relation to Housing backlog in the ADM area of jurisdiction is now as detailed hereunder in terms of percentage:

Table 36: PERCENTAGE [%]HOUSING NEEDS & BACKLOGS PER LM

Local Municipality	% Housing Needs	% Housing Backlogs
Amahlathi	87	8.1
Great Kei	98.1	3.1
Mbashe	63	8.5
Mquma	89	11.3
Ngqushwa	97	12.5
Raymond Mhlaba	50	8.0

The following was also established:

Table 37: TOTAL NUMBER [#] OF HOUSING NEEDS PER TYPE

Housing type	# of Houses
Informal dwellings	85 600
Backyard Shacks	24 067
Traditional Dwellings	108 700
Total Need	218 367

Amathole District Municipality is putting forward the idea of provision of adequate and sustainable human settlements for its citizens within the Housing development framework. This is clearly outlined in its Housing Vision and Mission of the said Integrated Human Settlements Plan (Strategy)

Housing Vision

- Improved housing conditions for the poor in the Amathole area.

Housing Mission

- The ADM supports, guides and co-ordinates efforts of local municipalities to improve housing conditions of the poor.
- We provide sustainable human settlements for our communities.

Challenges

- Slow pace in issuing of title deeds for public funded Housing
- Mushrooming of Informal Settlements
- Backyard shacks
- Strategic Partnership
- Lengthy processes of accrediting municipalities.
- Social or community protest on housing delivery
- Scarcity of suitable land for housing development
- Reliance of public funded housing on non-renewable energy supply
- Rural – urban migration.
- Lack of opportunities and facilities in rural areas
- The financial status of municipalities
- Lack of social facilitation on housing processes
- Lack of communication channels with the potential housing beneficiaries
- Challenge in accessing state within the municipal commonage land.
- Housing Entity support requirements
- Lack of commonage capacity to accommodate housing development.
- Contributes towards climate change or global warming.

3.2.7.4.2 Summary of backlogs

FIGURE 34: BACKLOGS SUMMARY

Municipality	Water		Sanitation		Electricity		Roads	
	Served	Backlog	Served	Backlog	Served	Backlog	Served	Backlog
Amahlathi	33 883	203	31 695	2391	38 045	770	43.6km	506.5km
Ngqushwa	20 152	1211	18 831	2532	30 697	0	10.7km	418km
Raymond Mhlaba	41 445	531	30 262	11 714	35 583	1260	82.8km	981.1km
Mbhashe	57 736	2285	48 041	11 980	47 269	12 669	32.1km	1914.1km
Mnquma	65 437	4141	52 531	17 057	76 024	4541	87.6km	1220.2km
Great Kei	10 172	100	8472	1800	6854	400	26.1km	106.8km

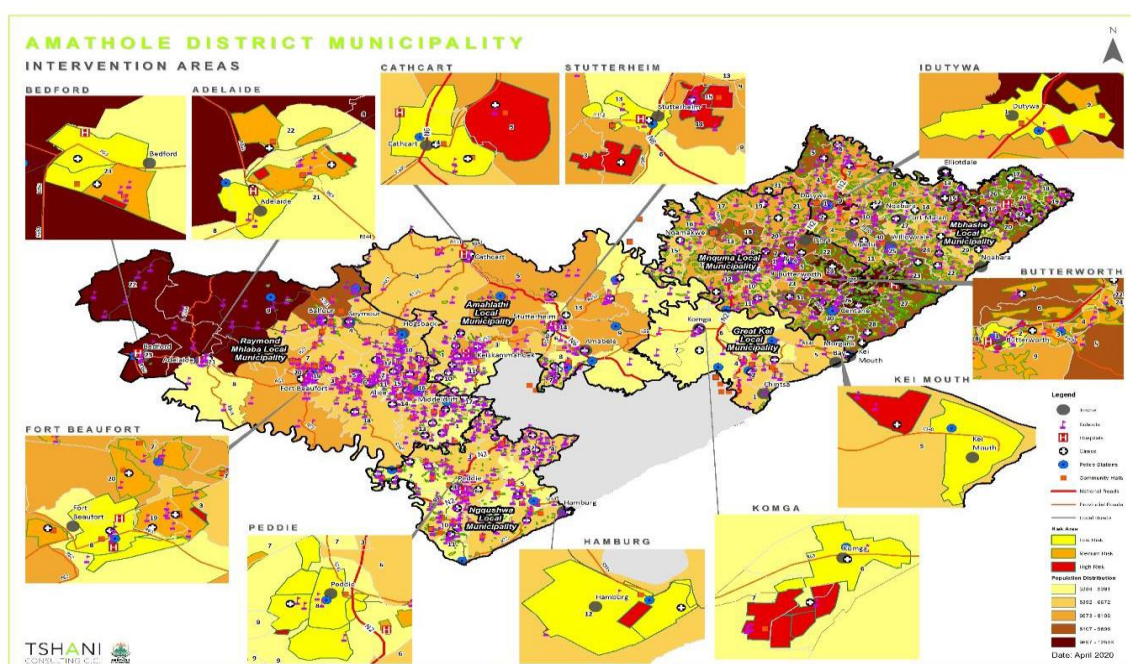
The above table depicts an overall summary of service delivery backlogs within the Amathole District jurisdiction. The table breaks down the number of communities that have been served already and those that form part of the overall backlogs.

3.2.7.4.3 Urban Planning Response

ADM developed the Urban Response Plan. This plan identified risk areas, per wards, in all Local Municipalities within ADM. Potential Quarantine sites in all the LMs were identified, and they were in the form of social amenities (schools, Community halls, clinics, police stations, etc).

The ‘High and Medium Risk Areas’ as well as ‘Intervention Areas’ are also highlighted in the consolidated ADM ‘High Risk Areas’ plan below:

FIGURE 35: INTERVENTION AREAS



3.2.8 ENVIRONMENTAL MANAGEMENT

To ensure promotion of environmental integrity by securing ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.

3.2.8.4.1 Natural state of ADM Local Municipalities

Amathole District is generally in a good natural state, i.e., 81.52% are areas remaining natural and 18.48 are areas where no natural habitat remains. The natural state of the district varies across the local municipalities, e.g. Great Kei, Ngqushwa and Raymond Mhlaba municipalities are in a pristine state of environment with less areas with no natural habitat remaining, whereas Mbhashe and Mquma need some attention in terms of preserving the natural state of the environment. The highest levels of transformation in Amathole DM have been experienced in the Mbhashe and Mquma LM. Development pressures on the wild coast is one of the key impact drivers. Amathole ecological landscape offers opportunity in Eco-tourism, Agri-Ecology/Conservation agriculture, Environmental Projects

3.2.8.4.2 Biodiversity

The biodiversity of the Amathole DM is represented in 5 major biomes that describe the different biotic communities. These biomes are Savanna (34.5%), Grasslands (31.5%), Albany Thicket (29.6% of the area), Indian Ocean Coastal Belt (3.7%) and Forests (0.6%). The variety in landscape and biodiversity within the Amathole District Municipality is recognised within the Pondoland Centre of Endemism that stretches along the east coast below the Great Escarpment. One type of forest (Licuáti forest), three types of thickets, six types of bushveld, and five types of grassland are found only within the hotspot. About 80 percent of South Africa's remaining indigenous forests fall within the Pondoland centre of endemism. The region includes warm temperate forests that hold nearly 600 tree species, the highest tree richness of any temperate forest on the planet. The Amathole Complex is home to high biodiversity and is regarded as a centre of endemism. It falls within an area classified as Critically Endangered by the Subtropical Thicket Ecosystem Project (STEP). In the ADM there is one endangered ecosystem which is Kobonqaba Forest Complex in Mquma local municipality. Marine protected areas in Amathole include, Amathole Marine Protected Area (MPA), Dwesa (South)-Cwebe (North) at Mbhashe and Nyara River mouth to Great Kei River mouth at Great Kei.

ADM working with Department of Forestry, Fisheries and Environment have appointed a Service Provider for the development of ADM Biosphere Reserve which traverses three ADM local municipalities; Amahlathi, Raymond Mhlaba and Ngqushwa.

3.2.8.4.3 Freshwater Ecosystems

There are 56 recorded rivers in the Amathole district municipality. Nearly the whole of the Amthole DM fall in the Mzimvubu to Keiskamma Water Management Area, with the exception of Bedford, Adelaide and Fort Beaufort which forms part of the Fish to Tsitsikamma Water Management Area. There are four major drainage regions in the ADM, i.e., Great Fish River catchment, Amathole catchment, Great kei River basin, and Mbashe River basin. The major rivers of the Amathole DM are the Koonap and Kat Rivers of the Groot

Vis River in the western extent; the Keiskamma and Groot-Kei in the central extends; and the Mbashe River in the eastern extent. The dams of the Amathole DM include: Binfield Dam, Bridle Drif Dam, Cata Dam, Debe Dam, Gcuwa Dam, Gubu Dam, Katrivier Dam, Laing Dam, Maden Dam, Mnyameni Dam, Nahoon Dam, Pleasant View Dam, Rooikrans Dam, Sam Meyer Dam, Sandili Dam, Stanford Dam, Toleni Dam and Xilina Dam. In terms of Blue drop ADM is rated at 74.62 which is a good status. There are 9565 wetlands at Amathole district municipality which are distributed as follows across the local municipalities.

Amathole DM has approximately 49 functional estuarine systems, the vast majority falling within the warm temperate biogeographic region and the few located within the subtropical region. The estuary of greatest importance is the Great Fish River, which forms the boundary between the Amathole DM and Cacadu DM to the south. This is the 13th most important estuary in South Africa due to its large size, significant habitat and biological diversity, and it is imperative that the system be effectively managed by both DMs. There are 8 other systems that are within the national top 50 in terms of estuarine importance, viz. Mpekweni, Mtati, Mgwaland, Keiskamma, Great Kei, Nxaxo/Ngqusi, Mbashe, and Xora.

3.2.8.4.4 Marine and Coastal

Amathole DM is situated in the central coastal portion of the Eastern Cape, between the Mbashe River in the northeast and the Great Fish River in the southwest. The coastline extends for approximately 269 km, which accounts for about a fifth of the districts' jurisdictional boundary and roughly 34.1% of the Eastern Cape coastline. The coastline is generally warm, with humidity increasing towards the east. In total, the district covers a geographical area of 23 577 square kilometres. ADM has 21 beaches, with more recorded at Mbashe local municipality. A number of beaches in the ADM is in a pristine nature, however general lack of infrastructure with regard to coastal amenities is a serious concern. This has a direct implication to coastal tourism and coastal public access. Health and safety is also another area of concern due to lack of lifeguards and beach health and safety services. ADM has eighteen boat launching sites which are mainly still under the management of the private bodies. The processes to transfer management is still underway as many local municipalities lack required capacity and experience in this regard. List of public boat launching sites in the ADM are found in Gazette No. 3363 of the Eastern Cape.

3.2.8.4.5 Climate and Climate Change

The climate of Amathole varies from mild temperate conditions (14-23°C) along the coastal areas to slightly more extreme conditions (5-35°C) among the inland areas. The mountains on the northern border of the district experience winter snows and summer rainfalls. The coastline is generally warm, with humidity increasing towards the east.

Temperature is projected to increase by 2.1-2.2 inland and 1.5-1.7 degrees Celsius along the coast. Rainfall patterns will become more concentrated into heavy falls or floods and longer dry periods. Spring will be wetter than summer. In spring rainfall will increase about 10 to 12 mm towards the coast and in summer will increase about 2 to 4 mm per annum inland. Average sea levels are likely to rise by roughly 2.5 cm every 10 years. Annual stream flow in the ADM will decrease. Since ADM has been experiencing

severe drought conditions over the years, ADM has sourced funds from DFFE. The drought is conditions are the effects of Climate Change. Therefore, ADM and DFFE are implementing an Adaptive Capacity Facility Human Settlement Pilot Project (ACFHSPP) under Environmental Affairs (DFFE).

DFFE has sourced funds on behalf of ADM from the Government of Flanders in Belgium. ADM is one of the beneficiaries of the £4.99million to be shared amongst the three South African District Municipalities. In ADM, the projects is implemented at Xhilinxi Dam in Mnquma.

Climate change has affected ADM so much that even SALGA/FCM (Federation of Canadian Municipalities), through the Building Inclusive Green Municipalities (BIGM) have drilled two boreholes in Ngqushwa Local Municipality (Dlova and Baltein). Both these areas have been experiencing accute water shortages over a long period of time. It must be noted that Ngqushwa LM is a pilot Municipality for BIGM for the LED Component.

3.2.8.4.6 Air Quality

ADM ambient air quality is rated as acceptable in terms of the National Framework for Air Quality Management in the Republic of South Africa. The key sources of pollution in the ADM are:

- Industry and Manufacturing- There are approximately 15 industrial boilers within the district. There are also a number of wood drying operations, e.g., sawmills throughout the district.
- Residential Fuel Use- Use of wood and paraffin
- Biomass burning- Veld fires during winter
- Motor Vehicles and Unpaved Roads- Due to the rural extent of the District, One of the largest sources of particulate emissions is vehicular travel on unpaved roads, other emissions are related to waste management practices, agricultural emissions and poorly managed Mining, quarries and borrow pits. Identified priority pollutants in the ADM are:

Sulphur dioxide (SO₂), Nitrogen dioxide (NO₂), Particulate Matter (PM₁₀ and PM_{2.5}), Carbon Monoxide (CO), Benzene, Lead.

For areas that are found to be not in compliance with the National Framework for Air Quality Management, interventions and campaigns such tree planting are performed as a balancing factor in carbon emissions as they take in Carbon Dioxide and release Oxygen.

3.2.8.4.7 Environmental Governance

ADM has both the Environmental management forum and Municipal Coastal Committee, which is used as a platform to share environmental projects, programs and strategies. The following environmental awareness campaigns are held annually by the ADM: (Water Week in March, Environmental week in June, Arbour week in September, Marine Week in November, Weed buster week in December, and Wetlands Month in April yearly). Table below: Illustrates of environmental interventions:

Table 38: ENVIRONMENTAL INTERVENTIONS

March	April	June	September	November	December
Water Week	Wetlands Week	Environmental Week	Arbor Week	Marine Week	Weed Buster Week

3.2.9 GEOGRAPHIC INFORMATION SYSTEM (GIS)

GIS is a critical tool for planning and decision making for the strategic imperative of the municipality and its local municipalities thus supporting good governance, asset management, spatial planning and revenue management served as Corporate GIS for all internal departments centrally. The system has 3 components, geodatabase, application system and web portal that is accessed generally. The procedures and policy are in place to manage data and access to the system for internal departments to the municipality, government entities and external parties. Furthermore, Memorandum of Understanding (MoU) and Memorandum of Agreement (MoA) are in place with external parties for exchange of data and thus maximising the use of spatial information. Other services offered by Corporate GIS are analytics and web portals or systems as per functional requirement of business processes. Currently implemented are the following applications, systems, views and/ portals

- Cadastral or base data with land parcels (referred to land audit and land use) and zoning schemes per local municipality and district view
- DEEDS with property ownership per local municipality and district overall
- Property Workflow System for each municipality based on SPLUMA and their processes
- Social Facilities and amenities per local municipality and district overall view
- Informal Traders per municipality and district overview
- Billing view per municipal area with age analysis
- Environmental Theme
- Disaster Risk Vulnerability
- RAMS
- Who is my Councillor

The GIS is a fundamental tool to support the Integrated Development Plans (IDP) thus integrating to the Spatial Development Framework (SDF) together with projects where they are spatially aligned and captured. The linkage has also been achieved of capturing the valuation rolls thus linking to revenue management to ensure accurate billing based on correct land use plans and zoning schemes. The fixed asset register is also captured in the GIS for water assets spatially, there are gaps that need to be filled and accurate register to be reviewed and compiled and completed.

In fulfilling the support role as mandated to the district, ADM has established the Steering Committee with all its local municipalities using a Shared Services model that meets quarterly together requirements and report progress on those initiatives. Each municipality has its own instance meaning a system with data relevant respectively, which is updated quarterly. Then the district hosts for all municipalities the GIS and

updates continuously. Also, a GIS Steering Committee has been established for the district municipality internally with all its departments sitting quarterly.

In the 2025/26 financial year, ADM GIS conducted user Requirement Assessment for the LMS and the following were highlighted:

- Integration of billing data on the system
- Integration with RAMS
- Update of property ownership information
- Add SG layer which has SG numbers for ease of reference
- LM given user rights and access
- Linking of Town Planning approvals with billing
- Have a Town Planning Management System
- Storing of past application approvals on the system
- Addition of Environmental data on the system
- Land use application process to be done on the system

3.2.9.4.1 GIS Governance

GIS Policy – adopted in the 2024/25 financial year

GIS Strategy - adopted in the 2024/25 financial year

The ADM GIS SSC provides centralised spatial information management, mapping, analysis and dissemination services to the ADM and local municipalities. The centre is a collaboration of effort to meet the spatial needs of ADM's internal departments and its LMs and one of the core functions of the centre is to maintain key datasets of spatial information and provide online information.

3.2.9.4.2 GIS SSC Duties

- Service Level Agreements (SLA) were signed between ADM and its LMs for the implementation of the SSC
- To co-ordinate spatial information activities in the Amathole District through collaboration and dedication for the benefit of the region.
- To provide spatial data services to officials and service providers doing work for ADM, local municipalities and government.
- To provide a data capture service of spatial data on priority data.
- To ensure priority GIS data is current, complete and accurate through maintenance of the data.
- To maintain GIS software required by both ADM and the LMs.
- To provide technical support and GIS training on software.

Initiatives

- Scanning of all building plans - ongoing exercise, make them available into the GIS website
- Established GIS Shared Services Committee that sits on a quarterly basis – comprised of (Cooperative Governance And Traditional Affairs (COGTA), Public Works Department, ADM and its LMs
- Established Individual LMs GIS Steering Committees that sit monthly – comprised of COGTA, ADM and LM officials
- Internal GIS Steering Committee sits quarterly which is formed by ADM Internal business departments
- Each Local municipality has a dedicated GIS server and GIS Software licence (COGTA) with its own data which is updated quarterly or as and when required
- GIS System integration of water and billing data (live link) - Spatial linkage to the ADM financial system for water revenue enhancement
- Spatial referencing of ADM projects and LMs projects
- Capturing of IDP projects onto GIS
- Mapping of Complaints Register
- Mapping of VIP toilets, illegal connections, sampling points
- Updating the SDF onto GIS
- Making the information available through the GIS Website: www.amatholegis.gov.za
- The website is available 24/7 and it allows everyone to query, view and print maps in a simple to use environment.
- Mapping of ADM owned properties using the Cadastral from Chief Surveyor general (CSG) and ownership data from Deeds Office.
- Mapping of Amathole Biosphere Reserve Zonation in Raymond Mhlaba, Amahlathi and Ngqushwa LMs
- URA sessions have been held with LMs to identify the “likes to have” data layers to be added data that they have that will speak to their planning documents incl SDF, IDP
- Currently cleaning up data, joining valuation data and cadastral data so that it can be published
- Updating the street address dataset.

Partnerships

- ADM signed an SLA with the National Department of Agriculture, Land Reform and Rural Development (Chief Directorate: National Geo –Spatial Information) (NGI).
- ADM and COGTA Provincial with the assistance from National COGTA will renew the ArcGIS software Term licenses for Amahlathi, Great Kei, Mnquma, Raymond Mhlaba and Mbhashe LMs and will also provide training.
- ADM and Stats SA have signed a Memorandum of Understanding - Collaborative Mapping pilot project
- Forty (40) tablets have been donated to ADM by StatsSA, each LM has been given ten (10) tablets each.

Challenges

- GIS website currently no accessible
- Under - utilisation of GIS at DM and LM level
- Lack of IT infrastructure at LM's
- A few, may be 2 LM's commitment and co-operation
- Updated landuse plans
- Collaboration on LMs SDF's
- Departments not trusting our data
- Sustainability of the Shared Services Centre

3.2.10 ELECTRIFICATION

The Amathole District Municipality does not provide electrification as one of its services but rather the service is being done by Eskom. However, there are a few local Municipality that provide this service together with Eskom and the Department of Energy. Electrification of households occurs in the backdrop of a rural bias & historical backlog. Electrification is funded by National Government via disbursement from National Treasury to the Department of Energy. Municipalities are allocated funding to electrify un-electrified areas annually and IDP prioritisation in planning areas is a key determinant. Allocations are gazetted annually per municipality once budgeting is approved. Eskom issues/advises through IDP letters with a list of projects to be done in any financial year as per stipulations of the DoRA. Monitoring of projects' progress done via DoRa Reports on a monthly basis. Budget adjustment (Re-Gazetting) for the programme happens during September.

3.2.10.4.1 ADM Free Basic Status Quo

Table 39: FREE BASIC STATUS QUO

Municipality	No. of Electrified customers	Configured for FBE	Collection				Configured vs Electrified (%)
			Feb'26	Mar'26	Apr'26	Apr'26	
Mbhashe LM	67 377	286	265	248	260	90.91	0.42
Mnquma LM	82 416	2919	2643	2634	2632	90.17	3.54
Great Kei LM	7 124	924	870	833	719	77.81	12.97
Amahlathi LM	24 576	166	155	156	155	93.37	0.68
Ngqushwa LM	31 355	5 002	4412	4453	4435	88.66	15.95
Raymond Mhlaba LM	41 306	2 574	2396	2441	2399	93.20	6.23
TOTALS	254 154	11 871	10 741	10 765	10 600	85.75	6.01

3.2.10.4.2 Infills Requirements

- Houses that were either not complete or build after the electrification of the area.
- Should be within the electrified area.
- 50 meters radius from the top pole box.
- Not a new extension area far from the networks infrastructure

- Should be a complete structure.
- Should be occupied or inhabitants in it.
- A list be submitted to the Municipality by Ward Councilors.
- A consolidated, collated and proclaimed list be submitted to Eskom by the Municipality

Challenges

- Backlog figures complicated by growth of extensions near electrified areas
- Costs to electrify becoming steeper as we tackle deep rural areas.
- Problems of access in certain villages making it difficult to electrify.
- Communities becoming impatient with the phasing of electrification and slow pace of electrification.
- Illegal connections.
- Infrastructure vandalism.
- Constrained networks.

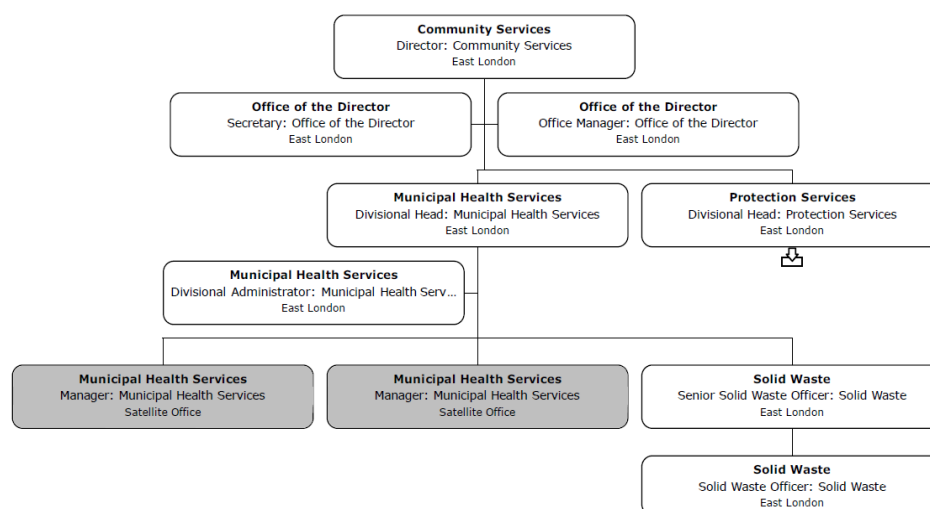
Recommendations

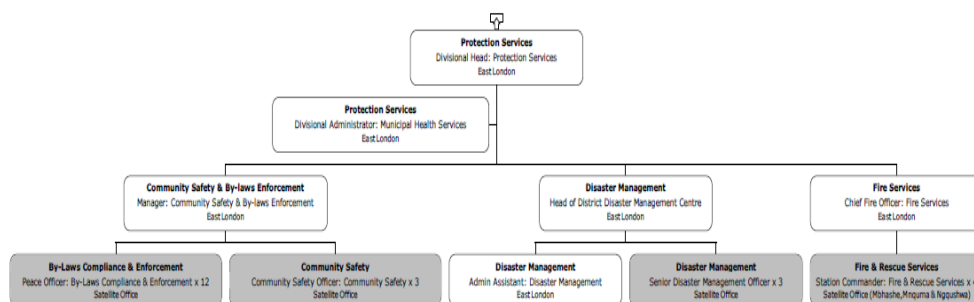
- Mquma to do funding proposal for additional funding in schedule 6B for infrastructure, this will need political buy in from politicians and other Municipalities in the District.
- This proposal be coordinated by the Amathole District Municipality for political buy in as it would affect other Municipalities within the District.
- Consider Solar(Non-Grid)
- Consider the Micro Grids (Non-Grid)
- Non-Grid be considered whiles Eskom is busy upgrading its networks in affected areas.
- Eskom Electrification Planning to advise Municipality in terms of its prioritization base on Network Planning studies within the areas.
- The Municipality to allow Eskom Electrification Planning to reprioritize and advise the Municipality of such alterations.

3.2.11 MUNICIPAL HEALTH SERVICES AND PROTECTION SERVICES (DISASTER MANAGEMENT, FIRE SERVICES AND COMMUNITY SATEFY & BY-LAW IMPLEMENTATION)

Community Services is a service delivery department that comprises of two divisions namely: Municipal Health Services and Protection Services. Protection Services have got three (3) units (i.e. Community Safety and By-Law Enforcement Unit, Fire Services Unit and Disaster Management Unit). Within the Vision 2030, the department finds dominance on the Provision of a Resilient District. Within the Municipal Turn Around Strategy, the directorate find its dominance on the Building of Public Confidence as it has to ensure that the community trust the provision of services in an efficient, effective, and sustainable manner.

Details will be provided hereunder in dealing with objectives and strategies in giving details on Service Delivery that is being implemented within ADM. The alignment with DDM is part of the day to day operation as project is done in collaboration with the stakeholders that forms the workstream. Governance structures to mention but one can bear testimony to that which are the District Health Advisory Committee(DHAC) which is a technical structure that feeds the political structure District Health Council (DHC)as chaired by the portfolio head (Member of the Mayoral Committee for Community Services) of the department, District Wide Directors meeting, Disaster Management coordinating structures, etc.





3.2.11.4 MUNICIPAL HEALTH SERVICES (MHS)

The Section of Municipal Health Services is one of the Core functions of a District Municipality as stated in Section 84(1)(i) of the Municipal Structures Act 117 of 1998. The Municipal Health Services Section is entrusted in terms of the National Health Act, 2003 (Act No. 61 of 2003), with the following functions:

- Water quality monitoring;
- Food control;
- Waste management
- Health surveillance of premises;
- Surveillance and prevention of communicable diseases, excluding immunisation;
- Vector Control;
- Environmental Pollution control;
- Disposal of the dead;
- Chemical Safety.

3.2.2.1 Water Quality Monitoring

The purpose of the programme is to ensure that the water supplied to communities is safe for human consumption. The water quality monitoring function is implemented according to SANS 241:2015. Amathole District Municipality drinking water quality monitoring programme covers 28 Water Supply systems and 04 networks supply (areas covered where the Water Treatment works is owned by Amatola Water). Water samples are taken monthly from fixed sampling points for analysis, monitoring microbiological and physical parameters. Chemical parameters are assessed on a quarterly basis.

The full SANS is done once a year. Amatola Water Scientific Services which is an accredited Laboratory is used for the analysis of the samples uploading directly on IRIS for reporting purposes to the Department of Water and Sanitation.

1744 potable water samples were taken for the year, July 2024 to June 2025, 1558 (89%) complied and 186 (11%) did not comply with the South African National Standards (SANS) 241: 2015 limits for drinking water quality. Non - compliance was due to health failures, detected by the presence of E. coli being above the recommended limit of 0cfu/100ml. Low or no chlorine levels were observed in the areas with health failures, an indication of ineffective disinfection.

Compliance and Non-compliance

Drinking water samples taken and measured against the South African National Standard, SANS 241:2015 for the period are as follows:

Table 40: POTABLE WATER COMPLIANCE AND NON-COMPLIANCE PER ANNUM

PERIOD	TOTAL	COMPLIANCE	NON-COMPLIANCE
2020/2021	1837	1624 (88%)	213 (12%)
2021/2022	1743	1743(86%)	290(14%)
2022/2023	1603	1366 (85%)	237 (15%)
2023/2024	1821	1647(90%)	174(10%)
2024/2025	1744	1558(89%)	186(11%)

3.2.2.2 Wastewater Monitoring

The programme is implemented to ensure that wastewater effluent discharged into the environment complies with Authorisation and set Standards prescribed by the Department of Water Affair and Sanitation. There are sixteen (16) wastewater treatment works in the district where wastewater samples are taken on monthly basis for analysis. Amatola Water Scientific Services which is accredited Laboratory is used to for the analysis. During 2024/25 financial year 149 wastewater samples were taken and 29 (19%) complied with all parameters monitored that satisfy site specific requirements whilst 120 (81%) had one or more of the parameters monitored that did not satisfy site specific requirements set by the Department of Water Affairs General Authorisation Standards for effluent discharge.

Table 41: COMPLIANCE AND NON-COMPLIANCE PER ANNUM

PERIOD	COMPLIANCE	NON-COMPLIANCE	TOTAL
2020/2021	48 (23%)	157 (77%)	205
2021/2022	68(38%)	112(62%)	180
2022/2023	35 (22%)	122 (78%)	157
2023/2024	27 (17%)	129 (83%)	156
2024/2025	29 (19%)	120 (81%)	149

The challenge with wastewater is the quality of the final effluent from wastewater treatments plants and final oxidation ponds are adversely affected by population growth. This is due to the inability of the infrastructure of Waste Water Treatment plants and final oxidation ponds to effectively treat the inflow thus resulting in a poor-quality effluent being discharged, which poses a high risk of environmental pollution. Interventions are implemented by the Engineering Services Department.

3.2.2.3 Food Control

The purpose of the programme is to ensure that food sold to the public is fit for human consumption. It encompasses the inspection of food handling premises, sampling and analysis of food and capacitation of food handlers.

Food handling premises inspections

A total of 689 high risk food handling premises were inspected, where 466 (68%) complied including minor defects and 223 (32%) did not meet the minimum required standards. The annual target for the 2024/2025 financial year for both high-risk and low-risk premises combined, was to conduct 1400 inspections to food handling premises and the actual output was 2324. 1563 (67%) inspections depicted compliance to the legislated norms and standards, while 761 (33%) of inspections represented a non-compliance.

Raw milk sampling

Raw milk sampling focuses on dairy farms and businesses selling milk to the public for commercial purposes. Milk samples are taken monthly, delivered to the National Health Laboratory Services (NHLS) for analysis. The milk sampling programme covers three Local Municipalities, and these are: Amahlathi, Great Kei, and Raymond Mhlaba. 159 milk samples were taken, of the results received 9 (6%) complied, 147(92%) Samples did not comply with Regulation 1555, while 3 (2%) of the samples have not received results at the time of reporting.

Capacitation of food handlers

The main objective of the program is to create awareness on food safety and hygiene procedures to be adopted by food handlers to ensure that safe food is always served. This will help them to adopt and promote food safety requirements in the production, handling, storage, and transportation of foods that will contribute towards safe food for all. During 2024/2025 financial year 69 food capacitation sessions and 37 awareness campaigns was conducted.

3.2.2.4 Health Surveillance of Premises

To ensure compliance with the Environmental Health Norms & Standards the following premises were inspected:

Childhood Development Centres

Early Childhood Development Centres (ECDC) are inspected to ensure a healthy and safe environment and welfare of the children accommodated. 628 inspections to Early Childhood Development Centres premises were conducted to determine compliance with Norms & Standards for Environmental Health Practitioners in all 6 Local Municipalities, 212 (34%) complied and 416 (66%) did not comply due to structural defects. The reports on non – complying premises are shared with the Department of Social Development for intervention

Prisons/ Holding Cells

05 prisons were inspected and all did not comply due to structural defects. The reports on non – complying premises are shared with the Department of Correctional Services and South African Police Services for intervention.

Health establishments

132 inspections to 85 Health facilities were undertaken where 29 (22%) complied including with minor defects and 103 (78%) did not comply with Environmental Health Norms and Standards. Non - compliance of Health facilities was observed throughout the district. Also conducted inspections to accommodation establishments, salons, old age homes, schools and other state premises

Beauty Salons

A database of beauty salons has been developed in all 6 Local Municipalities. 58 inspections to beauty salons were undertaken, 17 (29%) complied and 41 (71%) did not comply due to no proper storage of medical waste. Premises are inspected and issued with Health Certificate when found to be compliant.

3.2.2.5 Surveillance and Prevention of communicable Diseases

The purpose of the programme is to prevent and control environmentally induced diseases and related communicable diseases, aimed at reducing their impact on human health. Hospital and Clinics were visited for the collection of diseases surveillance data and joint response is activated on serious disease outbreaks. Despite areas without water and sanitation in the Mbhashe and Mquma Local Municipalities as outlined in the Socio-Economic Review and Outlook 2017, IHS Markit Regional Explorer version 1156, there has been no reported cases of waterborne diseases.

This indicates that the awareness campaigns being conducted throughout the district are effective in the prevention and control of waterborne diseases. Annually the unit celebrates the National Hand wash day and Toilet Day at schools and communities.

Awareness campaigns are conducted throughout the Amathole District Municipality's area of jurisdiction empowering the communities to prevent the occurrence and spread of the different types of communicable diseases. The challenge with the health surveillance of premises has been the process of disease notification from health facilities being delayed and the consistent non-sitting of Epidemic Preparedness Response Teams

3.2.2.6 Vector Control

The vector control programme deals with the control of public health interest against pests, including the control of arthropods, molluscs, rodents and other alternative hosts of diseases. There are no personnel that is dealing with the functions of the programme. Staff are required to ensure the programme is delivered.

3.2.2.7 Environmental Pollution Control

The Section normally deals with pollution that is related to:

- Overflowing septic tanks and manholes

- Illegal dumping
- Keeping of animals

3.2.2.8 Disposal of The Dead

The purpose of the programme is to ensure that the funeral parlours comply with the Regulation Relating to the Management of Human Remains, Government Notice No. 363 of 22 May 2013 requirements regarding handling of corpses. A Funeral Parlour should be in possession of a Certificate of Competence, issued under these Regulations once the premises comply.

A total of 154 inspections were conducted at funeral parlours in all Municipalities and the compliance rate was 52% and that of non – compliance 48%. The High rate of non- compliance of funeral parlours due to structural defects and general hygiene requirements. A total of 43 exhumations and reburials were facilitated and monitored

Milestones

- Improved implementation of Municipal Health Services functions in line with the National Environmental Health Norms and Standards as shown by the 2022 Audit score of 83 % from the 69 % in 2018 as conducted by National Department of Health.
- Capacitation of food handlers participating in the National School Nutrition Programme (NSNP), food handlers and street food vendors has assisted in the minimisation of food poisoning incidents.
- Functional integration with Local Municipalities in development of the business licencing process in order to exercise effective control of businesses and to create opportunity for revenue generation through licensing fees in the Amahlathi , Mbhashe , Raymond Mhlaba and Mnquma Municipalities (i.e. excluding Ngqushwa and Great Kei LMs).
- Strengthened collaborations with the Department of Social Development, Education - Nutrition Section, Health and Local Municipalities.
- Implementation of tariffs as cost recovery for administrative duties (tariffs for issuing of Certificates, exhumations and condemnations)
- 100% coverage on drinking water and wastewater quality monitoring programme.

Challenges

- High risk posed by drought in public health especially communicable diseases to the vulnerable groups.
- Poor quality of wastewater effluent posing a pollution threat to both land and water.
- Noncompliance of drinking water quality with the SANS 241
- Lack of alignment between the LM and DM functions resulting in uncontrolled establishment of businesses (Illegal trading).
- None implementation of by laws by Local Municipalities resulting in health risks e.g. illegal dumping, stray animals.

- High rate of non-compliance of landfill sites and transfer stations with permits and NEMA within the district resulting in Vector Infestation.
- Insufficient budget to implement the function effectively as climate change impacts negatively in environmental health issues.
- Ageing infrastructure (i.e. impacting negatively on water quality & Increase in the number of sewage spillage complaints).
- Poor maintenance of cemeteries resulting in degradation of environment and health hazards.
- Inadequate staff causing MHS officials to be overworked and non-adherence to Legislation.
- Accessibility to rural areas for the inspection of premises and taking of samples.
- Connectivity at satellite offices has improved as the Senior EHP's are provided 3g gadgets.
- Insufficient office space in the 4 LMs (Raymond Mhlaba, Ngqushwa, Great Kei, Mbhashe)
- Non-cooperation of internal and external stakeholders in inviting EHPs to inspect caterers prior to the actual event.

Interventions

- Integration of business licensing function by LMs with MHS issuing of compliance certificates to business premises to ensure compliance with legislation throughout the district.
- Continuous Professional Development for Environmental Health Practitioners on new and existing legislation by Legal Services.
- To improve compliance through Provincial Department of Health – Environmental Health section for standardisation of MOU templates for stakeholder engagement in the Health surveillance of premises function (i.e. Department of Social Development, Health, Education; Department of Rural Development and Agrarian Reform (Public Health and Veterinary Services), South African Police Services and Correctional Services as required by the National Department of Health.
- Identification of strategic partnerships in the private Sector on waste.
- Business plans for waste economies in line with waste streams.
- Digitalization of Municipal Health Services programmes as a business model.
- Filling of vacant positions according to the norms and standards.
- Creation of a Health Education Unit but that could not be done due to financial constraints of ADM.

3.2.11.5 COMMUNITY SAFETY & BY-LAW ENFORCEMENT

The Amathole District Municipality Community Safety & By-Law Implementation Unit is part of the Community Services Department. Its structure consists of sixteen (16) dedicated staff with fourteen vacant posts. The unit managed to appoint 2 Peace Officers on a contract basis, but the other one has since been appointed as Community Safety Coordinator which leaves a vacancy of the Peace Officer, to work in Mngquma focusing on Centane, Ngqamakwe and Butterworth areas. The officers have not been able to issue fines as they are undergoing orientation and currently collaborating with local stakeholders to raise awareness on their role and what is expected from communities. A Quarterly District Community Safety Forum sits quarterly combined with the Disaster Management Advisory Forum in virtual meeting. The attendees include Representatives from the Executive of each Local Municipality's Local Community

Safety Forum, Sector Departments, NGO's, CBO's, NPO's, Traditional Leadership and ADM departmental Representatives. Attendance from internal departments has been traditionally poor and the status is still the same.

The District Community Safety Plan was developed in consultation with all stakeholders and had two (2) major reviews, areas of priority collaboration for attention by all sector departments and stakeholders were identified. A budget has been allocated for 2025/2026 financial year for a major review. It must be mentioned that the procurement processes were undertaken and there was no response on the tender. The district in venturing in doing the revision in house with the assistance by SALGA. The district managed to coordinate a training and planning session in August 2025 facilitated by the South African Local Government Association (SALGA) where all six(6) local municipalities Portfolio Heads. Community Service Directors and officials attended the session with all the other relevant stakeholders like SAPS. The training and planning emphasised the importance of local municipalities reviewing their local community safety plans as they feed into the district plan. None of the local municipalities have reviewed their plans in the last four years.

The increase in Gender Based Violence cases has resulted in the establishment of the Rapid Response Teams (RRT) in the district. These are structures established to respond to GBV cases at a local level, for support of victims, counselling, raising awareness and prevention initiatives. Ngqushwa local municipality established RRT in July 2025, with Peddie Extension and Power having the most reported GBV cases in the cluster. The increase in the identified crimes has resulted in an increase in Ad Hoc events focusing on identified hot – spots, responding to crimes such as GBV, faction fights resulting in murders and rape. This has resulted in clash of sector department programs and poor coordination by Community Safety Forum Stakeholders. The Community Safety Planning Process also includes the importance of the Built Environment as it provides key protective factors when risks are determined and this is where the involvement of all Municipal and Provincial Departments are crucial.

3.2.11.5.1 Community Safety and By-Law Implementation Activities

The Amathole District Municipality Community Safety & By-Law Implementation Unit is part of the Community Services Department. Its structure consists of sixteen (16) dedicated staff with fourteen vacant posts. There is a plan of appointing six (6) peace officers for the coming financial year. Through the budget allocated two (2) Peace Officers have been appointed in the 2025/26 F/Y on a contract basis for Mnquma LM, as it is the largest LM with potential revenue generation. A Quarterly District Community Safety Forum sits quarterly. The attendees include Representatives from the Executive of each Local Municipality's Local Community Safety Forum, Sector Departments, NGO's, CBO's, NPO's, Traditional Leadership and ADM departmental Representatives. Attendance from internal departments has been traditionally poor and Post COVID attendance has improved across all representatives

The District Community Safety Plan was developed in consultation with all stakeholders and had two (2) major reviews, areas of priority collaboration for attention by all sector departments and stakeholders were

identified. It also leaves space for Ad Hoc hot – spots and sector department programs to be supported by Community Safety Forum Stakeholders. The District Community Safety Plan is once again in need of a major review. The Community Safety Planning Process also includes the importance of the Built Environment as it provides key protective factors when risks are determined and this is where the involvement of all Municipal and Provincial Departments are crucial

In 2024/25 the following support activities were undertaken by the Unit in Support and Capacitation of Local Municipality Community Safety forums:

Conducted 12 Ward-Based audits, supported 35 Community Safety Awareness initiatives. The initiatives have prioritized substance abuse, bullying, crime prevention, Gender Based Violence and Femicide [GBV & F] faction fights that have spiked the number of murders reported, determining challenges and reporting back to communities on issues of safety; 4 District Community Safety Forums convened with very good attendance and improved reporting from the local Community Safety Forum coordinators. Supported 34 Community Safety Meetings held at Local Municipalities as forums and/or planning for initiatives. The most active sector departments at Local Community Safety level are: Provincial Department of Community Safety, Department of Education, Department of Social Development and the South African Police Services.

Alignment Across Government Spheres and Crime Reporting.:

The Civilian Secretariat for Policing has changed its oversight unit formerly known as the Safety and Liaison Department at Provincial Level, to the Community Safety Department and thus alignment has been achieved with the Province. Another major stride in alignment has been achieved with the South African Police Services having aligned their Police Station borders with the district borders. This facilitates more accurate information on the nature of crime to determine social crimes or crimes of purely criminal intent. Further to this, crime analysis is also being done which includes things like causative factors, crimes against women and children and place of occurrence, reasons for the crimes e.g. arguments, revenge, security guards or forces in the line of duty as a few examples. More importantly, these are published quarterly and this allows targeted interventions by responsible sectors and peripheral support services to add value

Crime Statistics on social crimes indicate:

The state of crime in the district has shown a significant decrease as compared to other provinces as per the recent release of SAPS reports. Persons are more likely to be killed in the Eastern Cape particularly in the municipalities bordering ADM such Nelson Mandela Municipality and the OR Tambo. The Mthatha and the three Nelson Mandela Municipality contributing. The district has had a significant drop, but the Gender Based Violence has shown no change as some of the reports from rural stations such as Centane, Ngqamakwe and Dutywa are on the increase. The crime in the district is affecting most poor households,

the access to social media on crime trends has not reach the affected victims in these areas and very little research has been done on level of crime how its causing more poverty.

Murder

TOP 30 stations

RSA Position	Prov Position	Station	District	Province	January 2021 to March 2021	January 2022 to March 2022	January 2023 to March 2023	January 2024 to March 2024	January 2025 to March 2025	Count Diff	(%) Change
1	1	Inanda	eThekwin District	KwaZulu-Natal	63	75	64	94	74	-20	-21.3%
2	1	Delft	City of Cape Town District	Western Cape	46	54	60	65	66	1	1.5%
3	2	Mfuleni	City of Cape Town District	Western Cape	56	52	47	60	65	5	8.3%
4	3	Nyanga	City of Cape Town District	Western Cape	43	30	35	72	63	-9	-12.5%
5	4	Philippi East	City of Cape Town District	Western Cape	32	22	28	36	59	23	63.9%
6	1	Kwazakhele	Nelson Mandela District	Eastern Cape	29	41	39	37	57	20	54.1%
7	2	Umlazi	eThekwin District	KwaZulu-Natal	61	103	68	57	50	-7	-12.3%
8	2	New Brighton	Nelson Mandela District	Eastern Cape	31	29	48	46	46	0	0 count diff
9	5	Kraaifontein	City of Cape Town District	Western Cape	47	54	40	39	45	6	6 counts higher
10	1	Ivory Park	Ekurhuleni District	Gauteng	40	27	39	60	42	-18	18 counts lower
11	6	Gugulethu	City of Cape Town District	Western Cape	40	27	35	68	41	-27	27 counts lower
12	2	Jeppe	Johannesburg District	Gauteng	20	24	44	41	38	-3	3 counts lower
13	7	Khayelitsha	City of Cape Town District	Western Cape	61	49	36	42	38	-4	4 counts lower
14	3	Orange Farms	Sedibeng District	Gauteng	16	36	48	40	37	-3	3 counts lower
15	8	Harare	City of Cape Town District	Western Cape	39	59	41	45	37	-8	8 counts lower
16	3	Mpumalanga KZN	eThekwin District	KwaZulu-Natal	29	34	24	23	36	13	13 counts higher
17	3	Motherwell	Nelson Mandela District	Eastern Cape	35	23	35	26	36	10	10 counts higher
18	9	Samora Machel	City of Cape Town District	Western Cape	29	28	26	17	34	17	17 counts higher
19	4	Kwanobuhle	Nelson Mandela District	Eastern Cape	22	21	31	34	34	0	0 count diff
20	4	Lenasia	Johannesburg District	Gauteng	15	18	22	19	33	14	14 counts higher
21	5	Kwadwesi	Nelson Mandela District	Eastern Cape	17	18	18	22	33	11	11 counts higher
22	4	Mariannhill	eThekwin District	KwaZulu-Natal	24	40	42	32	33	1	1 count higher
23	5	Kwadukuza	Ilembe District	KwaZulu-Natal	19	23	22	36	33	-3	3 counts lower
24	6	Ntuzuma	eThekwin District	KwaZulu-Natal	24	14	21	36	33	-3	3 counts lower
25	6	Mthatha	OR Tambo District	Eastern Cape	24	42	33	43	33	-10	10 counts lower
26	5	Hillbrow	Johannesburg District	Gauteng	27	24	38	31	32	1	1 count higher
27	6	Ennerdale	Johannesburg District	Gauteng	16	28	15	34	31	-3	3 counts lower
28	7	Eldorado Park	Johannesburg District	Gauteng	8	27	23	28	30	2	2 counts higher
29	7	Verulam	eThekwin District	KwaZulu-Natal	16	29	29	24	29	5	5 counts higher
30	10	Lwandle	City of Cape Town District	Western Cape	16	29	20	28	29	1	1 count higher

Crime Stats: Jan – March 2024-2025 report

A community safety plan is the cornerstone of the safety planning process, it provides identified, risks data collected at ward level to inform public participation, perceptions and experiences of violence and priority areas for intervention. The key role-players include (e.g., South African Police Service SAPS, Department of Social Development DSD, Nongovernmental Organisations NGO, Faith Based Organisations FBO, businesses). It outlines the interventions to be undertaken to reduce risk factors and strengthen protective factors.

IHS Composite Crime Index

The crime statistics released in January to March 2025 indicate a decreasing rate for many contact crimes and "trio crimes" (carjacking, residential robbery, and non-residential robbery), but with a significant increase in sexual offences and a rise in commercial crime and housebreaking/burglaris. A separate Stats SA report (August 2025) highlighted ongoing issues with housebreaking and theft of personal property, while a third report mentioned the delay in releasing early 2025/26 crime statistics, raising concerns about transparency and police effectiveness.

Table 42: COMMUNITY SAFETY PROGRAMS

Programs	Purpose & Outcomes
Community Safety Ward Based Audits 12 achieves (10 target) provides the opportunity for Locals to point out physical and geographic risks as well as people's interactions with those environments highlights risks to be addressed towards creating safer living spaces. Data is often depicted in a basic community mapping during which protective and risk factors are identified spatially.	To conduct ward based audits and the identification of safety risks – development of ward planning and community safety plans. - Risk mapping i.e. unfenced dams that could be risk to drownings, bushy areas, bad roads, low lying bridges, no signage, no recreational facilities, taverns outnumbering schools, - Understanding of having protective factors as a safety measure, - Participation in safety planning starting at ward level - Inclusion of community safety ward based plans in the Integrated Development Plans
Supported 35 Crime Prevention Initiatives (with a target of 16) the local stakeholders identify the initiatives and are prioritised as per the police reports. The increase in contact crimes in the district required the support through the establishment of other support structures such as the District Rapid Response Team (RRT) to deal with Gender based Violence that is a scourge in the district	To support and raise awareness on prevention of crimes against children, the vulnerable and the elderly. The more awarenesses held the more cases and reports, particularly of GBV. The ADM manage to support crime prevention activities due to murders as a result of initiation ceremonies, faction fights and women and children killed by their loved ones. The support from the RRT in attending cases to protest in local courts resulted in convictions and no bail for the perpetrators.
Convened 4 Quarterly District Community Safety virtual meetings	The meeting provides a platform for sharing of information and coordination of crime prevention initiatives in the district. The issue of poor attendance at virtual meetings and none reporting by the local municipalities was raised as a concern and a resolution taken to approach the local municipalities Community Service Managers about the challenge. Ngqushwa, Great Kei, Amahlathi and Mquma attended the meetings with reports in some meetings with no reports to share. The reasons for not having reports being the challenge of stakeholders not submitting reports to the local meetings.

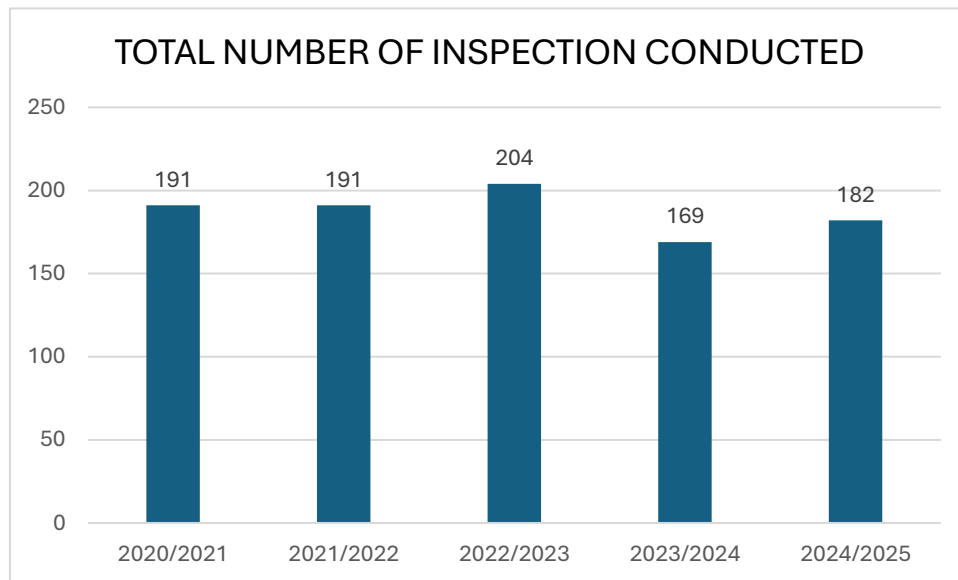
All six local municipalities have functional Community Safety forums (CSF), chaired by the Portfolio Head Community Service of each local municipality, sitting quarterly. All local stakeholders participate in the planning and implementation of programs. The challenge is the fact that all municipalities have not provided a budget for operations of the CSFs. All six municipalities have not yet conducted reviews of their Community Safety Plans.

3.2.11.6 FIRE SERVICES

The ADM runs ten [10] fire services stations, which are manned by qualified personnel. Four (4) main stations located in Idutywa, Butterworth, Peddie and Qumrha and six (6) satellite stations located at Chintsa, Kei Mouth, Elliotdale, Willowvale, Hamburg and Centane. Amahlathi and Raymond Mhlaba Local Municipalities provide firefighting functions as allocated by the MEC for COGTA, but only Amahlathi has one (1) Fire Station. The control room is now situated at Disaster Management Centre (DMC) it has a control room that is manned twenty-four (24) hours a day, servicing the entire district. The establishment of Fire Stations brought services closer to communities resulting in reduced response times. There are two areas in Mquma Local Municipality (Butterworth and Ngqamakhwe) that require construction of Fire Stations. The need for the construction of these Fire Stations is as per the ADM Fire Risk Management

Plan. The construction of the Fire Station in Butterworth was started in 2017 and was later suspended due to financial constraints. Fire Protection Association (FPAs) are actively operating in the areas of Stutterheim, Cathcart, Raymond Mhlaba, and Ngqushwa. There is a new establish FPA in Mquma / Mbashe Established Fire Protection Associations engage in fire prevention activities resulting in reduced fire incidents.

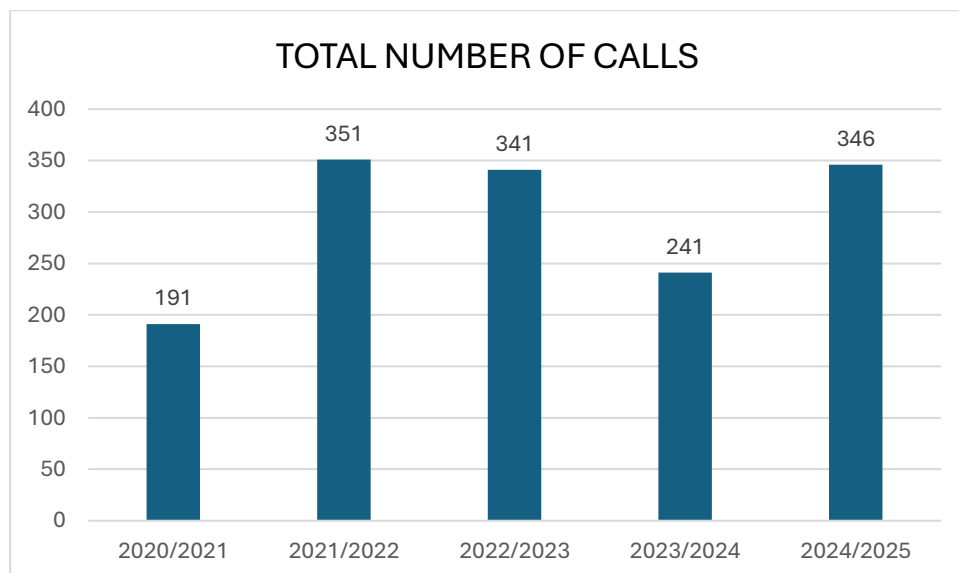
FIGURE 36: FIRE INSPECTIONS CONDUCTED



Fire Safety Compliance Inspections

During the 2020/2021 and 2021/2022 financial years 191 compliance inspections were conducted. In the 2022/2023 financial year, 204 compliance inspections were conducted and in the 2023/2024 financial year 169 compliance inspections were conducted. In 2024/2025 financial year 182 compliance inspections were conducted.

FIGURE 37: NUMBER OF FIRE CALLS RECIEVED



In the 2020/2021 financial year 351 incidents were responded to, In the 2021/2022 financial year 341 incidents were responded to and in the 2022/2023 it decreased to 341. In the 2023/2024 financial year the calls further reduced to 241. In 2024/2025 the total calls responded to were 346. Awareness campaigns continue to be intensified in the municipalities to reduce fires and motor vehicle accidents occurrences. The campaigns focused more on preventing fires in informal settlements where the rate of fire incidents is high.

Fire Services has budgeted for the renovations of Fire Stations. The stations that are being renovated are the Komga, Kei Mouth, Peddie and Humburg Fire Stations.

In the 2025/2026, Fire Services through EPWP has contracted 32 Fire Reservist to augment the staff shortage and impart experience to the contracted members. Fire Services will be budgeting for the reviewal of the Fire Services Risk Management Plan in the next financial year. A new major pump was procured in November 2024 and currently we have procured 1x medium pump which will be located at Ngqushwa Fire Station.

Challenges

- Shortage of specialised fire water tankers, aerial apparatus, aging Fire Service 's vehicles and buildings (Great Kei and Ngqushwa Fire Stations). Four new bakkies with skid units were procured in the 2023/2024 financial year.
- Shortage of rescue equipment such as jaws of life, chain saw and quick cut. Chain saw, quick cutters and two new hydraulic motors for the jaws of life were procured in the 2024/2025 financial year.
- Unsafe conditions of the rented building utilised by Fire Services in Mnquma Fire Station. A business plan for a new Fire station and Training Centre in Butterworth has been developed.
- There is no Fire station in Nqamakwe causing delays in response time in cases of emergency.
- Climate changes continue to pose threats to lives and properties as water sources are depleted leading to water shortage for human consumption and for firefighting.
- Bad road conditions cause inaccessibility to areas affected by disasters/ fire incidents.
- Insufficient resources at Raymond Mhlaba and Amahlathi Municipalities results in inadequate provision of fire services and high reliance on the district.
- Bad access roads during rainy days in Mbhashe and Willowvale Fire Stations.
- Lack of water sources (fire hydrant, bore holes, reservoirs and earth dams) both in rural and urban settlements.
- There is a shortage of staff to cover all the shifts as reflected in the organogram for fire safety and prevention.
- There are no reserve vehicles available in case of a vehicle breakdown.

3.2.11.7 DISASTER MANAGEMENT

3.2.11.7.1 Municipal Disaster Management Centre

Section 43(1) of the Disaster Management Act 57 of 2002 requires that “Each metropolitan/district must establish in its administration a disaster management centre for its municipal area.” The Amathole District Municipality has established its disaster management centre and is operational. Six satellite centres in Local Municipalities and one sub-satellite centre were established. The District Disaster Management Centre ensures a well-coordinated approach to disaster risk management within the district and provide support to its Local Municipalities who has limited capacity and resources. The Municipal Disaster Management Centre is fairly functional as recently appointed 1 Senior Disaster Management Officer and 3 Disaster Management Officers (1x DMO for Amahlathi and 2 x DMO for Mbashe), the office has appointed qualified individuals who will service the municipality. All vacant positions within Disaster will be then budgeted for as they need to provide support to the Head of the Disaster Risk Management Centre in the proper implementation of the Disaster Management Centre Strategic Goals as indicated in the ADM Disaster Risk Management Policy Framework.

Section 43 of the Disaster Management Act and Section 1.2.2.2 of the National Disaster Management Policy Framework set out the minimum physical infrastructure requirements of a Disaster Management Centre. The ADM Disaster Management Centre is partially compliant with the requirements of the Act. A budget has been made available for maintenance of the centre to ensure the proper caretaking of the building.

ADM has made a budget available in 2025/2026 for the Disaster Management Centre:

- Procurement of Commercial Drones and Training of Pilots.
- Disaster Relief Materials.
- Essential User Vehicle Scheme for Disaster Operations, including ongoing Risk Assessments.
- Disaster Management Centre building repairs.
- International Day for Disaster Risk Reduction Commemorations.
- Procurement of Personal Protective Equipment.
- Procurement of Integrated Disaster Management Communications Systems and Information Management was budgeted for however the Provincial Disaster Management Centre has procured a Provincial Disaster Management Application System (PDMAS), on behalf of all the district and with a touch screen amounting R120 000

3.2.11.7.2 Disaster Management Plan

Section 53(1) of the Disaster Management Act 57 of 2002 requires that “Each Municipality must, within the applicable municipal disaster management framework:

- prepare a disaster management plan for its area according to the circumstances prevailing in the area.
- co-ordinate and align the implementation of its plan with those of other organs of state and institutional role-players.

- regularly review and update its plan;

The Amathole District Municipality developed its Disaster Management Plan that is reviewed on an annual basis. The plan forms an integral part of the municipality's Integrated Development Plan and a copy of the plan has been submitted to National and Provincial Disaster Management Centres as required by sections 53(2) (a) and 53(4) of the Disaster Management Act 57 of 2002 respectively. The Disaster Management Plan, Risk and Vulnerability Assessment has undergone a major review process in 2024/2025 Financial Year and adopted by Council with the Disaster Management Policy Framework in place and is undergoing a minor review in 2025/2026 Financial Year.

3.2.11.7.3 Head of the Disaster Management Centre

Section 45 of the Act requires a municipal council to appoint a Head of its Municipal Disaster Management Centre. The Head of the Centre (HOC) is amongst others responsible for ensuring that the centre exercises its powers and duties in line with legislation as well as according to the directives of the municipal council. The Head of Disaster Management Centre was appointed in December 2024.

3.2.11.7.4 Disaster Risk Management Advisory Fora

Section 51(1) and (2) of the Disaster Management Act 57 of 2002, states that all the district municipalities must establish a Municipal Disaster Risk Management Advisory Forum. The Amathole District Disaster Risk Management Advisory Forum seats on a quarterly basis and is chaired by the Portfolio Head for Community Services. It is a legislative mandate for a municipality to establish such a forum to coordinate strategic issues related to disaster risk management. The primary purpose of the Disaster Risk Management Advisory Forum is to provide a mechanism for relevant role players to consult one another and co-ordinate their activities regarding disaster management issues.

The Disaster Risk Management Advisory Forum comprises of the Head of the Centre, senior representatives of each Local Municipality, Sector Departments, Councillors, Traditional Leaders, representatives from umbrella organisations for women, children, the elderly, people with disabilities, and experts in disaster management. However, there are few focal points appointments by stakeholders. A total number of three (3) Disaster Risk Management Advisory Fora meetings were convened with the last one to be convened in the last quarter during 2025/2026 financial year.

The key issues discussed at these fora meetings, relate to proactive measures that are undertaken by the above-mentioned stakeholders to prevent or mitigate the impact of disasters in communities. Quarterly reports from stakeholders are presented at these meetings, form the basis of the discussion, and are interrogated constructively. Resolutions are also taken to address challenges encountered in the implementation of disaster management programmes. Furthermore, disaster reduction planning programmes are monitored and evaluated for future planning purposes.

3.2.11.7.5 Interdepartmental Disaster Risk Management Committee

According to section 1.3.1.3 of the National Disaster Management Framework, 2005 compels all metropolitans and districts to establish Interdepartmental Disaster Risk Management Committee (IDRMC). The aim is to provide for an integrated and coordinated disaster management policy that focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disaster and post disaster recovery. The Disaster Management Centre is seeking a Council approval on the establishment of the Interdepartmental Disaster Risk Management Committee, and this was approved by Council it's a matter of establishing the committee. This will assist the institution in monitoring, assessing, and coordinating departmental disaster risk management planning and implementation, placing particular focus on risk reduction policies, practices and strategies. The structure has been established but not yet functional due to other commitments.

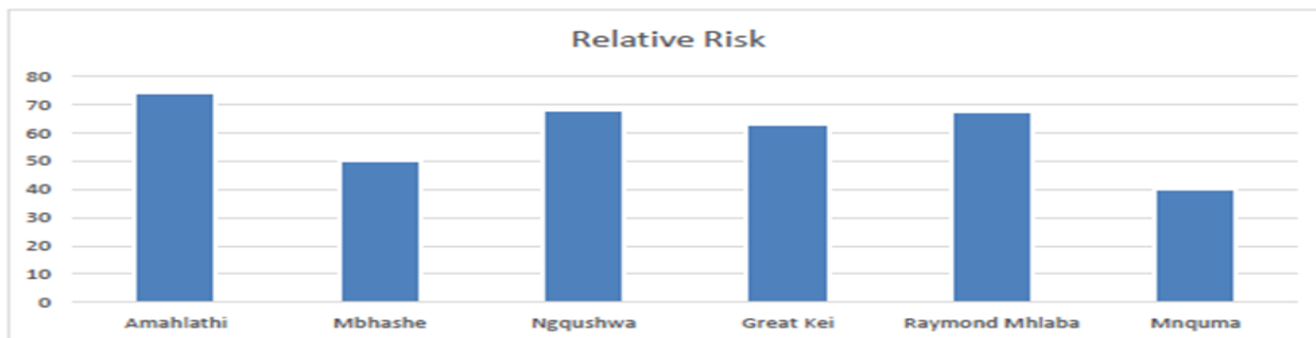
3.2.11.7.6 Disaster Risk Assessment

The Risk and Vulnerability Assessment is included in the Disaster Risk Management Plan and has undergone a major review during 2024/2025 financial year, as per the National Disaster Management Policy Framework of 2005.

FIGURE 38: DISASTER RISK ASSESSMENT

Prioritized risk for Amathole District Combined

Hazard Category	Amathole
Fire Hazards - Veld/Forest Fires	19.59
Hydro-meteorological Hazards - Severe Storms (Wind, Hail, Snow, Lightning, Fog)	19.19
Hydro-meteorological - Drought	18.74
Fire Hazards - Formal & Informal Settlements / Urban Area	18.29
Hydro-meteorological Hazards - Floods (River, Urban & Dam Failure)	17.59
Civil Unrest - Crime	17.29
Hazardous Material - Spill/Release (Storage & Transportation)	16.69
Infestations - Plant Infestations (Intruder Plants)	15.99
Hazardous Material - Fire/Explosion (Storage & Transportation)	15.29
Infrastructure Failure / Service Delivery Failure - Sanitation	14.89



Combined Relative Disaster Risk Profile for the ADM

The following priorities for building municipal resilience in ADM was identified

Resilience profile (Highest 1 lowest 6)

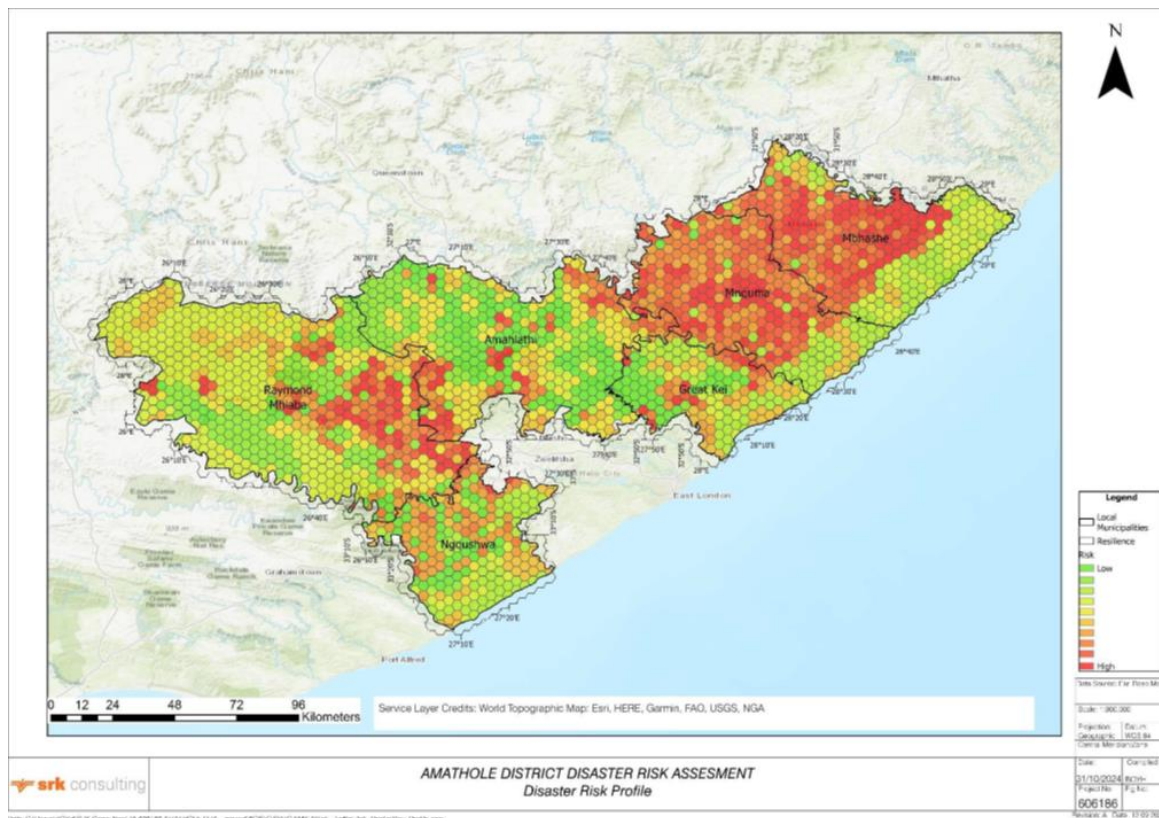
Amahlathi	6
Raymond Mhlaba	5
Mbhashe	4
Ngqushwa	3
Great Kei	2
Mngquma	1

Lower resilience needs attention, and higher resilience needs the least attention. In this context it means that Amahlathi Municipality is the least resilient and Mngquma Municipality is the most resilient. The focus should be to build municipal resources, resilience and adequate budget to effectively respond to emergencies and disasters in the area.

Social vulnerability profile (lowest 1 highest 6)

Ngqushwa	6
Great Kei	5
Amahlathi	4
Mngquma	3
Raymond Mhlaba	2
Mbhashe	1

The combined social profile refers to the vulnerability of people within municipalities indicates that Ngqushwa Municipality has the highest Social Vulnerability while Mbhashe Municipality has lowest social vulnerability in the ADM. The focus areas should be on economic development, refuse, sanitation, sustainable water sources, sustainable energy sources and general social upliftment of communities



These priority risks should also be reflected in the future budgets and the ADM IDP. There should be specific focused actions to reduce vulnerability, minimize hazards and to increase resilience with relation to these risks by all functional units of the ADM. ADM has made funds available for Risk Assessments and Risk Reduction Programme through the commemorations of the International Day for Disaster Risk Reduction.

Climate changes result in severe weather events which cause the above hazards to have a negative impact when interacting with lives and property. Incidents of severe weather conditions resulted in dwelling structures and infrastructure being damaged. It has become apparent that risks from all angles in the district have to be considered. Strengths such as Disaster Risk Management Ward Structures are targeted and utilised focusing in awareness programs aiming at reducing disaster risks. A lot of risks are closely related and directly or indirectly influence each other.

3.2.11.7.7 Disaster Risk Reduction and Planning

Section 53(1) of the Disaster Management Act 57 of 2002 requires that “Each Municipality must, within the applicable municipal disaster management policy framework:

- prepare a disaster management plan for its area according to the circumstances prevailing in the area.
- co-ordinate and align the implementation of its plan with those of other organs of state and institutional role-players.
- regularly review and update its plan.

Section 53 of the Disaster Management Act 57 of 2002, section 3.1.1.2 of the National Disaster Management Policy Framework of 2005 and the Municipal Systems Act 32 of 2000, the Amathole District Municipality has developed a Level 2 Disaster Risk Management Plan which is a core component of the IDP that was adopted by Council in 2015/2016 and undergone a major review on the 2024/2025. The Plan aims to reduce, remove, prevent or respond to the internationally recognised causal factors of disasters. Each municipal department and municipal entities in the district and its local municipalities with disaster risk management responsibilities must develop and submit Disaster Risk Management Plans to the National and Provincial Disaster Management Centres as required by sections 53(2) (a) and 53(4) of the Disaster Management Act 57 of 2002 respectively. It is vital that disaster management principles of risk reduction, prevention and mitigation are part of every programme and project. ADM has made some funds available for Risk Reduction Programme through the Commemorations of the International Day for Disaster Risk Reduction

Section 42(1) of the Disaster Management Act of 2002 compels each metropolitan and each district municipality must establish and implement a framework for disaster management in the municipality aimed at ensuring an integrated and uniform approach to disaster management in its area. This is to ensure the municipality and statutory functionaries of the municipality, including the district, local municipalities and statutory functionaries of the local municipalities in the district. The Amathole District Municipality

developed a Municipal Disaster Risk Management Policy Framework which was adopted by Council in 2012/2013 financial year which is in line with the Provincial and National Disaster Risk Management Policy Frameworks. The Disaster Management Policy Framework has a chapter in the Disaster Risk Management Plan.

The District Disaster Management Centre is in the process of assisting all Local Municipalities with the development of Level 1 Disaster Management Plans as required by the Disaster Management Amendment Act 16 of 2015.

3.2.11.7.8 Prevention and Mitigation of disasters

The District Disaster Management Centre is responsible to give guidance to relevant stakeholders on ways and means of determining levels of risk; assessing vulnerability of communities to disasters that may occur; increasing the capacity of communities to minimise the risk and impact of disaster that may occur; and monitoring the likelihood and state of alertness to disasters that may occur. Section 47 of the stipulates that “A municipal disaster management centre must promote formal and informal initiatives that encourage risk- avoidance behaviour by organs of state, the private sector, non-governmental organisations, communities, households and individuals in the municipal area”.

Community Integrated Response Plans

Community Integrated Response Plans were developed and implemented at Ward level to increase the capacity of communities to minimize the risk and impact of disaster that may occur; and monitoring the likelihood and state of alertness to disasters that may occur. A total number of twenty-three (23) Community Integrated Response Plans have been implemented in the five local municipalities during 2024/2025 financial year.

3.2.11.7.9 Coordination of Awareness Campaigns

The Amathole District Municipality Coordinate Disaster Risk Awareness Campaigns as one of the tools to achieve disaster risk reduction through increased hazard knowledge, risk perception, and the fostering of risk avoidance behaviour in ADM communities and schools. These campaigns are also conducted to raise awareness in actions that may lead to disasters and communicate preventative measures to reduce disasters that may occur to our communities.

The Disaster Management Centre coordinated initiatives to raise awareness of disaster risk management throughout the 2025/2026 financial year in each of the six (6) local municipalities within the jurisdiction of Amathole. Ward Councillors, Traditional Leaders, members of the Ward Committees, Community Development Workers (CDW's), disaster management volunteers, municipal officials, sector departments, and non-governmental organizations collaborated on this. A total of 102 Disaster Risk Management Awareness Campaigns were coordinated in all six (6) local municipalities in the district. The awareness

campaigns will still be rolled out in 2026/2027 to cover disaster prone areas. A budget was made available for Essential User Vehicle Scheme for Disaster Management Officials to travel and conduct awareness campaigns. The theme for this year is “Early Warning and Early Action for All”, brings to focus Target G of the Sendai Framework: “Substantially increase the availability of and access to multi-hazard early warning systems and disaster risk information and assessments to people by 2030”.

3.2.11.7.10 Coordination Of Disaster Response and Recovery

Section 5.4.4.1 of the Disaster Management Policy Framework facilitate for the management of response and recovery operations and the recording, retrieval and updating of specific real-time information during single and multiple significant events and/or disasters, the municipality develops seasonal hazards contingency plans that get approved and adopted by Council and also assist the local municipalities to do annual review of their all hazards contingency plans and recommend that they should form part of their IDPs. It must also allow for direct links with the communication system to provide the information required for mobilisation.

The ADM Disaster Management Centre in conjunction with Local Municipalities and other stakeholders established Disaster Management Ward Based Committee that actively participate in disaster risk management programs. Its participation assists by increasing the level of awareness within the communities and improve response times on reported incidents. Reports of severe weather occurrences that destroyed homes and infrastructure in Amahlathi, Great Kei, Mbhashe, Mquma, Ngqushwa, and Raymond Mhlaba Local Municipalities were made during the 2024-2025 financial year. Multidisciplinary assessment teams were established to carry out damage assessment to determine and quantify the extent of damages. These teams were made up of representatives from Local Municipalities, Community Leaders, and sector departments. According to the evaluation, many of the impacted families' homes had roofs damage, leaving them exposed to the weather elements, also roads, bridges and electricity affected left communities unable to commute to some areas.

It is important to note that in the second, third and fourth quarter of 2024/2025, the district had a number of disastrous events brought on by heavy rains and strong wind that damaged dwelling structures, bridges, roads, power lines, education and health facilities in several villages with 9 fatalities reported in Mquma LM (2), Mbhashe LMs (1), Raymond Mhlaba (1) and Great Kei (5). The collaboration between Amathole District Municipality, COGTA and the Sector Departments yielded towards the finalisation and costing of all the damages for all the affected communities. To this end, funds have since set aside by the affected departments for the provision to fix damage infrastructure in terms roads, bridges, electricity and temporary structures to the affected beneficiaries.

Drones Pilots Training: Remote Pilot License and Restricted Radio

ADM appointed MESSRS UAV INDUSTRIES TRAINING AFRICA (PTY)LTD on a term tender for 3 years. Amongst the activities for year 1 of the term tender is to train drone pilots. Eight (8) Drones Pilots have been nominated from two departments (i.e Community Services, and Strategic Planning & Governance). A critical component of this contract is the provision of comprehensive training to ensure the safe, efficient, and compliant operation of these new assets. The nominated employees were engaged on the theory training from the 23rd March 2026 to 31st March 2026, Exams and Practical's from the 5th of May 2026 – 13th of May 2026.

Modules covered:

- Administration and Control
- Human Factors
- Air Law and Procedures
- Navigation and Flight Planning
- Meteorology
- Aviation Radio and Restricted Radio Use
- Principles of Flight
- Control of Remotely Piloted Aircraft
- Technical
- Risk Management

The training program is essential to build internal capacity within the municipality, allowing us to leverage drone technology for various municipal functions, including:

- Disaster Management and Rapid Assessment.
- Emergency Search & Rescue, and Surveillance.
- Infrastructure Inspection (water, sanitation, roads).
- Land Use and Spatial Planning monitoring.

Actions Taken / Interventions

- Damage assessment was carried out to establish the extent of damages to a total of 1007 dwelling structures in villages around the District;
- Amathole District Municipality assisted the affected households with Disaster Relief Parcels inclusive of Blankets, Food Parcels and Sanitary Packs.
- Lists of affected municipalities submitted from Local municipalities to make urgent applications for damaged infrastructure (households, roads, bridges etc) to the Department of Human Settlements (Temporal Residential Units) and National / Provincial Disaster Management Centre (Municipal Disaster Response Grant);
- Department of Social Department provided psychosocial support to affected families;

- South African Social Security Agency (SASSA) and the Social Development Department assisted homeless victims with food parcels, blankets, mattresses, blankets, vanity packs and uniform for school children whose houses that were totally destroyed due to fire;
- The South African Red Cross Society and World Vision SA assisted with social relief;
- All electricity faults occurred within the district were repaired by Eskom;
- A District and Local Joint Operations Committee (JOC), District and Local Disaster Management Advisory Forums were activated to engage on disaster damage issues and progress reports on applications submitted. Meetings seat on a quarterly basis and on when the need arises.

Challenges

- Insufficient funding for disaster response and recovery
- Sector Departments and other stakeholders do not show commitment of their roles and responsibilities in disaster management
- Climate changes pose more threats to the environment and economy.
- Absence of information management system for the management of data
- Shortage of staff to adequately cover the Municipalities with high population density
- Disaster mitigation strategies are not fully implemented.

3.2.11.7.11 Information Communication System

Section 5 of the National Disaster Management Framework gives guide in the development of a comprehensive information management and communication system and establish integrated communication links with all disaster risk management role players. The Integrated disaster risk management depends on access to reliable hazard and disaster risk information as well as effective information management and communication systems to enable the receipt, dissemination, and exchange of information. The procurement processes are underway. It requires systems and processes that will:

- provide an institutional resource database, including a reporting and performance measurement facility;
- facilitate information exchange between primary interest groups;
- facilitate risk analysis, disaster risk assessment, mapping, monitoring, and tracking;
- guide and inform focused risk management and development planning and decision making; and
- facilitate timely dissemination of early warnings, public awareness, and preparedness, especially for at-risk people, households, communities, areas and developments.

ADM DMC is utilising the Provincial Disaster Management Application System (PDMAS), the system has been funded by the Provincial Disaster Management Centre were all districts and metros will be utilized to the requirements of the enabler for Integrated Disaster Management Communications Systems and Information Management. Early Warnings are sent to communities throughout the district via social media platforms and SMS messages upon receipt of warnings from the South African Weather Services (SAWS).

Clever Touch Audio Visual Screen

Through the **Provincial Disaster Management Centre (PDMC)** and its **Provincial Disaster Management Advisory Services (PDMAS)** implementation, a significant technological investment has been made to bolster the Amathole District Disaster Management Centre. The installation of a **Clever Touch Audio Visual Screen at the Disaster Management Centre Boardroom**, valued at **R120,000.00**, represents a critical upgrade in the district's operational readiness. This state-of-the-art interactive system is primarily designed to facilitate seamless virtual seating for high-stakes meetings, such as those held by the **Joint Operational Centre (JOC)**. By bridging the gap between physical and digital environments, the screen ensures that key stakeholders can collaborate in real-time, regardless of their location, thereby accelerating the response time and efficiency of disaster management interventions

Use Cases of the Clever Touch Audio Visual Screen

The Clever Touch screen is more than just a display; it is a collaborative hub with several specialized use cases for emergency management:

- **Virtual Joint Operational Centres (JOCs):** It allows multi-agency commanders to host hybrid meetings where remote experts and on-the-ground responders can see the same data and contribute to the same strategy board simultaneously.
- **Real-Time Incident Mapping:** Operators can display live GIS (Geographic Information System) maps and use the touch interface to annotate high-risk zones, track resource movement, or highlight affected infrastructure during an active disaster.
- **Interactive Training & Simulations:** The screen serves as a tool for conducting disaster "tabletop" exercises, allowing staff to simulate emergency scenarios and interact with digital models to improve preparedness.
- **Data Aggregation and Monitoring:** It functions as a central dashboard to monitor live weather feeds, dam levels, or social media alerts, providing a "single version of the truth" for decision-makers

3.3 KPA 3: LOCAL ECONOMIC DEVELOPMENT

DDM: Economic Positioning
Demographic Change and People Development
Governance and Finance Management
B2B: Priority 3

3.3.3 DIRECTORATE OVERVIEW



Economic development is a process by which a nation improves the economic, political, and social well-being of its people. It is a wider concept than economic growth, which refers to the increase in output and income. It also involves progressive changes in certain important variables that determine the quality of life, such as health and education. This is a Programme intervention aiming to improve the well-being of people, economic growth is a phenomenon of market productivity and increases in GDP.

3.3.4 ECONOMIC DEVELOPMENT

The ADM Broad objective to Economic Development includes “ To facilitate and promote Local Economic Development (LED) in a sustainable manner within the district by 2030. LED as one of the most effective strategies to eradicate poverty.

ADM is committed to the consolidation and optimal utilization of available resources to facilitate, advocate, coordinate, and support economic development within its area of jurisdiction, for the purpose of the creation of new, decent, sustainable employment opportunities, job creation and sustainable enterprise development, retention and expansion in the district.

This will be achieved through targeted investment promotion to grow strategic sectors that are able to create employment opportunities on a substantial scale in the short to medium term, and more advanced industries that are crucial for long term economic growth for Amathole District.

Specific Sector areas for the current period on Local economic development in the district include the following:

- Agriculture
- Tourism and Heritage
- Environmental Management

- SMME and Cooperatives
- Manufacturing
- Green and oceans economy
- Skills development

3.3.4.4 Economic Framework

From a Spatial Analysis it has been seen through the Analysis that ADM has a high youthful population. It has also been noted that unemployment is high in the district. It is with this understanding that the key objective for the Economic Framework is Skills development as well as investment and financing mechanisms.

- Science and Technology is a key driver of socio-economic development
- Technological innovation is a key factor in the development and competitiveness of the district economies, which leads to wealth creation and the improvement of living standards.
- The overall aim of the intervention in Science and Technology in Amathole is to develop and strengthen district systems of innovation.

Raymond Mhlaba is host to the University of Fort Hare, located in Alice. It is envisaged that the STEM Skills Academy could support the university where lecturers and students alike could benefit from such a facility for the development of Science and Technology.

Another proposal for is for the development of a Skills Training Facility. The location of a Skills Training Facility should be within an area which has a high population. These are within the Mbashe and Mquma Local Municipalities. Coupled with high population, includes high unemployment rates. it is thus proposed for a Skills Training Facility to be located within the Mquma region, specifically within Butterworth while making use of the abandoned factories located within the town. It is also be imperative for our six Local Municipalities to improve on their public finance mobilisation, expenditure and management systems.

3.3.4.5 Economic Drivers

Based on the implementation of local economic development initiatives in the past 5 years, it became clear that the key economic drivers for the district are as follows;

- Agriculture
- Tourism & Heritage
- Rural Development
- Poverty Alleviation
- Enterprise Development
- Environmental Management
- Mining, although this is not fully exploited (this is still an opportunity for ADM.
- Construction
- this is not fully exploited (this is still an opportunity for ADM.

3.3.4.6 Sectors that inform ADM's SDGs

Given the economic drivers identified above, there are also additional economic sectors that have been also identified within the ADM Spatial Planning and Local Economic Development Strategy (SPLED Strategy) approved in 2025 by its Council for the next coming 5 years and are as follows:

- Agriculture and Forestry
- Tourism and Heritage
- Environmental Management
- Enterprise Development (SMME, Informal Trade and Cooperatives)
- Manufacturing
- Green and Oceans economy
- Skills development

It is for this reason planning is imperative, especially; from National, Provincial, District and to the Local level. Thus, flowing from the change in strategy for local development in 2000 the Local Economic Development, a Primer document provides a step-by step guide for a strategic planning process. It states that 'good practice indicates that local economic development should always be guided by a strategy.

Competitive and comparative advantages

In addition to TVET Colleges including Fort Cox, Lovedale, and King Hintsa, the ADM is home to two significant universities: Walter Sisulu University and the University of Fort Hare. This indicates that the memorandum of understanding with these higher education institutions makes it simple to handle the problem of skills development. Furthermore, ADM has

▪ **Agricultural Focus**

In ADM there specialize areas where a variety of crops can be produced and benefit the communities such area has fertile land suitable for growing specific crops, such as maize, pineapple, oranges are aloe, including pelargonium avocados etc. Specializing in such production where they have a comparative advantage, they can enhance agricultural exports and attract agri-business investments, contributing to local development. These agricultural products can be traded for manufactured goods that the community would otherwise have to produce less efficiently.

▪ **Tourism and Cultural Heritage**

ADM is rich in scenery, flora, fauna and also known for its rich cultural heritage may have a comparative advantage in tourism. By focusing on developing their tourism sector (e.g., promoting historical sites or local crafts), they can attract visitors and generate income, which can lead to the development of local businesses, restaurants, and services. The revenue generated can then be reinvested into the community, creating more job opportunities and improving local infrastructure.

▪ **Renewable Energy**

ADM has abundant natural resources like sunlight, wind may have and has a comparative advantage in renewable energy production. The district needs to focus on solar or wind energy, this area can develop a local economy around renewable energy technologies, create jobs in manufacturing and installation, and contribute to broader environmental sustainability efforts.

▪ **Craft and Artisan Goods**

ADM community with skilled artisans who produce unique local crafts (e.g., pottery, textiles, or handmade jewelry) may have a comparative advantage in niche markets. The promotion of these crafts and selling them to a broader audience (both online and in-person), the area can foster local businesses, support artisans, and attract tourists interested in authentic, locally-made products. In each of these examples, the focus on areas of comparative advantage not only enhances the local economy but also encourages sustainable development, creates jobs, and boosts overall community well-being. As communities understand their unique strengths and leverage them, they can foster resilience and improve quality of life for their residents.

• **Business Policies**

Local governments that establish favorable business regulations, low taxes, or incentive programs can develop a competitive advantage by attracting new businesses. For instance, a city that offers tax breaks to startups or has streamlined permitting processes may become a hub for entrepreneurship, stimulating local economic growth and job creation. By understanding and leveraging their competitive advantages, localities can foster economic development, create sustainable job opportunities, and enhance the quality of life for their residents.

