

Kgatelopele Local Municipality

2024/2025

DRAFT ANNUAL REPORT



Re gatela Pele” “We moving Forward” “Ons gaan Vorentoe”

LIST OF ABBREVIATIONS

ACIP	Accelerated Com. Infrastructure Programme
AFS	Annual Financial Statements
APR	Annual Performance Report
AMP	Asset Management Plan
BDS	Blue Drop System
CRC	Current Replacement Cost
CRR	Cumulative Risk Ratio
CRU	Community Residential Units
DRC	Depreciated Replacement Cost
DWQ	Drinking Water Quality
DWS	Department of Water and Sanitation
EIA	Environmental Impact Assessment
EMS	Environmental Management Services
EPHP	Enhanced People's Housing Process
EPWP	Expanded Public Works Programme
GAMAP	General Accepted Municipal Accounting Practice
GDIP	Green Drop Improvement Plan
GDPR	Regional Gross Domestic Product
GDS	Green Drop System
HIV	Human Immunodeficiency Virus
IAMP	Immovable Asset Management Programme
IDP	Integrated Development Plan
ILI	Infrastructure Leakage Index
ISP	Internal Strategic Perspective
LED	Local Economic Development
MIG	Municipal Infrastructure Grant
MI	Mega Litre
MI/a	Mega Litre per Annum
MTEF	Medium-Term Expenditure Framework
NGO	non-governmental organization
NRW	Non-Revenue Water
NWRS	National Water Resource Strategy
PDA	Previously Disadvantage Area
RDP	Reconstruction and Development Programme
RSA	Republic of South Africa
RUL	Remaining Useful Life
SANS	South African National Standard
SCADA	Supervisory Control and Data Acquisition
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
VAT	Value Added Tax
WDM	Water Demand Management

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CHAPTER 1 MAYOR'S FOREWORD

COMPONENT: A MAYOR'S FOREWORD



The 2024/2025 financial year was a year of progress and improvement for the Kgatelopele Local Municipality. Even though we faced financial and resource challenges, we worked hard to deliver better services and improved how the municipality operates.

To mention a few highlights reflecting from the past year, the municipality appointed a new Chief Financial Officer in August 2024, this year the municipality was able to do its Annual Financial Statements in-house without the need of consultants.

On 16 June 2025, the Sports Facility in Tlhakatlou was officially opened. Giving young people in Kgatelopele a safe space for sports recreation.

Service delivery improvements and Projects

The municipality completed several projects:

- Upgrading and construction of roads in the greater Danielskuil area.
- Eradication of conservancy tanks phase 2.
- Paving of municipal parking lot.
- Refurbishment of water reservoir.

The municipality recorded steady progress in the last quarter of the year, with Service Delivery and infrastructure at 55% and Spatial Development and Transformation at 67% fully effective. Municipal Financial Stability reached 54%, Institutional Transformation achieved 64% and Local Economic Development met all its target set for the 4th quarter. Good Governance and Public Participation performed strongly at 76%, reflecting strengthened community engagements and oversight.

Land Release:

The municipality availed 20 residential stands for sale to the community, supporting housing development in Kgatelopele. A total of 3000 sites (erfs) has been identified for future development. This will be a mixed-use housing project, designed to cater for different community needs. The plan includes low-income and middle-income housing, church stands, business sites, parks, institutional sites and areas for municipal use.

Public Participation:

We involved the community through IDP meetings, ward community meetings, stakeholder engagements and outreach programmes. These platforms helped us to listen to residents, address concern, and improve service delivery.

In conclusion the municipality remains committed to responsible Governance and continued service to the people of Kgatelopele. We look forward to strengthening this work in the new financial year.

Signed by: _____

Honourable Mayor Irene Williams

COMPONENT: B MUNICIPAL MANAGERS FOREWORD

3.1.1 MUNICIPAL MANAGER OVERVIEW



This Annual Report presents the performance of the Municipality for the period 1 July 2024 to 30 June 2025. It has been prepared in accordance with the Local Government: Municipal Systems Act, No. 32 of 2000, the Local Government: Municipal Finance Management Act, No. 53 of 2003, and all relevant regulations.

The report provides a comprehensive account of the Municipality's achievements, challenges, and progress in fulfilling its mandate. It also reflects our commitment to transparency, accountability, and good governance, ensuring that residents, stakeholders, and oversight bodies are fully informed about the Municipality's performance, service delivery, and financial management.

The year 2024–2025 was marked by both successes and challenges, and this report highlights a number of significant achievements across the organisation. While many milestones were reached, it is particularly important to note the organisational shifts that have strengthened our ability to deliver on our mandate with greater efficiency and effectiveness.

During the financial year under review, we made important strides, including:

Governance and Political Stability

Kgatelopele local Municipality continues to enjoy political stability under the leadership of a coalition comprising the African National Congress (ANC) and PATRIOTIC ALLIANCES (PA). This collaborative governance arrangement has enabled the municipality to maintain steady progress in delivering services to the community. Public participation remained central to the municipality's decision-making processes.

In October and November, the Mayor convened a series of community meetings to allow residents to influence and shape the 2025/2026 budget. During these engagements, community members raised specific issues affecting their respective wards, ensuring that the budget responds directly to local needs.

Labour relations

Management also maintained a harmonious relationship with organised labour, fostering a stable and cooperative working environment. The municipality's commitment to good governance and accountability in respect of MIG Expenditure, was further recognised through the achievement of one prestigious SALGA Awards.



Infrastructure and Service

Delivery Significant strides were made in strengthening infrastructure and improving basic services. The municipality has replaced all damage meters and straight connections with conventional domestic meters and undertook the installation and replacement of zonal, industrial, and residential bulk water meters.

To further enhance the bulk water, supply the municipality has applied to National Treasury under RT29 for a grant, for the installation of prepaid water metering in the area. If the project is successful then it further means that the municipality will be able to collect more revenue than it collected on water supply presently.

To further enhance our water sources, the municipality has registered a project at MIG for the provision of bulk water supply, which was roll out in 2024.

Further, the municipality has place stand pipes in the informal settlement to ensure supply of water to the community. With the assistance of Finch Mine, the municipality has provided communal chemical toilets in the informal settlements.

A total of R58mil was allocated by WSIG to eradicate the septic tanks in Danielskuil. The department of water and sanitation has provided a further reallocation for the upgrade of the Rhodes Pumpstation, to increase the capacity of the pump to carry the amount of sewerage after the eradication of septic tanks has been completed.

Further the municipality has also completed the roads or street project to wit R23mil funded by MIG, within the Kuilsville area.

Social Development and Pro-Poor Initiatives

Kgatelopele Local Municipality, continued to prioritise its pro-poor agenda, ensuring that the most vulnerable residents received essential support. A total of households were registered in the indigent programme, receiving a 100% subsidy for rates, sewerage, and refuse removal. In addition, each household benefited from 50 kWh of electricity and 6 kilolitres of water per month. These interventions reflect the municipality's ongoing commitment to alleviating poverty and improving the quality of life for disadvantaged communities.

Financial Sustainability and Accountability

The municipality remained financially sound during the period under review. A 70% revenue collection rate was achieved through the consistent application of the Credit Control Policy, underscoring Kgatelopele Municipality's disciplined financial management practices. Spending on conditional grants was equally impressive, reaching 100%. The Kgatelopele Local Municipality has submitted a fully funded budget.

Financial governance.

Efforts to support local economic development also bore fruit, with an improved rate of awarding procurement orders to local businesses. Furthermore, the municipality's main creditors are Eskom, Department of Safety and Security and AGSA. The Municipality is committed to settle these accounts within a three (3) year period. This not only improved financial sustainability but also ensured uninterrupted electricity supply to residents and businesses.

In conclusion

Kgatelopele Local Municipality is proud to have achieved an overall annual performance score of 81%, a clear reflection of the municipality's commitment to service delivery and governance excellence. While this represents a significant accomplishment, management recognises that there are departments that have not performed at the desired level. Focused interventions and targeted support will therefore be implemented to strengthen these areas, ensuring improved results in the coming year.

We extend our sincere gratitude to the residents of Kgatelopele Local Municipality, Councillors, Ward Committee members, our partners, and the Senior Management Team together with their dedicated staff for their unwavering support and collaboration in achieving these milestones.

Together, we remain committed to building a vibrant, inclusive, and prosperous municipality for all.



ADV. W. BLUNDIN

MUNICIPAL MANAGER

3.1.8 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

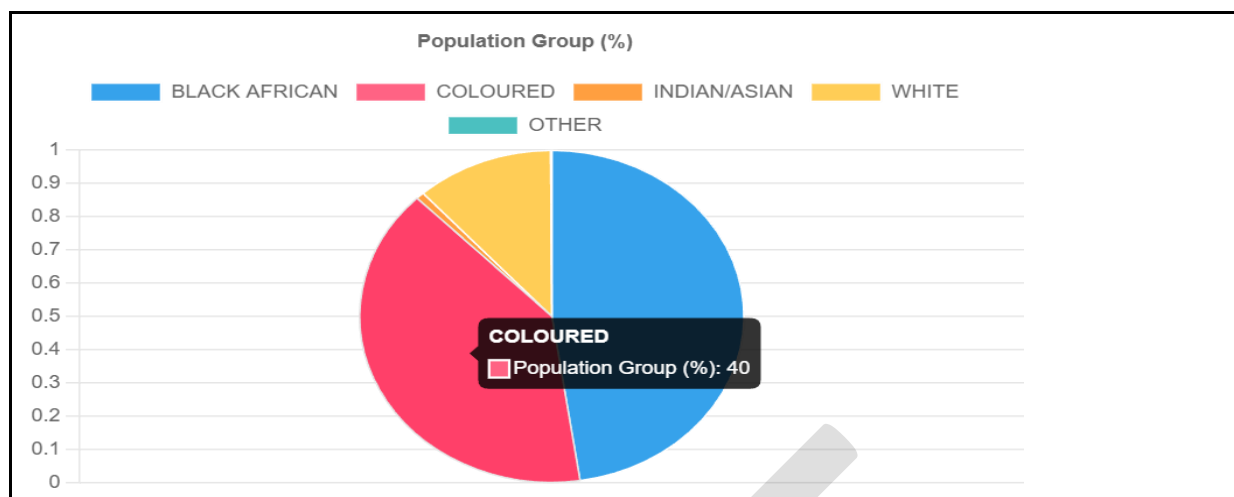
DEMOGRAPHIC PROFILE

Kgatelopele Local Municipality falls under ZF Mgcawu District Municipality. The municipality is bordered by Ga-Segonyana LM on the north, on the west it is Tsantsabane LM, east it is Dikgatlong LM and South it is Siyancuma LM. The municipal area is divided into 6 wards and has 2 towns which are Danielskuil and Lime Acres. The administrative town of the municipality is Danielskuil. Kgatelopele Local Municipality consist of Danielskuil, kuilsville, Maranteng, Tlhakatlou, Lime Acres and the surroundings farms. The municipality's name is Kgatelopele, is a Setswana name which means moving forward. The municipality is situated 154km west of Kimberley and 91 km to Kuruman.

TABLE FOR POPULATION GROUP OF KGATELOPELE MUNICIPALITY

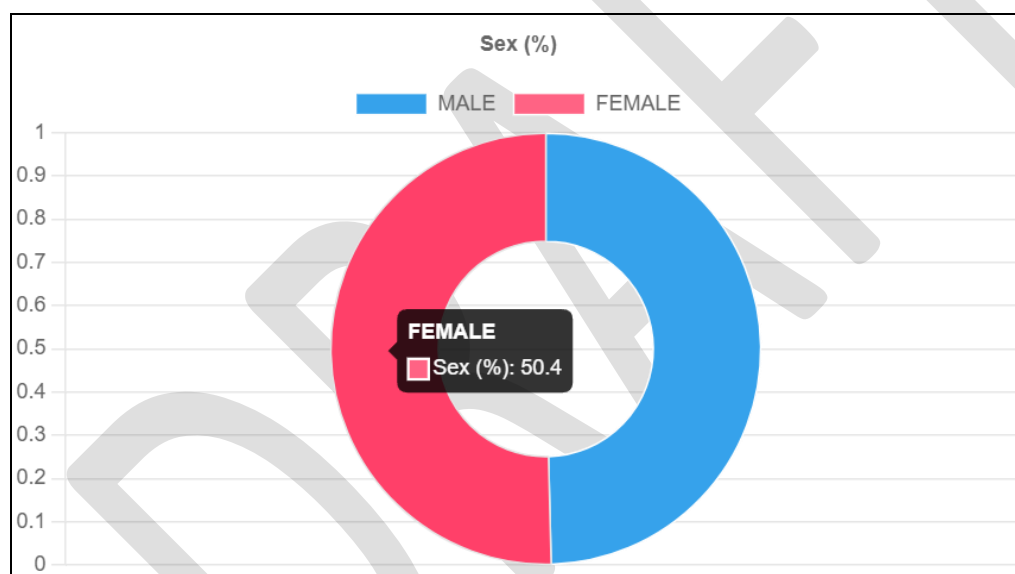
Name	Frequency	%
BLACK AFRICAN	9 464	47,7%
COLOURED	7 945	40,0%
INDIAN/ASIAN	134	0,7%
WHITE	2 297	11,6%
OTHER	12	0,1%

Population group of Kgatelopele municipality in percentages



Source: Stats SA Census 2022

Sex in percentage

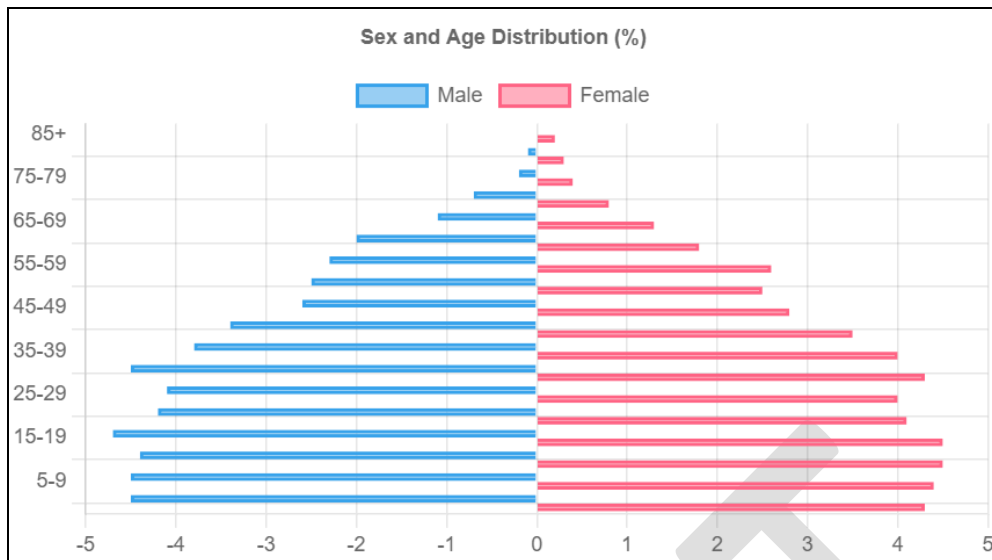


Source: Stats SA Census 2022

Table of sex in %

Name	Frequency	%
MALE	9 841	49,6%
FEMALE	10 012	50,4%

Sex and Age distribution in %



Source: Stats SA Census 2022

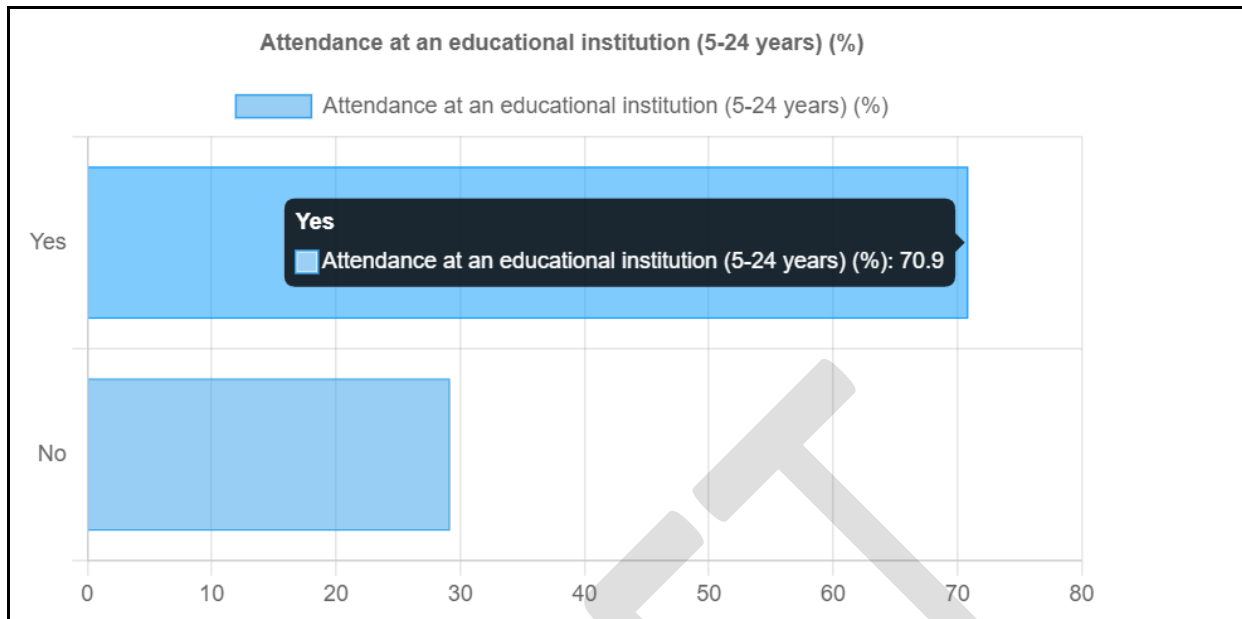
Table for Sex and age distribution for Kgatelopele municipality

Name	Male	Male (%)	Female	Female (%)
85+	4	0,0%	37	0,2%
80-84	18	0,1%	51	0,3%
75-79	46	0,2%	84	0,4%
70-74	145	0,7%	167	0,8%
65-69	218	1,1%	262	1,3%
60-64	388	2,0%	350	1,8%
55-59	452	2,3%	525	2,6%
50-54	494	2,5%	501	2,5%
45-49	508	2,6%	556	2,8%
40-44	675	3,4%	704	3,5%
35-39	752	3,8%	793	4,0%
30-34	895	4,5%	845	4,3%
25-29	818	4,1%	795	4,0%
20-24	837	4,2%	820	4,1%
15-19	932	4,7%	893	4,5%
10-14	882	4,4%	897	4,5%
5-9	891	4,5%	876	4,4%
0-4	885	4,5%	856	4,3%

