ANNUAL REPORT 2024-2025

BUFFALO CITY METROPOLITAN MUNICIPALITY

FINANCIAL YEAR: 2024-2025

TABLE OF CONTENTS		
CHAPTER 1 - MAYOR'S FOREWORD AND EXECUTIVE SUMMARY		11
COMPONENT A: EXECUTIVE MAYOR'S FORWORD		12
COMPONENT B: EXCUTIVE SUMMARY		22
1.1.	CITY MANAGER'S OVERVIEW	23
1.2.	MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW	35
1.3.	SERVICE DELIVERY OVERVIEW	43
1.4.	FINANCIAL HEALTH OVERVIEW	50
1.5.	ORGANISATIONAL DEVELOPMENT OVERVIEW	53
1.6.	AUDITOR GENERAL'S REPORT	54
1.7.	STATUTORY ANNUAL REPORT PROCESS	54
CHAPTER 2 – GOVERNANCE		
COMPNENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE		59
2.1.	POLITICAL GOVERNANCE	59
2.2	ADMINISTRATIVE GOVERNANCE	71
COMPONENT B: INTERGOVERNMENTAL RELATIONS		75
2.3.	INTERGOVERNMENTAL RELATIONS	75
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION		112
2.4.	PUBLIC MEETINGS	116
2.5.	IDP PARTICIPATION AND ALIGNMENT	123
COMPONENT D: CORPORATE GOVERNANCE		123
2.6.	RISK MANAGEMENT	123
2.7.	ANTI-CORRUPTION AND FRAUD	125
2.8.	SUPPLY CHAIN MANAGEMENT	126
2.9.	BY-LAWS	128
2.10.	WEBSITES	130
2.11.	PUBLIC SATISFACTION LEVELS	133
CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)		134
COMPONENT A: BASIC SERVICES		134
3.1.	Water Provision	140
3.2.	WASTE WATER (SANITATION) PROVISION	150
3.3.	ELETRICITY	158
3.4.	WASTE MANAGEMENT	178
3.5.	HOUSING	185
3.6	FREE BASIC SERVICE AND INDIGENT SUPPORT	198
COMPONENT B: ROAD TRANSPORT		203
3.7	ROADS	206
3.8	TRANSPORT	237
3.9	WASTE WATER (STORMWATER DRAINAGE)	248
COMPONENT C: PLANNING AND DEVELOPMENT		256
3.10	PLANNING	261
3.11	LOCAL ECONOMIC DEVELOPMENT (including tourism and market places)	275
COMPONENT D: COMMUNITY & SOCIAL SERVICES		338
3.12	LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES ETC	338
3.13	CEMETERIES AND CREMATORIUMS	348
3.14	CHILD CARE; AGED CARE; SOCIAL PROGRAMMES	351
COMPONENT E: ENVIRONMENTAL PROTECTION		356

3.15	POLLUTION CONTROL	358
3.16	BIO-DIVERSITY; LANDSCAPE (INCL OPEN SPACES); AND OTHER (EG COASTAL PROTECTION)	371
3.17	CLINICS	403
3.18	AMBULANCES SERVICES	403
3.19	HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC	403
COMPONENT G: SERCURITY AND SAFETY		427
3.20	POLICE	427
3.21	FIRE	460
3.22	OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)	474
COMPONENT H: SPORT AND RECREATION		494
3.23	SPORT AND RECREATION	495
COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES		501
3.24	EXECUTIVE AND COUNCIL	501
3.25	FINANCIAL SERVICES	508
3.26	HUMAN RESOURCE SERVICES	516
3.27	INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES	521
3.28	PROPERTY; LEGAL; RISK AMANAGEMENT AND PROCUREMENT SERVICES	527
COMPONENT J : MISCELLANEOUS		537
COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD		537
CHAPTER 4 - ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)		538
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL		538
4.1	EMPLOYEE TOTALS, TURNOVER AND VACANCIES	539
COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE		5
4.2	POLICIES	549
4.3	INJURIES, SICKNESS AND SUSPENSIONS	551
4.4	PERFOMANCE REWARDS	556
COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE		558
4.5	SKILLS DEVELOPMENT AND TRAINING	559
COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE		566
4.6	EMPLOYEE EXPENDITURE	566
CHAPTER 5- FINANCIAL PERFOMANCE		570
COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE		571
5.1.	STATEMENTS OF FINANCIAL PERFORMANCE	573
5.2	GRANTS	578
5.3	ASSET MANAGEMENT	582
5.4	FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS	586
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET		592
5.5	CAPITAL EXPENDITURE	592
5.6	SOURCES OF FINANCE	593
5.7	CAPITAL SPENDING ON 5 LARGEST PROJECTS	595
5.8	BASIC SERVICE AND INFRASTRUCTURE BACKLOGS-OVERVIEW	596
COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS		600
5.9	CASH FLOW	601
5.10	BORROWING AND INVESTMENTS	602

5.11	PUBLIC PRIVATE PARTNERSHIPS	603
COMPONENT D: OTHER FINANCIAL MATTERS		604
5.12	SUPPLY CHAIN MANAGEMENT	604
5.13	GRAP COMPLIANCE	604
CHAPTER 6 - AUDITOR GENERAL -AUDIT FINDINGS		605
COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2023-2024 6.1. AUDITTOR GENERAL REPORTS 2023-2024		605
COMPONENT B: AUDITOR-GENERAL OPINION 2024-2025 6.2. AUDITOR GENERAL REPORT		
GLOSSARY		
APPENDICES Appendix A: Councillors; Committee Allocation and Council Attendance Appendix B: Committee and Committee Purpose Appendix C: Third Tier Administrative structure Appendix D: Functions of Municipality/Entity Appendix E: Ward Reporting Appendix F: Ward Information Appendix G: Recommendations of the Municipal Audit Committee Appendix H: Long term Contracts and Public Private Partnership Appendix I: Municipal Entity/Service Provider Performance Schedule Appendix J: Disclosure of Financial Interest Appendix K: Revenue Collection Performance Appendix K (i): Revenue Collection Performance by Vote Appendix K (ii): Revenue Collection Performance by Source Appendix L: Conditional Grants Received: Excluding MIG Appendix M: Capital Expenditure – New & Upgrade/ Renewal Programmes: Including MIG Appendix M(i): Capital Expenditure – New Assets Programme Appendix M(ii): Capital Expenditure – Upgrade/Renewal Programme Appendix N: Capital Programme by Project current year Appendix O: Capital Programme by project by Ward current year Appendix P: Service Connection Backlogs at Schools and Clinics		

Appendix Q: Service Backlogs Experienced by the Community where another Sphere of Government is Responsible for Service Provision Appendix R: Declaration of Loans and Grants Made by the Municipality Appendix S: Declaration of Returns not Made in due Time under MFMA s71 Appendix T: National and Provincial Outcome for local government	

TABLE OF ABBREVIATIONS

AG	AUDITOR GENERAL OF SOUTH AFRICA
AEL	ATMOSPHERIC EMISSION LICENCE
BCMM	BUFFALO CITY METROPOLITAN MUNICIPALITY
BCMDA	BUFFALO CITY METROPOLITAN DEVELOPMENT AGENCY
BKCOB	BORDER KEI CHAMBER OF BUSINESS
CAPEX	CAPITAL EXPENDITURE
CIDMS	CITY INFRASTRUCTURE DELIVERY MANAGEMENT SYSTEM
CM	CITY MANAGER
CR	CREDIT RATING
COGTA	DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
DMA	DISASTER MANAGEMENT ACT (No. 57 of 2002)
DMC	DISASTER MANAGEMENT CENTRE
DORA	DIVISION OF REVENUE ACT
DRPW	DEPARTMENT OF ROADS AND PUBLIC WORKS
EPWP	EXPANDED PUBLIC WORKS PROGRAMME
FY	FINANCIAL YEAR
GVA	GROSS VALUE ADDED
HACCPS	HAZARD ANALYSIS AND CRITICAL CONTROL POINTS SYSTEM
HH	HOUSEHOLDS
HDA	HOUSING DEVELOPMENT AGENCY
HOD	HEAD OF DIRECTORATE
IDP	INTEGRATED DEVELOPMENT PLANNING
IDZ	EAST LONDON INDUSTRIAL DEVELOPMENT ZONE
ICT	INFORMATION AND COMMUNICATION TECHNOLOGY SERVICES
IGR	INTERGOVERNMENTAL RELATIONS
IOD	INJURY ON DUTY
ISUPG	INFORMAL SETTLEMENT UPGRADING PROGRAMME GRANT

IRDP	INTEGRATED RESIDENTIAL DEVELOPMENT PROGRAMME
IWMP	INTEGRATED WASTE MANAGEMENT PLAN
KPI	KEY PERFORMANCE INDICATOR
KWT	KING WILLIAMS TOWN
LED	LOCAL ECONOMIC DEVELOPMENT
MBSA	MERCEDEZ-BENZ SOUTH AFRICA
MGDS	METRO GROWTH AND DEVELOPMENT STRATEGY (VISION 2030)
MFMA	MUNICIPAL FINANCE MANAGEMENT ACT
MSA	MUNICIPAL SYSTEMS ACT
MSA	MUNICIPAL STRUCTURES ACT
NCOP	NATIONAL COUNCIL OF PROVINCES
NHLS	NATIONAL HEALTH LABOTARY SERVICES
NHNR	NATIONAL HOUSING NEEDS REGISTER
OPEX	OPERATIONAL EXPENDITURE
PEP	PUBLIC EMPLOYMENT PROGRAMME
PMS	PAVEMENT MANAGEMENT SYSTEM
PPP	PUBLIC-PRIVATE PARTNERSHIP
RDP	RECONSTRUCTION AND DEVELOPMENT PROGRAMME
RSA	REPUBLIC OF SOUTH AFRICA
SCM	SUPPLY CHAIN MANAGEMENT
SDBIP	SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN
SSETA	SERVICES SECTOR EDUCATION AND TRAINING AUTHORITY
SDF	SPATIAL DEVELOPMENT FRAMEWORK
SHI	SOCIAL HOUSING INSTITUTIONS
SMME	SMALL, MEDIUM AND MICRO ENTERPRISE
IUDF	INTEGRATED URBAN DEVELOPMENT FRAMEWORK

ABOUT BCMM'S 2024-25 ANNUAL REPORT

STATUTORY REQUIREMENTS, VISION, MISSION, CORE VALUES AND BCMM'S STRATEGIC OBJECTIVES

In terms of Chapter 12, Section 121 (1) of the Municipal Finance Management Act (MFMA),

> *"Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter. The Council of the municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with Section 129."*

Furthermore, Section 127 stipulates that:

> *"The mayor of the municipality must, within seven months after the end of the financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control."*

In compliance with the above legislative requirements, Buffalo City Metropolitan Municipality (BCMM) has developed this Annual Report 2024/25 to communicate with BCMM residents, businesses, ratepayers, and other community organisations about Council business, its services, performance, achievements, and highlights for the year under review.

The Annual Report covers the period from 1 July 2024 to 30 June 2025. The scope of this report is limited to performance reporting as it relates to BCMM during the 2024/25 financial year. Where applicable, the scope extends to reporting on performance by the Municipal Entity that facilitates service delivery on behalf of BCMM, and as mandated by BCMM.

The report aims to reflect BCMM's commitment to a measured and integrated approach to its strategy and operational practices, as well as to the reporting of its economic, social, and environmental impacts. Using an integrated reporting format, and application of globally recognised governance and sustainability reporting frameworks, this report aims to offer stakeholders a clear view of how BCMM's

strategy, governance, performance, and prospects, in the context of its external environment, lead to the creation of value over the short, medium, and long term.

Like any other state organ, organisation or entity, BCMM is guided by its vision, mission statement, core values, and strategic objectives in the execution of its mandate.

BCMM VISION

Buffalo City Metropolitan municipality is guided by the following long-term vision: *"Buffalo City: well-governed, connected, green and innovative."*

We are a city that re-invented itself from a divided and fragmented past.

We are a successful, prosperous and dynamic modern city: enterprising, green, connected, spatially-integrated and well-governed.

We are proud of our beautiful coastal city, capital of the Eastern Cape Province, home of a globally-competitive auto industry with excellent educational and medical facilities.

MISSION STATEMENT

Buffalo City Metropolitan Municipality is a City that:

- Promotes a culture of good governance;
- Provides effective and efficient municipal services;
- Invests in the development and retention of human capital to service BCMM and its community;
- Promotes social and equitable economic development;
- Ensures municipal sustainability and financial viability;
- Creates a safe and healthy environment; and
- Places Batho Pele at the centre of service delivery.

CORE VALUES

We are a City that espouses the following values:

- Good governance
- Fairness and equity
- Recognition of human capital
- Professionalism
- Service excellence
- Respect for cultural diversity
- Innovation
- Unity of purpose
- Ubuntu

STRATEGIC OBJECTIVES

BCMM strives to realize the following five strategic outcomes by the year 2030.

An innovative and productive City: with rapid and inclusive economic growth, and a decline in unemployment.

A green City: environmentally sustainable with optimal benefits from our natural assets. A clean and healthy City of subtropical gardens.

A connected City: high-quality (and competitively priced) connections to ICT, electricity and transport networks (inside BCMM and to the outside world).

A spatially-transformed City: progressively overcome apartheid spatial divisions and fragmentation with township economies becoming more productive.

A well-governed City: a smart and responsive municipality (working with other levels of government) that plans and efficiently delivers high quality services and cost-effective infrastructure, without maladministration and political disruptions.

To achieve its objectives, BCMM formulated an inclusive and broad-based Metro Growth and Development Strategy (MGDS 2030), which is anchored on five strategic imperatives, namely:

PILLARS OF THE BCMM GROWTH AND DEVELOPMENT STRATEGY – VISION 2030	
Strategic Pillar 1	An inclusive and sustainable economic growth
Strategic Pillar 2	A globally connected City
Strategic Pillar 3	A clean and environmentally sustainable City
Strategic Pillar 4	A spatially transformed City
Strategic Pillar 5	A well governed City

COMPONENT A
EXECUTIVE MAYOR'S FOREWORD



EXECUTIVE MAYOR
COUNCILLOR P. FAKU

1. CHAPTER 1 – MAYOR'S FOREWORD & EXECUTIVE SUMMARY

COMPONENT A: EXECUTIVE MAYOR'S FOREWORD

A. VISION:

On behalf of the Buffalo City Metropolitan Council (BCMM), our leadership collective, and the dedicated officials who serve our communities with diligence and integrity, I am honoured to present the 2024/2025 Annual Report.

This report is not merely a summary of figures, programmes, and plans; it is a transparent account of our promise to the people of BCMM. It reflects our progress, acknowledges our challenges, and reaffirms our collective commitment to building a City that is inclusive, dynamic, well-governed, and future ready.

Our vision is anchored in BCMM Growth and Development Strategy (MGDS) Vision 2030, which commits us to a City that is:

- Economically vibrant and globally competitive
- Socially inclusive and people-centred
- Environmentally resilient and sustainable
- Well-governed, transparent, and accountable

Local government is the sphere closest to the people, and we remain resolute in our constitutional mandate to provide basic services, drive socio-economic development, and create opportunities for all.

Our success is rooted in the belief that development is achieved with our communities, not for them. Guided by our Integrated Development Plan (IDP), and strengthened through Mayoral Imbizos, Ward Committee processes and IDP and Budget Roadshows, we continue to listen, engage, and act on the priorities of our residents.

We are accelerating service delivery, modernising systems, and strengthening governance to ensure that every neighbourhood in BCM experiences meaningful improvements in quality of life.

The reporting period has been shaped by tough macro-economic conditions rising costs, unemployment pressures, and reduced consumer ability to pay for services.
These challenges have impacted our revenue base and placed pressure on our financial position, as has been the case for municipalities nationally.

Despite these headwinds, BCM remains financially resilient. We have implemented strict cost-containment measures, strengthened financial oversight, and intensified revenue recovery strategies to safeguard sustainability and operational efficiency.
Our credit rating of A-(za) (long-term) and A2(za) (short-term), with a negative outlook, reflects both the current financial constraints and our ongoing efforts to stabilise municipal finances.
We are committed to reversing this trajectory through:

- Enhanced revenue collection and debt management
- Reducing debt impairment

- Improving liquidity
- Ensuring disciplined, transparent spending
- Aligning fully with MFMA and National Treasury regulations

This Annual Report reinforces our commitment to clean governance, accountability, and ethical stewardship.

We present this report with humility and determination, fully aware of the work ahead and motivated by the progress achieved.

BCMM is a City in motion, building infrastructure, empowering communities, strengthening institutions, and preparing for the future.

Together, with our residents, partners and stakeholders, we will continue to drive transformation and deliver a City worthy of the people who call it home.

B. KEY POLICY DEVELOPMENTS:

The year under review reflects tangible progress in improving the quality of life for our residents, strengthening basic service delivery systems, and advancing our vision of a modern, inclusive, and resilient Buffalo City Metropolitan Municipality.

As both a Water Services Authority (WSA) and Water Services Provider (WSP), BCMM remains committed to ensuring universal and sustainable access to clean water and dignified sanitation. We are pleased to report continued improvement in the number of households accessing sanitation services, demonstrating progress toward equitable service expansion.

Our Water and Sanitation Division has continued to deliver at the highest standards, achieving a 99% compliance rate with national water quality benchmarks, a strong indicator of our commitment to health, safety, and environmental protection. We continue to make strategic investments in bulk infrastructure to secure future water security and sanitation capacity.

Due to theft and vandalism, the BCMM has during this 2024/205 financial year managed to secure service providers through the approved Supply Chain Management procurement process. BCMM has also appointed service providers to assist in drafting the Security Risk Analysis of the institution and to assist with the review of the Crime Prevention Strategy. In addition, several Community Safety Forum meetings were held with communities in all three regions of the Metro.

During the year under review, the Traffic Services Department has implemented a number of strategic and operational objectives. An amount of R3.5 million has been set aside to procure backup generators. An amount of over R1 million has been set aside for Supply and Delivery of Road Line painting machines.

An amount of R5 million was provided for the appointment of a service provider to supply, deliver and install CCTV cameras.

An amount of R4.9 million was provided for the procurement of a specialised Hazmat Vehicle. The new Fire Station for Berlin has commenced with the handover of the site in November 2024. Mdantsane Fire Station was also refurbished.

Since 2015/2016, more than R1 billion has been invested in water and sanitation infrastructure, including significant upgrades at Reeston and Zwelitsha, which are vital for supporting anticipated residential and industrial growth.

Our Human Settlements Directorate plays a pivotal role in creating sustainable and dignified living conditions. We remain committed to the progressive realisation of adequate housing while ensuring clean, safe, and serviced environments.

A landmark achievement this year was the BCMM securing Level 2 Housing Accreditation, empowering the municipality to directly plan and implement housing projects instead of relying solely on provincial delivery processes. This will allow for improved accountability, accelerated delivery, and better alignment with integrated development priorities.

The Government National Development Plan (NDP), to which we subscribe outlines five overarching principles for Spatial Transformation set out in Chapter 8 of the NDP. These principles have been incorporated into the Spatial Planning and Land Use Management (SPLUMA). The five principles are:

- Spatial Justice - Inclusion and integration of disadvantaged areas.
- Spatial Sustainability - Promoting land development in sustainable locations, limiting urban sprawl, and creating viable communities.
- Efficiency - Optimising existing resources and infrastructure.
- Spatial Resilience – Ensuring flexibility in spatial plans, policies and land use management systems to support sustainable livelihoods in communities.
- Good Administration - Execution of good governance principles in measuring how public affairs are conducted.

Working closely with the EC Department of Human Settlements, we continued to prioritise issuing title deeds, including restoring full home ownership rights to beneficiaries in areas such as Leaches Bay.

There are six mass integrated human settlement areas that have been identified in key locations to cater for the housing backlog. These areas can accommodate a range of socio-economic groups in a variety of housing types in a fully integrated human settlement. This can be developed into high density and can include social housing flats, high-rise Reconstruction and Development Programme (RDP), gap housing, plots for self-build housing, managed land settlement, as well as business sites and community facilities. The mass integrated human settlements have an estimated residential yield of 150 693. In terms of the planned housing projects, the mass integrated human settlements will be built in the following areas:

- West Bank – 71 340 residential yields
- Quenera – 26 595 residential yields
- Arnoldton/Reeston North – 25 695 residential yields
- Ginsberg Extension – 14 910
- Bhisho Precinct – 6 144
- Amalinda Junction – 6 009

A clean and liveable City remains one of our core priorities. BCMM provided refuse removal services to approximately 268 438 households, covering both formal and informal areas across our Coastal, Midland, and Inland regions.

We intensified efforts to address illegal dumping and enhance environmental quality through proactive waste clearance and street sweeping programmes. The revival of our Friday Integrated Cleaning and Greening Campaign demonstrates our renewed commitment to clean neighbourhoods, instilling civic pride, and environmental stewardship.
Service delivery continues to anchor our developmental mandate. In the 2024/2025 period, we registered major achievements across:

- Water and sanitation investments and quality compliance
- Waste management expansion and city cleanliness programmes
- Housing delivery, title deed issuance, and security of tenure
- Infrastructure upgrades and improved access to essential services

Our progress is evidence of a City that continues to build capacity, expand reach, and enhance institutional capability to deliver better services for all.

C. KEY SERVICE DELIVERY IMPROVEMENTS:

The 2024/2025 financial year reflects continued progress in strengthening service delivery, financial stability, and strategic investment within Buffalo City Metropolitan Municipality. Despite a difficult economic climate and rising service delivery pressures, we remain committed to building a sustainable, inclusive, and resilient City.

The City had a total budget of R13.160 billion of which R1.412 billion (10.73%) was allocated to the capital budget. The City spent R1.301 billion inclusive of VAT of its capital budget which equates to 92%.

Own funded projects had a budget of R0,511 billion and R0.528 (103%) of the budget was spent. Grant funded projects had a budget of R0.901 billion and R0.773 billion – equivalent to 86% was spent. Government Grants and subsidies continue to comprise the most significant portion of the funding utilized for capital expenditure.

The BCMM total operating expenditure was higher than the anticipated budget and therefore experienced an unfavourable variance of R0. 297 billion. The statement of financial position for 2024/2025 reflects a favourable position as BCMM has excess assets over liabilities resulting in a net worth of R43.011 billion. The Metro's cash and cash Equivalent at year-end amounted to R0.731 billion, which is a slight improvement from the R0.721 billion held at the end of the 2023/24 financial year. The City can still meet its obligations. While our commitment to responsible spending remains firm, we continue to navigate revenue pressures driven by rising unemployment, affordability constraints, and underfunded mandates.

The implementation of cost-containment measures in line with MFMA Circular 82 has supported efficiency, while improving debt collection and reducing debt impairment remain immediate institutional priorities. The growing debtors book and underfunded mandates are some of the issues that cause a huge financial strain on the municipal coffers. The City had to adjust its spending levels downward to counteract the decline in revenue collections.

Improving the collection rate and decreasing debt impairment remain the City's immediate priorities.

The City endeavours to remain within National Treasury norms. Cost containment measures are being implemented by the City, as well as a financial recovery plan to achieve operational efficiency. These measures aim to ensure the future viability of the institution and to minimise the negative impact on residents within the City's boundaries.

One of the key milestones this year is the upgrading of the Ebuhlanti – Marina Glen project which is now taking shape. BCMM continues to experience steady population and household growth, averaging 1.56% per annum over the last decade, which is higher than the national trend. While this affirms BCMM as a preferred human settlement destination, it brings increased pressure on basic services. BCMM has 119 04 prospective beneficiaries listed in the National Housing Needs Register (NHNR). These potential beneficiaries will be registered and captured in the NHNR system and will wait until the land and budget are made available. The City also has 14 500 backyarders in the NHNR system.

Key service statistics include:

- 51.91% of households have piped water inside their dwellings
- 99% of households have access to electricity
- 94% of households have access to basic sanitation services

Major infrastructure pipeline priorities include:

- West Bank Restitution – 2,025 serviced sites
- Mdantsane Zone 18CC – 1,500 serviced sites
- Reeston Phase 3 Stage 2 – 1,650 sites
- Boxwood Bulk Infrastructure – enabling approximately 4,000 serviced sites

Our aim remains clear, expanding access to serviced land, improving human settlements, and fast-tracking township and rural development. BCMM continues to prioritise infrastructure at the centre of development, allocating 70% of the capital budget to water supply, sanitation, roads, and electricity. Key achievements include the repair of thousands of potholes and the resurfacing of strategic roads through Operation Valazonke.

Electrical infrastructure investment totalled R148.5 million, supporting network upgrades, the electrification of 341 low-income households, the installation of 16 high-mast lights, and the continued roll-out of smart metering. Since inception, the Smart Metering Programme has installed 37,000 prepayment meters and 7,000 smart post-paid meters, recovering over R120 million in previously unbilled revenue.

While challenges such as theft, vandalism, and illegal connections persist, we continue to strengthen enforcement, infrastructure security, and technology-based monitoring systems.

Guided by our MGDS Vision 2030, we continue to build a competitive, future-ready economy. Strategic partnerships have played a key role in advancing innovation, investment, and global city positioning.
Highlights include**:**

- Strengthened economic cooperation with Jinhua City, China, focused on renewable energy, e-mobility manufacturing, agriculture, and trade
- Participation in an economic diplomacy mission to China to secure future investments and technology partnerships
- Continued collaboration with Oldenburg, Germany under the 50 Climate Change Partnership Programme, delivering results in water efficiency, solar energy, waste management, and environmental learning

Projects such as the Beacon Bay Energy-Efficient Building and solar energy installations at Nahoon Estuary Reserve reflect our commitment to clean energy and resilient urban systems. These international engagements align with the District Development Model (DDM) and position Buffalo City as a growing hub for industrial innovation, logistics, ocean economy, and green transition investments.

D. PUBLIC PARTICIPATION:

BCMM continues to uphold its commitment to participatory democracy and responsive governance. Our public participation platforms remain fundamental in ensuring that communities are directly involved in shaping the development agenda of the Metro.

During the year under review, BCMM intensified its outreach programme, with officials traversing all regions of the City to engage residents, respond to service delivery concerns, and gather inputs on municipal programmes. These engagements took place through the Mayoral Imbizo Programme, Ward Committee meetings, ward-based service delivery visits, the IDP and Budget Roadshows, as well as sector-focused stakeholder dialogues.

Through these platforms, BCMM continued to engage critical stakeholders, including traditional leaders, business chambers, labour organisations, civil society, and youth structures. These interactions have strengthened collaborative governance and enhanced our understanding of community needs and expectations.

The Municipality also conducted targeted household engagements, particularly with ratepayers and indigent households, to increase awareness of available support programmes. This included educational sessions on municipal services and assistance programmes such as the indigent scheme, rebates, and the newly introduced Debt Incentive Schemes aimed at relieving financial pressure for vulnerable groups, particularly pensioners and retired ratepayers.

In executing its constitutional mandate, BCMM provides monthly indigent support to qualifying households in accordance with the Indigent Support Policy and By-Law. The support is automatically applied to beneficiaries' municipal accounts, while free basic electricity of 50kWh per month is made accessible via the prepaid vending system. This targeted intervention continues to play a vital role in safeguarding the dignity and welfare of vulnerable citizens.

Ward Committees remained an important mechanism for grassroots participation. Guided by the Council-approved Ward Committee Public Participation Framework, these structures continue to facilitate meaningful community involvement in municipal affairs, promote accountability, and strengthen local oversight.

Transparency, accountability, and public engagement remain at the core of our governance philosophy. Through sustained engagement and people-centred programmes, BCMM continues to reinforce public trust, foster shared responsibility, and enhance service delivery outcomes for the benefit of all residents.

E. FUTURE ACTIONS:

As BCMM continues to enhance service delivery and strengthen developmental impact, we move forward with a clear plan rooted in innovation, sustainability, and community empowerment.

We are proud to have received a Level 2 Housing Accreditation Certificate, authorising BCMM to build houses independently rather than relying solely on the Department of Human Settlements. This milestone positions us to accelerate dignified housing delivery, prioritise vulnerable communities, and ensure integrated human settlements across the BCMM.

To fulfil our mandate of improving the lives of our residents, we will continue to allocate 70% of our total capital budget to infrastructure development. Our focus remains on expanding and modernising essential services, including water provision, sanitation, road infrastructure, and electricity networks.

Going forward, BCMM will implement the following strategic actions:

Housing and Human Settlements

- Accelerate construction of affordable, quality housing across the Metro.
- Prioritise the electrification of informal settlements and provision of basic services.
- Advance the Mdantsane Unit 18CC housing development and roll out additional housing opportunities across regions.
- Strengthen land acquisition and planning processes to increase sustainable human settlements.

Infrastructure and Roads Modernisation

- Continue major road rehabilitation and resurfacing projects through Operation Valazonke, focusing on all three regions — Coastal, Midland and Inland.
- Expand pothole repair, stormwater management, rural road regravelling, and resurfacing programmes.
- Support strategic national road developments undertaken by SANRAL within the Metro.
- Maintain annual investment into roads infrastructure, building on the R152 million allocation for road upgrading and rehabilitation.

Water, Sanitation and Energy

- Advance wastewater treatment plant upgrades supported by our strategic German partnership.
- Expand energy infrastructure upgrades and informal settlement electrification to support community growth and economic activity.

Catalytic Projects and Economic Infrastructure

- Develop and unlock the West Bank Precinct as a key economic growth zone aligned to port, airport, and rail infrastructure.
- Leverage the recent upgrades on Settlers Way and Military Road to enhance logistics efficiency and investment attraction.
- Maximise opportunities within the Ocean Economy and Operation Phakisa, including port modernisation and the ship repair precinct.
- Support Transnet's continued maritime investment programme, following the introduction of new tugboats to enhance port capability.

Economic Growth and Investment Promotion

- Finalise and implement a Regional Economic Framework to increase investment confidence, attract large-scale investments, and stimulate job creation.
- Prioritise youth employment, township economy revitalisation, and inclusive enterprise development.
- Strengthen partnerships with private sector and public institutions to spur innovation and green growth.

Through prudent financial management, aggressive infrastructure rollout, and strong governance, BCMM is building a more inclusive, resilient, and prosperous city.
We remain committed to sustainable development, improved service delivery, and ensuring that every resident of BCMM shares in the socio-economic progress and opportunity that lies ahead.

F. AGREEMENTS/PARTNERSHIPS:

In an increasingly interconnected global economy, our development ambitions as BCMM require us to build strong, strategic relationships not only locally, but across international borders. Our MGDS Vision 2030 calls on us to be bold, future-focused, and outward-looking in our pursuit of growth, innovation, and sustainable development.

As BCMM, we recognise that meaningful progress depends on collaborative partnerships with both domestic and international stakeholders. At home, the National Government continues to advance the DDM to harmonise development planning and ensure that all spheres of government drive a single, coordinated service delivery and investment agenda. Within this framework, we continue to collaborate with key strategic partners including Mercedes Benz South Africa (MBSA), Transnet, Transnet National Ports Authority (TNPA), Eskom, Passenger Rail Agency South Africa (PRASA), and others — institutions that are essential to driving industrial growth, logistics efficiency, and economic expansion in BCMM.

Strengthening International Investment Ties – The China Mission

In line with this vision, BCMM remains committed to deepening its international partnerships with China.

BCMM in particular has become a prime destination for global trade, foreign direct investment, industrial collaboration, and tourism.

China and the EC strategic partnership aim at unlocking investment opportunities in key sectors including:

- Agriculture and Agri-processing
- Energy and alternative power solutions
- E-commerce and digital innovation
- Tourism and environmental conservation
- Electric vehicle (EV) and automotive value chain
- Artificial intelligence (AI) and advanced manufacturing
- Industrial Park development and special economic zone collaboration
- Human capital exchange and reciprocal skills development

A notable engagement was with Leapmotor Electric Vehicle Manufacturing, where BCMM explored opportunities to integrate into the alternative energy and EV ecosystem — a critical frontier for the automotive economy in our region. We also strengthened collaboration with the City of Jinhua, particularly in the areas of renewable energy, while advancing industrial capability.

Our relations with China are longstanding, rooted in deep historical ties that stretch back over 25 years. As far back as 1997, BCMM then the East London (EL) Municipality initiated sister-city partnerships with several Chinese cities including Ningbo, Qinhuangdao, Daqing, Jilin, and Changchun. Among these, our partnership with Jinhua remains the longest-running and most active.

These ties were renewed and formally strengthened in April 2024 during the visit of a Jinhua delegation to EL City Hall. This renewed commitment reflects both cities' intention to mobilise technology transfer, trade missions, and investment cooperation that support of industrial and socio-economic transformation.

BCMM stands to benefit significantly from this collaboration particularly in the areas of industrial modernisation, clean energy technology, manufacturing expansion, and workforce development.

Strengthening Global Partnerships: A Growing Friendship with Germany

BCMM continues to proudly nurture its long-standing international partnership with the City of Oldenburg in Germany. What began in October 2012 as a formal twinning agreement has evolved into a meaningful and productive collaboration rooted in innovation, sustainability, and shared learning. This partnership is more than a symbolic gesture it reflects our commitment to global best practice and climate-smart development.

Through the prestigious "*50 Climate Change Partnerships by 2015*" programme, and with support from Engagement Global, BCMM and Oldenburg have jointly implemented transformative projects aimed at building a greener, more resilient city. Together, we are addressing some of the most pressing development challenges of our time -- from water security to renewable energy and environmental education.

Our joint efforts focus on:

- Water Management — protecting this precious resource in the face of scarcity
- Energy Efficiency and Renewable Energy — shifting toward cleaner, reliable energy solutions
- Waste Management — addressing environmental health and sustainability challenges
- Environmental Conservation — safeguarding green spaces and biodiversity
- Environmental Education — empowering communities to champion sustainable living

Over the years, this partnership has delivered real benefits to our residents and environment. Key highlights include:

- Construction of the Model Energy-Efficient Public Building at Beacon Bay Electricity Offices
- Installation of solar panels at the Nahoon Estuary Reserve Environmental Centre
- Upgrading of the iconic Nahoon Estuary Boardwalk, strengthening ecotourism and conservation
- Restoration of the German Settler Monument, honouring shared heritage
- A comprehensive Scarce Water Awareness Campaign, promoting responsible water use

Currently, BCMM is working closely with Oldenburgisch-Ostfriesischer Wasserverband (OOWV), Oldenburg's water authority in northwest Germany, to enhance water security and strengthen our water infrastructure network. This collaboration is instrumental in positioning BCMM as a municipality prepared for the future -resilient, sustainable, and innovative.

Our friendship with Oldenburg stands as a powerful example of what is possible when cities unite across borders to confront shared global challenges. It is a partnership built on mutual respect, shared values, and a collective ambition to build greener, smarter, and more sustainable communities.

As we look ahead, we remain committed to deepening this relationship and expanding opportunities for knowledge exchange, technical support, and collaborative development. Together, we continue to demonstrate that global partnerships can drive local progress transforming our municipality for present and future generations.

G. CONCLUSION:

As we table the 2024/2025 Annual Report, we do so grounded in humility, courage, and accountability. We recognise the difficult challenges our communities face, from infrastructure backlogs to socio-economic pressures. Yet we remain encouraged by the resilience of our people and the real progress achieved.

Buffalo City is a City in Motion, a City of opportunity, innovation, and renewal. Guided by the MGDS Vision 2030, aligned with national priorities, and strengthened through local and international partnerships, we will accelerate our journey toward a more inclusive, competitive, and sustainable future.

Let us continue working together as government, private sector, academia, civil society and global partners to build a City that truly reflects the aspirations and potential of its people.



Cllr. P. Faku
Executive Mayor

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COMPONENT B
EXECUTIVE SUMMARY



COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

We hereby present the Annual Report for BCMM for the 2024/2025 financial year. This is our way of accounting to the residents and stakeholders of BCMM for the work that the Municipality has undertaken in pursuit of a developed, better and thriving municipality.

We are moving steadily towards transforming the City for the better through the implementation of the strategic aim of BCMM as contained in our MGDS Vision 2030. We are firmly committed to creating a Buffalo City that is innovative, globally competitive, globally connected, spatially transformed, green, safe, and well-governed. The Council and the management are reviewing the strategic direction of the organisation, particularly the MGDS, and aligning it with current realities. This is especially important as government is now fully implementing the DDM in terms of strategic planning and implementation.

Despite the need to refine the MGDS, this annual report demonstrates that positive progress registered has been made in our efforts to building a well-governed, connected, green and innovative Buffalo City. This is largely due to us having a credible IDP and a Build Environment Performance Plan (BEPP).

As will be demonstrated in the chapters that follow, BCMM remains an operational Municipality, providing services to its residents and consumers. We deliver housing and road construction projects, alongside essential services such as electricity, waste management, and water and sanitation.

This report shows that the City is working to get the basics right through the creation of strategic partnerships with government and business. The innovations contained in the report, such as the implementation of the eProcurement System, demonstrate that we are seeking to mature our systems to be more agile and aligned with the rapidly changing world.

GOVERNANCE

Governance in BCMM is stable, with a seamless political and administrative interface. In this regard, following a thorough benchmarking assessment, the National Treasury

rated governance and institutional arrangements at BCMM as stable as of March 2025.

BCMM has a Municipal Council and Council committees that convene as required by legislation, with major decisions – such as policy and budget approval – taken on time. Initiatives are being explored to strengthen the work and efficiency of the Council, such as streamlining the agenda to focus on strategic and policy issues. We are also reviewing the Rules and Standing Orders of Council, working closely with the South African Local Government Association (SALGA).

The Mayoral Committee and Municipal Public Accounts Committee are functional. The City consistently ensures that meetings take place in accordance with the annual council calendar. Buffalo City has a fully functional Audit Committee and Risk Committee, which meet as scheduled and are assisted by our Governance and Internal Audit Unit and our Risk Management Unit. Risk management has been well institutionalised across the operations of the Municipality. In addition, BCMM has a Financial Misconduct Disciplinary Board that is well established.

BCMM has a fully appointed City Manager (CM), and all Heads of Directorate (HODs) positions have been filled, with all incumbents meeting competency requirements. The MACRO structure of the city was reviewed and aligned based on the findings and recommendations of an institutional diagnostic assessment undertaken by National Treasury's Government Technical Advisory Centre (GTAC). The proposed MACRO structure is being finalised, with consultative processes with stakeholders currently under way. We also had to accommodate the implementation of the National Treasury Reforms on Trading Services. The Municipality is currently reviewing the MICRO organisational structure, and this project is progressing well.

BCMM has a current staff establishment of 4,895 employees. A job description is attached for each post, specifying the minimum essential qualification requirements and experience. All vacancies are filled in accordance with these minimum essential requirements, and all staff appointed must possess the necessary competencies and comply with the minimum requirements for educational qualifications, work experience, and knowledge as set out in the Municipal Staff Regulations.

The City's boundaries have changed due to a few communities being added to the City through a widely consulted process led by the Municipal Demarcation Board. This

process has also necessitated the revision of inner boundaries in some wards. The Municipality is continuing to assess how this will impact operations, including mapping out strategies for servicing these communities.

Despite the addition of new communities in the city, BCMM will still have 100 councillors, with 50 ward councillors and 50 proportional representative councillors.

TOWARDS AN INVESTMENT PORTFOLIO OF STRATEGIC AND CATALYTIC LAND DEVELOPMENT PROGRAMMES AND PROJECTS

Planning, budgeting, and reporting reforms over the past couple of years have sought to implement spatial transformation through grant reform. The newly introduced Urban Development Financing Grant (UDFG) is specifically designed for metropolitan municipalities and aims to enhance the sustainability of trading services in alignment with service delivery mandates. Additionally, it incorporates various historic grants to support spatial targeting, township development, programme and project preparation, as well as public employment programmes to promote sustainable development and uplift communities within BCMM.

Alongside the new trading services component, the above grant provides for the continuation of historic grants such as the Neighbourhood Development Partnership Grant (NDPG), the Programme and Project Preparation Support Grant (PPPSG), as well as the Public Employment Programme (PEP), which creates work opportunities through productive, labour-intensive activities for people lacking market-based employment. In addition to grant reform, the continued national focus on strategic infrastructure planning and delivery has promoted the portfolio and programme management approach within the various metros. This assists the City to plan and prepare for improved infrastructure investment and delivery through investment in the preparation of high-impact and innovative infrastructure projects. The Cities Infrastructure Delivery Management System (CIDMS) and Catalytic Land Development Programmes (CLDPs) serve as guidelines and tools to augment and co-ordinate targeted infrastructure investment and service delivery in BCMM.

As the City focuses on implementing its CLDPs, multi-year budgeting for strategic projects has been incorporated into the City's IDP (2025-26). The portfolio- and programme-based management approaches to implementation ensure strategic transversal coordination, planning, and budgeting for transformative interventions in

the built environment, specifically within the newly demarcated trading services functions. Catalytic investments aim to transform BCMM's built environment into a more compact, liveable, integrated, inclusive, productive, and climate-resilient city. The ultimate impact of spatial transformation is anticipated to be a reduction in poverty and inequality, enabling more inclusive urban economic growth and an improved quality of life.

Over the past five years, the BEPP has been instrumental in institutionalising programme coordination and joint planning within the City's CLDPs. These include the East London Central Business District (CBD) and Inner-City Programme, the Mdantsane East London (MELD) Corridor Programme, the Mdantsane Urban Hub Programme, the West Bank Logistics Hub Programme, the Bhisho – Qonce (King William's Town) – Zwelitsha Corridor Programme, as well as historic economic nodes such as the Ntabozuko Economic Node, formerly known as Berlin, and the Dimbaza Economic Node.

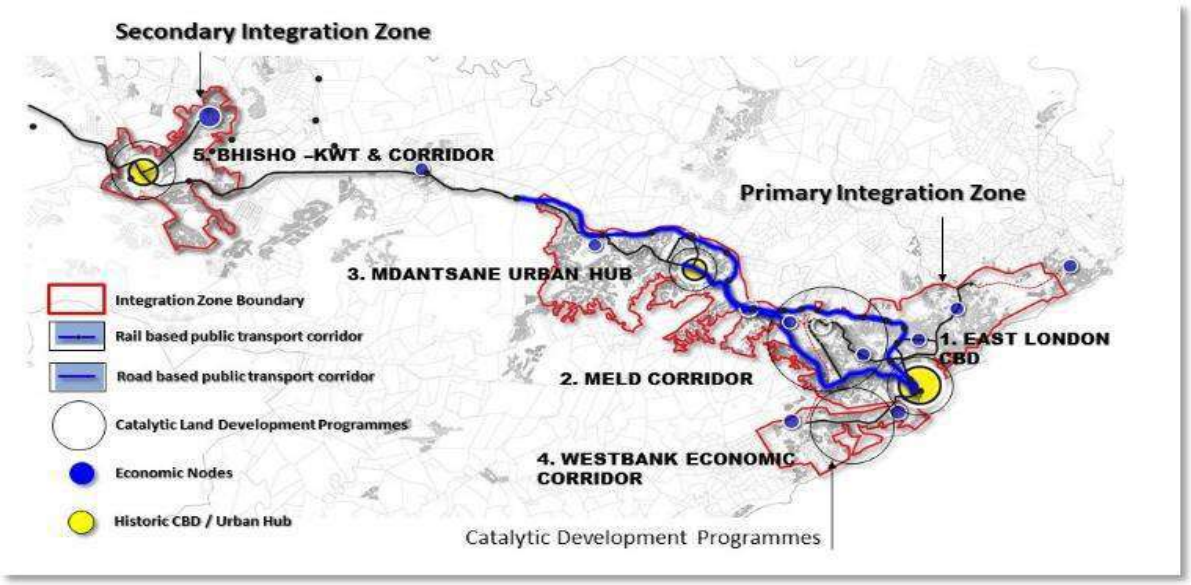


Figure 1. The spatial targeting approach focusing on a catalytic portfolio of projects

Spatial targeting outcomes find expression within the City's spatial development framework, as well as the IDP (2025-26), the One Plan, and DDM plans. Spatial targeting in this manner ensures clarity and alignment in intergovernmental planning, budgeting, and project pipelining within the local sphere.

ELECTRICITY SERVICES

Our mission to ensure the efficient, effective, sustainable, and orderly development and operation of the electricity supply infrastructure in the BCMM licensed area of supply has been upheld by our Electricity and Energy Department. We have achieved this by ensuring the needs and interests of end users as well as current and potential electricity customers are protected. We have also promoted the use of a diverse energy sources and energy efficiency, coordinated universal access to electricity, and further facilitated investment in the electricity supply infrastructure.

The Annual Report shows that a substantial investment has been made by the City in upgrading, renovating, and replacing equipment that has outlived its useful life as part of the ongoing capital funding investment into the electrical network to fulfil this mandate. The Operational and Maintenance function requires adequate funding to ensure that the network is well maintained, and remains stable, thereby ensuring efficient, effective, sustainable, and orderly development and operation of electricity supply infrastructure in the BCMM-licensed area of supply into the future.

Funding remains a concern due to the increase in incidents of theft and vandalism as well as invasion of land. This often leads to the growth of informal settlements and resulting increase in illegal connections, thus increasing electricity losses. Due to these abnormal conditions, we have spent 90% of the electricity operational budget replacing and repairing the network to provide a continuous service. This work takes priority over normal maintenance, which then leads to deferred maintenance and also has a compromising effect on the network.

WATER AND SANITATION SERVICES

Water Supply Services

BCMM has been commended for providing a highly acceptable water supply to the consumers in its jurisdiction. Despite the challenges stemming from ageing infrastructure and ever-changing household dynamics, our unswerving pursuit of elevated service provision for our citizens yielded an achievement of 98% in the 2024/25 financial year. This leaves the water supply backlog at approximately 2%, translating to 5 000 households that still need to be serviced. The quality of water supplied to the consumers is monitored on a frequent basis as per the South African National Standards for Drinking Water (SANS 241) and World Health

Organisation (WHO) requirements, and the Municipality has achieved 99% compliance in the year under review.

The EC province has been experiencing a prolonged, severe drought that threatens water resources; however, this has improved in the year under review, with the dams registering an average of above 80% throughout the year. The prolonged drought has shown us that the Municipality can no longer rely on surface water alone in order to ensure the security of supply to the City, and we have therefore initiated feasibility studies to explore water reuse and seawater desalination, which are at advanced stages of completion.

The City continues to face a high level of non-revenue water, attributed to the free basic water provided to rural areas and informal settlements, ageing infrastructure, and billing issues. However, intervention measures are being implemented to refurbish our infrastructure and reduce water losses. The Water Conservation and Water Demand Management (WCWDM) strategy has been reviewed, setting new targets for the City to pursue in reducing non-revenue water. The strategy increases the prioritisation of pressure management, bulk metering, leak detection, data logging, telemetry upgrades, meter audits, and interventions beyond the water meter for indigent consumers, among other initiatives. Non-revenue water stands at 37,7% for the year under review.

Sanitation Services

Access to sanitation services in the city stands at 94%, indicating a backlog of 2,5% in this regard. A significant budget allocation is required for the major refurbishments and upgrades needed at the WWTW. This will enable housing developments in areas such as Amalinda, Bhisho, Breibach, and Qonce. The current upgrading of Zwelitsha WWTW is intended to regionalise several WWTW in the inland region and decommission those with less robust treatment technology. Similarly, the diversion of sewage from Central WWTW in Amalinda to Reeston aims to facilitate development in the Amalinda area. These infrastructure upgrades will also improve the quality of effluent discharged from these treatment works to ensure compliance with permitted discharge standards and licences, which are under review.

The Municipality has also improved the provision of sanitation services in rural areas where backlogs currently exist. The Municipality has built and handed over 855 Ventilated Improved Pit (VIP) latrine toilets in the year under review. This achievement has increased the total number of VIP toilets installed to 61 510 since 2005. Similarly,

new ablution facilities have been installed in informal settlements, with a total of 100 toilet seats with water points provided in the year under review.

WASTE MANAGEMENT AND REFUSE REMOVAL SERVICES

This Annual Report shows that BCMM maintains a weekly refuse collection service that covers all formal urban areas and also all known informal settlements within the metropolitan boundary. Household waste collection is standardised across all accessible residential areas, while licensed commercial waste generators are serviced through dedicated collection schedules under municipal regulations. These services are aligned with the Municipality's Integrated Waste Management Plan (IWMP) to ensure consistency, compliance, and operational efficiency across both domestic and commercial sectors.

BCMM's commitment to sustainable waste management is outlined in its IWMP for the period 2022–2027, which has been endorsed by Council and approved by the Member of the Executive Council (MEC) for Economic Development, Environmental Affairs and Tourism (DEDEAT). The IWMP provides the strategic framework for waste minimisation, infrastructure development, regulatory compliance, and environmental sustainability throughout the Municipality. BCMM continues to implement the objectives outlined in its IWMP with a strong focus on recycling and waste minimisation as critical strategies for reducing pressure on landfill capacity, promoting environmental sustainability and advancing the circular economy.

The report indicates that, while significant progress has been made in establishing the groundwork for recycling infrastructure and raising awareness, full-scale implementation remains limited by various systemic and resource-related challenges. To date, BCMM has established eight (8) operational Buy-Back Centres across the Municipality, strategically located in areas including Commercial Road, Southernwood, Settlers Way, Amalinda, Mzamomhle, Nompumelelo, Mdantsane, and Qonce. These centres serve as accessible collection points where local residents, informal waste pickers, and recyclers can trade sorted waste materials such as paper, plastics, metals, and glass, thereby supporting livelihoods while promoting the diversion of waste from landfills.

The Roundhill Regional Landfill Site is classified as a G: L: B+ facility that operates under a valid Waste Management Licence and serves as the principal waste disposal facility for BCMM, with an estimated remaining lifespan of 18 to 20 years. Environmental audits were conducted to assess operational compliance with the Department of Forestry, Fisheries and the Environment's (DFFE) minimum requirements. The majority of non-compliances identified were primarily administrative and procedural. The Annual Report indicates that these have since been resolved, reflecting the Municipality's commitment to regulatory compliance and environmental stewardship.

Our major challenge with regard to waste management remains illegal dumping. We are responding to this through the implementation of a clear illegal dumping rehabilitation programme that is currently being rolled out across the three regions. We are also conducting education and awareness campaigns aimed at promoting behavioural change within communities, and we would like to take this opportunity to request that community members refrain from illegally dumping refuse and also call out those who engage in illegal dumping.

HUMAN SETTLEMENTS

BCMM continues to provide decent housing to communities; however this remains a moving target due to rapid urbanisation. Since the 2022/23 financial year to date, 1 181 houses have been built and handed over to qualifying beneficiaries, and 1 198 internal services have been provided.

We have entered into an Implementation Protocol with the Housing Development Agency as provided for in the Intergovernmental Relations (IGR) Framework Act, 2005, for the delivery of houses in our Metro, and we are confident that our current Level 2 Accreditation will see us deliver more houses for our communities.

In Peelton, over 300 housing units have been constructed. In the Reeston Housing Project, over 400 housing units have been built. During the implementation of these developments, employment opportunities have been created for our communities. In Ziphunzane By-pass, construction of internal services has been completed.

The Annual Report shows that construction of internal services has commenced in the Ginsberg 139 and 1500 Housing projects. In the Phakamisa Housing Project, around 5 km of road network has been converted from gravel to surface. This is in line with the philosophy of aligning human settlements with decent transport routes and access to other amenities.

FINANCIAL SUSTAINABILITY

The general state of our economy, particularly the rising unemployment rates and increasing costs of living, has negatively affected businesses' and residents' ability to pay their municipal accounts. The growing debtors' book and underfunded mandates are among the issues placing significant financial strain on the municipal coffers. The City had to adjust its spending levels downwards to counteract the decline in revenue collections. Improving the collection rate and decreasing debt impairment remain the City's immediate priorities.

The City's financial health has declined due to the issues mentioned above. The City has limited liquidity sources to mitigate the current cash flow pressures.

The City endeavours to remain within National Treasury norms, and our financial performance ratios reflect this. In response to the economic challenges facing our country and the world, cost containment measures are being implemented by the City to achieve operational efficiency. These measures are intended to ensure the future viability of the institution and to reduce the negative impact on residents within the City's boundaries. These actions are guided by the Voluntary Financial Recovery Plan, which has been adopted by Council, and our financial position – despite the circumstances – demonstrates the progress we have made as a result of this plan.

The efforts to guarantee financial sustainability for the City are supported by a number of institutions, with the National Treasury and the Department of Cooperative Governance and Traditional Affairs (CoGTA) taking the main lead. In addition to monitoring our budget and financial performance, the National Treasury assists in guiding the City towards crucial funding sources. With this support, the City continues to receive its equitable share and the funding grants earmarked for it, and there is no risk that these may be withdrawn.

To address our revenue collection and to address Material Irregularities, we have done the following in the 2024/25 financial year:

•A Working Group has been established to address the Material Irregularities, following a comprehensive review of all leases to ensure billing accuracy and completeness.

•A service provider has been appointed to conduct market-related valuations on all expired leases.

•In parallel, the Municipality has initiated the automation of its lease register – led by the ICT Department – to enhance accuracy, efficiency, and monitoring of lease-related processes across all municipal properties.

The City has appointed four (4) legal firms to assist with the collection of outstanding debt, and the pre-legal process has commenced. We continue to implement blocking, disconnecting, and inspection of illegally connected electricity meters.

BCMM has complied with the Trading Services Reforms from the National Treasury, which are a mandatory requirement necessitating that trading services operate as single units within the Municipality. Grant funding will now be linked to the extent to which the Municipality has complied with these reforms, and BCMM has embraced these due to its belief that they will greatly benefit our communities.

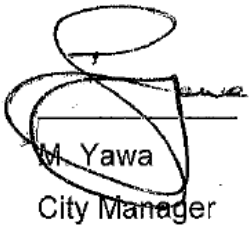
The electricity and water turnaround strategies have already been adopted by Council, and the City has effectively established these entities as business units within the Municipality with Acting Heads of Directorates (HODs). The Solid Waste Management (SWM) reform is also being prepared, and the transition will be completed in the 2025/26 financial year. This all bodes well for the financial sustainability of the City and the security of its funding sources.

The management of the City is working hard to improve the audit outcomes of the current reporting period, and this is being achieved through the implementation of the Audit Action Plan. We have decided that the implementation and reporting of the Audit Action Plan will not only be for the attention of management, the Audit Committee, and the Council, but that structures such as Portfolio Committees should also be briefed on it. We have a standing daily Top Management Meeting which monitors the Audit Action Plan with a view to suggesting areas for improvement. Though our audit opinion remains qualified, we believe that the measures we are implementing will eventually

lead to substantial improvements. We know this will not be easy and that it will not happen overnight, but we will not tire in our efforts to turn around our audit outcomes.

Our overall assessment of this 2024–2025 Annual Report is that BCMM is a well-functioning municipality that is actively engaged in providing services to its residents. Even though there are challenges, the city's management and leadership are doing their best to handle them, and in certain cases, this is done in partnership with other stakeholders.

Thank You.



M. Yawa
City Manager

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1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

SOLID WASTE MANAGEMENT

The Solid Waste Management Services (SWMS) Department is mandated to provide integrated waste management services across all three regions of BCMM – the Coastal, Midland, and Inland regions. This includes the provision of municipal solid waste services to both formal urban households and informal settlements in line with the National Environmental Management: Waste Act, No. 59 of 2008, and guided by the City's approved IWMP 2022–2027.

The department is structured into three (3) key functional units, each with distinct operational and regulatory responsibilities:

1) **Solid Waste Operations Unit**: This unit is primarily responsible for the collection, storage, and transportation of general domestic and commercial waste. Services are provided through scheduled kerbside collection, supplemented by bulk refuse removal for high-density commercial zones and communal collection points in informal settlements.
2) **Waste Minimisation, Education and Planning Unit**: This unit is tasked with promoting waste reduction at source, facilitating the diversion of waste from landfill, and supporting the implementation of the circular economy within BCMM.
3) **Landfills and Transfer Stations Unit**: This unit is responsible for the management, operation, and regulatory compliance of all permitted waste disposal facilities and waste transfer infrastructure in BCMM.

Together, these units ensure the effective execution of BCMM's waste management mandate, balancing service delivery imperatives with regulatory compliance, environmental sustainability, and the promotion of socio-economic development through job creation and community partnerships.

ELECTRICITY

In terms of the National Energy Regulator of South Africa (NERSA) licence issued to the BCMM Electricity and Energy Department, the department can only provide electrical services to BCMM areas defined in the licence. These areas are within the urban edge, having an electrical asset base of R9,3 billion. Outside of the urban edge, Eskom is responsible for

providing an electrical service to BCMM residents in terms of their licence issued by NERSA. While NERSA has the right to issue the licence, it should be done in conjunction with other legislation such as the Municipal Systems Act (MSA), which allows for services to be provided by an entity other than the Municipality, but in terms of a service delivery agreement which would give the Municipality the right to ensure the correct level of service is provided. The two licensed areas of supply have led to discrepancies in service delivery, such as the installation and servicing of street lighting. As these issues are not unique to the City, they are being dealt with at national level, as most municipalities have the same issues caused by the two licensed areas, as the two entities have different standards.

WATER

BCMM functions as both a Water Services Authority (WSA) and a Water Services Provider (WSP), delivering water, sanitation, and scientific services, with its principal responsibility being the provision of water and sanitation services. The Amatola Water Board is the designated Water Service provider responsible for delivering bulk services to certain regions of the municipality. The municipal Water Division attained 99% adherence to established national water quality requirements in the year under review.

With regard to effluent quality compliance, the Sanitation Division set a target of 45% for the City's wastewater treatment facilities. This target was intended to ensure that wastewater treatment was not neglected, given the realities of aging infrastructure, unreliable treatment technologies at certain facilities, and system overload in others. However, according to the Green Drop Certification system, the City's 15 wastewater treatment plants achieved an overall average compliance rate of only 76% during the year under review, falling short of the minimum required benchmark of 90%.

During the year under review, approximately 98% of residents had access to piped water. Sanitation coverage also improved, reaching an estimated 94%, with more households having access to appropriate sanitation facilities, including flush toilets and ventilated improved pit (VIP) toilets. Buffalo City Metropolitan Municipality (BCMM) is served by seven water supply dams: six are owned and operated by the National Department of Water and Sanitation (DWS) and Amatola Water Board, while one is owned and operated by the municipality. In terms of its constitutional mandate, DWS is responsible for managing national water resources in a manner that meets the basic needs of present and future generations, promotes equitable access to water, and prevents and reduces water pollution. Despite these efforts, the dams serving the municipal area remain under sustained pressure, with climate change and

recurring droughts posing significant risks to long-term water security. Notwithstanding these challenges, dam levels showed improvement for most of the year under review

HUMAN SETTLEMENTS

To fast-track the delivery of Human Settlements projects, Buffalo City Metropolitan Municipality (BCMM) entered into a Memorandum of Agreement (MOA) and an Implementation Protocol (IP) with the Housing Development Agency (HDA), as well as the Provincial and National Departments of Human Settlements. These agreements have facilitated the award and implementation of the following major projects:

- Mdantsane Zone 18cc Housing Project (1500 Housing Units)
- Mdantsane Cluster 2 Housing Project (366 Housing Units)
- Peelton and Tyutyu Village Housing Projects (1866 Housing Units)
- Reeston stage 3, Phase 2 Housing Project (450 Housing and Engineering Services)
- Westbank Restitution Project (1884 Engineering Services)
- Ilitha North Housing Project (166 Housing Units)

It is worth reporting a major breakthrough regarding the commencement of the Cambridge West CNIP Housing Project. The project has entered the construction phase, beginning with the installation of internal services across all 275 sites. The project is scheduled for completion by, or before, the first quarter of the 2026/2027 financial year.

In addition, BCMM has completed the construction of the Farm No. 924 Temporary Relocation Area (TRA), which will accommodate households currently occupying land required for the implementation of the West Bank Restitution Housing Development. The affected land has been unlawfully invaded, resulting in delays to the restitution project. The TRA is fully serviced with essential infrastructure, including roads, water, and sanitation services. The relocation plan for affected households is currently under internal consideration.

ROADS AND STORMWATER DRAINAGE

The Buffalo City Metropolitan Municipality (BCMM) road network comprises approximately 3,327 km of surfaced and gravel roads, with an estimated replacement value of R9.7 billion. The surfaced road network—including asphalt, concrete, and block-paved roads—accounts for approximately 1,709 km, with an estimated replacement cost of R7.3 billion. The gravel road network comprises approximately 1,618 km, with an estimated replacement cost of R2.4 billion.

During the year under review, the Roads Branch was allocated a capital budget of R302,608,924 for road upgrading, rehabilitation, resurfacing of surfaced roads, and the re-gravelling of rural roads. In addition, an amount of R112,343,485 was allocated under the operational budget for the maintenance of existing roads and associated road furniture.

LOCAL PLANNING APPROVALS

Settlement Planning projects are undertaken as a response to a need for decent housing and to confer land tenure rights to beneficiaries. The following Settlement Planning Projects for the Establishment of Townships and Feasibility Studies were undertaken during the 2024/2025 financial year:

Township Establishment

During the 2024/2025 financial year, BCMM finalised or had several ongoing township establishment initiatives, as follows:

- Township Establishment for Hlalani Overspill: Subdivision & Rezoning of Erf 722 was approved by the Municipal Planning Tribunal on the 7 July 2024.

- Township Establishment for Masibambane: Subdivision & Rezoning of Erf 1244 was approved by the Municipal Planning Tribunal on the 15 November 2024.

- Xhwithinja – Not yet finalised due to land ownership issues which are outside the control of BCMM.

- Potsdam Unit V North and South – A conveyancer was appointed in May 2025 to issue the Conveyancer's Certificate

- Smiling Valley Township Establishment - Not yet finalised as land acquisition processes had not been concluded.

- **Tyutyu Township Establishment** – A service provider was appointed in March 2023 and has since commenced work on the project. However, the project encountered environmental compliance challenges, which necessitated the submission of a Section 24(g) application to the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) on 28 June 2024 to regularise the identified issues.

- A service provider was appointed for the Nompumelelo and Sonwabiso Township Establishment projects on 28 November 2023, with the appointment accepted on 6 February 2024.
    - The Nompumelelo Township Establishment project has since stalled due to unresolved disagreements with the landowner and cannot proceed at this stage, notwithstanding that all land-related legal processes have been concluded.
    - Sonwabiso Township Establishment was approved by the BCMM Municipal Planning Tribunal (MPT) on 26 June 2025.
- The Amalinda Forest Township Establishment project was initiated in November 2024, and the appointed service provider has commenced with implementation. The Inception Phase and the Development Perspective Phase have been completed, and the draft Layout Plan and Motivation Report have been finalised.
- The Cambridge Location Feasibility Study was approved by the BCMM Council on 26 June 2024.
- A service provider was appointed in April 2025 to undertake the Development Perspective for the Cambridge Location Phase 2 Township Establishment. The Development Perspective report was submitted in June 2025 and is currently under review by BCMM internal departments, as the project faces significant bulk infrastructure services constraints that require further interdepartmental engagement.

Feasibility Study

The Township Establishment process is preceded by a feasibility study to determine whether the identified area is viable and suitable for further development, including subsidised housing. During the 2024/2025 financial year, the Directorate of Spatial Planning and Development commenced with the following feasibility studies:

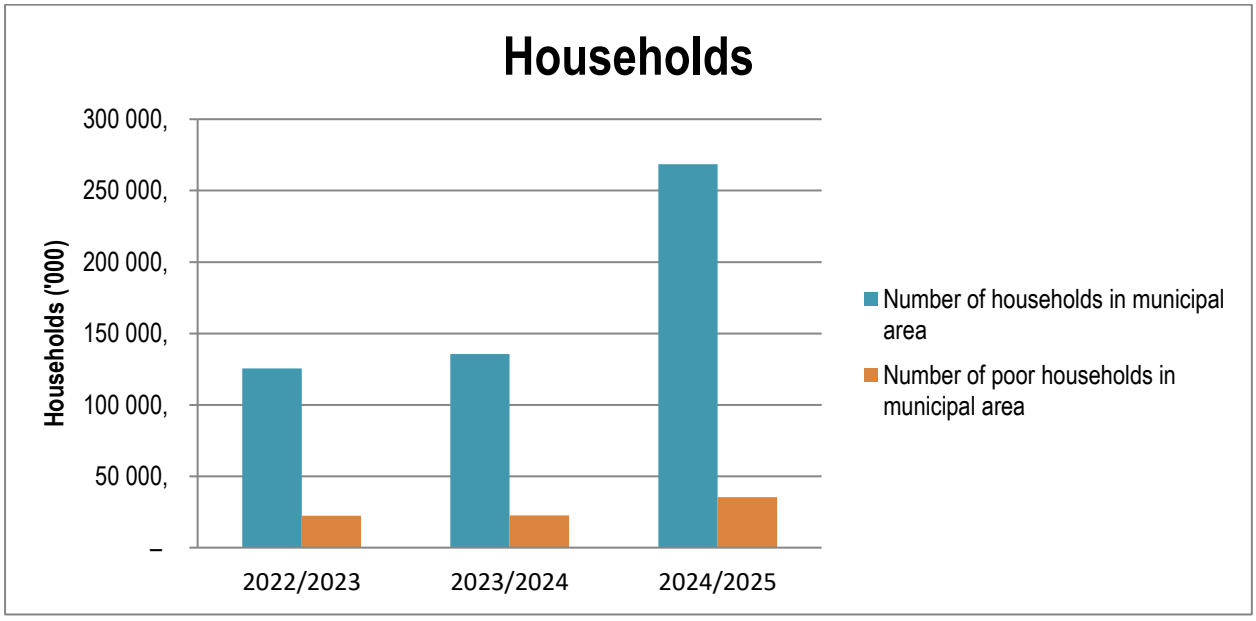
The Directorate of Spatial Planning and Development has commenced with:

- **Farm 754, East London (Tikinini Informal Settlement):** A feasibility study was initiated in November 2024. A report containing findings and recommendations was prepared and submitted to the Planning Portfolio Committee in October 2025 for consideration.
- **Farm 322, East London (KwaBotha Informal Settlement):** A feasibility study was initiated in February 2025. A report was presented to Top Management in June 2025, highlighting key issues relating to the KwaBotha Informal Settlement for information and input.

T1.2.1

Population details

Population Details									
							Population '000		
Age	2022/2023			2023/2024			2024/2025		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	27117	26946	54063	38973	39281	78254	40467	47745	88212
Age: 5 - 9	31907	30956	62863	38104	37987	76091	40446	39268	79714
Age: 10 - 19	70984	69161	140145	85033	83858	168891	61213	64645	125858
Age: 20 - 29	48041	45343	93384	77999	77608	155607	68328	73160	141488
Age: 30 - 39	56852	59346	116198	77799	85410	163209	100623	95575	196198
Age: 40 - 49	57526	58584	116110	57476	64866	122342	60748	58489	119237
Age: 50 - 59	39753	49424	89177	41086	53579	94665	23677	41662	65339
Age: 60 - 69	25778	40788	66566	28876	41721	70597	15578	32635	48213
Age: 70+	15858	29400	45258	16344	29249	45593	10936	24886	35822
Source: Statistics SA									***T 1.2.2***



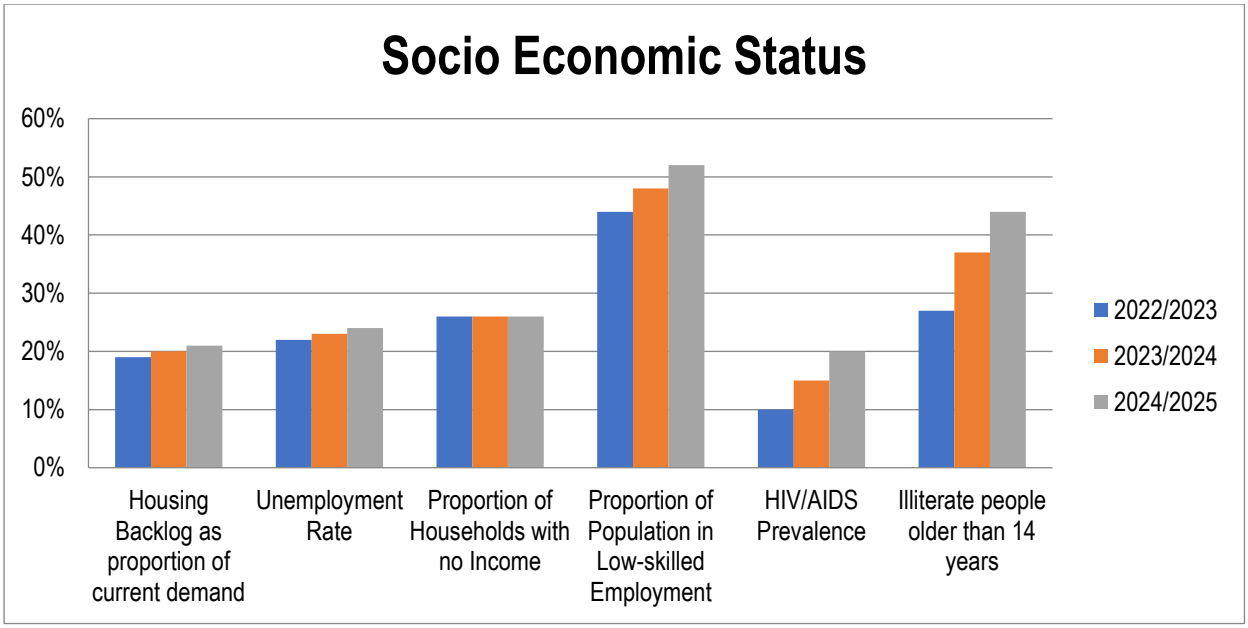
T1.2.3

NB. **The information in the below table is the detailed explanation of the above graph on households as per the number of households in municipal areas:**

Data sourced from sheet SA9 (Stats SA)						
Description of economic indicator	1996 Census	2001 Census	2007 Survey	2022/2023	2023/2024	2024/2025
Demographics						
Population	526.555,	684.554,	802.222,	785.478,	865.455,	975.255,
Females aged 5 - 14	86.541,	95.195,	104.715,	99.237,	100.229,	108.247,
Males aged 5 - 14	102.115,	112.327,	123.559,	126.821,	130.625,	142.382,
Females aged 15 - 34	153.200,	168.520,	185.372,	185.687,	191.257,	198.908,
Males aged 15 - 34	185.412,	203.953,	224.349,	222.701,	238.291,	243.056,
Unemployment						
Number of households in municipal area				125.453,	135.484,	268.438,
Number of poor households in municipal area				22.451,	22.586,	35.415,

Socio-Economic Status

Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
2022/2023	19%	22%	26%	44%	10%	27%
2023/2024	20%	23%	26%	48%	15%	37%
2024/2025	21%	24%	26%	52%	20%	44%
						T 1.2.4



T1.2.5

Overview of Neighbourhoods within Buffalo City Metropolitan Municipality

Overview of Neighbourhoods within 'BCMM'		
Settlement Type	**Households**	**Population**
Towns		
EAST LONDON		354444
QONCE AND BHISHO		232756
Sub-Total	0	587200
Townships		
MDANTSANE AND CHALUMNA		273466
Sub-Total	0	273466
Rural settlements		
MACLEANTOWN		71087
Sub-Total	0	71087
Informal settlements		
Sub-Total	0	0
Total	268 438	931753
		T 1.2.6

DISCLAIMER: Statistics South Africa is the sole official and authoritative source of statistical data. At present, it does not provide figures on the number of people residing in informal settlements, nor does it disaggregate the number of households by settlement type. Instead, it only reports the total number of households for Buffalo City Metropolitan Municipality (BCMM) as a whole, as well as the total number of informal settlements within the municipality. Furthermore, BCMM currently lacks the capacity and resources to conduct its own survey.

NATURAL RESOURCES WITHIN BUFFALO CITY METROPOLITAN MUNICIPALITY

NATURAL RESOURCES	
MAJOR NATURAL RESOURCE	RELEVANCE TO COMMUNITY
Ocean	Maritime industry Water sports (surfing, snorkelling, scuba diving, etc.) International trade Tourism & Leisure (Waterfront) Mariculture & Fisheries
Agricultural Land (arable and grazing)	Agriculture and agro-processing Food security
Water Bodies (Dams, Rivers and Weirs)	Water sport Agricultural irrigation Water supply Aquaculture (Fresh-water farming)
Forests	Manufacturing Job creation
Mineral Resources	Mineral beneficiation Job creation
Fauna & Flora	Medicinal products Nature conservation Tourism development Improved health and livelihoods
Game (wild animals)	Conservation Tourism Exports
Livestock	Farming Exports Manufacturing (agro-processing)

T 1.2.7

COMMENT ON BACKGROUND DATA

- In terms of developing our community, the Metro has improved the number of households with access to sanitation services
- Quality of life has improved tremendously during the last financial year , Water quality is 99% compliant.
- BCMM has also accelerated its focus on waste management, more particularly the removal of illegal dumps,
- regular street cleaning, and waste removal.
- When comparing unemployment rates among regions within BCMM, the Mdantsane, Chalumna Sub-metro Region has indicated the highest unemployment rate of 43,9%, which has increased from 29,3% in 2013

T1.2.8.

1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

WATER AND SANITATION

The municipality provides six kilolitres of free basic water per month to all registered indigent households residing in formal urban settlements, as well as to unregistered households in rural and informal areas. Approximately 264 739 households have access to a basic water supply, while about 253 234 households have access to basic sanitation services, including flush toilets in urban areas and ventilated improved pit (VIP) latrines in rural areas. The remaining households have access to water at a rudimentary level through a water cart system, which supplies water to strategically located polymer storage tanks or hand-held containers.

Budgetary constraints and ageing infrastructure have significantly hindered efforts to expand access to basic water services, as well as to effectively operate and maintain existing infrastructure. Inadequate integration of water networks in certain areas—particularly within rural systems—limits the optimal use of available water resources and compromises service continuity, even when alternative infrastructure could potentially mitigate system failures. Furthermore, the receiving environment is increasingly under threat due to frequent sewage overflows caused by the disposal of foreign objects into sewer systems, infrastructure theft and vandalism, illegal electricity connections, limited sewer capacity in some catchments, and ongoing operations and maintenance funding shortfalls. These challenges have resulted in prolonged sewage spillages into the environment, substantially increasing public health risks for affected communities.

SOLID WASTE MANAGEMENT (SWM)

SWM is a core municipal function under Schedule 5B of the Constitution of South Africa. SWM is implemented through a network of services, including domestic and commercial waste collection, waste transfer and transportation, landfill site management, street cleaning, recycling and waste minimisation, as well as public awareness and education. The Municipality's IWMP provides a strategic framework for aligning service delivery with the objectives of the National Waste Management Strategy (NWMS) and the Waste Act, No. 59 of 2008.

BCMM maintains a weekly refuse collection service that covers approximately 100% of formal urban areas, as well as 100% of known informal settlements within the metropolitan boundary.

Household waste collection is standardised across all accessible residential areas, while licensed commercial waste generators are serviced according to dedicated collection schedules under municipal regulations. These services are aligned with the Municipality's IWMP to ensure consistency, compliance, and operational efficiency across both domestic and commercial sectors.

The Roundhill Regional Landfill Site is classified as a G: L: B+ facility that operates under a valid Waste Management Licence and serves as the principal waste disposal facility for BCMM with an estimated remaining lifespan of 18 to 20 years**.** Environmental audits were conducted to assess operational compliance with the DFFE's minimum requirements. The majority of non-compliances identified were primarily administrative and procedural. These have since been resolved, reflecting the Municipality's commitment to regulatory compliance and environmental stewardship.

The only outstanding compliance issue pertains to the leachate management system, specifically the functionality and capacity constraints of the existing leachate treatment plant. Due to the technical complexity and scale of the required infrastructure upgrades, immediate resolution is not feasible. However, a comprehensive upgrade plan has been developed and will be implemented through a phased approach, with defined timelines and ongoing engagement with the DFFE to ensure that all compliance milestones are progressively achieved. The Municipality remains fully committed to achieving full compliance at Roundhill and continues to prioritise environmental sustainability through strategic infrastructure investment, operational improvements and strengthened environmental monitoring.

BCMM continues to implement the objectives outlined in its IWMP, with a strong focus on recycling and waste minimisation as critical strategies for reducing pressure on landfill capacity, promoting environmental sustainability, and advancing the circular economy. While significant progress has been made in establishing the foundations for recycling infrastructure and awareness, full-scale implementation remains constrained by various systemic and resource-related challenges.

BCMM has established eight (8) operational Buy-Back Centres across BCMM, strategically located in areas including Commercial Road, Southernwood, Settlers Way, Amalinda, Mzamomhle, Nompumelelo, Mdantsane, and Qonce. These centres serve as accessible collection points where local residents, informal waste pickers, and recyclers can trade sorted waste materials such as paper, plastics, metals, and glass, thereby supporting livelihoods while promoting waste diversion from landfills.

BCMM has also strengthened its impact through partnerships with key local stakeholders, including the Border Kei Chamber of Business (BKCOB), Ratepayers Associations, Red Alert,

and Tidy Towns Buffalo City. These collaborations have been instrumental in expanding community outreach, coordinating clean-up campaigns, enhancing recycling awareness programmes, and mobilising private sector participation in waste minimisation initiatives. Together, these partnerships have fostered greater civic responsibility and contributed to improved waste management outcomes across the Municipality.

BCMM provides free basic refuse removal services to indigent households registered under the Municipality's Indigent Support Policy. These households have access to the following service provisions:

- Weekly waste collection services in formal and informal areas where logistical access is practicable, ensuring equitable basic service delivery.
- Access to communal waste disposal points, such as strategically placed street bins, particularly within informal settlements to facilitate proper waste containment and collection.
- Participation in the Expanded Public Works Programme (EPWP), which supports community-based cleaning initiatives by providing temporary employment opportunities, thereby enhancing localised waste management capacity and socio-economic upliftment.

BCMM has made measurable progress in extending basic waste services, improving operational capacity, and aligning with national waste management goals. However, the Municipality continues to face systemic challenges related to illegal dumping, infrastructure backlogs, recycling integration, and indigent service delivery.

ELECTRICITY

The mission of the Electricity Department is to efficiently, reliably, and safely supply electricity to all BCMM-legal electricity consumers. The Electricity Department must adhere to NRS 047 Quality of Service and NRS 048 Quality of Supply for BCMM to be granted a licence.

The spread of informal housing has increased substantially due to rural residents moving in search of work. This has resulted in unauthorised connections that overload the electrical grid, depriving the paying community of services to which they are legally entitled. The delivery of electrical services has also been impacted by the significant rise in theft and vandalism. Consequently, the money allocated for capital projects and necessary maintenance is used to replace and repair damaged equipment, which increases the amount of deferred maintenance.

To ensure that the electrical network is kept up to date and provides all paying customers with a satisfactory electrical service, the department is divided into three separate divisions:

Development, Contracts and Asset Management; Operations and Maintenance; and Customer and Revenue Protection Services. The following are the divisions' mandates:

Development, Contracts and Asset Management:

- Investigate, design, and upgrade the existing electrical network
- Replacement of capital equipment when required
- Provide a project management service on installations done by developers
- Inspect work completed on the maintenance schedule
- Update and maintain the Electricity Department asset register.
- Electrification of formal and Informal dwellings to meet the Government's policy of access to all.

Operation and Maintenance:

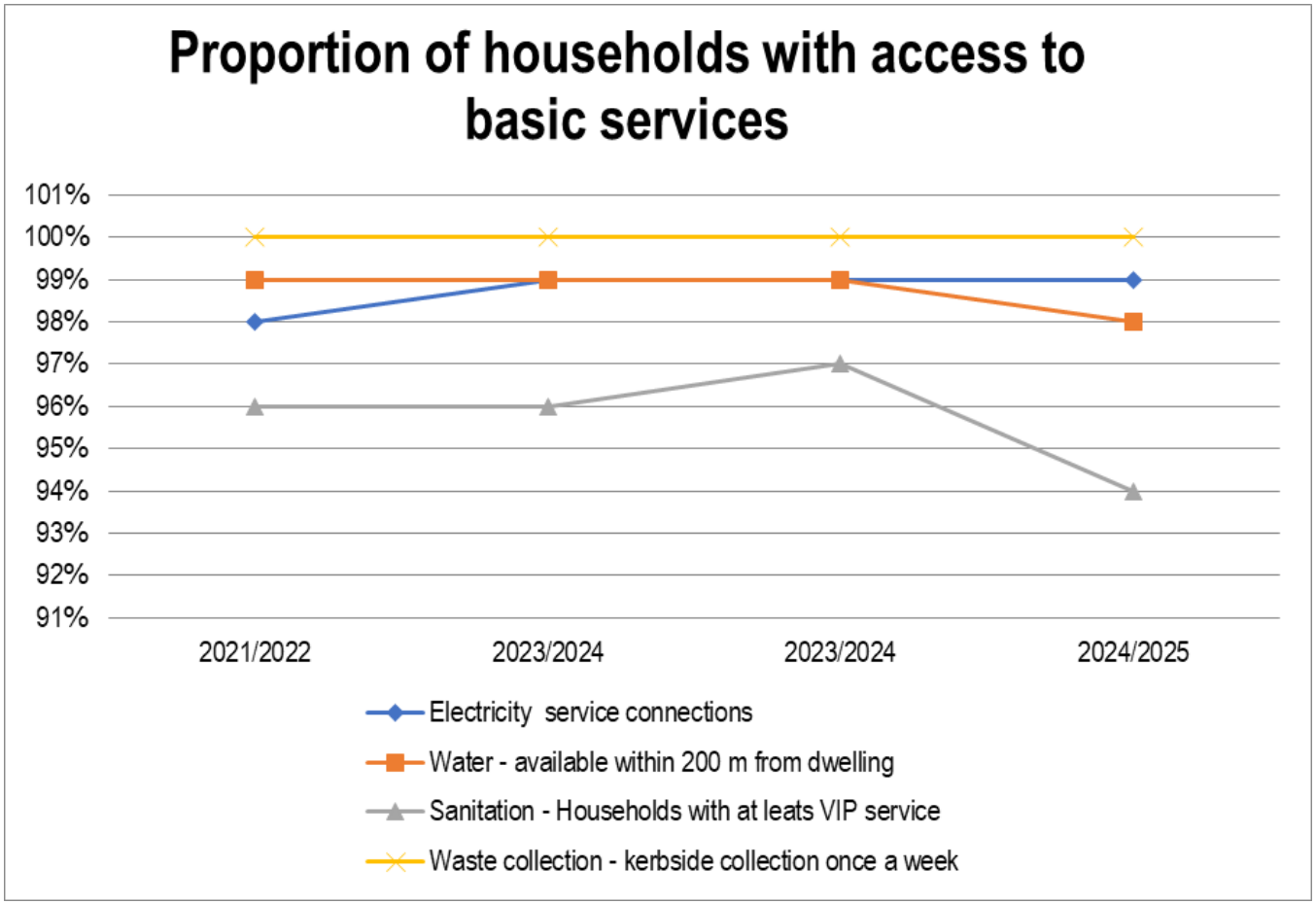
- Maintain overhead lines (132,66,11 kilo Volt and 400 volts)
- Maintain underground cables (11 kilo volt and 400 volts)
- Maintain electrical equipment protection schemes
- Maintain electrical substations
- Schedule planned and preventative maintenance
- Provide a 24-hour standby service to consumers

Customer Care and Revenue Protection:

- Installation of new service connections
- Repairs and replacement of non-functioning meters
- Inspection of meters
- Removal of illegal connections
- Investigation of theft, vandalism, and illegal connections
- Provide advice and information to consumers for the provision of electricity services

T1.3.1.

Proportion of households with access to basic services



T1.3.2.

COMMENT ON ACCESS TO BASIC SERVICES

WATER SUPPLY SERVICES

The municipality achieved 98% access to basic water supply services during the fiscal year under review. Approximately 2% of households, mostly in rural areas, remain underserved. Rural communities are serviced by water carts that transport water to strategically placed polymer tanks or hand-held drums. This is only a temporary solution, as it does not meet minimum service standards. Nevertheless, efforts are underway to provide appropriate and sustainable water supply services to these villages in the short to medium term. This will require a combination of bulk water infrastructure and reticulation systems to adequately serve approximately 6,000 households.

SANITATION SERVICES

During the financial year under review, the municipality achieved 94% access to basic sanitation services. Approximately 6% of households remain underserved, with the majority located in informal settlements across both urban and rural areas. The municipality is implementing a programme to construct communal ablution facilities in informal settlements, targeting a ratio of one flush toilet seat per ten households; however, sanitation services remain inadequate in certain areas. The provision of sanitation in informal settlements is a moving target, as new settlements continue to emerge across the municipality. In addition, vandalism of existing ablution facilities in some informal settlements presents a significant challenge.

At present, approximately 9,600 rural households lack access to sanitation facilities. The municipality supplies new Ventilated Improved Pit (VIP) latrines to rural areas at an annual rate of between 1,500 and 3,000 units, depending on available funding. The programme to eradicate the rural sanitation backlog is projected to be completed within the next 5–10 years. However, an increasing challenge has emerged in the emptying and maintenance of existing VIP latrines installed over the past 10–20 years.

ELECTRICITY:

- Universal Access RDP Dwellings: As an implementing agent of the National Government's universal access programme, the Electricity and Energy Department implements electrification projects funded through Urban

Settlement Development Grant (USDG) funding, continuing to strive to provide universal access of electricity to all. BCMM provides a supply of 40 amps to all RDP dwellings, exceeding the minimum required supply of 20 amps.

- Access Informal Dwellings: Electrification of informal areas remains a priority in BCMM. Due to areas that do not meet the electrification criteria, such as issues with land ownership and high density, it has become difficult to identify suitable locations to electrify. The electrification of informal areas has several steps that are required to be taken before electrification can be considered, such as relocation of excess dwellings, identification of land, and reorganising the dwellings out of access roadways.

In ensuring that all households connected to the BCMM electrical network have access to electricity and can benefit from the service provided, indigent consumers receive a monthly allocation of 50 free units.

A further benefit provided to indigent consumers connected to the electricity grid is the waiver of the subsidised service connection fee, with the connection being provided at no cost to the indigent consumer.

SOLID WASTE MANAGEMENT (SWM)

COMMENTS	MITIGATION MEASURES
• **Refuse collection services are under significant pressure, particularly in high-growth and informal settlements.** • **Frequent breakdown of trucks and poor turnaround time for repairs have impacted negatively on service reliability.** • **Illegal dumping persists in certain areas due to limited public awareness.**	• Introduce compact all-terrain refuse collection vehicles through short- to medium-term leasing contracts to improve access and service delivery in informal settlements. • Implement route optimisation and real-time monitoring systems to enhance operational efficiency and responsiveness. • BCMM to explore alternative fleet management models, including leasing arrangements that transfer operational risks and maintenance responsibilities to contracted service providers.

	• Enhanced education and awareness programmes to promote behavioural change in communities.

T1.3.3.

1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

In these challenges economic times, effective revenue and expenditure management is essential for the financial sustainability of the Municipality, which is crucial for achieving the City's service delivery and economic objectives. The City continues to face development backlogs rooted in its historical context. In addition, economic factors such as rising unemployment and poverty levels affect the ability of households to settle their accounts. The Section on financial ratios provide a broader perspective on the City's financial health.

Cost containment measures aligned with MFMA Circular 82 and the City's cost containment policy are being implemented to improve operational efficiency and prevent deficits.

During the year under review, the City recorded a deficit of R0.991 billion compared to a surplus of R0.003 billion in the 2023/2024 financial year. This represents an unfavourable variance of R0.464 billion when compared with the budgeted deficit of R0.528 billion.

Total revenue collected feel short of the budget by R0.166 billion. This adverse revenue variance resulted from a combination of outcomes across various revenue sources. Refer to Chapter 5 for further details.

The City's total operating expenditure exceeded the anticipated budget resulting in an unfavourable variance of R0.297 billion. Further details can be found in Chapter 5

The statement of financial position for 2024/2025 indicates a strong standing with BCMM assets surpassing its liabilities leading to a net worth of R43.011 billion.

At year end, BCMM's Cash and Cash Equivalents amounted to R0.731 billion, reflecting an improvement from the R0.721 billion held at the end of the 2023/2024 financial year. The City remains able to meet its immediate obligations.

T 1.4.1

Financial Overview for 2024/205

Financial Overview: 2024/2025			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	2,424,730	2,674,361	2,253,622
Taxes, Levies and tariffs	7,156,034	7,156,034	7,163,170
Other	1,342,610	1,389,152	1,636,456
Sub Total	**10,923,375**	**11,219,547**	**11,053,248**
Less: Expenditure	**(11,563,862)**	**(11,747,399)**	(12,044,876)
Net Total*	(640,488)	(527,852)	(991,627)
**** Note: surplus/(deficit)***			*T 1.4.2*

Operating Ratios

Operating Ratios	
Detail	%
Liquidity Ratio	1.8%
Cost Coverage	0.9
Total Outstanding Service Debtors	39.6%
Debt Coverage	250.4
Efficiency	100%
Capital Charges to Operating Expenditure	3.5%
Employee Costs as a percentage of Operating Expenditure	25.8%
Repairs & Maintenance as a percentage of Total Revenue (excl. Capital Transfers and Contributions)	3.5%
Finance Charges and debt Impairment	18.3%
	T 1.4.3

COMMENT ON OPERATING RATIOS:

During the financial year under review, the City experienced challenges relating to the following:

Liquidity Ratio: The rate of 1.8:1 is regarded as being within the National Treasury norm that ranges between 1.5 - 2 : 1. The ratio measures the municipality's ability to meet its Current Liabilities. A lower ratio indicates a situation of weaken liquidity position. The City still is able to pay Current Liabilities with available Current Assets but is investigating Revenue Enhancement Strategies in order to strengthen the Current Asset position.

Billing of Rates and Service charges – Despite the implementation of debt-collection measures, including telephone follow-ups, pre-termination notices, and the suspension or blocking of electricity

services, the collection-rate target of 77% for the 2024/2025 financial year was not achieved. This is reflected in the continued growth of outstanding debt relating to rates and service charges. Ongoing economic pressures on residents of Buffalo City have made it increasingly difficult for a significant proportion of households to settle their monthly accounts. The decline in the collection rate has consequently contributed to a higher level of debt impairment. Customers are struggling to cope with the rising cost of living, compounded by tariff increases for rates and service charges. In response, the Municipal Council extended the debt-incentive scheme to assist customers by providing an opportunity for the write-off of older debt; however, many customers remain unable to raise the minimum payments required to qualify for this relief. Furthermore, the non-reading of certain meters resulted in the issuance of interim bills. While outstanding billing queries were significantly reduced, the majority of remaining queries relate to water consumption. In many cases, customers fail to report or repair water leaks, leading to excessive consumption being billed over consecutive months. This challenge is particularly pronounced among registered indigent households, which often lack the financial means to address such leaks. Widespread theft and vandalism of electricity and water infrastructure across the city further exacerbate the financial burden on the municipality. Electricity theft and meter tampering also undermine the effectiveness of service disconnections and blocking mechanisms for non-payment. As a result, outstanding debt continues to increase as fewer accounts are settled on a monthly basis, directly affecting the collection-rate target, accelerating the growth of the debt book, and significantly increasing the level of debt impairment for which the City must budget.

Cost Coverage: This ratio explains how many months' expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants. This rate is at 0.9 month and is below the National Treasury norm of between 1 - 3 months.

Total Outstanding Service Debtors: The rate of outstanding service debtors is currently at 39.6%. Outstanding debtors continue to be a focus for the City which is continuously implementing methods to decrease this rate to be within a manageable level. The City continues to explore efforts to decrease outstanding services debtors and therefore improve its Collection Ratio above the budget of 90.5%.

Debt Coverage: It reflects the number of times debt payments can be made within operating revenue (excluding grants). This in turn represents the ease with which debt payments can be made by the City. This rate continues to improve; it is 250,5% as at 30 June 2025. This indicates that the Metro's long-term debt is decreasing and is due to the City not taking up additional loan funding during 2024/2025 financial year. The City has capacity to take on additional financing from borrowing to invest in infrastructure projects, however, due to weak economic performance as well as a weak collection rate, the process for additional loans is undertaken with caution.

Efficiency: The city aims to pay its creditors within the norm of 30 days; however the current creditors efficiency ratio is at 100%.

Capital Charges to Operating Expenditure: The rate is 3.5% in 2024/2025 financial year. The City has capacity to take on additional financing from borrowing to invest in infrastructure projects, however, due to weak economic performance as well as a weak collection rate, the process for additional loans needs to be undertaken with caution.

Employee Costs as a percentage of Operating Expenditure: The rate of 25.8% is within the norm of 25% - 40%.

Repairs and maintenance as a percentage of Total Revenue (excl. Capital Transfers and Contributions): This represents the proportion total Repairs and Maintenance when compared with total revenue (excl. capital transfers and contributions). The rate remains below the norm of 8% for the

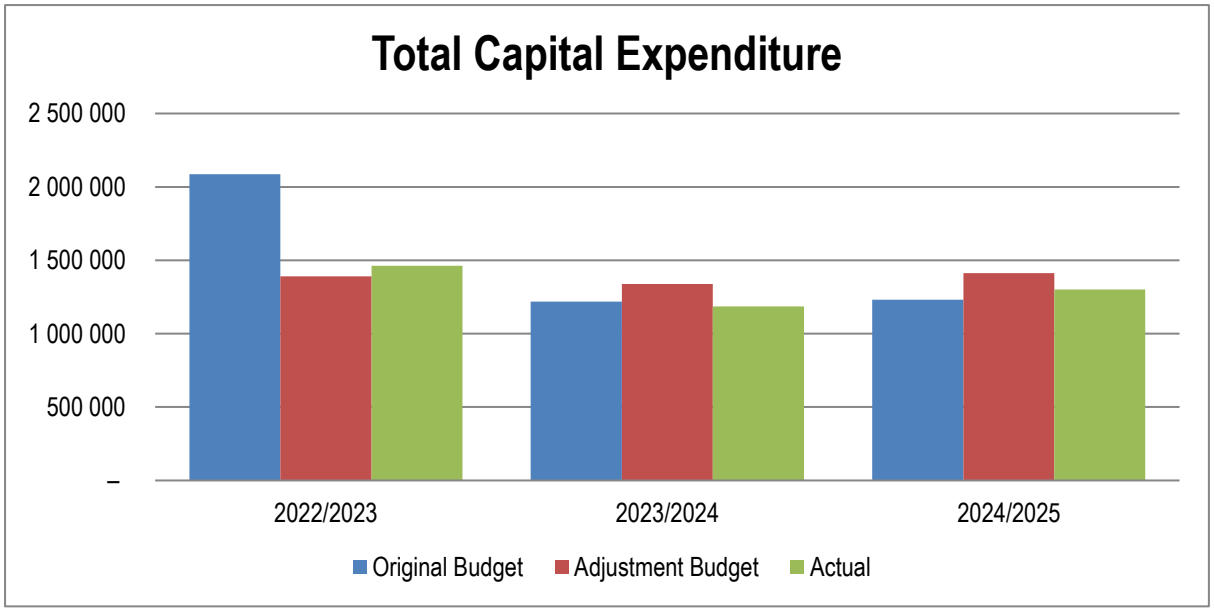
City as it is at 3.9%. The City is augmenting its assets maintenance programme by using part of its own funding towards capital investment on renewal of existing assets.

Finance Charges and debt Impairment: The ratio for Finance Charges and debt Impairment is 18.3% of total operating expenditure, which is above the required norm of 10%. Reasons which resulted to the percentage to be higher than anticipated includes low collection ratio which amounted to 70% compared to 77% budgeted and an increase in Finance Charges due to Rehabilitation of Landfill Site.

T 1.4.3

Total Capital Expenditure for 2024/2025

Total Capital Expenditure: 2022/20223 - 2024/2025			
			R'000
Detail	**2022/2023**	**2023/2024**	**2024/2025**
Original Budget	2,086,362	1,219,326	1,231,115
Adjustment Budget	1,391,192	1,339,433	1,412,240
Actual	1,462,280	1,184,803	1,300,894
			T 1.4.4



T 1.4.5

COMMENT ON CAPITAL EXPENDITURE:

The City's capital expenditure for the year under review amounted to R1.300 billion, which represents 92% inclusive of VAT of its capital budget spent, compared to R1.184 spent in 2023/2024, which represented 88%.

The City had an original budget of R 1.231 billion which increased to an adjusted budget of R1.412 billion for the year under review.

The capital expenditure incurred in the 2024/2025 financial year was funded through grants and subsidies and own funding. BCMM spent 86% of its total capital grants budget. The largest funding source was the USDG which focused on developing new urban areas for habitation. This grant was utilised to create new infrastructure in the previously disadvantaged areas and to replace existing infrastructure in those areas where infrastructure is nearing or has exceeded its useful life. These investments are required to ensure the continued economic growth of the City and to allow for business confidence. The City spent 92% of its total own funded capital budget.

T 1.4.5.1

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

To ensure effective service delivery to communities, Buffalo City Metropolitan Municipality (BCMM) requires a staff complement with the requisite capacity and capabilities to execute its mandate of providing quality basic services to residents. The Municipality has approximately 4 900 staff members. Each post is supported by an approved job description that specifies the minimum essential qualification, skills, and experience requirements. All budgeted vacancies are filled in accordance with these minimum requirements, and all appointments comply with the Municipal Staff Regulations relating to educational qualifications, work experience, knowledge, and competencies.

BCMM has appointed a City Manager and ensured that all Heads of Directorates (HOD) positions are filled by suitably qualified and competent incumbents. The Municipality further reports that it has achieved gender parity at HOD level, with a 50/50 gender representation.

In January 2024, the City Manager initiated a project to review the BCMM micro organisational structure by approving the Design Principles, Methodology, and Process Plan for the review. The project is managed and facilitated by a Steering Committee in collaboration with the Organisational Development Division. In addition, Council approved the implementation of National Treasury reforms relating to the establishment of Trading Services for the functional areas of Water and Sanitation, Electricity and Energy, and Solid Waste Management. The BCMM macro organisational structure is currently under review to accommodate these

Trading Services, and the ongoing microstructure review is being aligned accordingly. The project remains on track and is approximately 85 per cent complete.

The Municipality is also implementing measures to attract and retain skilled employees, including post progression for selected positions, bursary schemes, and ongoing training and development programmes. During the current financial year, the Municipality has drafted and approved new policies, and reviewed existing policies, to ensure full compliance with labour-related legislation.

T1.5.1

1.6. AUDITOR-GENERAL REPORT

For the 2024-2025 financial year, the BCMM has received a qualified audit opinion from the Auditor General South Africa. The detailed Auditor General's Audit Report is outlined and attached in Chapter 6 of this annual report.