3.3.4.7 Economic infrastructure

The LED infrastructure is reflected in the IDP Sector Plan to be reviewed in 2025/26 financial year, being the Economic Growth and Development Strategy. Such is also reflected under the SDI KPA under infrastructure Development. The participatory analysis across sectors and across the district has provided a long list of specific issues that are considered barriers to economic growth. These can be grouped into the following categories:

- Infrastructure – Poor maintained infrastructure is an impediment to cost effective enterprise. This issue is a very high priority because of the distance of the district from markets and the lack of raw materials locally.
- Inadequate marketing heritage and tourism of LED sectors
- Land related issues – this includes the resolution of land ownership and use rights, land use planning and land use management to exploit (where applicable) and protect (where applicable) the environment. The land issue relates to both rural and urban localities. In the former, it relates to use for agriculture and settlements, while in the latter it relates to land for investment in production facilities, offices and housing.
- Lack of competitiveness of the sectors and localities. This resolves into two key aspects:

- Support systems and services – there is inadequate technical and systemic (eg: for maintenance, provision of supply, production) support across all the sectors.
- Skills – all sectors and area raised the issue of inadequate and inappropriate skills as a constraint to growth.
- Governance – across sectors and areas lack of governance systems and capacity were raised as impediments to enterprise growth and development.

Table 43: HERITAGE SITES PER LOCAL MUNICIPALITY

Heritage Site	Municipality
Maqoma heritage Routes Mountain Escape Tourism Route The route showcases the rich cultural heritage in the Area of Middle Drift Alice, Adelaide and Bedford. The area is rich in terms of Maqoma legacy, the ANC archives which are housed by the university of Fort Hare. the tourism is rich with the beautiful mountainous land scape, hiking trails and high-end quality accommodation	Raymond Mhlaba
Sandile Heritage Route and Friendly N6 Tourism Route the route showcases the rich heritage and adventurous experience, the routes showcases Stutterheim, Cathcart and Kieskammahoek. This is rich in the cultural heritage and agricultural activities. The area is also mountainous and has attractive dams for sport water activities.	Amahlathi
King Phalo Heritage Routes and Wild coast Route Both routes showcase the rich history of all three areas, which includes the following coastal towns small towns Komga, Chintsa, Kie Mouth, Ngqamakhwe, Butterworth, Centane, Dutywa, Willovalle, and Dwasa Cebe.	Great Kei, Mnquma and Mbhashe
Makana Heritage and Sunshine Coast Routes Both routes markets the rich cultural heritage and adventurous experiences being boat cruise and canoeing along the coast, great fish river reserve. It covers Hamburg and Peddie tourism	Ngqushwa

3.3.4.8 LED Monitoring Structure

Table 44: LED MONITORING STRUCTURES

Name of the forum	Strategic Objectives	Sitting Frequency
Spatial Planning and Local Economic Development Forum	- To create a platform for engagement on the LED policy matters in all spheres of government - To discuss critical LED issues with all strategic stakeholders - To coordinate all LED initiatives or projects taking place within the district. - To coordinate and align planning and implementation of programmes and projects within ADM jurisdiction.	Quarterly
Agricultural Forum	- Coordinate and align planning and implementation of agricultural projects within ADM jurisdiction. - Information sharing on Agricultural development programmes and available resources to support emerging farmers.	Quarterly

3.3.4.9 SPATIAL PLANNING AND LOCAL ECONOMIC DEVELOPMENT STRATEGY (2024 – 2030)

The district is characterized by high levels of poverty and unemployment. In response to the aforementioned challenges, ADM has, over the years, developed and implemented policies and strategies that sought to improve the economic trajectory of the district. Hence, the development of the Spatial Planning and Local Economic Development (SPLED) 2025-2029 strategy. The strategy seeks to set out a shared economic development and growth vision for the district.

The SPLED also outlines a framework for achieving sustainable growth, enhancing economic growth and enhancing economic growth and development in the district.

Furthermore, the ADM has taken a strategic decision to include spatial planning as the key component of economic development and as each development/proposal requires 'space' to cooperate.

There are guidelines developed to assist national and local governments to promote effective urban and territorial planning strategies, which also encourages integrated planning processes, that focus on human settlements, natural resources, and resilient infrastructure. ADM identifies the following critical strategic facilitators that guarantee the successful implementation of the district's identified economic development interventions programmes

Strategy Objectives

Table 45: STRATEGY OBJECTIVES SUMMARY OF THE FRAMEWORK

OBJECTIVES	PRIORITY	ENABLERS
- Promote holistic & sustainable regional economic development. - Diversify the regional economy - Promote sustainable rural and urban economic development - Attract investment to ADM - Promote sustainable land use - Empower communities - Improve land administration and spatial planning for integrated sustainable growth and development - Linkage with neighboring municipalities - Improve land administration and spatial planning for sustainable livelihoods	- Agriculture and Forestry - Oceans economy Heritage and Tourism Creative Industry - Manufacturing - MSME development - Land tenure - Review of SDF - Land admin systems	- Planning, Research and innovation - Resource mobilisation - Economic Infrastructure development - Capacity and Skills development - Political and Administration will - Strategic partnerships and Investment - MSME Support - Spatial planning

Comparative and Competitive Advantages

There are five sectors that are developed in line with the SPLED strategy. The main purpose of these sector plans is to ensure that the bulk of the population in Amathole District Municipality benefits in the economic development section. The economic research agenda of the Amathole District Municipality was also in line with that of other stakeholders in the development arena. It is for this reason that the institution

formed strategic partnership with institutions of Higher Learning (NMMU, Fort Hare, Fort Cox etc). Such areas include but are not limited to Heritage, enterprise development, microfinance, economic research and training of officials in LED related materials.

Table 46: ADM COMPARATIVE ADVANTAGE

CATEGORY	ADVANTAGE	COMMENTS
Natural Resources & Biodiversity	An abundance of forest and mountain ecosystems	Afromontane forest in the Amathole mountain Range (Stutterheim, Hogsback, Kieskammahoek) with timber, medicinal plants, and endemic species like the Cape parrot. The Mquma coastal stretch of 52km from the Kie River to the Qora River (Wild Coastal offer a blue economy opportunity for fishing, aquaculture and marine tourism.
Strategic Location	Strategical located along the N2	Along National Roads (N2) to Durban and East London R409 to Queenstown.
	Coastal and marine assets	With a coastline of around 269km the district offers a wealth of prospects for oceans economy. Create Kei River and Indian Ocean coastline support fisheries, aquaculture, whale watching and deep-sea angling. Eg: coastal beaches (Qolorha, Wavecrest, Mazeppa Bay, waterfalls (Bawa Falls) rivers dams (Gcuwa Dam).
	Fertile agricultural land	Raymond Mhlaba and Mquma municipalities have valleys suited to cattle farming, maize, and horticulture. Grasslands and springs boost livestock productivity.
	Protected wildlife areas	Great Fish River and Fort Fordyce nature reserves preserve indigenous wildlife and birdlife, support eco-tourism
	Indigenous and high-value plant species	Aloe, pelargonium, lemon grass, and helichrysum support the mega hub development by the department of Forestry, fisheries and environment.
	Freshwater resources	An annual rainfall of 800-1000mm per annum in Mquma. River system (Keiskamma and other rivers) support irrigation, drinking water, and hydroelectric potential.
Cultural & Historical Heritage	Liberation heritage institution	Education Heritage e.g., University of Fort Hare, Lovedale etc. Heritage and Tourism Routes which contributes to intellectual and cultural capital of the district. Traditional culture and liberation heritage.
Infrastructure Investment and Service Delivery Improvements	Development to improve infrastructure	N2 route development (SANRAL-N2 & R409 Ndabakazi bridge and intermodal interchange).
Renewable energy infrastructure	The district hosts regional clean energy assets like the colley wobbles hydroelectric power station (42 MW) and Bedford's Msenge Emoyeni wind farm(69 MW)	

Table 47: ADM COMPETATIVE ADVANTAGE

CATEGORY	ADVANTAGE	COMMENTS
Renewable Energy	Operational Independent Power Producers	Chaba and Wesley Windfarms
Industrial Development	Regional manufacturing and agro-processing potential	Butterworth Industrial Park offers infrastructure for industrial and agro-processing development.
MSME & small scale farmers support	Strong support ecosystem for emerging enterprises	Support from the district, state entities that are financing small enterprises and emerging farmers.
Tourism and Heritage development	Rich cultural heritage leveraged for tourism	Heritage routes showcasing Xhosa royalty and resistance leaders (e.g. Sandile, Maqoma, Makana and Phalo Routes) promotes cultural preservation and tourism. These link to the tourism routes such as Friendly N6, Amathole Mountain Escape, wild Coast and Sunshine Coast, which promotes leisure and adventure places.

Tourism and Heritage Sector Plan

Heritage and tourism are two interlinked sectors, though heritage plays a major role as a Tourist attraction. Thus, Amathole District Municipal jurisdiction is endowed with rich, both natural and cultural heritage resources, both intangibles and tangibles that are of national, provincial and local significance. To this end it has been the legal mandate of the Heritage Section to ensure heritage resources management. For a very long time such resources happened to be neglected due to a series of apartheid pieces of legislation as will become clear in the ensuing sections of this analysis.

ADM established the Amathole District Municipality Heritage Forum. The aim of setting up such a Forum was and still is to ascertain concise identification and management of heritage resources throughout our district municipal jurisdiction to see to it that such resources are utilized and managed in a sustainable fashion. It is in this Forum that issues of both intangibles (*memorabilia entities*) and tangibles are dealt with and taken care of as valuable heritage resources.

Given the legislative mandate provided by various post-apartheid pieces of legislation, cited earlier on, Amathole District Municipality, in a bid to help transform heritage resources identification and management, has decided to develop the Heritage Resources Management Strategy with a clear strategic plan. What seems to be clear thus far is the fact that whether one is talking of eco-or cultural tourism, the fact of the matter is that tourism is environmentally dependent. To this end, it becomes the responsibility of the Heritage Unit to identify heritage sites that have potential to contribute fundamentally towards tourism development.

This is the current situation as the Heritage Unit has identified a list of heritage sites and develops them for tourism development, understanding very well that tourism is one of our economic drivers in our municipal jurisdiction. All this is done with the context of Responsible Tourism- (**White Paper on Tourism**) that puts too much emphasis on the need to striking a balance between resource utilization and sustainability of those resources. The enhancement and protection our heritage resources have the ability to play a crucial role in the social upliftment and economic development among the ADM communities.

Lastly, the following points are at the centre for the success of the ADM Heritage Resources Management Unit:

- Adequate resources and capacity must be availed by the district to meet the goals and targets of this Section.
- Partnerships between the District and other organisations are central to the success of the Section.
- Efficient and effective use resources provided by the district and other external funders are key to the success of this Section.

On the other hand, Tourism can be defined as the non-commercial organization plus operation of vacations and visits to a place of interest. Whether you visit a relative or friend, travel for business purposes, go on holiday or on medical and religious trips - these are all included in tourism.

In Amathole District Municipality, the Other (Medical, Religious, etc), relative to the other tourism, recorded the highest average annual growth rate from 2010 (66 000) to 2020 (22 800) at -10.07%. Visits to friends and relatives recorded the highest number of visits in 2020 at 67 800, with an average annual growth rate of -14.74%.

The tourism type that recorded the lowest growth was Leisure / Holiday tourism with an average annual growth rate of -16.30% from 2010 (68 900) to 2020 (11 600).

In 2020, Amathole District Municipality had a tourism spend per capita of R 444 and an average annual growth rate of -8.76%, Amathole District Municipality ranked fourth amongst all the regions within Eastern Cape in terms of tourism spend per capita. The region within Eastern Cape Province that ranked first in terms of tourism spend per capita is Sarah Baartman District Municipality with a total per capita spending of R 2,160 which reflects an average annual decrease of -7.13% from 2010. The district municipality that ranked lowest in terms of tourism spend per capita is O.R.Tambo with a total of R 323 which reflects an decrease at an average annual rate of -8.72% from 2010.

The above reflects impact of the sector before the COVID 19 pandemic, currently the sector has been the most if not the number one that has suffered during the pandemic. With all the attractions, travelling and leisure activities ban during the pandemic the sector was hardest hit as it literally came to a standstill causing socio economic down fall for both private and public services. The ADM tourism was also severely affected but with the involvement of both National and Provincial partners in tourism assistance is currently being provided in a number of initiatives, such as relief grants for tourism business, innovation ways to revive the sector, it is slowly peaking up.

Challenges

- Global Pandemic which resulted in Lockdown Regulations
- Tourism businesses did not receive any income during the pandemic
- Decline in number of visitors due to the fear of the Pandemic

Table 48: TOURISM ROUTES

TOURISM SITES	MUNICIPALITY
Amathole Mountain Escape	Raymond Mhlaba LM
Friendly N6	Amahlathi LM
Wild Coast	Mnquma & Mbhashe LM
Sunshine Coast	Ngqushwa LM

Challenges

- Global Pandemic which resulted in Lockdown Regulations
- Tourism businesses did not receive any income during the pandemic.
- Decline in number of visitors due to the fear of the Pandemic.

Agriculture Sector Plan

ADM has developed an Agricultural Sector Plan with the main purpose of taking the sector to the next level by introducing new means and ways of using the latest technologies. This is referred to as Agriculture 4.0. One of the economic sectors that is implemented by Amathole District Municipality is the Agricultural Development/Agrarian reform. This programme is also in-line with the National and Provincial Strategic Priorities. These are as detailed below;

Table 49: ALIGNMENT OF DALRRD OUTCOMES TO GOVERNMENT PRIORITIES

OUTCOMES	OUTCOME INDICATORS	CONTRIBUTION TO PRIORITIES
Outcome 4: Increased production in the agricultural sector	▪ 10% increase in value of agricultural production by 2027	2
Outcome 5: Increased market access and maintenance of existing markets	▪ 1.5% increase of agricultural exports ▪ 1% increase of domestic use (value added) of agricultural products	2, 3 and 7
Outcome 6: Integrated and inclusive rural economy	▪ Number of jobs created in rural areas ▪ Number of Agri-parks fully functional	4

On the basis of the above-mentioned alignments ADM has abundant land that is purely agricultural. However, according to statistics, Agriculture contributes only 1.4% to the GVA. This is attributed to the lack of interest to agriculture by the economic active persons and the high rate of outward migration but the very same age group. Thus, this sector intends to work on unlocking agricultural opportunities that they will be sustainable and grow emerging farmers into commercial farmers. Funding is a major challenge. It has also been noted that there is lack of collaborative planning amongst departments which leads to lack of communication.

In an attempt of revitalization of the agricultural sector, DRDAR has identified a variety of programs as a means of economic stimulus within ADM. These include Keiskammahoek Market Centre and the Revitalisation of Irrigation Schemes like Zanyokhwe and Kieskammahoek Schemes.

Poverty Eradication Sector Plan

This strategy intends to vigorously fight and remove poverty within Amathole District Municipality. As demographics are showing, about 80% of Amathole District Municipality inhabitants are living in poverty and near poverty.

This is currently dealt with in terms of EPWP National Programme. ADM is deliberate in unlocking the economic potential in projects such as the Oceans Economy (blue economy), resuscitation of gardens, public open space beautification etc.

ADM is currently implementing Expanded public works program as it is a national program. EPWP aims to draw a significant number of the unemployed into productive work and to try to bridge the gap between the growing economy and large number of unskilled and unemployment people who have not yet enjoyed the benefits of economy development

Expanded Public Works Program

The Minister of Department of Public Works, MEC for Roads and Public Works in the Eastern Cape and Amathole District Municipality Mayor entered into a Protocol agreement, whose purpose is:

- To establish an agreed framework for cooperation and coordination between the parties.
- To promote the objectives of the EPWP through mainstreaming the use of labour-intensive employment in the delivery of public infrastructure, goods and services in the municipalities.
- To promote the management and reporting on the EPWP incentive grant to increase labour-intensive employment through EPWP projects and programmes that maximize job creation;
- To confirm the agreement and commitment of the Municipality to :-
 - establish capacity (human resource) within the municipality to implement, monitor and report the progress in line with EPWP requirements for reporting;
 - ensure that EPWP universal principles are adhered to in the implementation of the EPWP projects;
 - develop and implement EPWP policy that ensures that all the four sectors and their programmes are implemented;
 - ensure that EPWP principles and requirements embedded to all the municipal projects and contracts;
 - promote job creation through labour intensive implementation of municipal projects;
 - adhere to the clauses contained in the incentive agreement; and
 - develop reports on an annual basis which accounts on the achievements against the protocol and policy.

- To specify the institutional structures that will oversee, monitor and report on progress in implementing the EPWP and achieving the EPWP targets; and
- To provide for mutual assistance and support in respect of the programmes and initiatives of the EPWP. This Protocol shall not limit the constitutional and statutory powers and functions of the parties.

To achieve the purposes of this Protocol; the three spheres have adopted and undertake to comply with the principles of cooperation as listed in the protocol agreement. Therefore, three spheres performed their obligations as guided by Protocol in accordance with applicable laws. As per the Phase 3 protocol agreement, ADM was supposed to create Work Opportunities over the period of five years (which is the duration of the agreement). Each year with its own target. The table below depicts ADM's Annual Targets.

The Expanded public works program involves creating temporary work opportunities for the unemployed, while ensuring that workers gain skills and training on the jobs, so as to increase earning capacity and income in the future. EPWP is externally funded by Department of Public Works

The emphasis of the EPWP is to expand the use of labour-intensive methods in government funded services delivery projects to create more work opportunities and stimulate entrepreneurial activity.

Amathole District Municipality continues to rollout EPWP to better livelihoods hence in the previous financial year through incentive grant it has created 1370 jobs opportunities in the ADM.

Table 50: SUMMARY OF THE IMPLEMENTATION OF THE EPWP PROGRAMME FOR 2024/25 FINANCIAL YEAR

Project name	Beneficiaries
Waste & Environment Management	84 jobs created
EPWP Support Head Office	2
Social Sector	426 jobs created
MIG Projects	254 jobs created
Infrastructure (water & Sanitation)	421 jobs created
Total	1186

Challenges

- Non reporting of job created by other departments to improve EPWP numbers.

Enterprise Development

Amathole District Municipality (ADM) identified enterprise development as a catalyst for economic growth and development. Enterprise Development Sector Plan advocates for technology-based and export-focused manufacturing sector, which is dynamic and competitive with effective entities that add value to the locally abundant natural resources by 2030. This is done through the implementation of programs which are internally and externally funded by a variety of stakeholders. ADM in conjunction with other stakeholders are ensuring that programs and projects implemented benefits locals in the form of:

Amathole District Municipality (ADM) identified enterprise development - Co-operatives Development - as its priority area. Co-operatives Development has potential to positively contribute to the economic development of the district. Over the past years, the district has supported financially and non-financially many co-operatives in different economic sectors. ADM has a co-operatives strategy which outlines the district's plan for development of co-operatives. A baseline study on co-operatives was conducted which has identified that most co-operatives are operating in the agricultural sector, followed by manufacturing and beadwork.

Guided by national and provincial legal instruments for cooperatives development, ADM is committed to the growth and development of powerful, vibrant, viable and sustainable cooperatives within its area of jurisdiction. This shall go a long way in addressing the social and economic ills of the district.

There are three categories of cooperatives in the district. These are as follows:

- Commercially viable;
- Self-developing; and
- Marginal.

Several cooperatives in the district are in the last category of marginal as they are struggling. This, therefore, means that cooperatives development pathway ought to inform the support provided to cooperatives as required by their state.

Challenges

- are not different from those faced by SMME's in the District,
- that include: market, marketing, financial support, lack of information, skills shortage, poor product quality,
- lack of commitment amongst co-operatives and state grant dependence syndrome.

Informal Trade Development

The informal trade sector has been largely neglected in the enterprise development space, especially in formerly rural municipalities. It is a sector that is critical and has potential to dilute absolute poverty and curbing excessive unemployment within the Amathole District Municipality. Poverty, unemployment and inequalities are the primary threats identified by the national government in the New Growth Path, and the National Development Plan. There has been a great effort in previous national policy frameworks such as GEAR in the preceding years to try to curb these social ills however, they continue to be a burden in the governmental efforts to bring about a better life for all. In the recent past efforts have been made to support Cooperatives and SMMEs in the country. There has been the SMMEs Act of 1996 amended in 2006, and the Cooperatives Act of 2005, however, there has been minimal support for informal traders. This was however reviewed in 2014 by the Department of Small Business Development when they developed National Informal Business Upliftment Strategy (NIBUS)

ADM has taken the initiative to support this sector, in collaboration with all local municipalities within our district and other developmental institutions. It is for this reason that we have done a needs analysis for all informal traders within the district. There was a needs analysis that is being done within the district for informal traders in all local municipalities. Mngquma and Mbashe has the largest number of all informal traders in the district from a wide variety of sectors from the preliminary analysis. The main challenges of informal traders are quality working infrastructure, access to finance and lack of capacity in business finance management. The importance of forming organized structures was explained to them and since the majority have these structures. It was agreed that the needs and challenges of informal traders will be discussed through the recognized informal trade structures.

3.3.5 SMALL TOWNS REGENERATION

Small towns have a unique and rich cultural heritage that can be harnessed to drive economic growth and create vibrant communities. By leveraging their strengths in arts, crafts, agriculture, and tourism, small towns can attract new businesses, retain local talent, and create an inviting atmosphere for visitors. For example, towns can develop farmer's markets and artisanal products to promote local produce and crafts. They can also focus on revitalizing historical landmarks and restoring old buildings to serve as community centers, cultural venues, and shopping districts.

The ADM has taken a holistic approach to small town development by creating comprehensive plans that encompass economic, social, and environmental aspects. This will help forge collaboration between local government, community stakeholders and businesses to identify priorities, develop strategies, and allocate resources.

Hence the district working with strategic partners has facilitated and developed small town plans that is Hamburg, Stutterheim and Cathcart which are typical Small towns regeneration plans that include initiatives such as business development programs, infrastructure upgrades, and the creation of public spaces and recreational facilities. These are done by engaging with communities and stakeholders whilst as the district and municipalities ensures that their plans address the unique needs and challenges of each community, while also considering long-term sustainability and growth.

3.3.6 AMATHOLE DISTRICT DEVELOPMENT AGENCY (ASPIRE)

Aspire is an Amathole District Municipality development agency. Aspire has a mandate of implementing economic development high impact programmes and projects for the district. Their initial mandate was on Small-towns revitalization which in essence does contribute to the economic growth aims and objectives. It has since been broadened to cater for implementation of Economic Growth projects as identified in Vision 2058. Therefore, it is Aspire's role to source funds and ensures the implementation of the projects. Vision 2058 identified the following catalytic projects:

- Integrated Water Desalination Precinct
- Integrated Transport Systems
- Broadband Connectivity

- World Class Sports Academy
- Stem Skills Academy
- Technical Training Academy
- Integrated Waste Management
- Small towns Revitalisation
- Revitalisation of irrigation schemes
- Revitalisation of crop plantations.
- World Class Disaster Management Centre

3.4 KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

DDM: Governance and Finance Management
Economic Positioning
B2B: Sound Financial Management

3.4.1 INTRODUCTION

The Budget and Treasury Office complies with the approved legislation, reforms and accounting standards when carrying out the functions of supply chain, budgeting and reporting. The department is responsible for providing strategic direction on financial planning, management, and accounting as well as guidance and support to the leadership within the Municipality regarding the implementation of and compliance with the Municipal Finance Management Act and related Treasury Regulations.

Often referred to as the heartbeat of the Municipality, the BTO underpins the financial operations of all departments. Its core mandate is to manage municipal funds responsibly and promote long-term financial sustainability.

The BTO delivers its services through the following specialized units:

- **Budgeting and Reporting:** Oversees the development and monitoring of municipal budgets and financial performance.
- **Revenue Management:** Ensures efficient billing, collection, and revenue optimization.
- **Supply Chain Management:** Facilitates transparent and compliant procurement processes.
- **Asset Management:** Maintains accurate records and stewardship of municipal assets.
- **Expenditure Management:** Controls and monitors spending to align with approved budgets and priorities.

3.4.2 DISTRICT DEVELOPMENT MODEL

Strengthening Cooperative Governance through the District Development Model (DDM)

The District Development Model (DDM) serves as a transformative operational framework aimed at enhancing cooperative governance. It calls for integrated planning and implementation across all spheres of government—national, provincial, and local—through a technically driven, consultative process involving government entities, communities, and stakeholders.

Aligned with the objectives of the DDM, the department is committed to exercising oversight of the institutional budget and projects in a manner that is transparent, accountable, and responsive to community needs.

Role of the Budget & Treasury Office (BTO)

The Budget & Treasury Office (BTO) is driving a strategic initiative to stabilize governance and financial management practices within the Amathole District Municipality (ADM). This is achieved by promoting efficient, effective, accountable, and transparent execution of planning, budgeting, procurement, and financial performance.

BTO plays a pivotal role in:

- **Strengthening financial capacity** across municipal departments, with support from the Provincial Treasury.
- **Providing strategic financial oversight** to ensure compliance with the Municipal Finance Management Act (MFMA) and Treasury Regulations.
- **Acting as a catalyst for institutional reform**, guiding departments toward sound financial governance.

Intergovernmental Collaboration and Service Delivery

As a practical Intergovernmental Relations (IGR) mechanism, the DDM enables all three spheres of government to collaborate with communities and stakeholders to plan, budget, and implement development initiatives in unison. In this spirit, BTO will continue working closely with both Provincial Treasury and the Department of Cooperative Governance and Traditional Affairs (CoGTA) to:

- Enhance service delivery
- Improve governance
- Promote inclusive development

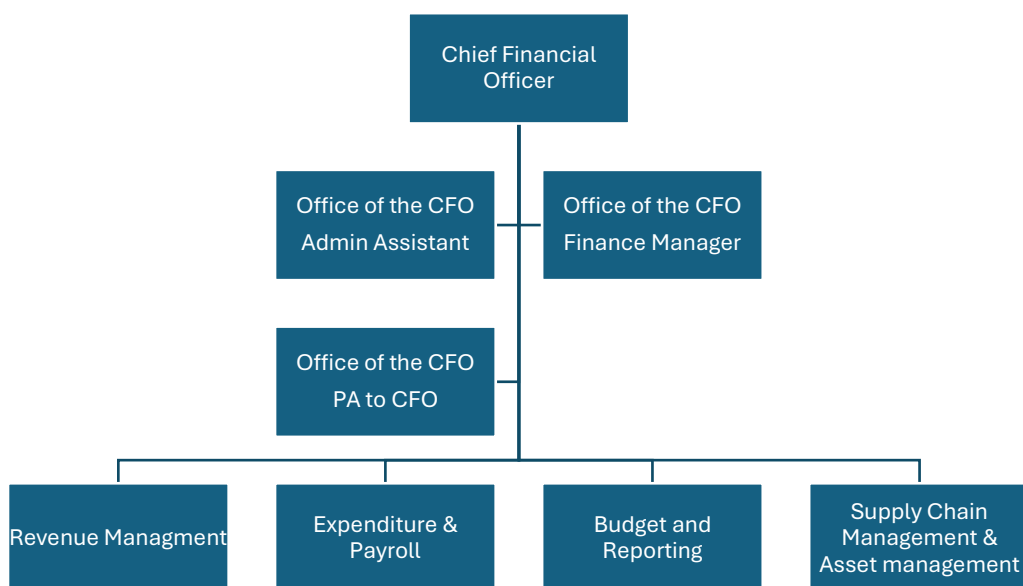
Local Economic Development and Inclusive Procurement

To address service delivery challenges and unlock local development opportunities, BTO is prioritizing:

- **Localized procurement** that supports and promotes local businesses
- **Job creation initiatives** that actively involve communities
- **Gender-inclusive procurement**, with a commitment to allocate **12% of funds** to women-owned service providers on tenders advertised during the **2025/26 Financial Year**
- This approach aligns with the Auditor-General's recommendations and supports holistic, sustainable regional economic development.

3.4.3 DIRECTORATE OVERVIEW

The Budget and Treasury Office has been established in accordance with Chapter 9 of the Municipal Finance Management Act No. 56 of 2003 (MFMA) which requires every municipality to have a budget and treasury office. The Budget and Treasury office must consist of a chief financial officer designated by the accounting officer of the municipality, officials of the municipality allocated by the accounting officer to the chief financial officer; and any other persons contracted by the municipality for the work of the office.



Budget & Treasury Office Chief Financial Officer: Budget & Treasury Office East London Office of the CFO Secretary: Office of the CFO East London Office of the CFO Office Manager: Office of the CFO East London Budget & Treasury Office Operations Manager: Budget & Treasury Office East London Budget & Treasury Office Admin Assistant: Budget & Treasury Office East London Revenue Management Divisional Head: Revenue Management East London Budget & Financial Reporting Divisional Head: Budget & Financial Reporting East London Assets Management & Expenditure Divisional Head: Assets Management & Expenditure East London SCM Divisional Head: SCM East London

3.4.4 BUDGETING

The Budgeting is responsible for providing guidance and consolidating all inputs to provide an annual institutional budget, for both operating and capital as well as an annual adjustment budget where required. This extends to the monitoring of the budget, with the preparation and implementation being in accordance with Section 80 of the MFMA. Monthly and quarterly reporting on the budget performance in the form of Section 71 Reports, Schedule C Reporting with related data strings, as well as the quarterly Section 52 d report is performed. Annually the Section 72 report is prepared based on mid-year performance, ultimately recommending whether there is a need to an adjustment budget.

3.4.4.1 Budgeting Principles

The preparation of the budget is governed by the MFMA and budget regulations. The following principles are applied when preparing the budget:

- The budget must be in the format prescribed by the regulations as contemplated by the MFMA;
- The budget must reflect the realistically expected revenues by major source for the budget year concerned taking into account actual collection levels;

- The expenses reflected in the budget must be divided into the different votes of the municipality;
- Expenses may only be incurred in terms of the approved annual budget (or adjustments budget) and within the limits of the amounts appropriated for each vote in the approved budget;
- The institution shall prepare three-year budget (medium term revenue and expenditure framework (MTREF)) and that be reviewed annually and approved by Council;
- The budget must also contain the information related to the two financial years following the financial year to which the budget relates, as well as the actual revenues and expenses for the prior year, and the forecasted revenues and expenses for the current year;
- The actual revenues and expenses for the previous financial year, and the estimated revenues and expenses for the current year

Systems and Processes

As regulated, the Amathole District Municipality (ADM) prepares an annual budget for the current financial year, accompanied by forecasts for the two outer years. This approach aligns with the **Medium-Term Revenue and Expenditure Framework (MTREF)** as prescribed by the **MFMA Budget Regulations** and the **Municipal Standard Chart of Accounts (mSCOA)**.

Revenue Composition and Fiscal Challenges

In recent years, ADM has faced increasing challenges in generating its own revenue, resulting in a growing reliance on government grants to sustain service delivery. Consequently, the municipality bases the bulk of its anticipated revenue on **gazetted allocations in the Division of Revenue Act (DoRA)**.

ADM's own revenue streams include:

- Service charges
- Interest on call and current accounts
- VAT recoveries

Service charge income is conservatively projected at a realistically collectable level and contributes only marginally to the institution's overall revenue.

Budget Submission and Compliance

The **draft budget for 2025/26** was tabled to Council within the legislated timeframe.

The **final budget** was subsequently approved by Council in full compliance with the prescribed Schedule A format and within the required legislative deadlines.

The budget was populated using **version 6.9 of mSCOA**, implemented via the **SAGE financial system**.

ADM submitted a **balanced budget**, but it remains **unfunded** due to:

- Significant **creditor liabilities**
- A high **bad debt provision**, stemming from poor collection rates

mSCOA Compliance and Reporting

ADM has been transacting on the **mSCOA chart of accounts** since the **2016/17 financial year**, demonstrating long-standing compliance with national financial reforms.

For the 2025/26 financial year:

The budget was submitted using the **correct version of mSCOA** via the **National Treasury portal**

The data strings for both the draft and final budget versions were generated from the SAGE financial system and submitted to the portal. This is a major milestone for the municipality as in the past, significant manual intervention was required.

Challenges

- **Frequent Budget Shifts:** Budget constraints and weak adherence to budgeting principles result in significant volumes of budget reallocations from the start of the financial year.
- **Poor Implementation of Budget Policy:** Budget is often moved from one area to another without fully assessing the impact on the source account, undermining service delivery and financial discipline.
- **Overreliance on Adjustments Budget:** There is a prevailing misconception that the Adjustments Budget process can resolve all budgeting shortfalls. However, without improved revenue collection, departments must reprioritize within their existing allocations.
- **Inadequate Project Planning:** Many projects are based on aspirational “wish lists” rather than detailed feasibility and costing, leading to misaligned funding and underperformance.
- **Externally Funded Projects:** Poor planning and expenditure tracking result in either unspent funds or overspending in unrelated areas. The frequent amendments to the capital budget reflect this instability.
- **Weak Revenue Base:** ADM’s own revenue sources—primarily service charges, interest, and VAT recoveries—are insufficient to cover core operational costs.
- **Low Collection Rates:** Service charges are budgeted at realistically billable levels, but actual collections remain low, even with provisions for bad debts based on historical trends.
- **Misallocation of Expenditure:** There is a tendency to allocate spending based on available budget rather than the correct expenditure type or cost centre, leading to distorted financial reporting.
- **Non-Core Functions at Risk:** The municipality faces a growing risk of being unable to sustain non-core functions due to financial pressures.
- **Lack of Consequence Management:** Inadequate systems are in place to enforce accountability for non-compliance with budget policies.
- **mSCOA Segment Misalignment:** Migration to the new financial system, resulted in incorrect linkage of datastrings to line items which has led to distorted monthly and quarterly reports.
- **Reliance on External Support:** Increased dependence on external service providers for system functionality has financial implications and results in delayed resolutions.

- **Limited mSCOA Understanding:** A lack of awareness and understanding of the mSCOA seven-segment structure among management and officials compromises the accuracy of transactions and budget alignment.
- **Year-End Risks:** Budget control lifting during year-end journal processes introduces the risk of transactions being recorded against incorrect mSCOA segments.

3.4.5 EXPENDITURE

The **Expenditure Unit** operates in full compliance with **Section 65 of the Municipal Finance Management Act (MFMA)**, which governs the principles and practices of municipal expenditure management.

Key responsibilities include:

- **Expenditure Control:** Maintaining a robust system of internal controls to manage and monitor spending.
- **Approval and Authorisation:** Implementing clear procedures for the approval and authorisation of payments to ensure accountability and compliance.
- **Payment Processing:** Ensuring timely and accurate disbursement of funds in line with approved budgets and procurement protocols.
- **Financial System Integrity:** Recording all transactions in the financial system to maintain transparency, traceability, and audit readiness.

Through these functions, the Expenditure Unit plays a critical role in safeguarding municipal resources and promoting sound financial governance.

Systems and Processes

Section 65 of Municipal Finance Management Act No. 56 of 2003 supported by Treasury Circular 49, requires that all payments processed on the financial system be according to the budget, be properly processed and be due and payable in terms of policy and procedures. The relevant supporting documentation must be attached and must ensure that they are paid within 30 days of receipt. The main objective is to maintain a good working relationship between ADM and the public we serve.

This compliance remains a challenge as ADM continues to experience cash flow constraints, hence invoices are not always paid within 30 days of receipt. These challenges experienced by ADM, have resulted in 73% of all the invoices being paid within 30 days of receipt during the first quarter of the 2025/26 financial year. Registers have been implemented to track invoices.

In addition to filing payment vouchers in hard copy, payment vouchers are also scanned and filed electronically.

A register for fruitless and wasteful expenditure is being maintained. The incidents relate to interest being incurred due to late payment and are mainly attributable to the cash flow constraints and poor budget management by Directorates.

Payment arrangements are entered between the municipality and key service providers to avoid interest and penalties where working capital not sufficient to service the debt. However other service providers do

charge interest and penalties which results in fruitless and wasteful expenditure. The monitoring and investigation of these instances still requires improvement. This expenditure is reported on a monthly quarterly basis to the Executive Mayor, Auditor General, CoGTA and the Audit Committee. Standard operating procedures have been documented for the Expenditure cycle.

Challenges

- Non-Compliance with Section 65(2)(e) of the MFMA and Circular 49 of MFMA. Both these require reasonable steps to ensure that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure. This compliance remains challenge as the ADM is still experiencing cash flow constraints, hence invoices cannot always be paid within 30 days of receipt. In addition, delays in payment have been identified because of invoices not being submitted for payment in time. This further increases the risk of invoices being recognised in the incorrect financial year.

3.4.6 REVENUE

The Revenue unit exercises the requirements of revenue management in accordance with Section 64 of the MFMA. The unit bills consumers on a monthly basis, implements the approved Indigent policy and Credit Control and Debt Collection policy and maintains the consumer database.

Systems and Procedures

The billing unit reads meters using I-read to assist with the electronic meter reading. Consumers are billed monthly, in cases where a meter reading is not obtained, an interim reading is used based on the average historic consumption. ADM makes use of alternative means to deliver statements such as sending electronic statements via email, sms and self-service portal whereby consumers need to register first. An amount of R993 million was billed and R235 million collected, an average collection rate of 24% on billed revenue was realised at the end of the 2024/25 financial year, which is below the National Treasury norm of 95%. To facilitate the collection of amounts due, ADM makes use of alternative pay-points/methods and introduced an increased communication tools i.e.

- PAY@ (Ackermans, Boxer, Bradlows, Checkers, Game, Pep, Shoprite, PicknPay, Spar, USave, Russels, Builders, Makro, flash,
- Speed point facility
- Use of dedicated Revenue email address – revenue@amathole.gov.za
- [Sending of meter readings by consumers and other revenue related matters using Whatsapp number 067 453 8030](#)
- Portal link - <http://amathole.cabedocs.com> for consumers to access their monthly invoices

Despite the attempts to improve the convenience of enabling consumers to settle accounts due, ADM continues to struggle to collect debt without leverage as depicted in the tables below:

Table 51: 2024/25 VS 2023/24 MONTHLY BILLING VS COLLECTION

BILLING AND COLLECTION: JUNE 2024/25				BILLING AND COLLECTION: JUNE 2023/24			
Month	Billing	Collection	%age	Month	Billing	Collection	%age
July	96 764 905	15 276 483	16%	July	76 314 445	32 716 850	43%
August	89 474 502	17 881 587	20%	August	57 082 232	13 076 277	23%
September	81 783 977	20 014 369	24%	September	67 757 249	17 620 963	26%
October	96 486 539	21 255 744	22%	October	75 846 418	12 644 093	17%
November	93 107 184	10 089 117	11%	November	81 974 826	14 314 321	17%
December	63 380 331	38 063 414	60%	December	69 737 328	7 705 617	11%
January	41 881 369	18 790 105	45%	January	95 011 594	12 552 023	13%
February	85 444 885	14 190 131	17%	February	71 738 030	17 157 634	24%
March	100 131 995	17 481 215	17%	March	77 103 328	10 606 749	14%
April	82 775 010	35 436 303	43%	April	82 175 085	18 985 514	23%
May	74 493 866	15 913 741	21%	May	76 452 016	29 384 837	38%
June	86 930 775	10 376 843	12%	June	14 911 592	20 126 922	135%
TOTAL	992 655 338	234 769 052	24%	TOTAL	846 104 143	206 891 800	24%

In response to the collection trends the Revenue unit has embarked on the following interventions:

- Revenue collection working group comprising of members from Engineering Services, Corporate Services, Communication, Legal services Unit and ICT to address debt collection
- Implementation of disconnections and restrictions.
- Installation and replacement of water meters.
- Installation of smart prepaid meters
- Set offing of debts
- Incentive schemes at certain intervals

ADM has an approved Indigent policy which provides relief of 6kl of water per month free to indigent consumers for a period of 24 months. In the past, the ADM indigent register reflected indigents of just over 5000, this was not indicative of the actual economic situation in the District.

Ongoing indigent registration campaigns, with local municipalities, aim at assisting ADM in ensuring that qualifying indigents within the district who cannot afford to pay for services are registered as indigents for them to gain access to the indigent subsidies. The indigent register has been updated to reflect 40 964 as at 30 June 2025, this number is inclusive of households using stand - pipes. Standard operating procedures have been documented for the Revenue cycle.

Challenges

- Some of SAGE modules are not fully functional e.g. no collection rate report, no indigent reports from the system. Reconciliation between GL and Age analysis, interest, service charges etc still on the User Accepting Testing stage (UAT)
- ADM declared as a drought-stricken municipality, consumers not willing to pay for municipal services that are interrupted nor applying for indigent subsidy

- Meter readers being chased away in some areas within the district (Great Kei; Amahlathi; Raymond Mhlaba, Mngquma and Ngqushwa), leading to increased debt that is not collectable
- High level of billing based on estimates
- State of the economy: level of unemployment very high
- The challenge around the transfer of properties owned by the Local Municipalities but occupied by owners of low-cost houses has still not been resolved.
- Cost recovery remains a challenge. Balancing the sustainability of the ADM service provision and affordability for consumers is critical.
- Monitoring of the consumer so as not to reach 90+ days.
- The number of illegal connection incidents and the enforcement of by-laws such as fines for illegal connections remains a challenge.
- The execution of restrictions and disconnections needs improvement.
- ADM does not have any leverage to coerce consumers to pay such as the cutting of electricity before debt is settled.
- The delivery of statements to consumers is a critical factor in facilitating debt collection as consumers do not pay if no statement is received. The collapse of the postal services in the District is severely retarding the delivery of statements

3.4.7 ACCOUNTING AND REPORTING

The **Accounting and Reporting** function plays a vital role in ensuring financial transparency, compliance, and accountability within the Municipality. Its responsibilities include:

Financial Reporting: Preparation and submission of **monthly**, **quarterly**, and **annual** financial reports in line with legislative requirements and internal controls.

Reconciliation and Journal Management: Coordination of all **reconciliation activities** across accounts and cost centres.

Oversight of **journal adjustments** to ensure accuracy and integrity of financial data.

Audit File Maintenance: Compilation and upkeep of the **audit file**, ensuring readiness for internal and external audits.

Annual Financial Statements (AFS): Preparation and submission of the **Annual Financial Statements**, reflecting the municipality's financial position and performance for the year.

This function underpins the credibility of the Municipality's financial operations and supports informed decision-making across all departments.

Systems and Processes

The Municipality maintains a disciplined and transparent approach to cash and banking operations, ensuring compliance with legislative requirements and sound financial practices.

Banking and Cash Controls

- **Monthly Bank Reconciliations:** All bank accounts are reconciled on a monthly basis to ensure accuracy and integrity of financial records.
- **Cash Management:** Unused funds are closely monitored to optimize interest income, contributing to the municipality's revenue base.
- **Standard Operating Procedures:** Documented SOPs govern the entire cash and bank cycle, promoting consistency and accountability in financial operations.

Grant Management: Separate bank accounts are maintained for all grants, ensuring that unspent grant funds are always cash-backed and traceable.

Debt and Financial Position: The municipality currently **does not hold any external loans**, reflecting a conservative debt position and reduced financial risk.

Financial Reporting and System Transition

Annual Financial Statements (AFS) and Consolidated AFS are prepared **in-house**, demonstrating internal capacity and commitment to financial transparency. Despite challenges with the financial system, the municipality successfully submitted its financial statements **within the legislated timeframes**. Effective **1 July 2025**, the municipality commenced transacting on the **SAGE financial system**, marking a significant step in modernizing financial operations and improving compliance with mSCOA regulations.

Challenges

- **Inadequate Reconciliations:** Control accounts are not reconciled consistently, and long-outstanding reconciling items remain unresolved.
- **System Migration Impact:** These issues are largely attributed to the transition from the legacy financial system, which disrupted reconciliation processes and data integrity.
- **Delayed Supporting Information:** Timely submission of source documentation is lacking, leading to incomplete AFS, material misstatements, and scope limitations.
- **Year-End Focus Culture:** A reactive approach to reporting—focused heavily on year-end deadlines—undermines continuous financial oversight and preparation.
- **Missed Task Deadlines:** The AFS preparation plan is not adhered to, resulting in undetected accounting errors prior to submission.
- **Low Liquidity Ratio:** ADM's liquidity ratio remains well below the benchmark norm of 2, indicating limited capacity to meet short-term obligations.
- **Persistent Cash Flow Pressure:** The municipality continues to face significant cash flow constraints, affecting its ability to fund operations and maintain financial stability.

The introduction of mSCOA reforms has also brought challenges around the alignment of the data strings and the financial reports. It must be noted that despite the data strings having been submitted, these submissions are performed manually. This is contrary to what National Treasury requires for mSCOA compliance. Due to this non-compliance with the mSCOA requirements, the municipality procured a new financial system, SAGE.

The budget for 2025/26 was prepared on the financial system and the data strings were generated and uploaded directly to the portal. SAGE can perform budget and cash flow budgeting. The municipality is of

the view that the implementation of the new financial system will improve reporting and mSCOA compliance.

3.4.8 FINANCIAL AUDIT OUTCOME

The Amathole District Municipality (ADM) has experienced a challenging audit trajectory over the past eight financial years, marked by both setbacks and signs of recovery. The journey reflects the institution's ongoing efforts to strengthen financial governance and improve audit outcomes.

While the path has been difficult, the return to a qualified audit opinion in 2023/24 signals meaningful progress and a renewed commitment to financial discipline. ADM acknowledges the need for continued focus on:

- Strengthening internal controls
- Enhancing asset and commitment management
- Improving audit readiness and documentation

Addressing systemic issues impacting financial reporting

This trajectory underscores the importance of sustained reform, capacity building, and leadership accountability to restore and maintain clean audit outcomes.

Table 52: AUDIT OUTCOMES OVER THE LAST 11 YEARS

Year	Audit outcome	Matters of qualification
2019/20	Adverse	Property, Plant and Equipment Revenue and Receivables Payables Leave provision Cash flow statement Unauthorised expenditure
2020/21	Adverse	Property, Plant and Equipment Revenue from non-exchange transactions Payables from exchange transactions Operating costs Inventory consumed Cash flow statement Segment reporting Statement of Budget vs Actual Comparison Commitments Unauthorised expenditure Irregular Expenditure
2021/22	Disclaimer	Property, Plant and Equipment Receivables from exchange transactions Revenue from non-exchange transactions Payables from exchange transactions VAT Operating costs Inventory consumed Cash flow statement Segment reporting Statement of Budget vs Actual Comparison Commitments Unauthorised expenditure Irregular Expenditure

Year	Audit outcome	Matters of qualification
2022/23	Disclaimer	Property, Plant and Equipment Receivables from exchange transactions Revenue from non-exchange transactions Payables from exchange transactions VAT Service charges Operating costs Inventory consumed Government grants and subsidies Cash flow statement Segment reporting Statement of Budget vs Actual Comparison Commitments Contingent Assets and Liabilities Water distribution losses Unauthorised expenditure Irregular Expenditure
2023/24	Qualified	Property, Plant and Equipment Receivables from exchange transactions VAT Service charges Operating costs Inventory consumed Cash flow statement Segment reporting Statement of Budget vs Actual Comparison Water distribution losses Unauthorised expenditure Irregular Expenditure
2024/25	Qualified	Property, plant and equipment (Infrastructure), Receivables from exchange transactions, Trade payables (Accruals), Inventory VIP toilets, Service charges, Cash flow statement, Irregular expenditure

It must be noted that the implementation and non-functioning of the financial system has had a direct impact on the audit outcome. To improve on the 2024/25 outcome and address the audit findings, ADM implemented the OPCAR template to manage the audit action plan and resolution of the audit findings. 38 findings were raised that affect the audit report.

3.4.9 SUPPLY CHAIN MANAGEMENT

ADM's SCM Unit has been established and operates under the direct supervision of the Chief Financial Officer. The SCM Unit manages the supply and acquisition of various goods and services to or on behalf of the Municipality. These include tenders for construction works, general and professional services.

Systems and Processes

The SCM Unit strives to ensure that the Municipality's supply chain is sound, sustainable and accountable. The Municipality promotes local economic development and encourages the formation of small businesses and joint venture partnerships. The Municipality's SCM Policy makes provision for the allocation of projects to designated groups, in particular, black women, black youth, people with disabilities and military veterans.

In line with the Constitution, Municipal Supply Chain Regulations and the Preferential Procurement Regulations, 2022, ADM's procurement system aims to be fair, equitable, transparent, competitive and cost effective. During the 2024/2025 financial year a total of 54 contracts were awarded. The following table reflects the various procurement methods as well as the number of projects:

Table 53: PROCUREMENT METHOD

PROCUREMENT METHOD	NO.
Formal written price quotation (RFQ) (R30 000 - R200 000)	49
Competitive Bidding (Above R200 000)	15
Panel (Competitive Bid)	6
Panel	244
Deviation (Single Provider/Multiple Provider/Sole Provider)	11
Section 32	-
TOTAL	325

Table 54: 2024/2025 TENDERS AWARDED TO YOUTH, WOMEN OWNED, DISABLED AND MILITARY VETERANS

Quarter (2024/2025)	% Youth	% Women Owned	% Disabled	% Military Veterans
1	2,26%	3,99%	0,005%	0,00%
2	22,39%	37,39%	0,03%	0,00%
3	25,37%	36,56%	3,98%	0,00%
4	12,81%	46,47%	0,31%	0,00%
Annual	15,71%	31,1%	1,08%	0,00%

Table 55: AVERAGE TURN-AROUND TIME ON AWARDING OF TENDERS FOR THE 2024/2025

QUARTER	NO. OF DAYS
1	86,75
2	83,72
3	125,00
4	118,89
ANNUAL AVERAGE	103,59

ADM monitors the performance of contractors monthly as follows:

Table 56: PERFORMANCE OF SERVICE PROVIDERS 2024/2025

Month (2024/2025)	% POOR	% NEEDS TO IMPROVE	% ACCEPTABLE	% EXCELLENT
July	8,00%	0,00%	72,00%	20,00%
August	3,77%	0,00%	88,68%	7,55%
September	7,41%	1,85%	87,04%	3,70%
October	3,33%	0,00%	83,33%	13,33%
November	5,88%	8,83%	85,29%	0,00%
December	2,86%	2,86%	82,85%	11,43%
January	1,08%	4,08%	68,31%	26,53%
February	0,00%	0,00%	78,85%	21,15%
March	0,00%	2,00%	76,00%	22,00%
April	8,51%	27,66%	53,19%	10,64%
May	8,51%	27,66%	53,19%	10,64%
June	0,00%	3,77%	88,68%	7,55%

Standard operating procedures have been developed, approved and implemented.

Unauthorised, Irregular and Fruitless and Wasteful Expenditure (UIF&W)

The UIF&W expenditure is detected and reported on a monthly and quarterly basis through Section 71 and 52(d) of the MFMA. This is investigated and where there is negligence the amount is recovered and written off if its due to cash flow constraints of the municipality.

Table 57: UNAUTHORISED, IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

	2024/25 R	2023/24 R	2022/23 R	2021/22 R	2020/21 R
Unauthorised expenditure	234 026 478	264 581 748	163 280 071	91 662 051	54 865 982
Fruitless and wasteful	107 309 139	105 170 722	83 093 569	61 394 143	50 417 277
Irregular expenditure	661 331 099	1 019 172 460	252 974 587	49 354 846	43 730 385

The following steps have been taken to prevent the recurrence of this non-compliance:

- The Supply Chain Management Policy has been reviewed.
- Development and implementation of standard operating procedures
- Development of a Strategy for the Reduction of UIF & W Expenditure as well as an Action Plan for each category of UIF & W Expenditure
- Entering into payment arrangements

Challenges

- Deviations have increased.
- Irregular expenditure has increased.
- The turn-around time on awarding of tenders needs to improve.
- Poorly crafted terms of reference.
- Lack of planning.
- More detailed monitoring of service provider performance is required which often leads to termination of these suppliers.
- There is overpricing of certain commodities and this needs to be controlled.
- Emergency procurement turnaround
- Increase in litigation on awarded contracts.

3.4.10 ASSET MANAGEMENT

The Asset unit manages and safeguards Council's assets in accordance with Section 63 of the MFMA. Asset Management refers to all activities and processes carried out during the cycle of acquisition or construction, maintenance, renewal or refurbishment and disposal of all resources consumed during the provision of services by the municipality to the communities or customers.

Systems and Processes

These resources are consumed on the basis that there is future economic benefit derived from their consumption or their utilisation results in economic benefit for the municipality. These resources range from the water and sanitation infrastructure network used to deliver water and sanitation services to

households, vehicles used by personnel to maintain the network, tools utilised in the maintenance of the network, equipment used by field and office staff during the delivery of services, furniture used by staff in support of the services to the communities, materials consumed during the construction of service facilities and work in progress in service infrastructure projects. The ADM asset base is comprised of tangible and intangible assets as defined by GRAP. The following is the breakdown of Amathole District Municipality asset base:

Table 58: ASSET BASE BREAKDOWN

Row Labels	Sum of Carrying Value (2024/25) R
Land	6 965 092
Solid waste	7 510 601
Operational Buildings	6 362 465
Sanitation	844 007 919
Water Supply	9 227 013 993
Community	632 832
Computer Equipment	13 539 468
Furniture and fittings	1 523 574
Machinery and equipment	8 312 727
Transport assets	43 475 550
Grand Total	10 159 344 218

Challenges

- Incompleteness of the asset register affects the reporting of ADM assets.
- Lack of asset management functionality in SAP is a challenge in managing assets as most reports are performed manually are exposed to human error.
- Fixed asset register maintained in EXCEL
- Weak communication between the asset management stakeholders.
- Dilapidated infrastructure assets leading to service delivery interruption and high level of repairs and maintenance expenditure.

Key Focus Areas and Challenges

Despite the numerous challenges, in particular around the financial system, that the Budget and Treasury Office (BTO) faces, the department has continued to work tirelessly at achieving its objectives and to ensure sound financial management. In view of this BTO has recognised the following achievements:

- Preparation of an annual budget for the 2025/26 financial year
- Adjustment, Draft, Final Budgets and Section 72 Reports all submitted within legislative time frames
- Submission of data strings for the Original Budget and Tabled Budget
- Submission of Schedule C monthly data-strings
- VAT returns submitted timeously each month
- In-house preparation and submission of both the separate and consolidated annual financial statements within the legislated timeframes
- Despite the cash flow challenges, an average of 73% of all invoices were paid within 30 days of receipt
- Additional 40 964 consumers receiving free basic services were registered

- Awarded 325 tenders during 2024/25
- Focus on the empowerment of women in business, 31.1% of the contracts were awarded to women owned businesses

Recommendations

- Support Engineering Department in developing detailed Maintenance Management plans including the funding required.
- Implement the utilization of ADM owned land and property strategy.
- Political intervention and support on matters of indigent registration, restrictions, meter reading and illegal connections.
- Revenue Enhancement through outsourcing of restrictions on a commission basis, implementation of prepaid meters and smart meters, and registration of peace officers to implement by-laws and ABC budgeting.
- Review of rental agreements to ensure escalation is in place and that instalments are not inflated.
- Review of contractual commitments to reduce operating expenditure costs such as security, rental and leasing.
- Implement the Budget Funding Plan to assist in addressing the issue of the unfunded budget.
- Solicit intervention for no go areas.

3.4.11 STRATEGIES

Revenue Enhancement Strategy

The strategy is being undertaken by ADM so that it can among other things:

- Stabilize the financial and economic sustainability of ADM in order to broaden the income base and increase revenue.
- Reduce proportionally high costs, to affordable levels.
- Create an environment which enhances development, growth and service delivery.

Key Focus Areas

ADM has identified the following as the key focus areas for revenue enhancement strategy:

The Billing Chain-This is of paramount importance for the reason that ADM's core function is to offer services and its main service is water and sanitation. Water and Sanitation therefore are the key and main revenue sources. All other sources such as those suggested in this strategy still remain secondary. ADM's revenue challenge is emanating mostly from the billing chain problems. Any improvement in the collection levels will increase revenue for ADM.

Infrastructure Refurbishment- Unaccounted for water and water losses will continue to bedevil the revenue enhancement effort. This is due to historical neglect of infrastructure and to continue on the same path may appear cheap in the short term but will prove to be very costly in the long run. The strategy gives a deserved focus on this aspect.

Cost cutting and cost containment measures-Exploring ways of reducing and containing operational costs is also important. While this not directly revenue enhancing, this contributes indirectly to revenue

enhancement as this promotes operational efficiency. In a way this ensures that future revenue gains are utilized efficiently. Where possible we have suggested ways to achieve this.

Supply Chain Management Strategy

To ensure that the SCM Strategy is aligned with the IDP. The Amathole District Municipality (ADM) has a Supply Chain Management (SCM) Policy that endeavours to be a fair, transparent, equitable, competitive and cost-effective procurement process in keeping with the prescripts of applicable legislation. It is also a targeted procurement process aimed at encouraging socio-economic transformation within the region. This SCM Policy is driven by the ADM's Supply Chain Management Strategy which is described herein.

The SCM Strategy was developed through a public participation process involving many of the ADM's existing and potential suppliers and service providers.

The SCM Strategy is aligned to the contents and spirit of the IDP, as well as endeavouring to be aligned with the other relevant Municipal strategies (e.g. SMME Development Strategy; Co-operative Development Strategy etc.). In addition, it is designed to be consistent with applicable legislation.

Purpose

- The purpose of the SCM Strategic Plan is to provide a framework, including implementation timeframes, to address and enhance the functionality and effectiveness of the SCM processes within the Municipality, while at the same time focussing on Job Creation, bidder development and performance management.
- To ensure that the SCM Strategy aligns with other applicable ADM strategies (e.g. SMME Development, Co-Operative Development, etc.).

Applicability

The SCM Strategy applies to the entire ambit of supply chain management within the ADM, including demand management; acquisition management; logistics management and disposal management.

Strategy:

- Review and update the SCM Strategy timeously so as to ensure alignment with the IDP.
- Identify the ADM strategies affecting SCM, including but not limited to:
 - SMME Development Strategy
 - Co-operative Development Strategy
 - Economic Development Strategy
 - Industrial Development Strategy
- Review existing Municipal strategy documents and endeavour to align same with the SCM Strategy.
- Engage with the drafters of strategy documents to promote the alignment of strategies.

3.5 KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

DDM: Economic Positioning
Demographic Change and People Development
Governance and Finance Management
B2B: Good Governance & Public Participation

3.5.1 INTRODUCTION

The responsibility of the Amathole District Municipality as provided in the Municipal Systems Act as amended is to develop and facilitate a district wide integrated plan. The integrated planning will respond to the emerging community needs and district challenges per area within the Local Municipalities. The main problematic areas include economic growth, rural finance, social development, environmental quality, and governance. Many rural regions also struggle with high sectoral unemployment and lack of financial resources for the development of necessary infrastructure and for tackling social and environmental difficulties.

ADM Vision 2030 as adopted by council in June 2024, was developed with an expressed purpose of tackling triple challenges i.e. inequality, poverty and unemployment as per the Nation Development Plan. In the process of developing ADM v2030, partnerships were forged with relevant National and Provincial Government Departments (ECSECC Included), Social partners which includes Business, Labour, Industry, CBO, NGO'S etc. The aim is the localisation of the International, the Regional, National and the Provincial into One Plan.

Amathole District Municipality has embarked on a collective effort to accelerate development in our geographic space through developing a long-term plan. Guided by the international, national and provincial developmental imperatives, it was necessary to follow suite by developing Amathole District Municipality Vision 2030 (ADM Vision 2030). The vision is the long-term development blueprint of the district which is motivated by a collective aspiration for a better society. Its is designed to create competitive and prosperous district with high quality of life. The vision also aspires to meet Sustainable Development Goals(SDGs) and through vertical and horizontal alignment with both National Development and Provincial development Plans

Local Government is expected to play its developmental role through proper repositioning and re-organising in order to tackle the current triple challenges of inequality, unemployment and Poverty. An essential task of a developmental state in South Africa is rectifying the triple challenges in the provision of social and economic infrastructure. This is because infrastructure has been unequal between racial categories and very fragmented. Equally important and in parallel with infrastructure, we need to promote productive work in the underdeveloped areas, rural and urban directly and with the necessary state resources in what is economically called the "Second Economy". What is abundantly clear is that the inherited triple challenges will not be overcome without major intervention by the developmental state especially public investments which will crowd in private investment.

To fulfil ADM constitutionally determined developmental imperatives, it is critical that ADM keeps up breast of the global, continental and national developmental trajectory. The Planning paradigm has shifted from short and medium term to long term in a manner that has been hugely influenced by the global developmental discourse. As ADM seek to overcome the socio-economic and socio-political challenges facing our communities, it is critical to project our minds into the prosperous future where we take a giant leap from poverty to broadly shared prosperity and equity.

Long term planning is defined as a Strategic exercise aimed at formulating a long term vision to meet the future needs by extrapolation of present needs. In the context of National Development Plan, and Provincial Development Plan, the role of local government in the implementation of the plan is clearly defined. The ultimate responsibility for realising the vision of developmental local government rest with municipalities themselves.

It is therefore important that priorities contained in our vision 2030 inform the Developmental plans we need to focus on ensuring that we make optimal use of limited resources, developing and sustaining skills are an epicentre of accelerating the delivery of services to all citizens. Meaningful participation and continuous engagement of citizen cannot be underestimated. As depicted in the white paper on local government developmental, “local government committed to working with citizens and group within the community to find sustainable ways to meet their social economic and material needs and improve their lives”. It is intended to have a major impact on the daily lives of all South Africans, particularly in our District and Local municipality. It is against this background that we present ADM Vision 2030 as a special purpose vehicle to realise our Developmental ideas.

ADM is currently building capacity for its technocrats inclusive of all senior officials in the local municipalities in its jurisdiction. This is done in collaboration with the National and Provincial COGTA, Treasury and OTP with its implementing agency ECCSEC. The district has chosen to utilise the existing structures of Intergovernmental Relations for the planning, coordination, reporting and monitoring of the implementation of the DDM. The latter’s workstreams have been established and its Conveners identified and placed. All the District Directors working with the Municipal Managers of the local municipalities and directors of the departments will form part of the convening teams.

The adopted Vision 2030 however has some challenges in terms of its alignment to the District’s IDP. This is something that the organisation is attending to and plans to address with high priority. Another area of concern is the issue of unfunded catalytic projects. In the next round of the quality assurance of the One Plan the district is to have made some considerations on these projects. This will also be made possible by the window to be created by the reviews of the One Plans that is about to take place in the immediate future informed by the review of the National Development Plan.

3.5.2 EFFICIENCY

Efficiency 2025 is the Amathole District Municipality's flagship strategic reform programme designed to fundamentally transform the operational performance of the District and its six local municipalities (Mbashe, Mquma, Great Kei, Amahlathi, Ngqushwa and Raymond Mhlaba).

The initiative promotes a culture of efficiency, innovation, and accountability by focusing on five interconnected pillars: data-driven service planning, citizen-centric engagement, transparent and efficient governance, resilient and sustainable local development, and professional, capable institutions. Through real-time data utilisation, digital service platforms, participatory planning, process automation, anti-corruption measures, skills development, and institutional stability, Efficiency 2025 seeks to deliver faster turnaround times, reduced service disruptions, and high-impact interventions that address the triple challenges of poverty, unemployment, and inequality.

Aligned with the National Development Plan 2030 and the Amathole Vision 2030, the programme strengthens internal capabilities, optimises resource utilisation, rebuilds public trust, and positions the District for long-term, inclusive, and sustainable development.

3.5.3 DIRECTORATE OVERVIEW

The Directorate focuses on the following:

- Create an enabling environment and support to all ADM directorates to operate.
- Administer reliable and effective financial management system for smooth operations ADM.
- Improve internal controls and governance towards clean audit. Migrate ADM from rescue to stabilisation phase and ultimately out of the Mandatory Financial Recover Plan Devise mechanisms to improve performance of ADM and delivery clean audit on Performance Management System.
- Improve functionality of Satellite Offices by ensuring that they are fully resourced to deliver on the mandate.
- Delivery pro-active communication and prepare communities on service delivery interruptions
- Enhance public participation to mitigate vandalisim and capacitate communities to understand their roles to protect ADM assets.

In improving operations, the Office of the Municipal Manager is made up of the following units:

- Legal Services
- Internal Audit and Risk Management

It is worth noting that the Unit Heads report directly to the Municipal Manager but administratively report to the Executive Director of Strategic Planning and Governance.

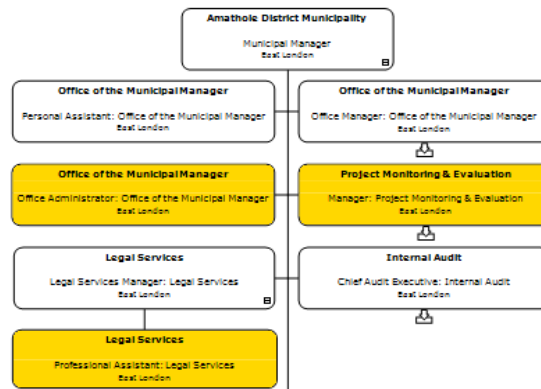


Table 59: DIRACTORATE FUNCTIONS OF THE OFFICE OF THE MUNICIPAL MANAGER

Name of Unit	LEGAL SERVICES	INTERNAL AUDIT & RISK MANAGEMENT
Unit Function	- Provide guidance to Council to ensure legal compliance with all applicable legislations. Further is to work with departments to ensure clean and accountable governance. - Ensure lessening of the legal risks of the institution, by ensuring such, a fraud and risk register has been developed to manage fraud and corruption in the institution	- To advise the accounting officer and report to the audit committee on the implementation of the internal audit plan. - develop, communicate, coordinate and monitor the enterprise risk management activities within the municipality.

The Directorate of Strategic Planning and Governance is headed by an Executive Director. The purpose of the Directorate is to provide guidance and leadership in institutional strategic planning and institutional operational management with the following units:

- Office of the Director
- Planning & Performance Management
- Communications and Corporate Branding
- Information and Communication Technology
- Stakeholder Relations
- Legislative and Executive Support Services
- Research Unit



Table 60 DIRACTORATE FUNCTIONS OF THE STRATEGIC PLANNING AND GOVERNANCE

Name of Unit	PLANNING AND PERFORMANCE MANAGEMENT	COMMUNICATIONS AND CUSTOMER CARE	LEGISLATIVE AND EXECUTIVE SUPPORT SERVICES
Function Unit	Development, coordination and facilitation of integrated, sustainable, social and economic development within its area of jurisdiction including performance monitoring and evaluation	Ensuring provision of coordinated, integrated and streamlined information to the communities and stakeholders of Amathole in a timely, accurate and accessible manner.	To provide strategic and administrative support to Political Offices and ADM Council including its structures by creating an enabling environment to interface with communities
Name of Unit	INFORMATION COMMUNICATIONS AND TECHNOLOGY	STAKE HOLDER RELATIONS	SATELLITE OFFICE
Function Unit	Provision of ICT enabling support towards improving institutional efficiency and effectiveness	Coordination and Integration of Intergovernmental Relations, International Relations and Stakeholder Relations for Amathole District.	In bringing services closer to its communities, ADM decentralized service delivery to its Satellite Offices as part of its Service Delivery Model. The model has been implemented since 2018 however the Unit continues to strive to improve the service it renders. Key to the success of the model is full cooperation by all departments and management of municipal resources at that level.

3.5.4 SATELLITE OFFICES

In bringing services closer to its communities, ADM decentralized service delivery to its Satellite Offices as part of its Service Delivery Model. The model has been implemented since 2018 however the Unit continues to strive to improve the service it renders. Key to the success of the model is full cooperation by all departments and management of municipal resources at that level.

3.5.4.1 Diagnostic Analysis on ineffective functionality of Satellite Offices

In addressing the challenges faced by the Satellite Offices, the following factors were unpacked in diagnosis the root cause of the challenges faced in the effective functioning of the satellite offices:

Challenges affecting service delivery

There are challenges that the satellite offices are facing that hinder them from providing the necessary service delivery to its communities. The satellite managers schedule meetings monthly to find remedial action to navigate these challenges that hinder the satellites from delivering services. These challenges include vehicle breakdowns, water supply issues, staffing shortages, delayed procurement, and connectivity problems. These are some of the challenges that contribute to the hindering of service delivery in Satellite offices.

- **Vehicle and Equipment Shortages:**

There are frequent vehicle breakdowns due to aging fleets and the delay in repairs whereby it takes a long time for institutional vehicles to be repaired. There is also a delay in the procurement of repair parts for equipment or vehicles which hinders the satellite offices in operating effectively resulting in services not being delivered.

- **Water Supply and Amatola Water Issues:**

There are concerns about the inadequate water supply, this is mainly caused by some unresolved issues and disputes with Amatola Water which has an impact on communities. Another hindering challenge with the water supply is that the service level agreements are not being fulfilled, which as a result the rural areas that are being serviced by Amatola Water end up being often deprioritized.

- **Staffing and HR related Delays:**

There are delays in staff placements, unresolved HR issues and disputes whereby some of the employees are dissatisfied with the process of the placements, issues with vacancies due to natural attrition, the request of expedited processes to address staff shortages and ensuring of adequate service delivery in satellites.

Procurement and Supply Chain Bottlenecks:

There are challenges with delayed and slow procurement processes for equipment and for minor fittings, and retrofitting. These challenges with procurement from supply chain result in satellite offices not being able to function effectively and hinder service delivery.

- **Connectivity and IT Support:**

Satellite offices have been reporting the weak connectivity that has been affecting the functionality of productivity in these satellites. Weak connectivity result in work and simple tasks not being done timeously in the offices, meaning there is a decrease in productivity which hinders service delivery to communities.

- **Other challenges faced by Satellite Offices:**

- Slow response to water leakages.
- Low revenue collection.
- Indigent registration.
- Infrastructure vandalism.
- Breakdown of borehole drilling, water supply pumps/stations and reservoirs.
- No councillor deployment visibility for interventions.
- No reliable fire engines and unavailability of well-equipped Fire Stations.
- Poor working conditions of buildings for staff based on treatment works and fire stations as most of these do not have electricity, proper lighting, windows, doors, heaters/ air conditioning and network connectivity.
- Illegal connections and Eskom cable theft.
- Dilapidated infrastructure in some of the Satellite offices.
- Sewer spillage in some of Satellite LMs.
- Overgrowth of vegetation in Water pumps, dams, reservoirs and other infrastructures in the Satellites.
- New working equipment is needed for meter readers
- The issue of No-Go areas has not yet been resolved
- Inadequate information regarding projects that are implemented within the satellites.

Maintenance is not readily available for breakdowns and rundown infrastructures. The problem of not being able to remotely monitor reservoirs creates cause for unnecessary overtime.

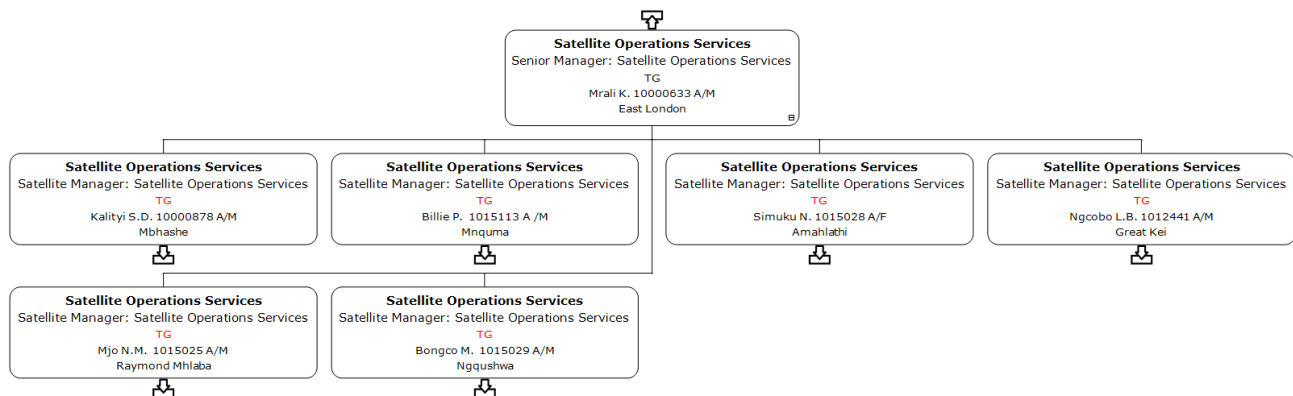
Structures

- The staff establishment approved by Council in 2018 was not fully addressing the coordinating of satellite office functionality in line with ADM's core business.
- Working with Corporate Services there is a process to approve the revised institutional structure, to address the staff misplacement and deficiencies.
- The Executive Mayor has assigned members of the Mayoral Committee in the Satellite Offices for political oversight.

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Human Capital

- Shortage of skilled technical staff, such as chemical engineers, electromechanical engineers, Environmental Health Practitioners and Artisans.

Remedial Action / Solutional Action

Staffing and HR related delays:

- Prioritize critical vacancies.
- Finalization of the placement processes and the urgent implementation of the adopted staff establishment.
- Implementation of approved organogram and the Satellite Services Model for efficient utilization of personnel.

Vehicle and Equipment Shortages:

- To overcome the vehicle breakdown challenges there should be procurement of new vehicles and leasing of vehicles to be sped up.
- The implementation of the Essential User Scheme Policy has eased the pressure to a certain extent.
- Keeping track of usage of vehicles.

- The disposal of the obsolete fleet and the procurement of new affordable fleet.
- There should be a shortening on turn-around time of vehicles on repair and a follow-up on needs to be made on time on all vehicles in repairs.
-

Water Supply and Amatola Water Issues:

- The issue of water supply there needs to be an increase in water pressure to high lying areas.
- Constant breakdowns of water tankers can be mediated through the process of sending water tankers for service and repairs to their original dealers, those that are below 100 000 Kilometers.
- Paying service providers on time.

Staffing and HR related delays:

- Prioritize critical vacancies.
- Finalization of the placement processes and the urgent implementation of the adopted staff establishment.
- Implementation of approved organogram and the Satellite Services Model for efficient utilization of personnel.

Procurement and Supply Chain Bottlenecks:

- Maintain a constant availability of fittings to repair as a short-term intervention.
- Medium-term intervention in the overhauling of major areas during repairs.
- There should be a long-term plan for refurbishment of infrastructure.
- An establishment of stores at satellite level should be considered (decentralized)
- Procurement of Uninterrupted Power Supply systems for backup at the water treatment plants, this will help negate the unreliability of power supply due to vandalism and theft of Eskom electricity infrastructure.

Connectivity and IT Support:

- Reconnection of network for systems to work and the issuing of 3G cards to in-need employees.
- Deployment of technicians.
- Wi-Fi access points.
- Provision of routers for connectivity and telephone lines

3.5.4.2 Strategies Implemented as a move towards improving Satellite Office Functionality

The following strategies have been implemented in the last term as a move towards improving the efficient and effectiveness of the Satellite Offices:

- Improvement of quality service delivery in uniform Standard operating Procedures (SOPs) and Business Processes for all Satellite Offices.
- Delegations to Senior Managers in the Satellite Office to improve management and operations.
- Review of Organisational Structure to respond to ADM Core Mandate and the Centralisation of Satellite Office Leadership, management and functionality through the Regional Office Model.
- Deployment of the Members of the Mayoral Committee in overseeing service delivery of the Satellite Offices and political oversight in improving Communication, Public Participation and Outreach

- Stakeholder Engagement and Management through Water and Sanitation Forums and Local IGR Forums
- Human Resource Development for developing long-term technical and behavioural competencies described in the Workplace Skills Plan (WSP) in line with powers and function.
- Monthly and Quarterly Reports on Performance and Functionality of Satellite Offices to Council Structures
- Improvement of quality service delivery in uniform Standard operating Procedures (SOPs) and Business Processes for all Satellite Offices.
- The response time on complaints made by the citizens of ADM has improved change, the residents get to know what the issues are and what plans are put in place to address the matter at hand.
- However, there is an important request that needs to be communicated to each Directorate informing them, on co-operation matters by staff at satellite offices to the Senior Managers at satellite offices when performing the day-to-day duties and reporting.

3.5.4.3 Strategies still to be implemented in improving Satellite Office Functionality.

Over and above the strategies implemented above in improving the effectiveness of Satellite Office, the following strategies have been identified for implementation:

- Improvement of quality service delivery in uniform Standard operating Procedures (SOPs) and Business Processes for all Satellite Offices.
- Delegations to Senior Managers in the Satellite Office to improve management and operations.
- Review of Organisational Structure to respond to ADM Core Mandate and the Centralisation of Satellite Office Leadership, management and functionality through the Regional Office Model.
- Deployment of the Members of the Mayoral Committee in overseeing service delivery of the Satellite Offices and political oversight in improving Communication, Public Participation and Outreach
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- However, there is an important request that needs to be communicated to each Directorate informing them, on co-operation matters by staff at satellite offices to the Senior Managers at satellite offices when performing the day-to-day duties and reporting.

3.5.5 INTEGRATED DEVELOPMENT PLANNING

The Amathole District Municipality (ADM) has a legislative mandate to achieve an integrated, sustainable, social and economic development within its area of jurisdiction. This obligation is executed by adopting an integrated approach to planning and development for the entire district. Furthermore, Section 34 of the Local Government: Municipal Systems Act, No. 32 of 2000 prescribes that municipalities review their Integrated Development Plans annually, in accordance with an assessment of performance measurements, and to the extent that changing circumstances so demand. This therefore provides an opportunity for Council, together with its Administration and the community, to take stock of progress made, identify areas of improvement and reprioritise resources in line with the changing needs.

To support and enhance planning in the district, the Standing Committees resemble the 5 Key Performance Areas of Local Government. This enables issues of planning to find space for discussion in Council committees. For ADM to have an integrated development plan, it is very crucial that all spheres of government plan together to arrive at an integrated development plan that reflects district-wide planning. Thus, a District Wide Planning and Economic Forum was established to ensure horizontal and vertical alignment of plans and processes throughout the District. Other institutional arrangements such as the IDP/Budget and PMS Steering Committee and the Representative Forum meeting provide a different platform of stakeholder engagement so as to achieve the same goal. The coordination of these arrangements is articulated on the IDP/Budget and PMS Process Plan in line with Municipal Systems Act, No.32 of 2000.

3.5.6 DISTRICT DEVELOPMENT MODEL

The District Development Model offers ADM an opportunity to realise its vision by ensuring joint and collaborative planning. The DDM stipulates the following objectives:

- Coordinate a government to challenges of poverty, unemployment and inequality particularly amongst women, youth and people living with disabilities.
- Ensure inclusivity by gender budgeting based on the needs and aspirations of our people and communities at a local level. Narrow the distance between people and government by strengthening the coordination role and capabilities at the District and City levels.
- Foster a practical intergovernmental relations mechanism to plan, budget and implement jointly in order to provide a coherent government for the people in the Republic; (solve silo's, duplication and fragmentation) maximise impact and align plans and resources at our disposal through the development of "One District, One Plan and One Budget"
- Build government capacity to support municipalities. Strength monitoring and evaluation at district and local levels. Implement a balanced approach towards development between urban and rural areas.
- Exercise oversight over budgets and projects in an accountable and transparent manner.

The **One Plan** outlines the objectives, outputs, roles and responsibilities and commitments which have already been made by the various spheres of government and outlines the focus areas which require immediate intervention by all spheres of government in Amathole District

Amongst other strategic decisions is to strengthen integration, coordination, monitoring and evaluation of government programs and projects together with the other sphere of government, ADM has reconfigured its IGR structures through the following institutional arrangements to support the Monitoring and Evaluation of **Amathole District One Plan: Building a Smart District**:

- **Political Oversight:**

The platform is constituted by all the stakeholders across government , civil society , private sector And business. Politically , it is chaired by the Executive Mayor of the District and all the Executive Mayors and Mayors of the locals in the jurisdiction of ADM are invited. Also part of the platform are the Political Champions. They consist of the a National Minister ,who is appointed by the President, a Deputy Minister and an MEC . In the current term of office, Minister Gwarube, Deputy Minister Burns Ncamashe and MEC Gade are the designated political Champions who should be sitting in District Mayors Forums. Their responsibilities include giving guidance, support and lobbying financial support for the Catalytic projects of the District

- **Technical:** Municipal Managers Forum

The platform , after the reviewal of the IGR Framework Act has transitioned from being an all government structure to being a mixture of government and society stakeholders. These are non governmental organisations, CBOs , representatives of Business Forums, Trade Unions and sector based structures. All stakeholders that are involved in service delivery and contribute to development are invited to participate in the forum. The Municipal Manager of the District .chairs the platform and with him all municipal managers of the local municipalities and directors of sector departmnets in the district participate. this structure prepares and precedes the District Mayors Forum.

- **Technical:** District Development Woirstreams

These are the former District Wide Forums. They currently take the form of all Government and All of society arrangement. The intention is inclusivity , collaboration and alignment of Policies, Strategies and Plans for Service Delivery. The district directors working with the Municipal Managers of the local municipalities convene and coordinate reports on the implementation of the catalytic projects. The reports generated are consolidated into one report to be presented to the District Mayors Forum.

DDM Catalytic Projects

Amahlathi

- Development of Municipal Offices
- Revitalization of Zanyokhwe Irrigation Scheme
- Development of Heritage and Tourism Routes with Hiking trails in Partnership with Germany.
- Development of Block yards for manufacture of pavers to roll out street paving all over the municipality.

Great Kei

- The R 63 to N2 Road Construction under Sanral to include Kei Mouth Transport Exchange.

- Construction of Bridge connecting Kei Mouth to Centane.
- Upgrading of Informal Settlements in Qumrha and Kei Mouth
- Township Development in Haga-Haga (need for Land release to unlock development)
- Great Kei Water supply scheme

Mbhashe

- Development and Upgrade of Dutywa/Clarkbury to Dwesa Road Network.
- Marine Telapia project

Ngqushwa

- Heritage/Tourism route development around Mqwashwini heritage site.
- Gas and Oil exploration
- Tyhefu Irrigation Scheme
- Beef Value Chain processing
- Hamburg Small Harbour Development

Raymond Mhlaba

- Shale Gas Exploration in Adelaide
- Construction of Road from Fort Cox to Tsomo
- Construction of Foxwood Dam.
- Development of Dikeni Educational Precinct

The full details of the projects will be found in the ADM One Plan Portal to be launched after the reviewal of the second generation One Plans.

3.5.6.1 Capacity Building Initiatives

The Provincial IDP assessments afford the District an opportunity to play its monitoring and support role to municipalities as stipulated by the Constitution. In addition, the assessments provide an indication of the ability and readiness of municipalities to deliver on their legislative and constitutional mandates.

ADM provides technical support to all ADM Local Municipalities in the review of the IDPs and ensuring that all municipalities falling within the District comply with relevant legislation. As a result, the comments from the MEC in the previous years, show that municipalities in the District have been improving with no regression.

Amathole District Municipality's long-term Plan being Vision 2058 Strategy identifies various key outcomes, and a number of related outputs, that intend to realise the long-term vision. The five-year turnaround strategy then translates these desired outcomes into medium-term programmes for implementation. It is therefore the focus of this IDP review to prioritize linking all these strategies together and serve as a vehicle for implementation of their short to medium term priorities.

3.5.7 STAKEHOLDER RELATIONS

The Stakeholder Relations Unit was established in 2018 staff establishment plan wherein the following objectives were set:

- To create platforms for stakeholder engagement, consultations and management
- To be an information hub for all ADM stakeholder related activities.
- To create platforms for information sharing and exchange with all relevant stakeholders internal and external of the ADM.
- To report on the monitoring of the implementation of projects implemented within the jurisdiction of ADM.
- To represent ADM in some provincial platforms on the mandate of the Director: Strategic Planning and Planning
- To facilitate and co-ordinate Travel arrangements for ADM Executives and officials

3.5.7.1 Intergovernmental Relations

The Constitution of the Republic of South Africa, Chapter 3, and section 41 requires an Act of Parliament to establish and provide for structures and the institutions to promote and facilitate intergovernmental relations. Also in terms of Intergovernmental Relations Framework Act, 2005, section, the objective is to provide within the principles of cooperative government set out in chapter 3 of the constitution a framework for the national government, provincial government and local government and all organs of state to facilitate coordination in the implementation of policy and legislation.

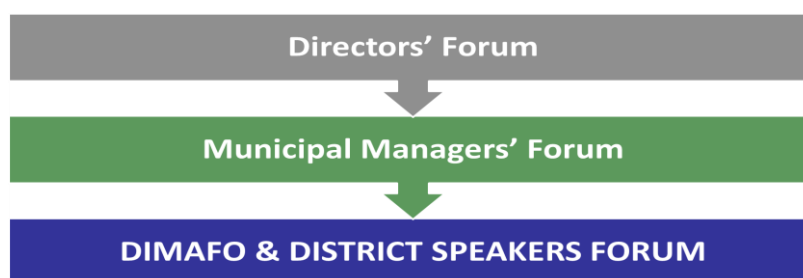
These structures are meant to facilitate corporate government through communication, consultation and joint decision making. It is the role of the district forum to serve as a consultative forum for the district, the local municipalities, sector departments and other key stakeholders in the area of its jurisdiction on matters of mutual interest. Through implementation of intergovernmental relations, ADM is bound to achieve the following objectives of the Act:

- Coherent Government,
- Effective Provision of Services,
- Monitoring and Implementation of Policies and Legislation, and
- Realisation of National Priorities

3.5.7.2 Structural Arrangement

During the 2017-2021 term of local government, Amathole District Municipality reconfigured its Intergovernmental Relations (IGR) Structures and Municipal Support in order to have streamlined and focused hands-on and meaningful impact in coordination and integration of the various stakeholders in achieving the local government agenda. In doing such, the following structures were established:

FIGURE 39: OVERVIEW OF IGR STRUCTURES



District Wide Director's Forums

In the old approach, the District Technical IGR Forum was preceded by the IGR Core team meeting, a forum constituted by the ADM IGR unit, one senior manager from each ADM directorate, IGR officers from the ADM local municipalities, COGTA, OTP and Treasury. In the current approach, District Wide Director's forums take the place of the District IGR Core Team. The Directors Forums are convened and chaired by the ADM directors. The forums are constituted by directors from the sector departments. It is in these forum that a cross pollination of ideas takes place about integrated planning and service delivery. The district wide forums decided what should go to the Municipal Managers Forum.

Below is the ongoing discussion which are still be dealt with in the District Wide Directors Forum as standing items and matters of strategic importance.

Table 61 THE DISTRICT WIDE DIRECTORS FORUM AS STANDING ITEMS AND MATTERS OF STRATEGIC IMPORTANCE

NAME OF FORUM	STRATEGIC IMPORTANCE	MATTERS OF STRATEGIC IMPORTANCE
Spatial Restructuring	- Functionality of District Command Centre and District Command Council - Local JOCs	- Business Licenses - Greenest Municipality Competition
Governance and Finance	Mutual debt owed, payment arrangements and set-offs between ADM and LMs	- Debt management and credit control challenges - State of readiness for the MFMA audit - Lockdown impact on credit control activities
Infrastructure and Engineering	- Status of current drought conditions - Water Conservation and Demand Management	- Support LM on development of TORs for Storm Water Plans - Expenditure and Performance on MIG, RBIG, WSIG and roll over application - EPWP and Roads - Bulk Infrastructure for Human Settlement Projects
People Development	- Functionality of District Job Evaluation Forum - percentage of the Salary bill versus Operational Budget	- Update on the Covid-19 cases and related response - Reviewal of HR related Policies - Functionality of the Local Labour Forum - Active Labour Relations Cases
District Wide Planning, Spatial Restructuring and Governance Support Workstream	- District Development Model - Transfer Deeds for RDP Beneficiaries - Economic Growth and Development initiatives - Progress on Section 139 and Section 154 Interventions in the District	- District Wide IDP Review Process Plan and Implementation - Implementation of Circular 88 from National Treasury on Outcome-Based-Indicator

Municipal Manager's Forum

The Municipal Manager's Forum continues to sit each quarter with all Local Municipal Managers, Heads of Sector Departments based within the district as well as government institution. It is preceded by District Directors Wide Forums which process reports and make recommendations to the MM's Forum. There are clear Terms of Reference which are a guiding and a binding document that were approved and signed by all Municipal Managers within the district. This Forum serves as a Technical IGR Forum which prepares, process reports and make recommendations to the District Mayors Forum (DIMAFO). Other reports are then escalated to the Provincial and National IGR Forums for support and by in. Feedbacks and progress are then provided on each MM's Forum in the form of Action Issues which are developed out of resolutions of the previous Forum.