Source: Stats SA Census 2022

EDUCATIONAL LEVEL

Attendance at an educational institution (5-24 years) in percentage



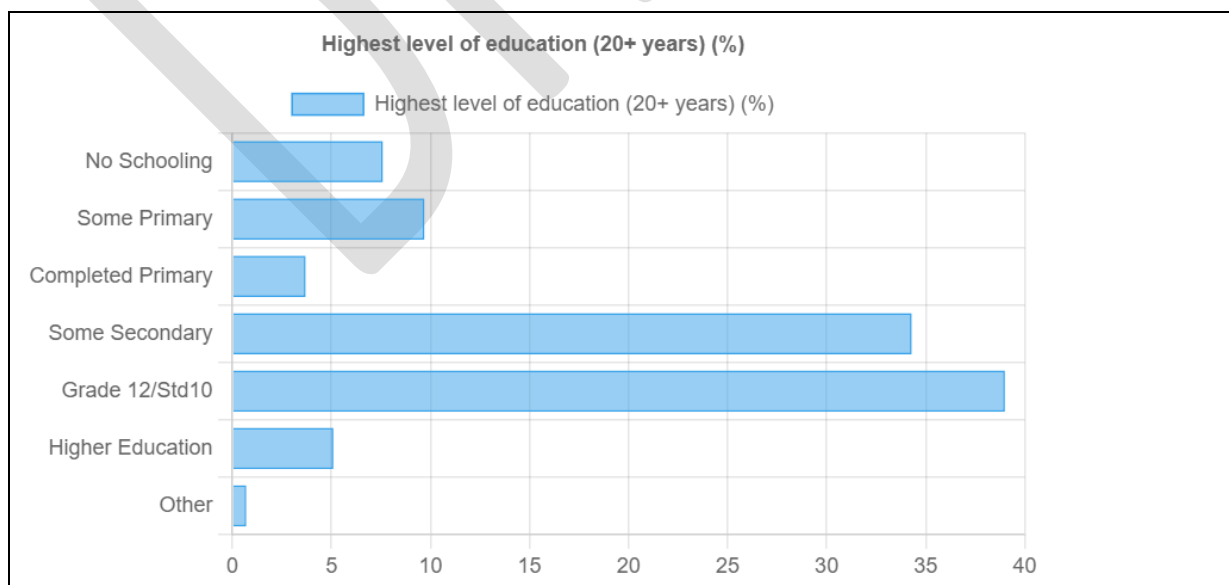
Source: Stats SA Census 2022

Table for attendance at an educational institution (5-24 years)

Name	Frequency	%
Yes	4 812	70,9%
No	1 980	29,2%

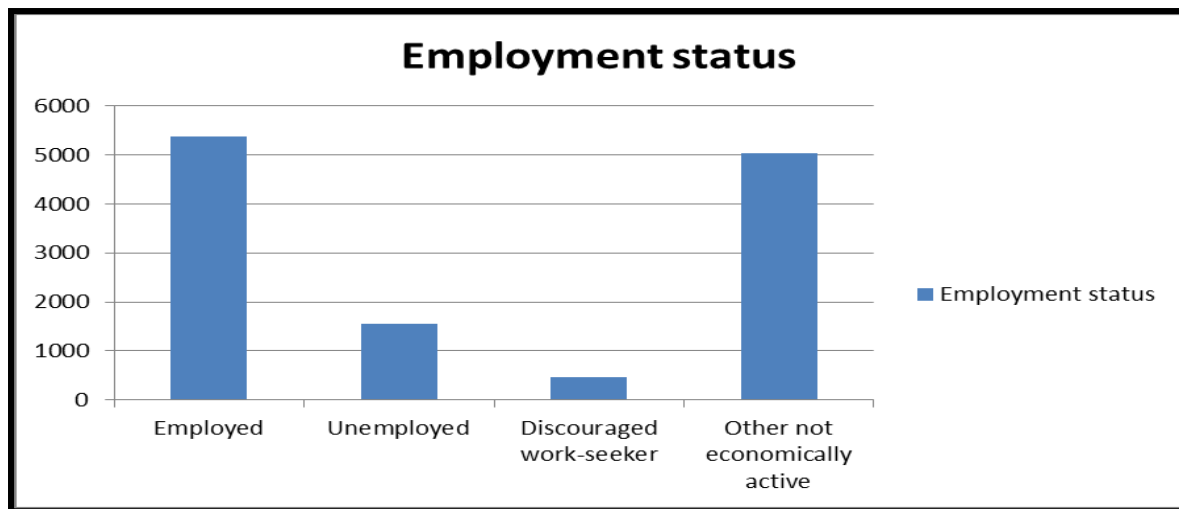
Source: Stats SA Census 2022

Highest level of education (20+ years) in percentage



Source: Stats SA Census 2022

EMPLOYEMENT LEVEL



1.3 SERVICE DELIVERY OVERVIEW

1.3.1. Water

Section 27(1)(b) of the Bill of Rights provides that ‘everyone has the right to have access to sufficient water’, and section 27(2) obliges the state to take reasonable legislative and other measures, within its available resources, to achieve the progressive realization” of everyone’s right of access to sufficient water” (Basic Sanitation Guideline in South Africa, 2011: 20). A Water Services Authority (WSA) refers to a municipality’s responsibility to ensure access to water services. WSAs derive their authority from the Municipal Structures Act. The water service authority is the Kgatelopele Local Municipality.

Chapter 4 of the National Development Plan (NDP) envisages a South Africa that recognizes the importance of secure and equitable access to water and sanitation as catalysts for socioeconomic development. In line with this vision, over the medium term, the Municipality seeks to focus on developing and investing in water infrastructure, improving planning in and regulation of the water sector, and monitoring and protecting Danielskuil’s water resources as the main source of supply in the area.

The following key performance activities were used to evaluate the Unit's performance during the 2024/25 fiscal year:

- Sewer Blockages (Reticulation lines),
- Water Meters,
- Water Quality,
- Maintenance of Sewer Pumpstations,
- Drains.

Water Meters

Both conventional and prepaid meters have been installed in Kgatelopele Local Municipality's inhabitants as of late. By installing these prepaid meters, the municipality hopes to cut down on water losses while also making it easier for homeowners to keep track of their water usage and pay their bills.

Water Quality

It is impossible to overstate the significance of having access to potable clean water because a lack of it may lead to many health-related problems. The city collects water samples every month and sends them to a lab for analysis in an effort to guarantee that all inhabitants have access to safe water. The municipality has always complied with the requirements of South African National Standard (SANS) 241-1:2015 over the years, using the 19 sample locations that have been designated.

The acceptable drinking water quality is described in this section of SANS 241 in terms of microbiological, physical, aesthetic, and chemical factors. A lifetime consumption of water that conforms with this section of SANS 241 is considered to constitute an acceptable health risk. For this reason, the municipality received the famous Blue Drop accreditation, making it the best performer in the province in terms of the provision of drinking water with a compliance rate of 99.9%. By putting procedures in place for monthly reporting of its water quality data on the Regulatory Information System (IRIS), the Municipality hopes to obtain that status once more.

Sewage blockages

There are now 10 sewer pumpstations in the Municipality that feed into the main line that directs water to the oxidation pond. In Kgatelopele, which has a population of 20,000, 11,000 houses have access to waterborne sanitation facilities. Sewer obstructions come in two varieties: Blockages in the main sewer line and the private pipe that connects your house to the main line of sewage. According to tradition, the Municipality often responds to obstructions related to the aforementioned circumstance.

1.3.2. Electricity

The existing 22kV Daniëlskuil, Kuilsville and Tlhakatlou under the Kgatelopele Municipality's main intake is at the Ouplaas 88/22kV Substation, as the existing 22kV infrastructure does not have adequate capacity to accommodate any further development within Kgatelopele Municipality. Development in Daniëlskuil constitutes of mostly domestic/residential and commercial expansion because of the mining activities in the surrounding area of the town.

The Ouplaas Substation consists of 2 x 10 MVA 132k/22kV transformers which supply the Kgatelopele Municipality via the Daniëlskuil 22kV feeder (at an NMD of 5MVA) and the Idwala Lime Mine (at NMD 15MVA). The MV & LV network being supplied by the Ouplaas Substation via the Daniëlskuil 22kV feeder. The Daniëlskuil 22kV feeder supplies 3578 customers, of which are made up of residential customers, local business customers and other customers (clinics, libraries, municipal offices etc.)

Electricity unit is facing the following challenges:

- Cable theft & vandalism of pillar boxes,
- By-passing of electrical meters & aged infrastructure,
- Insufficient budget to undertake consistent maintenance,
- insufficient supply from ESKOM, un-firm electrical capacity in our substation,
- Increasing cost of electricity supply

Kgatelopele Local Municipality efforts in trying to ensure suitable provision of electricity services includes the following initiatives:

The Electrical Master Plan that was developed during the 2024/2025 Financial year in order to guide the implementation of the electrical projects.

3524 households are connected to electricity and a total number of 3289 households have been registered for prepaid meters and 235 conventional meters for use of electricity as a source of energy for lighting this initiative was introduced in order to test its feasibility.

The following outlines the Units' performance in terms of;

- Planned power outages
- Meter inspections
- HV-electrical network
- LV-electrical network
- Illegal connections inspections
 - Inspection of illegal supply to informal settlements
- Street lighting
 - Repair of street lights and highmast lights
- Sewer pump stations-repairs
 - Reset circuit breakers
 - Cleaning panels
 - Replacement of level switches
- Water pump stations-repairs
- Inspection and cleaning of panels

1.4 FINANCIAL WEALTH OVERVIEW

Expenditure

In the 2024/25 financial year the municipality remains committed to this objective, to ensure creditors are paid within 30 days. We need to start prioritising expenditure and reduce the nice to have expenditure. Expenditure should be incurred in a manner where service delivery is prioritised

Creditors analysis

Accounts Payable Age Analysis								
Kgatelopele Local Municipality								
Exclude Zero Balances							Report Date:	2025/06/30
Accounts Payable Age Analysis							Page 1 of 2	
Supplier	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
PAC0001 (C PAC PUMPS AND VALVES)				1 046.50				1 046.50
ANN0002 (ANNIE'S HOUSE)	12 800.00							12 800.00
AUD0003 (AUDITOR GENERAL OF SA)	11 899 829.60	267 963.68	113 294.97	116 895.35	107 728.85		219 812.32	12 725 544.77
BAR0008 (Barons Kuruman)		6 321.80						6 321.80
BCX0001 (BCX CSIF SERVICES)							1 023.50	1 023.50
BES0002 (BEST ENOUGH TRADING AND PROJECTS 412)	(13 755.15)							(13 755.15)
BID0003 (Bidvest waitons Work school life)	1 051.75							1 051.75
CAL0002 (CALMDY CONSTRUCTION AND PROJECTS)							106 615.99	106 615.99
CCG0001 (CCG SYSTEMS)	741 494.04					46 500.00	116 587.00	904 581.04
CIG0002 (CIGI CELL)	258 796.47		794 520.97	67 591.11	70 087.13	906.60	135 101.31	1 327 003.59
DEP0004 (DEPARTMENT OF SAFETY & LAISON)	7 145 278.09				190 373.10			7 335 651.19
ESK0001 (ESKOM HOLDINGS)	25 543 355.46	1 264 026.04	528 052.08	3 114 478.60	2 860 723.69	3 188 232.57	3 716 284.65	40 215 153.09
ESK0002 (ESKOM HOLDINGS)	1 534 928.07							1 534 928.07
SPA0001 (GERHARD JOHANNES SPANGENBERG)					34 068.75		34 068.75	68 137.50
GIV0002 (GIVAH CONSTRUCTION)							759.00	759.00
HAA0002 (HAAI E)	1 236.55							1 236.55
HOR0003 (HORISON MEDIA)							9 000.00	9 000.00
INF0002 (INFRADEC ADVISORY)							370 469.85	370 469.85
JUT0001 (JUTA AND COMPANY)							746.00	746.00
KON0001 (KONICA MINOLTA SOUTH AFRICA ado BIDVEST OFFICE PTY LTD)							2 284.67	2 284.67
MVD0001 (M V D KALAHARI)					196 079.49		322 012.04	518 091.53
MAI0003 (MAINE MANAGEMENT & CHARTERED ACCOUNTANT)	67 914.47							67 914.47
MBU0001 (MBUMAHALA CONSORTIUM)	(940.00)							(940.00)
MOG0004 (MOGALAGOALA O K)							567.00	567.00
MOS0009 (MOSALAKAE C)	1 495.00							1 495.00
MVD0002 (MVD KALAHARI)							906 813.37	906 813.37
MYN0001 (MYNHUIS RESTAURANT)	573.30						560.50	1 133.80
NOR0013 (NORTHERN CAPE BUSINESS FACILITIES)	4 000.00							4 000.00
OKF0003 (OK FOODS DANIELSKUIL)							7 582.33	7 582.33
TFC0001 (PEG RETAIL OPERATIONS)							3 481.09	3 481.09
POW0001 (POWER SOLUTIONS)							48 587.50	48 587.50
* RON0002 (RONEL HAAI)	700.00							700.00
SEB0007 (SEBOTIME)				362 250.00		473 760.54	350 963.54	1 186 974.08
SAL0007 (South African Local Government Association)	7 205.00					8 250.00		15 455.00
STE0006 (STERLIN SECURITY SERVICES)	46 588.50						22 633.46	69 221.96
SUM0004 (SUMMAT TRAINING INSTITUTE)	64 718.22							64 718.22
TAA0001 (TAANIL CONSTRUCTION)							207 000.00	207 000.00
TEL0002 (TELKOM SA)						16 991.05	18 418.63	35 409.68
TOT0001 (TOTAL GEO-SPATIAL INFORMATION SOLUTIONS)						26 386.11	26 386.11	52 772.22
DRH0001 (Transport - Driving License Card Account)					4 582.00		3 081.00	7 663.00
TRA0007 (TRAVELSTART ONLINE TRAVEL OPERATIONS)	(720.00)							(720.00)
VVH0001 (V & V HARDWARE)					1 402.60		794.90	2 197.50
Totals:	47 316 549.37	1 538 331.52	1 435 868.02	3 662 261.56	3 465 045.61	3 761 026.87	6 631 634.51	67 810 717.46
% of Balance:	69.78	2.27	2.12	5.40	5.11	5.55	9.78	

Table Analysis:

The above table present individual and consolidated amount of money we owe our creditors starting at the time goods and services were procured and capture in the system to date.

Note:

The total amount of money owed to our creditors is R74 710 765.43 as 30 June 2025. It is clear to see that our expenses keep on growing by more than 10k per quarter and needs serious intervention. Outstanding creditors has increased with R34 044 466.03 as the balance of June 2024 was R40 699 299.40

Quarter 1	Quarter 2	Quarter 3	Quarter 4
R38 148 512.96	R41 967 466.79	55 393 839.99	74 710 765.43

The main creditors for the month amount to:

Creditor	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Department of Safety	7 104 950.59	7 145 278.09	7 145 278.09	7 335 651.19
AG	7 697 130.08	7 407 788.68	12 392 293.90	12 725 544.77
Eskom	21 310 682.32	23 302 708.10	33 110 093.11	45 220 310.14
	36 112 762.98	37 855 774.87	52 647 655.10	65 281 506.10

1.5 AUDITOR GENERAL REPORT

1.5.1 AUDIT OUTCOME / OPINION

The municipality has obtained a qualified audit opinion on the annual financial statements for year ending 30 June 2025. This is similar to the opinion of the prior year. Material instances of non-compliance have been identified and material findings as well have been reported for performance information. This was due to inadequate action taken by management in addressing issues previously raised by the AGSA in all three areas as some of the issues identified in the current are similar to those of the previous year(s). Recommendations of the AGSA have not been fully implemented.

1.5.2 INTERNAL CONTROLS

We identified significant internal control deficiencies in financial recordkeeping and the financial statement preparation and related business processes, which caused the misstatements or could cause misstatements in future.

- Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.
- Inadequate or proper review of the AFS was not done.
- The performance management system and related controls were inadequate as it did not describe how the performance monitoring, measurement, review /and reporting processes should be conducted and managed, as required by municipal planning and performance management regulation (Various AOPO findings).

The findings identified above are what lead to material findings to be reported under performance information. The absence of reliable, accurate, and transparent performance reporting hinders the municipality for reporting accurately the services being delivered and measures of the municipality's performance in efficient manner.

CHAPTER 2 – GOVERNANCE

2.1.1 COMPONENT A – POLITICAL AND ADMINISTRATIVE GOVERNANCE

The municipality has a political and administrative component; the section below will give an analysis of the two and how they operate in making sure that the developmental mandate is achieved. The Municipal Elections took place on 01 November 2021 where different political organizations elected its representatives to contest into the elections for the next 5 years, and different organizations did part take and the outcome of the elections came out different whereby the then regime (ANC) which led Kgatelopele Council for the past years formed a collision with newly formed political organization known as Patriotic Alliance (PA) , Democratic Alliance (DA) has 2 seats ,whereas Economic Freedom Fighter (EFF) and Freedom Front Plus (FFP) has obtained 1 seat and the new regime was then inaugurated into office to take over the Municipal Council for a Period of five (5) years. The council has changed from the original council elected in November 2021 Elections, as a result some councillors resigned and were replaced. The Municipality is currently running the political structures of the Municipality in collision between African National Congress (ANC) and Patriotic Alliance (PA).

2.1.2 POLITICAL GOVERNMENT

The municipality is led by a Council, which performs both legislative and executive functions

The Council for the 2023/24 financial year was led by the Hon. Mayor Cllr I. Williams

NO	NAME & SURNAME	POSITION	POLITICAL PARTY	WARD/PR	GENDER
1.	Irene Nona Williams	Mayor	African National Congress (ANC)	Ward 5 Cllr	Female
2.	Mosala George Leutlwetse	Speaker	African National Congress (ANC)	Ward 1 Cllr	Male
3.	Ronell Haai	Council Whip	African National Congress (ANC)	Ward 2 Cllr	Female
4.	Jan Slinger	Council member	African National Congress (ANC)	Ward 4 Cllr	Male
5.	Denys Pienaar	Council member	African National Congress (ANC)	Ward 6 Cllr	Male
6.	Anna Van Zyl	Institutional Committee Chairperson	Democratic Alliance (DA)	Ward 3 Cllr	Female
7.	Dorcas Burger	Council member	Democratic Alliance (DA)	PR Cllr	Female
8.	Frikkie Sebelego	Technical, Infrastructure & Community Services Chairperson	Patriotic Alliance (PA)	PR Cllr	Male
9.	Sylvester Vukeya	Municipal Public Accounts Committee (MPAC) Chairperson	Patriotic Alliance (PA)	PR Cllr	Male
10.	François Maritz	Council member	Freedom Front Plus (FFP)	PR Cllr	Male
11	Govern Letlhogonolo Teteme	Council member	Economic Freedom Fighters (EFF)	PR Cllr	Male
	Total No of Cllrs: 11				4x Female 7x Male

2.1.3 COUNCIL MEETINGS

The following reflect the number of Council meetings that took place in the year 2024/2025:

(04) Normal Council Meetings

(06) Special Council Meetings

2.1.4 PORTFOLIO AND COMMITTEES / SECTION 79 & 80 COMMITTEES

Council has also established committees to ensure its effectiveness in terms of Section 79 and 80 of the Municipal Structures Act 1998.

- Finance Committee
- Institutional Committee
- Technical Committee
- Audit, Risk and Performance Committee
- MPAC

2.1.5 DIRECTORATE

Technical, infrastructure and Community services Directorate

This directorate's main functions are to see to it that residents have basic services.