T 1.6.1

1.7. STATUTORY ANNUAL REPORT PROCESS

STATUTORY ANNUAL REPORT PROCESS		
No.	Activity	Timeframes
1.	Inception meeting with all relevant stakeholders to outline the process	July 2025
2.	Outlining the Annual Report process to Top Management	
4.	Compiling Performance information taken from all Directorates	
5.	Tabling of Annual Performance Report 2024/2025 to the Top Management	
6.	Submit the Annual Performance Report to Audit Committee	August 2025
7.	Submission of Section 46 Report and draft Annual Financial Statements to Auditor-General	
9.	Tabling of the first draft Annual Report to Top Management	October 2025
10.	Submission of the Draft Annual Report to Internal Audit	
11.	Facilitate and respond to internal Audit on the queries raised on the Annual Report	November 2025
12	Submission of Draft Annual Report to the Auditor General for auditing	
13.	Presentation of the final Annual Report to Top Management	

14.	Submission of the Final Draft to the City Manager and sign off by Executive Mayor and City Manager	December 2025
15.	Tabling of Annual Report to Council	January 2026
16.	Submission of tabled Annual Report to Auditor-General, Provincial Treasury and Local Government and Human Settlement	February 2026
17.	Publication of the Annual Report after tabling to Council	
18.	Submission of the Annual Report to the Municipal Public Accounts Committee for oversight and to the Speaker's Office for public participation	
19.	Oversight of the Annual Report by the Municipal Public Accounts Committee	
20.	Invitation for public comments on the Annual Report, Consideration of public comments and formulation of oversight report	March 2026
21.	Consideration and adoption of Annual Report and Oversight Report by Council	
22.	Submission of the Annual Report and Oversight Report to Auditor General, Provincial Treasury and Provincial Department of Local Government and Human Settlement	
23.	Submission of final Annual Report and Oversight Report to Eastern Cape Provincial Legislature	
24.	Publication of final Annual Report (website and other media)	April 2026
		T 1.7.1

Structure and Components of 2024/2025 Annual Report

Chapter	Components of the Integrated Annual Report
One	Introduction Provides an introduction and overview of the municipality and its entities to the reader. This chapter provides the key decision-makers – both on political and administrative level – with the opportunity to provide an overview of the functions, geographical area and performance of the municipality and its entities.
Two	Governance in BCMM This chapter entails the Political Governance Arrangements (Council and its Oversight Committees), Executive Political Governance (Mayoral Committee), and Administrative Governance (Executive Management Team, Intergovernmental Relations (IGR), and Corporate Governance). To ensure accountability and that governance arrangements are in place, information on matters of governance should be communicated to communities. This covers four components: Governance Structures; Intergovernmental Relations; Public Accountability and Participation; and Corporate Governance.

Three	Overview of Service Delivery BCMM. Service Delivery Performance: This section focuses on service delivery on a service-by-service basis. It assesses municipal performance derived from IDP objectives, as translated into the SDBIP, and presents information on community needs and resource deployment. Service delivery issues are structured, captured, and reported under each IDP priority to enable easy clear comparison of achievements against the approved budget and SDBIP. The purpose of this chapter is to demonstrate, in terms of service delivery, what has been achieved and what remains outstanding.
Four	Organisational Development Performance. This chapter addresses information pertaining to the implementation of an effective performance management system, organisational development, and the performance of the Municipality. The information presented is required to identify skills gaps and to inform plans for the development of such skills.
Five	Financial Performance. Overview of the Municipality's financial performance through comprehensive measurement of results. This process also enables effective planning to ensure that future budget allocations align with the IDP and the activities and outputs of each functional area.
Six	Auditor-General Audit Findings. This chapter presents a summary of the Auditor-General's Report for the previous financial year. It covers the issues identified during that period, along with the remedial actions undertaken and the preventative measures implemented.

COMMENT ON THE ANNUAL REPORT PROCESS

Section 127(2) of the MFMA requires the mayor of the municipality, within seven months of the end of the financial year, to table the Annual Report of the municipality and any municipal entity under its sole or shared control before the Municipal Council. To adhere to the statutory requirements set out by all relevant legislation guiding the preparation of the Annual Report, it is essential to meet the prescribed timelines and to ensure that all information presented is credible, useful, and reliable. BCMM has complied with its established timelines and has taken reasonable steps to verify that the information in this report is accurate and supported by evidence. Any identification of errors should not be regarded as a departure from this intention.

BCMM consistently seeks to ensure proper alignment between its plans as set out in the IDP, the SDBIP, other strategic documents, and its reporting processes to promote accountability and transparency. Furthermore, the prescribed Annual Report process strengthens the Council's oversight responsibilities. Annual Reports correspond to the planning documents and municipal budget for the year under review, ensuring that the IDP, budget, SDBIP, in-year reports, Annual Performance Report, and Annual Report contain consistent information. This approach improves

clarity and facilitates the connection between planned objectives and actual outcomes. Adhering to the required timeframes also ensures that Annual Report data informs the IDP Situational Analysis.

In BCMM, organisational performance management is linked to individual performance management through the performance agreements of Section 56 Managers, including general and senior managers. This supports alignment across the entire institutional performance management system.

T 1.7.1.1

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

The governance of BCMM is based on Section 152(2) of the Constitution of the Republic of South Africa (RSA, 1996), which enjoins that the executive and legislative authority of a municipality is vested in Council. This is operationalised through Section 79 Committees, which support Council in conducting its business, whilst the Mayoral Committee is supported through Section 80 Committees, which are chaired by the Portfolio Heads.

The Executive Mayor and the Municipal Manager (referred to as the 'City Manager') embody the relationship between the political and administrative governance of the Municipality. Both are entrusted with the responsibility of ensuring a proper and stable relationship between political and administrative governance. To that end, the Executive Mayor and the City Manager are responsible for both policy formulation and implementation. They serve as a bridge between Council meetings, being accountable to the Council for their actions.

The Intergovernmental Relations Framework Act (IGRFA), No. 13 of 2005, was enacted in 2005. The objective of the legislation is to facilitate coordination among the three spheres of Government, i.e., National, Provincial, and Local Governments, in the implementation of policy and legislation. The purpose of an IGR system is to promote co-operative decision-making, ensure the execution of policies through the effective flow of communication, co-ordinate priorities and budgets across different sectors, and prevent disputes and conflicts between spheres of government.

The BCMM employs various mechanisms for public communication and participation to ensure that residents are well-informed and capacitated to optimally take part in municipal processes and programmes. Public participation serves as a platform for interaction between the City and the community.

T 2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATVE GOVERNANCE

The political and administrative governance of BCMM is predicated on the Constitution (RSA, 1996); the Local Government Structures Act, No. 117 of 1998; the Local Government Systems Act, No. 32 of 2000; the MFMA, No. 56 of 2003; and other applicable pieces of legislation.

The Executive Mayor (i.e., the political head) and the MM (i.e., the accounting officer), here referred to as the City Manager, embody the relationship between the political and administrative governance of the Municipality. Both the Executive Mayor and the City Manager are entrusted with the responsibility of ensuring a proper and stable relationship between the political and administrative arms of the local state. Consequently, the Executive Mayor and the City Manager are responsible for formulating and implementing policies, serving as an interface between the Council and the Administration, and both are accountable to the Council for their actions.

T 2.1.0

2.1. POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

In the election of 1 November 2021, the African National Congress (ANC) won a majority of seats on the council and duly constituted an ANC-led government. The Local Government: Municipal Structures Act (No. 117 of 1998) makes provision for the establishment of functional political structures that carry out its duties and powers, as outlined in Sections 156 and 229 of the Constitution.

Council is the highest decision-making structure of the BCMM, governing the local government affairs of the City. The Council carries out its core functions by exercising both legislative and executive authority over the Municipality's administrative processes.

The Administration is responsible for service delivery and regulation. The Municipality has one Municipal Entity, the Buffalo City Metropolitan Development Agency (BCMDA), which serves as its implementation arm for catalytic programmes and projects aimed at strengthening good governance, accountability, and public participation.

BCMM operates within a separation-of-powers model, in which the Executive is distinct from the Legislative arm of Council to promote effective oversight, accountability, and public participation. This model mirrors the structures of provincial and national Parliament and is implemented through the delegation of legislative and executive functions of Council to the legislative and executive arms.

The legislative arm of the Council is composed of one hundred (100) Councillors and three (3) Traditional Leaders. It is led by the Speaker of Council, who presides over Council meetings. The Council Speaker, Councillor Humphrey Maqocwa Maxegwana, is responsible for coordinating and managing the functioning and development of Section 79 Committees, as well as overseeing Council Affairs.

In addition, the Speaker plays a key role in strengthening democracy and promoting community participation, particularly through Ward Committees and Ward Councillors, by ensuring that the Ward Committee system operates effectively and efficiently. The Speaker further promotes public consultation, involvement, and participation in the affairs of the Municipality.

Furthermore, Section 41A of the Local Government: Municipal Structures Amendment Act, No. 3 of 2021, has since introduced the Whip of the Municipal Council. The role of the Whip of the Municipal Council is defined clearly in Section 41B of the Act.

Planning, tariff implementation, and related policy matters – such as Integrated Development Planning and tariffs – are delegated to the Executive, led by the Executive Mayor. Legislative responsibilities are assigned to Council and its committees, including oversight and facilitating public participation. These functions are essential for effective service delivery, accountability, and meaningful consultation within local government.

BCMM has established oversight committees to prevent unlawful or unconstitutional actions by the Municipality, safeguard citizens' rights and freedoms, ensure Council accountability, promote transparency in municipal operations, and foster greater public trust. The oversight committees of BCMM are detailed below:

RULES COMMITTEE

The purpose of the Rules Committee is to:

- Develop and administer the implementation of Standing Rules and Orders governing the operations of Council.
- Establish procedural and regulatory policies and frameworks for Council and its Committees.
- Develop and monitor the implementation of rules, policies and other mechanisms to ensure efficient functioning of Council and its Committees.
- Monitor BCMM's adherence to and compliance with national and provincial legislation and regulations.
- Diligently execute its powers and functions in accordance with its approved terms of reference.
- Coordinate the review of Council policies.

RULES COMMITTEE MEMBERS

RULES COMMITTEE		
Name & Surname	Position	Political Party
Cllr. C.H.M Maxegwana	Chairperson	ANC
Cllr. P. Bernado	Member	ACDP
Cllr. K. Ciliza	Member	ANC
Cllr. B. Kalani	Member	ANC
Cllr. A. Majeke	Member	DA
Cllr. N. Mcwabeni	Member	ANC
Cllr. N.Mndi	Member	ANC
Cllr. S. Nkungwini	Member	EFF
Cllr. B. Sauli	Member	ANC
Cllr. G. Walton	Member	DA

PETITIONS MANAGEMENT COMMITTEE

The purpose of the PMC is to:

- Promote a democratic, open, transparent and participatory system of local government.
- Develop a culture of community participation through the creation of mechanisms that allow the voice of the community to be heard.
- B responsive to communities by providing feedback to petitioners in respect of petitions received.

PMC MEMBERS

PETITIONS COMMITTEE		
Name & Surname	**Position**	**Political Party**
Cllr. M.L. Nyusile	Chairperson	ANC
Cllr. K. Ciliza	Member	ANC
Cllr. M. Daniso	Member	ANC
Cllr J. Green	Member	DA
Cllr. O. Mangxola	Member	DA
Cllr. Y. Masiki	Member	EFF
Cllr. Z. Mtyingizane	Member	ANC
Cllr. V. Siboyana	Member	EFF
Cllr. D. Theron	Member	FFP
Cllr. M. Wetsetse	Member	ANC

SOCIAL FACILITATION COMMITTEE (SFC)

The purpose of the SFC is to:

- Ensure that Council complies with the Remuneration of Public Office Bearers Act No. 20 of 1998, which regulates the determination of upper limits of salaries, allowances and benefits of different members of Municipal Councils.
- Ensure that Council complies with the Government Gazette on upper limits of salaries, allowances and benefits of different members of Municipal Councils as issued from year to year.
- Ensure that when a Draft Gazette is issued by the Minister of the CoGTA Department, Council mandates the Speaker to submit comments to the Department of CoGTA and SALGA on behalf of the Municipality.

SOCIAL FACILITATION COMMITTEE (SFC) MEMBERS

SOCIAL FACILITATION COMMITTEE		
Name & Surname	Position	Political Party
Cllr A. Ralasi	Chairperson	ANC
Cllr B. Bangani	Member	ANC
Cllr C. Mxabanisi-Gakrishe	Member	ANC
Cllr K. Majeke	Member	ANC
Cllr P. Jaxa	Member	ANC
Cllr P. Hansen	Member	ANC
Cllr N. Luhadi	Member	EFF
Cllr M. Mashiya	Member	ATM
Cllr L. Stewart	Member	DA
Cllr D. Vallabh	Member	DA

MUNICPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

The purpose of the MPAC is to:

- Perform an oversight function on behalf of Council, including, but not limited to, overseeing the expenditure of public funds and the utilisation of Council resources.
- Assist Council in holding the Executive and Administrative arms of the Municipality accountable, through the Executive Mayor and the MM respectively, to ensure good governance, and to promote transparency.

MPAC MEMBERS

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE		
Name & Surname	Position	Political Party
Cllr S. Caga	Chairperson	ANC
Cllr M. Hlekiso	Member	EFF
Cllr P. Jaxa	Member	ANC
Cllr B. Kalani	Member	ANC
Cllr A. Majeke	Member	DA
Cllr M.J. Mashiya	Member	ATM
Cllr M. Nyusile	Member	ANC
Cllr B. Sauli	Member	ANC
Cllr V. Siboyana	Member	ANC
Cllr G.K Walton	Member	DA

WOMEN'S CAUCUS

The purpose of the Women's Caucus is to:

- Act as an advisory and consultative body for all women Councillors, representing their interests within BCMM structures.
- Engage Council and its structures on empowerment issues affecting women in administration, politics and the community.
- Facilitate leadership and development for women in Council and its structures to ensure their effective participation.
- Work towards profile building of women Councillors for effective capacity building.
- Ensure gender mainstreaming and equity within municipal processes.
- Re-affirm and strengthen partnerships and networks that support women in Local Government, other spheres of government and civil society.

WOMEN'S CAUCUS MEMBERS

WOMEN'S CAUCUS		
Name & Surname	Position	Political Party
Cllr Z. Mtyingizane	Chairperson	ANC
Cllr K.T. Faku	Member	ANC
Cllr N.M. Goci	Member	ANC
Cllr L. Hali	Member	DA
Cllr A. Majeke	Member	DA
Cllr C. Mxabanisi-Gakrishe	Member	ANC
Cllr V. Siboyana	Member	ANC
Cllr D. Theron	Member	FFP
Cllr N.E. Tshabe	Member	EEF
Cllr N. Whittington	Member	ANC

ETHICS COMMITTEE

The purpose of the Ethics Committee is to:

- Assist Council to investigate the conduct of Councillors who are breaching Schedule 1 of the MSA, No. 32 of 2000.
- Investigate irregularities committed by Councillors serving in the BCMM Council.
- Receive cases that have been referred to the Committee by Council for investigation.
- Enforce adherence to the Code of Conduct for Councillors as contained in Schedule 1 of the Local Government: MSA, No. 32 of 2000.
- Initiate and draft reports regarding the establishment, composition, procedures, powers and functions / Terms of Reference of Committees of Council.
- Carry out investigations, submit findings, and make appropriate recommendations to Council pertaining to the alleged contravention of the Code of Conduct for Councillors as contained in Schedule 1 of the Local Government: MSA, No. 32 of 2000.
- Investigate and make recommendations to Council on any alleged contraventions by a Councillor of any policy document of Council, statutory provision, or any other obligatory provisions applicable to members of Council.
- Solicit or elicit specialised investigative capacity to present credible findings to Council.
- Ensure that affected parties are afforded an opportunity to make their representations in order to achieve fairness.
- Ensure that cases referred to the Committee are finalised within a six (6) month period.

ETHICS COMMITTEE MEMBERS

ETHICS COMMITTEE		
Name & Surname	Position	Political Party
Cllr P. Jaxa	Chairperson	ANC
Cllr T. Fritz	Member	DA
Cllr B. Kalani	Member	ANC
Cllr N. Kumbaca	Member	ANC
Cllr S. Libala	Member	EFF
Cllr M. Mashiya	Member	ATM
Cllr N. Mndi	Member	ANC
Cllr N. Ntshebe	Member	ANC
Cllr V. Peter	Member	ANC
Cllr A. Skoti	Member	UDM
Cllr G. Walton	Member	DA

AD HOC COMMITTEE (DEALING WITH MUNICIPAL BOUNDARY REDETERMINATION PROCESSES)

The purpose of the Ad hoc Committee is to:

- Perform an oversight function on behalf of Council during the process of ward boundary delimitation by the Municipal Demarcation Board.
- Ensure that communities affected by the delimitation of ward boundaries are duly notified and that their comments are registered by the Municipal Demarcation Board during its determinations.

ADHOC COMMITTEE MEMBERS

AD HOC COMMITTEE		
Name & Surname	**Position**	**Political Party**
Cllr N. Kumbaca	Chairperson	ANC
Cllr S. Gida	Member	EFF
Cllr K.T. Faku	Member	ANC
Cllr L. Mzekeli	Member	ANC
Cllr A. Skoti	Member	ANC
Cllr T. Tempi	Member	ANC
Cllr M.D. Thomas	Member	ANC
Cllr G. Walton	Member	DA
Cllr B. Wood	Member	DA

MULTI – PARTY WHIPS COMMITTEE

The Multi- Whips Committee consists of Chief Whips of different political parties that constitute BCMM Council. This committee is under the supervision of the Whip of Council from the majority party. The members of this committee are as follows:

MULTI -PARTY WHIPS COMMIITTEE

MULTI-PARTY WHIPS COMMITTEE		
Name & Surname	**Position**	**Political Party**
Cllr N Mhlola	Chairperson	ANC
Cllr k. Faku	Member	ANC
Cllr M Goci	Member	ANC
Cllr P Jaxa	Member	ANC
Cllr O Mhlauli	Member	ANC
Cllr Mxabanisi - Gakrishe	Member	ANC
Cllr V Peter	Member	ANC
Cllr N Qali	Member	ANC
Cllr A Ralasi	Member	ANC
Cllr V Sibonyana	Member	ANC
Cllr A Majeke	Member	DA
Cllr L Hali	Member	DA
Cllr S Rumbu	Member	EFF
Cllr A.P Bernardo	Member	ACDP
Cllr A. J Skoti	Member	UDM
Cllr D.A Theron	Member	FFP
Cllr A Gcobo	Member	PAC
Cllr M.J Mashiya	Member	ATM
Cllr V Tutu	Member	AIC

The Mayoral Committee.

The Executive Arm of Council is made up of the Executive Mayor, assisted by Mayoral Committee. The Mayoral Committee performs the elements of the Executive Mayor's powers and functions as may be designated by the Municipal Council, exercising these powers, and performing associated tasks in support of the Executive Mayor. The Mayoral Committee ensures that service delivery takes place, including but not limited to improving efficiency, enhancing credit controls and revenue, and strengthening the administration of the Municipality. Each year, the Mayoral Committee must report on community involvement and ensure that due regard is given to public views during consultations.

The Executive Mayor and the members of the committee are as follows:

MAYORAL COMMITTEE

MAYORAL COMMITTEE		
Name & Surname	**Position**	**Political Party**
Cllr P. Faku	Executive Mayor	ANC
Cllr N Maxongo	Finance Services	ANC
Cllr S Matwele	Spatial Development Planning	ANC
Cllr M. P. Basopu	Corporate Service	ANC
Cllr M Mfazwe	Human Settlements	ANC
Cllr G Lottering	Sport and Community Development	ANC
Cllr Y Tyali	Infrastructure Services	ANC
Cllr C Yekiso-Morolong	Community Services	ANC
Cllr A Myute	Public Safety and Emergency Services	ANC
Cllr S Ntsasela	Economic Development and Agencies	

AUDIT COMMITTEE

The Municipality has an Audit Committee that provides opinions and recommendations on financial processes and performance and submits comments to the Oversight Committee/MPAC.

The membership of the Audit Committee for the year that is currently under review.

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

Section 79A of the Local Government: Structures Amendment Act, No. 3 of 2021, has formally legitimised the MPAC as an independent Oversight Committee, constituted of non-executive councillors. Its report is published separately in accordance with MFMA guidelines. For the list of MPAC members.

T2.1.1

POLITICAL STRUCTURE



EXECUTIVE MAYOR: CLLR P. FAKU



SPEAKER: CLLR: H. MAXEGWANA



CHIEF WHIP: CLLR: N. MHLOLA

MAYORAL COMMITTEE



Cllr. G.M. LOTTERING: Sport Recreation and Community



Cllr S. NTSASELA: Economic Development & Agencies



Cllr M. BASOPU: Corporate Services



Cllr Y. TYALI: Infrastructure Services



Cllr. C. YEKISO - Morolong Community Services



Cllr S. MATWELE
Spatial Planning & Development



Cllr M. MFAZWE: Human Settlements



Cllr A. MYUTE: Public Safety & Emergency Services



Cllr N. MAXONGO: Finance Services

COUNCILLORS

The legislative arm of Council is composed of 100 Councillors and 3 Traditional Leaders.

Nine (9) political parties are represented in Council, namely the African National Congress (ANC), African Christian Democratic Party (ACDP), Democratic Alliance (DA), Economic Freedom Fighters (EFF), Pan Africanist Congress (PAC), African Transformation Movement (ATM), Freedom Front Plus (FFP), African Independent Congress (AIC), and United Democratic Movement (UDM).

All nine (9) political parties are also represented on Section 79 and 80 Council Committees. The Council comprises 50 Ward Councillors and 50 Councillors appointed on a proportional representative basis. A full list of Councillors is available in Appendix A of this report. For information regarding the allocation of councillors to the various Section 79 Committees, please refer to T2.1.1 above.

Section 80 Committees play a key oversight role, particularly in relation to the City's strategic documents, such as the IDP, budgets, policies, service delivery, strategic objectives and priorities, and by-laws. Oversight involves reviewing the actions of the Council's executive and administration in a strategic and systematic manner. The Council's legislative functions are carried out with the support of these committees, which are representative of all political parties in the Council.

T2.1.2

POLITICAL DECISION MAKING

Council is the highest decision-making structure of the BCMM, governing the local government affairs of the City. It fulfils its core responsibilities by exercising both legislative and executive authority over the Municipality's administrative processes. During the year under review, 39 Council Resolutions were adopted and implemented. The following decisions remain outstanding and have not yet been implemented:

a) Transfer of Deceased Estate Immovable Property in Favour of the Rightful Indigent Heir
b) Donation of Farm 871/1 Greydell / Bhongweni.

c) Dry Sanitation Project for all Rural Areas that have been Transferred to BCMM

d) Implementation of Remedial Action Plan for Revenue Management

e) Energy Losses Reduction Plan and Strategic Remedial Action taken

f) King William's Town Public Transport Facilities Project

g) Plan to address the issue of blocked stormwater drains.

T 2.1.3.

2.2. ADMINISTRATIVE GOVERNANCE

Introduction to administrative governance

The Accounting Officer and Administrative Head of BCMM is Mr Mxolisi Yawa. The City Manager is responsible for the efficient and effective management of the Municipality's affairs, as set out in the MSA, No. 32 of 2000, and the MFMA, No. 56 of 2003. In his capacity as Accounting Officer, the City Manager carries out his responsibilities in accordance with the principles of good governance and legislative requirements.

To ensure the effective administration of municipal affairs, supporting administrative committees have been established. The Top Management of the Municipality consists of the City Manager, the Chief Financial Officer (CFO), and the HODs. Top Management meets monthly to discuss strategic, operational, and financial matters.

Matters beyond the City Manager's delegated authority are referred to the relevant Portfolio Committee for consideration before being submitted to Council for a final decision.

Council approved the establishment of Trading Services for the following functional areas: Electricity & Energy, Water & Sanitation, and Solid Waste Management. These will operate as autonomous business units within the Municipality, each with a single point of management accountability to the Accounting Officer. This requires a review of the proposed macro structure. Council also approved the creation of a Security Services & VIP Protection Division within the Directorate of Public Safety & Emergency Services. The review of the micro organisational structure is ongoing during this financial year.

T 2.2.1

The HODs perform strategic leadership and management functions in their respective fields, along with any other responsibilities outlined in Local Government Legislation, as follows:

- Corporate Services
- Infrastructure Services
- Solid Waste, Health and Environmental Management
- Sport, Recreation & Community Development
- Water and Sanitation (Trading Service)
- Electricity and Energy
- Public Safety and Emergency Services
- Human Settlements
- Economic Development and Agencies
- Financial Services
- Spatial Planning and Development
- Executive Support Services

T 2.2.1

TOP ADMINISTRATIVE STRUCTURE



City Manager: Mr Mxolisi Yawa



HOD: Public Safety & Emergency Services: Advocate Boniswa Mzimba:



HOD Human Settlements: Mr Luyanda Mbula



HOD Infrastructure Services: Ms Nomfanelo Mqoqi-Mondi:



HOD Sport, Recreation & Community Development: Mr Howard Sikweza



HOD Executive Support Services: Ms Ncumisa Sidukwana



Acting Chief Financial Officer: Mr Vincent Pillay



HOD Solid Waste & Environmental Management: Ms Yoliswa Sinyanya:



Economic Development & Agencies: Ms Noludwe Ncokazi



HOD Spatial Planning & Development: Mr Sandile Booi:



HOD Corporate Services: Mr Bob Naidoo



CFO: Mr Ntsikelelo Sigcau

T 2.2.2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

2.3. INTERGOVERNMENTAL RELATIONS

Note: Section 3 of the MSA requires municipalities to exercise their executive and legislative authority within the constitutional framework of co-operative governance set out in Section 41 of the Constitution.

IGR is embedded in the Constitution (RSA, 1996), which places emphasis on the National, Provincial, and Local spheres of Government being:

a) Distinct

b) Interdependent; and

c) Interrelated.

Section 41(1) of the Constitution affirms the need for cooperation, mutual trust, and good faith among the three spheres of government. The spheres are therefore committed to securing the well-being of the people of the Republic and must ensure effective, transparent, accountable, and coherent governance for the country as a whole, thereby achieving the objectives of cooperative government.

While all three spheres of government operate within the same geographic space, their distinct roles must be respected. Each sphere is required to act within its constitutional mandate when exercising its powers and functions. In the spirit of good faith, all spheres of government are required to take concrete steps to promote and achieve cooperative government by:

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

T 2.3.0

IGR Meeting	Purpose of Meeting	Outcomes
IGR Core Group Preparatory Meeting– 1 August 2024	• A follow-up meeting after several engagements were held with the 7th Administration to advise on a few mechanisms that were proposed. • One of the proposals addressed the agenda setting and linkages from local, and provincial government which will feed to political MUNIMEC chaired by the MEC up to the level of the Premiers IGR forum to ensure that the agenda and planning talk to each other to achieve policy coordination.	• A proper performance plan which is aligned to the implementation plan should be put in place with indicators and targets which must be agreed on by the three spheres of government to allow one to be specific in terms of what they want to achieve. • The preparatory team will advise the Executive Mayor and the City Manager on the agenda-setting items raised and all items to be presented on Provincial platforms. • The agenda template will be shared with the Metro. • The DDM template to be shared by COGTA to assist the City Manager to prepare.
Eskom and BCMM Meeting – 17 September 2024	• To discuss issues of electrification, Eskom poles that are not working, faulty meter boxes that do not accept electricity tokens, infills and disconnection of paying customers at BCMM ward 22, 24 and 35. • To also discuss a way forward regarding the issue of Smiling Valley that has been in existence for more than 38 years but has no electricity regardless of the many requests made to Eskom.	• Eskom was given 7 days to provide response on the issues raised. • The hold discussions on the agreed upon Power Lines that needed to be transferred to BCMM. • Eskom was advised to use the BCMM IDP as a guide. • Communication needs to be strengthened between Eskom and BCMM • Out of five (5) land parcels, three (3) were transferred to BCMM, a draft layout plan needs to be prepared for those areas for ease of access to Eskom. The remaining area needs to be transferred to BCMM. • A WhatsApp group needs to be created with all parties concerned to improve communication. • Mr. Andile Mshumpela from BCMM Spatial Planning and Mr Aviwe Duze from BCMM Electricity Department were tasked to deal with

IGR Meeting	Purpose of Meeting	Outcomes
		technical issues concerning Smiling Valley and provide feedback. • Eskom asked to be given two weeks to provide a response regarding the area. • Cllr to consolidate the list of issues and send them to Eskom. • Executive Mayor to visit Cuba and Smiling Valley.
Department of Social Development "ICROP" Outreach programme at ward 12 -02 October 2024	• This was a service on wheels outreach programme where stakeholders such as SASSA, Home Affairs, Department of Social Development and Health provided services to communities. • The programme emanated after the MEC for Social Development was approached by community members from ward 12 who raised several social challenges. • The MEC, together with her team, conducted home visits to the area to obtain a comprehensive insight on the issues that were reported. • The MEC noted the following issues: ▪ A family with 10 children staying with a grandmother and they all do not have identity documents. ▪ A 21-year-old boy whose family needed support for his rite of passage ritual. ▪ Lack of housing was also identified.	• The MEC for Social Development agreed to address the matter of payment for identity documents for those who could not afford the expense. • The Departments of Social Development and Health identified children who were malnourished and committed to providing a nutritional programme for the children. • The Department of Home Affairs was to assist with identity documents for all the community members who did not have documents. • The Department of Social Development to identify support for the rite of passage ritual. • The Department of Human Settlements to identify all communities with need for housing and to ensure that they were placed on a database for housing.

IGR Meeting	Purpose of Meeting	Outcomes
	▪ There were several children headed to the households. ▪ Many households were without a source of income. ▪ High rate of drug abuse. ▪ Lack of work opportunities in the area.	• The Department of Social Development to assist child headed households to have access to government assistance.
IGR Roundtable with Department of Social Development and Department of Health - 4 October 2024	• The purpose of the meeting was to discuss the issue of mentally challenged homeless people who are found on the streets of BCMM, committing crime and engaged in several illicit acts. • The meeting aimed at engaging with all Departments affected and BCMM to engage in discussions and develop collective strategies to find a solution to the problem. • It was agreed that the issue was a cross-cutting issue which needed both Department of Social Development and Department of Health to be part of these engagements to seek an amicable solution to the issue. • BCMM Law Enforcement received numerous complaints from businesses who reported breaking into establishments and the assaulting of workers by mentally challenged people. • It was also reported that the mentally challenged were also causing traffic congestions, and accidents as they were found walking in the middle of the roads, which posed a traffic hazard. • It was cited that during the Covid-19 period there were no homeless people on the streets of BCMM that	• A broader multi- stakeholder workshop that will be inclusive of all stakeholders was proposed to understand roles and responsibilities and develop an action plan. • Invitations to be extended to other departments who were not present but were affected by the challenges. • The Directorate of Executive Support in BCMM to hold the workshop.

IGR Meeting	Purpose of Meeting	Outcomes
	collective discussion and engagement was required on how to tackle this situation. • It was agreed that a solution was required urgently as mentally challenged people were used by criminals to commit crimes.	
Political IGR Forum- 18 October 2024	• The purpose of the Political IGR Forum was for Sector departments to share their current programmes and projects that were currently operational and/or planned for BCMM. • The BCMM Department of Human Settlements gave an update on Level 2 Accreditation which was recently approved by the National Department of Human Settlements. • The Department was in the process of collaborating with Provincial Human Settlements to align their projects. • An agreement was reached that BCMM would adopt a similar approach to City of Cape Town where BCMM will focus on the urban setting and the Provincial Human Settlements will focus on the rural setting. • A status update of the Bongweni / Greydell Farm was shared. It was advised that a report was prepared, where recommendations were made by the BCMM Council to accept and approve the donation of farm 871 Greydell. • It was reported that out of the 201 properties to be transferred only 30 were successfully transferred to date. • National COGTA presented on the Regulations and implementation framework for District Development model.	• The process of getting the council resolution should be fast tracked by the Property Management Unit. • Property management Unit to draft a letter addressed to the MEC Public Works and send it to Executive Mayors Office requesting a bilateral engagement with the MEC Public Works regarding the properties that were erroneously transferred to BCMM, if it can be possible for BCMM to retain the properties that are still in their possession and find good use for them. • The existing forum includes other Departments such as Department of Rural Development and Agrarian Reform (DRDAR). • A Councillors Workshop was proposed to workshop the councillors on the District Development Model (DDM) Implementation Framework and the Gazette. • BCMM needs to furnish COGTA with a date for the workshop. • COGTA was invited to attend business strategic sessions planned and present the on-Implementation Framework and gazette. • In terms of the Cuba area, Township Establishment was proposed to continue in the next year.

IGR Meeting	Purpose of Meeting	Outcomes
	• National COGTA also presented an Overview of Gazette section 47 regulations. • Eskom shared the Electricity and Energy plans and projects for BCMM. • Airports Company of South Africa (ACSA) presented on their plans which included a new airline that was going to be introduced in December 2024. • ACSA also raised some of the challenges of illegal connection to the runway and land invasion which has the potential of threatening their license to operate the airport. • The Department of Social Development (DSD) highlighted the issue of malnutrition which was prevalent in some parts of the Metro. To mitigate this problem the Department were currently embarking on partnership with Department of Health and other stakeholders which aimed at addressing infant mortality due to malnutrition and poverty. • Department of Transport shared a status update on the projects and plans for BCMM.	• Eskom was reminded to make use of the priorities listed in the BCMM Integrated Development Plan and conduct electrification in Wards according to the priorities. • Follow up engagement with Eskom was proposed to discuss the issue of customer service line that is not easily accessible to the public. • Departments were requested to send their responses on IGR issues to the Manager International and Intergovernmental Relation, Ms. Gounden. • ACSA requires a contact person from Spatial Planning and Development. • ACSA requests a platform to start engagements with the IDZ and BCMM to discuss future expansion plans. • ACSA is looking to have further engagements with the Municipality in terms of future regarding the integrated public transport model. • DSD proposes budget allocation to be made by BCMM to implement the programme fully since there are budget constraints and the Department are unable to run the program fully.
Meeting with SANRAL- 26 November 2024	• The purpose of the meeting was for SANRAL to share the project they will embark on in BCMM between Gonubie and Braakfontein interchange. • The consultant was appointed in 2024 to conduct the work in this interchange. • The scope of the work to be done is 5, 4 kilometres.	• There will be an extension of the Kwelera road, SANRAL need stakeholders to be part of the project • Representatives from BCMM, Ward Representatives and Business representatives and two members from each project and

IGR Meeting	Purpose of Meeting	Outcomes
	• A company was appointed to reconfiguration of the existing bridge, for two lanes to be constructed under the bridge. • Pedestrian analysis needs to be considered; the settlement located at Braakfontein need to be accommodated somewhere else. • The existing culverts need to be extended. • The project is currently at design stage, designs are expected to be submitted by 12 December 2024 then the project will move to prelim design stage by October 2025 • The project was categorized under the Wild Coast. • To also share an update on the upgrade that will be done on N6 from Nahoon to Ducats. • The project starts from Sasol garage to Ducats which is 5,6 kms long • The scope of the work is the same as the Gonubie / Braakfontein bridge project • The proposed changes to the N6 & R72, left hand side to King Williams Town, a second lane will be constructed. • There is a new development by private developers, who are proposing a traffic circle for ease of access. • Access road between Gonubie and Beacon Bay was proposed. • Two sidewalks for pedestrians are proposed	representativity form the disability community are to be part of the project. • An update on Ward 46 will be done some other time. • Further engagements will be organized in due course.
Back to School Meeting with Office of the Premier- 14 January 2025	• To discuss and plan for the annual back to school campaign that is designed to ensure that all learners are capacitated.	• Four schools were visited during the campaign, namely, Imiqhayi in Mt Coke, Sophathisana In Reeston, Mizamo in Mdantsane and Ntsokotha in In Nxarhuni.

IGR Meeting	Purpose of Meeting	Outcomes
	• To mobilize community and stakeholders' support for the smooth operation of the programme. • To share the dates and the list of schools that are going to be visited during the campaign which were. • To mobilize stakeholders to form part of the programme and bring donations for the chosen schools	• School shoes, sanitary towels, and library project gift were some of the donations which were made to the chosen schools for the 2025 Back to School Campaign.
Meeting with Executive Mayor and Transnet on the Phelophepha Train visit to Buffalo City Metro: 16 January 2025	• Transnet Phelophepa Primary Health Care Train 1 Visit – Eastern Cape Province 2025. • The purpose of the Phelophepa Primary Health Care Train 1 visit was to provide affordable, accessible mobile health care services that support the existing health services in rural and most underprivileged deserving communities. Services that are provided include primary health care that is supported by pharmacy, dental and eye care services, basic health education and psychology clinic. Over the above Phelophepa health care train promote community participation and provide employment through casual labour to unemployed for example nurses,	• The Transnet Phelophepa Primary Health Care Train 1 visited the Eastern Cape Province and the following areas to be stationed at Alicedale, Mount Ruth (Mdantsane), Middledrift (eXesi),Komani (Queenstown) and Burgersdorp stations from 20 January 2025 until 28 March 2025. leaners and general workers. • As Social Mobilisers Transnet met with Executive Mayor and respective Ward councilors to ensure that Local Organising Committee was established to prepare for the visit. • The Municipality was requested to assist with; Environmental Health Practitioner: To link the train to a designated area for disposal of human waste, Manager- Water and Sanitation: To provide 2 x jojo tanks (10 000) litres and water connection. Manager-Infrastructure: To assist with the cleaning of the station, Manager-

IGR Meeting	Purpose of Meeting	Outcomes
		Waste Management: To provide refuse bags and refuse skips, Manager-Communication: Mobilize Communities and Manager-Disaster Management: To assist with the assessment of the station and draw disaster plan.
BCMM and Department of Communications and Digital Technologies Back to School Programme: 17 January 2025	• Visit to Jim Mvabaza School in the Buffalo City for the Department of Communications and Digital Technologies Back to School annual programme	• As part of the Back-to-School Programme the School was provided with equipment and other material as part of the back-to-school programme. This programme was used to empower youth people into studying hard and making a good life for themselves through education.
BCMM Executive Mayor, MEC for Department of Sports, Recreation, Arts and Culture and Minister of Justice and Constitutional Development Back to School Programme: 22 January 2025	• Visit to Imiqhayi Senior Secondary School in Buffalo City with Executive Mayor BCMM, the Minister of Justice and Constitutional Development, MEC for DSRAC.	• As part of the Back-to-School Programme the School was awarded with school gear and supporting material as part of the back-to-school programme.
Meeting with Department of Labour - 11 February 2025	• The purpose of the meeting was for the department to introduce the programmes and services that the department renderers to the public. • The Department has 4 core services which are:	• BCMM will communicate with the Department of Labour to ensure that this programme is promoted in all BCMM wards.

IGR Meeting	Purpose of Meeting	Outcomes
	▪ Unemployment insurance fund ▪ Inspection Services ▪ Public Employment Service ▪ Compensation Service • The purpose of the engagement was also to see how the Department can collaborate and work together with BCMM and engage in joint operations and partner in the skilling project.	• BCMM is willing to work with the department, the Directorate of Corporate Services, to look at the factories that employ disabled people to capacitate them. • BCMM will look at the partnership it has with the business community and see how they can incorporate these programmes. • BCMM to partner with Department of Labour and DSD to revive the BCMM youth centres. • Further engagement with Ms. Ngaki outside this platform is proposed to look at ways to revive youth centers in BCMM. • BCMM to facilitate the engagement in the form of a workshop between BCMM and Department of Labour. BCMM to also identify a suitable date for the proposed workshop.
Water Crisis in Kaysers Beach Meeting with Amatola Water- 14 February 2025	• The purpose of the meeting was due to the residents of Kaysers beach who reported countless occasions that they were without water. • The meeting was set to deal with water issues affecting Kaysers Beach, Kidds Beach and Ncerha Villages • The main reason for the water outages were due to low water supply from BCMM reservoirs which were always	• BCMM is in a process of testing boreholes in the affected areas to supplement the water supply. • The new board of Amatola Water will arrange a session with the Executive Mayor and BCMM leadership to brainstorm on how to ensure that the BCMM communities receive adequate water supply from Amatola Water.

IGR Meeting	Purpose of Meeting	Outcomes
	on low levels due to the supply they receive from Amatola Water. • BCMM Infrastructure Hod and Mr. Mqwabalala had an engagement with Zanele from Amatola water to discuss the cause of the water shortages however Amatola water noted that the fault was not on their side, BCMM reservoir were full it was BCMM who fail to supply water to the affected areas, they further noted that there was a pump lick age and water burst.	• Amatola water plans to fix the water supply issues in Kaysers Beach and Kidds Beach however in the meantime the residents will continue to receive water tankers. • The Mount Coke water pipeline is planned to feed the Needs Camp including Kidds Beach, which has challenges. The standard procedure at Amatola Water is that when the supply is low at BCMM, more water from Laing Dam is pumped to supply the BCMM and to assist the lacking water pipeline. • It was proposed that the Laing line to feed Kidds Beach area and Tsholomnqa to assist with the current challenges.
BCMM & ECSECC bi-lateral engagement: Joint Planning Study in Districts & Metros in the Province: 04 March 2025	• Evidence Based Study on the Lessons- Learnt on Long Term Planning/One Plans by the Eastern Cape Province October 2024 – March 2025. • ECSECC conducted an evidence-based study on joint planning towards integrated planning between and across the 3- spheres of government (within the strategic intent of the DDM). • ECSECC to engage and receive first-hand information on what the various role players perceive to be the strengths and weaknesses as well as the opportunities	• Solicit key observations and lessons arising from developing the 1st & 2nd Generation of District & Metro One Plans from BCMMs Departments i.e. IDP, City Manager's Office, and IGR • Establish whether there was a shift and the extent of the shift from alignment planning to joint planning within government at District and Metro levels during the development of the 1st & 2nd Generation of the One Plans

IGR Meeting	Purpose of Meeting	Outcomes
	and threats inherent during the development of One Plans	• Provide highlights on strides and obstacles to joint planning & perspectives on measures for improving the environment for realizing joint planning. • Use the results of the study to provide insights into progress made towards realizing joint planning. • Providing interventions that may be necessary to enhance joint planning by the whole of government in the EC Province.
Meeting between BCMM Executive Mayor and East London IDZ: 04 March 2025	• Meeting between BCMM Executive Mayor and ELIDZ to discuss ELIDZ's future plans and engage on issues that may affect or impede the development plans and investments mainly in the renewable energy sector.	• Since its inception, ELIDZ has enjoyed great support from BCMM as a shareholder and a host municipality in all its endeavors to develop a globally competitive industrial complex that will yield excellent socio-economic impact for the city. The declining global investment pipeline, the changing business environment, the challenging economic climate and increased regional and global competition require that the city and ELIDZ continue with this collaboration and further look at new ways of increasing the competitiveness of BCMM as a location. • ELIDZ had a number investment projects in the pipeline that require the support and

IGR Meeting	Purpose of Meeting	Outcomes
		participation of the city in delivering a compelling value proposition. These investments were mainly in the renewable energy sector. • The Executive Mayor confirmed BCMM's support to the ELIDZ plans for the next 5 years (Vision 2030), as it was clear that none of these projects would get off ground without the support of BCMM.
Meeting with Executive Mayor & Minister of Water & Sanitation- 05 March 2025	• The meeting was facilitated due to water challenges at Ducats, Kidds Beach, Some Parts of Vincent, Nahoon, Mdantsane (Unit 3) and Bhisho. • To see if BCMM can work together with the Department of Water and Sanitation to combat challenges of internal incapacity. • To assist in combatting the vandalism happening at the Amatola line which resulted in water outages in Umzonyama. • To discuss the issue of Ndevana households who have built on top of a bulk line that supplies water which has affected water supply in the area. • Exploring the issue of the stand-alone reservoir in Nompumelelo in Ward 15 which has not met its expectation in terms of supplying water and doing its intended purpose	• The process of appointing a consultant to help look at the challenges affecting water security in BCMM is underway • BCMM to conduct a raid at Ducats to get to the bottom of the water outages • Develop a management Demand Strategy • Department of Water and Sanitation and Eskom to be part of the task team that is dealing with water issues. • Amatola Water and BCMM to jointly prepare a proposal to Treasury which the Department of Water and Sanitation will support. • Communication to be done weekly and identify a day in the week for engagements.

IGR Meeting	Purpose of Meeting	Outcomes
	• To address the challenge of aging infrastructure and the issue of Ducats residents who are refusing water supply from water tankers.	• Amatola Water to assist BCMM with water tankers in areas where it was needed.
Meeting with Executive Mayor with the National Energy Regulator South Africa (NERSA): 24 March 2025	• Discussion on Electricity Tariffs and it's challenges.	• The discussion focused on the pressing issues surrounding electricity tariffs in Buffalo City, highlighting the unsustainable nature of current rates amid high unemployment and significant financial losses. Executive Mayor articulated the city's frustrations with the highest electricity tariffs in the country, urging NERSA to consider socio-economic factors in their assessments. • The CFO supported this by detailing the municipality's alarming monthly losses of approximately R 200 million and the need for a tariff structure that reflects actual costs while addressing illegal connections that exacerbate the city's electricity deficit. • Concerns were raised about the outdated cost estimates used in budgeting, with CFO noting that current tariffs are 16.9% under cost reflective. He proposed adjustments during peak seasons to align with Eskom's pricing and called for a review of distribution costs, which he deemed excessively high.

IGR Meeting	Purpose of Meeting	Outcomes
		• Mr Chris Gower presented a strategy for the 2025-2026 financial year, suggesting a standard increase of 12.74% with a temporary rise to 15.74% during high billing months to achieve full cost reflectivity. • The discussion emphasized the need for a balanced approach to cost recovery while considering customer affordability. • The meeting also addressed strategies to combat electricity losses, including transitioning to aluminum overhead lines and enhancing the Revenue Protection Unit to tackle illegal connections. • The CFO highlighted the impact of larger industries producing their own energy and the challenges posed by informal settlements. • The meeting agreed on the necessity of a collaborative approach to improve efficiency and address illegal connections, with a commitment to reconvene before the budget submission deadline of May 31st to further discuss these critical issues.
Three Sphere joint planning session- 31 March -1 Apr 2025	• For ECSECC to assess whether the plans that were put in place in the development of One Plans and to assess the content entailed in those plans.	• It was agreed that there is a need for an operation protocol.

IGR Meeting	Purpose of Meeting	Outcomes
	• To provide platform for sector departments operating within BCMM space to integrate their sector plans as part of achieving one plan and aligned plans and projects in the IDP.	• The One plan guideline needs an order of standardized reporting framework that is compulsory for all to follow. • ECSSECC will write a findings report, make recommendations and write a final report. • National COGTA to secure an appointment with BCMM to engage the municipality on the outcomes of the One Plan assessment. • A Meeting needs to be convened with MEC DSRAC who the current DDM champion in is the province. • The process of extensive consultation needs to be strengthened in DDM mainstreaming. • There is a need to set up committees to ensure that plans are developed in an inclusive manner. • There is also need to re-establish the committees and structures both political and technical as per the official appointment by both President and the MEC and ensure full participation of sector departments. • ECSECC will at conclusion of the EC Joint Planning study share the outcomes of the research and recommendations on how to

IGR Meeting	Purpose of Meeting	Outcomes
		improve implementation of the District Development Model • Officials from all three spheres will be formally delegated to attend by the highest decision-making bodies and participate in the IGR Structures of BCMM by end May 2025. • BCMM to confirm in writing who the metros DDM coordinator and provide contact details for the officials. • The current IDP/Budget/PMS workstreams continue to be used as a key institutional structure for the IDP and District Development Models planning processes, but mechanisms be instituted to ensure that the appropriate officials from all spheres attend and participate. • The National Department of Planning, Monitoring and Evaluation be requested to develop an impact planning and reporting framework to enable districts and metros to plan for and measure the impact of catalytic projects that form part of the One Plan • The One plan guideline needs an order of standardized reporting framework that is compulsory for all to follow.

IGR Meeting	Purpose of Meeting	Outcomes
		• ECSSECC will write findings report, make recommendations and write a final report. • National COGTA is yet to secure an appointment with BCMM to engage the municipality on the outcomes of the One Plan assessment. • Provincial and National Government Departments and State-Owned Enterprises to submit their intended projects to the IDP Unit by no later than 17 April 2025 • Partnerships with institutions of higher learning in BCMM be encouraged to participate in DDM processes. • EC-COGTA be advised to host a separate IDP assessment with BCMM due to the size and functional complexities of the metro. • BCMM is requesting that the participants in the joint planning processes of BCMM be part of the IDP assessment done by the Provincial Government. • Recommendations emanating from the commission are circulated as part of the minutes for comments and corrections

IGR Meeting	Purpose of Meeting	Outcomes
		• A specific session needs to be organized to discuss the IGR Framework regulations and the amendment bill. • A separate session on the medium-term development plan (2024-2029), amendments to inter-spherical joint planning and IGR related Regulation guidelines and legislation be held for BCMM in July 2025.
Preparatory Meeting for the Presidential Oversight Visit to the Eastern Cape: 07 April 2025	• Preparatory meeting with National, Provincial and Local Municipalities for the Oversight visit of the President & National Executive Committee to the Eastern Cape Province on 11 April 2025	• Finalising of the logistical arrangements and assignment of tasks to the respective departments and municipalities including developing a draft programme for the visit to the province.
EC COGTA Improving Local Government Working Group Meeting: 25 April 2025	Meeting to inform and discuss the: • New Cluster System approach for the 7th Administration • Status of distressed municipalities and progress on the Section 139 (5) interventions • Number of legally constituted Traditional Councils (TCs) • Number of legislations for Traditional Leadership Institutions developed	• The session was used to share information on the new clustering approach to municipalities working with the EC Province, and the sector departments. • The meeting also provided progress on distressed municipalities in the Province. At least 11 out of 39 municipalities were categorized as distressed. • At least 26 out of 39 municipalities in the Province had traditional communities with traditional councils. The Eastern Cape had

IGR Meeting	Purpose of Meeting	Outcomes
	• Update on Municipalities supported with refuse collection • Implementation of Disaster Management Plan • Institutionalization of District Development Model (DDM) • Implementation of the District Development Model One Plans • Provincial Municipal Infrastructure Grants - Risk Adjusted Strategy - Expenditure Performance Monitoring Report (PMIG-RAS-EPMR) - update report	established six local houses of traditional leaders. • Municipalities were encouraged to institutionalize the DDM model. COGTA will be scheduling a session on the Live One Plan which all municipalities will need to participate in.
Oversight visits by Minister of COGTA – 29 April 2025	• The purpose of the visit is to strengthen the work that is being done to build the city. • BCMM is in the meeting to provide clarity on issues that it was recently trending about on news and social media platforms and to present the work that has been completed. • The ministerial oversight visit encourages and fosters strong partnerships and collective efforts to fight challenges together • The delegation from National Treasury who were delegated by Minister of Finance to come and do diagnosis of BCMM to work with COGTA and other stakeholders to come with solutions to better the city.	• The Office of the Premier which is tasked to render support to the municipality needs to be brought on board • Departments need to make necessary follow-ups • Special focus should be placed at BCMM Supply chain unit • BCM to get expert advice or assistance in dealing with the distribution of electricity. • Request for a workshop for councilors on consequence management • The report on the audit that was sent to COGTA was totally different to what was presented by

IGR Meeting	Purpose of Meeting	Outcomes
	• The purpose of the session is to take forward the constitutional obligations enlisted of the South African constitution. • To come up with solutions to several issues which were raised about BCMM on several areas of the municipality. • He noted that the visit is to monitor whether BCMM can live as per its obligations embedded on section 153 of the South African Constitution. • The interest of COGTA emanates from the visit by SCOPA to the city, the issues it raised and how BCMM is going to deal with the matters that were raised by SCOPA. • The visit is to sharpen the instruments of accountability in the municipality so that the municipality after the visit can have a clear stand on leadership and governance. • The visit is also to observe how BCMM is managing the design of governance • To analyze how the MPAC is conducting its work, the portfolios of council if they are doing their work. • To observe how BCMM deals with matters of service delivery, including the management and distribution of water, electricity, sewerage, road management and all provision of services to the buffalo city residents.	the Executive Mayor, BCMM needs to work on sending the accurate report. • The BCMM CFO and the City Manager need to lead a session on post audit action plan • The Post audit action plan item needs to be a standing item in all management meetings • The items must also form part of the quarterly council meeting agenda of the metro • BCMM needs to implement consequence management • MPAC serves as a SCOPA of the municipality therefore they must receive audit action plans every month. • BCMM to sort out Supply chain management and contract management issues as all issues that BCMM is currently facing are currently emanating from poor procurement processes • The MEC to engage the Risk and Audit Committee of BCMM • From the report presented by BCMM it seems like the main source of revenue is the grants from treasure, BCMM is encouraged to use the grants to improve the areas that will create and bring revenue for the municipality

IGR Meeting	Purpose of Meeting	Outcomes
	• The main interest of the visit is with the financial matters of BCMM to analyze them by also looking at internal financial controls, administrative social systems in relations to financial controls and accountability and usage of funds and look at supply chain management processes. • To look at amounts involved in fruitless and wasteful expenditure, to see what MPAC has done to date in terms of investigating these areas and to look at the reports relating to these and where the reports are currently and what has been done about them to date. • To oversee project management strategies that are being implemented, their value and the progress to date of those projects. • To assess if there are any litigations and to see the amounts involved in this area • To see if the city is under any investigation, if so, which cases are involved.	• A member of the council needs to focus on the economic growth areas of the city • The person who will be tasked to profile the customers will need to work on sorting out the meter issues so that there is accurate meter reading. • All efforts by BCMM must be made towards driving revenue enhancement. • The DM noted that there is a requirement of political formation • BCMM needs to understand what political oversight is • From this engagement, in the process of finalizing the IDP there should be a budget Lekgotla that should be convened to ensure that the IDP represents the people of BCMM • The Deputy Minister will monitor the process of sector departments making their inputs to the IDP • All reports must find their way to the council • MPAC must have full access to all reports and be part of the meetings

IGR Meeting	Purpose of Meeting	Outcomes
		• COGTA will inform the Minister of Police that in BCMM there is currently work underway to finalize investigation with SIU. • COGTA will have an engagement with DPSA on how to invest money in maintenance and refurbishment of infrastructure. • The Rapid Response Team for service delivery will help the MEC to understand departments not providing support to the metro. • The focus will be on the infrastructure department to address capacity issues • Engineers will be deployed on site to capacitate the metro. • BCMM is given three months to sort out billing inaccuracy and other issues. • The Eskom areas in BCMM without electricity need to be electrified • ESKOM needs to come to the war room with clear plans • The issues with Eskom will be escalated to the Minister of Mineral Resources to fast track the provision of electricity to those who do not have • The BCMM Executive Mayor has not responded on how she is going to handle the

IGR Meeting	Purpose of Meeting	Outcomes
		issue of municipal health in relation to spaza shops and food poisoning • BCMM to come with a turnaround plan by June 2025 • BCMM is awaiting the SCOPA report, and any action will be taken after the reports are received. • The problem of land acquisition- the disposal plan needs to be shared with everyone • In terms of internal control, national treasury needs to give a report on procurement and contract management • Senior officials of COGTA to provide a consolidated report with clear timeframes and share with the Metro • BCMM to share its communication strategy • In the next three months BCM need to look at the issues raised and how far they have been resolved.
Meeting BCMM Executive Mayor and EC Office of the Premier on the opening of the new mall in Zwelitsha- 14 May 2025	• The purpose of the meeting was about a new mall that was going to open on the 15th of May 2025 in Zwelitsha . • The Director at the Office of the Premier receive an invitation from the investors to conduct inspection of the area before the official opening , upon the inspection he	• Mr. Mpotulo will engage Mr. Sogiba and a team will be deployed to the area for grass cutting, liter picking. • Mr. Lungisa promised to look at the issue of taxi stops in the area however he noted that the

IGR Meeting	Purpose of Meeting	Outcomes
	came across three things that needed to be attended to and be fixed which are the street lights from Phakamisa to Zwelitsha, Grass that is long that needed to be cut, and taxi stops that needed to be done in the area.	issue might not be addressed asap due to time constraints. • Electricity Department to investigate the issue of streetlights. • There are informal structures that were built around the mall, and the Directorate of Public Safety was requested to attend to the matter.
Meeting with South African Navy - 30 May 2025	• The purpose of the meeting was to discuss and prepare for the celebration of the World Hydrography Day which is set to take place at the port of East London on 21 June 2025. • The event was adopted by the United Nations in 2005. • The Events were expected to take place from 20-22 June 2025, and the aim wads to list and share the requirements expected from BCMM side to prepare for the Event. • 5000 community members are expected to be part of this event.	• Maximum participation was expected from BCMM. • BCMM communications and SA Navy Public Relations team were expected to work together and promote the event. • On the 17th of June the SA Navy team will visit the malls in BCMM • On the 18th of June two schools are planned to be visited by the SA Navy Band. • On 20th June 2025, the SA Navy will host a cocktail function at 17h00, also schools will be given a chance to tour the ship at EL Port. • On 21st June 2025 there will be a parade at East London City Hall.
EC COGTA Integrated Planning Session for the	• To finalise the implementation approach of the departmental plans in line with its mandate, considering the service delivery environment together	• COGTA presented a planning tool which BCMM was required to complete for the session.

IGR Meeting	Purpose of Meeting	Outcomes
District Support Centres (DSC): 4 &5 June 2025	with key stakeholders in terms of the Treasury Regulations and CoGTA's Reviewed Standard Procedures based on the approved Institutional Service Delivery Model.	• COGTA also presented on the District Support Centres and the DDM Hub which were established in the Province to assist municipalities and provide support to overcome challenges they were experiencing. • Due to a limited number of municipalities at the session, EC COGTA will be meeting individual municipalities to discuss a plan of action in line with the challenges cited at the diagnostic tool template. BCMM will to finalise a date for the meeting.
COGTA Meeting on the Live One Plan: 18 June 2025	• Presentation on the New Portal for the Living One Plan	• COGTA is developing a web-based portal for the DDM/One Plan. Municipalities were provided with how the portal will work and how municipalities can feed in their catalytic projects which are being implemented. These projects will be monitored and reported on going forwarded. • Resources are being sourced to introduce a report module to the programme.
Hosting of SA Navy for World Hydrography Day- 21 June 2025	• SA Navy, Transnet National Port and BCMM hosted the commemoration of World Hydrography Day on the 21 June 2025. The event coincided with the arrival of SA Navy vessels in East London Port on 18 June 2025. The presence of the ship marks the commitment to	• Hydrographic lecture was held as part of the celebration on 20 June 2025. • The Open Ship's exhibition at the harbor and Right of Entry parade were held on the 21 June 2025.

IGR Meeting	Purpose of Meeting	Outcomes
	advancing hydrographic research and fostering awareness of SA's Maritime landscape.	• SA Navy Band held a community concert on 22 June 2025 at the Guild Theatre.
Meeting of the MEC for Department Sports, Recreation, Arts and Culture on Cricket SA: 25 June 2025	• Discussion on Under 13 Craven Week to be held in BCMM on 29 June 2025. • Participation and preparedness for the Cricket World Cup 2027. • To engage BCMM to come on board and consider providing financial support in preparation for the 2027 tournament.	• DSRAC must consider using BCMM accommodation (Kiwane Resorts and Gonubie Resort) to reduce costs. • BCMM Sport Directorate will host the opening ceremony and incur the costs associated with hosting. • A joint political committee be established and coordinate an effort to raise funds and consider private sector partnership. • The Executive Mayor committed to discussing funding options with the CFO and City Manager for BCMM's responsibilities in upgrading the venue for the World Cup in 2027. • DSRAC and BCMM to explore options of other sponsorships through business and other funders. • The Cricket South Africa be invited to a physical meeting to present to the BCMM on the investments into the Border Cricket Stadium by CSA and proposals for the upgrade.

IGR Meeting	Purpose of Meeting	Outcomes
		• A High Tea was proposed with the Business community of BCMM.

NATIONAL INTERGOVERNMENTAL STRUCTURES AND MEETINGS

Purpose of National Intergovernmental Structures

National intergovernmental structures are designed to coordinate and align policies, planning, and service delivery across the three spheres of government (national, provincial, and local). They aim to:

- Facilitate co-operative governance in line with Section 41 of the Constitution.
- Promote integrated planning and budgeting.
- Resolve policy conflicts and service delivery bottlenecks.
- Monitor and evaluate the implementation of government programmes.

Parliament and the National Council of Provinces (NCOP):

National Assembly: Elected Members of Parliament (MPs) who approve legislation and national policies every five years.

National Council of Provinces (NCOP): Ensures representation of provincial and local government in Parliament and must debate and vote on all legislation that affects provinces and municipalities.

National Departments: Key departments such as Water & Sanitation, Trade & Industry, Energy, Public Enterprises, Home Affairs, and Defence provide policy frameworks, funding, and technical support that impact municipalities.

Key National IGR Structures

Structure	Composition / Participants	Purpose / Function
President's Coordinating Council (PCC)	President, Premiers, Ministers, and key provincial and municipal officials.	Provides political oversight of intergovernmental coordination; reviews the performance of provinces and municipalities; and resolves major service delivery issues.
MinMEC's (Minister and Members of Executive Councils)	National Ministers and Provincial MECs responsible for a sector.	Align sectoral policies, monitor provincial and municipal implementation, and coordinate sector-specific programmes.

National IGR Forum	Coordinating Ministers (CoGTA), national departments, SALGA, and provincial representatives.	Facilitates discussion on cross-cutting service delivery issues, promotes policy alignment, and strengthens IGR frameworks; supports operational coordination.
Intergovernmental Technical Committee (IGTC)	Senior officials from national, provincial, and local government.	Provides technical planning, problem-solving, monitoring, and evaluation of national and provincial priorities at municipal level.
Sectoral Forums (e.g., Health, Education, Human Settlements)	Relevant national and provincial department officials.	Ensure policy and programme alignment in specific sectors and support municipal implementation.

Meetings and Reporting Mechanisms

a) **Monthly/Quarterly Meetings:** Many structures meet regularly to review progress on service delivery, budget alignment, and compliance with national frameworks.
b) **Reporting:** Municipalities report on key performance areas (KPAs), IDP implementation, and service delivery backlogs through the DDM and One Plan.
c) **Issue Escalation:** National IGR forums serve as escalation points for unresolved service delivery challenges or intergovernmental disputes.

Role for Municipalities

Municipalities, including BCMM, engage with these structures to:

a) Align local programmes with national and provincial policies.
b) Access technical support, funding, and resources for service delivery.
c) Report on IDP and One Plan implementation.
d) Participate in monitoring and evaluation to ensure accountability.
e) Collaborate with other municipalities and district/metropolitan partners for regional development priorities.

National intergovernmental structures and meetings ensure that **government works as one**: policies, budgets, and programmes are coordinated, monitored, and aligned to **improve service delivery**, support municipalities, and achieve national development goals.

T 2.3.1

Representation at the National, Provincial, and Local Levels

National	Provincial	Local
President's Coordinating Council – Chairperson – President	Premier's Coordinating Forum: Chairperson – Premier	Political IGR Forum: Chairperson – Executive Mayor
Sector Specific Committees: Chairperson: Ministers	MuniMEC: Chairperson – MEC CoGTA	Sector Specific Forums: Chairperson: Portfolio Holder/Members of the Mayoral Committee
MuniMEC: Chairperson – Minister of Cooperative Governance	Interprovincial Forum: Chairperson – Premier	Regional/Intermunicipal Forums: Chairperson – Executive Mayor
	Sector Specific Forums: Chairpersons: MECs	Technical IGR Forum: Chairperson – City Manager
	Technical IGR Forum: Chairperson: Director General	Technical Sector Specific Forums: HODs

Role of SALGA and BCMM in National Forums

- **SALGA:**
    - Represents **all municipalities at the national level**.
    - Ensures that the voice of local government is considered in national policy and legislation.
- **BCMM:**
    - Represented at national forums by the **Executive Mayor** and **City Manager or their representatives**.
    - Participation focuses on **issues affecting local government**, including:
        - Safety and security
        - Service delivery challenges
        - Infrastructure and investment priorities
        - Disaster management and emergency response
- **Impact:**

- Provides BCMM with a **direct voice in shaping national policies** that affect municipal operations.
- Ensures alignment of municipal priorities with national and provincial objectives.
- Strengthens intergovernmental coordination and facilitates access to technical support and funding.

How This Fits into the IGR / DDM / One Plan Framework

1. **SALGA and national forums** ensure BCMM's concerns are **represented and considered** at the national level.
2. Information and decisions from these forums **flow down through provincial and district IGR structures**, influencing **BCMM service delivery priorities**.
3. The **DDM and One Plan** then **enable the Municipality to implement these aligned priorities** in a coordinated and measurable manner.
4. Participation in national forums also allows BCMM to **proactively address safety, security, and emergency management**, which are key aspects of local governance.

National Meetings Attended

NATIONAL MEETING	PURPOSE	OUTCOMES
Southern African Development Community (SADC) National Committee Consultative Workshop with Parliament, Provincial, and Local Government – **30 June 2025**	• Inform Parliament, Provincial, and Local Government Officials about the SNC establishment process. • Engage in a consultative process and gather inputs from parliamentary, provincial, and local government stakeholders. • Map stakeholder involvement in the SNC and obtain buy-in and support for the implementation and operationalisation of the South African SNC.	• Inputs from Provincial Government and Local Government regarding participation in the SADC. • Municipalities will need to review their International Relations Frameworks to include participation in the SADC.
SALGA Workshop on Governance, Accountability, and Consequence Management – **4-5 June 2025**	• Workshop focused on strengthening internal governance, accountability, and consequence management within municipalities.	• Municipalities to be supported by SALGA to improve capacities together with the National and Provincial Governments.
SALGA Municipal International Relations (MIR) Forum – 25-26 March 2025	The objectives of the MIR Forum include: • To enhance the capacity of local governments in international engagement. • To review SALGA's International Relations Strategy. • To foster collaborative partnerships between municipalities, national and provincial government, and international stakeholders. • To discuss good practices and sustainable solutions in the context of global development goals.	• The MIR Forum discussed the significance of South Africa's G20 Presidency in global governance and diplomacy, as well as the role of local government. The Forum also explained the opportunities for developing legacy projects arising from the U20 and G20. Municipalities were encouraged to participate in the U20 programme's side events. • The African Union (AU) High Council of Local Authorities also presented on how South African municipalities can participate in the AU's programmes.

NATIONAL MEETING	PURPOSE	OUTCOMES
	• To prepare municipalities for active participation in global forums such as the G20 and U20.	• A peer-to-peer session was also held on strengthening international coordination, knowledge-sharing, and resource mobilisation. • Municipalities selected to localise the Sustainable Development Goals (SDGs), including BCMM, presented on how they are advancing global goals through local action by means of Voluntary Local Reviews (VLRs). • The session also discussed opportunities for international funding for local government, which have become increasingly important in light of the decline in municipal revenue collection.
President's Coordinating Council (PCC) – 14 March 2025	• The PCC provides for critical engagement in which all spheres of government may engage in dialogue towards possible solutions on areas impacting the mandate of government.	• Municipalities to make input into the White Paper on Local Government, which is currently under review. • Municipalities to participate in the Provincial G20 engagements and consider how to derive benefits from SA hosting the G20. • The meeting discussed the review of the White Paper on Local Government review process. The PCC endorsed the review process as a government initiative for the benefit of society as a whole. President Ramaphosa announced that government will focus on local government reforms. The reforms will be driven through Operation Vulindlela in collaboration with municipalities and are aimed at improving service delivery and investment in bulk infrastructure, addressing governance failures, and improving financial stability. The meeting also received a progress report on South Africa's

NATIONAL MEETING	PURPOSE	OUTCOMES
		Presidency of the G20. The Department of International Relations and Cooperation further tabled guidelines on the protocol for international agreements with provinces and municipalities.
SALGA in collaboration with CoGTA and the South African Cities Network – 13 March 2025	• Briefing Session on the MIR Forum to be hosted by SALGA in collaboration with CoGTA and the South African Cities Network on 25-26 March 2025.	• The Manager for International Relations was tasked with presenting at this session, outlining BCMM's approach to developing the SDGs Localisation Baseline Report, highlighting identified municipal good practices, challenges, and recommendations submitted to the BCMM Council on mainstreaming SDG localisation.
EC Provincial Members Assembly (PMA) in EL – 4-5 December 2024	• Focusing on provincial municipal challenges.	• Identified challenges within municipalities, as well as the mechanisms and approaches to support municipalities in improving service delivery.
National Council of Provinces Provincial Week 2024: Confronting the Challenges Facing the Timely Delivery of Viable Public Infrastructure to Communities – 16-20 September 2024	• Joint virtual report-back session on the state of infrastructure and progress in addressing the challenges affecting the timely delivery of viable public infrastructure projects to communities. • Provincial overview reports.	• Discussions on improving the delivery of national and provincial government infrastructure. • Reports received on the state of the provinces.
SALGA held a National Joint Sitting of the Council of Mayors and Speakers in Polokwane – 7-8 August 2024	• Bringing together mayors and speakers from all 257 municipalities to address municipal governance and service delivery challenges post-election.	• Discussion on the state of municipalities and challenges that need addressing, including plans on improving the state of local governance.

Provincial Meetings Attended

MuniMEC stands for Municipalities and Members of the Executive Committee. It is an intergovernmental forum where all the provincial political leaders and officials meet to coordinate and integrate local government services and development projects. The Eastern Cape has two metropolitan municipalities – BCMM and Nelson Mandela Bay – and six district municipalities.

- MuniMEC is an IGR structure within the EC CoGTA.
- It is a quarterly meeting that brings together Mayors, MMs, and other key officials from the province's municipalities.
- The purpose of these meetings is to receive progress reports, consult on key issues, and coordinate the delivery of services and socio-economic development projects.
- The MuniMEC plays a crucial role in strengthening the coordination and integration of government initiatives at the municipal level.
- By working together through the MuniMEC, municipalities can improve public service delivery and advance the overall welfare of the province's communities.
- The Provincial MuniMEC meeting includes all the mayors in the EC.
- It also involves MMs and other senior officials, creating a forum for both political and technical coordination.

PROVINCIAL MEETING & DATE	PURPOSE	OUTCOMES
Eastern Cape State of the Province Address on 21 February 2025	-Address to focus on three interrelated strategic priorities, namely Inclusive growth and job creation, reduce poverty and tackle the high cost of living, a capable, ethical, agile and developmental state	- Providing an overview of achievements, opportunities, challenges of the province for the past year and providing plans for the next financial year including improvements.
Back to School Meeting with Office of the Premier- 14 January 2025	-To discuss and plan for the annual back to school campaign that is designed to ensure that all learners are capacitated. -To mobilize community and stakeholders' support for the smooth operation of the programme. -To share the dates and the list of schools that are going to be visited during the campaign which were.	-To mobilize stakeholders to form part of the programme and bring donations for the chosen schools. Four schools were visited during the campaign, namely, Imiqhayi in Mt Coke, Sophathisana in Reeston, Mizamo in Mdantsane and Ntsokotha in Nxarhuni. School shoes, sanitary towels, and library project gift were some of the donations which were made to the chosen schools for the 2025 Back to School Campaign
Political MuniMec in Gqeberha 22- 23 August 2024	- Provincial IGR meeting with MEC COGTA, Provincial Departments and Municipalities.	-An improvement in the Municipal Infrastructure Grant (MIG) and Integrated Electricity National Programme (INEP) expenditure by municipalities during the financial year 2023/24 due to the introduction of the Risk Adjusted Strategy (RAS) was noted. For the first time ever, municipalities managed to spend 100% of their MIG allocation and did not return the money back to the National Treasury. -Concern on the disturbing pattern of inability of municipalities to complete infrastructure projects especially stadiums. -In respect of the District Development Model (DDM), a need to convene a one-day DDM session to critically investigate the bottlenecks in the implementation of the DDM. Increase expenditure of other grants was encouraged. Disaster Management was discussed for a need to train communities with regards to disaster response skills and enhance the disaster management coordination in the province through coordinating departments
Premier's IGR Forum 12-13 September 2024	-Premier's Meeting with MECs, Head of Provincial Departments, Mayors and City Managers.	-Strategic planning focused on ensuring the wellbeing of our province. Top of the agenda: ensuring a fluent supply of water and electricity, alongside driving key infrastructure projects at both local and provincial levels. T2.3.2

RELATIONS WITH MUNICIPAL ENTITIES

The BCMDA is a municipal entity wholly owned by BCMM, established as a profit company in 2016 under the Companies Act, 1973 (as amended). This structure enables the Agency to transact, generate funds, and possess borrowing capacity to fulfil its mandate of increasing economic growth through tourism, as well as economic and social development, alongside property management and commercialisation.

The BCMDA operates as a juristic person and has been classified as a municipal entity in terms of the MFMA. As an entity of BCMM, BCMDA extends the Municipality's capabilities with respect to the identification, planning, and implementation of development projects for the benefit of the entire municipal area.

According to Chapter 8A S86B (1)(a) of the MSA, No. 44 of 2003, a provision is made for a private company to function as a municipal entity. The amended Act stipulates that the municipality may establish a private company to perform functions or powers in accordance with business practices, thereby achieving the strategic objectives of the municipality more effectively and benefiting the community.

In 2011, the BCMM attained metropolitan status, which subsequently led to a revision of its organisational structure to align with metro requirements. This resulted in the incorporation of the BCMDA, with a new mandate. The primary mandate of the BCMDA is to:

- Attract investors into BCMM,
- Increase economic growth through tourism, as well as economic and social development, and
- Property management and commercialisation.

The mandate, which was approved by Council on 11 December 2015, is summarised as follows:

a. Property Development – regeneration of the City through the effective acquisition and management of land and buildings.
b. Tourism Development – act as a tourism agency and promote tourism within BCMM.
c. Investment Promotion – promotion and facilitation of investment in the City, and
d. Socio–economic Development – the facilitation of programmes and projects geared towards socio-economic development within the City.

BCMDA became operational in July 2016. Within the Municipality's structure, the Agency's activities are coordinated to support and complement the objectives of the Economic Development and Entities Department. The entity is wholly owned by BCMM, its primary shareholder. Mr Ayanda Gqoboka currently serves as the CEO of the Agency. The CEO and management report to the Board of Directors (the Board), which is appointed by the shareholder. The Board's main responsibilities are to ensure good governance, accountability, and strategic leadership.

In shaping the entity's strategic development, the Board aligns its activities with the MGDS and engages with the public by participating in the Municipality's public participatory forums, where stakeholders share feedback on needs and priorities.

The Board approves final policies presented by management and oversees the implementation of these plans. The Agency provides regular reports to Council through the Office of the City Manager, submitting monthly financial and quarterly performance reports, along with ongoing consultations to support effective programme management. Below are some of the governance procedures that regulate the Agency:

Council appoints Board Members for the entity.

- The Board appoints the CEO and the Executive Directors.
- The CEO reports to the Top Management of the City on a monthly and quarterly basis.
- The CEO is a member of the Municipal Council and forms part of the senior management team.
- Quarterly reports of the entity are submitted to BCMM Council.
- The City Manager of BCMM and appointed Councillors are Board Members of BCMDA.
- The BCMDA holds an Annual General Meeting where the Chairperson of the Board tables the Integrated Annual Report of the Agency to the shareholder (represented by the Executive Mayor) for adoption.

ALIGNMENT WITH BCMM'S VISION

BCMM strives to realise the following five strategic outcomes by the year 2030, to which the BCMDA will play a significant role in contributing:

Inclusive and sustainable economic growth – with rapid, inclusive development, accompanied by a reduction in unemployment.

A clean and environmentally sustainable City – environmentally sustainable while maximising benefits derived from its natural assets, and maintaining a clean and healthy City with subtropical gardens.

A globally connected City – high quality (and competitively priced) connections to ICT, electricity, and transport networks, both within the City and externally.

A spatially transformed City – progressively overcoming the spatial divisions and fragmentation resulting from the apartheid era, with township economies becoming more productive, and

A well-governed City – a smart and responsive Municipality that collaborates effectively with other levels of government to plan and deliver high-quality services and cost-effective infrastructure, while preventing maladministration and political instability.

The MGDS serves as the City's foundational framework for future development, designed to bring together partners and stakeholders in pursuit of shared programme objectives. It seeks to foster collaboration among businesses and stakeholders, encouraging commitment to a unified vision. BCMDA plays a pivotal role in enabling the City to achieve its strategic ambitions by fulfilling both facilitation and delivery functions.

T 2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

DISCLAMER: NOT APPLICABLE TO BCMM

BCMM is not a District Municipality.

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T2.3.4.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION.

Overview of public accountability and participation.

BCMM is committed to including and engaging vulnerable and marginalised groups in its Public Participation processes, in accordance with MSA (RSA, 2000), Section 18 (a)–(d), which requires municipalities to “supply” their communities with information regarding municipal governance, management, and development. This obligation also entails accountability on the part of the Metro.

Section 17 of the same Act stipulates that local government must establish suitable mechanisms, processes, and procedures to facilitate community involvement in local government affairs, with consideration for the needs of those who cannot read or write, persons with disabilities, women, and other disadvantaged groups. Within each Ward Committee, vulnerable groups are represented by Interest Groups, with dedicated representatives for youth, women, the elderly, and persons with disabilities.

This approach promotes the participation of vulnerable groups in public participation, planning, and budgeting processes. Sign language services are available during community engagement sessions, including imbizos and other outreach initiatives, to enable participation by those who are hearing impaired.

T2.4.0

COMMUNICATION, PARTICIPATION AND FORUMS

IDP/Budget/PMS

The IDP/Budget/PMS Representative Forum met on 16 August 2024 to deliberate on institutional performance, the economic outlook, and the IDP/Budget/PMS Process Plan and time schedule for managing the IDP review process.

On 19 March 2025, the Representative Forum convened to discuss the performance of IDP implementation for the 2024/25 financial year and the draft 2025/26 Revised Integrated Development Plan (IDP). Additional matters included the draft 2025/26 Catalytic Land Development Programme (CLDP), the Buffalo City Metropolitan Development Agency (BCMDA) planned projects and initiatives, and the 2025/26 MTREF budget and financial outlook, which were scheduled to be tabled before Council by the end of March 2025.

T2.4.1

WARD COMMITTEES

Ward Committee structures form an integral component of local governance, serving as a key mechanism for advancing the objectives of local governance and democracy articulated in the constitution. Ward Committees create a forum that enables community members to engage in decision-making processes. They function as the designated channel through which communities may submit complaints, with a responsibility to convey these concerns to the Council in an appropriate manner. More broadly, a Ward Committee acts as a conduit for communication for all residents within its respective ward.

Ward Committees are intended to foster community participation; their primary function is to ensure that the Municipal Council is informed of residents' needs and concerns, while also keeping the community updated on Municipal Council activities.

Roles of ward committees

- Increase the participation of residents in municipal decision-making, as they are a direct and unique link with the Council.
- They are representative of the local ward and are not politically aligned.
- Residents should be involved in matters such as the IDP process, municipal performance management, the annual budget, Council projects, and other key activities and programmes, as all these impact local people.
- They can identify and initiate local projects to improve the lives of people in the ward.
- Residents can support the Ward Councillor in dispute resolution and provide information about municipal operations.
- They can monitor the performance of the Municipality and raise issues of concern to the local ward.
- Residents can assist with community awareness campaigns, e.g., waste, water and sewerage, and payment of rates, as members know their local communities and their needs.

Training and Capacity-building of New Ward Committees

The Provincial CoGTA trained Ward Committee members on Ward Operational Plans. The intention was to identify the current priority issues of the Ward Committees and provide a detailed plan for their operations to reach an acceptable standard thereafter.

Ward Committees developed a clearer understanding of Ward Operational Plans, enabling them to meet community needs more effectively. The training supported the identification of current priority issues, allowing for targeted action on critical areas.

The training strengthened the capacity of Ward Committees, equipping them to better serve their communities and respond to their needs.





- **Training of Ward Committees on Ward Operational Plans**

Major Issues Dealt with by the Ward Committee System

The following key issues were addressed through the ward committee and public meetings:

- Ward issues raised in the ward committee meetings pertaining to the service delivery issues per ward e.g. Streetlights, potholes, solid waste.
- Identification of community needs and priorities.
- Playing an oversight role on behalf of communities over service delivery, assisting Ward Councillors.
- Participating in project steering committees for projects implemented within their wards.
- Reporting service blockages to relevant departments in the municipality with the assistance of the ward Councillor e.g. (potholes, storm water drains, leaking water taps etc.)
- Participated in municipal programmes, draft by-laws and outreach activities.

T 2.4.2

2.4. Public Meetings

Public Meetings						
Nature and purpose of meeting	**Date of events**	**Number of Participating Municipal Councillors**	**Number of Participating Municipal Administrators**	**Number of Community members attending**	**Issue addressed (Yes/No)**	**Dates and manner of feedback given to community**
Youth in Business Seminar: Youth empowerment programme	28 June 2024	2	10	50	Yes	N/A
Initiation Forum Workshop on to raise awareness about the dangers associated with unsupervised initiation practices which lead to the tragic loss of young men's lives in initiation schools.	20 September 2024	1	9	23	Yes	N/A
Disaster Management awareness campaign programme at Ward 31: Ncerha, Sunny South focusing on disaster prevention and mitigation	19 September 2024	1	10	60	Yes	N/A
Metropolitan Geographic Names Change (MGNC) Workshop to workshop the Metropolitan Geographic Names Committee on the processes of standardisation of geographical names change in Buffalo City.	12 November 2024	10	24	60	Yes	N/A
Buffalo City Metropolitan Geographical Names Committee (BCMGNC) engaged with stakeholders on proposed name changes of provincial geographical features that are located within the Municipality at the Town Hall in Qonce.			Buffalo City Metropolitan Geographical Names Committee (BCMGNC) engaged with stakeholders on proposed name changes of provincial geographical features that are located within the Municipality at the Town Hall in Qonce.			Buffalo City Metropolitan Geographical Names Committee (BCMGNC) engaged with stakeholders on proposed name changes of provincial geographical features that are located within the Municipality at the Town Hall in Qonce.

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Buffalo City Metropolitan Geographical Names Committee (BCMGNC) engaged with stakeholders on proposed name changes of provincial geographical features that are located within the Municipality at the Town Hall in Qonce.	11 March 2025, at Mdantsane at NU 7 Community Hall.		11 March 2025, at Mdantsane at NU 7 Community Hall.		11 March 2025, at Mdantsane at NU 7 Community Hall.	
	12 March 2025 at the East London City Hall.	15	14	147	Yes	N/A
Buffalo City Metropolitan Initiation Forum conducted awareness campaigns and encouraged communities to adhere to the law and precautionary measures put in place by government to ensure that the Initiation Custom is conducted in a manner that prioritises the dignity and safety of the initiate.	24 April 2025 at Kwamlakalaka Location in KWT	0	2	102	Yes	N/A
	12 May 2025 at Qaga Location in KWT	0	1	81	Yes	N/A
	12 May 2025 at NU3 Rent Office in Mdantsane	0	3	150	Yes	N/A

Public Meetings						
Nature and purpose of meeting	**Date of events**	**Number of Participating Municipal Councillors**	**Number of Participating Municipal Administrators**	**Number of Community members attending**	**Issue addressed (Yes/No)**	**Dates and manner of feedback given to community**
	7 May 2025 at ABSA Stadium, East London	21	83	1394	Yes	Mayoral Imbizo
	8 May 2025 at Sisa Dukashe Stadium, Mdantsane	19	44	1615	Yes	Mayoral Imbizo
	11 May 2025 (Coastal Rural) Ncerha Village 2 Sports Grounds.	8	37	281	Yes	Mayoral Imbizo
	12 May 2025 at Congo Stadium, Ginsberg	8	35	898	Yes	Mayoral Imbizo
						T 2.4.3

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

- The Municipality makes more informed decisions that cater to the most priority needs of the community.
- Community takes pride in their projects and becomes part of the solution.
- The concerns and inputs of the community regarding service delivery, general development of the community, disaster management and any other community concern are recorded.
- Public meetings facilitate two-way communication between the municipality and the community helping to build trust and understanding.
- Public meetings assist the municipality to decide on which services to develop and improve.

The great attendance of Mayoral Imbizos is crucial for building trust and engagement between the municipality and the community.

IDP:

During the course of 2024/2025 BCMM engaged with communities on the following platforms

1. **Executive Mayoral Imbizos**: Public engagements to interact with ward communities, listen to needs and concerns and provide feedback on approved programmes and projects for 2025/2026 held as follows:
    - Inland – 31 October 2024
    - Coastal Rural – 3 November 2024
    - Coastal Urban – 4 February 2025
    - Midland – 7 February 2025

2. IDP Budget Roadshows: Public consultations on the draft IDP, the tabled MTREF Budget, and draft policies were conducted on 7, 8, 11, and 12 May 2025.

As a result of these public participation engagements, a substantial number of written submissions were received by the City. These submissions were considered in the report tabling the Final Revised IDP and MTREF Budget for adoption by Council.

T 2.4.3.1



Mayoral Imbizo Coastal Rural



Mayoral Imbizo East London (Coastal Urban)



Mayoral Imbizo Midland Mdantsane

BCMM Initiation Programme

The revival of the BCMM Initiation Forum on 4 September 2024 has fostered improved collaboration, increased awareness, and strengthened safety measures surrounding traditional circumcision and initiation practices. The Forum held a workshop on 20 September 2024 to clarify the roles and responsibilities of stakeholders involved in the initiation programme.

Since its revival, the Forum has functioned effectively, resulting in stronger partnerships with a range of stakeholders as preparations continue for the winter and summer initiation seasons. The Forum has conducted awareness campaigns, provided training for *Amaingcibi* (traditional surgeons) and *AmaKhankatha* (traditional nurses) prior to the commencement of each initiation season, and overseen the operation of *Amabhoma* (huts) throughout the periods.

The draft BCMM Traditional Circumcision and Initiation By-law was presented to primary stakeholders in advance of the public participation roadshows, held on 11 October 2024 at N.U. 7 Community Hall. The draft by-law was positively received, with attendees offering valuable feedback.



Training of lingcibi (Traditional Surgeons)
nama Khankatha (Traditional Nurses)



BCMM Initiation monitoring teams

Councillors play a crucial role by providing feedback to their communities on Council matters, and relaying community concerns back to the Municipality.

Public meetings play a pivotal role in assisting the Municipality to decide which services to develop and enhance, based on community input and feedback.

2.5 IDP PARTICIPATION AND ALIGMENT

IDP Participation and Alignment Criteria*	Yes/no
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, key performance indicators (KPIs), development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the Strategic Plan?	Yes
Do the IDP KPIs align to the Section 57 managers?	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
	T 2.5.1

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Corporate governance seeks to build trust, accountability, and transparency, thereby supporting financial and administrative stability. This stability is achievable only when underpinned by a risk-based strategy or plan. Confidence in the organisation depends on reasonable assurances that plans and strategies are implemented within a robust and compliant legislative framework. Moreover, a fraud and anti-corruption strategy is essential, providing taxpayers and communities with assurance that the Municipality is committed and proactive in addressing fraud and corruption. Additionally, the establishment of by-laws through legal and inclusive public consultation helps maintain order and stability within the municipal environment.

T 2.6.0

2.6. RISK MANAGEMENT

RISK MANAGEMENT

Risk Governance and Approach

BCMM's risk management processes are clearly defined and show continuous improvement each year. This is demonstrated by the positive outcomes of an independent assessment conducted by EC CoGTA during the year under review. The assessment confirmed that BCMM's risk management process is both functional and effective in establishing and maintaining an efficient municipal control environment.

Functioning of the Risk Management Committee

The Risk Management Committee is appointed by the Accounting Officer to assist in fulfilling the responsibility of maintaining an effective system of internal controls and risk management, as required under Section 62 of the MFMA, No. 56 of 2003. The Committee is chaired by an independent external member, supported by two other external members and the HoDs. The committee brings together a diverse range of skills, which strengthens the governance of the City.

During the year under review, the committee fulfilled its mandate and held four meetings at which management reports on risk, compliance, fraud risk management, ICT, litigation, and disaster risk management were considered.

BCMM's Risk Profile

The City's risk profile comprises a combination of service delivery, compliance, and information technology risks. Risks are assessed and managed across multiple levels, including strategic, operational, and project management. According to the Risk Mitigation Plan, by the end of the 2024/25 financial year, the City achieved 47% of its targets, with 41% in progress and 12% underachieved. It is important to recognise that certain mitigation measures are inherently long-term, and their effects will become evident over an extended period. The following risk mitigation measures were identified:

- **Dilapidated Infrastructure:** Ageing infrastructure remains a challenge. The City continues to roll out different programmes such as the Roads Rehabilitation and Resurfacing Programme and the Roads and Stormwater Rehabilitation and

Refurbishment Programme. Although these initiatives seek to improve the status quo, more funding is needed to effectively reduce the growing maintenance backlog.

- **Inability to retain and attract investment into the City and stimulate the local economy:** The City continues to strive to build a more inclusive and locally driven economy. A strong focus remains on supporting locally owned businesses to ensure that economic opportunities directly benefit communities.
- **Inadequate response and preparedness for disaster risks and future climate change impacts:** The City is currently developing its first Climate Change Strategy, which is undergoing a formal consultation process in accordance with legislative requirements.

T 2.6.1

2.7. ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

BCMM has implemented a fraud risk management framework, demonstrating the City's dedication to addressing fraud and corruption. In alignment with the BCMM Fraud Risk Management Strategy, several initiatives have been executed during the year under review:

A) Fraud Risk Assessment

On an annual basis, the City undertakes a fraud risk assessment to identify areas vulnerable to fraud. The assessment also evaluates the effectiveness of existing controls, enabling management to respond proactively to identified fraud risks and reinforce the internal control environment. Through fraud risk management, several initiatives have been implemented; the following represent key developments:

- Risk of bribery of traffic law enforcement officers: To mitigate this risk, the City has procured body cameras as a measure to reduce risk exposure. These cameras are worn by traffic officers while on duty and can record interactions with the public.

- Misrepresentation of hours worked and fraudulent overtime claims: The City has installed a biometric system across its buildings. Although the roll-out was unfortunately halted, this is a commendable initiative that will assist in reducing fraud risk exposure.

B) Fraud Awareness Campaigns

As a proactive initiative, the City conducts awareness campaigns across various platforms, including service desks and in-person sessions, where information on diverse topics is disseminated. These campaigns are organised quarterly and are tailored to engage specific target audiences.

C) Whistle Blowing Platform

The City offers a whistle-blowing platform accessible to all stakeholders, enabling individuals to report concerns without prejudice or fear of victimisation. The hotline, managed by an independent service provider, operates toll-free, 24 hours a day, and features a call-back facility for residents wishing to lodge reports (0800668413, call back 30916). The platform functioned efficiently throughout the reporting period, receiving several reports relating to allegations such as fraud, theft, electricity theft, and tampering. All matters were duly assessed and investigated. Five investigations were successfully concluded through the services of a panel of forensic investigators.

T 2.7.1

2.8. SUPPLY CHAIN MANAGEMENT

OVERVIEW OF SUPPLY CHAIN MANAGEMENT

BCMM's SCM system is grounded in Section 217 of the South African Constitution, which requires procurement processes to be fair, equitable, transparent, competitive, and cost-effective. The BCM SCM Policy undergoes annual review, as mandated by Section 3 of the MFMA, and for the year under review, the SCM Policy was revised and subsequently approved by Council in February 2024.

The SCM Department consists of five sections, each established in accordance with the SCM system. These sections comprise: -

a) Demand Management and Supplier Development Section

b) Acquisitions Section (Buying and contracts)

c) Logistics, Warehouse, and Disposal Sections

d) Risk and Compliance Management Section, and

e) Contracts Performance Management Section

In BCMM, the SCM system uses quotation and open bid procurement processes to source goods and services required for service delivery by the Municipality. A total value, for quotations under R30 000, of R17 138 954,96 in the 2024/2025 financial year have been awarded.

Statistics of quotations awarded in 2024/2025 Financial year:

MONTH	R 0 – R2000	R2001-R10 000	R10001–R30 000	TOTAL
Jul-24	R 1 600.00	R 0.00	R 122 579.25	R 124 179.25
Aug-24	R 2 160.00	R78 334.00	R1 339 719.39	R 1 420 213.39
Sep-24	R 9 540.00	R181 665.56	R1 485 330.83	R 1 676 536.39
Oct 24	R 3 450.00	R239 200.75	R1 998 125.17	R 2 240 775.92
Nov 24	R29 762.00	R359 547.08	R1 010 641.40	R 1 399 950.48
Dec-24	R 2 337.00	R757 230.00	R 436 409.37	R 514 469.37
Jan-25	R 4 474.00	R 75 326.10	R1 052 518.41	R 1 132 318.51
Feb-25	R 8 161.00	R237 935.75	R1 700 207.72	R 1 946 304.47
Mar-25	R 9 112.00	R169 658.00	R1 887 880.63	R 2 066 650.63
Apr-25	R 8 751.00	R180 389.48	R 726 341.18	R 915 481.66
May-25	R 2 479.00	R 85169.50	R 913 956.20	R 1 001 604.70
Jun-25	R14 338.00	R267 635.00	R2 418 497.19	R 2 700 470.19
TOTAL	**R96 164.00**	**R1 950 584.22**	**R15 092 206.74**	**R17 138 954.96**

Tenders awarded by the Supply Chain Management System in 2024/2025:

Contracts	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Informal Tenders	*11*	*24*	*31*	*52*	*118*
Annual Contracts	*5*	*4*	*2*	*4*	*15*
Formal Contracts	*1*	*0*	*1*	*0*	*2*
Total Number	***17***	***28***	***34***	***56***	***135***

The implementation of the E-Procurement System to improve procurement of goods and services on the three-quotation system (R0 - R30 000 threshold) has resulted in an increased number of transactions by end-user departments, indicating that the e-Procurement system is in full utilisation and operational. The rollout of the contracts management module has commenced, and it is live and fully implemented in the new financial year.

CHALLENGES AT SUPPLY CHAIN MANAGEMENT DEPARTMENT

(a) Permanent appointments have been made for all critical positions within SCM; all Senior Manager roles have been filled, as well as the Stores Supervisor position at the Qonce store.

b) The Senior Contracts Coordinator positions have been advertised, and the recruitment process is currently in progress.

c) Capacity challenges remain, particularly due to a preference for traditional procurement methods over more strategic approaches. This has affected both service delivery and turnaround times within the SCM environment.

REMEDIAL ACTIONS

. a) Continuous monitoring and regular reporting on turnaround times for awards, in order to improve service delivery.

b) Implementation of an integrated electronic procurement system to improve and enhance SCM processes, enabling better performance across the entire value chain.

c) Filling of vacant, funded posts within the SCM Department, and provision of training.

T 2.8.1

2.9. BY-LAWS

By-laws Introduced during 2024/2025					
Newly Developed	**Revised**	**Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)**	**Dates of Public Participation**	**By-Laws Gazetted* (Yes/No)**	**Date of Publication**
Traditional circumcision and Initiation by-law	Newly developed	Yes	1-28/02/2025	Yes	23/06/2025
Noise Control by-law	Reviewed	Yes	1-28/02/2025	No	N/A
Air Quality Management by-law	Newly developed	Yes	1-28/02/2025	No	N/A
Fire Safety by-law	Newly developed	Yes	1-28/02/2025	No	N/A
Integrated Waste Management by-law	Reviewed	Yes	1-30/09/2023	No	N/A
Car War Washes by-law	Newly developed	Yes	1-30/09/2023	No	N/A
Note: See MSA section 13.					***T 2.9.1***

COMMENT ON BY-LAWS

Section 160 (4)(b) of the Constitution (RSA, 1996) requires that municipal by-laws be developed, subjected to public participation, and published for public comment. In line with these constitutional requirements, BCMM arranged public participation sessions for six draft by-laws: two in September 2023 and four in February 2025. The by-laws include Integrated Waste Management and Car Wash By-laws (September 2023), as well as Traditional Circumcision and Initiation, Air Quality Management, Noise Control, and Fire Safety By-laws (February 2025). The current status of these by-laws is as follows:

1. The Noise Control Draft by-law and the Air Quality Management Draft By-law will be tabled for approval at the Ordinary Council meeting scheduled for 4 December 2025.
2. The Fire Safety By-law has been adopted by Council as the Final Enactment and will be promulgated once the Public Safety and Emergency Services Directorate secures space with the Central Government Printers.
3. The Integrated Waste Management and Car Washes By-laws have been approved by the Municipal Council. However, due to financial constraints, their promulgation has been delayed. Once resources are allocated, these by-laws will be sent to the Central Government Printers for publication, that is, gazetting.

4. In February 2025, time was allocated for public participation through community and ward meetings, a call was made for public comments and objections, and hard copies of the by-laws were made available at all BCMM Ward Councillor Offices, libraries, and Traditional Authorities Offices, along with soft copies available on the municipal website. To facilitate public input, Public Participation Roadshows were organised in three metro clusters:

    - 13 Inland wards: 11 February 2025 – War Memorial Hall
    - 13 Midland wards: 12 February 2025 – NU 10 Hall, Mdantsane
    - 14 Coastal wards: 13 and 18 February 2025 – EL City Hall
    - Mngqesha Great Place: 17 February 2025 – Mngqesha Great Place for AmaRharhabe traditional leaders; the focus was solely on the Traditional Circumcision and Initiation By-law.

T2.9.1.1.

2.10. WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	**Yes / No**	**Publishing Date**
Current annual and adjustments budgets and all budget-related documents	Yes	04/09/2024 (1st Adjustment Budget 12/03/2025 (2nd Adjustment Budget) 09/05/2025 (3rd Adjustment Budget)
All current budget-related policies (2024/2025) **1. Tariff Policy** **2. Property Rates Policy & Property Rates By-Law** **3. Supply Chain Management Policy** **4. Immovable Asset Policy** **5. Movable Asset Policy** **6. Budget Virement Policy** **7. Funding and Reserves Policy** **8. Credit Control Policy** **9. Indigent Support Policy** **10. Long-Term Borrowing Policy** **11. Capital Infrastructure Investment Policy** **12. Long-Term Financial Planning Policy** **13. Budget Management and Oversight Policy** **14. Investment & Cash Management Policy** **15. Cost Containment Policy** **16. Receipting Policy**	Yes	05/06/2024
The previous annual report (2023/2024)	Yes	13/05/2025
The annual report (2024/2025)	Not yet (To be published in February 2026)	02/2026
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2024/2025) and resulting scorecards	Yes	16/07/2024
All service delivery agreements (2024/2025)	Yes	16/07/2024
All long-term borrowing contracts (2024/2025)	No	No long-term borrowing contracts for the year under review
All supply chain management contracts above a prescribed value (give value) for 2024/2025	No	No SCM Contracts above prescribed value for the year under review
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during (2024/2025)	No	No list of assets over the value that has been disposed for the under review
Contracts agreed in 2024/2025 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	No issue with future budgetary implications
Public-private partnership agreements referred to in section 120 made in 2024/2025	No (there were no PPP agreements during the year under review)	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during 2024/2025	Yes	Q4 – (2023/2024) – 26/07/2024 Q1- (2024/2025) – 04/11/2024 Q2- (2024/2025) – 27/01/2025 Q3 – (2024/2025) – 06/05/2025
		T 2.10.1

WEBSITE TRAFFIC

Most Popular Pages:

- Main Page
- Vacancies
- Tenders
- Online Vendor Portal

Most Viewing Countries

- China
- Germany
- South Korea
- USA
- South Africa

Page Clicks

Main Page

SOCIAL MEDIA

Facebook and X

The Social Media pages are updated every day with a minimum of 4 to 5 posts a day

Facebook Stats

ACTIVITY	NUMBERS
Followers	143 000
Post Reach	667,744
Post engagement	18,874
New Page Followers	3,457
Link Clicks	956
Post Reactions	7 886
Shares	2 524
Photo Views	59 937

COMMENT ON MUNICIPAL WEBSITE CONTENT AND ACCESS

Legislated information is available on the municipal website, as required by MFMA Section 75.