The following are the matters which are ongoing on the agenda of the Municipal Managers Forum:

- State of Governance for the District and Local Municipalities
- Reviews of Organogram and High Salary Bill
- Electrification Roll Out Program
- Implementation of programme by Department of Transport and SANRAL By-Pass
- Addressing Housing Backlogs and housing for the destitute
- Status of Drought including Water Conservation and Demand Management
- Progress on implementation of Sustainable Water Solutions
- District Wide State of Finances
- District Wide Debt Set Off arrangements
- Improvement of Revenue Enhancement
- Progress on Section 139 and 154 Intervention by COGTA
- Support provided to Amalgamated Municipalities
- District Wide Communication Programme
- District Development Model
- Integrated Development and Planning

District Mayors Forum (DIMAFO)

This structure is chaired by the ADM Executive Mayor and consists of all Executive/mayors of local municipalities, mayoral committee members of the district municipality, Municipal Manager of the district, ADM departmental directors, all Municipal Managers of the local municipalities, Directors of the sector departments within the jurisdiction of ADM or their representatives and representatives of SoEs (when requested). The agenda of this structure is set by the Municipal Managers Forum. All its resolutions are reported back in the next forum in the following quarter. This forum is also meant to be a platform that will produce a consensus position on how the district should be viewed. It also serves to unblock service delivery blockages. The district view is presented on platforms like the political MunMec and the PCF by the district Executive Mayor. The calendar of the District Mayor Forum has been aligned with that of the Provincial IGR structures to enable seamless flow of reports through the Structures and report back.

- **State of Governance of District Municipality and Local Municipalities**

DIMAFO continues to receive the reports on the state of governance of the District and the Local Municipalities and supports or make proposal on the areas of intervention in a collaborative approach to address the challenges faced by the district and its local municipalities

- **Delivery of Human Settlements**

ADM must monitor the implementation of the Human Settlements consistently as it is a very important matter of public interest and a cause for protests in the local municipalities. The focus of this item is handing over of title deeds, addressing backlogs and implementation of projects in municipalities. Special attention is also focused on housing delivery for vulnerable groups and destitute families.

Amathole District Municipality (ADM) through its mandate to support, guide, co-ordinate, advocacy and implement (where necessary) on housing development, as per the IDP Integrated Human Settlements Development Plan has embarked on a programme of Tenure Security which is to ensure provisions of Section 25 of the Constitution are upheld. This relates to both reasonable legislative measures, to foster conditions which enable citizens to gain access to land on an equitable basis and whose tenure of land is insecure as a result of past racially discriminatory laws or practices. A mention may be made that in line with provisions of Section 26 of the Constitution which states that everyone has the right to have access to adequate housing and the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right. Further, Housing is seen as one of the primary service delivery components, as a result Municipalities are obliged to be proactive in executing these responsibilities. It is these kind of responsibilities for municipalities that are implicitly indicated in S83(3) (a-d) of the Municipal Structures Act.

The Integrated Human Settlements Development Plan which also inherits its main focus from the aspirations rooted in the Freedom Charter and has shifted its focus from Housing delivery to provision of Sustainable Human Settlements.

- **Electrification**

DIMAFO received progress report on the electrification of the communities of IGR. The project closely monitored are in Mbhashe Local Municipality and Amahlathi Local Municipalities as they are hot spots in address connections to the grid.

- **Construction and Maintenance of Roads**

As part of Public Infrastructure investment and ensuring access to social amenities and access to the district's economic nodes, DIMAFO continuously monitors the construction and maintenance of municipal access roads and provincial road network.

- **Monies Owed and set offs**

DIMAFO monitors the debt owed to municipalities and the progress on the set-off arrangements between District and Local Municipalities debt as part of reducing the debt owed and improving financial sustainability of the municipalities.

- **Drought/Water and Sanitation**

ADM is declared a drought-stricken area. Raymond Mhlaba, Mbhashe and Mquma municipalities are hit hard by drought. DIMAFO closely monitored the implementation of mitigation initiatives and provision of reliable supply of water and conservation in this area.

- **District Development Model / One Plan**

The monitoring and oversight of the District Development Model is a standing item on the District Mayors Forum. Invite is extended to the National and Provincial District Development Model champions.

District Speakers Forum

The following are standing items on the agenda:

- Reports from Moral Regeneration Movement
- Functionality of Council Structures
- Public Participation programmes (Civi Education)
- Report on petitions management
- Report on ward delimitation processes
- Reports on Customary Initiation Programme
- Functionality of Ward Committees

Matters discussed in the District Speakers forum are consolidated and channelled into the agenda and discussions of the Provincial Speakers Forum (PSF) and other political and technical provincial forums such as the Provincial Elections Forum and the Provincial Initiation Task Team.

3.5.7.3 Strategic Partnership and International Relations

ADM Council acknowledges that the task of fulfilling its mandate and to turn the institution to be needs partnerships collaboration with other role players. These partnerships enhance the potential of the district in dealing with the plight facing its people. In the past a number of MoUs and MoAs were signed by the ADM Council with some municipalities in the Country and Abroad. Majority of those partnerships have lapsed at it needs to be acknowledged that a lot of benefits was achieved through these strategic partnerships and the result was development of capacity of ADM officials to in various fields of their functions, some new programmes were also initiated as a result of the information exchanges derived from the platforms created by the partnerships.

MOU with University of Fort Hare

The partnership that was signed with the University of Fort Hare in the 2019/20 financial year is not active and needs to be revived. A meeting is in the pipeline to resuscitate the Memorandum of Understanding between the strategic partners. In the technical and Institutional Strategic sessions, the University was

invited and, in its presentation, indicated interest in a consolidated relationship with ADM. The UFH representative also referred to the renewal of the MoU signed. This is more critical acknowledging a role of the institution that it can play in the ADM Service Delivery Model in the digital and automation era

MOU with ASPIRE and ECDC

A Memorandum of Agreement was entered to between ADM, its entity ASPIRE and the Eastern Cape Development Corporation. The focus area of implementation by ECDC and ASPIRE under the period review is Film and Television development. The aim of this programme is to position ADM as a film destination. The partnership has yielded the filming of *The Dam* series in Raymond Mhlaba Local Municipality unlocking 451 job opportunities, mainly for young people of Amathole and 11 SMMEs that benefited during the filming of the series. The direct benefits of the ASPIRE investment will be realised through Marketing and Promotion of ADM Tourism, Investment Opportunities and Social Cohesion.

MOU with Amatola Water

ADM aware of its status as a Water Service Authority decided to enter into a cooperative agreement with Amatola Water Board. Its purpose is to ensure that ADM raises its ability of Water provision to the local municipalities and their respective communities. Amatola Water Board supplies ADM with bulk water to support its drought-stricken communities, the agreement was initially signed until end of June 2020 but has since been renewed and extended further.

As per the resolution of the 2022/23 Institutional Strategic Planning Session, ADM is in constant engagement with Amatola Water especially with the focus on the cost of the service. In line with the Municipal Financial Recovery Plan the contract needs to be relouked and explore ways of ADM fully taking over the function. ADM continues engaging this Strategic Partner in solving challenges of water provision in the district. Amatola Water Board participates in ADM IGR platforms and some of the projects it implements are considered as catalytic projects.

MOU with Community Radio Stations

ADM seeks to communicate effectively with the communities in its local municipalities. Through the Communications unit a Memorandum of Agreement was signed with the community radio stations in some of the local municipalities. This means ADM can reach out to much of its constituency through radio broadcast. This gives the Councillors and ADM officials an easy platform to access its communities for its campaigns and programmes. Community Radio Stations remain part of ADM communications strategy to disseminate information to its municipalities. They cover huge space of the communities and render immediate feedback to the leadership of the district.

3.5.8 LEGISLATIVE AND EXECUTIVE SUPPORT SERVICES

The Office of the Municipal provides support to the Legislative (ADM Council and its Structures) and Executive (Executive Mayor and its Mayoral Committee) in order to ensure a functional political and administrative interface.

3.5.8.1 Legislative Support Services

Legislative Support Services has been established to provide support to the Speaker of Council in the execution of his legislated and delegated responsibilities. In addition, support is also provided in the functioning of Section 79 committees including coordinating the functioning of the office of the Chief Whip.

In execution of the legislated and delegated responsibilities, there are programmes that are in place to support the legislative support services. These are elaborated on below:

3.5.8.2 Moral Regeneration Movement

The Moral Regeneration Movement (MRM) Strategy adopted by Council in 2012 demonstrates the District Municipality's commitment and effort to facilitate, encourage and co-ordinate programs aimed at restoring moral fibre in our communities. The MRM Strategy focusses on two pillars, namely, family and education, which were found to be most important and of high impact in addressing moral regeneration. MRM structures have been established at the district and local level and are guided by the Strategy in executing their mandate. Positive values awareness campaigns are conducted on a quarterly basis targeting schools, traditional councils and civil society. The programmes are intended to promote good ethics and behaviour and most importantly to respond to one of the key priorities of government - to forge social cohesion and safe communities. For the 2024/2025 financial year a total of 16 positive values campaigns were conducted across the district. A challenge is still being experienced with the functionality of Local Moral Regeneration Movement structures owing to limited financial resources to enable them to execute key programmes. However collaborative efforts with other institutions such as churches and community-based organisation have seen municipalities engaged in more activities.

3.5.8.3 Municipal Public Accounts Committee (MPAC)

The Municipal Public Accounts Committee was established in terms of Section 79 of the Municipal Structures Act (117 of 1998) to assist Council to fulfil its oversight function. The Committee is guided by its Terms of Reference and holds its meetings according to the Schedule of Meetings adopted by Council. Oversight on the MFMA Section 52(d) reports is conducted on a quarterly basis and the Committee submits reports to Council. MPAC also investigates other issues referred to it by Council, including investigations into the recoverability of expenditure related to Unauthorised, Irregular, Fruitless and Wasteful. The Committee ensures community participation in the evaluation of municipal performance by conducting public hearings/roadshows wherein the community is able to provide input into the functionality of the municipality. During the 2023/2024 financial year, annual report public hearings were held during the months of September/ October across all 6 local municipalities within the ADM jurisdiction

3.5.8.4 Whippers

The ADM has services of a fulltime Chief Whip of Council who is responsible for ensuring functioning of the Whippers System. The Whips Committee (which comprises Whips from different political parties), is responsible for coordination of inputs of political parties to Council meets four days before the sitting of

Council to prepare and ensure smooth running of the Council. A District Whips Forum has been established as a platform for Whips of Local Municipalities and the District to share experiences on matters of common interest. The Forum operates in terms of the adopted terms of reference.

3.5.8.5 Women's Caucus

The Women's Caucus is a multi-party Committee of Council established in terms of section 79 of the Municipal Structures Act, and Rule 11 of the Standing Rules to guide council in mainstreaming gender issues. The committee is responsible for coordination of programs which include the commemoration of International Women's Day, 16 Days of activism against abuse of women and children, door to door campaigns to assess community needs especially those that affect women and children and also offers support to families and victims of gender-based violence and femicide.

The District Women's Caucus Chairperson represents the District on all SLAGA programmes related to issues of capacity building, development and empowering of women. All Local Municipality structures are fully functional.

3.5.9 EXECUTIVE SUPPORT SERVICES

The Executive Support Services provides strategic and administrative support to the Executive Mayor and the Mayoral Committee by creating an enabling environment to interface with communities and provide good governance. There are specific programmes which are also championed by the Political Leadership of the Municipality led by the Executive Mayor and the Members of the Mayoral Committee. These are:

3.5.9.1 Special Programs

The Special Programmes Mainstreaming Strategy is in place to ensure mainstreaming of the following special programmes components across the district, and into the programmes and operations of ADM departments:

- Youth Development
- People with Disabilities
- Children's Development
- Women Empowerment
- Older Person's Welfare
- Sport development
- Gender Based Violence and Femicide

In the process of rolling out the strategy, several capacity building programmes are conducted on a quarterly basis. These include awareness campaigns, skills development workshops and resource mobilization.

3.5.9.2 HIV/AIDS, TB and Cancer

The new HIV/AIDS, and TB Implementation Plan (2023-2028) which is aligned to the National Strategic Plan on HIV, STIs and TB (2023-2028) is currently being workshopped with local AIDS councils for final adoption. The objective of the plan is to facilitate a coherent approach towards the implementation of programmes and strategies that seek to reduce the spread and impact of HIV, STIs, TB within ADM jurisdiction.

District Aids Council meetings are convened on a quarterly basis and education and awareness programmes targeting areas with high infection rates are conducted quarterly. The implementation plan serves as a roadmap for the next stage towards a future where these three diseases are no longer public health problems.

This plan sets out the destinations (8 goals) - of our shared journey and establishes landmarks in the form of specific measurable objectives. The purpose of the NSP is to enable the many thousands of organisations and individuals who drive the response to HIV, TB and STIs to act as a concerted force, moving in the same direction.

The 8 Goals serve as base of reporting mechanisms in all spheres of governments and all stakeholders that drive the response to HIV/AIDS, STI and TB. This ensures the response to HIV pandemic is moving in one direction and all stakeholders act as concerted force. Furthermore, will serves as a tool to co-ordinate and direct District's effort in the fight against HIV pandemic. In this regard, ADM us through the District AIDS Council implementing its own District Implementation Plan (2017-2022). The objective of the plan is to facilitate a coherent approach towards the implementation of programmes and strategies that seek to reduce the spread and impact of HIV, STIs, TB within ADM jurisdiction.

District Aids Council meetings are convened on a quarterly basis and education and awareness programmes targeting areas with high infection rates are conducted quarterly. 4 HIV/AIDS capacity building programmes for member organisation are conducted on a continuous basis. One of the achievements was the launch of a District Men's Forum and the launch of Local AIDS Councils. Amathole has also been recognized as one of the few Districts/Metros in the country to achieve the UNAIDs 90-90-90 targets which are:

- By 2020, 90% of all people living with HIV will know their HIV status.
- By 2020, 90% of all people with diagnosed with HIV infection will receive sustained antiretroviral therapy.
- By 2020, 90% of all people receiving antiretroviral therapy will have viral suppression.

There are challenges that are currently being faced by the non-functionality of some Local AIDS Councils. ADM will continue to provide support to LMs to resuscitate the structures to improve the Local AIDS Council functionality.

3.5.9.3 Executive Mayor Legacy Projects

The concept of the Mayoral Legacy Projects is rooted in the quest for just and equitable communities, which joins all spheres of government to invest in social and economic development of communities. In this regard Amathole District Municipality participates in the Back-to-School Program annually, in collaboration with other stakeholders in line with the DDM. This entails focus on support to learners' infrastructure within the powers and functions of the district. In this regard learner support material, eg, uniforms and water tanks and other services are provided to:

- Early Childhood Development Centres,
- Recreational Facilities,
- Shelters for Orphaned and Vulnerable Children (OVCs) and
- Socio - Economic Infrastructure

The Business Plan development was undertaken for the:

- Early Childhood Development Centres
- Recreational Parks

The implementation of the Mayors Legacy Projects is done through advocacy, lobbying, intersectoral collaborations and capacity development through partnerships that we created with private companies as part of their social corporate responsibility, to build and or refurbish identified Early Childhood Development Centres (ECDs) in various LMs within ADM's district.

The strategic partners in the implementation of the Executive Mayors Legacy Programmes include companies such as Lateral Unison, Harmony Gold, Standard Bank and Maximum Profit Recovery (Max-Prof) whom contributed towards major renovations including educational toys, food parcels and other equipment for the ECDs.

3.5.9.4 Rapid Response Team on Gender Based Violence and Femicide

The President of the Republic of South Africa declared the scourge of Gender Based Violence that is ravaging our country as a Pandemic that requires all sectors of society to work together to eliminate. The National Strategic Plan calls for Municipalities to establish Rapid Response Teams to foster cooperation with the private sector and civil society structures to combat Gender Based Violence. Amathole established a Rapid Response Team which coordinates with civic society, private sector and traditional leaders to combat GBV. The RRT has been active in providing support to victims of gender based violence and to lobby support for affected families.

3.5.9.5 Sport Development

As part of Social Cohesion and unlocking talent in the District, Sport Development has been the cornerstone. Following the Covid 19 Lock down, the ADM participation in Sport was suspended and has since been resumed. All local municipalities under the jurisdiction of Amathole resumed with implementation of Mayors Cups and these culminated in the District Mayors Cup. Employee wellness sports games have also resumed with ADM participation in a tournament hosted by Buffalo City Metro meant to encourage Municipal employees in the Eastern Cape to return to sport.

3.5.9.6 Public Participation

Every municipality is required by Section 16 of the Municipal Systems Act, Act 32 of 2000, to develop a culture of municipal government that complements formal representative government with a system of participatory governance. ADM's MTAS also stipulates that in pursuit of responsible and responsive local government, ADM should give particular emphasis to the need for communication and for inclusive platforms for citizen engagement. ADM developed a Public Participation and Petitions Management policy which clearly articulates the methodology that will be employed in interfacing with the communities. The policy also gives members of the public a right to petition and outlines the processes to be followed when a petition has been lodged until it has been responded to. In line with the policy, a range of public participation activities are held throughout the year as indicated below:

Water Forum meetings/ Service delivery campaigns

Following a period of lull occasioned by the Covid 19 Lockdown and Financial constraints of the Municipality, Water and service delivery forums have been revived in four of ADM Municipalities. Meetings are held at various municipalities as a way of consultation between political leadership and communities, as well as other ADM stakeholders. The purpose of these meetings is to create awareness and to educate people on water conservation and service delivery issues

Mayoral Imbizo

Mayoral Imbizos are held quarterly. The purpose is to promote interfacing with the communities. The imbizo is a platform to give feedback on issues raised for the attention of the municipality as well as to update communities on all projects of the municipality. These are coordinated by the district in consultation and collaboration with the relevant local municipality and sector departments within that local municipality.

Annual Report Public Hearings

The Annual Report Public Hearings take place on the 1st and 2nd quarter of the financial year. As per the prescripts of Chapter 4 of the Municipal Systems Act read with Circular 63 of the MFMA, that municipalities are encouraged to display good governance by accounting to the public on all matters relating to finances and performance. The 2023/2024 MPAC roadshows took place as per the prescribed timelines and all municipalities were visited. five of the six municipalities were visited. These gatherings are now taken to community halls in rural areas, to give opportunity to citizens in the rural outskirts of the district to experience the District Municipality closer.

IDP and Budget Roadshows

In accordance with legislation, IDP must be taken to public for their comments ADM has a responsibility to invite views from the public through IDP and Budget roadshows. The event takes place during the third to the fourth quarter of the financial year. Following the Covid 19 period where Roadshows were held virtually, ADM has now returned to physical meetings and communities are always excited to interface with the political leadership to resolve service delivery challenges.

3.5.10 COMMUNICATIONS, CORPORATE BRANDING & CUSTOMER CARE

The Amathole District Municipality (ADM) Communications Policy stipulates that government communication is a coordinated function. The policy recognizes communication as a coordinated strategic and support function of government that must be observed by all government spheres. By nature, communication activities are structured within a specific framework, which is coordinated, integrated and streamlined. ADM's communication programme and strategy each year is guided by the President's State of the Nation Address, the State of the Province Address, the National Communications Strategy, and the IDP priorities. In the context of intergovernmental relations, The Presidency and Government Communications and Information Systems (GCIS) are custodians of government communications. The Republic of South Africa has also made provisions for a legal, statutory and operational framework such as the recently approved National Communication Framework, within which government communications can be achieved.

3.5.10.1 Operational Framework

Post the 2021 local government elections, ADM reviewed its 5-year term Communication Strategy and subsequently amended the Communications Policy, the Branding Policy, Social Media Policy as well as Customer Care Policy and Charter. The Strategy is reviewed every 5-year term whilst policies are amended and approved by council annually.

The ADM Communications Policy states that a series of forums for government communicators at national, provincial and local level have been established to ensure collective planning and strategizing around all government communications. Among these forums is the Local Government Communicators Forum (LGCF) which was established to provide a platform for sharing of information about local government issues and best communication practices. It is driven by the Communications Office of the Eastern Cape Department of Cooperative Governance and Traditional Affairs (CoGTA-EC).

ADM also established the District Communicators Forum (DCF) in 2002. Communicators, Public Participation, Communication Portfolio Heads as well as Community Development Workers from all the local municipalities, and communicators from government departments in the district are invited to attend and participate. Among other things, the Forum enables communicators in the district to jointly highlight ADM's success stories while coordinating promotional programmes and projects. The ADM Director of

Strategic Planning and Management/Senior Manager: Communications and Customer Care provide technical assistance to the Forum.

Local Communicators Forums should also be established by local municipalities to synergise government communications at a local level. These Forum meetings should include the communicators and relevant portfolio head from local municipalities, ward committee representatives, Community Development Workers and communication officials from government departments and SoEs in the local municipalities.

In terms of the SDBIP, the Communication and Customer Care Unit is responsible for ensuring effective two-way communication between ADM and communities as well as its internal and external stakeholders by promoting ADM's programmes as reflected in the institution's IDP; resolving all customer complaints and providing communication support to Local Municipalities situated within Amathole.

The Unit has recently appointed an Internal Communications Officer, an External Communications Officer, and a Communications Manager in the 2024/25 financial year, strengthening its leadership and operational capacity. The Unit has made concerted efforts to communicate on an ongoing basis with the public utilizing print and electronic media. It also communicates directly with stakeholders through water forums, walk-in at satellite offices, media releases/public notices, website, newsletters (internal & external), developing infographics, Mayoral Imbizo's and other public participation platforms. In 2025, the Communications Unit has been instrumental in informing the strategic direction of campaigns for the municipality, notably pioneering the anti-vandalism campaign. The Unit has also taken a strong digital direction by onboarding many initiatives into social media and website campaigns, and has implemented a media monitoring tool—significantly enhancing the ability to track media coverage in real-time, identify emerging issues or sentiment shifts, respond proactively to public concerns, measure campaign impact, and refine messaging strategies for greater effectiveness.

3.5.10.2 Environmental Scan General

The ADM Communications Strategy, contains a Communication Action Plan that is reviewed annually to ensure relevance; this plan contains an Annual Communication Cycle that serves as a guiding framework for communication activities and programmes.

The ADM through the Unit has been visibly and audibly showing improvement in the communication service and as the voice of government in the media, it has been consistently reflective. The functionality of communication in the district is also gaining momentum through efforts made to improve internal and external communications thus widening the available communication platforms and service delivery pro-activeness.

Institutional Capacity Building and Training in Batho Pele Principles and Customer Services for Satellite Offices and frontline staff is key in brand repositioning. The satellite centres and frontline staff are the touchpoint for the district's clientele to engage with the municipality.

3.5.10.3 External Environment

The ADM in its commitment to deliver selfless, excellent and sustainable services has taken a futuristic outlook in terms of long-term projects as reflected in the One Plan document that falls within the ambit of the District Development Model. The projects planned are aimed at bringing new opportunities and fostering cooperation between stakeholders, local government, and their residents. This initiative will create good relations between the institution and its stakeholders. Key challenges include better customer management, addressed through digital self-service portals like the citizen engagement app and billing component on the website, which enable efficient, 24/7 access to services, reduce administrative burdens, improve response times, and enhance overall stakeholder satisfaction.

The ADM brand has, in the past, taken a knock in how it has been reported on in the media space owing to a variety of issues relating to governance and institutional instability. However this has changed owing to the development and implementation of a brand repositioning strategy whose aims were to correct this. The strategy entails the brand transformation plan which has three (3) pillars, namely outreach programs, stakeholder engagements and image building. Through the implementation of the strategy, improvement in the communication of ADM's business to its stakeholders is on the horizon, the institution has further launched an automated customer care system to improve customer experience and to automate its services as part of the 4th industrial revolution (4IR). The non reliability of services rendered to communities such as constant water outages, billing system challenges continue to contribute to the unfavourable outlook of brand ADM. The institution recognises Social Media as an important communication platform with which to engage stakeholders on various institutional programs as well as receive feedback from them. Due to the nature of the platform, it is necessary that measures be put in place to control how the institutional image is represented and positioned in the platform. Subsequently, a Social Media policy was developed and approved by council.

Looking forward, the Communications and Customer Care Unit is set for transformative growth, with a clear focus on professionalising its operations through enhanced skills development, standardised processes, and cutting-edge digital tools. This professionalisation will be complemented by greater agility in customer care, leveraging real-time data analytics and responsive digital platforms to deliver personalised, efficient services that exceed stakeholder expectations. By prioritising these strategic directions, the Unit is committed to significantly increasing ADM's brand equity, fostering trust, and positioning the municipality as a forward-thinking leader in sustainable service delivery and community engagement.

3.5.11 INFORMATION AND COMMUNICATION TECHNOLOGY

Information and Communications Technology in ADM is a critical enabler that seeks to provide solutions and automate business processes for the municipality to meet its strategic objective. It also strives to provide an integrated ICT environment that is responsive to the needs of the municipality in ensuring efficiency and proficiency. Mostly, alignment of ICT objectives and business objectives is critical through

a strategic framework. The responsibility is building, implementing, supporting and maintaining the ICT systems and applications.

3.5.11.1 IT Governance

ADM has adopted the IT Governance Framework based on the directives of the cabinet and is reviewed frequently to cater for the latest versions of the Corporate Governance of Information and Communication Technology Policy Framework (CGICTPF) and South African Local Government Association (SALGA) Municipal Corporate Governance of Information and Communication Technology Policy Framework (MCGICTPF). This ensures how IT is governed and managed within the municipality in compliance to standards, corporate governance frameworks such as KING, ISO, SANS etc together with other best practise methods, thus ensuring structures are in place and aligned.

Linked to this is the component of IT Risks where an IT Risk Register is in place and aligned to the Enterprise Risk Management Framework. The IT Risk Register is reviewed annually and reported through the council structures for oversight.

In place is an IT Master Plan (IT Strategy) that is a 5 year plan which is on review due to the fact that it is on its final year of validity and implementation. Thus a new plan is required for the next 5 year to cater for the alignment to latest technologies and trends such as 4IR, big data, broadband, cloud technology etc.

3.5.11.2 IT Infrastructure and Support

ADM has the main office situated in East London together with the Disaster Management Centre and Calgry Museum as its council chambers. There are 6 satellite offices situated in respective towns as per local municipal area within the district with an additional site in Adelaide, that are connected via SDWAN to connect systems and applications using cloud technology as the systems are hosted by the respective service providers for Voice Over IP HBT Plus Telephone systems, SAGE ERP/Integrated Financial System and Micorsoft365 – Exchange, SharePoint and OneDrive on the Azure cloud. This then requires adequate internet bandwidth for the access and an upgrade is required. The SDWAN is also used for remote support to users due to the number of Technicians available and geographical spread of the satellite offices. Additionally, the Water Treatment Works and Schemes also need to be connected especially for water quality management and capturing of samples and monitoring. The Fire Stations also require to be connected as the call centre is in the Disaster Management Centre for communications and operations purposes.

The LAN requires a major upgrade together with the Datacentre as they are obsolete and no spare parts are available including replacement units. Also, they have reached end of support and end of life.

Firewall is in place as a security measure to protect the ADM network from intruders, attackers and hacker with a redundant one in case of failure with rules as restrictions and allows. A gap is the lack of a Cybersecurity Plan that needs to be adopted together with the policy as a framework to ensure security measures are effective and oversight be done as per council structures around Risk Management.

for integration and ease of communication between Satellite Office, Head Office and ADM communities.

3.5.11.3 MSCOA Compliance, ERP (Financial System) and Business Applications

A technical and project steering committee has been established to oversee the Governance, Strategy, and Operational Management of ADM's transition from SAP to a new financial management system. These committees consist of a multi-disciplinary team responsible for managing the migration, ensuring data integrity, and improving financial and information management across ADM to provide better value and efficiency.

The objective of the committees is to:

- Institutionalise the new financial system within ADM
- Institute standardized ways of working and key financial processes
- Drive institutional development and user capability in the use of the new system

Due to the financial position of ADM and the limited suitability of the SAP system in a local government environment, ADM has taken the decision to exit SAP. ADM is now transitioning to SAGE as the new financial and information management system. The new system is currently under development, with some modules already operational. The transition is being managed in a responsible and diligent manner to ensure institutional data is migrated securely and protected throughout the process

3.5.12 INTERNAL AUDIT

The Amathole District Municipality (ADM) is mandated to have internal audit unit that must prepare a risk-based audit plan and an internal audit program for each financial year. That has to advise the accounting officer and report to the audit committee on the implementation of the internal audit plan.

The objectives of Internal Audit are to perform objective examinations of evidence for the purpose of providing independent assessments to the Council, Audit and Risk Committee and management on the adequacy and effectiveness of risk management, control and governance processes of ADM. Internal audit assessments include whether:

- Risks relating to the achievement of the ADM's strategic objectives are appropriately identified and managed.
- The actions of the ADM's employees and contractors are in compliance with the ADM policies, procedures and applicable laws, regulations and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the ADM.
- Information and the means used to identify, measure, analyse, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, utilized efficiently, and adequately safeguarded.

An Audit and Risk Committee is in place to provide quality assurance and oversight to Council and provides reports on a regular basis. In-kind internal audit services as well as Audit and Risk Committee are rendered

to Aspire. Sustained collaboration and support by COGTA, SALGA, Provincial Treasury, The Institute of Internal Auditors South Africa (IIA SA) and AG SA in the area of capacity building. There are still challenges being experienced such as the non-adherence by departments in submitting the information requested by internal audit, however Standard Operating Procedures (SOPs) are being reviewed and there are regular engagements on audits that are being undertaken. Though there is an improvement in implementing action plans to correct discrepancies raised by auditors, the progress is still slow and that result to negative reporting by Auditor-General

3.5.13 RISK MANAGEMENT

The Risk Management is operating within the parameters of the law and has put in place institutional arrangements to support its operations. This is to ensure that the design, implementation and monitoring of risk is being undertaken through the following committees:

- Risk Steering Committee.
- Executive Management (Risk Management Committee),
- Audit and Risk Committee
- ADM Internal Audit Forum

The abovementioned structures are functional and guided by the Risk Management Strategy, Policies and Frameworks including the provision of support to local municipalities and ADM agency. It is worth noting that there are adequate risk processes that ADM has put in place.

However, there are still challenges being faced by the institution in implementation of risk management in that there are inadequate resources both financial and non-financial for the full performance of risk management. In response to such ADM, through the Internal Audit Co-Source will be supplementing the capacity of Risk Management in performance of its function.

3.5.13.1 Top 5 Strategic Risks

The following are considered as top five (5) risks in order of priority

Table 62: TOP 5 STRATEGIC RISKS

No	Risk Title	Description
1.	Deterioration of governance systems and accountability integrity	▪ Inadequate institutionalization of ethics management mechanisms. ▪ Inadequate fraud management mechanisms. ▪ Inadequate implementation of consequence management (i.e., Lack of recognition and reward of good leadership and performance.) and lack of accountability framework. ▪ Slow implementation of the internal and external audit improvement plans.

No	Risk Title	Description
		Absence of formalized Combined Assurance processes
2.	Decline in financial capacity compromising service delivery and institutional financial viability	- Inadequate implementation of the revenue enhancement strategy. - Inaccurate billing systems. - Poor revenue databases. - Illegal water connections. - Ineffective enforcement of credit control and debt collection policies.
3.	Inefficient, unreliable and unsustainable fleet Management.	- Non-Adherence to Fleet Management Policy. - Increased downtime due to breakdowns. - High costs in repairs and maintenance. - Vehicle misuse and abuse and fuel theft by officials/Rising cost of fuel. - lack of safety features increasing the risk of accidents and injuries
4.	Failure to fulfil constitutional and legislative mandate for sustainable provision of portable basic water services	- Ineffective infrastructure management strategy/plan - Limited emergency water supply mechanisms. - Inadequate water resources. - Limited financial capacity. - Prevalence or excessive of informal settlements.
5.	Infrastructure failure	- Infrastructure deficiencies affecting service delivery and institutional stability/Ageing and poorly maintained water and sanitation infrastructure. - Inadequate budget for maintenance of assets. - Vandalism and sabotage of water infrastructure/Lack of digital transformation. - Physical access to sampling points. - Non- availability of effluent/water samples.

It is worth noting that there are regular progress updates on the mitigation of these risks and reduction of the exposures to addressing these risks.

3.5.14 LEGAL SERVICES

Legal Services has a key role to play in respect of ensuring that the decisions taken by Council and its structures, as well as administration, are legally compliant and that legal support is available to various departments as and when they require it, by providing legal advice and assistance to the Council and the administration of the municipality to ensure the proper protection of the municipality's interests, and compliance by the municipality with its legal obligations and responsibilities.

3.5.14.1 Legal Guidance and Training

Legal guidance is part of the tasks that functionaries must seek in the exercise of their responsibilities, to ensure that decisions that are taken comply with the constitution, the applicable legislation, policies and procedures of the municipality. Legal and Integrity Services plays a crucial role in providing this service

and to arrange for training programs to empower functionaries on the approach to proper decision making, which will mitigate against exposure to litigation, owing to decisions which are not compliant. All items that are tabled to ADM Council Structures must then, as far as possible take into consideration the legal implications of the decisions to be taken. A panel of external legal services support is also available to provide additional expertise in some instances, as and when required.

3.5.14.2 Litigation Management Strategy

ADM has a Litigation Management Strategy which Legal Services is responsible for its implementation. The Litigation Management Strategy outlines the response to managing exposure to litigation in the institution by ensuring that all litigation is recorded, analysed and root causes and diagnosis is done to assess trends and identify mitigation responses thereto. Root causes to the current litigations that are being experienced by the Municipality are (this list is not exhaustive):

- **Litigation Register/ Contingent Liabilities and Asset Register**

A Litigation Register is in place which details current litigation and the extent of the cost coverage, for budgeting purposes and to populate the Contingent Liabilities and Assets columns in the annual financial statements. This is also used to extract information to diagnose root causes of litigation and to inform appropriate response strategies.

- **Awareness of Constitutional rights:**

Communities are, after more than twenty years of democracy, have become more aware of their Constitutional rights, and are very robust in defending their rights or to pursue justice where they believe their rights have been infringed. People are alive to the fact that they have right to information kept by a public body (PAIA), such as the municipality, as well as a right to ask for reasons for decisions taken by an administrative body, (in terms of the Promotion of Just Administration Act, 2 of 2000 (PAJA).

PAIA provides very few specific instances where access to information can be refused, and in all other instances, a municipality is constitutionally obliged to disclose such information, if proper application is made for it. This means that virtually every decision taken by Council, a political office bearer, the Municipal Manager or any other delegated body – such as the Bid Adjudication Committee, is open to scrutiny and records have to be provided of such decisions or lack thereof. Hence it is very important that the ADM institutionalizes legal compliance management, as a strategy to ensure compliance and accountability with applicable laws and instruments.

- **Poor decision making:**

Poor decision making is the root cause of complaints and challenges to decisions made by a public body, and it often originates from apathy towards a legislative compliance culture and lack of accountability and consequences for actions taken or not taken. Our constitutional democracy is founded on the principle of

legality and the rule of law. No functionary or public body may exercise powers or take decisions beyond what it is legally empowered to do, and where this happens those decisions are reviewable at the instance of complainants or aggrieved parties. Our courts will invariably, strike down and set aside decisions that do not respect legality and the rule of law, often at great financial cost to the municipality and the public.

Steps must be taken to instil a culture of respect towards constitutional and legislative values, by encouraging that functionaries be trained on PAIA and PAJA and other relevant instruments and persons be held accountable and responsible for their decisions and there must be consequences for bad decisions, to the extent necessary. This will increase public confidence and the trust of stakeholders will be restored.

Administrative and political decisions must be informed by the rule of law and the principle of legality.

- **Non-compliance with Court Orders:**

Non-compliance with court orders is a legal risk which must be prevented and addressed. Removal of goods and municipal assets and in other instances, threats of arrests of officials of attachment of the municipal bank account, often arises from not complying with court orders. There are also costs which follow from execution of court orders that have been awarded. In most instances these emanate from court actions which should have been avoided and fruitless and wasteful expenditure is often incurred. Courts have a specialised and independent role within our constitutional democratic space and their orders rank very highly and must be respected and attended to without fail and as urgently as required. The Strategy identifies this threat and requires that Legal Services prioritizes it. At an institutional level, efforts must be made to lessen instances which results in the imposition of negative court orders as this causes financial loss and also causes reputational damage and loss of public confidence. For reporting and compliance purposes, the Legal Services will develop a Register of Court orders. This will also assist the municipality in identifying trends and patterns of conduct which results in litigation and put plans to reduce and remove the risk progressively.

- **Unauthorized, Irregular and Fruitless and Wasteful Expenditure:**

In the context of recent audit findings, the Auditor General found that one of the causes of irregular expenditure arises from irregularly awarded tenders. The result is that the expenditure that is incurred becomes irregular and this increases UIFW. Increased UIFW is a pointer towards weak controls, poor decision making, lack of accountability and our business processes can therefore not be trusted, and audit outcomes will be affected. The institution has prioritized a return to a proper governance culture. As part of the contribution Legal Services is embarking on an effort to regularize infrastructure contracts, where provision of services is at an advanced level, and it is legally possible to have those contracts ratified by courts. The effect is that the IE account will be significantly reduced. Legal Services continues to participate in the activities of the Disciplinary Board and where required, provide advice to the Municipal Public Accounts Committee.

- **Structural Interdicts:**

There is a trend developing of service delivery related litigation by communities; non-profit organisations and rate payer organisations using the courts to compel the municipality to deliver on constitutionally guaranteed services including reporting the municipality to the Police, in cases of breaches of compliance standards as required by legislation. There are a couple of matters on delivery of water and sanitation services and also criminal matters against the municipal manager for non-compliance with water and sanitation related legislation. These matters require a higher level of vigilance, both at political and administrative level. Intense engagement is also required at Intergovernmental level and pragmatic use of IGR forums is also suggested, to lessen and even share the pressure with National and Provincial spheres, to the extent that such responsibilities involve the assistance of those offices.

Political engagement is also important to properly inform communities of projects and how the ADM identifies priorities and manage expectations. Effective use of partnering models must also be utilised to address short term demands, against funding challenges. Legal Services continues to ensure that best legal solutions are sought, including informed settlement options.

- **Alternative Dispute Resolution Mechanisms/Pro-Active Litigation Mechanisms:**

To ensure that there is a reduction in the cost of litigation, ADM is implementing an Alternative Dispute Resolution (ADR) mechanism instead of challenging and defending all matters in court. Prospects of success are assessed at the commencement of a matter and continuously during proceedings so that cases are settled, where prospects of succeeding are not good. This is also to lessen the advent of cost orders which cause an increase to fruitless and wasteful expenditure. Settlement of cases has got a cost saving element and Attorneys will be required in future to prepare reports to demonstrate cost savings, as part of the financial recovery exercise.

Legal Services is working to introduce a Letter of Demand Register which seeks to demonstrate the effectiveness of handling complaints at the earliest possible stage, by ensuring that attention is paid in resolving matters, at letter of demand stage, than allowing for litigation to commence. Of course, there will be instances when litigation may be unavoidable. This must be more of an exception than a norm. Progressively, the benefits of effectively using this approach will show results, it is believed.

Prompt attention must also be paid to the time frames by which employee grievances are dealt with and to give careful consideration on the nature of the grievance and how these matters are dealt with. This is to curb instances of referrals to the Bargaining Council and the Labour Court, owing to lack of response to employee grievances.

3.5.14.3 Fraud Prevention, Detection, Investigation and Reporting

Legal Services is also tasked with conducting awareness workshops on the Integrated Fraud and Corruption Framework of ADM that was adopted in 2022. The work is done in collaboration with the Human Settlements Section, who roll out awareness on the Housing Finance Risk and Fraud Plan (this chapter focuses on fraud incidences within the housing sector). A Fraud Hotline is also available for whistleblowing purposes. Due to the interruption of services on account of instability within the institution, in the past

couple of years, these services were also affected. These services are being restored. It is trusted that the investigation and reporting aspects will be activated in the short to medium term, with the inclusion of Labour Relations and the Risk Management sections within the value chain.

3.5.14.4 Institutional Arrangements to support Legal Services

The following institutional arrangements are in place to support Legal Services:

- **Disciplinary Board**

The purpose of the Disciplinary Board is to address matters of financial misconduct by ADM staff and to give effect to the concept of consequence management. The appointment of a new Disciplinary Board is in the process of being finalized, as the old one, which was appointed for three (3) years has reached the end of its life cycle.

- **District Wide Legal Services Forum**

A District Wide Legal Service Forum is in place to support the learning and sharing of expertise in support of legal services by ADM and its Local Municipalities.

- **Eastern Cape Legal Advisor's Forum**

Legal Services also attends meetings organized by the Eastern Cape COGTA Legal Division which includes municipal Legal Advisors belonging to the Eastern Cape Province, for the sharing of best practices and obtain.

3.5.15 PROJECT MANAGEMENT OFFICE (PMO)

3.5.15.1 Overview

The Project Monitoring office (PMO)) at Amathole District Municipality is intended to serve as a central hub for monitoring and evaluating service delivery projects. Although the unit is not fully functional, the situational analysis aims to outline strategic steps toward reviving the PMO to enhance the effectiveness and efficiency of project oversight, alignment, and impact assessment within the municipality

3.5.15.2 Key Performance Areas (KPA's) and Proposed Functions

The reestablished PROJECT MANAGEMENT OFFICE (PMO) will focus on the following key performance areas to support the municipality's development goals:

- **Project Monitoring and Oversight:** Systematic tracking of milestones, budget adherence, and timeline management to ensure projects progress as planned.
- **Evaluation and Impact Assessment:** Implementing evaluation frameworks to measure the effectiveness and impact of projects, ensuring accountability and transparency.
- **Interdepartmental Coordination:** Facilitating communication and collaboration among departments involved in service delivery to promote cohesive project execution.
- **Standards Compliance:** Ensuring all projects adhere to local government regulations, the District Development Model (DDM), and Integrated Development Plan (IDP) goals.

3.5.15.3 Status and Identified Challenges

The absence of a functional PMO has led to challenges, including:

- **Lack of Centralized Oversight:** Without a dedicated unit, project monitoring, reporting, and accountability can be inconsistent across departments.
- **Resource Gaps:** Limited staffing, project management expertise, and technical tools hinder the effective impact evaluation of projects.
- **Create a Data Repository:** Establish a centralized database for all project information, allowing for efficient tracking and analysis.

3.5.15.4 Revival Strategy and Objectives

To reestablish the PMO, the following strategic objectives are recommended:

- **Institutional Capacity Building:** Recruit skilled project management professionals and provide targeted training to ensure that all relevant staff understand the PMO's objectives, standards, and processes.
- **Standardization of Procedures:** Implement standardized reporting and evaluation frameworks, such as SOPs for project tracking, to ensure a consistent approach across all departments.
- **Adoption of Project Management Software:** Introduce digital tools to centralize project data, improve data accuracy, and allow real-time monitoring and reporting.
- **Stakeholder Engagement Initiatives:** Establish regular coordination sessions with key departments to foster a shared understanding of project goals and collaborative problem-solving.

3.5.15.5 Recommendations

For successful revival and sustainable operation of the PMO, the following steps are recommended:

- **Secure Funding:** Advocate for budget allocations to cover staffing, training, and technological resources.
- **Create a Data Repository:** Establish a centralized database for all project information, allowing for efficient tracking and analysis.
- **Develop a Strategic Roadmap:** Outline a phased implementation plan that addresses immediate needs for the PMO's revival, medium-term performance goals, and long-term sustainability targets.



2026/27

CHAPTER FOUR: OBJECTIVES, STRATEGIES & PROJECTS

CHAPTER FOUR

2026/27 OBJECTIVES, STRATEGIES & PROJECTS

The Institutional Strategic Planning session conducted on 17 - 18 February 2026 confirmed the following strategic goals and objectives for the five key performance areas:

KPA 1 - MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT		
		Strategic Objectives
Outcome	Quality basic education	To achieve a lean and affordable structure which is in line with the powers & functions of ADM by 2027. To ensure district wide monitoring and evaluation of IDP by 2027 To maximally utilise the Human Resources for improved Service Delivery by 2027.
	Skilled and capable workforce to support an inclusive growth path	
	All people in SA are and feel safe	
	Responsive, accountable, effective and efficient Local Government system	
	An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	
National priority	Strengthen skills and human resource base	To improve the human capital profile of the District 2027. To ensure an efficient, effective and economical usage of fleet that enables basic service delivery by 2027. To ensure an efficient, effective and economical usage of fleet that enables basic service delivery by 2027.
	Pursuing African advancement and enhanced international co-operation	
	Building a developmental state including improvement of public services and strengthening democratic institutions	
Provincial priority	Strengthen education, skills and human resource base	To ensure safe, secured assets and infrastructure of ADM
District Development Model	Demographic Change and People Development, Governance and Finance Management, Economic Positioning	.
KPA 2- SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT		
		Strategic Objectives
Outcome	A long and healthy life for all South Africans	Improved water and waste water quality through an inclusive and integrated approach by 2027
	Sustainable human settlement and improved quality of household life	
National priority	Sustainable human settlement and improved quality of household life	To provide safe adequate infrastructure and safe drinking water to all communities by 2027 Renew and maintain the water and Infrastructure Assets by 2027
	Massive programme to build social and economic infrastructure	
	Sustainable resource management and use	
Provincial priority	Massive programme to build social and economic infrastructure	

	Building cohesive, caring and sustainable communities	To provide sustainable and environmentally friendly sanitation Services to all communities by 2027	
District Development Model	Infrastructure Engineering Spatial Restructuring and Environmental Sustainability Economic Positioning and Integrated Service Provisioning	To ensure reduction of the prevalence of communicable diseases by 2027	
KPA 3- LOCAL ECONOMIC DEVELOPMENT			
		Strategic Objectives	
Outcome	Responsive, accountable, effective and efficient local government system	To promote a holistic sustainable regional development by 2030	
	Decent employment through inclusive economic growth		
	Skilled and capable workforce to support an inclusive growth		
	An efficient, competitive and responsive economic infrastructure network		
National priority	Decent employment through inclusive economic growth		
	An efficient, competitive and responsive economic infrastructure network		
	A long and healthy life for all South Africans		
Provincial priority	Massive programme to build social and economic infrastructure		
	Speed up growth and transforming the economy to create decent work and sustainable livelihood		
	Strengthening education, skills and human resource base		
	Intensifying the fight against crime and corruption		
	Rural development, land and agrarian reform and food security		
District Development Model	Economic Positioning, Demographic Change and People Development, Governance and Finance Management		
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT			
		Strategic Objectives	
Outcome	Responsive, accountable, effective and efficient local government system	To ensure sound and sustainable financial Institution by 2027	
National priority	Intensify the fight against crime and corruption		
Provincial priority	Intensifying the fight against crime and corruption		
District Development Model	Governance and Finance Management, Economic Positioning		

KPA 5- GOOD GOVERNANCE AND PUBLIC PARTICIPATION		
		Strategic Objectives
Outcome	Responsive, accountable, effective and efficient local government system	To ensure clean and accountable governance in the district by 2027.
	An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	
	Vibrant, equitable, sustainable rural communities contributing towards food security for all	
	Create a better South Africa, a better Africa and a better world	
National priority	Building a capable state	
	Intensify the fight against crime and corruption	
	Building a developmental state and improving the public services and strengthening democratic institutions	
	Pursuing African advancement and enhanced international cooperation	
Provincial priority	Building a developmental state and improving the public services and strengthening democratic institutions	
	Intensifying the fight against crime and corruption	
	Build cohesive, caring and sustainable communities	
District Development Model	Economic Positioning, Demographic Change and People Development, Governance and Finance Management	

The institution made a bold decision in developing outcome-based indicators which are as per the following tables which provide a detailed breakdown of objectives that indicate what the district municipality can reasonably achieve within the available resources, as well as strategies and programmes that provide the concrete interventions that the district municipality will implement to attain its objectives taking into considerations provisions made by circular 88 of the MFMA:

4.1 2026/27 OBJECTIVES AND STRATEGIES

4.1.1 KPA 1 Municipal Transformation and Institutional Development

DDM Pillars: Demographic Change and People Development, Governance and Finance Management and Economic Positioning

Priority/Focus Area	STRATEGIC OBJECTIVE	STRATEGY	5 YEAR OUTCOMES	INDICATOR	INDICATOR DESCRIPTION	INDICATOR CODE	BASELINE	TARGET 2026/27	TARGET 2027/28	TARGET 2028/29
Effective and efficient Human Capital.	To achieve a lean and affordable structure which is in line with the powers & functions of ADM by 2027	MFRP Interventions, reviewed Policies and the 2025.26 organisational Structure.	Affordable Cost of Employment	% reduction of Employee Costs	Measuring the percentage cost of the reduction of the salary bill as per the initiatives taken (Labor Relations Act 139, MFRP)	MTI TL01	R801 312 000 per annum)	3% reduction of Employee Costs	6% reduction of Employee Costs	6% reduction of Employee Costs
Institutional Performance	To ensure district wide monitoring and evaluation of IDP by 2027	Implementation of the Performance Management Framework Plan.	Improved Service Delivery.	% institutional performance.	To monitor and report Institutional performance for continuous improvement.	MTI TL02	80% Institutional Performance	86% institutional performance.	87% institutional performance.	89% institutional performance.
Integrated and coherent Human Resource Management System	To maximally utilise the Human Resources for improved Service Delivery by 2027	Implementation of Workplace Skills Plan	Skilled workforce	No. of internal candidates capacitated on training interventions.	Conducting skills development interventions in collaboration with external stakeholders	MTI TL03	385	300 internal candidates capacitated on training interventions.	320 internal candidates capacitated on training interventions.	340 internal candidates capacitated on training interventions.
Human Capital Development	To improve the human capital profile of the district by 2027	Implementation of Workplace Integrated Learning Program	Job creation	No. of WIL candidates to participate in the Workplace integrated Learning program	To enable students from institutions of higher learning to complete their practical learning for them to graduate	MTI TL04	30	13 WIL candidates to participate in the Workplace integrated Learning program	15 WIL candidates to participate in the Workplace integrated Learning program	16 WIL candidates to participate in the Workplace integrated Learning program
		Recruit & place Interns to participate in the Internship program	Job Creation	No. of interns participating in the internship program	To provide opportunities for new entrants to labour market in order to gain work place experience	MTI TL05	12	14 interns participating in the internship program	5 interns participating in the internship program	5 interns participating in the internship program
Fleet Management	To ensure an efficient, effective and economical usage of fleet that enables basic service	Implementation of Fleet Management Strategy.	Cost effective management of fleet.	% reduction on fleet operating costs.	To measure the efficiency, effectiveness and economic usage of fleet towards Service Delivery.	MTI TL06	8%	10% reduction on fleet operating costs.	10% reduction on fleet operating costs.	10% reduction on fleet operating costs.

Priority/Focus Area	STRATEGIC OBJECTIVE	STRATEGY	5 YEAR OUTCOMES	INDICATOR	INDICATOR DESCRIPTION	INDICATOR CODE	BASELINE	TARGET 2026/27	TARGET 2027/28	TARGET 2028/29
	delivery by 2027.									
Security Services Management	To ensure safe, secured assets and infrastructure of ADM by 2027	Implementation of Security Management Policy.	Safe, secured assets and infrastructure	% reduction of security costs.	To ensure safe, secured assets and infrastructure of ADM	MTI TL07	R86m	10% reduction on security costs	10% reduction on security costs	10% reduction on security costs

4.1.2 KPA 2 Basic Service Delivery and Infrastructure Investment

DDM Pillars: Infrastructure Engineering, Spatial Restructuring and Environmental Sustainability, Economic Positioning and Integrated Service Provisioning

Priority/Focus Area	STRATEGIC OBJECTIVE	STRATEGY	5 YEAR OUTCOMES	INDICATOR	INDICATOR DESCRIPTION	INDICATOR CODE	BASELINE	TARGET 2026/27	TARGET 2027/28	TARGET 2028/29
Water Quality	Improved water and waste water quality through an inclusive and integrated approach by 2027	Water Services Development Plan	Improved quality of water and Wastewater.	% Micro compliance points complying with SANS 241 -	Measuring improvement of water quality against South African National Standards.	SDI TL01	95%	97% Micro compliance sampling points complying with SANS 241 (WTW)	97% Micro compliance sampling points complying with SANS 241 (WTW)	97% Micro compliance sampling points complying with SANS 241 (WTW)
				% Micro Compliance of wastewater samples compliant to Water Use License conditions.-	Measuring improvement of wastewater quality against South African National Standards.	SDI TL02	60%	60% Micro Compliance of wastewater samples compliant to Water Use License conditions	60% Micro Compliance of wastewater samples compliant to Water Use License conditions	60% Micro Compliance of wastewater samples compliant to Water Use License conditions
			Improved quality of water and Wastewater Municipal Health Services Plan	No. of waste water samples taken	Waste water samples taken to determine compliance with General Authorisation Standards SDI 2:3	SDI TL03	120 waste water samples taken	120 waste water samples taken	120 waste water samples taken	120 waste water samples taken
Water	To provide safe adequate infrastructure and safe drinking water to all	Implementation of the water Services Development Plan (WSDP).	Improved access to water	No. of communal taps constructed.	The indicator is the number of taps constructed to provide households with access to	SDI TL04	722 Taps	400 Communal Taps constructed.	450 Communal Taps constructed.	500 Communal Taps constructed.

Priority/Focus Area	STRATEGIC OBJECTIVE	STRATEGY	5 YEAR OUTCOMES	INDICATOR	INDICATOR DESCRIPTION	INDICATOR CODE	BASELINE	TARGET 2026/27	TARGET 2027/28	TARGET 2028/29
	communities by 2027				basic water supply according to RDP Standard (200m).					
Asset management	Renew and maintain the water and Infrastructure Assets by 2027	Implementation of the water Services Development Plan (WSDP).	Improved access to water.	No. of facilities refurbished.	Facilities refurbished and funded through WSIG.	SDI TL06	15 facilities refurbished.	6 facilities refurbished	14 facilities refurbished	16 facilities refurbished
Sanitation	To provide sustainable and environmentally friendly sanitation Services to all communities by 2027	Implementation of the water Services Development Plan (WSDP).	Improved access to sanitation	No. of households with access to basic level of sanitation	Provision of pit latrines and the low flush toilets.	SDI TL07	233 613 HH	2500 households with access to basic sanitation	2500 households with access to basic sanitation	2500 households with access to basic sanitation
Landfill Site	To ensure reduction of the prevalence of communicable diseases by 2027	Implementation of the Integrated Waste Management Plan (IWMP)		Compliant Regional Landfill site.		SDI TL8	None compliant landfill site	Operational Licence for the Ibika Regional Solid Waste Site.	Operational Licence for the Ibika Regional Solid Waste Site.	Operational Licence for the Ibika Regional Solid Waste Site.

4.1.3 KPA 3 Local Economic Development

DDM Pillars: Economic Positioning, Demographic Change and People Development and Governance and Finance Management

Priority/Focus Area	STRATEGIC OBJECTIVE	STRATEGY	5 YEAR OUTCOMES	INDICATOR	INDICATOR DESCRIPTION	INDICATOR CODE	BASELINE	TARGET 2026/27	TARGET 2027/28	TARGET 2028/29
Local Economic Development	To promote a holistic sustainable regional economic development by 2030	Spatial Planning and Local Economic Development Strategy	Improved levels of economic activity in Municipal economic spaces	No. of jobs created utilising EPWP and capital projects	These are jobs created utilising both the EPWP funding and the Capital Projects Funds.	LED TL01	16900 jobs created	2800 jobs created utilising EPWP and capital projects	3000 jobs created utilising EPWP and capital projects	3200 jobs created utilising EPWP and capital projects
			Improved ease of business within the Municipal Area	No of economic projects implemented in partnership with strategic partners.	Projects implemented in partnership with relevant stakeholders;	LED TL02	6 economic development projects implemented in partnership with strategic partners	6 economic development projects implemented in partnership with strategic partners	6 economic development projects implemented in partnership with strategic partners	6 economic development projects implemented in partnership with strategic partners

4.1.4 KPA 4 Municipal Financial Viability & Management

DDM Pillars: Governance and Finance Management and Economic Positioning

Priority/Focus Area	STRATEGIC OBJECTIVE	STRATEGY	5 YEAR OUTCOMES	INDICATOR	INDICATOR DESCRIPTION	INDICATOR CODE	BASELINE	TARGET 2026/27	TARGET 2027/28	TARGET 2028/29
Financially viable institution	To ensure sound and sustainable financial Institution by 2027	Revenue Enhancement Strategy	To promote a holistic and sustainable regional economic development by 2030	% of invoices for all capital projects funded with grants paid within 30 days	Monitoring payment of invoices for all capital projects within 30 days. (Excluding those with disputes)	MFV TL01	99%	% of invoices for all capital projects funded with grants paid within 30 days	% of invoices for all capital projects funded with grants paid within 30 days	% of invoices for all capital projects funded with grants paid within 30 days
			Improved financial sustainability and liability Management	% of total operating revenue to finance total debt;	Measurement of improved total operating revenue to finance total debt;	MFV TL02	45%	45% of total operating revenue to finance total debt;	45% of total operating revenue to finance total debt;	45% of total operating revenue to finance total debt;
				% change in the cash backed reserves	Measurement of % change of cash backed reserves.	MFV TL03	0%	0.1% change in the cash backed reserves	0.1% change in the cash backed reserves	0.1% change in the cash backed reserves
			Improved liquidity management	% Change in cash and cash equivalent	Measuring improved liquidity of the Municipality in terms of change in cash equivalent.	MFV TL04	0%	5% Change in cash and cash equivalent	6% Change in cash and cash equivalent	7% Change in cash and cash equivalent
Enhanced municipal budgeting and budget implementation	To ensure sound and sustainable financial Institution by 2027	Revenue Management Strategy	Improved revenue and debt Management.	% change in Gross Consumer Debtors' (Current and Non-current Annually)	Measuring of change in Gross Consumer Debtors' (decrease of Current and Non-current)	MFV TL05	86%	0.5% change in Gross Consumer Debtors' (Current and Non-current Annually)	0.5% change in Gross Consumer Debtors' (Current and Non-current Annually)	0.5% change in Gross Consumer Debtors' (Current and Non-current Annually)
		Revenue Enhancement Strategy	Sustainable Financial Institution	% net increase operating surplus margin	Measurement of net operating surplus margin(increase)	MFV TL06	-7%	4% net increase operating surplus margin	5% net increase operating surplus margin	6% net increase operating surplus margin
Expenditure Management	To ensure sound and sustainable financial Institution by 2027	Monitoring and acceleration of expenditure patterns.	Improved expenditure management	% change of unauthorised, irregular, fruitless and wasteful expenditure	Measurement of Percentage change of unauthorised, irregular, fruitless and wasteful expenditure	MFV TL07	12%	20% change of unauthorised, irregular, fruitless and wasteful expenditure	20% change of unauthorised, irregular, fruitless and wasteful expenditure	20% change of unauthorised, irregular, fruitless and wasteful expenditure
		Implementation of cost containment measures		% Implementation of cost containment measures		MFV TL07.1		100% Implementation of cost	100% Implementation of cost	100% Implementation of cost

Priority/Focus Area	STRATEGIC OBJECTIVE	STRATEGY	5 YEAR OUTCOMES	INDICATOR	INDICATOR DESCRIPTION	INDICATOR CODE	BASELINE	TARGET 2026/27	TARGET 2027/28	TARGET 2028/29
								containment measures	containment measures	containment measures
Supply Chain Management	To ensure sound and sustainable management of municipal finances by 2027	Implementation of the Supply chain management Strategy.	Improved Supply chain management	% change in amount of irregular expenditure as a result of SCM processes Transgressions.	Measurement of % change in amount of irregular expenditure as a result of SCM Transgressions.	MFV TL08	16%	3.2% change in amount of irregular expenditure as a result of SCM processes Transgressions.	3.2% change in amount of irregular expenditure as a result of SCM processes Transgressions.	3.2% change in amount of irregular expenditure as a result of SCM processes Transgressions.

4.1.5 KPA 5 Good Governance and Public Participation

DDM Pillars: Economic Positioning, Demographic Change and People Development and Governance and Finance Management

Priority/Focus Area	STRATEGIC OBJECTIVE	STRATEGY	5 YEAR OUTCOMES	INDICATOR	INDICATOR DESCRIPTION	INDICATOR CODE	BASELINE	TARGET 2026/27	TARGET 2027/28	TARGET 2028/29
Governance	To ensure clean and accountable governance in the district by 2027	Strengthening of oversight, accountability and Service Delivery	Improved Municipal Administration and Governance	% Implementation of OPCAR.	Monitoring the implementation of OPCAR towards the improvement of the Audit Opinion.	GGP TL 01	38% Implementation of OPCAR	100% Implementation of OPCAR.	100% Implementation of OPCAR.	100% Implementation of OPCAR.

4.2 2026/27 LOCAL MUNICIPAL TOP 10 NEEDS ANALYSIS/PRIORITIES

Mbashe LM	Mnquma LM	Great Kei LM
Roads infrastructure (roads & bridges) Water supply to villages Farming support programmes Waterborne sewer for Xhorha and Gatyana Climate change challenges Job creation initiatives Fight against crime Energy challenges Sand mining Ocean economy development initiatives	Road construction and maintenance Water Housing Electricity Sport fields Community Hall Bridges Toilets Clinics Dipping tanks	Proper Sanitation in Qumrha Water Challenges in the entire GKM Rural Housing Development Visible Policing Additional Land for Settlement and Communal Farming High Mast Lights in all Wards due to high crime levels Internal Streets in all Wards Youth Development Programs Job Creation Access to other government services such as Home Affairs, Sassa and Social Development, Health Services
Ngqushwa LM	Raymond Mhlaba LM	Amahlathi LM
Water Sanitation District/Provincial Roads for example Lewis to Fish River Internal Streets Roads towards economic zones RDP Houses Provision of health facilities Electrification of Households Revitalization of Irrigation Schemes Youth programmes	Electrification of areas without electricity – All wards Installation and electrification of high Mast Lights in identified areas- All wards Maintenance/construction of road network- All wards Construction and maintenance of Social Amenities (halls, sports fields and parks) – All wards Water provision and borehole installation - All wards Construction of VIP Toilets- Wards 8,9,10,12,13,16,17,19 & 20 Construction of Bridges – All wards Construction of houses – All wards of Clinics and Schools – All wards Provision of scholar transport – Wards 1,8,9,12, 3,16,17,18,19, 20 & 22 Spread of alien plant (<i>ukaty</i>) project - All wards Construction of youth and skills development centers – All wards Maintenance of Landfill sites – Affected Areas	Roads Water and Sanitation Houses Electricity (public lighting, new extensions) Recreational Centre's (Job creation and youth development programmes) Revitalization of towns (Beautification of Amahlathi small towns) Sport Facilities Community halls Fencing and bridges (graveyards, veld and camps) Health care and security services

4.3 WATER AND SANITATION ISSUES LOCAL MUNICIPAL WARD/VILLAGE

MUNICIPALITY	SERVICE CATEGORY	WARD	VILLAGE
Mbashe LM	Water	25	1.Gosana: Bese, Ncalukeni,Gqubeni,Gatyane,Zizamele,Pola Park,Drayini 2.Nxanxashe: Ntsimbini,Xholingada,Zixhotyeni,Ntlulabokwe 3.Bongweni:Trustini,Mnqayi,Manxiweni

MUNICIPALITY	SERVICE CATEGORY	WARD	VILLAGE
			4.Nyokana: Nyokana 5.Tembisa: Tembisa,Lingelihle 6.Mqotwane: Drayini Komkhulu,Mqotwane 7. Maxelegwini: Maxelegwini, New Rest
	Sanitation	25	1.Gosana: Bese, Ncalukeni, Gatyane,Zizamele,Drayini 2.Nxanxashe: Ntsimbini,Xholingada,Zixhotyeni,Ntlulabokwe 3.Bongweni: Trustini,Mqayi,Manxiweni 4nyokana: Nyokana 5.Tembisa: Thembisa, Lingelihle 6.Maxelegwini: Maxelegwini,New Rest 7.Town: Squatter Camps
Mnquma LM	Water	7,8,9,11,15,18,21,22,23,24,25,26,30	All villages in the Wards
	Sanitation	2,4,21,27,30	Squatter camps, Lindelani and Roma, Cebe area, Gcina area, Gqunqe A/A, Nobuswana area
Great Kei LM	Water	1,2,4,&7	Lusasa, Mzwini, Palana, Siviwe
	Sanitation	5	Kei Mouth (Beach Public Toilets)
Ngqushwa LM	Water	All Wards	
	Sanitation	All Wards	
Raymond Mhlaba LM	Water	3, 5, 6, 7,8, 9,10,12,13,15,16,18, 19,20,21,22,23	Mpolweni,Takalane, Chris Hani, Nkukwini, Ntlekisa, Roxeni,Mxhelo ,Sikolweni, Mxhelo, Gaga Villages (MaBheleni, Komkhulu, Sikolweni, Mgquba, Lenge & Nkobonkobo), Golf Course,Tukulu, Guburha, Hillcrest, Mankazana, White Farm, Green Farm, Stanley, Ngquthu, Teba, Cimezile, Mdeni, Skolweni, Luzini, Komkhulu, Nobhanda, Mabheleni, Rwantana, Lamyeni, Ngwevu, Tyatyorha, Whitney farm (Sparkington), Kolomane, Blackwoods, Katberg, Buxton, Fairburne, Jurieshoek, Balfour, Hala, Khayaletu, Nothenga, Guquka, Sompondo, Gcato, Gomora, Amakhuze, Mpundu, Gilton, Hopefield, Binfield, Ndlovurha, Mqhayise, Camana, Zixinene, Komkhulu, Ngwangwane, Mdlankomo, Mkhuthukeni, Mdeni, Siphingweni, Machibini, Ncothoyi, Dish & Mkhobeni, eMaJwarheni, Msobomvu, Magaleni, Ngqolowa, Washington, Zalaze, Quthubeni, Ndulini, Jojozi, Skweyiya, Gaga, Tyume, Middledrift, Dyamala, Ncera, Tyutyuza, Mdeni, Ngqele 1 & 2, Ngele, Cildara, Lugudwini, Qaukeni, Sheshegu, Lower Sheshegu, Khwali lalini, Mpozisa, Eskolweni, Gunyeni, Balura, Masakhane, Joe Lokhwe, Nofingxana, Nomtayi, Gxwederha, Smith, Jani, Khayamnandi, Llyod, Phumlani, Kwezana West, Joji, Dubu, Zwelitsha, Gontsi, Zwide, Goma-Goma, Mike Valley, Daweti, Hillside, Ntoleni, Golf Course, Mlalandle, Ndaba, Red Location (Eskom area), Katanga, Bongweni, Goodwin Park, Ndlovini
	Sanitation	-	-

MUNICIPALITY	SERVICE CATEGORY	WARD	VILLAGE
Amahlathi LM	Water	1(No running water on taps), 2, 3 ,4,6,8,9(extension for whole ward), 11, 12, 13 (water pipes replacement), 15 (Water pipe replacement in ward 15 for all areas)	Ngxalawe, Cata extensions, Upper Gxulu extensions, Ngqudela extensions, Kom Extensions, Ngcobo tent, Ndlovini, Ohlsons, Kubusie, Nonkululeko, Marikana, Rabula, Ngqumeya, lower Zingcuka new sites, Hokwana (upgrade water supply)
	Sanitation	5,6 ,13 (sewerage pipes replacement)14 (sewer pipes),15	Ndlovini, Ohlsons, Kubusie, Amatolaville, Cenyu village, .Flushing toilets •Zanoxolo, White City, Jongile Avenue, Khanyisa, Khayelitsha, Bhongweni, Ohlson

4.4 2025/26 IDP/BUDGET ROADSHOW

Summary of issues raised:

2026/27 IDP/Budget Roadshows took place in from 04 April 2026 to 07 May 2026 as per the table below.

DATE	MUNICIPALITY	VENUE	TIME
09/04	Amahlathi LM	Keiskammahoek Hall	10h00
10/04	Great Kei LM	Nomalady Rhululu Hall	10h00
23/04	Raymond Mhlaba LM	Adelaide Town Hall	11h00
24/04	Mnquma LM	Tongwana Hall	10h00
29/04	Ngqushwa LM	KwaDlova Hall	10h00
07/05	Mbashe LM	Tyelekebende Hall	11h00

4.4.1 2026/27 IDP/ BUDGET ROADSHOWS COMMENTS

Amahlathi Local Municipality

Keiskammahoeke Town Hall: 09 April 2026

NAME	WARD/VILLAGE	QUESTION/SUGGESTION	ANSWERS
1. M.Mbethe	11/12/Emdeni	ADM requires a scheduled meeting with Amatola Water to discuss water challenges in the area	Mr. Mrali to facilitate the meeting. Infrastructure department must have scheduled meetings with AW.
4. S. Tubala	Cathcart Goshini	What is the plan for areas without water	There is an arrangement to cart water to such areas.
5. L. Vembane	13	The sewer pipe project which started in 2021 has shown no progress to date	This problem will be investigated
6. Siqina	3	Lack of maintenance of sewer pipes in Zanoxolo village where open ditches are left unattended a child fell into an open neglected sewer pipe and had to be rescued by community members	Ms Loliwe indicated that a team is currently on site and attending the pipes
7. Z. Calata	Cathcart	Request ADM to fence the cemetery	Cemeteries are a competency of the LM, therefore the matter will be referred to ALM.
8. Quma	10	The bridge in Ncamgeni need maintenance if it's raining you cannot cross its flat	The LM will be consulted on the matter and maybe establish a collaboration with other spheres in line with DDM.
9. Tizani	Ncamgeni	Ablution facilities at the taxi rank are overflowing and are in a filthy state	Budget for infrastructure repairs has been submitted and is pending approval
10. Mende	Cata tourism	Cata is very attractive to the tourist ADM must maintain it.	Director. Xabadiya the shuttles were done by ADM and were vandalised
11.	2	Residents in Keiskammahoeke have no designated fire fighters and support is sought from Cathcart in cases of fire break outs	Noted

Great Kei Local Municipality

Nomalady Rhululu Community Hall Date: 10 April 2026

NAME	WARD/VILLAGE	QUESTION/SUGGESTION	ANSWERS
1.	2 Makhazi	No water coming out of taps	Illegal connections and vandalism are big contributors to water shortage.
2.	6,7	- Not appointing local smmes - More explanation about Kei bridge - Appointment letters for 3 years	- ADM is doing everything to ensure that local SMMEs benefit. - Negotiations with farm owners are continuing. This is the main stumbling block. - When the projects resume SMMEs will be informed.
3.	4 Morgans Bay	- Dams to be cleaned - Full pit points - Honey sucker request	- ADM will consider this including all other options. - The institution is investigating the use of a chemical however the honey sucker will be sent to the affected areas.
4.	4	No water from taps	Illegal connections and vandalism are big contributors to water shortage.
5.	5	- Vandalised engine - Stop water carting repair infrastructure	- Communities are encouraged to take responsibility and guard their properties. - Security personnel is deployed in some areas. - Water forums will soon be inducted to assist in protecting our properties. - ADM is doing exactly that but the big hindrance is vandalism.
6.	2	- No water despite contractor being there - No roads	- As mentioned before vandalism is a big drawback however the officials will look into that. - Roads are a competency of the LM. This will be referred to the LM.
7.	7	Empty dipping tanks affect our animals.	The issue of water is a problem but ADM is trying by all means to improve the water supply.
8.	2	- Presentation must be sent beforehand - Budget for universities next year - How do you employ people in ADM	- This is happening but an attempt to send presentation to Speakers' offices will be made. - We have budget for service delivery in the main. - Vacancies are advertised and all recruitment processes followed.

Raymond Mhlaba Local Municipality

Adelaide Town Hall: 23 April 2026

NAME	WARD/VILLAGE	QUESTION/SUGGESTION	ANSWERS
1.	Ward 21 and 22	ADM is no longer providing for disaster funding to assist in building houses.	Disaster is not our function but ours is to coordinate, Human settlements is responsible for that.
2.	21	Incomplete hosing project by Human Settlements and incomplete sanitation by ADM leaving holes unattended. Animals are drowning in those holes.	Matter will be referred to the project owners Human Settlements.
3.		There is sewer running all over ADM must assist to remove that and seal all the leaks.	Sewer spillage will be attended and communities are encouraged to report such.
4.		The community has a problem with clinic that closes early.	Clinic and other health issues are all over and an attempt to report the matter will be made.
5.		The community developed an agricultural plan in 2017 and was signed by former Executive Mayor Cllr Nxawe wherein we agreed that Adelaide farmers will provide red meat to China. We are now surprised to hear that such initiative is in Peddie.	That Agricultural hub is built in Peddie because of the harbour in Hamburg which will make exportation easy.
6.		ADM SETA construction project employed youth in all LMs but in Adelaide no youth was employed.	Youth was employed from all the LMs. People must know that this project is continuing.
7.		Scholar transport in Adelaide is on the budget plan. The bridge at Rhoxeni needs to be repaired,. Community tractor in Rhoxeni is broken and costs R25 000z, the community is crying for help. There are twins who developed a device that produces water they need assistance from ADM.	The Mayor will raise the scholar transport issue in the rapid response platform. The Rhoxeni bridge issue has been there for a long time its fixing is expensive however the The Executive Mayor will raise that in the rapid response team meetings.
8.		Toilets have collapsed in ward 23 and they are built close to each other. Honey sucker takes time to come.	It is shocking that we still have pit toilets in the location. The institution will hire honey sucker for that purpose.
9.	22 Nobhelu	Vandalism in ward 22 is high and it impacts the availability of water.	Vandalism in the entire magoma has been noticed and security guards are hired to protect our properties. Cameras will also be installed.
10.	6. Lindi	The community appreciates that since ADM fixed the reservoir, they never had water problems again. In Tyhume there are two reservoirs that need to be fixed but ADM is delaying doing that.	These issues raised are noted and will be attended to by our engineering.
11.	Hogsback	Rate of vandalism is high in Hogsback ADM must assist.	ADM is deploying security guards in many areas but communities are requested to take responsibility and guard their properties.

12.	Golf course	There is no water at all ADM must please help.	ADM engineering will go and look the issue of Golf course. Victoria west and Fort Hare water supply will assist to ease the situation and contractors have been employed.
13.	Ward Luyanda Mlonyeni	No communication between ADM and ward communities as a result communities blame them for poor communication. There are consistent water problems in Kwa Maqoma. No reasons for water carting but to cater for friends and relatives.	Issues happening at Maqoma are closely followed by ADM management but once again communities are encouraged to be actively involved in assisting the municipality, ADM is gradually removing that practise and is buying trucks for the institution.
14.	Thembekile Majola	The community wants to know if CBOs still exists. The community wants to be connected to Sandile dam and get water from there.	CBOs still exist. Community connections are underway.
15.	Busisiwe ward 9	Balfour and Feben engine was taken and was never returned Pipes have leaks and are a hazard to people's houses. There are no toilets in Feben and some areas in Kolomani. ADM does not recognise service providers from Seymour. There is no water in RDP houses in Seymour. Seymour as a town is expanding but the water treatment remains the same no growth at all.	These will be followed with regional managers. Issues in ward 9 need close attention.
16.	Mngcangathelo	A beneficiary acknowledges that the Executive Mayor gave them place to work from. She now wants to expand to do crop farming she needs assistance. This will benefit the young ones. Her bakkie is broken she needs to be assisted in repairs .	The EM has noted the concern and may request EPWP to board them.

Mnquma Local Municipality
Tongwana Village: 24 April 2026

NAME	WARD/VILLAGE	QUESTION/SUGGESTION	ANSWERS
1.	11	We need disaster to come in area because our houses have been affected long time ago. Lantana camara is a problem. No water from taps.	We take this matter to Rapid response. I can see that there is lot of problems in Centane and we take note of that.
2. Neliswa Hlabathi	12- Pezisa Village	No water and we don't have taps. No water tanks in our village whilst Lucas village did get them. Our roads need to be fixed.	Tanks are supplied by request from the community through the Councillors.
3.	3- (Centane) Qoboqobo village	No water of which we do have borehole that need fixing.	There are continuous interventions and Centane phase 4 is in place to address all challenges in Centane.
4. Lucas	4- Cuba	In Cuba there is running water in the streets since 2003, and we did report to ADM, but we never see any effort to stop them.	Leakages in Cuba are under constant repairs.
5. Sethu	13- Blythswood village	In Tekko springs some of the houses don't have electricity.	Noted and I will take this matter to Rapid response.
6. Sidima Kaas	24	Ever since this Govt. took over, we never get any services delivery. Bridge in Msintsana need to be fixed. The electricity is very weak.	We have a limited budget for our roads maintenance, where MIG is helping. The money comes in trenches.
7.	32- Crush and Bush	No water but the contractors come and go, leave us with no water. Is this budget going to be enough for our needs?	The drilling of the boreholes will happen because contractor is looking for a place where there is a lot of water that will be sustain the village longer. Budget is not enough.
8.	29	No water, only standpipes. Electricity units are too small.	We as Mnquma in a process of installing solar system. We know that ESKOM have a limited budget to help rural areas.
9. Sisipho Xoki	31- (Centane) Eqhibi	No water but we do have taps and those taps are being vandalised. Please help us with boreholes and new taps. We need toilets for the new extensions. There is an old lady with her house no electricity.	I can see that there is lot of problems in Centane and I understand that there is a contractor that is at work.
10. Zamxolo Mahlatshana	Mbiza Village-Nggamakhwe	We have houses that were affected by bad weather and Disaster came for an assessment, Disaster never came back.	Disasters are a competency of Cogta and ADM is only facilitating.
11.	Mpukane village	No water, we last seen it before 2024 elections.	This must be verified. There are projects completed last year to address water challenges in the area.

12.	Nqanculi Village	Project in Nqanculi was left unfinished. Contractor installs pipes and taps and still no water. The taps have been vandalised. Toilets have never been finished for new extensions. The list is with ADM. Some people no houses we need Disaster to come.	The project was terminated and a new contractor for Tsomo project was appointed and most villages in Ngqamakwe will benefit.
13.	26- Godidi	The contractor was working in our village but did not install taps.	There is no source of water but we are working on that.
14.	30- Centane	3 years back Executive Mayor promised that you do have budgeted for water, even today you still talking about that, where is water. No toilets in town. Extension 3 near King Hintsa no water and toilets are full. ADM office in Centane no working tools. There are tanks in town and others no tanks.	In town we want to have a reliable water source, we want septic tanks.
15.	11-Gcuwa	Gcuwa water is a problem. Diya village have a hall with no electricity and chairs.	Electricity and halls belong to the LM.
16.	11-Emaqhilateni and Qobodi	No taps, and roads need to be fixed	The issue of taps will be looked at. Roads are a competency of the LM.
17. Siphe Jobo	10	We don't know Ispire's role in our communities. No EWP in our villages. No roads. Contractor came and drill boreholes, still no water.	Aspire is ADM agency it is also an implementing agent.
18.	31	No Dip in our area	
19.	31- Sigangala village	No water and we do have taps. Please install borehole in new extension.	
20.	13- Ngqamakwe	Toilets to be built in churches. No water in Ngqamakwe town and there is sewer running on the streets of town.	
21. Nosisa Ndabazandile	2	No toilets in ward 2, the list is with ADM.	
22.	Skiti -New extension	No electricity and roads. Still waiting for Disaster to come.	We are going to pass this disaster problem to Rapid response.
23. Mthuthi	30- Centane	We need tanks you said last year you are going to take note.	
24. 24. Sivuyile Gombela	19- Ngqamakwe	After so many years we saw contractor introduced two weeks back.	

Ngqushwa Local Municipality

Kwa Dlova Hall : 29 April 2026

No.	Name	Surname	Ward/ Village	Question	Response
1.	Tyhilekile	Mduma	2 Tyatha	- Water is on and off, Communities receive Water supply from water tankers who prioritize funerals. - Toilets are full. Request for chemicals that can assist when toilets are full	- One of the reasons for water shortages is the old Infrastructure. - The Council has not yet found a solution or a suitable chemical to resolve the issue,
2.	Amanda	Goni	3 Khalana	- Why is ADM supplying kwa Dlova with water from Sandile Dam while there is a Dam nearby which always has water. - Why is the presentation only mentioning water sourced from Sandile Dam while Ngqushwa has a Dam. - Water supply does not available in new town. - Concern raised that Water tankers that were distributed by the Executive Mayor were not enough to service all areas. - ADM should purchase its own trucks to avoid the use of service providers to do water carting. - People without toilets were put on the data base but toilets were never installed.	- reasons for water shortage is because the old Infrastructure. - Construction of toilets is underway and prioritising people that are on the data base, who are identified by stickers pasted on their houses. - Water carting is very expensive. To eliminate water carting, ADM is planning to replace the old infrastructure and make sure that people have access to water. - Construction of toilets is underway and prioritising people that are on the data base, who are identified by stickers pasted on their houses.
3.		Nzayo	2 Rhode	- Why are water trucks supplying water only when for funerals. - Considering the long outstanding water concerns. What was the water budget of the 2025/2026 used on and who monitors it.	- MPAC is responsible for monitoring the budget.
4.	Pumeza	Stole	2 Qhugqwala	- Can the backlog budget allocation be used for fixing of toilets that are full. - Mtolo village had not had water for many years.	The budget for construction of toilet cannot cover everyone in one financial year.
5.	Nkonza	Futhe	Feni	- There is no water in Phola park - Water tanks in Feni are rarely filled with water. - Request for borehole drilling in Feni.	- One of the reasons for water shortages is the old Infrastructure. - the list of identified boreholes has been submitted to the Technical services department. Boreholes will be tested for water quality before allowing people to drink the water.
6.	Magala	Ngconde	4 Upper dube	- Upper dube has never had any access to water. - People have long been waiting for phase 2 of toilet installation.	- the reasons for water shortage is because the old Infrastructure - The budget for construction of toilet cannot cover everyone in one financial year.

7.	Thembeka		2 Dlova	- Working relations between Amatola water and Amathole were raised as a concern. - Request for a new and powerful water pump in Mtyholo. The one used has no capacity to pump water from lay dam	- To improve the relationship between ADM and Amatola water. ADM had a debt owed to Amatola water for many years, but the ADM has since started servicing the debt. - To address the issues between ADM and Amatola water. ADM has taken a decision to take some of the functions done by Amatola water.
8.	Nolufefe		2 Tilden	- It's been 12 years without water in Tilden and the area has not been given water tanks. - People that were employed to construct toilets in new town were never paid by the contractor.	- the reasons for water shortage is because the old Infrastructure - The names of people who were never paid and the name of the contractor they work for should be submitted to the Technical Services Department.
9.	Nomvulo	Dlova	2 Dlova	After ADM changed water supply to Mount coke. Water never came out of taps.	
10.	Nosthembiso	Jamani	2 Mthombe	- The behaviour of drivers of the water carting trucks is a concern - The Reservoir is no longer working and water carting was last received in 2025	Ward Committees are requested to assist in controlling the water trucks when distributing water in communities.
11.	Fikiswa	Buzani	2 Thubushe	- Request for the revival of the borehole.	the list of identified boreholes has been submitted to the Technical services department. Boreholes will be tested for water quality before allowing people to drink the water.
12.	Bandiwe	Faniso	3 Tsinekana	- The area was supplied with only one water tank and it cannot service everyone. - The holes of the newly built toilets are shallow and get full quickly.	- People were advised to report to the Municipality before developing new houses to allow Municipalities to prepare for services and make sure that houses are built in appropriate areas. - The construction of toilets is the same for all toilets, the are no shallow holes than the other. Ward Committees are invited to do Monitoring on each stage, inspections are done by the contractor, and ADM and happy letters are produced on completion.
13.	Nokuzola	Phongco	8 Peddie Extension	- Boreholes in ward 8 are not working. - Peddie extension has flushing toilets but the is no water.	- On boreholes: the list of identified boreholes has been submitted to the Technical services department. Boreholes will be tested for water quality before allowing people to drink the water. - the reasons for water shortages is because the old Infrastructure
14.	Misumzi	Sithanda	3 Mqwashini	People are receiving water trough water carting.	Ngqushwa is currently being served by water by two trucks, ADM has bought a new fleet which

				• Mqwashini was never given toilet stickers meaning they were never put on the list of people that will receive toilets.	will assist to service Ngqushwa and quickly respond to emergencies. • One of the reasons for water shortages is because the old Infrastructure.

Mbhashe Local Municipality

Tyekelebende Village: 07 May 2026

Name	Surname	Ward/Village	Question	Response
1.	Ndlovu	Tyekelebende	- Disappointed that the Department of Agriculture is not part of the public hearing as there is lot of issues in the community that require its assistance relating to food security. The community would love assistance with the agricultural equipment such as Tractors, a vehicle that would be utilised to get seedlings from the market in bulk at a cheaper rate to maintain vegetable gardens, etc. - On the Boreholes, there are those who were dug but left unutilised, can they be utilised.	- Provincial Departments normally get invited in the ADM programs but they do not come. - ADM also does have LED department which also has a Agriculture section to assist in farming initiatives even though the budget was not enough. - Communities are encouraged to write an official request to ADM, to see if they could receive any assistance.
2.	Zwedala	12	- To be notified in terms of the demarcation results which ward does Tyekelebende village falls under: Ward 10 or ward 12. - During the sanitation project, ADM must consider in their budget to put aside extra funds for TLB so as to assist in some of the areas whereby there is stone underground. Some of the pits are left shallow and not in the least 2 metres stipulated length requirement due to stone and that should be corrected. - On the Water tanks that had been supplied to the Village, the community is very grateful them. - On the water carting, ADM should take note of the contractors who cart water that they do not bring dirty untreated water from the river as such poses danger to the people.	- The demarcation process had been concluded, and the ward is now falling under Ward 10 and no longer Ward 12. - Community members had been duly informed of such. - - - ADM notes this with appreciation - This is a serious matter and communities must report such incidents. The Water trucks that are delivering water to the community should be immediately reported if they had delivered untreated or dirty water, that should not be acceptable. Community members should take its registration and report to the ADM officials

Name	Surname	Ward/Village	Question	Response
3.	Maliviwe	20	- Sub-contractors contracted for the water projects should be closely monitored as some they leave some of the activities half done and never come back to complete them - The people who visit the village from time-time do not report to the community leaders when coming fix the Windmill. They come in and out the village with no one knowing them which poses risk of safety.	Ward committees must be involved during the carting of water to identify such habits. ADM officials should work with ward committees, CBOs and Water forum members.
4.	ZenzileTshawe		- The village had water pipes installed in 2013, then they had a windmill which had since stopped working and they later were supplied with 3 boreholes which were now also not working.	ADM is supplying tanks to villages where there is no water (short term) Medium to long term projects include reviving the wind turbines and equipping boreholes.
5.		Xhora 17	- Appreciate the update about the upcoming plans of sucking filled pit-latrines. - The village was promised that there would be phase 2 of the water project to finish off the areas that were out in phase 1 and had been waiting since then. Qinana and Stonedrift which benefitted from phase 1 have standpipes with no water coming out.	Cthe projects underway seekn to address all existing water challenges in Xhorha.
6.	Ward Committee	07	- The community is very appreciative for receiving toilets, now the ADM need to also consider the new extensions. - Recommends that while the ADM was still waiting for the mid-term projects for the supplying of water they should do water carting, as the constant cry in the communities is water. - There was a project done in 2013 whereby water tanks were provided as well as standpipes from Sizini to Dondolo, but no water is coming out them. Now they are being vandalised, and ADM should attend to this.	The are contractors on site that will be allocated in different wards to accommodate the extension of new hoiseholds -Ward councillors must liaise with the municipality to ensure that communities receive water. - ADM has a mandate to monitor projects through Project Managers and if the community suspects that is not being done, it should be reported immediately. Contractor was terminated in Dec 2024 still awaiting approval for funding from DWS
7.		Extension 03 Ward 01	- Sanitation project was completed successfully, but the toilets are full, require to be assisted.	-The issue of sucking filled pit-latrines was being attended to by ADM, as result an advert has gone out to invite Service Providers.
8.		Extension 08	- The township is very big but was supplied with only 2 tanks, and therefore request more tanks to meet the demand.	- Ward councillors must liaise with the municipality to ensure that communities receive water - Ward councillors must liaise with the municipality to ensure that communities receive water

Name	Surname	Ward/Village	Question	Response
			- The truck which assist in water carting, when it gets broken it takes up to a month to be fixed, leaving the community without water.	
9.	Nohamba	28 Xhorha	- The village of Kwa Nditya, Mkhathazo do have standpipes, but without water and had been out for months. When they do report, it gets fixed, but last for only few minutes and it goes out again.	-Ward councillors must liaise with the municipality to ensure that communities receive water
10.	Milikhaya Msini	Xhorha	- Standpipe and water infrastructure get installed but the is no plan for maintenance, some are damaged and licking, ADM need to attend to such. -	-ADM officials should work with ward committees, CBOs and Water forum members and Ward councillors must liaise with the municipality to ensure that communities receive water
11.	Peter	12	- Under needs for Wards the community recommends that there needs to be job creation opportunities such as identifying land rehabilitation programs even if its through EPWP. - The response that schools have their own budget through the Department is viewed as not enough by the communities as they do not know the roles and responsibilities of each government sector. - Suggests that the sittings of Bid Committees should have a KPI to ensure that SCM processes are fast-tracked and sit timeoulsy	- Matter will be attended and addressed by ADM LED -The matter will be addressed by Department of Education -The matter has been noted by ADM
12.	Magadla	10	Standing for Mbhashe Livestock Association to appreciate the presentation and also to submit under the top needs for ADM to consider offering assistance on the following areas: - dip tanks, fencing, handling facilities when the livestock is on the market. - They have limited access to Veterinary services which then causes poor animal health. - Safety needs to deal with stock theft - Benefit from subsidies - Fire prevention campaigns to avoid wildfires - Budget be put aside to deal with disasters such as wildfires, snow that negatively impact livestock. - Capacity building and development of small farmers. - Collaboration between the LEDs for ADM and LMs in collaboration with ASPIRE entity. - ADM should budget for desilting of dams so that they could be able to hold more water.	-Department of Agriculture is responsible and therefore would be approached to determine if there were any plans. -ADM community services will check the matter for Veterinary services -ADM fire unit/disaster unit will look at the matter -Department of Agriculture is responsible and therefore would be approached to determine if there were any plans. -Mbashe LM will look at the small -ADM LED will check the matter -ADM has noted the matter - On the Dam scooping, Department of Agriculture is responsible and therefore would be approached to determine if there were any plans.