The Unit headed by the Technical and Community Services Manager. The unit is responsible for:

- Basic Services
- Management & Maintenance of all infrastructure
- MIG Projects
- Coordinating the building of houses
- Library services
- Housing administrator
- Traffic services

- Town Planning, Land Use Management and the SDF
- Waste Management

Financial Management Directorates

This directorate is responsible for the financial management of the municipality, putting systems in place for proper financial management and managing the inflow and outflow of money in the municipality. This Unit has been headed by Chief Financial Officer. The Unit is responsible for the following:

- Financial systems
- Budget and treasury
- Revenue/Income
- Expenditure
- Assets Management
- Waste Management

Financial Management Directorates

This directorate is responsible for the financial management of the municipality, putting systems in place for proper financial management and managing the inflow and outflow of money in the municipality. This Unit has been headed by Chief Financial Officer. The Unit is responsible for the following:

- Financial systems
- Budget and treasury
- Revenue/Income
- Expenditure
- Assets Management

2.1.6 ADMINISTRATIVE GOVERNANCE

The Municipal Finance Management Act section 60 (b) states that the Municipal Manager of a municipality is the accounting officer of the municipality for the purposes of this Act and must provide guidance on compliance with Act to political structures; political office bearer, and any entity under the sole or shared control of the municipality. Top level structure of Kgatelopele local municipality is as follow:



COMPONENT B -INTERGOVEMENTAL RELATIONS

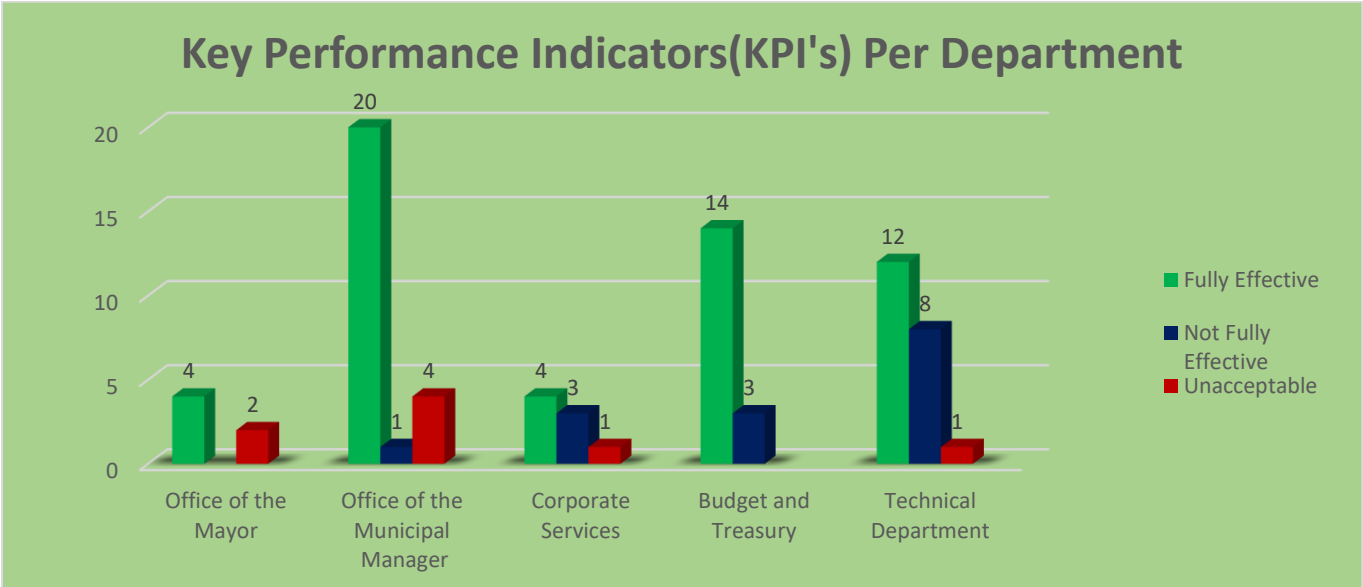
2.1.7 INTERGOVEMENTAL RELATION

There is a need to coordinate and integrate activities of government in delivering services to the communities and that forms the basis because intergovernmental relation is crucial. The need for the three spheres of government to work together is a Constitutional obligation reconfirmed by various pieces of legislations. The Intergovernmental Fiscal Relation Act, of 1997, Section 4, provides that all spheres of government to facilitate coordination in the implementation of policy and legislation in cooperate with one another in mutual trust and good faith by.

- Fostering friendly relations
- Assisting and supporting one another
- Informing one another of; and consulting one another on matters of common interest
- Coordinating their actions and legislation with one another
- Adhering to agreed procedures; and
- Avoiding legal proceedings against one another

Kgatelopele Local Municipality is instrumental in the process of Intergovernmental relations by participating in various legislated forums i.e., District Intergovernmental Forum and Premiers Intergovernmental Forum, and attendance hereby attested.

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE



Technical Department (Service Delivery and Infrastructure Development)

The Technical and community services had 21 targeted KPI's for the year of which 12 were fully effective, 8 not fully effective whereas 1 unacceptable.

3.1.1 WATER AND SANITATION SERVICES

Introduction

Kgatelopele Local Municipality is a Water Services Authority responsible for providing water supply and sanitation to its community. The municipality serves a population of about **19,854** people (5,286 households) as of 2022. Major settlements include Daniëlskuil and Lime Acres, with several smaller villages and rural areas. Kgatelopele is **entirely reliant on groundwater** (boreholes) for its water supply, as it **does not make use of any bulk water supplier**. This means the municipality must pump, treat, and distribute its own water – a process that carries high operational and maintenance costs due to the energy use and upkeep of pump infrastructure. Despite these challenges, the municipality continues to strive toward its service delivery targets as outlined in its Service Delivery and Budget Implementation Plan (SDBIP) and Integrated Development Plan (IDP). This report, compiled in line with MFMA Circular 63 guidelines for public accountability, highlights the 2024/25 performance in water

and sanitation services, noting key achievements, challenges, and comparative progress over time.

3.1.2 WATER SUPPLY PROVISION AND PERFORMANCE

Access and Infrastructure: Kgatelopele has made significant progress in ensuring residents have access to safe drinking water. Approximately **73% of households have piped water inside their dwellings**, up from 67% in 2016. Nearly all other households have access to piped water on their property or within 200 meters – as of 2022 only about **20 households (0.4%) lacked on-site water**, relying on nearby communal taps in informal settlements. By 2021/22 the municipality was providing water to **5,694 consumers** (household and non-domestic connections) across the area, indicating virtually universal coverage at basic service level. This extensive reach is a positive outcome of ongoing infrastructure investments. The municipality operates numerous **boreholes and pump stations** to abstract groundwater. However, many of these assets are aging and have been prone to breakdown, periodically affecting water supply reliability. High electricity costs and mechanical wear from continuous pumping impose a heavy burden on the operating budget.

Water Quality (Blue Drop): Ensuring safe drinking water is a top priority and a key performance indicator. The SDBIP target for 2024/25 was to achieve **12 compliant monthly water quality tests (SANS 241 standard) for the year**, meaning each month's samples should meet South African drinking water standards. Historically, Kgatelopele excelled in this area – the municipality's **Blue Drop score in 2017 was 99%**, reflecting excellent drinking water quality management at that time. However, in recent assessments the water quality has faced challenges.

The **2023 Blue Drop Watch Report** flagged that Kgatelopele's drinking water **did not** meet microbiological safety standards, indicating occasional contamination issues. Indeed, the national Department of Water and Sanitation listed Kgatelopele as one of the "critical" performers in its 2023 Blue Drop report (as well as 2022 Green Drop report for wastewater). In practice, this has meant that while daily operations include chlorination and regular sampling, some samples (e.g. for E. coli or total coliforms) have fallen outside acceptable limits, posing health risks.

The municipality acknowledges this challenge and has put in place a **Blue Drop improvement plan** focusing on operational fixes and monitoring. Monthly water samples are tested through accredited labs, and any failures prompt immediate remedial actions such as network flushing and dosage adjustments. To improve compliance, Kgatelopele is exploring enhancements to its water treatment process (for example, optimizing disinfection) and better protection of boreholes from contaminants. Additionally, to manage water demand and system losses, the municipality plans to **roll out prepaid water meters** starting in the 2026/27 financial year. This initiative will not only help curb non-revenue water and leaks but also ensure more sustainable consumption – ultimately contributing to consistent pressure and quality across the network. Despite current setbacks in meeting Blue Drop criteria, Kgatelopele's commitment is evident: regular testing is being maintained and infrastructure upgrades are underway, laying the groundwork to **restore full compliance** and safeguard public health.

Service Delivery to Indigent Households: In line with its pro-poor policies, the municipality provides **free basic water** (6 kl per household monthly) to registered indigent households. The reach of this program has expanded over the years. For example, the number of households benefiting from free basic water increased from about 1,230 in 2017 to roughly **1,993 households by 2022**. This reflects improved indigent registration and the municipality's efforts to ensure that low-income families receive at least a basic supply of clean water at no cost. The indigent support helps relieve vulnerable residents while fostering a culture of payment among those who can afford services, thereby improving overall revenue stability. Notably, the municipality's **collection rate for services remains a challenge** (around 71% as of mid-2024), which affects funds available for maintenance. The planned prepaid meter project and debt write-off for indigent arrears are part of the strategy to improve cost recovery and reinvest in water infrastructure. This balance of social support and financial sustainability is critical for maintaining the water supply system going forward.

3.1.3 SANITATION SERVICES PROVISION AND PERFORMANCE

Access and Infrastructure: Kgatelopele provides sanitation services throughout its jurisdiction, primarily via water-borne sewerage systems in urban areas. Thanks to past investments, **about 5,016 households (~95%) have access to flush toilets connected to a sewer network** as of 2022. The remaining households use acceptable alternatives – roughly 270 households use other toilet types (e.g. VIP pit latrines or septic tanks) and a small number (approximately 500 households in informal settlements) initially had no formal sanitation on site. To address the needs of those without direct access, the municipality partnered with the private sector; notably, **Petra Diamonds mine assisted by installing 12 communal ablution toilets** for informal settlement communities lacking sanitation. This intervention has provided interim relief while more permanent solutions are being developed. Sewerage services in Kgatelopele include a network of pipelines, **five sewer pump stations**, and an oxidation pond-based **wastewater treatment works (WWTW)** in Daniëlskuil. The municipality also operates **honey sucker vacuum trucks** (three in total) to empty septic tanks or VIPs and to respond to sewer blockages/overflows as needed. All formal townships in Daniëlskuil and Lime Acres are connected to the sewer system, and sanitation coverage in rural villages is being gradually improved with VIP toilets where appropriate. The sanitation service thus covers both urban and rural contexts, aiming for dignified sanitation for every household.

Wastewater Treatment and Green Drop: A significant challenge for Kgatelopele has been the capacity and performance of its wastewater treatment infrastructure. The main oxidation pond system in Daniëlskuil had, until recently, **reached full capacity**, constraining the municipality's ability to connect new households and effectively treat all sewage. This led to environmental issues – for instance, overloaded or aging infrastructure caused incidents of **effluent overflows** and spillage. In fact, a Green Drop Watch report classified Daniëlskuil's wastewater treatment system as “critical”, and there have been observations of problems such as the **Omega sewer pump station discharging untreated effluent into the Daniëlskuil Pan** (an environmental and health hazard). Recognizing the urgency, the municipality has taken decisive steps to improve wastewater treatment capacity and compliance. In the 2017/18 financial year, **a multi-phase project was initiated to expand the oxidation ponds**

and upgrade the WWTW. **Phase 1** of this project – construction of new oxidation pond capacity – has been **completed**, and **Phase 2 was completed during the 2019/20 financial year**. The new ponds have significantly increased the treatment volume, alleviating overloads on the old system. Importantly, with additional treatment capacity having come online, the municipality began **connecting over 200 previously unserved households** to the sewer network . By mid-2024, many of these homes have been linked to the existing sewer network as part of the ongoing project, improving their level of service.

Parallel to infrastructure expansion, operational measures have been strengthened. The municipality **procured a new honey sucker truck** to enhance maintenance – allowing more frequent desludging of septic systems and rapid response to blockages. Daily operation and maintenance routines are carried out by municipal technical staff, though limited human capacity means they are often stretched. Despite staffing constraints, critical tasks like pump station inspections, desludging of oxidation ponds, and sewer line repairs are conducted continuously to keep the system functional.

The **Green Drop compliance** (which assesses wastewater effluent quality and treatment works management) remains an area requiring improvement. Recent external assessments (2022) rated Kgatelopele’s wastewater services as poor, falling into the **“critical” category nationally**. **This was due to issues like** effluent quality standards not being met and incidents of uncontrolled discharges. **To turn this** around, the municipality has developed a Green Drop Improvement Plan focusing on: restoring capacity (via the new ponds), regular effluent testing and reporting to the regulator, and training of process controllers to ensure the treatment process is properly managed. The Northern Cape Provincial Government and the national Department of Water and Sanitation (DWS) have been involved in oversight – for example, the “Green Scorpions” environmental enforcement unit launched an investigation in 2024 into the Daniëlskuil sewage problems, which has spurred greater urgency in fixing non-compliances.

The municipality is cooperating fully and using the findings to direct further action (such as repairing the faulty Omega pump station and preventing any sewage bypass into the environment). By the end of 2024/25, with the expanded oxidation ponds and network upgrades, Kgatelopele expects a marked improvement: the goal is to achieve consistent treatment of all wastewater to within regulated standards**, eliminating illegal discharges and moving the Green Drop score out of the critical range. While challenges remain, these mitigation steps are steadily addressing the legacy issues in the sanitation system.

3.1.4 HUMAN CAPACITY AND FINANCIAL CHALLENGES

Like many small municipalities, Kgatelopele faces **human resource constraints** in its technical departments. A limited number of qualified engineers and artisans are on staff, and key posts often suffer from high turnover or vacancies. This shortage of skilled personnel can slow response times to water leaks or sewer blockages and complicates the implementation of maintenance plans. Moreover, **ageing infrastructure** demands intensive upkeep – dozens of borehole pumps, valves, pipelines, and sewer pumps are past their design life – which in turn requires both expertise and funding. Financially, the municipality's low revenue base and historic under-investment have made it difficult to replace infrastructure at the pace it deteriorates. **Non-payment by some consumers and water losses** contribute to revenue shortfalls, straining the water services budget. Despite a collection campaign, **water losses (non-revenue water)** and illegal connections remain concerns, reflecting the need for better metering and community awareness. In 2024, the municipality's mid-year budget review showed that service charges for water and sanitation were under-performing against targets (e.g. water revenue 13% below projection), partly due to these losses and billing challenges. High electricity tariffs have also driven up the cost of running pump stations, forcing difficult trade-offs in the operating budget.

To tackle **human capacity issues**, the municipality has been investing in training for existing staff and has sought support from the ZF Mgcawu District and DWS for technical mentorship. Kgatelopele's 2024/25 SDBIP emphasizes building internal

capacity as a critical enabler for service delivery. In line with this, an **organizational redesign** is underway to strengthen the Technical Services Directorate – including filling critical vacancies for water plant operators and artisans. The municipality is also exploring partnerships with nearby mining companies and provincial government to supplement technical know-how when needed (for example, Petra Diamonds’ assistance not only in infrastructure but also potentially in operator training). **Financial mitigation strategies** have been implemented to improve sustainability: the introduction of prepaid water meters (as noted earlier) is expected to boost revenue collection and reduce bad debts. Additionally, Kgatelopele has negotiated payment arrangements to settle outstanding bulk electricity debts, to prevent service interruptions that could cripple water operations. On the capital side, the municipality has been effective in leveraging grants – it fully utilized conditional grants like WSIG and MIG in the 2023/24 cycle, ensuring no funds were forfeited. The **capital projects** (borehole upgrades, pipeline replacements, new ponds, etc.) funded through these grants directly address the infrastructure backlog. Going forward, Kgatelopele plans to improve its asset management by conducting regular condition assessments and refurbishments, thereby extending the life of existing assets in a cost-effective way.

3.1.5 KEY PERFORMANCE OUTCOMES 2024/25

Despite the hurdles, Kgatelopele’s performance in the **2024/25 financial year** shows a mix of encouraging progress and areas needing further work, as measured against its SDBIP Key Performance Indicators (KPIs):

- **Water Supply KPIs:** The municipality set a target of ensuring **12 out of 12 months of compliant drinking water quality** tests (SANS 241 standards). By year-end, it achieved the majority of these, though a few monthly samples fell short on microbial criteria (as discussed under Blue Drop). This partial compliance underlines the ongoing improvement efforts. On infrastructure, a KPI to **implement 100% of planned WSIG water projects by June 2025** was **successfully met** – all funded borehole and pump upgrades were completed on schedule. Additionally, water service coverage was maintained at ~99.6% of households (no increase in backlog), and the response time to major pipe

breaks averaged within 24 hours (meeting the internal standard). **Comparatively**, this represents an improvement over 2023/24, when some capital projects had rolled over and water quality compliance was lower. Furthermore, the initiative to begin a prepaid meter rollout was a new milestone in 2024/25, laying the foundation for better water demand management in future years.

- **Sanitation KPIs:** A key performance target was the **connection of the first batch of previously unserved households to the sewer system** following the WWTW upgrade. This target – connecting **391 households** – is on track, with the majority already connected and the remainder to follow as Phase 2 of the oxidation pond project concludes. The **completion of Phase 1 of the new oxidation ponds** by 2024 met its scheduled deadline, significantly expanding treatment capacity (this achievement is notable compared to the prior year when capacity constraints stalled new connections). Meanwhile, the municipality aimed to reduce the incidence of sewer spills by improving maintenance. Through vigilant operations and the new vacuum truck, reported sewage overflow incidents were reduced in 2024/25 (a handful of minor overflows occurred, but no major failures like those experienced in 2023). Effluent quality is gradually improving – tests show decreasing E. coli counts as the new ponds come online – though full compliance with Green Drop standards is a longer-term goal. **Customer service** indicators, such as clearing sewer blockages within 48 hours, were largely achieved, enhancing community satisfaction.

Overall, **performance against the SDBIP for water and sanitation has improved in 2024/25** relative to the previous year. Most **service delivery targets were met or nearly met**, and where gaps exist (e.g. water quality), clear remedial plans are being executed. The alignment between the SDBIP, the technical managers' performance contracts, and the budget was confirmed by the oversight committee, ensuring accountability for these outcomes. The municipality's concerted focus on its water and sanitation KPIs has yielded tangible results: critical projects are delivered, basic services have been maintained for all communities, and incremental improvements in quality and reliability are being realized.

Conclusion and Way Forward

In summary, Kgatelopele Local Municipality has continued to **provide essential water and sanitation services to its residents** in the 2024/25 period, with a generally positive performance despite facing significant challenges. **Demographically**, the community's needs are largely being met – virtually every household has access to clean water and decent sanitation, a foundational achievement that underpins public health and dignity. The municipality has demonstrated commitment to sustaining and improving these services: it has **invested in infrastructure upgrades (boreholes, pumps, treatment ponds)**, expanded service access to previously unserved areas, and maintained support for indigent households. These efforts have been undertaken while acknowledging and addressing the **challenges** of limited human capacity, aging infrastructure, and tight finances. Problems such as water quality non-compliance and wastewater spills have been frankly recognized, and concrete mitigation steps are in progress (from technical fixes to seeking external enforcement and support). It is also encouraging that Kgatelopele leverages partnerships – with government agencies, private sector (mines), and the community – to bolster its capabilities, as seen in the provision of communal toilets and assistance with resources.

Looking ahead, the municipality's goal is to **achieve full Blue Drop and Green Drop compliance** once again. This will involve finalizing the current infrastructure projects and then rigorously optimizing operations. Plans for the 2025/26 year include drilling additional backup boreholes to secure water supply, automating some water treatment processes for consistency, and continuous training of water plant operators on quality control. On the sanitation side, after the new oxidation ponds are commissioned, attention will turn to rehabilitating sewer reticulation lines and improving sludge management to ensure effluent meets standards. The introduction of **prepaid water meters and smart monitoring** in the coming year is expected to improve revenue and reduce water losses, directly increasing the funds available for maintenance and upgrades. Moreover, strengthening the technical team through new hires or secondments remains a priority to sustain these improvements.