Following security breaches on the previous website, the Municipality has launched a new and improved site.

The website now offers enhanced features, including fault logging, an available security certificate, and integration with a mobile app. It is fully responsive and functions seamlessly across various platforms, including mobile and desktop devices.

These improvements allow users to navigate the site with ease, access municipal contact details, report service delivery issues or fraud, purchase electricity, and pay accounts online.

The website reflects BCMM's corporate colours and features an improved menu layout, making it straightforward and user-friendly. Social media links (Facebook and X) are also provided.

The ICT Department is responsible for the website's design and layout, while the Communications Department manages content creation and uploading.

Although the security features are praiseworthy, the Communications Department has identified several challenges with the current website over time:

The challenges include the following:

1. When BCMM transitioned from the old to the new website: -

    a) Some documents were lost during the migration process.

    b) Documents were stored in incorrect folders.

    c) The naming of folders was not appropriate, as it was not in line with the MFMA. This issue was identified and has since been corrected with the relevant departments, and the documents now reflect the required format.

    d) There are challenges with the terminology, which are currently being addressed.

2. In terms of solutions, the Communications Department has been part of the BCMM ICT Committee, which is reviewing the institutional ICT Policy and Strategy, as well as managing ICT infrastructure.

3. This platform allows us to channel issues related to the website, particularly the rollout of Wi-Fi hotspots so that everyone can access the website.

4. A positive development is that BCMM's Facebook page has grown to 170 000 users, with a post reach of 667 744 users. This has increased the municipality's online footprint, enabling it to reach a wider local audience, particularly through posts related to job opportunities and tenders, where links can be shared even with users who have limited data or are using free mode.

T2.10.1.1.

2.11. SATISFACTION LEVELS ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

NB: THERE WERE NO COMMUNITY SATISFACTION SURVEYS CONDUCTED DURING THE 2024/2025 FINANCIAL YEAR.

T2.11.1

SATISFACTION SURVEYS UNDERTAKEN DURING THE YEAR 2024/2025

NB: THERE WERE NO COMMUNITY SATISFACTION SURVEYS CONDUCTED DURING THE 2024/2025 FINANCIAL YEAR.

T2.11.2.

NB: THERE WERE NO COMMUNITY SATISFACTION SURVEYS CONDUCTED DURING THE 2024/2025 FINANCIAL YEAR.

T2.11.2.1

COMMENT ON CUSTOMER SATISFACTION LEVELS

NB: THERE WERE NO COMMUNITY SATISFACTION SURVEYS CONDUCTED DURING THE 2024/2025 FINANCIAL YEAR.

T2.11.2.2.

CHAPTER 3: SERVICE DELIVERY PEFORMANCE

INTRODUCTION TO BASIC SERVICES

Water and Sanitation Services

The Municipality's infrastructure is experiencing considerable strain due to rapid urban growth and substantial new developments in peri-urban areas, which require enhanced service standards. As the designated WSA, BCMM has supplied water through its internal capacity, with the Amatola Water Board assisting in the provision of bulk services in selected areas. In recent years, BCMM has accelerated efforts to deliver water and sanitation services to informal settlements and rural regions, aiming to expand access to essential services for all residents.

Annual infrastructure investment in BCMM continues to increase, reflecting a commitment to delivering sustainable water services to the population. Since 2015/16, investment in water and sanitation infrastructure has exceeded R1 billion. BCMM's priorities include replacing and installing new pipelines, constructing and maintaining reservoirs and pump stations, removing alien vegetation, replacing manholes, and extending water services to informal settlements and rural villages. Ongoing budget reductions remain a concern, as they have contributed to worsening infrastructure conditions. With continued urban expansion, substantial investment in wastewater infrastructure is necessary to enhance capacity and align with current technological and treatment standards.

To address customer requirements, BCMM has allocated over R236 647 860 to various water meter replacement programmes, primarily to ensure accurate readings for customers. Approximately R656 870 842 has been spent since 2015/16 on the bulk water supply network, including R64 440 255 in the current financial year.

T 3.0.1

COMPONENT A: BASIC SERVICES

Waste Management Services

The Solid Waste and Environmental Management Directorate continues to enhance waste management services through the implementation of various projects. These initiatives aim to protect the environment, maintain regulatory compliance, and increase operational efficiency by

adopting waste minimisation, reduction, reuse, and recycling techniques, often tailored to the specific requirements and budgets of individual clients.

Such projects have made a significant contribution to maintaining the cleanliness of the City and diverting recyclables to Buy-Back Centres, thereby substantially reducing the volume of waste disposed of at the landfill site. The success of these projects has been facilitated by the implementation of a Memorandum of Understanding (MOU) with the Border Kei Chamber of Business (BKCOB). Community members participating in the recycling programme are incentivised through shopping vouchers, which positively affect their livelihoods.

Service Delivery Achievements

The SWMS achievements are outlined below:

- Maintained 100% waste collection services across urban, high-growth, and previously underserved areas, ensuring comprehensive refuse removal for all identified informal settlements within BCMM in accordance with National Treasury Circular 88 indicators.
- Upgraded landfill operations at sites such as Roundhill and Qonce to comply with DFFE standards, incorporating the installation and operation of weighbridges as well as enhanced stormwater management systems.
- Completed the refurbishment and repair of all identified structural defects at the Roundhill landfill site, including restoration of electricity supply, ablution facilities, and replacement of channel leads for the leachate plant.
- Implemented community education programmes focused on responsible waste disposal and the prevention of illegal dumping.

Rolled out community education programmes on responsible waste disposal and illegal dumping prevention.

- The City has improved cleanliness levels through the implementation of greening, cleaning, and beautification programmes in both formal and informal settlements, including CBDs, tourist attractions, student villages, and residential areas. These areas are also included in the PEP.
- Numerous illegal dumping sites have been successfully cleared and rehabilitated across urban, peri-urban, and rural wards.

- The procurement of a dozer machine at the Roundhill Landfill Site has significantly improved operational efficiencies in the following areas:

  - The dozer enables efficient compaction of waste, thereby extending the operational lifespan of the landfill through optimal utilisation of available airspace.

  - It facilitates the daily covering of waste with soil or other cover material, which is crucial for odour control, effective pest management, and compliance with environmental regulations.

  - Use of the dozer aids in meeting licensing requirements set by DFFE, consequently minimising the risk of fines or closure.

  - It ensures the maintenance of safe access roads within the landfill site and enhances the manoeuvrability of other waste handling equipment.

  - Operational costs are reduced over the long term, and service continuity is improved through decreased reliance on outsourced machinery.

- The Waste Management By-law has been reviewed, consulted upon with all relevant stakeholders, and adopted by Council. The department is currently in the early stages of gazetting the by-law.

- PEPs have been implemented successfully in partnership with BKCOB. They cover activities such as street cleaning, gutter clearance, removal of illegal dumps, and city beautification.

The Midland Waste Management Forum was established on 19 June 2025, while the Coastal and Inland regions are in the process of forming their own forums.

- Fleet vehicles have been procured to support and improve service delivery initiatives. These vehicles include:

  - Seven (7) 4-tonne trucks
  - One (1) tipper truck.
  - Ten (10) Isuzu bakkies
  - Four (4) sedans
- Improved waste service and the general aesthetics of the City have stimulated interest among various community stakeholders – such as businesses, community members, and

ratepayers – to form partnerships with the City in keeping their neighbourhoods and tourist attraction precincts, such as the Beachfront and other beaches, in a cleaner state.

Water and Sanitation Services

The Municipality provides water services to all residents, with the Amatola Water Board supplying bulk water in certain areas. Two levels of water service are provided. Rural areas and households outside the metropolitan core are primarily served through communal standpipes that meet RDP standards. In contrast, households in formal areas on the metropolitan fringe have access to full, pressurised water services through individual erf connections.

The Municipality provides 6 kilolitres of free basic water per household per month to rural and urban informal settlements, as well as a rebate to registered indigent consumers in formal urban areas. Approximately 98% of households have access to at least a basic level of water supply, including those residing in informal settlements.

The Municipality's sewerage infrastructure is generally in fair to poor condition, with several catchments experiencing inadequate conveyance and treatment capacity. Ageing infrastructure and equipment contribute to frequent spillages into river systems and the surrounding environment. Despite these challenges, approximately 94% of households have access to basic sanitation services, although backlogs remain in rural areas and urban informal settlements. Sanitation services are provided at two levels: full waterborne sanitation in urban and peri-urban areas, and Ventilated Improved Pit (VIP) latrines in rural areas.

BCMM owns and operates 15 wastewater treatment plants within its area of jurisdiction, with a combined treatment capacity of 168 million litres per day (Ml/d). These plants currently receive approximately 115 Ml/d; however, several facilities are operating at or beyond their design capacity. Approximately 62 Ml/d of treated and partially treated wastewater is discharged into the sea, representing a missed opportunity for water reuse and a potential means of reducing demand on potable water supplies.

The municipal wastewater reticulation network extends approximately 2,442 kilometres across urban areas and includes 96 sewer pump stations. The Municipality continues to face significant challenges related to wastewater infrastructure vandalism and cable theft, which have adversely affected large portions of the network and several pump stations.

Electricity and Energy:

The mission of the Electricity Department is to supply electricity efficiently, reliably, and safely to all legally registered BCMM electricity consumers. The department is required to comply with NRS 047 Quality of Service and NRS 048 Quality of Supply for BCMM to obtain a licence.

The expansion of informal housing has increased significantly due to rural residents relocating in search of employment. This has led to unauthorised connections that place excessive demand on the electrical grid, depriving paying customers of the services to which they are legally entitled. The provision of electrical services has also been affected by a notable rise in theft and vandalism. Funds intended for capital projects and essential maintenance are instead directed towards replacing and repairing damaged equipment, resulting in greater deferred maintenance.

To ensure that the electrical network remains current and delivers satisfactory service to all paying customers, the department is organised into three divisions: Development, Contracts, and Asset Management; Operation and Maintenance; and Customer and Revenue Protection Services.

The mandates of these divisions are as follows:

Development, Contracts, and Asset Management:

- Investigate, design, and upgrade existing electrical network.
- Replace capital equipment when required.
- Provide project management services for installations carried out by developers.
- Inspect work completed in accordance with the maintenance schedule.
- Update and maintain the Electricity Department's Asset Register.
- Electrify formal and Informal dwellings in line with Government's policy of access to all.

Operation and Maintenance:

- Maintain overhead lines (132,66,11 kilo Volt and 400 volts).
- Maintain underground cables (11 kilo Volt and 400 volts).
- Maintain electrical equipment protection schemes.
- Maintain electrical substations.
- Schedule planned and preventative maintenance.
- Provide a 24-hour standby service to consumers.

Customer Care and Revenue Protection:

- Install new service connections.
- Repair and replace non-functioning meters.
- Inspect meters.
- Remove illegal connections.
- Investigate theft, vandalism, and illegal connections.
- Provide advice and information to consumers regarding the provision of electricity services.

COMMENT ON ACCESS TO BASIC SERVICES:

- Universal Access RDP Dwellings: As an implementing agent of the National Government's Universal Access Programme, the Electricity and Energy Department undertakes electrification projects funded through Urban Settlement Development Grant (USDG) allocations, consistently striving to achieve universal access to electricity. BCMM supplies 40-amp connections to all RDP dwellings, which exceeds the minimum required supply of 20 amps.

- Access in Informal Dwellings: Electrification of informal areas remains a priority within BCMM. However, challenges persist in areas that do not meet the electrification criteria due to issues such as land ownership and high population density, making it difficult to identify suitable sites for electrification. The process of electrifying informal settlements entails several prerequisites, including the relocation of surplus dwellings, the identification of appropriate land, and the reorganisation of settlements to ensure dwellings are not situated within access roadways.

To ensure that all households connected to the BCMM electrical network have access to electricity and can benefit from the service, indigent consumers receive a monthly allocation of 50 free units.

A further benefit provided to indigent consumers that are connected to the electricity grid is the waiver of the subsidized service connection free and the connection is provided at no cost to the indigent consumer.

Human Settlements

The Housing Act No. 107 of 1997 requires that interventions be integrated when planning for human settlements development. In line with this requirement, the National Housing Code (2009) provides for a range of strategies and policy instruments, including the following:

- Integrated Sustainable Human Settlements Plan (ISHSP)
- Allocation and Relocation Policy of 2014
- Integrated Residential Development Programme (IRDP-
- Upgrading of Informal Settlement Programme (UISP)
- Individual Housing Subsidies-Credit and Non-Credit Linked and the Financed Linked Housing Subsidy Programme (FLISP)
- Peoples Housing Process (PHP) projects.
- “’Breaking New Ground ‘”: A Comprehensive Plan for the Development of Sustainable Human Settlements ,2004.
- Eastern Cape Housing Beneficiary Allocation Policy 2018.
- Incremental Housing Programmes,
- Social and Rental Housing Programmes,
- Financial and other enabling interventions.

The Buffalo City Metropolitan Municipality Integrated Sustainable Human Settlements Plan (ISHSP) includes a five-year Implementation Plan comprising projects such as housing construction, installation of internal services, informal settlement upgrading, and the development and review of human settlements policies. The ISHSP also addresses land availability challenges, indicating that the Spatial Planning and Development Directorate should acquire approximately 150 hectares of land per annum to support human settlements development.

The ISHSP serves as a guide, and it gives a strategic direction in terms of human settlements creation and development within the jurisdiction of the Buffalo City

Metropolitan Municipality. These strategies are developed and informed by the objectives stated above, which were in-turn developed from the vision of the ISHSP.

Graph-1: Relationship between the Vision, Objectives and Strategies



During the reporting period, the Human Settlements Directorate conducted more than 45 Housing Consumer Education sessions across BCMM wards to educate prospective beneficiaries on human settlements programmes and policies, including qualification criteria and the processes leading to housing ownership, management, and maintenance. The Beneficiary Administration Unit continues to undertake beneficiary registration where funding agreements are in place between the Province and BCMM, and where projects are registered on the Housing Subsidy System (HSS).

As a result of these efforts, the Human Settlements Directorate successfully relocated approximately 814 approved beneficiaries into completed housing units.

COMMENT ON BACKLOGS:

It is important to define what a backlog in electrification means. In the context of universal access, a backlog refers to the electrification of newly constructed formal RDP homes; for BCMM, this backlog is between 1% and 2%, with only newly built homes remaining without electricity. After the housing project is completed, these homes are usually electrified within a year or two.

More than 55 000 informal dwellings exist in BCMM, and this number continues to grow as people move from rural areas in search of work opportunities; the majority of these homes do not comply

with Department of Electricity and Energy (DEE) guidelines or have been identified for de-densification or relocation. The introduction of a new re-blocking methodology has accelerated the electrification of informal settlements. To provide electrification and other services in a safe and sustainable way, this re-blocking methodology considers several factors, including landownership, available space, stability of the settlement, and ongoing growth in the area under review. However, the settlement's continued expansion has slowed this process.

***T3.1.0*.**

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

The National Department of Water and Sanitation (DWS) is responsible for ensuring the availability, security, and sustainability of water resources for municipalities. In fulfilment of this constitutional mandate, the DWS established the Amatola Water Supply System Reconciliation Strategy Steering Committee, comprising all Water Services Authorities (WSAs supplied by the Amatola Water Supply System. The Municipality receives a portion of its bulk water from the Amatola Water Board through a formal supply agreement. The Amatola Water Supply System supplies approximately 84% of East London and 67% of Mdantsane, with the balance supplied by the Keiskamma Water Supply System and various standalone groundwater schemes.

The Amatola Water Supply System (AWSS) provides domestic, industrial, and agricultural water to Buffalo City Metropolitan Municipality (BCMM), while also supplying areas within Ngqushwa and Amahlathi Local Municipalities under the Amathole District Municipality (ADM). The system comprises the following dams: Bridle Drift, Gubu, Laing, Maden, Nahoon, Rooikrantz, and Wriggleswade. Implementation of the Reconciliation Strategy is overseen by the Strategy Steering Committee (SSC), which includes representatives from the Department of Water and Sanitation, BCMM, ADM, the Amatola Water Board, and other strategic partners. In addition, the Municipality has initiated an effluent reuse feasibility study, which has the potential to augment the system with an additional 20 megalitres of treated wastewater per day.

In the most recent Blue Drop Certification audit, with results released in 2023, BCMM achieved a score of 83.48%. Although this score fell short of the certification threshold, it reflects a significant improvement from the 72% achieved in 2014. Importantly, the Blue Drop score does not indicate

substandard water quality. Water supplied to consumers consistently exceeds 95% compliance, and the Municipality has achieved an average compliance rate of 98% with national drinking water quality standards (SANS 241) over the past four financial years.

Water service provision within the Municipality is delivered at two service levels. Rural areas, households located beyond the urban edge, and informal settlements are served through communal standpipes in accordance with RDP standards, which ensure access to potable water within a 200-metre walking distance. Households within the urban edge receive a fully pressurised water supply via individual erf connections.

The following were service delivery objectives for the period under review:

Description	Baseline	Target	Actual
% of households with access to basic level of water supply	98%	98%	98%
% compliance of water treatment works with SANS 241	≥95%	≥95%	98%
Reduction in non-revenue water	34%	35%	37%

The Municipality has prioritised the reduction of water losses and non-revenue water through the implementation of targeted pipe and water meter replacement programmes. Over the past three financial years, more than R43 million has been invested in pipe and meter replacement initiatives, with a further allocation exceeding R200 million earmarked in the Medium-Term Revenue and Expenditure Framework (MTREF) to sustain and expand these interventions. The programme includes the replacement of obsolete water meters and the rollout of advanced remote smart meter reading technology to reduce metering inaccuracies and improve revenue management.

In addition, the Municipality is enhancing its data acquisition and telemetry systems to enable remote monitoring of water distribution and pumping infrastructure, with the objective of improving operational efficiency and minimising water distribution losses.

The Municipality has identified a number of illegal water connections, particularly within rural supply schemes serving communities, while infrastructure vandalism remains a significant operational challenge. To ensure equitable access to water services, water service points have been installed in informal settlements. Community needs within these settlements are identified through collaboration between residents and Ward Councillors, enabling the Municipality to respond appropriately.

Furthermore, 250 ward-based community members (five per ward) have been appointed to assist with the repair of leaks at communal standpipes and to undertake minor plumbing repairs for indigent households beyond the water meter. The Municipality operates a 24-hour call centre to allow residents to log service interruptions and complaints. Complaints may also be lodged during office hours at help desks located at the Municipality's various service centres.

The following were service delivery objectives for the period under review:

Description	Baseline	Target	Actual
% of households with access to basic level of water supply	98%	98%	98%
% compliance of water treatment works with SANS 241	≥95%	≥95%	98%
Reduction in non-revenue water	34%	35%	37%

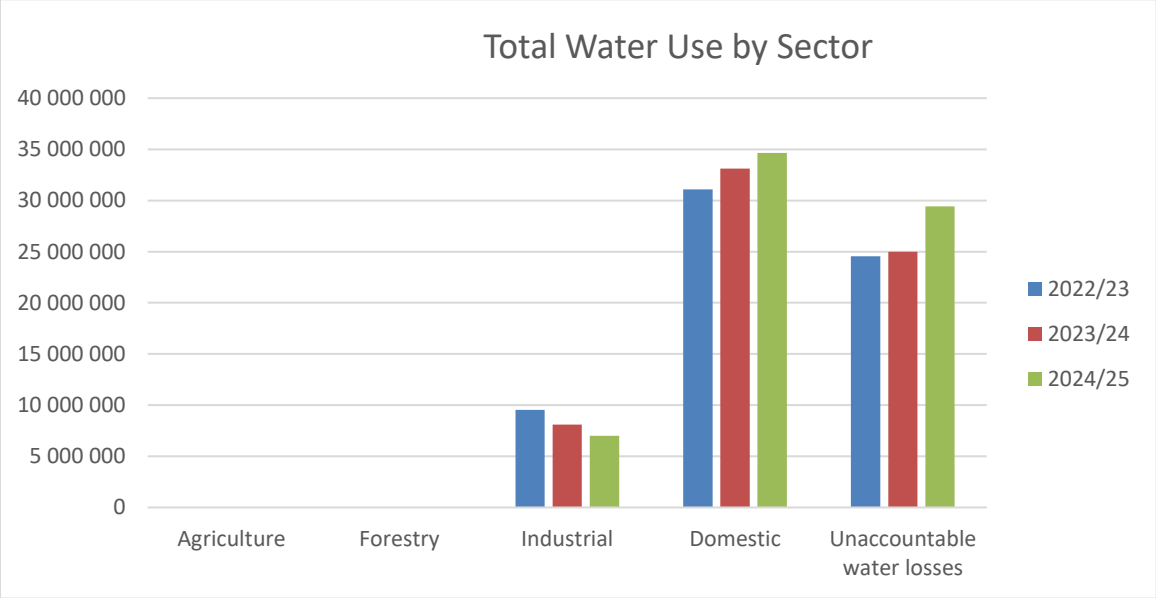
The Municipality has prioritised the reduction of water losses and Non-Revenue Water through the implementation of pipe and water meter replacement programmes. Over the past three financial years, more than R43 million has been allocated to these initiatives, with a further R200 million set aside in the mid-term budget and expenditure framework to ensure their continuation. The programme includes the replacement of obsolete water meters and the introduction of an advanced remote smart meter reading system to reduce metering inaccuracies. Efforts are also underway to upgrade the data acquisition and telemetry system, enabling more effective remote monitoring of water distribution and pumping systems, thereby reducing distribution losses.

A number of illegal water connections have been identified, particularly within rural supply schemes serving local communities, and infrastructure vandalism continues to pose a significant challenge. In response, the Municipality has established water service points in informal settlements to ensure access to water. Needs within these settlements are assessed collaboratively by communities and Ward Councillors, which informs subsequent municipal interventions.

Furthermore, 250 ward-based community members (five per ward) have been engaged to address leaks at standpipes and to carry out repairs on indigent households beyond the meter. The Municipality operates a 24-hour call centre, enabling the registration of service disruptions and complaints at any time. Complaints can also be lodged in person during office hours at help desks within the various service centres.

T3.1.1

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2022/23	0	0	9 535 099	31 091 344	24 539 655
2023/24	0	0	8 097 137	33 126 794	24 983 540
2024/25	0	0	6 989 467	34 643 761	29 439 054
					T 3.1.2



T 3.1.2.1

COMMENT ON WATER USE BY SECTOR

The Reconciliation Strategy assesses the yield status of the Amatola Water Supply System and projects the point at which water demand is expected to exceed available supply. Based on current projections, the Municipality will be required to augment its water resources by approximately 2030 and to implement effective water demand management measures to ensure optimal system performance. At present, the system remains sufficient to meet high growth projections up to this period, and the Metro has continued to provide water services reliably to its communities.

During the 2024/25 financial year, the total volume of water supplied increased by 1.60%, equivalent to an additional 1,041,373 kilolitres.

The Municipality serves approximately 850 rural non-residential consumer units, including schools, clinics, police stations, and sports facilities. These facilities typically rely on rudimentary standalone water supply systems and are generally equipped with basic on-site dry sanitation facilities that are not serviced by the Municipality. No significant growth in the number of public institutions or dry industries is anticipated in the short to medium term; however, several proposed and planned developments have been submitted to the City for consideration and approval.

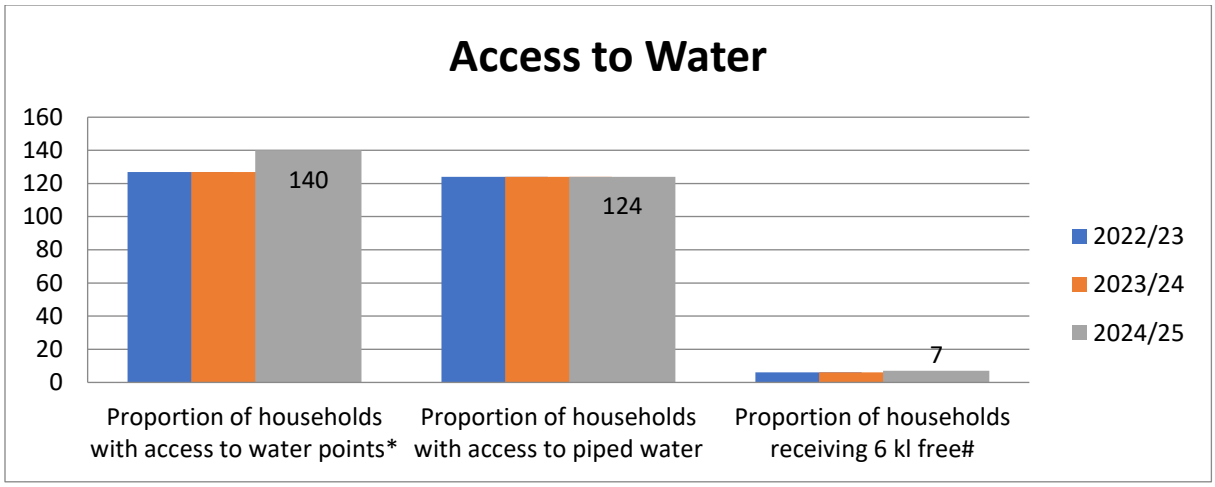
T 3.1.2.2

Water Service Delivery Levels

Water Service Delivery Levels				
				Households
Description	2021/22	2022/23	2023/24	2024/25
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Water: **(above min level)**				
Piped water inside dwelling	124	124	124	124
Piped water inside yard (but not in dwelling)	–	–	–	–
Using public tap (within 200 m from dwelling)	127	127	127	140
Other water supply (within 200 m)				
Minimum Service Level and Above sub-total	251	251	251	264

Minimum Service Level and Above Percentage	98%	99%	99%	98%
Water: **(below min level)**				
Using public tap (more than 200 m from dwelling)				
Other water supply (more than 200 m from dwelling	–	–	–	–
No water supply	5	3	2	5
Below Minimum Service Level sub-total	5	3	2	5
Below Minimum Service Level Percentage	2%	1%	1%	2%
Total number of households*	**255**	**254**	**253**	**269**
**** - To include informal settlements***				***T 3.1.3***

Households - Water Service Delivery Levels below the minimum						
						Households
Description	**2021/22**	**2022/23**	**2023/24**	**2024/25**		
	Actual	**Actual**	**Actual**	**Original Budget**	**Adjusted Budget**	**Actual**
	No.	**No.**	**No.**	**No.**	**No.**	**No.**
Formal Settlements						
Total households	124	124	124	124	124	124
Households below minimum service level	–	–	–	–	–	–
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
Informal Settlements						
Total households	127	127	140	140	140	140
Households below minimum service level	2	2	2	2	2	2
Proportion of households below minimum service level	2%	2%	2%	2%	2%	2%
						T 3.1.4



T3.1.5

Water Service Policy Objectives Taken From IDP									
Service Objectives / Service Indicators	Outline Service Targets	2023/24		2024/25			2025/26	2026/27	
		Target	Actual	Target		Actual	Target		
(i)	(ii)	*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Households without minimum water supply	Additional Households provided with minimum water supply during the year (Number of households (HHs) without supply at year end)	350 additional HHs (2 080 HHs outstanding)	350 additional HHs (2 080 HHs outstanding)	350 additional HHs (2 080 HHs outstanding)	500 additional HHs (1 580 HHs outstanding)	500 additional HHs (1 580 HHs outstanding)	500 additional HHs (1 580 HHs outstanding)	500 additional HHs (1 080 HHs outstanding)	500 additional HHs (1 080 HHs outstanding)
Improve reliability of water supply	Reduce the number of interruptions (**Ints**) in supply of one hour or more compared to the baseline of Year -1 (xxx interuptions of one hour or more during the yr)	T1% (4 Ints)	A1% (4 Ints)	A1% (4 Ints)	T2% (4 Ints)	T2% (4 Ints)	T2% (4 Ints)	T5% (4 Ints)	T5% (4 Ints)
Improve water conservation	Reduce unaccountable water levels compared to the baseline of Year -1 (xxx kilolitres (**KLs**) unaccounted for during the yr)	T36.27% (1 486 425 KLs)	A37.7% (881 280 KLs)	A37.7% (881 280 KLs)	T36% (850 000 KLs)	T36% (850 000 KLs)	T36% (850 000 KLs)	T35% (850 000 KLs)	T30% (850 000 KLs)

*Note: This statement should include no more than the top four priority service objectives, including milestones that relate to the blue water drop status as set out by the Water Affairs department. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.* T 3.1.6

T3.1.6.

Employees: Water Services					
Job Level	2023/2024	2024/2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	4	3	1	25%
4 - 6	162	190	156	34	18%
7 - 9	38	41	36	5	12%
10 - 12	60	66	57	9	14%
13 - 15	9	10	10	0	0%
16 - 18	7	7	7	0	0%
19 - 20	0	0	0	0	0%
Total	281	318	269	49	15%
					T3.1.7

Financial Performance 2024/2025: Water Services					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**1,148,359**	**1,163,126**	**1,163,342**	**1,288,360**	10%
Expenditure:					
Employees	177,122	182,824	177,216	155,274	-18%
Repairs and Maintenance	46,448	69,296	51,069	41,159	-68%
Other	1,056,390	666,541	1,349,666	1,543,865	57%
Total Operational Expenditure	**1,279,960**	**918,661**	**1,577,950**	**1,740,298**	47%
Net Operational Expenditure	**131,601**	**(244,465)**	**414,608**	**451,938**	154%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.1.8*

Capital Expenditure 2024/2025: Water Services					R' 000
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**167,528**	**155,874**	**146,456**	**-14%**	
BULK MAINS-KWT & BHISHO INFRASTRUCTURE	1,500	1,105	1,105	-36%	6,095
DAMS AND WEIRS-KWT & BISHO INFRASTRUCTURE	2,000	–	–	0%	16,893
WATER TREATMENT WORKS-KWT & BISHO INFRASTRUCTURE	5,000	1,178	715	-599%	715
WATER TREATMENT WORKS-KWT & BISHO INFRASTRUCTURE	–	5,038	5,500	100%	5,500
BULK MAINS-UPGRADE WATER NETWORKS	14,000	209	209	-6592%	209
PUMP STATION-UPGRADE WATER NETWORKS	5,000	–	–	0%	–
BULK MAINS-WATER BACKLOGS	5,000	18,702	18,702	73%	55,311
DISTRIBUTION MAINS-WATER BACKLOGS	5,000	–	–	0%	5,750
RESERVOIRS-WATER BACKLOGS	5,000	–	–	0%	8,274
BULK-PIPE AND WATER METER REPLACEMENT IN BISHO,KWT & DIMBAZA	4,000	–	–	0%	19,779
DISTRIBUTION POINTS-PIPE AND WATER METER REPLACEMENT IN BISHO,KWT & DIMBAZA	4,000	7,723	5,755	31%	5,755
RESERVOIRS-PIPE AND WATER METER REPLACEMENT IN BISHO,KWT & DIMBAZA	2,500	11,464	11,464	78%	11,464
PUMP STATION-PIPE AND WATER METER REPLACEMENT IN BISHO,KWT & DIMBAZA	2,500	–	–	0%	–
WATER TREATMENT WORKS-PIPE AND WATER METER REPLACEMENT IN BISHO,KWT & DIMBAZA	7,200	–	–	0%	–
BULK-PIPE AND WATER METER REPLACEMENT IN EL	3,000	4,058	4,058	26%	6,550
DISTRIBUTION POINTS-PIPE AND WATER METER REPLACEMENT IN EL	3,000	3,410	3,410	12%	32,069
RESERVOIRS-PIPE AND WATER METER REPLACEMENT IN EL	3,800	3,331	3,331	-14%	3,331
WATER TREATMENT WORKS-PIPE AND WATER METER REPLACEMENT IN EL	3,200	3,224	3,224	1%	3,224
BULK-PIPE AND WATER METER REPLACEMENT IN MDANTSANE	3,500	1,851	1,851	-89%	10,730
DISTRIBUTION POINTS-PIPE AND WATER METER REPLACEMENT IN MDANTSANE	2,500	8,038	8,038	69%	16,180
RESERVOIRS-PIPE AND WATER METER	6,200	2,641	5,867	-6%	7,460
DISTRIBUTION-AMAHLEKE WATER SUPPLY	12,500	13,769	13,769	9%	29,241
ALTERNATIVE WATER SUPPLY	7,000	7,320	7,320	4%	7,320
RESERVOIRS EAST COAST SUPPLY	9,000	13,768	13,768	35%	19,851
UMZONYANA DAM AND EAST COAST WATER SUPPLY UPGRADE	18,128	18,128	7,452	-143%	64,297
W/DEMAND MANGM - WATER CONSERV - PRV STA	6,000	5,858	5,858	-2%	31,813
WATER MAINS-INFORMAL SETTLEMENTS INLAND	7,000	7,693	7,693	9%	9,985
WATER SUPPLY -INFORMAL SETTLEMENTS COASTAL	8,000	7,159	7,159	-12%	13,999
DISTRIBUTION MAINS- INFORMAL SETTLEMENTS MIDLANDS	9,000	10,020	10,020	10%	38,245
PURCHASE OF CRITICAL LABORATORY EQUIPMENT	3,000	–	–	0%	–
UPGRADING OF LABORATORY	–	189	189	100%	189
Total project value represents the estimated cost of the project on approval by council (including past and future					*T 3.1.9*

COMMENT ON WATER SERVICES PERFORMANCE OVERALL

Water Supply Services performance targets and achievements for 2024/2025 Service Delivery Budget Implementation Plan (SDBIP) are as follows:

DESCRIPTION	BASELINE	TARGET	ACTUAL ACHIEVEMENT
% of households With access to basic Level of water supply	98%	98%	98%
% compliance of Water treatment works With SANS 241	≥95%	≥95%	98%

Households receiving at least a basic level of water supply services account for approximately 98% of the municipal population. Compliance of water treatment works with national drinking water quality standards (SANS 241) was maintained at 98% during the financial year under review, in line with the Municipality's performance targets.

Four largest capital programme or projects implemented in 2024/2025.

Description	Details
Augmentation of Water Treatment capacity	Refurbishment/upgrading of Umzonyana Filtration system, Design of the Electrical & Mechanical Upgrade of Mdantsane Pump station & Filter MCC
Bulk Water Supply to Coastal areas)	Construction of bulk water supply to eradicate backlogs and augment water supply to coastal Areas.
Amahleke water Supply	Design and construction of Mngqesha village Reticulation and extensions.
Bulk Water Provision- Replacement of existing infrastructure	Replacement of aging infrastructure to reduce bursts and installation of water meters (bulk & domestic) to reduce water losses.

The Municipality has initiated a number of projects to address challenges related to water treatment works compliance, ageing infrastructure, housing delivery, and economic development. Key initiatives include the augmentation of water treatment capacity, the Amahleke and Newlands water supply projects, and the provision of bulk water infrastructure to coastal areas.

Interventions to address water shortages in newly incorporated areas are currently underway, focusing on the investigation, design, and development of bulk water infrastructure for East Coast areas, specifically Ward 50 (Kwelera Villages) and Wards 35 and 38. Progress on these initiatives has, however, been constrained by inadequate budget allocations.

The current Mid-Term Revenue and Expenditure Framework (MTREF) has a budget allocation as set out below.

Financial Year	Budget
2024-2025	R 105 205 315
2025-2026	R 180 664 412
2026-2027	R 208 321 305
Total	R494 101 032

Water backlogs represent around 2% of the overall municipal population. A budget of R400 million is required to eliminate water backlogs within the municipality. The limited budget for the operation and maintenance of water services leads to frequent disruptions in the water supply system. Additionally, infrastructure vandalism has emerged as a significant issue in recent years; however, initiatives are underway to tackle this challenge.

T3.1.10.

3.2. WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION

The Municipality provides sanitation services to households across urban, peri-urban, and rural areas. In urban and peri-urban areas, the minimum level of sanitation service is a waterborne system, provided either through a reticulated sewer network or, in areas not yet reticulated, through on-site sanitation systems such as septic or conservancy tanks.

The reticulated wastewater network is currently supported by 15 wastewater treatment works, comprising five Activated Sludge Systems, five Biological Trickling Filter Systems, four Pond Systems, and a marine discharge system located at Hood Point in the West Bank area. The municipal wastewater reticulation network spans approximately 2,442 kilometres and includes 95 sewer pump stations, with rising mains in certain areas.

Sewerage infrastructure across the Municipality is generally in fair to poor condition, with several catchments experiencing inadequate conveyance and treatment capacity due to ageing infrastructure. Some wastewater treatment works have not undergone major refurbishment in over 20 years, resulting in critical deterioration of mechanical and electrical equipment at facilities such as Mdantsane, Potsdam, Berlin, and the Central Wastewater Treatment Works.

Despite these challenges, the Municipality has made significant investments in wastewater infrastructure through a programme focused on the regionalisation of wastewater treatment. The Reeston Wastewater Treatment Works has recently been upgraded from a capacity of 2 megalitres per day (Ml/d) to 10 Ml/d, enabling the diversion of flows from the Central Wastewater Treatment Works. Due to overloading of the Central Works, new development approvals within the Central catchment area are currently restricted.

In addition, the Municipality has invested approximately R500 million in the upgrade of the Zwelitsha Wastewater Treatment Works to a regional facility. This upgrade will allow for the decommissioning of the Schornville Wastewater Treatment Works, as well as the Bhisho and Breidbach Pond systems. Upon completion, the upgraded Zwelitsha facility will enable the Municipality to lift the current development moratorium in Qonce and surrounding areas, which has been necessitated by insufficient bulk wastewater treatment capacity.

The Municipality is also undertaking upgrades to the Hood Point Marine Discharge Screening Station to increase treatment capacity for the rapidly developing West Bank area. Environmental Authorisation has been granted for the construction of a deep-sea marine outfall sewer of approximately 1.4 kilometres at Hood Point, with an estimated construction cost of R500 million. Similarly, rapid development in coastal areas such as Kidds Beach has prompted a review of existing master plans, as current treatment technologies were not designed to accommodate the prevailing growth rates. The Municipality is concurrently reviewing policies and guidelines to regulate the uncontrolled proliferation of septic and conservancy tanks in rural and peri-urban areas surrounding major urban centres.

The Municipality continues to face significant challenges related to infrastructure vandalism, illegal electricity connections, and cable theft. These issues contribute to periodic wastewater spillages into the environment, with some spillages becoming prolonged due to repeated vandalism and service disruptions caused by illegal power connections.

Densely populated informal settlements located over or near wastewater infrastructure in urban areas present additional operational challenges. These include the disposal of foreign objects into the sewer system, illegal sewer connections, frequent blockages, and limited access for maintenance teams. The Municipality is addressing these challenges through planned housing delivery initiatives in areas such as Duncan Village, Nompumelelo, and surrounding communities, which are expected to alleviate sewer overflows associated with informal settlements and backyard dwellers.

Since 2010, the Municipality has implemented a programme to provide waterborne communal ablution facilities in informal settlements. These facilities are delivered at an average rate of approximately 100 toilet seats per annum, providing sanitation access to an estimated 1,000 households each year, based on the accepted standard of one toilet seat serving at least 10 households. Most communal ablution facilities are supported by caretakers responsible for day-to-day operations and maintenance. To date, approximately 520 caretakers have been employed from local communities under the Expanded Public Works Programme (EPWP), in accordance with EPWP guidelines, which limit appointments to a maximum of two years.

The effectiveness of the communal ablution programme is, however, threatened by high levels of vandalism, illegal water connections that disrupt water supply to facilities, and illegal sewer connections that result in blockages and sewage overflows within communities.

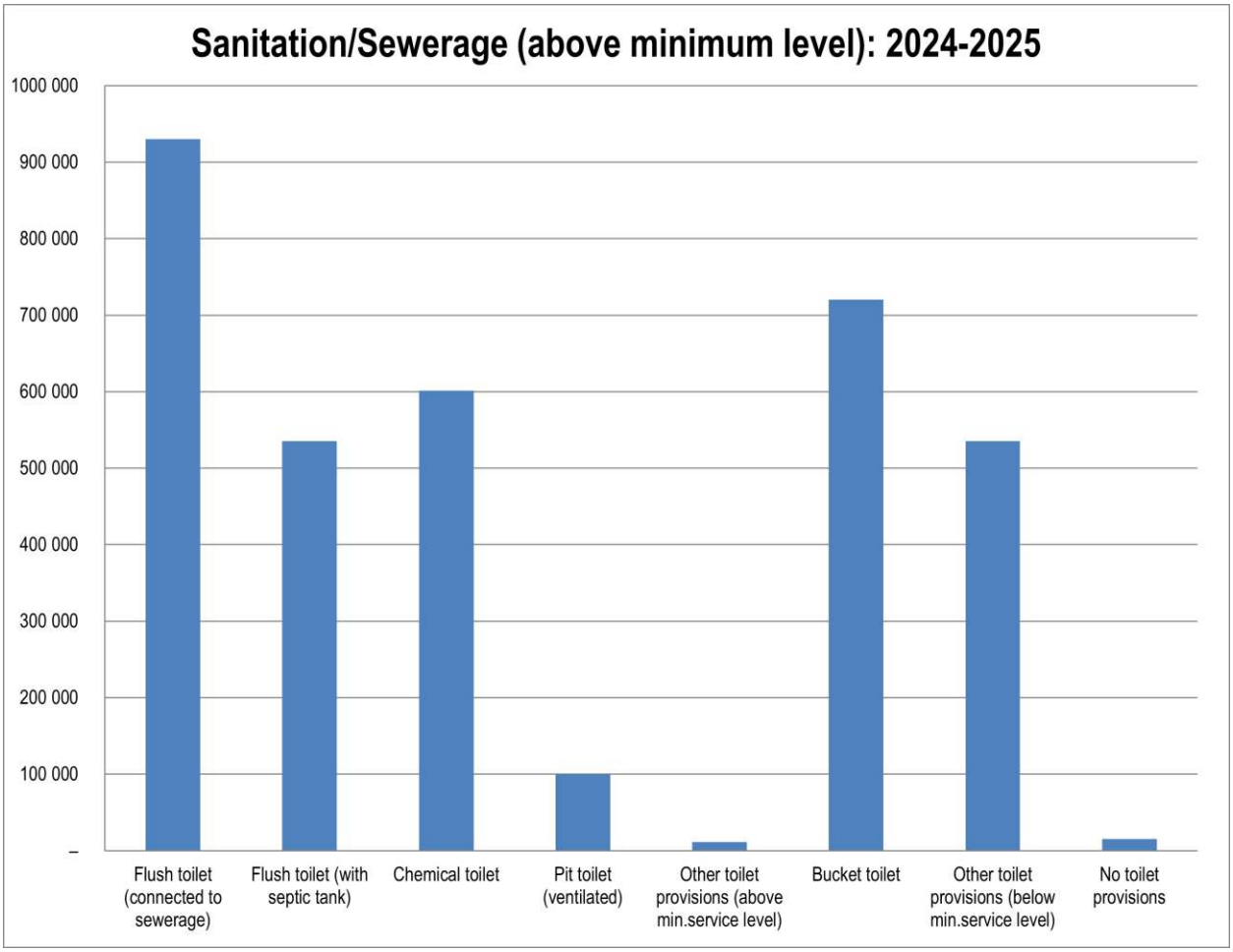
In rural areas, the Municipality’s minimum standard for sanitation services is the provision of Ventilated Improved Pit (VIP) latrines. Since 2005, approximately 58,995 VIPs have been provided. Despite this progress, an estimated 16,444 rural households remain without ventilated sanitation services. The Municipality currently delivers approximately 3,000 VIPs per annum, subject to budget availability, and it is anticipated that this backlog could be eliminated within the next three to five years.

The Municipality is also increasingly challenged by the need to empty existing VIP latrines, particularly those older than 10 years that are nearing or have reached full capacity. Due to budget constraints, the Municipality is currently unable to keep pace with this growing demand; however,

consideration is being given to the restructuring of budgets in the short to medium term to address this issue.

Overall, approximately 98% of households within the Municipality have access to at least a basic level of sanitation services, with the remaining 2% backlog primarily affecting rural areas and informal settlements in urban areas.

T3.2.1.

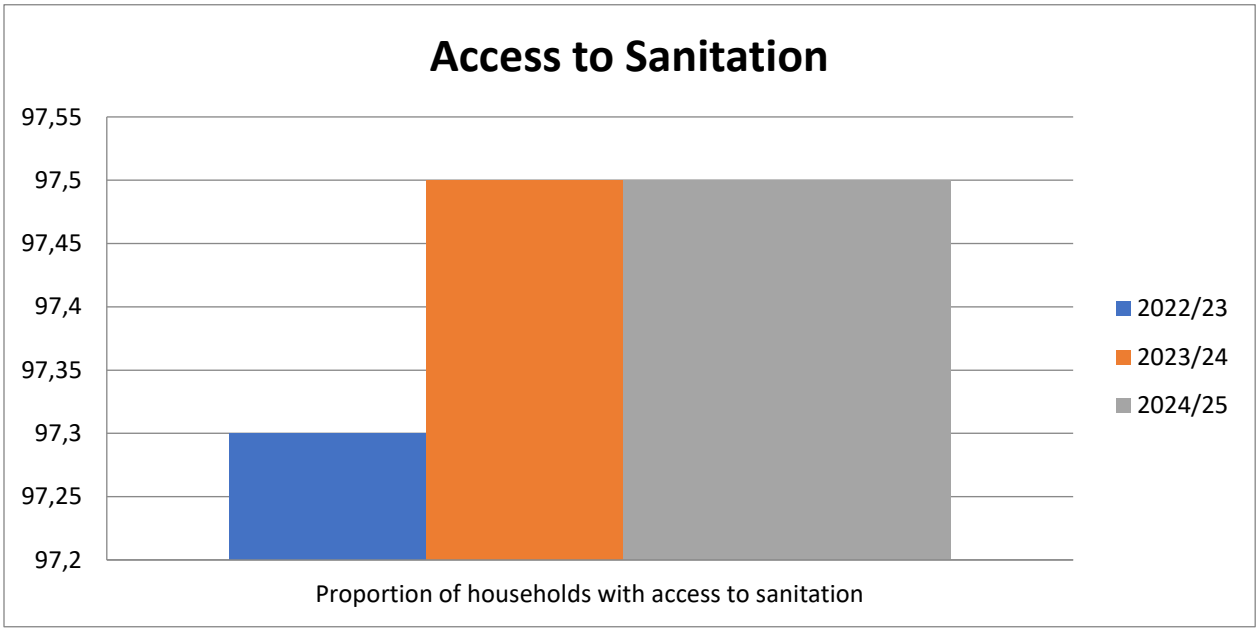


T3.2.2.

Sanitation Service Delivery Levels	
	*Households 000

Description	2021/22	2022/23	2023/24	2024/25
	Outcome	Outcome	Outcome	Actual
	No.	No.	No.	No.
Sanitation/sewerage: **(above minimum level)**				
Flush toilet (connected to sewerage)	166	166	167	176
Flush toilet (with septic tank)	5	5	5	5
Chemical toilet	4	4	4	4
Pit toilet (ventilated)	50	53	54	61
Other toilet provisions (above minimum service level)	16	16	16	16
Minimum Service Level and Above sub-total	243	245	246	262
Minimum Service Level and Above Percentage	95,8%	96,6%	97,4%	97,5%
Sanitation/sewerage: **(below minimum level)**				
Bucket toilet	–	–	–	–
Other toilet provisions (below minimum service level)	15	9	7	7
No toilet provisions	–	–	–	–
Below Minimum Service Level sub-total	11	9	7	7
Below Minimum Service Level Percentage	4,2%	3,4%	2,6%	2,5%
Total households	**253**	**253**	**253**	**269**
**Total number of households including informal settlements*				*T 3.2.3*

Households - Sanitation Service Delivery Levels below the minimum						
						Households 000
Description	2021/22	2022/23	2023/24	2024/25		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households			247	248	248	248
Households below minimum service level			7	6	6	6
Proportion of households below minimum service level			97%	94%	94%	94%
Informal Settlements						
Total households			253	269	269	269
Households ts below minimum service level			7	6	6	6
Proportion of households ts below minimum service level			3%	2%	2%	2%
						T 3.2.4



T3.2.5.

Waste Water (Sanitation) Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2023/24**		**2024/25**			**2025/26**	**2026/27**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators		***Previous Year**		***Previous Year**	***Current Year**		***Current Year**	***Current Year**	***Following Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective									
Provision of toilets within standard	Additional Households (**HHs**) provided with minimum sanitation during the year (Number of HHs remaining without minimum sanitation at year end)	1 188 additional HHs (8 755 HHs remaining)	1 188 additional HHs (8 755 HHs remaining)	1 188 additional HHs (8 755 HHs remaining)	1 188 additional HHs (8 755 HHs remaining)	770 additional HHs (7 985 HHs remaining)	770 additional HHs (7 985 HHs remaining)	770 additional HHs (7 985 HHs remaining)	770 additional HHs (7 985 HHs remaining)

*Note: This statement should include no more than the top four priority service objectives, including milestones that relate to the green drop status as set out by the Water Affairs department. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*	*T 3.2.6*

Employees: Sanitation Services					
Job Level	2023/2024	2024/2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	17	17	16	2	12%
4 - 6	214	214	204	10	5%
7 - 9	49	51	48	3	6%
10 - 12	26	31	24	7	23%
13 - 15	9	10	10	0	0%
16 - 18	2	3	2	1	33%
19 - 20	1	1	1	0	0%
Total	318	327	305	23	7%
					T 3.2.7

Financial Performance 2024/2025: Sanitation Services					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**671,910**	**743,333**	**754,724**	**779,387**	**5%**
Expenditure:					
Employees	149,714	163,415	153,119	153,001	-7%
Repairs and Maintenance	55,065	55,926	47,510	44,621	-25%
Other	286,541	230,963	262,320	1,071,063	78%
Total Operational Expenditure	**491,320**	**450,304**	**462,949**	**1,268,685**	**65%**
Net Operational Expenditure	**(180,590)**	**(293,029)**	**(291,775)**	**489,298**	**160%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.2.8*

Capital Expenditure 2024/2025: Sanitation Services					R' 000
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**110,861**	**107,160**	**105,632**	**-5%**	
SANITATION FACILITIES IN INFORMAL SETTLEMENTS	10,000	9,956	9,956	0%	30,062
BISHO KWT & ZWELITSHA BULK REG SEWER SCHEME	16,122	36,118	36,118	55%	137,916
BISHO KWT & ZWELITSHA BULK REG SEWER SCHEME	–	479	479	100%	479
MDANTSANE WASTEWATER TREATMENT WORKS	18,739	30,743	30,743	39%	30,743
UPGRADING OF FIRST CREEK OUTFALL SEWER	4,000	–	–	0%	–
UPGRADING OF SECOND CREEK OUTFALL SEWER	3,000	–	–	0%	–
REFURBISHMENT OF MDANTSANE NETWORK FLOOD DAMAGES	14,000	–	–	0%	
REFURBISHMENT OF MDANTSANE NETWORK FLOOD DAMAGES		8,478	8,478	100%	8,478
UPGRADING OF EAST BANK WASTEWATER TREATMENT WORKS	7,000	–	–	0%	–
UPGRADING OF EAST BANK WASTEWATER TREATM		2,744	3,218	100%	3,218
RENEWAL OF CENTRAL WASTEWATER TREATEMENT WORKS	4,000	–	–	0%	–
RENEWAL OF SCHORNVILLE WASTEWATER TREATEMENT WORK	7,000	–	–	0%	–
UPGRADING OF NAHOON BULK OUTFALL SEWER	3,000	6,623	7,519	60%	–
INSTALLATION OF GROUNDWATER MONITORING BOREHOLES F	1,000	1,004	669	-49%	669
NEW KIDDS BEACH WASTEWATER TREATMENT WORKS	4,000	–	–	0%	–
REFURBISHMENT OF OLD ZWELITSHA WASTEWATER TREATME	–	2,090	–	0%	–
REFURBISHMENT OF IHLANZA PUMP STATION	–	474	–	0%	–
BISHO OXIDATION PONDS	1,500	–	–	0%	–
BREIDBACH OXIDATION PONDS	1,500	–	–	0%	
BISHO OXIDATION PONDS	–	2,270	2,270	100%	2,270
SECOND CREEK PUMP STATION		–	–	0%	–
YELLOWWOOD PUMP STATION	2,000	–	–	0%	–
UPGRADING OF POTSDAM WASTEWATER TREATMENT WORKS	12,000	6,183	6,183	-94%	8,088
DUCATS SANITATION	2,000	–	–	0%	–
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as					*T 3.2.9*

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

The following are some of the main sanitation infrastructure provisions currently underway:

Description	Details
Upgrading of Zwelitsha Wastewater Treatment Works	Upgrading of Zwelitsha Wastewater Treatment Works to allow for decommission of Schornville, Bhisho, and Breidbach treatment works and diversion of flows to Zwelitsha.
Diversion of Sewage from Central WWTW to Reeston WWTW	Diversion of Central WWTW to Reeston WWTW, through construction of a 5 km long x 4 m diameter Sewer Tunnel. The works includes construction of a 400 m Tunnel Approach Section, 4.5 km Sewer Tunnel, Central Tunnel Shaft, and Tunnel Exit
Tunnel Diversion of Central Wastewater Treatment Works	Diversion of sewage flows from Central Wastewater Treatment Works to Reeston Wastewater Treatment Works through a 4.5 km long and 30 m deep sewage tunnel
Sanitation Backlog Eradication	Provision of VIPs to eliminate rural sanitation backlogs.

The municipality has made the following mid-term budget allocation to address the Integrated Development Plan (IDP) targets and bulk sanitation infrastructure challenges set out above:

Financial Year	Budget
2023-2024	R 98 598 320
2024-2025	R 119 278 348
2025-2026	R 134 188 299
Total	R 352 064 967

In its Service Delivery and Budget Implementation Plan the municipality set the following as its performance target in sanitation services for the year under review:

Description	Target	Actual
% Compliance with wastewater treatment works effluent quality standards	>75%	79%
No households provided with access to basic level of sanitation service	3000	3268
Additional Service Points (Toilets) installed in informal settlements	60	120

During the Green Drop assessments conducted in 2013 by the National Department of Water and Sanitation (DWS), the Municipality achieved Green Drop Certification for two of its wastewater treatment works. At the time, the Municipality was the top-performing municipality in the Eastern Cape. Following a period of suspension, the Department of Water and Sanitation revived the Green Drop Certification programme, with reassessments scheduled for the last quarter of 2021.

In the most recent Green Drop assessments, the Municipality experienced a regression in performance, with none of its 15 wastewater treatment works achieving Green Drop Certification and an average Green Drop score of 61% across all systems. Despite this decline, Buffalo City Metropolitan Municipality (BCMM) retained its position as the highest-ranked municipality in the Eastern Cape. Consequently, BCMM was not classified within the critical or high-risk categories, achieving an overall Cumulative Risk Rating (CRR) of 53%.

T 3.2.10

3.3. ACCESS TO ELECTRICITY SERVICES

Introduction to Electricity Services

The Electricity and Energy Department is required by the Electricity Regulation Act, No. 4 of 2006, to provide a dependable and well-maintained electrical network.

This Act's goals are to:

a) Accomplish the development of electricity supply infrastructure in a sustainable, orderly, and efficient manner.
b) Ensure that it operates.
c) Encourage investment in the sector that supplies electricity.
d) Make electricity more widely available.
e) Encourage energy efficiency and the use of a variety of energy sources.
f) RDP dwellings with universal access.
g) Informal dwellings with universal access
h) Capital projects



AN OVERVIEW OF ELECTRICITY

Within the BCMM licensed supply area, primarily within the urban boundary via 13 intake points at 132 kV, 66 kV, and 11 kV, the Electricity and Energy Department is responsible for delivering an effective, safe, and efficient electrical service to all legal consumers in the City, in accordance with legal and statutory requirements.

Eskom is authorised to supply electricity to areas under BCMM jurisdiction, mainly in rural regions. As there is currently no service level agreement between BCMM and Eskom, BCMM has limited control over the quality of service provided in Eskom-licensed areas. The national departments of

CoGTA and Department of Trade and Industry (DTI) are reviewing the issue of a service level agreement, as it affects most municipalities.

BCMM's electrical grid is currently in a moderate condition; however, with ongoing capital investment and adequate funding, improvements are achievable. As electricity sales represent the largest portion of the City's annual revenue, a lack of necessary capital investment will lead to increased failures, negatively impacting both city growth and revenue.

Electrical network maintenance presents significant challenges due to insufficient funding, leading to the postponement of essential upkeep. Escalating incidents of theft, vandalism, and illegal connections further deplete the Electricity Department's budget, as these illicit activities necessitate the replacement of even well-maintained equipment. As a consequence, electricity users regularly experience power outages. Moreover, the department is exposed to considerable risk of non-compliance with occupational health and safety regulations, as well as the conditions of the licence issued by NERSA. At present, the Electrical and Energy Services Department serves 146 000 lawful customers.

Electrification by ESKOM

As with BCMM, Eskom is responsible for delivering universal electricity access to rural areas under the licence granted by NERSA. The Department of Minerals and Energy provides funding for Eskom's electrification initiative

FREE BASIC ELECTRICITY:

To ensure that all households connected to the BCMM electrical network have access to electricity and are able to benefit from the service, indigent consumers receive a monthly allocation of 50 free units.

Additionally, indigent consumers connected to the electricity grid are exempt from the subsidised service connection fee, with the connection provided at no cost to them.

REVENUE PROTECTION:

Since the initiation of the smart metering project in 2017, the Electricity Revenue Protection Section has managed the installation of approximately 7 225 smart postpaid meters and 37 302 prepayment meters. The commissioning of smart meters has been notably effective in resolving monthly billing issues previously encountered by large power users. Additionally, the two dedicated specialised electricians have identified billing irregularities amounting to R120 718 141 since the project's inception. These irregularities have now been addressed, and the underbilling

has been corrected within the financial back-end billing system. The table below details the non-billed revenue identified for 105 large power users, with R38 650 835 remaining unrecoverable through the billing system due to limitations imposed by bylaw recovery periods in cases where BCMM was responsible.

NB – Not all identified potential financial recoveries were possible, owing to the Electricity By-law's restrictive six-month period, as well as instances where the Finance Department had yet to issue the necessary bills.

Overall LPU Recoveries

Year	Total Rand Value	Potential Recovery (6 Month Policy)
2020	R2 407 426,00	R1 896 530,00
2021	R13 586 936,00	R7 865 200,00
2022	R21 337 867,72	R10 702 198,00
2023	R9 694 700,00	R5 470 680,00
2024	R45 022 939,85	R37 784 366,70
2025	R28 668 271,54	R18 321 744,54
Grand Total	**R120 718 141,11**	**R82 067 306,24**

Total Amount of Pre-Payment Meters by Region, Per Tariff

Region	Business	Domestic	Indigent	Scale 3 Large KVA	Scale 6 - Temporary And Itiner	Grand Total
Coastal Region	1 964	51 011	13 021	26	11	66 033
Inland Region	1 288	16 338	12 468	5	3	30 102
Midlands Region	85	17 895	22 477			40 457
Unknown		85	88			173
Grand Total	**3 337**	**85 329**	**48 054**	**31**	**14**	**136 765**

Domestic Meter Field Inspections/Audits Work

Domestic Prepayment Inspections	169
Credit Meter Inspections	0
Follow Up (Re Visit) Inspections	58
Unsuccessful Inspections	115
Meters Found Tampered	35

2nd Tampering Fence	2
Tamper Self Reconnection	6
New Meter Installed	24
Ref to Installations for a Faulty Meter	16

Domestic Meter Financial Recoveries

Loss Recovery - Rand Value Recovery Per Region				
	COASTAL	**MIDLAND**	**INLAND**	**TOTAL**
Jul-24	R0,00	R0,00	R45 614,00	R45 614,00
Aug-24	R5 000,00	R0,00	R31 859,00	R36 859,00
Sept-24	R14 680,90	R12 589,00	R20 658,48	R47 928,38
Oct-24	R97 579,31	R9 521,58	R10 209,08	R117 309,97
Nov-24	R54 161,16	R0,00	R9 795,26	R63 956,42
Dec-24	R30 585,96	R0,00	R0,00	R30 585,96
Jan-25	R89 937,63	R6 000,00	R11 955,00	R107 892,63
Feb-25	R19 997,16	R0,00	R5 000,00	R24 997,16
Mar-25	R21 885,85	R6 863,00	R7 500,00	R36 248,85
Apr-25	R16 255,69	R0,00	R0,00	R16 255,69
May-25	R43 408,92	R16 893,12	R0,00	R60 302,04
Jun-25	R1 500,00	R5 000,00	R0,00	R6 500,00
	R394 992,58	**R56 866,70**	**R142 590,82**	**R594 450,10**

Total Number of Post-Paid Meters Per Region, Per Tariff

Tariff	AMR	Non SM	SMART	Grand Total
BC0100		23	343	366
EL0100		254	4 086	4 340
EL0200	79	237	1 869	2 185
EL0201	2	7	108	117
EL0202			1	1
EL0300	73	25	701	799
EL0301	11	1	94	106
EL0302	1	1	42	44
EL0303			2	2
EL0401		9	2	11
EL0403		3	8	11
EL0406			12	12
EL0501			1	1
EL0503		5	6	11
EL0601	5		8	13
EL0701	4		24	28

EL0804			2	2
ELD100		3	12	15
ELD200	1	29	48	78
ELD300	4	3	14	21
ELD301			4	4
ELD401		3		3
ELD402		1		1
ELD403		1		1
ELD406		1	1	2
ELD501			7	7
ELD502			1	1
ELD503	1	58	132	191
ELD505		5	26	31
Grand Total	**181**	**669**	**7 554**	**8 404**

The Revenue Protection team also conducted the following illegal services disruptive "raid" exercises for the 2024/25 financial period:

Illegal Connection – Disruptive Raid Exercises

	FIRST QUARTER		SECOND QUARTER		THIRD QUARTER		FOURTH QUARTER		TOTAL	
Zone/Area	**Number Of Visits (Days)**	**Hours**	**Number Of Visits (Days)**	**Hours**	**Number Of Visits (Days)**	**Hours**	**Number R Of Visits (Days)**	**Hours**	**Number Of Visits (Days)**	**Hours**
Airport Phase	3	13	2	8	1	3	21	30	**59**	**84**
Amalinda Forest	3	13	3	8	2	8	22	53	**74**	**120**
Buffalo Flats	3	13	2	5			23	46	**59**	**95**
Cambridge Location	2	5	0	0	0	0	1	2	**5**	**9**
Duncan Village	3	9	3	13	1	3	37	65	**94**	**138**
East London	1	1	1	1			4	5	**7**	**7**
Mzamomhle	0	0	1	3	1	3	3	11	**19**	**33**
Mdantsane	3	17	3	17	2	13	70	172	**193**	**293**
Nompumelelo	1	5	1	6	0	0	5	22	**29**	**55**
Scenery Park	2	7	1	5	0	0	11	36	**37**	**71**
Stoney drift	2	5	2	10	1	3	12	33	**47**	**79**
	23	**88**	**19**	**76**	**8**	**33**	**170**	**312**	**600**	**996**

Electricity Tariffs

The overall NERSA-approved increase for BCMM for the 2025/26 financial period was set at 12.74%. Despite this increase, the approved rate remains below cost-reflective levels, and it is

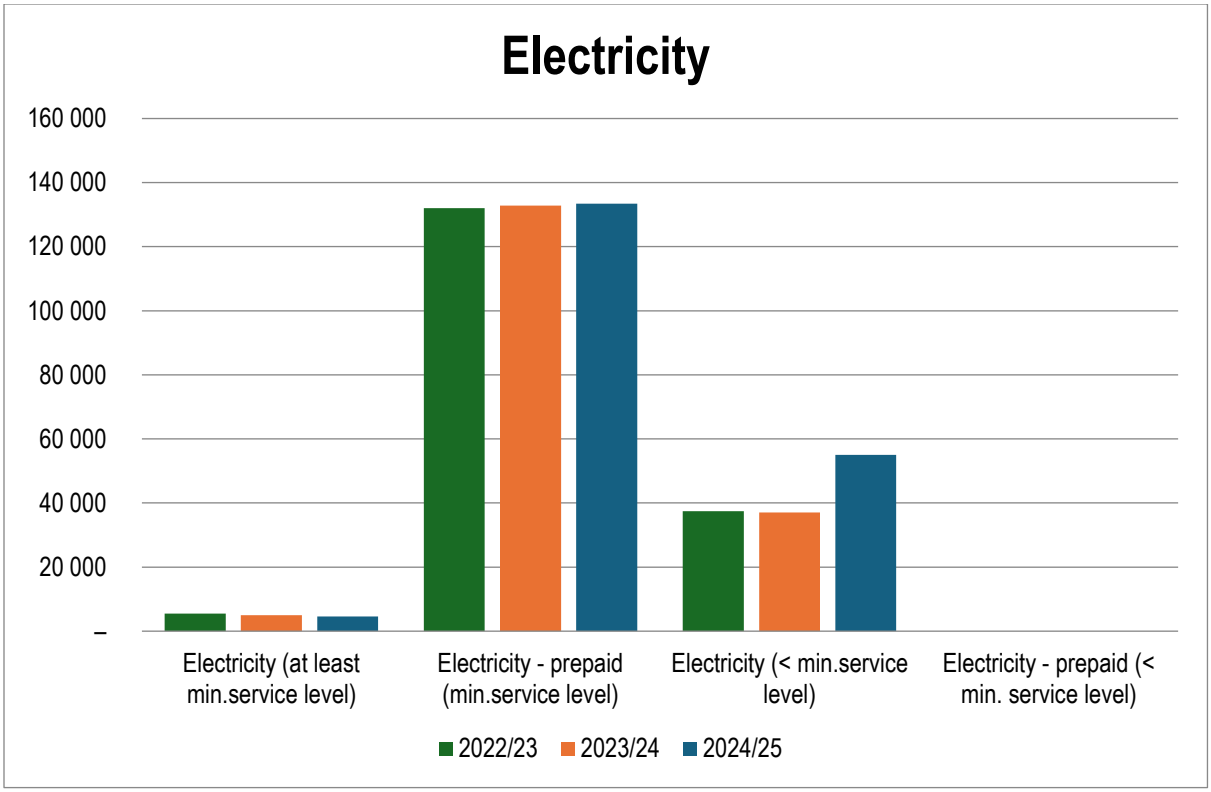
anticipated that NERSA will implement fully cost-reflective tariffs during the 2026/27 and 2027/28 financial periods, particularly as ESKOM received single-digit increases during this time.

An analysis of yearly electricity "Rand" sales indicates that 81,68% of electricity income is generated from three customer tariff groups: medium/low voltage large power users, domestic prepayment customers, and domestic credit user categories (as detailed in the table below). A contractor is currently conducting a financial recovery and meter inspection exercise for large power users.

Percentage of Total Rand Sales, Per Customer Group, for 2024/25

Tariff Description	kWH UNITS	KVA UNITS	RAND INCOME	% TOTAL
Credit Industrial Customers	494152390,7	1834615	R1 519 723 627	49,54%
Domestic Prepay	190250953,6		R541 405 612	17,65%
Domestic Credit	21902380,67		R444 432 769	14,49%
Credit Small Business	46078962,91		R187 695 796	6,12%
IDZ	56144260,13	139672	R133 707 167	4,36%
Domestic Prepay Indigent	62023261,94		R94 523 798	3,08%
Prepay Small Business	17672314,67		R56 551 407	1,84%
Street Lighting	20440257,23		R45 886 319	1,50%
Domestic Credit Indigent	2001794,507		R20 362 632	0,66%
Credit domestic customers	3503761,087	10537	R15 756 173	0,51%
Prepay Industrial Customers	1215225,736		R4 810 836	0,16%
Traffic Signals	544479,6906		R1 595 659	0,05%
Sports fields	192385,2438		R813 289	0,03%
Temp & Itinerant	62081,24657		R600 927	0,02%
Grand Total	**916184509,4**	**1984824**	**R3 067 866 009**	

T 3.3.1



T 3.3.2

Households				
Description	2021/22	2022/23	2023/24	2024/25
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Energy: **(above minimum level)**				
Electricity (at least min. service level)	6	5	5	5
Electricity - prepaid (min. service level)	132	133	133	133
Minimum Service Level and Above sub-total	138	138	138	138
Minimum Service Level and Above Percentage	78,6%	78,8%	71,5%	71,5%
Energy: **(below minimum level)**				
Electricity (< min. service level)	37	37	55	55
Electricity - prepaid (< min. service level)				
Other energy sources				
Below Minimum Service Level sub-total	37	37	55	55
Below Minimum Service Level Percentage	21,4%	21,2%	28,5%	28,5%

Total number of households	175	175	193	193
				T 3.3.3

Households – Electricity Service Delivery Levels Below the Minimum

Households - Electricity Service Delivery Levels below the minimum						
					Households	
Description	**2021/22**	**2022/23**	**2023/24**	**2024/25**		
	Actual	**Actual**	**Actual**	**Original Budget**	**Adjusted Budget**	**Actual**
	No.	**No.**	**No.**	**No.**	**No.**	**No.**
Formal Settlements						
Total households	138	139	139	139	139	139
Households below minimum service level	1	1	1	1	1	1
Proportion of households below minimum service level	1%	1%	1%	1%	1%	1%
Informal Settlements						
Total households	45	45	45	55	55	55
Households ts below minimum service level	37	37	37	47	47	47
Proportion of households ts below minimum service level	83%	83%	82%	85%	85%	85%
						T 3.3.4

Electricity Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2023/24**		**2024/25**			**2025/26**	**2026/27**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators		***Previous Year**		***Previous Year**	***Current Year**		***Current Year**	***Current Year**	***Following Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective xxx									
Provision of minimum supply of electricity	Additional households (HHs) provided with minimum supply during the year (Number of HHs below minimum supply level)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)
Provision of minimum supply of electricity	Number of new RDP household supplied with Electricity	400	341	400	400	341	500 new electrical service connections	500 new electrical service connections	500 new electrical service connections
Implement lighting programme to ensure adequate lighting coverage	Number of new t lights installed	6	6	16	16	16	10	10	10
									T3.3.5

Employees: Electricity Services					
Job Level	2023/2024	2024/2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	30	28	27	1	4%
4 - 6	73	72	69	3	4%
7 - 9	31	31	30	1	3%
10 - 12	58	59	53	6	10%
13 - 15	10	13	11	2	15%
16 - 18	2	4	3	1	25%
19 - 20	1	1	1	0	0%
Total	205	208	194	14	7%
					T3.3.6

Financial Performance 2024/2025: Electricity Services					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**2,482,342**	**2,969,841**	**2,970,682**	**3,259,150**	**9%**
Expenditure:					
Employees	159,964	152,087	160,680	160,249	5%
Repairs and Maintenance	159,265	163,501	189,000	173,794	6%
Other	3,511,500	3,595,332	2,976,517	3,378,188	-6%
Total Operational Expenditure	**3,830,729**	**3,910,920**	**3,326,197**	**3,712,231**	**-5%**
Net Operational Expenditure	**1,348,387**	**941,079**	**355,515**	**453,081**	**-108%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.3.7*

Capital Expenditure 2024/2025: Electricity Services					R' 000
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**157,888**	**213,319**	**212,849**	**26%**	
BULK ELEC INFRAS UPGR(RING-FENCED 4%)	117,888	154,280	158,221	25%	335,130
ELECTRIFICATION PROGRAMME	12,000	43,197	38,525	69%	38,525
- BCMM	15,000	4,062	4,062	-269%	40,365
SUPPLY	10,000	9,712	9,712	-3%	23,621
TOOLS AND EQUIPMENT (SPECIALISED VEHICLES)	2,000	1,369	1,631	0%	1,631
BUILDING ALTERATIONS -BEACON BAY CIVIC CENTRE & OPERATIONS DEPOT	1,000	699	699	0%	699
Total project value represents the estimated cost of the project on approval by council (including past and future					*T 3.3.8*

COMMENT ON ELECTRICITY SERVICES PERFORMANCE

HIGH-MAST INSTALLATIONS

Sixteen High Mast Installations were carried out and completed throughout the financial year including Solar Masts.

Ward	Location	GPS	
Ward 8	Bomela St	-33.019444°	27.858256°
Ward 9	Zandisile Thole St	-33.002142°	27.863780°
Ward 12	Mdantsane NU 1 (Nkomponi)	-32.940091°	27.784008°
Ward 23	Mdantsane R – Zone 14 Erf 973	-32.958407°	27.704150°
Ward 5	Scenery Park - Bill Andrew Close	-32.995401°	27.825428°
Ward 12	Mdantsane NU 1 (Erf 2022)	-32.938365°	27.781118°
Ward 21	Thambo Park Potsdam Rd	-32.939049°	27.682799°
Ward 23	Mdantsane R	-32.954685°	27.697382°
Ward 24	Khayelitsha	-32.908710°	27.680135°
Ward 44	Acorn Valley	-32.899193°	27.443217°
Ward 13	Hutchinson Area	-32.972714	27.812063
Ward 30	Mdantsane West	-32.921340	27.716602
Ward 42	Unit 1 Phakamile JP School	-32.938906	27.766247
Ward 24	Potsdam East	-32.911970	27.683830
Ward 12	Mdantsane NU 1 Zion Church (ZCC)	-32.942015	27.781725
Ward 25	Zwelitsha	-32.926601	27.438707







Completed Mast

Mast Being Installed

6 x LED lights

NETWORK STABILITY/ ENHANCEMENT:

The The Electricity and Energy Services Department delivers essential services. Without a reliable network and increased capacity, the department cannot provide its services effectively or accommodate additional connections. Despite BCMM's capital funding, the electricity network remains unstable due to persistent vandalism, theft, and illegal connections. As a result, capital funds have been used to replace equipment prematurely, rather than at the end of its normal service life. This premature replacement has delayed scheduled maintenance on other equipment, leading to further failures. Vandalism, unauthorised connections, and deferred maintenance are examples of abnormal network conditions that have made it necessary for the DEE to prioritise the replacement and upgrading of the electrical network.

Numerous power outages and an inadequate electricity supply to consumers have resulted from the current condition of the network. The updated Electrical Master Plan includes a strategic capital reinvestment programme with realistic objectives. The required capital budget to ensure network stability will form part of the investment plan. This plan aims to restore the network, preventing further power outages in BCMM, which would otherwise impede the City's

economic growth and reduce revenue, as the majority of the City's annual income is derived from electricity sales.

In the 2024–2025 financial year, the Electricity Department was allocated R148,5 million for capital projects. To ensure a safe, reliable, and efficient electrical network, the department undertook several initiatives, utilising 92% of the budget. During the reviewed year, the department upgraded, renewed, and refurbished numerous assets.

ACHIEVEMENTS 2024 – 2025

BULK ELECTRICITY INFRASTRUCTURE UPGRADE (Ring Fenced 4% of Revenue)





ACHIEVEMENTS 2024/2025 FINANCIAL YEAR	
BULK ELECTRICITY INFRASTRUCTURE UPGRADE (Ring Fenced 4%)	EXPENDITURE
Da Gama Pump 1 Structure and Line (Tshatshu Dam)	301 267,57
Berlin Central OH Mains Change Overs	2 049 724,11
Cambridge OH Mains Replacement	2 108 916,39
Breezyvale Connector Rd OH Replacement (IDZ Line)	1 298 422,97
Gonubie ABC Upgrade	2 493 166,65
Nahoon Phase 3 ABC Upgrade	4 529 884,75
Woodbrook OH Line / Westbank / Queenspark / Woodbrook	2 998 223,89
Vincent OH Mains Replacement	5 501 299,81
Buffalo Flats Kiosks Replacement	1 483 079,59
Berea OH Network	3 662 864,22
Abbotsford ABC Upgrade	1 333 687,97

Milner Estate / Panmure	2 421 118,39
Tapson St Cambridge OH Mains Replacement	636 826,85
Stoneydrift Transformer 11 and 12: Work Schedule 1 - 7 (Additional R6 157 758)	21 494 968,38
Progress Transformer 2 & 3: Work Schedule 1 - 7 (Additional R342 242)	10 139 730,61
Supply & Del Transmission Transformer Stoneydrift (WIP2023/4: R14 102 761,63)	19 014 265,68
	
Supply & Del Transmission Transformer Progress (WIP2023/4: R14 102 761,13)	14 804 131,20
Access Control 2024/2025	5 798 923,25
Stafford – Eskom Inter-Connection	2 499 714,51
SCADA Coastal	3 499 248,29
SCADA Inland/Midland	3 549 841,48
Woodbrook Substation 132 kV Busbars	1 999 382,60
Teichman Rd Install Refurbished RMU	545 718,60
Goold St Westbank KWT Replace 500 kVA M/Substation	1 022 146,48
Mzamomhle PMT16 Replacement 100 kVA	93 915,92
Mzamomhle PMT12 Replacement 100 kVA	98 670,43
Polar Park Dimbaza Replacement 200 kVA	155 873,68
Phakmisa South PMT5 Replacement 100 kVA	76 720,26
Phakmisa South PMT2 Replacement 100 kVA	77 907,70
Cambridge Loc PMT4 Replacement 100 kVA	63 396,56
Amalinda Forest PMT2 Replacement 200 kVA	101 867,34
Gcobani School PMT3 Replacement 100kVA	98 670,43
Airport Phase 2A PMT1 Replacement 100 kVA	98 670,43
Nompumelelo PMT16 Replacement 100 kVA	85 510,43
Nompumelelo PMT17 Replacement 100 kVA	98 670,43
Nompumelelo PMT18 Replacement 100 kVA	98 670,43
Nompumelelo PMT14 Replacement 100 kVA (Contractor)	110 767,13
Nompumelelo PMT4 Replacement 100 kVA (Contractor) Replacement Purchased	207 799,85
C-Section Duncan Village PMT14 Replacement 200 kVA	141 313,06
Cambridge Location Replacement 200 kVA	141 313,06
Nompumelelo PMT2 Replacement 100 kVA	63 396,56
Zwelitsha Erf 1585 Replacement 200 kVA	219 977,53
Load Control (Chiselhurst 3rd Bay)	3 384 652,77
Mcilongo Street 500 kVA M/Substation Installation	1 709 457,64
Mzamomhle PMT10 Replacement 100 kVA (Contractor)	89 305,85
Gcobani School PMT3 Replacement 100 kVA	63 396,56
Nompumelelo PMT15 Replacement	63 396,56
Zwelitsha PMT Replacement	63 396,56

Amalinda Forest PMT3 Replacement	141 315,46
Mzamomhle PMT9 Replacement	63 396,56
Airport Phase 2A PMT1 Replacement 100 kVA CPA	98 670,42
Alphen Road 315kVA M/Substation Replacement	766 341,42
Woodbrook Line (WIP) R1 468 556,52)	16 406,12
Buffalo Flats Kiosks - Phase 3	1 377 008,73
Mzamomhle PMT 12 & 21 Replacement CPA	197 340,83
Cambridge Location 3, 4 & 5 Replacement	338 656,29
Alice Street KWT Install 315 kVA M/Substation	2 050 354,73
Central Injection / Embekweni Transformer 10 mva	459 937,19
Inland Replace Kiosks Various Areas	3 816 814,18
Retrofitting Main Roads East London	1 496 693,27
PRT Cable Fault Location Equipment	500 534,89
PRT Power Station Fencing (Incorrect Act used)	365 417,87
Retrofitting Residential Areas East London	9 095 834,54
Ndancama PMT 3 Replacement	106 782,42
Ayliff St KWT (KFC) 500 kVA M/Substation (Actom/N&R - C & M to Inv)	1 697 448,42
Woodstock Replacement 500 kVA M/Substation (Actom/N&R - C & M to Inv)	1 430 930,09
Tidewaters 500kVA M/Sub (C & M Fastners to Inv - M/Sub already installed)	965 624,49
Kayo Shoes Dimbaza 500 kVA M/Sub	618 509,56
Clubview M/Substation Replace 315 kVA with 500 kVA	1 064 190,71
Whelan Township Replace 315 kVA M/Sub Transformer	145 502,73
Epsom Rd Replace 500 kVA M/Sub Transformer	187 694,61
Dimbaza Central Replace 200 kVA PMT	163 281,96
Transformer Replacements Various	572 481,88
Rosedale Rd M/Substation Replacement (Ins 4297 Claim)	959 138,69



Formal for Electrification

The Electricity and Energy Services Department undertakes electrification projects to provide electricity to formal housing through service connections for RDP homes. In line with the government's Universal Access Policy, BCMM's Electricity and Energy Services Department requests a list of homes that are ready for electrification. The number of completed homes

and the funding available through the USDG determine how many households can be connected. In the reviewed year, 328 low-income homes were completed.



Informal Electrification

It is recognised that informal settlements are a reality of urban life, and that many residents will only gain access to housing in the medium to long term. While some progress has been made with electrification, the programme has stalled due to the high density of undeveloped areas, the fact that many informal settlements do not meet the minimum requirements, and other challenges. The current backlog exceeds 87%. An electrification policy has been developed, setting out the requirements for electrification in a safe manner. Re-blocking involves reorganising and reducing the density of areas that meet the requirements for electrification but are not suitable for a layout plan, in order to create clear routes for electrification.

ELECTRICITY CHALLENGES

Throughout the year under review, several factors compromised the provision of a reliable, efficient, and safe service. The principal challenges impacting the DEE included equipment theft and vandalism, illegal connections resulting in overload, and insufficient funding, which led to damage to electrical infrastructure.



The aforementioned increase has adversely affected the quality of service received by BCMM customers. Evidence indicates that certain incidents of cable theft are motivated by factors beyond financial gain, including support for the "illegal electricity" trade. Unless substantial efforts are made to address non-technical losses, the service will continue to operate at a deficit, which has already exerted a considerable impact on the municipality's revenue and threatens the ongoing supply of electricity to legitimate consumers. To ensure continued service delivery, departments such as the Electricity and Energy Services Department must implement a turnaround plan informed by these challenges, as well as additional issues identified by National Treasury.

The following was emphasised by the National Treasury:

Statement of the Problem

• Systematic underfunding of infrastructure expansion and rehabilitation.

• A failing trading services company is one that is unable to support the required level of investments, has declining and negative cash flows from operations, and has an effect on municipal finances.

Root Causes at the Local Level

• The manner in which the business is structured contains significant flaws, including inadequate support services, weak management accountability, and a lack of financial transparency.

• The loss of technical and managerial capacity required to operate a successful multi-billion-rand infrastructure entity.

• Ineffective leadership and poor governance, compounded by political instability and the influence of corrupt interests.

National Level Contributing Factors

• Grants lack incentives for efficiency and performance and are therefore ineffective.

• The use of the private sector, procurement, and economic regulation are weaknesses in the enabling environment.

According to National Treasury, a bold response is required. Five key requirements must be met in order to achieve and sustain effective service delivery and to turn around service departments:

- A clearly defined relationship between the service and the City;
- A cash revenue turnaround;
- A financial surplus;
- A single point of management accountability; and
- Full financial transparency for the Electricity & Energy Service.

TAMPERING AND ILLEGAL CONNECTIONS

The BCMM Electricity Department's mandate to provide a safe, effective, and reliable electricity service is being hindered by ongoing theft, vandalism, and illegal connections. Land invasions of open spaces are leading to an increase in illegal connections within the city, making it impossible to deliver services in areas near these informal settlements. The department has no control over these unlawful activities, which are carried out by some members of the communities being served.

Illegal electricity users are connecting to the BCMM MV lines (11 000 volts) and installing their own networks with stolen transformers, enabling them to supply unauthorised electricity to a wider group of illegal consumers. This practice has significantly increased risks for both the community and BCMM staff.





These illegal activities impact not only BCMM's capacity to deliver electrical services to lawful consumers but also result in loss of life, diminished revenue, and significant damage to equipment and the electrical network.

As a consequence of fatalities caused by illegal connections, communities have initiated legal proceedings against BCMM, with the number of claimants continuing to rise. In turn, BCMM is contemplating legal action against those responsible for illegal connections, aiming both to discourage such practices and to reduce the volume of legal claims brought against the Municipality.

Budgets:

Under standard network conditions, the Operations and Maintenance budget of the Electricity and Energy Service Department remains inadequate. As indicated above, theft, vandalism, and illegal connections account for at least 90% of the budget being allocated to non-essential maintenance.

Deferred maintenance refers to instances where equipment is not serviced as required to prevent catastrophic failure. Load-shedding pushes equipment to its operational limits, placing the network at risk; equipment failure then demands costly replacement or extensive refurbishment.

Catastrophic failures requiring immediate replacement place significant pressure on capital funding, consequently delaying capital projects unless additional resources are provided.

Capital funding should be allocated for network upgrades to support increased load from new customers or to replace assets that have exceeded their service life. However, as previously

discussed, current funding is often diverted to replace equipment that, if properly maintained, would not need replacement. Increased funding would help ensure the network's electrical supply and service quality continue to meet requisite standards.

T 3.3.9

3.4. WASTE MANAGEMENT

INTRODUCTION TO WASTE MANAGEMENT

The SWMS Department provides waste management services across all three regions of the City – Coastal, Midland, and Inland. Operations include delivering these services in both formal and informal areas of BCMM, including communities experiencing poverty. Refuse removal is currently offered in 15 areas within the Coastal region, 7 in the Midland region, and 12 in the Inland region. This service is delivered according to the established refuse collection schedule, which has been communicated to BCMM residents. The direct benefit to citizens is a healthier environment and enhanced city aesthetics. A recurring challenge has been residents not following the refuse collection schedule; this is addressed through awareness campaigns that encourage adherence to the schedule and promote the value of a clean environment.

The SWMS Department is also tasked with overseeing the operations and management of landfill sites designated for non-hazardous waste, as well as transfer stations. Their responsibilities include ensuring that the daily functioning and administration of these waste management facilities adhere to the legal standards set out by relevant waste management legislation.

BCMM operates two authorised landfill sites: Roundhill Landfill and Qonce Landfill. Additionally, there are three transfer stations – Kayser's Beach Garden, Kidd's Beach Garden, and Beacon Bay Garden Transfer Stations. A fourth garden transfer station, located in Gonubie, is privately owned.

The department is also responsible for diverting waste from landfill through Buy-Back Centres, which function as multi-recycling hubs for purchasing, sorting, and reselling various plastics and other recyclables such as paper, cans, glass, and bottles. This project was initiated after it became apparent that waste reclaimers or waste pickers struggled to find destinations for the waste they collected. As a result, waste reclaimers or waste pickers now sell their recyclable materials to the Buy-Back Centres and receive vouchers from a range of stores as compensation.

The following waste management activities and interventions were carried out:

- The Accelerated Programme focused on street cleaning, litter picking, gutter clearance, and bush clearing through the Integrated Rapid Response Team (IRRT), the EPWP, and PEPs in both informal and formal settlements, aimed at improving the cleanliness of the City.
- Integration of daily operations of the Directorate of Services, including street cleaning, gutter clearance, the removal of illegal dumping, grass cutting, and bush clearing, resulting in visible improvements in the cleanliness of the City.
- Implementation of the Clearance of Illegal Dumps Programme informed by supervisor inspections and community complaints across all three regions of the City. Several sites were successfully cleaned, with some subsequently adopted by the business community for commercial use or beautification initiatives. A key challenge identified by the Directorate is the re-emergence of illegal dumping despite these efforts. The response to this challenge has been the rollout of ongoing education and awareness programmes during the reporting year.
- Clustering of residential service areas for refuse removal to ensure optimal use of resources and to prevent waste collection backlogs.
- Distribution of refuse bags to informal and formal households, including the implementation of a weekly refuse collection service, to promote maximum cleanliness across the City.
- Implementation of a three-shift system, which has enhanced the quality of services delivered to communities.

T 3.4.1

Solid Waste Service Delivery Levels				
				Households
Description	2021/22	2022/23	2023/24	2024/25
	Actual No.	Actual No.	Actual No.	Actual No.
Solid Waste Removal: **(Minimum level)**				
Removed at least once a week	157 392	157 392	157 392	157 392
Minimum Service Level and Above sub-total	157 392	157 392	157 392	157 392
Minimum Service Level and Above percentage	71,1%	71,1%	71,1%	70470,6%
Solid Waste Removal: **(Below minimum level)**				
Removed less frequently than once a week	2012,11	2 012	2012,11	2012,11
Using communal refuse dump	6 707	6 707	6 707	6 707
Using own refuse dump	46 949	46 949	46 949	46 949
Other rubbish disposal	3 130	3 130	3 130	3 130
No rubbish disposal	7 154	7 154	7 154	7 154
Below Minimum Service Level sub-total	63 942	63 942	63 942	63 942
Below Minimum Service Level percentage	28,9%	28,9%	28,9%	28629,6%
Total number of households	**221 334**	**223 344**	**223 344**	**223 344**
				T 3.4.2

Households - Solid Waste Service Delivery Levels below the minimum						
						Households
Description	2021/22	2022/23	2023/24	2024/25		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	2012,112	2012,112	2012,112	2012,112	2012,112	2012,112
Households below minimum service level	1416,52	1416,52	1416,52	1416,52	1416,52	1416,52
Proportion of households below minimum service level	70,40%	70,40%	70,40%	70,40%	70,40%	70,40%
Informal Settlements						
Total households	100 000	100 000	100 000	63940,88	100 000	100 000
Households ts below minimum service	25 000	25 000	25 000		25 000	25 000
Proportion of households ts below minimum service level	25%	25%	25%	0%	25%	25%
						T 3.4.3

Waste Management Service Policy Objectives Taken From IDP									
Service Objectives / Service Indicators	Outline Service Targets	2023/2024		2024/2025			2025/2026	2027/2028	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Waste handling- known informal settlements receiving integrated waste handling services	100% of known informal settlements receiving integrated waste handling services.	100% of known informal settlements receiving integrated waste handling services.	100% of known informal settlements receiving integrated waste handling services.	100% of known informal settlements receiving integrated waste handling services.	100% of known informal settlements receiving integrated waste handling services.	100% of known informal settlements receiving integrated waste handling services.	100% of known informal settlements receiving integrated waste handling services.	100% of known informal settlements receiving integrated waste handling services.	100% of known informal settlements receiving integrated waste handling services.
Number of Waste Diversion Garden Transfer Stations established	1 Waste Diversion Garden Transfer Station established	1 Waste Diversion Garden Transfer Station established	1 Waste Diversion Garden Transfer Station established	N/A	N/A	N/A	1 Waste Diversion Garden Transfer Station established	1 Waste Diversion Garden Transfer Station established	1 Waste Diversion Garden Transfer Station established
Implementation of waste diversion initiatives- Number of Tons of recyclables diverted from Landfills to Buy-Back Centres	Tons/ Kilograms of recyclables diverted	600 000kg of recyclables diverted from Landfills to Buy-Back Centres	838 011.30 kg of recyclables diverted from Landfills to Buy-Back Centres	838 011.30 kg of recyclables diverted from Landfills to Buy-Back Centres	800 000 kg of recyclables diverted from Landfills to Buy-Back Centres	869 694,80 kg of recyclables diverted from Landfills to Buy-Back Centres	600 000 kg of recycleables diverted to Buy-Back Centres	600 000 kg of recycleables diverted to Buy-Back Centres	600 000 kg of recycleables diverted to Buy-Back Centres

T3.4.4.

Employees at Solid Waste Services

Employees: Solid Waste Magement Services					
Job Level	2023/2024	2024/2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	514	391	381	10	3%
4 - 6	31	22	21	1	5%
7 - 9	71	61	49	12	20%
10 - 12	12	11	10	1	9%
13 - 15	2	3	3	0	0%
16 - 18	4	4	4	0	0%
19 - 20	2	2	2	0	0%
Total	636	494	470	24	5%

T3.4.5

Employees at Waste Disposal & Other Services

Employees: Waste Disposal and Other Services					
Job Level	2023/2024	2024/2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	19	19	18	1	5%
4 - 6	4	5	4	1	20%
7 - 9	7	10	8	1	10%
10 - 12	0	1	0	1	100%
13 - 15	0	0	0	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	31	36	31	4	11%

T3.4.6

Financial Performance for Financial Year 2024/2025: Solid Waste Management

Financial Performance 2024/2025: Solid Waste Management Services					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**668,946**	**741,941**	**741,847**	**731,870**	4%
Expenditure:	–			–	
Employees	229,982	249,049	224,826	224,252	2%
Repairs and Maintenance	8,325	14,999	7,561	7,431	-6%
Other	372,064	244,775	471,559	505,233	42%
Total Operational Expenditure	**610,371**	**508,823**	**703,946**	**736,916**	18%
Net Operational Expenditure	**(58,575)**	**(233,117)**	**(37,901)**	**5,046**	-59%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					***T 3.4.7***

Financial Performance 2024/2025: Waste Disposal and Other Services					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**740**	**8,674**	**8,674**	**858**	**-911%**
Expenditure:					
Employees	14,856	15,297	15,753	15,549	2%
Repairs and Maintenance	30	160	–	–	0%
Other	25,879	20,560	43,037	43,037	52%
Total Operational Expenditure	**40,764**	**36,016**	**58,790**	**58,586**	**39%**
Net Operational Expenditure	**40,024**	**27,343**	**50,116**	**57,728**	**53%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					***T 3.4.8***

Capital expenditure for 2024/2025: Waste Management Services

Capital Expenditure 2024/2025: Waste Management Services					R' 000
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**65,300**	**38,153**	**21,771**	**-200%**	
OFFICE FURN & EQUIPMENT (DIRECTORATE)	500	500	583	14%	583
OFFICE FURN & EQUIPMENT (DIRECTORATE)	–	419	310	100%	310
ALTERNATIVE ENERGY SYSTEM AND NETWORK CONNECTIVITY	–	243	–	0%	–
BCM FLEET AND PLANT - FOR SOLID WASTE AND ENVIRONMENTAL MANAGEMENT	10,000	7,000	2,532	-295%	10,532
BCM FLEET AND PLANT - FOR SOLID WASTE AND ENVIRONMENTAL MANAGEMENT		6,000	–	0%	–
PURCHASE OF BULK CONTAINERS WITH REMOVAL VEHICLES	2,000	2,000	–	0%	3,000
PURCHASE OF BULK CONTAINERS WITH REMOVAL VEHICLES	–	2,451	–	0%	–
ACQUISITION OF REFUSE COMPACTOR TRUCKS	1,000	700	–	0%	–
ACQUISITION OF LDV'S AND 4 TON TRUCK	5,000	–	–	0%	–
ACQUISITION OF REFUSE COMPACTOR TRUCKS	15,000	15,117	15,054	0%	15,054
REFURBISHMENT OF TRANSFER STATIONS	800	153	153	-422%	153
REFURBISHMENT OF WASTE MANAGEMENT FACILITIES	6,300	–	–	0%	–
CONSTRUCT CELL 5 & 6 AT ROUNDHILL LANDFILL SITE	2,000	–	–	0%	–
CONSTR WASTE CELLS AT KWT LANDFILL SITE	–	–	68	100%	24,568
ESTABLISHMENT OF GARDEN TRANSFER STATIONS (MIDLAND)	4,350	–	–	0%	4,740
ESTABLISHMENT OF GARDEN TRANSFER STATIONS (INLAND)	4,350	–	–	0%	4,113
CONSTRUCTION OF TRANSFER STATIONS/ESTABLISHMENT OF BUY BACK CENTRES	1,000	–	–	0%	–
PURCHASE OF CAMBRIDGE DEPOT	–	–	–	0%	–
GALVANISED STREET LITTER BINS	2,000	1,965	1,965	-2%	1,965
DEVELOP WASTE TO ENERGY PROJECTS	2,000	–	–	0%	–
REFURBISHMENT OF WASTE MANAGEMENT FACILITIES	3,000	–	–	0%	–
ACQUISITION OF CHIPPING MACHINES FOR GARDEN TRANSFER STATION	1,500	–	–	0%	–
ACQUISITION OF PLANT & MACHINERY FOR LANDFILL SITES AND GARDEN TRANSFER STATIONS	1,500	1,106	1,106	-36%	1,106
FENCING OF SWEM OFFICE COMPLEX AND CONSTRUCTION OF GUARD HOUSE	3,000	–	–	0%	–
SUPPLY, DELIVER AND INSTALL A PREFABRICATED GUARD HOUSE STRUCTURE		500	–	0%	–
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.4.9*

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

- Operationalisation of eight eight Buy-Back Centres has established multi-recycling hubs dedicated to the purchase, sorting, and resale of a range of plastic materials, as well as other recyclables including paper, cans, glass, and bottles. During the reporting period, a total of 869 694,80 kilograms of recyclables were diverted from landfill disposal through these centres.
- Galvanised street litter bins were installed across all three regions of the City to reduce littering. In total, 445 street litter bins were positioned in areas with high pedestrian traffic, such as busy streets, taxi ranks, beaches, landfill sites, CBDs, and at key entry and exit points of the City. The distribution and installation of these bins are detailed as follows:
    - Coastal Region – 270 street litter bins
    - Inland region – 115 street litter bins
    - Midland region – 60 street litter bins
- In addition, the City increased its efforts in street cleaning, litter collection, gutter clearance, bush removal, and related activities through the IRRT, EPWP, and PEP.
- The department acquired a landfill dozer and a roll-on roll-off truck for landfill operations, resulting in improved efficiency, safety, and environmental compliance. These assets have bolstered the department's ability to manage landfill activities effectively.
- Furthermore, three receptacle containers and a wood chipper were procured for the Kidd's Beach Garden Transfer Station. The chipper processes bulky waste into wood chips, while the containers facilitate sorting and containment, thereby supporting safer and more organised operations.

T 3.4.10

3.5. HOUSING

INTRODUCTION TO HOUSING

Section 26(1) of the Constitution states that: 1) South Africans have the right to access sustainable housing; and 2) the South African Government is required to adopt reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right. Measures include the SPLUMA, No. 56 of 2003; Intergovernmental Relations Framework Act, No. 13 of 2005, and accompanying regulations; the National Housing Code of 2009; and "Breaking New Ground": A Comprehensive Plan for the Development of Sustainable Human Settlements (2004). In accordance with the Housing Act,

No. 107 of 1997, the Housing Planning and Strategy Department is responsible for ensuring that appropriate policies and strategies are in place for the provision of housing opportunities. The BCMM Human Settlements Directorate, through Council, formulated the Housing Allocation and Relocation Policy of 2014, which is currently under review, as well as the Integrated Sustainable Human Settlements Plan (ISHSP).