Name	Surname	Ward/Village	Question	Response
13.	Lungile Toyiya	22 Madwaleni	- ADM had provided the village with 2 tanks, however the tanks are not fenced causing a risk of vandalism. -	-ADM O&M will look at the matter for fencing of tanks
14.	Thathani Mbofithi	Ward Committee 32	- They had receive 9 taps during the project yeMboniselo but currently only 2 are working. - The areas now had since expanded with also college students and therefore need more taps. - There is also a borehole system that was installed but was not operational and had been promised that a contractor would have a look at it. -	-The ward is covered by Xhora Water Supply where ADM has applied for funding to implement the project once the budget has been approved then the project can start -The college needs to be addressd by department of Education -The ADM O&M will need to check with the contractor
15.	Sivenkosi Lathetha	Extension 05	- Representing SA Youth Council in Mbhashe and receive the presentation with appreciation. He recently benefitted from a Youth programme implemented by ADM for Cellphone repairs but had been waiting for certification and graduation. - ADM also promised an installation of a container that he would be able to utilise for repairs but there were delays thereof as there were still talks with Mbhashe in terms of where to place it. - Suggest that the container be placed in the Township at least if the by-laws do not allow for it to be placed in town. - Request that youth small businesses should be considered on Incubator programs so as to gain knowledge and experience to stand a chance for big tenders. -	-The matter of the container for Cellphone repairs is being attended by the ADM Director: LED together with Mbhashe LM. -The matter will be attended by Mbashe LM LED -The matter will be attended by Mbashe LM LED -Matter will be attended by ADM LED
16.	Asemahle	13	- Ncinyana Clinic is without water. -	The ward is covered by Xhora Water Supply where ADM has applied for funding to implement the project once the budget has been approved then the project can start
17.	Vuyolwethu	15	- Jalamba village was provided with a windmill but now it is constantly not working which then disables them to have water access. - There are some of the village people who registered to receive toilets by now they had been told that they do not appear in the database. Do they need to re-register? - Suggest that in the IDP ADM should include tourism initiatives.	-ADM O&M will need to check the windmill in the area -The VIP beneficiary list are being submitted to Ward councillor then to the contractor who will install the toilets its an ongoing process -Matter will be attended by ADM LED

Name	Surname	Ward/Village	Question	Response
18.	Pelokazi Zondani	06	- Had been submitting their water challenges in Sheshegu village now need urgent intervention.	Ward councillors must liaise with the ADM to ensure that communities receive water
19.		30	- Desilting of dams should be the priority - Fixing of road in Mandutya as it was very bad.	- On the Dam scooping, Department of Agriculture is responsible and therefore would be approached to determine if there were any plans -The Mbashe LM will look at the matter for roads

Additional Responses:

- The tanks that had been supplied in Tyekelebende village in a total of 10 would receive water from rain harvesting and would not be filled by a water truck. The gutters to channel water to the tanks would also be provided by ADM.
- The Water trucks that are delivering water to the community should be immediately reported if they had delivered untreated or dirty water, that should not be acceptable. Community members should take its registration and report to the ADM officials.
- ADM has a mandate to monitor projects through Project Managers and if the community suspects that is not being done, it should be reported immediately.
- The issue of sucking filled pit-latrines was being attended to by ADM, as result an advert has gone out to invite Service Providers.
- On the Dam scooping, Department of Agriculture is responsible and therefore would be approached to determine if there were any plans.
- The matter of the container for Cellphone repairs is being attended by the ADM Director: LED together with Mbashe LM.

4.52026/27 MSCOA COMPLAINT PROJECTS - AMATHOLE DISTRICT MUNICIPALITY EXTERNALLY FUNDED PROJECTS

4.5.1 Amathole District Municipality Three Year MIG Capital Plan - Budget 2026/27 To 2028/29

Schedule 5B

PROJECT NAME	PROJECT TYPE	PROJECT CATEGORY	REGION	CAPITAL BUDGET FOR 2026/2027	CAPITAL BUDGET FOR 2027/2028	CAPITAL BUDGET FOR 2028/2029
Project Management Unit (PMU)	PMU	Operational	ADM: Whole District	25 923 950	27 965 050	29 931 400
District wide water services master plan	Water	New	ADM: Whole District	5 843 807	7 000 001	7 000 001
MBHASHE						
Upgrading of sewer system to accommodate future developments in Dutywa	Sanitation	New	EC121 Mbashe	15 000 000	18 196 027	18 196 027
Completion of backlog- Mbashe area wide sanitation project	Sanitation	New	EC121 Mbashe	35 000 000	28 911 237	31 911 237
Sundwane water supply scheme including other villages	Water	New	EC121 Mbashe	9 000 000	38 000 000	38 000 000
Mgwali North Water Supply Scheme	Water	New	EC121 Mbashe	20 000 000	36 749 009	36 749 009
Mgwali South Water Supply Phase B	Water	Upgrade	EC121 Mbashe	14 500 000	29 000 000	29 000 000
Idutywa East Water Supply Scheme Phase 2	Water	Upgrade	EC121 Mbashe	5 000 000	2 500 000	2 500 000
Ward 31 Water Supply Scheme	Water	Rehabilitation	EC121 Mbashe	6 500 000	-	-
Bende Water Supply Scheme	Water	Rehabilitation	EC121 Mbashe	12 508 006	-	-
Shixini Water Supply Scheme	Water	New	EC121 Mbashe	1 000 000		
Elliotdale Waste Water Treatment Works Feasibility Study	Sanitation	Upgrade	EC121 Mbashe	68 719	-	-
Upgrading of water storage & retic to accommodate future development in Dutywa	Water	Upgrade	EC121 Mbashe	22 263 220	25 899 100	30 899 100
Sewage Reticulation in Willowvale	Sanitation	Upgrade	EC121 Mbashe	1 200 000	1 353 357	1 353 357
MNQUMA						
Crouches Bush	Water	New	EC122 Mquma	500 000	2 000 000	2 000 000
Repairs and Refurbishment of Water Infrastructure: Mquma: Ngqamakhwe	Water	New	EC122 Mquma	4 000 000	5 088 763	5 088 763
Repairs and Refurbishment of Water Infrastructure: Mquma: Qolora WTW	Water	New	EC122 Mquma	1 500 000	1 158 420	1 158 420
Repairs and Refurbishment of Water Infrastructure: Mquma: Kotana WTW	Water	New	EC122 Mquma	2 500 000	-	-
Repairs and Refurbishment of Water Infrastructure: Mquma: Toleni WTW	Water	New	EC122 Mquma	1 000 000	1 361 166	1 361 166
Repairs and Refurbishment of Water Infrastructure: Mquma: Butterworth WTW	Water	New	EC122 Mquma	6 000 000	-	-
Completion of backlog- Mquma area wide sanitation project	Sanitation	New	EC122 Mquma	22 968 760	19 099 284	22 099 284
Ibika-Centani Water Supply Phase 3	Water	New	EC122 Mquma	13 000 000	28 000 000	28 000 000
Nxaxo & Cebe Water Supply Scheme Phase 2	Water	Upgrade	EC122 Mquma	9 900 000	25 000 000	25 000 000

PROJECT NAME	PROJECT TYPE	PROJECT CATEGORY	REGION	CAPITAL BUDGET FOR 2026/2027	CAPITAL BUDGET FOR 2027/2028	CAPITAL BUDGET FOR 2028/2029
Ngqamakhwe Regional Water Supply Phase 2: Budget Maintenance & Ngqamakhwe Regional Water Supply Phase 3	Water	New	EC122 Mquma	20 000 000	31 900 965	31 900 965
Centane Phase 4 Water Supply & Centane Phase 4 Water Supply - Revised Scope	Water	Upgrade/Rehab	EC122 Mquma	15 000 000	30 000 000	30 000 000
Bawa Falls Water Supply	Water	Upgrade/Rehab	EC122 Mquma	3 500 000	3 915 417	3 915 417
Cafutweni Water Supply Scheme (Revised Scope)	Water	New	EC122 Mquma	10 200 000	7 000 000	7 000 000
GREAT KEI						
Emergency Interventions at Sewage Systems in the Amathole District Municipality – Great Kei	Sanitation	New	EC123 Great Kei	-	2 000 000	2 000 000
Completion of backlog- Great kei area wide sanitation project	Sanitation	Upgrade	EC123 Great Kei	5 000 000	-	-
Cintsa East Bulk Services Upgrade - Wastewater Infrastructure	Water	Rehabilitation	EC123 Great Kei	4 060 154	1 500 000	1 500 000
Cintsa East Bulk Services Upgrade -Water Infrastructure	Sanitation	Rehabilitation	EC123 Great Kei	3 173 764	1 173 765	1 173 765
Kei Bridge Water Treatment Works Project	Water	New	EC123 Great Kei	8 000 000	-	-
Komga Commonage Settlement	Water	New	EC123 Great Kei	200 000	2 000 000	2 000 000
Morgan Bay Sanitation	Sanitation	New	EC123 Great Kei	387 000	-	-
Kei Mouth water pipe replacement phase 1&2	Water	New	EC123 Great Kei	15 000 000	34 853 640	34 853 640
AMAHLATHI						
Completion of backlog- Amahlathi area wide sanitation project	Sanitation	New	EC124 Amahlathi	4 000 000	-	-
Stutterheim Sewer Pipe Replacement Programme	Sanitation	Upgrade	EC124 Amahlathi	5 000 000	-	-
Stutterheim Water Pipe Replacement Programme	Water	New	EC124 Amahlathi	3 000 000	-	-
Carthcart Bulk Services Upgrade	Water	New	EC124 Amahlathi	20 000 000	25 499 184	28 499 184
Rhabula Water Supply Extensions	Water	Upgrade	EC124 Amahlathi	24 400 400	5 000 000	5 360 650
NGQUSHWA						
Completion of backlog- Ngqushwa area wide sanitation project	Sanitation	Rehabilitation	EC126 Ngqushwa	10 731	-	-
Upgrading of Peddie Waste Water Treatment	Sanitation	New	EC126 Ngqushwa	20 000 000	29 421 487	29 421 487
Ngqushwa Villages Water Reticulation Budget Maintainance & NGQUSHWA WATER SERVICES RETICULATION PROJECT: COMPLETION OF BULK AND RETICULATION (PHASE 2- STAGE 1	Water	Upgrade	EC126 Ngqushwa	1 500 000	1 555 128	1 555 128
RAYMOND MHLABA						
Repairs and Refurbishment of Water Infrastructure: Raymond Mhlaba: Fort Beaufort and Alice	Water	Renewal	EC129 Raymond Mhlaba	5 000 000	10 000 000	10 000 000
Emergency Interventions at Sewage Systems in the Amathole District Municipality – Raymond Mhlaba	Sanitation	Upgrade	EC129 Raymond Mhlaba	10 000 000	7 000 000	7 000 000

PROJECT NAME	PROJECT TYPE	PROJECT CATEGORY	REGION	CAPITAL BUDGET FOR 2026/2027	CAPITAL BUDGET FOR 2027/2028	CAPITAL BUDGET FOR 2028/2029
Completion of backlog- Raymond area wide sanitation project	Sanitation	Rehabilitation	EC129 Raymond Mhlaba	35 000 000	28 000 000	31 000 000
West Victoria East Water Supply – Phase 4	Water	Rehabilitation	EC129 Raymond Mhlaba	20 000 000	27 600 000	27 600 000
Nxuba - Adelaide and Bedford Bucket Eradication Phase 4: Upgrading of Bedford WWTW	water and sewer	New	EC129 Raymond Mhlaba	1 281 500	-	-
Fort Beaufort Bulk Water Supply Phase 2	Water	New	EC129 Raymond Mhlaba	26 464 989	30 000 000	30 000 000
Nxuba - Adelaide and Bedford Bucket Eradication Phase 6: Upgrading of Bedford WWTW	Sanitation	Rehabilitation	EC129 Raymond Mhlaba	3 600 000	3 600 000	3 600 000
TOTAL:				498 955 000	579 301 000	598 628 000

Schedule 6B

PROJECT NAME	PROJECT TYPE	PROJECT CATEGORY	REGION	CAPITAL BUDGET FOR 2026/2027	CAPITAL BUDGET FOR 2027/2028	CAPITAL BUDGET FOR 2028/2029
Upgrading of Alice Main Sewer Pump Station & Sewer Bulk Services	Sanitation	Upgrade	EC129 Raymond Mhlaba	10 000 000	-	-
Upgrading of Fort Beaufort Waste Water Treatment Works	Sanitation	Upgrade	EC129 Raymond Mhlaba	9 524 000	-	-
TOTAL:				19 524 000	-	-

4.5.2 Amathole District Municipality Regional Bulk Infrastructure Grant - Budget 2026/27 To 2028/29

PROJECT TITLE	PROJECT TYPE	PROJECT CATEGORY	REGION	2026/2027 BUDGET ALLOCATION	2027/28 BUDGET ALLOCATION	2028/29 BUDGET ALLOCATION
Sundwana Water Supply (Mbhashe LM)	Water	New	EC121 Mbhashe	-	10 500 000	10 971 000
Ngqamakhwe Bulk Water Supply (Mnquma LM)	Water	New	EC122 Mnquma	90 401 000	119 071 000	55 592 000
TOTAL RBIG ALLOCATION				90 401 000	129 571 000	66 563 000

4.5.3 Water Services Infrastructure Grant (Wsig) Three Year Capital Plan - Budget 2026/27 To 2028/29

PROJECT TITLE	TYPE	REGION	TYPE (NEW/ RENEW/ UPGRADE)	BUDGET 2026 2027	BUDGET 2027 2028	BUDGET 2028 2029
Drilling and Testing of Mbashe, Mnquma and Great Kei Boreholes	Water	ADM: WHOLE DISTRICT	NEW	8 000 000	8 000 000	-
Refurbishment of Sewage Systems in Amathole DM	Sanitation	ADM: WHOLE DISTRICT	RENEWAL	-	-	-
Non Revenue Water Loss Control Project: Mbashe	Water	EC121 MBHASHE	RENEWAL	9 000 000	10 000 000	15 000 000
Mncwasa	Water	EC121 MBHASHE	RENEWAL	8 000 000	15 000 000	15 000 000
Equipping of Mbashe and Mnquma Boreholes	Water	EC121 MBHASHE	NEW	8 500 000	10 000 000	-
Non Revenue Water Loss Control Project: Mnquma	Water	EC122 MNQUMA	RENEWAL	9 000 000	10 000 000	15 000 000
Refurbishment of Mnquma and Mbashe Water Retaining Structures	Water	EC122 MNQUMA	RENEWAL	-	-	-
Non Revenue Water Loss Control Project: Great Kei	Water	EC123 GREAT KEI	RENEWAL	9 000 000	10 000 000	15 000 000
Refurbishment of Great Kei LM water retaining structures	Water	EC123 GREAT KEI	RENEWAL	-	-	-
Chintsa Dam Refurbishment	Water	EC123 GREAT KEI	UPGRADING	5 000 000	-	-
Non Revenue Water Loss Control Project: Amahlathi	Water	EC124 AMAHLATI	RENEWAL	9 000 000	10 000 000	15 000 000
Dontsa Water Supply	Water	EC124 AMAHLATI	UPGRADING	5 000 000	-	-
Refurbishment of Amahlathi Water Retaining Structures	Water	EC124 AMAHLATI	RENEWAL	2 000 000	10 000 000	10 000 000
Non Revenue Water Loss Control Project: Ngqushwa	Water	EC126 NGQUSHWA	RENEWAL	9 000 000	10 000 000	15 000 000
Refurbishment of Raymond Mhlaba Water Retaining Structures	Water	EC129 RAYMOND MHLABA	RENEWAL	4 000 000	10 000 000	8 000 000
Non Revenue Water Loss Control Project: Raymond Mhlaba	Water	EC129 RAYMOND MHLABA	RENEWAL	9 000 000	10 000 000	8 686 000
Equipping of Raymond Mhlaba Boreholes (Bedford)	Water	EC129 RAYMOND MHLABA	NEW	-	-	-
Equipping of Raymond Mhlaba Boreholes (Fort Beaufort & Healdtown)	Water	EC129 RAYMOND MHLABA	NEW	-	-	-
Drilling and Testing of Raymond Mhlaba Boreholes	Water	EC129 RAYMOND MHLABA	NEW	-	-	-
Refurbishment of Adelaide Canal	Water	EC129 RAYMOND MHLABA	UPGRADING	-	-	-

PROJECT TITLE	TYPE	REGION	TYPE (NEW/ RENEW/ UPGRADE)	BUDGET 2026 2027	BUDGET 2027 2028	BUDGET 2028 2029
Upgrading of Adelaide Raw Water Supply	Water	EC129 RAYMOND MHLABA	UPGRADING	4 239 095	2 500 000	-
Refurbishment of Chintsa Water Treatment Works	Water	EC123 GREAT KEI	RENEWAL	2 137 560	-	-
Refurbishment of Haga-Haga Water Treatment Works	Water	EC123 GREAT KEI	RENEWAL	2 294 498	-	-
Upgrading of Kei Bridge Water Treatment Works	Water	EC123 GREAT KEI	UPGRADING	4 132 852	-	-
Refurbishment of Morgan's Bay Water Treatment Works	Water	EC123 GREAT KEI	RENEWAL	2 695 995	-	-
TOTAL:				R110 000 000	R 115 500 000	R 116 686 000

4.5.4 SECTOR DEPARTMENT PROJECTS

4.5.4.1 Department of Community Safety

ACTIVITY	VENUE AND TIMEFRAME	BUDGET
Social Crime prevention programme (crime awareness programmes)	Alice, Centane, Peddie, Stutterheim, Dutywa, Ngqamakhwe, Elliotdale, Qumrha, Balfour and Willowvale	R192 000
Oversee CPF Elections	All police station areas in the district April – June 2026	No Cost Implication
Assess Community Police Forum (CPF) on functionality	Chungwa, Bholo and Bluewater	No Cost Implication
Unannounced visits (assess service delivery at the Client Service Centres)	Thomas River, Kubusie Drift, Centane, Cathcart, Doringkloof, Healdtown, Balfour, Ngqamakhwe, Hamburg, Kei Bridge, Khwenxura, Chungwa, Keiskammahoek, Bedford, Hogsback, Moyeni	No Cost Implication
Assess compliance to Domestic Violence Act by SAPS	Tyefu, KwaMaqoma, Msobomvu, Steve Vukile Tshwete, Willowvale, Kolomane, Alice, Kei Road, Bluewater, Kei Bridge	No Cost Implication
Policing Accountability Engagement (imbizo focusing of police service delivery)	Dutywa, Bholo, Seymour, Bell, Kei Mouth and Butterworth	R98 000
Assess SAPS inefficiencies in relation to cases withdrawn or struck off the court roll (follow ups on improvement plans developed – focus on GBV related and stock theft cases)	Keiskammahoek, Butterworth and Peddie	No Cost Implication
TOTAL		R 290 000

4.5.4.2 Department of Agriculture

List of projects on LandCare:

PROJECT NAME	MUNICIPALITY	BUDGET
Amathole Conservation Committee	- all 7 LMs	R243 000
Amathole Juniorcare		R125 000
Lange draai	Amahlathi	R680 000
Lower blinkwater	Raymond Mhlaba	R490 000
Manqulo	Mnquma	R697 000
Ndlambe	Ngqushwa	R717 000
Phawu AgriPark	Mnquma	R356 000

MTEF TARGETS 2026/27	DISTRICT BUDGET
16	R322 000
2529	R 1 520 000
25	R 715 000
57	R751 000

INFRASTRUCTURE PLANS FOR 2026 / 27

MAIN PROJECT NAME	PROJECT SCOPE (SCOPE INCLUDING NO.OF UNITS)	SUB-COMMODITY	LOCAL MUNICIPALITY	BUDGET 2026/2027
Ncalukeni cropping	Supply and delivery and installation of 6km fence	Maize	Great kei	540 000
Ncalukeni cropping	Procurement of protective clothing	Maize	Great kei	12 000
Ncalukeni cropping	Payment of casual labourers	Maize	Great kei	422 400
Ntseshe wga	Shearing shed with equipment and small stock dipping tank	Wool	Mnquma	1 500 000
Qeqe wga	Shearing shed with equipment and small stock dipping tank	Wool	Mbhashe	1 500 000
Lower mgwalana shearing	Construction of shearing shed with small stock diptank	Wool	Ngqushwa	1 500 000
Jongala	Construction of structure for 4000 broiler chick structure	Poultry	Mnquma	1 677 025
Mpayipeli	Construction of structure for 1000 broilers	Poultry	Amahlati	1 200 000
Glen lion	Sitting drilling & testing of borehole for stockwater system	Red meat	Raymond mhlaba	350 000
Mazoka farmers association	Sitting drilling & testing of borehole for stockwater system for new large stock diptank	Red meat	Raymond mhlaba	350 000
Bhirha beef complex	Retentions for construction of a 300 cattle feedlot in bhira beef complex	Red meat	Ngqushwa	159 510
Upper zingcuka	Renovation of large stock diptank	Red meat	Amahlati	550 000

MAIN PROJECT NAME	PROJECT SCOPE (SCOPE INCLUDING NO.OF UNITS)	SUB-COMMODITY	LOCAL MUNICIPALITY	BUDGET 2026/2027
Seven stars dairy	Refurbishment of processing facility	Red meat	Amahlati	1 000 000
Khayelitsha cpa	Dam scooping	Red meat	Great kei	300 000
Ngqushwa beef complex	Construction of abattoir	Red meat	Ngqushwa	3 000 000
Amathole ohs	Amathole ohs	Red meat	Amathole	500 000
Mlowa multi-purpose	Equipping borehole for irrigation	Vegetable	Amahlati	550 000
Star vegetable (malgas) production sa gap (phase 2)	Construction of a farmhouse	Vegetable	mbhashe	1 000 000

PLANS FOR 2026 – FOOD SECURITY

MTEF TARGETS	DISTRICT BUDGET
6 345	R10,877,145
5 235	R12,000,000

TOTAL = R47 104 080.00

4.5.4.3 Department of Health

Project Name	Budget Programme Name	Start Date	Completion Date	Final Appropriation 2026 27 FY-A R0,00
Butterworth Hospital - Repairs and Renovations Phase 2	Programme 8	2021/01/26	2031/07/31	500 000
SS Gida Renovations and refurbishments	Programme 8	2021/11/12	2027/02/25	1 500 000
Conditional Assessments to all Health Facilities - Amathole	Programme 8	2021/07/21	2029/03/31	3 300 000
Conditional Assessments to all ideal Clinics - Amathole	Programme 8	2020/11/09	2029/03/31	1 628 000
Construction of a New Clinic at Xhora Mouth	Programme 8	2020/03/25	2028/01/31	2 250 000
Construction of a New Clinic in Cebe Village	Programme 8	2021/04/06	2030/02/15	36 000 000
ETS - Electrification - Amathole	Programme 8	2026/04/01	2029/03/31	450 000
Madwaleni Hospital - Upgrading of OPD, MOU	Programme 8	2023/05/15	2031/03/31	70 000 000
ETS - Scheduled Maintenance to Victoria and Tower Hospitals	Programme 8	2026/04/01	2029/03/31	2 000 000
ETS - Scheduled Maintenance to Various Autoclave, Sterilizer and Bed Pan Washer Equipment - Amathole DM	Programme 8	2020/05/04	2029/03/31	2 000 000

Project Name	Budget Programme Name	Start Date	Completion Date	Final Appropriation 2026 27 FY-A R0,00
ETS - Scheduled Maintenance to Various Central HVAC Systems - Amathole DM	Programme 8	2025/01/31	2029/03/31	450 000
ETS - Scheduled Maintenance to Various Fire Detection and Prevention - Amathole DM	Programme 8	2025/02/01	2029/03/31	2 000 000
ETS - Scheduled Maintenance to Various LV, Nurses Call, Comms, PV and UPS - Amathole DM	Programme 8	2025/01/31	2029/03/31	2 000 000
ETS - Scheduled Maintenance to Various Refrigeration, Mortuaries and Heat Pumps - Amathole DM	Programme 8	2021/11/19	2029/03/31	1 350 000
ETS - Scheduled Maintenance to Various Theater HVAC - Amathole DM	Programme 8	2025/02/21	2029/03/31	1 800 000
ETS - Scheduled Maintenance to Various Vacuum and Compressed Medical Gas Supply - Amathole DM ES	Programme 8	2025/01/31	2029/03/31	1 800 000
ETS - Scheduled Maintenance to Various Vacuum and Compressed Medical Gas Supply - Amathole DM HFRG	Programme 8	2025/01/31	2029/03/31	1 800 000
ETS - Scheduled Maintenance to Various Wet Services, Plumbing and WWTS - Amathole DM	Programme 8	2025/01/31	2029/03/31	2 250 000
Infrastructure Improvements to Butterworth Hospital	Programme 8	2021/01/26	2031/07/31	1 500 000
HT - District Hospitals Medical Equipment Maintenance - Amathole	Programme 8	2026/04/01	2029/03/31	2 700 000
HT - Existing Hospitals Commissioning and Recommissioning - Amathole	Programme 8	2017/04/01	2029/03/31	2 700 000
HT- Existing Clinics Commissioning and Recommissioning - Amathole	Programme 8	2017/04/01	2029/03/31	2 700 000
ETS - Scheduled Maintenance to Generators Amathole	Programme 8	2024/10/22	2029/03/31	4 000 000
Infrastructure Improvements to Health Care facilities Amathole District	Programme 8	2023/02/02	2027/03/31	12 000 000

Project Name	Budget Programme Name	Start Date	Completion Date	Final Appropriation 2026 27 FY-A R0,00
Infrastructure Improvements- Victoria Hospital	Programme 8	01/09/2026	31/03/2027	5 000 000
Khubusi Clinic - Construction of a new clinic	Programme 8	2025/04/01	2027/10/31	4 500 000
Maintenance and repairs - District Hospitals Amathole	Programme 2	2026/04/01	2029/03/31	9 660 000
Maintenance and repairs - Tower Hospital	Programme 5	2026/04/01	2029/03/31	2 000 000
Construction of Balfour Clinic	Programme 8	2023/03/27	2027/11/15	5 000 000
Repairs and Renovations to EMS Bases in Amathole District	Programme 8	2026/04/01	2028/03/31	450 000
Upgrading of Tanga Clinic	Programme 8	2023/06/26	2030/03/31	500 000
Upgrading of Fort Beaufort Hospital	Programme 8	2021/08/31	2034/03/31	450 000
HT - Balfour Clinic Commissioning	Programme 8	2025/04/01	2028/03/31	3 000 000
TOTAL				R 189 236 000.00

4.5.4.4 Department of Social Development

ROAD MAINTENANCE 2026-2027 BUDGET SUMMARY

LOCAL MUNICIPALITY	RE-GRAVELLING	FRAMEWORK	TOTAL (R)
Mbashe	R5 000 000	R 3 000 000	R8,000,000
Mnquma	R5 000 000	R2 000 000	R7,000,000
Great kei	R8 000 000	R 3 000 000	R11,000,000
Ngqushwa	R10 000 000	R 3 000 000	R13,000,000
Amahlathi	R7 000 000	R3 000 000	R10 000 000
Raymond Mhlaba	R5, 946, 512	R5 000 000	R10,946,512

DISASTER BUDGET SUMMARY 2026-2027

LOCAL MUNICIPALITY	BUDGET AMOUNT (R)	ACTIVITY AND QUANTITY
Mbashe	R60,000,000	Regravelling of 60km Bridges works amount R20million
Mnquma	R40,000,000	Regravelling of 53km Includes stormwater pipe drains
Amahlathi	R20,000,000	Regravelling of 26km Includes stormwater pipe drains
Raymond Mhlaba	R29,668,278	Regravelling of 40km Includes stormwater pipe drains Bridge repair

EXPANDED PUBLIC WORKS 2025-2026 BUDGET SUMMARY

LOCAL MUNICIPALITY	No. of Projects	No. of Participants per project	Project Description	Budget (R)
Amahlathi	06	466	Routine Road Maintenance	R8,553,600.00
Raymond Mhlaba	06	767		R 12,466,128.00
Ngqushwa	06	717		R 10,574,688.00
Mbashe	06	913		R14,634,880.00
Great Kei	06	138		R 2,503,488.00
Mnquma	08	666		R 10,951,392.00
SUB TOTAL	38	3667		R59 684 176

TOTAL= R300 811 091.00

4.5.4.5 Department of Public Works

Health projects

PROJECT NAME	BUDGET
Balfour clinic	R 52 059 253,81
Cebe clinic	R 64 598 699,62
Madwaleni clinic	R 560 086 375
Willowvale chc	R 18 379 279,67

Cogta Projects

PROJECT NAME	BUDGET
Imingcangathelo TC	R 3 109 140
Amazizi TC	R 3 214 950

Department Of Social Development projects

PROJECT NAME	BUDGET
Seymour Service Office	R 17 800 960

TOTAL PORTFOLIO = R717 000 000.00

4.5.4.6 Department of Transport

AM AHLATHI LM

LOCAL MUNICIPAL AREA	MAINTENANCE COST
Framework	R7 693 725.00
Amahlathi- Plant hire	R4 700 000.00
Disaster Fund	R 5 075 924 .00
TOTAL	R17 469 649.00

Road Maintenance 25/26 Budget Summary

LOCAL MUNICIPALITY	RE-GRAVELLING	FRAMEWORK		TOTAL
Mbhashe	Re-Gravelling	Surface	Blading	
	R 5 693 725	R 2 000 000.00	R 5 200 000.00	R12 893 725

LOCAL MUNICIPALITY	RE-GRAVELLING	FRAMEWORK		TOTAL
Great Kei	Re-Gravelling	Surface	Blading	
	R 5 693 724	R 1 000 000.00	R 3 000 000.00	R9 693 724.00

LOCAL MUNICIPALITY	RE-GRAVELLING (Plant hire)	FRAMEWORK		TOTAL
Ngqushwa		Surface	Blading	
	R4 700 00,00	2 000 000,00	R2 846 862,00	R9 546 862,00

LOCAL MUNICIPALITY	RE-GRAVELLING	FRAMEWORK		TOTAL
Mnquma	Re-Gravelling	Surface	Blading	
	R5 693 724	R 1 060 000	R 4 700 000	R 11 453 724

LOCAL MUNICIPALITY	DISASTER	PLANT HIRE	FRAMEWORK		TOTAL
Raymond Mhlaba			Surface	Blading	
	R 5 693 724.00	R 6 000 000.00	R2 000 000.00	R 4 700 000.00	R18 393 724.00

AMAHLATHI EXPANDED PUBLIC WORKS PROGRAMME

Project Name	No.Of Participants per project	Project Description	Annual Budget
Household Contractors	385	Routine Road Maintenance	R4 583 040,00
Scholar Transport Monitors	25	Safety of Learners	R744 000,00
Community Development Support	1	Administration	R60 000,00
Supervisors	26	supervision and M&E	R1 241 760,00
Road Rangers	28	Safety of road users	R950 400,00
Road Maintenance Youth Brigades	35	Routine Road Maintenance	R 1 283 520,00
TOTAL	500		R 8 862 720,00

MBHASHE EXPANDED PUBLIC WORKS PROGRAMME

Project name	No.of participants per project	Ward/s	Project description	Annual budget
Household Contractors	908	1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,20,22,23,24,25,26,27,28,29,30,31	Routine Road Maintenance	R11 157 504.00
SHE Cleaners (DPWI Elliotdale & Dutywa offices)	5	4,13	Safety of Officials & public entering govt premises	R153 600.00
Scholar Transport Monitors	40	2,3,4,5,9,11,12,13,17,18,23,24,25,26,27,28,29	Safety of Learners	R 1 228 800.00
Walking Bus	27	1,2,3,9,25,26,30	Safety of Learners	R 829 440.00
Supervisor	48	1,2,3,4,5,6,7,8,9,10,11,12,13,14,16,17,18,20,22,23,24,25,26,27,28,29,30,31	Supervision and M&E	R2 292 480,00
Road Rangers	25	N2(Mbhashe river-Wayilesini),Dutywa-Willowvale,Dutywa-Ngcobo route,Elliotdale-Madwaleni)	Safety of road users	R 900 000,00
NYS Learners	3	<u>Elliotdale(Traffic law enforcement)</u>	Routine Road Maintenance, Mechanical & administration	R93 600,00
	1056			R15,825,984.00

GREAT KEI EXPANDED PUBLIC WORKS PROGRAMME

Project Name	No.Of Participants per project	Ward/s	Project Description	Annual Budget
Household Contractors	150	2,3,4,5,6,7	Routine Road Maintenance	R 1 785 600,00
Roadside Check point Cleaners	3	6 & 7	Safety of Law enforcement officers	R53 568,00
Scholar Transport Monitors	14	1,2,3,4,5,6,7	Safety of Learners	R 416 640,00
Supervisors	7	1,2,3,4,5,6,8	Supervision and M&E	R 334 320,00
Community Development Support	1	1,2,3,4,5,6,7	Administration	R 60 000,00
Road Rangers	15	2,3,4,5,6,7	Safety of road users	R511 200,00
	190			R 3 161 328,00

NGQUSHWA EXPANDED PUBLIC WORKS PROGRAMME

Project Name	No.Of Participants per project	Ward/s	Project Description	Annual Budget
Household Contractors	747	1,2,3,4,5,6,7,9,10,11,12	Routine Road Maintenance	R 8 014 533,12
Scholar Transport Monitors	17	2,3,4,5,6,8,9,10,12	Safety of Learners	R 455 980,80
Transport Facilitators	5	2,4,5	safety of bus users	R 134 112,00
Community Development Support	1	1,2,3,4,5,6,7,9,10,11,12	Administration	R 60 000,00
Supervisors	33	1,2,3,4,5,6,7,9,10,11,12	Supervision and M&E	R 1 576 080,00
Road Rangers	12	1,9,12(N2 & R72 Routes)	Safety of road users	R 403 200,00
TOTAL	815			R 10 643 905,92

4.5.4.7 Department of Agriculture

INFRASTRUCTURE PROJECTS

MAIN PROJECT NAME	PROJECT SCOPE (SCOPE INCLUDING NO.OF UNITS)	SUB-COMMODITY	LOCAL MUNICIPALITY	BUDGET 2026/2027
Ncalukeni Cropping	SUPPLY AND DELIVERY AND INSTALLATION OF 6KM FENCE	MAIZE	GREAT KEI	540 000
Ncalukeni Cropping	PROCUREMENT OF PROTECTIVE CLOTHING	MAIZE	GREAT KEI	12 000
Ncalukeni Cropping	PAYMENT OF CASUAL LABOURERS	MAIZE	GREAT KEI	422 400
Ntseshe WGA	SHEARING SHED WITH EQUIPMENT AND SMALL STOCK DIPPING TANK	WOOL	MNQUMA	1 500 000
Qeqe WGA	SHEARING SHED WITH EQUIPMENT AND SMALL STOCK DIPPING TANK	WOOL	MBHASHE	1 500 000
Sisonke Wool Association	SHEARING SHED WITH EQUIPMENT AND SMALL STOCK DIPPING TANK	WOOL	BCMM	1 500 000
Lower Mgwala Shearing	CONSTRUCTION OF SHEARING SHED WITH SMALL STOCK DIPTANK	WOOL	NGQUSHWA	1 500 000
JONGALA	CONSTRUCTION OF STRUCTURE FOR 4000 BROILER CHICK STRUCTURE	POULTRY	MNQUMA	1 677 025

MAIN PROJECT NAME	PROJECT SCOPE (SCOPE INCLUDING NO.OF UNITS)	SUB-COMMODITY	LOCAL MUNICIPALITY	BUDGET 2026/2027
Mpayipeli	CONSTRUCTION OF STRUCTURE FOR 1000 BROILERS	POULTRY	AMAHLATI	1 200 000
GLEN LION	SITTING DRILLING & TESTING OF BOREHOLE FOR STOCKWATER SYSTEM	RED MEAT	RAYMOND MHLABA	350 000
Mazoka farmers association	SITTING DRILLING & TESTING OF BOREHOLE FOR STOCKWATER SYSTEM FOR NEW LARGE STOCK DIPTANK	RED MEAT	RAYMOND MHLABA	350 000
BHIRHA BEEF COMPLEX	RETENTIONS FOR CONSTRUCTION OF A 300 CATTLE FEEDLOT IN BHIRA BEEF COMPLEX	RED MEAT	NGQUSHWA	159 510
UPPER ZINGCUKA	RENOVATION OF LARGE STOCK DIPTANK	RED MEAT	AMAHLATI	550 000
Seven Stars Dairy	REFURBISHMENT OF PROCESSING FACILITY	RED MEAT	AMAHLATI	1 000 000
KHAYELITSHA CPA	DAM SCOOPING	RED MEAT	GREAT KEI	300 000
NGQUSHWA BEEF COMPLEX	CONSTRUCTION OF ABBATTOIR	RED MEAT	NGQUSHWA	3 000 000
AMATHOLE OHS	AMATHOLE OHS	RED MEAT	AMATHOLE	500 000
MLOWA MULTI-PURPOSE	EQUIPPING BOREHOLE FOR IRRIGATION	VEGETABLE	AMAHLATI	550 000
Star Vegetable (Malgas) Production SA GAP (PHASE 2)	CONSTRUCTION OF A FARMHOUSE	VEGETABLE	MBHASHE	1 000 000
TOTAL: 16			LMs: 7	22 010 935

SPRING WATER PROJECTS

Amahlathi: Ward 2 - Mnyameni

Mbhashe: Ward 23 - Ngxutyana

RMM: Ward 10 – Amathole Basin

Allocated amount: R1, 4m

4.5.4.8 Department Of Forestry, Fisheries and Environment

NAME	MUNICIPALITY	PROJECT DESCRIPTION	BUDGET	PROGRESS TO DATE & CHALLENGES
EC -WftCFish River to Great Kei River (25/26)	Great Kei = 161 Ngqushwa= 72	Strengthening of waste management in coastal Municipalities through litter picking and coastal cleanup.	R4,9 m	Signing of contracts for project participants took place in January 2026.

NAME	MUNICIPALITY	PROJECT DESCRIPTION	BUDGET	PROGRESS TO DATE & CHALLENGES
				Non –compliance with regards to provision of PPE/working tools.
Municipal Environmental Graduates	Amahlathi= 2 Great Kei = 4 Mbhashe= 2 Mnquma= 2 Ngqushwa= 4 Raymond Mhlaba = 2	Support environmental planning and management	DFFE Persal	2 Graduates signed contract in August 2025. 2 signed in February 2026. 2 year period
Youth Unemployed Graduates	All ADM municipalities	The main objectives of the programme are job creation, environmental management practices and strengthening support for Small Medium and Micro Enterprises (SMMEs).	10 graduates - Stipend is R271,04 per day for 22 days its R5962,88 per month.	After DFFE conducted Environmental Analysis in all municipalities. Municipalities face challenges in fulfilling their environmental management responsibilities due to resource constraints Recruitment is progress. Project under planning
Amathole Biosphere Reserve	ADM municipalities (Ngqushwa, Amahlathi and Raymond Mhlaba	to contribute to the conservation of landscapes, ecosystems, species and genetic variations. Project is to improve community livelihoods within the Biosphere reserves	Not available yet	Project under planning

4.5.4.9 Department of Human Settlements

Planned Service Delivery

KEY PERFORMANCE INDICATOR	ANNUAL TARGETS NON-FINANCIAL 2026-2027	ANNUAL TARGET FINANCIAL 2026-2027
UNITS	521	R 145 651 293
SERVICES	269	R 7 373 803
RECTIFICATION	57	R 14 732 956
MILITARY VETERANS	15	R 5 550 000
EPWP PERFORMANCE	559	-
NEW TITLE DEEDS	380	R 631 180
BUDGET		R 173 939 232

Planned Service Delivery per Municipality HSDG Budget R 173 939 232

MUNICIPALITY	NUMBER OF PROJECTS	NUMBER OF HOUSES	NUMBER OF SERVICE PROVIDERS	BUDGET
AMAHLATHI LM	3	128	3	R 38,3 ml

GREAT KEI LM	4	49	3	R 20,2 ml
MBHASHE LM	4	107	4	R 33,2 ml
MNQUMA LM	3	86	3	R 25,5 ml
RAYMOND MHLABA LM	5	81	3	R 15,5 ml
NGQUSHWA LM	4	142	4	R 41,0 ml

Number of reduced projects per Municipality

MUNICIPALITY	NUMBER OF PROJECTS	NUMBER OF HOUSES AFFECTED	REASON FOR REDUCTION
AMAHLATHI LM	5	97	Project Stalled
GREAT KEI LM	0	0	-
MBHASHE LM	1	10	Contractor terminated
MNQUMA LM	1	35	Project Stalled
RAYMOND MHLABA LM	1	7	Project Stalled
NGQUSHWA LM	0	0	-

Planned Service Delivery per Municipality ISUPG Budget R 40 000 000

MUNICIPALITY	NUMBER OF PROJECTS	NUMBER OF HOUSES HOLDS	BUDGET
GREAT KEI LM	4	2095	R 1,5 ml
MBHASHE LM	1	649	R 12 ml
RAYMOND MHLABA LM	11	3350	R 28,0 ml

4.5.4.10 ESKOM

Electrification plan 2026/2027

Mnquma

Project Name	Project Type	Beneficiaries	Planned Capex	Planned H/H
Butterworth wards ext.	Households	Thanga, Zagwityi , Zazulwana & Mcucuzo	R 7 300 000.00	150
Mnquma Infills	Households		R 1 680 000.00	160

Mnquma Schedule 5B Pre Engineering 27/28	Pre.Eng Costs		R 50 000.00	
Butterworth ward ext. pre-eng 27/28	Pre Eng Costs		R 300 000.00	
Centane Wards Ext Pre eng 27/28	Pre Eng Costs		R 300 000.00	
Total Mnquma LM			R 9 630 000.00	310

Mbashe Local Municipality

Project Name	Project Type	Beneficiaries	Planned Capex	Planned H/H
GatyanaWards Ext	Households	Phaphasi, Weza, Mandluntsha, Ciko, Jongikwezi & Mbozi	R 5 783 696.00	125
Dutywa Ward Ext	Households	Nxanxashe, Nyokana, Mnqayi, Manxiweni, Maxelegwini & Ngonyama.	R 5 250 000.00	105
Mbashe Infills	Infills		R 1 680 000.00	160
Xhorha Substation 132/22KV 2X20MVA S/S	Pre-Engineering		R 3 785 921.33	
Gatyana Wards Ext Pre-eng (2027/28 Plan)	Pre-Engineering		R 300 000.00	
Idutywa Wards Ext Pre-eng (2027/28 Plan)	Pre-Engineering		R 300 000.00	
Mbashe Schedule 5B Pre Engineering	Pre-Engineering		R 50 000.00	
Willowvale 22 kv Feeder bay	Infrastructure - Sub		R 5 500 000.00	
Total Mbashe LM			R 22 649 617.33	390

Raymond Mhlaba Local Municipality

Project Name	Project Type	Beneficiaries	Planned Capex	Planned H/H
Middledrift Extensions	Households		R 5 567 551.67	110
Alice Extensions Ph 2	Households	Bergplas, Msobomvu, Ngcothoyi, Lower & Upper Gqumashe, Ntselamanzi, Ngwabeni	R 3 233 333.33	86
Debe Nek Extension	Households	Zihlahleni B Zihlahleni A, Maipase A, Ntonga, Qanda, Dikidana, Trust	R 3 833 333.33	90

		1, Ngqolowa, Ngcabasa, Farmer, Qutubeni,		
Alice Extensions Ph Pre-eng (2027/28 Plan)	Pre-Engineering		R 300 000.00	
Balfour and Seymour Extensions Pre-eng (2027/28 Plan)	Pre-Engineering		R 300 000.00	
Debe Nek Extension Pre-eng (2027/28 Plan)	Pre-Engineering		R 300 000.00	
Middledrift Extensions Pre-eng (2027/28 Plan)	Pre-Engineering		R 300 000.00	
Raymond Mhlaba Schedule 5B Pre-engineering	Pre-Engineering		R 50 000.00	
Raymond Mhlaba LM Total			R 13 884 218.34	286

Amahlathi Local Municipality

Project Name	Project Type	Beneficiaries	Planned Capex	Planned H/H
Kei Road Housing Development	Households		R 13 500 000.00	350
Kei Road link line - Yellowwoods	Infrastructure - Line		R 10 800 000.00	
Amahlathi ward ext. Ph1	Households	Kei Road, Nompandlana, Nonkululeko, Kubusie, New Zone, Nkandla, Langdraai, Thembeni	R 7 600 000.00	200
Amahlathi Infills	Infills		R 1 680 000.00	160
Amahlathi Schedule 5B Pre-engineering (2027/28 Plan)	Pre-Engineering		R 50 000.00	
Cathcart Pre-Eng	Pre-Engineering		R 300 000.00	
Sttuterheim Pre-Eng	Pre-Engineering		R 300 000.00	
Keiskammahoek Pre-Eng.	Pre-Engineering		R 300 000.00	
Amahlathi LM Total			R 34 530 000.00	710

Ngqushwa Local Municipality

Project Name	Project Type	Beneficiaries	Planned Capex	Planned H/H
Ngqushwa Extension Pre-eng (2027/28 Plan)	Pre-Engineering		R 300 000.00	0
Ngqushwa LM Total			R 300 000.00	0

Great Kie Local Municipality

Project Name	Project Type	Beneficiaries	Planned Capex	Planned H/H
Great Kei Pre-engineering (2027/28)	Pre-Engineering		R 250 000.00	0
Great Kei Schedule 5B Pre-engineering	Pre-Engineering		R 50 000.00	0
Great Kei LM Total			R 300 000.00	0



2026/27

CHAPTER FIVE: SECTOR PLAN ANALYSIS & POLICIES



CHAPTER FIVE

SECTOR PLAN ANALYSIS & POLICIES

5.1 SECTOR PLAN ANALYSIS

An analysis was conducted in respect of various sector plans developed for the district. Some of these sector plans were found to be still relevant and required minor update. Others required review, whilst new ones were developed. Below is a list of sector plans per the cluster approach:

ECONOMIC DEVELOPMENT	LAND CARE DEVELOPMENT	SOCIAL AND HEALTH SERVICES	GOVERNANCE OPERATIONS	FINANCIAL VIABILITY
Spatial Planning and Local Economic Development Strategy	Coastal Management Plan	Integrated Waste Management Plan	Employment Equity Plan	Revenue Enhancement Strategy
	Integrated Environmental Management Plan	District Community Safety Plan	Communications Strategy	Supply Chain Management Strategy
	District Spatial Development Framework	Water Services Development Plan	Brand Repositioning Strategy	Financial Recovery plan
	Disaster Management Plan	Municipal Health Services Strategy	Geographic Information System (GIS) Strategy	Asset Management Strategy
	Air Quality Management Plan	HIV/AIDS, STI, TB & Cancer Strategy	Establishment Plan	
	Land reform & settlement plan	Fire Risk Management Plan	IT Master Plan	
		Occupational Wellness Strategy	Talent Retention Strategy	
		Employee Wellness Strategy	Business Continuity Plan	
		District Sport Development Strategy	Organisational development Strategy	
		Integrated Sustainable Human Settlement Strategy	Public Participation and Petitions Strategy	
			Human Resources Plan	
			Human Resources Development Strategy	
			Fleet Management Strategy	
			Integrated Wellness	

5.1.1 Sector Plans

DEPARTMENT	PLAN/ STRATEGY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
SPATIAL PLANNING & ECONOMIC DEVELOPMENT	Integrated Environmental Management Plan-	21 June 2012	2017/8	<u>Economic development</u> Ensure effective utilisation of natural resources (Renewable energy, coastal economy, bioprospecting) <u>Social equity</u> Environmental empowerment services (campaigns, Symposiums, conferences, etc.) <u>Environmental integrity</u> Mainstream environmental management (partial) -Environmental policy formulation	- Under-utilisation and misuse of biological resources - The gradual and constant Southward Migration of Nama Karoo
	Air Quality Management Plan -	June 2013	2017/8	Objective 1: To ensure that staff are designated to the required roles for effective air quality management and that they are adequately trained for their roles. Objective 2: Identify sources of emissions in the district. Objective 3: Minimise emissions from scheduled and non-scheduled processes. Objective 4: To engage stakeholders in government, industry and the community	Ambient air quality is rated as acceptable. Key pollutant- Timber, mining, veld fires, domestic Traffic congestion (s02, c02) Poor waste management, agricultural emissions, poorly managed Mining, quarries and borrow pits
	Renewable Energy and Greenhouse Gas Inventory	05 July 2013	2017/8	1. Reduce ADM Organizational Greenhouse Gas Emissions?? 2. Facilitate the undertaking of a GHG Inventory 3. Fostering a Favourable environment for Renewable Energy Investment 4. The Detailed Land Audit to assist renewable energy investment 5. Mainstream greenhouse gas reduction measures	Over-reliance on coal-based energy Land Tenure Regulatory Requirements (permits & licenses) Investment promotion (driver and champion) Infrastructure development master plans (include R.E infrastructure)
	Climate Change Vulnerability Assessment And	March 2011	2022/23	1. Determining ADM's vulnerability and affected sectors	Temperature rise beyond global average limit (+2.50c Inland vs - 20c)

	Response Framework-			2.Facilitate response mechanisms to climate change (R.E, Water harvesting, Greening, Land care, Capacity building and awareness) 3.Mainstreaming of climate change	Prolonged drought poses a direct threat to human life and economy of the region Extreme weather conditions pose a direct threat to the core function of Amathole district municipality (Water service provision
	Coastal Management Plan	2016/17	2017/8	1.Fostering Cooperative Governance on coastal issues 2.Ensuring Coastal Planning and Development 3.Consideration of Climate Change and Dynamic Coastal Processes 4.Management of coastal pollution 5.Management of Estuaries	Underutilisation of marine & coastal resources Exploitation of marine resources Coastal equity Institutionalisation and localisation of oceans economy
	ADM Incubator	2018/19	2022/23	To ensure that ADM caters for her SMMEs and Cooperatives by providing growth opportunities.	Lack of development for SMMEs within ADM due to lack of proper financial
	Spatial Planning and Local Economic Development Strategy	Under-review	Not yet	"To empower communities, create a sustainable and inclusive economy for the district, and use sustainable growth and development to address the socioeconomic problems of poverty and unemployment". • Tourism and Heritage promotion • Investment Promotion • Agricultural Development • Enterprise Development • EPWP promotion • Environmental Management • Oceans Economy • Investment Promotion • Spatial Planning • Land Tenure • Land Reform	• Agricultural Development • Tourism Development • MSME Development and support • Promotion of partnerships • High unemployment rate • Resources Mobilisation • Skills Development Growing population.
	Agriculture sector plan,	2018/19	2022/23	To promote holistic sustainable regional economic development by 2030 • Provide support towards the emerging farmers • Commercialization of Agric sector • Market Access • Transformation of the agricultural sector	• Major Review of the strategy to talk to key challenges • Lack of investment for agricultural development and promotion; • Gradual decline of agricultural contribution to the GDP Climate and Livestock Improvement
	Heritage and Tourism plan,			To promote holistic sustainable regional economic development by 2030	Poor access to heritage sites Limited Resources Vandalism of heritage resources

		2018/19	2022/23	• Unearth heritage resources with the district • Conserve areas of heritage importance within the district • Promote heritage and tourism sites • Tourism Marketing and Promotions • Tourism Development and capacity building • Tourism safety	Community empowerment Tourism Transformation Tourism Safety Poor roads Tourism Marketing and Promotion
	Enterprise Developments strategy,	2018/19	2022/23	To promote holistic sustainable regional economic development by 2030 • Support towards MSMEs and Cooperatives within the district • Promotion of rural enterprises Access to funding opportunities and market access.	• MSMEs and Cooperative Transformation • Inadequate MSMEs empowerment • Mechanisms to access markets for MSMEs & Coops be developed • Digitalisation of MSMEs • Lack of resources Lack of market access
	Poverty eradication strategy,	2018/19	2022/23	To promote holistic sustainable regional economic development by 2030 • Reduction of poverty, inequality and unemployment Community empowerment	• Mainstreaming of poverty eradication programmes such as EPWP etc. Project identification be in line to the Policy
	Land Reform and Settlement Plan	2017/18	2023/24	Land reform has a composite suite of issues and interlocking components; the precise make up of which differ from one Local Municipal Area to the other. Some of these components include: • in-situ upgrade and tenure upgrade, • land planning for residential and productive uses, • Land-legal issues (eg. land rights audits, title adjustments, land survey, registration of ownership, etc.), • post implementation livelihoods support, • implementation land use management, • Infrastructure/asset maintenance and operation issues." • land identification, and • land acquisition,	• Land reform initiatives largely remain geographically focused and limited to certain types of interventions, to the detriment of a preferred, holistic implementation of the complete land reform package; • Land Redistribution, Planning Needs have focused on Commonage Needs are extensive throughout the district; • Tenure insecurity remains prevalent notwithstanding interim. • Breakdown of Land Administration Systems on legislative, regulatory and administrative. • Building of strategic partnerships to improve service delivery. • Integration of Livelihood Programs into Land Development of livelihood programs through planning process

	Integrated Human Settlements Plan	2017/8	2022/23	To provide Sustainable Human Settlements and improved quality of household life by: ▪ Access to adequate accommodation that is suitable, relevant, appropriately located, affordable and fiscally sustainable. ▪ Access to basic services (water, sanitation, refuse removal and electricity); ▪ Security of tenure irrespective of ownership or rental, formal or informal structures. ▪ Access to social services and economic opportunity within reasonable distance.	▪ Issuing of Title deeds for public funded Housing ▪ Mushrooming of Informal Settlements & Backyard shacks ▪ Social or community protest on housing delivery ▪ Scarcity of suitable land for housing development ▪ Reliance of public funded housing on non-renewable energy supply ▪ Lack of opportunities and facilities in rural areas ▪ Challenge in accessing state within the municipal commonage land ▪ Strategic Partnership ▪ Lengthy processes of accrediting municipalities. ▪ Rural – urban migration. ▪ Lack of opportunities and facilities in rural areas ▪ Lack of social facilitation on housing processes ▪ Housing Entity support requirements ▪ Lack of commonage capacity to accommodate housing development.

					Contributes towards climate change or global warming.
TECHNICAL SERVICES	Water Services Development Plan (WSDP)	2018	2019 To be reviewed for the 2026/2027	To ensure the provision of water services is in an efficient, affordable, economical, and sustainable manner to the communities.	- Drought - Inadequate Bulk Water Resources - Inadequate Operational budget to operate and maintain new infrastructure. - Unauthorised water connections - High Water Losses and Non-Revenue Water - Poor wastewater management - Poor Asset Management - Demand of water services in Informal Settlements - Existing infrastructure condition is deteriorating due to continued under-funding for essential maintenance/ replacement of ageing assets over an extended period - maintenance of infrastructure is currently reactive - No programme to ensure maintenance (Emptying) of the VIP pits is done by owners
	Water Services Master Plan (WSMP)		Currently being developed	To ensure integration of the provision of water services, economic industries, institutions of higher learning, public services altogether to allow for efficient and effective governance and performance of obligations in a sustainable manner to the communities.	Inadequate Bulk Water Resources Inadequate Operational budget to operate and maintain new infrastructure. Unauthorised water connections High Water Losses and Non-Revenue Water Poor wastewater management Poor Asset Management Demand of water services in Informal Settlements Existing infrastructure condition is deteriorating due to continued under-funding for essential maintenance/ replacement of ageing assets over an extended period - maintenance of infrastructure is currently reactive. No programme to ensure maintenance (Emptying) of the VIP pits is done by owners
	Infrastructure Asset Management Plan (IAMP)	Still to be adopted		The document is the first baseline asset management plan (AMP) prepared for the infrastructure function of the Amathole District Municipality (ADM). This plan has been prepared to help the municipality understand the status of their current infrastructure assets and their	Infrastructure Assets

				organisation thereof in terms of asset management practices.	
	Integrated Transport Plan	2017	2018	To improve Public Transport Service and Operations in both urban and rural areas with a focus on developing public transport in rural areas.	- Poor Road Infrastructure - Public Transport Unit Organogram (Buy-in at Local Level) - Use of Bakkies and un-roadworthy vehicles - Lack of Public Transport Facilities - Funding due to non-core nature of the function - Lack of Public Transport Services Regulations - Enforcement of by-laws. - Delays with development of IPTN in ADM
CORPORATE SERVICES	Human Resource Plan	2018/19	2024/2025 (in review)	To ensure an informed forward planning in respect of human capital Build and sustain a capable, Well-Trained Workforce	Accurate and reliable HR data Organogram which is aligned to ADM functions
	Establishment Plan	2018/2019	2023/2024 (Review)	To provide a cost –effective staff establishment plan that is aligned to the powers and functions of the district municipality.	- Striving to have employee cost ratio that is within the Treasury norms. - Alignment with Municipal Staff Regulations e.g. ensuring that support function is not exceeding core. To ensure adequate provision of positions to drive service delivery is sufficient.
	Talent Management Strategy	2019/20	2021/2022 (No Review Conducted)	To ensure that a capable workforce is retained	Provision of suitable human capital to deliver on the ADM mandate
	Employment Equity Plan	2011	2025/2026	To set the 5-year targets to address the under-representation of the suitable qualified individuals from the designated groups in the EE Plan. Implementation of Affirmative Action Measures as identified in the EE Plan	Under-representation of Coloureds, Indians, Whites and People with Disabilities in all occupational levels.
	Recruitment Plan	2024 (New)	2025/2026	To recruit, appoint and retain the suitably qualified candidates, to form a demographically balanced workforce, with the intention of providing effective service delivery to the community.	Financial constraint for filling of critical positions. Moratorium on filling of positions. Experiencing difficulties in meeting the three months turnaround time on filling of positions.
	Fleet Management Strategy	2014/15	2019/20	To provide a cost-effective ADM fleet that is responsive to institutional needs	Outline the best possible fleet provisioning model for ADM that is cost effective and efficient

COMMUNITY SERVICE	Human Resource Development Strategy	2018/19 (New)	2021/2022 (No Review conducted)		
	Integrated Wellness	2019/20 (New)	2021/2022 (No Review conducted)	To ensure a comprehensive wellness programme for all ADM staff for optimal results	To provide a structured and comprehensive wellness programme for all staff at ADM
	District Community Safety Plan	2004	2006-2018. Major review in 2010-2011 Reviewal Process budgeted for 2025/2026 and Major Review budgeted for 2026/2027	To facilitate a co-ordinated multi-sectoral collaborative approach to crime prevention in the Amathole district.	Control and prevent crime through proactive planning and effective regulation of activities in municipal areas. Facilitate a co-ordinated multi-sectoral collaborative approach to crime prevention in the Amathole district. Empower communities to take responsibility for communal and personal safety and enforce their rights. Create a physical environment within Amathole that deters criminality and facilitates effective crime control Create a socio economic environment within Amathole that deters criminality through social crime prevention
	Disaster Management Plan	2015/2016	Last major reviewal was in 2024/2025	To comply with the legislative requirements as contemplated in the Disaster Management Act No 57 of 2002, Disaster Management Amendment Act No 16 of 2015 and The Policy Framework for Disaster Risk Management 2005. This plan gives effect to the fundamental requirements of the Disaster Management Act. It focuses on providing a co-ordinated and integrated approach to Disaster Management that focuses on preventing or reducing disaster risk and facilitating emergency preparedness to rapidly and effectively respond to disasters.	Establishing the foundation institutional arrangements and are building the essential supportive capabilities needed to carry out comprehensive disaster risk management activities. Processes for a comprehensive disaster risk assessment, identifying and establishing formal consultative mechanisms for development of disaster risk reduction projects and introducing a supportive information management and communication system and emergency communications capabilities. Prevent and mitigate disasters and how risk reduction measures are dealt with in the long-term and managing emergencies in the shorter

					term, including aspects of preparedness, response and recovery
	Fire Risk Management Plan	2017/2018	Major reviewal to be budgeted for 2026/2027	Prevention of fire occurrences Combating of fires	Promote compliance with various legislation relating to fire risk. Minimise the negative impact of fires on life, property and the environment. Promote the involvement of all stakeholders in fire risk management. Set up institutional and stakeholder mechanisms to implement the Plan. Development of fire risk reduction strategies for priority fire risks. Standardisation of Fire Services within the District.
	Municipal Health Services Strategy	2015/16	To be budgeted for in 2025/2026	To address Communicable diseases, Health care risk waste, vector control and environmental pollution issues that have a negative impact on public health. Alignment of the Municipal Health Services strategy with the District health plan.	Reported food poisoning cases have become more frequent, especially in boarding schools. Social determinants of health and diseases: participate in implementation of cross-cutting plans in the district which contribute towards the achievement of the goals of the Municipal Health Strategy. Environmental pollution. Healthcare risk waste management at health facilities. Emerging communicable diseases as a result of climate change

	Integrated Waste Management Plan	2017	To be budgeted for in 2025/2026	The primary objective of IWM planning is to integrate and optimize waste management services, thereby maximizing efficiency and improving the quality of life of all citizens while the associated environmental impacts and financial costs are minimized	Inadequate funding to operate existing regional solid waste site. Unavailability of funding to rollout the Western Regional Solid Waste Site Feasibility Study. The causal effects of poor service delivery are, in the main, insufficient resources, inadequate policy guidelines, inadequate planning, inadequate management and lack of technical expertise and capacity. The cleansing and waste disposal services within the district are inadequate though in some instances are satisfactory. The urgent need to close all illegal individual solid waste sites in the district. Unavailability of land to construct waste facilities including Transfer Stations. Mushrooming of community settlement around the permitted landfill site Minimal public education on waste management other than greening campaigns are in place Burning of waste common at dumpsites
BUDGET AND TREASURY OFFICE	Revenue Enhancement Strategy	2009	2024	Stabilize the financial and economic sustainability of ADM in order to broaden the income base and increase revenue.	Completeness of Revenue chain by: Billing all billable consumers within the District which includes meter management Indigent registration to all qualifying customers Tariff Setting aiming at full recovery of costs associated with water supply
	Supply Chain Management Strategy	2012	2024	To give effect to Section 217 of the Constitution, 1996. To implement a policy that is fair, equitable, transparent, competitive and cost effective. To comply with the regulatory framework prescribed in Chapter 2 of the Regulations and	Empowerment goals Demand management Acquisition management Logistics management Disposal management

				any minimum norms and standards prescribed in terms of Section 168 of the MFMA. To be consistent with other applicable legislation. To not undermine the objective for uniformity in SCM systems between organs of state in all spheres. To be consistent with national economic policy concerning the promotion of investment and doing business with the public sector.	Risk management Performance management
	Financial Recovery plan	2019	2025	The principal strategic objectives of the financial recovery plan are to place the municipality in a sound and sustainable financial condition as soon as possible by: - Improving the financial viability and management as well as the control environment; - Focusing the municipality's resources on its core function of service delivery and infrastructure development; - Tightening the governance aspects of the municipality.	Review the current budgeting approaches and process as well as expenditure and management systems to ensure efficient and effective service delivery in line with ADM's priorities. To review revenue management processes to maximise revenue generation possibilities and improve revenue performance.
	Asset Management Strategy	2012	2020	- To assist with detailed plans for acquisitions and replacements, operation and maintenance as well as disposals in terms of the municipality's policies; - informing the IDP (and revised IDP) and then the annual budget, using the detailed plans; • funding each approved asset management plan appropriately through the budget; including in the Service Delivery and Budget Implementation Plan (SDBIP) the measurable objectives and targets of each asset management plan; reporting on the performance of assets as measured in terms of service delivery based upon an approved SDBIP, budget and IDP.	maximise the service potential of existing assets by ensuring that they are appropriately used; maintained, safeguarded and that risks are mitigated; - optimise the life cycle costs of owning and using these assets by seeking cost-effective options throughout an asset's life cycle; - reduce the demand for new assets through optimal use of existing assets and management of demand through the use of non-asset service delivery options;

STRATEGIC PLANNING & GOVERNANCE	Communication Strategy	2017/18	2021/22	To effectively communicate ADM's business to all stakeholders	To bridge information gap between ADM and its stakeholders To communicate the priorities of the IDP To promote, protect and preserve brand ADM
	Brand Repositioning Strategy	2018/19	2021/22	To reassure ADM Strategic Partners and stakeholders of the Municipalities commitment to the provision of quality services, thus repositioning brand ADM	Unwillingness of customers to pay their financial obligations to ADM for services rendered. Poor attendance of ADM outreach programs
	Special Programmes Strategy	2013	2021/22 (Review 2026/2027)	To ensure the lobbying, support, coordination, facilitate and implementation of the mainstreaming of designated groups Programs within the district plans.	Lack of skills, inaccessibility on public facilities. Orphans and Vulnerable Children which contribute to high number of drop outs. Lack of funding for community projects which contribute to upliftment of socio-economic standards. Lack of reasonable accomodation for vulnerable groups. Empowerment for all vulnerable groups Poverty Gender based violence Cultural attitudes Stigma, denial and discrimination Mobility and labour migration Illiteracy Informal settlements
	Sports Development Strategy	2013	2021/22 (Review 2026/2027)	To manage, promote and co-ordinate sport and recreation activities within the ADM	Lack of sporting and recreational facilities/infrastructure Limited resources for skills development
	HIV/AIDS Strategy		2021/22	To guide ADM in coordination of activites to support people affected and infected with HIV/Aids and other ailments.	Stigma against persons living with HIV and other ailments.

5.2 BY-LAWS

- Water Supply and Sanitation Services By-Laws
- Revenue Management By-Law
- Municipal Health Services By-Law
- Fire Services By-Law

- Disaster Management By-Law
- Air Pollution By-Law
- Waste Management By-Law
- Passenger Transport Services By-Law

5.3 POLICIES

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
SPATIAL PLANNING & ECONOMIC DEVELOPMENT	EPWP Policy	2004/05	2024/2025	Poverty alleviation through job creation utilising EPWP	Adjudication of projects to be implemented in accordance to the four sectors based on the proposals/business plans signed by accounting officers and submitted to the Department of Public Works. Projects centralisation, coordination and reporting of all EPWP projects to be done by LED All EPWP/job creation programmes being institutionalized at LED.

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		1 st Adoption Financial Year	Last Review Financial Year		
	Land Invasion Policy	New	2021/22	To assist the Municipalities to combat land invasion which tends to put the Municipality under pressure in terms of service delivery and regulate unnecessary haphazard urban area. To put measures in place to handle invasions and to spell out procedures to deal with land invasion within District Municipal Local Areas, be it state land (Municipal, Provincial or National), Unregistered or privately-owned land. To assist municipality to control and manage the land available in terms of open spaces.	- alternative tactics that the poor, powerless and homeless people adopt to access land on which to build their shelter. - consequence of desperation for space to put up a shelter. - lack the resources to build shelter formally and legally. Hence, homeless resort to non-formal and illegal means to access land to build their shacks. - pervasiveness of poverty in our human settlements with resultant invasion and re-invasion of land and buildings - eviction remains a challenge for land, housing and planning policy makers.
STRATEGIC PLANNING& MANAGEMENT	ICT Corporate Governance Charter	2010/11	2022/23	To ensure: a) Compliance to prescriptive landscape. b) Creation of the enabling environment for CGICT and GICT. c) The alignment and implementation of business and ICT strategies. d) Conformance and performance measurement and reporting and e) How business owners will oversee ICT service delivery in support of their business enablement.	To define the roles and responsibilities of structures to ensure Corporate Governance and Governance of ICT is implemented at ADM.
	Database Management & Security Policy	March 2026	New policy	The policy for SQL database administration (DBA) defines the standards and operational procedures for managing one or more SQL Server instances to	Security & Access Control

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
				ensure consistency, security, and performance across an organisation	Authentication: Enforce Windows Authentication mode wherever possible and mandate strong password policies for SQL logins. Privilege Management: Define rigid access for production environments while allowing flexible "sandbox" control for developers in development environments. Data Protection & Availability Backup & Recovery: Mandate frequent backups and ensure backup files are stored on separate physical devices from data/log files. Disaster Recovery: Define recovery models (e.g., FULL vs. SIMPLE) based on data criticality.
	ICT Backup Policy	2010/11	2023/24	To ensure all relevant systems are backed up and that in the event of system failure, data loss is minimised.	To ensure that ADM is able to recover data and systems in the event of a disaster
	Combined Assurance Policy Framework	March 2026	New Policy	The purpose of this document is to assist the municipality to understand what related teams are working on to minimize unnecessary overlap. It also aims to create confidence in the assurance provided over key organizational risks by informing stakeholders about the effectiveness of assurance providers. That can save time, money and overall make it easier to digest internal audit findings.	By effectively implementing combined assurance, a number of tangible benefits that extend well beyond proving compliance can be realised, including among others: • Enhanced Risk Management: By integrating various assurance activities, organizations gain a comprehensive view of risks and controls. • Improved Efficiency: Reduces redundancy and streamlines processes. • Enhanced Collaboration: Fosters collaboration among different assurance providers, such as

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
					internal auditors, risk managers, and external auditors. • Cost Savings: By reducing duplication and improving efficiency, combined assurance can lead to cost savings
	ICT Security and Authorisation Policy	2010/11	2023/24	To define the security requirements for the proper and secure use of the Information Technology services at ADM.	To address risks associated with information assets: 1. Uncontrolled access, connections, and unintentional user errors. 2. Security of the information systems compromised by unsupported business practices. 3. Ensuring the integrity and validity of data. 4. Poor operating procedures. 5. Malicious code and viruses. 6. Uncontrolled system or data changes. 7. Internet and public domain access. 8. Breach of legislation or non-compliance with regulatory or ethical standard.
	ICT Change Management Policy	2018/19	2023/24	The management process shall ensure that changes proposed are reviewed, authorised, tested, implemented, and released in a controlled manner; and that the status of each proposed change is monitored.	1. Change monitoring 2. Segregations of duties 3. Good governance 4. Approval of change
	SAP security and authorization		2023/24	This policy governs what data and processes users can access inside all system landscapes and also who has what level of authority. The aim of this policy is to help establish maximum security, sufficient privileges for end users to fulfil their duties, and easy user maintenance.	
	3G Card And APN Policy		2023/24	To ensure that approved users are able to connect on the ADM network using vendor communication	

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
				services to access systems and to manage allocated data in any given month for fair distribution to meet unique user needs as per their departmental requirements.	
	Performance Management Framework		2023/24	It is a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.	
	Integrated Fraud and Corruption Mitigation Framework	2021/22	2023/24	An Integrated Fraud and Corruption Mitigation Framework is a process implemented to limit exposure to fraud, irregularities and corruption. The plan is to develop measures and to concentrate on preventing fraud, rather than responding to fraud.	
	Customer care policy	2013	2023/24	To guide the actions of staff when dealing with customers. To provide service excellence whenever customers contact the municipality to ensure that getting it right the first time is the customer experience. To incorporate the eight Batho Pele principles that is intended at transforming public service.	To establish clear, accessible, and measurable service standards and commitments Define and publicize expected levels of service (e.g., response times for queries, billing accuracy, water/sanitation reliability) through a Customer Care Charter/Service Charter; set benchmarks for turnaround times, accessibility (multi-channel: walk-in, phone, email, automated systems), and quality to build predictability, trust, and accountability in service delivery. To provide an efficient, fair, and responsive complaints, compliments, and feedback management system Create a structured,

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		1 st Adoption Financial Year	Last Review Financial Year		
					accessible mechanism for lodging and resolving complaints (including timelines for acknowledgment, investigation, resolution, and escalation); ensure confidentiality, speed, fairness, and impartiality; integrate compliments/suggestions for continuous improvement; and link feedback to performance monitoring, corrective actions, and reporting to enhance responsiveness and prevent recurrence of issues. To drive continuous improvement, accountability, and enhanced community satisfaction Use customer care data (e.g., from surveys, complaints trends, compliments) to inform IDP priorities, policy reviews, staff training, and resource allocation; foster internal buy-in through training and performance incentives; promote transparency in reporting outcomes; and ultimately improve overall customer satisfaction levels (linking to CSS targets), revenue collection compliance, public trust, and ADM's reputation as a developmental, responsive district municipality
	Communications Policy	2013	2023/24	- Ensure that the municipality communicates in a coordinated, consistent, and unified manner, enabling it to speak with one voice on all matters; - Promote transparency, accountability, and accessibility in line with constitutional obligations and principles of good governance;	Here are key issues being addressd by the policy: Poor or broken communication channels between the municipality and communities Communities often feel unheard, with limited feedback loops, inadequate public participation in processes like the Integrated Development Plan (IDP), budgeting, or by-law

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
				- Clarify the roles, responsibilities, and authorities of different stakeholders within the Communications Division and across the municipality; - Define protocols for when, how, and by whom information should be communicated to internal audiences (staff), external stakeholders (communities, media, partners), and during routine, strategic, or crisis situations; - Foster effective two-way communication that builds public trust, enhances community participation, supports service delivery objectives, and protects the municipality's reputation; and - Align all communications with the municipality's strategic goals, Integrated Development Plan (IDP), and legislative framework (including the Constitution, Municipal Systems Act, and Promotion of Access to Information Act).	development. This contributes to low trust, frustration, and a sense of exclusion from local governance. High frequency of service delivery protests and community unrest Many protests stem directly from communication gaps — communities are not informed timeously about delays, interruptions (e.g., water outages, sewage spillages), planned interventions, or reasons for failures. When communication breaks down, grievances escalate quickly into public demonstrations. Misinformation, rumours, and lack of proactive/reactive media engagement Without clear protocols, false information spreads rapidly (especially via social media), and the municipality struggles to respond promptly or coherently to media queries, negative reporting, or crises. This allows damaging narratives to dominate and erodes public confidence. Lack of clarity on roles, responsibilities, and authorisation Uncertainty about who can speak on behalf of the municipality (e.g., mayor, municipal manager, communications officer, councillors, or departmental heads) leads to unauthorised statements, internal conflicts, or bypassed approval processes. This is exacerbated in environments with coalition governments or political tensions.
	Social Media Policy	2021/22	2023/24	Provide clear guidelines for social media communications in the ADM and the principles that guide this form of communicating with the external stakeholders. Clarify different roles and responsibilities of communications within the ADM, and the policy	ADM officials and Cllrs may only use personal social media platforms to share government news if that information has already been officially published in a public domain by the municipality.

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
				indicates when information should be communicated and by whom. Ensure that communication takes place in a coordinated and uniform way so that the municipality speaks with one voice and seeks to create awareness of some of the opportunities that social media presents. Make ADM employees and councillors are aware of how to manage the risks associated with the use of social media.	Only ADM approved social media accounts can legally make use of the municipal logo and all promotional material relating to brand ADM.
	Branding policy		2023/24	The objective of this policy is to provide guidelines for the management of the Municipality's corporate identity and branding; and To maintain continuity and consistency in all applications of the corporate identity and branding.	Inconsistent branding and risk of Brand equity to the institution.
	Public Participation & Petitions Policy Framework	2005	2023/24	To ensure the maximum participation of communities in the affairs of the municipality. To ensure accountability of ADM to its communities.	Uncoordinated public participation activities/ processes between the District and LMs. Duplication and misalignment between the policy and the Rules of Order in respect of petitions management.
	Risk Management Policy		2022/23	To give effect to the implementation of the risk management policy and sets out all risk management activities planned for the year.	To provide value for its stakeholders. Uncertainty and the challenge for management to determining how much uncertainty to accept as it strives to grow stakeholder value. Enables management to effectively deal with uncertainty and associated risk and opportunity, enhancing the capacity to build value.
	Corporate Governance Framework	2025/26		e) Identifying all levels of assurance providers in the ADM. e) Defining the roles and responsibilities of the various assurance providers. e) Integrating and aligning assurance processes in the ADM.	- Develop a mutual understanding of the roles and responsibilities of all assurance providers. - Adopt a common assurance language amongst all assurance providers. - Pro-actively identify and assess risks, implement measures to mitigate risk exposure in a consistent, effective, efficient

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
				e) Linking risk management activities with assurance activities to assist in effective risk management. Maximizing risk and governance oversight; and optimizing overall assurance coverage reporting to Council and its oversight committees.	and transparent manner to optimize sustainability and the achievement of the ADM's objectives. - Enhance business resilience by enhancing the ADM's ability to adapt to disruptions and the changing environment, while maintaining business operations. - Promote optimal assurance coverage of the ADM's significant risks and material matters; and - Enhance and promote ethical leaders (tone from the top) and an ethical culture (behaviour becoming of a public official).
	Litigation Management Framework	2021/22	2025/26	- To ensure that any litigation that Amathole District Municipality is involved in is handled in an efficient manner looking at costs and value for money, which would include prompt instructions to the instructed legal practitioners; early preparation for hearings; thorough consultations. - To pursue alternative dispute resolution (ADR) such as mediation as a mechanism to respond to litigation and minimise costs and identify opportunities for amicable settlement of disputes between the warring parties. - To ensure that judgments for and against the municipality are promptly and properly responded to, either, by noting an appeal or giving guidance in complying with the Court order.	The Litigation Management Framework is anchored on the following constitutional principles, among others: - Respect for the rule of law. - Accountability and Transparency. - Fairness. - Professionalism. Value for money.

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
				To ensure that procurement of legal practitioners in municipalities is done in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.	
	The Consequence Management and Accountability Framework	2025/2026		In line with the various legislative frameworks promoting fundamental principles of effective and efficient utilization of public resources and transparent and accountable financial management practices, the Municipality is committed to implementing an effective consequence management system and identifies the various stakeholders and their roles therein.	Improving the internal control processes insofar as it relates to identifying, investigating, and reporting allegations of financial misconduct to Council and improving the tracking and monitoring of all remedial actions, including those stemming from various assurance providers, among others.
	The Ethics Management Framework	2025/2026		- To Institutionalize Ethics. - Ensure accountability and Transparency. - Ensure Impartiality. To Promote a Culture of a Professional attitude towards ethics in the workplace.	To establish mechanisms and appropriate structures to facilitate the survey of ethics awareness and roll out the ethics framework and training of staff and other related activities at ADM.
CORPORATE SERVICES	Immovable Property Management policy (review)	2020	2021/2022	To regulate the management of all Amathole District Municipality owned properties and those that are rented by municipality	To ensure accountability and compliance.
	Recruitment & Selection Policy (review)	2003/04	2024/2025	The recruitment policy and its implementation will be fundamentally aimed at matching the human resources to the strategic and operational needs of the Municipality and ensuring the full utilization and continued development of these employees. All aspects of the staffing, structuring, recruitment, selection, interviewing and appointment of employees will be non-discriminatory and will afford applicants equal opportunity to compete for vacant positions, except as provided in this policy with reference to affirmative action and employment.	Comply with the relevant Municipal Regulations upon embarking on recruitment and selection processes. Comply with relevant Municipal Regulations on appointment and conditions of employment for municipal manager and senior managers reporting directly to municipal manager. Tighten the determination of pay/remuneration Positions on TASK Grades 17 and above be advertised externally.

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
					Positions from TG 5-16 be advertised internally to give an internal candidate a first preference to promote and enhance talent management and to boost the overall morale of the staff. Positions on TASK Grades 1 to 4 shall be advertised on the notice boards within the jurisdiction of the Satellite offices. To ensure that people from the different areas of the Satellite offices are given a fair chance To include time frame in the referral recruitment approach.
	Transfer, Secondment & Acting Allowance Policy	2011/2012	2022/2023	To regulate the transfer, secondment and acting allowances of staff members across Amathole District Municipality in line with the operational requirements of the municipality in the following manner:	Managing consistency in the application of acting practice and payment of acting allowance. Manage transfer and secondment of employees to align with the relevant Act. To include interns and EPWP workers in the application of the policy.
	Fleet Management Policy	2016	2024/2025	To provide, maintain and manage such fleet in a manner that the Municipality's mission, vision, goals and objectives are achieved in cost effective way.	To set controls on the number of kilometres that ADM owned and leased vehicles can travel to mitigate the risk of abuse and misuse.
	Placement Policy (review)	2021/2022	2024/2025	To provide guidelines of the matter of placement of staff to Head Office or Satellite. To Also provide clarity on types placements and roadmap of placement the employer can engage to in placing the employees	To allow smooth placement and transfer of staff The Committee shall also comprise of: The Municipal Manager or his/her proxy. To ensure that the Office of the Municipal Manager is represented.

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		1 st Adoption Financial Year	Last Review Financial Year		
	Essential User Vehicle Allowance	2012/2013	2023/2024	The objective of the Essential User Vehicle Allowance is to provide a cost-effective way to deal with transport needs. To regulate the vehicle allowance to Essential Users for Task Grades 12-13.	To set clear guidelines on who is eligible to apply for the scheme and put clear control on kilometres that can be claimed.
	Leave Policy (review)	2003/2004	2024/2025	To inform employees of their entitlements and requirements regarding all types of leave	Types of leave and their conditions: • Annual • Accumulative • Sick • Family Responsibility • Maternity • Parental • Special • Study & Examination
	Overtime Policy (review)	2012/13	2024/2025	To regulate the performance of overtime work by ADM employees as per BCEA 1997 To regulate the performance of emergency work by ADM employees as provided in Collective Agreement in Conditions of Service	• The cut-off date for submission of overtime timesheets to the Conditions of Services unit will be the 5th of each month for onward submission to Pay Office on the 7th of each month. •
	Cellphone Policy (review)	2002/2003	2024/2025	To provide clear directives and procedures with regard to the approval and payment of cellphone allowances.	Procedures in applying for cellphone allowance. Conditions and restrictions of use. Provision of cellphone allowance.
	Subsistence & Travel Policy (review)	2005/2006	2023/2024	Regulate how subsistence & travelling costs are paid to staff members and Councillors required to undertake approved council business.	Payment of subsistence & travel costs which involves incurred expenses for travelling, lodging, meals and other costs for attending conferences, meetings, seminars, training and other duties as approved by the employer.
	Covid 19 Policy (New)	2021/2022	2021/2022	The purpose of this policy is to ensure a safe work environment for all employees, contractors, visitors, suppliers and members of the public (ADM Community) and to prevent the spread of "COVID-19". The document also provides a summary of the Disaster Management guidelines and directions for the management of leave during the COVID-19 pandemic,	To ensure compliance with COVID-19 regulations

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
	Vehicle Allowance Policy (review)	2010/2011	2021/2022	Define the set Travel allowances for the qualifying managers to be paid on a monthly basis. Set down the conditions and procedures whereby employees may qualify for the Travel allowance scheme.	To accommodate all employees between Task Grades 1 and 20 who travel in executing their duties.
	Internship Policy (review)	2017/2018	2021/2022	To provide an opportunity for interns to use the workplace as an active learning environment. To provide opportunities for new entrants to the labour market with a view to acquire skills that would make them employable. To improve employment prospects of persons previously disadvantaged by unfair discrimination;	Structured approach and set of guidelines for management of internship.
	Training & Development Policy for Councillors (review)	2014/2015	2021/2022	Training and Development of Councillors help ADM to achieve its goals by adding value to its Councillors; develop and upskill councillor competencies; effectively improve Job Performance and provide job related knowledge. Training & development meant to increase motivation & engagement; reduce employee turnover, and manage risk associated with lack of training.	Training and development plans and programmes for all Councillors shall support the Municipality's strategies, action plans, human resources planning process, as well as any other present and future training and development needs. Training Needs Analysis Induction Programme In-service training Adult Basic Education and Training (ABET)
	Training & Development Policy for Officials (Review)	2014/2015	2021/2022	Training and Development of Officials help ADM to achieve its goals by adding value to the employees; develop and upskill employee competencies; effectively improve Job Performance and provide job related knowledge to ADM staff. Training & development meant to increase motivation & engagement; reduce employee turnover, and manage risk associated with lack of training.	Training and development plans and programmes for all Officials shall support the Municipality's strategies, action plans, human resources planning process, as well as any other present and future training and development needs. Training Needs Analysis

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
	Records Management Policy (Review)	2007/08	2024/2025	To manage records in a well-structured record keeping system in accordance with the records management Principles contained in the National Archives and Records Service Act, 1996	Records keeping and records management practices in compliance with the requirements of the Act. Support the conduct of business in an orderly, efficient manner. To include digitization of existing Records and newly developed electronic records
	Immovable Property Management policy (review)	2020	2021/2022	To regulate the management of all Amathole District Municipality owned properties and those that are rented by municipality	To ensure accountability and compliance.
	Recruitment & Selection Policy (review)	2003/04	2021/2022	Legislation imperative Ensure that positions that are filled are critical To tighten the panel from TG 14 and above	Comply with the relevant Municipal Regulations on Minimum Competency Levels upon embarking on recruitment and selection processes. Comply with relevant Municipal Regulations on appointment and conditions of employment for municipal manager and senior managers reporting directly to municipal manager. The Corporate Services Department shall ensure that critical positions are prioritized when vacant and budgeted positions are filled. TASK Grade 14 and above Head of Department or his/her nominee Director Corporate Services or his/her nominee Representative per Union (observer status) Corporate Services Department official (Admin Support) TASK Grade 1 to 13

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
				To tighten the panel from TG 1 to 13 and ensure fairness prevails	Relevant Head of Department/nominee A line department representative Representative per Union (observer status) Corporate Services Department representative A representative from another department will be co-opted when Corporate Services posts are filled. It is the prerogative of the Municipal Manager to attend any selection process if s/he so decides.
	Establishment Plan Policy	New	New	The purpose of the policy is to provide a standard framework for staff establishment in the Municipality.	To provide guidelines on the processes of reviewing staff establishment plan
	Remote Working Policy (New)	2024/2025	2024/2025	This policy has been produced subsequent to the number of employees working from home and limited working space	Contains the terms and conditions for working from home of Amathole District Municipality employees
	Emergency Work Review	2012/13	2024/205	To regulate the performance of overtime work by ADM employees as per BCEA 1997 To regulate the performance of emergency work by ADM employees as provided in Collective Agreement in Conditions of Service	The cut-off date for submission of overtime timesheets to the Conditions of Services unit will be the 5 th of each month for onward submission to Pay Office on the 7 th of each month.
	Individual life cover policy (New Policy)	2024/2025	2024/2025	The Individual life Assurance Policy consists of three distinctly different financial benefits. It pays a death and disability benefit for the employee and also features a savings component. An employee resigning, retiring or is dismissed from the Municipality's service may exercise an option of continued membership of the Individual Life Assurance Scheme, subject to the rules of the scheme. This employee will be liable for the full Individual Life premium.	All applications for an Individual Life Assurance Policy must be made in writing and be submitted to the Corporate Services Department. The Senior Benefits Clerk in the Corporate Services Department will set up an appointment for the approved assurance agent and the applicant to discuss the proposed Individual Life Assurance Policy, and once accepted by the applicant, a memorandum will be prepared by the Corporate Services Department.