In conclusion, Kgatelopele Local Municipality's water and sanitation services in 2024/25 have been marked by **steady progress** in infrastructure and service delivery performance, balanced with **transparent acknowledgement of challenges**. The

municipality is optimistic that with the measures in place – from capital investments to capacity building – it can overcome the remaining hurdles. By doing so, Kgatelopele aims to provide **reliable, safe drinking water** and **effective sanitation** to every resident, thereby improving quality of life and promoting sustainable development in the community. The Council and administration remain committed to these goals and will continue to report openly on performance, ensuring that public stakeholders are kept informed and involved in this vital service delivery journey. The strides made this year lay a firm foundation for even better outcomes in the years ahead, as Kgatelopele works towards a future of **Blue Drop excellence and Green Drop recovery** for the benefit of all its people.

3.2.1

3.3.1 ELECTRICAL SERVICE

Executive summary

The Electrical section falls within the Technical Services Directorate and is responsible for the provision of quality and sustainable electrical services to all customers within the Kgatelopele electrical distribution area. The functions of the electricity unit are to maintain the electrical infrastructure, monitor implementation of electrical projects, upgrading of dilapidated electricity infrastructure, reduction of electricity losses and improve quality of supply.

The existing 22kV Daniëlskuil, Kuilsville and Tlhakatlou under the Kgatelopele Municipality's main intake is at the Ouplaas 88/22kV Substation, as the existing 22kV infrastructure does not have adequate capacity to accommodate any further development within Kgatelopele Municipality. Development in Daniëlskuil constitutes of mostly domestic/residential and commercial expansion because of the mining activities in the surrounding area of the town.

The Ouplaas Substation consists of 2 x 10 MVA 132k/22kV transformers which supply the Kgatelopele Municipality via the Daniëlskuil 22kV feeder (at an NMD of 5MVA) and the Idwala Lime Mine (at NMD 15MVA). The figure 1 below is the MV & LV network being supplied by the Ouplaas Substation via the Daniëlskuil 22kV feeder. The Daniëlskuil 22kV feeder supplies ±3578 customer, of which are made up

of residential customers, local business customers and other customers (clinics, libraries, municipal offices etc.)

Kgatelopele Municipality is and has been supplied by Eskom at a Medium voltage supply of 22kV from Ouplaas 88/22kV substation. The municipality is currently being supplied from a single source POS i.e. no premium supply, and that would usually translate to the fact that any loss of supply from Ouplaas substation, whether through planned or unplanned outages will leave the municipality without any alternative form of electrical supply to its domestic, industrial and other customers. Due to vandalism the power stations are being damaged hence; municipality will increase security to monitor the power station. Furthermore, this loss of supply will also leave the municipality with the inability of being unable to maintain reliability and continuity of supply and that means loss of revenue to the municipality.



Infrastructure Upgrades and Maintenance

The annual report highlights that Kgatelopele undertook several initiatives to improve and maintain its electrical infrastructure. Key interventions in the 2023/24 period included the **replacement of aging transformers** and the **repair/replacement of prepaid electrical meters**, aimed at reducing faults and electricity losses. These maintenance efforts, along with routine inspections and network upkeep, have helped **limit electricity distribution losses**, which the municipality explicitly notes were curtailed during the year. Additionally, a draft **Electrical Master Plan** was developed in 2023/24 to guide the implementation of future electrical projects and upgrades, ensuring a structured approach to maintaining and expanding the grid.

One major upgrade underway is the rollout of **smart metering** technology. The municipality **concluded the first phase of its smart metering project in the 2024/25 financial year**, converting all electricity meters to a new smart system (KRN 2). This upgrade is designed to reduce non-technical losses (electricity theft and billing inaccuracies), and early results showed increased prepaid electricity sales – indicating improved revenue capture and loss reduction. Such infrastructure and technology upgrades, coupled with regular maintenance (like scheduled outages for repairs, meter audits, and replacing dilapidated equipment), form the backbone of the municipality’s strategy to improve electrical service reliability and efficiency.

3.2.1 SERVICE DELIVERY PERFORMANCE AND RELIABILITY

Kgatelopele’s electrical services cover the town of Daniëlsskuil and surrounding areas, and the municipality reports that approximately **3,509 formal households have electricity connections**, with indigent households receiving free basic electricity (50 kWh monthly) as a subsidy. This indicates that the vast majority of formal dwellings are serviced, and in the 2023/24 year **1,430 indigent households benefited from free basic electricity** to ensure access for the poor.

The municipality’s efforts to combat illegal connections (through meter inspections and enforcement) and to provide street lighting maintenance contribute to overall service delivery quality.

However, the reliability of supply remains a concern in the report. Kgatelopele is dependent on a single 22kV supply line from Eskom’s Ouplaas substation, with no alternate feed or “premium” supply line. This means any major outage at the source substation (**whether planned or unplanned**) can leave the entire municipality without power, as there is no redundant supply route.

The annual report emphasizes that this single-point dependency threatens continuity of supply and, in the event of prolonged outages, could result in significant revenue losses for the municipality. Vandalism and theft have further impacted reliability – for instance, damage to electrical infrastructure (**like at power stations**) due to vandalism

has caused disruptions. In response, the municipality has stepped up security measures at its electrical installations to prevent vandalism and protect the network. Additionally, the electrical services unit conducts planned power outages for maintenance and routine inspections to improve reliability. These efforts are aimed at reducing unplanned breakdowns and ensuring more stable electricity delivery to residents.

3.2.2 BUDGET AND FINANCIAL ALLOCATION FOR ELECTRICAL SERVICES

The provision of electricity represents a significant portion of Kgatelopele's budget and expenditures. According to municipal financial reports, bulk electricity purchases from Eskom are one of the largest operating expenses, comprising about 27% of the total expenditure by mid-year 2024/25. This high cost is driven by rising Eskom tariffs and the need to meet local demand.

The annual report notes that the increasing cost of bulk electricity from Eskom is putting upward pressure on the tariffs charged to residents, creating a challenging balance between cost recovery and affordability. Financial constraints have directly impacted maintenance of the electrical network.

The electricity unit faced **“insufficient budget to undertake consistent maintenance,”** leading to reactive repairs rather than proactive upgrades. In practice, this means maintenance is often done only when breakdowns occur, as funding for systematic infrastructure renewal is limited.

The strain on finances is also evident in the municipality's outstanding obligations: by the end of 2023/24, Kgatelopele had accumulated roughly **R20.36 million in unpaid Eskom bulk electricity bills**, as reflected in its aged creditor analysis. This arrears situation underscores the cashflow pressures in sustaining electricity supply.

The municipality has reportedly entered into payment arrangements to manage these debts and avoid supply cut-offs. On a positive note, revenue collection from electricity saw some improvement – the rollout of new prepaid meters and a campaign to enhance collections led to higher-than-expected electricity income in 2024/25 (about 18% above mid-year targets). Nonetheless, balancing the cost of power procurement with revenue remains an ongoing challenge for Kgatelopele’s electrical services.

3.2.3 CHALLENGES AND FUTURE PLANS FOR ELECTRICITY PROVISION

The annual report candidly outlines several **challenges** affecting electricity provision in Kgatelopele Local Municipality:

- **Infrastructure Theft and Vandalism:** Frequent **cable theft and vandalism of electrical installations** (such as substations and meter boxes) disrupt the power supply and incur heavy repair costs. These incidents not only cause outages but also force the municipality to divert funds to replace stolen/damaged infrastructure.
- **Illegal Connections and Losses:** The **bypassing of meters and illegal connections** (often in informal areas) contribute to high non-technical losses and safety hazards. Coupled with generally **aged electrical infrastructure**, this makes it difficult to account for all electricity and reduces revenue.
- **Insufficient Maintenance Funding:** As noted, there is a **lack of sufficient budget for regular maintenance and upgrades**, resulting in deferred maintenance and a reactive approach to fixing the grid. This funding gap means critical infrastructure (transformers, lines, etc.) cannot be overhauled or expanded at the pace needed.
- **Supply Capacity Constraints:** The municipality’s main intake station (Ouplaas 88/22kV substation) is operating at capacity. The **existing 22 kV**

infrastructure cannot accommodate significant new development or load growth in Daniëlskuil and surrounding areas. With local mining and population growth, demand is rising, but the **substation capacity is “un-firm” and insufficient for future needs**, risking overloads or the inability to connect new customers.

- **High Losses and Rising Costs:** Technical and non-technical **electricity losses have been well above industry norms**, averaging about 26–29% (vs. an ~12% acceptable norm) in recent years. These losses directly impact revenue. In addition, the **cost of bulk electricity keeps climbing** with annual Eskom tariff hikes, straining both the municipal budget and residents’ ability to pay. This creates pressure to raise local tariffs and improve efficiency to cover the shortfall.

In light of these challenges, Kgatelopele’s annual report and budget documents outline several **future plans and initiatives** to improve electricity provision. A cornerstone of future planning is the **Electrical Master Plan** developed in 2023/24, which charts out required upgrades and expansions to the electrical grid. Using this roadmap, the municipality aims to prioritize projects such as strengthening the network capacity and replacing obsolete infrastructure in upcoming years. Addressing the supply constraint is a high priority – the municipality may need to **secure an additional feeder line or upgrade the substation capacity** in collaboration with Eskom to provide a more reliable, “firm” supply that can support new developments.

The fight against losses and outages will continue through technology and security improvements. Following the success of the initial smart meter rollout, the municipality plans to **expand smart metering** and ensure all customers are on modern prepaid systems, which should further reduce electricity theft and improve billing accuracy. The council also indicated it will **intensify revenue collection and credit control**, building on a revenue enhancement strategy to keep the electricity service financially sustainable. Moreover, **infrastructure security is being enhanced** – for example, the municipality is increasing surveillance and physical security at substations and critical points to prevent vandalism-related outages. Maintenance planning is set to improve as well, moving from reactive fixes to a more preventative maintenance schedule once resources allow.

Overall, the 2024/25 annual report (and related municipal reports) convey that while Kgatelopele's electrical services face serious challenges – aging infrastructure, financial constraints, and reliability risks – the municipality is taking steps to address these issues.

Through strategic planning (Master Plan), targeted upgrades (smart meters, transformer replacements), tighter financial management, and partnerships (possibly with Eskom for capacity upgrades), Kgatelopele aims to ensure more **reliable, sustainable electrical service delivery** in the coming years. The document provides a roadmap of how the local government intends to improve electricity infrastructure and service performance, backed by budget allocations and measured by performance indicators, to meet the needs of the community now and into the future.

3.2.4 WASTE MANAGEMENT

Executive Summary

During the 2024/25 financial year, Kgatelopele Local Municipality's Waste Management Unit ensured consistent weekly refuse removal services across all six wards, covering approximately 4,050 households in the towns of Danielskuil and Lime Acres. The Unit achieved 100% of its service delivery target for household waste collection, meaning all scheduled households received weekly collections as planned. In addition, free basic solid waste removal was provided to registered indigent households in line with the municipality's social support policies, alleviating the burden on vulnerable residents.

Key performance indicators (KPIs) aligned with the Service Delivery and Budget Implementation Plan (SDBIP) were met or substantially progressed – notably **KPI 4 (weekly household refuse removal)** and **KPI 8 (indigent household service)** – reflecting the municipality's commitment to its service delivery mandate. Operational highlights included the implementation of a reliable weekly collection schedule, a community clean-up campaign to tackle litter and illegal dumping, and diligent landfill site management efforts. At the same time, the Unit addressed several challenges such as illegal dumping hotspots, an aging and unlicensed landfill site nearing full capacity, and equipment constraints.

A risk assessment was conducted to identify these issues, and mitigation measures were initiated, including plans for a new licensed landfill site and stricter waste by-law enforcement. Audit processes also prompted improvements – for example, enhancing verification of daily collections via ward committees. Going forward, the Waste Management Unit has outlined strategic interventions (e.g. procuring skip bins, finalizing an Integrated Waste Management Plan, and expanding awareness programs) to further improve refuse removal services.

This section of the Annual Report provides a comprehensive overview of the year's performance, challenges, and future plans for refuse removal services, ensuring accountability and transparency to Council and stakeholders.

3.2.5 DIRECTORS OVERVIEW

The Director of Technical and Community Services is pleased to report that during 2024/25 the refuse removal services in Kgatelopele were delivered effectively and in accordance with our developmental mandate. The Waste Management Unit consistently provided sustainable basic services to all communities, aligning its operations with the municipality's strategic objectives and legislative requirements. Throughout the year, the Unit demonstrated commitment to environmental health and safety by maintaining regular weekly collections in every ward and rapidly responding to waste management issues.

Despite facing resource and infrastructure challenges, the department's proactive approach – including improved scheduling, staff coordination, and community engagement – ensured that no residential area went unserved. Notable successes include achieving **100% weekly waste collection coverage** of households, extending **free basic refuse removal to indigent households**, and initiating steps toward long-term solutions such as developing a new compliant landfill site. The Director commends the Waste Management team for “**championing environmental related issues in the provision of services to the community, particularly weekly refuse removal in various wards**”. Looking ahead, the department will build on this performance by addressing the identified risks and investing in improved

infrastructure, ensuring that refuse removal services continue to meet both community needs and audit standards. Overall, the Director's outlook for Kgatelopele's waste management is one of continued improvement, innovation, and strong alignment with both policy frameworks and Council's service delivery targets.

Legislative and Policy Framework .

Refuse removal services in Kgatelopele are rendered within a robust legislative and policy framework that guides municipal waste management. The National Environmental Management: Waste Act (Act 59 of 2008) and related regulations oblige the municipality to manage waste in a sustainable and responsible manner, including requirements for licensing of landfill sites and development of an Integrated Waste Management Plan (IWMP).

The municipality is in the process of complying with these requirements – for instance, establishing a new landfill site that will be fully **licensed and compliant with national environmental standards (Department of Environment, Forestry and Fisheries)**. Until the new site is operational, the existing waste disposal activities are managed under interim measures and an **Operation and Maintenance Plan for the current landfill**.

At the local level, the **Kgatelopele Waste Management By-Laws** provide the regulatory framework for refuse removal, illegal dumping, and waste disposal. These by-laws, along with other waste management policies and guidelines, are in place and were enforced during 2024/25. Enforcement actions (such as issuing notices or fines for non-compliance) are grounded in these by-laws and aim to curb practices like illegal dumping. Moreover, the municipality's **Indigent Support Policy** underpins the provision of Free Basic Services (FBS) for solid waste: all indigent households registered with the municipality are entitled to receive weekly refuse removal at no charge. This policy is aligned with national Free Basic Services guidelines and was actively implemented in 2024/25, with the Waste Unit coordinating with the Finance Department to verify indigent registrations and ensure those households benefited from regular waste collection.

In terms of planning and performance oversight, the **Municipal Finance Management Act (MFMA)** mandates the use of a Service Delivery and Budget Implementation Plan (SDBIP). The Waste Management Unit's KPIs for refuse removal (e.g. KPI 4 and KPI 8) are drawn from the SDBIP, linking service delivery outputs to the municipal budget

and Integrated Development Plan (IDP). Compliance with this framework was evident in 2024/25: the Unit developed a weekly collection schedule aligned to KPI 4 and submitted regular monthly reports on progress, as required by internal policy and oversight protocols. All told, the legislative and policy framework – spanning national law to local by-laws and policies – ensured that refuse removal services were delivered in a regulated, accountable manner, with clear standards for performance and access (especially for indigent residents).

Service coverage and weekly collection

Coverage of Households: The Kgatelopele Local Municipality achieved full coverage of weekly household refuse removal during 2024/25. All formal residential areas in **Ward 1 through Ward 6** were serviced according to a strict weekly schedule. In practice, the Waste Management Unit organized **daily collections on a rotating basis across the wards**, ensuring that each neighborhood had refuse removed once per week (with more frequent collections in business districts as needed). This schedule encompassed the main settlements of **Danielskuil and Lime Acres**, as well as surrounding extensions and village areas within the municipal jurisdiction. By year-end, approximately **4,050 households** were receiving the weekly waste removal service, which met the annual target (4050) set out in the SDBIP (KPI 4).

Operational Schedule: Collections were carried out reliably each week with dedicated teams and refuse trucks assigned to cover different zones. The Unit's performance reports indicate that throughout the year, the **refuse removal rounds were completed as scheduled with 100% adherence** – for example, in November 2024 the waste collection rate was recorded at 100% of planned pickups. Where necessary, the Unit made adjustments such as starting collection earlier in certain high-density areas to prevent issues with animals tearing refuse bags. Each weekday was allocated to specific wards or areas, including outlying sections.

Even informal settlements or hard-to-reach areas were catered for, although the Unit had to overcome access challenges (discussed under Challenges). Importantly, **no significant backlogs or skips in service** were reported during the year – a reflection of careful route planning and diligent execution by the waste collection crews.

Residential and Commercial Waste: While the core mandate is household (domestic) waste removal, the service coverage also extended to small businesses and public spaces in the community. Many local businesses (such as tuckshops) that use drum bins for waste were included in the municipal collection rounds to maintain town cleanliness. The Unit's staff emptied street bins and cleared waste from public areas as part of their weekly routine, especially in town centres. All collected waste was transported to the municipal landfill site for disposal and compaction. By maintaining comprehensive weekly coverage, Kgatelopele ensured that refuse did not accumulate in residential areas, thereby protecting public health and keeping the environment clean.

3.2.6 THE INDIGENT SERVICE PROVISION (FREE BASIC SOLID WASTE)

Providing **Free Basic Services (FBS)** in solid waste to indigent households remained a priority during 2024/25. Indigent households are those formally registered and verified as unable to afford basic services, and they are entitled to **free weekly refuse removal** under the municipality's indigent support program. In the year under review, **all indigent households on the municipal register (1,352 households as of June 2023 baseline) continued to receive weekly refuse removal at no cost.** This service was funded by the municipality in line with national policy to ensure that poverty is not a barrier to living in a healthy, clean environment.

The Waste Management Unit worked closely with the Finance Department (which manages indigent registrations) to update the indigent register and to **verify that each indigent household was indeed receiving the scheduled weekly collection.** An increase reflecting ongoing registration of qualifying households. By the end of 2024/25, the number of indigent households serviced was on track toward this target, pending final verification of new applicants. Throughout the year, no indigent-registered area was left unserved; even in cases of informal or rural settlements, the Waste Unit endeavored to collect refuse, sometimes using alternative vehicles if the main truck could not easily access those areas (for instance, areas like **Blikkiesdorp and Boplaas** required creative approaches due to poor road conditions).

This indigent waste removal service is a critical component of the municipality's **Free Basic Services program** and social safety net. It not only upholds the community's right to a clean environment but also contributes to dignity and quality of life for low-income households. The Municipality will continue to improve outreach to ensure all eligible residents are registered, with the aim of meeting or exceeding the target of 1,500 indigent households benefiting from free weekly refuse removal. Ongoing verification and monitoring will persist into the next year to maintain accurate records (proof of service, updated indigent registers) and to secure the necessary funding (through the Equitable Share and municipal budget) to sustain this service.

SDBIP -Aligned Performance Analysis

Performance of the refuse removal function is measured against specific Key Performance Indicators in the Service Delivery and Budget Implementation Plan (SDBIP) for 2024/25. The Waste Management Unit had a KPI under the strategic objective of sustainable basic service delivery, with **KPI 4** being the primary indicator of refuse removal performance. The Unit's achievements against these targets are summarized below:

- **KPI 4 – Weekly Household Solid Waste Removal:** *Target:* Provide weekly solid waste removal to 4,050 households in Danielskuil and Lime Acres by 30 June 2025. *Outcome:* **Achieved 100% coverage**, with all **4,050 households** receiving weekly refuse collection service. By year-end, the waste collection service was running at full capacity, and every household on the service roll was covered each week. This is evidenced by monthly performance data showing 100% collection rates and the successful completion of scheduled routes without fail. The development and adherence to a structured weekly schedule were key to this achievement. The Unit also submitted **monthly reports** to the Deputy Technical Manager and Technical Director, which documented the consistent attainment of this KPI throughout the year.