BCMM commits to prioritising housing and related services, identifying and designating land for human settlements development, and initiating, co-ordinating, facilitating, promoting, and enabling appropriate human settlements development as mandated by the Constitution (RSA, 1996). The BCMM Human Settlements Directorate also undertakes measures to ensure that residents within its jurisdiction have access to sustainable housing on a progressive basis. Moreover, it aims to guarantee that the living environment is characterised by a high quality of life, with robust health and safety standards.

The sustainable development of affordable, well-located rental and social housing stock for the urbanising, rapidly growing, and mobile (migrant) urban population within inner-city areas and other locations proximate to economic opportunities remains a housing priority. In BCMM, Social Housing projects are administered and funded by the Provincial Department of Human Settlements. Projects include the Own Haven Housing Association, which comprises 249 fully tenanted units; Hlala Nathi Social Housing, expected to yield 603 units but currently stalled due to funding agreements and other legal complexities; and Belgravia Valley Phase 3, which is projected to deliver 370 units but is blocked due to insufficient demand from prospective tenants. In an effort to enhance service delivery in social housing development, the Directorate has facilitated the application for the gazetting of restructuring zones, such as Mount Ruth and Mdantsane CBD. Additionally, Social Housing Institutions (SHIs) developers have expressed interest in constructing social housing units within BCMM, although these SHIs remain at the planning stage.

A significant challenge facing BCMM is the scarcity of well-located, affordable land suitable for human settlement development. Public land remains under state ownership, and accessing such land has consistently proven more complex than acquiring privately held land. The release of land is further constrained by numerous legislative frameworks and legal procedures governing land alienation, as well as hurdles related to the acquisition of state-owned land and constitutional requirements influencing the procurement of private land.

In an effort to address this challenge, BCMM engaged the Housing Development Agency (HDA) and entered into a protocol agreement to facilitate land release and acquisition. The protocol agreement between BCMM and the HDA was signed in November 2013.

The protracted process of land release and the transfer of ownership to BCMM has extended beyond initial expectations. Such challenges have resulted in significant delays to the anticipated pace of upgrading informal settlements, particularly regarding the provision of fully serviced sites and the construction of adequate housing for homeless individuals, destitute citizens, and backyard dwellers within BCMM. There is a pressing need to make all land parcels available in order to enhance service delivery. In response, Council has mandated the Directorate of Spatial Planning and Development to undertake a land audit to address land-related obstacles within BCMM. This audit has been completed and the report submitted to the relevant Council structures.

BCMM requires a paradigm shift in its provision of housing, which has predominantly focused on household families residing in informal settlements. However, this approach has led to animosity among households living in backyard shacks and those who are blue card holders. The Human Settlements Directorate has undertaken to revise its strategy, aiming to strike a balance in providing houses to families in informal settlements, those residing in backyard shacks, and blue card holders. The BCMM Human Settlements Directorate is in the process of amending its policy to focus on people living in backyards, those with blue cards, and also to implement the Integrated Residential Development Programme (IRDP), which is a site-and-service initiative where non-qualifiers, according to Breaking New Ground (BNG) criteria, will be considered in all future housing developments.

BCMM has ± 119 024 prospective beneficiaries registered in the NHNR. These prospective beneficiaries remain in the NHNR system until land is made available by the Directorate of Spatial Planning and Development, and budget is provided by the Provincial Department of Human Settlements. With regard to informal settlements, the Municipality has ± 80 600 households residing in such areas. The Directorates of Human Settlements, Spatial Planning and Development, and Infrastructural Services work hand in hand in respect of the Informal Settlements Upgrading Programme (ISUP), which is funded through the Informal Settlement Upgrading Partnership Grant (ISUPG). As part of the proposed paradigm shift, Human Settlements has initiated an informal settlements re-blocking programme, which has received support from the National Department of Human Settlements from the 2024/25 financial year. The programme aims to further enhance the provision of basic services to informal settlements that will take longer to plan for a full upgrade.

The Directorate of Human Settlements' service delivery is measured according to the number of top structures completed, the number of fully serviced sites provided with water and sanitation, and the number of beneficiaries registered for housing opportunities.

In the 2024/25 financial year, the Directorate completed 439 top structures, 623 internal services, and 2 016 beneficiaries were registered in the NHNR. The NHNR is the planning tool that the Directorate of Human Settlements uses when planning human settlements development for future projects.

The Directorate has conducted over 45 sessions of Housing Consumer Education in BCMM wards, aiming to inform prospective beneficiaries about all Human Settlements programmes and policies, including qualification criteria and the processes involved in ownership, management, and maintenance of a house. The Beneficiary Administration Unit continues with beneficiary registration in all projects implemented by the BCMM Human Settlements Directorate, where a funding agreement exists between the Province and BCMM. In addition, this unit contributes to community profiling, verification exercises, and shack numbering in cases involving illegal occupation, double allocation, and other challenges encountered by the Human Settlements Directorate. Subsequently, the Relocation Unit facilitates the relocation of HSS-approved beneficiaries to their respective completed RDP houses.

Furthermore, the guide and road map for human settlements goals, the ISHSP, was submitted to all three committees of Council for consideration and approval. It was subsequently approved and adopted by Council in June 2019. The ISHSP was developed to serve as the human settlements blueprint and guide for implementing various projects within BCMM. Furthermore, the ISHSP is an overarching plan that integrates a strategy to deliver a variety of accommodation types within the framework of infrastructure, transport, economic and social development, and initiatives as prioritised and spatially defined.

The implementation of the ISHSP involves classifying various projects, plans, and their objectives. To achieve these objectives, funding must be allocated by the relevant bodies established at municipal, provincial, or national level. The ISHSP broadly defines the scope and cost of the capital investments required for its implementation.

Based on the service delivery outlined above and an estimated average of four people per household, the 439 housing units constructed provided approximately 1 756 individuals – primarily from informal settlements – with access to decent, serviced housing.

Of the 439 housing units completed during the reporting period, 225 were constructed in Peelton and 214 in Mdantsane Zone 18cc.

Of the 623 serviced sites delivered in the same period, 201 were in Winnie Mandela, 222 in West Bank Restitution, and 200 in Cambridge West CNIP Victims.

Service delivery improved during 2024/25 across the following seven major construction projects:

- Mdantsane Zone 18 cc (Phase 1 & 2) – 1 500 (top structures and internal services)
- Peelton Housing Project – 598 (top structures only)
- Mdantsane Cluster 2 – 366 (top structures and internal services)
- West Bank Restitution – 900 (internal services only)
- Boxwood Housing Construction – 1 404 (top structures and internal services)
- Breidbach Housing Project – 139 (top structures and internal services)
- Cambridge West Ciskei National Independent Party (CNIP) Victims – 275 (top structures and internal services)

However, the above service delivery contracts require significant capital investment in infrastructure and substantial operating budgets. This calls for a reassessment of budget allocations to ensure these contracts are prioritised, thereby preventing budget constraints that could delay payments to contractors and potentially cause service delivery disruptions or protests. It has become clear that the service delivery requirements outlined in the IDP are not adequately supported by current budget allocations, particularly in light of recent reductions in National Treasury grant funding.

Impact:

The provision of 439 top structures and 623 serviced sites has significantly advanced the programme to relocate people from densely populated, health-risk informal settlements, where shared ablution facilities and exposure to various opportunistic diseases are common. The construction of internal services and houses has brought substantial socio-economic benefits, including the creation of approximately 891 job opportunities and the development of valuable skills.

T3.5.1.

Percentage of households with access to basic housing

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2021/22	233.400	163.000	69,8%
2022/23	280.951	166.451	59,2%
2023/24	268 438	229 783	85,6%
2024/25	269 000	229 800	85,4%
			T 3.5.2

Housing Service Policy Objectives Taken From IDP									
Service Objectives / Service Indicators	Outline Service Targets	2024/25		2025/26			2026/27	2027/28	
		Target	Actual	Target		Actual	Target		
(i)	(ii)	*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
To promote an integrated spatial form	Number of subsidised housing units completed	800	439	800	900	n/a	n/a	n/a	n/a
To promote an integrated spatial form	Number of formal sites serviced	700	623	700	800	n/a	n/a	n/a	n/a
Housing Developments located in quality environments and close to economic opportunities	Number of beneficiaries registered for housing opportunities	2020	2016	2020	2040	n/a	n/a	n/a	n/a

*Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. *'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.* T3.5.3

T3.5.3.

Employees at housing

Employees: Housing Services					
Job Level	2023/2024	2024/2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	12	12	11	1	8%
4 - 6	3	4	3	1	25%
7 - 9	28	33	32	1	3%
10 - 12	8	9	8	1	11%
13 - 15	6	8	7	1	0%
16 - 18	3	5	4	1	20%
19 - 20	1	1	2	0	0%
Total	61	72	67	6	8%

T 3.5.4

Financial performance for financial year 2024/2025: Housing Services

Financial Performance Year 2024/2025: Human Settlements Services					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**109,502**	**141,953**	**196,935**	**87,454**	**-62%**
Expenditure:					
Employees	41,876	45,242	47,643	45,886	1%
Repairs and Maintenance	380	503	240	240	-110%
Other	116,659	151,449	202,497	94,327	-61%
Total Operational Expenditure	**158,915**	**197,194**	**250,381**	**140,453**	**-40%**
Net Operational Expenditure	**49,413**	**55,241**	**53,445**	**53,000**	**-4%**

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.5.5

Capital Expenditure Year 2024/2025 Housing Services					R' 000
	Year2024/2025				
Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**225,927**	**211,642**	**208,335**	**-8%**	
Office Furniture and Equipment	500	413	413	-21%	500
Kaisers Beach Internal Roads	6,000	3,950	3,950	-52%	3,950
Cluster 3	2,000	50	50	-3873%	21,063
Potsdam Ikhwezi Block 2	1,000	–	–	0%	75
Potsdam North Kanana	1,000	–	–	0%	4,018
Duncan Village Proper	100	–	–	0%	6,503
Mdantsane Zone 18 CC Phase 2	14,000	20,998	20,998	33%	170,880
Amalinda 179 military veterans	3,000	–	–	0%	3,000
Cluster 1	1,000	1,070	1,070	7%	206,344
Cluster 2	15,000	12,490	12,489	-20%	120,164
Duncan Vill Comp Site	100	–	–	0%	–
Braelyn Ext 10	–	–	–	0%	6,925
Tyutyu Phase 3	2,000	6,587	6,587	70%	46,302
Westbank Restitution	13,000	4,336	4,336	-200%	16,114
C Section & Triangular Site	1,000	–	–	0%	387
D Hostel	1,200	3,625	3,625	67%	4,237
Ford Msimango	100	–	–	0%	2,887
N2 Road Reserve	1,000		–	0%	–
Hani Park- Water	1,000	2,795	2,795	64%	2,968
Hlalani Water	1,000	2,289	2,289	56%	3,204
Phola Park- Water	1,000	1,861	1,861	46%	2,250
Berlin Lingelitsha- Phase 1- Water	2,000	–	–	0%	3,008
Ilitha Sportfield- Water	5,000	3,612	3,612	-38%	4,419
Empilisweni- Water	3,000	–	–	0%	849
Matsheni Park- Water	3,000	6,475	6,475	54%	7,951
Khayelitsha- Water	3,000	1,817	1,817	-65%	4,445
Xhwitinja- Water	500	–	–	0%	500
Kwa Tshatshu- Water	100	–	–	0%	–
Ginsberg- Water	3,000	4,807	4,807	38%	6,569
Slovo Park- Water	1,000	–	–	0%	–
Ekuphumleni- Water	2,312	1,637	1,637	-41%	1,637
Ethembeni- Water	500	–	–	0%	–
East Bank Restitution	1,500	–	–	0%	–
Reeston Phase 2 Stage 3	6,000	5,986	5,986	0%	66,132
KWT golf club/ sweetwaters (new)	10,122	2,301	2,301	-340%	3,079
Nondula- Water	500	–	–	0%	3,505
Manyano Thembelihle Roads & Stormwater	6,000	1,113	1,113	-439%	1,113
Boxwood Project	10,000	5,000	5,000	-100%	122,691
CNIP Victims Project- Cambridge West	14,968	20,536	20,536	27%	40,582
Reeston Phase 3 Stage 2	19,424	28,995	24,398	20%	24,398
Phakamisa South	7,000	11,677	11,677	40%	80,095
Ilitha 177	2,000	–	–	0%	8,771
Dimbaza Shuter Houses	4,000	2,145	2,145	-86%	5,366
Mzamomhle Roads	6,000	7,377	7,377	19%	23,990
Mzamomhle: Peoples Housing process	1,000	5,806	5,806	83%	5,806
Parkhomes for Destitute & GBV Victims	1,000	1,006	1,006	1%	3,228
Ziphunzana Bypass Relocation Site (TRA's)	9,500	8,972	8,972	-6%	14,967
Mdantsane Erf 81,87, 88 relocation unit	1,000	(1,290)	–	0%	149,866
Fynbos Relocation Site Unit	500	–	–	0%	2,795
Potsdam Ikhwezi Block 1	13,000	6,734	6,734	-93%	21,864
Hemingways Informal Settlements	1,000	–	–	0%	260
Silvertown	1,000	–	–	0%	851
Breidbach Services Project	12,000	5,000	5,000	-140%	–
Stoney Drift TRA	1,000	–	–	0%	–
Nompumelelo TRA	1,000	–	–	0%	–
Pikinikini TRA	1,000	–	–	0%	–
Sunny South Roads	6,000	–	–	0%	–
Gqozo Village	1,000	–	–	0%	–
Scenery Park Roads	–	12,671	12,671	100%	12,671
Amalinda Junction	–	5,057	5,057	100%	5,057
Farm 924	–	3,748	3,748	100%	3,748
Total project value represents the estimated cost of the project on approval by council (including past and future					*T 3.5.6*

OVERALL COMMENTS ON THE PERFORMANCE OF THE HUMAN SETTLEMENTS SERVICE:

It should be noted that, in order for BCMM to fast-track the delivery of Human Settlements projects, it has entered into a Memorandum of Agreement (MOA) and an Implementation Protocol (IP) with the Housing Development Agency (HDA), as well as the Provincial and National Department of Human Settlements. These agreements have assisted with the award of the following major projects:

- Mdantsane Zone 18cc Housing Project (1 500 housing units)
- Mdantsane Cluster 2 Housing Project (366 housing units)
- Peelton and Tyutyu Village Housing Projects (1 866 housing units)
- Reeston Stage 3,Phase 2 Housing Project (450 housing units and engineering services)
- Westbank Restitution Project (1 884 engineering services)
- Ilitha North Housing Project (166 housing units)

It is worth reporting a major breakthrough regarding the commencement of the Cambridge West CNIP Housing Project, which started with the construction of internal services for all 275 sites. The project is aimed for completion by or before Quarter 1 of the 2026/27 financial year. BCMM has completed the construction of Farm No. 924 Temporary Relocation Areas (TRA), which will serve people who are affected by the delivery of the West Bank Restitution Housing Development, as there is currently invaded land earmarked for the implementation of the West Bank Restitution Project. The TRA is equipped with infrastructure in the form of roads, sanitation, and water. The relocation plan is being discussed internally. There were a number of urgent interventions to assist residents of the City who were affected by disasters in various forms. The following table provides details of the families that were assisted:

WARD	AREA (m2)	SECURITY FENCING	ABLUTION FACILITIES	CURRENT NO. OF UNITS AT TRA	OCCUPANCY %
1	Mekeni (859,34 m2)	✓	6 Toilets	10 TRUs	12 Families
2	Area 10 (2 434,08 m2)	✓	4 Toilets	22 TRUs	38 Families
8	Fynbos Sports Field (4 555,44 m2)	✓	16 Toilets	11 Park homes & 20 TRUs	31 Families
10	Seven De Laan (7 808,59 m2)	✓	3 Toilets	15 Parkhouse & 48 TRUs	63 Families
10	Braelyn (23 758, 91 m2)	✓	36 Toilets	187 TRUs	187 Families
10	Ziphunzana Bypass (11,5 hectares)	✓	None	None	None
42	Mdantsane Erf 81, 82, 87 & 88	✓	85 Toilets	578 TRUs	
20	Mdantsane NU7(2 772,70 m2)	✓	8 Toilets	15 TRUs	15 Families
11	Mdantsane NU 5	✓	4 Toilets	6 TRUs	6 Families
23	Mdantsane NU 16	✓	6 Toilets	8 TRUs	9 Families
21	Mdantsane NU 15 (Thambo Park)	✓	2 Toilets	3 TRUs'	3 Families
46	Emagalini'abomvu (5 775 m2)	✓	6 Toilets	18 TRUs	18 Families
31	Farm 924 (8,07 hectares)	✓	16 Toilets	None	
32	KwaSandile (1 266,37 m2)	✓	2 Toilets	3 Park homes (1 vandalised)	2 Families
WARD	**AREA (m2)**	**SECURITY FENCING**	**ABLUTION FACILITIES**	**CURRENT NO. OF UNITS AT TRA**	
15	Ducats North (2 774,3 m2)	✓	12	2 TRUs	2 Families
27	Mzamomhle (4 058,22 m2)	✓	20 Toilets	26 TRUs	26 Families
39	Ginsberg& Schornville	✓	5 Toilets	9 TRUs (Ginsberg) 4 TRUs (Schornville)	14 Families
48	NU 12 (457,08 m2)	✓	3 Toilets	3 TRUs	3 Families
TOTAL			**220**	**937**	

As part of efforts to strengthen internal controls regarding the packaging and contract administration of human settlements projects, as recommended by the Municipality's External Auditors, BCMM has refined its Standing Operating Procedure (SOP). This aims to establish

a standardised approach to planning, design, and contract administration, culminating in project closure, thereby ensuring transparency throughout all implementation phases.

The review will assist BCMM with planning and budgeting. Duncan Village contains the highest density and number of informal settlement structures. Current data indicate that there are approximately 14 500 backyard shacks in BCMM, with the greatest concentrations in the greater EL area, as well as the Mdantsane and Potsdam areas.

BCMM is presently engaged in the following priority housing programmes:

- Emergency housing programme, assisting Eastern Cape Department of Human Settlements (ECDoHS), which is the leading stakeholder.
- Upgrading of Informal Settlement Programme
- Rural Housing Subsidy Programme
- Project Linked Subsidy Programme
- Disposal of municipal housing stock (discount benefit scheme)
- Social Housing Support Programme and Consumer Education
- Beneficiary Administration
- Policy development to facilitate improved service delivery

The BCMM Human Settlements Directorate is tasked with providing adequate shelter for all residents currently living in informal settlements, facilitating their transition to formal housing through an incremental approach. This process aims to ensure that individuals presently receiving a sub-economic RDP level of service will ultimately benefit from a full RDP or higher standard of services.

Nevertheless, due to the scale of the housing provision required and the income levels of the beneficiaries, the impact of this programme will be considerable. Key concerns include land acquisition, state land transfer, the provision of water and sanitation services (specifically, the extent of infrastructure necessary to support such development), and the Municipality's ability to maintain these services sustainably. The likelihood remains high that most beneficiaries will be unable to afford the elevated levels of service. Consequently, cross-subsidisation is only feasible through integrated, mixed catalytic development programmes.

Various housing projects have been undertaken within BCMM, supported by the Provincial Department of Human Settlements, which has implemented several initiatives within the Municipality’s jurisdiction. These projects are distributed across the following areas:

- East London
- Mdantsane
- Reeston
- Potsdam
- Qonce
- Rural Areas

All Human Settlements projects that have received Council budget approval are considered priorities; there is no hierarchical ranking to determine which projects are more significant than others, as each is guided by the objective to eradicate informal settlements and secure tenure for individuals living in intolerable conditions. Nonetheless, some projects demand greater financial resources than others, largely due to variations in the number of housing units or individually owned sites to be delivered. During the 2024/25 financial year, the following four housing projects accounted for the largest budget allocations:

- Mdantsane Zone 18 cc – 1 500 housing units with internal services (Operating & Capital budget intake)
- Peelton Housing Project – 598 housing units (Operating budget intake)
- Reeston Phase 3 Stage 2 housing project – 450 housing units and internal services (Operating & Capital budget intake)
- West Bank Restitution Housing Project – 970 housing units with internal services only (Capital budget intake only)

Regarding variances between the approved budget estimate and the tendered contract value, cost discrepancies often arise when the Council's approved budget is insufficient compared to the actual contract values determined through the competitive bidding process. The Council cannot dictate how contractors price projects. Given the substantial number of projects required across 50 wards, it is necessary to ensure that all demands are reflected within the budget allocation. Consequently, projects with significant budget requirements are distributed over the three-year budget cycle in order to address budgetary constraints.

The BCMM engaged the National Department of Human Settlements to assist the Municipality in accelerating the eradication of informal settlements. The National Department of Human Settlements has made a budget available for Informal Settlements Upgrading. Informal Settlements Upgrading therefore refers to changing the status of informality into a semi-formal form and, in doing so, alleviating housing statistics. Furthermore, upgrading requires

recognition of the following three conditions: 1) property rights, 2) property values, and 3) the physical characteristics of basic assets and their impact on one another. Over and above the legal perspective of upgrading, it also addresses the issue of the unavailability of, or the need to improve, infrastructural services.

Overview on Human Settlements Service Delivery

Despite ongoing challenges related to staff shortages within programmes aimed at improving the lives of residents in informal settlements, the Buffalo City Metropolitan Municipality (BCMM) Human Settlements Directorate continues to make a significant impact.

BCMM has received confirmation of new Level 02 accreditation as of 10 June 2024. This accreditation will support the capacitation of the Human Settlements Directorate and contribute to enhanced outcomes in human settlements. The Provincial Department of Human Settlements and BCMM are currently finalising contractual obligations, with completion anticipated by the end of November 2024. Upon finalisation, BCMM will attain full Level 02 accreditation as a metropolitan municipality.

Following the signing of the IP, the Provincial Department of Human Settlements and BCMM are in the process of preparing an addendum to the IP to ensure alignment with KPIs. There remains an urgent need for budget allocations that address the service delivery demands outlined in the IDP. The inclusion of a five-year project plan is expected to strengthen the case for increased funding from National Treasury, thereby facilitating the achievement of defined objectives and service delivery targets.

The pressing requirement for budget allocations to meet IDP-driven service delivery demands, together with the finalisation of the Level 02 accreditation Implementation Protocol and the five-year project plan, will enhance motivation for increased funding from National Treasury and support the attainment of set objectives and targets over the five-year period.

The upgrading of informal settlements is gaining momentum, with ongoing efforts to review the current study on these areas, which reported approximately 154 informal settlements. Upon completion of the review, the processes of budgeting and planning for the upgrading of informal settlements are expected to become more effective.

T3.5.7.

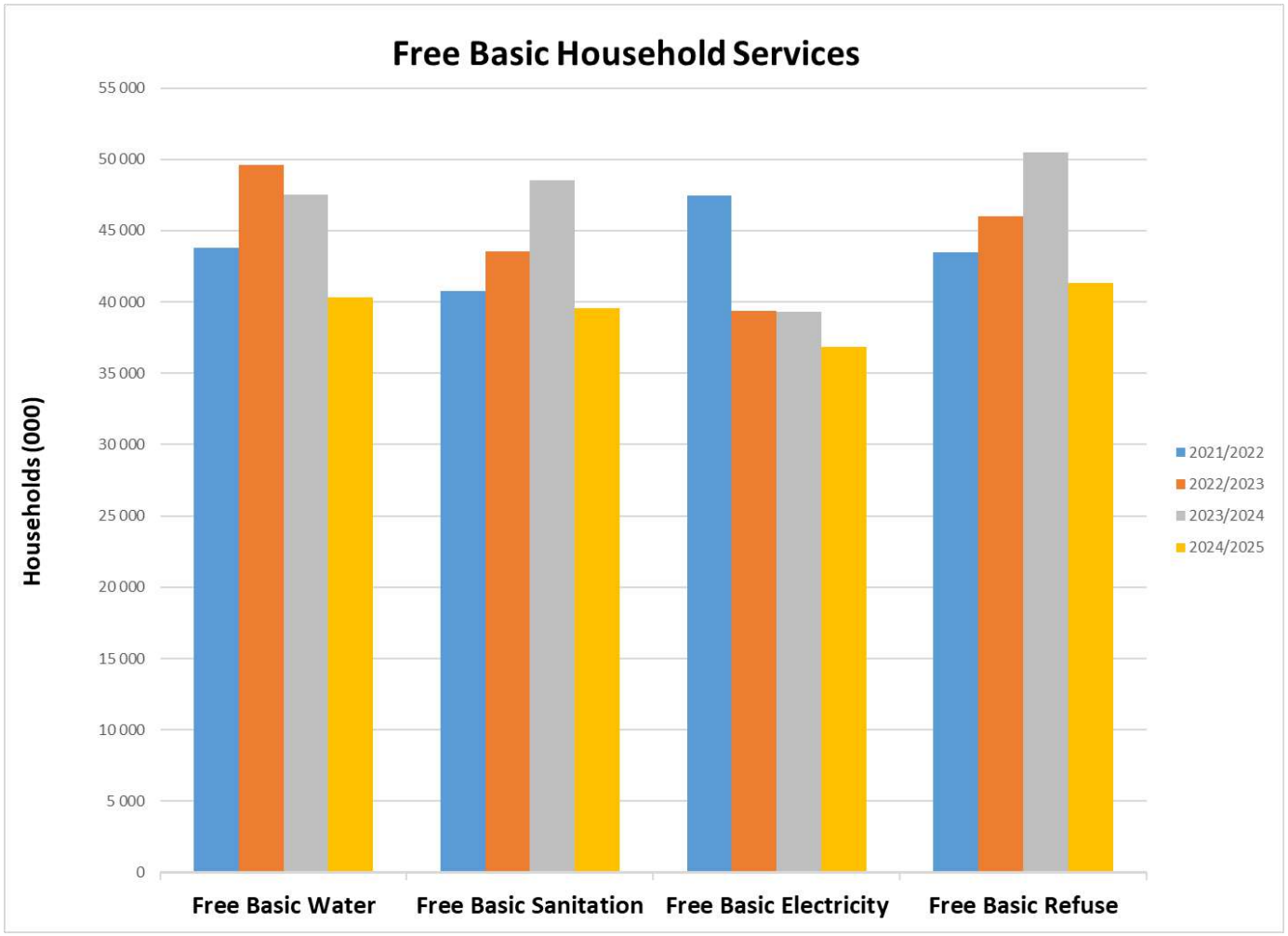
3.6. FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

In fulfilment of its constitutional obligation, BCMM provides a monthly indigent subsidy to registered indigent customers. BCMM has an Indigent Support Policy in place, which governs the application process and the financial aspects of the programme. Council reviewed the Indigent Support Policy for the 2024/2025 financial year. For the 2024/2025 period, the policy stipulates the qualifying criteria for a domestic household as either a gross household income equal to two social grants per month (totalling R4,200 for 2024/2025) or a property value of R150,000 or less. The indigent subsidy covers electricity (50 kWh), water (6 kl), refuse removal, sanitation, and property rates. Each month, during the billing run, the indigent subsidy is applied to the accounts of approved indigent beneficiaries. To receive the 50 kWh free basic electricity allocation, each beneficiary must claim the allocation via the electricity vending system.

Tables T3.6.2 and T3.6.3 below reflect the split between the different services related to the urban indigent register. The figures represent the actual number of subsidies granted per service. The grand total reflected in the tables represents the total number of registered indigent beneficiaries. The number of beneficiaries indicated is dependent on the number of registered indigent beneficiaries at the time of reporting.

T 3.6.1


Free Basic Household Services
Households (000)
55 000
50 000
45 000
40 000
35 000
30 000
25 000
20 000
15 000
10 000
5 000
0
Free Basic Water
Free Basic Sanitation
Free Basic Electricity
Free Basic Refuse
2021/2022
2022/2023
2023/2024
2024/2025

T 3.6.2

Free Basic Services to Local Income Households

Free Basic Services To Low Income Households										
	Number of households									
	Grand Total	Households earning less than R4,200 per month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
2021-2022	48,039	48,039	43,798	100%	40,738	100%	47,459	100%	43,453	100%
2022-2023	49,834	49,834	49,627	100%	43,553	100%	39,376	100%	46,029	100%
2023-2024	53,831	53,831	47,520	100%	48,509	100%	39,321	100%	50,490	100%
2024-2025	44,157	44,157	40,330	100%	39,576	100%	36,865	100%	41,332	100%
										T 3.6.3

Financial Performance 2024-2025: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2023/2024	2024/2025			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	240,065,112	244,743,656	244,743,656	298,024,821	18%
Waste Water (Sanitation)	51,985,612	108,893,492	108,893,492	74,664,734	-46%
Electricity	48,359,800	109,712,491	109,712,491	50,911,675	-115%
Waste Management (Solid Waste)	89,610,619	184,535,002	184,535,002	127,494,380	-45%
Total	**430,021,142**	**647,884,641**	**647,884,641**	**551,095,610**	**-18%**
					T 3.6.4

Free Basic Services Policy Objectives taken from the IDP

Free Basic Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2023/2024**		**2024/2025**					
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators		***Previous Year**		***Previous Year**	***Current Year**		**2025/2026**	**2026/2027**	**2027/2028**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective xxx									
Provision of Free Basic Services to Indigent households	Percentage of the municipality's operating budget spent on free basic services to indigent households	5,00%	5,61%	5,00%	5,00%	6,69%	5,00%	5,00%	5,00%
Provision of Free Basic Services to Indigent households	Free Basic Electricity provision levels as per percentage of total residential electricity provision (in terms of MWh)	10,00%	11,48 %	10,00%	10,00%	13,53 %	10,00%	10,00%	10,00%
*Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*									***T 3.6.5***

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

For the 2024/2025 period, the policy stipulates the qualifying criteria for a domestic household as either a gross household income equal to two social grants per month (totalling R4,200 for 2024/2025) or a property value of R150,000 or less. The subsidy relates to electricity (50 kWh), water (6 kl), refuse removal, sanitation, and property rates. Each month, during the billing process, the indigent subsidy is applied to the accounts of registered indigent beneficiaries. To receive free basic electricity, beneficiaries must claim their 50 kWh allocation each month via the electricity vending system.

The intention of the Indigent Support Policy is to assist beneficiaries with access to basic services and to rehabilitate them to a point where they are able to exit the indigent support programme. Annually, the municipality receives an equitable share from National Government, which funds the monthly provision of Free Basic Services to indigent beneficiaries.

The actual versus budget performance is outlined in Table T3.6.4 above.

T 3.6.6

COMPONENT B: ROAD TRANSPORT

INTRODUCTION TO ROAD TRANSPORT

Strategy

The purpose of the BCMM Transport Strategy is to provide a review of identified short, medium and long-term transport challenges that face BCMM and address them with appropriate sustainable strategies and programs where possible while following the prescribed legislation.

A primary objective of this transport strategy is to guide and manage future transport demands towards a more balanced transport system that promotes and gives priority to public transport and other alternative modes of transport. In so doing, it seeks to reinforce and compliment the spatial development plan, economic development strategies and long-term environmental management strategies and plans of the BCMM.

T.3.7

Priorities

The upgrading of the Ebuhlanti Taxi Rank included the construction of canopy shelters, a loading island, five hawker stalls with cooking facilities, seventeen hawker stands for fruit and vegetables, ablution facilities, and an office. Construction of the project commenced on 10 August 2022 and was completed on 17 September 2024, at a total cost of R19,6 million.





The upgrading of Moore Street to accommodate angled parking within the centre of the roadway was planned to assist with the increased volume of visitors to the beachfront during the festive and Easter seasons. The project entailed the relocation of all water and sewer lines from the centre of the road to the sidewalks, resurfacing of the existing roadway, provision of parallel parking within the centre of the roadway, and the installation of road markings. Construction of the works commenced on 05 January 2025 and was completed on 30 June 2025, at a total cost of R12,7 million.





The Construction of Traffic Circle at the Intersection of Golden Highway & R102. The Circle was to alleviate traffic flow in peak hour in the morning & afternoon and provide safety within the intersection. The project entailed the construction of traffic circle, taxi/bus embayment, sidewalk and lighting. Construction of the Works started on 15 July 2023 and was completed in November 2024 at a cost of R 30,5million.



3.7. ROADS

INTRODUCTION TO ROADS

A safe, reliable roads network forms the backbone of any successful city, as the transportation of people and goods is essential for the provision of services, access to employment opportunities, and the effective operation of business and industry. The core responsibility of the BCMM Roads Branch is to deliver a safe, all-weather roads network that supports the city's growth and continued function.

A well-maintained and properly designed roads network improves efficiency, lowers costs, and contributes to greater safety for both motorists and pedestrians. Mobility and accessibility are significant considerations for investors and private individuals when choosing to invest in or relocate to a city. The City's proximity to all modes of transport – including road, rail, air, and ocean – further enhances its appeal for manufacturing activities. In the global market, the City benefits from its central location between the East and West.

The West Bank precinct serves as a critical catalyst for the City's growth and development, housing the IDZ, harbour, and airport. An efficient, high-quality roads network is essential in linking these key transport modes. The recent upgrades to Settlers Way and Military Road have significantly improved connectivity between these vital points of transportation.

The BCMM road network comprises approximately 3 327 km of surfaced and gravel roads, with an estimated replacement cost of R9,7 billion. The surfaced roads network, which includes asphalt, concrete, and block-paved roads, extends over roughly 1 709 km and is valued at an estimated R7,3 billion. The gravel roads network covers about 1 618 km, with an estimated replacement cost of R2,4 billion.

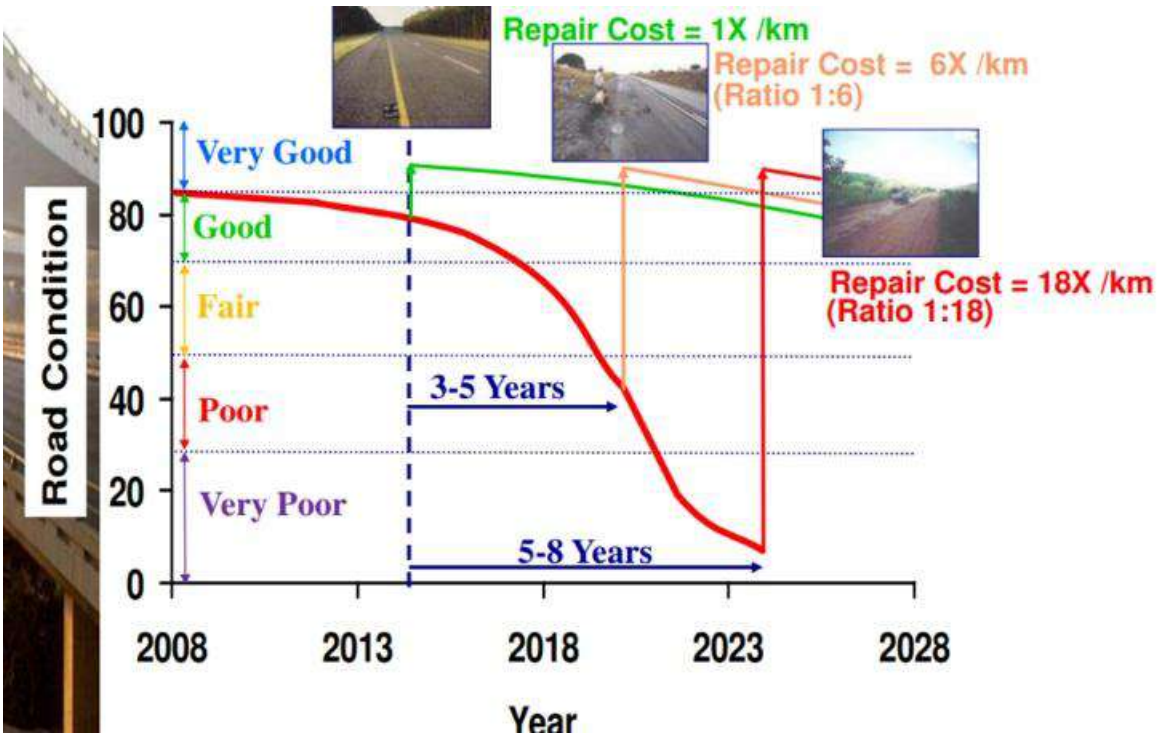
The Roads Branch received an annual capital budget allocation of R302 608 924 million for the upgrading, rehabilitation, and resurfacing of surfaced roads, as well as the re-gravelling of rural roads. Additionally, R112 343 485 million was allocated from the operational budget for the maintenance of existing roads and road furniture.

The department is presently assessing the panel contract for professional services, which will facilitate the appointment of a service provider to conduct inventory and condition assessments, as well as update the PMS system. The scope of work encompasses comprehensive inventory and condition assessment surveys for all roads, stormwater infrastructure, and bridges managed by the municipality.

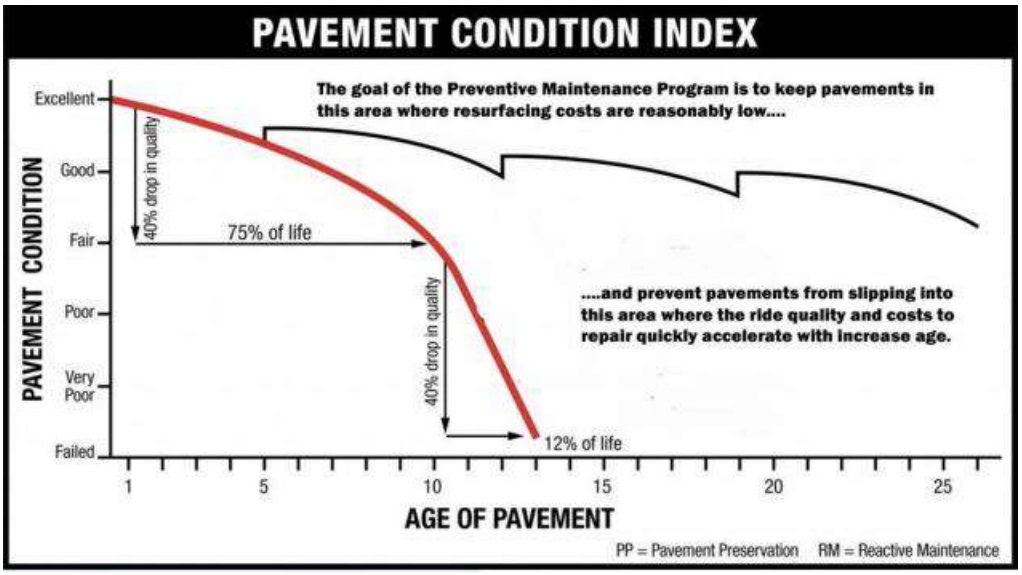
The Pavement Management System (PMS) serves as a critical instrument for the planning, budgeting, and management of road infrastructure. Condition assessments offer a snapshot of the state of roads at a specific moment, allowing municipalities to ascertain the condition and extent of the infrastructure under their jurisdiction. Such assessments facilitate the determination of budgetary needs and support the identification and prioritisation of projects. The information derived from these assessments includes the rate of deterioration, prevalent types of failures, and their locations. Outputs further specify the required interventions and indicate how to allocate available funding most effectively.

A PMS presents condition trends that illustrate the relationship between road condition and time. The graph below depicts the correlation between road condition and repair costs. Ideally, an effective reseal programme should be implemented while the road remains within the good condition grade, where reseal costs are comparatively low. As the road condition declines, repair

and rehabilitation costs rise exponentially. When a road reaches a very poor condition, it can be up to 18 times more costly to repair or rehabilitate, as it may necessitate complete reconstruction.



The table below presents a graphical depiction of the lifecycle of a surfaced road. After five to eight years, the road requires resealing, which subsequently improves its condition and prolongs its lifespan. Typically, three reseals are necessary throughout the road's life. The red line illustrates the lifespan of a surfaced road in the absence of reseal interventions. A marked acceleration in deterioration occurs once the condition falls below the fair grade, usually after approximately nine to ten years. Rehabilitation costs also rise exponentially beyond this condition grade.



The targeted condition range for a roads network is ‘Good’ to ‘Fair’. It is generally considered acceptable for 5% to 10% of the total network to fall within the ‘Poor’ to ‘Very Poor’ condition categories at any given time.

The BCMM Roads network lies beyond these parameters, necessitating a capital investment of R350 million per annum over the next five years for road rehabilitation and resealing. Such investment is essential to elevate the overall condition of the network to acceptable standards.

Climate change has intensified the rate of deterioration, with prevailing rainfall patterns permitting water ingress into the road layers. This accelerates the degradation of the road infrastructure and contributes to failures, including the formation of potholes.

Urban Roads

The BCMM Roads Branch is tasked with maintaining all municipal proclaimed roads within the boundaries of BCMM.

Every year, the Roads Branch implements a programme of roads rehabilitation and resurfacing, allocating a budget to each ward for road projects within the financial year. The primary objective of this initiative is to improve the condition of urban roads across the metro. However, much of the existing road network has deteriorated to such an extent that resealing alone is insufficient. Damage to the structural layers has necessitated more extensive rehabilitation, which is considerably more costly and disruptive.

Substantial investment is essential to enhance the overall condition of the roads network. Priority should be given to roads where the structural layers remain intact, as resurfacing these roads can prevent further deterioration. By protecting the underlying layers now, future rehabilitation costs may be significantly reduced.

Allocating the limited available funding primarily to the rehabilitation of failed roads significantly reduces the number of roads that can be maintained, given the substantial costs associated with rehabilitation. Consequently, roads requiring resurfacing are neglected. Such an approach perpetuates a cycle of escalating costs and leads to the continued deterioration of the road network.

It is essential to allocate a portion of the budget to rehabilitation, while directing the remainder towards resurfacing.

The table below presents the resurfacing projects undertaken by the BCMM Roads Branch for the 2024/25 financial year.

COASTAL

WARD	AREA	STREET	ESTIMATED LENGTH	COMMENTS/STATUS
9	Amalinda	Kelly Rd	0,282 km	Complete
10	Buffalo Flats	Dunoon Rd	0,206 km	Complete
28	Beacon Bay	Shamrock Lane	0,215 km	Complete
18	Nahoon	Stanmore Rd	0,132 km	Complete
29	Gonubie	Riverside Rd	0,263 km	Complete
9	Amalinda	Middlesex Rd	0,210 km	Complete
18	Vincent	Donald Rd	0,175 km	Complete
3	Selborne	Frere Rd	0,175 km	Complete
28	Beacon Bay	Quenera Drive	0,177 km	Complete
3	Selborne	Athlone Cres	0,05 km	Complete
3	Selborne	Clevedon Rd	0,115 km	Complete
3	Selborne	Methuen Rd	0,04 km	Complete
3	Selborne	Cheltenham Rd	0,1 km	Complete
19	Greenfields	Esplanade	0,266 km	Complete
29	Gonubie	Bramble Lane and Riverside Rd	0,716 km	Complete
2	Duncan Village	Hellen Joseph and Grifith Mxenge Ave	0,14 km	Complete
5	Scenery Park	Main Rd	0,35 km	Complete

1	Braelyn	Kashmir St	0,222 km	Complete
8	Buffalo Flats	Falkland Rd	0,226 km	Complete
4	Cambridge West	Dutton Rd	0,42 km	Complete
29	Gonubie	Oceanway Rd, Fifteenth Ave, Southend Ave, Evans St	1,346 km	Complete
46	Sunnyridge	Clovelly Plc	0,346 km	Complete
		TOTAL	**4,9 km**	

MIDLAND

WARD	AREA	STREET	ESTIMATED LENGTH	COMMENTS/ STATUS
22	Unit 17	House Number 1552 to 1594	0,2 km	Complete
11	Zone 5A and B	Hellen Joseph and Grifith Mxenge Ave	0,4 km	Complete
		TOTAL	**0,6 km**	

INLAND

WARD	AREA	STREET	ESTIMATED LENGTH	COMMENTS/ STATUS
37	Qonce	Gordon St	0,44 km	Complete
		TOTAL	**0,44 km**	

Rural and Informal Roads

The BCMM Roads Branch is tasked with maintaining all municipally proclaimed gravel roads within BCMM, primarily comprising internal roads in the villages. Notably, responsibility for access roads leading to rural villages lies with the EC Department of Transport.

The Roads Branch undertakes re-gravelling, spot blading, and both wet and dry blading of municipal rural roads on an ongoing basis. Rural road re-gravelling and maintenance receive annual budget allocations under both the Capital and Operational budgets. The extensive rural road network, combined with adverse weather conditions, makes it challenging to maintain the network to an acceptable standard with the available resources. Maintenance and provision of yellow plant machinery is also problematic due to fleet management issues, which are currently being addressed. The undulating terrain and rainfall contribute to the need for regular upkeep of gravel roads. Gravel roads typically require re-gravelling every five years. Providing rural roads is

often costly and complex, as villages are widely dispersed, necessitating the construction of long road sections at a high capital cost to serve only a small number of households.

Informal roads present significant challenges within BCMM, as constructing roads in informal areas is often not feasible due to factors such as insufficient space for equipment, land ownership complications, and the need for specific funding dedicated to service provision in these settlements. Creating space for roads frequently necessitates relocating or removing informal dwellings. Providing stormwater drainage for these roads is also particularly difficult, as informal homes are often situated where drainage infrastructure needs to be installed, or discharge points are occupied. Informal settlements are commonly established in locations that are difficult to access, or where the terrain greatly increases the cost of road construction. Additional barriers to providing road access in informal areas include land ownership disputes and zoning restrictions.

The table below lists gravel road projects completed in the 2024/25 financial year:

Coastal	Area	Project Status	Estimated Length	BUDGET
Ward				
33	Nohlazana	Completed	1,5 km	
33	Ezigodweni	Completed	1,5 km	R2 587 500,00
31	Ncera Village 3	Completed	1,5 km	R2 587 500,00
31	Emagqazeni	Completed	1,5 km	
32	Sandile Extention	Completed	1 km	R 1 264 798,24
32	Lilyvale (Kwa Rooi)	Completed	1 km	R 1 251 462,28
50	KwaBota	Completed	1 km	R1 248 667,99
50	Mtyana Village	Completed	1 km	R1 239 478,07
50	Tuba Village	Completed	2 km	R 2 112 913,16
TOTAL			**12 km**	

Midland	Area	Project Status	Estimated Length	BUDGET
Ward				
12	Smiling Valley	Completed	2 km	R 1 971 321,93

17	Eluxolweni	Completed	1 km	R 1 149 243,43
17	Cuba	Completed	2 km	R 1 437 096,49
22	Potsdam village	Completed	3 km	R 2 250 000,00
24	Msintsini village	Completed	3 km	R 2 250 000,00
26	Ntsonkotha	Completed	3 km	R2 503 166,67
TOTAL			**14 km**	

Inland Ward	Area	Status	Est Length	BUDGET
35	Quzini	Completed	3 km	R2 587 500,00
36	Madakeni	Completed	3km	R2 587 500,00
38	Tyusha & Kwelerana	Completed	3 km	R2 587 500,00
40	Ndileka	Completed	3 km	R2 587 500,00
43	Majali	Completed	3 km	R2 587 500,00
49	Ndevana	Completed	3 km	R2 587 500,00
TOTAL			**18 km**	

Roads stakeholders

Although BCMM is responsible for all municipally proclaimed roads within its boundaries, other road authorities also operate in the area, namely:

- **Provincial Department of Roads and Transport**, which is responsible for 472 km of surfaced roads and 1 083 km of gravel roads within the BCMM area.
- **South African National Roads Agency Limited** (SANRAL), which is responsible for all national roads within BCMM, including the N2, N6, and R72.

There is ongoing collaboration between SANRAL and BCMM in the implementation of various road projects within BCMM. Such initiatives are vital for local communities as they encompass both the development and maintenance of national roads in the BCMM region. These projects facilitate job creation and community advancement, while also enhancing the area's appeal to both foreign and local investors.

Below are some of the projects to be implemented within the BCMM region by SANRAL:

Dualling of R72 East London

- Upgrading to a dual carriageway from EL Airport to Gxulu River.
- The project is currently at the detailed design stage.

Dualling of N2: End of Freeway to Brakfontein

- Upgrading to a dual carriageway
- The project is currently at the detailed design stage.

R63-160-2023/1 Phase 2 From N6 Bridge km 1,0 to km 21,7

- The project is currently under construction.

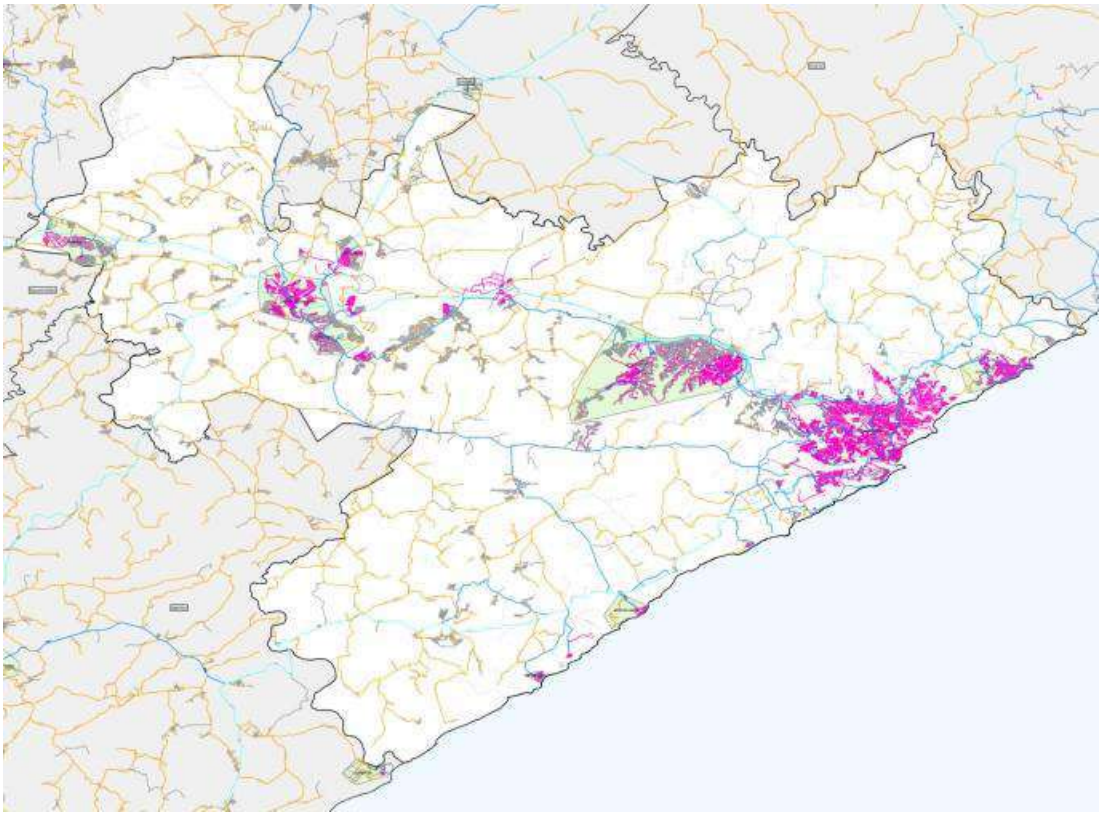
N6 East London – Aliwal North RRM R64,2 million

- Routine road maintenance.
- Affected Municipalities: BCMM, Amathole District, Chris Hani District, Joe Gqabi District
- The project is currently under construction; the estimated completion date is October 2024.

The Municipality engages with the Department of Roads & Public Works (DRPW) through the IGR Forum to address the maintenance and upgrading of provincial roads within its jurisdiction. National and provincial roads have a significant impact on the area: national roads facilitate the movement of goods, services, and people between cities, while also providing access to residential communities.

The Provincial Roads Department determines the prioritisation of road works based on criteria established by the department, which often diverge from the priorities identified by the Municipality.

The map below illustrates the roads managed by the various road authorities within the BCMM boundaries.



Light blue indicates national roads (SANRAL)
Orange represents provincial gravel roads
Dark blue represents provincial surfaced roads
Light grey represents gravel roads under the control of BCMM
Pink represents municipal surfaced roads under the control of BCMM

T3.7.1.

Gravel Road Infrastructure

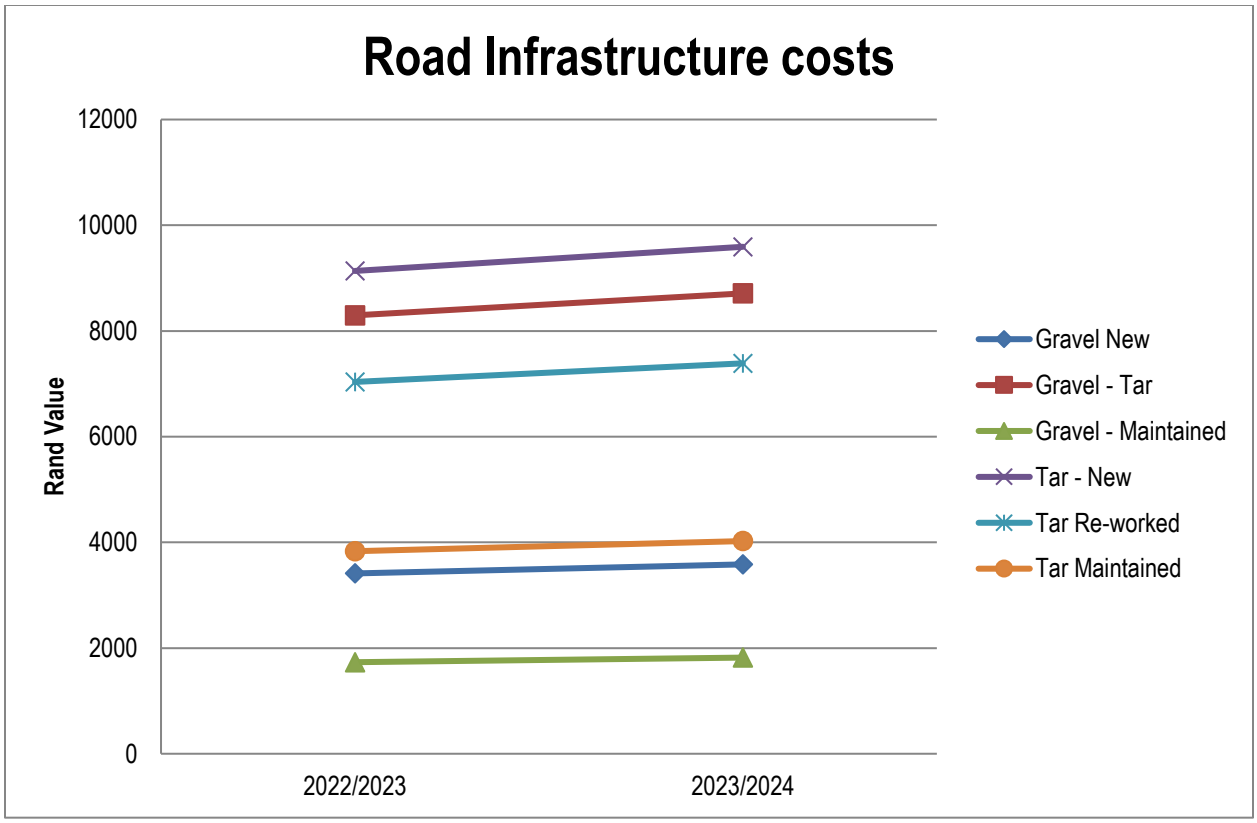
Gravel Road Infrastructure				
				Kilometres
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2022/2023	1.621	3	6	69
2023/2024	1.618	2	11	63
2024/2025	1613	0	5	73
				T 3.7.2

Tarred Road Infrastructure

Tarred Road Infrastructure					
					Kilometres
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2022/2023	1.698	6	21	21	620
2023/2024	1.709	11	8	8	540
2024/2025	1.709	0	7	7	590
					T 3.7.3

Cost Of Construction/Maintenance

Cost of Construction/Maintenance						
						R' 000
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
2022/2023	3412	8295	1732	9135	7035	3832
2023/2024	3583	8710	1819	9592	7387	4024
2024/2025	3762	9146	1910	10072	7756	4225
						T 3.7.4


Road Infrastructure costs
12000
10000
8000
6000
4000
2000
0
Rand Value
2022/2023
2023/2024
Gravel New
Gravel - Tar
Gravel - Maintained
Tar - New
Tar Re-worked
Tar Maintained

T3.7.5.

Road Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2023/2024		2024/2025			2025/2026	2026/2027	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Elimination of gravel roads in townships	Kilometers of gravel roads tarred (Kilometers of gravel road remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	Baseline (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)
TR6.11	Percentage of unsurfaced road graded	4.48% (60km)	4,64% (62,7km)	4.48% (60km)	4.48% (62km)	5.43% (73.35 km)	1.85% (25 km)	4.48% (60km)	4.48% (60km)
TR6.12	Percentage of surfaced municipal road lanes which has been resurfaced and resealed	0,94% (15km)	0,516% (8,252km)	0,94% (15km)	0.5% (8km)	0.451% (7.215 km)	0,5% (8km)	0,5% (8km)	0,5% (8km)
TR6.13	Km of new Municipal road lanes built	15km	11,616km	15km	0 km	0 km	0 km	0 km	0 km
TR6.1/CC6	Km of gravel Roads upgraded to Surfaced Standard	6km	11,078km	6km	4	4.7 km	3 km	3 km	3 km
TR6,21	Percentage of reported pothole complaints resolved within standard municipal response time	60%	63%	60%	60%	63.75%	60%	60%	60%

*Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.* T 3.7.6

Employees: Road Services

Employees: Road Services					
Job Level	2023/2024	2024/2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	140	140	135	5	4%
4 - 6	49	48	43	5	10%
7 - 9	37	43	36	7	16%
10 - 12	27	24	21	3	13%
13 - 15	7	10	10	0	0%
16 - 18	4	4	3	1	25%
19 - 20	1	1	1	0	0%
Total	265	270	249	21	8%
INCLUDED STORM WATER SERVICE 3.9.6					
					T3.7.7

Financial Performance 2024/2025: Road Services

Financial Performance 2024/2025: Road Services					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**6,051**	**4,182**	**79,182**	**7,450**	44%
Expenditure:					
Employees	96,134	108,703	99,245	98,937	-10%
Repairs and Maintenance	115,530	139,286	80,856	52,007	-168%
Other	567,972	241,452	151,293	386,463	38%
Total Operational Expenditure	**779,636**	**489,441**	**331,394**	**537,407**	**9%**
Net Operational Expenditure	**773,585**	**485,259**	**252,212**	**529,958**	**8%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.7.8*

Capital Expenditure for 2024/2025: Road Services

Capital Expenditure 2024/2025: Road Services R' 000					
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**152,087**	**330,951**	**259,099**	**41%**	
	–				
REHABILITATION OF SETTLER'S WAY	–	11,687	11,687	100%	494,910
CONSTRUCTION OF ROAD INFRASTRUCTURE - TOYANA ROAD	19,655	5,396	5,006	-293%	15,832
REHABILIT OF BCMM BRIDGES AND STORMWATER	2,500	2,449	2,449	-2%	89,912
REHABILITATION OF BEACONHURST DRIVE	4,000	–	–	0%	2,164
REHABILITATION OF BEACONHURST DRIVE	–	4,004	4,004	0%	4,833
EMERGENCY DISASTER MANAGEMNT PROJECTS : MUNICIPAL DISASTER RESPONSE GRANT	–	44,600	16,604	-169%	16,604
EMERGENCY DISASTER MANAGEMNT PROJECTS : DISASTER RECOVERY GRANT	–	78,000	6,656	-1072%	6,656
ROADS PROVISION	34,000	38,085	60,760	44%	334,776
ROADS PROVISION	–	10,495	10,495	0%	135,828
ROADS PROVISION	13,000	14,272	14,272	9%	28,544
RURAL ROADS	37,000	52,492	57,695	36%	290,174
UPGRADING OF MDANTSANE ROADS - CLUSTER 1	12,500	10,899	10,899	-15%	56,640
UPGRADING OF MDANTSANE ROADS - CLUSTER 2	12,232	21,197	21,197	42%	135,074
UPGRADING OF MDANTSANE ROADS - CLUSTER 3	10,000	12,349	12,349	19%	156,102
URBAN ROADS	5,000	6,993	6,993	28%	67,628
REFURBISHMENT OF UBUHLANTI ROADS	–	10,665	10,665	100%	16,076
GONUBIE INTERNAL ROADS REHABILITATION	2,200	–	–	0%	–
GONUBIE INTERNAL ROADS REHABILITATION	–	7,369	7,369	100%	–
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as					*T 3.7.9*

COMMENTS ON THE PERFORMANCE OF ROADS OVERALL:

The Roads and Stormwater Branch has identified five KPIs for service delivery targets for the 2024/25 financial year, in accordance with the SDBIP targets.

Table below indicate annual performance for on each of the KPIs

National Treasury Reference/BCMM Code	KPI	ANNUAL TARGET	ANNUAL PERFOMANCE
TR6.11	Percentage of unsurfaced road graded	4,48% (60 KM)	5,43% (73,55 KM)
TR6.12	Percentage of surfaced municipal road lanes	0,5% (8KM)	0,451% (7,215 KM)
TR 6.1/CC6	Km of gravel Roads upgraded to Surfaced Standard	4KM	4,7 KM
CC19	Number of bridges rehabilitated	6 Bridges	0
TR6.21	Percentage of reported pothole complaints resolved within standard municipal response time	60%	70%

The department was allocated a capital budget of R302 608 924 million, which includes disaster grants, as well as an operating budget of R112 343 485 million.

BCMM received two disaster relief grants for the 2024/2025 financial year: a Disaster Response Grant of R44 600 000 and a Disaster Recovery Grant of R78 000 000. These funds were allocated through the Division of Revenue Act (DORA), as amended (Government Gazette No. 51428, 24 October 2024) to address projects arising from the flooding of 1–2 June 2024.

Below is a list of 22 Disaster Response and 22 Disaster Recovery Grant projects currently implemented through disaster funding.

Disaster Response Grant:

PROJECT NAME	Ward No	Scope	Amount
Nxaruni Culvert	26	Installation of portal culverts on a cast in-situ concrete base, with inlet and outlet structures gabions and road re-gravelling on the approaches.	R 2 000 000
Sandile and Ngqanisa culverts	32	Instillation of portal culverts on a cast in situ concrete base including Inlet and outlet structures (Headwalls), erosion protection and road rehabilitation	R 3 000 000
Reeston Road rehabilitation	13	Re-gravelling of road and culvert rehabilitation inlet and outlet structures and erosion protection	R 2 500 000
Haven Hills Stormwater upgrade	10	Instillation of 600mm diameter stormwater pipe, 450mm stormwater pipe including road rehabilitation (base and surfacing)	R 2 000 000

Pefferville drainage upgrade	**1**	**Instillation of 600mm diameter stormwater pipe, 6 manholes, 5 kerb inlets and an outlet structure.**	**R 1 500 000**
West Bank Roads and Stormwater upgrade and rehabilitation	19	installation of 600mm stormwater pipe 6 kerb inlets and 2 outlet structures and Road Rehabilitation	R 3 000 000
Ducats South Stormwater upgrade	15	Instillation of 900mm diameter stormwater pipe, inlet and outlet structures and road rehabilitation.	R 2 000 000
Duncan Village Drainage Rehabilitation and upgrade	2	Instillation of pipe culvert with inlet and outlet structures and Road Rehabilitation	R 1 500 000
Morningside Culvert Rehabilitation	16	Road rehabilitation base and surfacing, Upgrading of Existing stormwater pipe culverts, rehabilitation of inlet and outlet structures	R 1 600 000

Mdantsane Unit 1 Culvert	**12**	**Pipe culvert instillation and upgrade 350m of 600mm and 900mm pipe instillation, 5 x inlet structures, 7 manholes and 1 oulters structure with erosion protection**	**R 2 500 000**
Mzamomhle Roads upgrade	27	Instillation of Pipe Culverts, Manholes, Kerb Inlets and Headwalls	R 1 000 000
Egoli Buffalo Flats Stormwater upgrade	10	Instillation of stormwater pipe, kerb inlets, manholes and outlet structures	R 1 500 000

PROJECT NAME	Ward No	Scope	Amount
Mdantsane Unit 3 Culvert	14	Instillation of portal culverts with inlet and outlet structures and clearing and shaping of the existing water course and road rehabilitation.	R 1 500 000
Mdantsane Unit 6 Culvert	30	Rehabilitation of inlet and outlet structures, gabions, Kerbing, 450mm pipe, kerb inlets and headwalls. and asphalt surfacing	R 2 500 000
Gonubie 4th Ave	29	Instillation of 900mm diameter stormwater pipe across the road linking to existing channel and Road rehabilitation	R 2 000 000
Mdantsane Unit 6 Culvert	48	Road rehabilitation and surfacing Instillation of 600mm stormwater pipe. Rehabilitation of Culvert Crossing with headwalls and erosion protection	R 2 500 000
Mdantsane Unit 6 Culvert	48	Instillation of 600mm diameter stormwater pipe, kerb inlets and manholes, road layer works and asphalt surfacing. Clearing and Rehabilitation of Portal Culvert inlet and outlet structures and Gabions	R 2 000 000
Potsdam Culvert Upgrade	24	Upgrade stormwater culvert crossings with inlet and outlet headwalls and Road Rehabilitation	R 2 000 000

Lonsdale Rd Stormwater Upgrade	37	Instillation of Barrier Kerb, 600mm stormwater pipe, kerb inlets and manholes.	R 1 000 000
Dimbaza Stormwater upgrade	34	Instillation of 600mm diameter stormwater pipe, kerb inlets, headwalls and Roads rehabilitation, Base and Surfacing.	R 2 000 000

Rehabilitation of Mdoda Street	39	Road rehabilitation and surfacing, 600mm stormwater pipe, Fig 3 Barrier Kerb, inlet structures and outlet structure.	R 3 000 000
Stormwater Upgrade Joubert St	37	600 mm diameter stormwater pipe, kerb inlets, outlet structures and rehabilitation of existing culvert crossing	R 2 000 000
		TOTAL	**R 44 600 000**

Disaster Recovery Grant:

PROJECT NAME	**Ward No**	**Scope**	**Amount**
Smythelands Rd culvert crossing (Nahoon River)	15	Upgrade and rehabilitation of low-level river crossing on the Nahoon River. (Large Portal Culvert Crossing and approximately 200m of Road)	R 10 000 000

Gonubie Access Rd to the Quenera wastewater treatment plant.	29	Rehabilitation and upgrade of existing culvert crossing and services to the Gonubie wastewater treatment works. Rehabilitation of approximately 100m of road. Instillation of Erosion Protection (Gabions and pitching) and the instillation of stormwater drainage (Pipes, inlet and outlet Structures)	R 6 000 000
Tikinikini Culvert Upgrade	50	Upgrade of culvert crossing to a portal culvert with headwalls and erosion protection (Gabions) to accommodate vehicles during heavy rains	R 1 500 000
Sunrise on Sea road and stormwater upgrade	50	Upgrade stormwater drainage 150m of stormwater pipe and approximately 300m road upgrade. (Kerbing Layer works and surfacing).	R 3 000 000
Nord Ave culvert rehabilitation	15	Rehabilitation of Culvert crossing with erosion protection and replacing of services, and approximately 600m of roads rehabilitation.	R 3 500 000

PROJECT NAME	Ward No	Scope	Amount
Galway Rd Culvert upgrade	18	Upgrade damaged culvert crossing to accommodate flooding realignment of the road and services on the upgraded culvert crossing. Construct 150m of approach roads including layer works kerbing and drainage. and a New Sewer Pipe Bridge	R 12 000 000
Nompumelelo	15	300m of road rehabilitation including kerbing and stormwater drainage and stormwater upgrade (Kerb Inlets and Manholes)	R2 500 000
NU 2 Culvert upgrade	42	Culvert upgrade to portal culvert with inlet and outlet structures and erosion protection. Rehabilitation of approximately 350m of road.	R 3 000 000
NU 13 Stormwater Upgrade	21	Installation of 100m of stormwater pipe and 250m of Roads rehabilitation.	R1 500 000

Nu 14 Culvert Upgrade	23	Installation of larger portal culvert structure, rehabilitation of approximately 100m of road and instillation of road drainage and erosion protection.	R 3 000 000
Amalinda Forrest Culvert Rehabilitation and Stormwater Upgrade	16	Upgrade of stormwater drainage system Rehabilitation of Road Layerworks and Surfacing and reconstruction of Sidewalk area.	R 500 000
Esplanade sidewalk Rehabilitation	47	Upgrade and rehabilitation of low-level river crossing on the Nahoon River. (Large Portal Culvert Crossing and approximately 200m of Road)	R 3 000 000
Kwelerha, Tuba, Zozo, Botha storm damage	50	4km of roads rehabilitation and stormwater drainage upgrade	R 3 500 000
Scenery Park Stormwater upgrade	5	1000m of stormwater pipe, kerb inlets, manholes and headwalls along the Scenery Park main rd.	R 4 000 000

Cambridge Roads rehabilitation	4	Installation of approximately 100m of stormwater pipe, construction of inlet and outlet structures and approximately 650m of road rehabilitation	R 3 500 000
Cambridge Township Road Rehabilitation	16	400m of Road Rehabilitation and construction of a v-drain in Baden Powell Rd	R 2 000 000
NU 16 Stormwater upgrade	23	Installation of 150m of stormwater pipe including manholes, kerb inlets, outlet structures and 200m of Roads rehabilitation.	R 1 500 000
Unit P roads and stormwater upgrade	24	500m of roads upgrade and 200m of stormwater pipe including kerbing, manholes, kerb inlets and headwalls.	R 3 500 000
Zwelitsha Zone 9 Stormwater upgrade	25	Upgrade concrete channel to a precast portal culvert 250m long, backfilling, kerb inlets, manholes and kerbing.	R 2 000 000
Amalinda/ Morningside roads and culvert rehabilitation	19,16	Culvert rehabilitation including inlet and outlet structures and erosion protection. 800m of roads rehabilitation	R 4 000 000

Potsdam Roads and Culvert Rehabilitation	22	Rehabilitation and erosion protection on two portal culvert structures, and assessment for upgrade.	R 1 500 000
Zwelitsha Zone 8 Stormwater upgrade	41	Upgrade concrete channel to a precast portal culvert 250m long, backfilling, kerb inlets, manholes and kerbing.	R 2 000 000
		TOTAL	**R 78 000 000**

One of our on-going efforts to enhance our infrastructure, Roads Branch has successfully implemented two multi-year projects. These initiatives are aimed at improving the transportation network and smooth travelling by our communities. The projects currently being implemented, namely the Rehabilitation und upgrade of Settlers Way and Military Road, and Mdantsane Roads Upgrade Phase 4B.

Rehabilitation and upgrade of Settlers Way and Military Roads

Contract Value: R 461 832 000.00

The contractual commencement date is 17 May 2021, and the project has been completed on 31 January 2024.

The project scope is:

Rehabilitation and upgrading of approximately 7.8km of Settlers Way from the airport intersection to Pontoon Rd Robots. Rehabilitation of the existing road surface, construction of an additional lane of traffic in each direction, Construction of a kerb and gutter, stormwater drainage, sidewalks, public transport facilities and reconfiguration of the existing intersections.



Military road includes the rehabilitation and widening of approximately 2.2Km of Road between Settlers Way and Bank St, including turning lanes, kerbing, stormwater drainage, sidewalks, and intersection upgrades and 2.2km of Military Road in East London, including the reconfiguration of intersections.

MDANTSANE ROADS UPGRADE PHASE 4B: 246 MILLION

The Mdantsane roads upgrade project is for the upgrade of existing gravel roads in Mdantsane to surfaced standards. It is a multi-year project aimed at eradicating gravel roads in the residential area of Mdantsane.

Phase 4B consists of Two Clusters which are as follows:

Cluster 2

Commencement date	**03 January 2023**
Anticipated Completion date	06 August 2025
Progress to date	97%
Scope of Works	• Construction of approximately 10km of surfaced streets to a width of 5.5m, with associated pavement layers (35 roads). • Construction of a stormwater drainage system consisting of approximately 8,250 meters of concrete pipes up to 600mm diameter. • Construction of appurtenant works such as service ducts, kerbing, road signs and road marking. • Location and protection of existing services and relocation where necessary. • Installation of approximately 10km of subsoil drains. • Management and mentoring of SMME sub-contractors



Cluster 3

Commencement date	14 July 2022
Completion date	14 October 2024
Progress to date	100%
Scope of Works	• Construction of approximately 17km of surfaced streets to a width of 5.5m, with associated pavement layers (35 roads). • Construction of a stormwater drainage system consisting of approximately 11 350 meters of concrete pipes up to 900mm diameter. • Construction of appurtenant works such as service ducts, kerbing, road signs and road marking. • Location and protection of existing services and relocation where necessary. • Installation of approximately 17km of subsoil drains. • Management and mentoring of SMME sub-contractors.



The Mdantsane roads program has been prioritized due to the historical neglect of the area. Mdantsane is a Suburb of the City and is an urban area which is supposed to have the same level of service as that of other similar urban areas of the city. The upgrade of the existing Gravel roads to surfaced standards was therefore prioritised in order to increase mobility and access to

opportunities as well as improve the standards of living in Mdantsane and make it a more attractive area to live.

Ebuhlanti (Glen Marine)

Commencement date	1 June 2024
Completion date	27 July 2025
Progress to date	100%
Scope of Works	• Site Establishment, Clearing of Site & Setting out of Road and Stormwater • Removal of unsuitable material • Excavate to Roadbed • Additional Excavation due to Underground Water • Rockfill with Bidim • Sub-soils, Stormwater Incl Manholes and Catchpits • Kerbing, Open-Drains, Fill-G7, Subbase-G5 & Base-G4 • 40mm – Asphalt and Fencing- Little Mauritius



Toyana Road

Commencement date	7 May 2025
Completion date	1 December 2025
Progress to date	30%
Scope of Works	• Overlay • Installation of mountable, barrier kerbs and edge strips • Installation of Bevel edge pavers. • Installation of cobbles • Grassing and landscaping • Installation of raised crossing sidewalks • Traffic accommodation - TMP





Toyana Road Phase 1 Sidewalks started in June 2019 with Down Touch Investments where Sidewalk Section 1,2 and 3 were completed. Since June 2019 BCMM have appointed contractors every financial year to complete sections of sidewalk along Toyana Road, a total of 12 contractors have been used to date. The current phase is Zone 1 and Zone 3

T3.7.10

3.8. TRANSPORT (INCLUDING VEHICLE LICENCING & PUBLIC BUS OPERATION)

3.8.1. INTRODUCTION TO TRANSPORT

The primary objective of the BCMM transport system is to offer residents convenient access to employment opportunities, educational institutions, community services, and recreational activities within a safe, secure, and cost-effective environment. The system predominantly comprises public transport vehicles, buses, non-motorised transport, private vehicles, and cycling. The BCMM Comprehensive Integrated Transport Plan (CITP) and its various

component plans are formulated in collaboration with all BCMM Directorates, ensuring that transport planning is consistent with the overarching vision and objectives of the City's IDP.

The outcomes and recommendations of the Integrated Public Transport Network Plan (IPTN) address both current and future public transport corridor requirements, as well as primary routes and their associated feeder services. The IPTN mandates that travel costs for communities from different residential areas be reduced, with the expectation that the service will receive partial subsidies from the National Government. Finalised Business Plans for each IPTN Corridor will form the basis for negotiations with relevant operators to commence the subsidised bus service operations.

The following documents are reviewed periodically to implement the strategy:

a) **CITP** – provides an overall perspective of the BCMM transport planning documents. The plan is currently being updated.

b) **Non-Motorised Transport Plan** – addresses the implementation of priority projects related to non-motorised transport (sidewalks, bicycle lanes, traffic safety plans).

The plan for rural non-motorised transport is complete, and several identified pedestrian bridges have been implemented in the last five years. Designs for the remaining bridges have been completed, and implementation will commence when funds are available.

c) **Traffic Safety Plan** – aims to reduce the number and severity of collisions and casualties within its area of operations. The plan is due for review.

d) **Transport Register** – provides a description of all scheduled and unscheduled services operating in, to, or from the City area, as well as all public transport facilities and infrastructure within BCMM. The Transport Register also includes a record of all changes to operating licences and permits within the Municipality, and any new ones issued.

e) **Freight Plan** – surveys the current freight movement and the modes by which such freight is transported, defining certain strategic freight corridors. The plan is due for review.

f) **Arterial Road Network Development Plan** – Transport planning is a dynamic process, as forecasting future needs depends on current priorities, planning, and development. This plan is

used to assist in the formulation of an implementation programme for the next five years and serves as a guide for planning in subsequent years. The plan is due for review.

g) **Public Transport Plan** – assists the City in planning for public transport services and their various systems. The plan has been updated as part of the City's IPTN planning.

h) **Business Plan & Operational Plan** – helps the City determine whether it can operate viable public transport and identifies the costs associated with that system.

The top three priorities for the year under review include:

1) Accessibility

a) Completion of the traffic circle at the intersection of Golden Highway and R102. The circle is intended to alleviate traffic flow during peak hours in the morning and afternoon, as well as to enhance safety at the intersection.

b) The completion of the Ebuhlanti Taxi Rank will provide a safer public transport facility for the community of BCMM, offering shelter on rainy days. This facility will provide much-needed protection for public transport users and offer hawkers safer stalls for cooking and shelter from the rain.

2) Mobility

The Municipality is implementing several projects and programmes to improve mobility. Key initiatives include:

a) The construction of a sidewalk in Mdantsane NU1 is intended to improve mobility for the community. It will also enhance pedestrian access and reduce conflicts between vehicles and pedestrians.

3) Safety

a) Installation of traffic signals at Amalinda Main and School Road (SPCA) equipped with closed-circuit television (CCTV) cameras and an uninterrupted power supply (UPS). This reduces vehicle conflicts and congestion within the intersection.

b) Upgrading of traffic signals at Mdantsane Access Road to a four-way intersection, including the installation of CCTV, to provide safer access for the community residing in temporary shelters at the entrance to Mdantsane.

MAJOR SUCCESSES

The following are considered major successes for the City, as these projects will have a significant socio-economic impact:

- Completion of the traffic circle at the intersection of Golden Highway and R102.
- Completion of the Ebuhlanti Taxi Rank.
- Upgrading of Moore Street.

The City has the following public transport operators:

1) The Taxi Industry

The taxi industry is widely recognised as one of the principal stakeholders in the City's public transport sector. The City regularly convenes meetings with the industry, acknowledging its status as the largest stakeholder within the public transport sector. At present, there are 10 taxi associations operating within the BCMM area.

2) Bus Operators

The City hosts numerous bus operators, most of which cater to long-distance travel. The Mayibuye Bus Service, a private company, operates along routes distinct from those of the municipal bus service and offers extensive coverage within the City limits. Several bus associations are also active, primarily concentrated in the Qonce area, where they provide services to rural communities. In addition, long-distance buses facilitate inter-town connections.

3) The Passenger Rail Agency of South Africa (PRASA) Rail Service

The Metro Rail service transports numerous commuters residing along the rail corridor. PRASA is currently upgrading operational stations to enhance user-friendliness and raise standards. At present, PRASA operates limited services on the trains between Berlin and EL.

4) King Phalo Airport

The City's airport, managed by ACSA, offers commercial flights to destinations across the country, with Johannesburg and Cape Town serving as the principal routes. Shuttle services are accessible to travellers within the airport facility, and private car hire is also available.

5) Municipal Bus Service

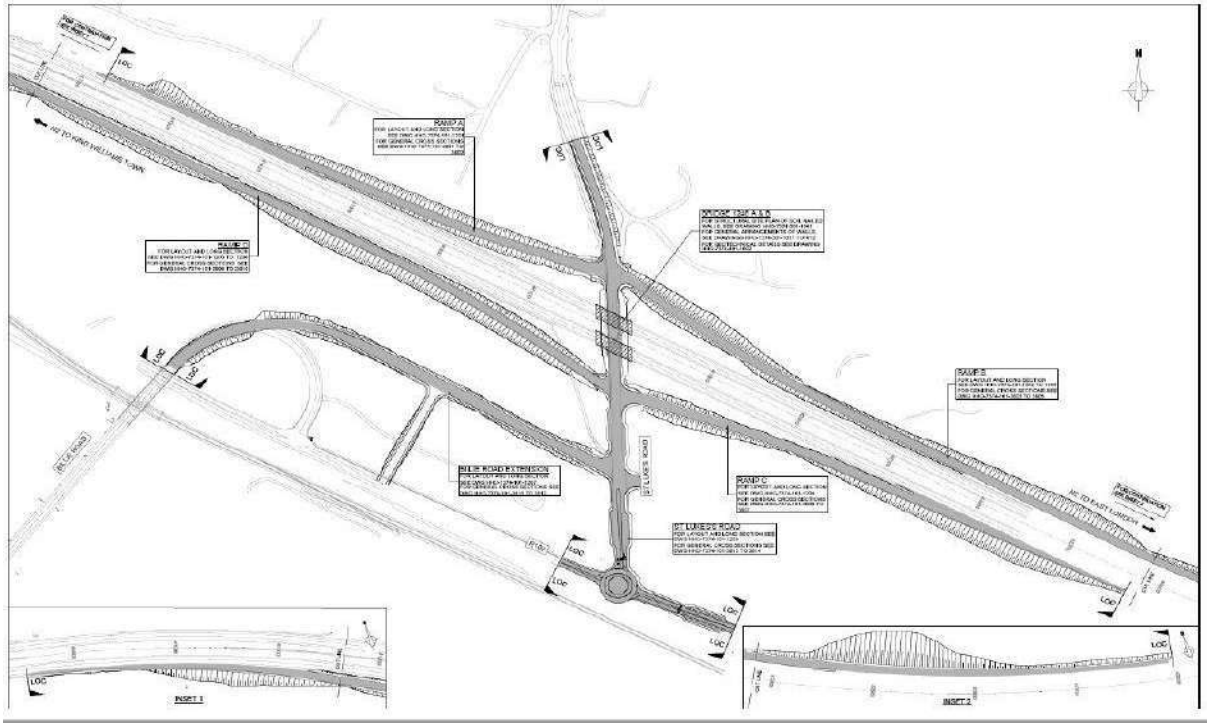
BCMM presently maintains a fleet of just five municipal buses, which are primarily utilised for transporting scholars.

6) Mount Ruth Node

Mount Ruth was specifically identified in the MELD Corridor study as an area with significant potential for development as a mixed land use node, owing to its proximity to the rail line and station, its direct connection to the Mdantsane CBD, and its potential linkages with the N2 and N6 freeway systems. The findings pointed to the necessity for a more detailed nodal development plan for Mount Ruth, which led to the formulation of the Mount Ruth Nodal Precinct Development Plan.

The plan took into account both the BCMM and Mdantsane Draft Public Transport Plans, which were being developed concurrently, while also considering future private transport connections to Mdantsane via Mount Ruth and the infrastructure required to support Mount Ruth as a development node.

Mdantsane experiences restricted access to the N2 freeway system, which has adverse effects on the area, particularly in terms of attracting investment. It has also been acknowledged that essential connections are absent from the broader transport network, especially when considering the logic of a hierarchical road system. To enhance investment prospects through improved accessibility, the provision of a road interchange on the N2, connecting with the M16 (Billie Road), has been proposed. Such an interchange would facilitate improved access to both the Highway Town Centre and the Newlands access road to the north. The link to the Newlands access road would eventually provide a connection to the N6, a significant national route leading northwards.



Municipal Bus Service Data					
		2023/24	2024/25		2025/26
	Details	Actual No.	Estimate No.	Actual No.	Estimate No.
1	Passenger journeys	not available	not available	not available	not available
2	Seats available for all journeys	various size buses	various size buses	various size buses	various size buses
3	Average Unused Bus Capacity for all journeys	50%	10%	10%	10%
4	Size of bus fleet at year end	5	5	5	5
5	Average number of Buses off the road at any one time	1	1	1	1
6	Proportion of the fleet off road at any one time	10%	10%	10%	10%
7	No. of Bus journeys scheduled	6	6	6	6
8	No. of journeys cancelled	0	0	0	0
9	Proportion of journeys cancelled	0%	0%	0%	0%
					T 3.8.2

Concerning T 3.8.2

Line 6 is calculated by taking the numbers from lines, as follows: 5/4 x 100%. The average number of busses off the road is obtained by sampling the number off the road on different days at different times. Line 9 is calculated by taking numbers from lines as follows: 8/7 x 100%.

Transport Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2023 / 2024		2024 / 2025			2025/ 2026		
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Extensive investment and development of infrastructure networks	Number of public transport facilities rehabilitated	1	1	1	1	1	1	1	1

T 3.8.3

T3.8.2.1

Employees: Transport Services					
Job Level	2023-2024	2024-2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	6	6	6	0	0%
4 - 6	4	3	3	0	0%
7 - 9	11	11	8	3	27%
10 - 12	6	4	4	0	0%
13 - 15	3	4	4	0	0%
16 - 18	3	3	3	0	0%

19 - 20	1	1	0	1	100%
Total	34	32	28	4	13%

T3.8.4

Financial Performance Year 2024/2025: Transport Services

Financial Performance Year 2024/2025: Transport Services					
					R'000
Details	**2023/2024**	**2024/25**			
	Actual	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance to Budget**
Total Operational Revenue	**591**	**1,814**	**1,814**	**1,258**	**-44%**
Expenditure:					
Employees	22,815	24,683	21,733	21,733	-14%
Repairs and Maintenance	5,955	4,555	5,521	5,521	18%
Other	98,017	49,649	16,707	68,246	27%
Total Operational Expenditure	**126,787**	**78,887**	**43,960**	**95,499**	**17%**
Net Operational Expenditure	**126,195**	**77,073**	**42,146**	**94,241**	**18%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.8.5*

Capital Expenditure 2024/2025: Transport Services					R' 000
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**65,458**	**76,552**	**69,371**	**6%**	
TRAFFIC SIGNALS	–	6,160	6,160	100%	12,151
BRIDGE DESIGNS & IMPLEMENTATION (Midlands)	11,958	11,958	5,321	-125%	5,321
GUARDRAILS (Coastal)	100	113	113	11%	113
GUARDRAILS (Midland)	100	113	113	12%	551
GUARDRAILS (Inland)	100	159	159	37%	296
SLEEPER SITE ROAD	25,000	22,623	22,623	-11%	103,373
GUIDANCE SIGNAGE (Coastal)	200	–	–	0%	–
SIDEWALKS (Midland)	1,000	1,103	1,103	9%	5,407
TRAFFIC CALMING (Coastal)	250	170	170	-47%	3,166
TRAFFIC CALMING (Midland)	500	529	529	5%	3,936
TRAFFIC CALMING (Inland)	250	192	192	-30%	3,188
TRAFFIC SIGNALS AND MANAGEMENT	6,000	12,205	12,205	51%	12,205
QUMZA HIGHWAY PHASE 7 - PHASE 1 & 2	10,000	11,227	11,227	11%	60,937
TAXI RANK INFRAST (ROADS & ABLUTION FAC) (Coastal)	10,000	10,000	9,456	-6%	47,944
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T 3.8.6

COMMENT ON THE PERFORMANCE OF TRANSPORT OVERALL:

a) The completion of the traffic circle at the intersection of the Golden Highway and R102 was undertaken to alleviate traffic congestion during peak morning and afternoon hours and to improve safety at the intersection.

b) The completion of the Ebuhlanti Taxi Rank provides a safer public transport facility for the community of BCMM. The project offers much-needed shelter for public transport users during rainy conditions and provides hawkers with safer stalls that allow for secure cooking facilities and protection from adverse weather conditions.

c) The installation of traffic signals at the intersection of Amalinda Main Road and Scholl Road (SPCA) includes the provision of Closed-Circuit Television (CCTV) cameras and an uninterrupted power supply (UPS). This intervention reduces vehicle conflicts and congestion at the intersection.

The City has several projects planned for implementation over the next financial year, including:

- The design of the upgrading of Qumza Highway Phase 4, from the R102 to the Golden Highway intersection (NU14 and NU17 intersection);
- An annual programme for the construction of 30 speed humps; and
- The construction of pedestrian bridges in Mdantsane NU1 and NU11/12.

T3.8.7

3.9 WASTEWATER (STORM WATER DRAINAGE)

INTRODUCTION TO STORM WATER DRAINAGE

The Stormwater Unit is responsible for the construction, maintenance, and rehabilitation of all BCMM-owned road drainage infrastructure, including bridges, culverts, and concrete-lined drains within the municipal boundaries. The existing stormwater infrastructure consists of approximately 70 bridge structures and approximately 21,000 manholes, kerb inlets, headwalls, and other inlet and outlet structures within BCMM, many of which are damaged or blocked. In addition, there are more than 630 km of stormwater pipes and culverts within the Metro, many of which are very old, corroded, and in need of replacement. Additional capital funding is required to address the rehabilitation and upgrading of the existing infrastructure.

Climate change has forced local government to re-evaluate the provision of roads and stormwater infrastructure. Periods of severe drought in the Eastern Cape have been followed by repeated heavy rainfall events, resulting in widespread flooding and infrastructure damage. These flooding events have highlighted the critical importance of an efficient and well-maintained stormwater drainage system.

The rainfall event that occurred in June 2024 had a profound impact on the city, causing widespread infrastructure damage and accelerating the deterioration of already ageing infrastructure.

Buffalo City Metropolitan Municipality has been allocated Disaster Response and Recovery Grants specifically aimed at addressing damage to roads and stormwater infrastructure resulting from the June 2024 flooding event. The primary focus of these grants is the rehabilitation and upgrading of stormwater systems to improve resilience and reduce the risk of future disasters within the Metro. Much of the existing infrastructure is old and, in many cases, was designed and constructed more than 50 years ago, which represents the typical design life of stormwater systems. As a result, the current capacity is no longer sufficient to accommodate the rainfall intensities experienced during storm events.

The continuous maintenance, assessment, and upgrading of the existing stormwater drainage infrastructure is essential to minimise the risk of flooding, even during periods of drought.

Flooding events have resulted in large-scale damage to infrastructure, loss of essential services such as electricity, water, and sanitation, and, in severe cases, loss of life.

Serious consideration and sustained investment must be directed towards the rehabilitation and upgrading of existing stormwater infrastructure, as the frequency and severity of flooding events are expected to intensify over time.

Key Service Delivery Priorities

• Flood Mitigation

Current city planning and development trends are focused on densification to reduce urban sprawl. While densification is more desirable from a planning and service provision perspective due to reduced infrastructure expansion costs, it has negative impacts on existing services. Much of the current infrastructure was designed and constructed for significantly lower development densities and is now operating at or beyond its intended capacity. Consequently, services require replacement or upgrading to meet increased demand.

Increased urban density also results in reduced green spaces and permeable surfaces that naturally slow stormwater runoff. The expansion of hard surfaces increases runoff volumes, for which the existing stormwater infrastructure was not designed, leading to overflows and flooding.

Increasing the size of existing stormwater systems is not always a viable solution. Capacity upgrades often require prolonged road closures while large pipelines are installed, as well as the relocation or replacement of other services such as water, sanitation, electricity, and telecommunications infrastructure. The associated costs and disruption to the city are often excessive and difficult to justify.

Alternative solutions are therefore being considered and implemented, including on-site stormwater attenuation through stormwater management systems, regional attenuation measures, rainwater harvesting, and targeted localised upgrades to improve system capacity. Informal settlements are particularly vulnerable, as available land is often fully utilised for shelter construction, including watercourses and low-lying areas that are highly prone to flooding. During heavy rainfall events, these areas frequently experience flooding, posing

serious risks to occupants and often resulting in displacement and homelessness. Flash flooding in these areas can occur suddenly and with dangerous consequences. Although such areas are prioritised for relocation, they are often reoccupied after clearance.

• Renewal of Existing Infrastructure

An ongoing programme of rehabilitation and reconstruction of existing stormwater infrastructure is being implemented across various areas of the city. This includes the clearing of stormwater systems, replacement of damaged manholes and kerb inlets, and the installation of BCMM-standard kerb inlets fitted with gratings to reduce the ingress of solid waste into the stormwater system.

Solid waste remains one of the major causes of blockages within the stormwater network, with many areas requiring frequent clearing due to the high volumes of waste entering the system. While the installation of gratings assists in reducing blockages within pipes, regular maintenance and clearing of debris are essential to ensure that inlet openings remain functional.

.



Above: New Kerb Inlets



Above : waste typically found in the stormwater system

- **Rehabilitation and maintenance of bridges and culverts:**

  Bridge and major culvert renewals are an ongoing program whereby existing bridges and major culverts are being rehabilitated. This program is bearing fruit as there has been some notable improvements in the condition of structures around the Metro. These rehabilitation and maintenance works improves the condition of these structures and prolongs the service life. Typical rehabilitation works include steel corrosion mitigation, concrete repairs, expansion joint replacement, clearing of the watercourse, parapet handrails, drainage scuppers and resurfacing.

  There is however many more structures still requiring attention.

- **Rural road stormwater drainage:**

  The roads and stormwater branch provides side drains along rural roads which are cut by grader when carrying out regravelling and maintenance on rural roads. A major challenge is that due to the undulating terrain, the drains are often blocked with silt, and the culvert crossings in the valleys are often blocked due to erosion.

An annual capital budget allocation of R 30 Million is required to carry out the required renewals and upgrades of existing stormwater drainage infrastructure. This will enable the city to become more resilient when dealing with adverse weather conditions that have become less predictable due to climate change.

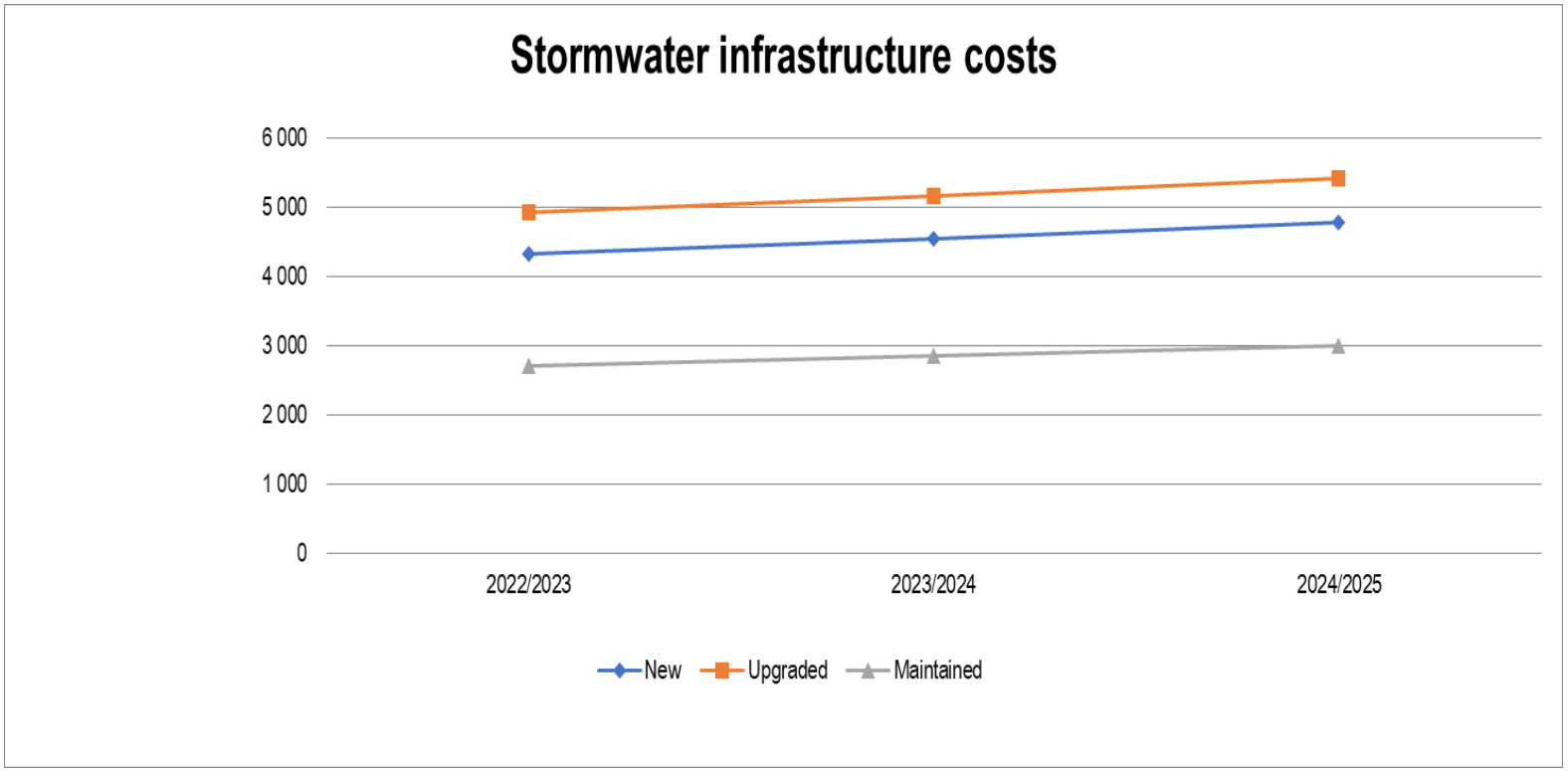
a)

T3.9.1

Stormwater Infrastructure	
Kilometres	

	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2022/2023	627	3	2	200
2023/2024	629	2	1	310
2024/2025	630	1	0.5	300
				T 3.9.2

Cost of Construction/Maintenance			
R' 000			
	Stormwater Measures		
	New	Upgraded	Maintained
2022/2023	4.333	4.927	2.715
2023/2024	4.550	5.173	2.851
2024/2025	4778	5432	2994
			T 3.9.3


Stormwater infrastructure costs
6 000
5 000
4 000
3 000
2 000
1 000
0
2022/2023
2023/2024
2024/2025
New
Upgraded
Maintained

T3.9.4

Stormwater Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2023/2024		2024/2025			2025/2026	2026/2027	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Development of fully integrated stormwater management systems including wetlands and natural water courses	Phasing in of systems	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); x yrs remaining	Completion (Yes/No); x yrs remaining	Completion (Yes/No); x yrs remaining
CC19 Number of Bridges rehabilitated		3	3	3	6	0	4	1	1

T 3.9.5

Employees: Road Services					
Job Level	2023/2024	2024/2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	140	140	135	5	4%
4 - 6	49	48	43	5	10%
7 - 9	37	43	36	7	16%
10 - 12	27	24	21	3	13%
13 - 15	7	10	10	0	0%
16 - 18	4	4	3	1	25%
19 - 20	1	1	1	0	0%
Total	265	270	249	21	8%
					T3.9.6

Financial Performance For 2024/2025: Stormwater Services

Financial Performance Year 0: Stormwater Services					
					R'000
Details	Year -1	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	–	–	–	–	#DIV/0!
Expenditure:	–	–	–	–	
Employees	–	–	–	–	#DIV/0!
Repairs and Maintenance	–	–	–	–	#DIV/0!
Other	–	–	–	–	0%
Total Operational Expenditure	–	–	–	–	#DIV/0!
Net Operational Expenditure	–	–	–	–	#DIV/0!
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. (This has been included under roads)					*T 3.9.7*

Capital Expenditure 2024/2025: Stormwater Services					
					R' 000
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**2,500,000**	**2,449,128**	**2,449,128**	**-2%**	
REHABILIT OF BCMM BRIDGES AND STORWATER	2,500,000	2,449,128	2,449,128	**-2%**	79,673,252
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.9.8*

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

The Stormwater Branch was allocated a capital budget of R2,500,000 for the rehabilitation of bridges during the 2024/2025 financial year, as well as an operating budget of R9,502,373.00 for the maintenance of existing stormwater infrastructure in the same financial year. The maintenance budget is utilised for the rehabilitation and upkeep of existing stormwater infrastructure, including the jetting and clearing of stormwater systems, repairs to manholes, kerb inlets and outlet structures, and the replacement of pipes and portal culverts.