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
				The ADM is the owner of the policy and life insured is the applicant (employee). Any correspondence entered in relation to employees' policy premium adjustment/s, should be communicated accordingly between the broker, employee and ADM.	Once the memorandum is prepared, the relevant Head of Department will consider the application and check budget availability before making a recommendation on the memorandum for the Municipal Manager's approval.
BUDGET AND TREASURY OFFICE	Indigent Policy		2024/25	To register all ADM consumers who meet the qualification criteria in order to benefit from the Indigent subsidy	Domestic consumers not applying for indigent subsidy as they have full access to water due to non-restrictions RDP properties still under Local Municipalities' ownership leading to rightful owners not able to apply for the subsidy
	Credit control and debt collection policy		2024/25	In terms of section 99 of the Local Government: Municipal Systems Act, the Municipality's executive committee or executive mayor as the supervisory authority must oversee and monitor the implementation and enforcement of the Municipality's credit control and debt collection policy and by-laws enacted in terms of section 98, as well as the performance of the municipal manager in implementing the policy and by-laws.	(b) Debt collection procedures and mechanisms; (c) Provide for indigent consumers that is consistent with its rates and tariff policies and any national policy on indigents; (d) Realistic targets consistent with: i) general recognized accounting practices and collection ratios; and ii) the estimates of income set in the budget less an acceptable provision for bad debts
	Budget policy	2019	2020/21	The objective of the budget policy is to set out: - The principles which the municipality will follow in preparing each medium-term revenue and expenditure budget framework - The responsibilities of the executive mayor, the accounting officer, the chief financial officer and other senior managers and managers in compiling the budget	a) The mayor shall coordinate the processes for preparing the annual budget, and for reviewing the municipality's IDP and budget related processes, to ensure that the budget, the IDP, and the policies are mutually consistent and credible b) The mayor shall give political guidance over the budget processes and the priorities that must guide the preparation of the budget

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
				To establish and maintain procedures to ensure adherence to Amathole District Municipality IDP and budget processes	c) The Chief Financial Officer and the Strategic Manager shall draft the IDP and Budget process plan for the municipality, and ensure that this plan is adopted by Council before 31 August, preceding the year to which it relates d) The IDP/Budget process plan shall indicate the key deadlines for the review of the IDP as well as the preparation of the medium-term revenue and expenditure framework budget and the revision of the annual budget. Such target dates shall follow the prescriptions of the Municipal Finance Management Act as well as the guidelines set by National Treasury.
	Cost containment policy	2020	2024/25	To ensure that the resources of the municipality are used effectively, efficiently and economically. To implement cost containment measures The purpose of the policy is to regulate spending and to implement cost containment measures at Amathole District Municipality	All commodities, services and products covered by a transversal contract concluded by the National Treasury must be considered before approaching the market, to benefit from savings where lower prices or rates have been negotiated. Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing, printing of agendas and brochures and other inducements as part of, or during election periods or to fund any activities of any political party at any time. Expenditure on tools of trade for political office bearers must be limited to the upper limits as approved and published by the Cabinet member responsible for local government in terms of the Remuneration of Public Office Bearers Act, 1998.

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
	Asset Management Policy	2006	2024/25	The MFMA was introduced with the objective to ensure sound and sustainable management of the fiscal and financial affairs of Municipalities and their entities. Consistent with the regulatory framework in which the Municipality operates, it is important that an Asset Management Policy should promote efficient and effective management, monitoring and control of assets and the objectives of having an Asset Management Policy are: • To ensure accurate recording of asset information. • To ensure the accurate recording of asset movements. • To ensure compliance with Council's Insurance Policy, Supply Chain Management Policy and Payment Procedure. • To ensure the effective and efficient control, utilisation, optimisation of usage, safeguarding and management of ADM's assets. • To ensure that all responsible parties are aware of their roles and responsibilities regarding the assets of the municipality. • To prescribe the accounting treatment of assets acquired and used in accordance with the applicable accounting standards approved by National Treasury. • To prescribe the administrative guidelines and internal control procedures to be followed by persons in control of assets with regard to management (including safeguarding and maintenance) of those assets. • To comply with current legislation. • To emphasise a culture of accountability over fixed assets.	Asset Management Policy

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
				To ensure that fixed assets are not written off and disposed of without proper authorisation. To ensure that preventative measures are in place to eliminate theft, loss and misuse.	
	SCM Policy Infrastructure & Delivery Management	24 March 2017	24 March 2017	The objectives of this Policy is to establish an appropriate supply chain management system for infrastructure delivery.	To provide a framework for the procurement of goods and services related to infrastructure/ built environment.
	Unallocated deposits policy	March 2023	2024/2025	The policy seeks to ensure recognition and or identification of each transaction in order to reflect the substance of each transaction in a quest to ensure that the municipality maintains a sound accounting system, by ensuring that all unallocated deposits are timely identified and allocated to the relevant debtors' account, to ensure correctness of account balances and true reflection of the debtors' book.	Identify all direct credits on the bank statement, such as direct deposits by rate-payers, consumers and levy payers, subsidies and grants paid by National and Provincial Governments, interest on investments and miscellaneous credits. Process all these credits by capturing to the respective votes on the financial system. Identify full details of these credits timely to avoid having to account for such in the unallocated deposit account. Record all unidentified credits (receipts) in a suitable register to facilitate future claims against the amounts and follow-up, and balance the unidentified receipt register to the unallocated deposit account in the general ledger on a monthly basis
	Tarrif Policy		2024/25	Water tariffs:Undetected and or underground leak	Some of the plumbers within the jurisdiction of ADM do not have formal invoice books but do have a skill to repair the leak
	Banking and Cash Management policy	2018	2024/2025	This policy is intended to provide a framework for ensuring the proper management of its cash resources so as to ensure :-	The Municipality must open and maintain at least on bank account. The bank account must be in the name of the Municipality, and all monies received by the municipality must be paid into this bank account or accounts, promptly and in accordance with any requirements that may be prescribed.

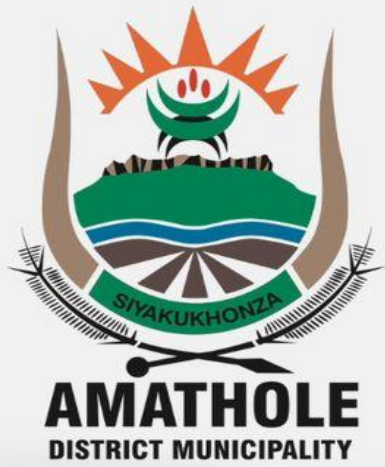
DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
				- That sufficient cash resources are available to finance the capital and operating budgets of the municipality. - That there is effective control over the management of bank accounts.	3.2 The Municipality may not open a bank account: 3.3 Money may be withdrawn from the municipality's bank account only in accordance with the requirements of Section 11 of the present Act. Other than in the name of the municipality; abroad; or with an institution not registered as bank in terms of the Banks Act 1990.
	Investment Policy	2018	2024/25	The Council has a responsibility to invest these public revenues knowledgeably and judiciously, and must be able to account to the community in regard to such investments. b) The investment policy of the Council must therefore be aimed gaining the highest possible return on investments , without incurring undue risks, during those periods when such revenues are not needed for capital or operational purposes.	Proper records should be kept of all investments made. At the very least, the following facts should be indicated; the institution, the funds, the interest rate and the maturity date . b) Interest, correctly calculated, should be received timeously, together with any distributable capital. c) All investments should be confirmed quarterly by statements and a certificate at year end. All the investments made by the Municipality must be in the name of the Amathole District Municipality. d) The CFO is responsible for ensuring that the invested funds are quite secure and, should there be a measure of risk, that such risk be rated realistically.

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
	Supply Chain Management Policy	2022/23	2024/25	- To manage the way in which the Municipality procures goods and/or services giving effect to section 217 of the Constitution of the Republic of South Africa Act 108 of 1996; - To implement a policy that is fair, equitable, transparent, competitive and cost effective in line with the PPPFA and its Regulations; - To comply with all applicable provisions of the Municipal Finance Management Act 56 of 2003, as well as all other applicable legislation; - To ensure sound, sustainable and accountable supply chain management within the Municipality, whilst promoting black empowerment as a priority of ADM	- The policy manages the way in which goods and/or services are procured, disposed, management of contracts entered into through the supply chain management system, consultancy services and strives to prevent irregular and fruitless and wasteful expenditure. - This policy will also strive to ensure that the objectives for uniformity in supply chain management systems between organs of state in all spheres, is not undermined and that consistency with national economic policy on the promotion of investments and doing business with the public sector is maintained. - The Supply Chain Management Policy seeks encourage socio-economic transformation within its region in line with the PPPFA and CIDB Acts. - The Policy seeks to advance the interests of previously disadvantaged individuals by means of allocating preference points to specific goals on the basis of race, gender, disability or RDP initiatives.
	Prevention And Reduction Of Unauthorised, Irregular, Fruitless And Wasteful Expenditure Policy	2022/23	2022/23	Management must, within their individual areas of responsibility, ensure that: - They do not intentionally disregard their duties and responsibilities or carry them out negligently - Due care and diligence is exercised in all their decisions.	- The policy manages the way in which goods and/or services are procured, disposed, management of contracts entered into through the supply chain management system, consultancy services and strives to prevent irregular and fruitless and wasteful expenditure. - Expenditure can be found to be fruitless and wasteful even if it was made within a given

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
				• They must receive all relevant information and use common business sense • They act rationally and reasonably in the best interest of ADM • They are ethical • Sound financial management principles are applied • They are effective, efficient and economical at all times • They act immediately to reduce losses and do not let matters slide • Appropriate action (including disciplinary action) is taken where necessary • The process of financial management and internal controls is carried out • The assets are safeguarded • The assets and liabilities are properly managed • The financial and other resources are used effectively, efficiently, economically and transparently.	delegation of authority. This would be the result of a poor decision to spend (a decision causing a loss but that was made rationally, having regard to all the relevant information at hand at the time the decision was taken, would not be classified as fruitless and wasteful). • Potential losses or losses that are not quantifiable should only be reported on once actually incurred. In such instances, active steps must be taken where possible to reduce or eliminate the potential loss. • If reasonable care was indeed exercised, but the expenditure turns out to be fruitless and wasteful, then it would not be reportable in terms of this procedure. • As long as a person acted reasonably in the light of all the relevant available information at the time that the decision to incur the costs was made, then such expenditure would not subsequently be regarded as reportable if it turns out to be fruitless and wasteful. However, acting reasonably presumes that, where possible, steps are taken to stop or minimise any further losses once it becomes apparent that the expenditure is likely to be fruitless and wasteful. If not, the further losses arising because of a failure to take corrective action will consequently become reportable.

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
COMMUNITY SERVICES	By-Law Implementation and Enforcement Policy	2018	N/A	To give formal recognition of the ADM's constitutional obligations to implement and enforce its by-laws by setting out the guiding principles to be followed in implementing and enforcing its by-laws.	Develop internal enforcement capacity to effectively monitor implementation and enforcement of its by-laws, including the establishment of a by-law enforcement office/unit; Ensure that those appointed to enforce its by-laws, are adequately trained and meet the requirements as set out in the Criminal Procedures Act 51 of 1977 to be municipal peace officers; Develop a by-law enforcement or policing strategy together with a relevant procedural framework, consistent with all legislative requirement pertaining to law enforcement. Budget for Gazetting of by-laws Appointment of peace officers in 2024
	Disposal of the Dead Policy	2017/2018	To be reviewed in 2026/2027 financial year	To define the process and procedure to be followed in the disinterment and re-interment of human remains.	Risk of disease spreading from unsafe handling of dead bodies. To be budgeted during 2026/2027 financial year
	Milk policy	2013/2014	To be reviewed in 2026/2027 financial year	To set out requirements and application procedures for the Certificate of Acceptability as required by legislation	(a) Uncontrolled distribution and sale of raw milk. (b)Risk of food poisoning from contaminated milk To be budgeted during 2026/2027 financial year
	Health Care Waste Risk Management Policy	2013/2014	To be reviewed in 2026/2027 financial year	Improve the standard of health care waste risk management for public and private health care providers Assist in the prevention of Environmental Pollution.	Health Care Waste Risk Management Policy To be budgeted during 2026/2027 financial year

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
	Informal Trading Policy	2013/2014	To be reviewed in 2026/2027 financial year	To provide guidance for informal trading stakeholders and to ensure that traders operate in an orderly and hygienic manner. To strengthen the regulation and the prevention of conditions of the environment that may pose a risk to human health through the identification, assessment, monitoring and evaluation of such conditions.	Risk of sale and consumption of foodstuffs that are not fit for human consumption by the public To be budgeted during 2026/2027 financial year
TECHNICAL SERVICES	Rural Yard/Erf Water Connection Policy		2018/19	The purpose of this policy is to provide a framework for the ADM to respond to the ever increasing demand for <u>yard/erf</u> water connections in the “ <u>rural</u> ” areas of the ADM, as well as the pending or likely changes in <u>national legislation</u> .	• Access to water • Quality of yard connection Payment for services
	VIP Latrine Maintenance Policy 2015		2022/23	<u>Effective maintenance</u> of sanitation infrastructure is <u>essential</u> to ensure that the capital investment in sanitation infrastructure is not wasted and that the municipality can move towards <u>zero backlog</u> of fully operational sanitation facilities.	Effective maintenance of sanitation infrastructure is essential to ensure that the capital investment in sanitation infrastructure is not wasted and that the municipality can move towards zero backlog of fully operational sanitation facilities.
	Retrofitting Policy		2022/23	• Allow for more equitable distribution of water • Prevent undue financial pressure on low-income consumers • Delays capital works upgrades • Reduce operating costs • Enhance billing	Retrofitting Policy



2026/27

CHAPTER SIX: FINANCIAL ANALYSIS



CHAPTER SIX

FINANCIAL ANALYSIS

6.1 INTRODUCTION

This chapter aims at outlining the financial plan for the Amathole District municipality and the financial performance. A financial plan is a budget, in other words a plan for spending and saving future income. This plan allocates future income to various types of expenses, such as salaries, insurances and also reserves some income for short term and long-term savings. The Financial Plan is essential to ensure that the municipality continues to implement its mandate effectively without eroding its capital base and to move towards self-sufficiency in meeting the growing demands of service delivery.

The municipality aims to fully comply with prevailing municipal financial legislation to ensure sound financial management and governance to attain a clean audit outcome. It is important that the financial affairs of the municipality are managed in an efficient and effective manner to sustain a sound financial position towards sustainable service delivery. The multi-year financial plan for the IDP is prepared for three years. Based on this plan, considering the requests from the community and new strategic agenda set by the council the development of the 2026-2027 financial plan has to be adopted with the IDP.

The municipal strategic agenda must be influenced by the tone from the SONA, SOPA, National Budget Speech and Institutional Strategic planning session of the ADM. These documents take into consideration the vision 2030 and Municipal Turnaround Strategy (MTAS) which considers the strategic objectives and strategies supporting the ADM mandate.

The accuracy of the financial plan is subject to many inherent influences. These variables and risks can be divided into two main groups, being external influences and internal influences. The external influences include unforeseen political and economic changes or circumstances and climatic conditions. While internal influences include tariff increases, efficiencies in service delivery and administration support and salaries and wages.

This IDP is, therefore, the guiding document for the budget planning process. The outcome of this Integrated Development Plan is the alignment of the planning process and resource allocations to the requirements of the strategic direction. The proposed financial plan continues to expose several complex challenges such as matching increased service demands with a relatively stagnant revenue base, level of unemployment within the District, struggling finances which result in late payment of service providers, the inability to deliver essential services to communities and good governance which are linked to the audit outcomes.

Nonetheless, none of these challenges are insurmountable if partnerships can be established with other spheres of government working together towards a common vision. In terms of National Treasury's Municipal Budget and Reporting Regulations, the budget of a municipality is only required to encompass planning periods of the next financial year and the two outer financial years thereafter.

6.2 FINANCIAL FRAMEWORK

The uniqueness of the district in which the ADM has jurisdiction, in comparison to other municipalities, must be considered when assessing its financial viability and sustainability. The ADM can be categorized as a rural municipality that is still in the stages of development and thus requires significant additional resources and funding to accomplish expected development and service delivery. Demographics of the district indicate a population of 892 637 of which 580 000 are categorized as living below the poverty line. These stats, therefore, are translated to mean that almost 70% of the population in the district are unable to pay for municipal services. All six Local Municipalities including the District Municipality are grant dependent as a consequence of its rural status and poverty. These dynamics also impact the level of affordability for services. From a financial perspective the financial viability and sustainability of the municipality remains a priority. To realize the financial viability of the ADM, a credible budget reflecting realistically collectable revenue and realistic projections for both revenue and expenditure is vital. It can only be realized if the following financial strategies are put in place to improve the situation:

6.2.1 Revenue Enhancement Strategy

As per MFMA, No 56 of 2003, Section 64 stipulates that:

The Accounting Officer of a municipality is responsible for the management of the Revenue of the municipality and must take all reasonable steps to ensure that the municipality has effective revenue collection systems consistent with Section 95 of the Municipal Systems Act and the Municipality's credit control and debt collection policy.

It is essential that ADM has access to adequate sources of revenue from its own operations and intergovernmental transfers to enable it to carry out its functions. It is furthermore necessary that there is a reasonable degree of certainty regarding the source, amount and timing of revenue. The latest DoRA has laid out the level of funding from National Government that will be received for the 2026/2027 to 2028/2029 financial years.

Revenue Enhancement

The average collection rate is low at 34%. This is completely unsustainable and a prime condition for financial distress. The collection rate is below the National Treasury norm of 95% required to sustain the municipality and to ensure that it at least meets its financial and service delivery obligations. This rate must be increased and arrear

debt needs to be collected so as to obtain additional cash and to ensure collection of the current and outstanding debt.

Strategies need to be put in place to collect the remaining outstanding debt. To achieve a target of 95% in the short to medium term and exceeding it in the long term will require rigorous and creative solutions on the entire revenue collection value chain. The following actions are therefore recommended for the various components of the revenue value chain:-

- Installation of infrastructure to enable accurate water meter readings and disconnection/ connection to separate and identifiable consumers
- Protection of meters from vandalism and illegal connections
- A systematic data cleansing process must be initiated to ensure correct details of account holders or property owners and the classification or reclassification of standards of services being rendered, and where appropriate correcting the tariff that each property is charged
- Accurate meter reading by meter readers, who are easily identifiable by consumers and property owners, must be put in place
- Efficient and effective credit control management policies and procedures applied with clear delegations of authority and monthly reporting to Council on actions taken
- Disconnections and reconnections need to be properly scheduled to optimize speedy payments and behavioural changes. This function should also be reviewed to ensure that Council has overall control of its processes and infrastructure
- Improvement of customer service to ensure quality management, communication and implementation of Batho Pele principles must be given priority.
- Enforcement of bylaws, for illegal disconnections
- Establishment of a permanent Revenue Protection Section, to detect illegal connections and institute surveillance equipment to arrest those who connect themselves illegally
- Legal processes for the collection of over-due consumer accounts must be put in place
- Communication between Departments to resolve customer queries and reduce the turnaround time of queries must be improved
- Cash flow targets should be set and form part of the performance measures of management
- Oversight by the Council must be strengthened.

Sufficient and sustainable revenue base

The ADM requires access to sufficient and sustainable revenue sources from both its own operations and from government transfers in the form of grants in order to perform its duties and responsibilities. The timing of the receipt of revenue resources is of critical importance as it has a direct impact on the cash flows of the municipality. Without the receipt of revenue, suppliers cannot be paid for services rendered and goods received, which ultimately affects service delivery.

To this end the latest DoRB sets out the funding that will be received from National Government for the 2026/27 - 2028/29 financial years.

Cash flow position and sustainability

The availability of cash and sound cash management is critical for the short, medium and long-term existence of the municipality. The ADM operates in an environment of limited resources and must therefore make use of the available resources in an effective, efficient and economical manner. The ADM remains grant dependent however this can be changed in the future if a dedicated unit will look into the IDP and mobilize resources for the institution and if revenue collection can be a institutionalised focus area.

The debtors' turnover/debtors' days has a significant impact on the liquidity/availability of the cash of the ADM as suppliers are to be paid within 30 days of receipt of the invoice in terms of Section 65(2)(e) of the MFMA, while the average debtors' days exceeds 90 plus days. This implies that cash is flowing out at a faster rate than it is flowing into the municipality.

In an ideal situation, the operating budget should produce annual operating surpluses so as to improve the ADM's cash reserves. Capital expenditure is financed by external grants, with ADM still not incurring external borrowings. ADM is aware that its budget should be balanced and funded, meaning that the expenditure and all creditors must be covered by realistically anticipated revenue to be received or collected.

Services are to be provided at both an affordable and sustainable level. The service charges levied by the ADM reflected an increase of 6% in the 2025/26 financial year, focusing on a cost reflective tariff. For the 2026/27 financial year, a similar increase is anticipated as the municipality moves towards a cost reflective tariff. This increase is a direct response to the increase in the direct costs to provide services, but also balancing affordability for consumers.

The Equitable share grant received from National Government is used mainly to provide basic services to poorer households. The low level of indigent registration has a negative impact on the level of equitable share allocated to

ADM. The increase in water carting and security expenditure is placing significant strain on the finances and cash flow of the municipality. The level of the spending is not sustainable for the municipality.

6.1.1 Accountability and transparency

The ADM is accountable to taxpayers and communities, who are the providers of the resources, on how resources are utilized, managed and safeguarded. Hence the IDP and budget processes are open to public participation. Appropriate internal controls are in place in order to prevent and detect prospective corruption. The ADM has reporting procedures to produce financial information for both management and oversight decision purposes. A new financial management system was procured to mitigate the risk of incomplete and inaccurate information being produced. The municipality has commenced transacting on the financial system with effect 1 July 2025.

6.1.2 Development and investment

ADM has not engaged in borrowing from borrowing institutions i.e. banks and DBSA to finance infrastructure in the current year and has no intention of borrowing in the long term. ADM is working towards meeting the national water service delivery targets of “adequate potable and effective supply of safe water to all by 2027 and adequate and sustainable sanitation to all by 2027. ADM as the Water Services Authority (WSA) in its area of jurisdiction is facing enormous water and sanitation backlogs. Given the history of underdevelopment in the rural areas, ADM has made strides in pushing backwards the frontiers of poverty. ADM is however aware that the greater part of restoring the dignity of its people and providing them with sustainable and efficient municipal services remains a fundamental task in the current dispensation.

To effectively eliminate service delivery backlogs, ADM has embarked on sanitation projects that prioritize the use of SMME's within the district. This strategy is two-fold in that it seeks to reduce backlogs and to support small business development. In addition to promoting SMME's and cooperatives, ADM focuses on promoting vulnerable groups such as women, youth, disabled and military veteran owned businesses. . As at 31 December 2025, 32% of the projects were awarded to women-owned businesses, 31% were awarded to youth owned businesses and 0% awarded to businesses owned by disabled persons and military veterans.

6.2 Asset Management

The ADM continues to ensure the safeguarding and sound management of all its assets. This is mainly achieved by the implementation of the reviewed Asset Management Policy and a unit dedicated for the management of all municipal assets. The policy outlines the processes for the recognition, measurement and disposal of assets, including the preparation of a GRAP compliant asset register, while the Asset management unit deals with all classes of assets owned by the municipality. Allocations to repairs and maintenance and the refurbishment of existing infrastructure must be prioritized as an uncontrolled increase in infrastructure refurbishment backlogs will negatively impact the financial sustainability, reliability and quality of municipal services.

Over and above the afore-mentioned the following are taken into consideration by the Asset management unit:

- Development of Standard Operating Procedures
- Adequate budget provision for asset maintenance over its economic lifespan
- Ensuring complete recording of asset information
- The accurate recording of asset movements
- Exercising strict physical control over all assets (Security, safekeeping, housekeeping, physical verification)
- Maintenance of assets according to an infrastructural asset maintenance plan
- Maintain a system of internal control of assets to safeguard assets
- Replacement/renewal of ageing assets to ensure the ongoing functionality of municipal infrastructure.
- Ensure all assets owned and/or controlled are insured except where specifically excluded by policy.

6.3 Financial Management Strategies

With framework as a background, strategies and programmes have been identified and form part of this Long-Term Financial Plan to achieve the desired objective and that is the financial viability and sustainability of the Municipality.

Financial management strategies are important to guide the municipality in maximizing the available financial resources to ensure long-term financial viability through the following strategies:

- Manage revenue, expenditure, assets and liabilities in a responsible manner
- Well thought-out budgetary and financial planning processes in line with budget and reporting regulations
- Effective supply chain management
- Effective cash flow management
- Applying full credit control measures within the boundaries of legislation and fairness to prevent an escalation in non-recoverable outstanding debt
- Ensure compliance with prescribed accounting standards and adherence to all legislation requirements
- Optimal functioning of the financial system
- Continue the implementation of public participation in the budget process
- Training and development of employees to achieve levels of compliance according to the regulation on minimum competency levels
- Prepare risk register and apply risk control
- Implement internal controls, procedures, policies and by-laws to regulate fair, just and transparent transactions
- Prepare annual financial statements in accordance with the accounting standards

6.2.1 Capital Financing Strategies

One of the greatest challenges facing municipalities is the decline in public trust in service delivery. Investment in municipal infrastructure is critical to sustaining growth, rehabilitating ageing infrastructure and eradicating service delivery backlogs.

The strategies are:

- The capital programme of the ADM is based on priorities, programmes and projects of the IDP
- Expedite spending on the capital budget where projects that are funded from conditional grants such as MIG, RBIG and WSIG
- Analyze feasibility and impact on the operating budget before capital projects are approved
- Re-prioritise allocations towards maintenance of existing infrastructure

6.2.2 Operational Financing Strategies

Financial planning and effective management of municipal cash resources will ensure that the municipality meets its service delivery mandate. The strategies are:

- Ensure integrity of billing systems and accuracy of accounts
- Eliminating spending on non-priority items
- Develop a mSCOA compliant Medium-Term Revenue and Expenditure Framework (MTREF) Budget
- Develop and implement a uniform budget reporting framework compliant with National Treasury's Municipal Budget and Reporting Regulations.
- Ensure 100% spending of government conditional grants
- Effective cash flow management to ensure a sufficient and sustainable cash position
- Enhance budgetary controls and financial reporting
- Direct available financial resources towards meeting the projects as identified in the IDP
- Improve supply chain management processes in line with regulations to speed up service delivery by improving turnaround time in tender awarding.

Amathole District municipality's financial sustainability and fiscal stability is currently under duress, and as such, the municipality is implementing a mandatory financial recovery plan (MFRP) in terms of Sec 139(5)(a), which is monitored by National, Provincial Treasury and CoGTA. The leadership of the municipality is, by all means necessary focusing on improving the financial situation of the institution. Some progress has been made since the implementation of the MFRP, despite the municipality remaining in the first phase. The MFRP was reviewed during the 2024/2025 financial year to ensure that the immediate financial, governance, operational and technical needs of the Municipality are addressed. From this review approximately 20 additional targets were added to the financial pillar.

The MFRP is used as an instrument to guide the municipality in addressing the financial crisis the municipality is faced with, and as well to ensure that the municipality regains its financial health whilst ensuring that all issues which adversely affect the financial health of the municipality are comprehensively addressed, in a sustainable manner.

The leadership of the institution, is addressing all the weaknesses highlighted in MFRP which are resulting in communities we serve, not being provided with assurance that public funds are being accounted for correctly, indicating a lack of accountability, transparency and integrity.

6.2.3 Cost-Effectiveness

Cost-effectiveness is very important to ensure an effective and efficient municipality that is able to render affordable, accessible and quality services in the long term. Maintaining affordable tariffs will contribute to the wealth of the municipality's community. However, the balance between affordable and cost effectiveness still needs to be achieved. Cost effectiveness can be achieved through:

- Structure tariffs to generate resources to fund maintenance, refurbishment and expansion of infrastructure to provide services
- Ensure that water and sanitation tariffs are fully cost-reflective
- Eliminate non-priority spending
- Facilitate delivery of large capital projects to be appropriated for three financial years and beyond
- Free basic services policies to adequately address provision of free basic services to poor households
- Invest surplus cash not immediately required at the best available rates

6.2.4 Municipal Budgeting

Section 16(2) of the Municipal Finance Management Act No.56 of 2003 indicates that the council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year. The mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

The annual budget is the central financial planning document, directed by the IDP that embodies all revenue and expenditure decisions. It establishes the level of services to be provided by each department. The budget will be subject to monthly control and be reported to Council with recommendations of actions to be taken to achieve the budget goals. The budget will be subject to a mid-term review, which will result, if needed, in a Revised Budget.

The Act does not prevent the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.

Section 14 of the Municipal Budget Reporting Regulations requires the annual budget to be credible, realistic and funded such that it is capable of being approved and implemented as tabled. For effective planning and

implementation of the annual budget, the draft service delivery and budget implementation plan may form part of the budget documentation tabled to council.

Budget Assumptions in preparation for MTREF Budget 2027-2029:

- Increase for Councillor's salaries per the Gazette
- Salary figures based on warm bodies paid in January 2026, only critical vacant positions budgeted for all directorates
- A provisional increment based on the Reserve Bank January 2026 CPI Forecast of plus 0.75% plus 2.5% of notch increase has been considered for the staff increase, as stipulated in the Bargaining Council Wage agreement
- Electricity budgeted for at a 9.01% increase, in line with the increases for bulk electricity approved by NERSA
- Bulk Water budgeted costs to increase by 9%.
- Qualifying level of income for indigent registration is two times the old age pension grant amount
- A differentiated approach in applying parameters in the operating budget based on trends of previous expenditure, cost containment considerations and strategic needs will be applied. This will vary from an increase of 4.3 % in 2026/27 financial year and 3.4% and 4.4% for the outer two years. This is based on CPI inflation rate estimated in Circular 132 issued 5 December 2025.
- It is anticipated that the water tariffs, sanitation and other services for 2026/27 will increase at 6%. This is in line with the 3-6% target range of the inflation band, as specified in MFMA Circular No 132, but with the major cost drivers of water provision, bulk water purchases, electricity and salaries going up by 9%, 9.01% and CPI and 2.5% notch increment respectively the cost of producing water has increased. ADM, as informed by circular 98 and enforced by circular 123 and 132, has utilised the National Treasury tariff tool in calculating a cost reflective tariff for 2026/27 MTREF to start bridging the gap between affordable and sustainable tariffs
- National allocations as per the Division of Revenue Bill (DoRB)
- Due to limited revenue sources, ADM can only afford to subsidize R15 000 000 towards the operations of ASPIRE
- ADM has budgeted for service charges based on billing in 2025/26 financial year and an estimated collection rate of 50%

ADM needs to adopt a double-sword approach to improve financial sustainability – it is not enough to only focus on reducing expenditure, but need to focus on enhancing revenue as well.

6.4 THREE YEAR FINANCIAL PLAN

Budgeting is primarily about the priorities and choices that the Municipality has to make in deciding how to meet the agreed set of policy objectives through better service delivery. With the compilation of the 2026/27 to 2028/29

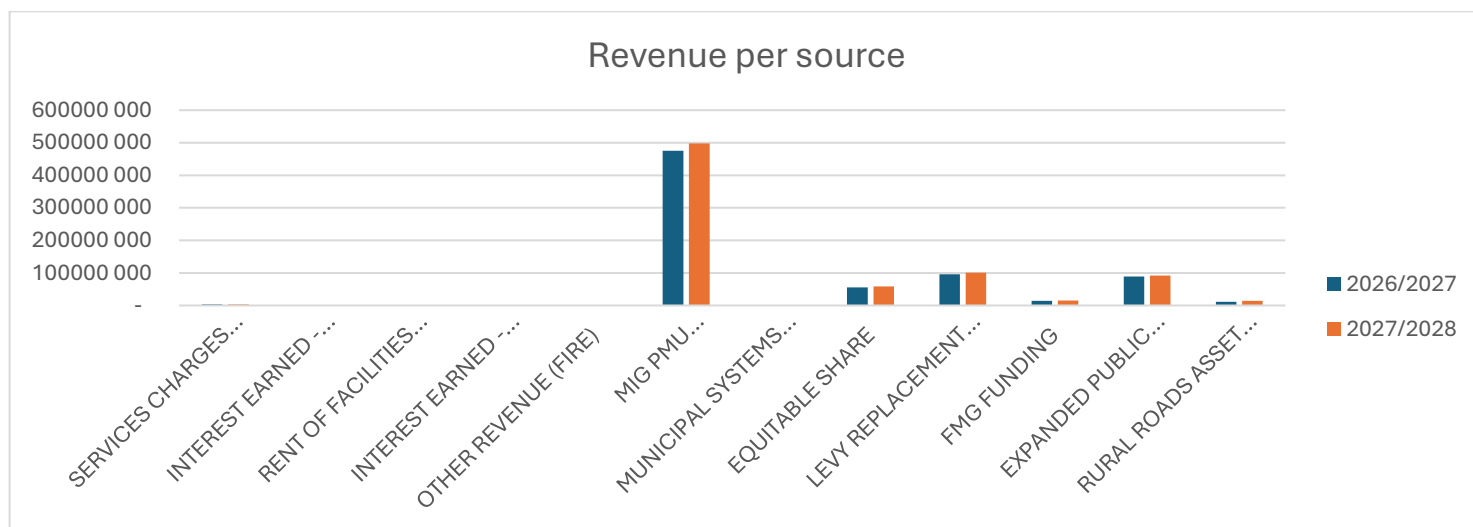
MTREF, each strategic department had to review the business planning process and setting of priorities and targets. These have essentially informed the detailed operational budget appropriations three-year capital programme and beyond so as to align with the five-year IDP. The medium-term revenue and expenditure framework requires a budget for the 2026/27 financial year and a forecast for the outer two years. This is aligned with the DoRA allocations, which cover a three-year period. Year one being actuals allocations, with the outer two years being indicative allocations.

Table 63: BUDGETED INCOME AND EXPENDITURE FOR 2026/27 TO 2028/29

DETAILS	2025/2026 R	2026/2027 R	2027/2028 R	2028/2029 R	% INCOME	% INCREASE/ (DECREASE) FROM 2025/2026
SERVICES CHARGES - SANITATION	153,581,466	162,796,354	172,564,135	182,917,983	5.79%	6.00%▲
SERVICES CHARGES - WATER	460,954,800	489,952,093	519,349,219	550,510,172	17.44%	6.29%▲
INTEREST EARNED - OUTSTANDING DEBTORS	103,169,325	109,359,485	115,921,054	122,876,317	3.89%	6.00%▲
RENT OF FACILITIES AND EQUIPMENT	400,515	710,715	753,358	798,559	0.03%	77.45%▲
INTEREST EARNED - EXT. INVESTMENTS	36,963,168	38,866,418	41,198,403	43,670,307	1.38%	5.15%▲
OTHER REVENUE (FIRE)	7,343,652	7,784,271	9,210,635	9,761,000	0.28%	6.00%▲
TRANSFERS AND SUBSIDIES:						
MIG PMU OPERATIONAL INCOME	25,583,650	25,923,950	27,965,050	29,931,400	0.92%	1.33%▲
EQUITABLE SHARE	679,446,000	724,651,000	770,671,000	784,656,500	25.79%	6.65%▲
LEVY REPLACEMENT GRANT	526,883,000	546,764,000	568,584,000	586,255,000	19.46%	3.77%▲
FMG FUNDING	2,600,000	2,700,000	2,800,000	2,900,000	0.10%	3.85%▲
EXPANDED PUBLIC WORKS PROGRAMME	1,513,000	2,016,000	-		0.07%	33.25%▲
RURAL ROADS ASSET MANAGEMENT SYSTEMS GRANT	2,995,652	3,116,522	3,240,870	3,341,739	0.11%	4.03%▲
CETA	5,990,000	1,660,000	0	0	0.06%	(72.29%)▼
OWN REVENUE RRAMS	449,348	467,478	486,130	501,261	0.02%	4.03%▲
TOTAL OPERATING INCOME	2,007,873,576	2,116,768,286	2,232,743,854	2,318,120,239	75%	5.42%▲
TRANSFERS AND SUBSIDIES CAPITAL	674,705,350	692,956,050	796,406,950	751,945,600	24.66%	2.70%▲
MUNICIPAL INFRASTRUCTURE GRANT	326,056,621	423,671,288	493,805,242	509,354,346	15.08%	13.10%▲
MIG IN-KIND ALLOCATION	109,310,362	19,524,000	0	0	0.69%	(82.14%)▼
OWN REVENUE MIG	50,722,367	49,359,762	57,530,708.00	59,342,254	1.76%	(2.69%)▼
WATER SERVICES INFRASTRUCTURE GRANT	86,622,609	95,652,174	100,434,783	101,466,087	3.40%	10.42%▲
OWN REVENUE WSIG	12,993,391	14,347,826	15,065,217	15,219,913	0.51%	10.42%▲
REGIONAL BULK INFRASTRUCTURE GRANT IN KIND	77,391,304	78,609,565	112,670,435	57,880,870	2.80%	1.57%▲
OWN REVENUE RBIG	11,608,696	11,791,435	16,900,565	8,682,130	0.42%	1.57%▲
TOTAL INCOME	2,682,578,926	2,809,724,336.0	3,029,150,804	3,070,065,839	100.00%	4.74%▲

DETAILS	2025/26	2026/27	2027/28	2028/29	% EXPENDITURE	% INCREASE/(DECREASE) FROM
	R	R	R	R		
SALARIES & CONTRIBUTIONS	851,301,523	852,127,285	892,616,849	937,247,692	30.33%	0.10% ▲
REMUNERATION OF COUNCILLORS	19,122,232	18,239,505	19,151,481	20,109,057	0.65%	(4.62%) ▼
PROVISION FOR BAD DEBTS	352,799,998	384,313,487	407,372,296	388,934,810	13.68%	8.93% ▲
DEPRECIATION	102,498,180	112,837,998	119,157,463	126,998,143	4.02%	10.09% ▲
ASPIRE CONTRIBUTION	15,000,000	15,000,000	15,000,000	15,000,000	0.53%	0.00% ▲
TRANSFERS AND SUBSIDIES PAID	4,195,000	3,865,000	3,992,545	4,120,306	0.14%	(7.87%) ▼
FINANCE CHARGES	648,700	11,440,000	11,817,520	12,195,681	0.41%	1663.53% ▲
BULK PURCHASES WATER	164,859,295	179,696,635	197,666,300	203,991,624	6.40%	9.00% ▲
INVENTORY CONSUMED	168,580,000	156,757,681	130,623,337	140,685,633	5.58%	(7.01%) ▼
CONTRACTED SERVICES	218,806,674	194,933,596	222,013,791	244,664,087	6.94%	(10.91%) ▼
OTHER EXPENDITURE	251,611,992	296,394,735	305,672,960	318,150,900	10.55%	17.80% ▲
TOTAL OPERATING EXPENDITURE	2,149,423,594	2,225,605,922	2,325,084,542	2,412,097,932	79.21%	3.54% ▲
TOTAL INTERNALLY FUNDED NEW CAPITAL	56,674,436	70,087,136	72,400,008	71,676,028	2.49%	23.67% ▲
TOTAL INTERNALLY FUNDED CAPITAL	56,674,436	70,087,136	72,400,008	71,676,028	2.49%	23.67% ▲
CAPITAL FROM OPERATING GRANTS	660,000					(100.00%) ▼
CAPITAL GRANTS AND SUBSIDIES	475,820,896	514,031,278	631,666,253	586,291,879	18.29%	8.03% ▲
MUNICIPAL INFRASTRUCTURE GRANT CAPITAL	311,806,983	339,769,539	418,561,036	426,944,922	12.09%	8.97% ▲
REGIONAL BULK INFRASTRUCTURE GRANT IN KIND	77,391,304	78,609,565	112,670,435	57,880,870	2.80%	1.57% ▲
WATER SERVICES INFRASTRUCTURE GRANT	86,622,609	95,652,174	100,434,783	101,466,087	3.40%	10.42% ▲
TOTAL CAPITAL EXPENDITURE	533,155,332	584,118,414	704,066,261	657,967,907	20.79%	9.56% ▲
TOTAL EXPENDITURE	2,682,578,926	2,809,724,335.77	3,029,150,804	3,070,065,839	100.00%	4.74% ▲
SURPLUS / (DEFICIT)	-	0	0	0	0.00%	0.00% ▲

FIGURE 40: OPERATING INCOME FROM 2026/27 TO THE FORECAST YEAR OF 2028/29 PER SOURCE



The most significant source of internal income is the income from the water and sanitation services. The current budgeted percentage of internal revenue is 28%. The collection rate for the water and sanitation services income requires improvement to ensure the achievement of the service delivery targets set on this budget. The Amathole District Municipality is implementing its credit control and debt management policy to ensure that this is achieved and that all outstanding debts are collected. The collection of these outstanding debtors is a priority of the District

Municipality and is receiving the most urgent attention. The Municipality is continuing with the following interventions to address revenue collection challenges, namely data cleansing exercise, changing faulty meters, restriction and/or disconnection of services where applicable and assessment of water meters throughout the district.

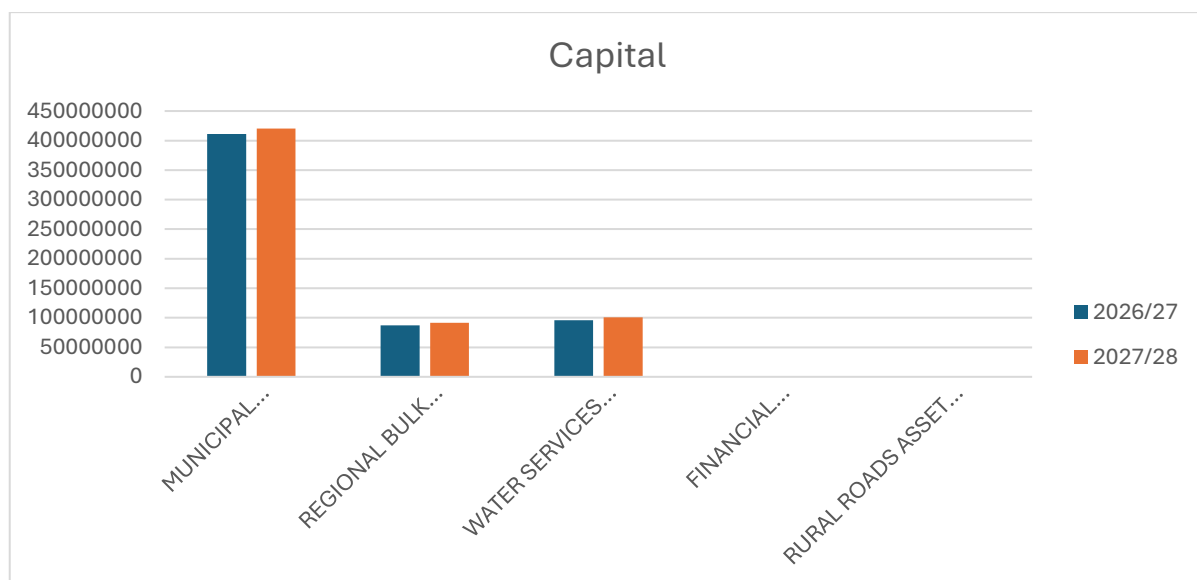
The graph above also reflects that the equitable share and levy replacement grants are the main source of revenue for the municipality.

6.2.5 Capital Financing Strategies

Table 64: CAPITAL SOURCE (VAT EXCL.) FROM 2026/27 TO THE FORECAST YEAR OF 2027/28

DETAILS	2026/27	2027/28	%	% INCREASE/ (DECREASE) FROM 2025/2026
	R	R	EXPENDITURE	
CAPITAL GRANTS AND SUBSIDIES	514,031,278	631,666,253	18.29%	8.03%▲
MUNICIPAL INFRASTRUCTURE GRANT	339,769,539	418,561,036	12.09%	8.97%▲
REGIONAL BULK INFRASTRUCTURE GRANT IN KIND	78,609,565	112,670,435	2.86%	1.57%▲
WATER SERVICES INFRASTRUCTURE GRANT	95,652,174	100,434,783	3.40%	10.42%▲
FINANCIAL MANAGEMENT GRANT	627,000	642,675	0.02%	4.50%▲
RURAL ROADS ASSET MANAGEMENT SYSTEMS GRANT	62,700	64,268	0.00%	4.50%▲

FIGURE 41: CAPITAL EXPENDITURE GROWTH FOR THE NEXT 2 YEARS



6.2.5.1 Municipal Infrastructure Grant (MIG)

The largest infrastructure transfers over the MTREF years remains the MIG, which supports government's objectives of expanding the delivery of basic services to poor households and the alleviation of poverty. The grant also seeks to stimulate economic development and job creation over the medium term. Below is a table depicting the municipality's MIG allocation in terms of DoRA for the 2026/27 financial year and outer two years:

Table 65: MUNICIPAL INFRASTRUCTURE GRANT (MIG)

GRANT	2024/25	2025/26	2026/27	2027/28	2028/29
MIG	488 582 000	383 204 000	498 955 000	579 301 000	598 628 000
In Kind	-	128 469 000	19 524 000	-	-
% increase/(decrease)	2%	5%	1%	12%	3%

The MIG allocation shows an immaterial increase of only 1% from 2025/26 to 2026/27. Increases in 2027/28 and 2028/29 of 12% and 3% respectively, which is covering the average inflation rate for the two outer years. The municipality is wholly dependent on grants to construct infrastructure. For the 2025/26 financial year, 4% of the MIG allocation has been designated as a grant in kind as per Schedule 6 of the DoRB.

6.2.5.2 Water Services Infrastructure Grant (WSIG)

Table 66: WATER SERVICES INFRASTRUCTURE GRANT (WSIG)

GRANT	2024/25	2025/26	2026/27	2027/28	2028/29
WSIG	77 525 000	99 616 000	110 000 000	115 500 000	116 686 000
% increase/(decrease)	15%	28%	10%	5%	1%

The Water Services Infrastructure Grant has been gazetted an amount of R110 000 000 for the 2026/27 financial year. The 2026/27 allocation has increased by 10% from 2025/26. The first outer year reflects a 5% increase and then a slight increase of 1% for the 2028/29 year

6.2.5.3 Rural Bulk Infrastructure Grant (RBIG)

Table 67: RURAL BULK INFRASTRUCTURE GRANT (RBIG)

GRANT	2024/25	2025/26	2026/27	2027/28	2028/29
RBIG	89 682 000	89 000 000	90 401 000	129 571 000	66 563 000
% increase/(decrease)	23%	1%	2%	43%	(49%)

This grant is an “allocation – in – kind” which implies that the funds received from this grant will not necessarily be transferred directly to the ADM, instead the RBIG programme targets projects that cut across two municipalities for large bulk projects in Mbhashe and Mnquma. An amount of R90 401 000 has been gazetted for RBIG. The first outer year reflects an increase of 43% and the second outer year reflects a decrease of 49%. The table above indicates that the grant fluctuates without a definite trend being evidenced.

6.5 POLICIES

It is the aim of ADM to achieve a stable and resilient financial position with the ability to withstand economic impacts; to adjust efficiently to the community’s changing service requirements; to effectively maintain, improve and expand the Municipality’s infrastructure; to manage the Municipality’s budget and cash flow to the maximum benefit of the community; to prudently plan, coordinate and implement responsible and sustainable community development and growth; and, to provide a high level of protective services to assure public health and safety.

Based on the financial framework, financial strategies and the general financial objective, ADM must develop financial policies to support its strategies and objectives. ADM’s financial policies shall also address the following financial goals:

- (a) To keep ADM in a financially sound position in both the long- and short-term;
- (b) To maintain sufficient financial liquidity through regular reviews and adjustments to meet normal operating and contingent obligations;
- (c) To apply credit control policies which maximise collection while providing relief to indigents;
- (d) To implement credit control policies that recognise the basic policy of customer care and convenience;
- (e) To operate utilities in a responsive and financially sound manner;
- (f) To maintain and protect existing infrastructure and capital assets;
- (g) To direct the ADM’s financial resources toward meeting the goals of the Municipality’s Integrated Development Plan (IDP).

The Budget and Treasury Office are therefore reliant on the following policies to assist in the achievement of its respective IDP priorities and financial objectives:

- Banking and Cash Management Policy
- Investment Policy
- Budget Policy
- Tariff Policy
- Debt Collection and Credit Control Policy
- Indigent Policy

- Asset Management and Disposal Policy
- Supply Chain Management Policy
- Cost Containment Policy
- Unallocated Deposits Policy

The municipality has adopted an Unauthorised, fruitless and wasteful and Irregular expenditure reduction strategy during December 2025.

All policies and by-laws are reviewed annually and adopted by Council with the exception of the Banking and Cash Management Policy, the Investment Policy and the Cost Containment policy. These three policies are reviewed tri-annually due to the high probability of no amendments and the objective of the ADM is to maintain adequate financial resources to be able to provide a sustainable and satisfactory level of municipal services to the community of the district. ADM constantly monitors its financial position and financial performance to ensure that it can withstand political and economic changes by remaining liquid.

Banking and Cash Management and Investment Policy

The ADM is required to manage its bank accounts in accordance with the Municipal Finance Management Act 2003 (Act No 56 of 2003) (MFMA). The banking and cash management policy thus intends to provide a framework for ensuring the proper management of its cash resources so as to ensure that sufficient cash resources are available to finance the capital and operating budgets of the municipality and that there is effective control over the management of bank accounts.

The ADM Council as the trustee of public revenues, which it collects, and therefore it has an obligation to the community to ensure that the municipality's cash resources are managed effectively and efficiently in accordance with the municipal investment regulations published in Government Gazette 27431 of 1 April 2005. The Council of ADM therefore has a responsibility to invest public funds according to the policy and legislation so as to exercise due care when making investments as set out in the Municipal Finance Management Act (Act no. 56 of 2003) and Municipal Regulations. All Investments made by the ADM, must be in accordance with the Investment policy of ADM and the Regulations In terms of the MFMA. The primary objective of the Investment policy is the preservation and safety of the cash resources of the municipality.

Budget policy

The annual budget is the guiding document for financial planning and is aligned with the IDP objectives and strategies. The budget is the annual financial plan for each department within the ADM and is subject to a mid-term review, which may result in an adjustment to the originally approved budget. The Budget policy outlines the

principles which the municipality will follow in preparing each medium-term revenue and expenditure budget framework. It further sets out the responsibilities of the executive mayor, the accounting officer, the chief financial officer and other senior managers and managers in compiling the budget. ADM remains committed towards developing a credible and funded budget. It also governs the rules regarding what constitutes a budget move which can be approved at Head of Department Level and what constitutes a budget virement, which needs Council approval.

Revenue policies

ADM will continue to estimate revenue sources in a conservative manner based upon realistically anticipated collectable revenue. ADM sets service charges that attempt to find the balance between affordability to the consumers and sustainability to the municipality. The **Tariff Policy** thus provides a framework in which the ADM can institute and maintain a tariff policy, which is transparent, cost-effective for the Municipality and is easily understood by all. The policy outlines the principles to be employed by the ADM in the levying of fees for services provided by the municipality. The Tariff Policy intends to guide the annual setting of tariffs for water, sanitation, fire, rentals and sundry services. The Tariff Policy is reviewed annually and adopted with the budget. The detailed listing of all tariffs is outlined in the Budget Document.

It is essential that funds are available to meet all expenditure of either a capital or operating nature as and when such expenditure has to be incurred. The strict implementation of the credit control policy will assist the ADM in ensuring liquidity.

As payments by the consumers have a major effect on cash flow, credit control on the various services of the ADM is covered in the **Credit Control and Debt Collection Policy**. Statements are generated for all consumer accounts on a monthly basis indicating amounts due for municipal services rendered, arrear amounts as well as payment due dates. Interest is charged monthly on arrears, except where Council has granted exemptions in accordance with its budget-related policies and within the prescribed framework. This policy includes Credit control procedures and mechanisms as well as debt collection procedures and mechanisms.

As a developmental institution, ADM is committed to supporting measures that assist and empower its community. It is accepted that large sections of the community cannot exist without intervention and it is therefore the duty of ADM to support and to ensure that citizens are able to access their constitutional right to have access to a basic level of services. ADM therefore adopts an Indigent Policy which embodies an indigent support programme not only providing procedures and guidelines for the subsidization of service charges to indigent households in the district, but also to increase the quality of life of the beneficiaries by assisting them to exit from their indigence. ADM has a credible indigent register that is reviewed annually. Write offs are submitted to Council for approval.

The municipality holds registration and awareness campaigns in conjunction with the Local municipalities within the District.

Asset Management Policies

The ADM **Asset Management Policy** endeavours to promote efficient and effective management, monitoring and control of all the ADM's assets. The policy outlines objectives to ensure accurate recording of asset information, accurate recording of asset movements and compliance with the Council's Supply Chain Management Policy and payment procedures. The policy further sets out to ensure the effective and efficient control, utilization, optimization of usage, safeguarding and management of the ADM's assets and that all responsible parties are aware of their roles and responsibilities regarding the assets of the municipality. The policy prescribes the accounting treatment of assets acquired and used in accordance with the applicable accounting standards

Supply Chain Management Policy

The objective of the ADM **Supply Chain Management Policy** is to ensure sound, sustainable and accountable supply chain management within the district. The policy ensures that goods, services and infrastructure delivery are procured in a fair, equitable, transparent, competitive and cost-effective manner. ADM has a fully-fledged unit that facilitates supply chain. All the committees have been established and are functional. ADM has a Contract Manager to ensure that all contracts awarded to service providers are appropriately managed and monitored. The municipality has reviewed its SCM strategy and policies to align with SCM regulations.

6.6 REVENUE BASE

To serve the community and to render the services needed, revenue generation is fundamental for financial sustainability. The reality is that ADM is faced with developmental backlogs and poverty challenging its revenue generation capacity. The needs (being capital or operational of nature) always exceed the available financial resources. This becomes more obvious when compiling the annual budget and matching it with the community's needs as recorded in the IDP. This is not a phenomena unique to ADM and therefore available financial resources should be utilised where it delivers the biggest impact on outcomes that will improve the quality of life of our local communities.

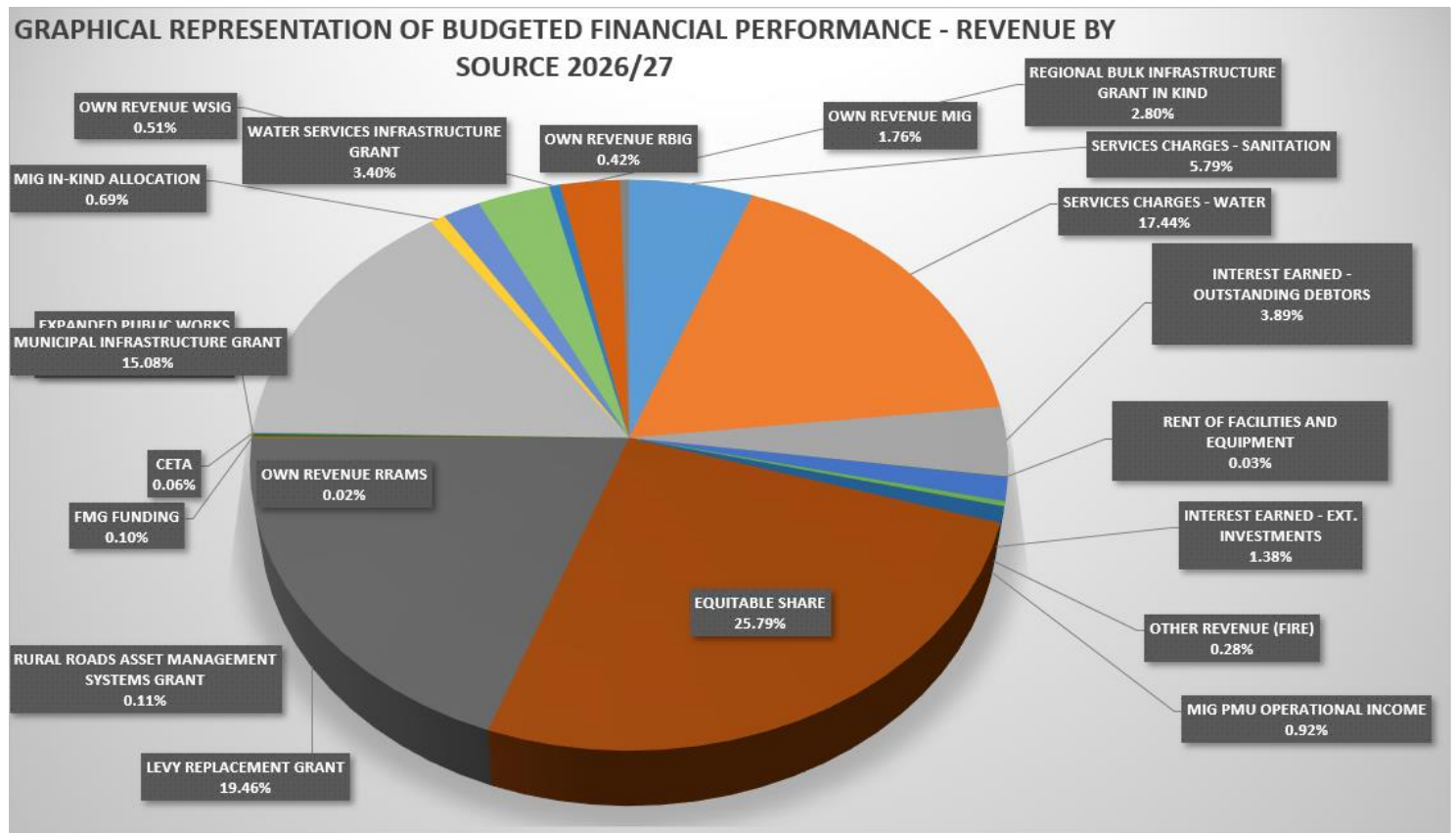
Despite the challenges, ADM remains committed to improving the quality of life of all its citizens in the district. In accordance with Section 18 of the MFMA, municipalities are to table a funded and credible budget, based on realistic estimates of revenue that are consistent with their budgetary resources and collection experience. The needs of the communities and local municipalities are to be met within the financial capacity and resource constraints of the municipality. The reality is that the needs always exceed the available financial resources

This is glaringly obvious during the annual budget compilation hence the available resources are to be prioritized to improve the quality of life of the community. The ADM has very few significant sources of discretionary or revenue. These include:

- Service Charges
- Equitable Share
- Levy replacement Grant

The figure below indicates all the revenue sources utilized to fund the 2026/27 operating budget:

FIGURE 42: BUDGETED FINANCIAL PERFORMANCE 2026/27 - REVENUE BY SOURCE



As depicted in the pie chart above, the ADM's primary operational revenue source is grant income at 45%. The secondary revenue source is service charges at 23%.

Investments held by the municipality are held to cash-back the portion of the unspent conditional grants. All commitments of the municipality should be cash-backed, these are growing at a greater percentage than the investments, rendering this impossible for items such as leave, land fill site rehabilitation, bad debts and depreciation.

The local government equitable share allocation is based on achieving the Constitutional requirements as provided for in sections 214 and 227 of the Constitution and reflects an 7% increase. In terms of these provisions, local government is entitled to an equitable share of nationally-raised revenue to enable municipalities to provide basic services to communities and to assist municipalities in maintaining functioning administrations.

Equitable share considers the fiscal capacity, fiscal efficiency, developmental needs, extent of poverty and backlogs in municipalities. It is an unconditional grant which has the following components on it in terms of the Division of Revenue Act, (DoRA).

BS = Basic services component

I = Institutional component

CS = Community services component

R = Revenue adjustment factor

C = Correction and stabilization factor

The ADM prioritizes its budget towards poor households for the provision of free basic services. The affordability threshold that informs the equitable share formulae at National Treasury is set at twice the old age pension grant per month and is based on the 2022 Census data. ADM has subscribed to this threshold in its indigent policies. The ADM is working towards achieving a consolidated indigent database and register throughout the District thereby ensuring alignment with the Local Municipalities and reducing duplicated efforts. Below is a table depicting the municipality's Equitable Share allocation in terms of DoRA for the 2026/27 financial year and outer two years.

Table 68: MUNICIPALITY'S EQUITABLE SHARE ALLOCATION IN TERMS OF DORA FOR THE 2026/27 FINANCIAL YEAR AND OUTER YEARS

GRANT	2024/25	2025/26	2026/27	2027/28	2028/29
Equitable Share	633 427 000	679 446 000	724 621 000	770 671 000	784 657 000
% increase/(decrease)	7%	7%	7%	7%	2%

The above table it is evident that the increase in the equitable share for the 2026/27 financial year is above the forecast inflation rate. The direct costs to provide services to the community however increase at rates above the inflation rate. ADM remains grant dependent and if this grant is reduced, it will severely impact the service delivery to communities. A total amount of R724 621 000 for Equitable Share (ES) has been gazetted for the 2026/27 financial year. Equitable share increases by 7% in the first outer year and only by 2% in the second outer year

Levy Replacement Grant

The Minister of Finance announced in the 2005 Budget that Regional Services Council (RSC) Levies will be phased out with effect 1 July 2006. However, for municipalities to meet their expenditure obligations, especially in terms of poverty alleviation and social and economic development, it was important to maintain the existing levels of revenue. Hence the national government compensated municipalities for lost revenue within the national budget framework through the Levy Replacement Grant.

The RSC Levy Replacement Grant for the 2026/27 financial year reflects an of 4% growth rate as detailed below:

TABLE 69: RSC LEVY REPLACEMENT GRANT FOR THE 2026/2027 FINANCIAL YEAR AND OUTER YEARS

GRANT	2024/25	2025/26	2026/27	2027/28	2028/29
Levy Replacement	506 890 000	526 883 000	546 764 000	568 584 000	586 255 000
%increase	4%	4%	4%	4%	3%

It is evident that the increase in the Levy replacement grant is in line with the inflation rate for the 2026/27 year and the first outer year, but is below inflation in the second outer year. A total amount of R546 764 000 being for the Levy Replacement Grant (LR) has been gazetted for the 2026/27 financial year. Any reduction or removal of this grant will severely impact the operations of ADM.

Service Charges & Tariff-Setting

The Amathole District Municipality continues to service a very rural and poverty-afflicted district. This is evidenced in the outstanding debt that is due to the municipality in respect of service charges with 80% of the debt being comprised of domestic consumers. In addition, the collection rate is very low with only 34% of the current debt being collected. ADM is providing for an 79% provision for bad debts. The municipality is looking into new and innovative strategies to increase the collection rate. Any viable and relevant recommendations from the Section 139(5)(a) intervention will be implemented to assist in improving collections.

Only 48 773 debtors were registered for indigent status up to March 2026. This also has an adverse impact on the debt of the municipality as the outstanding debt is growing each month. The ownership challenge surrounding the RDP houses in the local municipalities is a contributing factor to the low collection rate and the municipality is exploring alternative solutions to resolve this issue. Set-off arrangements with local municipalities have also been implemented. Both initiatives will assist the local municipalities in reducing their obligations.

ADM has implemented several revenue collection strategies:

- Registration of consumers receiving free basic services to ensure completeness of the indigent register;
- Estate lates and RDP houses have been identified;
- Combined indigent registration campaigns with the LM's
- Issuing electronic statements to consumers
- Created a portal link for consumers to register and download their own monthly statements
- Dedicated email and whatsapp for the consumers to address queries
- Restriction of government departments and businesses

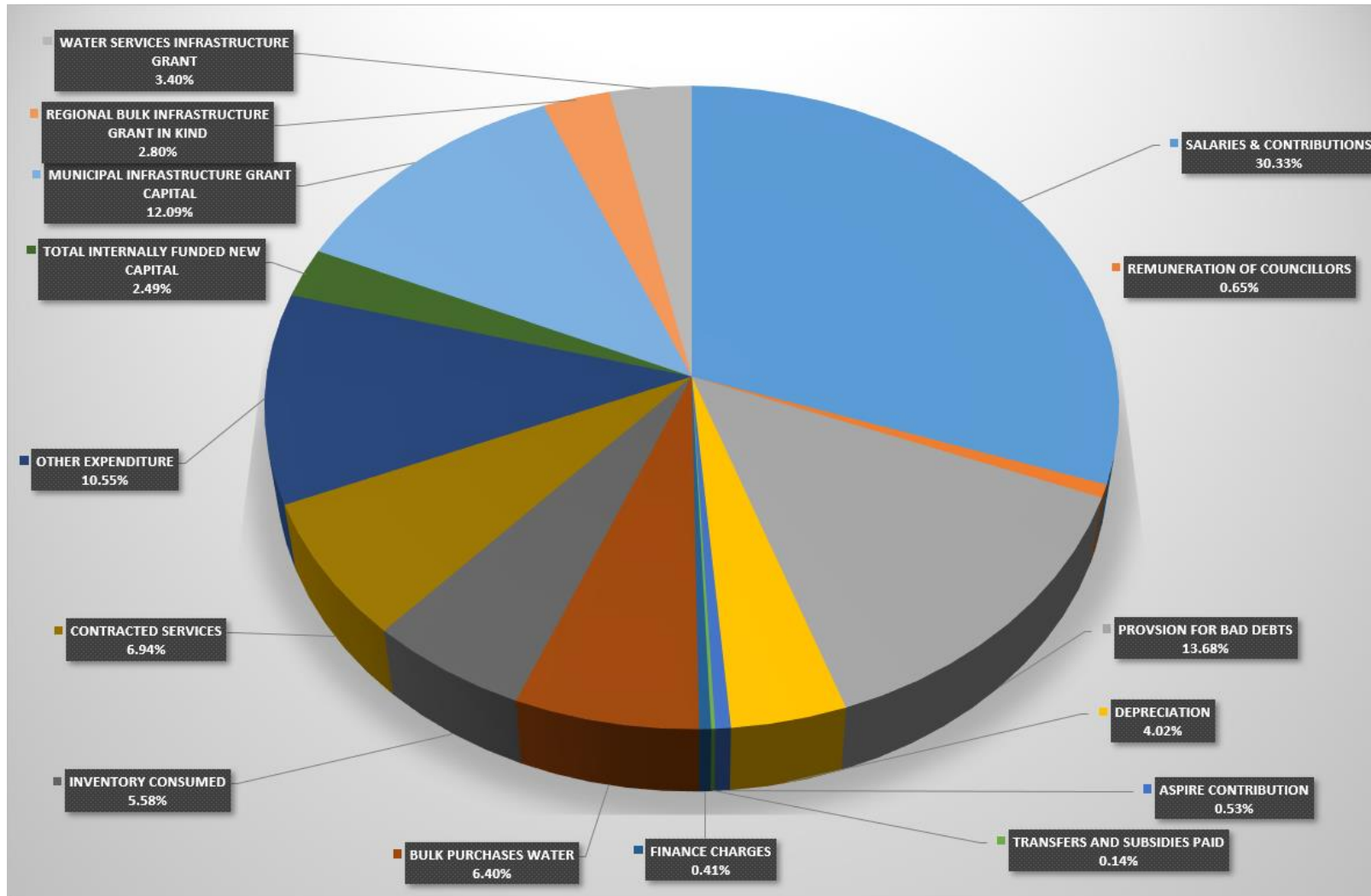
The existing fees, tariffs and charges are reviewed annually in order to ensure that the revenue attributable to fees and charges are maximized and that the bases for determining fees and charges are cost reflective and/or market related. The balance between affordability and sustainability remains a challenge and the current tariffs levied are not indicative of cost-recovery. Circular 98 has provided guidance in addressing cost reflective tariff with circular 123 enforcing municipalities to implement strategies within the five years commencing 2023/24 that will address cost reflective tariffs. The water, sanitation and other tariffs have increased by 6% for the 2026/27 financial year.

6.7 EXPENDITURE MANAGEMENT

In accordance with Section 65(2) (e) of the MFMA, municipalities are required to pay all money owing within 30 days of receiving the relevant invoice or statement. The ADM pays around 80% of its invoices within 30 days (this varies from month to month). This lower than required rate is as a direct result of the severe cash flow constraints that are being experienced by the ADM. To achieve full compliance with the MFMA, the municipality has established processes and procedures for payments such as the centralization of the receipt of invoices and the maintenance of a register so that invoices can be tracked. In addition payment arrangements are entered to with service providers to avoid interest and penalties and also to manage the negative relationship of payment period between collection from consumers and payment of suppliers. However, the issue of non-compliance will only be resolved once the cash situation stabilizes, despite processes in place to ensure that non-payment is not due to internal delays.

Best practice relating to operating expenditure management includes prioritizing infrastructure repairs and maintenance and ensuring that budgeted expenditure is funded by realistically anticipated revenue sources.

FIGURE 43: BUDGETED FINANCIAL PERFORMANCE 2025/26 - EXPENDITURE BY TYPE



The ADM's main operating expenditure category is employee-related costs representing 38% of the **operating expenditure** and 30% of the **overall expenditure**. This operating expenditure category has decreased but remains the biggest challenge to achieve a balanced budget. ADM's collection rates are too low, the tariffs are not cost reflective, due to the consideration of affordability and expenditure levels are too high, especially with the high and ever-increasing overhead costs in providing services. ADM has strategies that it intends implementing to address the situation. ADM has to ensure that costs are reduced and revenue is increased to achieve a balanced and funded budget.

The various strategies developed to address the situation include:

- Implementation of the Municipal Turnaround Strategy (MTAS)
- Implementation of the new institutional organogram
- Implementation of cost reduction measures and strict belt tightening
- Implementation of the key strategies in the Financial Recovery Plan
- Review of the Revenue Enhancement Strategy
- Implementation of a cost reduction plan
- Tighten controls over contract management
- Review of policies with financial implication

6.2.6 Salaries, Contributions and Remuneration of Councillors

ADM has reviewed its organogram in an attempt to bring the staff costs in greater alignment with the recommended norm by National Treasury. Policies are reviewed to assist in the reduction of the employee related costs. These policies have been tabled to Council for approval before being implemented. The total Salaries budget, including social contributions and remuneration of Councillors, constitutes an amount of R870 366 790 being 31% of the overall annual budget for 2026/27. When comparing total salaries against the total operating budget, this constitutes 39% of total operating budget. The ADM remains committed to spending its allocations so as to ensure service delivery to its community.

6.2.7 Bulk water purchases

Bulk water purchases are one of the most significant expenditure items for the municipality and thus contributing to 6% of the costs by R179 696 631.

6.2.8 Repairs and Maintenance

Repairs and Maintenance includes repairs to the following classes of ADM property plant and equipment: - Buildings, Equipment, Vehicles and Water and Waste-water Treatment Plants. ADM is aware of its need to allocate sufficient funding for repairs and maintenance, but this is practically impossible given the financial situation of the institution. Alternative revenue sources need to be sought in order to ensure that sufficient funding is allocated to maintain ADM assets.

6.8 FINANCIAL MANAGEMENT

6.2.9 Ongoing Sustainability of the Municipality

In order to assess the liquidity of the Amathole District Municipality on an on-going basis, various financial ratios, trend analysis and other measurement mechanisms are utilized to assess the cash position to support the implementation of the Budget.

The following ratios have been included in the IDP in order to assess the adequacy of the available cash and cash equivalents to meet the Amathole District Municipality's commitments arising from the approved Budget:

- Liquidity ratio
- Debt Coverage ratio
- Creditors Payment Rate

6.2.10 Liquidity Ratio (current ratio)

This ratio provides an indication of the municipality's ability to pay its short-term debts in the short-term (viability of an entity). This ratio focuses on current assets (debtors, bank and cash, inventory) and current liabilities (trade and sundry creditors, provisions, accruals).

The ratio currently is below the norm of 2:1 at 1.1, despite the gradual year on year improvement from 2020/21. It is highly undesirable in the short to medium term that this ratio has declined to below 2:1 and must be turned around. This ratio is indicative of cash flow constraints. Spending must be monitored to prevent increasing the cash flow constraints.

Over-reliance on the equitable share tranches is also very much evident. ADM continues implementing and monitoring the Sec 139(5)(a) mandatory financial recovery plan (MFRP). The MFRP has the following four key focus areas:

- Governance
- Institutional
- Financial management
- Service delivery

Table 70: RATIO: 2019/20-2024/25

Ratio	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Liquidity ratio (current ratio)	0.6: 1	0.4: 1	0.5: 1	0.6 : 1	0.7 : 1	1.1 : 1

6.2.11 Debtors Collection Rate

A ratio of 34% is calculated using the current billing and current receipting only at the end of the third quarter of the 2025/26 financial year. The municipality currently has a provision for bad debts that constitutes 80% of the total outstanding debt. This provision is based on past collection trends and risk associated with each debtor category and complies with the GRAP standards. ADM has established a task team to intensify the debt collection to improve the cash situation. The municipality continues to identify new strategies to assist in improving the collection rate.

Table 71: DEBTORS COLLECTION RATE 2019/20-2024/25

Debtors Collection Rate	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Current billing vs current receipts	24%	22%	24%	22%	24%	24%
Total debt vs total receipts	6%	65%	31%	18%	13%	10%

6.2.12 Creditors Payment Rate

The ratio must be compared to the municipality's credit terms which it receives from customers and that determined by the MFMA to determine whether the management of accounts payable is effective or not. The longer the credit terms the better for the municipality as the credit is usually interest-free.

Trade creditors carry no explicit cost. However, when cash discounts are being offered, the cost of not taking the discount is an implicit cost. Additional strain is placed on working capital requirements if creditor's payment days are significantly less than the debtor's collection period. This is the current scenario experienced at ADM as suppliers are paid within 30 days while revenue is only received after 90 plus days. Payment can only be made upon receiving the original invoice. The Budget and Treasury office has implemented procedures and controls to ensure that invoices are received and paid within the legislative timeframes. Payment within 30 days of receipt of invoice. This intervention has greatly improved the payment turn-around times to ensure compliance with the MFMA. The municipality is continually trying to improve controls and procedures to streamline the process and compliance and exercises all reasonable steps to

ensure compliance with the MFMA in paying invoices. The cash flow constraints of the municipality are the main contributor to not achieving the 100% payment of suppliers within 30 days.

The significant decline in the percentage is as a direct result of the severe cash flow constraints being experienced by the ADM, hence the ADM is not able to pay its suppliers when the debt is due.

Table 72: CREDITORS PAYMENT % WITHIN 30 DAYS 2019/20-2024/25

Creditors Payment % within 30 days	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	89%	31%	56%	71%	79%	90%

6.2.13 Cash Flow Position

The ADM has experienced a decrease in its cash reserves over the past few years. This can be attributed to the fact that the creditors are to be paid within 30 days and that debtors pay after 90 plus days. The municipality is grant dependent and the significantly low collection rates coerce the municipality to be heavily reliant on the equitable share and levy replacement grant tranches. From 2023/24 the grant spending improved dramatically, hence the outflow in the investing activities and the decrease in the cash and cash equivalents in 2024/25.

Table 73: CASH FLOW POSITION 2019/20-2024/25

CASH FLOW	2019/20 R	2020/21 R	2021/22 R	2022/23 R	2023/24 R	2024/25 R
Net cash inflow / (outflow) from operating activities	238 354 250	126 491 177	348 264 853	348,044,985	286,374,573	337,654,384
Net cash inflow / (outflow) from investing activities	(240 291 183)	(229 713 553)	263 704	(179,487,084)	(452,771,162)	(381,168,959)
Net cash inflows / (outflow) from financing activities	450 491	295 495	(159 156)	(973,087)	54,276	(189,965)
Net (Decrease) /Increase in cash flows	(1 486 442)	(103 517 871)	348 369 401	218,675,011	(166,342,311)	(43,704,540)

Operating activities reflects an inflow as the municipality has been able to bill consumers monthly. Investing activities include the purchase of assets, with the net outflow being in most financial years a result of an increase in the infrastructure assets. The ADM reflects a net decrease in cash, which is a direct result of the grant funding being spent.

6.9 CONCLUSION

The application of sound financial management principles for the compilation of a financial plan must be considered on an on-going basis through which the integration of the IDP and Budget is ultimately achieved. The continued improvement and development of an effective financial planning process aids the actualisation of fulfilling the municipality's facilitating role to capacitate the community to build a prosperous future for all. The budget is to contain realistic and credible revenue and expenditure forecasts which provide a sound basis for improved financial management of limited financial resources and service delivery improvements and implementation within the district.

The enhanced application of sound financial principles and management will assist in striving towards financial viability and that municipal services are provided economically to all communities. In addition, it will strengthen the transparency and accountability of public finances. The strategy towards cash backing and cash funded budgets will certainly ensure the sustainability of the Municipality over the short-, medium- and long-term



2026/27

CHAPTER SEVEN: PERFORMANCE MANAGEMENT



CHAPTER SEVEN

PERFORMANCE MANAGEMENT

7.1 PERFORMANCE MANAGEMENT SYSTEM

The Municipal Systems Act (2000) enforces the idea of a local government Performance Management System (PMS) and requires all municipalities to:

- Develop a performance management system;
- Set targets, monitor and review performance based on indicators linked to their IDP;
- Publish an annual report on performance for the councillors, staff, the public and other spheres of government;
- Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government;
- Conduct an internal audit on performance before tabling the report;
- Have their annual performance report audited by the Auditor-General; and
- Involve the community in setting indicators and targets and reviewing municipal performance.

In responding to the above requirements, Amathole District Municipality on an annual bases develops or review the following tools aimed at operationalising its Performance Management System:

- Performance Management Framework;
- Performance contracts and agreements;
- Service Delivery & Budget Implementation Plan;
- Procedure Manual for Management of Performance Information;
- Accountability Agreements and Performance Promises;
- Reporting tools;
 - Quarterly performance assessment reports;
 - Mid-year performance report;
 - Annual Performance report; and
- Performance scoring tool/ Electronic performance system.

7.1.1 The Performance Management Framework (PMF)

For purposes of monitoring and evaluation, Amathole District Municipality adopted a Performance Management Framework in 2002. The PMF was reviewed in 2007 to be in line with the 2006 Regulations. This has since been reviewed on a yearly basis in line with the IDP and review process. The PMF has during the 2018/19 financial year undergone a major review. The intended objective for the major review was to develop outcome-based indicators and to make a distinction from the output indicators.

ADM was pro Active as the approach is in line with the Circular 88 that was issued by National Treasurer in December 2020. The ADM SDBIP has been compliant with the circular since the issuing and been

reporting to the Department of Cooperative Governance. The institution has further developed a draft evaluation framework plan to enhance the performance management framework. Engagements on the framework are on going to ensure that it has input of all the key stake holders. The Department of Cooperative Governance has also been central in the formulation of the framework.

It is also important to note that a need to capacitate the Evaluation component of PME in order to ensure effective rollout of the evaluation. This is also to be aligned to the role of the Municipal Public Accounts Committee and the Council

The Performance Management framework is a municipal policy document that defines and describes the municipal performance management system, including how it operates. The framework constitutes council policy with regards to:

- The requirements that a PMS of Amathole will need to fulfil;
- The principles that will inform its development and application;
- A model that describes what areas of performance will be managed, in Amathole District Municipality;
- What processes will be followed in managing performance;
- What institutional arrangements are necessary for this;
- Who will take responsibility for parts of the system;
- How this links to personnel performance management, especially s56 managers;
- Establishment of structures to evaluate performance; and
- Management of Municipal Entities and Service Providers performance.

Amathole District Municipality makes use of the Municipal Scorecard Model as a model for performance management. The Municipal Scorecard Model is now reviewed and is based on one scorecard namely, the SDBIP (Service Delivery and Budget Implementation Plan) Scorecard. The Municipal Scorecard Model embodies five Key Performance Areas adopted by the then Department of Local Government and Traditional Affairs in the Five-Year Local Government Strategic Agenda. Performance is then measured according to the five KPAs. The Municipal Scorecard Model is based on the Balanced Scorecard methodology by Drs Robert Kaplan & David Norton but customised by aligning the 5 Key Performance Areas with the traditional 4 Perspectives of performance management. This then caters for measuring the elements of performance management as required for the Balanced Scorecard such as Costs, Inputs, Outputs, Outcomes and Process. The Heads of Department will be primarily responsible for performance on the SDBIP Scorecard. As such, the SDBIP Scorecard is closely linked and forms the largest component of how a Head of Department's performance will be appraised. Furthermore, the SDBIP Scorecard is cascaded down to the departments where it will be monitored.

Departments in the municipality are constituted by sections and the head of each section is responsible for reporting to the Head of Department. SDBIP Scorecards and performance reports must be formulated at departmental meetings constituted at least by the Head of Department and section heads. Sectional planning must be informed by the SDBIP Scorecard and performance reporting must feed into the SDBIP Scorecard report. Therefore each section must have its own implementation plan that contributes to the overall implementation of the SDBIP Scorecard. The District Municipality will facilitate the implementation of a coordinated annual cycle of municipal performance management within the district area. This cycle will have agreed critical dates and timelines for the following activities:

- Development of Institutional Scorecard (Top Layer SDBIP) as part of the District IDP Process;
- Development of Departmental Scorecards ((Bottom Layer SDBIP);
- Conclusion of Performance Contracts, Performance Agreements, Accountability Agreements and Performance Promises;
- Completion of the first quarter reviews and audits;
- Completion of the midyear/ second quarter reviews and audits;
- Completion of the third quarter reviews and audits;
- Completion of the annual reviews and audits;
- Preparation of the Annual Performance Report; and
- Submission of inputs to the Annual Report.

7.1.2 Performance Reporting & Reviews

Amathole District Municipality reports performance twice a year as legislated i.e. end of Q2 and a at the end of Q4. Additional to the legislated review and reporting periods that Institution is conducting reviews for Q1 and Q3. The quarterly reports are prepared and submitted to Internal Audit for auditing, prior it being sent to the Executive Mayor and the Audit Committee for consideration. Further the reports are prepared and submitted to the Audit Committee, Council and published for Public Comments.

Departmental Reviews

It is intended that departments review their performance monthly, using their SDBIP Scorecards. Decision-makers should be immediately warned of any emerging failures to service delivery such that they may intervene if necessary. Departments should use these reviews as an opportunity for reflection on their goals and programmes and whether these are being achieved. Minutes of these reviews should be forwarded to the office of the Municipal Manager. Changes in indicators and targets may be proposed at this meeting but can only be recommended for approval by the Municipal Manager to the Executive Mayor during the midterm adjustment.

On a quarterly basis, the Head of Department (HOD) will submit a report on the department's performance using the SDBIP Scorecards to Executive Management Committee (EMC). HODs will formulate their SDBIP Scorecard reports by taking into account the performance of the various units/sections within each department. The SDBIP Scorecard requires inputs from each unit/section such that a comprehensive report is collated on the performance of each department. The Unit Manager/Sectional Head are responsible for the provision of unit/sectional reports to the HOD

Municipal Manager's Review Panel

Twice annually, the review panel set up by the Municipal Manager will review the departmental performance (HOD or manager reporting directly to the municipal manager) using the SDBIP Scorecards for departments. The Municipal Manager will then submit reports from this review to the Audit Committee then to the Executive Mayor to submit to council. The Municipal Manager's Review Panel will need to reflect on whether targets are being achieved, what are the reasons for targets not being achieved where applicable and corrective action that may be necessary. Where targets need to be changed, the Municipal Manager can endorse these, for recommendation to the Executive Mayor for approval. In preparation for and prior these reviews, the office of the Municipal Manager must develop an analysis of performance.

Executive Mayor's Review Panel

Twice annually, the review panel set up by the Executive Mayor will review the top institutional performance (municipal manager) using the Top layer SDBIP. The Executive Mayor will then submit reports from this review to Council. The Executive Mayor's Review Panel will need to reflect on whether targets are being achieved, what are the reasons for targets not being achieved where applicable and corrective action that may be necessary. Where targets need to be changed, a recommendation will be submitted to the Executive Mayor for approval.

Audit Committee Reviews

On a quarterly basis, the Audit Committee will review the top institutional performance (Municipal Manager) using the Top layer SDBIP. Another function that is linked to the Audit Committee is the auditing and assurance guarantee on the assessment and processes of the framework and the system. This is further detailed in section dealing with Auditing and Quality Control. The report will be submitted to the Executive Mayor quarterly and to council bi-annually.

The Audit Committee will need to reflect on whether targets are being achieved, what are the reasons for targets not being achieved where applicable and corrective action that may be necessary. Furthermore, they will verify and give assurance to the process of reviews undertaken by the panels and recommendation. Where targets need to be changed, a recommendation will be submitted to the Executive Mayor for approval.