Overall, the analysis of SDBIP-aligned performance shows that **core service delivery targets were largely met**. The Waste Management Unit demonstrated effective execution of its weekly collection mandate (KPI 4) and maintained support to indigent communities, thereby fulfilling its contributions to the Technical Services Department's scorecard.

Operational highlights and Challenges

During the year under review, the Waste Management Unit experienced several **operational highlights** as well as encountered **challenges** in the delivery of refuse removal services. This section outlines the most significant successes and difficulties:

Operational Highlights

- **Consistent Weekly Collections:** The Unit maintained a **reliable weekly collection schedule** covering every ward. Teams completed daily routes on time with minimal service interruptions, resulting in a continuous 100% collection rate in many reporting periods. This consistency ensured that no widespread refuse accumulation occurred in residential areas.
- **Community Clean-up Campaigns:** A notable highlight was the **community cleaning campaign** conducted during November, in collaboration with the Office of the Mayor and local youth volunteers (graduates). On 14 November, a major clean-up was carried out along key areas (from the KLK building up to the corner of Barker Street in Danielskuil). This campaign raised awareness and visibly improved the cleanliness of public spaces, demonstrating the municipality's commitment to community-driven environmental management. Such clean-up and awareness initiatives (often falling under KPI 5) complemented the regular collection service by addressing **illegal dumping sites** and litter in open areas.
- **Staff Coordination and Training:** The Waste Unit held regular **internal meetings** and training sessions to improve operations and build capacity. For example, a Unit Meeting on 11 November 2024 discussed critical issues like keeping the town clean, managing staff leave, and adherence to the time **clocking system**. It was emphasized that every staff member must contribute to town cleanliness and follow proper procedures (e.g., obtaining supervisor approval for leave, punctual clock-in/out). Additionally, staff participated in external forums and training: representatives attended a **ZF Mgcahu District Environmental Management meeting** and a **national workshop on Hazardous Waste Intervention** (held virtually) to enhance their knowledge and network. These engagements helped in adopting best practices and

ensuring the team is well-informed on waste management trends and compliance.

- **Landfill Operations and Maintenance:** The Unit took steps to maintain the **municipal landfill site** despite its limitations. Daily operational tasks at the landfill were carried out, including regular **compaction of waste (approximately 19 compaction sessions were done in November 2024 alone)**, to maximize space and reduce wind-blown litter. A contractor was in place to assist with landfill management and access control as an existing control measure. These efforts helped mitigate some of the environmental impacts at the dumpsite. Furthermore, progress was made toward establishing a new landfill: the municipality engaged with relevant authorities to secure land and begin the licensing process for a **new compliant landfill site**. This is a significant strategic move that will address long-term waste disposal needs.
- **Service to Difficult Areas:** The Waste Unit demonstrated adaptability in servicing areas with infrastructure challenges. For instance, **informal settlements like Blikkiesdorp and Boplaas**, which have **bad gravel roads and overgrown trees hindering truck access**, were still attended to by using alternative methods (such as smaller vehicles or manual collection points). Additionally, when faced with the breakdown of key equipment (notably the **TLB – Tractor-Loader-Backhoe** used for clearing illegal dumping), the team reported and escalated the issue, and continued to manually clear smaller dumps where possible. This ensured that even hard-to-reach or underserved pockets of the community were not neglected.
- **Public Awareness and Compliance Efforts:** As part of operational outreach, the department installed signage and conducted education to curb illegal dumping. By the end of the year, **“No Illegal Dumping” signs** had been erected at various hotspots to warn against improper waste disposal. The Waste Unit also commits to quarterly environmental **awareness campaigns** going forward. While these are forward-looking, preparatory groundwork was laid in 2024/25 through the aforementioned community clean-ups and engagement with ward committees. Involving **Ward Committee members** in monitoring waste collection (as verifiers of daily collection schedules) not only

addressed an audit finding but also served to increase community oversight and awareness of the refuse service.

Challenges

- **Illegal Dumping Proliferation:** The **increase of illegal dumping sites** in and around residential areas was one of the most persistent challenges. was one of the most persistent challenges. Despite regular collection, some community members and businesses disposed of waste in open spaces, under trees, or on street corners, creating unsightly and unhygienic heaps. This behavior – attributed to factors like ignorance of proper waste practices and avoidance of disposal costs – led to environmental pollution and health risks. Clearing these illegal dumps required additional effort from the Waste Unit and often the use of heavy equipment. The situation was exacerbated in the absence of adequate skip bins or a licensed public dumping facility, highlighting a need for improved waste infrastructure and enforcement (see Risk Assessment below).
The municipality recognizes that **community awareness and by-law enforcement must be strengthened** to combat illegal dumping going forward.
- **Aging and Overburdened Landfill Site:** Kgatelopele's current landfill site presented significant operational difficulties. The site has **no formal waste management license and has effectively reached its designed capacity**. Furthermore, critical infrastructure at the landfill was compromised – notably, the perimeter **fence was stolen and had not been repaired**, resulting in unrestricted access. With no control at the gate, community members could enter freely and dump waste without oversight.

This led to issues such as **wind-blown trash escaping** the site (when waste is not compacted, it blows onto what remains of the fence and surrounding areas), as well as **uncontrolled fires** and other hazards identified in the risk assessment. Although daily compaction of waste was done as often as possible, it was not always sufficient to mitigate these issues.

The lack of an alternative dumping site or transfer station meant all waste streams funneled into this one facility, compounding the challenge. Addressing the landfill's limitations is urgent; interim measures (like more frequent

compaction, deploying security personnel to control access, and partitioning dumping cells) were only partially effective given the structural constraints.

- **Fleet and Equipment Constraints:** The Waste Unit's operations were hindered at times by **vehicle and equipment breakdowns**. A prominent example was the continued **breakdown of the TLB** (Tractor-Loader-Backhoe) which is essential for clearing illegal dumping and managing the landfill face. This piece of equipment had been out of service since September and was still not repaired by November, forcing the team to manually handle tasks that require mechanized support.

The delay in repairing or replacing the TLB significantly slowed the removal of illegal dumps and excavation/covering work at the landfill. Additionally, the main refuse collection **truck faced difficulties accessing certain areas** with rough terrain or narrow paths (e.g., the informal settlements). In such cases, smaller bakkies or tractors would have to be used, but the Unit's fleet of auxiliary vehicles is limited. At times, lack of dedicated transport also hampered supervisory activities like site inspections and responding to waste service complaints in remote areas.

Ensuring a well-maintained and adequately sized fleet remains a challenge that the department is addressing through maintenance plans and budget proposals for new equipment.

- **Community Compliance and Behaviour:** Ensuring community cooperation is an ongoing challenge. Some **businesses and residents did not adhere to waste management by-laws**, contributing to littering and dumping. For instance, certain shop owners were noted to misuse 210L drum containers for waste without proper lids or to dump their waste on vacant land, exacerbating the town's cleanliness issues.
- **Ignorance or apathy** among parts of the community towards proper waste disposal undermined the Unit's efforts. The municipality's attempts to enforce compliance – such as issuing warnings or intending to **charge non-compliant**

businesses under KLM's by-laws – have had limited effect so far. Additionally, there is a noted **resistance among some consumers to pay refuse removal fees**, especially non-domestic (business) tariffs, which can impact revenue for waste services and indicates a need for both enforcement and education. To tackle this challenge, the Unit is combining awareness campaigns (to educate residents on the importance of proper waste disposal) with stricter by-law enforcement provisions (including fines and penalties as needed). Building a culture of compliance will be crucial for the long-term sustainability of refuse removal services.

Despite these challenges, the Waste Management Unit showed resilience and adaptability. Many of the issues identified have been taken up at the management level for resolution, and they directly inform the risk mitigation strategies and future plans outlined in subsequent sections of this report.

3.2.7 PLANNING AND DEVELOPMENT

The Planning and Development Department of Kgatelopele Local Municipality achieved significant milestones during the 2024/25 financial year. Key focus areas included effective land use management, strict building control, and proactive human settlement planning, all aligned with the Spatial Planning and Land Use Management Act (SPLUMA) and the Kgatelopele Land Use Management Scheme. The Town Planning Unit processed numerous land development applications, from rezoning proposals to consent uses formalizing informal businesses (such as spaza shops). Building control services ensured that construction activities complied with regulations, with several building plans approved or under review during the year. The municipality also advanced human settlements by facilitating the sale of 20 residential erven to the community and engaging provincial authorities to unlock land for new housing projects. However, challenges such as the growth of informal settlements and land invasions, dolomite-related ground instability, and title deed backlogs persisted. To address these, the department intensified enforcement (e.g. issuing contravention notices) and collaborated with stakeholders at District, Provincial, and community

levels. Overall, the department's performance met its Service Delivery and Budget Implementation Plan (SDBIP) targets, and continuous improvements are being implemented to ensure sustainable spatial development and compliance with all legislative frameworks.

Director's Overview

The 2024/25 year was marked by both progress and persistent challenges in the Planning and Development portfolio. Under the guidance of the Technical & Community Services Directorate, the Town Planning section strived to balance development needs with regulatory compliance. **Land Use Management:** We saw a steady stream of development applications, including a major rezoning for a new landfill site and multiple consent use applications aimed at formalizing informal trading activities in our communities.

These efforts not only facilitate local economic development but also ensure that all land use changes occur within the law. **Building Control:** The department maintained rigorous control over building activities. Several new dwellings and building extensions were approved, bolstering infrastructure growth. At the same time, we remained vigilant against illegal construction, acknowledging an uptick in unapproved building works that require decisive action.

Human Settlements: Our partnership with the provincial Department of Human Settlements (CoGHSTA) intensified this year. We worked on securing land (erf 1) from the national government to enable a planned mixed housing development, and we successfully released 20 municipal residential stands for private ownership, offering residents an opportunity to build homes. **Commonage Management:** Though no new leases were issued on municipal commonage land this year, we continued to oversee these communal resources to benefit emerging farmers and prevent misuse.

It is also important to note the constraints we faced.

Rapid population growth and inward migration led to increased informal settlement formation, putting pressure on our land resources and services. Moreover, the dolomitic nature of our region remains an ever-present risk to infrastructure and safety,

necessitating strict adherence to our Dolomite Risk Management Policy. In response to these challenges, we have laid out strategic interventions – including strengthened enforcement of land use regulations, the proposed appointment of a dedicated Building Inspector, and improved coordination to resolve title deed issues – which are detailed later in this report. I am confident that with these measures and the continued dedication of our staff, we will enhance our town planning efficacy and ensure sustainable development that benefits all communities in Kgatelopele.

3.2.9 LEGISLATIVE AND POLICY FRAMEWORK

The Planning and Development functions of the municipality operate within a robust legislative and policy framework. Chief among these is the **Spatial Planning and Land Use Management Act (SPLUMA)** (Act 16 of 2013) and the municipality's own **Spatial Planning and Land Use Management By-Law, 2015**, which together govern all land development and planning processes.

The Kgatelopele **Land Use (Zoning) Scheme, 2019** provides detailed land use regulations and zoning guidelines to ensure orderly development in line with the Integrated Development Plan and **Spatial Development Framework, 2019**. Other important policies include the **Outdoor Advertising By-Law, 2017** (regulating signage and advertising structures) and the **Dolomite Risk Management Policy, 2016**, which addresses construction and land use in areas underlain by dolomite. Together, these instruments ensure that planning and development decisions are made lawfully, consistently, and with due regard to environmental and safety considerations.

All land development is guided by the SPLUMA By-law and the Land Use Scheme – no deviations are permitted without following the proper procedures and approvals. This regulatory framework is further supported by the establishment of appropriate structures, such as the Municipal Planning Tribunal, to enforce compliance and adjudicate applications, as detailed below

SDBIP-Aligned Performance (Town Planning KPIs)

During 2024/25, the Planning and Development Department aligned its activities with the approved SDBIP, meeting key performance indicators (KPIs) and ensuring accountability through regular reporting. Notable performance outcomes included:

- **Processing of Land Development Applications:** The Town Planning Unit processed and evaluated various land use applications within stipulated timeframes. These included at least one rezoning (for a new landfill site) and numerous consent use applications for small business formalization. By August 2025, a series of consent use applications (primarily for spaza shops in residential areas) had reached final stages of approval, indicating effective progress in application turnaround times and stakeholder consultation processes.
- **Provision of Zoning Information and Certificates:** The department provided prompt planning information services to the public. For instance, in August 2025 alone, 9 zoning certificates and/or confirmations of business address were issued to residents and businesses. This exceeded the monthly targets and facilitated economic activities by enabling entrepreneurs to obtain proof of land use and address for their businesses.
- **Building Plan Approvals:** The Building Control section worked to ensure that building plan submissions were assessed and decided upon within the regulated periods. Over the year, dozens of building plan applications (for new structures and additions) were handled. In one representative month (Aug 2025), four building plan applications were processed, with at least one approved outright (an extended dwelling in Danielskuil) and others in progress. The prompt approval of compliant plans contributed to the municipality's goal of promoting safe and lawful construction.
- **Human Settlements and Land Disposal:** In line with housing and land development KPIs, the municipality successfully made available a number of residential stands to the public. Twenty (20) municipal erven in Danielskuil were sold for housing purposes during the year, generating revenue and enabling home-building opportunities. Additionally, the Town Planning Unit actively participated in provincial housing project pipeline meetings to ensure future housing developments (e.g., a planned mixed housing project on transferred state land) are on track.

Performance against these KPIs was tracked through monthly and quarterly reports. The Town Planning Monthly Report for August 2025, for example, was submitted to the Technical Committee for approval as part of routine performance monitoring. Such reporting practices demonstrate the municipality's commitment to transparency and continuous improvement, allowing management to address any under-performance promptly. Overall, the Planning and Development Department met its annual targets in most areas, while taking corrective measures in areas that lagged (such as enhancing enforcement to address illegal developments).

SPLUMA Compliance and Municipal Tribunal

Compliance with SPLUMA and effective operation of the Municipal Planning Tribunal were priorities for the year. Kgatelopele Local Municipality has a **Municipal Planning Tribunal** established in accordance with SPLUMA, which functions as the decision-making body for land development applications requiring municipal approval. All land development is governed by the principles and processes outlined in the SPLUMA By-Law; in practice, this means no rezoning, subdivision, or consent use is finalized without Tribunal adjudication or authorized delegated approval.

During 2024/25, the Joint Municipal Planning Tribunal (JMPT) – which Kgatelopele participates in – convened to consider several key applications. One notable case was the **rezoning and subdivision of a portion of Erf 1** intended for the development of a new municipal landfill site. After due process (including public consultation and technical assessments), this application was approved by the JMPT. However, the project's implementation has been delayed pending the transfer of the land from the current owner (national government) to the municipality. Another case involved the **rezoning and development of land for a traffic testing centre** and associated business/church sites. This application was partially approved – the rezoning for the traffic testing centre is proceeding – but it faces challenges because the identified land falls within dolomite risk zones D3 and D4.

The Tribunal's decisions have thus been instrumental in guiding development to safer grounds and setting conditions to mitigate geological risks.

All Tribunal processes adhered to SPLUMA's requirements for public participation and intergovernmental coordination. For example, the rezoning application for Erf 80 in Lime Acres underwent public consultation (which concluded on 18 July 2025) before being scheduled for a Tribunal hearing. By year-end, that application was awaiting a Tribunal date, demonstrating our commitment to following due process. The municipality's **Spatial Development Framework (SDF)** and **Land Use Scheme** guided these decisions, ensuring that approvals were consistent with long-term spatial plans. In summary, Kgatelopele maintained full compliance with SPLUMA: a functional planning by-law is in place, a competent Tribunal is active for impartial decision-making, and all land use decisions are made transparently and lawfully in line with national and local planning legislation.

3.2.9 LAND USE MANAGEMENT

Land use management lies at the core of the Planning and Development Department's activities, encompassing the review of development applications, enforcement of the zoning scheme, and prevention of illegal land use. In 2024/25, the Town Planning Unit managed a diverse array of land use applications aimed at facilitating development while upholding the Kgatelopele Land Use Scheme. These included applications for rezoning, subdivisions, and **consent uses**. A prominent trend was the formalization of informal businesses: numerous residents operating *spaza shops* (small informal convenience shops) in township areas applied for **consent use** approvals to legalize their operations. By August 2025, at least **eight** such consent use applications (in areas like Kuilsville/Maranteng and Danielskuil) were being finalized, each proposing to formalize a spaza shop on a residential erf. This not only empowers small entrepreneurs but also ensures that business activities in residential zones conform to the zoning scheme through proper consent. Another significant application was the **Macroplan** rezoning proposal for *Erf 80, Lime Acres*, which sought a rezoning, permanent departure, and a second land use on the property. Public consultation for this application was completed as required, and it was slated for determination by the Municipal Planning Tribunal. These cases underscore the Unit's role in guiding development proposals through due process – from initial assessment and public notices to final decision.

Enforcement and Compliance: Alongside processing new applications, the department actively enforced land use regulations to curb contraventions. When illegal land uses or land invasions were identified, the Town Planning Unit issued contravention notices and took steps to rectify the situation. For example, in one case involving *Erf 4036* in Tlhalakaludu (Thlakatlou), an illegal occupation by a religious group led to a **second notice of non-compliance** being served in September 2024 after initial warnings were disregarded. This firm approach underscores that repeated non-adherence to the zoning scheme will prompt escalating enforcement actions.

The Unit also conducted site inspections in response to reports of land invasions. In Kuilsville, a municipal site reserved for a future cemetery (*Erf 4573*) was found to have **illegal shacks erected for housing purposes**. Similarly, portions of *Erf 1194* (*Tlhalakaludu*) and *Erf 1130* (*Kuilsville*) were being informally subdivided and marked by pegs, indicating an emerging informal settlement, even though few shacks were present at that time. Each of these incidents was **reported to Council** with findings and recommendations, and Council resolutions are awaited on how best to address the unlawful occupations.

This collaborative approach with elected officials is important for resolving land disputes that have socio-political sensitivities.

Zoning Information Services: The Town Planning Unit also provided daily support to residents and investors by issuing **zoning certificates and confirmation of addresses** as proof of land use rights. Such documents are often required for business registration, financing, or verification of land use. During the year, dozens of these were issued; for instance, **nine (9)** confirmations of business address were issued in August 2025 alone. This service improves ease of doing business in the municipality and ensures transparency about the zoning status of properties.

Challenges in Land Use Management: A major challenge reported during the year was the **shortage of available land for development**. By August, the department noted that **no readily available municipal land remained for new development projects**. This scarcity hinders the municipality's ability to accommodate new housing, commercial or community facilities and highlights the importance of land acquisition and proactive planning (for example, through the state land transfer efforts mentioned

in the Human Settlements section). Additionally, the proliferation of informal settlements (detailed under Risks and Human Settlements) is both a cause and effect of land use pressures – it results from lack of development-ready land and, in turn, complicates future land use planning. Despite these challenges, the Town Planning Unit continues to uphold the Land Use Scheme by rigorously vetting applications, enforcing compliance, and seeking long-term solutions to expand the municipal land inventory.

3.2.10 BUILDING CONTROL

The Building Control subsection of Planning and Development is responsible for regulating building activities to ensure safe, lawful structures within Kgatelopele. Throughout 2024/25, this function processed building plan applications, conducted inspections (in collaboration with the Technical Services unit), and enforced the National Building Regulations. The municipality received a steady flow of building plans for new developments and alterations, reflecting ongoing growth and investment. In a representative month (August 2025), **four** building plan applications were under consideration by the department. These included proposals for new dwelling houses and extensions to existing houses in areas like Kuilsville and Danielskuil. Among them, at least one plan (for an extended dwelling on Erf 1957, Danielskuil) was **approved** during that month, while others were in process pending further information or modifications. Approvals are only granted once plans meet all building standards, zoning requirements, and safety norms, particularly important in dolomitic areas where specific geotechnical reports are required.