The Stormwater Unit planned the rehabilitation and refurbishment of six bridges and culverts during the 2024/2025 financial year through the Disaster Response and Recovery Grants. However, the implementation of the bridge and culvert refurbishment projects has been delayed due to the lengthy process of obtaining the required environmental authorisations.

Disaster Response and Recovery Grants

Buffalo City Metropolitan Municipality was allocated two disaster grants, namely the Disaster Response Grant and the Disaster Recovery Grant. The Disaster Response Grant was approved for a total of 22 projects, with an allocation of R44,600,000, while the Disaster Recovery Grant was approved for a total of 22 projects, with an allocation of R78,000,000. The projects are currently at various stages of implementation.

The Disaster Response Grant is currently at 50% completion, while the Disaster Recovery Grant is currently at 10% completion.

Stormwater infrastructure upgrades are also undertaken as part of road rehabilitation and upgrade projects, such as the Mdantsane Roads Upgrade Clusters and the Gonubie Internal Roads Rehabilitation projects. These projects include the rehabilitation and upgrading of stormwater drainage systems through increased capacity and the renewal of ageing infrastructure.

There is a significant backlog in the maintenance and upgrading of the existing stormwater drainage systems within the city. An additional amount of R30 million per annum is required to reduce this backlog. There is an urgent need for additional funding to replace, rehabilitate, and upgrade the stormwater network, as much of the infrastructure is in poor condition and no longer able to meet current demands.

T3.9.9

COMPONENT C: PLANNING AND DEVELOPMENT

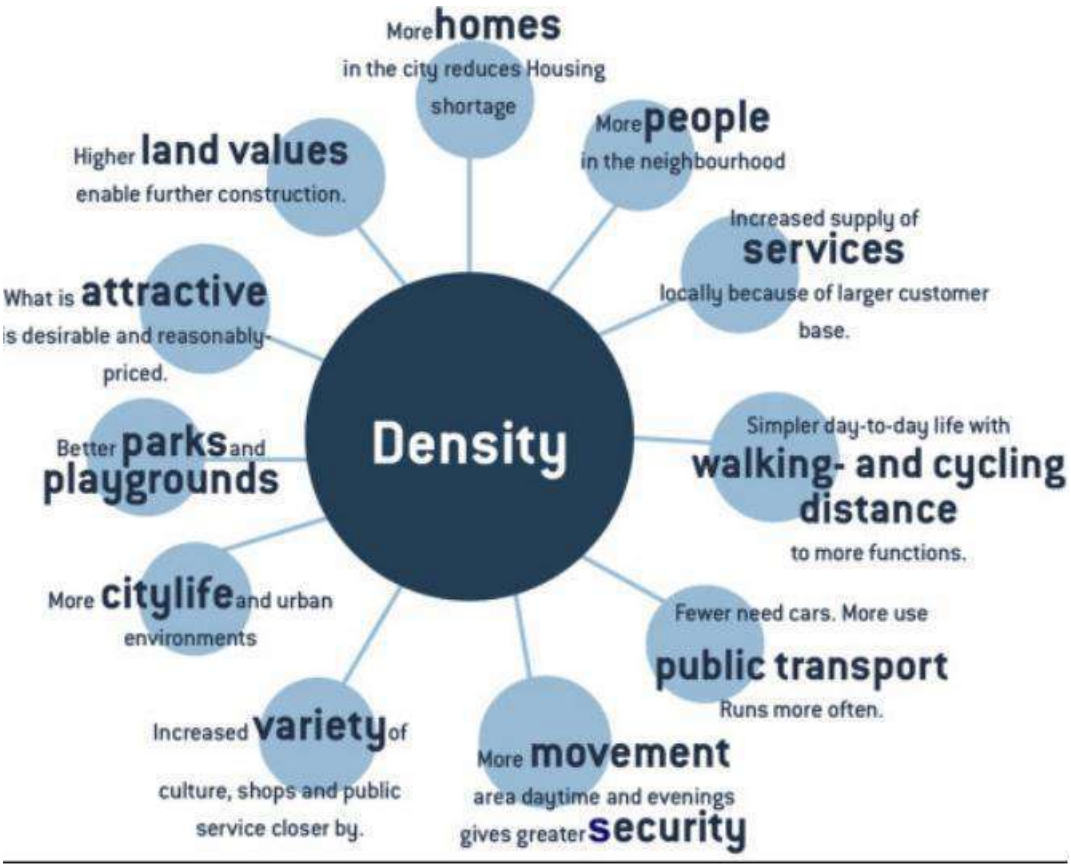
INTRODUCTION TO PLANNING AND DEVELOPMENT

Key legislation that guides the planning and development processes in BCMM

1. **Integrated Urban Development Framework (IUDF)**

CoGTA introduced the IUDF in 2016 as a direct response to the post-2015 SDGs, particularly Goal 11: Making cities and human settlements inclusive, safe, resilient, and sustainable. The IUDF also draws upon various chapters of the NDP, expanding on Chapter 8, 'Transforming human settlements and the national space economy', and its vision for the urban future of South Africa.

The IUDF identifies key priorities, including the promotion of compact cities, the provision of reliable public transport, and the development of industries and services aimed at dismantling apartheid spatial patterns. Compact growth lowers the costs associated with delivering services and infrastructure and enhances the feasibility of integrated public transport and other forms of urban infrastructure.



Key elements in the concept of a Compact City

Firmly embedded within the NDP, the IUDF affirms the necessity for South Africa to address the enduring spatial legacy of apartheid and to foster more compact, interconnected cities and towns. The IUDF's overarching objective is spatial transformation, representing a "New Deal" for the nation's urban areas by directing urban development towards a sustainable model characterised by compactness, connectivity, and coordination.

The IUDF maintains that urban growth boundaries outlined in municipal Spatial Development Frameworks (SDFs) must be preserved to prevent urban sprawl and safeguard both environmentally sensitive areas and prime agricultural land essential for food security. It asserts that compact urban growth extends beyond mere urban containment or the imposition of high densities; rather, it involves guiding urban expansion in ways that preclude inefficient spatial patterns. Consequently, the IUDF promotes high-density, mixed-use Transport Orientated Development (TOD), which improves access to local employment and services while contributing to lower transportation costs.

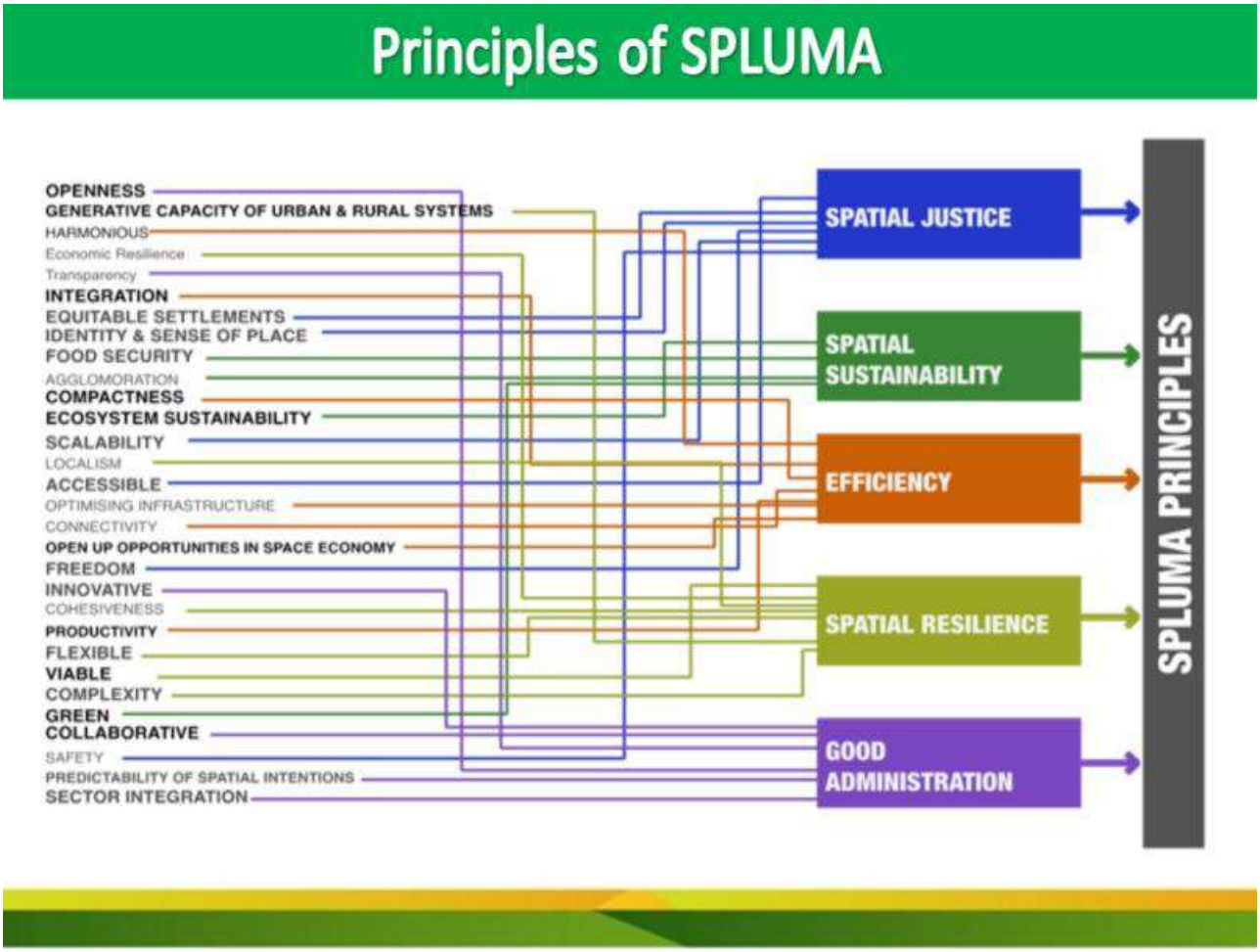
2. National Development Plan (NDP)

There are five overarching principles for spatial transformation articulated in Chapter 8 of the NDP. These have been incorporated into SPLUMA and are discussed below.

3. SPLUMA, No. 16 of 2013

Chapter 2, Section 7 of SPLUMA, No. 16 of 2013, sets out the following development principles:

- **Spatial Justice** – The inclusion and integration of disadvantaged areas.
- **Spatial Sustainability** – Promotion of land development in sustainable locations, limiting urban sprawl, fostering viable communities, and accounting for all present and future costs for all parties regarding the provision of infrastructure and social services for land developments.
- **Efficiency** – The optimisation of existing resources and infrastructure, and the creation of efficient commuting patterns.
- **Spatial Resilience** – Ensuring flexibility of spatial plans, policies, and land use management systems to support sustainable livelihoods in communities most vulnerable to economic and environmental shocks.
- **Good Administration** – The execution of good governance principles in assessing how public affairs are conducted and managing public resources throughout decision-making processes, including the implementation or non-implementation of those decisions.



The SPLUMA development principles

(Department of Rural Development and Land Reform **[DRDLR], 2015)**

In relation to the BCMM Municipal Planning Tribunal (MPT), the first five-year term for members serving on the MPT has concluded. Council subsequently approved the appointment of new members for a further five-year period. The names of those appointed to serve on the MPT were published in the Provincial Gazette on 15 May 2023.

All land use applications are processed in accordance with the approved and gazetted BCMM SPLUMA By-Law. The By-Law provides for applications concerning development on, or amendments to, land use of communal land situated within areas governed by TCs, particularly where such development or land use change is likely to have a significant impact on the rural community. During the 2024/25 financial year, the MPT considered 27 reports, approving 25 and declining two.

It is important to note that BCMM commenced the review of the SPLUMA By-Law, as well as the Buffalo City Land Use Scheme, in the 2024/25 financial year. Service providers were appointed in August 2024 to undertake the review. Since the introduction of the City's SPLUMA By-Law in July 2016, several minor issues have been identified within the provisions of the By-Law. Accordingly, reviewing the SPLUM By-Law is essential to address these matters and to ensure that both the revised Land Use Scheme and By-Law are properly aligned and compliant with the SPLUMA and its accompanying Regulations, which were published in 2015. The current Land Use Scheme was gazetted on 26 October 2020.

The drafting process for the Land Use Scheme (LUS) and SPLUMA By-Law follows a five-phase approach. To date, the following three phases have been completed in the 2024/25 financial year:

- **Phase 1 – Project Inception**

  - Confirmation of project scope and deliverables
  - Establishment of the Project Committee

- **Phase 2 – Status Quo Assessment**

  - Land development trends
  - The scheme's ability to effectively manage emerging development scenarios
  - Procedural and technical management provision
  - Management and/or procedural support or alignment needs arising from Strategic Plans
  - Require LUS and / or SPLUMA By-law review and alignment with other legislation

- **Phase 3 – Draft LUS and SPLUMA By-law Review**

  - Review of the LUS and SPLUMA By-law
  - Evaluation of the review against the provisions of Act 16 of 2013 and its regulations
  - Technical review and approval

T 3.10.

3.10 PLANNING

INTRODUCTION TO PLANNING

The BCMM approved the Municipal Spatial Development Framework (MSDF) Review in December 2020. A central function of the MSDF is to offer spatial direction and coordination for settlement and infrastructure planning, as well as related investments, thereby promoting an integrated approach to sustainable development within the Municipality.

KEY SPATIAL DEVELOPMENT CHALLENGES

The key spatial development legacy, current issues, and challenges that require ongoing responses are as follows:

- **Spatial fragmentation** in both urban and rural areas within BCMM has arisen as a result of various factors, leading to spatially fragmented development patterns. Uncoordinated spatial development has characterised the BCMM jurisdiction due to the historical presence of multiple governing bodies, each exercising executive authority over development matters, including spatial and infrastructural development. Administrative fragmentation has produced a legacy of uncoordinated development, with investment in infrastructure and facilities frequently misaligned with socio-economic and spatial development needs. The resultant lack of coordination has contributed to environmental degradation and inefficient expenditure of scarce resources.

- **Low-density settlements and urban sprawl** are prominent features of settlement and built form in BCMM. In addition to being fragmented, these patterns are predominantly expansive and low in density, a trend that continues with the ongoing construction of publicly funded housing on the urban periphery.

- **Unmanaged urbanisation** refers to the current challenges associated with the formation of informal settlements. This phenomenon is most pronounced in the urban areas of BCMM but also characterises settlement dynamics and the ongoing demand for land, particularly for residential purposes, in peri-urban and rural regions. Although recent data indicate that population growth trends in BCMM are modest, ongoing migration in pursuit of economic opportunities and improved access to services continues to shape the

settlement landscape in the Municipality. With increasing recognition of the need to promote spatial transformation to secure the future sustainability of human settlement patterns in BCMM, a sustained and strategic response is essential.

- **Urban inefficiencies** pertain to the escalating costs of maintaining infrastructure, services, and facilities within BCMM's extensive and fragmented settlement pattern, which increasingly strain the Municipality's limited resources. These inefficiencies serve as a caution against pursuing opportunistic land development projects in unsuitable locations, as such initiatives are likely to become future liabilities and threaten BCMM's financial sustainability (i.e., the risk of "Building into Bankruptcy").

- **The depletion of natural resources** and valuable agricultural land concerns the mounting pressure on scarce resources in certain areas of BCMM, as well as competition between settlement expansion and agricultural activities for available land.

MAIN OUTCOME OF THE MSDF

The primary objective of the MSDF is to achieve spatial transformation in response to the aforementioned spatial development challenges.

What is Spatial Transformation?

The National Spatial Transformation Agenda refers to the process of dismantling the spatial planning legacy of apartheid. It is a central aim of government to restructure the apartheid city and to address the consequences that apartheid planning imposed on communities. Central to this objective is the implementation of a Spatial Transformation Strategy at the local level.

The Spatial Transformation process employs a focused spatial targeting approach, which forms the foundation of the spatial strategy and policy articulated in the MSDF.

The spatial targeting approach identifies spatially defined areas where interventions can generate the greatest impact in restructuring the city. Within BCMM, several catalytic programmes – centred around key development nodes and corridors – have been identified to guide the spatial restructuring and transformation process.

Priorities for spatial transformation, identified to mitigate the adverse effects of apartheid city planning, include:

- Consolidation and integration of spatial development in rural and urban centres by efficiently developing land for sustainable human settlements in proximity to existing infrastructure;
- Upgrading and redeveloping all townships into proper integrated human settlements with functioning local economies.
- Fast-tracking informal settlement upgrades.
- Providing linkages to places of employment and connections between communities;
- Promoting urban densification and intensification to create an efficient Compact City, which includes the facilitation of a range of high-density/multistorey housing options as well as mixed uses within the inner city and at key development nodes along key public transport/development corridors.
- Diversifying housing options; devolving housing functions to local municipalities; developing a national policy on inclusionary housing.
- In rural areas, implementing the Land Reform and Settlement Programme by identifying zones of opportunity or integrated development in peri-urban and rural areas.

SDF SPATIAL VISION

"Re-Shaping Buffalo City: the Metro in 2029"

Buffalo City has consolidated its position as a City-in-a-Region; providing a focus for socio-economic development, services and higher order human settlement in the central part of the Eastern Cape Province. The core functional elements of the City are its roles as a hub for an evolving Knowledge Economy and sustainable infrastructure production and innovation; a centre of Industrial development with an innovative and world-class motor industry cluster at its heart; and a city that offers a rich lifestyle experience through the quality of its natural environment, the range of social, cultural and leisure activities offered in the area, and the excellence of its public infrastructure and social institutions.

SDF STRATEGIC FOCUS

The revised BCMM SDF (2020) has a renewed two-pronged strategic focus.

The primary strategic focus involves advancing Spatial Transformation through the promotion of the Compact City concept and the spatial targeting of key areas for investment and development. The core initiatives for Spatial Transformation are:

- Two Catalytic Development Nodes: EL CBD and Inner City, and Mdantsane Urban Hub.
- Four Catalytic Development Corridors: MELD Corridor; North West Development Corridor; West Bank Economic Corridor/Logistics Hub; and Bhisho-Qonce-Zwelitsha Development Corridor.
- Six Mass Integrated Human Settlement (MIHS) development areas located on well-situated land across the City, where inclusive mixed-use residential communities can be built at scale.
- Six townships.

The second strategic focus, in coordination with the first, is to support economic growth and development. This includes:

1. Repurposing industrial areas to benefit from the growing logistics economy.
2. Supporting the expansion of the knowledge-based economy.
3. Facilitating the significant potential for growth and job creation in the new digital economy resulting from the technologies of the Fourth Industrial Revolution (4IR).
4. Supporting the township economy: prioritising the release of BCMM land for housing and business purposes.

KEY PROGRAMMES PER SDF SPATIAL FOCUS AREAS

Spatial Focus Areas	Catalytic Programmes/Key Built Environment & Economic Programmes
1. West Bank	West Bank Economic Corridor Catalytic Programme (CP) West Bank Mass Integrated Human Settlement (MIHS)
2. Central East London to Mdantsane	EL CBD and Inner-City Regeneration CP MELD Corridor CP Mdantsane Hub CP NW Corridor CP Duncan Village & Mdantsane Township Regeneration Amalinda Junction MIHS Arnoldton MIHS
3. Bhisho/Qonce/ Dimbaza/ Ntabozuko(Berlin)	Bhisho-Qonce-Zwelitsha Corridor CP Ntabozuko & Dimbaza Industrial nodes Zwelitsha, Illitha, Phakamisa, Dimbaza Township Regeneration Ginsberg Extension MIHS Bhisho Precinct MIHS
4. Gonubie/Quenera	Quenera MIHS
5. Rural	Rural Economy programme Basic service delivery programme
Spatial Focus Area: 1 to 4	Industrial Development Programme focussing on logistics

SPATIAL DEVELOPMENT FRAMEWORK MIHS AREAS

Six MIHS areas have been identified in key locations to address the housing backlog. These areas are intended to:

1. Accommodate a **range of socio-economic groups** through a variety **of housing types** within a fully integrated human settlement.
2. Be developed at **high density** and may include social housing flats, high-rise RDP housing, gap housing, plots for self-build housing, and managed land settlement.
3. Include **business sites** and **community facilities.**

6 Mass Integrated Human Settlements	Estimated Residential yield
West Bank	71 340
Quenera	26 595
Arnoldton/ Reeston North	25 695
Ginsberg Extension	14 910
Bhisho Precinct	6 144
Amalinda Junction	6 009
TOTAL	**150 693**

SDF RURAL DEVELOPMENT PROGRAMME

Strengthen Rural **Nodes** that will cater for the following essential services:

1. Retail;
2. Social;
3. Medical;
4. Mobile government services, i.e., SASSA, Home Affairs, etc.;
5. Transport interchange

Facilitate Agriculture Development:

1. **Assist** residents to achieve sustainability for themselves and by themselves;
2. Continue with the Rural Housing Programme
3. Implement the Rural Economy Programme
4. Focus on agro-processing
5. Promote tourism;
6. Support conservation.

SDF INDUSTRIAL REVITALISATION PROGRAMME

A key element of the programme is the repurposing of the following industrial areas:

1. **West Bank Smart Logistics and Automotive Hub:**
    a. Port/Airport/MBSA/IDZ
    b. Airport logistics areas
    c. Collondale – gradual conversion to logistics to support the airport
    d. Logistics area – relocation of Orange Grove
2. **Wilsonia:**
    a. Repurpose for logistics
    b. Benefit from the bridge over the Buffalo River

3. **Fort Jackson:**
    a. SMME Hub
    b. Repurpose for logistics
4. **Mdantsane Industrial Park adjacent to Mount Ruth Node:**
    a. Logistics focus
5. **Dimbaza industrial area:**
    a. Responding to the needs of the rural hinterland;
    b. Agro-processing – Perishables –flowers, fruit, etc.;
    c. Food security for BCMM;
    d. Linkage to Bulembu Airport as a logistics hub for the export of food and high-end agro products;
    e. Consider surrounding municipalities funnelling agricultural products to Dimbaza for processing and/or export;
    f. Address spatial implications;
    g. Provide for housing, businesses, etc.;
    h. Encourage higher-order facilities to support residents.
6. **Ntabazuko Green Energy Hub:**
    a. Solar farm
    b. Manufacturing of green technology

Service Delivery Priorities

a) Implementation of SPLUMA and the SPLUMA By-Law
b) Upgrading of informal settlements
c) Formulation of Local Spatial Development Frameworks (LSDFs)

SPATIAL DEVELOPMENT PLANNING OUTPUTS

FORWARD/SPATIAL PLANNING

Amalinda-Cambridge LSDF:

The Amalinda-Cambridge LSDF that commenced in the 2023/24 financial year. Phase 1 (Inception), Phase 2 (Development Perspective), and Phase 3 (Development Strategy) have been finalised. Phase 4 (Budget and Implementation) was completed in draft form in the 2024/25 financial year.

West Bank MIHS Concept Framework

The West Bank MIHS Concept Framework commenced in the 2024/25 financial year. Phase 1 (Inception), Phase 2 (Development Perspective), and Phase 3 (Development Strategy) were completed in the 2024/25 financial year.

Quenera MIHS Concept Framework

The Quenera MIHS Concept Framework commenced in the 2024/25 financial year. Phase 1 (Inception) and Phase 2 (Development Perspective) have been finalised. Phase 3 (Development Strategy) was completed in draft form in the 2024/25 financial year.

SETTLEMENT PLANNING

Settlement planning projects are initiated in response to the demand for adequate housing and to confer land tenure rights upon beneficiaries. During the 2024/25 financial year, the following settlement planning projects were implemented for the establishment of townships and the conduct of feasibility studies.

Township Establishment

BCMM has finalised and is currently undertaking several township establishments in the 2024/25 financial year, which include the following settlements:

- Township Establishment for Hlalani Overspill: Subdivision and Rezoning of Erf 722 was approved by the MPT on 7 July 2024.

- Township Establishment for Masibambane: Subdivision and Rezoning of Erf 1244 was approved by the MPT on 15 November 2024.
- Xhwithinja – Not yet finalised due to land ownership issues that are outside the control of BCMM.
- Potsdam Unit V North and South – A conveyancer was appointed in May 2025 to issue a Conveyancer's Certificate.
- Smiling Valley Township Establishment – Not yet finalised as land acquisition processes have not been concluded and are still ongoing.
- Tyutyu Township Establishment – A service provider was appointed in March 2023 and has commenced work. The project has faced environmental issues, and BCMM submitted a Section 24(g) application to DEDEAT on 28 June 2024 to address these concerns.
- A service provider was appointed for the Nompumelelo and Sonwabiso Township Establishment projects on 28 November 2023 (accepted on 6 February 2024) respectively.
- The Nompumelelo Township Establishment has stalled due to disagreements with the landowner; therefore, the project cannot continue at this stage, although all land legal issues have been resolved.
- Sonwabiso Township Establishment was approved by BCMM MPT on 26 June 2025.
- Amalinda Forest Township Establishment was initiated in November 2024, and the service provider has commenced work. The Inception Phase and the Development Perspective Phase have been completed, and the draft Layout Plan and Motivation Report have been finalised.
- The Cambridge Location Feasibility Study was approved by Council on 26 June 2024.
- A service provider was appointed in April 2025 to conduct the Development Perspective for Township Establishment for Cambridge Location Phase 2. The Development Perspective was submitted in June 2025. Internal BCMM departments still need to discuss the report, as there are significant challenges relating to bulk infrastructure services.

Feasibility Study

The Township Establishment process is preceded by a feasibility study to assess the viability and feasibility of the area in question for further development, specifically subsidised housing. The Spatial Planning and Development Directorate has initiated the following feasibility studies for the 2024/25 financial year:

The Directorate of Spatial Planning and Development has commenced with:

- Farm 754 EL: The Tikinini Informal Settlement Feasibility Study began in November 2024. A report containing recommendations has been prepared and submitted to the Planning Portfolio Committee in October 2025 for consideration.
- Farm 322 EL: The KwaBotha Informal Settlement Feasibility Study commenced in February 2025. A report highlighting several issues related to KwaBotha was presented to Top Management in June 2025 for their information and input.

T 3.10.1

LAND USE PLANNING APPLICATIONS

SPLUMA, No. 16 of 2013, mandates that BCMM establish a By-law and a Zoning Scheme, delineating the permissible uses for each property. The Act further stipulates the land use restrictions applicable to every property within the Municipality, as prescribed by the relevant Zoning Scheme Regulations.

A property owner is required to submit a land use application to the City Planning Division in accordance with the provisions of the SPLUMA By-law and the Buffalo City Zoning Scheme when seeking to change the land use or amend the applicable land use restriction on the property. Such applications may include rezoning, subdivision, special consent, consolidation, and departures, which may be either permanent or temporary.

Land use applications are processed in accordance with the requirements set out in the SPLUMA By-law and the Buffalo City Zoning Scheme. It is important to note that SPLUMA, No. 16 of 2013, now serves as the sole planning legislation governing the approval of planning applications. All previous planning legislation and regulations have been repealed by the Provincial Government.

A total of 282 planning applications were approved under delegated authority by the HOD: Spatial Planning and Development during the 2024/25 financial year as follows:

Land Use Application Types	Total Number of Applications Approved
Subdivision	25
Rezoning	22
Removal of Restrictions	60
Consent Use	9
Permanent Departure (Building Lines)	152
Temporary Departure	14
TOTAL:	**282**

LAND USE MANAGEMENT (LUM)

Applications for Land Use Development						
Detail	**Formalisation of Townships**		**Rezoning**		**Built Environment**	
	2023/2024	**2024/2025**	**2023/2024**	**2024/2025**	**2023/2024**	**2024/2025**
Planning application received	6	6	40	87		
Determination made in year of receipt	3	3	3	22		
Determination made in following year	3	0	0	0		
Applications withdrawn	0	0	0	0		
Applications outstanding at year end	4	3	37	65		
						T 3.10.2

Planning Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2020/21**		**2021/22**			**2022/23**	**2024/25**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators		***Previous Year**		***Previous Year**	***Current Year**		***Current Year**	***Current Year**	***Following Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective xxx									
Determine planning application within a reasonable timescale	Approval or rejection of all built environment applications within a x weeks	N/A	N/A	N/A	N/A		N/A	N/A	N/A
	Reduction in planning decisions overturned	0 planning decisions overturned	0 planning decisions overturned	0 planning decisions overturned	0 planning decisions overturned	0 planning decisions overturned	0 planning decisions overturned	0 planning decisions overturned	0 planning decisions overturned
	Average number of days taken to process building plan applications for approval (plans below 500 square metres)								
	Average number of days taken to process building plan applications for approval (plans above 500 square metres)								
****There were delays in the processing of Building Plan applications due to the Covid-19 pandemic and National Lockdown regulations and disruptions.***									***T 3.10.3***

Employees: Planning Services					
Job Level	2023/2024	2024/2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	8	9	8	1	11%
4 - 6	24	26	24	2	8%
7 - 9	19	21	19	2	10%
10 - 12	49	55	52	3	5%
13 - 15	18	17	15	2	12%
16 - 18	2	4	3	1	25%
19 - 20	2	1	1	0	0%
Total	122	133	122	11	8%

T 3.10.4

Financial Performance For 2024/2025: Planning Services

Financial Performance 2024/2025: Planning Services					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**13,257**	**27,474**	**29,120**	**16,193**	**-70%**
Expenditure:					
Employees	63,074	73,536	64,425	64,425	-14%
Repairs and Maintenance	101	1,151	104	104	-1004%
Other	31,813	18,374	18,338	17,942	-2%
Total Operational Expenditure	**94,987**	**93,061**	**82,868**	**82,471**	**-13%**
Net Operational Expenditure	**81,730**	**65,588**	**53,748**	**66,278**	**1%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.10.5*

Capital Expenditure 2024/2025: Planning Services R' 000					
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**1,150**	**115**	**115**	**-901%**	
AERIAL PHOTOGRAPHY AND MAPPING	250	–	–	0%	2,000
PLOTTERS	300	–	–	0%	–
SURVEY EQUPMENT	300	–	–	0%	583
(DIRECTORATE)	300	115	115	-161%	276
Total project value represents the estimated cost of the project on approval by council (including past and future					*T 3.10.6*

COMMENT ON THE PERFORMANCE OG PHYSICAL PLANNING OVERALL:

Targets are set based on the approved budget, hence targets set out in the IDP are anticipated to be achieved within the approved budget for that particular financial year. Should there be any variance, budget adjustments are done during the midyear budget and performance adjustment processes.

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

The Directorate of Economic Development and Agencies is tasked with fostering economic growth by establishing an enabling environment for business prosperity, facilitating job creation through key economic actors, attracting and retaining investment, and enhancing the overall well-being of local communities within BCMM.

The Directorate comprises the following departments:

- Fresh Produce Market
- Agriculture and Rural Development
- Trade, Sector and Industry Development
- Tourism Development, Arts & Culture

The Annual Report will provide detailed information on each of the areas mentioned above, including their contributions to supporting local businesses within the business sector, initiatives designed to attract investment and stimulate economic growth, as well as infrastructure developments that facilitate business operations. Additionally, it will outline community engagement projects aimed at enhancing the quality of life for residents.

BUFFALO CITY FRESH PRODUCE MARKET (BCFPM)

BACKGROUND AND INTRODUCTION

The Buffalo City Fresh Produce Market (BCFPM) operates as a department within BCMM's Directorate of Economic Development and Agencies. As one of the 15 national fresh produce markets established to facilitate the distribution of fresh produce at affordable prices, BCFPM serves the citizens of BCMM and surrounding areas. The market engages with farmers and businesses of varying sizes, backgrounds, and ownership, providing a platform for suppliers to deliver produce for sale through appointed market agencies. These agencies, which run private enterprises within allocated spaces at the municipal market trade hall, manage the sale of produce. The market accommodates four market agencies and their employees, three wholesalers with their respective staff, as well as various small businesses and operators.

BCFPM receives a 5% commission on sales from farmers. Additional income is derived from rentals for office space, cold storage, and other general storage facilities. During the 1978/1979 sales period, the Market achieved a turnover of approximately R4 million, whereas current revenue stands at around R634 000 000. Nationally, the market is ranked sixth in terms of both size and turnover. However, there is potential for advancement, particularly in light of the various initiatives currently being pursued by market management.

The current location of the market is 1 Mercator Place, Wilsonia Industrial Area, EL, 5247. The market's website is as follows. https://www.buffalocity.gov.za/bcmm-freshmarket/index.php

VISION STATEMENT

To serve as convenient trading platform for fresh produce and related products.

MISSION STATEMENT

To establish a modern infrastructure facility as a trading platform.

STRATEGIC OBJECTIVES

- To increase BCMM revenue
- To promote access to food security.
- To promote an inclusive economy through transformation.
- To build a strong and capable human capital.

VALUES

- Respect
- Transparency

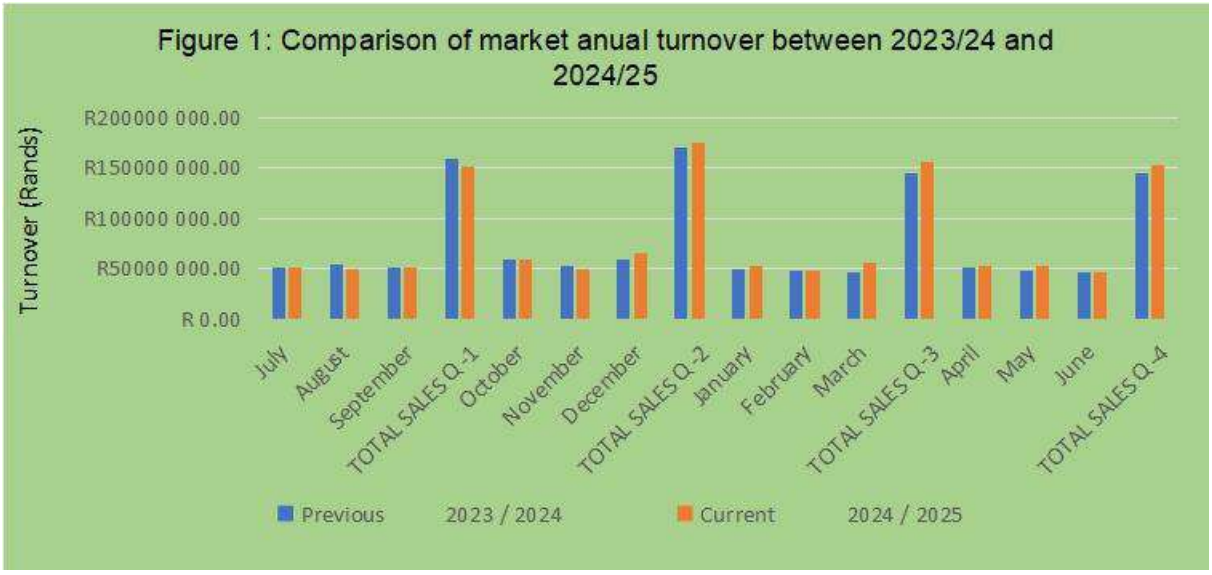
1. PURPOSE

To table the BCFPM Annual Performance Report for the period 01 July 2024 to 30 June 2025.

2. ANALYSIS OF BCFPM'S ANNUAL SALES FOR THE 2024/25 FINANCIAL YEAR

2.1 Comparison of market annual turnover performance between 2023/24 and 2024/25

Figure 1 below compares BCFPM's annual turnover between 2023/24 and 2024/25. The graph shows that the market generated an annual turnover of R634 967 334 in 2024/25, compared to R619 947 890 in 2023/24. This represents an increase of 2% year-on-year. Furthermore, the rand per tonne increased by 3%, from R8 356 (2023/24) to R8 645 in the current year.



Source: Refresh Trading System

2.2 BCFPM'S contribution to municipal revenue

BCFPM's contribution to municipal revenue is shown in the table below:

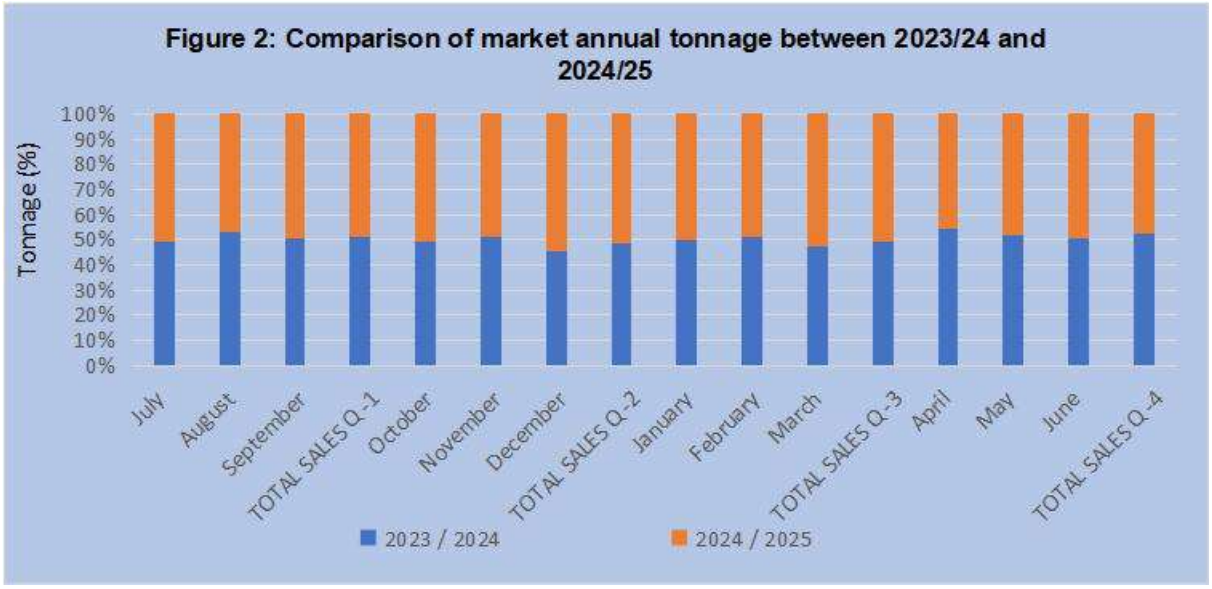
Revenue Contribution to Municipal Revenue

REVENUE TYPE	AMOUNT
Commission Earned	R31 791 121,82
Rentals	R767 432,19
Sundries	R833 791,80
Cold Storage	R1 669 381,17
TOTAL	**R35 061 726,98**

Commission remains the highest revenue stream for the BCFPM. It is the department's primary income source, and additional efforts are directed at boosting sales, as higher sales translate into higher commission.

The second-largest revenue stream is cold-storage rental. The department operates a cold-storage facility with capacity exceeding 1 500 tonnes of produce. It is well maintained and equipped with up-to-date technology. Over time, the department has invested capital to upgrade the facility. Cold storage continues to be the principal draw for farmers and businesses.

2.3 Comparison of market annual tonnage performance between 2023/24 and 2024/25

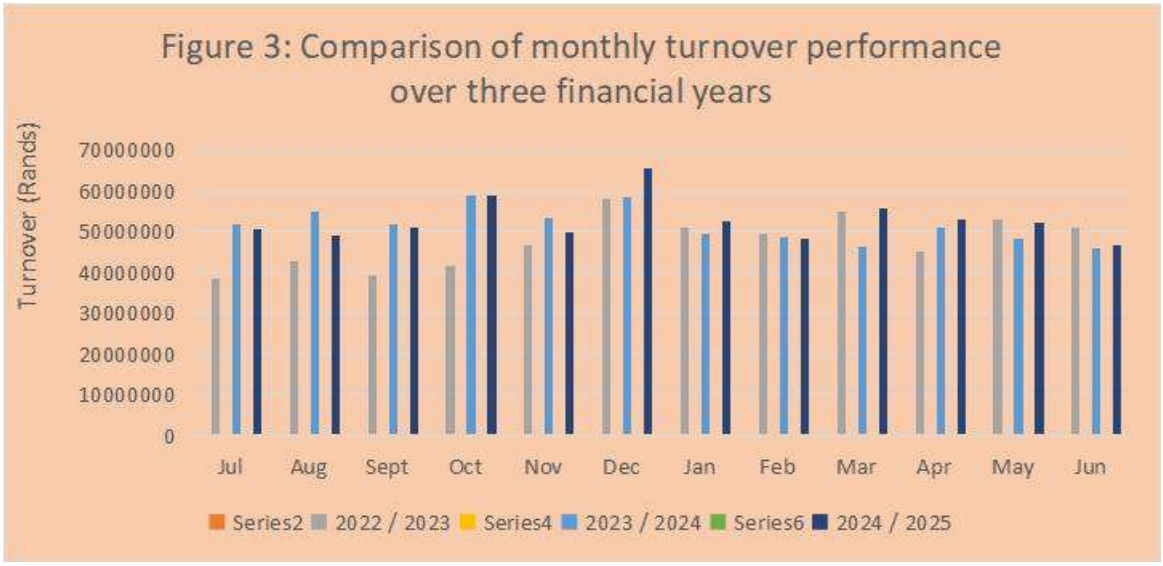


Source: Refresh Trading System

The figure above illustrates that BCFPM distributed 73 447 metric tons of fresh produce during the 2024/25 period, compared to 74 195 metric tons in 2023/24. This represents a 1% decrease in tonnage between the two financial years under review.

The Refresh Trading System recorded a total of 502 registered suppliers/farmers in 2024/25, reflecting a 2% decline compared to 510 registered suppliers in 2023/24. The trading system also reports 6 459 registered buyers for the 2024/25 sales period, marking a 15% increase relative to the 5 636 registered buyers in the 2023/24 financial period.

2.4 Monthly sales growth performance over the three-year sales period (2021/22, 2022/23, 2023/24)

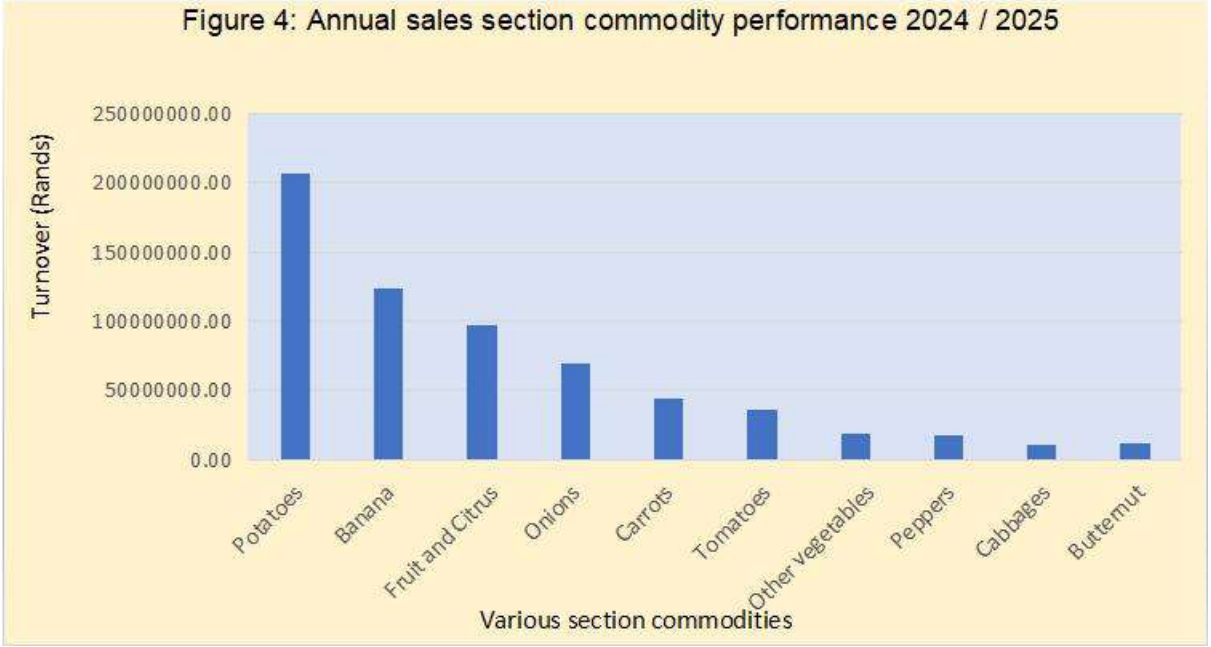


Source: Refresh Trading System

The graph in the Figure above presents a comparison of monthly turnover performance across the three financial years under review: 2022/23, 2023/24, and 2024/25. The data illustrate that monthly turnover was consistently stronger and remained within acceptable levels during 2024/25, reaching its highest point in December. In terms of overall performance, 2023/24 follows 2024/25. The graph clearly demonstrates that during the first and third quarters of 2022/23, turnover declined, attributable to reduced fresh produce supplies and inconsistent production and harvesting among farmers as a result of disease outbreaks.

3. Market top seller commodity/product for the 2024/25 period

3.1 Market top ten seller commodities/product performances



Source: Refresh Trading System

The Figure above illustrates the performance of the top ten commodities/products sold at the Market during the 2024/25 period. The data demonstrates that potatoes represent the largest contributor to market revenue, with a combined turnover of approximately R206 799 228. This section accounts for 33% of the annual turnover and 38% of the annual tonnage. Bananas constitute the second-highest selling section, achieving a combined turnover of around R123 823 677, with a 20% share of annual turnover and 16% share of annual tonnage during the same period. Fruit/citrus ranks third, with a combined turnover of roughly R88 805 474, representing 14% of the annual turnover and 10% of the annual tonnage. The figure also reveals that cabbages are positioned at the bottom of the top ten products, contributing 2% to the annual turnover and 4% to the annual tonnage. Similarly, butternut is among the lowest contributors within the top ten, accounting for 2% of the annual turnover for the 2024/25 period.

4. Market Agents Sales Summary Report 2024/25

Market Agents Best Performers/Sellers in 2024/25



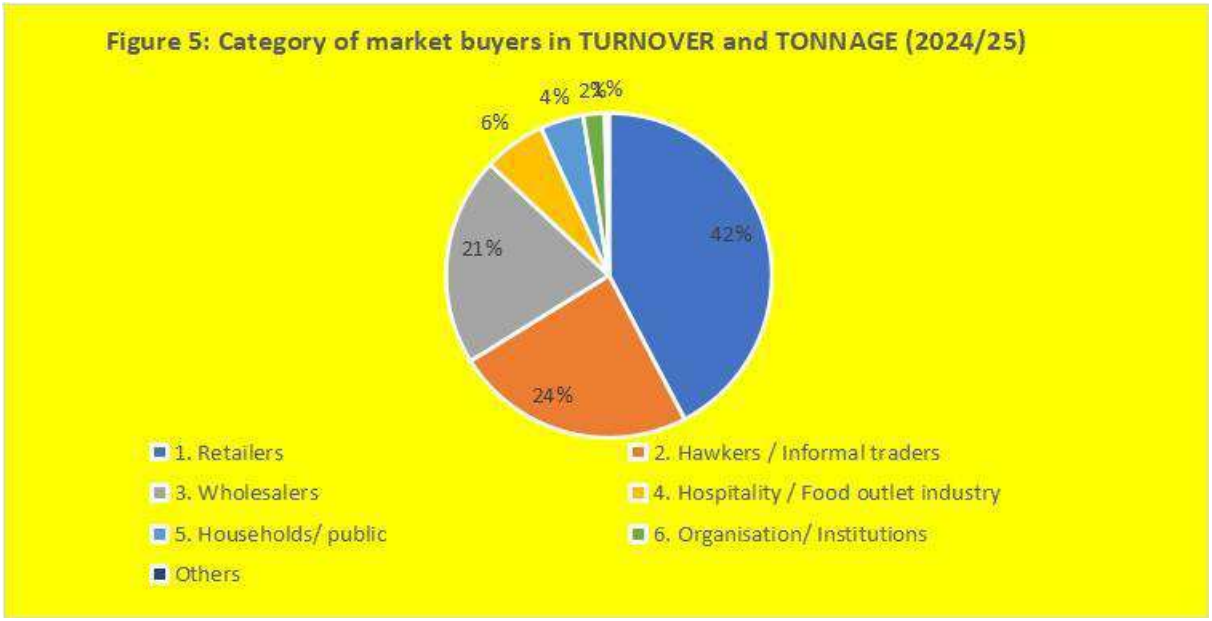
	Banana	Tomato	Carrot	Potato	Cabbage	Fruit & Citrus	Onion	Vegetable
Martin & Scheepers	74%	36%	12%	54%	42%	37%	14%	25%
AAM	0%	62%	19%	18%	28%	14%	43%	33%
Subtropico	3%	2%	59%	16%	12%	34%	16%	19%
Border Farmers	23%	0%	10%	11%	17%	15%	27%	23%

Source: Refresh Trading System

The Figure above presents a summary of the market agents' performance during the 2024/25 financial year under review. Market agents are evaluated based on their annual turnover and tonnage sold. The graph further indicates that Martin and Scheepers is the largest market agent, accounting for 46% of turnover and 44% of tonnage. Their primary products, bananas and potatoes, rank among the most highly consumed commodities in South Africa. Cabbages have also made a notable contribution to their performance, representing a 42% share of the market. AA Market Agent demonstrated particular strength in tomatoes and onions during the same period. Subtropico Market Agent excelled in carrots, with a 59% share, and achieved a 34% share in fruit/citrus. Border Farmer appears at the lower end of the performance spectrum but shows potential for economic contribution, with a 27% share in onions, 23% in vegetables, and a further 23% share in bananas.

5. Summary of Performance in the Buyers' Category

5.1 Category of Market Buyers and Performance in the 2024/25 Financial Year



Source: Refresh Trading System

The graph above demonstrates that the market comprises seven distinct categories of buyers. Buyer performance is depicted in the accompanying pie chart: 1. Retailers (42%), 2. Hawkers (24%), 3. Wholesalers (21%), 4. Hospitality (6%), 5. Households/public (4%), 6. Organisations/institutions (2%), and 7. Others (1%). The data reveal that the retail group accounts for the largest market share at 42%, followed by hawkers at 24% and wholesalers at 21%.

5.2 Performance of Wholesalers at the Market

Turnover and Tonnage of Wholesalers Accommodated Inside the Premises

NO.	NAME	AMOUNT	TONNAGE
1	HRT TRADE	R37 563 919,55	4 515,95
2	FRUIT & VEG T/A	R37 149 781,00	3 433,43
3	MJ ENGELBRECHT T/A	R21 251 331,38	2 806,59
		R95 965 031,93	**10 755,97**

Source: Refresh Trading System

To stimulate demand, the BCFPM is refurbishing and upgrading its facility to accommodate wholesalers. Accommodating these wholesalers inside the premises reduces their cost of doing business and increases their buying power. The table below shows the wholesalers currently accommodated inside the premises:

6.Summary of Market Annual Discarded Fresh Produce 2024/25

#	Product description	Discards in kg's	Estimated value (R)
1	AA MARKET AGENT	96 348	R894 647,98
2	BORDER FARMERS	89 963	R1 251 041,61
3	MARTIN & SCHEEPERS	137 531	R1 362 547,29
4	SUBTROPICO	70 201	R742 438,82
5	TOTAL	394 043	R4 250 675,70

Source: Refresh Trading System

The table above presents data on fresh produce discarded during the 2024/25 financial year, based on figures from individual market agents operating on the trading floor. It shows that Martin and Scheepers Market Agency accounted for the largest amount of discarded produce, totalling approximately 137 531 kilograms with an estimated value of R1,3 million. AA Market Agency is ranked second, with 96 348 kilograms discarded, valued at around R894 647. Border Farmers and Subtropico Market Agencies also discarded significant, though smaller, quantities of fresh produce over the same period.

Potatoes occupy the highest position among discarded products, with 50 936 kilograms being disposed of, representing an estimated value of approximately R380 724. Carrots are ranked second in terms of discarded volume, with 49 259 kilograms and an estimated value of around R432 685. Products such as pumpkins, peppers, tomatoes, lemons, butternut, sweet potato, onions, and cabbages follow in subsequent positions.

7. Other Market Projects

As part of the government's transformation agenda, BCFPM Management resolved to introduce innovative concepts into the Fresh Produce Market Industry to enhance its appeal and accessibility for the BCMM community. The Food Hub concept has generated business opportunities, particularly for previously disadvantaged individuals from the region. Most operators within the Food Hub are drawn from these groups and are engaged in fresh produce business operations in accordance with the mandate set by Market Management. The recently established businesses in the Food Hub area of the Market include the following:

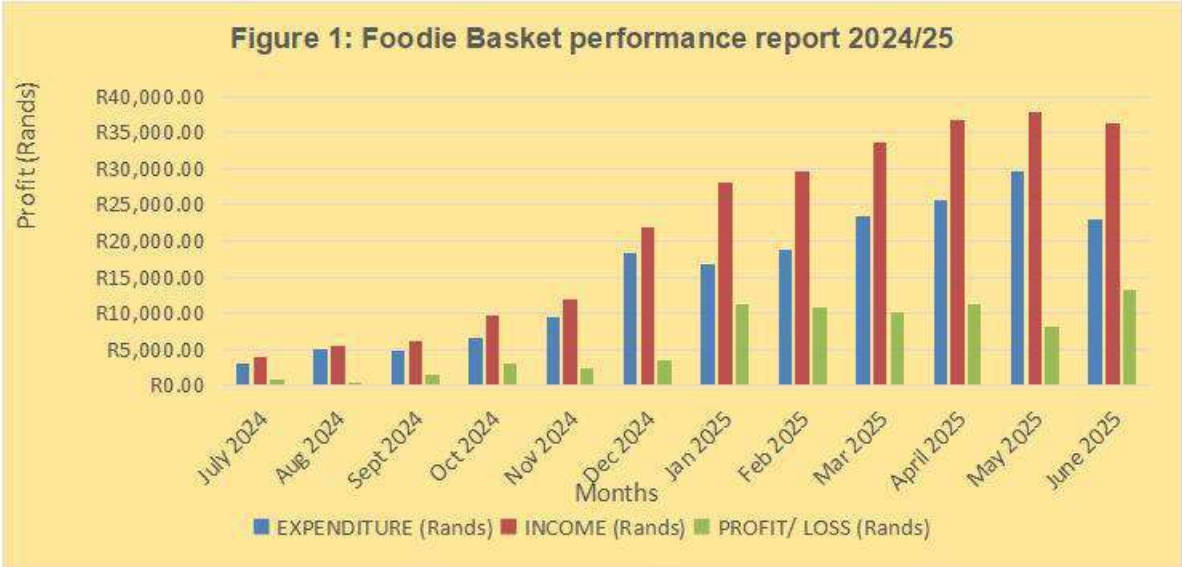
8.1 The Food Hub

The Food Hub concept is designed to facilitate both forward and backward integration within the food value chain, establishing robust demand through off-take agreements with institutions such as schools, prisons, hospitals, restaurants, and hotels. The Fresh Produce Market has organised a collective of farmers with the aim of hosting quarterly Flea Market Days adjacent to the newly

constructed Food Hub building. These events seek to showcase produce from small-scale farmers, foster market access opportunities, and enhance awareness, while also equipping farmers to supply the Food Hub area consistently. Additionally, a key objective is to support the development of farmers, enabling their progression towards commercial enterprise. The two black operators within the Food Hub have been granted favourable rental terms over a three-year period to ensure operational stability and to facilitate economic growth and business expansion.

8.1.1 Foodie Basket Performance Report (July 2024–June 2025)

The primary focus is the pre-packing of fresh produce in small quantities for household sales, as opposed to bulk sales on formal trading platforms such as the main market hall. As illustrated above, the Foodie Basket operator, a black South African woman, demonstrates notable economic contributions within the market. The operator employs two black South African women to assist with business operations. This enterprise offers a diverse range of foodstuffs to meet varying customer needs. The figure below presents the performance of the Foodie Basket operator over the twelve-month period of the 2024/25 financial year.



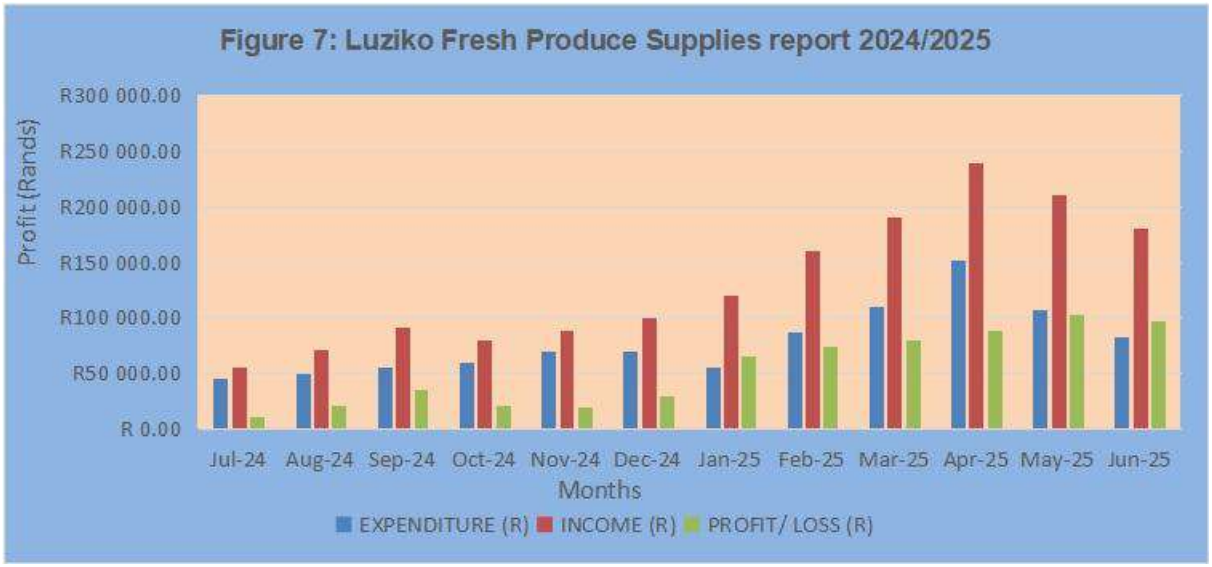
Source: Foodie Basket

The graph above depicts the operator's performance in the Food Hub area over a 12-month period from July 2024 to June 2025. It also illustrates that income became the predominant contributor to the business, particularly from December 2024 onwards. Both expenditure and income

increased notably in December 2024. The initiation of side operations beyond the original focus on fruit and vegetables contributed to the rise in revenue.

8.1.2 Luziko Fresh Produce Supplies (July 2024–June 2025)

The primary focus is the pre-packing of fresh produce – primarily peppers and other vegetables – in small quantities for a diverse range of businesses and customers across EL, Grahamstown, and the former Transkei. This approach contrasts with the bulk sales typically conducted through formal trading platforms such as the main market hall. As illustrated in the image above, the Luziko Fresh Produce Supplies Operator, a black South African male, has made significant economic contributions to the market. The Operator has created employment opportunities by hiring six black South African women to assist with the business operations. Luziko Fresh Produce Supplies provides a wide selection of fresh produce and, notably, sources the majority of its stock from the Market. The figure below presents the performance of Luziko Fresh Produce Operator over the 2024/25 financial year, detailing a 12-month period.



Source: Luziko Fresh Produce Supplies

The Figureabove presents the operator's performance in the food hub area over a 12-month period from July 2024 to June 2025. The graph reveals that Luziko Fresh Produce Supplies generated minimal revenue between July and December 2024. Income increased markedly in January 2025, while expenditure remained within acceptable limits. Income levels continued to rise significantly from February to June 2025, reaching their highest point in April 2025.

Expenditure followed a similar trajectory, although it remained below R150 000 in April 2025. Notably, profit margins were considerable, approaching R100 000 in the same month.

8.2 The Packhouse Environment

The second focus is the packhouse environment, with the objective of introducing emerging farmers to the Market Food Hub processing facility to foster consistent production and supply of fresh produce and related food items. The initiative also seeks to address inconsistent supply, the declining number of farmers, and reduced food quantities, while simultaneously expanding market access opportunities. Each emerging farmer receives dedicated space to display their agricultural products during the quarterly Flea Market Days. BCFPM has identified 30 local farmers to provide guidance and advice regarding demand and the aggregation of products required to meet supply targets for vegetable products, with a select number of fruit farmers designated as primary suppliers to the packhouse. Peppers (all colours) serve as the main products required in the facility, supplemented by other vegetables, while fruits are sourced through the commission system and, where necessary, from outside the Market to diversify the consumer food basket. During the initial stages of the project, the commission system will not be implemented, and farmers will retain 100% of the profits from their sales, in contrast to the market trading floor's core business model.

8.3 Demand Aggregation of Fresh Produce in the EC province

The Market is currently confronted with a decline in the tonnage of fresh produce sold. Adverse climate and weather conditions have negatively influenced the performance of BCFPM, particularly regarding key products such as potatoes. Presently, the supply of potatoes is insufficient due to six commercial farmers in Limpopo province experiencing black frost, which devastated their anticipated harvest. Consequently, the price of a bag of potatoes is projected to rise significantly, as various markets and buyers compete for the limited supply. The ongoing reduction in banana production and supply is also of considerable concern for the Market, the BCMM community, and neighbouring areas, particularly in relation to food security and poverty alleviation.

Possible Solutions:

The Eastern Cape Provincial Cabinet has approved the direct procurement of fresh produce by government departments responsible for daily food procurement from the three fresh produce markets within the province. The introduction of these new potential buyers presents challenges

for both the markets and farmers, as food shortages are increasingly evident and issues relating to food demand and supply are becoming more pronounced. The BCFPM, in collaboration with South African Union of Food Markets (SAUFM) and the Department of Agriculture (DoA), is currently engaged in awareness campaigns utilising the demand aggregation model, aiming to encourage and attract both new and existing local farmers who produce low volumes, particularly in Buffalo City and its surrounding communities. While this initiative shows considerable promise, the mandate for implementation has been transferred from the DoA to the Eastern Cape Rural Development Agency, which now leads the project with the support of industry stakeholders, including BCMM.

9. Financial Implications

The department was allocated R5 500 000 capital budget for 2024/25. The following projects were implemented:

NO.	PROJECT NAME	PROJECT EXPENDITURE	COMMENTS
1.	Upgrading of cold rooms	R2 742 714,64	100%
2.	Upgrading of parking bays	R391 050,00	100%
3.	Office refurbishments and replacement of rainwater goods	R559 417,50	80%
4.	Installation of dock levellers	R321 699,20	50%
5.	Refurbishment of LV panels	R626 086,96	100%
6.	Supply, delivery, and assembly of two prefabricated units	R350 860,00	100%

Agriculture and Rural Development Report – 2024/25

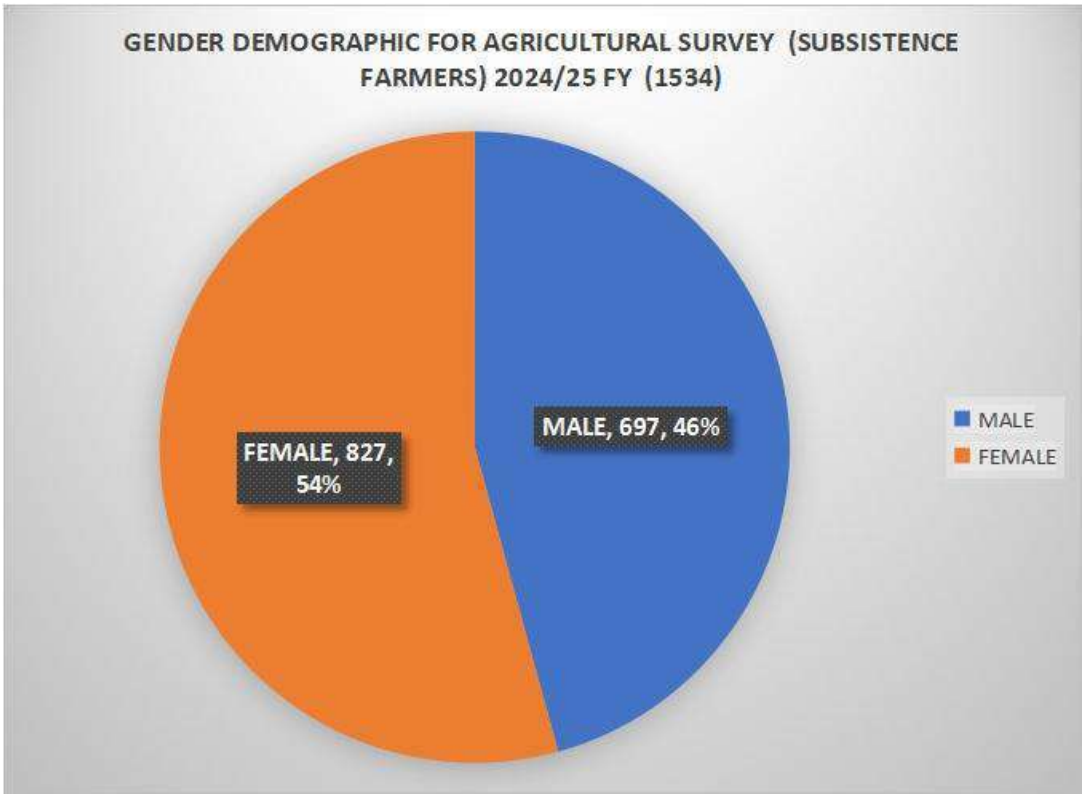
Introduction

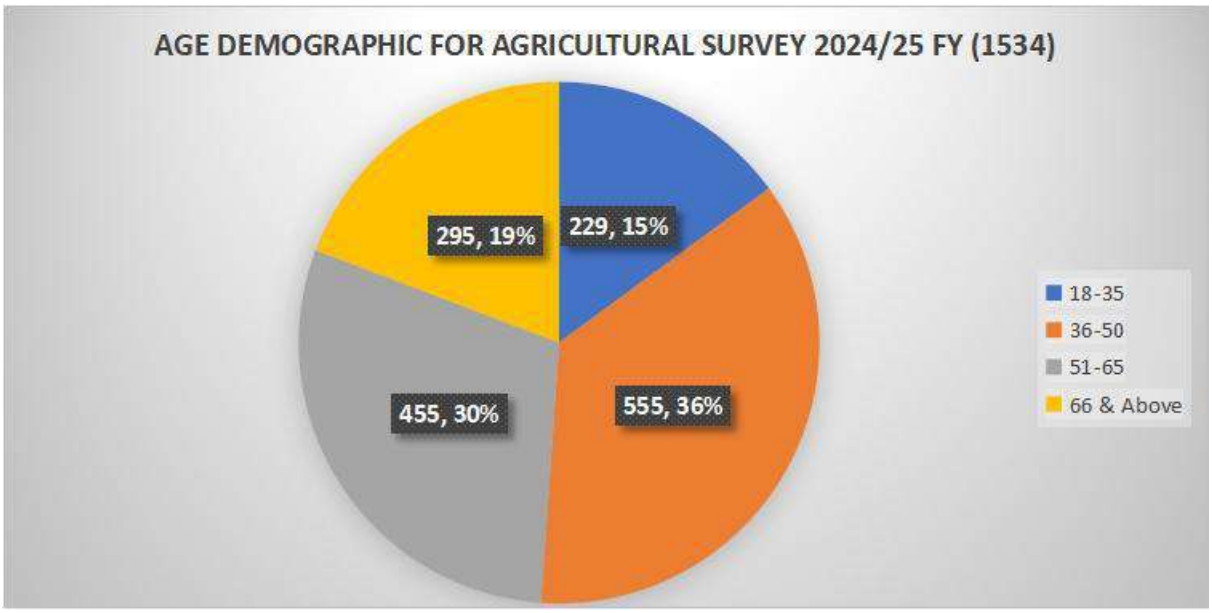
The climate and natural resources of BCMM position the Metro to make a significant contribution to the provincial food basket. The sub-tropical climate, characterised by deep soils and summer rainfall, supports the cultivation of a variety of crops. Several perennial rivers, including the Nahoon, Buffalo, and Keiskamma, traverse the Metro and facilitate the development of major irrigation schemes.

BCMM comprises commercial, emerging, and subsistence farmers. Commercial farmers predominantly occupy prime land along the coast, extending from Kaysers Beach to Kwelerha, whereas subsistence agriculture is primarily practised in rural villages, mainly within the former

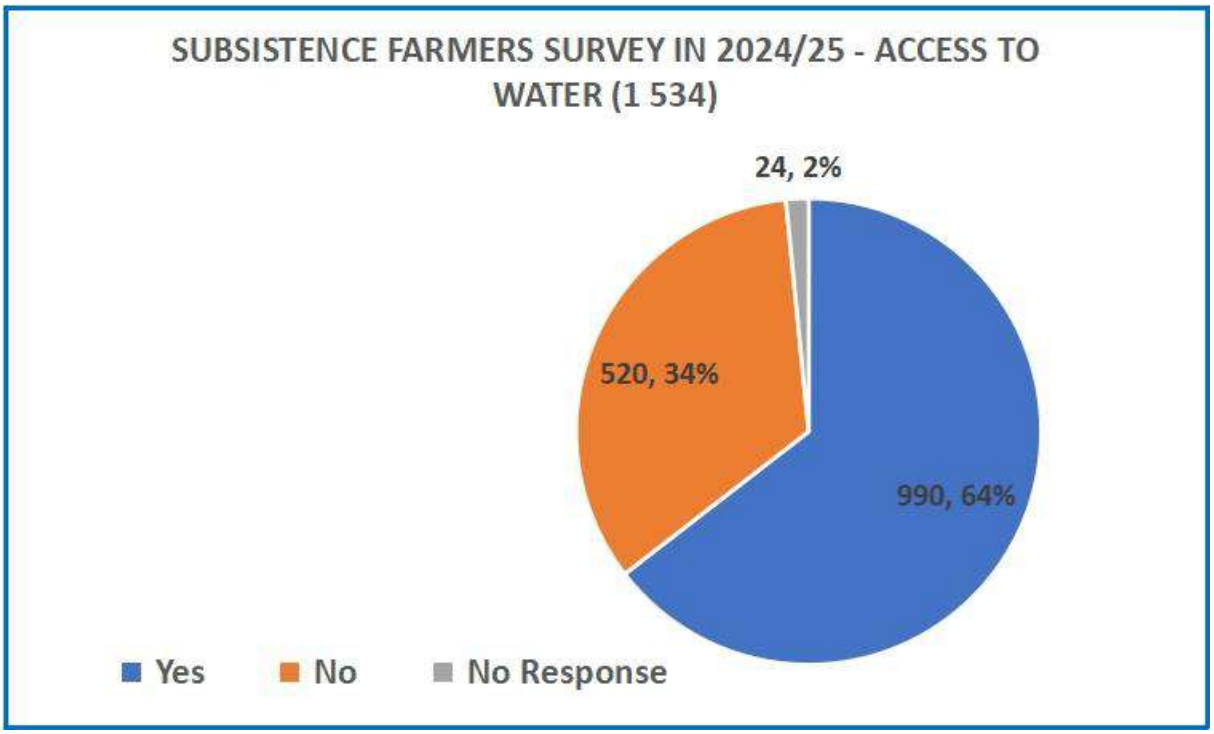
Homelands. The majority of emerging farmers have been established through government land reform programmes, with many of these farms having previously been vacated or left idle.

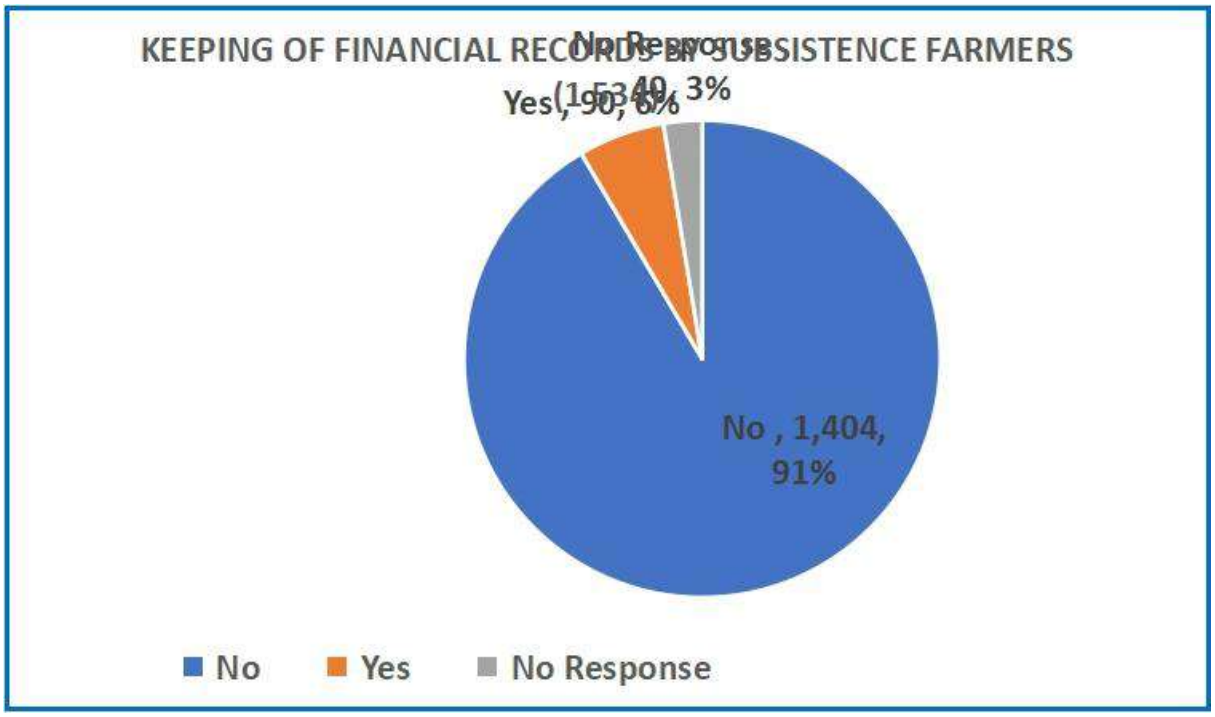
An Agricultural Survey conducted by BCMM during the 2024/25 financial year indicates that the majority of subsistence farmers within the Metro are women and the elderly (see graph below).





The survey confirms the well-documented challenge of limited youth participation in agriculture, with only 15% of young people involved. The most active demographic in the sector comprises individuals aged 36 to 50, accounting for 36%, while the mature group aged 51 to 65 follows closely. Notably, those aged 66 and above surpass the youth, representing 19% of participants.





The predominant enterprises within the BCMM region include dairy, beef, pineapples, macadamia, alongside a diverse range of vegetables.

1. URBAN FOOD GARDENS – PUBLIC EMPLOYMENT PROGRAMME (PEP)

The PEP promotes urban food gardens while generating employment opportunities for youth within the Metro, funded through the Neighbourhood Development Partnership Grant (NDPG) from National Treasury. Individuals already engaged in farming are recruited and receive training in agro-ecological (organic) agriculture, alongside a stipend for a period of six months. The five-day training programme covers land preparation, seed bed preparation, planting, compost production, pest and weed management, and harvesting. Buffalo City has collaborated with the Rural Livelihoods Programme (RULIV) to facilitate the implementation of PEP.

In the 2024/25 financial year, a total of XXX participants were recruited across two phases, with training delivered at the following sites:

Inland	Coastal
Dimbaza	Sunnysouth
Zwelitsha	Mdantsane
Tsolo	Westbank
Tolofiyeni	Braelyn
Tshabo	Kusile

DIMBAZA TRAINING SITE

(a) INTRODUCTION

The training on the introduction to agro-ecology and organic farming was held at the Dimbaza project site in Qonce, under BCMM. The training began on 26 November 2024 and concluded on 4 December 2024. Due to adverse weather conditions, including three days of heavy rain which left the soil waterlogged and unsuitable for work, the training was postponed and resumed the following week.

The training was attended by 26 participants from the following areas: Phola Park and Thembisa. According to the attendance register, 30 participants were expected. Four (4) participants did not attend the training. The training was conducted by RULIV, the implementing agent of the PEP on behalf of BCMM.

Participants were informed that agro-ecology involves designing, planning, managing, and maintaining available natural resources within an ecological framework.

Organic farming represents a technique aimed at achieving optimal crop yields while safeguarding both the natural environment and the well-being of those who inhabit and work within it.

(a) OBJECTIVES OF THE TRAINING

- To improve human health.
- To reduce poverty in our communities.
- To impart practical knowledge and skills related to agro-ecology and organic farming.
- To introduce small-scale farmers to the principles of the workplace and business environment through theoretical instruction.

During the training, various activities related to agro-ecology and organic farming were addressed. Key topics included ecological soil and bed preparation, mulching, transplanting of seedlings (such as spinach, beetroot, onion, turnip, lettuce, and cabbage), direct sowing of seeds, weed management, compost production, and irrigation.

(b) METHOD OF DELIVERY

a. Theory

The training was delivered using PowerPoint, and participants were provided with printed slides for note-taking and independent reading. Some participants did not have access to community gardens, while others were growing vegetables in their families' back gardens. Only one group of

seven participants was involved in a community project cultivating vegetables in a communal garden. Nevertheless, all participants engaged actively throughout the training session and asked questions.



Participants during the first day of training

b. Garden design and establishment

This session occurred on the second day of training, following a delay necessitated by the completion of land clearing by participants. Once the site was prepared, demarcation of plots commenced using measuring tape, garden pegs, and a fishline. Each bed measured 10 metres in length and 1,5 metres in width, with a one-metre pathway between beds. This spacing allowed two participants to work simultaneously, facing opposite directions, without interfering with each other. All participants engaged actively throughout the session, seeking clarification whenever required. Five beds were constructed in total. Edging material was placed around the plots to mitigate soil erosion; however, the supply proved insufficient. The facilitator demonstrated each procedure before inviting participants to contribute, which elicited a favourable response to this method of skills transfer.



Participants actively preparing the soil after the beds were demarcated

c. Mulching and planting

Plots were mulched with green grass rather than dry grass due to an insufficient quantity of mulching material, despite participants being informed in advance to collect as much dry grass or leaves as possible. Consequently, green grass was employed solely for demonstration purposes, and participants were informed about the implications of using green grass as mulch. Kraal manure was also inadequate, which impeded the effective completion of this session. Two planting methods were implemented: transplanting seedlings and direct sowing of seeds into the soil. Spinach and beetroot seeds were sown. On the fourth day of training, participants transplanted seedlings of cabbage, lettuce, turnips, green pepper, onion, rocket, parsley, basil, and coriander, followed by irrigation with a watering can. The use of a watering can is crucial, as it enables accurate measurement of water applied to each bed.



Mulched plots and the materials used for mulching

d. Compost making

During the session, kraal manure was unavailable on-site, despite the facilitator advising participants beforehand to collect a sufficient quantity, with at least a bakkie load recommended. Nevertheless, the composting process commenced following a brief delay. Participants engaged actively in the activity, with some demonstrating prior knowledge of composting. Although there was insufficient material to complete the session in its entirety, a demonstration proceeded using the limited resources at hand.



Watering a complete compost pile to keep it moist

e. Training schedule

DATES.	ACTIVITIES COVERED
25 November 2024 (DAY 1)	❖ Theory session
26 November 2024 (DAY 2)	❖ Garden establishment ❖ Soil preparation
02 December 2024 (DAY 3)	❖ Mulching ❖ Irrigation
03 December 2024 (DAY 4)	❖ Planting ❖ Irrigation
04 December 2024 (Day 5)	❖ Compost making

f. Challenges

Weather conditions: Rain persisted for three days, resulting in waterlogged soil that was unsuitable for work. Training was suspended until the weather improved.

There was a shortage of materials, including edging material, kraal manure, dry and green grass, as well as dry leaves, despite participants being notified in advance.

The land remained uncleared, although instructions had been given that it needed to be prepared prior to the commencement of training.

g. Conclusion

The training proved successful, as participants demonstrated significant enthusiasm for acquiring new skills. They actively sought clarification by asking questions whenever they encountered difficulties in understanding.

Although the training achieved its objectives, some limitations were evident. Certain participants exhibited the potential to sustain their involvement in the project beyond the conclusion of the contract.

DEPARTMENT OF TOURISM, ARTS AND CULTURE ANNUAL REPORT 2024/2025

1. Introduction

The Department of Tourism, Arts and Culture continues to position Buffalo City as a premier 75destination for both domestic and international visitors. The department's mandate centres on fostering growth and development within the tourism and creative industries sectors, thereby advancing the economic prosperity of Buffalo City.

In the 2024/25 financial year, the department implemented a variety of programmes, including destination marketing, tourism awareness, training and capacity-building initiatives, tourism business support, tourism events, and creative industry support. These initiatives were specifically designed to showcase the city's tourism assets, facilitate the recovery of the local tourism sector, empower the creative industry, and enhance Buffalo City's visibility across diverse markets.

A persistent challenge remains the limited budget allocated to both tourism and creative industries. During the year under review, the Department of Tourism and Creative Industries received a total budget of R11 000 000, distributed as follows: R6 000 000 for capital projects, R2 000 000 for operating projects, and R3 000 000 for operational projects. Despite these constrained resources, the department managed to implement several projects that contribute to the ongoing development and expansion of the tourism and creative industries.

This report presents an overview of the department's activities and accomplishments for the 2024/25 financial year. A summary of the activities implemented under each programme is provided below.

2. Destination Marketing

2.1 International Marketing

Promoting Buffalo City on an international scale remains a strategic priority. Aligned with the 2024/25 marketing plan, the department engaged in major global tourism trade shows to foster partnerships, enhance brand visibility, and sustain a presence within key markets.

Objectives of International Marketing:

- Strengthen relationships with trade partners.
- Leverage partnerships with South African Tourism (SAT) and the Eastern Cape Parks and Tourism Agency (ECPTA).
- Enhance Buffalo City brand exposure internationally.
- Maintain a consistent presence in targeted markets.

Participation in International Trade Shows:

Show	Description	Strategic Intent & Achievements
Vakantiebeurs (Netherlands)	Europe's largest consumer and trade show; 71 122 visitors.	Engaged with Dutch and Belgian operators, 30+ trade appointments, 200+ face-to-face engagements.
Africa Travel Indaba (South Africa)	Southern Africa's largest tourism showcase; ~10 000 delegates.	Secured 25+ trade appointments, 150+ face-to-face engagements.
Meetings Africa (South Africa)	Premier business events platform; 9 480 attendees.	Secured 30+ trade appointments, 70+ partner engagements.
World Travel Market Africa (Cape Town)	Africa's leading B2B exhibition; 11 000+ attendees.	Partnered with public and private sector, secured 30+ trade appointments, 100+ engagements.

2.2 Consumer Marketing

Consumer shows remain key platforms for increasing destination awareness and driving domestic tourism.

Objectives of Consumer Marketing:

- Encourage regional travel and geographic spread.
- Increase networking opportunities with trade and business representatives.
- Strengthen Buffalo City's brand positioning.
- Maximise exposure to potential visitors.

Participation in Consumer Shows:

Show	Description	Strategic Intent & Achievements
Travel People Connections (Johannesburg)	B2B networking platform connecting suppliers with corporate buyers.	Created connections with corporate buyers and travel trade.
Caravan Show Africa	Largest holiday and leisure show in Africa.	Promoted Buffalo City tourism products, explored trends in outdoor and eco-tourism.

2.3 Digital and Social Media Marketing

In 2024/25, the department increased its focus on digital platforms, running seasonal campaigns across Instagram, Facebook, TikTok, and digital screens:

- Produced video content on Buffalo City's history, township tours, cultural sites, and adventure activities.
- Deployed digital screens in EL, Mdantsane, and Qonce to capture the attention of visitors.
- Expanded audience engagement with interactive and family-focused activities online.
- Achieved increased traffic and interaction across platforms, strengthening both local and international visibility.

2.4 Advertising

To supplement trade and consumer engagement, the department advertised in strategic print and digital publications with high readership and reach:

- **Getaway Magazine** – A leading travel publication with a readership of 1,7 million.
- **SkyNews Magazine (CemAir)** – Reaches 50 000 passengers and 15 000 digital subscribers monthly.
- **InFlight Magazine (FlySafair)** – Reaches 400 000 passengers and 40 000 digital subscribers monthly.
- **What's On in East London** – A local tourism and lifestyle magazine with strong community engagement.

These placements ensured that Buffalo City remained visible across domestic, regional, and international markets.

3. Tourism Recovery Support Programme

To facilitate industry recovery, the department allocated a budget specifically for tourism businesses in need of operational support and platform access. Assistance was provided on a first-come, first-served basis. During the reporting period, the department received an allocation of R150 000, representing an 80% reduction compared to the previous year.

- **Three tourism businesses** received support in the form of operational equipment:
    - Ekoneni Lounge, located in Mdantsane,
    - House 87, located in Quigney, and
    - Alleneo Travel Agents, located in Nahoon.
- **Uncuthu Tours**, a local operator, was sponsored to exhibit at Caravan Show Africa, leading to the generation of new leads and opportunities.

This initiative reinforced competitiveness, particularly among emerging businesses.

4. Tourism Awareness, Training, and Capacity Building Programme

Under this programme, the departments organise tourism awareness activities and facilitate training and capacity-building sessions. The tourism awareness initiative was implemented in two phases: a hiking initiative and a community tourism awareness workshop.

4.1.1 Hiking Initiatives

The department initiated hiking activities to raise awareness and familiarise local communities with various tourism attractions and assets situated across three regions of Buffalo City, namely:

- **Inland Region (Tyusha Location):** 60 participants took part in the hiking trail. The trail showcases the natural beauty of Amathole Mountains, coupled with rich Xhosa history and culture.
- **Midlands Region (Wildside of Mdantsane):** 70 participants took part in the trail. The route highlights the beauty of Briddle Drift Dam and its surroundings, as well as township tourism.
- **Kiwane Resort Hike:** 70 participants took part in the trail. The trail showcases the unspoilt natural beauty surrounding the Kiwane Resort, including the Kiwane Beach, the estuary, and the nature reserve.

A total of **200 participants** took part (55% were beginners, whilst 45% were experienced hikers).

4.1.2 Community Tourism Awareness Session

The department organised a community awareness workshop at Tyusha Village in Ward 35. The event attracted 80 participants, all of whom demonstrated a strong interest in engaging with the tourism and creative economy sectors. Follow-up sessions have been planned to support community members who intend to launch tourism ventures, as well as those already involved in the creative sector.

4.2 Capacity Building Programmes

To improve service quality and upskill local tourism staff, the department conducted two tourism training and capacity-building programmes, as detailed below:

- **First Aid Training:** 20 participants took part in the programme (3 youth, 11 females, 9 males). This training was conducted to support tourist guides operating in the City. Attendees were awarded an accredited certificate upon completion.
- **Housekeeping Training:** 50 female participants, including eight youth, took part in the programme. The training targeted staff in the accommodation sub-sector to equip them with the necessary skills.

4.3 Cruise Liner Tourism

Cruise tourism in Buffalo City has continued to expand. During the year under review, there was a modest increase in the number of cruise liners docking at the harbour. The department collaborated closely with Transnet, the private sector, and cruise agents to ensure visitors enjoyed a memorable experience in Buffalo City. Details regarding the cruises that docked at the harbour are provided below.

- **Ships Docked:** 13 (up 18% from 11 in 2023/24).
- **Passengers Welcomed:** 12 088 (up 53% from 7 889).

Popular attractions for cruise passengers included: game reserves, city exploration, cultural sites, kayaking, shopping, and dining.

5. Tourism Events Programme

Events remain a key strategy in positioning the city as a desirable destination, attracting visitors, increasing local expenditure, and supporting economic growth. The city successfully hosts its own funded events and also supports privately organised ones that contribute to tourism development.

Through leisure, cultural, sporting, and corporate events, Buffalo City has achieved significant benefits, including:

- Increased visitor spending across accommodation, hospitality, and transport.
- Local job creation and skills development.
- Greater brand visibility and national media coverage.
- Stronger partnerships with both private and public sectors.

5.1 Events Hosted and Organised by the City

5.1.1. Kiwane Resort Race

The Kiwane Resort Race is a strategic event aimed at marketing the Kiwane Resort as both an accommodation and wellness destination. Now in its third year, the event continues to grow in participation and reach.

Highlights:

- **Entries:** 494 athletes.
- **Employment:** 10 local individuals were hired as marshals and cleaners.
- **Reach:** Drew runners from seven towns outside Buffalo City.

The event has enhanced awareness of Kiwane Resort, aiding in its establishment as a year-round destination for both leisure and conferences.

5.1.2. Switch On of the Festive Lights

The annual Switch On of the Festive Lights is one of the City's flagship community events, signifying the commencement of the festive season.

Benefits:

- Official festive season launch featuring a goodwill message from the Executive Mayor.
- Cultural showcase through live performances by local and national artists.
- Tourism drawcard created by the City's Christmas street decorations, ranked among the best globally.
- Fireworks display and festive ambience enhancing the City's brand as a family-friendly destination.

This event consistently attracts both residents and visitors, contributing to seasonal tourism growth.

5.2. Privately Organised Events Supported by the City

In addition to municipal events, Buffalo City benefited from privately organised events that complemented the City's objectives of reducing tourism seasonality and boosting local economic activity.

5.2.1. Music Festivals

- Umhlobo Wenene Birthday Celebration
- (Ph)ola Event
- London Roots

These festivals achieved over **80% venue capacity**, reinforcing Buffalo City's reputation as the "Capital of Fun".

5.2.2. Cultural Events

- **Umtiza Arts Festival** (May–June) – The City's signature arts and culture event, running over 10 days, showcasing diverse art forms and empowering youth. The festival was attended by over 7 000 people.
- **Berlin November Horse Racing** – A key cultural highlight that kick-starts the festive season. The event was attended by over 10 000 people.
- **Inkcubeko yomntwana (Mdantsane)** – A long-standing event held for six consecutive years. The event was attended by over 1 000 people.

5.2.3. Sporting Events

- **Interprovincial Schools Water Polo Tournament (December)**
    - Athletes: 1 578
    - Provinces: 6
    - Local companies & stalls: 20
    - Attendance: 5 000
    - Positive impacts: Full accommodation occupancy, restaurant sales, and enhanced city image.
    - It is estimated that the event contributed over R11 000 000 to the local economy.
- **Buffalo Regatta (February)**
    - Attended by schools, rowing veterans, and families from across the country.
    - Broadcast on **SuperSport (500 000 viewership)** and YouTube (15 981 live views).
    - Boosted tourism during off-peak season, ensuring significant local economic benefits.
    - It is estimated that the event was attended by 1 074 spectators and 900 participants, contributing over R4 000 000 to the local economy.

5.3. National/International Conferences Hosted in the City

- **International Nurses Conference** (06–08 November 2024, Regent Hotel)
    - Hosted with participation from over 10 African countries who are in the health profession.
    - Local crafters exhibited, resulting in direct sales and networking opportunities.
    - The conference was attended by 250 delegates and contributed approximately R2 000 000 to the local economy.
- **The ABASA Annual Convention** (05–06 November 2024, East London International Convention Centre [ELICC])
    - An annual event hosted by the Association for the Advancement of Black Accountants of Southern Africa (ABASA).
    - The event was attended by 280 delegates from across the country, contributing just over R2 00 000 to the local economy.
- **Aviation Conference** (04–08 November 2024, ICC)
- The conference was attended by 360 delegates from across Africa within the aviation sector.
- The event contributed an estimated amount of R4 500 000 to the local economy.

These corporate events elevated Buffalo City's profile as a business tourism hub, boosting the MICE (Meetings, Incentives, Conferences, and Exhibitions) sector.

Economic and Social Impact

Across all events, the City realised multiple benefits, including:

- Increased visitor numbers, contributing to accommodation, dining, and transport revenue.
- Job creation for local communities (marshals, cleaners, and event staff).
- Improved city infrastructure and service delivery during events.
- Enhanced city image through national and international media exposure.
- Strengthened partnerships between public and private stakeholders.

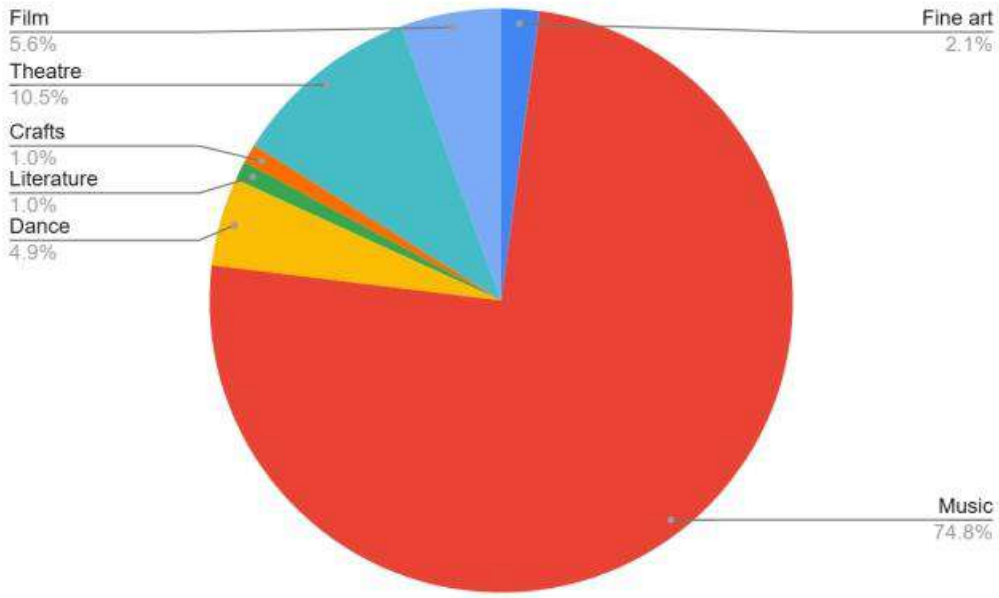
6. Creative Industries

The Directorate of Economic Development and Agencies has, as parts of its mandate, the responsibility to develop, manage, and promote the creative industry in the Metro. In fulfilling this mandate, the Directorate implements a number of projects and programmes, including:

- Artist Market Access Support Programme
- Artist Development Support Programme
- Artist Training and Capacity Building Programme

During the year under review, a total of **613 individuals benefited from creative programmes implemented** in 2024/25 across multiple disciplines: Film, Theatre, Crafts, Literature, Dance, and Fine Art.

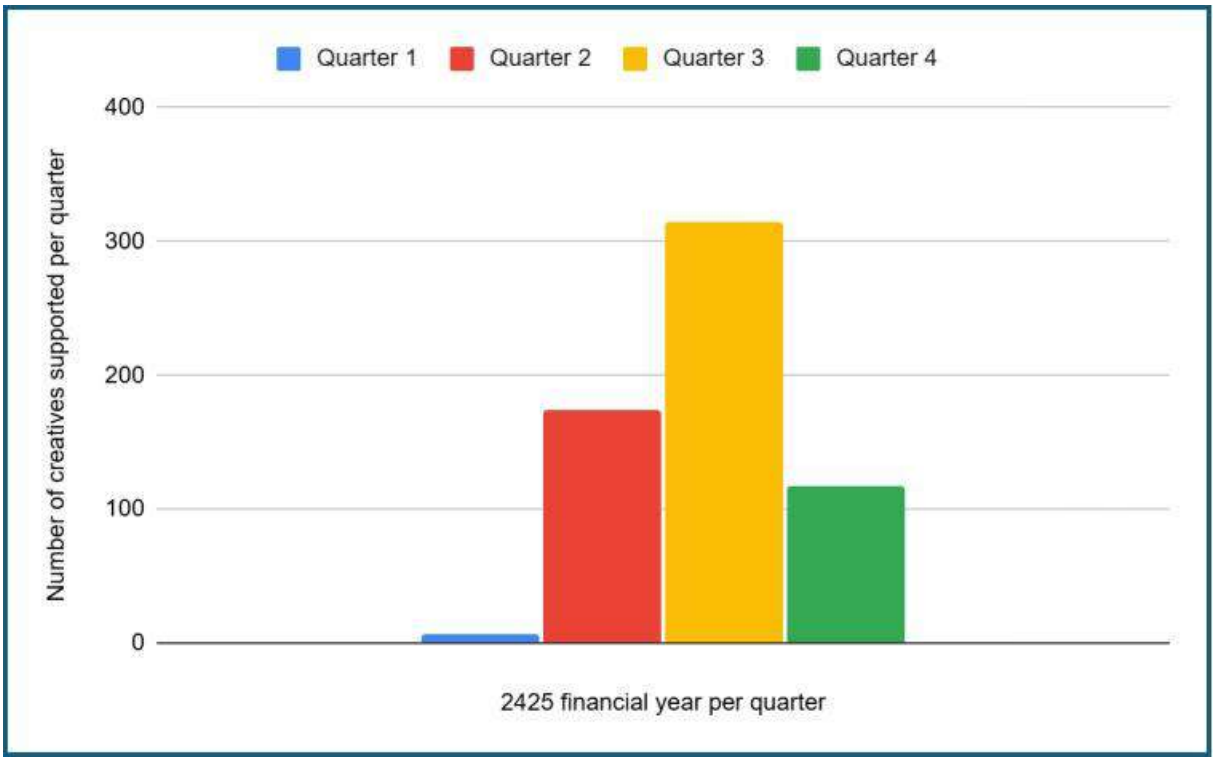
The graph below illustrates the art forms supported during the 2024/25 financial year, namely: Film, Theatre, Crafts, Literature, Dance, and Fine Art.



In the 24/25 financial year, the Creative Industries Support Programme assisted creatives in each quarter. A total of 613 creatives received support. The number of creatives supported per quarter is as follows:

Quarter 1	**6**
Quarter 2	174
Quarter 3	315
Quarter 4	118

The graph below shows the number of creatives supported per quarter.