Council Reviews

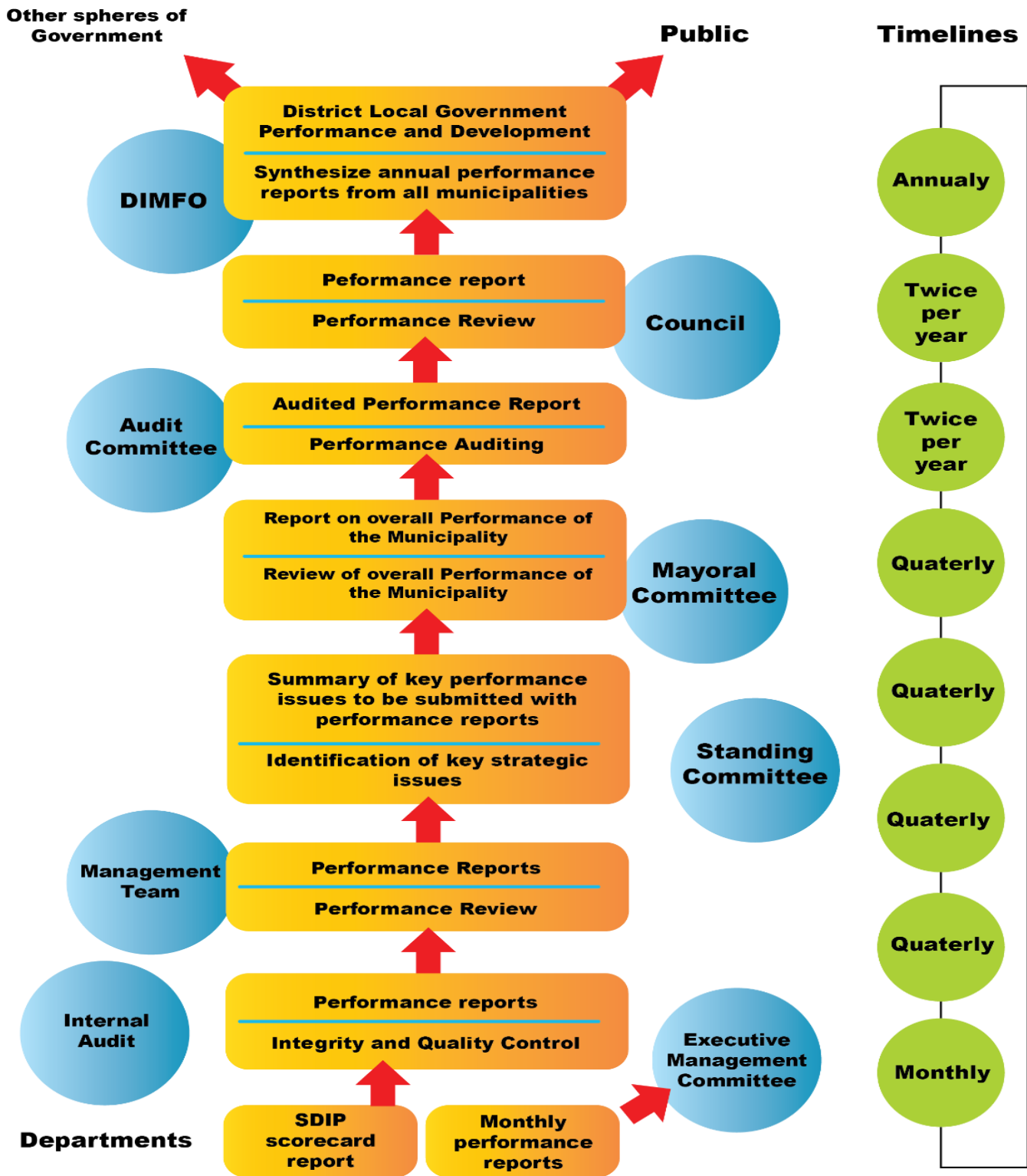
At least twice annually, the council will be required to review municipal performance based on the performance report submitted by the Executive Mayor. The council will use the report submitted by the Executive Mayor from the Audit Committee. The first review will be in January in preparation for the budget adjustments. The second review will be an annual performance review. This will form part of the annual report as required by the Municipal Systems Act. A report will be submitted annually to the provincial government in the form of an annual report. A report annually will also be submitted to the Inter-Governmental Forums established by Amathole District Municipality in the form of a citizen's report on performance of the municipality.

Public Reviews

The Municipal Systems Act requires the public to be given the opportunity to review municipal performance and they will be part of the panels established by the district municipality. Furthermore, a citizen's report will be produced for public consumption and tabled to the IDP Representative Forum established by Amathole District Municipality. A citizen's report should be a simple, easily readable and attractive document that summarises the performance of the municipality public consumption. Annually an annual report will be developed and be open for public comments on the assessment of the municipality's performance. It is also proposed that a public campaign be annually embarked on to involve communities in the review of municipal performance. Such a campaign could involve the following methodologies:

Various forms of media including radio, newspapers and billboards are used to convey the communities' report. The members of the public are invited to submit comments via telephone, fax, email and public hearings which are held in a variety of locations. The diagram below provides a picture of the annual process of reporting and reviews:

FIGURE 44: ANNUAL PROCESS OF REPORTING AND REVIEWS



7.1.3 Auditing and Quality Control

The Office of the Municipal Manager will be required on an ongoing basis to coordinate and ensure good quality of reporting and reviews. It will be its role to ensure conformity to reporting formats and check the reliability of reported information, where possible. The municipality's internal audit function will be continuously involved in auditing the performance reports, evidence file and SDBIP scorecards. As required by the regulations, they will be required to produce an audit report on a quarterly basis, to be submitted to the Municipal Manager, Executive Mayor and Audit Committee. The Audit Committee will also be tasked with assessing the reliability of information reported. Also, the Municipality will need to appoint a Performance Evaluation Committee to assess s56 and the Municipal Manager's annual performance. The composition of the Committee must adhere to the one prescribed in the 2006 Regulations.

7.2 EVALUATION AND IMPROVEMENT OF PERFORMANCE MANAGEMENT SYSTEM

7.2.1 Organisational Performance Management

Table 74: AMATHOLE DISTRICT MUNICIPALITY ANNUAL ORGANISATIONAL PERFORMANCE- 4 YEARS

ANNUAL ORGANISATIONAL PERFORMANCE COMPARISON OF ADM OVER 4 YEARS				
	2021/2022	2022/2023	2023/2024	2024/2025
Annual Overall Performance	76%	78%	80%	88%

Annual Performance Summary

- During the Mid term Adjustment there were additional SDI and MTI additional KPIS included, to ensure full reporting of the grant funding plans and expenditure. These are projects that were being implemented but not reflecting on the score card, hence the inclusion. The process resulted to a total of 34 KPIs that are being reported in the Institutional SDBIP for the 2024.25 financial year.
- The annual institutional performance target for the 2024.25 financial year is 85% and the final score is 79% due to of 8 KPIs met at rating level 2 and 4 that are met at rating level 1. The 4 KPIs that are met at level 01 are under MFV being the following:-
 - 16% change
 - in cash and cash equivalent
 - 21% % Total collection on outstanding debts.
 - 44% net operating surplus margin
 - 71% of expenditure against total budget
- The common factor for these indicators is that they are dependent on the revenue collection which continues to pose a challenge for the institution, however variance reports are provided. This is despite the intervention of the Mandatory Financial recovery plan. A concerted effort with the support of COGTA and Treasury are in place to improve the financial positioning of the Municipality.
- The Indicators that are met at level 2 are 3 in MTI, 4 in SDI and 1 in MTI which gives a total of 8. Further the score is not inclusive of the core competency scores of the Directors which will account for 20% of the final scores.
- A notable contribution to improvement of performance and governance in the institution is that from August 2024 all positions of Directors were filled. Further there is a significance progress in the placement and filling of positions to the Organisational Structure that was approved for the 2025.26 financial year. The stability has also yielded an improvement in the Audit outcome.
- continuity on the strategies and the plans of the Municipality to improve performance.

Table 75: PERFORMANCE REPORT JULY 2024 TO JUNE 2025

SUMMARY OF ANNUAL ORGANISATIONAL PERFORMANCE FOR TOP LAY SDBIP 2023/24							
KEY PERFORMANCE AREAS	Outstanding Performance (5)	Performance Significantly above expectation (4)	Fully Effective (3)	Performance Not fully Effective (2)	Unacceptable Performance (1)	Not Applicable	TOTAL
Municipal Transformation and Institutional Development	1	0	5	3	0	0	9
Basic Service Delivery	0	0	8	4	0	0	12
Local Economic Development	0	1	2	0	0	0	3
Municipal Financial Viability	0	0	4	0	4	0	8
Good Governance and Public Participation	0	0	1	1	0	0	2
TOTAL	1	1	20	8	4	0	34

7.3 INDIVIDUAL PERFORMANCE MANAGEMENT

The Council adopted an Employee Performance Management Policy and Procedure on the 22 March 2013 and was also reviewed in June 2018. In the 2018 review the policy was integrated to the with the Institutional performance policy to be the Performance Management Framework.

This policy outlines how planning, monitoring, review, assessments and reporting are going to be conducted. It also outlines the reward system and the procedure in dealing with poor employee performance within the institution.

In cascading the performance management system to the levels below the Senior Managers (Directors in the context of ADM, reporting directly to the Municipal manager, Amathole District Municipality has developed Employee Performance Management policy. This policy outlines how planning, monitoring, review, reporting of individual performance should be done. It also has provision for performance rewards and the approach in managing poor employee performance.

All Amathole District Municipality employees including General Assistants sign Accountability Agreements or Performance Promises in the beginning of the financial year. Employees on Task Grade 11-20 sign Accountability Agreements (AA) whereas employees on Task Grade 4-10 sign Performance Promises (PP). Their performance is being reviewed every quarter based on what an individual employee has signed in his or her Accountability Agreement or Performance Promise.

Performance Plans are agreed with each employee in job grades as listed in the ADM Individual Performance Policy as part of his / her career development plan and should include the following:

a) Personal information

Details relating to the employee and his/her position, supervisor, formal and informal training and experience.

b) Job definition

High level overview of work performance required and key focus areas

c) Career goals

Long term and intermediate career goals. These goals are initially set at the beginning of the year to capture goals that will help an employee gain the skills and opportunities to progress. Please note that by documenting and agreeing on career goals does not constitute any commitment from the employer of being automatically promoted to the next levels.

d) Key performance indicators

Where applicable and KPI's delegated to employees on the SDBIP are included here. New KPI's can be added to existing KPI's (from the SDBIP) or new KPI's can be created for employees who do not have KPI's on the SDBIP.

The Amathole District Municipality performance framework makes a provision that employees who demonstrate excellent and outstanding performance are rewarded. The rewards process has been placed on hold due to financial constraints that the institution is facing. In as much as Amathole District Municipality rewards those employees who are performing very well, it also ensures that all those who are demonstrating poor performance are assisted by their supervisors using the approach that is outlined in the Employee Performance Management Policy.

Part B of the Employee Performance Management Policy stipulates that the Departmental Evaluation Panels shall be established to recommend the employees who will be rewarded with special leave days at the end of the performance cycle. Departmental checklists are attached as annexures which contains names of employees recommended for 2024/25 performance rewards

Below is the table that reflects name of department, total number of employees in that department and total number of employees recommended for each category of performance rewards.

Table 76: PERFORMANCE REWARDS

DEPARTMENT	TOTAL NUMBER OF EMPLOYEES	QUALIFY FOR 3 DAYS	QUALIFY FOR 4 DAYS	QUALIFY FOR 5 DAYS	DID NOT QUALIFY
Municipal Manager's Office	17	5	7	0	5
Strategic Planning & Management	60	14	8	0	38
Community Services	169	77	3	0	89
Spatial Planning and Economic Development	27	5	3	0	19
Budget and Treasury Office	168	23	7	1	137
Corporate Services	81	21	3	0	57
Engineering Services (Head Office)	67	14	5	0	48
Great Kei Networks	52	0	51	0	1
Ngqushwa Networks	25	9	0	0	16

DEPARTMENT	TOTAL NUMBER OF EMPLOYEES	QUALIFY FOR 3 DAYS	QUALIFY FOR 4 DAYS	QUALIFY FOR 5 DAYS	DID NOT QUALIFY
Raymond Mhlaba Networks 1	48	36	1	0	11
Mbhashe Networks	54	40	11	0	3
Amahlathi Networks	73	18	26	0	29
Raymond Mhlaba 2 Networks	36	25	2	0	9
Mnquma Networks	105	77	25	0	3
Mbashe Water Care	76	39	5	0	32
Mnquma Water Care	32	14	18	0	0
Water Care Western Region	46	39	4	0	3
Great Kei Water Care	32	3	28	0	1
Amahlathi Water Care	46	21	0	0	25
GRAND TOTAL	1214	480	207	1	526

40% of employees qualify for **3** special leave days, whereas **17%** qualify for **4** special leave days, **0.08** %qualify for **5** special leave days and **43%** did not qualify for 2024/25 performance cycle.

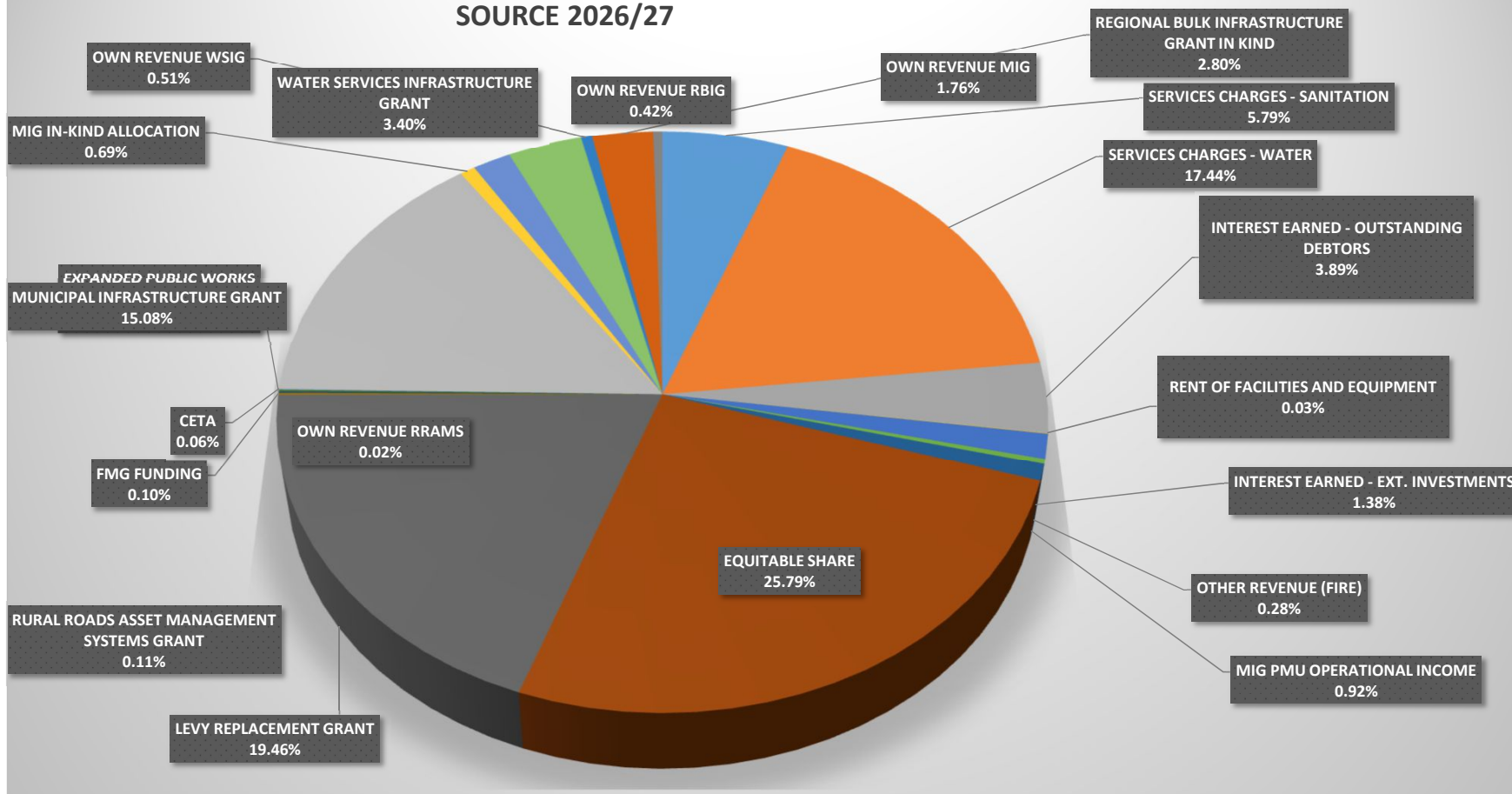
**BUDGETED FINANCIAL PERFORMANCE
REVENUE BY SOURCE 2026/27 TO 2028/29**

DETAILS	2025/2026	2026/2027	2027/2028	2028/2029	% INCOME	% INCREASE/ (DECREASE) FROM 2025/2026
	R	R	R	R		
SERVICES CHARGES - SANITATION	153,581,466	162,796,354	172,564,135	182,917,983	5.79%	6.00%▲
SERVICES CHARGES - WATER	460,954,800	489,952,093	519,349,219	550,510,172	17.44%	6.29%▲
INTEREST EARNED - OUTSTANDING DEBTORS	103,169,325	109,359,485	115,921,054	122,876,317	3.89%	6.00%▲
RENT OF FACILITIES AND EQUIPMENT	400,515	710,715	753,358	798,559	0.03%	77.45%▲
INTEREST EARNED - EXT. INVESTMENTS	36,963,168	38,866,418	41,198,403	43,670,307	1.38%	5.15%▲
OTHER REVENUE (FIRE)	7,343,652	7,784,271	9,210,635	9,761,000	0.28%	6.00%▲
TRANSFERS AND SUBSIDIES:						
MIG PMU OPERATIONAL INCOME	25,583,650	25,923,950	27,965,050	29,931,400	0.92%	1.33%▲
EQUITABLE SHARE	679,446,000	724,651,000	770,671,000	784,656,500	25.79%	6.65%▲
LEVY REPLACEMENT GRANT	526,883,000	546,764,000	568,584,000	586,255,000	19.46%	3.77%▲
FMG FUNDING	2,600,000	2,700,000	2,800,000	2,900,000	0.10%	3.85%▲
EXPANDED PUBLIC WORKS PROGRAMME	1,513,000	2,016,000	-	-	0.07%	33.25%▲
RURAL ROADS ASSET MANAGEMENT SYSTEMS GRANT	2,995,652	3,116,522	3,240,870	3,341,739	0.11%	4.03%▲
CETA	5,990,000	1,660,000	0	0	0.06%	(72.29%)▼
OWN REVENUE RRAMS	449,348	467,478	486,130	501,261	0.02%	4.03%▲
TOTAL OPERATING INCOME	2,007,873,576	2,116,768,286	2,232,743,854	2,318,120,239	75%	5.42%▲
TRANSFERS AND SUBSIDIES CAPITAL	674,705,350	692,956,050	796,406,950	751,945,600	24.66%	2.70%▲
MUNICIPAL INFRASTRUCTURE GRANT	326,056,621	423,671,288	493,805,242	509,354,346	15.08%	13.10%▲
MIG IN-KIND ALLOCATION	109,310,362	19,524,000	0	0	0.69%	(82.14%)▼
OWN REVENUE MIG	50,722,367	49,359,762	57,530,708.00	59,342,254	1.76%	(2.69%)▼
WATER SERVICES INFRASTRUCTURE GRANT	86,622,609	95,652,174	100,434,783	101,466,087	3.40%	10.42%▲
OWN REVENUE WSIG	12,993,391	14,347,826	15,065,217	15,219,913	0.51%	10.42%▲
REGIONAL BULK INFRASTRUCTURE GRANT IN KIND	77,391,304	78,609,565	112,670,435	57,880,870	2.80%	1.57%▲
OWN REVENUE RBIG	11,608,696	11,791,435	16,900,565	8,682,130	0.42%	1.57%▲
TOTAL INCOME	2,682,578,926	2,809,724,336.0	3,029,150,804	3,070,065,839	100.00%	4.74%▲

EXPENDITURE BY TYPE 2026/27 TO 208/29

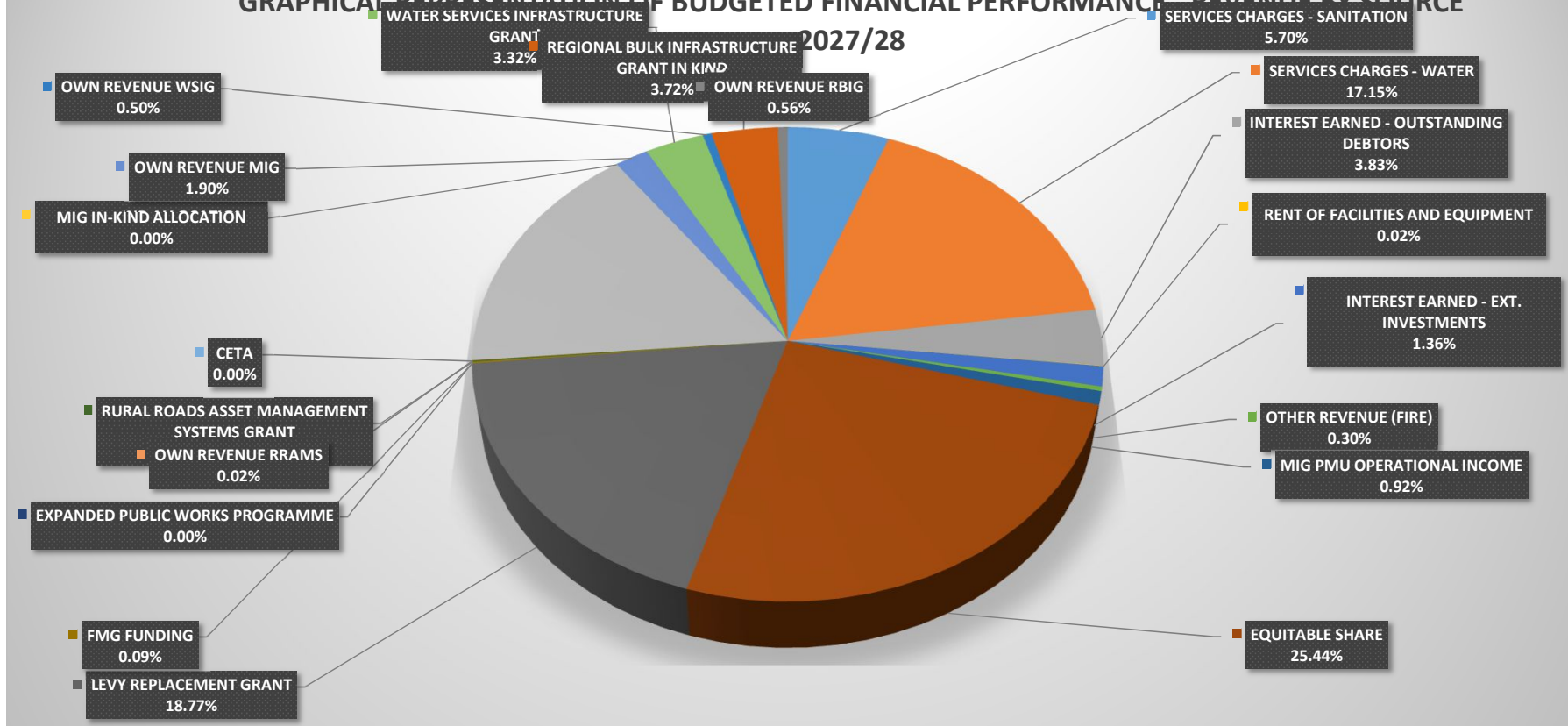
DETAILS	2025/26	2026/27	2027/28	2028/29	% EXPENDITURE	% INCREASE/(DECREASE) FROM
	R	R	R	R		
SALARIES & CONTRIBUTIONS	851,301,523	852,127,285	892,616,849	937,247,692	30.33%	0.10%▲
REMUNERATION OF COUNCILLORS	19,122,232	18,239,505	19,151,481	20,109,057	0.65%	(4.62%)▼
PROVISION FOR BAD DEBTS	352,799,998	384,313,487	407,372,296	388,934,810	13.68%	8.93%▲
DEPRECIATION	102,498,180	112,837,998	119,157,463	126,998,143	4.02%	10.09%▲
ASPIRE CONTRIBUTION	15,000,000	15,000,000	15,000,000	15,000,000	0.53%	0.00%▲
TRANSFERS AND SUBSIDIES PAID	4,195,000	3,865,000	3,992,545	4,120,306	0.14%	(7.87%)▼
FINANCE CHARGES	648,700	11,440,000	11,817,520	12,195,681	0.41%	1663.53%▲
BULK PURCHASES WATER	164,859,295	179,696,635	197,666,300	203,991,624	6.40%	9.00%▲
INVENTORY CONSUMED	168,580,000	150,289,980	130,623,337	140,685,633	5.35%	(10.85%)▼
CONTRACTED SERVICES	218,806,674	196,585,005	222,013,791	244,664,087	7.00%	(10.16%)▼
OTHER EXPENDITURE	251,611,992	296,394,735	305,672,960	318,150,900	10.55%	17.80%▲
TOTAL OPERATING EXPENDITURE	2,149,423,594	2,220,789,630	2,325,084,542	2,412,097,932	79.04%	3.32%▲
TOTAL INTERNALLY FUNDED NEW CAPITAL	56,674,436	69,387,136	71,677,008	70,960,159	2.47%	22.43%▲
TOTAL INTERNALLY FUNDED CAPITAL	56,674,436	69,387,136	71,677,008	70,960,159	2.47%	22.43%▲
CAPITAL FROM OPERATING GRANTS	660,000	700,000	723,000	715,869	0.02%	6.06%▲
CAPITAL GRANTS AND SUBSIDIES	475,820,896	518,847,570	631,666,253	586,291,879	18.47%	9.04%▲
MUNICIPAL INFRASTRUCTURE GRANT CAPITAL S5B	311,806,983	327,099,118	418,561,036	426,944,922	11.64%	4.90%▲
MUNICIPAL INFRASTRUCTURE GRANT IN KIND S6B	-	17,486,713	-	-	0.62%	0.00%▲
REGIONAL BULK INFRASTRUCTURE GRANT IN KIND	77,391,304	78,609,565	112,670,435	57,880,870	2.80%	1.57%▲
WATER SERVICES INFRASTRUCTURE GRANT	86,622,609	95,652,174	100,434,783	101,466,087	3.40%	10.42%▲
TOTAL CAPITAL EXPENDITURE	533,155,332	588,934,706	704,066,261	657,967,907	20.96%	10.46%▲
TOTAL EXPENDITURE	2,682,578,926	2,809,724,336.00	3,029,150,804	3,070,065,839	100.00%	4.74%▲
SURPLUS / (DEFICIT)	-	-	0	0	0.00%	0.00%▲

GRAPHICAL REPRESENTATION OF BUDGETED FINANCIAL PERFORMANCE - REVENUE BY SOURCE 2026/27



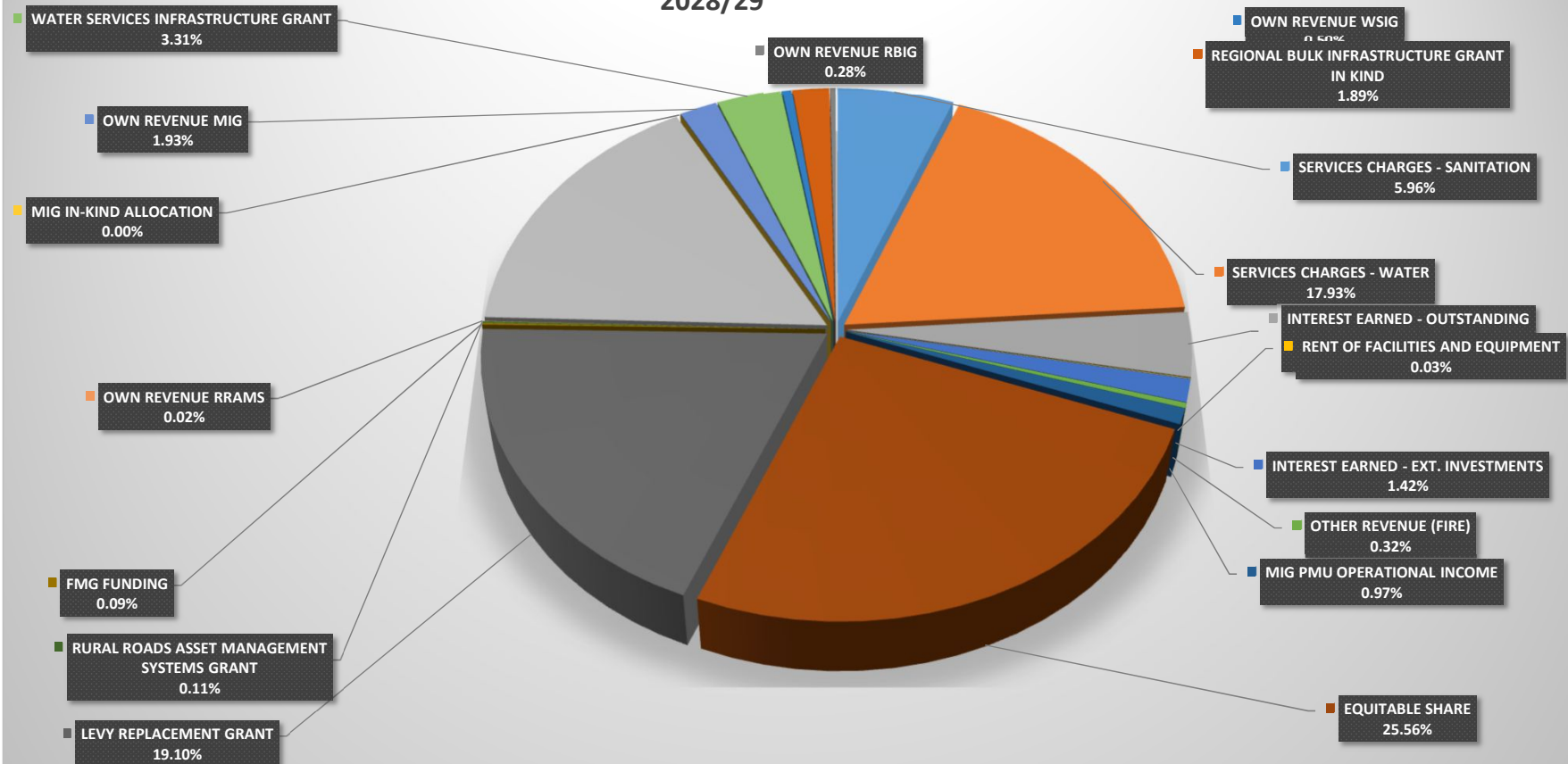
GRAPHICAL REPRESENTATION OF BUDGETED FINANCIAL PERFORMANCE - REVENUE BY SOURCE

2027/28

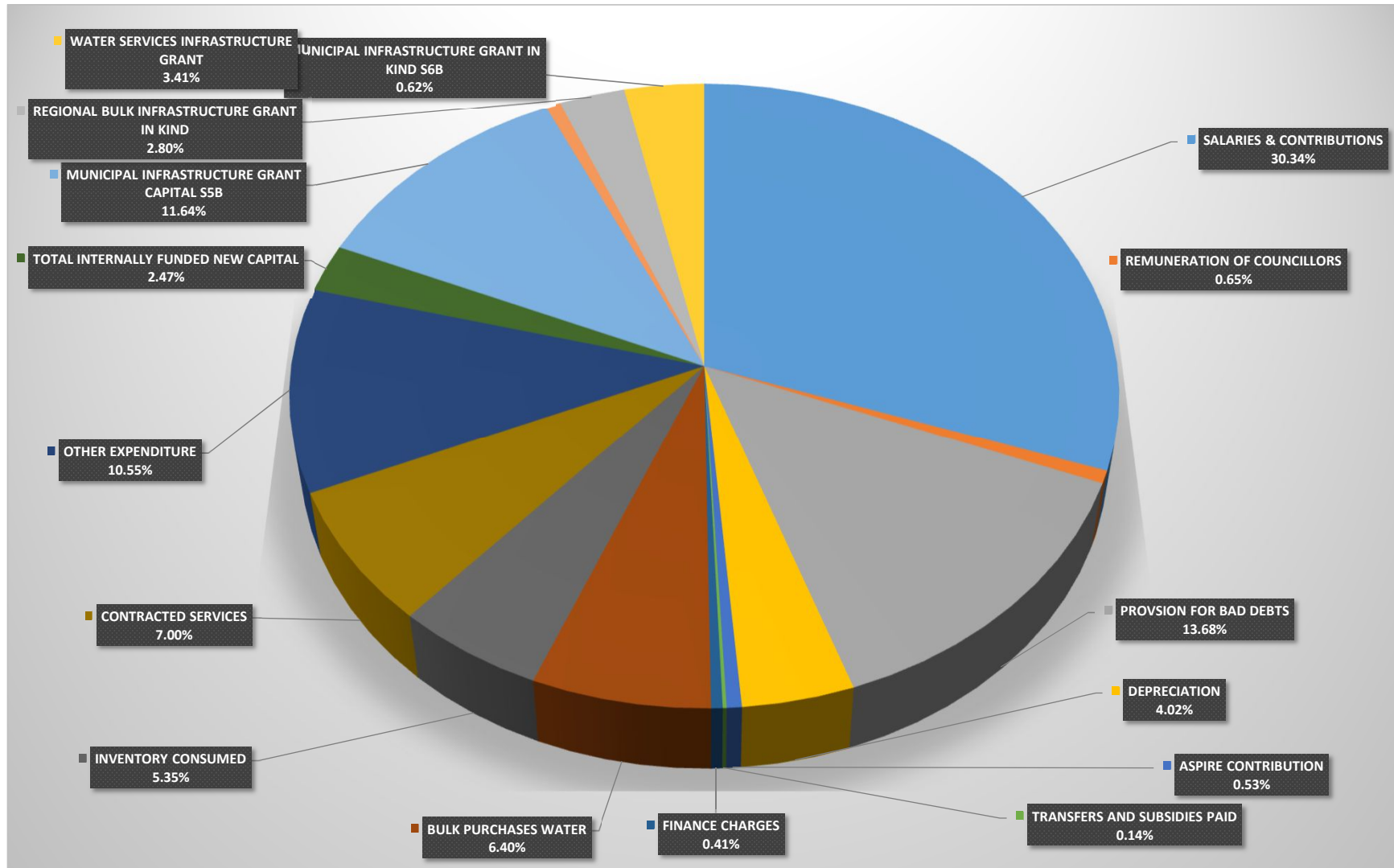


GRAPHICAL REPRESENTATION OF BUDGETED FINANCIAL PERFORMANCE - REVENUE BY SOURCE

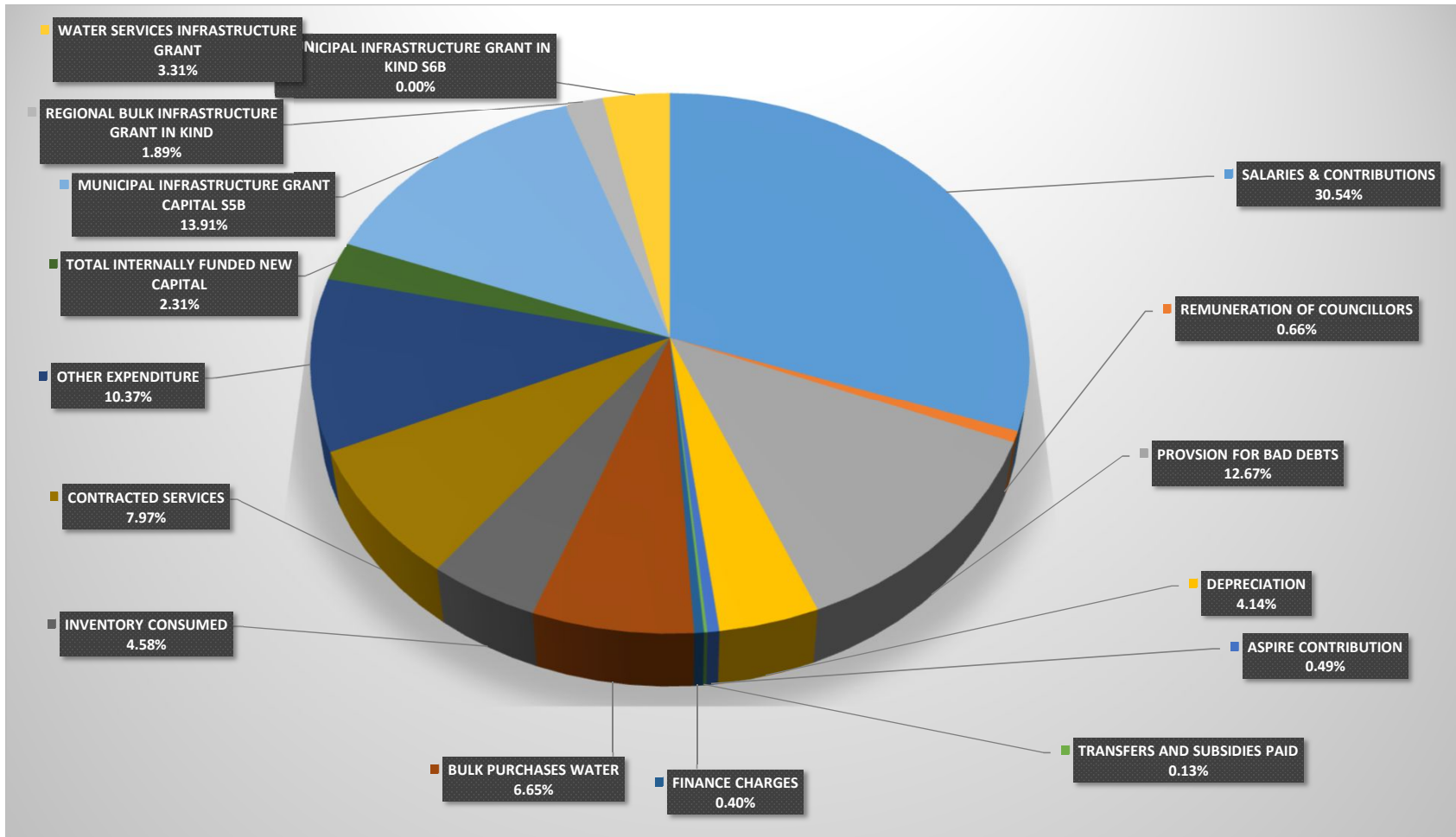
2028/29



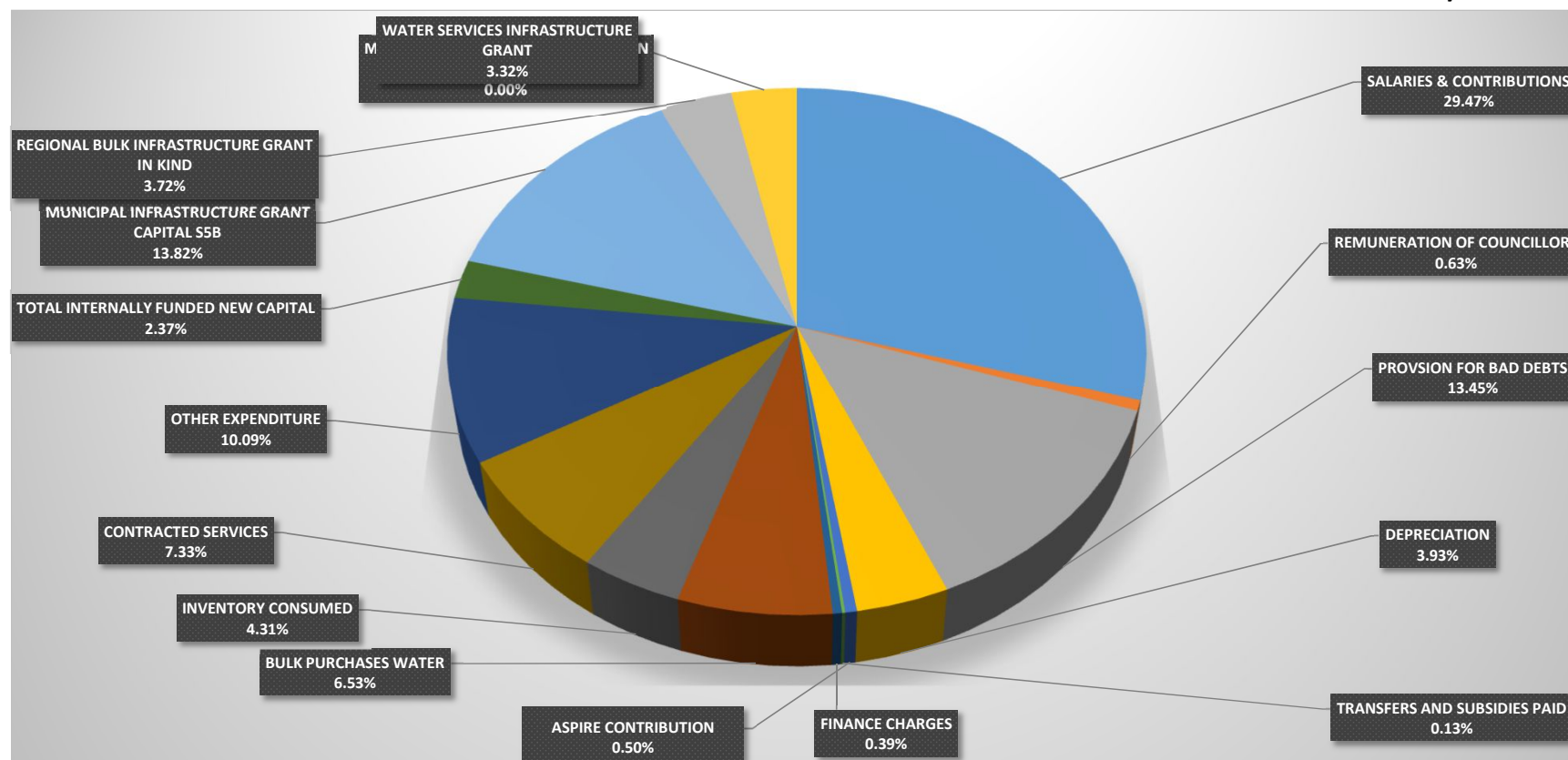
GRAPHICAL REPRESENTATION OF BUDGETED FINANCIAL PERFORMANCE - EXPENDITURE BY CLASS 2026/27



GRAPHICAL REPRESENTATION OF BUDGETED FINANCIAL PERFORMANCE - EXPENDITURE BY CLASS 2028/29



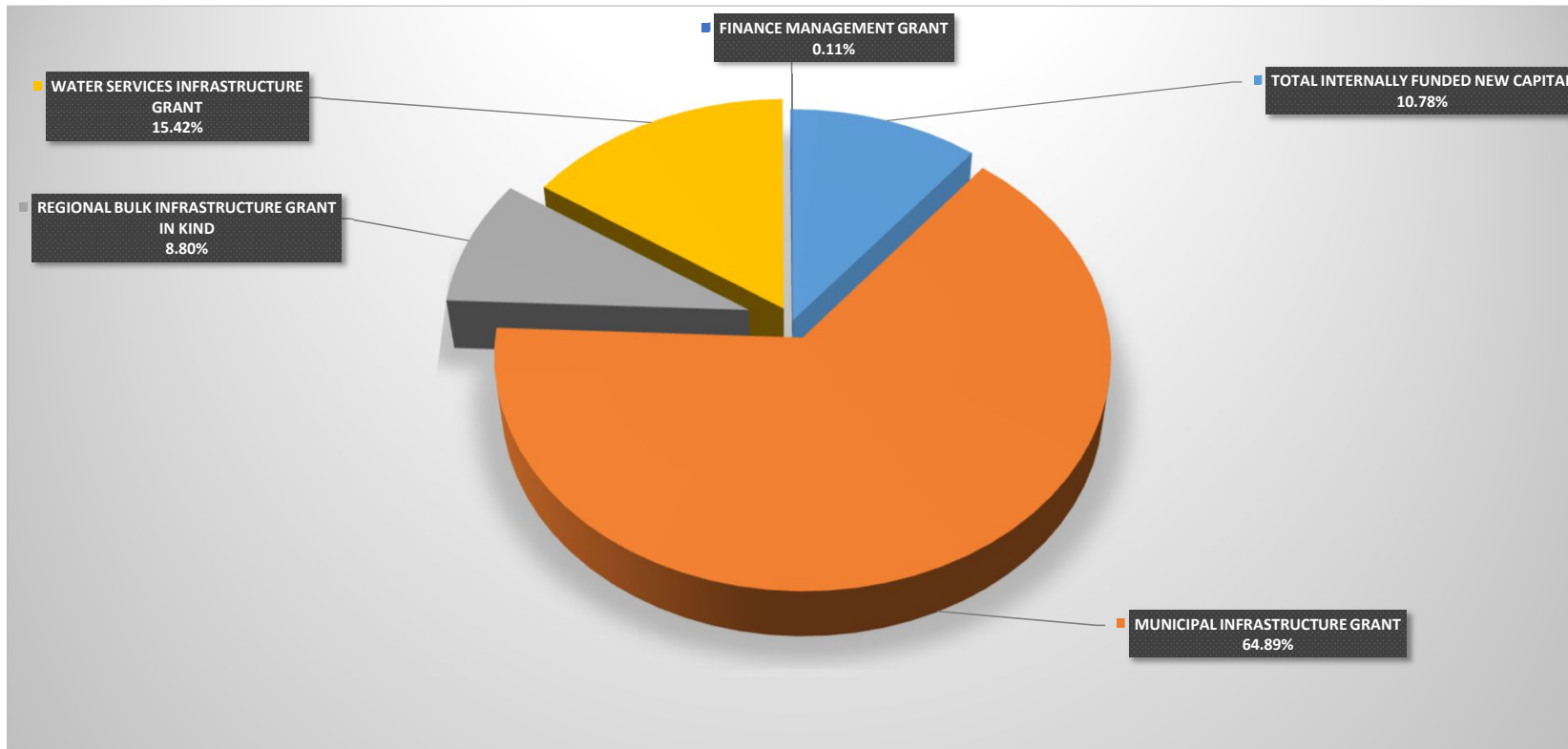
GRAPHICAL REPRESENTATION OF BUDGETED FINANCIAL PERFORMANCE - EXPENDITURE BY CLASS 2027/28



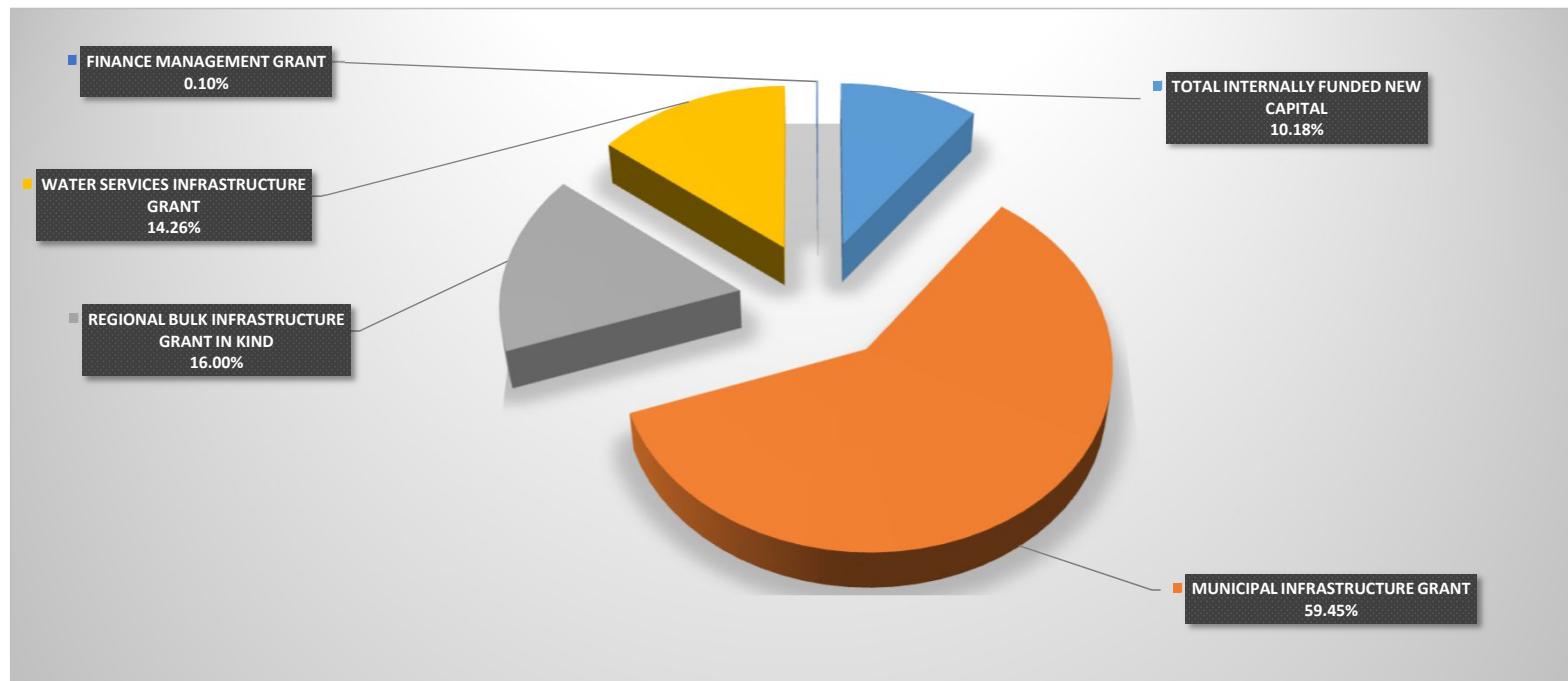
CAPITAL BUDGET SOURCE OF FUNDING SUMMARY: 3 YEARS

DETAILS	2026/2027	2027/2028	2028/2029
	R	R	R
TOTAL INTERNALLY FUNDED NEW CAPITAL	69,387,136	71,677,008	70,960,159
MUNICIPAL INFRASTRUCTURE GRANT	344,585,831	418,561,036	426,944,922
REGIONAL BULK INFRASTRUCTURE GRANT IN KIND	78,609,565	112,670,435	57,880,870
WATER SERVICES INFRASTRUCTURE GRANT	95,652,174	100,434,783	101,466,087
FINANCE MANAGEMENT GRANT	700,000	723,000	715,869
TOTAL CAPITAL EXPENDITURE	588,934,706	704,066,261	657,967,907

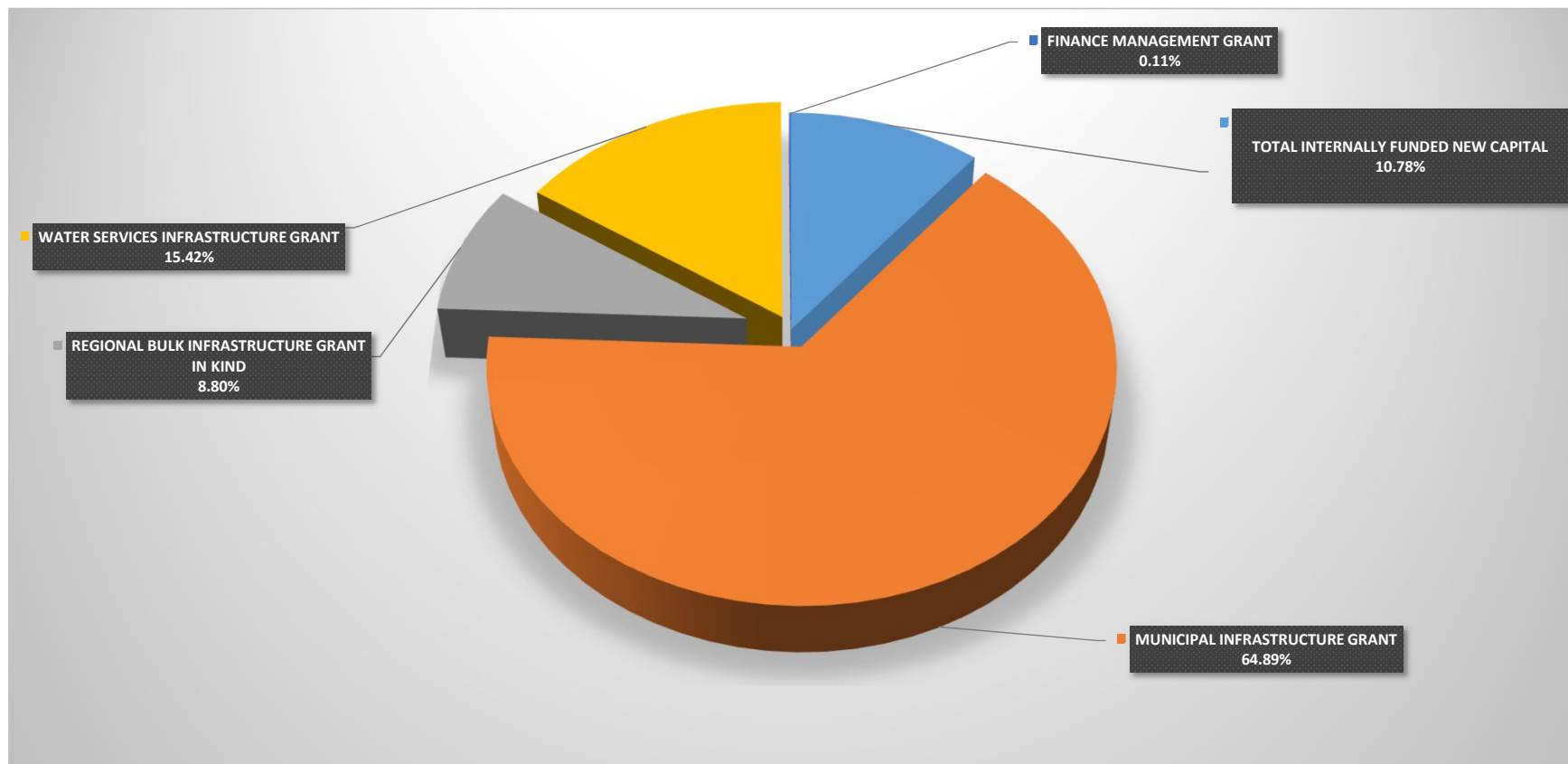
GRAPHICAL REPRESENTATION OF CAPITAL BUDGET SOURCE OF FUNDING 2026/27



GRAPHICAL REPRESENTATION OF CAPITAL BUDGET SOURCE OF FUNDING 2027/28



GRAPHICAL REPRESENTATION OF CAPITAL BUDGET SOURCE OF FUNDING 2028/29



"ANNEXURE H1"

INTERNALLY FUNDED CAPITAL PER DEPARTMENT 2026/27

DEPT	Department	TOTAL CAPITAL	%	FUNCTION
52	Strategic Planning and Management	12,158,000.00	17.52%	Function:Planning and Development:Core Function:Economic Development/Planning
53	Corporate Services	2,925,000.00	4.22%	Function:Finance and Administration:Core Function:Administrative and Corporate Support
54	Budget and Treasury Office	685,000.00	0.99%	Function:Finance and Administration:Core Function:Budget and Treasury Office
55	Engineering Department	51,296,089.00	73.93%	Function:Water Management:Core Function:Water Distribution
56	Community Services	2,053,047.00	2.96%	Function:Public Safety:Core Function:Fire Fighting and Protection
57	Spatial Planning and Local Economic Development	100,000.00	0.14%	Function:Planning and Development:Core Function:Economic Development/Planning
58	Municipal Management	170,000.00	0.25%	Function:Executive and Council:Core Function:Municipal Manager, Town Secretary and Chief Executive
	TOTAL	69,387,136	100%	

ANNEXURE H2

INTERNALLY FUNDED CAPITAL PER DEPARTMENT 2027/28

DEPT	VOTE	TOTAL CAPITAL	%	STANDARD CLASSIFICATION
52	Strategic Planning and Management	12,559,214	17.52%	Function:Planning and Development:Core Function:Economic Development/Planning
53	Corporate Services	3,021,525	4.22%	Function:Finance and Administration:Core Function:Administrative and Corporate Support
54	Budget and Treasury Office	707,705	0.99%	Function:Finance and Administration:Core Function:Budget and Treasury Office
55	Engineering Department	52,988,856	73.93%	Function:Water Management:Core Function:Water Distribution
56	Community Services	2,120,798	2.96%	Function:Public Safety:Core Function:Fire Fighting and Protection
57	Spatial Planning and Local Economic Development	103,300	0.14%	Function:Planning and Development:Core Function:Economic Development/Planning
58	Municipal Management	175,610	0.25%	Function:Executive and Council:Core Function:Municipal Manager, Town Secretary and Chief Executive
	TOTAL	71,677,008	100%	

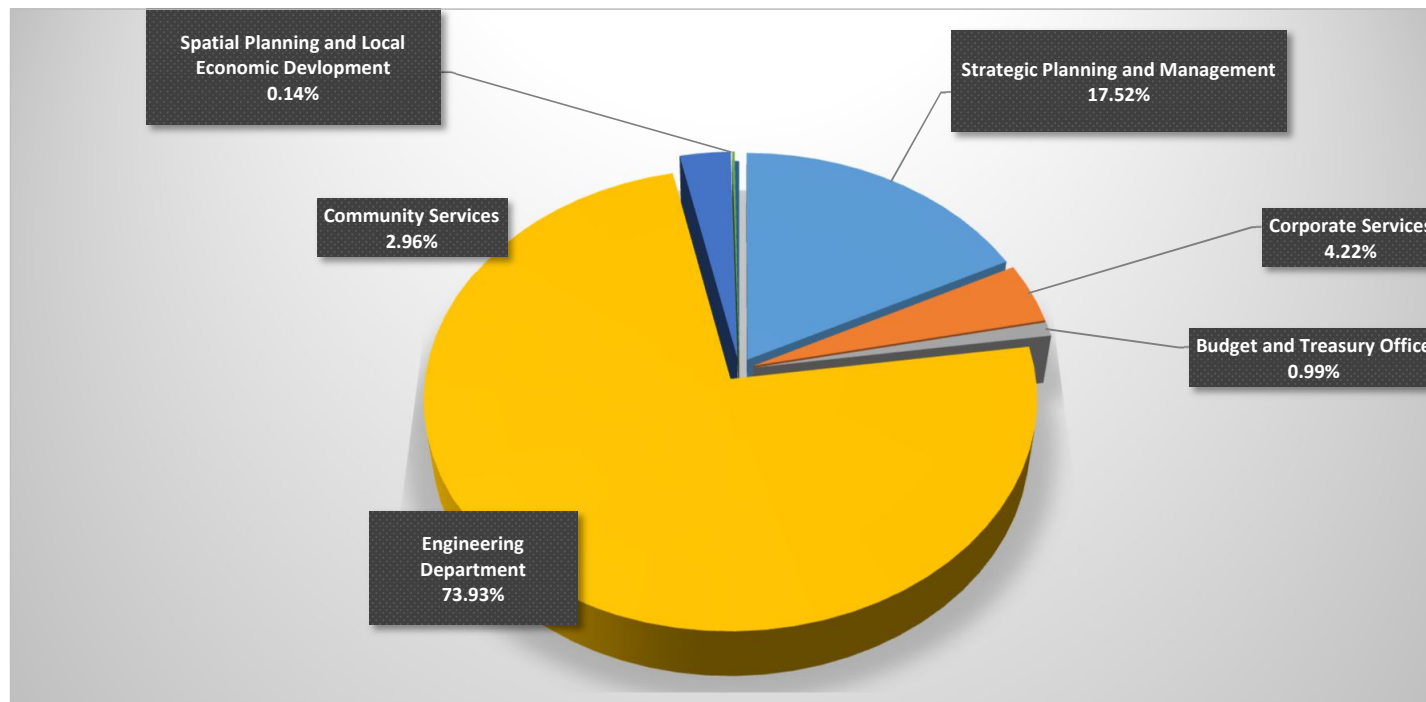
"ANNEXURE H3"

INTERNALLY FUNDED CAPITAL PER DEPARTMENT 2028/29

DEPT	VOTE	TOTAL CAPITAL	%	STANDARD CLASSIFICATION
52	Strategic Planning and Management	12,433,622.00	17.52%	Function:Planning and Development:Core Function:Economic Development/Planning
53	Corporate Services	2,991,310.00	4.22%	Function:Finance and Administration:Core Function:Administrative and Corporate Support
54	Budget and Treasury Office	700,529.00	0.99%	Function:Finance and Administration:Core Function:Budget and Treasury Office
55	Engineering Department	52,458,987.00	73.93%	Function:Water Management:Core Function:Water Distribution
56	Community Services	2,099,591.00	2.96%	Function:Public Safety:Core Function:Fire Fighting and Protection
57	Spatial Planning and Local Economic Development	102,267.00	0.14%	Function:Planning and Development:Core Function:Economic Development/Planning
58	Municipal Management	173,853.00	0.25%	Function:Executive and Council:Core Function:Municipal Manager, Town Secretary and Chief Executive
	TOTAL	70,960,159	100%	

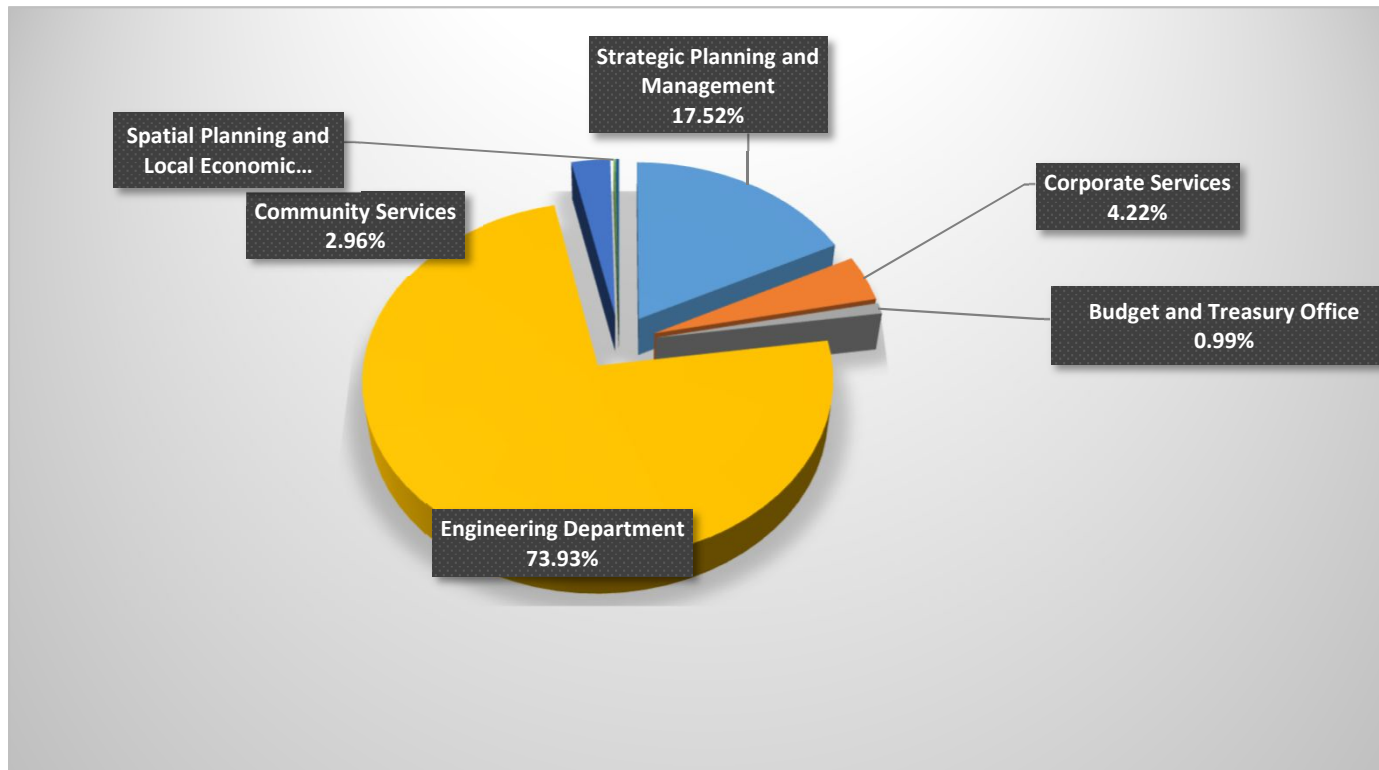
ANNEXURE I1

GRAPHICAL REPRESENTATION OF INTERNAL FUNDED CAPITAL PER DEPARTMENT 2026/27



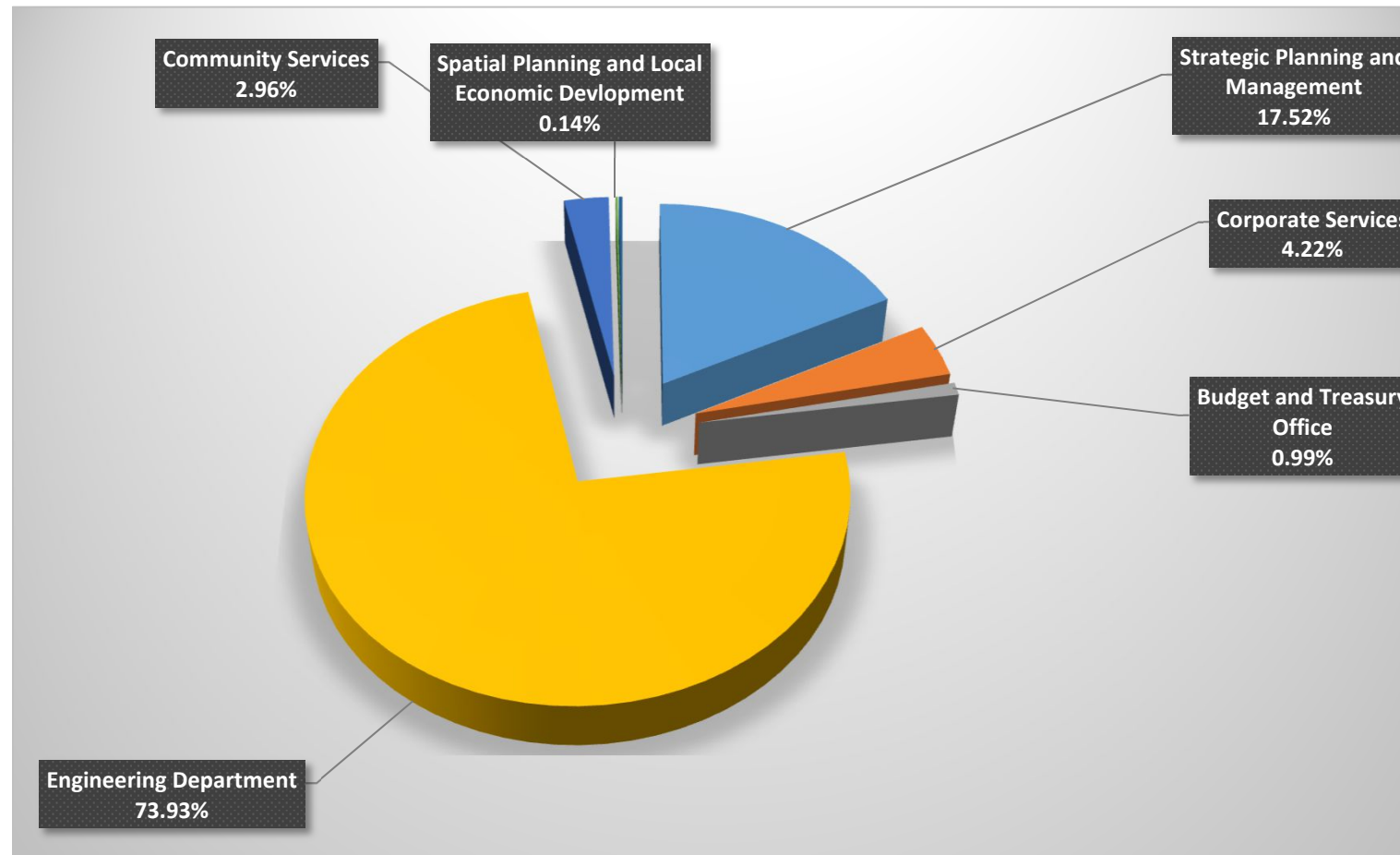
"ANNEXURE I2"

GRAPHICAL REPRESENTATION OF INTERNAL FUNDED CAPITAL PER DEPARTMENT 2027/28



"ANNEXURE I3"

GRAPHICAL REPRESENTATION OF INTERNAL FUNDED CAPITAL PER DEPARTMENT 2027/28



"ANNEXURE J"

**EXTERNAL FUNDS
GRANTS AND SUBSIDIES 2026/27 to 2028/29**

DETAILS	2025/26	2026/2027	2027/2028	2028/2029
	R		R	R
OPERATING GRANTS:				
EQUITABLE SHARE	678,099,000	724,651,000	770,671,000	784,657,000
LEVY REPLACEMENT GRANT	526,883,000	546,764,000	568,584,000	586,255,000
FMG FUNDING	2,600,000	2,700,000	2,800,000	2,900,000
EXPANDED PUBLIC WORKS PROGRAMME	1,513,000	2,016,000	-	-
RURAL ROADS ASSET MANAGEMENT GRANT	3,445,000	3,584,000	3,727,000	3,843,000
MUNICIPAL SYSTEMS IMPROVEMENT GRANT	-	-	-	-
TOTAL OPERATING GRANTS	1,212,540,000	1,279,715,000	1,345,782,000	1,377,655,000
CAPITAL GRANTS:				
MUNICIPAL INFRASTRUCTURE GRANT	383,204,000	498,988,000	579,301,000	598,628,000
MUNICIPAL INFRASTRUCTURE GRANT (IN KIND)	128,469,000	19,524,000	-	-
REGIONAL BULK INFRASTRUCTURE GRANT (IN KIND)	89,000,000	90,401,000	129,571,000	66,563,000
WATER SERVICES INFRASTRUCTURE GRANT	99,616,000	110,000,000	115,500,000	116,686,000
TOTAL CAPITAL GRANTS	700,289,000	718,913,000	824,372,000	781,877,000
TOTAL GRANTS AND SUBSIDIES	1,912,829,000	1,998,628,000	2,170,154,000	2,159,532,000

AMATHOLE DISTRICT MUNICIPALITY - MUNICIPAL INFRASTRUCTURE GRANT THREE YEAR CAPITAL PLAN 2026|2029 FOR SCHEDULE 5B

PROJECT NAME	PROJECT TYPE	PROJECT CATEGORY	REGION	Total Planned Expenditure for 2026/2027	Total Planned Expenditure for 2027/28	Total Planned Expenditure for 2028/29
Project Management Unit (PMU)	PMU	Operational	ADM: Whole District	25,923,950	27,965,050	29,931,400
District wide water services master plan	Water	New	ADM: Whole District	5,843,807	7,000,001	7,000,001
MBHASHE						
Upgrading of sewer system to accommodate future developments in Dutywa	Sanitation	New	EC121 Mbhashe	15,000,000	18,196,027	18,196,027
Completion of backlog- Mbhashe area wide sanitation project	Sanitation	New	EC121 Mbhashe	35,000,000	28,911,237	31,911,237
Sundwane water supply scheme including other villages	Water	New	EC121 Mbhashe	9,000,000	38,000,000	38,000,000
Mgwali North Water Supply Scheme	Water	New	EC121 Mbhashe	20,000,000	36,749,009	36,749,009
Mgwali South Water Supply Phase B	Water	Upgrade	EC121 Mbhashe	14,500,000	29,000,000	29,000,000
Idutywa East Water Supply Scheme Phase 2	Water	Upgrade	EC121 Mbhashe	5,000,000	2,500,000	2,500,000
Ward 31 Water Supply Scheme	Water	Rehabilitation	EC121 Mbhashe	6,500,000	-	-
Bende Water Supply Scheme	Water	Rehabilitation	EC121 Mbhashe	12,508,006	-	-
Shixini Water Supply Scheme	Water	New	EC121 Mbhashe	1,000,000		
Elliottdale Waste Water Treatment Works Feasibility Study	Sanitation	Upgrade	EC121 Mbhashe	68,719	-	-
Upgrading of water storage & retic to accommodate future development in Dutywa	Water	Upgrade	EC121 Mbhashe	22,263,220	25,899,100	30,899,100
Sewage Reticulation in Willowvale	Sanitation	Upgrade	EC121 Mbhashe	1,200,000	1,353,357	1,353,357
MNQUMA						
Crouches Bush	Water	New	EC122 Mnquma	500,000	2,000,000	2,000,000
Ngqamakhwe	Water	New	EC122 Mnquma	4,000,000	5,088,763	5,088,763
Repairs and Refurbishment of Water Infrastructure: Mnquma: Qolora WTW	Water	New	EC122 Mnquma	1,500,000	1,158,420	1,158,420
Repairs and Refurbishment of Water Infrastructure: Mnquma: Kotana WTW	Water	New	EC122 Mnquma	2,500,000	-	-
Repairs and Refurbishment of Water Infrastructure: Mnquma: Toleni WTW	Water	New	EC122 Mnquma	1,000,000	1,361,166	1,361,166
Repairs and Refurbishment of Water Infrastructure: Mnquma: Butterworth WTW	Water	New	EC122 Mnquma	6,000,000	-	-
Completion of backlog- Mnquma area wide sanitation project	Sanitation	New	EC122 Mnquma	22,968,760	19,099,284	22,099,284
Ibika-Centani Water Supply Phase 3	Water	New	EC122 Mnquma	13,000,000	28,000,000	28,000,000
Nxaxo & Cebe Water Supply Scheme Phase 2	Water	Upgrade	EC122 Mnquma	9,900,000	25,000,000	25,000,000
Ngqamakhwe Regional Water Supply Phase 2: Budget Maintenance & Ngqamakhwe Regional Water Supply Phase 3	Water	New	EC122 Mnquma	20,000,000	31,900,965	31,900,965
Centane Phase 4 Water Supply & Centane Phase 4 Water Supply - Revised Scope	Water	Upgrade/ Rehab	EC122 Mnquma	15,000,000	30,000,000	30,000,000
Bawa Falls Water Supply	Water	Upgrade/ Rehab	EC122 Mnquma	3,500,000	3,915,417	3,915,417
Cafutweni Water Supply Scheme (Revised Scope)	Water	New	EC122 Mnquma	10,200,000	7,000,000	7,000,000
GREAT KEI						
Emergency Interventions at Sewage Systems in the Amathole District Municipality – Great Kei	Sanitation	New	EC123 Great Kei	-	2,000,000	2,000,000
Completion of backlog- Great kei area wide sanitation project	Sanitation	Upgrade	EC123 Great Kei	5,000,000	-	-
Cintsa East Bulk Services Upgrade - Wastewater Infrastructure	Water	Rehabilitation	EC123 Great Kei	4,060,154	1,500,000	1,500,000
Cintsa East Bulk Services Upgrade -Water Infrastructure	Sanitation	Rehabilitation	EC123 Great Kei	3,173,764	1,173,765	1,173,765
Kei Bridge Water Treatment Works Project	Water	New	EC123 Great Kei	8,000,000	-	-
Komga Commonage Settlement	Water	New	EC123 Great Kei	200,000	2,000,000	2,000,000
Morgan Bay Sanitation	Sanitation	New	EC123 Great Kei	387,000	-	-
Kei Mouth water pipe replacement phase 1&2	Water	New	EC123 Great Kei	15,000,000	34,853,640	34,853,640
AMAHLATHI						
Completion of backlog- Amahlathi area wide sanitation project	Sanitation	New	EC124 Amahlathi	4,000,000	-	-
Stutterheim Sewer Pipe Replacement Programme	Sanitation	Upgrade	EC124 Amahlathi	5,000,000	-	-
Stutterheim Water Pipe Replacement Programme	Water	New	EC124 Amahlathi	3,000,000	-	-
Carthcart Bulk Services Upgrade	Water	New	EC124 Amahlathi	20,000,000	25,499,184	28,499,184
Rhabula Water Supply Extensions	Water	Upgrade	EC124 Amahlathi	24,400,400	5,000,000	5,360,650
NGQUSHWA						
Completion of backlog- Ngqushwa area wide sanitation project	Sanitation	Rehabilitation	EC126 Ngqushwa	10,731	-	-
Upgrading of Peddie Waste Water Treatment	Sanitation	New	EC126 Ngqushwa	20,000,000	29,421,487	29,421,487
Ngqushwa Villages Water Reticulation Budget Maintenance & NGQUSHWA WATER SERVICES RETICULATION PROJECT: COMPLETION OF BULK AND RETICULATION (PHASE 2- STAGE 1	Water	Upgrade	EC126 Ngqushwa	1,500,000	1,555,128	1,555,128
RAYMOND MHLABA						
Repairs and Refurbishment of Water Infrastructure: Raymond Mhlaba: Fort Beaufort and Alice	Water	Renewal	EC129 Raymond Mhlaba	5,000,000	10,000,000	10,000,000
Emergency Interventions at Sewage Systems in the Amathole District Municipality – Raymond Mhlaba	Sanitation	Upgrade	EC129 Raymond Mhlaba	10,000,000	7,000,000	7,000,000
Completion of backlog- Raymond area wide sanitation project	Sanitation	Rehabilitation	EC129 Raymond Mhlaba	35,000,000	28,000,000	31,000,000
West Victoria East Water Supply – Phase 4	Water	Rehabilitation	EC129 Raymond Mhlaba	20,000,000	27,600,000	27,600,000
Nxuba - Adelaide and Bedford Bucket Eradication Phase 4: Upgrading of Bedford WWTW	water and sewer	New	EC129 Raymond Mhlaba	1,281,500	-	-
Fort Beaufort Bulk Water Supply Phase 2	Water	New	EC129 Raymond Mhlaba	26,464,989	30,000,000	30,000,000

"ANNEXURE K1 (a)"

AMATHOLE DISTRICT MUNICIPALITY - MUNICIPAL INFRASTRUCTURE GRANT THREE YEAR CAPITAL PLAN 2026||2029 FOR SCHEDULE 5B

Nxuba - Adelaide and Bedford Bucket Eradication Phase 6: Upgrading of Bedford WWTW	Sanitation	Rehabilitation	EC129 Raymond Mhlaba	3,600,000	3,600,000	3,600,000
TOTAL:				498,955,000	579,301,000	598,628,000

AMATHOLE DISTRICT MUNICIPALITY - MUNICIPAL INFRASTRUCTURE GRANT THREE YEAR CAPITAL PLAN 2026||2029 FOR SCHEDULE 6B

PROJECT NAME	PROJECT TYPE	PROJECT CATEGORY	REGION	CAPITAL BUDGET FOR 2026/2027	CAPITAL BUDGET FOR 2027/2028	CAPITAL BUDGET FOR 2028/2029
Upgrading of Alice Main Sewer Pump Station & Sewer Bulk Services	Sanitation	Upgrade	EC129 Raymond Mhlaba	10,000,000	-	-
Upgrading of Fort Beaufort Waste Water Treatment Works	Sanitation	Upgrade	EC129 Raymond Mhlaba	9,524,000	-	-
TOTAL:				19,524,000	-	-

"ANNEXURE K2"

AMATHOLE DISTRICT MUNICIPALITY - REGIONAL BULK INFRASTRUCTURE GRANT THREE YEAR CAPITAL PLAN 2026 | 2029 FOR SCHEDULE 6B

PROJECT TITLE	PROJECT TYPE	PROJECT CATEGORY	REGION	2026/2027 BUDGET ALLOCATION	2027/28 BUDGET ALLOCATION	2028/29 BUDGET ALLOCATION
Sundwana Water Supply (Mbhashe LM)	Water	New	EC121 Mbhashe	-	10,500,000	10,971,000
Ngqamakhwe Bulk Water Supply (Mnquma LM)	Water	New	EC122 Mnquma	90,401,000	119,071,000	55,592,000
TOTAL RBIG ALLOCATION				90,401,000	129,571,000	66,563,000

AMATHOLE DISTRICT MUNICIPALITY - WATER SERVICES INFRASTRUCTURE GRANT CAPITAL PLAN 2026 | 2029

PROJECT TITLE	REGION	BUDGET 2026 2027	BUDGET 2027 2028	BUDGET 2028 2029
Drilling and Testing of Mbashe, Mnquma and Great Kei Boreholes	ADM: WHOLE DISTRICT	8,000,000	8,000,000	-
Refurbishment of Sewage Systems in Amathole DM	ADM: WHOLE DISTRICT	-	-	-
Non Revenue Water Loss Control Project: Mbashe	EC121 MBHASHE	9,000,000	10,000,000	15,000,000
Mncwasa	EC121 MBHASHE	8,000,000	15,000,000	15,000,000
Equipping of Mbashe and Mnquma Boreholes	EC121 MBHASHE	8,500,000	10,000,000	-
Non Revenue Water Loss Control Project: Mnquma	EC122 MNQUMA	9,000,000	10,000,000	15,000,000
Refurbishment of Mnquma and Mbashe Water Retaining Structures	EC122 MNQUMA	-	-	-
Non Revenue Water Loss Control Project: Great Kei	EC123 GREAT KEI	9,000,000	10,000,000	15,000,000
Refurbishment of Great Kei LM water retaining structures	EC123 GREAT KEI	-	-	-
Chintsa Dam Refurbishment	EC123 GREAT KEI	5,000,000	-	-
Non Revenue Water Loss Control Project: Amahlathi	EC124 AMAHLATI	9,000,000	10,000,000	15,000,000
Dontsa Water Supply	EC124 AMAHLATI	5,000,000	-	-
Refurbishment of Amahlathi Water Retaining Structures	EC124 AMAHLATI	2,000,000	10,000,000	10,000,000
Non Revenue Water Loss Control Project: Ngqushwa	EC126 NGQUSHWA	9,000,000	10,000,000	15,000,000
Refurbishment of Raymond Mhlaba Water Retaining Structures	EC129 RAYMOND MHLABA	4,000,000	10,000,000	8,000,000
Non Revenue Water Loss Control Project: Raymond Mhlaba	EC129 RAYMOND MHLABA	9,000,000	10,000,000	8,686,000
Equipping of Raymond Mhlaba Boreholes (Bedford)	EC129 RAYMOND MHLABA	-	-	-
Equipping of Raymond Mhlaba Boreholes (Fort Beaufort & Healdtown)	EC129 RAYMOND MHLABA	-	-	-
Drilling and Testing of Raymond Mhlaba Boreholes	EC129 RAYMOND MHLABA	-	-	-
Refurbishment of Adelaide Canal	EC129 RAYMOND MHLABA	-	-	-
Upgrading of Adelaide Raw Water Supply	EC129 RAYMOND MHLABA	4,239,095	2,500,000	-
Refurbishment of Chintsa Water Treatment Works	EC123 GREAT KEI	2,137,560	-	-
Refurbishment of Haga-Haga Water Treatment Works	EC123 GREAT KEI	2,294,498	-	-
Upgrading of Kei Bridge Water Treatment Works	EC123 GREAT KEI	4,132,852	-	-
Refurbishment of Morgan's Bay Water Treatment Works	EC123 GREAT KEI	2,695,995	-	-
TOTAL:		110,000,000	115,500,000	116,686,000

"ANNEXURE L"

DIVISION OF REVENUE BILL B5-2026
GOVERNMENT GAZETTE

	2025/26	2026/2027	2027/2028	2028/2029	% INCREASE ▲/ DECREASE ▼
GRANT	MUNICIPAL	MUNICIPAL	MUNICIPAL	MUNICIPAL	
Municipal Infrastructure Grant	383,204,000	498,988,000	579,301,000	598,628,000	▲ 30.21%
Municipal Infrastructure Grant*	128,469,000	19,524,000	-	-	▲ -84.80%
<i>Municipal Systems Improvement Grant*</i>	-				
Municipal Disaster Relief Grant	30,600,000	-	-	-	▼ -100.00%
Rural Roads Assets Management Sytstems Grant	3,445,000	3,584,000	3,727,000	3,843,000	▲ 4.03%
Water Services Infrastructure Grant	99,616,000	110,000,000	115,500,000	116,686,000	▲ 10.42%
Local Government Financial Management Grant	2,600,000	2,700,000	2,800,000	2,900,000	▲ 3.85%
Equitable Share Formula	678,099,000	724,651,000	770,671,000	784,657,000	▲ 6.87%
RSC Levies Replacement	526,883,000	546,764,000	568,584,000	586,255,000	▲ 3.77%
Expanded Public Works Programme Incentive Grant for Municipalities	1,513,000	2,016,000	-		▲ 33.25%
<i>Regional Bulk Infrastructure Grant*</i>	89,000,000	90,401,000	129,571,000	66,563,000	▲ 1.57%
TOTALS:	1,943,429,000	1,998,628,000	2,170,154,000	2,159,532,000	▲ 2.84%

2026/27 BUDGET VERSUS PRIOR YEAR COMPARISON

DETAILS	2026/2027	2025/2026	% INCREASE / (DECREASE)
	R	R	
SERVICES CHARGES - SANITATION	162,796,354	153,581,466	6%
SERVICES CHARGES - WATER	489,952,093	460,954,800	6%
INTEREST EARNED - OUTSTANDING DEBTORS	109,359,485	103,169,325	6%
RENT OF FACILITIES AND EQUIPMENT	710,715	400,515	77%
INTEREST EARNED - EXT. INVESTMENTS	38,866,418	36,963,168	5%
OTHER REVENUE (FIRE)	7,784,271	7,343,652	6%
TRANSFERS AND SUBSIDIES:			
MIG PMU OPERATIONAL INCOME	25,923,950	25,165,435	3%
EQUITABLE SHARE	724,651,000	679,446,000	7%
LEVY REPLACEMENT GRANT	546,764,000	526,883,000	4%
FMG FUNDING	2,700,000	2,600,000	4%
EXPANDED PUBLIC WORKS PROGRAMME	2,016,000	1,513,000	33%
RURAL ROADS ASSET MANAGEMENT SYSTEMS GRANT	3,116,522	2,995,652	4%
CETA	1,660,000	5,990,000	-72%
MIG IN-KIND ALLOCATION			0%
OWN REVENUE MIG OPEX	0	418,215	-100%
OWN REVENUE RRAMS	467,478	449,348	4%
LGSETA	0	-	0%
OWN REVENUE RBIG OPEX	0	-	0%
TOTAL OPERATING INCOME	2,116,768,286	2,007,873,576	5%
TRANSFERS AND SUBSIDIES CAPITAL	692,956,050	674,705,350	3%
MUNICIPAL INFRASTRUCTURE GRANT	423,671,288	435,366,983	-3%
MIG IN-KIND ALLOCATION	19,524,000		
OWN REVENUE MIG	49,359,762	50,722,367	-3%
WATER SERVICES INFRASTRUCTURE GRANT	95,652,174	86,622,609	10%
OWN REVENUE WSIG	14,347,826	12,993,391	10%
REGIONAL BULK INFRASTRUCTURE GRANT IN KIND	78,609,565	77,391,304	2%
OWN REVENUE RBIG	11,791,435	11,608,696	2%
TOTAL INCOME	2,809,724,336	2,682,578,926	5%

EXPENDITURE BY TYPE 2025/26 TO 2026/27

DETAILS	2026/27	2025/26	% INCREASE / (DECREASE)
	R	R	
SALARIES & CONTRIBUTIONS	852,127,285	851,301,523	0%
REMUNERATION OF COUNCILLORS	18,239,505	19,122,232	-5%
PROVISION FOR BAD DEBTS	384,313,487	352,799,998	9%
ASPIRE CONTRIBUTION	15,000,000	15,000,000	0%
TRANSFERS AND SUBSIDIES PAID	3,865,000	-	
DEPRECIATION	112,837,998	102,498,180	10%
FINANCE CHARGES	11,440,000	648,700	1664%
OTHER EXPENDITURE	296,394,735	255,806,992	16%
BULK PURCHASES WATER	179,696,635.00	164,859,295.00	9%
CONTRACTED SERVICES	196,585,005	218,806,674	-10%
INVENTORY CONSUMED	150,289,980	168,580,000	-11%
TOTAL OPERATING EXPENDITURE	2,220,789,630	2,149,423,594	3%
TOTAL INTERNALLY FUNDED NEW CAPITAL	69,387,136	56,674,436	22%
TOTAL INTERNALLY FUNDED CAPITAL	69,387,136	56,674,436	22%
CAPITAL FROM OPERATING GRANTS		660,000	
CAPITAL GRANTS AND SUBSIDIES	518,847,570	475,820,896	9%
MUNICIPAL INFRASTRUCTURE GRANT	344,585,831	311,806,983	11%
REGIONAL BULK INFRASTRUCTURE GRANT IN KIND	78,609,565	77,391,304	2%
WATER SERVICES INFRASTRUCTURE GRANT	95,652,174	86,622,609	10%
RURAL ROADS ASSET MANAGEMENT SYSTEMS GRANT	0	0	0
TOTAL CAPITAL EXPENDITURE	588,234,706	533,155,332	10%
TOTAL EXPENDITURE	2,809,024,336	2,682,578,926	5%
SURPLUS / (DEFICIT)	700,000	-	0%

ANNEXURE N1

PROPOSED SUNDRY WATER CHARGES 2026/27

Service	Domestic 2025/26	Domestic 2026/27	Indigent 2025/26	Indigent 2026/27	Commercial, Industrial, Agricultural, Institution & Mixed Use 2025/26	Commercial, Industrial, Agricultural, Institution & Mixed Use 2026/27
Water Deposit	R 1,362.68	R 1,444.44	R 411.98	R 436.70	R 2,931.34	R 3,107.22
New Connection	R 3,264.08	R 3,459.92	N/A	N/A	R 6,718.31	R 7,121.41
Re-Connection	R 1,109.16	R 1,175.71	N/A	N/A	R 1,092.38	R 1,157.92
Conversion to Pre-paid system	N/A	N/A	N/A	N/A	N/A	N/A
Fine: Unauthorised connection	R 9,507.10	R 10,077.53	R 9,507.04	R 10,077.47	R 9,507.05	R 10,077.47
Disconnection: non payment	R 1,109.16	R 1,175.71	N/A	N/A	R 1,109.16	R 1,175.71
Emergency tanked water Per KL	R 53.89	R 57.12	R 29.17	R 30.92	R 53.89	R 57.12
Property Clearance Application	R 380.29	R 403.10	N/A	N/A	R 380.29	R 403.10
Retrofit tariff (Plumbing repairs and maintainance inside the household conducted by ADM)	R 316.66	R 335.66	R 316.66	R 335.66	N/A	N/A

SUNDRY WATER CHARGES 2026/27 CONTINUES

Service	Churches 2025/26	Churches 2026/27	Sports Club 2025/26	Sports Club 2026/27	Non-Governmental Organizations 2025/26	Non-Governmental Organizations 2026/27
Water Deposit	R 1,303.43	R 1,381.64	R 1,357.54	R 1,438.99	R 1,357.54	R 1,438.99
New Connection	R 3,122.16	R 3,309.49	R 3,251.76	R 3,446.87	R 3,251.76	R 3,446.87
Re-Connection	R 1,060.94	R 1,124.60	R 1,029.79	R 1,091.58	R 1,029.79	R 1,091.58
Conversion to Pre-paid system	N/A	N/A	N/A	N/A	N/A	N/A
Fine: Unauthorised connection	R 9,093.75	R 9,639.37	R 9,471.23	R 10,039.50	R 9,471.23	R 10,039.50
Disconnection: non payment	R 1,060.94	R 1,124.59	R 1,104.98	R 1,171.28	R 1,104.98	R 1,171.28
Emergency tanked water Per KL	R 51.54	R 54.64	R 53.89	R 57.12	R 53.89	R 57.12
Property Clearance Application	R 363.75	R 385.58	R 378.85	R 401.58	R 378.85	R 401.58
Retrofit tariff (Plumbing repairs and maintainance inside the household conducted by ADM)	R 302.89	R 321.07	R 316.66	R 335.66	R 316.66	R 335.66

BULK WATER TARIFF - EXTERNAL CUSTOMERS

KL	Tariffs 2025/26	Tariffs 2026/27
FLAT RATE PER KL	R 36.61	R 38.81

TOURISM ATTRACTIVE ESTABLISHMENTS

KL	Tariffs 2025/26	Tariffs 2026/27
FLAT RATE PER KL	R 36.61	R 38.81

ANNEXURE N2**PROPOSED WATER CONSUMPTION TARIFFS 2026/27****WATER CONSUMPTION TARIFFS 2026/27****INDIGENT STEP TARIFF**

KL	Tariffs 2025/26	Tariffs 2026/27
0-6	Free	Free
7-15	R 42.46	R 45.01
16-25	R 53.09	R 56.27
26-40	R 63.72	R 67.54
41-500	R 69.02	R 73.16
>501	R 74.32	R 78.78

DOMESTIC STEP TARIFF

KL	Tariffs 2025/26	Tariffs 2026/27
0-6	R 31.86	R 33.77
7-15	R 42.46	R 45.01
16-25	R 53.09	R 56.27
26-40	R 63.72	R 67.54
41-500	R 69.02	R 73.16
>501	R 74.32	R 78.78

CHURCHES STEP TARIFF

KL	Tariffs 2025/26	Tariffs 2026/27
0-6	R 32.45	R 34.40
7-15	R 43.25	R 45.85
16-25	R 54.08	R 57.33
26-40	R 64.91	R 68.80
41-500	R 70.31	R 74.53
>501	R 75.71	R 80.25

SPORTS CLUBS STEP TARIFF

KL	Tariffs 2025/26	Tariffs 2026/27
0-6	R 32.45	R 34.40
7-15	R 43.25	R 45.85
16-25	R 54.08	R 57.33
26-40	R 64.91	R 68.80
41-500	R 70.31	R 74.53
>501	R 75.71	R 80.25

NON-GOVERNMENTAL ORGANIZATIONS STEP TARIFF

KL	Tariffs 2025/26	Tariffs 2026/27
0-6	R 32.45	R 34.40
7-15	R 43.25	R 45.85
16-25	R 54.08	R 57.33
26-40	R 64.91	R 68.80
41-500	R 70.31	R 74.53
>501	R 75.71	R 80.25

NON-PROFIT ORGANIZATIONS STEP TARIFF

KL	Tariffs 2025/26	Tariffs 2026/27
0-6	R 32.45	R 34.40
7-15	R 43.25	R 45.85
16-25	R 54.08	R 57.33
26-40	R 64.91	R 68.80
41-500	R 70.31	R 74.53
>501	R 75.71	R 80.25

ANNEXURE N3**PROPOSED WATER CONSUMPTION TARIFFS 2026/27 CONTINUED****COMMERCIAL AND BUSINESS - STEP TARIFF**

KL	Tariffs 2025/26	Tariffs 2026/27
0-6	R 34.54	R 36.61
7-15	R 46.03	R 48.79
16-25	R 57.55	R 61.01
26-40	R 69.08	R 73.22
41-500	R 74.82	R 79.31
>501	R 80.57	R 85.40

INDUSTRIAL AND AGRICULTURE - STEP TARIFF

KL	Tariffs 2025/26	Tariffs 2026/27
0-6	R 34.54	R 36.61
7-15	R 46.03	R 48.79
16-25	R 57.55	R 61.01
26-40	R 69.08	R 73.22
41-500	R 74.82	R 79.31
>501	R 80.57	R 85.40

INSTITUTIONS - STEP TARIFF

KL	Tariffs 2025/26	Tariffs 2026/27
0-6	R 34.54	R 36.61
7-15	R 46.03	R 48.79
16-25	R 57.55	R 61.01
26-40	R 69.08	R 73.22
41-500	R 74.82	R 79.31
>501	R 80.57	R 85.40

MIXED USE (DOMESTIC AND COMMERCIAL OR INDUSTRIAL & AGRICULTURE) - - STEP TARIFF

KL	Tariffs 2025/26	Tariffs 2026/27
0-6	R 34.54	R 36.61
7-15	R 46.03	R 48.79
16-25	R 57.55	R 61.01
26-40	R 69.08	R 73.22
41-500	R 74.82	R 79.31
>501	R 80.57	R 85.40

"ANNEXURE N4"**PROPOSED WATER CONSUMPTION TARIFFS 2026/27 CONTINUED****WATER AVAILABILITY FEE PER DEBTOR TYPE 2026/27**

Category	Tariffs 2025/26	Tariffs 2026/27
Residential/Domestic, Churches, Sports Club, Old Age & NGO's	R 101.97	R 108.09
Commercial and Business	R 347.78	R 368.64
Industrial and Agriculture	R 347.78	R 368.64
Institutions	R 347.78	R 368.64
Mixed Use	R 347.78	R 368.64

WATER AVAILABILITY FEE VACANT PLOT 2025/26

Service Type	Tariffs 2025/26	Tariffs 2026/27
Water Availability Fee	101.97	108.09

WATER FLAT RATE (This relates to unmetered households,Businesses and Institutions)

Category	Tariffs 2025/26	Tariffs 2026/27
Residential/Domestic, Churches, Sports Club, Old Age & NGO's	R 191.18	R 202.65
Commercial and Business	R 672.80	R 713.17
Industrial and Agriculture	R 2,821.09	R 2,990.36
Institutional	R 967.33	R 1,025.37
Mixed Use	R 967.33	R 1,025.37

RAW WATER

KL	Tariffs 2025/26	Tariffs 2026/27
RATE PER KL	R 3.55	R 3.76

RURAL YARD CONNECTION

KL	Tariffs 2025/26	Tariffs 2026/27
INSPECTION FEE	R 687.03	R 728.25
CONNECTION FEE	R 3,264.08	R 3,459.92

WATER FLAT RATE (This relates to unmetered households,Businesses and Institutions)

Category	Tariffs 2025/26	Tariffs 2026/27
Residential/Domestic, Churches, Sports Club, Old Age & NGO's	R 191.18	R 202.65
Commercial and Business	R 672.80	R 713.17
Industrial and Agriculture	R 2,821.09	R 2,990.36
Institutional	R 967.33	R 1,025.37
Mixed Use	R 967.33	R 1,025.37

TOURISM ATTRACTIVE ESTABLISHMENTS

KL	Tariffs 2025/26	Tariffs 2026/27
FLAT RATE PER KL	R 36.61	R 38.81

BULK WATER TARIFF - EXTERNAL CUSTOMERS

KL	Tariffs 2025/26	Tariffs 2026/27
FLAT RATE PER KL	R 36.61	R 38.81

PROPOSED SANITATION TARIFFS 2026/27
ANNEXURE "O"
SANITATION TARIFFS 2026/27

Service Type	Tariff 2025/26	Tariff 2026/27
Availability Fee Vacant Erven	R 159.60	R 169.18
Residential Domestic User	R 317.68	R 336.74
Indigent	R 317.68	R 336.74
Commercial and Business	R 900.13	R 954.13
Industrial and Agriculture	R 4,468.92	R 4,737.06
Institutions	R 3,732.91	R 3,956.89
Institutional Sub Categories	Tariff 2025/26	Tariff 2026/27
Clinics and Schools	R 450.06	R 477.07
Pre-Schools	R 225.04	R 238.55
Churches	R 225.04	R 238.55
Old Age Home, NGO's and Non-profit organisatio	R 225.04	R 238.55
Sport Fields	R 264.74	R 280.63
Mixed Use (Domestic and Non Domestic, excluding industrial and Agriculture)	R 900.13	R 954.13
Effluent Removal / Conservancy Tanks Per Load	R 517.24	R 548.27
Special Effluent Tariff (Institutions Clearing their	R 218.38	R 231.48

SUNDRY SANITATION CHARGES 2026/27

Service Type	Domestic 2025/26	Domestic 2026/27	Indigent 2025/26	Indigent 2026/27	Commercial, Industrial, Agricultural, Institution & Mixed Use 2025/26	Commercial, Industrial, Agricultural, Institution & Mixed 2026/27
New Connection	R 2,828.76	R 2,998.49	R 0.00	R 0.00	R 4,769.05	R 5,055.19
Un-authorised Connection	R 8,839.89	R 9,370.28	R 8,839.89	R 9,370.28	R 8,839.88	R 9,370.27

Minimum cost - subject to quote
SUNDRY SANITATION CHARGES CONTINUES 2026/27.....