Upon completion of construction, the Building Control office is tasked with issuing **Certificates of Occupancy** to certify that buildings have been constructed in accordance with approved plans and are safe to occupy. The annual report notes that this is an area needing attention – for example, in August 2025, **no certificates of occupancy were issued**. The absence of issued occupancy certificates could indicate that no major projects were completed in that month or that property owners had not applied for final inspection. It underlines the need for heightened awareness among builders and owners about obtaining this crucial certificate, without which

buildings are technically not authorized for use. The department is likely to strengthen final inspection processes in the coming year to improve compliance in this regard.

Illegal Construction and Enforcement: A concerning trend identified during the year was the **prevalence of illegal building and construction works** in the municipal area. These are structures erected or alterations made without approved plans or in contravention of building regulations. Such activities pose safety risks and often violate zoning laws. In response, the Planning and Development Department has highlighted the need for stronger enforcement. One proposed solution (detailed in the Strategic Plans section) is the **appointment of a dedicated Building Inspector**. This official will focus on monitoring construction sites, investigating reports of illegal building, and taking swift action – including issuing stop notices or fines – to ensure all construction is brought into compliance. Additionally, the existing staff have been issuing **non-compliance letters** to perpetrators of illegal construction, instructing them to cease unlawful work and follow proper procedures. By enhancing the capacity for on-site oversight and enforcement, the municipality aims to significantly reduce illegal building activities, thereby safeguarding residents and upholding the integrity of its Town Planning Scheme and building regulations.

HUMAN SETTLEMENTS AND COMMONAGE

The Planning and Development Department also plays a crucial role in facilitating housing development (human settlements) and managing municipal commonage land.

Housing Projects and Erven Allocation: In 2024/25, the municipality made strides in expanding housing opportunities. A key initiative was the identification and release of municipal land for residential development. The annual report confirms that **twenty (20) residential erven** were sold to the public during the year. These erven, located along Magrieta Prinsloo and Keurboom Streets in Danielskuil, were vacant, serviced stands intended for single residential housing. The sale of these plots is an important step in enabling beneficiaries to build their own homes and in fostering socio-economic growth in the area. Alongside local land sales, Kgatelopele engaged in strategic planning for larger-scale housing projects. Representatives from the Town Planning section **attended a Provincial Department of Human Settlements (CoGHSTA)**

engagement meeting on the housing project pipeline (held virtually on 21 August 2025). In this forum, the municipality discussed the status of critical land transfers, notably a parcel of land (erf 1) owned by the National Department of Public Works that is earmarked for a **mixed housing development**. The outcome was a commitment that Kgatelopele would send a formal request to CoGHSTA to expedite the transfer of this land to municipal ownership. Securing erf 1 is strategically important, as it would enable the development of a substantial new housing project to meet the community's needs.

3.3.1 PROJECT MANAGEMENT UNIT (PMU)

INTRODUCTION AND MANDATE

The Project Management Unit (PMU) of Kgatelopele Local Municipality is responsible for planning, executing, and monitoring capital infrastructure projects on behalf of the municipality. In the 2024/25 financial year, the PMU focused on delivering projects funded through conditional grants – primarily the **Municipal Infrastructure Grant (MIG)** and the **Water Services Infrastructure Grant (WSIG)** – as well as other funding streams like the Expanded Public Works Programme (EPWP). All projects were undertaken in alignment with the Municipality's Service Delivery and Budget Implementation Plan (SDBIP) and Integrated Development Plan (IDP) targets. This section reports on the PMU's performance for 2024/25, highlighting key projects, their progress against targets, challenges encountered, and measures taken to ensure effective governance and compliance.

PERFORMANCE OVERVIEW AND SDBIP ALIGNMENT

Overall, the PMU made significant progress in delivering its 2024/25 capital projects, though with some challenges. The unit successfully achieved critical SDBIP Key Performance Indicators (KPIs) related to infrastructure development. For example, the **construction of roads in greater Danielskuil** (MIG-funded) reached practical completion by June 2025, meeting its annual target (100% achieved). Likewise, an EPWP-funded project for **paving and refurbishing municipal properties** (including

the municipal parking area) was completed by year-end, fully achieving its scope within the allocated budget.

Another major KPI was the **eradication of conservancy tanks in Danielskuil (Phase 2)** – a WSIG-funded sewer infrastructure project. This project was initially planned for completion in the prior year, but due to delays (detailed below) it carried into 2024/25. It started the year at approximately *59% completion* and, by the fourth quarter, had progressed to *96% completion*. The PMU obtained a formal extension of time on this project, and by the revised June 2025 deadline the new sewer network was roughly *99% complete*, with only final close-out tasks remaining. This ensured that the KPI for expanding sanitation infrastructure, while delayed, was substantially realized within the 2024/25 reporting period.

Throughout the year, the PMU tracked performance through monthly and quarterly progress reports, ensuring alignment with SDBIP targets and enabling oversight by management and Council. Table 1 below provides an overview of the major infrastructure projects managed by the PMU in 2024/25, including their scope, funding source, budget, and progress status:

Table 1: Key Infrastructure Projects Managed by PMU in 2024/25

Project Title	Funding Source	Scope / Objective	Budget (R)	Physical Progress	Financial Progress	Status (as of June 2025)
Upgrading of Roads – Greater Danielskuil	MIG (Capital Grant)	Upgrade and surface municipal roads in Danielskuil	24 000 000	100% – <i>Practical completion achieved</i>	~100% of allocated budget spent	Completed (roadworks finished, certificate issued)
Eradication of Conservancy Tanks (Sewer Phase 2)	WSIG (DWS)	Construct new HDPE sewer reticulation network in Danielskuil	58 922 694	~99% – <i>Substantiall y complete</i> (Phase 2-1: 100%, Phase 2-2: 97%)	~100% – <i>Full budget utilized; extension granted</i>	Practical completion in June 2025 (final commissioning underway)

Refurbishment of Concrete Reservoir	MIG / Internal	Refurbish 4 ML concrete water reservoir (aging infrastructure)	(MIG allocation as multi-year)	~50% – <i>Work in progress</i>	~50% – <i>Phased funding across FY24/25 and FY25/26</i>	Ongoing (to be completed in 2025/26)
Rhodes Sewer Pump Station Upgrade	WSIG (FY25/26 allocation)	Upgrade pumps and controls at “Rhodes” sewer pump station for reliability	5 000 000 (est.)	0% – <i>Construction not started (planning)</i>	N/A (contract awarded late FY24/25)	Pipeline (Contractor appointed, site establishment done)
Paving & Refurbishment of Municipal Properties	EPWP (Nat. grant)	Pave and refurbish municipal facilities (e.g. parking areas)	1 200 000	100% – <i>All planned works completed</i>	100% – <i>Budget fully expended</i>	Completed (project closed out Q4)

******(DWS = National Dept. of Water & Sanitation, which administers WSIG funding)

As shown above, the PMU successfully delivered on the majority of its project commitments for 2024/25. The MIG-funded roads upgrade was finished on time and within budget, improving access and road safety for the community. The EPWP-funded paving project also met its objectives, enhancing municipal infrastructure (such as the main municipal parking lot) while creating local job opportunities. The large WSIG-funded sewer project, although delayed, was brought to completion by the end of the financial year, significantly expanding the formal sewer network in Danielskuil and eliminating most of the old conservancy tanks. Only the **water reservoir refurbishment** remained incomplete at year-end (approximately half done), to be carried into the new year, and the **Rhodes pump station upgrade** was in its initiation stage with contractors on board by June 2025. Importantly, the municipality **fully utilized its MIG allocation** for the year (avoiding any grant under-expenditure), and

WSIG funds were also efficiently used on the intended project, with additional funding needs communicated to the grantor as noted below. This reflects a spending efficiency of essentially 100% on available capital funds, ensuring that Kgatelopele did not lose any infrastructure grants due to non-performance.

Project Highlights and Progress Reports

MIG-Funded Projects

- **Construction of Roads (Greater Danielskuil) –**

Scope: Upgrading and tarring of priority roads in Danielskuil to improve driving conditions and stormwater drainage. This multi-year project, with a total budget of R24 million, reached **practical completion in June 2025**. During 2024/25 the contractor completed the final surfacing of approximately 0.2 km of roadway (the last phase of the project) and all ancillary works (culverts, signage, etc.). By the fourth quarter, road construction was 95% finished, and the remaining minor works were finalized by year-end, achieving the SDBIP target of 100% completion.

Challenges: This project proceeded largely on schedule. Any minor delays (e.g. due to weather or material supply) were managed within the contract contingency time.

Outcomes: The upgraded roads have improved transport access, road safety, and municipal infrastructure asset value. A Practical Completion Certificate was issued and the project is in defects-liability period as of year-end.

- **Refurbishment of Concrete Water Reservoir –**

Scope: Rehabilitation of an aging 4 ML concrete reservoir to secure potable water storage for Danielskuil. Work included structural repairs, interior re-lining, and valve replacements. By June 2025, this project was **approximately 50% complete**. Progress was slower than anticipated due to initial procurement delays and the technical complexity of working on a live water supply asset.

Challenges: The contractor had to coordinate reservoir downtime carefully to avoid disrupting community water supply. Additionally, technical assessments revealed more deterioration than expected, necessitating scope adjustments.

Mitigation: The PMU rescheduled certain tasks to align with low-demand periods for water usage and engaged the design engineer to prioritize critical repairs. Budget for this project is split over two financial years, and the remaining work (final linings and commissioning) is planned for early 2025/26.

Status: Ongoing – the reservoir is expected to be fully refurbished and operational by the third quarter of 2025/26.

- **Upgrading of “Rhodes” Sewer Pump Station –**

Scope: This project involves upgrading the main sewer pump station (referred to as the *Rhodes* pump station) by installing new pumps, control panels, and backup power to improve reliability. In 2024/25, **planning and procurement** were completed: a contractor was appointed and site handover took place in June 2025.

Challenges: The tender process took longer than initially scheduled, partly to ensure compliance with all supply chain regulations and to evaluate a highly technical scope. This caused the construction phase to slip into the next financial year.

Mitigation: To avoid further delays, the PMU expedited contract award and facilitated site establishment immediately upon appointment (late Q4). By year-end, the contractor was mobilized on-site and preliminary work commenced.

Status: The physical execution will occur in 2025/26. Notably, this upgrade is crucial for the overall sewer system – as issues at this pump station affected other projects (e.g., causing sewer backups that delayed testing of the new conservancy-tank replacement lines). The PMU has coordinated this pump station project to run in parallel with final commissioning of the sewer network, and **internal operations teams were directed to repair the existing pump failures as an interim measure** which are outside of the scope of the contractor.

- **Planning for Future MIG Projects:** The PMU also engaged in forward planning to ensure a continuous pipeline of infrastructure improvements. In 2024/25, the **Phase 4 Rehabilitation & Replacement of Asbestos Cement (AC) Water Pipes** was prepared and submitted for MIG funding approval. The technical designs and project motivation were **captured on the MIG MIS for registration**. This project (expected to start in 2025/26) will replace old AC water pipelines to reduce water losses and service interruptions. By initiating the planning early and completing grant applications within the year, the PMU improved the municipality’s readiness to implement this project once funding is confirmed.

WSIG-Funded Project

- **Eradication of Conservancy Tanks – Sewer Network Phase 2 (Danielskuil)**

Scope: A major multi-year project to eliminate aging conservancy septic tanks by extending the waterborne sewer network to unserved areas of Danielskuil. Phase 1 (preliminary network) was completed previously, and **Phase 2** commenced in June 2023. The contract (worth R58.9 million incl. VAT) entailed installing HDPE sewer pipelines, manholes, and household connections across several neighborhoods.

Progress: Originally, the project had a 10-month timeline (ending April 2024); however, unforeseen site conditions and other factors necessitated an **extension of time of 222 days**, pushing the revised completion date to 13 June 2025. By the end of 2024/25, construction was virtually finished: all pipelines and manholes were in place, with overall project execution at ~99% complete. Two sub-areas (Phase 2-1 and 2-2) were delivered at 100% and 97% completion respectively, and final testing and inspections were underway in June.

Physical works: Approximately **4.2 km of sewer pipelines** were laid in total, along with 26 manholes and 29 house connections in Phase 2-1 (100% of plan), and similar outputs in Phase 2-2 (Area 1–4) at 93–100% of plan. By project end, over **99% of the planned new sewer network had been installed** and nearly all targeted conservancy tanks could be retired.

Challenges: This project faced **significant implementation challenges** that impacted schedule and cost. The construction teams encountered *collapsible soil* formations, high *underground water tables*, and sections of *hard rock* that were not fully anticipated. These geotechnical issues slowed excavation and necessitated specialized techniques (shoring of trenches and continuous dewatering) to proceed safely. Additionally, previously **unmapped existing services** (water pipes, cables) were frequently hit during trenching, causing repairs and work stoppages. Another delay factor was the need for **SANRAL approval to work within the R31 road reserve** for pipes crossing a national road – this external approval took time and temporarily halted work in that vicinity. Lastly, an operational issue arose when the downstream **“Rhodes” sewer pump station malfunctioned**, causing sewage backflow into the new lines which hindered cleaning and testing of completed sections. Concurrently, the project’s costs were pushed upward by the extended timeline and difficult conditions, leading to an **effective budget shortfall**. By May 2025, the project

had expended the full original budget allocation; the consulting engineer flagged “*insufficient funding allocation*” as a challenge going forward.

Corrective Actions: The PMU, contractor, and engineers implemented several mitigation measures to address these issues. For unstable soils, the contractor introduced additional shoring and compaction around trenches to prevent collapses. To manage groundwater ingress, a dedicated water pump was kept on-site to continuously drain excavation areas, and the work schedule was adjusted to avoid rainy periods. Hard rock outcrops were tackled by deploying an excavator with a rock-breaker attachment (added to the plant fleet). In areas with existing underground services, extra caution was taken by manual exposure (hand-digging) and close supervision to minimize damage.

The PMU also engaged with SANRAL to expedite the road reserve work approval, eventually receiving the necessary permission to continue those pipeline sections. To solve the pump station issue, the municipality’s technical team was urgently dispatched – the **PMU recommended that the Roads Pump Station be repaired or upgraded by the Municipality as a priority**. This recommendation dovetailed with the separate pump station upgrade project (described above) which was initiated to permanently rectify that problem.

Outcome: Despite the hurdles, the conservancy-tank eradication project was largely successful – by the end of 2024/25 the new sewer network was essentially completed and operational in test mode. Over 200 households are expected to benefit from the switch to waterborne sanitation, eliminating health and environmental risks associated with overflowing conservancy tanks. Final project completion and handover occurred in June 2025, and the network began servicing the community immediately thereafter.

The project’s completion has also been documented with the requisite progress reports and a practical completion certificate, as required by WSIG and municipal oversight. Going forward, the PMU will compile a detailed close-out report including lessons learned (e.g. the need for thorough geotechnical surveys and contingency funds for such projects) for submission to the funding department and the Audit Committee.

Other Funded Projects (EPWP)

- **Paving & Refurbishment of Municipal Properties** – *Scope:* Using labor-intensive methods under the EPWP, the municipality undertook improvements at several public facilities. Key activities included paving the main municipal parking area and walkways, and refurbishing two community halls (minor repairs and painting). *Progress:* The project had an allocation of R1.2 million and was fully **completed by the third quarter of 2024/25**, with all planned outputs achieved. Approximately 20 local workers were employed through EPWP during the implementation.
- *Challenges:* This project encountered only minor issues, such as scheduling around weather for paving works, which were resolved without impact on the deadline. *Outcome:* By year-end, the municipal office's parking lot had a new paved surface (improving safety and access for residents visiting the offices) and the community halls were refurbished, enhancing their usability. The successful completion was reported in the SDBIP performance report with a 100% achievement on the KPI[6]. The EPWP nature of the project also contributed to job creation and skills transfer in line with its objectives.

CHAPTER 4- ORGANISATIONAL DEVELOPMENT PERFORMANCE

AN INTRODUCTION TO MUNICIPAL PERFORMANCE

4.1.1 PERFORMANCE MANAGEMENT SYSTEM

Performance Management is the institutional mechanism used to monitor and evaluate achievements and under achievements of the Kgatelopele Local Municipality's mid-year report performance. Performance Assessment assist management to take strategic decision, provide early warning signals also increase accountability of officials and institutional decision makers.

In terms of Section 40 of Local Government: Municipal Systems Act

Monitoring and review of performance management system-

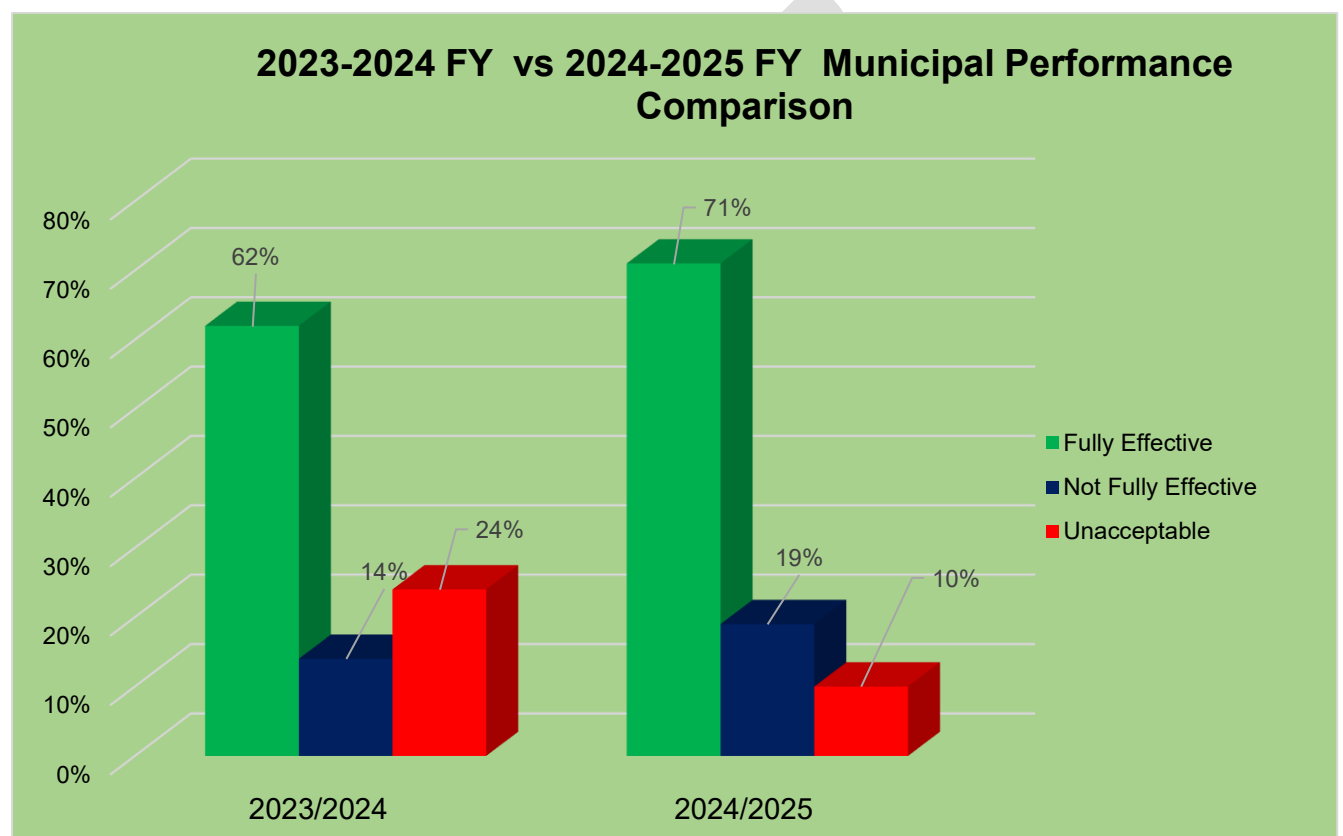
A municipality must establish mechanisms to monitor and review its performance management system. Consequently, each Quarter a performance report reflecting the municipality's performance against the approved SDBIP.