The Creative Industry Support Programme consists of the following sub-programmes:

1) Artist Development support,

2) Artist Market Access support,

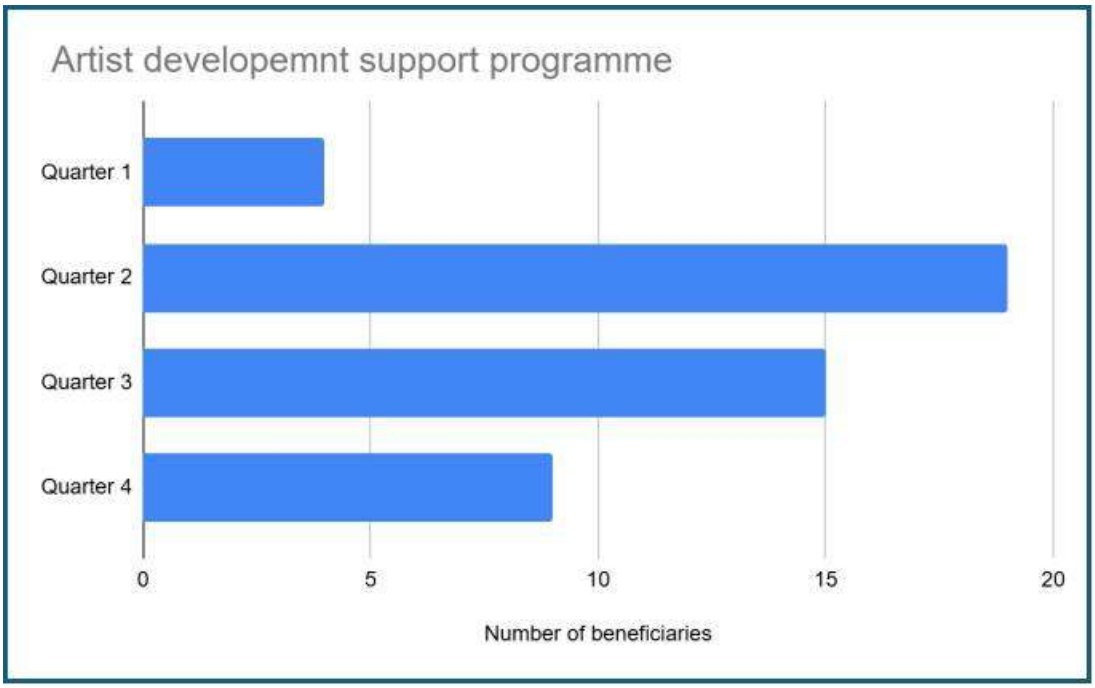
3) Artist Training and Capacity Building,

Below is a brief description of what each of the above-mentioned sub-programmes entail:

ARTIST DEVELOPMENT PROGRAMME

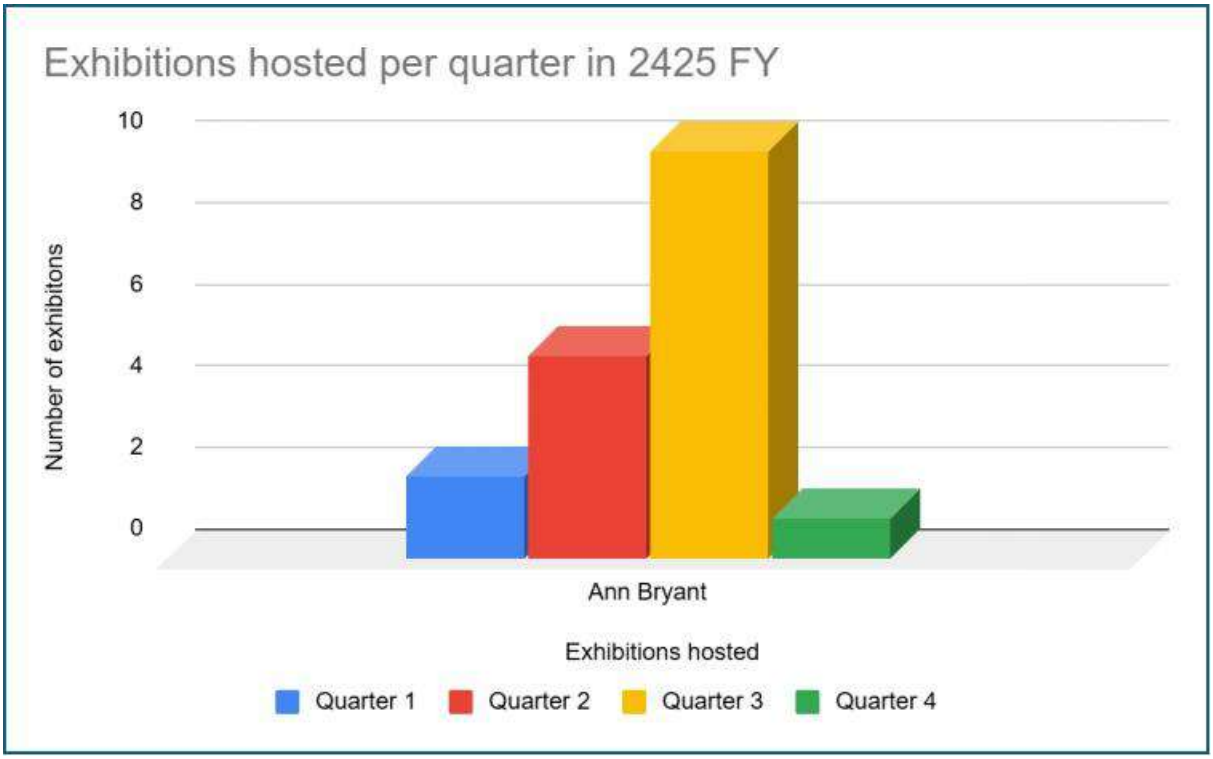
The Artist Development Programme provides artists with support for the production of their goods and services. This support includes assistance with costs such as accommodation and meals, catering services, venue hire, sound hire/provision, marketing and branding, as well as the supply of art and craft materials and equipment.

The graph below depicts the number of creatives supported under the Artist Development Support Programme:



ARTIST MARKET ACCESS SUPPORT PROGRAMME

The Artist Market Access Support Programme enables local creatives to engage with venues and platforms that might otherwise remain beyond their reach. Through the provision of dedicated creative spaces, their work – particularly in the field of visual art, including fine art and craft – is showcased via exhibitions. In the 2024/2025 financial year, a total of 18 exhibitions were held at the Ann Bryant Art Gallery, as illustrated in the graph below, which presents the data by quarter:

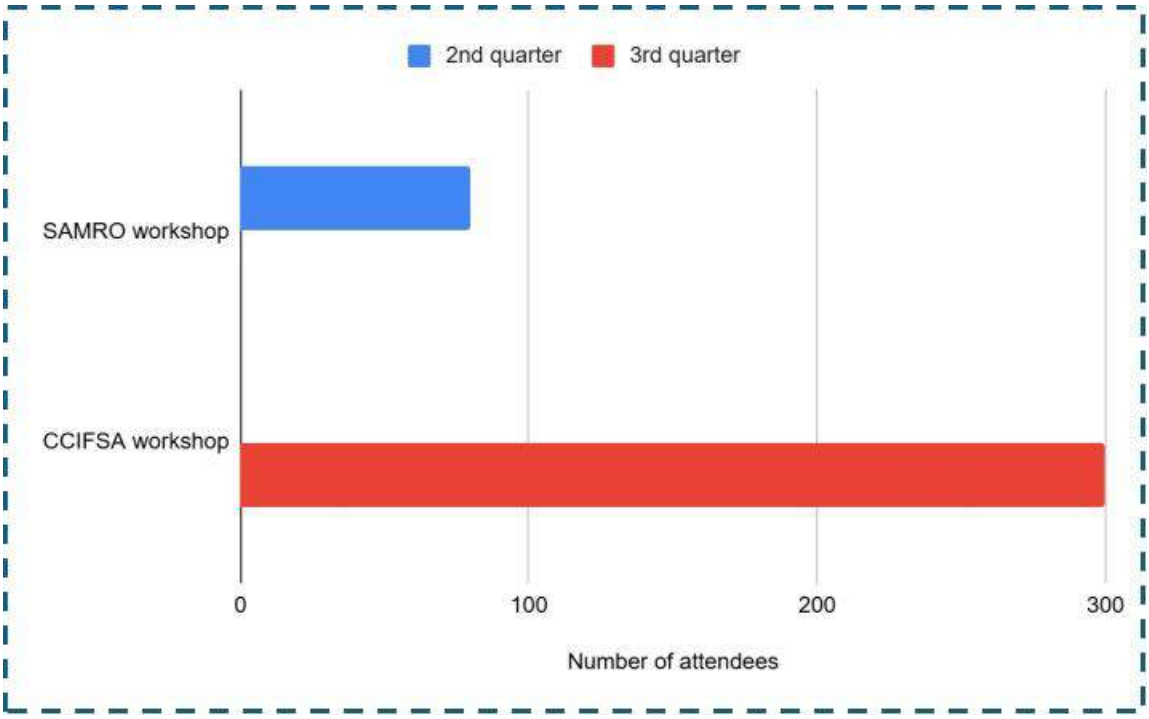


ARTISTS TRAINING AND CAPACITY BUILDING SUPPORT PROGRAMME

This programme aims to build the capacity of local creatives through training sessions, workshops, and information sessions organised in collaboration with sector stakeholders. During the 24/25 financial year, two such sessions were held:

1) The South African Music Rights Organisation (SAMRO) conducted a workshop for local recording musicians, with the primary objective of providing essential information regarding SAMRO's services and the functioning of the music industry. Leading industry experts delivered presentations on a range of topics, including sales, licencing, marketing, publishing, copyright, intellectual property, and contracts. These sessions offered valuable insights into the operations of the music industry. Approximately 80 local musicians participated in the workshop.

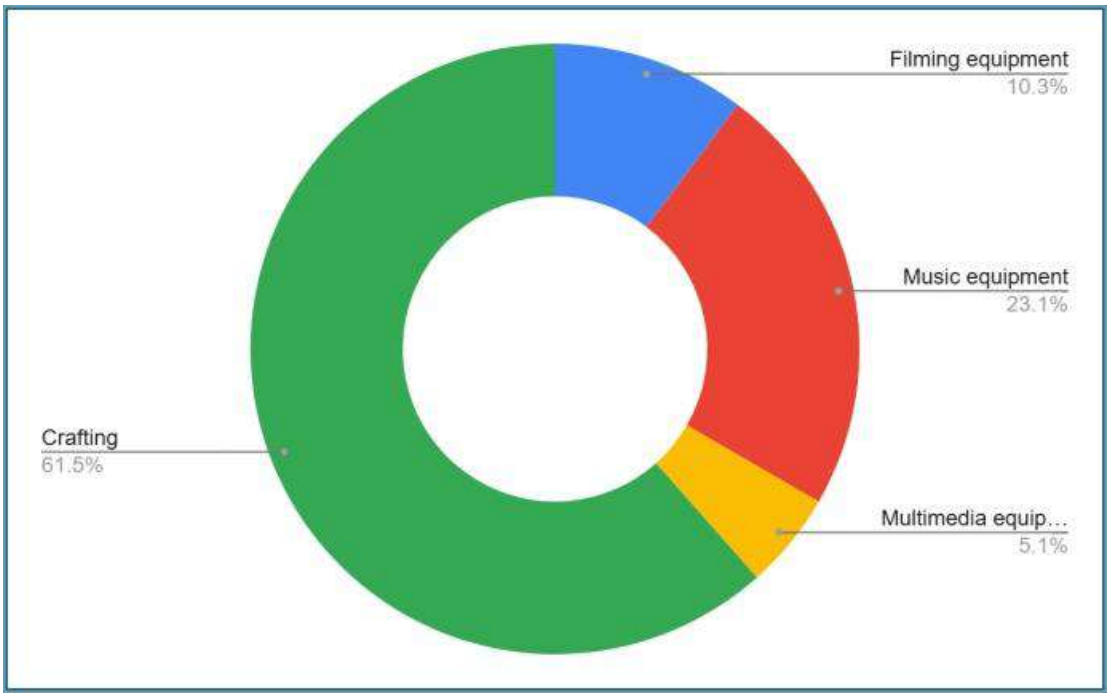
2) The Cultural and Creative Industries Federations of South Africa (CCIFSA) facilitated a session for local creatives, providing a platform to articulate sector-related concerns and to access information about available funding and support opportunities from the City and other key stakeholders. The session was attended by 300 creatives.



The Creative Industries Support Programme facilitated the procurement of art materials and equipment under the Artist Development Support programme, aiming to address the specific requirements of the creative sector. A total of nine creatives benefited from these provisions across the following categories:

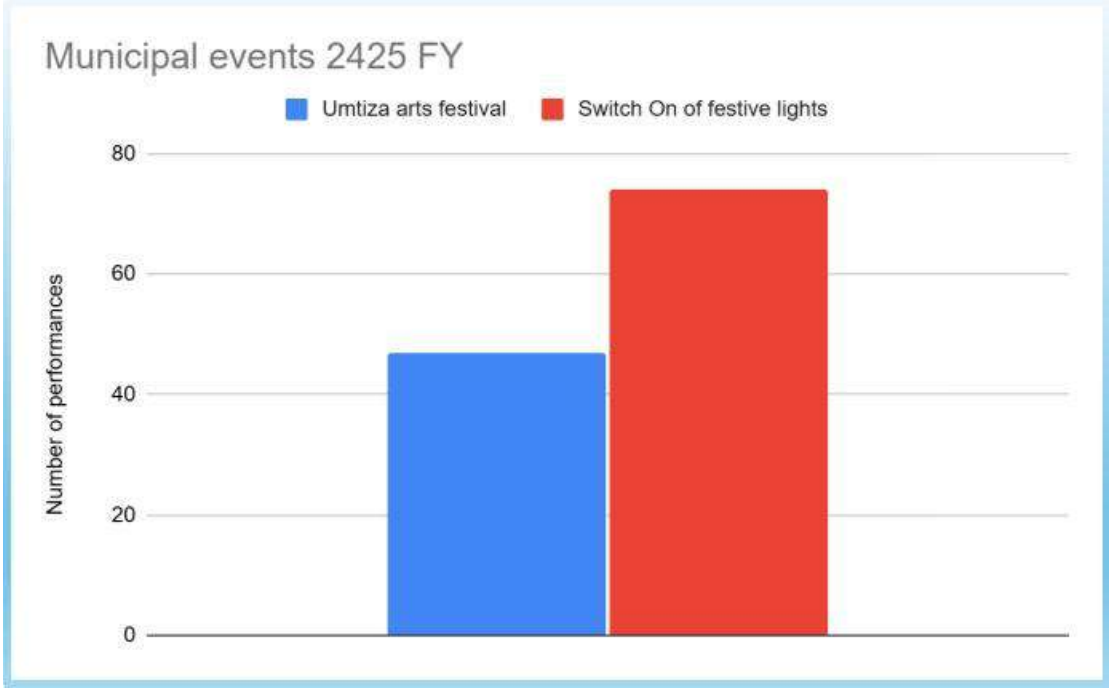
Filming equipment	Drone, video camera, tripod stand, and professional camera
Music equipment	Speakers, wireless microphones, speaker stands, USB mixers, portable speaker, djembe drum
Multimedia equipment	Laptops
Craft material	Beads, fabric, buttons, impact drill, belt sander, saw table, screws, and glue

The goods provided in the 2024/25 financial year are illustrated in the figure below:

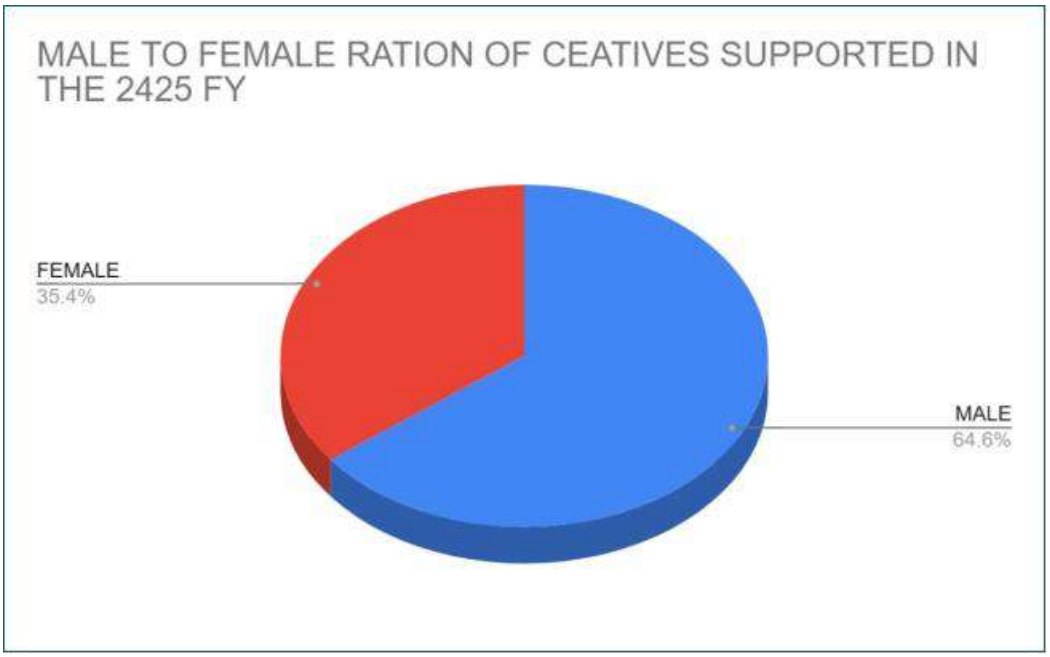


The Umtiza Arts Festival and the Switch on of the Festive Lights represent two events through which the local creative sector, especially the performing arts, derives direct benefit. The total number of individuals who benefited from both events is presented in the table and graph below.

UMTIZA ARTS FESTIVAL	47
SWITCH ON OF THE LIGHTS	74
TOTAL	121



The graph below shows the percentage distribution of male and female beneficiaries in the creative sector, based on the support provided.



The 2024/25 financial year has seen notable progress in tourism marketing, development, and the promotion of arts and culture. Through heightened international visibility and support for local

creatives, the Department has advanced its mandate to present Buffalo City as a dynamic, inclusive, and competitive destination.

Key achievements include:

- Expanded international trade and consumer engagement.
- Growth in cruise liner tourism.
- Enhanced digital marketing and advertising presence.
- Capacity building for tourism staff and creatives.
- Tangible support for emerging tourism businesses.

The Department remains dedicated to establishing Buffalo City as a leader in the creative industries and tourism, fostering economic growth and enhancing the quality of life for residents.

SKILLS DEVELOPMENT PROGRAMMES FOR THE UNEMPLOYED (2024/25)

BCMM, through the Directorate of Economic Development and Agencies, has entered into a partnership agreement with Services Seta for the allocation of Discretionary Grant funding for the following learning programmes: Learnerships (LP01), Internships (TVET LP07) and/or University LP05), and Apprenticeships (LP03).

A. Learnerships

The Services Sector Education and Training Authority (SSETA) initiated 150 learnership opportunities for unemployed youth in the Metro, specifically through Buffalo City Technical and Vocational Education and Training (TVET) College.

A learnership constitutes a work-based learning programme that results in a National Qualifications Framework (NQF)-registered qualification.

The critical skills unit within the directorate coordinated the recruitment of unemployed individuals in and around the Buffalo City region for enrolment in learnership programmes of 12 months' duration. The following learnerships commenced in March 2024 and concluded in February 2025 at Buffalo City TVET College.

Within the Funeral Service Practice programme, 23 learners were found competent at the conclusion of the 12-month period and were awarded certificates.

By facilitating such programmes that develop skill sets demanded by the services sector, collaboration with various SETAs, including the SSETA, narrows the divide between formal education and practical training. To accomplish its objectives, the department collaborates with both public and private learning institutions to deliver the necessary training.

Learnership – Buffalo City College

Programme	**No. of Learners**	**Duration**	**Status**
Funeral Service Practise	**50**	12 months	Completed – leaners have received their certificates
End User Computing	50	12 months	Ongoing – awaiting assessment and moderation
Generic Management	25	12 months	Ongoing – awaiting assessment and moderation
Occupational Health and Safety	25	12 months	Ongoing – awaiting assessment and moderation

Lovedale TVET College Learnership Programmes

The following programmes commenced in June 2024 and concluded in May 2025 at Lovedale TVET College:

a) Wholesale and Retail x 17 learners
b) Wastewater Reticulation x (25 learners
c) Farming x 22 learners
d) Plant Production x 17 learners
e) End User Computer x 18 learners
f) New Venture Creation x 20 learners

Learnership – Lovedale College

Programme	No of learners	Duration	Status
New Venture Creation	20	12 months	Ongoing – Awaiting assessment and moderation
Farming	22	12 months	Ongoing – Awaiting assessment and moderation
Plant Production	17	12 months	Ongoing – Awaiting assessment and moderation
Wholesale and Retail	17	12 months	Ongoing – Awaiting assessment and moderation
Wastewater Reticulation	25	12 months	Ongoing – Awaiting assessment and moderation
End User Computing	18	12 months	Ongoing – Awaiting assessment and moderation

B. Internships

South Africa faces a significant challenge with unemployment, particularly among women and the youth. The slow pace of job creation is further compounded by a lack of skills and formal work experience. In response, the department initiated a programme to recruit interns from both universities and TVET colleges, aiming to address the high unemployment rates among young graduates by providing them with opportunities to acquire practical work experience.

Interns are placed in various municipal departments across the Buffalo City region according to their qualifications.

The SSETA grant afforded the department an opportunity to recruit 40 interns (LP07 TVET 20) and university graduates (LP05 20) respectively. Forty (40) interns were recruited and placed in the following municipal departments:

a) Finance Department

b) Trade, Industry and Sector Development

c) Human Resources Development

d) Engineering and Infrastructure Department

e) Tourism Department

f) Office of the Chief Whip

g) Public Safety Department

h) Fresh Produce Market

Internship

Programme	No of Interns	Duration	Status
Internship LP05	20	12 months	Completed
Internship LP07	20	12 months	Completed

C. Apprenticeships

Economic Development and Agencies, through its critical skills unit, has identified apprenticeship as one of the principal job and service functions underpinning many economies. Artisanal skills serve as a strong foundation for most populations, enabling artisans either to market their expertise to employers or to establish their own private enterprises, such as hairdressing or fashion design. Consequently, artisanal competencies are among the most adaptable and transferable skills an individual can acquire.

The Unit ensures that training encompasses all facets of the trade, facilitated by an accredited provider. Learners are required to maintain a detailed logbook, which must be signed by a registered assessor and submitted as evidence that the candidate has been trained and found competent in all aspects of the apprenticeship within a simulated environment.

Throughout the apprenticeship, candidates must attend courses to gain the requisite knowledge of their trade, which may be undertaken at a Further Education and Training College or any provider accredited for apprenticeship training. Apprentices enrol for a trade test certificate to be awarded at the conclusion of the apprenticeship period (36 months). In collaboration with Buffalo City TVET College, the department is implementing a three-year apprenticeship programme focused on Bricklaying and Electricity.

Currently, 50 apprentices are engaged in both theoretical and practical components at Border Training Centre in Mdantsane.

Apprenticeship

Programme	No of Apprentices	Duration	Status
Bricklaying	25	36 months	Ongoing
Electrician	25	36 months	Ongoing

ENTERPRISE DEVELOPMENT UNIT ANNUAL REPORT

Enterprise Development Unit is mandated to support and empower SMMEs, cooperatives, and the informal trade sector within BCMM, recognising their significant contributions to the economic growth of the Metro. SMMEs are widely considered key drivers of the economy, given their capacity to create employment opportunities and alleviate poverty.

To facilitate the development of SMMEs, both the private sector and government have partnered to address challenges hindering the country's economic growth, thereby offering crucial support to the SMME sector. This initiative fosters entrepreneurial activity by providing essential capital. The City has also allocated a specific budget to promote the growth of SMMEs, acknowledging that such efforts require collaboration and cannot be undertaken in isolation. Utilising the funds earmarked for SMME development, the department implements a range of programmes, including capacity building and training, information dissemination, roadshows, machinery and equipment support, and the enhancement of informal trader infrastructure. The informal trade sector benefits from the construction of trading facilities within communities, thereby strengthening township economies and creating a more favourable trading environment.

Business Licencing focuses on ensuring compliance with relevant authorities and the issuance of valid licences to businesses operating within the Metro.

CAPACITY BUILDING

The Enterprise Development Unit offers ongoing capacity building programmes to SMMEs in collaboration with various stakeholders. These initiatives encompass training sessions, workshops, outreach programmes, seminars, and roadshows. The following capacity building programmes have been implemented to support a range of SMMEs operating within the region across diverse sectors.

Workshops

1.1 South African Revenue Service (SARS) Supported Workshops

The Enterprise Development Unit, in collaboration with SARS, maintains an ongoing programme aimed at supporting and capacitating SMMEs and cooperatives operating within the City through compliance workshops. These workshops are conducted across all regions – Coastal, Midlands, and Inland. During the reporting year, sessions were held in the Mdantsane and Qonce regions.

Date	Quarter	No. of SMMEs	Region
3rd July 2024	1st	14 from newly registered businesses	Midland
02 October 2024	2nd	15 SMMEs	Midland
06 November 2024	2nd	19 SMMEs	Midland
07 November 2024	2nd	14 SMMEs	Inland
02 April 2025	4th	15 SMMEs	Midland
07 May 2025	4th	10 SMMEs	Midland
11 June 2025	4th	14 SMMEs	Midland
15 April 2025	4th	15 SMMEs	Inland
15 May 2025	4th	24 SMMEs	Inland
05 June 2025	4th	18 SMMEs	Inland

The purpose of these workshops is to educate and raise awareness among SMMEs regarding SARS compliance requirements. The sessions focus on informing SMMEs about relevant SARS regulations, tax obligations, and the necessary steps for compliance. By enhancing their understanding of SARS regulations, SMMEs are better equipped to manage risks related to tax non-compliance and prevent potential financial losses. Furthermore, the workshops contribute to the sustainability of SMMEs, help them maintain a positive reputation, and equip them with the knowledge and tools required to navigate complex tax regulations, thereby fostering their growth and development.

The workshop addressed the following areas:

- Provisional Tax (IRP6)
- Annual Tax Returns (ITR14)
- VAT
- SBC Incentives
- Tax Clearance Certificate
- e-Filling

1.2. Workshop Information sharing with South African Breweries (SAB)

An information-sharing session was held on 23 August 2024 with SAB Tholoana Foundation. The SAB Tholoana Foundation is an enterprise programme dedicated to fostering successful and resilient entrepreneurs. The foundation prioritises the development of entrepreneurial skills, access to markets and finance, leadership growth, as well as peer-to-peer community and networking opportunities. Participants benefit from financial management support, mentorship and coaching, and enhanced access to various resources.

It is noteworthy that SMMEs were guided through the application process, which was scheduled to commence on 09 September 2024. To qualify, businesses are required to be at least 51% black owned and managed, demonstrate job creation potential, be in the early stages of growth, have been operational for a minimum of 12 months, and the applicant must be a South African citizen. A total of 50 businesses attended the information session.

1.3. Partnership Programmes

To achieve several objectives, the Unit must collaborate with various stakeholders who share its mandate. In pursuit of this, the Unit partnered with Phanda Mzantsi to host an entrepreneurial

summit, Phanda Kasi, in Mdantsane on 22 November 2024. The event took place at the N.U.1 Community Hall.

Phanda Mzantsi, a business development services cooperative established in 2023, comprises black entrepreneurs with extensive business expertise. The cooperative supports and accelerates the growth of emerging businesses by offering platforms for product showcasing and commercialisation through pop-up mobile exhibitions. Additionally, Phanda Mzantsi facilitates access to potential buyers across different sectors by creating market opportunities for participating enterprises.

The primary aim of the Phanda Kasi Entrepreneurial Summit was to convene key role players, stakeholders, and representatives from the business sector for comprehensive engagement. The summit featured a range of activities, discussions, and exhibitions, providing businesses with opportunities to showcase their products. Furthermore, the Summit sought to revitalise and advance township economic development. It also addressed common challenges faced by entrepreneurs, offering guidance on securing funding, accessing markets, business management training, investment readiness, and fundamental business compliance. The theme for the Summit was “Empowering Innovators: A pathway to Global Impact”.

Several stakeholders attended and contributed valuable insights beneficial to businesses, including Eastern Cape Development Corporation (ECDC), Black Umbrellas, and Small Enterprise Development and Finance Agency (SEDFA). These organisations presented case studies of successful township-based businesses they have supported. Banks also participated, outlining funding opportunities and business solutions tailored to local enterprises. The summit attracted over 100 business owners from Mdantsane and neighbouring areas, with more than 20 businesses participating in product exhibitions and showcases.

1.4 Roadshows

The Unit, in collaboration with the Supply Chain Management Office, hosted SMME roadshows across the Municipality’s Coastal, Inland, and Midland regions. The primary aim was to update the municipal database, raise awareness of all supply chain processes, including the online system, and provide direct assistance to businesses with registration procedures. Additionally, the programme sought to facilitate SMME access to opportunities, business development support, funding, and networking platforms.

Guidance was offered to SMMEs in areas such as business planning, financial management, and marketing, equipping them with essential skills for building sustainable enterprises. The sessions further enabled SMMEs to connect with fellow entrepreneurs, fostering potential collaborations and new business prospects.

The roadshows took place in the following areas:

- 03 April 2025 War Memorial Hall
- 12 April 2025 Moses Twebe Community Hall
- 15 April 2025 Bhisho Community Hall
- 23 April 2025 Berlin
- 15 May 2025 Mdantsane

1.5 Outreach Programmes

An outreach programme is an initiative designed to support and empower small businesses, as well as create awareness of what programmes are available to support small businesses. This is one of the ongoing initiatives implemented by the Unit to support small businesses. The programme is implemented in partnership with other institutions, such as the DSD, Eastern Cape Development Corporation (ECDC), and other stakeholders. The programme is hosted in different areas of the Municipality, and all stakeholders, including the Municipality, present their service offerings.

During the reporting period, the following outreach programmes were held:

Date	Quarter	Ward & Location	No. of SMMEs attended
14 May 2025	Q4	38 Lenge Village	
23 May 2025	Q4	49 Ndevana Village	
23 June 2025	Q4	40 Dubu Village	

The programme contributes to the development of small businesses by enhancing key business competencies, including financial management, marketing, and leadership skills. Participation in the sessions equips business owners with practical knowledge and confidence, thereby empowering them to manage and grow their enterprises more effectively.

1.6 Market Days

The Unit has consistently organised market days to support local businesses, enabling them to sell their products directly to the community. The most recent event took place at the Dimbaza Library grounds, where local SMMEs from the townships displayed and sold products that demonstrated their talent and skills. Such programmes promote the purchase of locally produced goods, thereby fostering local economic development and enhancing community well-being. The range of products available represented various sectors, including agriculture, manufacturing, and fashion. Although the business owners and exhibitors did not disclose their sales figures at the conclusion of the market day, all participants expressed satisfaction with the opportunity to present their products. In addition to immediate sales, market days serve as valuable platforms for brand exposure and the potential for follow-up orders after the event.

Below is the table with all exhibitors during the event:

WARD	CELL NO	NAME AND SURNAME	PRODUCTS	BUSINESS ADDRESS	COMPANY NAME
34	063152887/ 0728812795	Nolungelephi Ndabeni	Fashion Designer	Dimbaza	Sinokhanyo Dress Making
34	0731094234	Lindiwe Setina Radebe	Carpet Maker	Dimbaza	Not registered
36	0734179018	Grace Dike	Vegetables	Dimbaza	Not registered
34	0786644251	Sisanda Cutu	Beaded bags	Dimbaza	Not registered
44	0785864115	Mncedisi Manona	Clothing and textile	Tshatshu	Mncerro Leather Works
36	0737559881	Phelo Botya	Agriculture	Pirrie Mission	Pirrie Youth Agricultural Hub
36	0739029838	Fikile Rasimeni	Beadwork	Dimbaza	Ousbetty Trading Enterprise
36	0656588252	Jimmy Datile	Pottery, cups, dinner sets, etc.	Dimbaza	J D Pottery
34	0736940308	Angelina Puwana	Dressmaking	Dimbaza	Sosebenza ide ibuye inkosi

34	0638967504	Xolisile Losi	Vegetables and seedlings	Dimbaza	Equlen Fruit and Veg

2. Spaza Shop Fund Awareness Programme

The Spaza Shop Support Programme is a government-led initiative designed to empower small business owners in townships and rural areas. Its primary objectives are to enhance the sustainability of spaza shops while fostering economic growth and job creation within these communities. The programme extends both financial and non-financial assistance, enabling spaza shops to increase their competitiveness and long-term viability. Additionally, it encourages collaboration with local manufacturers, black industrialists, and wholesalers to reduce costs and improve access to quality products. Given the numerous challenges confronting the sector, the government recognised the necessity of establishing a dedicated fund to address these issues.

On 8 April 2025, the Minister of Trade, Industry and Competition launched the Spaza Shop Support Fund programme, which comprises a R40 000 grant earmarked for stock purchases and a R50 000 blended grant and loan for infrastructure systems, refrigeration, and shelving. Furthermore, funding ranging from R100 000 to R300 000 is available to registered businesses as blended finance.

DTIC has conducted roadshows across the following regions:

REGION	DATE	VENUE
Qonce	14 May 2025	War Memorial Hall
Mdanstane	15 May 2025	N U 10 Hall
East London	16 May 2025	Cambridge Hall
Ncerha	23 May 2025	Ncerha Village Hall

During these sessions, both South African spaza shop owners and traders involved in the sale of cooked food were guided through the compliance process, including the requirements for obtaining the Certificate of Food Acceptability, Fire Compliance Certificate, appropriate zoning for their businesses, and a business licence. Attendance was substantial across all regions, with over 300 business owners participating.

In addition to this initiative, the City hosted a series of training programmes in December in partnership with the National Youth Development Agency (NYDA). The objective of these

sessions was to enable young people to access funding opportunities available through the NYDA to support locally owned spaza shops. This intervention was informed by a study conducted by the Unit, which revealed that only 10% of spaza shops within the City are owned by South African nationals. In response, the Unit has developed a programme designed to support locally owned spaza shops, with dedicated funding allocated to assist in several key areas. The programme addresses training needs, financial support, market access, transport logistics, and opportunities for bulk purchasing to secure discounts. Implementation is scheduled for the 2025/26 financial year.

3. Infrastructure for informal trade sector – Hawker stalls

The The informal economy, which encompasses activities possessing market value and contributing to tax revenue and GDP, represents a globally prevalent phenomenon. According to the International Labour Organisation (ILO), approximately 2 billion workers – or 60% of the world's employed population aged 15 and older – spend at least part of their time engaged in the informal sector. In South Africa, a significant proportion of the population has long depended, and continues to depend, on the informal sector for their livelihoods. Within this context, retail trading is frequently regarded as a prominent aspect of informal economic activity.

During the 2024/25 financial year, the City constructed informal trade hawker stalls in Mzamomhle Township, located in Ward 29. These stalls accommodate approximately four informal traders: two operating in the food sector and two managing hair salons. In Ward 23, N U 16, concrete slabs have been completed and will provide space for four food vendors. Similarly, in Ward 9, concrete stalls have been finalised to house three food vendors and one hair salon. The remaining sites are scheduled for completion in the 2025/26 financial year.

The image below depicts the Mzamomhle hawker stalls:



4. Equipment and Machinery Support

The programme offers continuous support to small businesses, aiming to enhance their productivity and operational efficiency. The following businesses have benefited from these interventions:

1. High Fashion InStyle and multi-purpose

This is a registered primary cooperative based inland and in different wards, such as 43 and 44, and they are working in the town, which is Ward 37. They are all females and have temporary employment, especially youth in designing. They have requested machinery to enable them to produce quality work. They have requested the following machinery:

Quantity	Description
4	Straight stitch
2	Overlocker
1	Bottle iron
1	Seam Cover
2	Mani queens

2. BUHLEBEMVELO

Buhlebemvelo is a registered company based in Ward 39. Buhlebemvelo Naturals aims to provide clients with experienced and knowledgeable hairstyling professionals, fostering a friendly and supportive environment that encourages learning, growth, cooperation, trust, and the development of meaningful relationships. She is a skilled and proficient hairstylist who has expanded her expertise to include make-up artistry and nail design. Currently, she offers her services through house calls in Qonce and EL. She employs temporary staff and has made a commitment to create permanent positions once the business has acquired the necessary equipment and its own premises, even if it is a container. She has requested the following machinery:

DESCRIPTION
Black unit with ceramic basin and chair
Stand dryer, 2-speed
Styling chair – hydraulic PVC
Trolley black – 5 drawers with tint bowl
Hair steamer with stand
Workstation – wood

3. APHIWE BEAUTY HAIR SALON

Aphiwe is a registered company established in January 2019, aiming to provide beauty salon services to the Skobeni Location community and surrounding areas. To be more accessible to clients, she chose to rent premises in town. Her vision includes expanding the business into a training centre to facilitate skills transfer to unemployed youth. She seeks to uplift the standard of rural areas by offering high-quality beauty services to interested individuals, particularly for events such as weddings and graduations. She has requested the following machinery:

DESCRIPTION
PRONTO DESK
DÉCOR BOX MIRROR LIGHT
SAC MONGCO CHAIR WHITE
CARMEN PRO-SALON DRYER

WAHL 2000 WATT
WAHL BARBER KIT
FOMOSA KNIT BASKET
GLODINA HAND TOWEL
MAKE-UP BRUSH SETS
NAIL LAMPS
MAKE-UP CASES

LADY R FASHION

Lady R Fashion Boutique is a contemporary women's apparel retailer that aims to provide a unique, stylish range responsive to rapidly changing fashion trends. The company has operated since 2019 under owner management. Lady R Fashion is highly accessible to customers, being located on Oxford Street, Southernwood, East London. Southernwood has a large population of youths and young adults, the shop's target market. The shop intends to expand its customer base by acquiring high-quality equipment (cameras and lighting) to present products more effectively and reach a wider market. This investment will enable marketing across all media platforms.

ITEM
EOS 850 D Body, EF18-55 f4-5.6 IS STM LENS **Eyecup Ef, Body Cap, Neck strap, LC – E17 E charger, LP-E17 Battery, Power cable, Manual**
PVC Vinyl Studio Backdrop – white with black backing 2.2 x 3 m includes aluminium core
Backdrop stand support system 2,6 m x 3 m
Ampro Tripod
Total

LICEBO CREATIONS

Licebo Creations is a small, female-run catering company that provides services for a range of events, including training sessions, funerals, weddings, and conferences. The sole director established the business out of a passion for cooking and a desire to serve food prepared with care and dedication, financing the enterprise from her own resources. Recently, the company has experienced notable growth, particularly after relocating to a busier location, which has increased its visibility among potential clients. As demand for its products continues to rise, the business faces challenges due to insufficient catering equipment, such as gas stoves, plates, cutlery, chafing dishes, and other essential items. The company currently employs between four and seven young people on a temporary basis, depending on operational requirements.

ITEM
Urn 30 Lt
Urn 20 Lt
Toaster 9 slicer
Food warmer
Chafing dish double
Rec chafing dish R/T W/WNDW
Dinner plates 10,5 inch white
Side plates 7,5 inch white catering
Cup & saucers single
Boiling table 3 pot
Teaspoon catering 12's eloff
Dessert fork 12's catering elloff
Dessert knife 12's catering elloff
Dessert spoon 12's catering elloff

Bowl 14 cm dessert deep white
Tumbler hi-ball 48's

UPHIWE & OWETHU ENTERPRISE PTY LTD

Uphiwe & Owethu Pty Ltd offers valet cleaning services and car washing in Duncan Village. The company currently employs the owner and one assistant; during peak seasons, two additional staff members are hired. These services are in high demand locally, as it is the only business in the area providing valet cleaning. Most car washes in Duncan Village refer their clients to Uphiwe & Owethu Pty Ltd for valet services.

The company is youth-owned and has strong potential for expansion within Duncan Village. At present, it provides a sheltered waiting area for clients and has built a reputation for reliability – clients are comfortable leaving their car keys when they are unable to wait for the valet service to be completed.

ITEM
Window washer 2,1 m ext handle
Window Squeegee STD Handle Garage
Platform broom Hard 450 mm
Platform broom Hard 600 mm
Wet Mop complete Wooden
Vortex Polisher / Scrubber with Pad Drive
Kärcher K3 Pressure washer
Numatics GVE 370-2 George Carpet
Shield Orbital Polisher
Vac 30 Vacuum Cleaner w/d s/steel tank

TRADEMARK ENTERPRISE

Trademark Enterprise is a registered business that was established in 2016.

It is based in Mdantsane and has an office at Mdantsane Highway under **Ward 14.** They started their business with supply and delivery, but as time went on, they developed an interest in

construction and now specialise in construction services, achieving Grade 4 status. They employ six permanent staff. They have requested the following office equipment:

ITEM
Laptop - HP 250 G9, 15-123U,16GB,512GB,SSD,WIN 11
Laptop - Lenovo 82QY00P6SA IdeaPad V15 - 15.6 Full HD (1920x1080) TN Anti-Glare Display **Intel UHD Graphics 600** **Intel Celeron N4500 Processor, 2 core, 2 thread** **8GB DDR4 SO-DIMM (8GB MAX) 256GB M.2 2242 PCIe 3.0 NVMe SSD** **Windows 11 Home**
Printer – A4, 3-in-one, 48ppm mono duplex print, 250-sheet paper tray, 50-sheet ADF, IGB, 8,9 cm colour screen, colour scanner, wired (gigabit Ethernet) & wireless network. USB cable included. 6 kg page inbox toner.

BUZWE GENERAL TRADING

Buzwe General Trading is a registered business specialising in the construction and maintenance of pools, as well as plumbing services. The business is based in Mdantsane under **Ward 14**, although its target market is in East London, as there are no swimming pools in Mdantsane. They have submitted a quote with the following equipment:

Description
Ingco corded grinder 2400W 23
Measure wheel roto 24cm econo
Black & Decker drill 13 mm 710
Riveting hand kit bdt
Tolsen plier wire stripping
MTS vice grip 250 mm
Tolsen tool set 3pc tol10403
Tolsen plier tower pincer 230
Tolsen cold chisel pointer 30 & Tolsen mallet rubber fibreglass
Tolsen hammer club TPR handle
Aftool bar wrecking 450 x 19 mm
Extension reel 10a 20m bdt
Tolsen screwdriver set 100pc
Level bdt 1000 mm 3 vial pro

Ingco corded circular saw 140
Falcon tile cutter 500 mm DIY
Ladder extension push up 600
Total

MBHANGUBE TRADING

Mbhungube Trading is a registered business owned by a young, energetic, and enthusiastic male. The business specialises in hair salon services and operates from a 12 m container on Mdantsane Highway under **Ward 14.** The business employs four permanent staff members. They submitted a quote for the following equipment:

DESCRIPTION
Backwash basin
Hand dryer 200 W
Barber Wahl machine
Trimmer machine
Cast barber cape with neck
Stand dryer

KEMET FOOD & BEVERAGES

Kemet Food & Beverage is a registered business owned by two young, energetic, and enthusiastic men. The business was established in 2022 and specialises in producing the world's first brewed Kemet Ginger. It is based in Mdantsane under **Ward 11**, though its target market is the EC. They supply Mdantsane and Ngumbela Melisizwe Butcher in EL and have employed five casual staff. They have submitted a quote for the following equipment:

DESCRIPTION
KIC 543L CHEST FREEZERS WHITE KCG570/2 NH
CADAC 45L COOLER BOXES
1.5L 28MM/45G GENERIC WATER 126P/B PACKAGING 6 X 756
500ML GEN 28MM 19.8G NAT 153P/B PACKAGING 3 X 459
28MM 1881PCO GRIP WHITE X1215

MLENZANA TRADING

Mlenzana Trading is a registered business owned by a young black man that specialises in grass cutting, bush clearing, and event equipment hire within the Mdantsane community. The business is based in Mdantsane, under **Ward 11**, but also targets the surrounding areas. They have submitted a quote for the following equipment:

DESCRIPTION
CHAINSAW MS210 35.2CC 1.6KW 3 2P
BLOWER 27.2CC 0.7KW BG50 JUL P 2P
BRUSH CUTTER FS235 36.3CC 1.55K 2P
5M 10M HEAVY DUTY WATERPROOF STRETCH TENT WITH ALUMINIUM POLES, FITTING ROPES, AND PEGS
TOTAL

Inferno (PTY) Ltd

Inferno is a registered business specialising in events management, training, and workshops, with the aim of fostering business growth and development in the Mdantsane Township community. The business is based in Mdantsane under **Ward 42** and is not only targeting businesses within the ward but is also focusing on those around Mdantsane. They have submitted a quote for the following equipment:

DESCRIPTION
Inch FHD Non-Touch Intel Core 13 -125U 8 GB Memory 512 GB SSD intel UHD NO DVDRW Windows 11

Sikhululwe Projects

HP All-in-One Printer

HP 15s Intel Celeron N4500 4GB

HP Intel Core i5-1235U 8GB

1 x Multifunctional 5-in-1 Heat Press Machine

5. Youth Month Celebration: Annual Buffalo City Fashion Show

In closing the Youth Month, the Unit hosted a fashion show in partnership with Limani Gallery, Standard Bank, and Hemingways Mall. The fashion show was held on 27 June 2025 at the Hemingways Mall rooftop. Ten designers were selected from the Coastal, Midland, and Inland

regions. Limani Gallery hosted a workshop for the designers, and Standard Bank presented on financial management and the support it can offer to the industry.

The highlight of the fashion show was the collaboration with Zazi Fashion Clothing Factory. Zazi Clothing Factory is an internationally recognised brand that has showcased at Paris Fashion Week. Zazi has been invited to Dubai Fashion Week, which will take place in September 2025. Zazi committed to selecting two designers to showcase alongside them at Dubai Fashion Week. This is an opportunity for these local small brands to participate and market their clothing items with internationally recognised brands.

The fashion show was well attended. The designers who participated in the show will also have the opportunity to market their clothing items through Limani Gallery.

The designers who participated are as follows:

Limani Gallery and Sibo, representing next-level fashion; both designers have been in the fashion space for a long time and are from the EL region.

Duncan Village

NO.	Name & Surname	CONTACT NUMBER	Clothing Range	Ward
1	Asavela Madikizela	0651633070	Traditional / Everyday wear	3
2.	Sisanda Mbali	076 924 7793	Traditional and High End	4

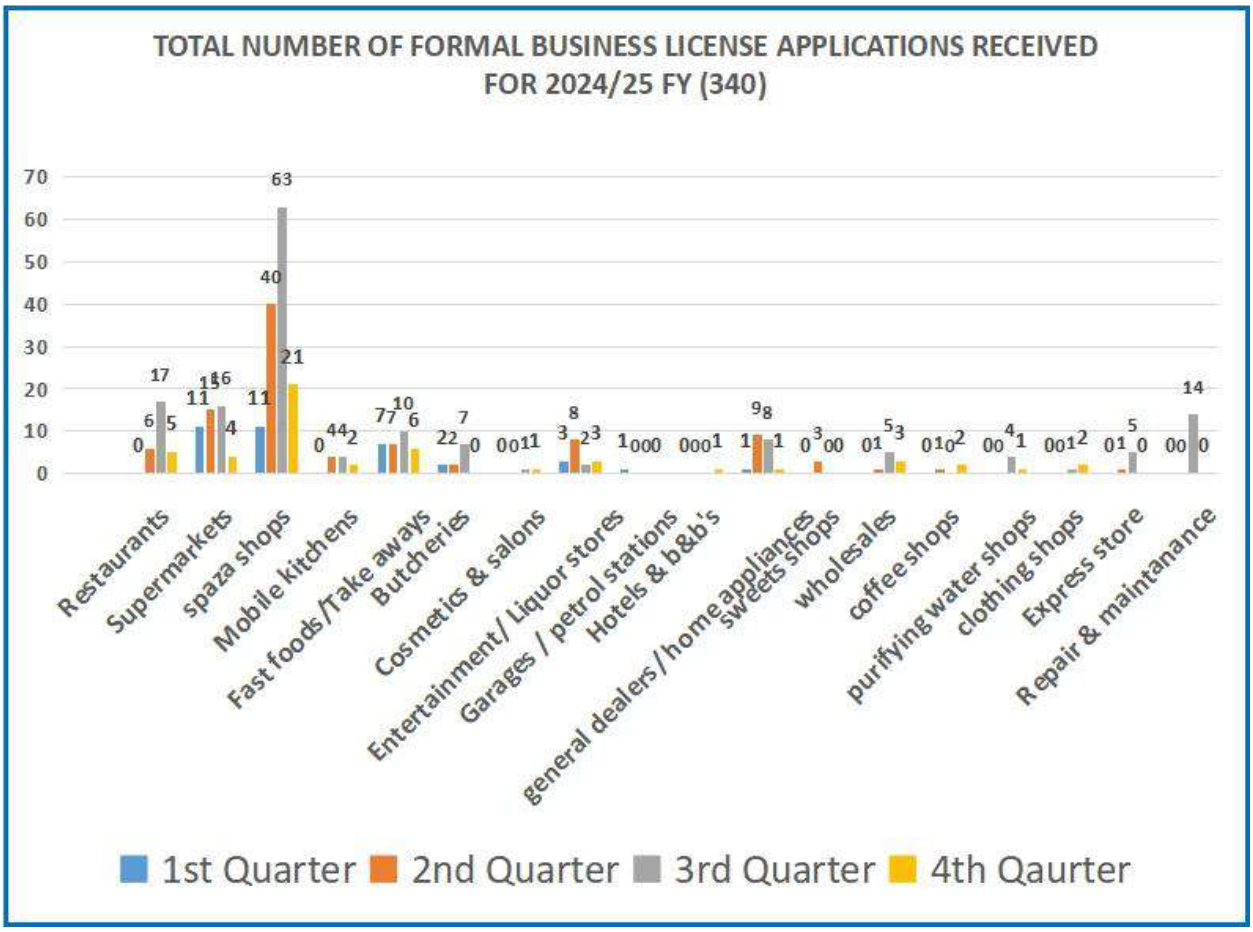
Mdantsane

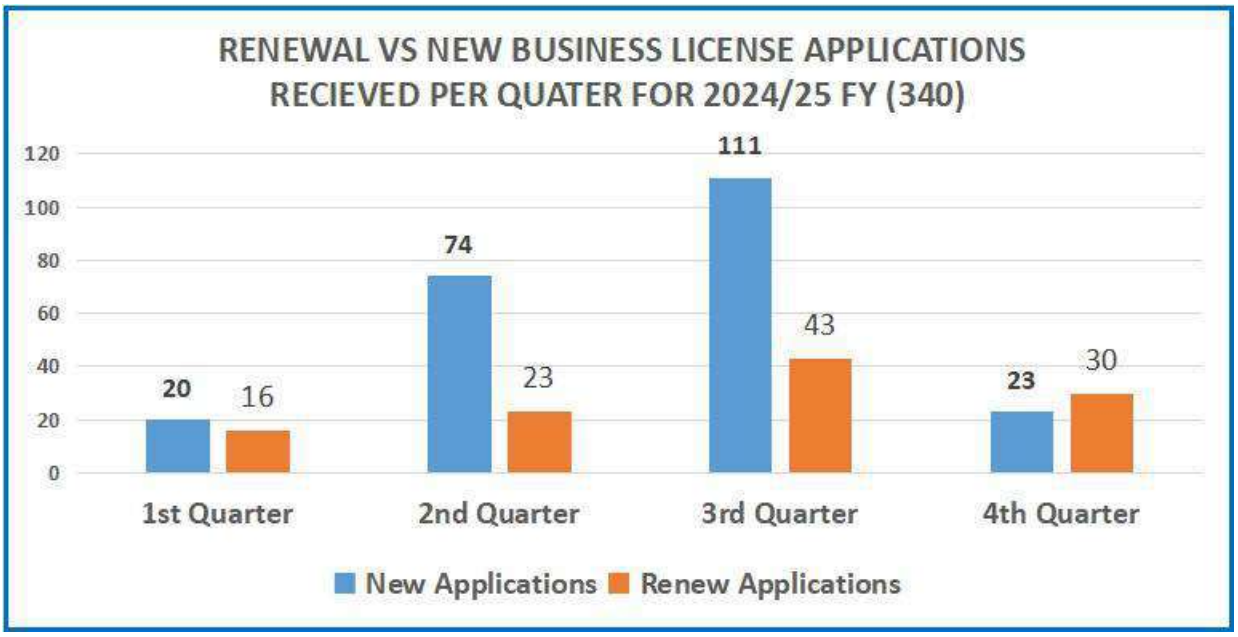
NO.	Name & Surname	CONTACT NUMBER	Clothing Range	Ward	Company Name
1.	Nandipha Sompi	072096 7936			
2.	Mkhuseli Ntshokolana	065 603	Men's clothing	NU 2 Mdantsane	Khuster Designs (Pty) Ltd
3.	Yanelisa Masiza	0682241519	Everyday clothing	Quigney	

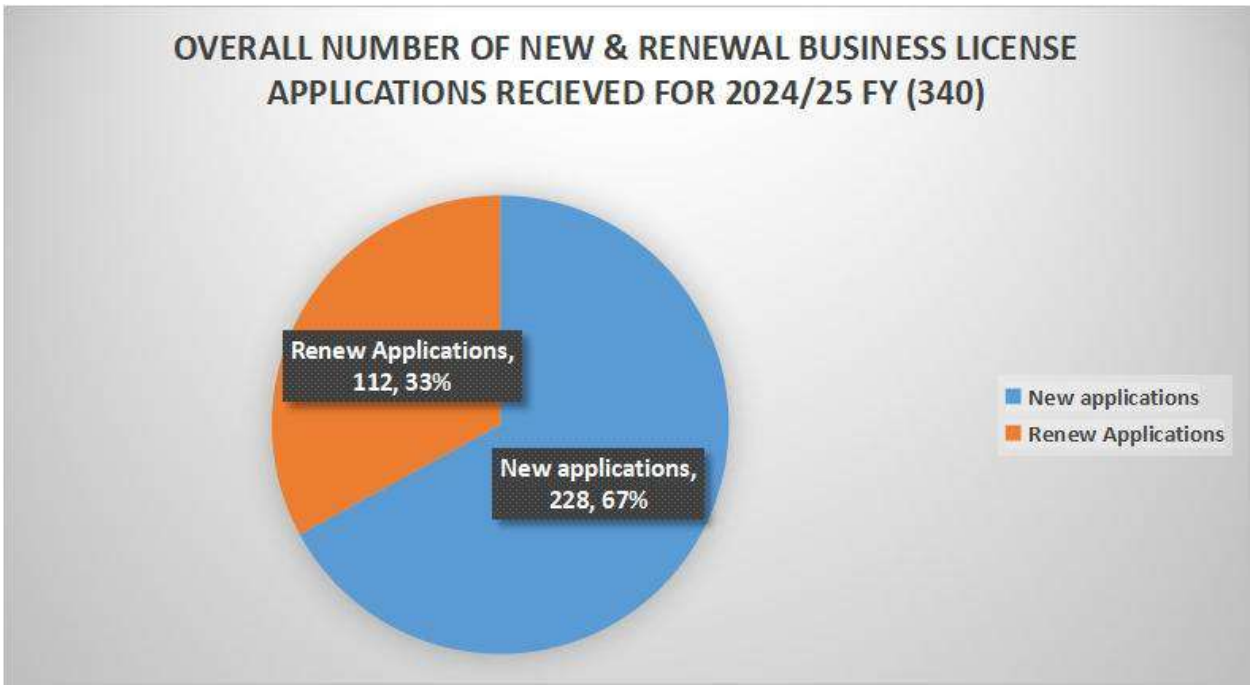
Qonce

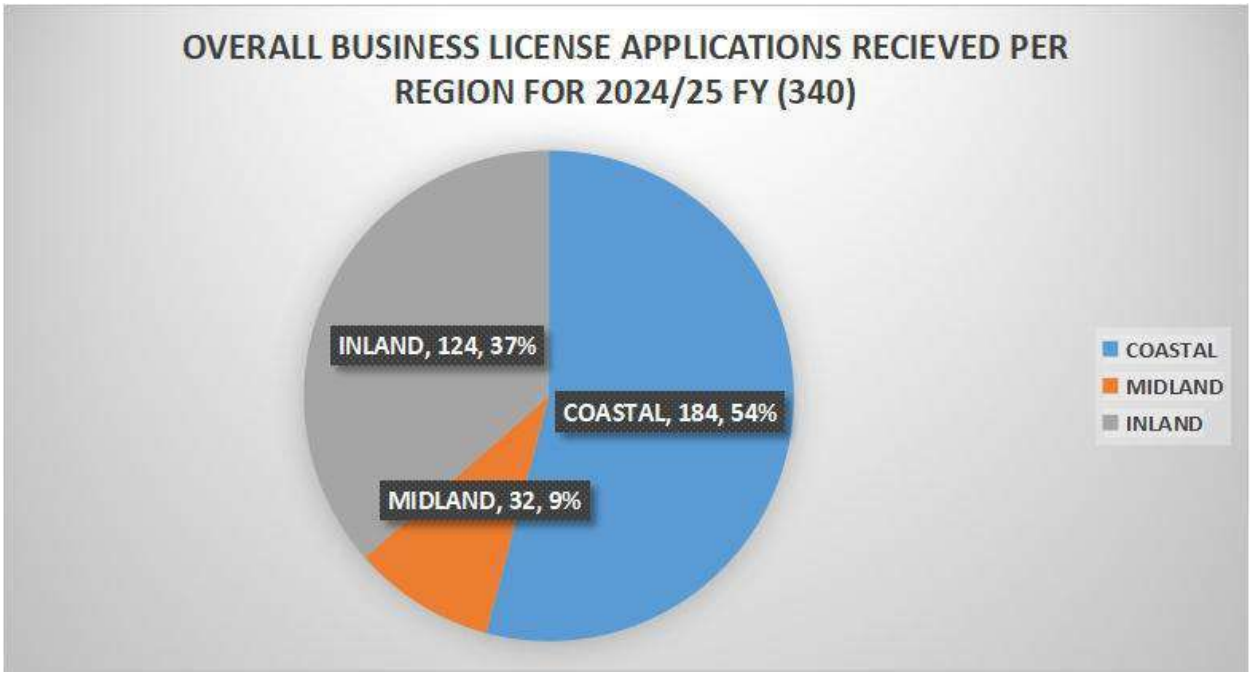
NO	NAME AND SURNAME	CONTACTS	CLOTHING RANGE	WARD	COMPANY NAME
1.	Masibulele Mari	0783222931	Traditional	41	MM Design
2.	Thandokazi Hans	0814588255	Contemporary Fashion	43	Zamagcina Trading

Business Licensing









TRADE AND INVESTMENT PROMOTION

Trade and investment promotion is an important component of economic development, involving activities and policies that attract, facilitate, and retain foreign direct investment and trade flows.

The Department of Trade and Industry has been implementing various programmes to promote trade and investment within the City. Among these programmes is the Export Help Desk initiative. The Export Help Desk is committed to creating a vibrant export culture, providing trade information services and advice, and assisting companies in overcoming international market access barriers for the growth, profitability, and survival of SMMEs. The programme is aligned with the Integrated National Export Development Strategy, which clearly outlines the types of programmes to be implemented.

The Export Help Desk has implemented the following programmes:

1. Training – The Export Help Desk hosted the following training sessions to support emerging exporters. These training sessions are essential for businesses looking to expand into international markets. The table below shows the number of training sessions that took place during the first (1st) quarter:

Quarter	Date	Name of the training	No of Companies
Q1	21-22 September 2024	Emerging exporter training	13 companies
	14-22 August 2024	Preparations And Regulations Training	21 companies

The Emerging Exporter Training covered the following areas:

- How to Identify International Markets
- How to Research Potential Markets
- Evaluating Market Attractiveness
- Assessing Market Entry Requirements

The Preparations and Regulations Training covered the following areas:

Introduction to Exports
Product Diversification
Exhibition Etiquette

1. **Seminars -**

Quarter	Date	Name of the seminars	No of Companies
2nd Quarter	**30 October 2024**	Export Trade Registration Seminar	42 companies
3rd Quarter	**20 February 2025**	Trade Seminar	15 companies
3rd Quarter	**17–18 March 2025**	Buy Local Summit Expo	1 company
3rd Quarter	**17–19 March 2025**	International Food & Drink Expo	2 companies
4th Quarter	**10 April 2025**	International Trade Seminar	48 companies
4th Quarter	**28 May 2025**	Exploring Trade Opportunities In Brazil Seminar	35 companies
4th Quarter	**29 May–1 July 2025**	Summer Fancy Food Show	Over 2 500 Exhibitors

Export Trade Semina

- Understanding export registration requirements
- Customs clearance procedures
- Familiarisation with SARS customs electronic systems
- Networking opportunities

Trade Seminar

- Boosting competitiveness
- Public-private collaboration
- Support services showcased
- Local and global success

2. **Export Symposium – Eastern Cape Export Symposium and Exhibition**

The Symposium is an initiative of the Eastern Cape Development Corporation (ECDC), BCMM, and Nelson Mandela Bay Metro. The exhibition included 80 exhibitors, each presenting a diverse array of local products and services. In addition, the event comprised five workshops and a two-day conference, featuring plenary sessions and seven elective break-away streams. Attendees also benefited from a B2B match-making facility, and the Symposium concluded with the graduation of participants from the Exporter Development Programme.

The event brought together seventy speakers who illuminated the considerable opportunities available to exporters, drawing attention to the influence of South Africa's trade agreements such as AGOA, BRICS, AfCFTA, and engagements with the EU. The speakers also identified the priority sectors of the EC, including automotive, agriculture, renewable energy, and the advancement of cannabis and biofibre value chains within the province.

The missions and exhibitions resulted in numerous productive business-to-business meetings and encouraging trade prospects. Such events reflect a sustained commitment to equipping local businesses in their pursuit of new markets and strengthening their export capacities. These initiatives facilitated exports to the value of R186 691 390. The Symposium was a landmark gathering, attracting 1 162 attendees from 450 companies.

3. Buy Local Summit & Expo

The Buffalo City Export Helpdesk, in collaboration with the ECDC, participated in the Buy Local Summit & Expo, which took place at the Sandton Convention Centre in Johannesburg from 17–18 March 2025. This premier event was a vibrant gathering of diverse stakeholders, including entrepreneurs, government representatives, and industry leaders, all united by a common goal to champion local procurement to bolster small businesses and propel economic growth.

The Buy Local Summit was not just an exhibition; it was an invaluable platform for establishing connections. A series of impactful business-to-business (B2B) meetings and engaging sessions for procurement officers facilitated direct interactions between local companies and potential partners. Through these networking opportunities, participants explored collaborative ventures, setting the foundation for future growth and investment, with only one company from BCMM participating.

3.1 International Food and Drink Expo (IFE)

The International Food and Drink Expo (IFE) took place from 17-19 March 2025 at ExCeL London. The Buffalo City Export Helpdesk, in collaboration with ECDC, participated in this prestigious international event. The initiative was strategically designed to stimulate economic growth in the EC province by leading a delegation of local enterprises to showcase their products and expertise to an international market. The IFE London exhibition served as a critical platform for these companies to network with global buyers, distributors, and industry experts. Two Buffalo City companies participated.

INVESTMENT PROMOTION

Investment Development has implemented the following:

The Unit has been supporting the Revitalisation of Industrial Parks programme with the following: fencing of the Industrial Park; refurbishment of internal roads; and refurbishment of electrical infrastructure and WWTW. Currently, the project is busy with Phase 3, which is the WWTW, with the completion date expected to be in 2025.

SCOPE OF WORKS

The project includes building alterations, as well as civil, electrical, and mechanical works in the following areas:

- Head of Works (Inlet Works)
- Sludge Lagoons
- Main Electrical Supply and Main LV Room
- Aeration Tanks
- Return Activated Sludge pump building.
- Clarifiers
- Chlorination Tank and Building
- Discharge Channel
- Office Buildings
- Living Quarters

Implementation progress planned for the new financial year.

Due to vandalism that has occurred on site, it was decided to cancel the tender and issue a new one. The contractor could not start unless the vandalised infrastructure has been restored or refurbished.

Revitalisation of Industrial Parks (Dimbaza) – Non-Automotive Manufacturing (NAM) Cluster

The Unit has collaborated with the non-automotive cluster (NAM). The Cluster focuses government efforts on creating meaningful incentives for investors looking to locate their operations in the park. The Industrial Parks are an important tool for attracting investors and technology, given that some of the key factors influencing investment decisions are the availability of land, infrastructure, quality services, and proximity to strategic markets. The core focus areas are economic growth, social, and environmental benefits in support of national priorities to address poverty, employment, inequality, and growth.

The revitalisation of Industrial parks will lead to building the capacity of state-led industrial parks in the country towards the articulation of a green economy. The programme will further improve the environmental, economic, and social performance and competitive advantage of industrial parks, contributing to strengthening economic development. The programme will foster the development of a resilient economy by supporting the implementation of appropriate framework

conditions that will contribute to economic growth, job creation, greater equality, and reduced poverty in the long run.

The plan is to supplement the establishment of a Digital Hub complex in the park that will house the following enabling mechanisms:

• Shared services area

• Rapid prototyping and small-scale manufacturing centre

• Agri Hub

• A fast-moving consumer goods accelerator

• Industrial units of 400 m² to 600 m²

• Black Industrial Pipeline Project

• Dimbaza Industrial Hemp Master Plan and Cluster

• Dimbaza Techno Club in Fort Jackson

T3.11.1

Economic Activity by Sector			
			R '000
Sector	**2022/2023**	**2023/2024**	**2024/2025**
Agric, forestry and fishing	R170 000	R175 000	R180 000
Mining and quarrying	R650 000	R670 000	R690 000
Manufacturing	R1 250 000	R1 270 000	R1 290 000
Wholesale and retail trade	R1 400 000	R1 430 000	R1 460 000
Finance, property, etc.	R1 900 000	R1 950 000	R 2 000 000
Govt, community and social services	R1 600 000	R1 640 000	R1 680 000
Infrastructure services	R500 000	R510 000	R520 000
Total	**R7 470 000**	**R7 645 000**	**R7 820 000**
			T 3.11.2

Economic Employment by Sector

			Jobs
Sector	**2022/2023**	**2023/2024**	**2024/2025**
	No.	**No.**	**No.**
Agric, forestry and fishing	900 000	890 000	880 000
Mining and quarrying	440 000	445 000	450 000
Manufacturing	1 100 000	1 095 000	1 090 000
Wholesale and retail trade	2 000 000	2 010 000	2 020 000
Finance, property, etc.	1 400 000	1 420 000	1 440 000
Govt, community and social services	1 600 000	1 605 000	1 610 000
Infrastructure services	550 000	510 000	520 000
Total	7 470 000	7 645 000	7 820 000
			T 3.11.3

JOBS CREATED DURING 2024/2025 BY LED INITIATIVES (EXCLUDING EPWP PROJECTS)

Jobs Created during 2024/2025 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	**Jobs created**	**Jobs lost/displaced by other initiatives**	**Net total jobs created in year**	**Method of validating jobs created/lost**
	No.	**No.**	**No.**	
Total (all initiatives)	2319	0	2319	List of participants with ID numbers
2022/2023	741	0	741	List of participants with ID numbers
2023/2024	738	0	738	List of participants with ID numbers
2024/2025	840	0	840	List of participants with ID numbers
Initiatives (Excluding EPWP)	2022/2023 Initiative A	2023/2024 Initiative B	2024/2025 Initiative C	Method of validating jobs created/lost
Hosting or supporting of events	176	196	267	List of participants with ID numbers
Public Employment Programme (Food Security), Data Collectors for Spaza Shop Dev. Projects,	415	121	454	List of participants with ID numbers

Capacity Building Programmes such as: (Microsoft Training with MCSETA), Fresh Mark Training,	30	32	30	List of participants with ID numbers
Skills Development Programme Learnership and Apprenticeship	0	301	0	List of participants with ID numbers
TOTALS	**703**	**695**	**788**	
				T 3.11.5

Job creation through EPWP* projects		
Details	**EPWP Projects**	**Jobs created through EPWP projects**
	No.	**No.**
2021/2022	22	4325
2022/2023	28	6250
2023/2024	27	3927
2024/2025	41	4450
		T 3.11.6

Employees: Local Economic Development Services					
Job Level	**2023/2024**	**2024/2025**			
	Employees	**Posts**	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**No.**	**%**
0 - 3	14	16	13	3	19%
4 - 6	17	17	14	3	18%
7 - 9	13	14	12	2	14%
10 - 12	20	22	22	0	0%
13 - 15	2	3	3	0	0%
16 - 18	5	5	5	0	0%
19 - 20	2	3	3	0	0%
Total	73	80	72	8	10%
					T 3.11.8

Financial Performance 2024/2025: Local Economic Development Services					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**34,950**	**98,829**	**98,829**	**58,660**	**-68%**
Expenditure:					
Employees	48,256	52,705	51,561	78,194	33%
Repairs and Maintenance	1,252	1,657	2,190	3,373	51%
Other	154,421	128,426	112,836	61,361	-109%
Total Operational Expenditure	**203,929**	**182,789**	**166,587**	**142,928**	**-28%**
Net Operational Expenditure	**168,979**	**83,959**	**67,758**	**84,268**	**0%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.11.9*

Capital Expenditure 2024/2025: Economic Development Services					
					R' 000
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**42,889**	**32,489**	**31,197**	**-37%**	
OFFICE FURN & EQUIPMENT (DIRECTORATE)	250	590	996	75%	1,145
UPGRADING OF MARKET HALL	5,500	5,530	4,884	-13%	21,728
MDANTSANE ART CENTRE	5,000	735	735	-580%	1,384
FORT JACKSON JUNCTION HUB	5,000	1,415	1,415	-253%	2,618
SMME INCUBATOR: SEKUNJALO TRAINING CENTRE	5,000	5,803	5,803	14%	5,803
INFORMAL TRADE INFRASTRUCTURE (Hawker Stalls)	9,000	1,968	1,968	-357%	11,482
HYDROPONICS AND PACKHOUSE PROJECT	5,319	6,461	6,461	18%	24,643
AGRI-VILLAGE	7,819	4,222	4,222	-85%	17,961
TOURISM HUB	–	505	52	100%	11,170
EXTENSION OF MDANTSANE ART CENTRE	–	129	129	100%	778
KIWANE RESORT MAINTENANCE & UPGRADE	–	39	39	100%	1,392
IMPROVE ACCESS ROAD	–	3,991	3,991	100%	30,753
SMME INCUBATION HUB	–	1,101	501	100%	2,160
Total project value represents the estimated cost of the project on approval by council (including past and future					*T 3.11.10*

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

T3.52

3.12. LIBRARIES, ARCHIVES, MUSEUMS, GALLERIES, COMMUNITY FACILITIES, OTHERS (THEATRES, ZOO'S)

LIBRARIES

This Unit is mandated to provide Library and Information Services that are free, equitable, readily available, and accessible to the community of Buffalo City. The aim is to give the community access to skills and knowledge through our library services. The services include:

- Circulation of media such as books, CDs, and DVDs
- Issue and return of library books
- Reference service
- Inter-library loan
- Computer and Internet (including Wi-Fi) service
- Auxiliary services
- Newspapers and magazines
- Circulation of documents for public notice and perusal (IDP, budgets, land, bursaries, vacancies, etc.)

The BCMM Council manages 19 libraries with 103 522 subscribers on behalf of the Provincial Government. The latter only subsidised the Council's libraries operating budget of R44 119 133 by R17 883 in the 2024/25 financial year. Libraries provide a service to all BCMM communities, especially to improve the lives of information-deprived communities who currently lack adequate access to information and books. The libraries stock both fiction and non-fiction, including reference materials, study aids, biographies, travel guides, hobby guides, personal financial guidance, business management resources, recipes, etc., and serve the adult, children, and teen populations. This includes pre-primary, primary, and high school students from the surrounding areas of the libraries, as well as tertiary students, working adults, unemployed adults and youth, and the elderly.

The libraries are extensively utilised by the unemployed and jobseekers, who benefit from subscriptions to selected newspapers featuring employment advertisements. In addition, the maintenance of a comprehensive collection of library materials ensures that the public has access to essential information.

Libraries foster recreational reading by promoting enjoyment in reading, while also supplying educational resources that support the advancement of education. By collaborating with various stakeholders, libraries empower communities through the introduction of relevant programmes designed to serve the intended public. Furthermore, they facilitate social cohesion by providing spaces within the library for community use.

Regular outreach events are organised, including National Library Week, National Book Week, and World Play Day – some in partnership with DSRAC. These initiatives aim to promote and encourage the use and appreciation of libraries, as well as to communicate their significance to all members across communities.

Libraries in Buffalo City are required to fulfil a wide range of functions and meet diverse needs. They should not be confined to serving merely as venues for reading and lending books. Instead, they ought to prioritise grassroots education, empowerment, and economic development, transforming into hubs for impactful, community-based activities and programmes.

Attention should also be given to both local practices and grass-roots experiences to ensure that community libraries become effective spaces for achieving positive transformation. Expanding the range of services offered is essential in order to address the evolving needs and priorities of the community.

Mini-Libraries (Mini-Libs) for the blind, established at Central, Gompo, and Dimbaza Libraries through collaboration between the EC Office of the Premier, DSRAC, BCMM, and the South African Library for the Blind, continue to deliver services to blind citizens in Buffalo City.

The South African Library for the Blind provides library and information services to blind and visually impaired individuals by producing accessible South African reading materials, developing a comprehensive collection, and offering advisory services that facilitate access to information.

Highlights

- Approximately 392 new books were acquired for all libraries within BCMM, encompassing a broad range of genres, including non-fiction, fiction, African literature, and political works.
- Book donations were received, valued at approximately R194 800,00.
- The Provincial DSRAC has implemented Broadband access at several Buffalo City Libraries, with the project ongoing.
- In 2024/25, the Provincial DSRAC will provide 24 computers for public use to various Buffalo City Libraries, all connected to Broadband as part of the Office of the Premier (OTP) Project.

Challenges have been recorded in respect of the following:

a) An insufficient and underfunded library subsidy received from the Provincial Department towards the running costs of all libraries in BCMM, as well as the extension of library services into much-needed areas like rural regions.

b) Insufficient funding has led to a reduction in periodical subscriptions.

c) The unavailability of digital resources affects the relevance of libraries.

d) Libraries have been targeted by criminals. Some branches have suffered vandalism and break-ins, resulting in the loss of equipment, including PCs. The insurance process takes time, and the resulting payouts are insufficient to purchase equivalent new equipment.

e) Revenue from paid library subscriptions (as opposed to free membership) has remained low. This is because only non-residents who do not own and pay rates on property in BCMM must pay for membership. As the local authority has expanded from EL to the vast area of BCMM, more people have become residents and/or ratepayers in the metropolitan area, and thus are no longer required to pay for library services.

f) Crucial vacant funded posts remain unfilled, challenging the stability of the department and its operations.

Solutions/Remedial Action

a) To engage with DSRAC regarding the possibility of additional funds being allocated from their budget, as well as to provide DSRAC with statistics from libraries to demonstrate where services are being extended.

b) This, as with a), will be addressed through engagement with DSRAC.

c) This, as with a), will be addressed through engagement with DSRAC.

d) Encourage engagement between community libraries and their community policing forums to foster a sense of true ownership in the relevant communities. Review security at all libraries; some libraries have been fenced.

e) This, as with a), will be addressed through engagement with DSRAC.

f) Advertise and permanently fill all vacant library posts.

SERVICE DELIVERY PRIORITIES

1. Access to information and resources for users to meet their diverse needs in research, education, and personal development.
2. Community empowerment through engagement with communities and stakeholders, encouraging partnerships and collaborations, and providing services that empower these communities while supporting local government initiatives.
3. Offering opportunities for users to learn how to access and effectively use library resources, digital tools, and new technologies.

Measures taken in the event of poor performance or service include continuously identifying needs within libraries and regular engagement with DSRAC to address additional budget requirements.

ZOO

The primary service priorities are recreation, conservation, education, and research. The zoo serves as a recreational facility for local communities, promotes conservation through educational

tours, and supports students and interns seeking to advance their studies in conservation-related fields.

T3.12.1

SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

	Year	Adults	Children	Scholars	Pensioners	Total
Zoo	2024/25	8 966	4688	17507	466	31627
Aquarium	2024/25	5806	2942	9625	587	18960

Libraries – 2024/25	No. of BCMM Libraries	Total No. of Library Visits	Average No. Of Library Visits	Average No. of Library Visits per Library	Number of Books Issued
	19	192670	10140	2359	134648

Halls 2024/25	Total No. of Halls Bookings	Total No. of Free Usages (Includes Council Use)
	2240	1400

T3.12.2.

Libraries; Archives; Museums; Galleries; Community Facilities; Other Policy Objectives Taken From IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2023/2024		2024/2025			2025/2026	2026/2027	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
To provide adequate amenities to serve all BCMM communities	Development, Upgrade and Refurbishment of Community Halls	9	13	13	2	0	11	5	5
To provide adequate amenities to serve all BCMM communities	Development, Upgrade and Refurbishment of Libraries	7	7	7	6	6	11	5	5
To provide adequate amenities to serve all BCMM communities	Upgrading of Zoo Facilities	1	1	1	1	2	0	0	1

T3.12.3.

Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Job Level	Year -2023/2024	Year 2024/2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	92	91	88	3	3%
4 - 6	22	28	22	6	21%
7 - 9	61	67	60	7	10%
10 - 12	23	27	23	4	15%
13 - 15	3	5	3	2	40%
16 - 18	0	0	0	0	0%
19 - 20	1	1	1	0	0%
Total	202	219	197	22	10%
					T 3.12.4

Financial Performance for 2024/2025: Libraries; Archives; Museums; Galleries; Community Facilities; Others

Financial Performance 2024/2025: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**19,769**	**24,321**	**26,144**	**20,759**	**-17%**
Expenditure:					
Employees	107,856	118,556	119,934	118,799	0%
Repairs and Maintenance	5,324	4,385	3,583	2,947	-49%
Other	110,134	32,123	54,121	101,293	68%
Total Operational Expenditure	**223,315**	**155,064**	**177,638**	**223,039**	**30%**
Net Operational Expenditure	**203,546**	**130,743**	**151,494**	**202,281**	**35%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.12.5*

CAPITAL EXPENDITURE FOR 2024/2025: LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHERS

Capital Expenditure 2024/2025: Libraries; Archives; Museums; Galleries; Community Facilities; Other					R' 000
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**8,500**	**6,783**	**7,018**	-21%	
OFFICE FURN & EQUIPMENT (DIRECTORATE)	500	319	319	-57%	319
DEVELOPMENT OF C/HALLS & FACILITIES	1,000	–	–	0%	7,981
DEVELOPMENT UPGRADE AND REFURBISHMENT OF COMMUNITY HALLS	2,500	3,947	3,947	37%	10,778
DEVELOPMENT UPGRADE AND REFURBISHMENT OF LIBRARIES	2,500	1,979	2,270	-10%	11,045
DEVELOPMENT UPGRADE AND REFURBISHMENT OF LIBRARIES	500	–	–	0%	168
HALLS-TOOLS AND EQUIPMENT	450	9	–	0%	–
HALLS-TOOLS AND EQUIPMENT	–	232	242	100%	379
UPGRADING OF ZOO	500	–	–	0%	983
PLANT - ZOO	100	79	24	0%	140
REFURBISMENT OF AQUARIUM	400	174	217	0%	1,075
PLANT - AQUARIUM	50	43	–	0%	399
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.12.6*

COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:

The targets and actual performance for the Development, Upgrade and Refurbishment of Libraries for 2024/2025 financial year were as follows:

- The annual target for the Upgrade and Refurbishment of Libraries is to carry out at least 5 projects each financial year pending the availability of funding.

- The Development, Upgrade and Refurbishment of Libraries target for the 2024/2025 financial year was to upgrade and refurbish 6 x Libraries and this target was met. The projects were undertaken at the following libraries: Gonubie Library, Berlin Library, Dimbaza Library, Zwelitsha Library and Central Library.

Proposed projects and targets for the 2025/2026 financial year.

- There have been 11 libraries identified to be upgraded and refurbished in the 2025/2026 financial year, of which some projects could be implemented over 2 years. The following libraries have been identified for upgrade and refurbishment: Nompumelelo Library, Beacon Bay Library, Cambridge Library, Schornville Library, Breidbach Library, KWT Library, Braelyn Library, Kidds Beach Library, Vincent Library, Central Library, and Green Fields Library.

The three largest Capital Projects from budget for capital expenditure for the Development, Upgrade and Refurbishment of Libraries are as follows:

a) Upgrade and Refurbishment of Central Library,
b) Upgrade and Refurbishment of Dimbaza Library,
c) Upgrade and Refurbishment of Berlin Library.

COMMUNITY FACILITIES (HALLS)

Buffalo City Metropolitan Municipality manages 29 tariff-levying halls. These facilities are the erstwhile East London and King William's Town Transitional Local Council Halls and have been subsequently divided into Inland, Midlands and Coastal Areas. These Halls have an operating budget and staff.

Buffalo City Metropolitan Municipality has also inherited 53 non-tariff levying halls from the Amathole District Municipality. The Buffalo City Metropolitan Municipality Land Administration Division is currently facilitating the transfer of ownership of the various ex-Amathole District Municipality Halls to Buffalo City.

Buffalo City Metropolitan Municipality does not administer the use of the halls inherited from the Amathole District Municipality and levies no tariff/s for these halls and they have no operating budget and no staff. Many of the Community halls are in need of upgrade and refurbishment which is estimated to exceed R130 million in value.

Community halls and facilities provide a wide range of community-based education, cultural, recreational, health, social and leisure activity opportunities in conjunction with limited commercial opportunities in venues that positively contribute to the local environment.

The community halls and facilities are used by a variety of community groups, organizations, commercial hirers, individuals as well as Buffalo City Metropolitan Municipality Councillors.

The landscape areas around Community Halls and Facilities complement the built environment and contribute to their usability and worth to the community.

SERVICE DELIVERY PRIORITIES

- To construct new Community halls to meet the needs off the communities within Buffalo City Metropolitan Municipality as requested through the IDP and subject to the availability of funding.
- To maintain existing community halls within BCMM to provide a basic level of functionality and service to the communities. Maintenance is carried out at the 29 tariff levying halls only, as required and within the limited budget, to ensure that the facilities are operational and meet the needs of the communities.
- To upgrade and refurbish existing community halls and facilities as required and as set out in the IDP. This is dependent on the availability of budget. BCMM envisages to upgrade at least 5 community halls on a yearly basis.

In cases where there is poor performance, this is due to the shortfall of budget to keep up with the extensive maintenance, upgrade and refurbishment that is required to be carried out on the halls and community facilities. The lack of armed response security systems and guards at the facilities also contributes to the continuous vandalism which increases the need for additional budget.

Measures taken to improve the performance is to request additional budget and to identify the security needs at the facilities.

Buffalo City Metropolitan Municipality under certain conditions and criteria, makes the halls and community facilities available to the communities for temporary housing i.e., burning of dwellings in informal settlements. These are communities that are affected adversely during times of disaster and also free use for public gatherings and funerals.

Overall Performance of Halls for the 2024/2025 Financial Year

The targets and actual performance for the Development, Upgrade and Refurbishment of Community Halls for 2024/2025 financial year were as follows:

- The annual target is to for the upgrade and refurbishment of Community Halls is to carry out at least 5 projects each financial year pending the availability of funding.
- The Development, Upgrade and Refurbishment of Halls target for the 2024/2025 financial year was to upgrade and refurbish 2 x Community Halls. This target was not met due to projects from the previous financial that needed to be completed, prior to undertaking new

projects. Ultimately 3 x upgrade and refurbishment projects were completed once additional funding was sourced.

Proposed projects and targets for the 2025/2026 financial year:

- There have been 11 Community Halls identified to be upgraded and refurbished in the 2025/206 financial year, of which some projects could be implemented over 2 years. The following Halls have been identified for upgrade and refurbishment; Orient Theatre, NU1 Community Hall, NU7 Community Hall, NU15 Community Hall,
- Braelyn Community Hall, Cambridge Community Hall, OR Tambo Community Hall, War Memorial Hall, Roji Skenjana Hall, Breidbach Hall and Carnegie Hall.

T3.12.7

3.13. CEMETORIES AND CREMATORIUMS

INTRODUCTION TO CEMETORIES & CREMATORIUMS

BCMM has 32 formal cemeteries, approximately 247 informal cemeteries spread across BCMM rural areas and 1 crematorium in Coastal Region (Cambridge). Most burial sites are in the rural areas and are either located on the unsuitable or underdeveloped land and all the studies (Environmental Impact Assessments) were not carried out. The 32 formal cemeteries were properly established and are legislatively complaint. From the total of 32, 19 are still active (new burials – with some cemeteries only catering for pre purchased clients) and 13 remaining cemeteries closed (allowing families with paid up plots only).

Cemeteries and Crematorium section is responsible for Upgrading, Development and Maintenance of Cemeteries and Crematorium. The top 3 service delivery priorities are burial, cremations and exhumations. The support given to communities that are living in poverty is trough Pauper burials.

T3.13.1

SERVICE STATISTICS FOR CEMETORIES & CREMATORIUMS

Number of Burial	6404
Number of Paupers	664
Number of Cremations	946

T 3.13.2

CEMETERIES AND CREMATORIUMS POLICY OBJECTIVES TAKEN FROM IDP

Cemeteries and Crematoriums Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2023-2024		2024-2025			2025-2026	2026-2027	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective									
Development and Upgrading of Cemeteries	Number of Cemeteries upgraded	Five	Five	Three	One	Five	Five	Five	Five
									T 3.13.3

Employees: Cemeteries and Crematoriums					
Job Level	2023/2024	2024/2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	3	3	0	0%
4 - 6	110	118	109	9	8%
7 - 9	8	11	7	4	36%
10 - 12	1	2	0	2	100%
13 - 15	2	3	2	1	33%
16 - 18	1	1	0	0	0%
19 - 20	0	0	0	0	0%
Total	125	138	121	16	12%
					T 3.13.4

Financial Performance 2024/2025: Cemetories and Crematoriums					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**8,332**	**15,495**	**16,254**	**7,820**	**-98%**
Expenditure:					
Employees	48,388	50,860	46,685	46,252	-10%
Repairs and Maintenance	1,677	2,226	1,698	1,523	-46%
Other	43,878	27,498	34,280	44,374	38%
Total Operational Expenditure	**93,944**	**80,584**	**82,663**	**92,150**	**13%**
Net Operational Expenditure	**85,612**	**65,089**	**66,409**	**84,329**	**23%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					***T 3.13.5***

Capital Expenditure 2024/2025: Cemetries and Crematoriums

Capital Expenditure 2024/2025: Cemetories and Crematoriums					
					R' 000
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**3,250**	**1,535**	**1,485**	**-119%**	
PLANT AND EQUIPMENT (CEMETRIES)	250	205	456	45%	1,166
COAST CEMETRIES (CAMBRIDGE CREMATORIUM) 2	250	–	–	0%	1,041
COAST CEMETRIES (CAMBRIDGE CREMATORIUM) 2	–	77	77	100%	77
DEVELOPMENT OF CEMETERIES-COASTAL	350	265	384	9%	4,220
DEVELOPMENT OF CEMETERIES-INLAND	1,200	288	235	-411%	3,205
DEVELOPMENT OF CEMETERIES-MIDLAND	1,200	700	333	-260%	2,807
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as					*T 3.13.6*

OVERALL COMMENTS ON THE PERFORMANCE OF CEMETORIES & CREMATORIUMS:

In 2024/2025 a budget amount of R3 250 000 which was adjusted to R1 535 078 for the upgrading and development of all cemeteries. At the end of the financial year the expenditure was R1 365 166.46 for the following activities namely upgrading of the incinerator with electrical work and gas flow, supply of spade for the collection of hot ash, suppling and remounting of remembrance plaque which was vandalized, upgrading of electrical work and programming of unit 2 cremation oven, equipment brought, also upgrading of ablutions building inside and out.

T 3.13.7

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The legislative, financial, and accountability responsibilities for Child Care, Aged Care, and Social Programmes (also referred to as Welfare Services) do not fall within the purview of Local Government, but rather constitute a mandate funded and resourced at the National and Provincial levels, as stipulated in the Constitution of the Republic of South Africa (RSA, 1996). Schedule 4, Section 27(1)(c) of the Constitution affirms the right of all individuals to access appropriate social assistance when they are unable to support themselves and their dependants. This provision forms the basis for mandated, legislated, and funded social programmes of relief, protection, and empowerment, which are administered by the National and Provincial DSD, with a particular focus on childcare, aged care, and related social programmes. Section 28(1) of the Constitution outlines children's rights to receive suitable care, which includes basic nutrition, shelter, health care, and social services. Furthermore, the Child Care Act, 1983, provides for the establishment of children's courts and child welfare commissioners to ensure the welfare and protection of children, as well as the creation of institutions and care facilities dedicated to children's needs.

The DSD registers and funds non-profit, non-governmental, and state-run services and facilities, including those governed by the Aged Persons Act (RSA, 1967), which ensures the protection, welfare, accommodation, and care of aged and debilitated persons. Although legislative, financial, and accountability responsibilities for Child Care, Aged Care, and Social Programmes (also referred to as Welfare Services) provided to individuals and communities do not fall under the competence of Local Government, the Metro remains the sphere of government most closely situated to communities. Recognising this proximity, BCMM has implemented several pro-poor initiatives, such as its Indigent Policy, Rates Rebates Policy, support for emerging entrepreneurs, and the annual Grant-In-Aid Programme. The Grant-In-Aid initiative allows NGOs within the Metro that deliver Child Care, Aged Care, and Social Programmes to apply for funding, as detailed in T 3.14.2 and T 3.14.3.

The Metro collaborated with the DSD to organise the annual Golden Games for the elderly, aimed at promoting healthy ageing. The Office of the Executive Mayor secured support from Standard Bank, which donated gardening tools and seedlings to the Inkcubeko Elderly Group, a local NGO based in Cambridge. The programme is designed to enhance the health of the elderly while encouraging the development of food gardens to foster self-sufficiency. In addition, the Metro partnered with the Office of the Premier and the DSD to commemorate International Older Persons Day. This initiative included an Older Person Parliament held at the end of September 2024, with a particular focus on the rights of older persons.

T 3.14.1

SERVICE STATISTICS FOR CHILD CARE

Given that the legislative, financial, and accountability aspects of Child Care, Aged Care, and Social Programmes (also known as Welfare Services) are not within the competence of Local Government, and that it does not implement capital projects or have dedicated staff in this regard, the National and Provincial DSD are mandated, funded, and resourced to discharge these functions as per the Constitution of the Republic of South Africa (RSA, 1996, Schedule 4).

These departments produce annual financial statements and reports. The metro acknowledges that citizens live and receive services within local municipalities, and the annual Buffalo City Metropolitan Municipality Grant-In-Aid Programme invites non-political and non-profit organisations contributing to community development, including Child Care, Aged Care, and Social Programmes, to apply for operational financial assistance. The programme is administered in terms of Section 67 of the MFMA, and the budget allocation for the 2023/24 financial year was R2 648 973. A total of 168 organisations benefitted during the period under review and were awarded amounts ranging from R10 871 to R18 877.

T 3.14.2

Child Care; Aged Care; Social Programmes Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**Year -1 FY 26/27**		**Year 0 FY 24/25**			**Year 1 FY 26/27**	**Year 3 FY27/28**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators		***Previous Year**		***Previous Year**	***Current Year**		***Current Year FY 24/25**	***Current Year FY 24/25**	***Following Year FY 26/27**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective – Well Governed City									
Financial assistance to non-profit and non-govern-mental Childcare, Aged Care and Social Programmes within BCMM	Annual awarding of Grant-In-Aid funding	R2 771 109	R2 771 109	R2 648 973	R2 649 243	R2 649 243	R2 649 243	R2 649 243	R2 771 109
*Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*									***T 3.14.3***

DISCLAIMER: There were no policy objectives taken from the IDP for Childcare, aged care & social programs for the year under review.

T3.14.3.

Employees: Child Care; Aged Care; Social Programmes					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6					
7 - 9					
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total					
DISCLAIMER: EMPLOYEES ARE INCLUDED IN POLLUTION CONTROL					*T 3.14.4*

There was no financial performance for the unit during the year under review

T 3.14.5

There was no capital expenditure for the unit during the year under review

T 3.14.6

COMMENT ON THE PERFORMANCE OF CHILD CARE, AGED CARE, SOCIAL PROGRAMMES

As per Schedule 4 of the Constitution of the Republic of South Africa: 1996, the legislative, financial and accountability for Child Care, Aged Care and Social Programmes commonly known as Welfare Services are not a Local Government competence or mandate but are a National and Provincial funded and resourced mandate and competence.

Interest Groups within Ward Committees represent vulnerable groups including a dedicated representative for youth, woman, aged and persons with disabilities and their inclusion, participation and beneficiation within public participation, planning, budgeting and service delivery processes.

The annual Golden Games 2024 was hosted within BCMM and is an initiative of the Department of Social Development and promotes healthy ageing and living.

In keeping with the metro's pro-poor initiatives especially when it comes to Child Care, Aged Care and Social Programmes BCMM has an annual Grant-In-Aid programme which is advertised annually and invites on-governmental organizations within BCMM who are

implementing grass roots programmes which benefit the vulnerable groups as above to apply for funding as reflected in T3.14.2 and T3.14.3. An amount of R2 649 243 was awarded during the FY 24/25 to 160 organizations. Of those 160 organizations which benefitted, 94 were Early Childhood Development Centres and 56 were Charitable, Social and Welfare Centres.

Environmental Health Officers visit Early Childhood Development Centres as well as Aged Care Centres to assess compliance with heath standards and monitoring thereof. – bylaws etc

BCMM does not implement any capital projects specifically for Child Care, Aged Care or Social Programmes as these are the legislative competence and mandate of National and Provincial Departments as per Schedule 4 of the Constitution of the Republic of South Africa: 1996. In terms of 27 (1) (c) of the Constitution, the Department of Social Development is mandated and funded to provide appropriate social assistance and social programmes for the aged and children where they are unable support themselves. The Department of Social Development produces an annual financial report in this regard.

The Department of Social Development registers and funds non-profit, non-governmental as well as state run services and facilities including those which are covered by the Aged Persons Act, 1967 and Child Care Act, 1983 which provides for the protection, welfare, accommodation and care of aged and debilitated persons and children respectively.

T3.14.7

COMPONENT E: ENVIRONMENTAL PROTECTION

INTRODUCTION TO ENVIRONMENTAL PROTECTION

The Environmental Management functions of the Municipality are guided and supported by a comprehensive legislative and policy framework. These functions are aligned with the principles of the National Environmental Management Act (NEMA), No. 107 of 1998, and contribute directly to the achievement of the SDGs (UN, 2015). This alignment ensures that environmental governance remains consistent with national and international commitments to sustainability, ecological integrity, and responsible resource use. A key legislative instrument supporting these functions is the National Environmental Management: Integrated Coastal Management Act (NEM: ICMA), No. 24 of 2008. This Act provides for a system of integrated coastal and estuarine management across the country, establishing the necessary norms, standards, and policies to:

- Promote the conservation and sustainable use of the coastal environment.
- Maintain the natural character and ecological value of coastal landscapes and seascapes.
- Ensure that all development and resource utilisation within the coastal zone is both socially and economically justifiable and ecologically sustainable.

Through compliance with this legal and policy framework, the Municipality continues to safeguard natural ecosystems, strengthen community resilience, and pursue a balanced approach to development that benefits both present and future generations. In line with the NEM: ICMA, estuary management across the country must be conducted in a co-ordinated and efficient manner. This is to be undertaken in accordance with the National Estuarine Management Protocol (“the Protocol”), which provides direction for the sustainable use and protection of these vital ecosystems.

Section 33(2) of NEM: ICMA authorises the Minister responsible for Environmental Affairs, in agreement with the Minister responsible for Water Affairs, to publish the Protocol. The Protocol offers comprehensive guidance for the formulation and execution of Estuarine Management Plans (EMPs) at national, provincial, and local government levels. The principal aim of EMPs is to ensure an equilibrium between ecological integrity and human activities.

These plans aim to:

- Protect and restore natural estuarine ecosystems.
- Support sustainable livelihoods and responsible economic activities.
- Ensure that estuarine resource use is orderly, balanced, and aligned with long-term environmental sustainability.

Through the implementation of EMPs, the Municipality is committed to safeguarding the ecological health of estuaries while also supporting socio-economic development that is environmentally justifiable and aligned with national priorities.

The BCMM encompasses a diverse and abundant range of fauna and flora, supported by intricate ecological relationships that sustain the region's environmental health. Nevertheless, this natural heritage is increasingly imperilled by landscape alterations such as habitat destruction, land degradation and illegal land invasions, all of which jeopardise the long-term viability of local ecosystems.

The Coastal Region of BCMM is responsible for the management of two operational coastal nature reserves:

- Nahoon Point Nature Reserve, and
- Nahoon Estuary Nature Reserve.

These reserves serve a dual purpose: the conservation of valuable coastal and estuarine ecosystems, as well as fostering public engagement through education and recreation. They offer residents and visitors opportunities to connect with the City's natural heritage, thereby cultivating environmental awareness and a sense of stewardship. Notably, public access to both nature reserves is free of charge, ensuring that individuals and families living in poverty are not excluded from benefiting from and learning about these protected areas. Such an approach demonstrates BCMM's dedication to inclusive environmental management and equitable access to natural resources, aligning with broader sustainable development goals (SDGs).

BCMM stands at a pivotal moment in its pursuit of sustainable development, where accommodating rapid urban growth must be judiciously balanced with the imperative of environmental protection. As one of the metropolitan municipalities within the EC province, BCMM acts as custodian to a range of diverse ecosystems, from coastal dunes to forested hinterlands, each endowed with significant natural, cultural, and historical value.

The Municipality faces a complex array of developmental and environmental challenges. These include the enduring legacy of historical inequities, persistent housing and service delivery demands, pollution, unemployment, and increasing strain on natural resources. Rising population numbers and urban expansion further intensify these pressures, calling for a proactive and integrated approach to planning and environmental governance. Despite persistent obstacles, including escalating pollution threats, BCMM maintains its commitment to forging a sustainable urban future – one that safeguards ecological integrity while advancing inclusive socio-economic development for present and future generations.

T 3.14

3.15 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

Section 24 of the Constitution of the Republic of South Africa (RSA, 1996) requires municipalities to deliver services in a manner that safeguards environmental rights, affirming that everyone is entitled to an environment that is not detrimental to their health or well-being. BCMM is responsible for the Air Emissions Licensing (AEL) function and enforces the National Environmental Management: Air Quality Act, No. 39 of 2004, as well as the Environmental Health By-Laws pertaining to air pollution. The Municipal Health Services (MHS) monitors ambient air quality, identifies sources of emissions, and conducts assessments. The current Air Quality Management Plan (AQMP), adopted by Council in 2017/18, outlines objectives and sets a strategic course to achieve air quality management goals. The plan addresses significant sources of impact through targeted interventions to mitigate health risks and environmental consequences.