Service Type	Churches 2025/26	Churches 2026/27	Sports Club 2025/26	Sports Club 2026/27	Non-Governmental Organizations 2025/26	Non-Governmental Organizations 2026/27
New Connection	R 2,828.76	R 2,998.49	R 2,828.76	R 2,998.49	R 2,828.76	R 2,998.49
Un-authorised Connection	R 8,839.89	R 9,370.28	R 8,839.89	R 9,370.28	R 8,839.89	R 9,370.28

ANNEXURE P

PROPOSED BUILDING PLAN FEES

TARIFFS: BUILDING PLAN FEES 2026/27

Description	Rates per m2
Dwellings & outbuildings	R3,945.45
Shops, Offices, Factories & Warehouses	R5,753.51
Additions & Alterations	R5,747.21
Minimum Charge	R1,233.21
Low Cost Housing	R307.41

ANNEXURE Q

PROPOSED CALGARY MUSEUM AND CONFERENCE FACILITY TARIFFS AND SCM TARIFFS FOR DOCUMENTS 2026/27

TARIFFS: CALGARY MUSEUM & CONFERENCE CENTRE 2026/27 FINANCIAL YEAR

No of People	Internal Rate	External Rate	Museum Entrance Fee Rate
0-15	R 0.00	R 984.60	
16 and above	0 +	R 984.60 plus R87,23 for each person above 15	
Refundable Deposit		R 994.81	
Adults			R 30.87
Children			R 30.87

Tender Documents

Description	Rates	
Tender Document	R	964.93
Request for quotation	R	192.99

PROPOSED FIRE SERVICES TARIFFS 2024/25**ANNEXURE R1****FIRE LEVY AND FIRE AVAILABILITY RATES SCHEDULE PER TOWN FOR 2026/27 FINANCIAL YEAR**

AREA	FIRE LEVY	FIRE AVAILABILITY FEE
Dutywa	R35.42 Per Domestic Erf/Unit	
	R47.24 per any other debtor type erf/Unit	
Butterworth	R35.42 Per Domestic Erf/Unit	
	R47.24 per any other debtor type erf/Unit	
Komga	R35.42 Per Domestic Erf/Unit	
	R47.24 per any other debtor type erf/Unit	
Peddie	R35.42 Per Domestic Erf/Unit	
	R47.24 per any other debtor type erf/Unit	
Centane	R35.42 Per Domestic Erf/Unit	
	R47.24 per any other debtor type erf/Unit	
Ngqamakwe		
	-	
Elliotdale	R35.42 Per Domestic Erf/Unit	
	R44.56 pe per any other debtor type erf/Unit	
Willowvale	-	
	-	
Chintsa East	R35.42 Per Domestic Erf/Unit	
	R47.24 per any other debtor type erf/Unit	
Chintsa West	R35.42 Per Domestic Erf/Unit	
	R47.24 per any other debtor type erf/Unit	
Kei Mouth	R35.42 Per Domestic Erf/Unit	
	R47.24 per any other debtor type erf/Unit	
Morgans Bay		R23.623 per Domestic Erf/Unit
		R35.42 per any other debtor type erf/unit
Haga Haga		R23.63 per Domestic Erf/Unit
	NA	R35.42 per any other debtor type erf/unit
Mooiplaas	NA	R23.63 per Domestic Erf/Unit
		R35.42 per any other debtor type erf/unit
Bluewaters	NA	R23.63 per Domestic Erf/Unit
		R35.42 per any other debtor type erf/unit
Kwelera	NA	R23.68 per Domestic Erf/Unit
		R35.42 per any other debtor type erf/unit
Hamburg	NA	R23.63 per Domestic Erf/Unit
		R35.42 per any other debtor type erf/unit
Wesley	NA	R23.63 per Domestic Erf/Unit
		R35.42 per any other debtor type erf/unit

"ANNEXURE R2"

PROPOSED FIRE SERVICES TARIFFS 2026/27

Dealers in Flammable Liquids (This is costs for issuing permits, valid for one year as per the Municipal By-Laws)

TYPE OF PERMIT/INSPECTION	2024/25 TARIFF	2025/26 TARIFF
Storing flammable liquids – flashpoint<40°C in quantities < 40 litres	R219.59 per inspection/permit or R219.59 per tank (underground or aboveground)	R219.59 per inspection/permit or R219.59 per tank (underground or aboveground)
Storing flammable liquids – flashpoint >40°C in quantities < 200 litres	R219.59 per inspection/permit or R219.59 per tank (underground or aboveground)	R219.59 per inspection/permit or R219.59 per tank (underground or aboveground)
Flammable liquid stores	R219.59 per store	R219.59 per store
Flammable liquid storage tanks (above/below ground)	R219.59 per tank	R219.59 per tank
Spray rooms and spray booths	R219.59 per room or booth	R219.59 per room or booth
Mixing and decanting rooms	R219.59 per room or booth	R219.59 per room or booth
Liquid Petroleum Gas (LPG)	R219.59per < 19kg	R219.59per < 19kg
Liquid Petroleum Gas (LPG)	R219.59 per > 19kg	R219.59 per > 19kg
Liquid Petroleum Gas- Bulk Tanks	R219.59 per tank	R219.59 per tank
Liquid Petroleum Gas/fuel storage facilities	R219.59 per storage	R219.59 per storage
Liquid Petroleum Gas filling site	R219.59 per storage	R219.59 per storage

"ANNEXURE S1"

AMATHOLE DISTRICT MUNICIPALITY: AIR POLLUTION CONTROL BY-LAW

OFFENCES AND FINES

By-law published in extraordinary Provincial Gazette number 2378 dated 9 June 2010

Section contravened	Description of Offence	Approved Fine
3(1)	Failing to comply with the necessary measures regarding air pollution.	R 1,000
5(1)	Allowing smoke to emit in an period exceeding three minutes during any continuous period of thirty minutes.	R 1,000
6(1)	Installing, Altering, etc any fuel-burning equipment without written approval.	R 2,000
7(1)	Using or operating any fuel burning equipment contrary to authorization.	R 2,000
10(1)(a)	Failing to record all monitoring and sampling results and keep a copy for four years.	R 1,000
10(1)(b)	Failing to produce the records for inspection.	R 500
10(1)(c)	Failing to provide a written report on request.	R 500
10(1)(d)	Failing to calibrate all equipment at least once a year.	R 1,000
12(1)	Emitting or permitting the emission of smoke from any dwelling, causing a nuisance.	R 1,000
13(1)	Carrying out open burning of any material without written approval.	R 1,000
14(1)	Driving or using a vehicle that emits dark smoke.	R 500
15(1)(a)	Failing to stop a vehicle	R 500
15(1)(b)	Failing to facilitate the inspection or testing of a vehicle.	R 1,000
17(1)	Failing to take a vehicle to a place identified in a notice for re-testing.	R 500
18(1)	Creating or permitting emissions that cause a nuisance.	R 500
19(1)(a)	Failing to abate the nuisance with a specified period.	R 500
19(1)(b)	Failing to prevent the recurrence of the nuisance.	R 500
19(1)(c)	Failing to comply with other conditions in notice.	R 1,000
21(1)	Failing to prevent the emission of any offensive odour caused by any activity on such premises.	R 1,000
22(1)	Failing to take reasonable steps to prevent the causing of a nuisance by dust caused by any activity on any premises.	R 1,000
23(1)	Failing to prevent a nuisance by fumes caused by any activity on such premises.	R 1,000
27(1)	Contravening with any provision of this by-law.	R 1,000
27(2)(a)	Supplying false information.	R 1,000
27(2)(b)	Refusing to co-operate with the request of an authorised person.	R 500
27(3)	Failure to comply with a notice, direction or instruction.	R 500

AMATHOLE DISTRICT MUNICIPALITY: DISASTER MANAGEMENT BY-LAW

OFFENCES AND FINES

By-law published in extraordinary Provincial Gazette number 2378 dated 9 June 2010

Section contravened	Description of Offence	Approved Fine
5(1)(a) &(b)	Failing or refusing to comply with an evacuation order within a prescribed time	No fine
(c)	Failing or refusing to comply with directives issued in respect of temporary shelter or housing	No fine
(d)	Failing or refusing to comply with traffic directives	R 2,500
(e)	Failing or refusing to comply with directives for movement from or within a disaster stricken area	R 2,500
(f)	Failing or refusing to comply with directives for occupancy	No fine
(g)	Failing or refusing to comply with directives in respect of temporary emergency accommodation	No fine
(h)	Unlawful selling or transportation of liquor into a disaster area	R 2,500

AMATHOLE DISTRICT MUNICIPALITY: WATER SUPPLY AND SANITATION SERVICES BY-LAWS

OFFENCES AND FINES

By-law published in extraordinary Provincial Gazette number 2378 dated 9 June 2010

Section contravened	Description of Offence	Approved Fine
5	Failing to advise the municipality of the change in the purpose for which water services are used	R 500
8	Failing to pay water services charges and water services consumed by a consumer, in accordance with the municipality's revenue by-laws	R 1,500
24	Failing to advise the municipality of the change in the purpose for or extent to which water services is used	R 500
25(4)	Commencing development on the premises without the municipality having installed a connection pipe and meter.	R 2,000
26(4)	Failing to pay the prescribed connection charge in advance before a water connection can be effected	R 1,500
28(1)(a)	Failing to ensure that no interconnection exists between the water installation on his or her premises and the water installation on other premises	R 500
28(1)(b)	Failing to ensure that no interconnection exists between the water installations where several accommodation units are situated on the same premises	R 500
36(a)(i)	Polluting water in a reservoir or other place vested in the municipality	R 2,500
36(a)(ii)	Polluting water in a reservoir or other place owned by the municipality	R 2,500
36(2)(a)	Depositing or discharging rubbish, night-soil, industrial waste or other matter which may cause pollution on a portion of a catchment area where such acts are prohibited by notice	R 2,500
39(8)	reselling water supplied by the municipality without the written permission of the municipality	R 1,500
40(3)(a)	Failing to provide a suitable place in which to install a water measuring device	R 500
40(3)(b)	Failing to ensure that unrestricted access to the measuring device is available at all times	R 500
40(3)(c)	Failing to protect the device or to pay the costs arising from damage thereto	R 500
40(3)(d)	Failing to ensure that no connection is made to the pipe in which the measuring device is installed, between the measuring device and the connection pipe serving the installation	R 1,000
40(3)(e)	Failing to provide for the drainage of water discharged from the pipe in which the measuring device is installed	R 500
40(3)(f)	Using or permitting to be used on a water installation, fitting, machine or appliance which causes damage or is likely to cause damage to the meter	R 1,000
40(4)(a)	Disconnecting a measuring device and its associated apparatus from the pipe in which they are installed	R 1,000
40(4)(b)	Breaking a seal which the municipality has placed on a meter	R 1,500
40(4)(c)	Interfering with a measuring device and its associated apparatus	R 1,500
43(3)	Failing to pay the relevant charge in the prescribed tariff for the taking and testing of the samples of water referred to in sub-section (1)	R 1,000
44(2)	Using a supply of non-portable water agreed to in terms of sub-section (1) for domestic or other purposes which may give rise to a health risk	R 1,000

AMATHOLE DISTRICT MUNICIPALITY: WATER SUPPLY AND SANITATION SERVICES BY-LAWS

OFFENCES AND FINES

By-law published in extraordinary Provincial Gazette number 2378 dated 9 June 2010

Section contravened	Description of Offence	Approved Fine
45	Laying or constructing a pipe or associated component on, in or under a street, public place or other land owned by, vested in, or under the control of the municipality for the purpose of conveying water derived from whatever source	R 2,000
47(1)	Failing to obtain the municipality's written approval for the installation work done	R 2,000
48(1)(a)	Doing installation work other than the replacement or repair of an existing pipe or water fitting without being plumber or a person working under a plumber	R 2,000
48(1)(b)	Replacing a fixed water heater or its associated protective devices without being plumber or a person working under a plumber	R 1,500
48(1)(c)	Inspecting, disinfecting or testing a water installation, fire installation or storage tank and is not a plumber or a person working under a plumber	R 1,500
48(1)(d)	Servicing, repairing or replacing a back flow preventer and is not a plumber or a person working under a plumber	R 1,500
48(1)(e)	Installing, maintaining or replacing a meter provided by an owner in a water installation and is not a plumber or a person working under a plumber	R 1,500
48(2)	Instructing or engaging a person who is not a plumber to do the plumbing work	R 1,500
50(1)	Failing to ensure that the installation is situated within the boundary of his or her premises	R 1,000
50(3)	Failing to install isolating valve	R 1,000
51(1)	Installing or using a pipe or water fitting in a water installation within the municipality's area of jurisdiction without the authority of the municipality	R 1,500
53(1)	Installing a shower head with a maximum flow rate of greater than 10 litres per minute	R 1,000
53(2)	Installing a tap on a wash hand basin with the maximum flow of water that exceeds six litres per minute	R 1,000
56(1)	Sinking a borehole on premises situated in a dolomite area, and failing to determine if the premises on which the borehole is to be sunk is situated within a dolomite area	R 1,000
65(2)	Failing to give the municipality a written notice prior to a fire extinguishing installation being serviced and tested.	R 500
79(5)	Commencing with development on the premises without the municipality having installed a connecting sewer	R 2,000
82(1)	Failing to ensure that no interconnection exists between the drainage installation on his or her premises and the drainage installation on other premises	R 500
86(8)(a)	Failing to conduct the prescribed tests for the quality of the industrial effluent discharged	R 1,000
88(1)	Failing to ensure that the installation is situated within the boundary of his or her premises, except where otherwise approved	R 1,500
88(4)	Permitting the entry of a liquid or solid substance, other than clean water for testing purposes, to a drainage installation before the drainage installation has been connected to the sewer.	R 1,500

AMATHOLE DISTRICT MUNICIPALITY: WATER SUPPLY AND SANITATION SERVICES BY-LAWS

OFFENCES AND FINES

By-law published in extraordinary Provincial Gazette number 2378 dated 9 June 2010

Section contravened	Description of Offence	Approved Fine
88(5)	Failing to submit to the building inspection section of the municipality, a certificate certifying that the work was completed to the standards as set out in the Building Regulations, and this by-law	R 1,500
91	Laying or constructing a drain on, in or under a street, public place or other land owned by, vested in, or under the control of, the municipality. without permission	R 2,000
93(3)(a)	Failing to ensure that each sewage manhole on the premises is permanently visible and accessible; and	R 500
93(3)(b)	Failing to ensure the visibility of each cleaning eye and manhole on the premises at all times.	R 500
96(1)	Causing or permitting an accumulation of grease, oil, fat, solid matter or a trap, tank, or fitting as will cause its blockage or ineffective operation of the drain	R 1,500
96(2)	Failing to take steps to have the blockage cleared in drainage installation	R 1,000
96(3)	Failing to inform the municipality of the blockage in the sewer system	R 500
97	Failing to provide a grease trap of an approved size and type	R 1,000
99	Failing to obtain the approval of the municipality before he or she installs any mechanical appliance for the raising or transfer of sewage in terms of the building regulations	R 1,500
102(a)	Entering upon an area used for the purpose of the sewage disposal system without the prior written permission of an authorised officer	R 2,000
102(b)	Entering a structure used by the Municipality in connection with its sewage disposal system without the prior written permission of an authorised officer	R 2,000
103(a)	Interfering or tampering with the sewage disposal system without the authority of an authorised officer	R 2,000
103(b)	Making a connection to the sewage disposal system without the authority of an authorised officer	R 2,500
103(c)	Constructing a building or raising or lowering the ground level within an area that is subject to a sewer servitude without the authority of an authorised officer	R 2,500
104(1)	Damaging or endangering the sewage disposal system, or causing or permitting it to be damaged or endangered.	R 2,500
104(2)	Failing to ascertain if there is any part of the sewage disposal system situated on the land before commencing work which may cause damage thereon	R 500
106(1)	Preventing or restricting access to a sewage disposal system	R 1,500
108(1)	Discharging industrial effluent into the sanitation system without the approval of the municipality	R 2,500
111(1)	Failing to discharge the industrial effluent in terms of the written approval or in accordance with the provisions of this by law	R 2,500
112(1)	Failing to ensure that industrial effluent discharged into the sanitation system of the municipality complies with the standards and criteria set out in Schedule A	R 1,500
116(1)	Discharging sewage into the municipality's sewage treatment plants by road haulage without the approval of the municipality	R 2,500

AMATHOLE DISTRICT MUNICIPALITY: WATER SUPPLY AND SANITATION SERVICES BY-LAWS

OFFENCES AND FINES

By-law published in extraordinary Provincial Gazette number 2378 dated 9 June 2010

Section contravened	Description of Offence	Approved Fine
122(1)(a)	Doing installation work other than the replacement or repair of an existing pipe or sanitation fitting without being a plumber	R 1,500
122(1)(b)	Inspecting, disinfecting and testing a drainage installation, fire installation or storage tank without being a plumber	R 1,500
122(1)(c)	Servicing, repairing or replacing a back flow preventer without being a plumber	R 1,500
122(1)(d)	Installing, maintaining or replacing a meter provided by an owner in a drainage installation without being a plumber	R 1,500
122(2)	Engaging a person who is not a plumber to do the work of a plumber	R 1,500
129(1)	Gaining access to water services from the water supply system, sewage disposal system or other sanitation services without agreement with the municipality for the rendering of those services.	R 2,000
130(1)	Managing, operating or maintain a water supply system or any sanitation system without authority	R 2,500
130(2)	Effecting a connection to the water supply system or sewage disposal system or rendering other sanitation services without authority	R 2,500
131(1)	Preventing or restricting physical access to the water supply system or sewage disposal system by construction	R 2,000
132(1)(a)	Permitting the purposeless or wasteful discharge of water from terminal water fittings;	R 1,500
132(1)(b)	Permitting pipes or water fittings to leak;	R 1,000
132(1)(c)	Permitting the use of maladjusted or defective water fittings	R 1,000
132(1)(d)	Permitting an overflow of water to persist;	R 1,000
132(1)(e)	Permitting an inefficient use of water to persist.	R 1,000
132(2)	Failing to repair or replace part of his or her water installation which is in such a state of disrepair that it is either causing or is likely to cause an occurrence listed in sub-section 132(1)	R 1,500
132(4)	Failing to ensure that equipment or plant connected to his or her water installation uses water in an efficient manner	R 1,000
133(1)	Discharging, causing or permitting sewage to be discharged into a stormwater drain, river, stream or other watercourse	R 2,500
133(2)	Failing to provide all facilities necessary to prevent discharge or leakage of liquid to any street, stormwater drain or watercourse	R 2,000
133(4)(a)	Discharging, permitting the discharge of a substance, other than sewage, into a drainage installation;	R 2,000
133(4)(b)	Discharging, permitting the discharge of water from a swimming pool, over a road or into a gutter, stormwater drain, watercourse, open ground or private premises	R 2,000
133(4)(c)	Discharging or permitting the discharge of water from artificial fountains, reservoirs or swimming pools, situated on the premises, into a drainage installation without the approval of the Municipality	R 2,500

AMATHOLE DISTRICT MUNICIPALITY: WATER SUPPLY AND SANITATION SERVICES BY-LAWS

OFFENCES AND FINES

By-law published in extraordinary Provincial Gazette number 2378 dated 9 June 2010

Section contravened	Description of Offence	Approved Fine
133(5)	Causing or permitting the accumulation of grease, oil, fat or solid matter in a drainage installation that will adversely affect its effective functioning	R 2,500
135(1)	Interfering with infrastructure by which the municipality provides municipal services	R 2,500
136(1)	Using water obtained from a source other than the water supply system or rain water tanks which are not connected to the water installation, without the approval of the municipality	R 1,500
137(1)	Using or permitting the use of on-site sanitation services not connected to the municipality's sanitation system without the approval of the engineer	R 2,500

**AMATHOLE DISTRICT MUNICIPALITY: MUNICIPAL HEALTH BY-LAW
OFFENCES AND FINES**

By-law published in extraordinary Provincial Gazette number 2378 dated 9 June 2010

Section contravened	Description of Offence	Approved Fine
3(1)(a) to (p)	Failing to prevent the occurrence of a health nuisance by failing to observe standard health practices / regulations.	R 2,000
4	allowing an erf to be overgrown with bush, weeds or grass or other vegetation,	R 500
5	Occupying or causing or permitting to be occupied premises for habitable purposes so as to be a health nuisance, whether by overcrowding or otherwise	R 500
6	Failure to maintain every part of the let or sublet premises in a clean and sanitary condition	R 500
7	Polluting or contaminating the catchment area, river, canal, well, reservoir, filter bed, water purification or pumping works, tank, cistern or other source of water supply or storage	R 2,000
8(a)	Failing to maintain the sewers, drains, water fittings, waste water fittings, waste water closet fittings and all other sanitary accessories forming part of or attached to any building or structure in good and sound repair	R 500
8(b)	Keeping, a toilet, urinal, bath, sink, basin, shower or in a condition that it is a health nuisance	R 1,000
9(a)	Disposing of sewage or waste water from a bath, wash-hand basin, toilet, shower or kitchen sink in a way that it may cause dampness on the premises	R 1,000
9(b)	Disposing of sewage or waste water from a bath, wash-hand basin, toilet, shower or kitchen sink in a way that it may endanger the quality of water supply, surface water, stream or river	R 1,500
9(c)	Disposing of sewage or waste water from a bath, wash-hand basin, toilet, shower or kitchen sink in a way that it may create a health nuisance.	R 1,000
10	Failing to keep the drainage system free from obstruction and in a good condition.	R 500
11	Failing to provide workers with toilet facilities as prescribed by the National Building Regulations and Building Standards Act	R 500
12(a)	Failing to ensure that a well, borehole or other excavation located on premises is fenced, filled in or covered over in a way that adequately safeguards it from creating a health nuisance or danger to inhabitants	R 1,000
12(b)	Failing to ensure that a well, borehole or other excavation located on premises is not filled in a way, or with material that may cause adjacent well, borehole or underground water source to be polluted or contaminated to an extent that may create a health nuisance.	R 1,500
13(1)(a)	Creating a municipal health nuisance	R 1,000
13(1)(b)	Perform any act which may cause a municipal health nuisance;	R 1,000

**AMATHOLE DISTRICT MUNICIPALITY: MUNICIPAL HEALTH BY-LAW
OFFENCES AND FINES**

By-law published in extraordinary Provincial Gazette number 2378 dated 9 June 2010

Section contravened	Description of Offence	Approved Fine
13(1)(c)	Organising, allowing or permitting an activity, event or function in or on land or premises, or use, cause, allow or permit to be used land or premises for a purpose which by its nature or otherwise or by reason of its consequences creates or is likely to create a municipal health nuisance	R 1,000
13(1)(d)(i)	Activating, handling or using material, object or thing which is likely to cause a municipal health nuisance in a public place	R 1,000
13(1)(d)(ii)	Introducing into or handling in a public place material, object or thing or any liquid or solid substance which by its nature or by reason of the manner of its introduction or handling creates a municipal health nuisance	R 1,000
13(1)(e)	Carrying/conveying through or in a street or public place, an objectionable material or thing, liquid or solid, which is or may become dangerous or harmful to health	R 1,000
13(1)(f)	Allowing municipal health nuisance to be created or continued	R 1,000
14(1)(a)(i)	Failure to ensure that a municipal health nuisance does not exist or occur on his/her premises	R 1,000
14(1)(a)(ii)(aa)	Failure to take steps to reduce the risk to municipal health within 24 hours of becoming aware of the existence thereof	R 500
14(1)(a)(ii)(bb)	Failure to report the existence of the municipal health nuisance to the municipality within 24 hours of becoming aware of the existence thereof	R 500
14(2)	Failure to ensure that every well, hole, pit, reservoir, pond or excavation thereon is not filled in a way, or with material, that may cause the other well, borehole or underground water source to be polluted or contaminated to an extent that may create a municipal health nuisance	R 1,000
14(3)	Failure to cause waste to be placed in refuse receptacles provided by the responsible authority to be disposed of in a manner contemplated in section 37	R 500
16(1)	Keeping an animal, bird, poultry, fish or crustaceans in or on a building, structure or enclosure or any premises in a manner that constitutes a municipal health nuisance	R 500
16(2)	Failure to comply with the municipality's policy when undertaking a traditional or cultural slaughtering	R 1,000
17(1)	Failure to dispose of the carcass of an animal, bird, poultry, fish or crustaceans that has died on premises or land	R 1,000
17(2)	Failure to dispose of the carcass or remains of marine fauna that has died or washed up on the premises or land.	R 1,000
17(5)	Carrying or conveying through or along a street the carcass of an animal, bird, poultry, fish, crustaceans or animal waste or offal in a manner that it creates or may create a municipal health nuisance	R 500

AMATHOLE DISTRICT MUNICIPALITY: MUNICIPAL HEALTH BY-LAW
OFFENCES AND FINES

By-law published in extraordinary Provincial Gazette number 2378 dated 9 June 2010

Section contravened	Description of Offence	Approved Fine
18(1)	Keeping an animal, bird or poultry on a land or premises in such a close proximity to a building or facility that it may cause a municipal health nuisance to the occupants of such building or facility	R 500
19(1)(a) to (d)	Keeping bees on premises without permission or compliance with the conditions relating to such activity	R 1,000
19(2)	Dumping or depositing garbage, compost, grass cuttings or manure within five metres of a bee hive.	R 500
20(1)(a)	Failure to ensure that all waste- and storm water are discharged into a sewerage- or other approved system	R 1,000
20(1)(b)	Failure to ensure that all loose foods are stored in rodent free receptacles with tight fitting lids in a store room	R 500
20(1)(c)	Failure to ensure that isolation facilities are provided for sick dogs and cats and that facilities are of durable material and constructed so as to be easily cleaned and disinfected	R 500
20(1)(d)	Failure to ensure that all animal waste is stored in solid containers with tight fitting lids and is removed on a daily basis from the premises and disposed of in an approved manner	R 500
20(1)(e)	Failure to ensure that all animal cages or holding enclosures are cleaned on a daily basis and are kept in a hygienic and odour free condition	R 500
20(2)	Conducting the business of a dog kennel or cattery in a building, structure or enclosure which has direct access to, or has a door, window or other opening within 4 meters of any door, window or other opening to any existing habitable room or any existing room in which clothing is stored or food for human consumption is stored processed or sold	R 1,000
21(1)(a)	Failure to ensure that a pet shop or pet parlour is made entirely of a non corrosive material fitted with duplicate impervious movable trays and that all tubular fittings are closed at the ends; and so arranged that the bottoms thereof are not less than 450 mm above the level of the floor or yard	R 1,500
21(1)(b)	Failure to ensure that the storage space which is rodent-proofed, is provided for animal bedding on the premises;	R 500
21(1)(c)	Failure to ensure that meat, fish or perishable foodstuffs used in the feeding of an animal and stored in a pet shop, are stored in a refrigerator which can maintain a temperature not exceeding 7°C	R 500
21(1)(d)	Failure to ensure that clean and appropriate toilet facilities and a wash basin is provided for those employed on the premises	R 500
21(1)(e)	Failure to ensure that no more than 70% of the floor area of the premises is covered by cages or goods incidental to the business	R 500
21(1)(f)	Failure to ensure that all animal and bird waste is stored in solid containers with tight fitting lids and is removed on a daily basis from the premises and disposed of in an approved manner	R 500

AMATHOLE DISTRICT MUNICIPALITY: MUNICIPAL HEALTH BY-LAW
OFFENCES AND FINES

By-law published in extraordinary Provincial Gazette number 2378 dated 9 June 2010

Section contravened	Description of Offence	Approved Fine
21(1)(g)	Failure to ensure that all animal and bird cages or holding enclosures are cleaned on a daily basis and kept in a hygienic and odour free condition	R 500
21(2)	Conducting the business of a pet shop or pet parlour in a building, structure or enclosure which has direct access to, or has a door, window or other opening within 4 meters of any door, window or other opening to any existing habitable room or any existing room in which clothing is stored or food for human consumption is stored processed or sold	R 500
22(2)	Operating home for the aged facility accommodating 6 or more aged or debilitated persons without a certificate of acceptability	R 500
24(1)	Failing to keep premises, household facilities, eating utensils, linen and bedding in a clean and hygienic condition	R 500
24(2)(a)-(q)	Failing to comply with the requirements for accommodation establishment which operates as a home for the aged	R 500
25(1)	Operating a child care facility accommodating 6 or more babies or toddlers or babies and toddlers without a certificate of acceptability	R 500
26(1)(a)-(m)	Failing to comply with the structural and other requirements for a childcare facility	R 500
27(1)(a)	Failing to keep the premises in a safe, clean and sanitary condition at all times	R 500
27(1)(b)	Failing to ensure that the water is at all times purified, treated and maintained to the standards mentioned in section 29(1).	R 1,500
29(1)(a)	Failing to ensure that the water is free from floating, suspended or settled debris or swimming organisms;	R 1,000
29(1)(b)	Failing to ensure that the walls, floor, access ladders or steps and gutters are free from slime or algae;	R 500
29(1)(c)	Failing to ensure that the total coli form bacteria count does not exceed 100 organisms per ml of water;	R 1,500
29(1)(d)	Failing to ensure that no escherichia coli bacteria present in any 100 ml of water	R 1,500
29(1)(e)	Failing to ensure that no entero cocci bacteria present in any 100 ml of water.	R 1,500
30(1)	Operating a barber, hairdresser, beauty, body piercing or tattooing salon without a certificate of acceptability	R 500
31(1)	Using the premises of a salon for a purpose other than for the carrying on of the business of barber, hairdresser, beautician, body piercer or tattooist	R 500
31(2)(a)	Failing to keep a first aid kit on the premises, and treat an injury or wound which occurs	R 500
31(2)(b)	Failing to install or have available in the salon an appliance or other means whereby an instrument that have come into contact with human skin, hair or bodily fluid, such as, but not limited to, blood, may be sterilized or disinfected	R 500

AMATHOLE DISTRICT MUNICIPALITY: MUNICIPAL HEALTH BY-LAW
OFFENCES AND FINES

By-law published in extraordinary Provincial Gazette number 2378 dated 9 June 2010

Section contravened	Description of Offence	Approved Fine
31(2)(c)	Failing to ensure that only professional tattooing and body piercing machines designed and assembled in a manner which prevents contamination of sterilized needle sets may be used for applying	R 500
31(2)(d)	Failing to ensure that all clip cords and spray bottles have triggers and grasp areas and that grasp areas are protected by plastic covering	R 500
31(2)(e)	Failing to disinfect blade, razor, pair of scissors, comb, brush, roller, nail file, clippers, or other instrument which was applied to the human hair, nail or skin after each use	R 500
31(2)(f)	Failing to wear new disposable latex or nitrile examination gloves for the duration of a procedure where he or she implants hair, pierces or tattoos skin, or uses a chemical or chemical compound in an activity	R 500
31(2)(g)	Failing to disinfect his or her hands before and after rendering any service to a client;	R 500
31(2)(h)	Failing to clean and disinfect a surface that has been contaminated by body fluid	R 500
31(2)(i)	Failing to dispose of a disposable glove or other disposable material after each use	R 500
31(2)(j)	Failing to wash clothing such as aprons and caps, surfaces such as, walls, floors, counters and chairs, with a disinfectant	R 500
31(2)(k)	Failing to dispose of waste water, sharp instruments, bloodied and otherwise contaminated disposable towels and paper in an approved manner;	R 500
31(2)(l)	Failing to store sharp instruments such as a razor, blade or needle in a separate container	R 500
31(2)(m)	Failing to wash and clean plastic and cloth towels after each use	R 500
31(2)(n)	Failing to keep the premises, tools, equipment and clothing in a hygienic condition at all times	R 500
31(2)(o)	Failing to collect waste such as hair clippings and towelling paper, and to store or dispose of such waste in accordance with section 37	R 500
31(2)(p)	Failing to ensure that no animal, excluding a guide dog accompanying a blind person, enters the premises	R 500
31(2)(q)	Failing to provide his or her employees with protective clothing, train any person working on the premises, and to ensure that the employee complies with the provisions of this by-law	R 500
32(1)(a)-(g)	Failing to ensure that the premises complies with the requirements in terms of this section	R 500
33(1)(a)	Recovering and disposing of waste in a manner that is dangerous to human health,	R 500
33(1)(b)	using processes or methods likely to harm the environment,	R 1,000
33(1)(c)	Recovering and disposing of waste in a manner that create a municipal health nuisance	R 500
42(1)(a)	Failing to keep every water passage open and free of obstruction	R 1,000

**AMATHOLE DISTRICT MUNICIPALITY: MUNICIPAL HEALTH BY-LAW
OFFENCES AND FINES**

By-law published in extraordinary Provincial Gazette number 2378 dated 9 June 2010

Section contravened	Description of Offence	Approved Fine
42(1)(b)	Failing to construct a bund wall around a tank, or group of tanks, that contain a substance that can create a municipal health nuisance	R 500
42(1)(c)	Failing to clean industrial surface area so as to prevent the pollution of storm water which may result in adverse impacts on the quality of any surface and ground water	R 1,000
42(1)(d)	Failing to ensure that a dam, conduit or channel that is used for the containment of waste water has a free board of at least 0.5 metres above the highest level of precipitation which could be expected within a period of 24 hours with an average frequency of recurrence of once in 100 years	R 500
42(1)(e)	Failing to seal or cover conservancy lagoons or take the steps prescribed by the municipality to prevent fly breeding	R 500
42(2)(a)	Locating disposal site within the one in one hundred year flood line of any water resource	R 500
42(2)(b)	Using coal, coal discard, carbonaceous material or any other material for the construction of a slurry, evaporation or catchments dam, or any embankment, road or railway in a way likely to create a municipal health nuisance	R 500
43(1)	Interring a corpse in a manner that it constitutes a municipal health nuisance	R 2,500
45(1)(a)-(q)	Conducting a dry-cleaning or laundry business on premises that do not comply with the requirements in terms of this section	R 500
46(1)(a)-(k)	Operating a dry-cleaning or laundry receiving depot on premises that do not comply with the requirements in terms of this section	
47(1)(a)	Operating a coin-operated laundry on premises that do not have separate toilet and hand washing facilities for the different sexes	R 500
47(1)(b)	Operating a coin-operated laundry on premises that do not have an area where ironing is done	R 500
47(1)(c)	Failing to install the machine on the premises in accordance with the applicable law	R 500
48(1)(a)	Failing to keep the premises, all fittings, equipment, appliances, machinery, containers and business vehicles in a clean, hygienic and good condition at all times;	R 500
48(1)(b)	Failing to separate dirty articles from clean articles at all times	R 500
48(1)(c)	Failing to use a change-room solely for changing	R 500
48(1)(d)	Failing to ensure that every person who handles clean or dirty articles wears adequate protective clothing at all times	R 500
48(1)(e)	Failing to keep protective clothing in a clean and sound condition at all times	R 500
48(1)(f)	Failing to store protective clothing in a locker when it is not being worn	R 500
48(1)(g)	Failing to affix the name and business address, in clear lettering, to the outside of any business vehicle	R 500

"ANNEXURE S4"

**AMATHOLE DISTRICT MUNICIPALITY: MUNICIPAL HEALTH BY-LAW
OFFENCES AND FINES**

By-law published in extraordinary Provincial Gazette number 2378 dated 9 June 2010

Section contravened	Description of Offence	Approved Fine
48(1)(h)	Failing to ensure that the premises are not directly connected to any food premises, new clothing shop, hairdresser or any other area from which contamination might occur	R 500
48(1)(i)	Failing to comply with the requirements of the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) and the Air Quality Act, 2004 (Act No. 39 of 2004);	R 1,000
48(1)(j)	Failing to place all piping in the building, not chased into the walls, at least 100 mm away from all walls or floors and to comply with the provisions of the National Building Regulations and Building Standards Act;	R 500
48(1)(k)	Failing to insulate steam piping with an adequate material	R 500
48(1)(l)	Failing to dispose of all waste water in an approved manner	R 1,500

"ANNEXURE S5"

AMATHOLE DISTRICT MUNICIPALITY: PASSENGER TRANSPORT SERVICES BY-LAW**OFFENCES AND FINES**

By-law published in extraordinary Provincial Gazette number 2378 dated 9 June 2010

Section contravened	Description of Offence	Approved Fine
3	Failing to display area destination of a bus	No Fine
4(1)	Attempting to board a bus at a non-designated stopping place	No Fine
13(2)	Stopping a minibus taxi at a non-designated stopping place to load or off-load passengers	R 2,000
14	Exceeding the number of passengers the vehicle is permitted to carry	R 2,000
18(1)	Operating a passenger transport vehicle without the appropriate operating license	R 2,000
18(3)	Passenger transport vehicle is not in possession of a valid public road carrier permit	R 2,000
18(4)	Passenger transport vehicle is not in possession of a valid roadworthy certificate	R 2,000
20(1)	Using force or a threat to prevent a person from hiring other public passenger transport vehicle, or prevent or seek to prevent the driver of other vehicle from obtaining or conveying a passenger	R 1,000
20(2)	Compelling a passenger to hire or make use of his/her passenger transport vehicle	R 1,000
20(3)	Using force, a threat, or clandestine, to prevent a person from participating in a lift club.	R 1,000
22	Parking a vehicle to be used for the purposes of providing passenger transportation, at a place other than that allocated and marked for that vehicle	R 500
24(1)	to attract the custom of potential passengers	R 1,000
24(2)	so as to create a nuisance for other road users, passengers and pedestrians	R 1,000
25(1)	Travelling in or on any passenger transport vehicle with a firearm or any article, instrument or implement which may be dangerous or offensive to other passengers	R 1,000
26	Failing or refusing to pay, or attempting to evade payment of fare due	R 1,000
29(1)	Bringing an animal into or onto a passenger transport vehicle	R 500
31	Smoking in a passenger transport vehicle	R 1,000
32	Consuming alcohol in or on a passenger transport vehicle	R 1,000

"ANNEXURE S6"**REVENUE MANAGEMENT BY-LAW, 2010****SCHEDULE OF OFFENCES AND CRIMES**

Section contravened	Description of Offence	Approved Fine
18(a)	Failing to enter into a service contract with the municipality	R 500
18(c)	Failing to attach the letter from the owner indicating that the signatory is a lawful occupant of the property	R 300
19	Failing to pay the deposit when entering into a service contract	R 300
28(e)	Failing to register for the indigency relief in the manner specified by the municipality	R 150
28(h)(i)	Failing to allow a reasonable access to the municipality in order to effect repairs to the water and sanitation system	R 150
28(h)(i)	Failing to report faults or defects in the water or sanitation system to the municipality	R 150
30(b)	Failing to advise the municipal manager of inability to comply with the arrangements or conditions made for the indigent people	R 150
34(b)	Obstructing or hindering the officer in the exercise of his or her powers or in the performance of his or her duties	R 1,000
34(c)	Using or interfering with the municipality equipment for consumption of services supplied	R 1,500
34(d)	Failing or refusing to give the municipality or an officer such information reasonably required for the purpose of exercising powers or functions under this by-law	R 1,500
34(d)	Giving false or misleading information to the official of the municipality	R 2,000
34(e)	Failing to comply with the notice served in terms of this by-law	R 1,000
34(f)	Tampering or breaking a seal on a meter or any equipment belonging to the municipality or causing the meter not to register the services used properly.	R 2,000

AMATHOLE DISTRICT MUNICIPALITY: FIRE SAFETY BY-LAW**OFFENCES AND FINES**

By-law published in extraordinary Provincial Gazette number 2378 dated 9 June 2010

Section contravened	Description of Offence	Approved Fine
6(1)	Owner failing to notify evidence of a fire hazard.	R 1,000
6(2)	Owner failing to provide all details pertaining to the incident.	R 500
10(3)(a)-(f)	Failing to comply with an instruction given by a member of the force	R 1,000
11(1)	Pretending to be a member	R 1,000
11(2)	Unauthorised wearing of a uniform	R 1,000
14(1)	Driving a service vehicle without license	R 500
14(2)	Driving a service vehicle in disregard of the National Road Traffic Act.	R 500
16(2)	Failing to comply with a notice of compliance	No fine
17(1)	Interference with or obstruction of the chief fire officer in execution of duties	No fine
18(1)	Furnishing of false information	No fine
25(1)(a)	Failure to ensure that the building is designed and constructed in a manner that provides for the effective drainage of any water that may result from fire extinguishing activities; and the discharge of such water directly into a storm water drain	R 1,000
25(1)(b)	Failure to ensure that the building is designed and constructed in a manner that prevents water from draining, down any stairway or lift shaft, down any electrical shaft or telecommunications service shaft, down any shaft that is connected to a basement level, along approach to a building or any vehicle access ramp leading to or from a building	R 1,000
25(1)(c)	Failure to ensure that the building is designed and constructed in a manner water resulting from fire-extinguishing activities is discharged directly into a storm water drain	R 1,500
25(1)(c)	Failure to ensure that the building is designed and constructed in a manner that complies with the requirements of SANS 0400	R 1,000
25(2)(a)	Failure to ensure that the transformer room is situated on the ground level	R 1,000
25(2)(b)	Failure to ensure that access to the transformer room is from outside the building	R 1,000
25(2)(c)	Failure to ensure that there is adequate and ready access to the transformer room for fire-fighting and maintenance activities.	R 1,000
26(1)(a)(b)	Failure to ensure that the building is designed and constructed in accordance with the instructions of the department of water affairs and forestry, and the municipality	R 1,500
27(1)(a)-(g)	Failure to ensure that structures and sites like grain silo, atrium, air traffic control tower, tower for telecommunications, tent, or open-plan for commercial or industrial	R 2,000
27(2)(a)	Failure to ensure that the designs or construction aircraft hanger or helicopter pad complies with a rational design as contemplated by the national building regulations	R 1,000
27(2)(b)	Failure to ensure that the designs or construction aircraft hanger or helicopter pad provides for the effective drainage of any liquid from the floor of the hanger or	R 1,000
27(2)(c)	Failure to ensure that the designs or construction aircraft hanger or helicopter pad provides for the effective channeling of any liquid from the floor of the hanger or helicopter pad to a drainage area connected to a separator well	R 1,000
27(2)(d)	Failure to ensure that the designs or construction aircraft hanger or helicopter pad prevents the spread of any liquid from the floor of the hanger or helicopter pad	R 1,000
27(2)(e)	Failure to ensure that the designs or construction aircraft hanger or helicopter pad is equipped with effective earthing devices for the discharge of static electricity.	R 1,000
28(1)	Failure to ensure that the building is equipped with sprinkler system	R 1,500
28(2)	Failure to ensure that the sprinkler system is constructed and installed in accordance with SANS 0287; and in compliance with the requirements of SANS 0400 insofar as it relates to fire protection	R 2,000

AMATHOLE DISTRICT MUNICIPALITY: FIRE SAFETY BY-LAW**OFFENCES AND FINES**

By-law published in extraordinary Provincial Gazette number 2378 dated 9 June 2010

29(1)(a)	Failing to ensure that an extractor fan system is designed, constructed and installed in a manner that provides for clearly demarcated, adequate and easy access for inspection, maintenance and repairs	R 500
29(1)(b)	Failure to ensure that the conduit and outlet of an extractor fan system is installed in a manner that does not result in a fire hazard to any person or property.	R 500
29(2)	Failing to ensure that every filter, damper, screen or conduit is regularly inspected, cleaned and maintained to ensure that fatty residues or any other combustible residues do not accumulate	R 500
30(1)(a)	Failing to ensure that escape doors are fitted with hinges that open in the direction of escape	R 500
30(1)(b)	Failing to ensure that any escape door is equipped with a fail-safe locking device or devices that do not require a key in order to exit.	R 500
30(2)(a)	Failing to ensure that doors in a feeder route are a double swing-type door	R 500
30(2)(b)	Failing to ensure that no door is equipped with locking mechanism in a feeder route	R 500
30(3)	Failing to provide an alternative means of escape approved by the chief fire officer if it is necessary to lock the door in the feeder route for security reasons	R 1,000
30(4)	Obstructing or allowing the obstruction of any escape route from any premises	R 500
30(5)	Failure to indicate the escape route by a signage when required to do so.	R 500
31(1)	Failure to maintain the fire door in a manner that in the event of a fire it retains its integrity, insulation and stability for the time period required for that particular class of door	R 1,000
31(2)	Keeping a fire door that is not equipped with an automatic releasing hold-open device open rendering a fire door and assembly less effective	R 500
32(1)(a)	Failure to ensure that the premises on which the building is situated, are planned, designed and constructed so that at least one elevation of the building fronts onto a street;	R 500
32(1)(b)	Failure to ensure that if the premises do not front onto a street, an access road is provided	R 500
32(1)(a)	Failure to ensure that the premises are planned, designed and constructed so that a motorised or electronically operated gate is equipped in such a manner that access to the premises can be gained without the use of a motor or any other electronic device	R 500
32(1)(a)	Failure to ensure that there is a climate-proof and weather-proof parking surface for parking and operating fire brigade machines and equipment in an emergency	R 500
32(2)(a)-(c)	Failure to ensure that the correct street number of the premises is displayed, visible and maintained in a legible condition at all times	R 500
33(2)	Obstructing or impeding access to fire-fighting equipment and installations	R 1,500
34(1)(a)	Failing to remove combustible material from a vacant building	R 1,500
34(1)(b)	Failing to barricade vacant building	R 1,500
36(1)(a)	Failing to ensure readiness for use of fire-fighting equipment in an emergency	R 1,000
36(1)(b)	Failing to service and maintain fire-extinguishers in accordance with SANS 0105 and 1475	R 1,000
36(1)(c)(i)-(iii)	Failing to keep fire-fighting equipment in working condition and inspected annually	R 1,000
36(2)(a)(i)-(ii)	Failing to certify functionality of equipment and furnishing of certificate	R 500
36(3)	Unauthorised removal of fire-fighting equipment.	R 1,500
36(4)	Damaging or altering fire-fighting equipment or installation	R 1,500
37(4)	Removing, defacing or damaging a fire alarm	R 1,000
37(5)	Tampering or interfering with a fire hydrant	R 1,000

AMATHOLE DISTRICT MUNICIPALITY: FIRE SAFETY BY-LAW**OFFENCES AND FINES**

By-law published in extraordinary Provincial Gazette number 2378 dated 9 June 2010

39(1)(a)	Failing to prepare emergency evacuation plan	R 1,000
39(1)(e)	Failing to display emergency evacuation plan	R 500
40(1)	Holding a public gathering without certificate of fitness	R 1,500
41(1)	Failure to submit an application form for a certificate of fitness to hold public gathering.	R 500
44(1)(a)	Failing to comply with conditions of certificate of fitness	R 1,500
44(1)(b)(i)-(ii)	Failing to display certificate and to keep in legible condition	R 500
44(1)(c)	Failure to notify the chief fire officer of the change to the trade name, activity or governing or similar body of any occupier of the building or structure	R 500
44(1)(d)	Failure to submit an application for renewal of the certificate of fitness.	R 500
50(1)	Obtaining a water connection without approved fire protection plans	No fine
52(1)	Making a fire that may endanger another person	R 1,500
52(2)(a)	Burning combustible material without permission	R 500
52(3)	Failing to take reasonable steps to ensure safety of people or animals	R 1,000
53(1)	Storage of combustible material in a manner to cause a fire hazard	R 1,000
53(2)	Allowing accumulation of dust in quantities likely to cause fire hazard	R 1,000
53(3)	Allowing sawdust to soak up flammable liquid	R 1,000
53(4)	Accumulation of soot in a chimney	R 1,000
53(5)	Overgrown premises	R 1,000
54(1)(a)-(b)	Overloading electrical equipment or using in a manner likely to cause fire hazard	R 1,000
55(1)	Using flame-emitting device in a manner likely to cause fire hazard	R 1,000
56(1)	Discarding flammable substance into sewer or drain	R 1,000
56(2)	Failing to report discarding of flammable substance into drain or sewer	R 500
57(1)	Unauthorised filling of a balloon or device with flammable gas	R 500
58(1)	Failing to display "No Smoking" signs	R 500
58(2)	Removing a sign	R 500
58(3)	Lighting or smoking a cigarette where prohibited	R 500
58(4)	Allowing smoking where prohibited	R 500
58(5)	Failing to provide for safe disposal of smoking materials	R 500
58(6)	Discarding a burning cigarette or material in a road or public place	R 1,000
61(1)	Discharging fireworks outside designated area	R 1,000
62(1)-(b)	Dealing in fireworks without license or permission of chief fire officer	R 1,500
64(1)	Storage or handling of flammable substances without certificate of registration	R 1,500
75(2)(a)	Dumping or spilling flammable substances in a borehole, drain or sewer	R 1,000
75(2)(b)	Discarding flammable substances from premises other than by a competent person	R 1,000
75(2)(c)	Bringing a fire or open flame within 5 metres of storage place	R 1,000
75(2)(d)	Using a device in connection with flammable substance in basement level of a building while not for maintenance of the building	R 1,000
75(2)(e)(i)	Filling a bus with passengers inside	R 1,000
75(2)(e)(ii)	Transporting flammable substances on a bus	R 1,000
79(2)(f)	Delivering, supplying or allow to be delivered or supplied, a flammable substance to the premises where the owner or person in charge of the premises does not have a valid certificate of registration	R 2,000
76(1)	Handling or storing liquefied petroleum gas in quantities in excess of Schedule 2	No fine
77(1)(a)-(c)	Failing to display symbolic or warning signs prominently and / or in the prescribed manner	R 500
79(1)(a)-(b)	Storage of flammable substances in a storeroom without certificate of registration or storeroom not compliant with by-law	R 1,500
90(1)(a)	Unauthorized entry of flammable storeroom	R 500
90(1)(b)	Using storeroom for purposes other than storage of flammable substances	R 500
90(1)(c)	Allowing person to work in storeroom while doors are not open	R 500
90(1)(d)	Obstructing or hindering access to storeroom	R 500

AMATHOLE DISTRICT MUNICIPALITY: FIRE SAFETY BY-LAW**OFFENCES AND FINES**

By-law published in extraordinary Provincial Gazette number 2378 dated 9 June 2010

96(1)	Failing to notify chief fire officer of installation or demolishing of facilities	R 500
97(1)(a)-(b)	Entering or allowing someone to enter storage tank in disregard of safety requirements	R 500
113(1)(a)-(b)	Transporting dangerous goods without permit or keeping permit available	R 1,500
120(1)(a)	Transporting dangerous goods with unroadworthy vehicle	No fine
120(1)(b)(i)-(ii)	Transporting dangerous goods without prescribed fire extinguishers	R 1,500
120 (3)	Transporting dangerous goods to travel or overnight in any area specifically prohibited	R 1,500
121(1)	Supplying or delivering dangerous goods in quantities in excess of Schedule 2	R 1,500
121(2)	Supplying or delivering dangerous goods in contravention of certificate of registration	R 1,500
121(3)	Handling container in a manner that could damage such container	R 1,000
121(4)(a)-(f)	Delivering dangerous conditions in disregard of safety conditions	R 1,000
124(1)(a)-(b)	Spraying without spraying permit or in a spraying room	R 1,000
In addition to the		
TT2 & TT12	<u>Safety Distances</u> Erecting a building in disregard of safety distances	R 1,500
TT3, TT5 & TT6	<u>Different occupancies</u> Owner or tenant allowing division of building without approval	R 1,500
TT4	<u>Maximum division area</u> Owner exceeding maximum division area	R 1,500
TT9 & TT10	<u>Partitions and protection of openings</u> Inadequate fire resistance and failure to protect openings	R 1,500
TT12	<u>Roof Assemblies and Coverings</u> Allowing combustible material to be used on a roof structure without approval	R 1,500
TT16 to TT29	<u>Escape Routes and Exits</u> Allowing an escape route to be made less efficient	R 1,500
TT23, TT24, & TT25	<u>Stairways</u> Installing a stairway that does not comply with part M of the rules	R 1,500
TT29	<u>Markings and Sign Posting</u> Failing to indicate the location of fire equipment or emergency exits with symbolic signs	R 1,500
TT30	<u>Lighting of Emergency Routes</u> Failing to light emergency route	R 1,500
TT31	<u>Fire Detection and Alarm System</u> Failing to install fire detection and alarm systems in compliance with SANS 0139	R 1,500
TT33 & WW5	<u>Water Reticulation System</u> Failing to install an approved water reticulation system for fire fighting	R 1,500

AMATHOLE DISTRICT MUNICIPALITY: FIRE SAFETY BY-LAW**OFFENCES AND FINES**

By-law published in extraordinary Provincial Gazette number 2378 dated 9 June 2010

TT34	<u>Hose Reels</u> Failing to supply hose reels	R 1,500
TT35	<u>Hydrants</u> Failing to supply fire hydrants	R 1,500
TT36	<u>Sprinkler System</u> Failing to supply sprinkler system where required	R 1,500
TT42		R 1,500
TT52		No fine
TT53		No fine
TT54		No fine

2026/27 PROPOSED TARIFFS FOR MUNICIPAL HEALTH SERVICES

TARIFFS			
SERVICE	NEW APPLICATION	REVIEW	RENEWAL
Certificate of Acceptability (CoA) (Foodstuffs & Cosmetic Disinfectant Act)	R 356	R 141	R 140
Certificate of unsound foodstuffs (Condemnation Certificate)	R 280.79 per hour	N/A	N/A
Health Certificate) (Health Act)	R 187	R 141	R 140
Certificate of Competence (CoC) (Health Act)	R 331	R 133	R 140
Application for exhumations and re-burials	R 351	N/A	N/A
Re-Issue of Certificates	R 140	R 133	R 140
Request for re-inspection or special inspections (except government departments)	R 281	N/A	N/A
Illegal Transport of foodstuffs (FCD Act)	R 281	N/A	N/A
Solid Waste Tariff:			
Mbhashe	R 34,805	R 33,563	N/A
Mnquma	R 127,621	R 123,067	N/A
Application for selling of foodstuffs during public events	R 141	N/A	N/A

2026/27 PROPOSED TARIFFS FOR SOLID WASTE SERVICES

TARIFFS		
SERVICE	2019/20	2026/27
Solid waste dump site per load : Mbhashe	25,538.36	34,804.75
Solid waste dump site per load : Mnquma	93643.14	127,620.79



ASPIRE FINAL BUDGET

Prepared in terms of the Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 May 2009.

2026/27 Medium Term Revenue and Expenditure Framework Budget

MAY 2026

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PART 1 - FINAL 2026/27 MTREF

Section 1 - Chief Executive Officer's Report

1.1 ASPIRE Final Budget for 2026/27 to 2028/29 financial year.

ASPIRE submit the required final budget for the entity, in accordance with Section 87(1) of the Municipal Finance Management Act,

The final 2026/27 Medium Term Revenue and Expenditure Framework was prepared taking into consideration Circulars 134 and section 87 of the MFMA as issued by National Treasury,

The final budget is in accordance with the Municipal Budget and Reporting Regulations, 2008,

The Municipal Standard Chart of Accounts (mscoa) regulation were also considered when preparing this final budget,

The above is the main framework guiding the compilation of this budget but not limited to the above legislative framework.

1.2 Background

The Amathole Economic Development Agency, trading as ASPIRE, was established in 2005 in under Section 84 of the MFMA. ASPIRE is wholly owned by the Amathole District Municipality (ADM). ASPIRE is a state-owned company in terms of the Company's Act of 2008.

Challenges:

This final budget is prepared under a difficult macroeconomic framework where the weak economic growth continues to impact municipal finances. The allocation to the local government sphere continues to receive the smallest share of the National budget despite being at the cold face of service delivery. This reality will be felt more as 2026 is the year of local government elections where South Africans will go to the polls and elect a new administration who will handle the affairs of their municipalities. The share of local government as a percentage of the national budget

during the MTREF period is forecasted at 9,4%, 9,6% and 9,5% for 2026/27, 2027/28 and 2028/29. The bulk of the budget remains in the provincial and national sphere of government who share more than 90% of the budget.

ASPIRE's parent municipality, Amathole District Municipality (ADM) is a rural municipality who also face a challenge of low revenue collection. The collection rate norm is 95% yet ADM's collection rate falls below 50%. This is due to mainly high levels of unemployment in the region. High unemployment levels in the region is also attributed to low economic growth and economic activity in the region. ASPIRE operates in that environment and therefore is not spared from those challenges. The entity, therefore, needs to respond to those challenges and ensure that it becomes efficient and effective.

National Treasury indicates that over the next three years, South Africa's real GDP growth is expected to average 1.8 per cent and inflation expectations are shifting lower in line with the 3 per cent target. Treasury also states that Public-sector infrastructure initiatives have begun to attract significant private investment. ASPIRE must take into account of this reality and follow the trend by aggressively pursuing these private investors to come and invest in the region to grow the economy of the district. Nationally, the government is prioritising sectors with a huge potential in terms of growth and ability to create the jobs. ASPIRE will also focus on interventions that have an element of creating jobs and economic growth.

National Treasury states that faster growth depends largely on maintaining macroeconomic stability, the continued implementation of structural economic reforms, **improving state capabilities** and supporting higher infrastructure investment. The Consumer Price Index (CPI) is estimated at 3,2% for the 2025/26 financial year. The forecasted CPI for this budget is 3.4%, 3.3% and 3.2% for the 2026/27, 2027/28 and 2028/29 financial years respectively.

Internally, ASPIRE had its own specific challenges hindering the entity from achieving its aspirations. Grant funding from the parent municipality has not increased from the previous financial year, it remains at R15 Million. This is due to financial constraints in the parent municipality. This will have a negative impact in the

operations of the entity over the MTREF Period. In essence, grant funding from ADM has reduced when considering the cost of living which has gone up. The entity will rely on its reserves in order to balance this budget. The entity continues to find innovative ways to increase its revenue. In the 2024/25 financial year, the entity received funding from SETAs, Government entities and Private companies. Revenue came both from national and international sources. The trend sends a positive message that the entity is able to attract funding from external stakeholders. This final budget proposes funding to be set aside for resource mobilization. The entity has also seen its revenue from parent municipality declining and replaced by funding sources outside the parent municipality.

Mitigating factors:

To turn the fortunes of ASPIRE, the entity will continue on its aggressive resource mobilization strategy which includes:

- Implementing projects for Local Municipalities;
- Implementing projects for SETAs;
- Implement projects for the parent municipality;
- Implementing projects for other government agencies like ECDC;
- Investing more and generating interest;

During the 2026/27 MTREF, ASPIRE will focus on the following projects:

- Project Preparation and Formation;
- Research and Development;
- Implement its partnership with Business Incubation Web Association (BIWA);
- Tourism Support;
- Stakeholder Engagement;
- Business Plan development.

The interventions above will ensure that ASPIRE transcend from survival mode to a thriving mode. The 2026/27 final budget is balanced, funded and responds to the needs of the people of Amathole.

PART 2 - DISCUSSION

Section 2 - Budget Discussions

ASPIRE's budget for the 2026/2027 MTREF is R35,3 million in 2026/27; R20,2 million in 2027/28 and R20,3 million in 2028/29 financial years.

REVENUE	FINAL MTREF 2025/26	DRAFT MTREF 2026/27	DRAFT MTREF 2027/28	DRAFT MTREF 2028/29
Income	37 287 500,00	35 350 000,00	20 250 000,00	20 350 000,00
<i>ADM Grant</i>	15 000 000,00	15 000 000,00	15 000 000,00	15 000 000,00
<i>Interest Income - Investments</i>	300 000,00	500 000,00	500 000,00	500 000,00
<i>AGRISETA Project</i>	1 620 000,00	-	-	-
<i>Own Funding (Reserves)</i>	1 566 698,00	1 200 000,00	1 000 000,00	1 000 000,00
<i>Implementation Fee</i>	1 367 500,00	650 000,00	750 000,00	850 000,00
<i>Other Income</i>	1 389 823,00	1 000 000,00	1 000 000,00	1 000 000,00
<i>SMME Innovation Hub</i>	13 043 479,00	15 000 000,00	-	-
<i>Impact Africa Project</i>	750 000,00	-	-	-
<i>ECDC Funding</i>	250 000,00	-	-	-
<i>SIK</i>	2 000 000,00	2 000 000,00	2 000 000,00	2 000 000,00
EXPENDITURE	37 287 500,00	35 350 000,00	20 250 000,00	20 350 000,00
<i>Employee Costs</i>	8 682 145,00	10 237 012,21	10 895 232,00	11 331 616,30
Board fees	1 000 000,00	1 000 000,00	1 000 000,00	1 000 000,00
Subsistence and Travel	1 067 855,00	810 000,00	1 000 000,00	800 000,00
Board Expenditure	200 000,00	200 000,00	200 000,00	200 000,00
Contracted Services	600 000,00	-	-	-
Outsourced services	500 000,00	250 000,00	500 000,00	500 000,00
Operating leases (printer)	50 000,00	50 000,00	50 000,00	50 000,00
Advertising and Publicity	450 000,00	340 000,00	354 360,00	359 045,76
Bank charges	50 000,00	50 000,00	50 000,00	50 000,00
Telephone	100 000,00	130 000,00	150 000,00	180 000,00
Training	500 000,00	500 000,00	400 000,00	500 000,00
Audit	1 200 000,00	1 200 000,00	1 024 768,00	1 119 145,08
Computer services	300 000,00	1 265 000,00	300 000,00	300 000,00
Insurance	200 000,00	250 000,00	300 000,00	350 000,00
Internally Funded Projects	1 657 323,00	727 987,79	200 000,00	379 238,62
AGRISETA - Learnership	720 000,00	-	-	-
AGRISETA - Operational Costs	900 000,00	-	-	-
SMME Innovation Hub	13 043 479,00	15 000 000,00	-	-
SMME Hub Savings - ASPIRE Reserves	566 698,00	-	-	-
Impact Africa Project	750 000,00	-	-	-
ECDC - Film Festival Project	250 000,00	-	-	-
Printing and Stationery	50 000,00	80 000,00	100 000,00	100 000,00
Caseware	120 000,00	120 000,00	120 000,00	120 000,00
Repairs	20 000,00	10 000,00	20 000,00	20 000,00
Equipment rental	10 000,00	40 000,00	100 000,00	100 000,00
Refreshments	50 000,00	40 000,00	50 000,00	50 000,00
Capex	1 800 000,00	300 000,00	660 000,00	110 000,00
Depreciation	150 000,00	300 000,00	380 000,00	340 000,00
Subscription fee	100 000,00	300 000,00	195 640,00	190 954,24
Legal Fees	200 000,00	150 000,00	200 000,00	200 000,00
SIK	2 000 000,00	2 000 000,00	2 000 000,00	2 000 000,00
Surplus (Deficit)	-	0,00	0,00	0,00

Revenue:

Grant Funding:

The parent municipality has allocated an indicative amount of R15 million (excluding VAT) from its National Treasury Equitable Share for the MTREF period. ASPIRE appreciates the support from the parent municipality which continues to fund the operations of the entity despite having its own financial constraints as a Municipality.

Interest earned from investments:

The entity keeps all monies received in an interest-bearing call account to earn interest. The average interest earned in a call account is 5% per annum. The forecasted interest earned from investments is R500 thousand for the 2026/27 MTREF. The entity will continue to invest funds which are not immediately required in an interest bearing account.

Reserves:

The entity will tap into its reserves of R2 million rand to fund the shortfall in the budget. An amount of R1,2 million will be utilised from the reserves to fund the budget for 2026/27 financial year. Subsequently, the entity will take R1 million from the reserves for each of the outer years. The entity will ensure that the amount of reserves utilised will be less than the amount added to the account to ensure financial sustainability.

Implementation Fees:

The entity has adopted the concept of implementation fees as one of its innovative means to increase revenue. In the 2025/26 financial year, the entity earned more than a R1 million rand in implementation fees from projects implemented on behalf of other institutions. Since this milestone was achieved for only the first time, the entity takes a caution approach and budgeted only R650 thousand. This is done to ensure that the budget is funded. The figure will grow slowly in the two outer years.

Other Income:

The entity has budgeted an amount of R1 million from other income separate from the sources of funds mentioned above. Other income will come from the sale of tenders and refunds, in the main, from the South African Revenue Services (SARS). The entity has been awarded a project by the department of Small business without an implementation fee. ASPIRE will ensure that it appoints a VAT Registered service provider and all the VAT paid to the service provider from the Grant will be claimed back by the entity for its use.

Services-in-kind:

The entity has been relying on its parent municipality through the Shareholder Compact where some expenses incurred by ASPIRE are borne by the parent municipality. The entity realises that reliance on ADM is not ideal, hence initiative to increase its revenue streams. Having noticed that, the entity is under no illusion that it will realise this non-reliance overnight. There is support that will be received from ADM for the foreseeable future, that support will stabilise over the MTREF at R2 million. These services include the costs of Building, Internal Audit, Audit and Risk Committee.

Expenditure:

The total expenditure in the 2026/27 MTREF budget is R35,35 million in 2026/27, R20,25 million in 2027/28 and R20,35 million in 2028/29 financial years. This amount is equal to the anticipated revenue funding this expenditure.

Cost of Employees:

The employee costs represent the highest expenditure ranging from R10,3 million to R11,4 million over the MTREF. This equates to 29% in 2026/27 financial year to 54%

and 56% in the 2027/28 and 2028/29 financial years, respectively. In the two outer years, the threshold is higher than the recommended threshold of below 40% of the total budget. The entity will continue to source additional funding for projects in order to improve this ratio.

Internally Funded Projects:

The entity has set aside an amount of R7300,000 in 2026/27; R200,000 in 2027/28 and R380,000 for 2028/29 for the following projects:

Project Name	Draft 2026/27	Funder
Project Preparation and Formation	100 000	Internally Funded
Research and Development	100 000	Internally Funded
BIWA	100 000	Internally Funded
Tourism Support	100 000	Internally Funded
Stakeholder Engagement; Social Facilitation and Environmental Impact Application	257 988	Internally Funded
Business Plan Development	70 000	Internally Funded
Total	727 988	

These projects have a potential to stimulate economic activities in the district. The spinoff from these projects will undoubtedly expand beyond these direct projects to other related industries.

Board Fees:

There is an amount of R1 million rands set aside for board fees. Proper functioning of the board is key to the sustainability of the entity. The board sittings are a key legislative requirement and need to be fully accommodated in the budget.

Outsourced Services:

Outsourced services include the services of professional companies who assist the

municipal entity in delivering on its mandate. An amount of R200 thousand has been allocated for the preparation and delivery of the Strategic plan session. Another R50 thousand has been allocated to cater for other professional services such as vetting services.

Audit Fees:

Audit fees are a legislative requirement and the entity has set aside R1,2 million for that. The entity will continue do the Financial Statements frequently to minimize errors. An amount of R1,2 million; R1 million and R1,1 million for the MTREF.

Other Expenditure:

Other expenditure include such items as travelling, financial system costs, telephones, insurance, machine rentals, bank charges, printing and other running costs. Travelling is expected to increase as the entity will embark on aggressive resource mobilization strategy while also implementing projects. The cost containment NT circular which has been adopted as a policy will be fully implemented to minimise these costs.

Depreciation:

The amount budgeted for depreciation is R300 000 to cater for the value of the wear and tear of the assets of the entity. The entity does not anticipate buying a lot of new assets due to financial constraints.

Capital:

The entity has set aside R300 thousand, R660 thousand and R110 thousand for the MTREF to acquire communication equipment, furniture and computers. The acquisition of a second vehicle has been deferred to the coming financial years.

SECTION 3 SUMMARY

ASPIRE's 2026/27 MTREF Budget as compiled is balanced as per Section 87(5a) of the MFMA. The final budget is hereby submitted in terms of Section 87 (1) of the MFMA.

National Treasury circulars 134 and 97 were used as guide for the compilation of this budget. The total budget for the entity is R35,350,000; R20,250,000 and R20,350,000 for the 2026/27, 2027/28 and 2028/29 financial years respectively.

The final 2026/27 Medium Term Revenue and Expenditure Framework is hereby submitted in compliance with section 87(1) of the MFMA.