The report must indicate the development and service delivery priorities and the performance targets set by the municipality for the current financial year and measures that were or are to be taken to improve performance. Effort have been made to ensure that this report is reflective of the above legislative requirements. The municipality has translated the national key performance areas into strategic objectives. These strategic objectives assisted the institution to refocus in achieving the developmental agenda.

Performance Management System is the key element in ensuring implementation and realisation of the Integrated Development Plan. The municipality has translated the national key performance areas into strategic objectives. These strategic objectives assisted the institution to refocus in achieving the developmental agenda.

Performance Management System is the key element in ensuring implementation and realisation of the Integrated Development Plan.

The total of 77 Key performance indicators applicable were measured and evaluated for the year under review realised 71% fully effective, 19% Not Fully Effective and 10% Unacceptable. This reflects a positive performance trend, with the institution realising 9% increase in the year 2024/2025 FY in comparison to the year 2023/2024 FY.



B MANAGING THE MUNICIPAL WORKFORCE

4.1.2 MANAGING THE MUNICIPAL WORKFORCE

During the 2024/2025 financial year, Kgatelopele Local Municipality implemented a range of human resource interventions aimed at strengthening institutional capacity, promoting internal mobility, and supporting effective service delivery. These interventions included new appointments, promotions and placements, internal transfers, and the management of employee turnover, all executed in accordance with applicable legislation, municipal policies, and the approved organisational structure.

New Appointments:

The municipality made several strategic appointments during the period under review, including the appointment of a senior management position, namely the Chief Financial Officer. In addition, appointments were made to operational positions, including Traffic and Licensing Officers, a Registry/Records Officer, and a receptionist. Further appointments were effected at junior and support level, comprising General Workers appointed as Office Cleaners. All appointments were finalised in line with the municipality's recruitment and selection policies.

Promotions and Placements:

To enhance organisational effectiveness and support employee development, a number of promotions and placements were implemented. Promotions to supervisory positions included Assistant Foreman roles within Sanitation, Community Services, and Water, as well as Foreman positions within Water and Sanitation. Additional promotions were effected to professional and senior roles, including Senior Human Resource Management Officer and Senior Internal Auditor positions. Permanent placement was also effected in an administrative role within Project Management. Furthermore, internal placements were undertaken involving operational and administrative positions, including Motor Registration Officer and Indigent Officer roles.

Internal Transfers:

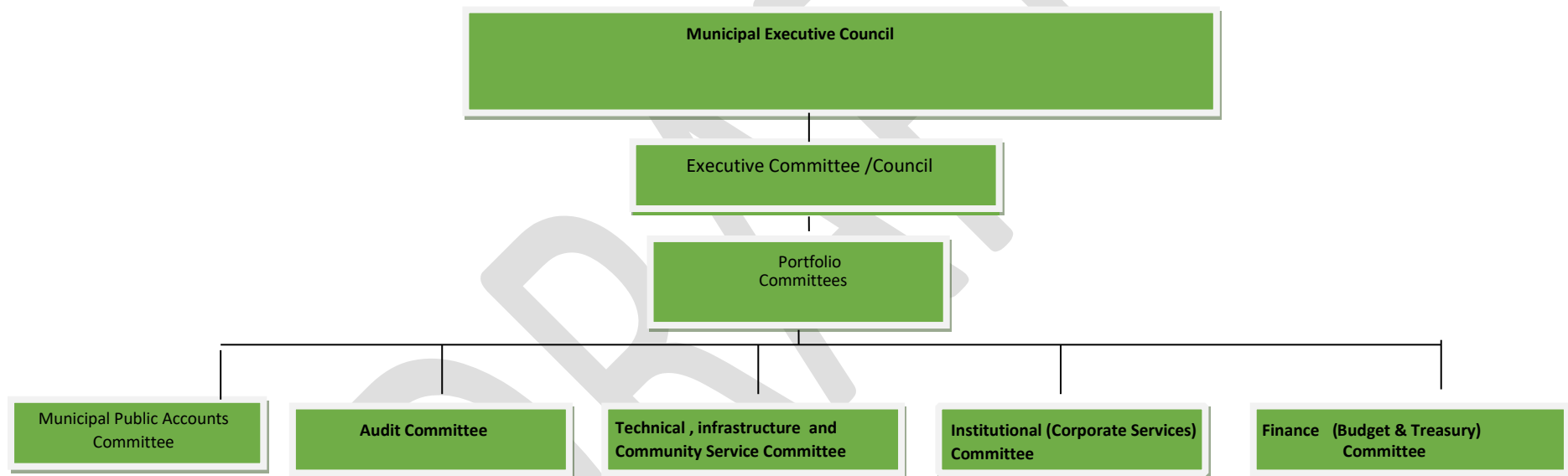
Internal transfers were facilitated during the financial year to address operational requirements and optimise the deployment of human resources. Transfers occurred at Junior Level roles, including movements between Waste and Refuse, Sanitation, Community Services, Water, and Corporate Services units. These transfers were implemented to support service delivery priorities and organisational efficiency.

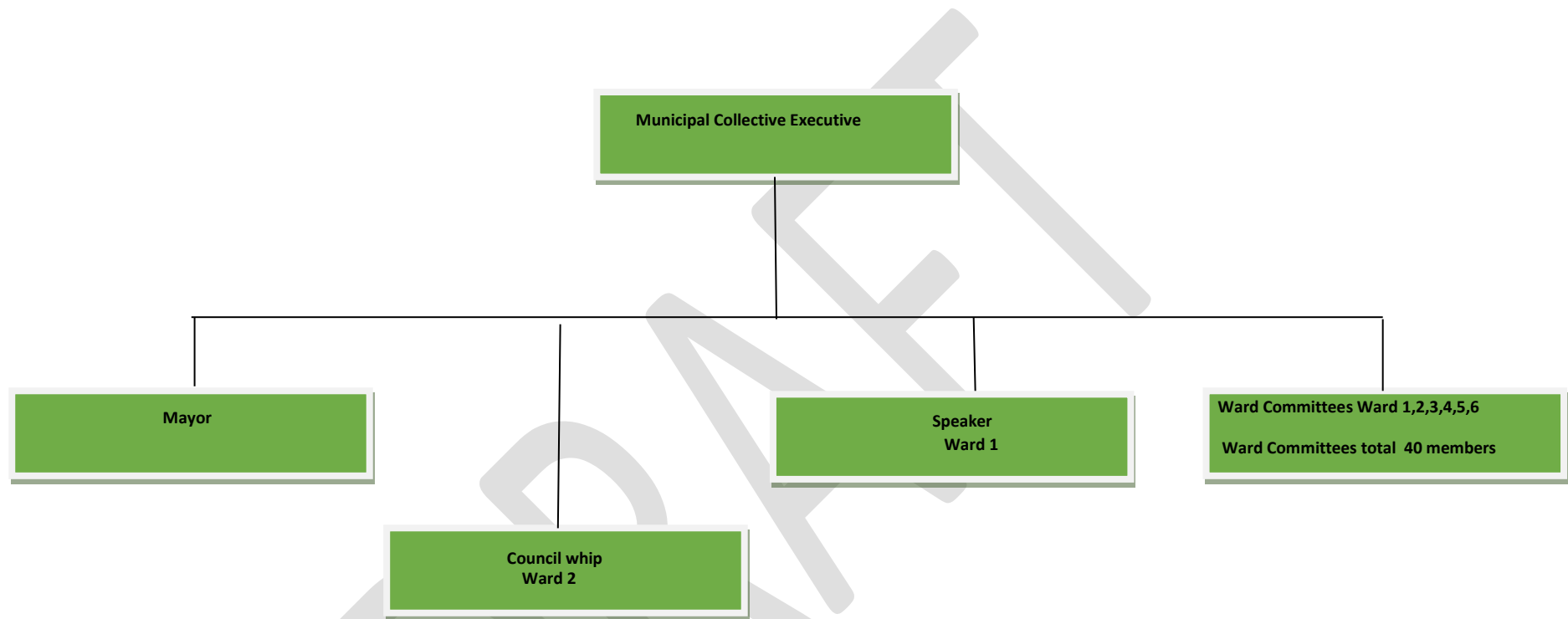
Employee Turnover:

During the 2024/2025 financial year, the municipality experienced employee turnover resulting from the termination of employment contracts. A total of five (5) employees exited the Municipality, comprising of junior, operational-level and senior positions. All terminations were managed and processed in compliance with applicable labour legislation, collective agreements, and municipal human resource policies.

4.1.3 ORGANISATIONAL STRUCTURE

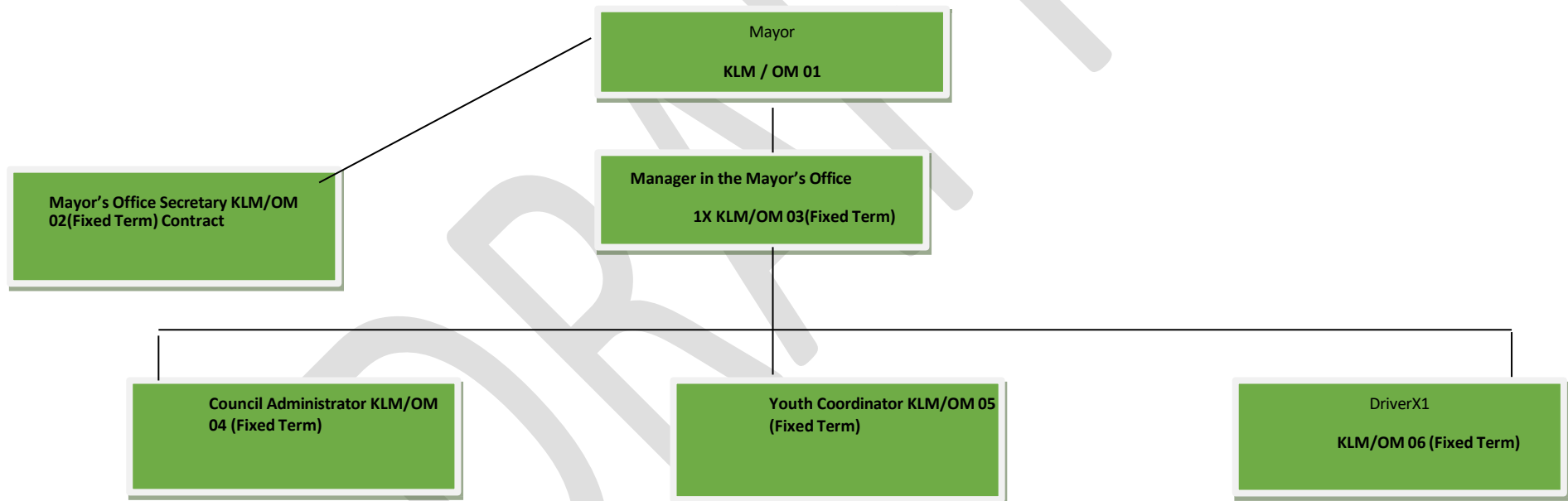
Kgatelopele Municipality is established in terms of Section 12 of the Local Government Municipal Structures Act, Act 117 of 1998 (Municipal Structures Act), as a Municipality with a Mayoral Executive System. The Municipality has the following political structures





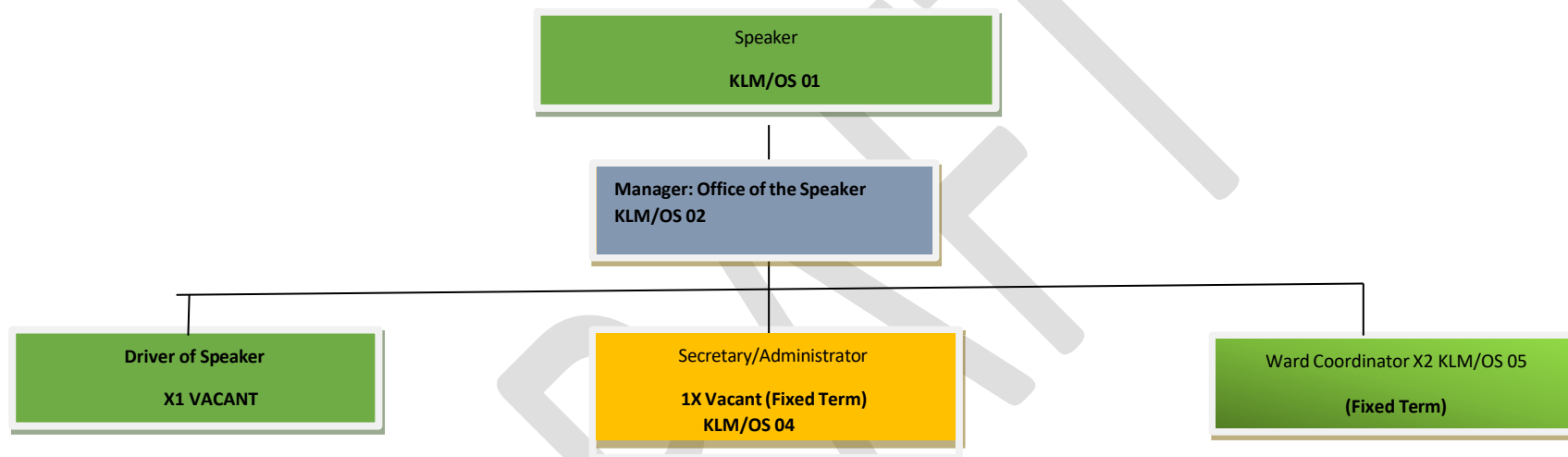
OFFICE OF THE MAYOR

The Executive Mayor is at the centre of the governance system and is responsible for providing political and strategic leadership. Executive power is vested in the Executive Mayor, in accordance with a framework of powers assigned by legislation as well as powers delegated by the Municipal Council in terms of Section 59 of the Municipal Systems Act. In order to maximise operational efficiency, the Municipal Council has delegated all powers except those which it is may not delegate by law to the Executive Mayor. The Executive Mayoral Committee is chaired by the Executive Mayor.



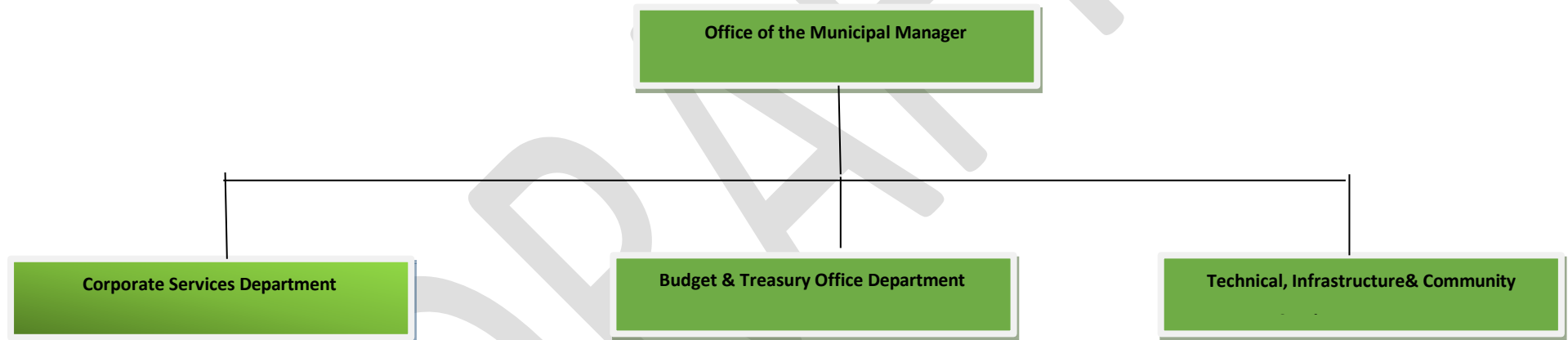
OFFICE OF THE SPEAKER

The Speaker is the Chairperson of the Municipal Council and performs his functions in terms of a framework of powers assigned by legislation and powers delegated by the Municipal Council in terms of the Municipal Systems Act.



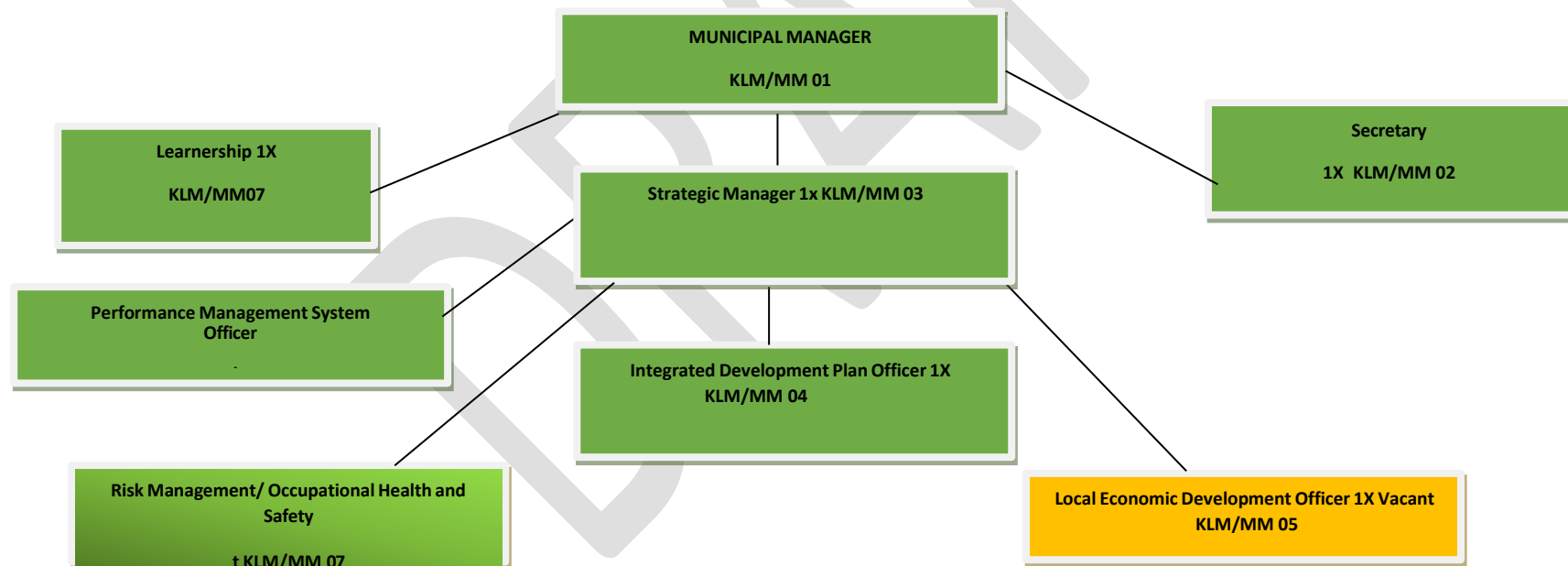
OFFICE OF THE MUNICIPAL MANAGER

The Municipal Manager Adv Willie Blunden is the head of Administration and is the accounting officer. He is responsible for the day to day running of the municipality. The Municipal Manager is further responsible for making sure that, the Council objectives get achieved as well as making sure that the municipality functions optimally. The Municipal Manager is responsible for overseeing; internal audit, risk management, compliance, LED, IDP and PMS which falls under his department. The Municipal Manager works closely with the Directors who are responsible for the various Departments and is directly accountable to him.