The National Environmental Management: Air Quality Act, 2004, obliges municipalities to review their AQMPs at least every five years. BCMM is presently engaged in reviewing its AQMP to maintain its relevance and responsiveness to evolving environmental and health priorities. The review is being conducted in several phases. The first phase – an Air Quality Management (AQM) Assessment – was completed during the 2024/25 financial year. This assessment furnished an updated account of current air quality conditions, pollution sources, and the efficacy of existing interventions.

The full AQMP review process typically includes the following phases:

- Air Quality Management Assessment – A baseline study that evaluates current air quality, identifies major pollution sources and assesses progress since the last plan.
- Gap Analysis and Stakeholder Consultation – Identifying where improvements are needed and engaging with communities, industries, and other stakeholders for input.
- Development of Revised Goals and Actions – Updating objectives, strategies, and interventions based on new data and feedback.
- Drafting and Public Participation – Preparing a draft plan and allowing for public review and comments.
- Finalisation and Council Adoption – Approving the revised plan for implementation.

The updated AQMP is scheduled for completion during the 2025/26 financial year, in accordance with the allocated budget. This initiative enables BCMM to make informed and effective decisions aimed at enhancing air quality, protecting public health, and advancing environmental sustainability throughout the Metro. BCMM remains committed to environmental health and the well-being of its communities by continually improving and maintaining its air quality monitoring infrastructure.

The following Air Quality and Pollution Control service delivery priority programmes were implemented during the 2024/25 financial year:

Maintenance of Air Quality Monitoring Stations

The procurement of air quality monitoring equipment and maintenance of existing instruments were implemented across three key air quality monitoring stations within BCMM. The following upgrades were carried out:

a) Gompo Air Quality Monitoring Station

- Procured a radio link to enhance connectivity and enable real-time data transmission to the South African Air Quality Information System (SAAQIS).

b) East London Air Quality Monitoring Station

- All analysers were serviced, repaired, and calibrated by an appointed service provider under the National Treasury Transversal Contract RT37-2024, ensuring continued accuracy and reliability of air quality data.

c) Zwelitsha Air Quality Monitoring Station

- A new shelter was procured and installed to replace an old, damaged unit.
- Installed an Envidas Web-Logger (hardware and software) for improved data collection and system performance.
- Weather monitoring equipment was removed from the damaged shelter and reinstalled in the new structure.
- All analysers were also serviced, repaired, and calibrated under the RT37-2024 contract.

These upgrades constitute a key component of the Municipality's strategic commitment to enhancing air quality management, maintaining adherence to national environmental standards, and fostering a healthier, safer environment for all residents and visitors.

Impact on Pollution Control and Community Well-being

The upgrades are integral to a broader pollution control programme designed to advance healthy living within BCMM. By ensuring accurate monitoring and effective management of emissions, the Municipality is protecting both the environment and the well-being of residents and visitors, thereby making a substantial contribution to the overall quality of life in the City.

2. Issuing of Atmospheric Emission Licence (AELs)

BCMM is a designated licensing authority in terms of the National Environmental Management: Air Quality Act, No. 39 of 2004. The Municipality is responsible for issuing Atmospheric Emission Licences (AELs) to facilities engaged in activities listed under the Act.

BCMM's regulatory role involves identifying and assessing industries that undertake listed activities which may significantly affect air quality. These industries are required to apply for an AEL and must comply with all relevant legislative and environmental requirements.

Industries typically required to obtain an AEL include, but are not limited to:

- Metallurgical facilities
- Mineral processing operations
- Storage and handling of organic and inorganic chemicals
- Petrochemical industries
- Energy production facilities

Through its licensing function, BCMM ensures that industrial emissions are regulated and monitored in line with national standards, thereby advancing sustainable environmental management and safeguarding public health.

During the 2024/25 reporting period, BCMM received six AEL applications:

- Four (4) of the applications were successfully processed and issued within the prescribed 60-day period in accordance with the requirements of the National Environmental Management: Air Quality Act.
- The remaining two (2) applications were not finalised during the reporting year due to pending matters currently being addressed in collaboration with the respective applicants.

BCMM remains committed to the timely and efficient processing of AEL applications, while ensuring full compliance with environmental legislation and regulatory standards.

The AEL applications submitted to BCMM during the 2024/25 reporting period are as follows:

Applications Received	Type of Application	Status of applications received
1. **Morhot Galvanizing**	Renewal Application	AEL Issued
2. **First National Battery (Pty) Ltd - Settlers Way Plant**	Renewal application	AEL Issued
3. **ELB Bricks**	Renewal application	AEL Issued
4. **Astron Energy**	Renewal application	AEL Issued
5. **East London Bricks**	Renewal application	The AEL was not issued during the 2024/2025 financial year and will be finalised in the 2025/2026 financial year, pending the resolution of outstanding matters.

Applications Received	Type of Application	Status of applications received
6. **Prism Pressure Die Casting**	Section 22A application	The Atmospheric Emission Licence (AEL) was not issued during the 2024/2025 financial year as the Department was awaiting payment of an administrative fine of R250,000 by the applicant. The fine was imposed due to non-compliance with the provisions of the National Environmental Management: Air Quality Act, 2004 (Act No. 39 of 2004). The matter is expected to be finalised in the 2025/2026 financial year subject to settlement of the fine and fulfilment of all regulatory requirements.

T3.15.1.

SERVICE STATISTICS FOR POLLUTION CONTROL

Ambient Air Quality Monitoring Network

The Air Quality Monitoring Stations operational performance during the 2024/2025 financial year is detailed below:

Station Name	Average Functionality for 2024/2025 financial year	Reasons for deviation	Corrective Measure & Impact

Gompo Air Quality Monitoring Station	0 %	The station was non-operational during the reporting period due to a lack of network connectivity which prevented data transmission to the South African Air Quality Information System (SAAQIS). Additionally, the Thermo Scientific NOx Air Quality Analyzer sustained damage because of power failure affecting the analyser.	In last quarter of the 2024/2025 financial year, the BCMM ICT Department installed a radio link to restore and improve connectivity at the station. This enhancement will enable the reliable transmission of air quality data to the South African Air Quality Information System (SAAQIS) in real time. Enhanced connectivity ensures continuous monitoring, timely reporting and supports compliance with national air quality management requirements.
East London Air Quality Monitoring Station	0 %	The station was non-operational due to the analyzers being non-functional and in need of repair, servicing and calibration.	The following analyzers were sent for servicing, repair, and calibration by the appointed service provider under the National Treasury Transversal Contract (RT37-2024) on 19 May 2025: a) 2 × Teledyne Model 100E SO_2 b) Teledyne Model 200E NO_x c) Teledyne Model 300E CO d) Teledyne Model T400 O_3 e) Teledyne Model T640 PM_{10} f) It is anticipated the serviced, repaired and calibrated analyzers will be delivered and reinstalled by August 2025.
Station Name	**Average Functionality for 2024/2025 financial year**	**Reasons for deviation**	**Corrective Measure & Impact**
Zwelitsha Air Quality Monitoring Station	0 %	The station was temporarily out of service due to several	The following analysers were sent out to be serviced, repaired and calibrated by

		maintenance and equipment issues including an aging and damaged shelter, a malfunctioning web logger, problems with pollutant analyzers and interruptions in network connectivity. Efforts are underway to address these challenges to ensure the station resumes full and reliable operation.	the appointed Service Provider under the National Treasury Transversal contract (RT37-2024) on the 19th of May 2025: a) Teledyne Model 100E SO2 b) Teledyne Model 200E NOx c) Teledyne Model 300E CO d) Teledyne Model T400 O3 The serviced, repaired, and calibrated analyzers are anticipated to be returned and reinstalled in the month of August 2025.

Compliance and Enforcement

The Listed Activities published in terms of Section 21 of the National Environmental Management: Air Quality Act, 2004 (Act No. 39 of 2004) are presented below, seven (7) industrial audits were conducted during the reporting period.

Name of the Facility	Description of an Atmospheric Emission License (AEL) under listed activities	Status
1. Morhot Galvanising	The coating of steel articles with zinc using molten zinc, including the pickling and/or fluxing of articles before coating.	Complied with the terms and condition of the AEL
2. First Battery Settlers Way plant	All installations using more than 20 Kg/month. All installations producing lead-containing electric batteries.	Complied with the terms and condition of the AEL
3. Port Rex Eskom Power station	All installations with design capacity equal to or greater than 50 MW heat input per unit, based on the lower calorific value of the fuel used.	Complied with the terms and condition of the AEL
4. Safe Drums	The process in which used drums are reconditioned by the application of heat	Complied with the terms and condition of the AEL

5. DLP Prism of Prism Group	Secondary aluminium production and alloying through the application of heat (excluding metal recovery, covered under Subcategory 4.21)	Not compliant with the terms and conditions of the AEL. The MHS department was waiting for the industry to pay an administrative fine of R250 000 at the end of financial year 2024/2025
6. East Coast Asphalt	Permanent facilities used for mixtures of aggregate, tar, or bitumen to produce road-surfacing materials.	Complied with the terms and condition of the AEL
7. East London Brick 2	Companies producing more than 10 000 bricks per month on production of bricks using clamp kilns. This is to determine whether the average limit value regarding dust regulations is not exceeded as prescribed by Section 21 listed activity under the National Environmental Management: Air Quality Act, 2004 (Act No. 39 of 2004).	Complied with AEL and permit conditions

Listed facilities as published in terms of National Dust Control Regulation (2013). Government Notice No. 36974 made under the National Environmental Management: Air Quality Act, 2004 (Act No. 39 of 2004).

Below is a list of three (3) facilities that were monitored under the National Dust Control Regulation (2013).

Name of the Facility	National Dust Control Regulation (Mines and Quarries)	Status
HJT Group	Any material composed of particles small enough to pass through a 1 mm screen and large enough to settle by virtue of their weight into the sampling container from the ambient air.	The facility holds a valid mining permit however non-compliance was noted in relation to dust monitoring requirements. Consequently, the following instructions were issued: The mine must first undertake dust suppression with a water taker. 1. The screening equipment must be covered with shade cloth before leaving the site.

		2. All trucks that transport sand from the site must be covered with shade cloth before leaving the site. 3. The mine must ensure that a copy of the mining permit, environmental authorization, and approved Environmental Management Plans are kept on-site at all material times.
Zamani Plant Hire (Trading as Siyathemba)	Any material composed of particles small enough to pass through a 1 mm screen and large enough to settle by virtue of their weight into the sampling container from the ambient air.	No mining permit. A case was open for operating illegally. A suspected mine worker was arrested for operating a TLB owned by Zamani Engineering for the contravention of Section 24F(1)(a) National Environmental Management Act, 1998 (Act No. 107 of 1998). The case was opened at a Berlin Police station.
Elihle Minerals and WBHO	Any material composed of particles small enough to pass through a 1 mm screen and large enough to settle by virtue of their weight into the sampling container from the ambient air.	The facility has a mining permit. The mining site is owned by Elihle Minerals and sub-contracted to WBHO.

Pictorial evidence: Dust monitoring/ inspections in terms of National Dust Control Regulation (2013).



Fig 1: Phakisa joint inspection at HJT Group facility in Kaysers Beach.



Fig 2: Sand mining Operation by HJT Group in Kaysers Beach.



Fig 3: Halting the operation of illegal soil mining in Ilitha location near Berlin.



Fig 4: Zamani Engineering TLB extracting soil mining illegal.

T3.15.2.

Pollution Control Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2024/2025		2025 / 2026			2026 / 2027	2027 / 2028	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective									
AIR QUALITY									
	Percentage of Air Quality (AQ) monitoring stations providing adequate data over reporting year	75%	0%	75%	75%	75%	75%	75%	75%
	Percentage of Atmospheric emission Licenses (AELS) processed	100% (AEL application)	100% (AEL applications) completed	100% application	100% AEL application	100% AEL Application completed	100% AEL Application	100% AEL Application	100% AEL Application

T 3.15.3

Employees: Pollution Control

Employees: Pollution Control					
Job Level	2023/2024	2024/2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	13	7	6	1	14%
4 – 6	4	11	11	0	0%
7 – 9	11	10	10	0	0%

10 – 12	29	16	15	1	6%
13 – 15	5	17	16	1	6%
16 – 18	2	2	1	1	50%
19 – 20	0	1	1	0	0%
Total	64	64	60	4	6%
DISCLAIMER: Health Inspection and CHILD CARE INCLUDED					***T 3.15.4***

There was no financial performance for the unit during the year under review

T 3.15.5

There was no capital expenditure for the unit during the year under review

T 3.15.6

COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL

MHS successfully implemented the Air Quality Monitoring Stations Project during the reporting period, under both the capital (CAPEX) and operational (OPEX) budgets. The following is a detailed breakdown of the project deliverables:

a) A new shelter for the Zwelitsha Air Quality Monitoring Station was supplied, delivered, and installed.
b) Envidas Web-Logger hardware and software was supplied, installed, and commissioned for the Zwelitsha Station.
c) A radio link was procured and installed at the Gompo Air Quality Monitoring Station.
d) Weather equipment was set up and commissioned at the Zwelitsha station.
e) All pollutant analysers for both EL and Zwelitsha Stations were sent for servicing, repairs, and calibration.
f) A baseline report for the AQMP was concluded as the first phase of a two-year project.
g) An Air Quality Management By-law was submitted to Council for noting in draft form. Public participation processes both digital and physical were conducted across all three regions. It is anticipated that once adopted by Council, the by-law will be gazetted during the 2025/26 financial year.

The actual budget allocation for capital-funded projects amounted to R1 000 000, with project expenditure totalling R914 668.62. This resulted in a variance of R85 331,48 in capital expenditure. The Air Quality Monitoring Stations Project was executed in accordance with the allocated resources, successfully reaching key milestones in both infrastructure development and

air quality governance. The project remains within budget, demonstrating significant advancement in air quality monitoring and management throughout the Municipality.

Capital IDP Budget Allocation

2024/2025	2025/2026	2026/2027
R 1 000 000	R 1 200 000	R 1 400 000

Operational IDP Budget allocation

2024/2025	2025/2026	2026/2027
R 673 920.00 **Additional R487 312.50 was sourced from the Directorate to supplement the allocated budget**	R 673 920.00	R 704 920.00

T3.15.7.

3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

3.16.1 INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

BCMM is situated within the internationally recognised Maputaland – Pondoland – Albany Biodiversity Corridor, one of only 36 global biodiversity hotspots. This designation highlights the area's exceptional richness in plant and animal life, as well as its vulnerability to environmental threats. The municipality is home to a remarkable variety of ecosystems encompassing four of South Africa's nine biomes, which include:

- Savanna Biome – the most widespread, covering approximately 68,2% of BCMM.
- Albany Thicket – comprising about 26,1%.
- Forest Biome and Grassland Biome.

These biomes support a diverse range of species that are vital for maintaining the ecological balance and health of the region's natural systems. Furthermore, BCMM features Azonal Vegetation, covering 0,1% of the land, which includes unique plant communities not confined to a specific climate or soil type. The area also encompasses non-terrestrial ecosystems, such as Estuarine Functional Zones (EFZs), along with estuarine vegetation, reeds, and sedges, all of which contribute to the region's ecological diversity and resilience (SANBI, 2018; Hawley et al., 2019).

BCMM's significant natural wealth establishes its pivotal role in biodiversity conservation both regionally and globally, while also demonstrating the necessity of sustainable development practices to safeguard these irreplaceable resources. The Municipality bears a distinct obligation to protect and manage the diverse biodiversity within its jurisdiction. This mandate is directed by the National Environmental Management: Biodiversity Act (NEMBA), No. 10 of 2004), which constitutes a key element of South Africa’s comprehensive environmental legislative framework.

NEMBA requires municipalities including BCMM to:

- Conserve and manage local biodiversity.
- Protect species and ecosystems that are at risk or under threat
- Ensure the fair and equitable sharing of benefits that may arise from the use of indigenous biological resources such as those involved in bioprospecting.

This legislation aligns with the objectives of NEMA (1998) and secures the preservation of South Africa’s natural heritage for both current and future generations. By adhering to these statutory requirements, BCMM actively pursues the creation of a healthy, sustainable environment that benefits both people and nature.

BCMM contains numerous wetlands of exceptional ecological significance and natural beauty. These distinctive ecosystems sustain a diverse array of plant and animal species, including many specially adapted to wetland habitats. The wetlands serve as critical habitats for nationally critically endangered species, thereby elevating their conservation importance. In addition to their biodiversity value, wetlands within BCMM are acknowledged as essential ecological infrastructure. They provide crucial ecosystem services to local communities, such as water purification, flood attenuation, erosion control and climate regulation. The functions performed by

these systems are particularly significant in urban contexts, where they enhance community well-being, health and resilience. BCMM's ongoing investment in sustainable natural systems aims to support community livelihoods and protect biodiversity for future generations.

The NEM: ICMA, 2008, establishes the legislative framework for the protection, management and sustainable utilisation of South Africa's coastline and coastal resources. BCMM possesses a unique and largely unspoilt coastline extending approximately 82 km, where an equilibrium has been broadly maintained between developed and natural coastal zones. The City's coastline features several prominent beaches that provide considerable social, economic and environmental benefits to the BCMM community. These include Gonubie, Bonza Bay, Nahoon, Eastern, Orient, Kidd's, Kaysers', Leaches Bay, and Gulu Beaches.

The effective management of these coastal resources requires the development and application of a range of tools, systems and interventions designed to regulate human activities that may adversely affect the natural environment. During the 2024/25 financial year, the City initiated a comprehensive review of its Coastal Management Programme to ensure full alignment with the objectives and regulatory stipulations of NEM: ICMA, 2008.

Wetlands Management

Wetlands are characterised by land that is either permanently or seasonally saturated with water, resulting in a unique and diverse ecosystem situated between aquatic and terrestrial environments. These ecosystems are crucial for maintaining environmental health and enhancing human well-being. Wetlands deliver a range of essential ecosystem services, including:

- Purifying water by filtering pollutants.
- Controlling floods by absorbing excess rainwater.
- Supporting biodiversity by offering habitat to a wide range of species many of which are ecologically and economically important for at least part of their life cycles.

The significance of these ecosystems is recognised globally each year on 2 February through World Wetlands Day. This occasion marks the anniversary of the signing of the Convention on Wetlands, also referred to as the Ramsar Convention, which was adopted on 2 February 1971 in Ramsar, Iran. South Africa is a committed signatory to this international agreement, reaffirming both the country's and BCMM's dedication to the protection and sustainable management of

wetlands. Through ongoing awareness campaigns, school programmes and conservation initiatives, BCMM actively advances the preservation, restoration, and sustainable use of wetlands for the benefit of both people and the environment.

During the 2024/25 financial year, BCMM implemented a comprehensive Wetlands Education Programme throughout all three regions of the City. The initiative was designed to engage schools, particularly within disadvantaged communities, with the objective of increasing awareness regarding the importance of wetlands and the vital functions they serve within the environment and in daily life.

The programme aimed to:

- Promote environmental stewardship among learners and educators.
- Equip communities with knowledge about wetland functions.
- Emphasise the ecological and socio-economic benefits of conserving healthy wetland ecosystems.

The key environmental benefits of wetlands were highlighted during the programme, with specific reference to the following:

- Water Purification – Wetlands act as natural filters by removing pollutants, sediments, and nutrients from surface water before it reaches rivers and other water bodies.
- Flood Protection – Wetlands absorb and store excess rainwater, reducing the risk and severity of flooding in nearby areas.
- Shoreline Stabilisation – Wetland vegetation helps stabilise riverbanks and coastal areas, preventing erosion and protecting infrastructure.
- Groundwater Recharge – Wetlands contribute to the replenishment of underground water reserves, supporting both ecosystems and human water needs.
- Streamflow Maintenance – By slowly releasing stored water, wetlands help maintain streamflow during dry periods, supporting aquatic life.
- Biodiversity Conservation – Wetlands provide vital habitat for a wide variety of species, including fish, birds and many threatened or endangered species that rely on these ecosystems for breeding, feeding, and shelter.

Through its outreach efforts, BCMM fosters community engagement in the protection and sustainable management of natural resources, ensuring that the significance of wetlands is acknowledged and safeguarded for future generations.

The Wetlands Education and Awareness Programmes were conducted in the following schools:

Name of School	Ward	Date of the Programme
Nkosinathi Junior Primary School	Ward 45	12 February 2025
Gcobani Intermediate Primary School	Ward 4	12 February 2025
Nontsikelelo Junior Primary School	Ward 12	13 February 2025
Mfundo Senior Primary School	Ward 14	18 February 2025
Kidds Beach Primary School	Ward 31	27 February 2025
Phakamisa Junior Primary School	Ward 25	28 February 2025

The figure below showcase local schools that participated in educational programmes focused on the importance of wetlands.



Gcobani Primary School



Nkosinathi Primary School



Nontsikelelo Primary School



Phakamisa Primary School

Community Workshops on Wetland education and awareness

The Municipality conducted a community workshop on the Wetlands Education and Awareness Campaign at NU 10, Mdantsane, Ward 48, on 25 February 2025, and at Phakamisa, Ward 25, on 26 February 2025.





NU 10 Community Workshop, Ward 48





Phakamisa Community, Ward 25

Climate Change Programme

BCMM conducted climate change workshops for Ward Committees and Community Development Workers across all three regions from 20–22 November 2025. The workshops, held under the theme “The City Protecting and Conserving the Environment”, form part of the implementation of the City’s Climate Change Strategy (2014) and seek to enhance local awareness and capacity to address climate-related challenges. The decision to organise these workshops was prompted by the increasing frequency and severity of climate change impacts experienced across the Municipality in recent years, including:

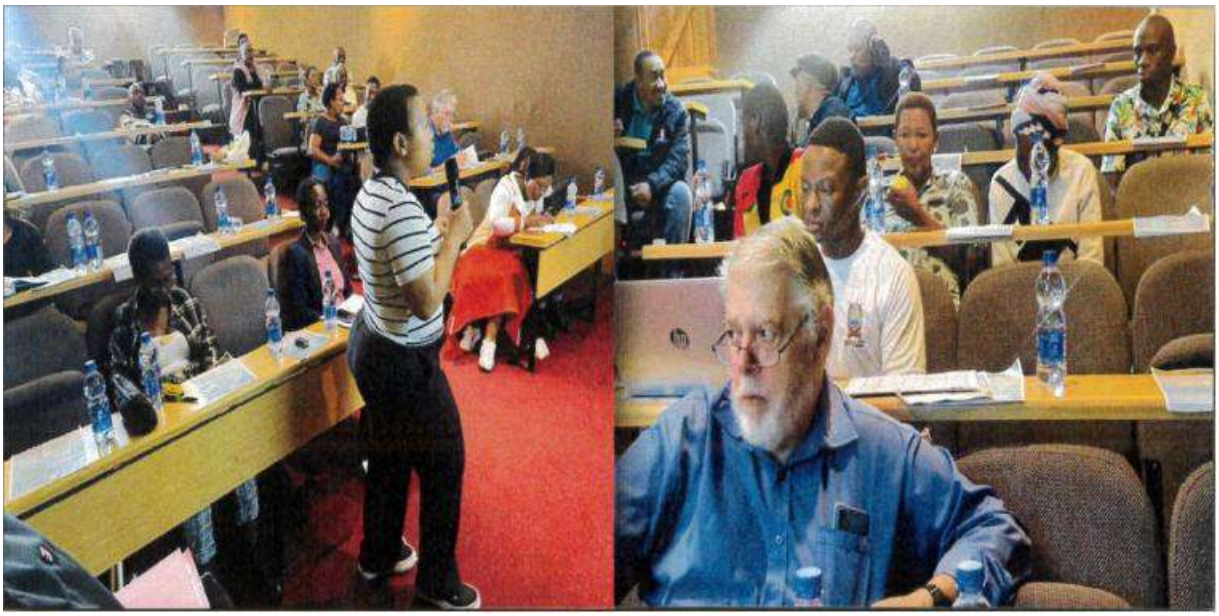
- Heavy rainfall and flooding.
- Storm surges.
- Extended periods of drought.
- Rising temperatures
- Sea level rise, etc.

These events are influenced by both natural processes and human activities, which demonstrates the pressing necessity for community-level education and preparedness. The workshops aimed to enhance awareness, foster resilience, and empower local structures to contribute towards the protection and sustainable management of the environment amid the challenges posed by climate change. BCMM acknowledges the critical importance of bolstering community awareness and resilience in response to the escalating impacts of climate change observed in recent years.

The workshops were conducted as follows:

Date	Region	Venue
20 November 2024	Coastal Region	Fire Auditorium
21 November 2024	Midland Region	NU 10 Mdantsane Community Hall
22 November 2024	Inland	Town Hall, Qonce

The figures below illustrate the Climate Change Workshops conducted for the Ward Committees and Community Development Workers in all three regions of BCMM:







Climate Change Workshop at Fire Auditorium





Climate Change Workshop at Qonce

Climate Change Strategy

In the 2024/25 financial year, BCMM initiated the review of its existing Climate Change Strategy (2014). Undertaking this review was essential to maintain the strategy's relevance in addressing current climate vulnerabilities and ensuring alignment with both national and global climate priorities. The process aimed to foster the development of resilient and adaptive communities within the Municipality. To support these objectives, BCMM convened a series of internal and external stakeholder engagement workshops on 10 April 2025 and 21 May 2025. These workshops sought to promote inclusive participation, solicit expert input, and inform the development of a more robust and future-oriented climate change strategy.

The objectives of the Stakeholder Engagement Workshops were as follows:

- To reflect on the Municipality's previous strategies and action plans, supported by summary presentations to foster dialogue and shared learning.
- To gather expert input on newly identified climate vulnerabilities and local risk factors.
- To conceptualise new strategies and action plans, drawing on lessons learned from BCMM's previous work and successful frameworks used by other municipalities.
- To review and validate the ecosystem-based adaptation prioritisation mapping, ensuring it supports sound spatial planning and decision-making.
- To evaluate what has worked well in past approaches and identify areas for improvement.
- To integrate technical and expert feedback into the updated strategy.

- To strengthen collaborative planning through multistakeholder participation.

The revised Climate Change Strategy aims to embed ecosystem-based adaptation, climate-resilient infrastructure planning, and community-led resilience efforts into the City's long-term development vision. The review process of the strategy is anticipated to be concluded in the 2025/26 financial year.

Environment and Climate Change Forum

BCMM established an Environmental and Climate Change Forum in accordance with NEMA, 1998, and the newly enacted Climate Change Act, No. 22 of 2024. This initiative demonstrates the Municipality's commitment to proactively addressing climate and environmental risks, while embedding climate resilience and sustainability within municipal planning and decision-making processes. The Forum was created to ensure that environmental risks, climate impacts and related vulnerabilities are systematically identified, managed and incorporated across all sectors of municipal governance.

Beyond its advisory function, the Forum is tasked with overseeing the implementation of the City's Climate Change Strategy and serves as a platform for stakeholder engagement and input. Furthermore, it plays a crucial role in the endorsement of the strategy's review, ensuring the inclusion of diverse perspectives and expert contributions. The establishment of the Forum represents a significant advancement in institutional coordination, broadens stakeholder participation and ensures that climate change adaptation and mitigation remain central to BCMM's strategic priorities.

Municipal Coastal Committee

BCMM established a Municipal Coastal Committee in compliance with Section 42 of NEM: ICMA, 2008. This committee convenes on a quarterly basis and comprises both internal and external stakeholders committed to the sustainable management of the City's coastal zone.

The primary objectives of the Municipal Coastal Committee are to:

- Ensure compliance with the provisions of the Integrated Coastal Management Act.
- Oversee and guide the Municipality's environmental and coastal management actions, including climate adaptation and disaster risk reduction efforts.

- Promote sustainable economic development through sound integrated coastal management practices.
- Facilitate a well-functioning and inclusive committee that encourages active participation from stakeholders across the public and private sectors.

The committee plays a crucial role in advancing BCMM's initiatives to safeguard vital coastal resources, while simultaneously promoting development within the coastal zone that is socially, economically, and ecologically sustainable.

Annual Green Forum

BCMM successfully hosted its fourth Annual Green Forum on 13 June 2025, a flagship programme dedicated to addressing the effects of climate change by advancing green initiatives and sustainable practices.

The Green Forum serves as a platform to:

- Encourage the adoption of alternative waste reduction methods.
- Promote energy-saving measures; and
- Inspire the public to actively participate in creating a more sustainable and environmentally conscious city.

The forum is structured to cultivate a culture of environmental responsibility by encouraging individuals, communities, and enterprises to explore and disseminate practical green solutions. It also seeks to influence positive behavioural change regarding environmental protection and climate change responses. Importantly, the Green Forum provided an opportunity to expand public awareness, enhance informed decision-making, and foster responsible action in conserving and improving the natural environment throughout the Municipality.







Annual Green Forum at the ELICC

Environmental Education and Awareness Programmes:

Environmental Education and Awareness Programmes were implemented in various schools during the 2024/25 financial year by the Integrated Environmental Management Planning (IEMP) Unit. These initiatives received support from both internal and external stakeholders, and addressed key topics such as:

- Climate change
- Importance of wetlands
- Nature conservation

- Municipal health
- Waste minimisation

The following schools were visited and engaged through these educational outreach activities:

Name of the School	Region	Ward	Date
George Randal High School	Coastal	19	12 August 2025
Green Point High School	Coastal	8	12 August 2024
Ebenezer Majombozi High School	Coastal	7	13 August 2024
Ngwenyathi High School	Midland	26	13 August 2024
St Thomas High School	Inland	38	12 September 2024
Name of the School	**Region**	**Ward**	**Date**
Simnikiwe High School	Midland	20	13 September 2024
Grandeur Primary and College	Coastal	12	9 October 2024
Gcobani Intermediate Primary School	Coastal	4	12 February 2025
Nkosinathi Junior Primary School	Inland	45	12 February 2025
Nontsikelelo Junior Primary School	Midland	12	13 February 2025
Mfundo Senior Primary School	Midland	14	18 February 2025
Kidds Beach Primary School	Coastal	31	27 February 2025
Phakamisa Junior Primary School	Inland	25	28 February 2025
S.E.K Mqhayi High School	Midland	48	14 March 2025
Name of the School	**Region**	**Ward**	**Date**
Isibane Junior Primary School	Midland	20	14 March 2025
Unathi High School	Coastal	4	20 March 2025
Nyibiba High School	Inland	34	11 April 2025
Ncera Intermediate School	Coastal	31	30 May 2025
Hebron Public School	Coastal	31	30 May 2025
Zuzile Junior Primary School	Midland	48	05 June 2025
Sonwabile Public School	Coastal	31	06 June 2025

This comprehensive initiative reflects BCMM's sustained dedication to environmental education and the advancement of sustainable practices among young learners throughout the Municipality. Conservation Officers and Reserve Rangers facilitated Environmental Tour Guides at the Nahoon

Point Nature Reserve and Nahoon Estuary Nature Reserve in accordance with this mandate. The tours offered practical, experiential learning opportunities designed to foster a deeper appreciation of the City's rich natural heritage. Participants in the guided tours included:

- School groups participating in Environmental Education Programmes.
- Members of the public.
- Tourists from various provinces; and
- Government officials from different sectors.

These interactive tours provided participants with valuable insights into coastal ecology, biodiversity conservation, and the importance of preserving natural spaces within the urban environment.

Alien Invasive Species Control, Monitoring, and Eradication Plan

BCMM is presently undertaking a review of its AIS Control, Monitoring, and Eradication Plan to ensure alignment with national legislative requirements and biodiversity management objectives. This review commenced internally during the 2024/25 financial year, reflecting the Municipality's ongoing commitment to enhancing the management of invasive species within its jurisdiction. On 5 December 2024, a joint site inspection was carried out in partnership with key stakeholders, including:

- The Department of Forestry, Fisheries and the Environment (DFFE – Compliance)
- Working on Fire; and
- The Department of Agriculture and Rural Development.

Following these engagements, a draft AIS Plan was compiled and subsequently approved by the DFFE on 9 April 2025. The finalisation and implementation of the updated plan is scheduled for completion in the 2025/26 financial year and will guide the Municipality's efforts in the control, monitoring, and eradication of invasive species.

Management of Open Spaces

BCMM has allocated responsibility for the management of open spaces to the Solid Waste and Environmental Management Directorate. The directorate's remit encompasses grass cutting, vegetation control, and various arboricultural activities, all of which are vital for ensuring that public

spaces remain clean, safe, and accessible. In recent years, the City has encountered considerable backlogs in fulfilling these duties, leading to challenges such as:

- Overgrown grass in public open spaces.
- Bush encroachment into urban and recreational areas; and
- Inadequate tree maintenance including unmanaged or overhanging branches.

Despite these challenges, the Directorate has undertaken proactive measures to address identified shortcomings. Notably, during the 2023/24 and 2024/25 financial years, additional equipment was acquired to improve service delivery and reduce the existing backlog. These developments represent significant progress in strengthening the Municipality's capacity to effectively maintain and manage open spaces and road verges.

The Solid Waste and Environmental Management Directorate continues to build operational capacity, enhance resource allocation, and ensure that grass cutting and vegetation control programmes are responsive to community needs and urban environmental standards. In the 2024/2025 financial year, the Municipality intensified its vegetation management initiatives in strategically important and high-visibility locations, including:

- City entrances and exits.
- Main roads leading into the City.
- Beachfront zones and other prominent public spaces.

These initiatives contribute not only to aesthetic enhancements but also to improved safety, increased tourism appeal, and greater urban cleanliness. Such measures reinforce BCMM's dedication to maintaining a well-kept and liveable urban environment.

Strategic Partnerships for Enhanced Service Delivery

In the 2024/25 financial year, several successful strategic partnerships were established, notably with the BKCOB, Red Alert, active ratepayers' associations such as the Quigney Ratepayers Association, Tidy Towns Buffalo City, and the Working for the Coast Programme led by DEDEAT. These partnerships have been instrumental in improving the maintenance and overall appearance of the City's coastal roads, with a particular focus on grass cutting and solid waste management.

The BKCOB has played a central role in facilitating collaborative service delivery through its network of business stakeholders, demonstrating the importance of private sector participation in municipal environmental programmes. Red Alert, through its operational support, has delivered measurable improvements in the upkeep of vegetation along coastal main roads and open spaces, contributing to a cleaner and more welcoming urban coastal environment. The impact of these partnerships in the 2024/25 financial year demonstrates the benefits of leveraging public-private cooperation for enhanced environmental outcomes. These collaborations illustrate the effectiveness of collective action in overcoming resource constraints, improving service delivery, and nurturing a sense of shared responsibility for the stewardship of the City's natural and built environment.

BCMM intensified its grass cutting and vegetation control operations across all three of its administrative regions during the reporting year. These initiatives were designed to enhance the City's roadways and open spaces in terms of visual appeal, safety, and accessibility.

Targeted interventions were carried out along key corridors, including but not limited to:

Coastal Region	Midland Region:	Inland Region:
• **Settlers Way** • **Northeast Expressway** • **Northwest Expressway** • **John Bailey Road** • **Olympic Avenue** • **Gonubie Main Road** • **Amalinda Main Road** • **Black Road** • **Western Avenue**	• Qumza Highway • Golden Highway • Billy Road • Sawule Drive • Ford Jackson	• Cambridge Road • Maitland Road • Independent Road • Reserve Road • Buffalo Road

These priority areas were identified due to their high visibility, strategic location, and significance to the community. The success of the intensified programme can be attributed to the integration of resources across directorates and the revival of the IRRT. An integrated approach has strengthened the City's capacity to manage open spaces, respond more efficiently to service delivery needs, and undertake arboriculture activities such as tree maintenance and the removal of invasive vegetation.

The Directorate implemented Contract 283 for the removal of bush and noxious plants as part of efforts to address the backlog of overgrown vegetation. This contract is designed to support bush clearance and the eradication of invasive plant species. The bush-clearing programme has been further intensified and will continue to be expanded in order to manage overgrowth and encroachments more effectively. These developments have produced positive outcomes for community safety, particularly in areas previously affected by dense vegetation and overgrowth. The Directorate remains committed to ongoing improvement and will continue to advance its efforts in this area.

Below are randomly sampled images of grass-cutting operations.





Settlers Way road grass cutting operations




Amalinda Main Road grass cutting operations

Integrated Coastal Management

The City continued to experience increasing vulnerability to coastal processes and sea level rise as a result of the ongoing impacts of climate change during the 2024/25 reporting year. In response, the City prioritised the development of a Sand Dune Maintenance and Rehabilitation Plan designed to establish sustainable mechanisms for safeguarding coastal infrastructure and beach facilities against erosion and other climate-related threats. The final plan was developed in consultation with key coastal stakeholders to ensure it remains both inclusive and responsive to local needs. It has since been submitted to DEDEAT for the requisite approval.

BCMM values the ongoing management of its coastal and beach areas, recognising their essential role in fostering tourism and supporting the local economy. During the 2024/25 financial year, the City placed particular emphasis on the refurbishment and upgrading of beach infrastructure at several key sites. These enhancements are intended to improve public access to safe, well-maintained facilities and to further position the City as an appealing destination for both domestic and international visitors.

Revitalisation and upgrading of beach infrastructure constituted a central component of the City's 2024/25 programme, with the following projects successfully implemented and completed during the financial year:

PROJECT NAME	PROJECT DESCRIPTION	STATUS
Orient Beach and Eastern Beach	○ Refurbishment of staff changing rooms ○ Refurbishment of the Eastern Beach picnic site and ablution facilities ○ Restoration of lighting infrastructure ○ Refurbishment of Orient Beach offices and the Beach Manager's office	The projects were completed in the 2024/25 financial year.
Gonubie Beach	○ Refurbishment of lifeguard facilities and ablutions ○ Restoration of the Gonubie Boardwalk lights ○ Installation of floodlights	The projects were completed in the 2024/25 financial year.
Nahoon Reef and Corner	○ Refurbishment of lifeguard facilities and ablutions ○ Restoration of the Gonubie Boardwalk lights ○ Installation of floodlights	The projects were completed in the 2024/25 financial year.
PROJECT NAME	**PROJECT DESCRIPTION**	**STATUS**
Leaches Bay	○ Refurbishment of ablution and picnic area facilities ○ Installation of outdoor furniture ○ Installation of floodlights	The projects were completed in the 2024/25 financial year.
Bonza Bay Beach	○ Refurbishment of ablution facilities ○ Refurbishment of the Bonza Lifesavers building and ablutions	The projects were completed in the 2024/25 financial year.
Kayser's Beach	○ Refurbishment of two ablution facilities	The projects were completed in the 2024/25 financial year.

These upgrades reflect BCMM's ongoing investment in high-quality, accessible, and safe beach environments, strengthening the City's reputation as a leading coastal tourism destination. The City remains dedicated to the continuous refurbishment and enhancement of infrastructure across its beaches and coastal areas. These projects have notably improved both the appearance and

functionality of the City's beaches. Once refurbishment works meet the required standards, the City will direct its efforts towards attaining Blue Flag beach status. The Blue Flag certification, awarded by the Foundation for Environmental Education (FEE), acknowledges beaches that meet stringent standards in environmental management, water quality, safety, and public environmental education.

During the 2024/2025 Blue Flag pilot season, Gonubie Beach and Kidd's Beach were awarded Pilot Blue Flag Status. These beaches are working towards full Blue Flag certification with the support of key partners, including the Call-to-Action programmes, Tidy Town Buffalo City, and local ratepayers' associations. Enhanced cooperation among these stakeholders will be crucial to advancing the City's revitalisation initiatives and securing this esteemed recognition. The BCMM Coastal Committee plays a pivotal role in directing and reviewing the City's efforts to achieve full Blue Flag status. The committee is responsible for coordinating stakeholder activities, ensuring compliance with Blue Flag criteria, and providing regular progress reports. Fostering collaboration between municipal departments, community groups, and environmental organisations helps to maintain attention on environmental standards, safety, and public education throughout the process.

Below are randomly sampled images of refurbishment projects within the Beaches section:





Refurbishment of Orient Beach staff changing rooms





Refurbishment of Orient Beach staff changing rooms





Refurbishment of Kayser's ablution facilities

T 3.16.1

SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

The National Treasury Circular 88 establishes specific indicators and targets for Metropolitan Municipalities, with particular attention to biodiversity and coastal protection as key areas of focus.

The table below presents statistics relating to the indicators and targets for biodiversity and coastal protection:

INDICATOR	BASELINE	ACTUAL PERFORMANCE
Percentage of coastline with protection measures in place	73,2%	73,2%
Percentage of biodiversity priority areas protected	69,97%	69,97%
Percentage of biodiversity priority area within the Metro	5,17%	5,17%

Narrative on Indicators and Targets for Biodiversity Protection and Coastal Protection:

a) **Percentage of coastline with protection measures in place:** The baseline was 73,2% of the coastline with protection measures in place, and the annual achieved target was also 73,2% of the coastline with protection measures in place. The target is informed by the overall 82 km of BCMM coastline, of which 60 km has protection measures in place. Therefore, based on the calculation guided by the formula of the indicator, 73,2% has been attained.

b) **Percentage of biodiversity priority areas protected:** The baseline was 69,97% of biodiversity priority areas protected, and the annual achieved target was also 69,97%. The inclusion of protected nature reserves and estuaries resulted in an increased extent of biodiversity priority areas protected.

c) **Percentage of biodiversity priority area within the Metro:** The baseline was 5,17% of biodiversity priority area within the Metro, and the annual achieved target was 5,17%. The addition of nature reserves and estuaries has increased the extent of biodiversity priority areas protected, thus affecting the overall percentage of biodiversity priority area within the Metro.

T3.16.2.

Bio-Diversity; Landscape and Other Policy Objectives Taken From IDP									
Service Objectives / Service Indicators	Outline Service Targets	2023/2024		2024/2025			2025/2026	2027/2028	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective									
To promote a sustainable and an environmentally friendly City	*Percentage of coastline with protection measures in place*	72% coastline with protection measures in place	73.2% coastline with protection measures in place	73.2% coastline with protection measures in place	73.2% coastline with protection measures in place	73.2% of coastline with protection measures in place	73.2% coastline with protection measures in place	73.2% coastline with protection measures in place	73.2% coastline with protection measures in place
	Percentage of biodiversity priority areas protected	48.5% biodiversity priority area protected	69.0% biodiversity priority area protected	69.0% of biodiversity priority areas protected	69.97% of biodiversity priority areas protected	69.97% of biodiversity priority areas protected	69.97% of biodiversity priority areas protected	69.97% of biodiversity priority areas protected	69.97% of biodiversity priority areas protected
	Percentage of Biodiversity Priority areas within the Metro	3.8% biodiversity priority areas within the metro	5.17% biodiversity priority areas within the metro	5.17% biodiversity priority areas within the metro	5.17% biodiversity priority areas within the metro	5.17% biodiversity priority areas within the metro	5.17% biodiversity priority areas within the metro	5.17% biodiversity priority areas within the metro	5.17% biodiversity priority areas within the metro

Note: This statement should include no more than the top four priority service objectives. The indicatbrs and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal **T 3.16.3**

Employees: Bio-Diversity; Landscape and Other					
Job Level	Year -23/24	Year 2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	265	155	141	14	9%
4 – 6	164	138	112	26	19%
7 – 9	44	31	24	7	23%
10 – 12	15	18	17	1	6%
13 – 15	3	2	2	0	0%
16 – 18	3	4	3	1	25%
19 – 20	0	0	0	0	0%
Total	494	348	299	49	14%

T 3.16.4

Financial Performance for 2024/2025: Bio-Diversity; Landscape and Other

Financial Performance 2024/2025: Bio-Diversity; Landscape and Other					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**269**	**896**	**940**	**154**	**-481%**
Expenditure:					
Employees	177,527	193,355	188,003	187,183	-3%

Repairs and Maintenance	4,237	5,653	3,716	3,894	-45%
Other	16,233	19,336	21,079	28,781	33%
Total Operational Expenditure	**197,997**	**218,344**	**212,798**	**219,858**	**1%**
Net Operational Expenditure	**197,728**	**217,448**	**211,859**	**219,704**	**1%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					***T 3.16.5***

Financial Performance 2024/2025: Bio-Diversity; Landscape and Other					
					R'000
Details	**2023/2024**	**2024/25**			
	Actual	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance to Budget**
Total Operational Revenue	**269**	**896**	**940**	**154**	**-481%**
Expenditure:					
Employees	177,527	193,355	188,003	188,003	-3%
Repairs and Maintenance	4,237	5,653	3,716	3,973	-42%
Other	16,233	19,336	21,079	28,747	33%
Total Operational Expenditure	**197,997**	**218,344**	**212,798**	**220,723**	**1%**
Net Operational Expenditure	**197,728**	**217,448**	**211,859**	**220,569**	**1%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					***T 3.16.5***

Capital Expenditure for 2024/2025: Bio-Diversity; Landscape and Other

'Capital Expenditure 2024/2025: Bio-Diversity; Landscape and Other					R' 000
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**20,420**	**17,653**	**14,971**	**-36%**	
GRASS CUTTING EQUIPMENT	250	–	–	0%	1,254
UPGRADING AND DEVELOPMENT OF COMMUNITY PARKS - COASTAL	500	747	747	33%	1,108
UPGRADING AND DEVELOPMENT OF COMMUNITY PARKS - MIDLAND	500	–	–	0%	200
UPGRADING AND DEVELOPMENT OF COMMUNITY PARKS - INLAND	500	–	–	0%	1,997
ESTABLISHMENT OF RECREATIONAL PARKS	5,000	4,381	4,381	-14%	9,372
CLEANING MACHINERY & EQUIPMENT FOR BABY LEE JEGELS RECREATIONAL PARK	–	100	366	100%	366
BOTANICAL GARDENS	–	180	–	0%	–
PLANT - BEACHES	200	145	145	-38%	145
REFURBISHMENT & UPGRADING OF FACILITIES AT BEACHES	–	174	714	100%	2,709
FENCING AND STABILISATION OF BEACHES FACILITIES	500	350	–	0%	–
STABILISATION OF SAND DUNES	320	–	–	0%	–
PILOT BLUE FLAG BEACHES - GONUBIE AND KIDD'S BEACH	350	30	30	-1076%	30
REVITILISATION OF BEACH INFRASTRUCTURE	5,500	4,580	4,580	-20%	10,565
ACQUISITION OF FLEET (CHERRY PICKER TRUCKS, CREW CAGE TRUCK, TIPPER TRUCK, TRACTORS, BUSH CUTTERS, TRAILERS FOR RITE ON ETC)c/o	–	151	–	0%	–
GRASS CUTTING EQUIPMENT	400	381	381	-5%	1,915
GRASS CUTTING EQUIPMENT	–	65	65	100%	13,781
REFURBISMENT OF NATURE RESERVE(BOARDWALKS)	300	300	130	-130%	130
PLANT - NATURE RESERVE	100	–	–	0%	–
PLANT - NATURE RESERVE		87	–	0%	–
ACQUISITION OF PARKHOMES FOR NU6 DEPOT (CHANGE ROOMS)	1,000	983	983	-2%	983
ACQUISITION OF FLEET (CHERRY PICKER TRUCKS, CREW CAGE TRUCK, TIPPER TRUCK, TRACTORS, BUSH CUTTERS, TRAILERS FOR RITE ON ETC)	–	2,839	2,450	100%	3,785
ACQUISITION OF FLEET (CHERRY PICKER TRUCKS, CREW CAGE TRUCK, TIPPER TRUCK, TRACTORS, BUSH CUTTERS, TRAILERS FOR RITE ON ETC)	5,000	2,161	–	0%	–
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.16.6*

COMMENT ON BIO-DIVERSITY; LANDSCAPE AND OTHER PERFORMANCE OVERALL:

Refurbishment of Beach Infrastructure

The Directorate received funding for the Refurbishment of Beach Infrastructure Project through the USDG. The actual budget allocation for the 2024/25 financial year was R5 500 000.

Five (5) Year IDP Budget Allocation

2023/2024	2024/2025	2025/2026
R 5 500 000	R5 500 000	R 5 746 398

Development of Beach and Nature Reserve Infrastructure

The City manages two operational coastal nature reserves: Nahoon Point Nature Reserve and Nahoon Estuary Nature Reserve. In the 2024/25 financial year, the Directorate directed strategic attention towards infrastructure enhancements at Nahoon Point Nature Reserve. Key priorities comprised the refurbishment of the main reserve building and the installation of perimeter fencing along a specified section of the reserve to increase environmental protection and improve visitor safety. An allocation of R500 000 was made for the 2024/25 financial year under the Refurbishment of Beach and Nature Reserve Infrastructure Project to advance these initiatives. Such infrastructure improvements demonstrate the City's sustained commitment to the conservation, safeguarding, and sustainable management of its coastal natural assets.

Five (5) Year IDP Budget Allocation

2024/2025	2025/2026	2026/2027
R500 000	R522 400	R 3 000 000

Below are randomly sampled images of infrastructure refurbishment projects:





Nahoon Point Nature Reserve refurbished boardwalk and erection of fencing









Nahoon Point Nature Reserve refurbished Main Building



Fencing erected at Nahoon Estuary Nature Reserve

Development and Implementation of Estuarine Management Plans

DEDEAT, in partnership with BCMM, established a Task Team mandated to coordinate the implementation of EMPs and to report directly to the Municipal Coastal Committee (MCC). The Estuarine Management Task Team plays a vital role in advancing the implementation of approved EMPs. Meeting on a quarterly basis, the Task Team monitors progress, assesses implementation activities, and ensures alignment with the strategic objectives of each EMP. The development of the Tyolomnqa Estuary Management Plan (EMP) was completed in collaboration with DEDEAT, BCMM, and the Tyolomnqa community. The EMP was submitted to the MEC responsible for DEDEAT for endorsement and will subsequently be tabled before the Council meeting on 29 October 2025 for formal adoption.

Grass Cutting and Vegetation Control

The City has launched a comprehensive grass cutting and bush clearing programme targeting areas severely affected by overgrown vegetation, including bush encroachment on infrastructure and private properties, open spaces requiring regular maintenance, as well as high-visibility zones, City entrances and exits, and adjacent communities. This initiative affirms the City's commitment to resolving long-standing backlogs associated with bush and grass cutting complaints. In order to intensify service delivery in priority areas, the City is actively collaborating

with key stakeholders such as the BKCOB, Red Alert, ELIDZ, and MBSA to coordinate and optimise available resources.

Service delivery is further strengthened through the participation of individuals recruited via the EPWP, PEP, the Working for the Coast Project, and under Contract 283 for the removal of bush and noxious plants.

The following grass cutting and vegetation control equipment was acquired during the 2024/25 financial year; a random selection of photographs is presented below:

Eighty-Eight (88) Grass Cutting Equipment



Eight (8) extra heavy-duty lawn mowers





Four (4) extra heavy bush cutters





Twenty-Eight (28) chainsaws





Forty (42) petrol driven grass trimmers





Six (6) trailers

The total budget allocated for the project in the 2024/25 financial year was R5 616 675. Actual expenditure amounted to R2 895 215, resulting in a variance of R2 721 460. The unspent portion of the budget was committed and incorporated into the rollover submission for 2024/25, which received Council approval in the 2025/26 financial year.

T3.16.7.

COMPONENT F: HEALTH

3.17 CLINICS

Disclaimer: Tables 3.17.1 to Table 3.17.7 are not applicable to BCMM.

3.18 AMBULANCE SERVICES

Disclaimer: Tables 3.18.1 to Table 3.18.7 are not applicable to BCMM.

3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

INTRODUCTION TO HEALTH INSPECTION; FOOD AND ABATTOIR LICENSING AND INSPECTIONS, ETC

The MHS Department, mandated by the National Health Act, No. 61 of 2003, is responsible for providing municipal health services, with Food Control constituting a central function. In accordance with this mandate, the department maintains and regularly updates its database of food premises situated within BCMM's jurisdiction. Environmental Health Practitioners (EHPs) perform routine quarterly inspections of these premises to evaluate and enforce compliance with relevant health and food safety legislation. The regulatory frameworks guiding these activities include the National Norms and Standards for Environmental Health Services, as well as the Regulations Governing General Hygiene Requirements for Food Premises, the Transport of Food and Related Matters (Regulation No. R638 of 22 June 2018), promulgated under the Foodstuffs, Cosmetics and Disinfectants Act, No. 54 of 1972.

Within the local government context, Food Control comprises several key aspects, all of which fall within the functions of Municipal Health Services.

a) Inspecting food production, distribution, and consumption areas.
b) Monitoring informal food trading.

c) Promoting the safe handling of milk and milk products.
d) Inspecting food premises and addressing any nuisances emanating therefrom.
e) Enforcing food legislation and the Codex Alimentarius.
f) Promoting the safe handling of meat and meat products through, amongst others, meat inspections and examination of abattoirs.
g) Applying food quality monitoring programmes and principles through various techniques, e.g., Hazard Analysis and Critical Control Points (HACCP) System audits.
h) Ensuring food safety in respect of acceptable microbiological and chemical standards, quality of all food for human consumption, and optimal hygiene control throughout the food supply chain, from the point of origin and all primary raw material or raw product production, up to the point of consumption.
i) Promoting the safe transportation, handling, storage, and preparation of foodstuffs used in the Primary School Nutrition Programme (PSNP), prisons, health establishments, airports, etc.

Where instances of non-compliance or health risks are detected, a Compliance Notice is issued to the owner or manager of the premises. Subsequent inspections are undertaken to assess whether the identified concerns have been addressed. The owner or manager is afforded thirty days to rectify the non-compliance. When the Environmental Health Practitioner is satisfied that all statutory and hygiene requirements have been fulfilled, a Certificate of Acceptability (CoA) may be granted in accordance with Section 3(1)(a) of Regulation No. R638.

WATER QUALITY MONITORING

INTRODUCTION TO WATER QUALITY

Water quality monitoring constitutes a fundamental responsibility of Municipal Health Services, as stipulated in the National Health Act, No. 61 of 2003. This mandate is assigned to District and Metropolitan Municipalities in accordance with the Constitution of the Republic of South Africa (RSA, 1996), specifically Part B of Schedule 4, Section 156(1)(a), and is further reinforced by Section 32 of the National Health Act as well as Sections 84(1)(b), (d), and (i) of the MSA, No. 117 of 1998. Municipal Health Services (MHS) undertakes routine water sampling at public health care facilities, non-primary health care facilities, and community-based point sources, including

accommodation establishments, schools, childcare centres, village communal taps, tanker trucks, food premises, water bottling outlets, and other sites supplied via municipal water supply schemes. These sampling activities are designed to ensure compliance with the SANS 241-1:2015 standard for drinking water quality.

The primary aim of the monitoring programme is to evaluate the quality of water supplied by the WSA, recommend corrective measures when necessary, and avert the emergence of waterborne diseases within BCMM's jurisdiction, in accordance with legislative requirements. Significantly, no cases of waterborne or water-related diseases were reported during the review period. The absence of such cases may be attributed to the successful execution of health and hygiene interventions alongside robust water quality monitoring initiatives.

These responsibilities include:

a) Monitoring water quality and availability, including the mapping of water sources and enforcing laws and regulations related to water quality management.
b) Ensuring water safety and accessibility in terms of microbiological, physical, and chemical quality, and ensuring sufficient quantity for domestic, recreational, industrial, food production, and other human and animal uses.
c) Promoting equitable access to water for all communities by contributing to the planning, design, and management of water supply systems, and ensuring healthy community water supplies through regular surveillance.
d) Monitoring and ensuring the effective treatment of wastewater and control of water pollution, including the collection, treatment, and safe disposal of sewage and other waterborne waste, as well as surveillance of surface and groundwater quality (including coastal waters).
e) Advocating for safe water usage and proper wastewater disposal.
f) Conducting water sampling and testing both in the field and through laboratory examination and analysis.

HEALTH AND HYGIENE

MHS effectively implemented Education and Awareness Programmes throughout the year by organising several events at various venues. These initiatives sought to increase awareness and enhance the overall health and hygiene of communities, with particular attention given to vulnerable groups, including those experiencing poverty. The primary objective of these programmes is to equip individuals and communities with knowledge about MHS and to foster

self-reliance in maintaining both personal and community health and well-being. In accordance with the Operational Plan, a minimum of 24 ward-based outreach activities focusing on health and hygiene education and awareness were targeted for the year, and this target was fully met.

MHS – MULTISTAKEHOLDER COMPLIANCE AND ENFORCEMENT OPERATIONS

BCMM has witnessed a consistent rise in the number of informal food premises, including spaza shops operating from containers, unauthorised structures, and residential buildings, frequently without the requisite approvals from the Spatial Planning & Development Directorate. Such developments are especially widespread in peri-urban areas, informal settlements, townships, and rural regions. In response, the MHS Department coordinated efforts by engaging relevant internal departments from various City directorates alongside external government stakeholders. These multistakeholder operations were initiated to foster and enforce compliance within the food business sector, ultimately safeguarding the health and well-being of BCMM residents and visitors.

Operations commenced in July 2022, targeting both formal and informal food premises across multiple wards within the municipality. These activities form part of broader compliance and enforcement strategies designed to uphold public health standards and ensure adherence to regulatory requirements.

During the reporting period, the City recorded a marked increase in reported cases of foodborne illnesses and food poisoning, particularly in November and December 2024, with the trend persisting into January 2025. Such concerning patterns led BCMM to undertake exceptional public health and regulatory measures to protect residents and enhance food safety throughout the Metro.

At the BCMM Council meeting held on 30 October 2024, a resolution was adopted to implement decisive actions aimed at improving compliance among informal food retailers, with a particular focus on spaza shops. The following actions were mandated:

- All spaza shops found to be operating without the required legal documentation or in violation of municipal by-laws were ordered to close. The affected businesses were given the opportunity to apply for the necessary certificates and permits to resume operations legally.
- A revenue collection strategy was adopted to recover outstanding service charges and municipal tariffs with a specific focus on informal traders and spaza shops.

- BCMM Councillors played an active role in community engagement by raising awareness within their wards about the importance of food safety and explaining the reasons behind the closure of non-compliant food outlets.

Following a national address by the President of the Republic of South Africa on 15 November 2024, which addressed the seriousness of foodborne illnesses and their disproportionate impact on children, BCMM initiated further measures at the local level:

The Executive Mayor, Councillor P. Faku, convened a bilateral meeting on 18 November 2024 at EL City Hall with representatives of foreign-owned business communities. The primary aim of this engagement was to enhance cooperation, improve food safety, and ensure adherence to local regulations.

The City organised six education and compliance workshops across all three regions of the Metro, reaching a total of 909 business owners and aspiring entrepreneurs, including 720 foreign nationals, mainly of Somali, Ethiopian, Pakistani, and Bangladeshi origin. The workshops addressed business registration processes, hygiene and food safety standards, as well as compliance with local laws and regulations.

Compliance and enforcement operations were conducted to identify and close spaza shops operating without proper registration or in breach of regulations. These interventions were implemented through coordinated, multistakeholder law enforcement initiatives to safeguard public health and safety standards.

The Executive Mayor appointed a dedicated task team comprising Members of the Mayoral Committee (MMCs) responsible for Public Safety and Emergency Services (PS&ES), Economic Development and Agencies (ED&A), Spatial Planning and Development (SP&D), and Solid Waste and Environmental Management (SW&EM). The task team was mandated to oversee the education workshops, registration drives, and enforcement activities.

During October and November 2024, the City intensified enforcement operations across 26 wards, conducting coordinated multistakeholder inspections at 272 spaza shops and other food premises. These inspections led to 230 establishments being issued with prohibition orders and closed due to non-compliance with relevant health, safety and licensing regulations. Such interventions reflect a concerted effort by BCMM to uphold public health standards, ensure food safety, and support compliant businesses. The City remains dedicated to ongoing education, engagement, and enforcement to foster a safer and healthier environment for all residents.

STAKEHOLDER INVOLVEMENT

Internal stakeholders:

a) Municipal Health Services (MHS)
b) Solid Waste Management Services (SWMS)
c) Environmental Management Services (EMS)
d) Local Economic Development (LED)
e) Spatial Planning and Development (SP&DD)
f) Law Enforcement Services
g) Traffic Services
h) Disaster Management Services
i) BCMM Communications Unit

External stakeholders:

a) Department of Employment and Labour (DOEL)
b) South African Revenue Services (SARS)
c) South Africa Police Services (SAPS)
d) Provincial Department of Community Safety and Liaison
e) Department of Home Affairs (Immigration Office)
f) Department of Economic Development, Environmental Affairs & Tourism (DEDEAT)
g) South African Health Products Regulatory Authority (SAHPRA)
h) National Consumer Commission (NCC)
i) Eastern Cape Human Rights & Missing Persons Unit (ECHR&MPU)
j) Boarder Management Authority (BMA)
k) Department of Forestry, Fisheries & Environment (DFFE)

T 3.19.1

SERVICE STATISTICS FOR HEALTH INSPECTION

INSPECTION/ SURVEILLANCE OF FOOD PREMISES

During the reporting year a total of four thousand two hundred and thirty-two (4,232) food premises including formal establishments, informal vendors, spaza shops and caterers were inspected. These inspections were conducted both routinely and as part of multi-stakeholder joint operations in accordance with Government Notice No. R638 (Regulations Governing General Hygiene Requirements for Food Premises, the Transport of Food and Related Matters).

The Table below illustrates the breakdown of food premises inspected per quarter for 2024/2025 financial year.

Colour coding for regions

Inland	
Midland	
Coastal	

PERIOD	TOTAL NUMBER OF INSPECTIONS	FORMAL FOOD PREMISES			INFORMAL FOOD PREMISES			SPAZA SHOPS			CATERERS		
FIRST QUARTER (JULY – SEPTEMBER 2024)	1126												
		203	46	325	43	26	221	58	39	138	10	5	12
SECOND QUARTER (OCTOBER – DECEMBER 2024)	1204	236	117	266	27	7	97	123	73	149	18	16	75
THIRD QUARTER (JANUARY – MARCH 2025)	916	177	54	260	40	8	76	82	38	131	19	4	27
FOURTH QUARTER (APRIL – JUNE 2025)	986	156	82	354	18	11	116	66	44	112	12	5	10

COMPLIANCE STATUS OF FOOD PREMISES

Total	4232	2276	690	1053	213
Region	Total number of food premises in the region (Formal & Informal)	Total number of inspections conducted	Total number of non-compliant food premises	Total number of certificates of acceptability issued to compliant premises	
Coastal region	2 700	2 369	1 470	563	
Inland region	1 550	1 288	507	320	
Midland region	1 500	575	398	141	
Total	**5 750**	**4 232**	**2 375**	**1 024**	

SERVICE STATISTICS FOR DRINKING WATER QUALITY MONITORING

Water samples were collected for monitoring purposes from various facilities during the year under review. These samples were submitted to the National Health Laboratory Services (NHLS) located at Frere Hospital in East London for analysis.

The table below illustrates the number of water samples taken per quarter in the 2024/2025 financial year

Period/ Quarter	Samples Taken	Outcome
First Quarter (July – September 2024)	187	**A total of one hundred and eighty (180) water samples were collected during the reporting quarter from facilities connected to the treated municipal water supply system. All samples were found to be compliant with the South African National Standard (SANS 241-1:2015) for drinking water quality, specifically meeting the following criteria: E. coli – 0 per 100 ml, Total Coliforms – less than or equal to 10 per 100 ml, and Total Bacterial Count – less than or equal to 1,000 per ml.** **Seven (7) facilities using Jojo tanks (rainwater harvesting systems)** recorded results that did **not comply with SANS 241-1:2015** during the Quarter 1 (Q1) sampling period. The non-compliant results were formally communicated to the persons responsible for the affected facilities, and re-sampling was conducted as required to monitor improvements and ensure corrective action was taken where necessary.
Period/ Quarter	**Samples Taken**	**Outcome**
Second Quarter (October – December 2024)	308	**During the second quarter (Q2) of the reporting period, a total of two hundred and ninety-two (292) water samples were collected from facilities connected to the treated municipal water supply system. All samples were fully compliant with the South African National Standard (SANS 241-1:2015) for drinking water quality, meeting key microbiological parameters: E. coli – 0 per 100 ml, Total Coliforms – less than or equal to 10 per 100 ml, and Total Bacterial Count – less than or equal to 1,000 per ml.** In contrast, **sixteen (16) facilities utilizing Jojo tanks (rainwater harvesting systems)** were found to be **non-compliant with SANS 241-1:2015** during the same sampling period. The test results were formally communicated to the responsible individuals at each facility. **Follow-up sampling** was conducted where necessary to monitor improvements and ensure corrective measures were implemented.

Period/ Quarter	Samples Taken	Outcome
Third Quarter (January – March 2025)	343	**During the third quarter (Q3) of the reporting period, a total of three hundred and twenty-nine (329) water samples were collected from facilities connected to the treated municipal water supply network. All samples were compliant with the South African National Standard (SANS 241-1:2015) for drinking water quality, meeting the following microbiological standards: E. coli – 0 per 100 ml, Total Coliforms – less than or equal to 10 per 100 ml, and Total Bacterial Count – less than or equal to 1,000 per ml.** **Fourteen (14) facilities using Jojo tanks (rainwater harvesting systems)** were found to be **non-compliant with SANS 241-1:2015** during the Q3 sampling period. These results were formally communicated to the responsible persons at each facility. **Re-sampling was conducted** where necessary to monitor improvements and guide the implementation of corrective actions.
Period/ Quarter	**Samples Taken**	**Outcome**
Fourth Quarter (April – June 2025)	333	**During the fourth quarter (Q4) of the reporting period, a total of three hundred and seven (307) water samples were collected from facilities connected to the treated municipal water supply system. All samples were fully compliant with the South African National Standard (SANS 241-1:2015) for drinking water quality, meeting the prescribed microbiological limits: E. coli – 0 per 100 ml, Total Coliforms – less than or equal to 10 per 100 ml, and Total Bacterial Count – less than or equal to 1,000 per ml.** In contrast, **twenty-six (26) facilities using Jojo tanks (rainwater harvesting systems)** were found to be **non-compliant with SANS 241-1:2015** during the Q4 sampling period. The non-compliant results were formally communicated to the responsible persons at the affected facilities. **Re-sampling was conducted** where necessary to assess improvement and support the implementation of corrective actions.
Total	**1171**	

SERVICE STATISTICS FOR HEALTH AND HYGIENE CAMPAIGNS

Municipal Health Services department undertook the following education & awareness raising campaigns:

MHS HEALTH & HYGIENE EVENTS, 2024/2025

No.	Date	Name of Event/ Calendar Event	Place/ Area	Ward(s)/ Region	Number Attended (excl. Officials)
1.	11 July 2024	Carrer Exhibition campaign	Mzamowethu High School, Gonubie	Coastal	150
2.	11 Sep 2024	Mpox Awareness campaign	Andile Ntsepe Primary	Inland	81
3.	16 Sep 2024	Mpox Awareness campaign	Mxhalanga Primary	Inland	42
4.	17 Sep 2024	Mpox Awareness	Vuthondaba Primary	Inland	36
5.	22 Nov 2024	Clean-Up Campaign	Scenery Park	Coastal	80
6.	11 Feb 2025	By-Law workshop	War Memorial Hall	Inland	89
7.	12 Feb 2025	By-Laws workshop	NU 10 Community Hall, Mdantsane	Midland	81
8.	13 Feb 2025	By-Law workshop	Clements Kadal Community Hall	Coastal	68
9.	18 Feb 2025	By-Law workshop	City Hall	Coastal	49
10.	24 Feb 2025	By-Law workshop	City Hall	Coastal	74
11.	25 Feb 2025	Community Workshop: Wetlands Education & Awareness	NU 10 Community Hall	Midlands	41
12.	26 Feb 2025	Community Workshop: Wetlands Education & Awareness	Phakamisa Community Hall	Inland	64
13.	07 March 2025	Training for meal servers & hawkers	EZ Pondo Primary School, Phakamisa	Inland	12
14.	20 March 2025	Clean Up Campaign	Unathi Public School, Cambridge Loc	Coastal	115

15.	15 April 2025	Meal Servers	Parkland Special School, Beacon Bay	Coastal	12
16.	22 April 2025	Climate Change Ambassadors & Wash Champions	War Memorial Hall, KWT	Inland	65
17.	23 April 2025	Hand, Foot & Mouth Disease Awareness	Buffalo Flats Primary School	Coastal	1152
18.	23 April 2025	Climate Change Ambassadors & Wash Champions	NU 10 Community Hall, Mdantsane	Midland	86
19.	24 April 2025	Climate Change Ambassadors & Wash Champions	City Hall, East London	Coastal	114
20.	21 May 2025	Stakeholder Workshop – Climate Change Strategy Review	Gonubie Resorts, Gonubie	Coastal	17
21.	28 May 2025	World Hand Hygiene Awareness	Tsaba Primary School, Chalumna	Coastal	37
22.	29 May 2025	Chemical Safety Awareness	Town Hall, King Williams Town	Inland	45
23.	30 May 2025	World Hand Hygiene Awareness	Nobuntu Daycare, Scenery Park	Coastal	88
24.	03 June 2025	World Hand Hygiene Awareness	Lisakhanya Daycare, Ducats North	Coastal	25
25.	13 June 2025	Green Forum	East London ICC	Coastal	114
26.	27 June 2025	Environmental Pollution Awareness	Nolizwe Mpetha Community Hall, Zwelitsha, Zone 7	Inland	71

Pictorial evidence: Health & Hygiene Events



Fig 1: BCMM Air Quality Schools completion in Mdantsane, with DFFE.



Fig 2: BCMM Air Quality Schools completion in Mdantsane, with DFFE.



Fig 3: BCMM Education & Awareness workshops – small business registration.



Fig 4: World Hand Hygiene Day – Nobuntu Daycare, Scenery Park.



Fig 5: World Environment Awareness campaign, Zwelitsha, Ward 41.

SERVICE STATISTICS FOR MULTISTAKEHOLDER OPERATIONS

During 2024/2025, the following compliance and enforcement operations were undertaken within the Metro.

Period/ Months	Ward (s)	Number of premises inspected during the operation/ raid	Number of premises issued with Prohibition Orders/ Closure notices	Number of premises with Certificates of Acceptability	Total value of expired, damaged, and counterfeit food products removed & disposed	Total value of illegal Pesticides sold in unregistered premises removed & detained for disposal
August 2024	1,15,47	39	30	09	R58 078.67	R4 257.90
September 2024	3,17	31	24	07	R17 095.90	R3 012.00
October 2024	6,10,15,16,32,37	54	37	17	R31 987.11	R2 139.02
November 2024	3,4,5,9,10,12, 13,16,17,19,20,21,24, 26,35,37,41,44,45,46	218	193	25	R138 778.50	R58 083.00
February 2025	15	17	11	06	R3 870.00	R908.00
March 2025	20,27,37,41,50	82	49	33	R27 380.00	R10 061.00
April 2025	7,8,34,48	28	22	06	R12 912.50	R880.00
May 2025	11,12,13,14,19,39,43, 46	50	31	19	R28 623.00	R4 134.00
June 2025	15,44,49	21	21	0	R9 722.00	R700.00
TOTAL		**540**	**418**	**122**	**R328 447.68**	**R84 174.92**

T3.19.2

Pictorial Evidence: Multistakeholder Joint Operations programme – 2024/25



Fig 1: A bilateral meeting between BCMM Executive Mayor (Cllr. P. Faku) and leaders of foreign business communities - 18 Nov 2024.



Fig 2: Executive Mayor (Cllr. P. Faku), seated with MMC Cllr. A. Mnyute addressing leaders of foreign business communities echoing an instruction by the President of the RSA for the closure of unregistered businesses (Spaza Shops) in the City – 18 Nov 2024.



Fig 3: BCMM Multistakeholder Joint Operations team in a parade – NU1 Police Station.



Fig 4: BCMM Multistakeholder Joint Operations team in a parade – MHS Office Grounds. Also present is the Executive Mayor, Cllr. P. Faku.



Fig 5: BCMM Executive Mayor meeting with the Midland Ward Councillors at the NU1 Police Station before an operation/ raid in their Wards.



Fig 6: Multistakeholder Joint Operations team conducting an inspection & checking a business document.



Fig 7: Multistakeholder Joint Operations team conducting an inspection & issuing compliance notices & spot fines.



Fig 8: Multistakeholder Joint Operations team conducting an inspection & issuing compliance notices.

T 3.19.2

Health Inspection and Etc Policy Objectives Taken From IDP									
Service Objectives / Service Indicators	Outline Service Targets	2024/2025		2025/2026			2026/2027	2027/2028	
		Target	Actual	Target		Actual	Target		
(i)	(ii)	*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective									
Provision of Integrated Municipal Health Service	Number of Health & Hygiene Programmes conducted.	9	26	26	8	9	8	8	8
	Number of food samples taken for monitoring purposes	402	106	106	200	200	200	200	200
	Number of water samples taken for monitoring purposes	1200	1171	1171	1000	1000	1000	1000	1000

T 3.19.3

Employees: Health Inspection and ETC

Employees: Health Inspection and Etc					
Job Level	2023/2024	2024/2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3					
4 – 6					
7 – 9					
10 – 12					
13 – 15					
16 – 18					
19 – 20					
Total					

Pollution Control ***T 3.19.4***

Financial Performance for 2024/2025: Health Inspection and ETC

Financial Performance Year 2024/2025: Health Inspection and Etc					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**30**	**16**	**40**	**1,552**	**99%**
Expenditure:					
Employees	45,316	49,577	48,745	48,675	-2%
Repairs and Maintenance	706	1,163	948	948	-23%
Other	2,298	5,571	2,596	2,896	-92%
Total Operational Expenditure	**48,320**	**56,311**	**52,289**	**52,520**	**-7%**
Net Operational Expenditure	**48,290**	**56,295**	**52,249**	**50,968**	**-10%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.19.5*

Capital Expenditure For 2024/2025: Health Inspection And Etc

Capital Expenditure 2024/2025: Health Inspection and Etc					
					R' 000
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**4,000**	**3,527**	**2,723**	**-47%**	
AIR MONITORING STATION	1,000	915	610	-64%	4,224
REFURBISHMENT OF NU 6 MDANTSANE OFFICES FOR MUNICIPAL HEALTH SERVICES MIDLAND c/o	–	2,113	2,113	100%	2,113
CONSTRUCTION OF GUARD HOUSE	3,000	–	–	0%	–
SUPPLY, DELIVER AND INSTALL A PREFABRICATED GUARD HOUSE STRUCTURE	–	500	–	0%	–
ACQUISITION OF PARKHOMES FOR NU6 DEPOT (CHANGE ROOMS)	1,000	983	983	-2%	983
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as					*T 3.19.6*

COMMENT ON THE PERFORMANCE OF HEALTH INSPECTIONS OVERALL:

SAMPLING OF FOOD PRODUCTS

A total of 106 food samples, including raw milk, dairy products, ice cream/soft serve, salts, energy drinks, sweets, dairy drinks, cheese, sauces, peanut butter, egg-based desserts, biscuits/cookies, dried fruits, vinegars, canned vegetables, and canned fruits, were collected and submitted to the NHLS for bacteriological and chemical analysis.

Five (5) samples submitted for chemical analysis at the NHLS Forensic Chemistry Laboratory were identified as non-compliant with Regulation No. R1145 of 2004, published under the Foodstuffs, Cosmetics and Disinfectants Act, No. 54 of 1972. Notices were issued to the premises found in possession of these non-compliant food products. Routine inspections and sporadic sampling are conducted at both compliant and non-compliant premises to maintain ongoing compliance. In addition, further food samples, such as chips and biscuits, were collected and submitted for chemical analysis in response to sporadic cases of foodborne illness reported during the period. These additional samples were determined to be compliant with the provisions of the Foodstuffs, Cosmetics and Disinfectants Act, No. 54 of 1972.

T 3.19.7

COMPONENT G: SECURITY AND SAFETY

3.20 POLICE

INTRODUCTION TO SAFETY & SECURITY SERVICES

Municipalities in South Africa represent the level of government closest to local communities and play a critical role in promoting safety and security at the local level. In light of the country's high crime rates and numerous social challenges, municipal safety and security functions are essential for enhancing the quality of life for all residents.

Safety and security are critical concerns in BCMM, a Metro known for its rich cultural diversity, beautiful coastline, economic potential, and complex socio-political history. While BCMM has made some progress in reducing crime incidents at a local level, the Metro continues to face serious challenges in ensuring the safety and security of its citizens and visitors.

The perception of insecurity and fear is particularly pronounced in cities and urban areas, where incidents of violence, crime, non-compliance with traffic regulations, and by-law violations are more prevalent. Many residents, businesses, and stakeholders feel that current efforts to ensure their safety and security are insufficient.

The Metro recorded a significant rise in theft, vandalism, and malicious damage to its assets and critical infrastructure following the COVID-19 pandemic, alongside an increase in incidents of kidnapping. Widespread theft of copper and non-ferrous metals received considerable attention, not only locally but countrywide. The theft of copper and non-ferrous metals led to financial losses for the Institution, disrupted services, and more severe consequences such as disruption of electricity supply, water services, and wastewater services.

BCMM has, during the 2024/25 financial year, managed to secure service providers through the approved SCM procurement processes to provide twenty-four-hour armed protection at many of the Metro's critical infrastructure, which has successfully contributed to reducing the number of incidents of theft and vandalism. Theft and vandalism continue; however, the Institution is making considerable progress towards addressing this challenge.

Service providers were engaged during the reporting period to support the Metro in developing the Security Risk Analysis and in reviewing the Crime Prevention Strategy.

Awareness, vigilance and collaboration among the Metro, law enforcement agencies, private security companies, businesses and communities are essential for enhancing the safety landscape within the Metro.

Several Community Safety Forum meetings were convened with communities across all three regions of the Metro, facilitating greater community involvement in the early identification and prevention of crime, theft, and vandalism.

Notably, ongoing collaboration between BCMM, SAPS, Home Affairs, and other stakeholders has played a significant role throughout the year under review, ensuring the consistent execution of raids, inspections, the removal of illegal bush dwellers, and clean-up operations across the Metro.

These actions have compelled numerous liquor outlets, shebeens, taverns, spaza shops, and other food businesses to adhere to BCMM's regulations and by-laws. Furthermore, the Metro has expanded the number of awareness campaigns aimed at educating communities on matters such as underage drinking, littering, and compliance with by-laws and regulations.

Challenges Faced by Municipalities:

- Limited resources and capacity to enforce laws and sustain safety programmes.
- High levels of socio-economic inequality and unemployment which contribute to crime.
- Coordination challenges between local government, SAPS, and other agencies.
- Rapid urbanisation and informal settlements create complex safety issues.

Importance of an Integrated Approach:

For effective safety and security, municipalities must collaborate with provincial and national governments, law enforcement agencies, private security companies, community organisations, and residents. Active community engagement contributes to enhanced intelligence, accountability, and trust.

During the year under review, the Department of Emergency Services appointed service providers to review the Disaster Risk Management Policy Framework, develop a Level 1 Disaster Management Plan, and establish an Early Warning System (EWS), also referred to as an Automated Weather Station (AWS).

The feasibility study and planning phase for the Disaster Management Centre (DMC) is currently in progress. The Head of the DMC, in conjunction with the Architectural Department, is preparing specifications for the appointment of a professional planning team.

The Fire Safety By-Laws was approved by Council on the 28 June 2025 and is currently in the process of being submitted to the Government Gazette for gazetting in the Provincial Gazette.

It is important to note that the BCMM Police Service has not yet been established. Therefore, BCMM will report on Traffic Services, Law Enforcement Services, and Security Services separately.

***T3.2O*.**

INTRODUCTION TO TRAFFIC SERVICES

One of the central responsibilities of Traffic Services is the enforcement of traffic laws. This involves monitoring speed limits, ensuring adherence to seatbelt regulations, verifying the validity of driver's licences, and enforcing laws prohibiting drunk driving. In South Africa, both speeding and alcohol consumption are significant contributors to road accidents. Traffic police implement the law using a range of methods, including speed cameras, breathalysers, and random checkpoints to identify and penalise offenders. Furthermore, Traffic Services are tasked with traffic law enforcement, traffic policing, the implementation of traffic by-laws, and the provision of related services. Traffic policing plays a vital role in promoting road safety, acting as the primary defence against reckless and negligent driving and reducing the incidence of fatal accidents.

The Unit operates under legislative mandates to provide Traffic Services as stipulated in Section 156 and Schedules 4 and 5 of the Constitution of South Africa. The aim of this legislative framework is to ensure safe road usage within the Municipality and to enhance road safety by delivering effective driving licence services and Traffic Enforcement by:

- Ensuring roadworthy compliance of motor vehicles.
- Increase voluntary compliance of road users.
- Quality services (Traffic law enforcement, logistics, and administration and licensing).
- Reduce traffic offence rates, accidents, and fatalities.
- Promote better relationships between Traffic Services and the community.

- Promote a multidisciplinary approach involving Law Enforcement, SAPS, Provincial Traffic and Safety, and the Department of Community Services.

Traffic Services operates across all three regions – Coastal, Midland, and Inland – with offices located in Qonce, Mdantsane, and Gonubie, and a head office situated in EL (Braelyn Traffic Department).

During the year under review, the Traffic Services Department implemented the following strategic and operational objectives of the institution:

Operational Capital Projects

Back-Up Generators c/o – A budget of R3 500 000 was allocated in the 2023/24 financial year for the Back-Up Generators project. The tender was awarded only towards the end of the 2023/24 financial year; therefore, the budget of R3 500 000 was rolled over to the 2024/25 financial year to procure backup generators for the EL Traffic Department and Qonce Traffic Department.

Traffic & Law Enforcement Equipment c/o – A budget of R1 062 759,00 was rolled over from the 2023/24 financial year to complete the informal tender RFQ 196 for the supply and delivery of road line painting machines.

Traffic & Law Enforcement Equipment – A budget of R1,00 000.00 was allocated in the 2024/25 financial year for the supply, delivery, and installation of eight storage containers, which was completed during the year under review.

Refurbishment of Traffic Services/Law Enforcement Services Buildings – A budget of R1 995 250,00 was carried over from the 2023/24 financial year. Both Traffic Services and Law Enforcement Services faced several challenges in finalising upgrade plans for the King Williams Town Heritage Stone Building and the Law Enforcement Services Building on Tudor Rose Road.

Parking Management System – During the year under review, the Traffic Services Department followed the formal procurement process for the implementation of the Parking Management System for BCMM. The tender was advertised on 30 May 2025 and closed on 4 July 2025. No responsive bids were received. The department will re-advertise the formal tender in the 2025/26 financial year.

IDP/SDBIP Strategic Objectives

The following strategic objectives are reflected in the IDP and SDBIP

Reduction in road traffic fatalities – The target for the year under review was to achieve a 5% reduction in road traffic fatalities for the financial year. The Traffic Department succeeded in reducing road traffic fatalities by 2,90%, falling short of the intended 5% target. The actual number of road fatalities recorded during the year amounted to 139, compared to the target of 240 set for the year.

There was an overall increase in the revenue collected from traffic fines, which contributed to the enhancement of revenue for the Metro. During the year under review, the Traffic Department collected R11 937 160,50 in outstanding traffic fines.

T3.20.1

Traffic Service Data					
	Details	Year -1 (2023/2024)	Year 0 (2024/2025)		Year 1 (2025/2026)
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year	161	240	139	240
2	Number of by-law infringements attended	0	0	0	0
3	Number of traffic & law enforcement officers in the field on an average day	80	94	88	101
4	Number of traffic & le officers on duty on an average day	80	94	88	101
					T 3.20.2

Traffic Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1 2023/2024		Year 0 - 2024/2025			Year 1 - 2025/2026	Year 3 - 2026/2027	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Promote sound financial and administrative capabilities	% Reduction in road traffic fatalities on BCMM roads	5%	3.35%	5%	5%	2.89%	5%	5%	5%
Promote sound financial and administrative capabilities	Total increase in the amount of revenue collected for traffic fines	R5,500,00.00	10,642,144.41	R5,500,00.00	R5,500,00.00	R11,937,160.50	R8,000,000.00	R8,000,000.00	R8,000,000.00

*Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*

T 3.20.3

Employees: Traffic Officers					
Job Level	Year -1 (2023/2024)	Year 0 (2024/2025)			
Police	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Police Officer & Deputy	3	3	3	0	0%
Other Police Officers					#DIV/0!
0 - 3	0	0	0	0	#DIV/0!
4 - 6	8	8	7	1	13%
7 - 9	63	76	63	13	17%
10 - 12	5	8	5	3	38%
13 - 15	6	6	5	1	17%
16 - 18	1	1	1	1	100%
19 - 20	0	0	0	0	#DIV/0!
Total	86	102	84	19	19%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T3.20.4

Financial Performance for 2024/2025: Traffic Service and Law Enforcement

Financial Performance Year 2024/25: Traffic Service and Law Enforcement					
					R'000
Details	2023/2024	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	101,938	52,068	52,068	87,537	41%
Expenditure:					
Other employees	314,147	336,976	319,045	319,045	-6%
Repairs and Maintenance	4,757	6,150	4,542	4,542	-35%
Other	94,132	39,000	36,227	86,032	55%
Total Operational Expenditure	413,035	382,126	359,813	409,619	7%
Net Operational Expenditure	311,097	330,058	307,746	322,082	-2%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.20.5*

CAPITAL EXPENDITURE FOR 2024/2025: TRAFFIC AND LAW ENFORCEMENT

Financial Performance Year 2024/2025: Traffic Service and Law Enforcement					R' 000
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**6,500**	**9,177**	**3,970**	**-64%**	
OFFICE FURN & EQUIPMENT (DIRECTORATE)	500	494	113	-343%	113
OFFICE FURN & EQUIPMENT (DIRECTORATE)	–	319	319	100%	319
FURNITURE & EQUIPMENT -LAW ENFORCEMENT OFFICES	–	17	17	0%	156
PUBLIC SAFETY SPECIALISED VEHICLES	3,000	3,000	–	0%	5,099
TRAFFIC AND LAW ENFORCEMENT EQUIPMENT	1,000	1,000	–	0%	–
TRAFFIC AND LAW ENFORCEMENT EQUIPMENT	–	1,063	254	100%	470
CLOSED CIRCUIT TELEVISION NETWORK - CCTV	1,000	1,000	984	-2%	2,805
CLOSED CIRCUIT TELEVISION NETWORK - CCTV	–	10	10	100%	10
BACK-UP GENERATORS		1,562	1,562	100%	3,562
FENCING OF PUBLIC SAFETY & EMERGENCY SERVICES BUILDINGS	1,000	711	711	-41%	711
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as					*T 3.20.6*

TRAFFIC SERVICES AUXILLARY SERVICES DURING THE YEAR UNDER REVIEW

During the year under review, the following auxiliary services activities were undertaken:

GENERAL ACTIVITIES	Total for the period of Jul 2024 to June 2025
Roadworthy Examinations Tested	69
Learners Licences - Tested	15,625
Learners licenses passed =	6,546
Learners licenses failed	9,079
Driving Licenses - Tested	3,570
Drivers licenses passed	2,092

Drivers licenses failed	1,478
Public Driving Permits	9,571
Section 56 Notices	30,725
Section 341 Notices	12,728
Credit Card Issues	12,291
Vehicle Licences	117,528
Vehicle Registrations	44,605
Road signs erected and replaced	479

The Traffic Services Auxiliary Technical Section road line painting teams in the Braelyn and Qonce areas received two state-of-the-art road line painting machines on 25 April 2025. The introduction of these units has significantly improved departmental efficiency, reducing downtime previously caused by frequent repairs to faulty equipment. Furthermore, the deployment of the new machines has contributed substantially to road safety, as freshly painted lines provide greater visibility for all road users.







Traffic Services Operations Undertaken

Total Number of Roadblocks in BCMM

Operations	Number
Joint Roadblocks with SAPS	423
Total roadblocks cancelled- this can be attributed to inclement weather, protests, intermediate loadshedding, events whereby traffic officers were dispatched in compliance with other operations	98
Total number of hits recorded	61,197
Total number of notices finalized	10,138
Camera images uploaded	119,653
Camera images processed	71,408
Camera mailer prosecutions	57,114
Warrants of arrests executed	4,370
Arrests DIC	272
Other arrests	43
Section 54 summons issued	53
Vehicles suspended from use sec 44	857
Total amount of safety awareness campaigns	162
Total number of learners engaged	20,859
Total speeding cases	175
Total amount of special events	374

During the year under review, various operations were conducted, including campaigns targeting drunken driving, vehicle fitness checks, speed enforcement, and joint initiatives with external stakeholders such as SAPS, Provincial Traffic Services, and Law Enforcement Services. These efforts encompassed operations during the Festive and Easter seasons. Traffic Services were also deployed to attend to motor vehicle and pedestrian accidents, manage protest marches, and provide support at events and road closures as required.



Planned operations- Responding to complaint at New Taxi rank" near Wimpy on the Cathcart street, going out to the N2 towards PE



Golden highway Mdantsane

Traffic Enforcement Operations



Easter Monday Joint operations with SAPS- 01 April 2024



Joint operation with SAPS and LE in Buffalo Road- " Amaphelas

OVERALL PERFORMANCE OF TRAFFIC SERVICES FOR THE YEAR UNDER REVIEW

Projects identified under Traffic Services for the year under review:

During the year under review, the following projects were implemented and completed:

Back-Up Generators c/o – A budget of R3 500 000 was allocated in the 2023/24 financial year for the Back-Up Generators project. The tender, however, was only awarded towards the end of the 2023/24 financial year, resulting in the budget being rolled over to 2024/25. Backup generators were subsequently procured and installed at Braelynn and Qonce Traffic Departments. In addition to these, two 3,5 kva mini generators were acquired in 2024/25 for the sign erecting team. The total expenditure amounted to R1 562 430,00. The remaining budget of R1 937 570,00 could not be rolled over into the 2025/26 financial year.

Traffic & Law Enforcement Equipment c/o – RFQ 196 for the supply and delivery of road line painting machines was finalised within the year under review, at a total cost of R1 010 666,00. The resulting variance of R52 093 was utilised by the institution as savings.

Traffic & Law Enforcement Equipment – The supply, delivery, and installation of eight storage containers, as per RFQ-61, was completed during the reporting year. All containers were delivered and installed: six at the Traffic Services Department and two at the Law Enforcement Services Department. The remaining variance as at 30 June 2025 was rolled over to the 2025/26 financial year.

Refurbishment of Traffic Services/Law Enforcement Services Buildings – A budget of R1 995 250,00 was carried over from the 2023/24 financial year. Both Traffic Services and Law Enforcement Services faced significant challenges in finalising the upgrading plans for the Qonce Heritage Stone Building and the Law Enforcement Services Building in Tudor Rose Road. An assessment report for the Qonce Heritage Stone Building indicated that approximately R7 000 000 would be required for refurbishment. The budget was not carried over into the 2025/26 financial year, as it had already been rolled over from the previous year.

One of the strategic objectives of the DPS & ES is to achieve a reduction in road traffic fatalities. The target for the year under review was to decrease road traffic fatalities by 5% for the financial year. The Traffic Department succeeded in reducing fatalities by 2,90%, which falls short of the target, but still represents notable progress. This decrease is slightly lower than the 3,35% reduction achieved in the 2023/24 financial year. The actual number of road fatalities recorded during the year under review was 139, compared to the target of 240. In the 2023/24 financial year, the total number of fatalities was 161.

The second strategic objective for the Traffic Services Department is to improve the collection of outstanding traffic fines, which supports increased revenue for the Metro. During the year under review, the Traffic Department collected R11 937 160,50 from outstanding fines. This represents a significant improvement over the 2023/24 financial year, when collections amounted to R10 642 144,41.

The deployment of the advanced mobile office for the Automatic Number Plate Recognition (ANPR) system enables the detection of violations linked to outstanding fines. The use of ANPR at roadblocks not only identifies unpaid fines, but also provides real-time detection of other offences. In addition, traffic officers are able to conduct further enforcement checks, including vehicle fitness, licence disc validity, and driver fitness.



SAFER EASTER LAUNCH 4th April 2025

- IDP ward priorities – Road line painting & sign erecting – During the reporting period, approximately 479 road signs were erected or replaced, and both new and refreshed road line paintings were completed.
- Operational activities – A total of 246 710 operational activities were undertaken during the period under review.
- Events covered – Traffic services provided coverage for 374 special operations and events throughout the year.
- Auxiliary services – A total of 342 027 auxiliary services were delivered to the public during the year under review.

LAW ENFORCEMENT SERVICES

Law Enforcement Services serve primarily to safeguard the City and its residents, ensuring a sense of safety and security that enables individuals to conduct their daily activities without apprehension.

The effective implementation and enforcement of by-laws, as well as the prevention of criminal acts within the jurisdiction of local municipalities, can significantly enhance residents' quality of life and uphold their right to safety and security. Conversely, the failure to enforce by-laws and to implement legislation and regulations guiding local municipalities undermines the realisation of the socio-economic fabric of society.

The Constitution of the Republic of South Africa (RSA, 1996, Section 152), sets out the objectives of local government, which include, among others, promoting a safe and healthy environment, as well as developing, administering, and implementing by-laws related to safety, security, and compliance with municipal policies and regulations. Section 334 of the Criminal Procedure Act, No. 51 of 1977, authorises municipalities to appoint law enforcement officers (peace officers) for the enforcement of by-laws.

Law Enforcement Services executes its mandate in accordance with this legislative framework, which shapes and directs the functions of the Section within the Department of Public Safety. The Law Enforcement Section operates from its main headquarters located at Tudor Rose Road in the Braelyn Residential suburb, in addition to sub-offices situated in the Inland and Midland regions.

The Section currently operates without an appointed Commander and is instead overseen by the Regional Commander, supported by one Senior Superintendent, two Superintendents, seven Sergeants, and 81 Constables, all of whom are trained as peace officers. The workforce is distributed across the three regions: Coastal, Inland, and Midland.

During the year under review, Law Enforcement Services was tasked with implementing the following projects and budget:

- Specialised Public Safety Vehicles – A budget allocation of R3 million was designated for the procurement of specialised vehicles. An order dated 29 May 2025 was raised for R3 088 167, enabling the acquisition of six fully equipped Isuzu bakkies for Law Enforcement Services through the Government Transversal Tender RT57.

- Traffic and Law Enforcement Equipment – R1 million was allocated for the procurement of six Riles during the reporting period. Additionally, two containers were acquired under this initiative to facilitate archive storage and the secure retention of confiscated goods.

- Closed Circuit Television Network – CCTV – A budget of R5 million was assigned for the appointment of a service provider to supply, deliver, and install CCTV cameras throughout the Metro. Contract No. CE 573, concerning the supply, installation, support, and maintenance of a digital macro CCTV surveillance system for BCM areas, including the Coastal, Midlands, and Inland regions, for a period of three years, was advertised on 19 November 2024 and closed on 17 January 2025. BEC 2 convened on 8 April 2025 to present the final evaluation report.

The BAC Committee awarded the tender on 9 June 2025, with the letter of award issued on 20 June 2025.

IDP/SDBIP Strategic Objectives

The following strategic objectives are reflected in the IDP and SDBIP:

Milestones towards the Review of the Crime Prevention Strategy – A budget allocation of R750 000 was made available during the year under review for the Review of the Crime Prevention Strategy. The department utilised the informal tendering process, and RFQ

/LES/2024-25/419 was advertised on 30 May 2025, with the contract subsequently awarded on 23 June 2025.

Security Risk Analysis of the Institution – For the Security Risk Analysis of the institution, a budget of R1 million was allocated. Contract CE 3249 was appointed on 17 April 2025, and the Service Level Agreement was signed by the City Manager on 10 June 2025. The project commenced in the latter part of the financial year under review and is set to continue into the 2025/26 financial year.

Number of areas covered by surveillance cameras – An initial budget of R1 million was allocated for this project during the year under review. Following the mid-year adjustment, an additional R4 million was carried over to the 2024/2025 financial year, increasing the total budget to R5 million. Contract No. CE 573, for the supply, installation, support, and maintenance of a digital macro CCTV surveillance system for BCM areas viz. Coastal, Midlands and Inland regions over a period of three years, was advertised on 19 November 2024 and closed on 17 January 2025. The tender was awarded by the BAC Committee on 9 June 2025, with the letter of award issued on 20 June 2025. The implementation and roll-out of the CCTV cameras will proceed into the 2025/26 financial year.

Law Enforcement Service Data					
	Details	Year -1 (2023/2024)	Year 0 (2024/2025)		Year 1 (2025/2026)
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year	N/A	N/A	N/A	N/A
2	Number of by-law infringements attended	52165	93500	35849	70500
3	Number of traffic & law enforcement officers in the field on an average day	87	94	88	90
4	Number of traffic & le officers on duty on an average day	87	94	88	90
					T 3.20.2

Law Enforcement Services Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2023/2024**		**2024/2025**			**2025/2026**	**2026/2027**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators		***Previous Year**		***Previous Year**	***Current Year**		***Current Year**	***Current Year**	***Following Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective xxx									
To create a safe environment for urban and rural citizens within BCMM	Continuous Roll-out of CCTV surveillance Cameras throughout BCMM	2	0	2	2	0	3	1	1
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									***T 3.20.3***

Employees: Law Enforcement Services & Security Services					
Job Level	Year -1 (2023/2024)	Year 0 (2024/2025)			
Police	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Police Officer & Deputy				0	#DIV/0!
Other Police Officers					#DIV/0!
0 - 3	0	0	0	0	#DIV/0!
4 - 6	349	338	323	15	4%
7 - 9	69	87	81	6	7%
10 - 12	8	11	9	2	18%
13 - 15	1	1	1	0	0%
16 - 18	1	2	2	0	0%
19 - 20	0	0	0	0	#DIV/0!
Total	428	439	416	23	5%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T 3.20.4

Financial Performance 2024/2025: Police (Traffic, Law Enforcement & Security Services)					
					R'000
Details	2023/2024	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	41,457	52,068	52,068	55,678	6%
Expenditure:					
Police Officers					
Other employees	297,182	336,976	327,613	317,549	-6%
Repairs and Maintenance	3,092	6,150	5,828	3,587	-71%
Other	20,441	39,000	50,908	31,375	-24%
Total Operational Expenditure	320,715	382,126	384,348	352,511	-8%
Net Operational Expenditure	279,258	330,058	332,281	296,834	-11%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.20.5*

The following operations were undertaken by the Law Enforcement Services during the year under review.

By-Law Enforcement

- **Drinking in public**: Warnings were issued to 350 individuals for drinking in public, while two were arrested for public drunkenness and disorderly conduct. A total of 2 778 open units of alcohol were confiscated and emptied within the Metro.
- **Goods confiscated from car washers**: Two hundred and sixty-seven (267) items (buckets) were confiscated from car washers in the Metro.
- **Illegal electricity connections**: Approximately 28 485 illegal electricity connections (wires) were removed in the Coastal and Midland areas by the Electricity Department.