Table A: ASPIRE's Final Budget

REVENUE	FINAL MTREF 2025/26	DRAFT MTREF 2026/27	DRAFT MTREF 2027/28	DRAFT MTREF 2028/29
Income	37 287 500,00	35 350 000,00	20 250 000,00	20 350 000,00
<i>ADM Grant</i>	15 000 000,00	15 000 000,00	15 000 000,00	15 000 000,00
<i>Interest Income - Investments</i>	300 000,00	500 000,00	500 000,00	500 000,00
<i>AGRISSETA Project</i>	1 620 000,00	-	-	-
<i>Own Funding (Reserves)</i>	1 566 698,00	1 200 000,00	1 000 000,00	1 000 000,00
<i>Implementation Fee</i>	1 367 500,00	650 000,00	750 000,00	850 000,00
<i>Other Income</i>	1 389 823,00	1 000 000,00	1 000 000,00	1 000 000,00
<i>SMME Innovation Hub</i>	13 043 479,00	15 000 000,00	-	-
<i>Impact Africa Project</i>	750 000,00	-	-	-
<i>ECDC Funding</i>	250 000,00	-	-	-
<i>SIK</i>	2 000 000,00	2 000 000,00	2 000 000,00	2 000 000,00
EXPENDITURE	37 287 500,00	35 350 000,00	20 250 000,00	20 350 000,00
<i>Employee Costs</i>	8 682 145,00	10 237 012,21	10 895 232,00	11 331 616,30
Board fees	1 000 000,00	1 000 000,00	1 000 000,00	1 000 000,00
Subsistence and Travel	1 067 855,00	810 000,00	1 000 000,00	800 000,00
Board Expenditure	200 000,00	200 000,00	200 000,00	200 000,00
Contracted Services	600 000,00	-	-	-
Outsourced services	500 000,00	250 000,00	500 000,00	500 000,00
Operating leases (printer)	50 000,00	50 000,00	50 000,00	50 000,00
Advertising and Publicity	450 000,00	340 000,00	354 360,00	359 045,76
Bank charges	50 000,00	50 000,00	50 000,00	50 000,00
Telephone	100 000,00	130 000,00	150 000,00	180 000,00
Training	500 000,00	500 000,00	400 000,00	500 000,00
Audit	1 200 000,00	1 200 000,00	1 024 768,00	1 119 145,08
Computer services	300 000,00	1 265 000,00	300 000,00	300 000,00
Insurance	200 000,00	250 000,00	300 000,00	350 000,00
Internally Funded Projects	1 657 323,00	727 987,79	200 000,00	379 238,62
AGRISSETA - Learnership	720 000,00	-	-	-
AGRISSETA - Operational Costs	900 000,00	-	-	-
SMME Innovation Hub	13 043 479,00	15 000 000,00	-	-
SMME Hub Savings - ASPIRE Reserves	566 698,00	-	-	-
Impact Africa Project	750 000,00	-	-	-
ECDC - Film Festival Project	250 000,00	-	-	-
Printing and Stationery	50 000,00	80 000,00	100 000,00	100 000,00
Caseware	120 000,00	120 000,00	120 000,00	120 000,00
Repairs	20 000,00	10 000,00	20 000,00	20 000,00
Equipment rental	10 000,00	40 000,00	100 000,00	100 000,00
Refreshments	50 000,00	40 000,00	50 000,00	50 000,00
Capex	1 800 000,00	300 000,00	660 000,00	110 000,00
Depreciation	150 000,00	300 000,00	380 000,00	340 000,00
Subscription fee	100 000,00	300 000,00	195 640,00	190 954,24
Legal Fees	200 000,00	150 000,00	200 000,00	200 000,00
SIK	2 000 000,00	2 000 000,00	2 000 000,00	2 000 000,00
Surplus (Deficit)	-	0,00	0,00	0,00

CHIEF EXECUTIVE OFFICER'S QUALITY CERTIFICATION

I, the Chief Executive Officer of Amathole Economic Development Agency, hereby certify that the final 2026/27 MTREF budget has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Mr. A. Xabadiya

Chief Executive Officer

Amathole Economic Development Agency

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Signature:

Date: 18 May 2026

Choose name from list - Table A1 Budget Summary

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousands										
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	–	562,940	1,620,816	614,536	614,536	614,536	476,367	651,371	691,913	733,428
Investment revenue	7	45,055	26,469	36,963	36,963	36,963	(6,480)	38,866	41,198	43,670
Transfer and subsidies - Operational	–	1,075,122	699,432	1,245,461	1,247,412	1,247,412	907,696	1,308,639	1,373,747	1,407,586
Other own revenue	–	117,729	852,638	110,913	113,176	113,176	165,852	117,892	125,885	133,436
Total Revenue (excluding capital transfers and contributions)	7	1,800,846	3,199,356	2,007,874	2,012,087	2,012,087	1,543,434	2,116,768	2,232,744	2,318,120
Employee costs	–	736,157	666,213	851,302	851,272	851,272	525,228	852,127	892,617	937,248
Remuneration of councillors	–	17,580	17,415	19,122	19,122	19,122	11,303	18,240	19,151	20,109
Depreciation, amortisation and impairment	–	155,248	280,704	102,498	102,498	102,498	41,511	112,838	119,157	126,998
Interest, Dividends and Rent on Land	–	51,082	(21,938)	649	651	651	480	11,440	11,818	12,196
Inventory consumed and bulk purchases	–	164,612	89,118	333,439	333,559	333,559	(39,104)	329,987	328,290	344,677
Transfers and subsidies	–	12,263	15,337	19,195	18,145	18,145	10,596	18,865	18,993	19,120
Other expenditure	–	904,229	657,000	823,219	856,907	856,907	339,419	877,293	935,059	951,750
Total Expenditure	–	2,041,171	1,703,850	2,149,424	2,182,154	2,182,154	889,433	2,220,790	2,325,085	2,412,098
Surplus/(Deficit)	7	(240,325)	1,495,506	(141,550)	(170,067)	(170,067)	654,002	(104,021)	(92,341)	(93,978)
Transfers and subsidies - capital (monetary allocations)	–	584,768	607,153	674,705	712,559	712,559	457,930	673,432	796,407	751,946
Transfers and subsidies - capital (in-kind)	–	58,789	–	–	1,507	1,507	–	19,524	–	–
Surplus/(Deficit) after capital transfers & contributions	7	403,231	2,102,659	533,155	543,999	543,999	1,111,932	588,935	704,066	657,968
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	7	403,231	2,102,659	533,155	543,999	543,999	1,111,932	588,935	704,066	657,968
Capital expenditure & funds sources										
Capital expenditure	–	–	302,046	533,155	543,999	543,999	657,402	588,935	704,066	657,968
Transfers recognised - capital	–	–	372,045	475,881	483,763	483,763	381,142	501,361	631,666	586,292
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	57,274	60,237	60,237	18,052	70,087	72,400	71,676
Total sources of capital funds	–	–	372,045	533,155	543,999	543,999	399,194	571,448	704,066	657,968
Financial position										
Total current assets	6	880,756	2,869,611	984,447	1,163,601	1,163,601	3,951,411	1,715,338	2,087,793	2,476,378
Total non current assets	–	748,798	757,286	7,641,625	7,654,731	7,654,731	1,072,052	10,775,315	11,360,224	11,891,194
Total current liabilities	49	(3,564,560)	(3,670,134)	303,862	485,279	485,279	(3,386,561)	1,325,913	1,579,210	1,840,797
Total non current liabilities	–	179,756	179,820	12,338	12,338	12,338	179,820	242,141	242,141	242,141
Community wealth/Equity	(43)	5,014,357	7,117,237	8,309,871	8,320,715	8,320,715	8,195,011	10,922,600	11,626,666	12,284,634
Cash flows										
Net cash from (used) operating	–	612	24,149	479,739	680,245	680,245	(2,840,806)	807,962	967,057	887,400
Net cash from (used) investing	–	–	–	(612,841)	(625,312)	(625,312)	399,373	(657,165)	(809,676)	(756,663)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	–	228,591	230,035	94,876	282,911	282,911	(2,235,547)	335,595	492,976	623,713
Cash backing/surplus reconciliation										
Cash and investments available	–	228,591	230,035	94,876	282,911	282,911	(2,235,547)	335,595	492,976	623,713
Application of cash and investments	43	(3,731,738)	(4,061,284)	(281,207)	(106,346)	(106,346)	(3,759,567)	356,137	381,160	382,916
Balance - surplus (shortfall)	(43)	3,960,328	4,291,319	376,083	389,257	389,257	1,524,020	(20,542)	111,815	240,797
Asset management										
Asset register summary (WDV)	–	748,237	834,654	7,641,624	7,654,730	7,654,730		8,874,661	9,459,570	9,970,646
Depreciation	–	159,627	280,704	102,498	102,498	102,498		112,838	119,157	126,998
Renewal and Upgrading of Existing Assets	–	–	80,340	231,160	245,488	245,488		285,846	314,824	326,258
Repairs and Maintenance	–	–	12,202	77,206	77,061	77,061		76,497	89,979	100,925
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–		–	–	–
Revenue cost of free services provided	–	402,847	(15,000)	(15,000)	(15,000)	(431)		(11,157)	(11,826)	(12,536)
Households below minimum service level										
Water:	–	–	–	–	–	–		–	–	–
Sanitation/sewerage:	–	–	–	–	–	–		–	–	–
Energy:	–	–	–	–	–	–		–	–	–
Refuse:	–	–	–	–	–	–		–	–	–

Choose name from list - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1									
Revenue - Functional										
Governance and administration		7	86,543	243,913	370,745	372,687	372,687	248,470	257,778	267,015
Executive and council		-	-	-	25,718	25,718	25,718	26,689	27,754	28,616
Finance and administration		7	86,543	243,913	345,027	346,969	346,969	221,781	230,024	238,398
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	965	32,859	129,505	147,359	147,359	134,556	141,003	145,651
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	8,848	7,344	7,344	7,344	7,784	9,173	9,723
Housing		-	-	22,135	-	17,854	17,854	-	-	-
Health		-	965	1,876	122,162	122,162	122,162	126,771	131,830	135,928
Economic and environmental services		-	588,621	512,636	107,027	107,036	107,036	106,330	107,757	112,203
Planning and development		-	588,621	512,636	107,027	107,036	107,036	106,330	107,757	112,203
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	1,768,273	3,017,101	2,075,302	2,099,071	2,099,071	2,320,369	2,522,612	2,545,197
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	1,124,626	2,994,415	1,885,214	1,908,983	1,908,983	1,994,690	2,180,573	2,170,352
Waste water management		-	643,626	15,867	190,088	190,088	190,088	325,679	342,040	374,845
Waste management		-	21	6,818	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	7	2,444,402	3,806,509	2,682,579	2,726,154	2,726,154	2,809,724	3,029,151	3,070,066
Expenditure - Functional										
Governance and administration		-	1,614,974	375,231	498,709	501,776	501,776	517,257	542,836	571,262
Executive and council		-	674,903	53,497	122,823	122,494	122,494	123,825	130,425	137,409
Finance and administration		-	923,718	320,590	361,540	364,923	364,923	378,756	396,911	417,477
Internal audit		-	16,353	1,145	14,347	14,360	14,360	14,676	15,500	16,376
Community and public safety		-	157,807	170,487	154,732	156,188	156,188	145,075	153,395	161,930
Community and social services		-	1,240	50,562	15,462	15,208	15,208	13,118	14,048	14,754
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	182	103,382	77,953	78,103	78,103	76,621	80,677	84,967
Housing		-	590	311	1,027	2,483	2,483	722	758	796
Health		-	155,795	16,232	60,290	60,394	60,394	54,614	57,911	61,413
Economic and environmental services		-	24,023	398,450	148,971	165,641	165,641	146,116	151,174	158,836
Planning and development		-	22,553	395,461	144,792	161,461	161,461	141,726	146,597	154,092
Road transport		-	1,470	2,989	4,180	4,180	4,180	4,389	4,577	4,744
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	248,747	759,681	1,347,011	1,358,550	1,358,550	1,412,342	1,477,679	1,520,070
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	210,765	784,667	1,119,353	1,037,968	1,037,968	1,120,240	1,195,906	1,228,937
Waste water management		-	37,913	(25,124)	225,732	318,655	318,655	284,525	273,941	283,046
Waste management		-	69	138	1,927	1,927	1,927	7,577	7,832	8,087
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	-	2,045,550	1,703,850	2,149,424	2,182,154	2,182,154	2,220,790	2,325,085	2,412,098
Surplus/(Deficit) for the year		7	398,852	2,102,659	533,155	543,999	543,999	588,935	704,066	657,968

Choose name from list - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1									
Revenue - Functional										
Municipal governance and administration		7	86,543	243,913	370,745	372,687	372,687	248,470	257,778	267,015
Executive and council		-	-	-	25,718	25,718	25,718	26,689	27,754	28,616
Mayor and Council		-	-	-	-	-	-	-	-	-
Municipal Manager, Town Secretary and Chief Executive		-	-	-	25,718	25,718	25,718	26,689	27,754	28,616
Finance and administration		7	86,543	243,913	345,027	346,969	346,969	221,781	230,024	238,398
Administrative and Corporate Support		-	8,683	(3,596)	133,414	133,414	133,414	-	-	-
Asset Management		-	-	-	-	-	-	-	-	-
Finance		7	77,843	247,195	211,613	211,613	211,613	220,441	230,024	238,398
Fleet Management		-	-	-	-	-	-	-	-	-
Human Resources		-	18	314	-	1,942	1,942	1,340	-	-
Information Technology		-	-	-	-	-	-	-	-	-
Legal Services		-	-	-	-	-	-	-	-	-
Marketing, Customer Relations, Publicity and Media Co-		-	-	-	-	-	-	-	-	-
Property Services		-	-	-	-	-	-	-	-	-
Risk Management		-	-	-	-	-	-	-	-	-
Security Services		-	-	-	-	-	-	-	-	-
Supply Chain Management		-	-	-	-	-	-	-	-	-
Valuation Service		-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Governance Function		-	-	-	-	-	-	-	-	-
Community and public safety		-	965	32,859	129,505	147,359	147,359	134,556	141,003	145,651
Community and social services		-	-	-	-	-	-	-	-	-
Aged Care		-	-	-	-	-	-	-	-	-
Agricultural		-	-	-	-	-	-	-	-	-
Animal Care and Diseases		-	-	-	-	-	-	-	-	-
Cemeteries, Funeral Parlours and Crematoriums		-	-	-	-	-	-	-	-	-
Child Care Facilities		-	-	-	-	-	-	-	-	-
Community Halls and Facilities		-	-	-	-	-	-	-	-	-
Consumer Protection		-	-	-	-	-	-	-	-	-
Cultural Matters		-	-	-	-	-	-	-	-	-
Disaster Management		-	-	-	-	-	-	-	-	-
Education		-	-	-	-	-	-	-	-	-
Indigenous and Customary Law		-	-	-	-	-	-	-	-	-
Industrial Promotion		-	-	-	-	-	-	-	-	-
Language Policy		-	-	-	-	-	-	-	-	-
Libraries and Archives		-	-	-	-	-	-	-	-	-
Literacy Programmes		-	-	-	-	-	-	-	-	-
Media Services		-	-	-	-	-	-	-	-	-
Museums and Art Galleries		-	-	-	-	-	-	-	-	-
Population Development		-	-	-	-	-	-	-	-	-
Provincial Cultural Matters		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Zoo's		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Beaches and Jetties		-	-	-	-	-	-	-	-	-
Casinos, Racing, Gambling, Wagering		-	-	-	-	-	-	-	-	-
Community Parks (including Nurseries)		-	-	-	-	-	-	-	-	-
Recreational Facilities		-	-	-	-	-	-	-	-	-
Sports Grounds and Stadiums		-	-	-	-	-	-	-	-	-
Public safety		-	-	8,848	7,344	7,344	7,344	7,784	9,173	9,723
Civil Defence		-	-	-	-	-	-	-	-	-
Cleansing		-	-	-	-	-	-	-	-	-
Control of Public Nuisances		-	-	-	-	-	-	-	-	-
Fencing and Fences		-	-	-	-	-	-	-	-	-
Fire Fighting and Protection		-	-	8,848	7,344	7,344	7,344	7,784	9,173	9,723
Licensing and Control of Animals		-	-	-	-	-	-	-	-	-
Police Forces, Traffic and Street Parking Control		-	-	-	-	-	-	-	-	-
Pounds		-	-	-	-	-	-	-	-	-
Housing		-	-	22,135	-	17,854	17,854	-	-	-
Housing		-	-	22,135	-	17,854	17,854	-	-	-
Informal Settlements		-	-	-	-	-	-	-	-	-
Health		-	965	1,876	122,162	122,162	122,162	126,771	131,830	135,928
Ambulance		-	-	-	-	-	-	-	-	-
Health Services		-	965	1,876	122,162	122,162	122,162	126,771	131,830	135,928
Laboratory Services		-	-	-	-	-	-	-	-	-
Food Control		-	-	-	-	-	-	-	-	-
Health Surveillance and Prevention of Communicable Diseases		-	-	-	-	-	-	-	-	-
Vector Control		-	-	-	-	-	-	-	-	-
Chemical Safety		-	-	-	-	-	-	-	-	-

Functional Classification Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1									
Economic and environmental services		-	588,621	512,636	107,027	107,036	107,036	106,330	107,757	112,203
Planning and development		-	588,621	512,636	107,027	107,036	107,036	106,330	107,757	112,203
Billboards		-	-	-	-	-	-	-	-	-
Corporate Wide Strategic Planning (IDPs, LEDs)		-	-	-	-	-	-	-	-	-
Central City Improvement District		-	-	-	-	-	-	-	-	-
Development Facilitation		-	-	-	-	-	-	-	-	-
Economic Development/Planning		-	588,241	509,190	81,443	81,453	81,453	80,406	79,792	82,272
Regional Planning and Development		-	-	-	-	-	-	-	-	-
Town Planning, Building Regulations and Enforcement, and		-	(16)	629	-	-	-	-	-	-
Project Management Unit		-	8	2,816	25,584	25,584	25,584	25,924	27,965	29,931
Provincial Planning		-	-	-	-	-	-	-	-	-
Support to Local Municipalities		-	388	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Public Transport		-	-	-	-	-	-	-	-	-
Road and Traffic Regulation		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Taxi Ranks		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Biodiversity and Landscape		-	-	-	-	-	-	-	-	-
Coastal Protection		-	-	-	-	-	-	-	-	-
Indigenous Forests		-	-	-	-	-	-	-	-	-
Nature Conservation		-	-	-	-	-	-	-	-	-
Pollution Control		-	-	-	-	-	-	-	-	-
Soil Conservation		-	-	-	-	-	-	-	-	-
Trading services		-	1,768,273	3,017,101	2,075,302	2,099,071	2,099,071	2,320,369	2,522,612	2,545,197
Energy sources		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Street Lighting and Signal Systems		-	-	-	-	-	-	-	-	-
Nonelectric Energy		-	-	-	-	-	-	-	-	-
Water management		-	1,124,626	2,994,415	1,885,214	1,908,983	1,908,983	1,994,690	2,180,573	2,170,352
Water Treatment		-	-	-	-	-	-	-	-	-
Water Distribution		-	1,124,626	2,994,415	1,885,214	1,908,983	1,908,983	1,994,690	2,180,573	2,170,352
Water Storage		-	-	-	-	-	-	-	-	-
Waste water management		-	643,626	15,867	190,088	190,088	190,088	325,679	342,040	374,845
Public Toilets		-	-	-	-	-	-	-	-	-
Sewerage		-	436,783	15,187	180,766	180,766	180,766	314,694	330,396	362,503
Storm Water Management		-	-	-	-	-	-	-	-	-
Waste Water Treatment		-	206,843	680	9,322	9,322	9,322	10,985	11,644	12,343
Waste management		-	21	6,818	-	-	-	-	-	-
Recycling		-	-	-	-	-	-	-	-	-
Solid Waste Disposal (Landfill Sites)		-	21	6,818	-	-	-	-	-	-
Solid Waste Removal		-	-	-	-	-	-	-	-	-
Street Cleaning		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Air Transport		-	-	-	-	-	-	-	-	-
Forestry		-	-	-	-	-	-	-	-	-
Licensing and Regulation		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Tourism		-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	7	2,444,402	3,806,509	2,682,579	2,726,154	2,726,154	2,809,724	3,029,151	3,070,066

Functional Classification Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Expenditure - Functional										
Municipal governance and administration		-	1,614,974	375,231	498,709	501,776	501,776	517,257	542,836	571,262
Executive and council		-	674,903	53,497	122,823	122,494	122,494	123,825	130,425	137,409
Mayor and Council		-	70,729	27,930	58,410	58,067	58,067	53,501	55,968	58,543
Municipal Manager, Town Secretary and Chief Executive		-	604,174	25,567	64,413	64,427	64,427	70,324	74,457	78,866
Finance and administration		-	923,718	320,590	361,540	364,923	364,923	378,756	396,911	417,477
Administrative and Corporate Support		-	64,730	97,750	83,397	83,287	83,287	89,402	94,140	99,165
Asset Management		-	32,750	-	12,565	13,335	13,335	10,812	11,384	11,987
Finance		-	742,194	19,538	135,059	135,831	135,831	131,604	138,314	145,358
Fleet Management		-	-	-	-	-	-	-	-	-
Human Resources		-	3,298	98,831	21,658	23,710	23,710	42,277	42,934	45,032
Information Technology		-	61,471	11,049	51,620	51,220	51,220	54,155	56,390	58,709
Legal Services		-	10,816	62,890	19,165	19,140	19,140	16,439	17,972	19,652
Marketing, Customer Relations, Publicity and Media Co-		-	2,762	10,013	15,953	16,353	16,353	14,066	14,758	15,484
Property Services		-	-	-	-	-	-	-	-	-
Risk Management		-	-	20,507	2,167	2,167	2,167	2,218	2,343	2,475
Security Services		-	-	-	-	-	-	-	-	-
Supply Chain Management		-	5,698	11	19,956	19,881	19,881	17,782	18,676	19,615
Valuation Service		-	-	-	-	-	-	-	-	-
Internal audit		-	16,353	1,145	14,347	14,360	14,360	14,676	15,500	16,376
Governance Function		-	16,353	1,145	14,347	14,360	14,360	14,676	15,500	16,376
Community and public safety		-	157,807	170,487	154,732	156,188	156,188	145,075	153,395	161,930
Community and social services		-	1,240	50,562	15,462	15,208	15,208	13,118	14,048	14,754
Aged Care		-	-	-	-	-	-	-	-	-
Agricultural		-	-	-	-	-	-	-	-	-
Animal Care and Diseases		-	-	-	-	-	-	-	-	-
Cemeteries, Funeral Parlours and Crematoriums		-	-	-	-	-	-	-	-	-
Child Care Facilities		-	-	-	-	-	-	-	-	-
Community Halls and Facilities		-	-	-	-	-	-	-	-	-
Consumer Protection		-	-	-	-	-	-	-	-	-
Cultural Matters		-	-	-	-	-	-	-	-	-
Disaster Management		-	1,240	50,562	15,462	15,208	15,208	13,118	14,048	14,754
Education		-	-	-	-	-	-	-	-	-
Indigenous and Customary Law		-	-	-	-	-	-	-	-	-
Industrial Promotion		-	-	-	-	-	-	-	-	-
Language Policy		-	-	-	-	-	-	-	-	-
Libraries and Archives		-	-	-	-	-	-	-	-	-
Literacy Programmes		-	-	-	-	-	-	-	-	-
Media Services		-	-	-	-	-	-	-	-	-
Museums and Art Galleries		-	-	-	-	-	-	-	-	-
Population Development		-	-	-	-	-	-	-	-	-
Provincial Cultural Matters		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Zoo's		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Beaches and Jetties		-	-	-	-	-	-	-	-	-
Casinos, Racing, Gambling, Wagering		-	-	-	-	-	-	-	-	-
Community Parks (including Nurseries)		-	-	-	-	-	-	-	-	-
Recreational Facilities		-	-	-	-	-	-	-	-	-
Sports Grounds and Stadiums		-	-	-	-	-	-	-	-	-
Public safety		-	182	103,382	77,953	78,103	78,103	76,621	80,677	84,967
Civil Defence		-	-	-	-	-	-	-	-	-
Cleansing		-	-	-	-	-	-	-	-	-
Control of Public Nuisances		-	-	-	-	-	-	-	-	-
Fencing and Fences		-	-	-	-	-	-	-	-	-
Fire Fighting and Protection		-	182	103,382	77,953	78,103	78,103	76,621	80,677	84,967
Licensing and Control of Animals		-	-	-	-	-	-	-	-	-
Police Forces, Traffic and Street Parking Control		-	-	-	-	-	-	-	-	-
Pounds		-	-	-	-	-	-	-	-	-
Housing		-	590	311	1,027	2,483	2,483	722	758	796
Housing		-	590	311	1,027	2,483	2,483	722	758	796
Informal Settlements		-	-	-	-	-	-	-	-	-
Health		-	155,795	16,232	60,290	60,394	60,394	54,614	57,911	61,413
Ambulance		-	-	-	-	-	-	-	-	-
Health Services		-	155,795	16,232	60,290	60,394	60,394	54,614	57,911	61,413
Laboratory Services		-	-	-	-	-	-	-	-	-
Food Control		-	-	-	-	-	-	-	-	-
Health Surveillance and Prevention of Communicable Diseases		-	-	-	-	-	-	-	-	-
Vector Control		-	-	-	-	-	-	-	-	-
Chemical Safety		-	-	-	-	-	-	-	-	-

Functional Classification Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1									
Economic and environmental services		-	24,023	398,450	148,971	165,641	165,641	146,116	151,174	158,836
Planning and development		-	22,553	395,461	144,792	161,461	161,461	141,726	146,597	154,092
Billboards		-	-	-	-	-	-	-	-	-
Corporate Wide Strategic Planning (IDPs, LED's)		-	-	-	-	-	-	-	-	-
Central City Improvement District		-	-	-	-	-	-	-	-	-
Development Facilitation		-	-	-	-	-	-	-	-	-
Economic Development/Planning		-	22,310	380,037	96,721	113,391	113,391	96,198	96,429	100,476
Regional Planning and Development		-	-	-	-	-	-	-	-	-
Town Planning, Building Regulations and Enforcement, and		-	1	-	15,213	15,213	15,213	13,724	16,030	17,203
Project Management Unit		-	242	3,046	24,965	24,965	24,965	25,924	27,965	29,931
Provincial Planning		-	-	-	-	-	-	-	-	-
Support to Local Municipalities		-	-	12,377	7,892	7,892	7,892	5,880	6,173	6,482
Road transport		-	1,470	2,989	4,180	4,180	4,180	4,389	4,577	4,744
Public Transport		-	1,470	2,989	4,180	4,180	4,180	4,389	4,577	4,744
Road and Traffic Regulation		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Taxi Ranks		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Biodiversity and Landscape		-	-	-	-	-	-	-	-	-
Coastal Protection		-	-	-	-	-	-	-	-	-
Indigenous Forests		-	-	-	-	-	-	-	-	-
Nature Conservation		-	-	-	-	-	-	-	-	-
Pollution Control		-	-	-	-	-	-	-	-	-
Soil Conservation		-	-	-	-	-	-	-	-	-
Trading services		-	248,747	759,681	1,347,011	1,358,550	1,358,550	1,412,342	1,477,679	1,520,070
Energy sources		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Street Lighting and Signal Systems		-	-	-	-	-	-	-	-	-
Nonelectric Energy		-	-	-	-	-	-	-	-	-
Water management		-	210,765	784,667	1,119,353	1,037,968	1,037,968	1,120,240	1,195,906	1,228,937
Water Treatment		-	-	-	270	270	270	213	293	323
Water Distribution		-	210,765	594,611	1,079,471	1,037,683	1,037,683	1,120,012	1,195,596	1,228,597
Water Storage		-	-	190,055	39,612	15	15	15	17	17
Waste water management		-	37,913	(25,124)	225,732	318,655	318,655	284,525	273,941	283,046
Public Toilets		-	-	-	-	-	-	-	-	-
Sewerage		-	37,913	(25,124)	225,724	318,647	318,647	284,463	273,873	282,976
Storm Water Management		-	-	-	8	8	8	62	68	70
Waste Water Treatment		-	-	-	-	-	-	-	-	-
Waste management		-	69	138	1,927	1,927	1,927	7,577	7,832	8,087
Recycling		-	-	-	-	-	-	-	-	-
Solid Waste Disposal (Landfill Sites)		-	69	138	1,892	1,892	1,892	7,577	7,832	8,087
Solid Waste Removal		-	-	-	35	35	35	-	-	-
Street Cleaning		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Air Transport		-	-	-	-	-	-	-	-	-
Forestry		-	-	-	-	-	-	-	-	-
Licensing and Regulation		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Tourism		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	-	2,045,550	1,703,850	2,149,424	2,182,154	2,182,154	2,220,790	2,325,085	2,412,098
Surplus/(Deficit) for the year		7	398,852	2,102,659	533,155	543,999	543,999	588,935	704,066	657,968

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
Revenue by Vote	1									
Vote 1 - STRATEGIC MANAGEMENT 52		–	588,629	509,190	81,443	81,453	81,453	80,406	79,792	82,272
Vote 2 - CORPORATE SERVICES 53		–	8,700	(3,282)	159,132	161,074	161,074	28,029	27,754	28,616
Vote 3 - BUDGET AND TREASURY 54		7	77,843	247,195	211,613	211,613	211,613	220,441	230,024	238,398
Vote 4 - ENGINEERING SERVICES 55		–	1,768,265	3,020,546	2,100,886	2,124,655	2,124,655	2,346,293	2,550,577	2,575,128
Vote 5 - COMMUNITY SERVICES 56		–	965	10,724	129,505	129,505	129,505	134,556	141,003	145,651
Vote 6 - LAND HUMAN SETTLEMENTS AND ECONOMIC		–	–	22,135	–	17,854	17,854	–	–	–
Vote 7 - MUNICIPAL MANAGEMENT 58		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	7	2,444,402	3,806,509	2,682,579	2,726,154	2,726,154	2,809,724	3,029,151	3,070,066
Expenditure by Vote to be appropriated	1									
Vote 1 - STRATEGIC MANAGEMENT 52		–	86,543	433,984	174,353	191,023	191,023	172,518	176,094	183,626
Vote 2 - CORPORATE SERVICES 53		–	742,932	250,078	227,878	229,490	229,490	255,503	267,499	281,606
Vote 3 - BUDGET AND TREASURY 54		–	780,642	19,548	167,580	169,047	169,047	160,199	168,373	176,960
Vote 4 - ENGINEERING SERVICES 55		–	250,459	575,661	1,351,749	1,402,885	1,402,885	1,456,303	1,526,166	1,571,861
Vote 5 - COMMUNITY SERVICES 56		–	157,217	360,232	193,325	153,728	153,728	144,430	152,721	161,221
Vote 6 - LAND HUMAN SETTLEMENTS AND ECONOMIC		–	590	311	1,027	2,483	2,483	722	758	796
Vote 7 - MUNICIPAL MANAGEMENT 58		–	27,168	64,035	33,512	33,499	33,499	31,115	33,472	36,028
Total Expenditure by Vote	2	–	2,045,550	1,703,850	2,149,424	2,182,154	2,182,154	2,220,790	2,325,085	2,412,098
Surplus/(Deficit) for the year	2	7	398,852	2,102,659	533,155	543,999	543,999	588,935	704,066	657,968

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
Revenue by Vote	1									
Vote 1 - STRATEGIC MANAGEMENT 52		–	588,629	509,190	81,443	81,453	81,453	80,406	79,792	82,272
1.1 - Risk Management		–	–	–	–	–	–	–	–	–
1.2 - Support to Local Municipalities		–	388	–	–	–	–	–	–	–
1.3 - Economic Development/Planning		–	588,241	509,190	81,443	81,453	81,453	80,406	79,792	82,272
1.4 - Information Technology		–	–	–	–	–	–	–	–	–
1.5 - Marketing, Customer Relations, Publicity and Media C		–	–	–	–	–	–	–	–	–
1.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
1.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
1.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
1.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
1.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 2 - CORPORATE SERVICES 53		–	8,700	(3,282)	159,132	161,074	161,074	28,029	27,754	28,616
2.1 - Administrative and Corporate Support		–	8,683	(3,596)	133,414	133,414	133,414	–	–	–
2.2 - Human Resources		–	18	314	–	1,942	1,942	1,340	–	–
2.3 - Municipal Manager, Town Secretary and Chief Execut		–	–	–	25,718	25,718	25,718	26,689	27,754	28,616
2.4 - Mayor and Council		–	–	–	–	–	–	–	–	–
2.5 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
2.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
2.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
2.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
2.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
2.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 3 - BUDGET AND TREASURY 54		7	77,843	247,195	211,613	211,613	211,613	220,441	230,024	238,398
3.1 - Finance		7	77,843	247,195	211,613	211,613	211,613	220,441	230,024	238,398
3.2 - Asset Management		–	–	–	–	–	–	–	–	–
3.3 - Supply Chain Management		–	–	–	–	–	–	–	–	–
3.4 - Tourism		–	–	–	–	–	–	–	–	–
3.5 - Property Services		–	–	–	–	–	–	–	–	–
3.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
3.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
3.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
3.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
3.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 4 - ENGINEERING SERVICES 55		–	1,768,265	3,020,546	2,100,886	2,124,655	2,124,655	2,346,293	2,550,577	2,575,128
4.1 - Water Distribution		–	1,124,626	2,994,415	1,885,214	1,908,983	1,908,983	1,994,690	2,180,573	2,170,352
4.2 - Town Planning, Building Regulations and Enforcement		–	(16)	629	–	–	–	–	–	–
4.3 - Solid Waste Disposal (Landfill Sites)		–	21	6,818	–	–	–	–	–	–
4.4 - Public Transport		–	–	–	–	–	–	–	–	–
4.5 - Project Management Unit		–	8	2,816	25,584	25,584	25,584	25,924	27,965	29,931
4.6 - Sewerage		–	436,783	15,187	180,766	180,766	180,766	314,694	330,396	362,503
4.7 - Waste Water Treatment		–	206,843	680	9,322	9,322	9,322	10,985	11,644	12,343
4.8 - Licensing and Regulation		–	–	–	–	–	–	–	–	–
4.9 - Solid Waste Removal		–	–	–	–	–	–	–	–	–
4.10 - Water Treatment		–	–	–	–	–	–	–	–	–
Vote 5 - COMMUNITY SERVICES 56		–	965	10,724	129,505	129,505	129,505	134,556	141,003	145,651
5.1 - Health Services		–	965	1,876	122,162	122,162	122,162	126,771	131,830	135,928
5.2 - Disaster Management		–	–	–	–	–	–	–	–	–
5.3 - Fire Fighting and Protection		–	–	8,848	7,344	7,344	7,344	7,784	9,173	9,723
5.4 - Water Storage		–	–	–	–	–	–	–	–	–
5.5 - Storm Water Management		–	–	–	–	–	–	–	–	–
5.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
5.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
5.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
5.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
5.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 6 - LAND HUMAN SETTLEMENTS AND ECONOMIC		–	–	22,135	–	17,854	17,854	–	–	–
6.1 - Housing		–	–	22,135	–	17,854	17,854	–	–	–
6.2 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
6.3 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
6.4 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
6.5 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
6.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
6.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
6.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
6.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
6.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 7 - MUNICIPAL MANAGEMENT 58		–	–	–	–	–	–	–	–	–
7.1 - Legal Services		–	–	–	–	–	–	–	–	–
7.2 - Governance Function		–	–	–	–	–	–	–	–	–
7.3 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
7.4 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
7.5 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
7.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
7.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

[illegible]

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
9.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
9.2 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
9.3 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
9.4 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
9.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
9.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
9.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
9.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
9.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
9.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
10.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
10.2 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
10.3 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
10.4 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
10.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
10.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
10.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
10.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
10.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
10.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
11.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
11.2 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
11.3 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
11.4 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
11.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
11.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
11.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
11.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
11.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
11.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
12.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
12.2 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
12.3 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
12.4 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
12.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
12.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
12.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
12.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
12.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
12.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
13.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
13.2 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
13.3 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
13.4 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
13.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
13.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
13.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
13.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
13.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
13.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
14.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
14.2 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
14.3 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
14.4 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
14.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
14.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
14.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
14.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
14.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
14.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
15.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
15.2 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
15.3 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
15.4 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
15.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
15.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
15.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
15.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
15.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
15.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	7	2,444,402	3,806,509	2,682,579	2,726,154	2,726,154	2,809,724	3,029,151	3,070,066

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	
R thousand											
Expenditure by Vote											
Vote 1 - STRATEGIC MANAGEMENT 52	1	–	86,543	433,984	174,353	191,023	191,023	172,518	176,094	183,626	
1.1 - Risk Management		–	–	20,507	2,167	2,167	2,167	2,218	2,343	2,475	
1.2 - Support to Local Municipalities		–	–	12,377	7,892	7,892	7,892	5,880	6,173	6,482	
1.3 - Economic Development/Planning		–	22,310	380,037	96,721	113,391	113,391	96,198	96,429	100,476	
1.4 - Information Technology		–	61,471	11,049	51,620	51,220	51,220	54,155	56,390	58,709	
1.5 - Marketing, Customer Relations, Publicity and Media C		–	2,762	10,013	15,953	16,353	16,353	14,066	14,758	15,484	
1.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–	
1.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–	
1.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–	
1.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–	
1.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–	
Vote 2 - CORPORATE SERVICES 53			–	742,932	250,078	227,878	229,490	229,490	255,503	267,499	281,606
2.1 - Administrative and Corporate Support		–	64,730	97,750	83,397	83,287	83,287	89,402	94,140	99,165	
2.2 - Human Resources		–	3,298	98,831	21,658	23,710	23,710	42,277	42,934	45,032	
2.3 - Municipal Manager, Town Secretary and Chief Executi		–	604,174	25,567	64,413	64,427	64,427	70,324	74,457	78,866	
2.4 - Mayor and Council		–	70,729	27,930	58,410	58,067	58,067	53,501	55,968	58,543	
2.5 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–	
2.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–	
2.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–	
2.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–	
2.9 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–		
2.10 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–		
Vote 3 - BUDGET AND TREASURY 54		–	780,642	19,548	167,580	169,047	169,047	160,199	168,373	176,960	
3.1 - Finance	–	742,194	19,538	135,059	135,831	135,831	131,604	138,314	145,358		
3.2 - Asset Management	–	32,750	–	12,565	13,335	13,335	10,812	11,384	11,987		
3.3 - Supply Chain Management	–	5,698	11	19,956	19,881	19,881	17,782	18,676	19,615		
3.4 - Tourism	–	–	–	–	–	–	–	–	–		
3.5 - Property Services	–	–	–	–	–	–	–	–	–		
3.6 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–		
3.7 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–		
3.8 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–		
3.9 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–		
3.10 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–		
Vote 4 - ENGINEERING SERVICES 55		–	250,459	575,661	1,351,749	1,402,885	1,402,885	1,456,303	1,526,166	1,571,861	
4.1 - Water Distribution	–	210,765	594,611	1,079,471	1,037,683	1,037,683	1,120,012	1,195,596	1,228,597		
4.2 - Town Planning, Building Regulations and Enforcement	–	1	–	15,213	15,213	15,213	13,724	16,030	17,203		
4.3 - Solid Waste Disposal (Landfill Sites)	–	69	138	1,892	1,892	1,892	7,577	7,832	8,087		
4.4 - Public Transport	–	1,470	2,989	4,180	4,180	4,180	4,389	4,577	4,744		
4.5 - Project Management Unit	–	242	3,046	24,965	24,965	24,965	25,924	27,965	29,931		
4.6 - Sewerage	–	37,913	(25,124)	225,724	318,647	318,647	284,463	273,873	282,976		
4.7 - Waste Water Treatment	–	–	–	–	–	–	–	–	–		
4.8 - Licensing and Regulation	–	–	–	–	–	–	–	–	–		
4.9 - Solid Waste Removal	–	–	–	35	35	35	–	–	–		
4.10 - Water Treatment	–	–	–	270	270	270	213	293	323		
Vote 5 - COMMUNITY SERVICES 56		–	157,217	360,232	193,325	153,728	153,728	144,430	152,721	161,221	
5.1 - Health Services	–	155,795	16,232	60,290	60,394	60,394	54,614	57,911	61,413		
5.2 - Disaster Management	–	1,240	50,562	15,462	15,208	15,208	13,118	14,048	14,754		
5.3 - Fire Fighting and Protection	–	182	103,382	77,953	78,103	78,103	76,621	80,677	84,967		
5.4 - Water Storage	–	–	190,055	39,612	15	15	15	17	17		
5.5 - Storm Water Management	–	–	–	8	8	8	62	68	70		
5.6 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–		
5.7 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–		
5.8 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–		
5.9 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–		
5.10 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–		
Vote 6 - LAND HUMAN SETTLEMENTS AND ECONOMIC		–	590	311	1,027	2,483	2,483	722	758	796	
6.1 - Housing	–	590	311	1,027	2,483	2,483	722	758	796		
6.2 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–		
6.3 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–		
6.4 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–		
6.5 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–		
6.6 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–		
6.7 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–		
6.8 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–		
6.9 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–		
6.10 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–		
Vote 7 - MUNICIPAL MANAGEMENT 58		–	27,168	64,035	33,512	33,499	33,499	31,115	33,472	36,028	
7.1 - Legal Services	–	10,816	62,890	19,165	19,140	19,140	16,439	17,972	19,652		
7.2 - Governance Function	–	16,353	1,145	14,347	14,360	14,360	14,676	15,500	16,376		
7.3 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–		
7.4 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–		
7.5 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–		
7.6 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–		
7.7 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–		

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

[illegible]

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
Total Expenditure by Vote	2	–	2,045,550	1,703,850	2,149,424	2,182,154	2,182,154	2,220,790	2,325,085	2,412,098
Surplus/(Deficit) for the year	2	7	398,852	2,102,659	533,155	543,999	543,999	588,935	704,066	657,968

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	(1,590)	1,148,982	460,955	460,955	460,955	356,253	488,574	519,349	550,510
Service charges - Waste Water Management	2	-	564,530	471,834	153,581	153,581	153,581	120,257	162,796	172,564	182,918
Service charges - Waste Management	2	-	-	-	-	-	-	(143)	-	-	-
Sale of Goods and Rendering of Services	2	-	8,285	16,141	7,344	7,344	7,344	6,819	7,822	9,211	9,761
Agency services	2	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	-	109,780	311,776	103,169	103,169	103,169	157,843	109,359	115,921	122,876
Interest earned from Current and Non Current Assets	2	7	45,055	26,469	36,963	36,963	36,963	(6,480)	38,866	41,198	43,670
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	-	302	629	401	401	401	446	711	753	799
Licence and permits	2	-	1,031	70	-	-	-	134	-	-	-
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	-	-	-
Development Charges	2	-	98	-	-	-	-	-	-	-	-
Operational Revenue	2	-	301	(5,780)	-	-	-	610	-	-	-
Non-Exchange Revenue											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	-	17	-	-	-	-	-	-	-	-
Licences or permits	2	-	-	94	-	-	-	-	-	-	-
Transfer and subsidies - Operational	2	-	1,075,122	699,432	1,245,461	1,247,412	1,247,412	907,696	1,308,639	1,373,747	1,407,586
Interest	2	-	-	-	-	-	-	-	-	-	-
Fuel Levy	2	-	-	529,708	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	-	(2,085)	-	-	-	-	-	-	-	-
Other Gains	2	-	-	-	-	2,262	2,262	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		7	1,800,846	3,199,356	2,007,874	2,012,087	2,012,087	1,543,434	2,116,768	2,232,744	2,318,120
Expenditure											
Employee related costs	2	-	736,157	666,213	851,302	851,272	851,272	525,228	852,127	892,617	937,248
Remuneration of councillors	2	-	17,580	17,415	19,122	19,122	19,122	11,303	18,240	19,151	20,109
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	2,8	-	164,612	89,118	333,439	333,559	333,559	(39,104)	329,987	328,290	344,677
Debt impairment	2,3	-	20,944	-	352,800	352,800	352,800	-	384,313	407,372	388,935
Depreciation, amortisation and impairment	2	-	155,248	280,704	102,498	102,498	102,498	41,511	112,838	119,157	126,998
Interest, Dividends and Rent on Land	2	-	51,082	(21,938)	649	651	651	480	11,440	11,818	12,196
Contracted services	2	-	111,740	332,233	218,807	253,200	253,200	187,390	196,585	222,014	244,664
Transfers and subsidies	2	-	12,263	15,337	19,195	18,145	18,145	10,596	18,865	18,993	19,120
Irrecoverable debts written off	2	-	450,174	32	-	-	-	(2)	-	-	-
Operational costs	2	-	321,371	324,735	251,612	250,907	250,907	152,031	296,395	305,673	318,151
Disposal of Fixed and Intangible Assets	2	-	-	-	-	-	-	-	-	-	-
Other Losses	2	-	-	-	-	-	-	-	-	-	-
Total Expenditure		-	2,041,171	1,703,850	2,149,424	2,182,154	2,182,154	889,433	2,220,790	2,325,085	2,412,098
Surplus/(Deficit)		7	(240,325)	1,495,506	(141,550)	(170,067)	(170,067)	654,002	(104,021)	(92,341)	(93,978)
Transfers and subsidies - capital (monetary allocations)	6	-	584,768	607,153	674,705	712,559	712,559	457,930	673,432	796,407	751,946
Transfers and subsidies - capital (in-kind)	6	-	58,789	-	-	1,507	1,507	-	19,524	-	-
Surplus/(Deficit) after capital transfers & contributions		7	403,231	2,102,659	533,155	543,999	543,999	1,111,932	588,935	704,066	657,968
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		7	403,231	2,102,659	533,155	543,999	543,999	1,111,932	588,935	704,066	657,968
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		7	403,231	2,102,659	533,155	543,999	543,999	1,111,932	588,935	704,066	657,968
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	7	403,231	2,102,659	533,155	543,999	543,999	1,111,932	588,935	704,066	657,968

Choose name from list - Table A4 Funding Tool Summary for 4th Quarter ended 30 June 2027

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - STRATEGIC MANAGEMENT 52		-	-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES 53		-	-	-	-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY 54		-	-	-	-	-	-	-	-	-	-
Vote 4 - ENGINEERING SERVICES 55		-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES 56		-	-	-	-	-	-	-	-	-	-
Vote 6 - LAND HUMAN SETTLEMENTS AND ECONOMIC DEVELOPMENT 57		-	-	-	-	-	-	-	-	-	-
Vote 7 - MUNICIPAL MANAGEMENT 58		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - STRATEGIC MANAGEMENT 52		-	-	(28)	4,090	4,090	4,090	(949)	12,188	12,590	12,464
Vote 2 - CORPORATE SERVICES 53		-	-	-	315	315	315	7	2,945	3,042	3,012
Vote 3 - BUDGET AND TREASURY 54		-	-	-	6,421	7,397	7,397	1,102	5,798	5,989	5,929
Vote 4 - ENGINEERING SERVICES 55		-	-	301,989	521,599	531,467	531,467	657,157	567,874	682,310	636,429
Vote 5 - COMMUNITY SERVICES 56		-	-	85	730	730	730	85	30	31	31
Vote 6 - LAND HUMAN SETTLEMENTS AND ECONOMIC DEVELOPMENT 57		-	-	-	-	-	-	-	-	-	-
Vote 7 - MUNICIPAL MANAGEMENT 58		-	-	-	-	-	-	-	100	103	102
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	302,046	533,155	543,999	543,999	657,402	588,935	704,066	657,968
Total Capital Expenditure - Vote		-	-	302,046	533,155	543,999	543,999	657,402	588,935	704,066	657,968
Capital Expenditure - Functional											
Governance and administration		-	-	(3,531)	6,796	7,772	7,772	(3,343)	16,411	16,953	16,783
Executive and council		-	-	-	65	65	65	7	180	186	184
Finance and administration		-	-	(3,531)	6,731	7,707	7,707	(3,351)	16,231	16,767	16,599
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	85	730	730	730	85	30	31	31
Community and social services		-	-	-	700	700	700	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	85	30	30	30	85	30	31	31
Economic and environmental services		-	-	3,503	4,090	4,090	4,090	3,503	4,620	4,772	4,725
Planning and development		-	-	3,503	4,030	4,030	4,030	3,503	4,620	4,772	4,725
Road transport		-	-	-	60	60	60	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	301,989	521,539	531,407	531,407	657,157	567,874	682,310	636,429
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		-	-	284,603	455,091	457,536	457,536	594,647	481,744	610,450	564,725
Waste water management		-	-	17,386	66,449	73,871	73,871	62,510	86,130	71,861	71,704
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	-	-	302,046	533,155	543,999	543,999	657,402	588,935	704,066	657,968
Funded by:											
National Government		-	-	372,045	475,881	483,763	483,763	381,142	501,361	631,666	586,292
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	-	-	372,045	475,881	483,763	483,763	381,142	501,361	631,666	586,292
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	57,274	60,237	60,237	18,052	70,087	72,400	71,676
Total Capital Funding	7	-	-	372,045	533,155	543,999	543,999	399,194	571,448	704,066	657,968

Choose name from list - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand											
Capital expenditure - Municipal Vote											
Multi-year expenditure appropriation											
Vote 1 - STRATEGIC MANAGEMENT 52	2	-	-	-	-	-	-	-	-	-	-
1.1 - Risk Management									-	-	-
1.2 - Support to Local Municipalities									-	-	-
1.3 - Economic Development/Planning									-	-	-
1.4 - Information Technology									-	-	-
1.5 - Marketing, Customer Relations, Publicity and Media Co-ordination									-	-	-
1.6 - [Name of sub-vote]									-	-	-
1.7 - [Name of sub-vote]									-	-	-
1.8 - [Name of sub-vote]									-	-	-
1.9 - [Name of sub-vote]									-	-	-
1.10 - [Name of sub-vote]									-	-	-
Vote 2 - CORPORATE SERVICES 53		-	-	-	-	-	-	-	-	-	-
2.1 - Administrative and Corporate Support									-	-	-
2.2 - Human Resources									-	-	-
2.3 - Municipal Manager, Town Secretary and Chief Executive									-	-	-
2.4 - Mayor and Council									-	-	-
2.5 - [Name of sub-vote]									-	-	-
2.6 - [Name of sub-vote]									-	-	-
2.7 - [Name of sub-vote]									-	-	-
2.8 - [Name of sub-vote]									-	-	-
2.9 - [Name of sub-vote]									-	-	-
2.10 - [Name of sub-vote]									-	-	-
Vote 3 - BUDGET AND TREASURY 54		-	-	-	-	-	-	-	-	-	-
3.1 - Finance									-	-	-
3.2 - Asset Management									-	-	-
3.3 - Supply Chain Management									-	-	-
3.4 - Tourism									-	-	-
3.5 - Property Services									-	-	-
3.6 - [Name of sub-vote]									-	-	-
3.7 - [Name of sub-vote]									-	-	-
3.8 - [Name of sub-vote]									-	-	-
3.9 - [Name of sub-vote]									-	-	-
3.10 - [Name of sub-vote]									-	-	-
Vote 4 - ENGINEERING SERVICES 55		-	-	-	-	-	-	-	-	-	-
4.1 - Water Distribution									-	-	-
4.2 - Town Planning, Building Regulations and Enforcement, and City Engineer									-	-	-
4.3 - Solid Waste Disposal (Landfill Sites)									-	-	-
4.4 - Public Transport									-	-	-
4.5 - Project Management Unit									-	-	-
4.6 - Sewerage									-	-	-
4.7 - Waste Water Treatment									-	-	-
4.8 - Licensing and Regulation									-	-	-
4.9 - Solid Waste Removal									-	-	-
4.10 - Water Treatment									-	-	-
Vote 5 - COMMUNITY SERVICES 56		-	-	-	-	-	-	-	-	-	-
5.1 - Health Services									-	-	-
5.2 - Disaster Management									-	-	-
5.3 - Fire Fighting and Protection									-	-	-
5.4 - Water Storage									-	-	-
5.5 - Storm Water Management									-	-	-
5.6 - [Name of sub-vote]									-	-	-
5.7 - [Name of sub-vote]									-	-	-
5.8 - [Name of sub-vote]									-	-	-
5.9 - [Name of sub-vote]									-	-	-
5.10 - [Name of sub-vote]									-	-	-
Vote 6 - LAND HUMAN SETTLEMENTS AND ECONOMIC DEVELOPMENT 57		-	-	-	-	-	-	-	-	-	-
6.1 - Housing									-	-	-
6.2 - [Name of sub-vote]									-	-	-
6.3 - [Name of sub-vote]									-	-	-
6.4 - [Name of sub-vote]									-	-	-
6.5 - [Name of sub-vote]									-	-	-
6.6 - [Name of sub-vote]									-	-	-
6.7 - [Name of sub-vote]									-	-	-
6.8 - [Name of sub-vote]									-	-	-
6.9 - [Name of sub-vote]									-	-	-
6.10 - [Name of sub-vote]									-	-	-
Vote 7 - MUNICIPAL MANAGEMENT 58		-	-	-	-	-	-	-	-	-	-
7.1 - Legal Services									-	-	-
7.2 - Governance Function									-	-	-
7.3 - [Name of sub-vote]									-	-	-
7.4 - [Name of sub-vote]									-	-	-
7.5 - [Name of sub-vote]									-	-	-
7.6 - [Name of sub-vote]									-	-	-
7.7 - [Name of sub-vote]									-	-	-
7.8 - [Name of sub-vote]									-	-	-
7.9 - [Name of sub-vote]									-	-	-
7.10 - [Name of sub-vote]									-	-	-

[illegible]

[illegible]

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1										
Capital expenditure - Municipal Vote	2										
Single-year expenditure appropriation											
Vote 1 - STRATEGIC MANAGEMENT 52		-	-	(28)	4,090	4,090	4,090	(949)	12,188	12,590	12,464
1.1 - Risk Management		-	-	-	60	60	60	-	30	31	31
1.2 - Support to Local Municipalities		-	-	-	-	-	-	-	-	-	-
1.3 - Economic Development/Planning		-	-	3,503	4,030	4,030	4,030	3,503	4,620	4,772	4,725
1.4 - Information Technology		-	-	(3,531)	-	-	-	(4,452)	7,538	7,787	7,709
1.5 - Marketing, Customer Relations, Publicity and Media		-	-	-	-	-	-	-	-	-	-
1.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
1.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
1.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
1.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
1.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES 53		-	-	-	315	315	315	7	2,945	3,042	3,012
2.1 - Administrative and Corporate Support		-	-	-	250	250	250	-	665	687	680
2.2 - Human Resources		-	-	-	-	-	-	-	2,100	2,169	2,148
2.3 - Municipal Manager, Town Secretary and Chief Executive		-	-	-	15	15	15	7	20	21	20
2.4 - Mayor and Council		-	-	-	50	50	50	-	160	165	164
2.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
2.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
2.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
2.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
2.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
2.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY 54		-	-	-	6,421	7,397	7,397	1,102	5,798	5,989	5,929
3.1 - Finance		-	-	-	6,421	7,397	7,397	1,102	5,798	5,989	5,929
3.2 - Asset Management		-	-	-	-	-	-	-	-	-	-
3.3 - Supply Chain Management		-	-	-	-	-	-	-	-	-	-
3.4 - Tourism		-	-	-	-	-	-	-	-	-	-
3.5 - Property Services		-	-	-	-	-	-	-	-	-	-
3.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
3.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
3.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
3.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
3.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
Vote 4 - ENGINEERING SERVICES 55		-	-	301,989	521,599	531,467	531,467	657,157	567,874	682,310	636,429
4.1 - Water Distribution		-	-	284,603	455,080	457,536	457,536	594,647	481,744	610,450	564,725
4.2 - Town Planning, Building Regulations and Enforcement		-	-	-	-	-	-	-	-	-	-
4.3 - Solid Waste Disposal (Landfill Sites)		-	-	-	-	-	-	-	-	-	-
4.4 - Public Transport		-	-	-	60	60	60	-	-	-	-
4.5 - Project Management Unit		-	-	-	-	-	-	-	-	-	-
4.6 - Sewerage		-	-	17,386	66,449	73,871	73,871	62,510	86,130	71,861	71,704
4.7 - Waste Water Treatment		-	-	-	-	-	-	-	-	-	-
4.8 - Licensing and Regulation		-	-	-	-	-	-	-	-	-	-
4.9 - Solid Waste Removal		-	-	-	-	-	-	-	-	-	-
4.10 - Water Treatment		-	-	-	11	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES 56		-	-	85	730	730	730	85	30	31	31
5.1 - Health Services		-	-	85	30	30	30	85	30	31	31
5.2 - Disaster Management		-	-	-	700	700	700	-	-	-	-
5.3 - Fire Fighting and Protection		-	-	-	-	-	-	-	-	-	-
5.4 - Water Storage		-	-	-	-	-	-	-	-	-	-
5.5 - Storm Water Management		-	-	-	-	-	-	-	-	-	-
5.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
5.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
5.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
5.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
5.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
Vote 6 - LAND HUMAN SETTLEMENTS AND ECONOMIC DEVELOPMENT 57		-	-	-	-	-	-	-	-	-	-
6.1 - Housing		-	-	-	-	-	-	-	-	-	-
6.2 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
6.3 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
6.4 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
6.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
6.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
6.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
6.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
6.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
6.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
Vote 7 - MUNICIPAL MANAGEMENT 58		-	-	-	-	-	-	-	100	103	102
7.1 - Legal Services		-	-	-	-	-	-	-	100	103	102
7.2 - Governance Function		-	-	-	-	-	-	-	-	-	-
7.3 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
7.4 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
7.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
7.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
7.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
7.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
7.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
7.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1										
Capital single-year expenditure sub-total		–	–	302,046	533,155	543,999	543,999	657,402	588,935	704,066	657,968
Total Capital Expenditure		–	–	302,046	533,155	543,999	543,999	657,402	588,935	704,066	657,968

Choose name from list - Table A6 Budgeted Financial Position

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents	1	–	227,978	171,824	94,876	281,178	281,178	343,606	335,009	492,390	623,127
Short term Investments	2	–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions	3	862,686	2,015,452	3,301,120	340,347	340,347	340,347	3,785,097	980,405	935,475	938,636
Receivables from non-exchange transactions	3	(862,679)	(1,658,880)	(1,428,626)	66,663	66,663	66,663	(1,203,713)	43,140	88,349	128,047
Current portion of non-current receivables	4	–	40	422	–	–	–	422	11,553	11,553	11,553
Inventory	5	–	135,904	471,085	144,573	130,758	130,758	640,267	137,637	137,637	137,637
VAT Receivable	6	–	146,021	339,237	334,857	341,525	341,525	370,133	201,779	416,573	631,562
Other current assets	7	–	14,241	14,548	3,131	3,131	3,131	15,598	5,815	5,815	5,815
Total current assets		6	880,756	2,869,611	984,447	1,163,601	1,163,601	3,951,411	1,715,338	2,087,793	2,476,378
Non current assets											
Investments	8	–	–	–	–	–	–	–	–	–	–
Investment property	9	–	105,505	105,398	105,072	105,072	105,072	105,326	104,922	104,420	103,884
Property, plant and equipment	10	–	657,400	656,015	7,474,694	7,487,800	7,487,800	971,774	10,658,561	11,239,361	11,766,303
Biological assets	11	–	–	–	–	–	–	–	–	–	–
Living resources	12	–	–	–	–	–	–	–	–	–	–
Heritage assets	13	–	(14,879)	(15,625)	400	400	400	(15,625)	7,365	7,365	7,365
Intangible assets	14	–	211	10,937	61,458	61,458	61,458	10,017	4,465	9,078	13,641
Trade and other receivables from exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	15	–	559	559	–	–	–	559	–	–	–
Other non-current assets	16	–	1	1	1	1	1	1	1	1	1
Total non current assets		–	748,798	757,286	7,641,625	7,654,731	7,654,731	1,072,052	10,775,315	11,360,224	11,891,194
TOTAL ASSETS		6	1,629,553	3,626,897	8,626,072	8,818,333	8,818,333	5,023,462	12,490,654	13,448,017	14,367,572
LIABILITIES											
Current liabilities											
Bank overdraft	17	–	–	–	–	–	–	–	–	–	–
Financial liabilities	18	–	–	–	–	–	–	–	–	–	–
Consumer deposits	19	–	4,030	12,943	4,030	4,030	4,030	13,160	–	–	–
Trade and other payables from exchange transactions	20	49	(3,934,927)	(4,171,279)	14,733	211,366	211,366	(4,043,706)	937,013	1,180,107	1,431,053
Trade and other payables from non-exchange transactions	21	–	24,899	(16,458)	(3,690)	(5,097)	(5,097)	84,791	25,056	28,109	31,259
Provision	22	–	136,056	136,056	93,870	93,870	93,870	136,056	98,947	98,947	98,947
VAT Payable	23	–	194,189	355,307	186,590	172,781	172,781	409,843	243,275	241,502	239,621
Other current liabilities	24	–	11,192	13,296	8,329	8,329	8,329	13,296	21,620	30,545	39,916
Total current liabilities		49	(3,564,560)	(3,670,134)	303,862	485,279	485,279	(3,386,561)	1,325,913	1,579,210	1,840,797
Non current liabilities											
Financial liabilities	25	–	190	190	190	190	190	190	–	–	–
Provision	26	–	23,448	23,513	12,149	12,149	12,149	23,513	–	–	–
Long term portion of trade payables	27	–	(2,632)	(2,632)	–	–	–	(2,632)	–	–	–
Other non-current liabilities	28	–	158,750	158,750	–	–	–	158,750	242,141	242,141	242,141
Total non current liabilities		–	179,756	179,820	12,338	12,338	12,338	179,820	242,141	242,141	242,141
TOTAL LIABILITIES		49	(3,384,804)	(3,490,314)	316,201	497,617	497,617	(3,206,740)	1,568,054	1,821,351	2,082,938
NET ASSETS		(43)	5,014,357	7,117,211	8,309,871	8,320,715	8,320,715	8,230,203	10,922,600	11,626,666	12,284,634
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	29	(43)	5,014,357	7,117,237	8,309,871	8,320,715	8,320,715	8,195,011	10,922,600	11,626,666	12,284,634
Reserves and funds	30	–	–	–	–	–	–	–	–	–	–
Other	31	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	32	(43)	5,014,357	7,117,237	8,309,871	8,320,715	8,320,715	8,195,011	10,922,600	11,626,666	12,284,634

Store Type	Classification	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousands											
Agricultural	Opening balance - Agricultural	-	-	-	-	-	-	-	-	-	-
	Acquisitions - Agricultural	-	-	-	-	-	-	-	-	-	-
	Adjustments - Agricultural	-	-	-	-	-	-	-	-	-	-
	Issues - Agricultural	-	-	-	-	-	-	-	-	-	-
	Write Off - Agricultural	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Agricultural	-	-	-	-	-	-	-	-	-	-
	Agricultural Total	-	-	-	-	-	-	-	-	-	-
Consumables Standard Rated	Opening balance - Consumables Standard Rated	-	41	41	47	41	41	41	8	8	8
	Acquisitions - Consumables Standard Rated	-	-	-	-	-	-	-	-	-	-
	Adjustments - Consumables Standard Rated	-	-	-	-	-	-	-	-	-	-
	Issues - Consumables Standard Rated	-	-	-	-	-	-	-	-	-	-
	Write Off - Consumables Standard Rated	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Consumables Standard Rated	-	-	-	-	-	-	-	-	-	-
	Consumables Standard Rated Total	-	41	41	47	41	41	41	8	8	8
Consumables Zero Rated	Opening balance - Consumables Zero Rated	-	-	-	-	-	-	-	-	-	-
	Acquisitions - Consumables Zero Rated	-	-	1,454	5,502	5,702	5,702	4,255	7,557	8,313	8,579
	Adjustments - Consumables Zero Rated	-	-	-	-	-	-	-	-	-	-
	Issues - Consumables Zero Rated	-	-	171	(5,467)	(5,702)	(5,702)	171	(7,557)	(8,313)	(8,579)
	Write Off - Consumables Zero Rated	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Consumables Zero Rated	-	-	-	-	-	-	-	-	-	-
	Consumables Zero Rated Total	-	-	1,625	35	-	-	4,426	-	-	-
Finished Goods	Opening balance - Finished Goods	-	5,146	179,667	-	-	-	179,667	36,334	36,334	36,334
	Acquisitions - Finished Goods	-	-	9,402	119,977	119,977	119,977	108,904	91,338	68,079	76,140
	Adjustments - Finished Goods	-	-	-	-	-	-	-	-	-	-
	Issues - Finished Goods	-	-	-	(119,977)	(119,977)	(119,977)	2,210	(91,338)	(68,079)	(76,140)
	Write Off - Finished Goods	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Finished Goods	-	-	-	-	-	-	-	-	-	-
	Finished Goods Total	-	5,146	189,069	-	-	-	290,781	36,334	36,334	36,334
Housing Stock	Opening balance - Housing Stock	-	36,685	36,685	36,685	36,685	36,685	36,687	36,685	36,685	36,685
	Acquisitions - Housing Stock	-	-	-	-	-	-	-	-	-	-
	Sales - Housing Stock	-	-	-	-	-	-	-	-	-	-
	Transfer - Housing stock	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Housing stock	-	-	-	-	-	-	-	-	-	-
Housing Stock Total		-	36,685	36,685	36,685	36,685	36,685	36,687	36,685	36,685	36,685
Land	Opening balance - Land	-	-	-	-	-	-	-	-	-	-
	Acquisitions - Land	-	-	-	-	-	-	-	-	-	-
	Sales - land	-	-	-	-	-	-	-	-	-	-
	Adjustments - Land	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Land	-	-	-	-	-	-	-	-	-	-
Land Total		-	-	-	-	-	-	-	-	-	-
Materials and Supplies	Opening balance - Materials and Supplies	-	-	-	-	-	-	-	-	-	-
	Acquisitions - Materials and Supplies	-	-	14,511	11,327	11,247	11,247	17,236	15,638	15,929	16,438
	Adjustments - Materials and Supplies	-	-	-	-	-	-	-	-	-	-
	Issues - Materials and Supplies	-	-	-	(11,362)	(11,247)	(11,247)	-	(15,638)	(15,929)	(16,438)
	Write Off - Materials and Supplies	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Materials and Supplies	-	-	-	-	-	-	-	-	-	-
Materials and Supplies Total		-	-	14,511	(35)	-	-	17,236	-	-	-
Water	Opening balance - Water	-	1,971	1,971	1,971	1,971	1,971	1,971	3,777	3,777	3,777
	Acquisitions - Water bulk purchases	-	-	166,348	168,452	168,452	168,452	216,198	179,697	197,666	203,992
	Acquisitions - Water natural sources	-	-	-	-	-	-	-	-	-	-
	Acquisitions - Water treatment works	-	-	-	28,180	28,180	28,180	12,094	35,756	38,303	39,529
	Billed Authorised Consumption:Billed Metered Consumption:Free Basic Water	-	-	-	-	-	-	-	-	-	-
	Billed Authorised Consumption:Billed Metered Consumption:Revenue Water	-	-	-	(196,633)	(196,633)	(196,633)	-	(215,453)	(235,969)	(243,520)
	Billed Authorised Consumption:Billed Metered Consumption:Subsidised Water	-	-	-	-	-	-	-	-	-	-
	Billed Authorised Consumption:Billed Unmetered Consumption:Free Basic Water	-	-	-	-	-	-	-	-	-	-
	Billed Authorised Consumption:Billed Unmetered Consumption:Revenue Water	-	-	-	-	-	-	-	-	-	-
	Billed Authorised Consumption:Billed Unmetered Consumption:Subsidised Water	-	-	-	-	-	-	-	-	-	-
	Data Transfer and Management Errors	-	-	-	-	-	-	-	-	-	-
	Non-revenue Water	-	-	-	-	-	-	-	-	-	-
	Unavoidable Annual Real Losses	-	-	-	-	-	-	-	-	-	-
	Unbilled Authorised Consumption:Unbilled Metered Consumption	-	-	-	-	-	-	-	-	-	-
	Unbilled Authorised Consumption:Unbilled Unmetered Consumption	-	-	-	-	-	-	-	-	-	-
	Water Losses:Apparent Losses:Customer Meter Inaccuracies	-	-	-	-	-	-	-	-	-	-
	Water Losses:Apparent Losses:Unauthorised Consumption	-	-	-	-	-	-	-	-	-	-
	Water Losses:Real Losses:Leakage and Overflows at Storage Tanks/Reservoirs	-	-	-	-	-	-	-	-	-	-
	Water Losses:Real Losses:Leakage on Service Connections up to the point of Customer Meter	-	-	-	-	-	-	-	-	-	-
	Water Losses:Real Losses:Leakage on Transmission and Distribution Mains	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Water	-	-	-	-	-	-	-	-	-	-
	Water Total	-	1,971	168,320	1,971	1,971	1,971	230,263	3,777	3,777	3,777
Work-in-progress	Opening balance - WIP	-	92,061	60,834	105,870	92,061	92,061	60,834	60,834	60,834	60,834
	Materials - WIP	-	-	-	-	-	-	-	-	-	-
	Transfer - WIP	-	-	-	-	-	-	-	-	-	-
Work-in-progress Total		-	92,061	60,834	105,870	92,061	92,061	60,834	60,834	60,834	60,834
Grand Total		-	43,843	410,251	38,703	38,697	38,697	579,433	76,803	76,803	76,803

Choose name from list - Table A7 Budgeted Cash Flows

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	–	–	–	–	–	–	–	–
Service charges		–	–	–	314,768	314,768	314,768	–	331,264	351,870	372,982
Other revenue		–	–	–	7,744	7,744	7,744	–	8,533	9,964	10,560
Transfers and Subsidies - Operational	1	–	–	–	1,239,471	1,241,422	1,241,422	(810,316)	1,306,979	1,373,747	1,407,586
Transfers and Subsidies - Capital	1	–	–	–	674,705	712,559	712,559	(449,747)	673,432	796,407	751,946
Interest		–	–	–	36,963	36,963	36,963	(1,145)	93,546	99,159	105,108
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		–	–	22,520	(1,776,369)	(1,616,817)	(1,616,817)	(1,581,228)	(1,582,497)	(1,640,522)	(1,736,939)
Finance charges		–	–	–	(649)	(651)	(651)	–	(7,384)	(7,628)	(7,872)
Transfers and Subsidies	1	–	612	1,629	(16,895)	(15,745)	(15,745)	1,629	(15,910)	(15,940)	(15,970)
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	612	24,149	479,739	680,245	680,245	(2,840,806)	807,962	967,057	887,400
CASH FLOW FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Insurance Refund - Capital		–	–	–	–	–	–	–	–	–	–
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		–	–	–	(612,841)	(625,312)	(625,312)	399,373	(657,165)	(809,676)	(756,663)
Retention (Capital)		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	–	–	(612,841)	(625,312)	(625,312)	399,373	(657,165)	(809,676)	(756,663)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		–	612	24,149	(133,102)	54,933	54,933	(2,441,433)	150,797	157,381	130,737
Cash/cash equivalents at the year begin:	2	–	227,978	205,886	227,978	227,978	227,978	205,886	184,797	335,595	492,976
Cash/cash equivalents at the year end:	2	–	228,591	230,035	94,876	282,911	282,911	(2,235,547)	335,595	492,976	623,713

Choose name from list - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	–	228,591	230,035	94,876	282,911	282,911	(2,235,547)	335,595	492,976	623,713
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	–
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		–	228,591	230,035	94,876	282,911	282,911	(2,235,547)	335,595	492,976	623,713
Application of cash and investments											
Unspent conditional transfers		–	30,065	(12,457)	(5,990)	(7,497)	(7,497)	59,428	31,227	25,056	28,109
Unspent borrowing											
Statutory requirements	2	(6)	42,233	(9,603)	(175,041)	(195,405)	(195,405)	63,292	(171,314)	(391,669)	(621,893)
Other working capital requirements	3	49	(3,940,092)	(4,175,280)	(194,046)	2,687	2,687	(4,018,344)	397,277	648,825	877,752
Other provisions		–	136,056	136,056	93,870	93,870	93,870	136,056	98,947	98,947	98,947
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		43	(3,731,738)	(4,061,284)	(281,207)	(106,346)	(106,346)	(3,759,567)	356,137	381,160	382,916
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		(43)	3,960,328	4,291,319	376,083	389,257	389,257	1,524,020	(20,542)	111,815	240,797
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		(43)	3,960,328	4,291,319	376,083	389,257	389,257	1,524,020	(20,542)	111,815	240,797

References

- 1. Must reconcile with Budgeted Cash Flows
- 2. For example: VAT, taxation
- 3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
- 4. For example: sinking fund requirements for borrowing
- 5. Council approval required for each reserve created and basis of cash backing of reserves - Total Reserves to be backed by cash/investments excl Valuation reserve

Other working capital requirements

Debtors	–	–	–	211,079	211,079	211,079	–	533,566	534,334	556,451
Creditors due	49	(3,940,092)	(4,175,280)	17,033	213,766	213,766	(4,018,344)	930,843	1,183,159	1,434,203
Total	(49)	3,940,092	4,175,280	194,046	(2,687)	(2,687)	4,018,344	(397,277)	(648,825)	(877,752)

Debtors collection assumptions

Balance outstanding - debtors	6	357,172	1,873,476	407,010	407,010	407,010	2,582,366	1,035,097	1,035,377	1,078,237
Estimate of debtors collection rate	0.0%	0.0%	0.0%	51.9%	51.9%	51.9%	0.0%	51.5%	51.6%	51.6%

Choose name from list - Table A9 Asset Management

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	-	-	299,633	301,996	298,511	298,511	303,088	389,242	331,710
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	299,661	280,562	274,045	274,045	270,088	355,152	297,961
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	299,661	280,562	274,045	274,045	270,088	355,152	297,961
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	250	258	256
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	250	258	256
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	(28)	4,730	4,730	4,730	4,500	4,649	4,602
Intangible Assets		-	-	(28)	4,730	4,730	4,730	4,500	4,649	4,602
Computer Equipment		-	-	-	2,455	2,525	2,525	10,847	11,205	11,093
Furniture and Office Equipment		-	-	-	525	525	525	641	662	655
Machinery and Equipment		-	-	-	9,974	4,025	4,025	5,774	5,965	5,905
Transport Assets		-	-	-	3,750	12,661	12,661	10,989	11,351	11,238
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	2	-	-	62,954	86,325	110,075	110,075	79,719	79,533	87,846
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	7,872	62,939	77,733	77,733	58,445	58,748	67,188
Sanitation Infrastructure		-	-	54,997	21,897	30,854	30,854	19,640	19,096	18,986
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	62,869	84,836	108,586	108,586	78,085	77,845	86,174
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	250	250	250	250	258	25

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
<u>Total Upgrading of Existing Assets</u>	6	-	-	17,386	144,835	135,413	135,413	206,127	235,291	238,413
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	10,435	10,435	10,435	3,686	2,174	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	78,955	68,207	68,207	126,202	157,819	163,114
Sanitation Infrastructure		-	-	17,386	55,445	56,771	56,771	76,239	75,298	75,298
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	17,386	144,835	135,413	135,413	206,127	235,291	238,413
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>	4	-	-	379,973	533,155	543,999	543,999	588,935	704,066	657,968
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	10,435	10,435	10,435	3,686	2,174	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	307,533	422,456	419,985	419,985	454,735	571,719	528,263
Sanitation Infrastructure		-	-	72,384	77,342	87,625	87,625	95,879	94,395	94,284
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	379,916	510,232	518,044	518,044	554,299	668,288	622,547
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	250	250	250	500	517	511
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	250	250	250	500	517	511
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	(28)	4,730	4,730	4,730	4,500	4,649	4,602
Intangible Assets		-	-	(28)	4,730	4,730	4,730	4,500	4,649	4,602
Computer Equipment		-	-	-	3,085	3,155	3,155	11,501	11,880	11,761
Furniture and Office Equipment		-	-	85	1,134	1,134	1,134	1,372	1,417	1,403
Machinery and Equipment		-	-	-	9,974	4,025	4,025	5,774	5,965	5,905
Transport Assets		-	-	-	3,750	12,661	12,661	10,989	11,351	11,238
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		-	-	379,973	533,155	543,999	543,999	588,935	704,066	657,968

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
ASSET REGISTER SUMMARY - PPE (WDV)	5	–	748,237	834,654	7,641,624	7,654,730	7,654,730	8,874,661	9,459,570	9,970,646
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	(1,512,663)	(1,479,396)	6,747,708	6,745,237	6,745,237	7,759,510	8,220,526	8,630,724
Sanitation Infrastructure		–	328,013	400,397	481,866	492,148	492,148	866,073	968,723	1,069,601
Solid Waste Infrastructure		–	(122,706)	(158,250)	10,346	10,346	10,346	15,862	15,862	15,862
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	(1,307,356)	(1,237,249)	7,239,920	7,247,731	7,247,731	8,641,445	9,205,111	9,716,187
Community Assets		–	23,150	23,089	22,099	22,099	22,099	(1,700)	(4,164)	(4,164)
Heritage Assets		–	(14,879)	(15,625)	400	400	400	7,365	7,365	7,365
Investment properties		–	105,505	105,398	105,072	105,072	105,072	104,922	104,420	104,420
Other Assets		–	1,871,744	1,872,220	250	250	250	22,887	23,404	23,404
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	211	10,937	61,458	61,458	61,458	4,465	9,078	9,078
Computer Equipment		–	12,196	13,724	44,289	44,359	44,359	32,487	41,987	41,987
Furniture and Office Equipment		–	1,723	1,671	22,622	22,622	22,622	2,350	3,191	3,191
Machinery and Equipment		–	3,453	8,413	20,187	14,238	14,238	13,088	17,987	17,987
Transport Assets		–	45,525	45,109	118,362	129,536	129,536	47,351	51,191	51,191
Land		–	6,965	6,965	6,965	6,965	6,965	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	–	748,237	834,654	7,641,624	7,654,730	7,654,730	8,874,661	9,459,570	9,970,646
EXPENDITURE OTHER ITEMS		–	159,627	292,906	179,704	179,559	179,559	189,335	209,137	227,923
Depreciation	7	–	159,627	280,704	102,498	102,498	102,498	112,838	119,157	126,998
Repairs and Maintenance by Asset Class	3	–	–	12,202	77,206	77,061	77,061	76,497	89,979	100,925
Roads Infrastructure		–	–	–	1,400	1,400	1,400	–	6,119	8,678
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	10,742	48,448	49,449	49,449	57,240	59,341	65,275
Sanitation Infrastructure		–	–	198	12,146	12,146	12,146	8,365	10,979	12,077
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	10,940	61,994	62,995	62,995	65,605	76,439	86,030
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	641	5,119	4,919	4,919	4,098	4,754	5,230
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	641	5,119	4,919	4,919	4,098	4,754	5,230
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	4	55	55	55	20	22	24
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	3,769	2,823	2,823	2,575	3,541	3,895
Transport Assets		–	–	617	6,270	6,270	6,270	4,199	5,223	5,746
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS		–	159,627	292,906	179,704	179,559	179,559	189,335	209,137	227,923
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		0.0%	0.0%	21.1%	43.4%	45.1%	45.1%	48.5%	44.7%	49.6%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		0.0%	0.0%	28.6%	225.5%	239.5%	239.5%	253.3%	264.2%	256.9%
<i>R&M as a % of PPE & Investment Property</i>		0.0%	0.0%	1.5%	1.0%	1.0%	1.0%	0.9%	1.0%	1.0%
<i>Renewal and upgrading and R&M as a % of PPE and Investment Property</i>		0.0%	0.0%	11.0%	4.1%	4.2%	4.2%	4.1%	4.3%	4.3%

Choose name from list - Table A10 Basic service delivery measurement

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	3,793	1,831	2,600
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>								3,793	1,831	2,600
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>								-	-	-
Total number of households	5	-	-	-	-	-	-	3,793	1,831	2,600
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	3,000	2,800	2,700
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>								3,000	2,800	2,700
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>								-	-	-
Total number of households	5	-	-	-	-	-	-	3,000	2,800	2,700
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>								-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>								-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>								-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>								-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Informal Settlements		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided	8	-	-	-	-	-	-	-	-	-
Highest level of free service provided per household										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)		-	402,847	(15,000)	(15,000)	(15,000)	(431)	(11,157)	(11,826)	(12,536)
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	-	402,847	(15,000)	(15,000)	(15,000)	(431)	(11,157)	(11,826)	(12,536)

**DRAFT SCHEDULE OF PROCUREMENT PLANS IN RESPECT OF ADVERTISED COMPETITIVE BIDS
(GOODS, INFRASTRUCTURE PROJECTS OR SERVICES IN EXCESS OF R200 000 INCLUDING ALL APPLICABLE TAXES) FOR THE 2025-2026 FINANCIAL YEAR**

Amathole District Municipality

Dr B.J. Mthembu

Sign:

Date:

043-7014000 - 15 Rees Street, Quigney
bhkisisem@amathole.gov.za



2026-2027 Procurement Plan Analysis

Department	Project Manager	Project Name	2025/2026 Project Allocation	Source of Funding	Sourcing Strategy	Total project value registered (Inclusive of budget maintenance) or Estimate	Envisaged Date of BSC	Envisaged Date of Advertisement	Envisaged Closing Date of Advertisement	Envisaged Date of BEC	Envisaged Date of BAC /Award	Envisaged Date of AO Approval /Award	Proposed implementation date	Alignment to Annual Budget	SDBIP /KPI No.	Alignment to IDP
Engineering	T. Goredema	Mgwall South Water Supply Phase 2B	R77 798 581,24	MIG	Panel	R184 419 708,00	05-May-25	12-May-25	12-Jun-25	20-Jun-25	27-Jun-25	03-Jul-25	15-Jul-25	Yes	KPI 11	Yes
Engineering	Z. Maduma	Idutywa East Water Supply Scheme Phase 2	R11 195 652,00	MIG	Panel	R4 536 611,00	30-Jan-26	25-Feb-25	25-Mar-25	01-Apr-25	10-Apr-25	17-Apr-25	21-Apr-25	Yes	KPI 11	Yes
Engineering	P. Sibeko	Completion of backlog- Amahlathi area wide sanitation project	R8 000 000,00	MIG	Panel	R8 000 000,00	03-Apr-24	08-Apr-24	08-May-24	15-May-24	17-May-24	20-May-24	01-Jun-24	Yes	KPI 11	Yes
Engineering	P. Sibeko	Completion of backlog- Mquma area wide sanitation project	R8 779 000,00	MIG	Panel	R8 779 000,00	03-Apr-24	08-Apr-24	08-May-24	15-May-24	17-May-24	20-May-24	01-Jun-24	Yes	KPI 11	Yes
Engineering	L. Komani	West Victoria East Water Supply – Phase 4	R13 000 000,00	MIG	Panel	R13 000 000,00	28-Mar-2025	07-Apr-25	07-May-25	15-May-25	19-May-25	23-May-25	01-Jun-25	Yes	KPI 11	Yes
Engineering	T. Goredema	Kei Mouth water pipe replacement phase 1&2	R94 794 182,07	MIG	Panel	R100 031 689,32	28-Mar-2025	07-Apr-25	07-May-25	15-May-25	19-May-25	23-May-25	01-Jun-25	Yes	KPI 11	Yes
Engineering	T. Mdiya	Mncwasa	R5 000 000,00	WSIG	Panel	R5 000 000,00	03-Jun-24	10-Jun-24	10-Jul-24	24-Jul-24	29-Jul-24	31-Jul-24	01-Aug-24	Yes	KPI 11	Yes
Strategic Planning	N. Sovasi	Appointment of a Legal Service Provider	R1 966 346,00	Operational Funding	Competitive Bid	R1 966 346,00	03-Jun-24	10-Jun-24	10-Jul-24	24-Jul-24	29-Jul-24	31-Jul-24	01-Aug-24	Yes	N/A	Yes
Strategic Planning	S. Mqeta	Customer Satisfaction Survey for Amathole District Municipality	R1 000 000,00	Operational Funding	Competitive Bid	R1 000 000,00	02-Sep-24	15-Sep-24	15-Nov-24	29-Nov-24	03-Dec-24	06-Dec-24	06-Jan-25	Yes	N/A	N/A
Engineering	Z. Maduma	Sundwane water supply scheme including other villages	R183 432 633,00	MIG	Panel	R183 432 633,00	30-Jan-26	25-Feb-25	25-Mar-26	01-Apr-26	10-Apr-26	17-Apr-26	21-Apr-26	Yes	KPI 11	Yes
Engineering	Z. Maduma	Sewage Reticulation in Willowvale	R5 829 613,00	MIG	Panel	R5 829 613,00	30-Jan-26	25-Feb-25	25-Mar-26	01-Apr-26	10-Apr-26	17-Apr-26	21-Apr-26	Yes	KPI 11	Yes
Engineering	T. Mdiya	Carthcart Bulk Services Upgrade	R116 592 300,00	MIG	Panel	R116 592 300,00	01-Oct-25	17-Oct-24	17-Nov-24	30-Nov-24	02-Dec-24	15-Dec-24	04-Jan-25	Yes	N/A	N/A
Corporate Services	X. Tyindzana	Lease of Office Accommodation for Amathole District Municipality Head Office Staff, ASPIRE and Councilors	R7 123 011,00	Operational Funding	Competitive Bid	R7 123 011,00	10-Feb-25	20-Mar-25	03-Apr-25	15-May-25	17-May-24	20-May-24	01-Jun-25	Yes	N/A	N/A
Strategic Planning	L. Ndevu	Network Upgrade with Support and Maintenance for 36 Months	R26 463 886,29	Operational Funding	Competitive Bid	R3 000 000,00	10-Feb-25	20-Mar-25	03-Apr-25	15-May-25	17-May-24	20-May-24	01-Jun-25	Yes	N/A	N/A
Corporate Services	N. Mpotshane	Training of twenty (20) municipal officials on certificate: municipal finance management (Qualification ID: 48965), NQF level 6	N/A	Seta Funding	Competitive Bid	R1 400 000,00	10-Feb-25	20-Mar-25	03-Apr-25	15-May-25	17-May-24	20-May-24	01-Jun-25	Yes	N/A	N/A
Engineering	U. Devu	Equipping of Mbashe and Mquma Boreholes	R8 500 000,00	WSIG	Competitive Bid	R18 000 000,00	14-Apr-26	20-Apr-26	04-May-26	18-May-26	25-May-26	30-Jun-26	01-Jul-26	Yes	SDITL04.1	Yes
Engineering	U. Devu	Refurbishment of Amahlathi Water Retaining Structures	R2 000 000,00	WSIG	Competitive Bid	R22 000 000,00	14-Apr-26	20-Apr-26	04-May-26	18-May-26	25-May-26	30-Jun-26	01-Jul-26	Yes	SDITL04.1	Yes
Engineering	U. Devu	Refurbishment of Raymond Mhlaba Water Retaining Structures	R4 000 000,00	WSIG	Competitive Bid	R22 000 000,00	14-Apr-26	20-Apr-26	04-May-26	18-May-26	25-May-26	30-Jun-26	01-Jul-26	Yes	SDITL04.1	Yes
Engineering	U. Devu	Refurbishment of Chintsa Water Treatment Works	R2 137 560,00	WSIG	Competitive Bid	R22 000 000,00	14-Apr-26	20-Apr-26	04-May-26	18-May-26	25-May-26	30-Jun-26	01-Jul-26	Yes	SDITL04	Yes
Engineering	U. Devu	Refurbishment of Haga-Haga Water Treatment Works	R2 294 498,00	WSIG	Competitive Bid	R22 000 000,00	14-Apr-26	20-Apr-26	04-May-26	18-May-26	25-May-26	30-Jun-26	01-Jul-26	Yes	SDITL04	Yes
Engineering	U. Devu	Upgrading of Kei Bridge Water Treatment Works	R4 132 852,00	WSIG	Competitive Bid	R22 000 000,00	14-Apr-26	20-Apr-26	04-May-26	18-May-26	25-May-26	30-Jun-26	01-Jul-26	Yes	SDITL04	Yes
Engineering	U. Devu	Refurbishment of Morgan's Bay Water Treatment Works	R2 695 995,00	WSIG	Competitive Bid	R2 695 995,00	14-Apr-26	20-Apr-26	04-May-26	18-May-26	25-May-26	30-Jun-26	01-Jul-26	Yes	SDITL04	Yes
Engineering	S. Yoko	District wide water services master plan	R4 000 000,00	MIG	Competitive Bid	R7 000 001,00	01-Jun-26	08-Jun-26	22-Jun-26	28-Jun-26	06-Jul-26	13-Jul-26	30-Jul-26	Yes	SDITL04	Yes
Engineering	M. Gilla	Komga Commonage Settlement	R1 200 000,00	MIG	Competitive Bid	R2 000 000,00	01-Sep-26	08-Sep-26	22-Sep-26	28-Sep-26	06-Oct-26	13-Oct-26	30-Oct-26	Yes	SDITL04	Yes
Engineering	M. Gilla	Carthcart Bulk Services Upgrade	R4 000 000,00	MIG	Competitive Bid	R28 499 184,00	04-May-26	08-May-26	22-May-26	28-May-26	06-May-26	13-May-26	01-Jun-26	Yes	SDITL04	Yes

EC		Amatole		Amathole District				DC12	
Tariff Assessments for the MTREF Period									
	Assessment Status	Financial Year	Period	Item	Water	Waste Water	Electricity	Solid Waste	Total Surplus/Deficit
Year 1	Not Cost Reflective	2026/27 Original Budget	Year1	Revenue Required by NT Tariff Tool	474,255,524	193,288,591	-	7,577,044	675,121,160
				Revenue Budgeted	488,574,202	162,796,354	-	-	651,370,556
				Shortfall/Excess	14,318,678	-	30,492,237	-	23,750,603
	Assessment Outcome per Service				Cost Reflective	Not Cost Reflective	-	Not Cost Reflective	Not Cost Reflective
Year 2	Cost Reflective	2026/27 Indicative Budget 2027/28	Year2	Revenue Required by NT Tariff Tool	506,386,161	179,592,919	-	7,831,553	693,810,633
				Revenue Budgeted	594,501,758	191,834,293	-	-	786,336,051
				Surplus /Deficit	88,115,597	12,241,374	-	7,831,553	92,525,419
	Assessment Outcome per Service				Cost Reflective	Cost Reflective	-	Not Cost Reflective	Cost Reflective
Year 3	Cost Reflective	2026/27 Indicative Budget 2028/29	Year3	Revenue Required by NT Tariff Tool	546,286,050	170,509,969	-	8,087,148	724,883,168
				Revenue Budgeted	630,171,867	203,344,347	-	-	833,516,214
				Surplus /Deficit	83,885,817	32,834,378	-	8,087,148	108,633,047
	Assessment Outcome per Service				Cost Reflective	Cost Reflective	-	Not Cost Reflective	Cost Reflective

This sheet calculates the fixed cost per customer; the variable cost per unit sold; and the tariff revenue required per unit sold for the water service as a whole.

ALLOCATE FIXED AND VARIABLE COSTS

In this box, the user must specify what proportion of each expenditure type is fixed in the grey cells below. Expenditures can be 100% fixed, 100% variable or a mix. Fixed costs will be allocated between customer groups based on number of customers in each group later in the model, and variable costs will be allocated based on volumes of water sold.

	Total expenditure (R)	% Fixed	% Variable	Fixed costs (R)	Variable costs (R)
Employee related costs	269,888,849	100%	0%	269,888,849	-
Remuneration of councillors	-		100%	-	-
Bulk purchases - electricity	-		100%	-	-
Inventory consumed	229,157,830		100%	-	229,157,830
Debt impairment	288,622,457	50%	50%	144,311,229	144,311,229
Depreciation and amortisation	103,545,723	100%	0%	103,545,723	-
Interest	-		100%	-	-
Contracted services	94,999,283		100%	-	94,999,283
Transfers and subsidies	-		100%	-	-
Irrecoverable debts written off	-		100%	-	-
Operational costs	134,026,198		100%	-	134,026,198
0	-		100%	-	-
0	-		100%	-	-
0	-		100%	-	-
Governance and administration	181,039,854		100%	-	181,039,854
Total cost	1,301,280,194	40%	60%	517,745,801	783,534,394

CALCULATION OF UNIT COSTS

This box shows the fixed and variable unit costs, based on the allocation of costs in the table above. It also shows the total cost of supply per unit sold.

Fixed unit cost (R per customer per month)	805.60
Variable unit cost (R per kl sold)	121.92
Total unit cost (R per kl sold)	202.48

CALCULATION OF UNIT REVENUE REQUIRED FOR WATER

This box shows the unit revenue required from tariffs for the service. This may be higher or lower than the total unit cost due to the allocation of subsidies, requirement for surpluses and allowance for deficits.

	(R)
Total expenditure	1,301,280,194
Deficit generated on water	-
Surplus generated on water	-
Expenditure minus deficit plus surplus	1,301,280,194
Operating grants and transfers	728,235,000
Property rates revenue	-
Other income	98,789,670
Other service charges	-
Total non-tariff revenue	827,024,670
Revenue required from tariff	474,255,524
Average unit revenue required (R per kl sold)	73.79

SUMMARY: WATER

Fixed unit cost (R per customer per month)	805.60
Variable unit cost (R per kl sold)	121.92
Total unit cost (R per kl sold)	202.48
Average unit revenue required (R per kl sold)	73.79
Unit revenue required as % of cost	36%

This sheet calculates the fixed cost per customer; the variable cost per unit sold; and the tariff revenue required per unit sold for the sanitation service as a whole.

ALLOCATE FIXED AND VARIABLE COSTS

In this box, the user must specify what proportion of each expenditure type is fixed in the grey cells below. Expenditures can be 100% fixed, 100% variable or a mix. Fixed costs will be allocated between customer groups based on number of customers in each group later in the model, and variable costs will be allocated based on volumes of wastewater treated.

Cost components	Total expenditure (R)	% Fixed	% Variable	Fixed costs (R)	Variable costs (R)
Employee related costs	78,094,971	100%	0%	78,094,971	-
Remuneration of councillors	-	100%	0%	-	-
Bulk purchases - electricity	-	100%	0%	-	-
Inventory consumed	94,817,785	100%	0%	94,817,785	-
Debt impairment	95,691,030	100%	0%	95,691,030	-
Depreciation and amortisation	502,041	100%	0%	502,041	-
Interest	-	100%	0%	-	-
Contracted services	8,099,384	100%	0%	8,099,384	-
Transfers and subsidies	-	100%	0%	-	-
Irrecoverable debts written off	-	100%	0%	-	-
Operational costs	7,319,860	100%	0%	7,319,860	-
0	-	100%	100%	-	-
0	-	100%	100%	-	-
0	-	100%	100%	-	-
Governance and administration	77,588,509	100%	0%	77,588,509	-
Total cost	362,113,580	100%	0%	362,113,580	-

CALCULATION OF UNIT COSTS

This box shows the fixed and variable unit costs, based on the allocation of costs in the table above. It also shows the total cost of supply per unit treated.

Fixed unit cost (R per customer/unit per month) R792.31

CALCULATION OF REVENUE REQUIRED FOR SANITATION

This box shows the unit revenue required from tariffs for the service. This may be higher or lower than the total unit cost due to the allocation of subsidies, requirement for surpluses and allowance for deficits.

	(R)
Total expenditure	362,113,580
Deficit generated on sanitation	-
Surplus generated on sanitation	-
Expenditure minus deficit plus surplus	R362,113,579.90
Operating grants and transfers	138,447,664
Property rates revenue	-
Other income	30,377,325
Other service charges	-
Total non-tariff revenue	R168,824,988.85
Revenue required from tariff	193,288,591
Average unit revenue required (R per unit per month)	R422.92

SUMMARY: SANITATION

Fixed unit cost (R per customer/unit per month) R792.31
Average unit revenue required (R per unit per month) R422.92

This sheet calculates the fixed cost per customer for the solid waste service as a whole.

CALCULATION OF UNIT COSTS

This box shows the unit cost per customer.

Total unit cost (R per customer per month) 31.10

REVENUE REQUIRED FOR SOLID WASTE

This box shows the unit revenue required from tariffs for the service. This may be higher or lower than the total unit cost due to the allocation of subsidies, requirement for surpluses and allowance for deficits.

	(R)
Total expenditure	7,577,044
Deficit generated on solid waste	-
Surplus generated on solid waste	-
Expenditure minus deficit plus surplus	7,577,044
Operating grants and transfers	-
Property rates revenue	-
Other income	-
Other service charges	-
Total non-tariff revenue	-
Revenue required from tariff	7,577,044
Average unit revenue required (R per customer per month)	31.10

SUMMARY: SOLID WASTE

Total unit cost (R per customer per month)	31.10
Average unit revenue required (R per customer per month)	31.10
Unit revenue required as % of cost	100%



Amathole District Municipality
All correspondence to be addressed to:

Municipal Manager
15 Rees Street, Quigney, East London, 5201
P.O Box 320 * East London * South Africa * 5200
Telephone: 043 701 4000 * Facsimile: 043 721 2478
Email: info@amathole.gov.za * Web Address: www.amathole.gov.za

ANNEXURE Y

QUALITY CERTIFICATE

I, **Dr. B.J. Mthembu**, The Municipal Manager of Amathole District Municipality, hereby certify that -

- the **Final 2026/27 Integrated Development Plan (IDP) Final Service Delivery and Budget Implementation Plan 2026/27 and Final MTREF 2026/27-2028/29 Budget including Final ASPIRE's MTREF 2026/27-2028/29 Budget** and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: Dr. Bhekisisa J. Mthembu

Municipal Manager of Amathole District Municipality, DC12

Signature:

Date:



Commitment Towards Selfless, Excellent & Sustainable Service Delivery To All Our Communities