OFFICE OF THE MUNICIPAL MANAGER

The Municipal Manager Adv W Blunden is the head of Administration and is the accounting officer. He is responsible for the day to day running of the municipality. The Municipal Manager is further responsible for making sure that, the Council objectives gets achieved as well as making sure that the municipality functions optimally. The Municipal Manager is responsible for overseeing; internal audit, risk management, compliance, council secretariat, LED, IDP, PMS, communication and marketing, which falls under his Department. The Municipal Manager works closely with the Managers who are responsible for the various Departments whose manager are directly accountable to him



INTERNAL AUDIT AND MPAC (independent)

Purpose: To provide advice counsel and opinion regarding organisational efficiency and effectiveness of internal controls governance processes and performance management systems.

Functions:

Development and implement risk-based audit plan and internal audit program for each financial year and providing assurance regarding the efficiency and effectiveness of the performance management system.

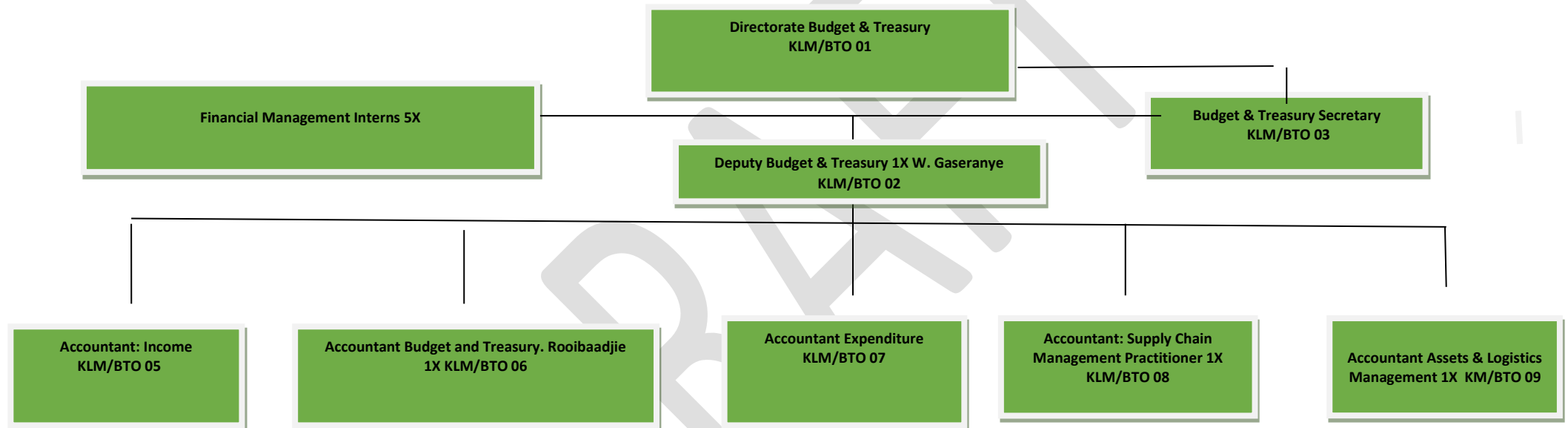
Prepare a risk-based audit and internal audit program for each financial year

Advised the accounting officer and report to the audit committee on the implementation of an internal audit



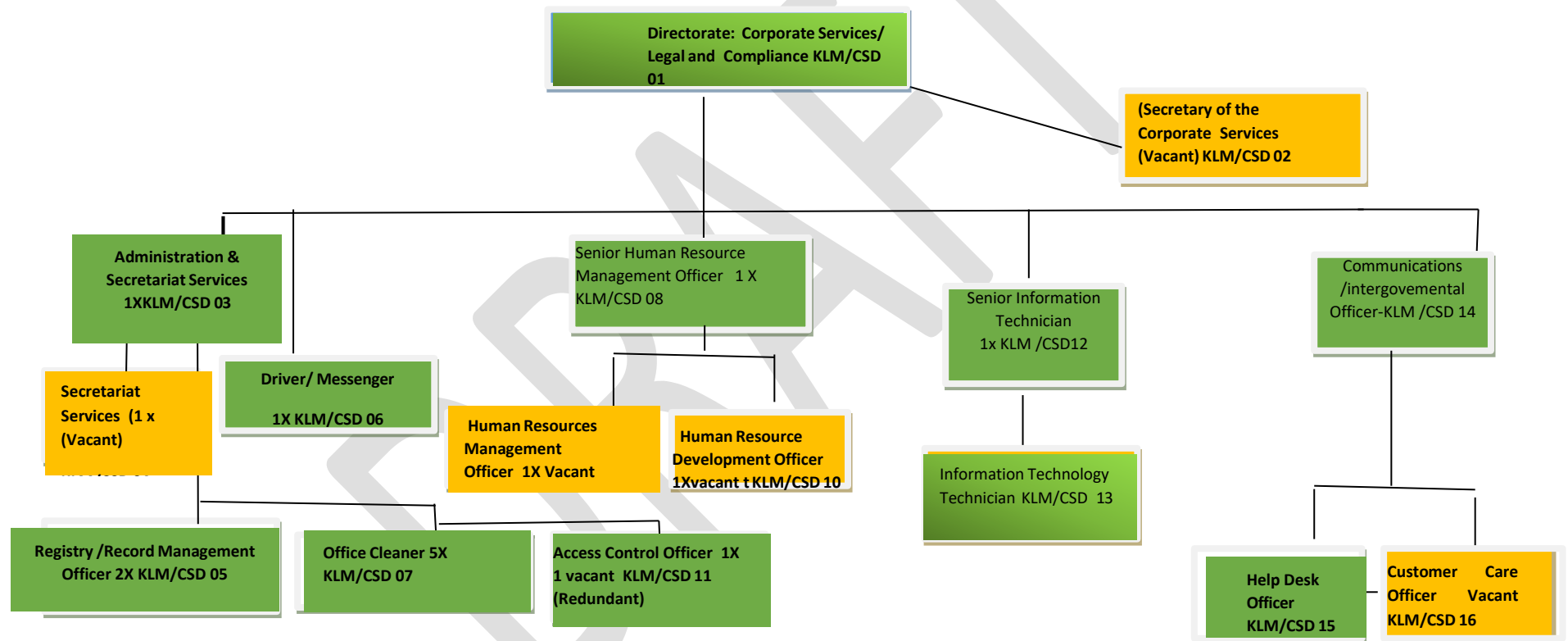
BUDGET & TREASURY OFFICE

*This Department is responsible for the financial management of the municipality, putting systems in place for proper financial management and managing the inflow and outflow of money in the municipality. The Department is responsible for the following:
Financial systems, Budget and treasury, Revenue/Income, Expenditure, Supply Chain Management and Assets Management and Stores*



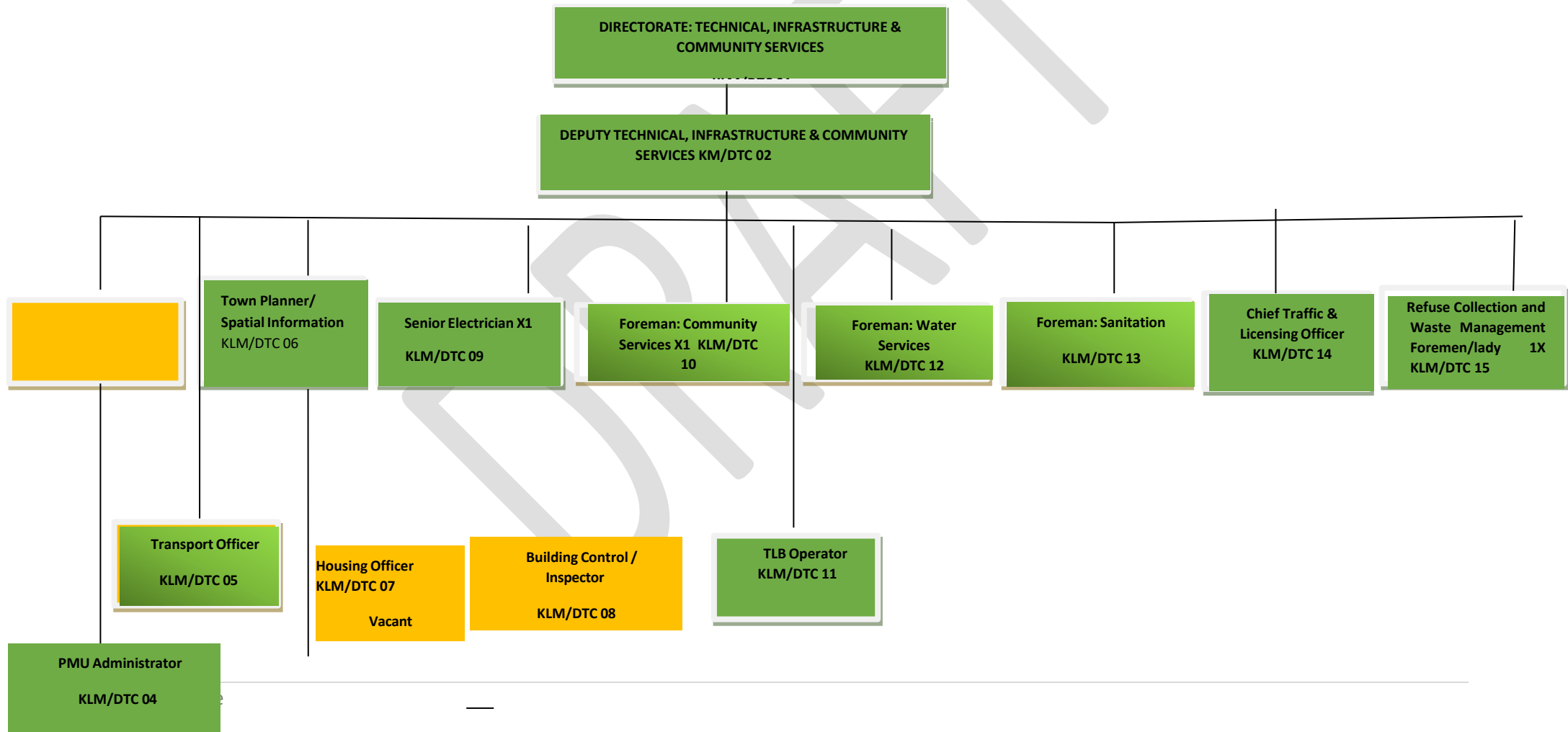
DEPARTMENT: CORPORATE SERVICES

This Department is responsible for the administration of the municipality. Key responsibilities are: Human Resources and Skills Development, Municipal building/facilities, Legal Matters, Compiling and management of all contracts, Communications and Information Technology.



DIRECTORATE TECHNICAL INFRASTRUCTURE & COMMUNITY SERVICE

This Department's main functions are to see to it that residents have basic services. The unit is responsible for: Basic Service delivery, Maintenance of all infrastructures, MIG Projects, Waste management and coordinating the building of houses Town Planning, Land Use Management and the Spatial Development Framework.



CHAPTER 5 – FINANCIAL PERFORMANCE

CHAPTER 5 -FINANCIAL PERFORMANCE

5.1.1 STATEMENT OF FINANCIAL STATEMENTS -COMPARISON BUDGETED FIGURES AGAINST VERSUS ACTUAL

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
Figures in Rand					
Statement of Financial Performance					
Revenue					
Revenue from exchange transactions					
Service charges	63,270,000	4,201,000	67,471,000	62,550,064	(4,920,936)
Rental of facilities and equipment	214,000	-	214,000	461,058	247,058
Interest received (trading)	1,701,000	-	1,701,000	-	(1,701,000)
Agency services	50,000	-	50,000	-	(50,000)
Licences and permits	1,049,000	-	1,049,000	693,985	(355,015)
Other income - (rollup)	146,000	-	146,000	1,839,859	1,693,859
Interest received - investment	3,888,000	-	3,888,000	2,784,103	(1,103,897)
Total revenue from exchange transactions	70,318,000	4,201,000	74,519,000	68,329,069	(6,189,931)
Revenue from non-exchange transactions					
Taxation revenue					
Property rates	21,910,000	862,000	22,772,000	19,327,489	(3,444,511)
Indirect taxes (VAT, customs duty)	9,000,000	-	9,000,000	-	(9,000,000)
Interest - Taxation revenue	670,000	-	670,000	591,765	(78,235)
Transfer revenue					
Government grants & subsidies	40,635,000	-	40,635,000	100,850,885	60,215,885
Fines, Penalties and Forfeits	66,000	-	66,000	-	(66,000)
Total revenue from non-exchange transactions	72,281,000	862,000	73,143,000	120,770,139	47,627,139
Total revenue	142,599,000	5,063,000	147,662,000	189,099,208	41,437,208
Expenditure					
Personnel	(49,994,000)	1,529,000	(48,465,000)	(48,438,971)	26,029
Employee costs - Remuneration of councillors	(4,811,000)	(216,000)	(5,027,000)	(5,234,487)	(207,487)
Depreciation and amortisation	(14,991,000)	800,000	(14,191,000)	(23,091,570)	(8,900,570)
Finance costs	(1,209,000)	(300,000)	(1,509,000)	(5,243,348)	(3,734,348)
Bad debt write-off	(4,350,000)	-	(4,350,000)	331,071	4,681,071
Inventory consumed	(1,353,000)	-	(1,353,000)	-	1,353,000
Bulk purchases	(28,886,000)	(4,200,000)	(33,086,000)	(33,777,247)	(691,247)
Contracted Services	(17,910,000)	(915,000)	(18,825,000)	(16,422,511)	2,402,489
Expenses (by function)	(13,412,000)	(3,372,000)	(16,784,000)	(18,367,842)	(1,583,842)
Total expenditure	(136,916,000)	(6,674,000)	(143,590,000)	(150,244,905)	(6,654,905)
Operating surplus	5,683,000	(1,611,000)	4,072,000	38,854,303	34,782,303
Loss on disposal of assets and liabilities	-	-	-	(9,763,086)	(9,763,086)
Fair value adjustments	-	-	-	1,153,709	1,153,709
Actuarial gains/losses	-	-	-	91,348	91,348
	-	-	-	(8,518,029)	(8,518,029)
Surplus before taxation	5,683,000	(1,611,000)	4,072,000	30,336,274	26,264,274

5.1.2 INFRASTRUCTURE AND OTHER IMMOVABLE ASSETS

Description	Carrying value Opening	Additions	Accumulated Depreciation Closing	Depreciation Financial YTD	Carrying Value Closing
Community facilities	1 052 275,17	-	- 4 624 715,18	-71 917,11	916 448,71
Conservation area	25 000,00	-	-	-	25 000,00
Electrical Infrastructure	40 608 516,35	323 696,00	-74 073 279,40	-2 797 862,05	37 981 371,00
Historic buildings	861 057,64	-	-	-	861 057,64
Housing	1 265 315,40	248 797,21	- 3 625 826,54	- 104 442,47	1 429 626,22
Investment Property	29 055 093,88	-	-	-	29 996 445,53
Land	13 069 962,04	-	-	-	13 069 962,04
Operational Buildings	6 114 562,15	688 519,50	- 6 720 502,25	- 446 931,11	6 307 006,27
Roads Infrastructure	72 774 387,81	4 848 349,98	- 104 203 511,91	-3 056 586,65	74 118 398,15
Sanitation Infrastructure	153 842 343,06	468 000,00	-49 307 956,94	-7 184 204,52	139 118 815,98
Solid Waste Infrastructure	417 071,93	-	- 5 003 596,65	-16 211,63	400 860,30
Sport and recreation facilities	53 749,34	13 768 746,69	- 2 139 191,28	- 519 417,47	13 429 538,77
Storm water Infrastructure	12 454 959,83	4 789 940,13	-10 515 893,79	- 593 070,92	16 643 337,82
Water Supply Infrastructure	43 660 449,86	21 086 161,04	-33 683 423,86	-2 016 814,62	57 061 707,51
	375 254 744,46	46 222 210,56	- 293 897 897,82	- 16 807 458,56	391 359 575,92

The above table represents the status of immovable assets as at November 2025.

The municipality's immovable assets based has increase with R 46,2 million from the 2024/25 Financial year. This was largely driven by the completion of the Sports Facility, and the completion of the replacement of asbestos pipes project. Investment in infrastructure assets is a key indicator of the municipality's service delivery capacity. Through the R46,2 million additions to infrastructure and community assets, the municipality has significantly increased its service delivery capacity by 12 percent before depreciation

5.1.3 PROGRESS OF PROCUREMENT PLAN

No	Project	Procurement Method	Progress	Date of Advert
1	Supply, Delivery and Installation of Prepaid water Meters	14 days tender advertisement	Appointed through RT Contract	N/A
2	Provision of Security Services	30 days tender advertisement	Appointed	09 May 2025
3	Provision of Landfill Site Management Services	Appointed	Appointed	29 October 2024
4	Compilation of Grap Assets Register	30 days tender advertisement	Contract Extended	N/A
5	Supply and Delivery of Cleaning Materials	30 days tender advertisement	Appointed	07 February 2025
6	Supply and Delivery of Furniture and Office Equipment	30 days tender advertisement	Appointed	07 February 2025
7	Refurbishment of Municipal Properties	14 days tender advertisement	Appointed	20 August 2024
8	Provision of Short-Term insurance	30 days tender advertisement	Contract Extended	N/A
9	Supply and Delivery of Protective Clothing	30 days tender advertisement	Appointed	11 April 2025
10	Review of expression of interest on appointment of panel of contractors to assist with construction	30 days tender advertisement	Appointed	18 October 2024
11	Review of expression of interest on appointment of panel of consultants for professional engineering related services	30 days tender advertisement	Appointed	18 October 2024
12	Supply and Delivery of information and Communication technology Equipment	30 days tender advertisement	Appointed	07 February 2025
13	Refurbishment of Bulk water Infrastructure	30 days tender advertisement	Appointed	04 December 2024
14	Supply and Delivery of 25kg Pothole mix bags and SS60% anistable Drums	30 days tender advertisement	Appointed	11 April 2025

CHAPTER 6 - AUDITORS GENERAL

The Constitution S188 (1) (b) states that the functions of the Auditor-General include the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General. The audit outcome for 2023/2024 Financial year was an opinion of qualified with material findings.

The audit findings highlight significant weaknesses in the municipality's financial management, compliance, and performance systems, many of which have persisted over multiple financial periods. These issues, if not addressed urgently, pose risks to the municipality's financial stability, governance credibility, and ability to deliver essential services effectively. Management must prioritize the implementation of a robust and actionable plan to resolve the identified deficiencies, address root causes, and strengthen internal controls. This includes enhancing accountability, improving operational efficiency, and fostering a culture of compliance.

The municipality has obtained a qualified audit opinion on the annual financial statements for year ending 30 June 2025. This is similar to the opinion of the prior year. Material instances of non-compliance have been identified and material findings as well have been reported for performance information. This was due to inadequate action taken by management in addressing issues previously raised by the AGSA in all three areas as some of the issues identified in the current are similar to those of the previous year(s). Recommendations of the AGSA have not been fully implemented.

ANNEXTURE A: ANNUAL PERFORMANCE REPORT

ANNEXTURE B: AUDIT COMMITTEE REPORT

ANNEXTURE C: AUDIT REPORT

ANNEXTURE D: ANNUAL FINANCIAL STATEMENTS

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