Invasion of municipal land: Ninety-nine (99) informal structures were demolished and removed from municipal land. Certain individuals dismantled their own informal structures and removed their materials after receiving a warning.

Illegal car washers removed: Three hundred and sixty-eight (368) car washers were removed. Consequently, 109 drivers received a Section 341 notice fine for permitting an individual to wash their vehicle on a public road.

- **Execution of warrants**: Fourteen (14) warrants were executed, resulting in all 14 spaza shop owners being taken to court, the police station, or the traffic department to settle their fines, each incurring an additional cost of R150 per fine. In total, an amount of R39 100 was collected by the Municipality in respect of the fines issued.
- **Section 56 Traffic Notices issued**: Two hundred and sixty-five (265) Section 56 notices were issued for various traffic offences within the Metro.
- **Section 56 Notices issued for contravening the Municipal By-laws**: Two Hundred and three (203) fines were issued to offenders for contravening the Municipal by-laws.
- **Section 341 Notices were issued**: Fifty-four (54) fines were issued to offenders for contravening the municipal by-laws.
- **Multistakeholder joint operations were carried out in the Metro under review**: A total of 187 joint operations took place, including weekly SAPS operations such as roadblocks. Municipal Health Services conducted inspections of spaza shops, restaurants, take-away outlets, and salons. Events held in the city were also included in these activities. Law Enforcement Services participated in 44 events in the Metro, collaborating with a range of internal and external role-players.
- **Liquor establishment inspections and operations**: There were 203 liquor establishments that were inspected in the year under review.

- **Planned protest marches, picketing and demonstrations:** There were 30 during the year under review.
- **Unplanned protest actions:** There were 46 during the year under review, during which disgruntled community members burnt tyres and blocked the roads to demand the attention and attendance of BCMM officials and political leadership's presence to address their problems and issues addressed.
- **Arrests:** Forty-two (42) illegal immigrants were arrested during joint operations (raids and spaza shops inspections).
- **Arrests for Schedule 1 and 5 offences were in effect, namely:** Failure to comply with a Peace Officer (1), Fraud (2), Gambling (2), House Breaking (2), Intimidation (1), Possession of Stolen Property (1), Possession of an unlicensed firearm (1), Theft of municipal infrastructure (4), and Drunk Driving (11). The total number of arrests for the year under review 2024/25 was 32.

STATISTICAL DATA FOR THE 2024/25 FINANCIAL YEAR

Law Enforcement Services' performance for the year under review is summarised as follows:

LAW ENFORCEMENT SERVICES DATA 2024/2025		
No	**DETAILS**	**2024/2025**
1.	Arrest: Drunk Driving (D.I.C.)	11
2.	Arrest: Drunk and Disorderly	2
3.	Arrest: Electricity Tampering	3
4.	Arrest: Failure to Comply	2
5.	Arrest: Fraud	2
6.	Arrest: Gambling	2
7.	Arrest: Housebreaking	2
8.	Arrest: Illegal Immigrants (During Joint Operations)	42
9.	Arrest: Intimidation	1
10.	Arrest: Possession of Stolen Property	1
11.	Arrest: Possession of an Unlicensed Firearm	1
12.	Arrest: Theft of Municipal Infrastructure	4
10.	Open Dockets without Detention	1
11.	Recovery of Stolen Property	25
12.	Firearm Recovered	1
13.	Dagga confiscated	6
14.	Warned people for Drinking in Public	350
15.	Beggars Removed	4

16.	Car Washers Prosecuted (Section 341 Notices)	109
17.	Fires Extinguished	119
18.	Section 341 Notices (No Business licencing/Illegal Dumping	54
19.	Goods Confiscated from Hawkers	633
20.	Hawkers' Licenses Inspected	36
21.	Section 56 Notices (By-laws and No Business Licence)	203
22.	Section 56 Notices (Illegal Dumping Fines)	19
23.	Noise Disturbance Complaints	100
24.	Dangerous Weapons Confiscated	135
25.	CD's & DVD's Recovered	27
26.	Events	44
27.	Fireworks Confiscated	191
28.	Hawkers Removed	242
29.	Goods Confiscated from Car Washers	267
30.	Goods Found Abandoned	5
31.	Illegal Electricity Cut offs	28 485
32.	Open Units of Alcohol Emptied	2 778
33.	Picketing	5
34.	Protest Marches	25
35.	Mass/Action Unrest	46
36.	Section 341 Notices (Traffic Offences)	265
37.	Section 44 Notices (Discontinuation)	1
38.	Section 56 Notices (Traffic Offences)	226
39.	Squatter Actions (Informal Structures Removed)	99
40.	Car Washers Removed	386
41.	Taverns/ Shebeen Actions (Licences Inspected)	230
42.	Spaza Shops – Execution Of Warrants	14
43.	Homeless People/Vagrants Removed	725
44.	Joints Operations Conducted 2024/25	187
45.	Fines Paid by Offenders	R39 100
46.	Execution of Warrants	14

A multistakeholder operation was conducted with both internal and external stakeholders on 24 July 2024 at Bowls Road, Arcadia, EL. The primary objective was to remove an unlawful trader who had encroached upon municipal property and to restore the land to its original state. Prior to the operation, the trader received several warnings to remove his goods and was issued with Section 56 Notices. Despite being served with a notice to vacate the municipal property, the owner failed to comply.

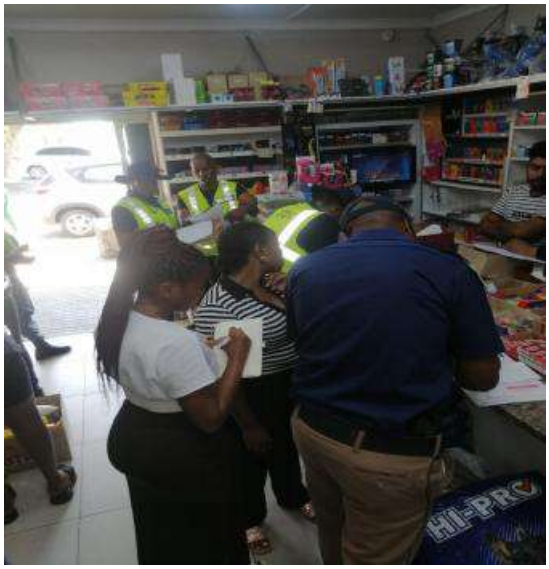
On the day of the operation, Law Enforcement confiscated 18 truckloads of indoor and outdoor furniture from the corner of Bowls Road, subsequently storing the items in a secured facility. In total, 554 goods were seized from Bowls Road in Arcadia.

The Department of Home Affairs and Immigration arrested two of the offender's employees for working without documentation. The owner was fined six thousand rand (R6 000). Additionally, the offender was arrested for contravening his VISA Permit. The operation proved effective, and the area has since remained clean and free of hawkers.



During the year under review, a multistakeholder operation consisting of BCMM Municipal Health Services, Fire and Rescue Services, Disaster Management, Spatial Planning and Development, Traffic Services, Communications and external role-players, namely the SAPS, Department of Home Affairs and Immigration, DEDEAT, CoGTA, and other role-players, was conducted to inspect business licences targeting spaza shops, food premises/traders, beauty salons, and cell phone shops. A total of 125 Section 56 Notices 44 Section 341 Notices were issued for operating without business licences.





21 November 2024 10 October 2024

A multistakeholder joint operation was undertaken to inspect scrapyards and second-hand goods businesses within BCMM during the reporting year.

The role-players present included Provincial SAPS, Local SAPS, Law Enforcement Services, Private Security – CPI (Telkom), PRASA, Nqobile Security (Transnet), BCMM & SAPS Communications, and the South African Broadcasting Corporation (SABC).

The operation aimed to conduct compliance inspections and to investigate incidents of copper cable theft, as well as the theft of water meters and taps.



Law Enforcement Services participated in a Second-Hand Goods and Non-Ferrous Disruptive Goods Joint Operation, coordinated by the Provincial SAPS, on 25 February 2025 in Qonce, 26 February 2025 in Mdantsane, and 27 February 2025 in EL.

On 25 February 2025, six Law Enforcement officers were assigned to the operation in Qonce:

- Four (4) x scrap metal dealers were visited.
- Seven (7) x second hand dealers were visited.
- Three (3) x J534 fines issued to the value of R6 500 issued by SAPS.
- One (1) fine was issued for failing to keep record of second-hand goods for 7 days.
- Two (2) fines were issued for no entries in the register.
- One warning was issued for failing to tag second-hand goods, and 6 kg of Transnet overhead cables were handed over to the Qonce Police Station (SAP 13 number: 136/2025).

On 26 February 2025, two (2) Law Enforcement officers were allocated to this operation in Mdantsane:

- Five (5) scrap metal dealers were visited.
- Seven (7) cell phone shops were visited at Mdantsane Hi-way, Kuyasa Mall in NU6.
- One (1) tyre dealer was closed.
- Cell phone shops: Two (2) J534s failed to register a business in terms of Section 2(1) as second-hand dealers. C6334576 and C6334577 were issued fines of R5 000 by SAPS.
- One (1) J534 failed to keep a register in the prescribed form, in terms of Section 21(1). C6334578 was issued a fine of R2 000 by SAPS.
- Tyre shops: Two (2) J534s failed to register in terms of Section 21(1). C6334579 and C6334580 were issued fines of R5 000 by SAPS.

RECOVERIES

- Two (2) x fish plates 35 kg
- Elbow hangers 17,5 kg
- Transnet property
- Cast iron manhole covers 52 kg (BCMM)
- Streetlight steel pipes 6 kg (BCMM)
- BCMM property handed into SAPS NU 1 (SAP13 number: 122/2025)

On 27 February 2025, five (5) x Law Enforcement officers were assigned to this operation in EL. The following scrap metal dealers were inspected:

- Non-Ferrous King Scrap Metals – 4 Bert Kipling Street, Wilsonia

The business is registered with SAPS and all documentation is in order.

A male individual was apprehended on the premises in possession of 2,5 kg of copper wire identified as property of Transnet. He was issued a J534: D: 4301944 by SAPS for failing to register as a scrap metal dealer as required by SAPS.

- Nass Scrapyard – Acacia Street, Braelyn Industrial.

The business is registered with SAPS and all documentation is in order.

- Clyde's Scrap Metals – 5 Acacia Street, Braelyn Industrial.

1 x J534 issued by SAPS – D:4301945 for failure to renew registration as a Scrap Metal Dealer in contravention of Section 11(1) Act 6 of 2009.

1 x J534 issued by SAPS – D:4301947 for failing to retain goods for seven days following acquisition.

The following items were discovered abandoned outside Acacia Street, Braelyn Industrial, after suspects fled upon noticing the approach of Law Enforcement Agencies:

- 1 x steel metal municipal lamp pole extension
- 2 x metal robot covers
- 10 x rolls of square aluminium cube
- 3 x municipal drainage pipe
- 12 x broken pieces of manhole covers

All the above items were booked in SAP 13: 293/2025 at the EL Police Station.

<u>The second team inspected three scrap metal dealers and one mobile dealer.</u>

- One was issued with a fine of R2 500

- Another was issued with a warning notice (SAPS 610 warning register)
- A total of 10 kg of melted aluminium was submitted to Scenery Park Police Station (SAP 13 NO: 1351/2025).

Enforcement of Municipal by-laws in 2024/25

Two hundred and thirty (230) liquor establishments were inspected for compliance-related issues.

A meeting was convened at the Duncan Village Police to address concerns regarding a problematic liquor establishment. The SAPS Station Commander, the owner of Stella's Tavern, representatives from BCMM Town Planning, Law Enforcement, and the Eastern Cape Liquor Board discussed matters including noise nuisance, non-compliance with liquor trading hours, and illegal land use. All relevant departments took action, resulting in the owner being served with an illegal land use notice and instructed to cease all trading with immediate effect until full compliance with BCMM requirements is achieved. Law Enforcement Services issued a Section 56 Notice and imposed a fine of R1 000 for trading beyond permitted liquor trading hours. Subsequently, it was confirmed that the owner paid the fine to the Municipality.

One hundred and eighty-seven (187) joint multistakeholder operations were carried out during the year under review.

On 10 February 2025 at approximately 17h05, Law Enforcement officers received a complaint regarding the theft of fencing at the corner of Greenpoint and Mandarin Road in Buffalo Flats. Upon arrival, officers found SAPS present at the scene along with a bakkie and the recovered fencing. Two of the three suspects were apprehended, while one managed to evade arrest. In total, 15 fencing sheets were retrieved. Additionally, a blue bakkie, used in the commission of the offence, was seized. The BCMM Waterworks Department was called to verify the fencing on site, and the BCMM Solid Waste Department assisted with loading the fencing onto their truck. Further investigation revealed that one suspect had delivered a load to a house in Bhongweni. Upon arrival in Bhongweni, SAPS and Law Enforcement officers discovered 12 blue and black fencing sheets, metal, wooden poles, and various other items. The owner of the Bhongweni residence was arrested. A case was registered for Theft and Possession of Suspected Stolen Property under Buffalo Flats Case No: 44/2/2025. A total of 27 full sheets of blue clear fencing were recovered and handed over to BCMM on an SAP 299 document from SAPS. Each fencing sheet is valued at approximately R4 000, with the total value amounting to R108 000.

Law Enforcement Services conducted a joint operation at Nahoon Point Nature Reserve on Friday, 14 February 2025. The operation involved Law Enforcement Services, Solid Waste Management, Councillor Jason Mc Dowell (the Ward Councillor), officials from the Nahoon Nature Reserve, BCMM Communications, Eco-Scorpions, and two private security companies. The multistakeholder initiative focused on cleaning the area, removing vagrants and informal structures from the bushes, engaging with the public, and addressing other security-related concerns. Law Enforcement Services had

received several complaints about crimes in this locality and had reliable information regarding bush dwellers who had erected informal structures. Four homeless individuals were found and subsequently warned and removed; they left the area to return to their families in various locations. Foot patrols continued to conduct inspections along the beach and footpaths to maintain a safe and secure environment.

Community Safety Forums (CSF)

The National Community Safety Centre's 'Manual for Community Based Community Safety', titled 'Making South Africa Safe', asserts that reducing crime and fostering safer communities is a collective responsibility. Achieving this objective necessitates initiating community safety at the local level.

Following the launch of CSFs on 27 June 2023 in BCMM, the Metro has successfully implemented the following measures to establish CSFs across various wards:

- A meeting with the Ward Councillor of Ward 15 was convened to prepare and plan for the election of members to the CSF in Ward 15.
- BCMM officials participated in a workshop organised by the EC Department of Community Safety.
- On 3 March 2025, a meeting was held in Ward 27 with the Ward Councillor and the Community Policing Forum Executive Committee to establish a ward-based Sector Forum.
- On 11 March, a meeting took place with the Department of Social Crime Prevention to address substance abuse and bullying. The programme was conducted at Zweliyandila High School in East London and was attended predominantly by Department of Justice stakeholders and BCMM.
- A meeting took place on 14 May 2025 in Ward 19, Buffalo Flats, to elect a CSF structure. The CSF meeting was conducted successfully, with members nominated and appointed through a process that was both fair and transparent.
- As part of Youth Month activities, a meeting was convened on 14 June 2025 at Gompo Hall in Duncan Village to commemorate the 1976 Soweto uprising. The discussion addressed several pressing issues facing contemporary youth, including underage alcohol consumption, drug and substance abuse, and gender-based violence against children and women. It was agreed that patrollers from Wards 27, 28, 29, and 50 (Gonubie), as well as Wards 7, 8, and 19 (Duncan Village), would participate in workshops and training sessions. These took place on 11 June 2025 in Gonubie and on 13 June 2025 in Duncan Village.

Closed Circuit Television – CCTV

A city's CCTV network constitutes a vital asset in both the prevention and detection of crime. CCTV not only serves as a deterrent to criminal activity but also generates valuable data for the investigation of crime-related incidents and accidents.

In the year under review, the Department of Public Safety received an allocation of R1 million, with an additional R4 million appropriated during the mid-year budget adjustment. This brought the total project budget to R5 million for the 2024/25 financial year.

The procurement process for appointing a service provider required considerable time to navigate all the Bid Committees. Contract No. CE 573 – Supply, Installation, Support & Maintenance of a Digital Macro CCTV Surveillance System for BCM Areas viz. Coastal, Midlands and Inland Regions for a period of three years – was ultimately advertised on 19 November 2024 and closed on 17 January 2025. BEC 2 convened on 8 April 2025 to present the final report for evaluation. The tender was awarded by the BAC Committee on 9 June 2025, and the letter of award was issued on 20 June 2025. Implementation and roll-out of the CCTV cameras will proceed in the 2025/26 financial year.

OVERALL PERFORMANCE OF LAW ENFORCEMENT SERVICES DURING THE YEAR UNDER REVIEW

Projects identified under Law Enforcement Services for the year under review:

During the year under review the following projects were implemented and completed:

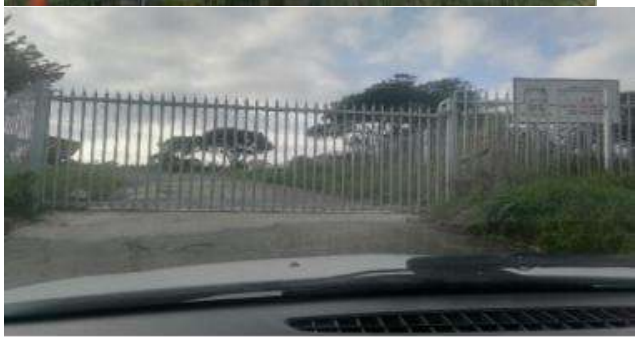
- Specialised Public Safety Vehicles – A budget of R3 million was allocated for the procurement of specialised vehicles. An order dated 29 May 2025 was raised for R3 088 167 to procure six fully fitted Isuzu bakkies for Law Enforcement Services, utilising Government Transversal Tender RT57. As the order was generated towards the end of the financial year, no expenditure was incurred during the period under review. Consequently, the budget was requested to be rolled over into the 2025/26 financial year to allow the project to proceed and payment to be made to the appointed service provider.
- Traffic and Law Enforcement Equipment – A budget of R1 million was allocated for the procurement of six Riles, with the tender advertised on 11 October 2024 and closing on 18 October 2024. The Request for Quotation (RFQ) was evaluated on 24 October 2024, and the evaluation report, along with the requisition, was submitted to SCM on 4 November 2024. In addition, two containers were acquired under this project to securely store confiscated goods and provide accommodation for security guards on

duty. Of the R1 million budget, a total of R823 070 was expended by the end of the financial year.

- Closed Circuit Television Network (CCTV): A budget allocation of five million rand (R5 million) was provided for the appointment of a service provider to supply, deliver, and install CCTV cameras throughout the Metro. Contract No. CE 573 – Supply, Installation, Support & Maintenance of a Digital Macro CCTV Surveillance System for BCM Areas Viz. Coastal, Midlands and Inland Regions for a period of three years – was advertised on 19 November 2024 and closed on 17 January 2025. BEC 2 convened on 8 April 2025 to present the final evaluation report. The tender was awarded by the BAC Committee on 9 June 2025, with the letter of award issued on 20 June 2025. As the tender was awarded towards the end of the financial year, no expenditure occurred during the year under review. Consequently, the budget was requested to be rolled over into the 2025/26 financial year to facilitate the continuation of the project and enable payment to the appointed service provider.

- Refurbishment of Traffic Services/Law Enforcement Services Buildings – A budget of R1 995 250,00 was carried over from the 2023/24 financial year. Both Traffic Services and Law Enforcement Services faced numerous challenges in finalising upgrading plans for the King Williams Town Heritage Stone Building and the Law Enforcement Services Building on Tudor Rose Road. An assessment report on the Qonce Heritage Stone Building estimated that approximately R7 000 000 would be necessary for refurbishment. The budget was not carried forward into the 2025/26 financial year, as it had already been rolled over from the previous year.
- Fencing of Public Safety and Emergency Services Buildings – A budget of R1 million was allocated for the project during the year under review. The Law Enforcement Services Section successfully appointed a service provider through an informal tender procurement process. RFQ/LES/2024-25/114 was awarded (Order No. 000214031) on 30 October 2024. Work commenced on 9 December 2024, with the installation of 240 metres of galvanised palisade fencing around the perimeter of the Law Enforcement Service Office in Braelyn. The project was completed on 17 January 2025.





LAW ENFORCEMENT SERVICES IN TERMS OF THE IDP OBJECTIVES (2024/25 FY)

- **Rollout of CCTV Cameras**:

The ongoing deployment of CCTV cameras and surveillance equipment across BCMM plays a vital role in monitoring and deterring criminal behaviour, thereby contributing significantly to establishing the Metro as an area free from violence, crime, and anti-social conduct.

- **Review of Crime Prevention Strategy for Reduction of Crime**:

Implementation and advancement of milestones related to the Review of the Crime Prevention Strategy document are essential to ensure that BCMM aligns with both the Provincial Safety Strategy and the National Crime Prevention Strategy.

- **Security Risk Analysis of the Institution**:

Development of the BCMM Security Risk Analysis for the approval of a final implementation plan and identification of external role players.

INTRODUCTION TO SECURITY & PROTECTION SERVICES

SECURITY & PROTECTION SERVICES (SPS)

INTRODUCTION TO SECURITY & PROTECTION SERVICES

The SPS Unit is a newly established section within the Directorate of Public Safety & Emergency Services: Public Safety Department. The Unit was created following Council approval, as recorded in Minute Number BCMC 350/24 dated 22 August 2024. The Chief: Security and Protection Services Manager was appointed in accordance with the approved BCMM recruitment process and assumed duties on 1 April 2025.

BCMM is currently seeking approval for the recruitment of Deputy Chiefs for Security Services (Coastal and Inland), as well as for the VIP Protection Unit.

Previously, the department operated under Law Enforcement Services, supported by 15 acting security supervisors and approximately 320 security officers. These security officers, employed by BCMM, are deployed across the Metro at 92 sites.

Additionally, BCMM has engaged private security companies to provide 24-hour armed security at critical and essential infrastructure facilities throughout the Metro. The aim of this initiative is to strengthen security at these key facilities and mitigate incidents of theft and vandalism.

SPS currently provide the following:

- Ensure safety and security at all BCMM assets and facilities
- Protect all assets and information at BCMM assets and facilities
- Provide access control at special events
- Monitor and manage appointed security service providers
- Provide VIP protection to political principals and senior management, where applicable.

It should be noted that Security Services is a newly established department; consequently, there are no separate tables available, as all statistics pertaining to staff, budget, and IDP indicators are integrated with those of Law Enforcement for the 2024/25 financial year.

OVERALL PERFORMANCE OF SPS

During the year under review, Council approved the establishment of the SPS Unit on 22 August 2024. Eight months later, the Metro appointed the Chief of Security Services & Protection Unit, who assumed duties on 1 April 2025.

Prior to April 2025, the procurement of private security companies tasked with safeguarding the Metro's critical and essential infrastructure was managed by the respective Directorates responsible for these assets.

Following the appointment on 1 April 2025, the Chief of SPS instructed all Directorates to discontinue independent procurement of security services. Subsequently, all procurement for private security was consolidated and centralised under the newly established unit.

The Chief of SPS engaged with all Directorates to ascertain and evaluate the specific needs and requirements for safeguarding the various infrastructure facilities throughout the Metro. Following these consultations, the Directorates identified several key requirements to inform the development of specifications for the procurement of security services.

- Terms of Reference for Guarding Services
- LED perimeter and security lighting
- High security razor wire

The Metro has issued a three-year annual tender for the procurement of armed private security companies to safeguard its critical and essential infrastructure from theft and vandalism. The contract is scheduled for award in the 2025/26 financial year.

In future, all construction and relevant projects will comply with Minimum Physical Security Standards (MPSS).

T 3.20.7

3.21 FIRE

INTRODUCTION TO FIRE AND RESCUE SERVICES

BCMM encompasses both urban and rural areas, with an estimated population of approximately 975 255. As a developing metro, BCMM continues to expand its jurisdiction by incorporating additional villages. BCMM Fire and Rescue Services is responsible for providing comprehensive coverage across this extensive area, ensuring adequate resources are

available, particularly along major routes such as the N2, N6, and R72, as well as other significant roads. The service is required to respond effectively to any emergency and is in the process of establishing fire stations in strategically identified locations, including coastal areas within the Metro's jurisdiction where current coverage is insufficient.

BCMM Fire and Rescue Services currently operates from seven fire stations distributed across the Metro, covering all three regions. The Coastal region includes the headquarters on Fleet Street and three sub-stations, while the Midland region has one station, and the Inland region is served by two stations. Construction of an eighth fire station in Berlin is underway and is expected to be completed during the 2025/26 financial year.

During the reporting period, the Fire and Rescue Services Section implemented several strategic and operational projects:

Operational Capital Projects

- **Emergency Services and Response Call Out System** – A budget of R2 500 000 was allocated in the 2024/25 financial year for the procurement of an emergency services and response call-out system. Contract CE577, which pertains to the supply, delivery, installation, and configuration of an emergency services call-out and response system, was considered at the Bid Evaluation Committee (BEC) meeting held on 19/5/2025. However, it was referred back to the department, as the bid received did not satisfy the required functionality criteria.

- Procurement of Fire Engines – A rollover budget of R4 935 823 million was allocated for the acquisition of a specialised Hazmat Vehicle, fully equipped in accordance with Government Transversal Tender RT57.

- Refurbishment of Fire Stations – A budget of R1 700 600 was allocated for the refurbishment of two fire stations that had fallen into significant disrepair as a result of inadequate maintenance. Vincent Fire Station and Mdantsane Fire Station were selected to undergo extensive renovation.

- New Fire Station Berlin Ward 45 – Construction of the Berlin Fire Station began following a site handover meeting between BCMM and the appointed service provider on 26 September 2024. The site was formally handed over to the contractor on 1 November 2024, after which construction commenced. Over the past ten months, the project has advanced steadily.

IDP/SDBIP Strategic Indicators

- Percentage compliance with the required attendance time for structural firefighting incidents (formal & informal) – The Fire & Rescue Services demonstrated exceptional performance in meeting the required attendance times for structural firefighting incidents (both formal and informal). For the year under review, the service achieved a compliance rate of 76,24%, surpassing the national standard norm by 1,24%. In comparison, the compliance rate for the 2023/24 financial year stood at 45,11%, reflecting a significant improvement in attendance times for firefighting incidents.
- Number of fire stations refurbished – The target for the 2024/25 financial year was the refurbishment of the Mdantsane Fire Station. This objective was achieved, with the Mdantsane Fire Station successfully refurbished.

FIRE SAFETY BY-LAWS

The Fire Safety By-Law was developed and approved by Council on 28 June 2025. The department is currently dealing with the processes required to ensure that the Fire Safety By-Law is advertised in the Provincial Gazette.

FIRE ADVISORY FORUM

The Fire Advisory Forum, established on 22 May 2025, serves to coordinate efforts among diverse stakeholders in fire risk management. Its purpose is to foster collaboration on the development of strategies for prevention, control, and suppression, as well as to facilitate the exchange of best practices. The forum unites entities such as Fire Protection Associations, government departments, and disaster management structures to address fire-related challenges collectively.

T3.21.1.

Metropolitan Fire Service Data					
	Details	**2023/2024**	**2024/2025**		**2025/2026**
		Actual No.	**Estimate No.**	**Actual No.**	**Estimate No.**
1	Total fires attended in the year	2692	2222	2401	2300
2	Total of other incidents attended in the year	120	109	127	110
3	Average turnout time - urban areas	14	14	14	14
4	Average turnout time - rural areas	23	23	23	23
5	Fire fighters in post at year end	131	131	127	135
6	Total fire appliances at year end	38	35	18	14
7	Average number of appliances off the road during the year	8	3	10	5
					T 3.21.2

Fire Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1 2023/2024		Year 0 - 2024/2025			Year 1 - 2025/2026	Year 3 - 2026/2027	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Safety	Percentage compliance with the required attendance time for structural firefighting incidents	75%	45.11%	45.11%	76.24%	76.24%	75%	75%	75%
	Number of Fire Stations Refurbished	1	1	1	0	0	1	1	1

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.

T 3.21.3

Employees: Fire Services					
Job Level	2023/2024	2024/2025			
Fire Fighters	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Fire Officer & Deputy					
Other Fire Officers					
0 - 3	5	5	5	0	0%
4 - 6	10	15	9	6	40%
7 - 9	103	104	103	1	1%
10 - 12	30	35	30	5	14%
13 - 15	4	2	1	1	50%
16 - 18	1	4	3	1	25%
19 - 20	1	1	1	0	0%
Total	154	166	152	14	8%

T 3.21.4

Financial Performance for 2024/2025: Fire Services

Financial Performance Year 2024/2025: Fire Services					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	148,877	147,047	147,047	154,896	5%
Expenditure:					
Fire fighters					
Other employees	105,622	114,308	113,387	113,258	-1%
Repairs and Maintenance	1,356	2,132	1,784	1,834	-16%
Other	50,075	38,771	4,053	97,502	60%
Total Operational Expenditure	157,053	155,212	119,223	212,594	27%
Net Operational Expenditure	8,176	8,165	(27,823)	57,699	86%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.21.5*

Capital Expenditure for 2024/2025: Fire Services

Capital Expenditure 2024/2025: Fire Services R' 000					
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**5,000**	**11,337**	**8,568**	**42%**	
REFURBISHMENT OF FIRE ENGINES	1,000	–	–	0%	1,000
NEW FIRE STATION - BERLIN WARD 45	3,000	3,000	1,932	-55%	1,932
NEW FIRE STATION - BERLIN WARD 45	–	6,637	6,637	100%	10,637
REFURBISHMENT OF FIRE STATIONS	1,000	1,000	–	0%	3,313
REFURBISHMENT OF FIRE STATIONS	–	701	–	0%	–
Total project value represents the estimated cost of the project on approval by council (including past and future					*T 3.21.6*

SERVICE DELIVERY ON MAJOR INCIDENTS

WATER RESCUE SERVICES

BCMM Fire and Rescue Services responded to a report of a possible drowning on 17 August 2024. Upon arrival, they discovered a young male who had fallen into a sewerage drain. BCMM Fire and Rescue Services were assisted by SAPS, Emergency Medical Rescue, and private ambulance services. The victim was located, and crews executed a forced entry to access and rescue the young male, who was subsequently transported by private ambulance to hospital for further medical assessment.

On 22 March 2025, the BCMM Water Rescue Unit was dispatched to a drowning incident in Dimbaza, joining SAPS already present at the scene. The collaborative operation enabled the retrieval of the body, which was then handed over to SAPS.

On 6 November 2024, Fire Brigade Services were alerted to a water rescue at Abbotsford, Two Rivers Drive, where a vehicle had been washed off the causeway after a woman attempted to cross the river. The crew employed a guideline for safety to reach the vehicle and successfully rescued the woman.



Abbotsford Two Rivers Drive water rescue from car

MOTOR VEHICLE ACCIDENT ON R72 ON 10 MARCH 2025

BCMM Fire and Rescue Services received a call on 10 March 2025 reporting a motor vehicle accident on the R72. A crew was dispatched and on arrival, found three (3) vehicles involved. The Fire Brigade assisted with extricating the vehicles to free the two (2) DOAs (dead on arrival) and assisted with the clean-up of the area to make it safe before handing the scene over to the SAPS.



BUILDING FIRE

A fire call was received on 8 August 2024 at 06h40 reporting that the old Boxer Store in the EL CBD was engulfed in flames. Upon arrival, the Fire Brigade gained entry by cutting the roll-up doors and deployed three lines from Fire Engine 2, as well as Water Tankers 1 and 2, to extinguish the blaze. A forklift was utilised to access the upper level.





Building fire

SERVICE DELIVERY ON RESPONSE TIME TO ATTEND STRUCTURAL FIRES

Percentage achieved for the 2024/25 year of reporting = 76%

Achieved structural fire response, i.e., responded to within 14 minutes: 484

Non achieved structural fire response, i.e., not responded to within 14 minutes: 162

Fatalities: 50 (Fires and motor vehicle accidents)

MONTH	FATALITIES
July 2024	8
August 2024	8
September 2024	1
October 2024	5
November 2024	4
December 2024	9
January 2025	0
February 2025	2
March 2025	4
April 2025	3
May 2025	2
June 2025	4

Suspected common causes of fatalities: Smoke inhalation

SUPPRESSION OF FIRES:

Residential fires	245
Vegetation or grass fires	1 141
Commercial fires	19
Transport fires	78
Refuse/Illegal fires	310
Informal dwelling fires	597
Water rescues	5
Fire hydrants	358

TRAINING CONDUCTED BY BCMM FIRE AND RESCUE TRAINING CENTRE

FIRE INSTRUCTOR 1 COURSE

Eight (8) firefighters were trained in December 2024

Nine (9) firefighters were trained in January 2025

Eleven (11) firefighters were trained in February 2025

FIREFIGHTER II AND HAZMAT OPERATIONS COURSES

Five (5) firefighters received training between March and April 2025.

An additional five external candidates from Airports Company South Africa (ACSA) underwent training during the same period.

INSPECTION OF TAVERNS

The Fire Safety section carried out inspections at taverns to assess compliance with fire safety regulations. Owners received guidance on fulfilling legislative requirements. Taverns found to be non-compliant were issued with reports detailing the necessary corrective actions to achieve compliance.



Inspection of taverns

INSPECTION OF SPAZA SHOPS

The spaza shops were inspected, and those found not to comply with the relevant legislation were immediately closed and instructed to begin the process of achieving compliance. Owners received support in completing all necessary forms for submission.



Inspection of spaza shops

AWARENESS CAMPAIGNS

Awareness campaigns were implemented across several wards, specifically focusing on areas with informal settlements. Communities received education on the safe use of candles, as well as guidance on selecting and operating the safest paraffin stoves and heaters. Residents were advised to always extinguish all forms of light, including candles, heaters, and flame stoves, prior

to going to bed, and to place these items outside the premises. Where appropriate, communities were also encouraged to damp down coals to further reduce fire risks.

Structures in informal settlements must be constructed at least 3 metres apart to minimise the risk of fire spreading between neighbouring dwellings. Community members received instruction on the proper handling, storage, and use of gas.



Awareness campaigns

PERFORMANCE OF FIRE & RESCUE SERVICES OVERALL:

REFURBISHMENT OF FIRE STATIONS

REFURBISHMENT OF MDANTSANE FIRE STATION

A service provider was appointed to carry out the refurbishment of the Mdantsane Fire Station in accordance with the specifications provided during the informal procurement process. The project began on 5 February 2025 and was completed at a cost of R379 000.000, inclusive of VAT. The remaining budget of R670 435 was requested to be rolled over to the 2025/26 financial year for the refurbishment of the Fleet Street Fire Station.





Refurbishment of Mdantsane Fire Station

REFURBISHMENT OF VINCENT FIRE STATION

A rollover budget of R700 600 was allocated for the refurbishment of the Vincent Fire Station. Refurbishment commenced on 18 March 2025, following the appointment of the service provider through informal tender processes, in line with the specified requirements. The informal tender was awarded at R349 229,00, inclusive of VAT. During the refurbishment, the department was advised that the activities constituted repairs and maintenance, necessitating the reallocation of costs to the operational repairs and maintenance budget. No budget had been expended by the close of the 2024/25 financial year, leading to a request for the budget to be rolled over into the 2025/26 financial year. As of 30 June 2025, the refurbishment work remained in progress.



Refurbishment of Vincent Fire Station

CONSTRUCTION OF NEW FIRE STATION BERLIN – WARD 45

Fire and Rescue Services is continuing with the construction of Berlin Fire Station in Berlin Ward 45. A service provider was appointed on 6 May 2024 to undertake the construction phase of this project, at a value of R14 761 119,34 inclusive of VAT.

On 1 November 2024, the site was handed over to the contractor and physical construction of the project commenced. The project is progressing very well and is now 50% complete.





Construction of Berlin Fire Station

FIRE ENGINES PROCURED

A rollover budget of R4 935 823 million was allocated for the procurement of a specialised Hazmat Vehicle, fully equipped in accordance with Government Transversal Tender RT57. Order No 0002145256 was placed on 28 May 2025 for R4 166 450 to acquire one fully equipped Hazmat Vehicle under the same tender. Fleet Management submitted requisition P478774 to SCM on 17 April 2025. The budget was not utilised in the 2024/25 financial year due to the timelines involved in issuing the order, and because the specialised vehicle still needs to be manufactured according to the submitted specifications. Delivery of the specialised fire fighting vehicle is anticipated in the 2025/26 financial year.

T 3.21.7

3.22 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

INTRODUCTION TO DISASTER MANAGEMENT SERVICES

The DMC was established under Section 43 of the Disaster Management Act (DMA), No. 57 of 2002, and fulfils its legislative mandate as a sub-department within the Directorate of Public Safety

and Emergency Services of BCMM. The DCM's primary objective, as outlined in Section 44 of the DMA, is to advance an integrated and coordinated system of disaster management. Particular attention is given to prevention and mitigation, involving national, provincial, and municipal organs of state, statutory functionaries, other stakeholders engaged in disaster management, and local communities.

In the 2024/25 financial year, the DMC initiated several high-level projects as part of its strategic implementation plan. This plan is designed to address Institutional Risk and Audit matters identified in relation to the disaster management function. These initiatives include, among others:

The Review of the Disaster Management Policy Framework. In this regard, the review of the Disaster Management Policy Framework is on-going under contract RFQ/PS&ES/2024-25/54, and is scheduled for completion by December 2025, following the appointment of the Service Provider on 7 February 2025. An official order was also raised on 13 February 2025 for R492 257,50 (incl. VAT).

1. To conduct a comprehensive disaster risk assessment and utilise its findings to guide the development of a level 1 Disaster Management Plan. In this context, the formulation of the Disaster Management Plan is currently in progress under contract RFQ/PS&ES/2024-25/54 – "Conduct a Comprehensive Disaster Risk Assessment, to Inform the Development of a Level 1 Disaster Management Plan for Buffalo City Metropolitan Municipality", and is expected to be finalised by December 2025, in accordance with the project implementation period specified in the service level agreement (SLA) and project implementation plan. An official order was issued on 19 February 2025 for R499 049,40 (incl. VAT).

2. The establishment of an EWS, also referred to as an AWS, is underway. The system will incorporate components that automatically measure, record, and, in some instances, transmit weather data. It may function as a single site or as part of a broader network, typically reporting on surface weather parameters such as temperature, wind speed, wind direction, precipitation, humidity, solar radiation, atmospheric pressure, and visibility to the South African Weather Services (SAWS). This will enable SAWS to issue more precise impact-based weather warnings for the BCMM area. In this context, a pilot project is currently in progress under contract RFQ/PS&ES/2024-25/304, with completion anticipated by December 2025, following the appointment of the Service Provider on 16 April 2025. An official order was also issued on 24 April 2025 for R647 000 (incl. VAT).

3. Procurement of Disaster Management Response Vehicles. The DMC, in collaboration with the BCMM Fleet Services section, facilitated the procurement of 2 x Double Cab Specialised Disaster Response Vehicles through the RT57 Government transversal contract. Accordingly, 2 x response vehicles were acquired, branded, and equipped with specified accessories. These included LED light bars, a PA system, winch, bull bars, lockable aluminium canopies, two-way radios, twin drawer systems, roof racks, 2 x 12V and 4 x 220V electrical points, as well as LED work lights. An official order dated 15 May 2025 for R1 748 004,15 (incl. VAT) was issued. Delays encountered during the procurement process required the rollover of the allocated R1,8 million budget for the vehicles to the 2025/26 financial year to enable payment to the service provider.

4. The review of the DMC's organogram was conducted in alignment with the Metro's broader micro and macro-organisational structure review process. As part of this process, the DMC prepared and submitted a request through Council structures for incremental funding. This funding is intended to support the phased filling of vacant unfunded positions over a six-year period, thereby facilitating the mainstreaming and appropriate staffing of the DMC to meet required standards.

5. Identification of an appropriate site for the construction of a compliant DMC aligns with the provisions and requirements of Section 43 of the DMA, as well as Section 1.2.1.2 of the National Disaster Management Framework of 2025. The DMC has secured a budget of R79 550 000,00 over the 2025–2028 MTREF period, drawing on both internal funds and USDG funding for the development of the DMC. Furthermore, the DMC has submitted a request through Council structures for the rescission of a 2012 Council resolution that approved the leasing of Erf 14890 for private use. Approval is now sought for the use of Erf 14890, EL, which measures approximately 3 380 square metres, for institutional (DMC) purposes, subject to the absence of valid objections following advertisement of the proposal.

T3.22.1

Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2023/2024**		**2024/2025**			**2025/2026**	**2026/2027**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators **(i)**	**(ii)**	***Previous Year** **(iii)**	**(iv)**	***Previous Year** **(v)**	***Current Year** **(vi)**	**(vii)**	***Current Year** **(viii)**	***Current Year** **(ix)**	***Following Year** **(x)**
Service Objective xxx									
To create a safe environment for urban and rural citizens within BCMM	Review Disaster Management Policy Framework	New Target	New Target	New Target	Reviewed Disaster Management Policy Framework	Final Inception report received; Invitation to Participate in Review and Update submitted to Corp Services (ICT); Interview Questionnaire drafted	Draft Disaster Management Policy Framework submitted to Council	-	-

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.

T 3.22.3

Employees: Disaster Management					
Job Level	(2023/2024)	(2024/2025)			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0%
4 – 6	4	2	2	0	0%
7 – 9	1	1	1	0	0%
10 - 12	3	3	2	1	33%
13 - 15	1	1	1	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	#DIV/0!
Total	11	9	8	1	

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T 3.22.4

Note: The content shown here refers to Disaster Management Only.

Financial Performance for 2024/2025: Disaster Management, Animal Licensing and Control, Control of Public Nuisances, Etc.

Financial Performance 2024/2025: Disaster Management, Animal Licensing and Control, Control of Public Nuisances, Etc.					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**–**	**–**	**–**	**–**	**0%**
Expenditure:					
Employees	5,184	5,487	5,887	5,823	6%
Repairs and Maintenance	31	1,094	–	–	0%
Other	1,073	2,310	773	773	-199%
Total Operational Expenditure	**6,288**	**8,891**	**6,660**	**6,596**	**-35%**
Net Operational Expenditure	**6,288**	**8,891**	**6,660**	**6,596**	**-35%**

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.22.5

Capital Expenditure for 2024/2025: Disaster Management, Animal Licensing and Control, Control of Public Nuisances, Etc.

Capital Expenditure 2024/2025: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc					R' 000
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**6,550**	**6,550**	**-**	**0%**	
EMERGENCY SERVICES CALL OUT & RESPONSE SYSTEM	1,500	2,500	-	0%	-
ESTABLISHMENT OF NEW DISASTER MANAGEMENT CENTRE	2,500	1,500	-	0%	2,000
DISASTER MANAGEMENT VEHICLES	1,800	1,800	-	0%	-
EARLY WARNING SYSTEMS (AUTOMATED WEATHER STATIO	750	750	-	0%	-
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.22.6*

CLASSIFICATION OF DISASTERS

The BCMM-DMC continues to address disaster-related matters in accordance with the DMA.

The classification of disasters remains the responsibility and competence of the National Disaster Management Centre (NDMC) and is executed in terms of Section 23 of the DMA, with the main aim being to:

a) Formally determine that a disaster exists.

b) Assign primary responsibility to a particular sphere of government for the coordination and management of the disaster.

c) Ensure that a sphere of government is accountable for the disaster.

d) Enable organs of state in other spheres to assist the sphere having primary responsibility in dealing with the disaster or its consequences.

The Head of the National Centre, by the powers assigned by Section 12 of the DMA and in terms of Section 23(1)(b), is responsible for classifying a disaster as a local, provincial, or national disaster.

Section 49 of the DMA requires:

(1) When a disastrous event occurs or is threatening to occur in the area of a municipality, the DMC of the municipality concerned must determine whether the event should be regarded as a disaster in terms of the DMA and, if so, must immediately—

a) Initiate efforts to assess the magnitude and severity or potential magnitude and severity of the disaster.
b) Inform the National Centre and the relevant provincial DMC of the disaster and its initial assessment of the magnitude and severity or potential magnitude and severity of the disaster.
c) Alert disaster management role-players in the municipal area that may be of assistance in the circumstances; and
d) Initiate the implementation of any contingency plans and emergency procedures that may be applicable in the circumstances.

(2) When informing the National Centre and the relevant provincial DMC in terms of subsection (1) (b), the municipal DMC may make such recommendations regarding the classification of the disaster as may be appropriate.

MAGNITUDE AND SEVERITY OF DISASTERS DURING THE YEAR

The table below provides a summary and extent of disasters and related incidents that occurred during the financial year under review. All incidents that occurred were addressed in terms of normal sector departmental roles, responsibilities, and budgets.

The following is a summary and analysis of these incidents:

Type of Incident	Date & Time	Area Affected	Description of Incident	Magnitude & Severity	Number of Deaths / Injuries	Intervention Provided
Heavy rain downpour	8-10 June 2025	Duncan Village Gompo Mdantsane Balasi Quzini Zinyoka Bonke Majarantiyeni	Buffalo City Metropolitan Municipality (BCMM) experienced heavy rain downpours from the 8th to the 10th of June 2025, which caused severe flashfloods	Large-scale magnitude of damage to critical infrastructure such as formal and informal houses, electricity, roads, and other basic infrastructure and facilities	Nil	• NGO's, CBOs, and donors were approached to provide humanitarian assistance • Relief material in the form of matrasses, blankets, hygiene packs, hot meals and transportation were provided to the affected communities
Fire	24/06/2025	756 Dwiya Street, Duncan Village	Fire incident took place on 24 June 2025 at Duncan Village.	7 shacks were affected	Nil	• NGO's, CBOs, and donors were approached to provide humanitarian assistance • Disaster Relief was provided to fire victims.
Fire	14/08/2024	Nompumelelo Mdantsane	Fire incidents took place on 14 August 2024	7 families were affected	Nil	• NGO's, CBOs, and donors were approached to provide humanitarian assistance • Disaster Relief was provided to fire victims.

ACTIVITIES OF THE DISASTER MANAGEMENT DURING THE YEAR UNDER REVIEW

This section provides an overview of the sub-programmes of BCMM's DMC.

Overview of Activities

In fulfilling its responsibilities and duties, the DMC, as mandated by the DMA of 2002, is required to advance an integrated and coordinated approach, with particular attention given to disaster prevention and mitigation. To achieve this objective, the DMC has engaged in a range of activities undertaken in collaboration with various stakeholders, including internal directorates, the public and private sectors, NGOs, community-based organisations, and faith-based organisations, among others.

The activities conducted by the DMC include, but are not limited to, convening Disaster Management Intergovernmental Structures planning for event safety, participating in venue operations committees, conducting event safety compliance inspections, reviewing development applications (providing comments), and carrying out awareness campaigns. The Table below presents a summary of these activities.

Activities	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
Events Planning attended	14	5	21	11	14	8	6	12	7	11	11	7
Venue Operations Centres Manned	1	-	2	4	-	8	6	12	8	1	1	1
Event Compliance Inspections	1	-	2	4	-	1	6	12	7	1	2	1
Development applications inspected	2	3	11	13	3	3	12	13	5	3	5	2
Relief provided, emergency food parcels and blankets	345	100	100	158	84	173	60	89	61	69	121	97
Joint Operations Committee Meetings Manned	2	3	3	-	-	-	-	-	-	-	-	-
Informal dwellings destroyed	88	24	19	47	18	56	15	24	18	16	31	23
Evacuation Drills												
Awareness campaign conducted	1	1	1	1	1	1-	1	1	1	1	1	1
Advisory forum meetings	-	-	1	-	-	-	-	-	1	-	-	-
Interdepartmental meetings	-	1	-	-	-	-	-	1	-	-	1	-

Participation in Meetings and Fora related to Disaster Management

The Disaster Management Centre also participates in the following meetings and fora where Disaster Management related issues are discussed:

- Municipal Public Accounts Committee (MPAC)
- Provincial Disaster Management Advisory Forum (PDMAF)
- Provincial Capacity Building Coordinating Forum (PCBCF)
- Buffalo City I.D.P Community Engagements
- Roads Incident Management Systems (RIMS)
- SALGA Community Development Meetings
- BCMM Climate Change Strategy Meetings
- BCMM Environmental Planning Meetings
- National Upgrading Support Programme Meetings
- SAPS Cluster Joints Meetings

COMMEMORATION OF THE 2024 INTERNATIONAL DAY FOR DISASTER REDUCTION: UNDER THE THEME "EMPOWERING YOUTH FOR THE RESILIENT FUTURE".

BCMM, through the DMC, hosted the second International Day for Disaster Reduction (IDDR) commemorative event. Aligned with the global theme, "EMPOWERING YOUTH FOR THE RESILIENT FUTURE", as established by the UN, the DMC directed its efforts towards Ward 34, specifically the settlement of Dimbaza in Qonce. After evaluating various factors, the DMC selected Dimbaza as the host for the 2024 commemoration. Considerations included the high unemployment rate resulting from the closure of local firms, significant levels of substance abuse, the severe impact of the February strong winds, the prevalence of stray animals leading to fatal motor vehicle accidents (MVAs), and the DMC's previous engagement in school and community awareness campaigns as preparatory initiatives for the main IDDR event.

Following consultations with the relevant Ward Councillor and stakeholders, the primary commemoration was held at Moses Twebe Community Hall on Wednesday, 16 October 2024. To ensure the success of the event, the DMC collaborated with various BCMM internal departments,

the provincial and national DMCs, sector departments such as the Department of Education, and a range of NGOs and CBOs.

Pictures of the BCMM 2024 IDDR Commemorations:





STATUS OF READINESS TO DEAL WITH DISASTERS INCLUDING CAPABILITIES

CLASSIFICATION OF A NATIONAL DISASTER IN TERMS OF SECTION 23 OF THE DISASTER MANAGEMENT ACT (ACT NO. 57 OF 2002): IMPACT OF SEVERE WEATHER IN THE COUNTRY.



BCMM frequently contends with flood incidents affecting the Coastal, Midland, and Inland Regions. At approximately 07:00 on 1 June 2024, BCMM experienced intense rainfall, which triggered flash floods and led to extensive damage to both public and private infrastructure, including formal and informal housing, electricity supply, roads, and other essential facilities

across the municipal wards. Reports of damage to both informal and formal dwellings, as well as flooded and submerged roads, were noted throughout the Metro. These incidents were reported via the fire and rescue control room and the security cluster social media platforms.



Approximately 2 813 individuals were reported to have been affected, with around 35 roads and bridges submerged or washed away. Significant structural damage was recorded on roads such as Bridal Path Road, Smyth Lands Bridge, Schlafly Road, Pine Creek Road, and Old Gonubie Main Road, among others, resulting in closures. Three fatalities were reported: one resulting from an MVA, one due to drowning, and one deceased body found washed up on Orient Beach. Additionally, a 13-year-old child was rescued in Amalinda Forest and safely reunited with family.

Immediate Response Provided

Acting in accordance with the DMA, No. 57 of 2002, the DMC established a Technical Joint Operations Committee (JOC) comprising internal and external departments and stakeholders to address the impact of the rainstorm. A Political JOC, chaired by the Executive Mayor, was also established and received reports and updates from the Technical JOC. The JOCs met to develop strategies and mechanisms to ensure effective coordination and management of response efforts for the disaster.

The Technical JOC included multisectoral departmental representatives such as Disaster Management, Fire and Rescue Services, SAPS, Traffic Services, Law Enforcement, Environmental Services, Municipal Health Services, Infrastructure Services, Human Settlements,

Communications, and NGOs, including Gift of the Givers, Red Cross, Al-Imdaad, and the Islamic Circle of South Africa, among others.

The JOC was chaired and co-chaired by the HOD for Public Safety and Emergency Services and the Head of BCMM's DMC. On 2 June 2024, the Executive Mayor, accompanied by other political leaders and officials, visited affected families in the Duncan Village area. Members of the media, including SABC and eNCA, led by BCMM Communication, also visited the affected areas and issued statements to inform the public about the authority's plans and response to the incident.

Disaster Humanitarian Relief Response and Distribution

The BCMM IGR office in collaboration with the DMC facilitated a call for donations as means of increasing the municipality's capacity to provide humanitarian relief to affected communities. The following donors have pledged and or provided contributions:

- Gift of the Givers
- PDMC 100 Blankets
- SA Red Cross
- Al-Imdaad Foundation
- Old Mutual Foundation
- Light of Hope
- Transnet NPA
- Food Forward SA
- Church of Jesus Christ
- Apostles for Africa
- Safer Futures
- Gonubie Spar
- Astron Garage Gonubie
- Prism Group
- World Vision
- Professor Jill Humphries

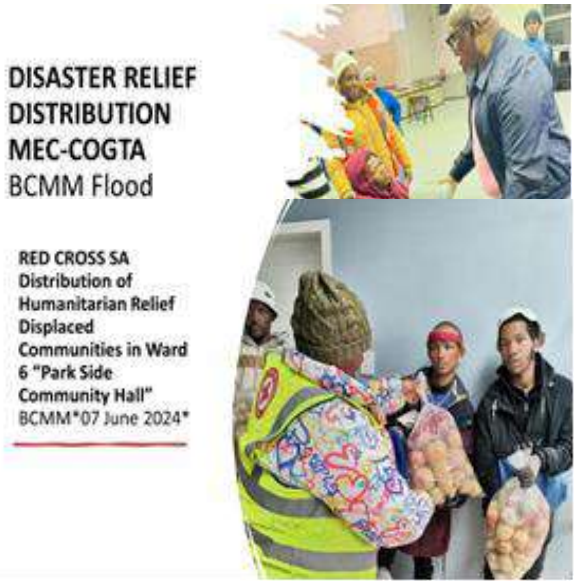
DISTRIBUTION OF HUMANITARIAN RELIEF

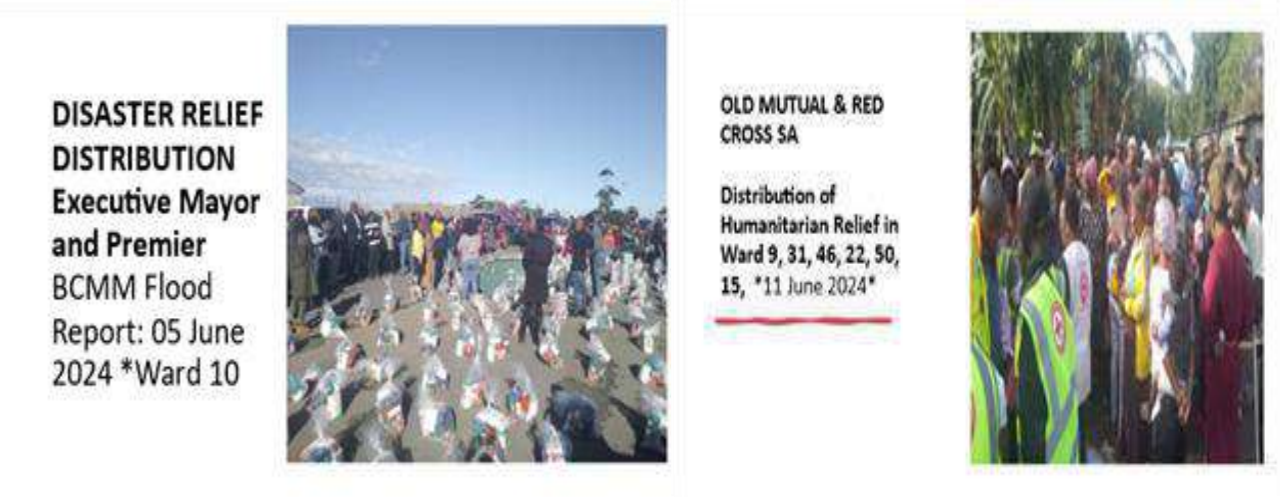
GOFG distributed provided and distributed over 1500 food parcels, blankets, vanity pack etc. to displaced people temporarily accommodated in five (5) Mass Care Centre at the time of reporting as follows:

- Duncan Village ward 2 (150 families)
- Duncan Village ward 6 (134 families)
- Duncan Village ward 8 (115 families)
- Duncan Village ward 7 (338 families)
- Stoney Drift (220 families)
- Cambridge Location (143 families)
- Mdantsane NU7 (161 families)
- Mdantsane NU12 (60 families)
- Mzamonthle (35 families)
- Brealyn (210 families)
- Southernwood (7 families).
- In addition to the above, on 3 June 2024, GOFG foundation also assisted with 65 warm blankets and mattresses and R4000 groceries, to the Khanya Old Age Home in Mdantsane. On 6 June 2024, the GOFG continued to feed and distributed personal hygiene packs and assisted more families in NU1 and NU 5.
- SHOPRITE also donated 4 heaters to the old age home.

Provided here below is a gallery of pictorial evidence of the distribution of humanitarian relief to the affected people.







NATIONAL SUPPORT AND FUNDING ASSISTANCE – MUNICIPAL DISASTER RESPONSE GRANT (MDRG)



The Head of the National DMC, acting in accordance with Section 15(2)(A) of the DMA, read with Section 23(8), instructed organs of state to further reinforce support to existing structures, implement contingency arrangements, and ensure that appropriate measures are established to enable the national executive to address the effects of the disaster effectively. In addition, all affected organs of state were directed to prepare and submit reports, as required by the National DMC and outlined in Section 24(4)-(8) of the DMA.

In line with these directives, the DMC developed and submitted a business plan to the provincial and national government for funding assistance. This resulted in a total allocation of R122,600 million in MDRG funds, transferred in two instalments: the first transfer of R44,600 million was received by the Metro in November 2024, and the second transfer of R78 million was received in

March 2025. These funds were allocated to address infrastructure damages caused by floods during the 2024/25 financial year.

OVERALL PERFORMANCE OF DISASTER MANAGEMENT FOR THE 2024/2025 FINANCIAL YEAR

1. Review of the Disaster Management Policy Framework (DMPF)

The project was awarded to Royal Haskoning DHV, now operating under the name ATANA (Pty) Ltd, on 4 February 2025 for a contract value of R492,257.50 (inclusive of VAT), under RFQ/PS&ES/2024-25/54. In accordance with the requirements of the National Disaster Management Framework (2005), a Technical Advisory Committee (TAC), which also serves as the Project Management Steering Committee (PMSC), was established. The TAC has been mandated to exercise quality control, project monitoring, and validation throughout the project lifecycle. An inception meeting for the project took place on 1 April 2025 to confirm implementation arrangements and establish the key deliverables. The project plan presents a structured framework for achieving the intended objectives, in alignment with approved timelines and resource allocations. It functions as a guiding document, outlining the project scope, objectives, milestones, and expected deliverables.

The Centre, with support from Legal Services, facilitated the approval and execution of the SLA for the project. The SLA was signed by the City Manager on 10 June 2025. Subsequently, an order was raised for R492 257,50 (incl. VAT) against RFQ/PS&ES/2024-25/54, and a part payment of R98 440 (incl. VAT) was processed. In line with the project plan, the service provider developed questionnaires and conducted interviews with both internal and external stakeholders to gather and compile essential data and operational information as part of a GAP analysis. Remaining activities include consultation and a workshop with the DMC, compilation of the initial revised DMPF, and further consultation sessions with National and Provincial DMC. The project is scheduled for completion by December 2025.

2. Conduct a Comprehensive Disaster Risk Assessment, to Inform the Development of a Level 1 Disaster Management Plan

The project was awarded to Royal Haskoning DHV (recently renamed ATANA [Pty] Ltd) on 7 February 2025 for an amount of R499,049.40 (including VAT), under RFQ/PS&ES/2024-25/55.

In accordance with the requirements of the National Disaster Management Framework (2005), a Technical Advisory Committee (TAC), which also serves as the Project Management Steering Committee (PMSC), was established. The TAC was appointed to ensure quality control, monitor project progress, and validate project outcomes. The project inception meeting, held on 1 April 2025, focused on planning the implementation process and clarifying the deliverables to be achieved. The project plan defines a systematic approach to meeting the project objectives, ensuring compliance with set schedules and resource requirements. It serves as a detailed reference, describing the scope of work, key goals, milestones, and primary deliverables..

The Centre, with support from Legal Services, facilitated the approval and signing of the project's SLA. The SLA was signed by the City Manager on 23 May 2025. An order for R499 049,40 (including VAT) was raised against RFQ/PS&ES/2024-25/55, and a part payment of R99 809,88 (including VAT) has been processed. In addition, the service provider prepared questionnaires and carried out interviews with both internal and external stakeholders to gather and compile essential data and operational information as part of a GAP analysis exercise. The project is scheduled for completion by December 2025.

3. Establishment of an EWS (also known as an AWS)

The contract RFQ/PS&ES/2024-25/304, valued at R647 000, was awarded to AFRISEC Solution (PTY) LTD. AFRISEC Solutions, an SAWS-accredited service provider, is responsible for the installation of an EWS/AWS. During the project implementation phase, a formal request was submitted through Council structures seeking approval to utilise the Nompumelelo Water Tower in Ward 15 for the erection of a high mast (steel structure). This mast will support all necessary equipment to facilitate data connection and transmission to the main tower, which is to be located at the Fleet Street Fire Station. A site visit was subsequently conducted on 28 May 2025 to assess and determine whether a clear line of site (LOS) exists between the identified locations.

The outcomes of the site visit and assessment revealed that there is no LOS between the Nompumelelo Water Tower and the Fleet Street Fire Station. In order to advance the implementation of the project, Greenfields Fire Station Tower was identified as a potential alternative, and an LOS assessment was undertaken. The results confirmed a clear LOS between Greenfields Fire Station Tower and Fleet Street Fire Station, leading to the recommendation that

this site be utilised for the pilot project. A project inspection meeting took place on 14 May 2025, followed by the signing of the SLA by the City Manager on 21 July 2025. Furthermore, the service provider has acquired essential equipment for the EWS/AWS pilot project. An order was subsequently placed on 24 April 2025 for R647 000 under RFQ/PS&ES/2024-25/304.

Presented below are photographic evidence and descriptions of the equipment procured.

Item No: 1



Hikvision 4MP 42x DarkFighter IR Network Speed

Item No: 2



PTZ Camera bracket

Item No: 3



Hikvision L2, Unmanaged, 8 GB RJ45 PoE ports, 2 Gigabit SFP uplink ports, 802.3 afatbt, port 1-2 support Hi-PoE 90 w, PoE power budget 110 W, ports 7 8 support up to 300 meter, 6 KV surge protection,

Item No: 4



Hikvision 4 MP 4 mm Powered by Darkfighter Fixed Mini Bullet Network Camera Low light performance with powered-by DarkFighter technology, Built-in microphone

4. Procurement of Disaster Management Response Vehicles

Two Double Cab Disaster Response Vehicles have been procured through the RT57 Government transversal contract at a cost of R1 520 003,61 excluding VAT. In line with the specification and

operational requirements, both vehicles will be equipped with designated accessories to serve as specialised disaster management response vehicles. As of 30 June 2025, these modified vehicles were under construction, with delivery expected in July or August 2025.

2024/25 STRATEGIC OBJECTIVES OF THE DMC

During the year under review, the DMC aimed to implement the following strategic objectives:

	STRATEGIC OBJECTIVE	PROGRESS
1	**Request for Incremental Funding for the Filling of Vacant, Unfunded Positions over a Six-Year Phased Implementation Period for the Mainstreaming and Staffing of the Disaster Management Function to the Required Level.**	An item was submitted through Council structures (i.e., PS&ES Portfolio Committee and Metropolitan Mayoral Committee) to request "INCREMENTAL FUNDING FOR THE FILLING OF VACANT UNFUNDED POSITIONS IN SUPPORT OF THE DISASTER MANAGEMENT FUNCTION IN BUFFALO CITY METROPOLITAN MUNICIPALITY". The report was submitted as part of the Audit Action Plan on unresolved audit findings during the 2022/23 financial year, relating to the capacity of the DMC. The item was endorsed by the PS&ES Portfolio Committee and subsequently presented at the MMC meeting held on 6 May 2025, where it was resolved that the item must also be submitted to, and discussed by, Top Management.
2	**Request for the Approval and Support for the Provision and Ringfencing of Two Percent (2%) of the Metro's Budget to Enhance Disaster Response and Relief in BCMM**	The Directorate: Public Safety and Emergency Services consulted and engaged with the Directorate of Finance (Budget Office) regarding the proposed 2% budget allocation for disaster management, while also addressing the legislative requirements governing funding arrangements for disaster response. In this context, the Director of Finance noted that, although there is support for the objective of strengthening disaster resilience, the financial implications of the proposal must be assessed in light of current budget limitations and the need to comply with Section 18 of the MFMA, which stipulates that all budgeted expenditures must be fully funded. Further to the above, the Directorate of Finance noted that the City's 2025/26 Total Operating Budget is R10,89 billion. The Disaster Management Unit's current allocation is R10,35 million, which is R739 803, is dedicated to relief services. The requested 2% allocation would require R217,79 million annually, resulting in a shortfall of over R207,44 million. Refer to the below table for a detailed breakdown:

		<table><tr><th>Item</th><th>Amount</th></tr><tr><td>Total BCMM Operating Budget</td><td>R10 889 601 633</td></tr><tr><td>2% Proposed Allocation</td><td>R217 792 033</td></tr><tr><td>Disaster Management Budget</td><td>R10 351 001</td></tr><tr><td>Relief Provision</td><td>R739 803 (already included as part of Disaster Management Budget)</td></tr><tr><td>Shortfall</td><td>R207 441 032</td></tr></table>
3.	**Establishment of a New Compliant DMC**	An MTREF budget has been allocated as follows: R9 000 000 (2025/2026 FY), R11 550 000 (2026/2027 FY), and R2 000 000 (2027/2028 FY), totalling R22 550 000 in own funding. Additionally, R28 000 000 (2026/2027 FY) and R29 000 000 (2027/2028 FY) have been approved from the USDG. This results in a total budget of R79 550 000,00 over the specified MTREF period for the establishment of a compliant DMC to serve BCMM. It is important to note that the development of satellite centres will be considered following the review of the policy framework, organogram, and funding arrangements (Capital Expenditure [CAPEX] and Compensation of Employees [COE].
4.	**Strengthen and Enhance the Metro's Disaster Response Effort**	Following the heavy rains and related disaster incidents experienced between 1 and 2 June 2024, the DMC, acting in accordance with the Disaster Management Response, Recovery and Rehabilitation Protocol approved by the City Manager on 1 February 2024, facilitated the development and submission of a funding request business plan. This resulted in the provision and transfer of R44,6 million in September 2024 and a further R78 million in February 2025, totalling R122,6 million from the MDRG.

T3.22.7

COMPONENT H: SPORT AND RECREATION

INTRODUCTION TO SPORT AND RECREATION

Overall comment on Sport Facilities

The Sports Facilities section has successfully upgraded the following facilities in the 2024/25 financial year:

Sports Plant and Equipment:

Tractors and brush cutters were procured. The project was completed on 30 June 2025 with no challenges.

Upgrading of Sisa Dukashe Stadium Grandstand:

- The project could not be completed due to the contractor's failure to demonstrate due diligence in executing the work. As a result, the contract was terminated, and the matter has been referred to the Legal Services Department.
- The vote name was changed to Sports Plant and Equipment: tractors, soccer poles, rugby poles, and netball poles were procured. The project was completed on 30 June 2025 with no challenges.

Upgrading of Sports Fields – Gompo Stadium:

- Upgrading of Floodlights: The project was completed on 5 March 2025 with no challenges.
- Supply and Delivery of Portable Stands: The project was completed on 20 February 2025 with no challenges.

Sports Development

The BCMM Sport Development Department is primarily dedicated to advancing sport development across the entire Metro. Currently, youth programmes such as the Alfred Mtsi Games engage all BCMM wards equally, focusing exclusively on U/19s and offering sporting codes including soccer, netball, volleyball, table tennis, boxing, and rugby sevens. In the current financial year, disability sporting codes have been incorporated, featuring participation from wards representing individuals who are intellectually impaired, physically disabled, or deaf. The Steve Vukile Tshwete Provincial Games serve as the culmination of the Alfred Mtsi Games, with selected BCMM teams from all wards representing BCMM in competition against other EC municipalities.

FOUR (4) SERVICE DELIVERY PRIORITIES.

1. Alfred Mtsi Games
2. Steve Vukile Tshwete Games
3. Coaching Courses
4. Collaboration with the BCMM Sport Confederation to develop and promote sport, and to create opportunities for BCMM youth from disadvantage areas to participate in sporting activities.

MEASURES TAKEN TO IMPROVE PERFORMANCE

Collaboration with SALGA to support sport development across municipal wards.

Formation of partnership with DSRAC, DOE, and the Sport Confederation to improve development up to MT3 level.

T 3.23

3.23 SPORT AND RECREATION

Sports Facilities

The Sports Facilities Division manages a total of 133 sporting facilities, comprising both formal and informal sites. Of these, 74 are formal facilities, which are tariff-levying and typically include complexes and stadia equipped with change rooms and ablutions. The remaining 59 informal facilities do not levy tariffs and generally offer more basic infrastructure, such as goal posts and grassed areas.

These facilities accommodate a wide range of sporting codes, including cricket, soccer, rugby, tennis, hockey, athletics, netball, table tennis, and softball. Local associations, provincial and national sports federations, as well as schools, regularly utilise these sites. In addition, they are also used for events such as music concerts and rallies. Notable venues include the Sisa Dukashe Stadium, which is capable of hosting Premier Soccer League matches as it meets the required standards. Selborne Park Tennis Stadium serves as the regional

hub for tennis. The Buffalo Flats, Masingata, Breidbach, and Bunkers Hill cricket stadiums host both premier club and provincial cricket.

Vandalism and theft continue to pose significant challenges at these facilities, placing additional strain on the repairs and maintenance budget and compromising the operational readiness of the venues.

It is essential to give serious consideration to the engagement of accredited, professional security services to protect these assets. Furthermore, there is a pressing requirement for increased funding to address the needs identified during the IDP processes relating to the upgrading of sports facilities.

T 3.23

SERVICE STATISTICS FOR SPORT AND RECREATION

SWIMMING POOLS

BCMM currently has five operational swimming pools: Joan Harrison Swimming Pool, Orient Swimming Pool, Ruth Belonsky Swimming Pool, Zwelitsha Swimming Pool, and Qonce Swimming Pool. These facilities serve both the recreational needs of the community and sports users.

The NU2 Mdantsane Swimming Pool remains under refurbishment and is not yet operational.

Refurbishment work is ongoing in the plant room at Ruth Belonsky Swimming Pool.

Aluminium windows have been installed in the plant room at Qonce Swimming Pool to enhance the security of the filtration plant.



Installation of chlorinator system at Qonce pool

The pools have served as venues for major national aquatic competitions and remain popular among local users during the summer holidays.

The operational budget allocated for the swimming pools requires reconsideration, as the chemicals necessary for maintenance are costly. It is challenging to manage all five swimming pools with an annual budget of only R171 000. Furthermore, the Orient Swimming Pool was transferred without any accompanying operational or capital budget.

RESORT & CARAVAN PARK

There are two tariff-levying resorts in the Coastal Region: Gonubie Resort and Nahoon Caravan Park. Gonubie Resort offers 20 wooden chalets and 83 camp/caravan sites, while Nahoon Caravan Park provides 53 camp/caravan sites. These resorts serve as key revenue sources for BCMM, attracting large numbers of guests during the summer and Easter holiday periods, despite operating on a modest annual budget of R86 000.

The Resorts received a 3-star grading for both the wooden chalets and camp sites from the Tourism Grading Council of South Africa (TGCSA). The chalets offer accommodation for up to 108 guests.

At Gonubie Resort, developments included the construction of a swimming pool, paving in the vicinity of the Admin Block, and the erection of fencing around the pool. Aluminium windows were also installed at the front of the facility.



Replacement of windows in 14 chalets.
Repairs to windows in selected large chalets following burglary incidents.
Refurbishment of the camping site electrical infrastructure.

SERVICE STATISTICS FOR SPORT AND RECREATION

Resorts Visitors: 4 443
Caravan Park Visitors: 2 415
Swimming Pools: 82 324

Sport facilities:

Number of users of sport facilities for the period 1 July 2024 to 30 June 2025

No. of visitors: 177 700

Service statistics for sport facilities:

Number of users of sport facilities for the period 1 July 2024 to 30 June 2025

No. of visitors: 177 700

T 3.23.1

Sport and Recreation Strategic Objectives Taken from the IDP.

Not included in the IDP.

Information not provided (e.g. sport facilities upgraded, sport programmes, swimming pools upgraded) that is included in the SDBIP.

T 3.23.2

Employees: Sport and Recreation

Employees: Sport and Recreation					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	165	163	155	8	5%
4 - 6	126	143	133	10	7%
7 - 9	28	35	29	6	17%
10 - 12	12	13	12	1	8%
13 - 15	6	6	6	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	338	361	336	25	7%

T 3.23.3

Financial Performance for 2024/25: Sport and Recreation

Financial Performance 2024/25: Sport and Recreation					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**3 131**	**7 024**	**7 024**	**3 674**	**-91%**
Expenditure:					
Employees	77 435	83 025	100 469	98 076	15%
Repairs and Maintenance	3 027	3 809	3 188	3 111	-22%
Other	13 132	20 073	29 086	50 635	60%
Total Operational Expenditure	**93 594**	**106 907**	**132 743**	**151 822**	**30%**
Net Operational Expenditure	**90 463**	**99 883**	**125 719**	**148 148**	**33%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.23.4*

CAPITAL EXPENDITURE FOR 2024/25: SPORT AND RECREATION

Capital Expenditure 2024/2025: Sport and Recreation						R' 000
Capital Projects	2024/2025					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	**7,550**	**24,132**	**8,265**	**9%**		
BUILDING OF S/POOL AT GONUBIE RESORT	250	250	250	0%	868	
INSTALLATION OF FLOODLIGHTS AT GONUBIE RESORTS	250	–	–	0%	–	
INSTALLATION OF FLOODLIGHTS AT GONUBIE RESORTS	–	240	240	100%	240	
REFURBISHMENT OF CHALETS	250	250	–	0%	–	
REFURBISHMENT OF CHALETS	–	90	90	100%	90	
REFURBISHMENT OF BACKPACKERS	250	–	–	0%	–	
INSTALLATION OF CCTV CAMERAS RESORTS	250	–	–	0%	–	
DEVELOPMENT & REVAMPING OF JUMPING CASTLE AT RESORTS	250	–	–	0%	–	
REFUBISHMENT OF ABLUTION BLOCKS AT RESORTS	250	250	217	-15%	217	
UPGRADING OF GONUBIE RESORTS ENTRANCE	300	920	920	67%	920	
DEVELOPMENT, UPGRADE AND REFURBISHMENT OF SPORTS FACILITIES AND STADIUMS	1,500			0%	6,168	
UPGRADING OF MAIN GRAND-STAND AT SISA DUKASHE STADIUM	–	279	279	100%	279	
SPORTS PLANT & EQUIPMENT	–	2,702	404	100%		
UPGRADING OF SPORTSFIELDS	2,500	2,785	2,785	10%	13,565	
PLANT - SWIMMING POOL	250	–	–	0%	–	
UPGRADING AND REFURBISHMENT OF SWIMMING POOLS-COASTAL	250	515	515	51%	515	
UPGRADING AND REFURBISHMENT OF SWIMMING POOLS-MIDLAND	250	–	–	0%	–	
UPGRADING AND REFURBISHMENT OF SWIMMING POOLS-INLAND	250	250	250	0%	250	
CONSTRUCTION OF OFFICES AT NAHOON CARAVAN PARK	–	48	–	0%	455	
REDEVELOPMENT OF MDANTSANE SPORT PRECINCT NU2 SWIMMING POOL	–	54	29	100%	29	
REFURBISHMENT OF SWIMMING POOLS	–	181	110	100%	5,374	
REDEVELOPMENT OF MDANTSANE SPORT PRECINCT NU2 SWIMMING POOL	–	15,000	1,858	100%	10,758	
OFFICE FURN & EQUIPMENT (DIRECTORATE)	500	319	319	-57%	319	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.						*T 3.23.5*

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

Resorts upgraded in the 2024/25 financial year

- The building of the swimming pool at Gonubie Resort was constructed and completed within four months.
- Installation of floodlights at Gonubie Resort: Solar floodlights were installed, and the electrical boxes at the camping sites were refurbished.
- Refurbishment of chalets: New roofs were installed on selected chalets.
- Refurbishment of ablution blocks at resorts: Refurbishment works were completed on Ablution Block One and Block Five.

Swimming pools upgraded in the 2024/25 financial year

Upgrading and Refurbishment of Swimming Pools – Coastal:

- Refurbishment of the filtration plant room at the Ruth Belonsky Swimming Pool.
- Upgrading and Refurbishment of Swimming Pools – Inland: Installation of a chlorinator system.

T3.23.6

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

INTRODUCTION TO CORPORATE SERVICES

Corporate Policy Offices play a pivotal role in advancing good governance. Their core responsibilities encompass the development and implementation of comprehensive policies and strategies, the establishment of effective management practices and controls, and the design of tailored service delivery improvement plans. Strategic levers of effectiveness include visionary leadership, adaptive capacity, resilience, responsiveness, innovation, and financial prudence. During the financial year under review, the Policy Offices concentrated on enhancing financial prudence, fostering legislative compliance, and formulating and executing appropriately tailored policies.

Further initiatives targeted the modernisation of institutional operations through the enhancement of ICT systems and applications to support efficiency. Efforts were also directed towards strengthening institutional capacity via incentive alignment, improving labour relations, and forging long-term partnerships for growth and development. The overarching objective is to cultivate a capable local state, secure long-term fiscal sustainability, reinforce a developmental and participatory approach to governance, and deliver impactful programmes that contribute to improved service delivery.

The ICT policies are designed to ensure good governance in the utilisation of ICT equipment and services. They set out best practices and effective mechanisms for reducing cybercrime and unlawful activities within the BCMM ICT environment. Moreover, these policies safeguard business continuity for BCMM applications in the event of a disaster.

T 3.24

3.24 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councillors; and municipal manager).

INTRODUCTION TO EXECUTIVE COUNCIL

During the year under review, the Council and Executive set out the following key service delivery priorities. However, it should be noted that the Executive does not implement service delivery projects but rather good governance targets.

The following priorities were identified:

• To promote the competitiveness of various industries and increase export potential.

• The number of programmes implemented in partnership with civil society.

• The number of training sessions provided for Ward Committees.

The abovementioned priorities were set in line with the vision of a well-governed City. Due to declining levels of employment, the City prioritised the revitalisation of industries to expand the job market and promote investment within the Metro.

In terms of achievements:

1. The Dimbaza Industrial Area has been supported during the year under review.
2. Community dialogue was established to create a platform for community engagement.

Ward Committees held two training sessions for effective community participation.

T 3.24.1

SERVICE STATISTICS FOR EXECUTIVE COUNCIL

The adoption of the Separation of Powers model in 2011 required the establishment of Section 79 Committees, which are political structures envisaged in the Municipal Structures Act and are responsible for monitoring and evaluating the performance of the executive and departments. Council's legislative functions are therefore executed with the support of these committees, which are representative of all political parties within the Council. The system operates through appropriate delegation of powers, ensuring that role players are able to fulfil their respective mandates impartially and without undue influence.

The Section 79 Committees comprise the following seven Oversight Committees and eight Standing Committees:

Oversight Committees:

a) Social Facilitation Committee
b) Petitions Management Committee
c) Rules Committees
d) Ethics Committee
e) Women's Caucus Committee
f) Municipal Public Accounts Committee
g) Multi-Party Committee

Section 80 Committees

a) Finance Services Committee
b) Corporate Services Committee
c) Human Settlements Committee
d) Infrastructure Services Committee
e) IDP and Organisational Management Committee
f) Health, Public Safety and Emergency Committee
g) Municipal Services
h) Spatial Planning and Development
i) Institutional Operations and Civil Relations
j) Economic Development and Agencies
k) Sport and Sponsorship Committee
l) Remuneration Committee

The Section 79 Portfolio Committees perform an oversight role by monitoring the delivery and outputs of the Executive. These committees do not have any delegated decision-making powers.

Each Ward Councillor chairs a Ward Committee within the Ward Participatory System, which promotes community-level engagement. As representatives of their respective wards, Ward Councillors are responsible for ensuring that the needs, concerns, and perspectives of their communities are effectively represented in Council and its associated structures.

The Mayor receives support from the Mayoral Committee, comprising ten Councillors. The work of the Mayoral Committee is further managed through several Mayoral Cluster Committees.

T 3.69.2

The Executive and Council Policy Objectives Taken from the IDP

The Executive and Council Policy objectives taken from the IDP									
Service Objectives	**Outline Service Targets**	**2022/2023**		**2023/2024**			**2024/2025**	**2025/2026**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators		***Previous Year**		***Previous Year**	***Current Year**		***Current Year**	***Current Year**	***Following Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective									
A Well Governed City	Total increase in the amount of revenue collected for traffic fines	R5 500 00,00	R11 507 630,21	R5 500 00,00	R5 500 00,00	R10 642 144,41	R8 000 000,00	R8 000 000,00	R8 000 000,00
A Green City	Number of Waste Diversion Garden Transfer Stations established (Phase 1)	New Indicator	Four Buy-back Centres established: two at Coastal, one at Midland, and one at Inland.	Two Buy-back Centres have been established in the coastal region, namely Southernwood and EL CBD.	Four Buy-back Centres established: two at Coastal, one at Midland, and one at Inland.	Four (4) Waste Diversion Buy-back Centres Established at Coastal and Midland	1	4	4
An Innovative and Productive City	Number of bursaries awarded	50 Bursaries	50 Bus Bursaries	50 Bursaries	50 Bursaries	67 Bursaries	50 Bursaries	50 Bursaries	50 Bursaries
A Connected City	Percentage of unsurfaced roads graded	4,48% (60 km)	5,33% (69,3 km)	4,48% (60 km)	4,48% (60 km)	4,48% (60 km)	4,48% (60 km)	4,48% (60 km)	4,48% (60 km)

A Spatially Integrated City	Number of Community Halls upgraded	0	0	0	5	5	6	6	6
									T 3.24.3

Employees: The Executive and Council

Employees: The Executive and Council					
Job Level	**Year -2023/24**	**Year 2024/25**			
	Employees	**Posts**	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**No.**	**%**
0 - 3	14	20	14	6	30%
4 - 6	54	73	35	38	52%
7 - 9	40	41	27	14	34%
10 - 12	26	38	28	10	26%
13 - 15	9	10	5	5	50%
16 - 18	7	9	7	2	22%
19 - 20	5	5	5	0	0%
Total	155	196	121	75	38%
					T 3.24.4

This component includes: Executive office (mayor; councillors; and municipal manager)

Financial Performance 2024/2025: The Executive and Council R'000					
Details	**2023/2024**	**2024/2025**			
	Actual	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance to Budget**
Total Operational Revenue	**16 380**	**18 375**	**21 856**	**31 150**	**41%**
Expenditure:					
Employees	161 477	199 609	177 431	177 330	-13%
Repairs and Maintenance	751	2 410	1 229	1 229	-96%
Other	209 818	189 708	187 720	190 453	0%
Total Operational Expenditure	**374 989**	**391 727**	**366 381**	**369 013**	**-6%**
Net Operational Expenditure	**358 609**	**373 352**	**344 526**	**337 863**	**-11%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.24.5*

Capital Expenditure for 2024/25: The Executive and Council

Capital Expenditure 2024/2025: The Executive and Council R' 000					
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**10,150**	**11,181**	**9,805**	**-4%**	
OFFICE FURN AND EQUIPMENT	500	500	430	-16%	930
OFFICE FURN AND EQUIPMENT (DIRECTORATE)	–	540	249		749
OFFICE FURNITURE AND EQUIPMENT-EPMO	500	500	450	-11%	950
FURNITURE	150	65	65	-131%	165
SENTIMENT ANALYSIS INTELLIGENCE SOFTWARE SERVICES	–	378	–	0%	100
SENTIMENT ANALYSIS INTELLIGENCE SOFTWARE SERVICES	9,000	7,772	8,611	0%	9,000
AUDIT SOFTWARE	–	1,426	–	0%	–
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as					*T 3.24.6*

COMMENT ON THE PERFORMANCE OF EXECUTIVE AND COUNCIL OVERALL

In pursuit of advancing public accountability and expanding public participation, Council exhibited a strong commitment to community-centred participatory approaches in municipal management. The extensive involvement of communities in municipal planning through established institutional arrangements reflected the City's dedication to fostering accountability. Notably, significant progress was achieved in engaging communities through the use of various governance structures within both the Executive and Legislative components of Council.

Such measures facilitated meaningful community participation in local development and reinforced the municipality's accountability to the public. Initiatives undertaken to affirm this commitment included the provision of information to the community regarding municipal

governance, management, and development. Monthly Council meetings were consistently held to address Council business, and all Oversight Committees convened regularly in accordance with the scheduled calendar.

The Mayoral Committee also held meetings in alignment with the calendar, processing items for Council consideration and making necessary decisions in accordance with the systems of delegations.

T 3.24.7

3.25 FINANCIAL SERVICES

INTRODUCTION TO FINANCIAL SERVICES

Revenue Management

The key functions of the Revenue Management Department include the following:

a. Meter Reading

b. Billing of Property Rates and Service Charges

c. Indigent Registration and monthly subsidy allocation

d. Enquiries and Customer Services

e. Call Centre Services

f. Property Valuations and Appeals

g. Revenue Collection

h. Debt Management, including disconnections, blocking and legal collection action

i. Bad Debt Write Offs

j. Electricity Prepayment Vending and Third-Party Collections

Billing

During the financial year, municipal bills were produced every month and sent to customers. The Revenue Management Department also implemented supplementary valuations during the financial year. The municipality has made a concerted effort to improve the quality of the monthly billing as well as to reduce the number of active billing queries. For the 2024/2025 financial period the number of account under query was less than 3% of the total number of accounts billed.

The Municipality continues to experience challenges in the posting of municipal accounts via the South African Postal Service. This has a negative impact on the municipality's cash collection and cash flow. The municipality continued to send electronic statements. Customers were also able to access their monthly statements via the municipal web portal. During the financial year, where the municipality was not able to read meters' interim readings based on historical consumption were charged.

Debt Collection

The Department prioritised increasing debt collection and reducing the overall debt book. However, BCMM did not achieve the targeted collection rate of 77%, recording an actual collection rate of 70.11% for rates and service charges. Despite the implementation of debt-collection measures - telephone follow-ups, pre-termination notices, and the suspension or blocking of electricity services, among others - the collection rate declined during the 2024/2025 financial year. This decline was reflected in the continued growth of outstanding debt related to rates and service charges. Economic pressures on residents of Buffalo City have significantly constrained households' ability to pay their monthly municipal accounts. Customers are increasingly affected by the rising cost of living, compounded by tariff increases for rates and service charges. In response, the Municipal Council extended the debt-incentive scheme to assist customers by offering the opportunity for the write-off of older debt. However, many customers were unable to meet the minimum payment requirements necessary to qualify for debt relief. Incidents of meter tampering and infrastructure theft increased during the period, directly undermining debt-collection efforts. In addition, a significant number of customers made minimal or no electricity purchases through the prepaid vending system, which may indicate potential meter tampering. To achieve the 2025/2026 collection-rate target, decisive action is required to address meter tampering, infrastructure theft, and the prosecution of offenders and persistent non-payers.

Measures taken to improve performance

The following measures were implemented:

- Continued disconnection of electricity meters and blocking of prepayment meters in terms of the credit control policy.

- Implementation of a community outreach programme to assist the consumers with the management of their accounts, resolution of queries, and the raising of awareness about the Metro's interventions, such as the installed smart meters, query portals and online statement portal.

- Updating of consumer data, to ensure that credit control actions in the form of telephone calls, SMS notifications and letters to customers where applicable.

- Debt write-off in respect of indigent and uncollectable debt.

T 3.25.1

Debt Recovery

Debt Recovery							
							R' 000
Details of the types of account raised and recovered	Year -1 (2023/2024)		Year 0 (2024/2025)			Year 1 (2025/2026)	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	1 937 395	76%	2 063 790	2 063 790	76%	2 084 428	76%
Electricity - B	134 068	95%	225 908	225 908	81%	228 167	81%
Electricity - C	1 355 585	95%	2 284 186	2 284 186	81%	2 307 028	81%
Water - B	66 391	41%	67 288	67 288	50%	67 961	50%
Water - C	882 059	41%	893 973	893 973	50%	902 913	50%
Sanitation	579 656	62%	604 371	604 371	64%	610 415	64%

Refuse	523 549	45%	544 465	544 465	50%	549 910	50%
Other	156 374	51%	174 107	174 107	52%	175 848	52%
B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.							***T 3.25.2***

Concerning T 3.25.2

In order to calculate the % collected per service, the amount collected is divided by the amounts billed for the 2024/25 financial period.

T 3.25.2.1

Financial Service Policy Objectives Taken from the IDP

Financial Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2023/24		2024/2025					
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		2025/2026	2026/2027	2027/2028
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Provision of Free Basic Services to Indigent households	Percentage of the Municipality's operating budget spent on free basic services to indigent households	5,00%	5,61 %	5,00%	5,00%	6,69 %	5,00%	5,00%	5,00%
Provision of Free Basic Services to Indigent households	Free Basic Electricity provision levels as per percentage of total residential electricity provision (in terms of MWh)	10,00%	11,48 %	10,00%	10,00 %	13,53 %	10,00%	10,00%	10,00%
% revenue Collection Rate as measured in accordance with the MSA performance regulations	% revenue Collection Rate as measured in accordance with the MSA performance regulations	78,00%	71,29 %	78,00%	77,00 %	70,11 %	77,00%	80,00%	85,00%
Number of Smart Meters installed	Number of Smart Meters installed for electricity	Project On Hold	N/A	Project on Hold	N/A	N/A	1 000	1 000	1 000
Number of Smart Meters installed	Number of Pre-paid Smart Meters installed for electricity	Project On Hold	N/A	Project on Hold	N/A	N/A	2 000	2 000	2 000
Number of Smart Meters installed	Number of Smart Meters installed for water	Project On Hold	N/A	Project on Hold	N/A	N/A	5 000	5 000	5 000
Percentage of registered billing queries	Accurate billing of accounts	Less than 3,5% of	0.0031	Less than 3,5% of	Less than 3,5% of the	0,48 %	Less than 3,5% of	Less than 3% of the	Less than 2,5% of

		the total billing		the total billing	total billing		the total billing	total billing	the total billing
Percentage of revenue clearance certificates issued within 10 working days from time of completed application received	% of revenue clearance certificates issued within 10 working days from time of completed application received	95%	98,43 %	95%	95,00 %	99,52 %	95,00%	96,00%	96,50%
Percentage of budgeted rates revenue collected	% revenue Collection Rate as measured in accordance with the MSA performance regulations	78%	0.74	78%	77,00 %	72,17 %	77,00%	80,00%	82,00%
Number of rateable residential properties in the subsidy housing market entering the municipal valuation roll	Number of subsidy housing properties included in the valuation roll	400	429	400	400	586	400	400	400
									T 3.25.3

Employees: Financial Services

Employees: Financial Services					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	31	30	29	1	3%
4 - 6	335	312	290	22	7%
7 - 9	93	111	94	17	15%
10 - 12	47	44	37	7	16%
13 - 15	20	26	17	9	35%
16 - 18	13	9	8	1	11%
19 - 20	3	4	4	0	0%
Total	542	536	479	57	11%

T 3.25.4

Financial Performance for 2024/25: Financial Services

Financial Performance 2024/2025: Financial Services R'000					
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**3 816 349**	**3 899 057**	**3 944 634**	**3 706 308**	**-5%**
Expenditure:					
Employees	377 090	389 795	400 745	399 702	2%
Repairs and Maintenance	55 577	12 891	9 027	8 979	-44%
Other	516 242	726 652	769 564	727 502	0%
Total Operational Expenditure	**948 908**	**1 129 338**	**1 179 336**	**1 136 183**	**1%**
Net Operational Expenditure	**(2 867 441)**	**(2 769 719)**	**(2 765 298)**	**(2 570 125)**	**-8%**

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.25.5

Capital Expenditure for 2024/25: Financial Services

Capital Expenditure 2024/2025: Financial Services R' 000					
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**80,084**	**114,010**	**148,285**	**0**	
OFFICE FURN & EQUIPMENT (DIRECTORATE)	965	1,481	1,481	35%	1,481
OFFICE FURN & EQUIPMENT (DIRECTORATE) c/o	86	22	22	-295%	22
REFURBISHMENT OF MUNIFIN BUILDINGS	3,000	2,000	814	-269%	3,314
INDIGENT MANAGEMENT MODULE	–	5,390	4,109	100%	8,517
SMART METERING SOLUTIONS (ELECTRICITY)	16,477	65,327	65,327	75%	178,802
SMART METERING WATER SOLUTIONS	35,931	28,247	73,398	51%	278,631
ACQUIRE ERP SYSTEM (ASSET MANAGEMENT SYSTEM,PROCUREMENT SYSTEM, etc)	10,000	–	–	0%	47,516
ASSET REPLACEMENTS - INSURANCE	7,000	7,000	1,711	-309%	9,755
CONSTRUCTION OF OFFICE ACCOMMODATION	4,686	3,186	694	-575%	4,560
CONSTRUCTION OF OFFICE ACCOMMODATION c/o	1,940	1,358	729	-166%	3,186
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as					*T 3.25.6*

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

Financial Services budgeted to receive revenue of R3,945 billion. Of the budgeted amount, 94% was received, which amounted to R3,706 billion. The budgeted expenditure for the directorate was R1,179 billion, of which 96% (R1,136 billion) was spent. The budgeted net operational expenditure amounted to R2,765 billion, with the actual being R2,570 billion.

The capital projects align with BCMM's MGDS Strategic Outcome of a *Well-Governed City*. The total capital budget allocated for the Directorate of Finance was R0,114 billion, and 130% of the budget – amounting to R0,148 billion – was spent.

The Directorate's four largest projects are:

Smart Water Metering Solution – This project aims to support accurate meter readings and the issuance of reliable bills to consumers. The variances recorded under Smart Water Metering are primarily attributable to accrual timing adjustments, the reversal of disputed invoices, the creation of new invoices following the completion of the reconciliation process, and payments processed in the final quarter of the financial year. Furthermore, the project's implementation phase remained on hold, with only support and maintenance activities commencing in the second quarter of the financial year. As a result, actual expenditure patterns differed from the original

budget. However, overall spending remains aligned with the adjusted budget and the approved scope of revisions.

While the total approved project value remains intact, internal reallocations may be required to accommodate revised operational needs.

The following rectifications will be implemented where targets cannot be met:

• Revised implementation schedules,

• Prioritised rollout strategies,

• Strategies to ensure targets are achieved where possible and to manage shortfalls where they cannot.

Smart Electricity Solution - The project aims to assist with accurate meter readings and the delivery of credible bills to consumers. The variances noted under Smart Metering Electricity are largely due to accrual timing adjustments, the reversal of disputed invoices, the need to create new invoices as per the conclusion of the reconciliation process, and payments processed in the fourth quarter of the 2024/25 financial year. Additionally, the project implementation phase has been placed on hold, with only support and maintenance commencing from the second quarter of the 2024/25 financial year. These factors have resulted in actual expenditure patterns that differ from the original budget, although spending remains aligned with the adjusted budget and approved scope of revisions.

While the total approved project value remains intact, internal reallocations may be required to accommodate revised operational needs.

The following rectifications will be made where targets cannot be met:

• Revised implementation schedules,

• Prioritised rollout strategies,

• Strategies will be put in place to ensure targets are achieved where possible, and to manage shortfalls where they cannot.

Construction of Office Accommodation – The project is being implemented with the assistance of the SP&D Directorate. The project is at the Bid Specification Committee (BSC) stage (Bid Number: BCMM/DDP/ARCH/1551/2025), and the advertisement will be processed once considered by the BSC. The variance has been caused by various factors, including the installation of water supply in accordance with the Building Act.

• There are no expected variations to the total approved project value.

• Expediting the bidding process will assist in achieving the target.

Indigent Management Module – The project was fully implemented and completed on 8 September 2025, and the variance reflects that 100% of the budget was utilised.

It is confirmed that the five-year targets as set out in the IDP schedule can be attained within the approved budget provision.

T 3.25.7

3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCES

The Human Resources function comprises Human Resources Management and Human Resources Performance and Development. Human Resources Management (HRM) is a formal and systematic approach to managing people and is a fundamental component of any organisation and its overall management. HRM is concerned with the recruitment, training, motivation, development, and retention of employees, while also ensuring employee satisfaction in order to maximise individual and organisational performance and achieve strategic objectives.

In the BCMM context, the seven core functions of Human Resources Management are as follows:

- Recruitment and Selection: Involves the recruitment and appointment of suitably qualified candidates to approved posts, with current emphasis placed on filling critical service delivery positions and key management posts.
- Training and Development
- Performance Management
- Remuneration and Benefits: Engagement of new staff on the pay system, processing of payments of salaries, allowances and benefits for staff and Councillors
- Termination of staff and administration of staff establishment and staff budget
- Monitoring of leave and auditing of staff attendance for payroll purposes, and
- Administration of staff benefits, such as medical aid, allowances and pension funds

Organisational Design

In January 2024, the City Manager initiated a project to review the BCMM micro-organisational structure by approving the Design Principles, Methodology, and Process Plan. The project is managed and facilitated by a Steering Committee and the Organisational Development Division. Council has approved the implementation of National Treasury Reforms relating to the establishment of Trading Services for the functional areas of Water and Sanitation, Electricity and Energy, and Solid Waste Management Services.

As a result, the BCMM macro-organisational structure is currently under review to accommodate the Trading Services model. The ongoing micro-structure review is being aligned accordingly to ensure consistency with these reforms. The project remains on track and is approximately 85% complete.

Job Evaluation

The Job Evaluation Unit is responsible for implementing the job evaluation process within Buffalo City Metropolitan Municipality in accordance with the SALGA Job Evaluation Policy as approved by Council. The job evaluation process, including the appeals phase, has been completed. The unit will proceed to the maintenance phase, subject to the submission of revised job descriptions by Directorates and the finalisation of the organisational structural review.

Despite constraints arising from the implementation of the Financial Recovery Plan, progress has been made in filling vacant funded posts and in implementing approved job evaluation and appeal outcomes.

Employee Relations

The Employee Relations function is responsible for ensuring compliance with labour and employment legislation, managing employee relations, overseeing HR administration, payroll, and human resource information systems.

Collectively, these functions support the full employee lifecycle—from recruitment to separation—ensuring that organisational objectives are achieved while promoting a positive, productive, and legally compliant work environment.

T 3.26.1

Employees: Human Resource Services

Movement	No
Staff Compliment	4900
Councillors	100
Traditional leaders	3
Interns	64
Terminations	157
Appointments	89

T3.26.2

Human Resources Policy Objectives taken from the IDP

Human Resource Services Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2021/22		2023/24		2025/26	
		Target	Actual				Target
Service Indicators		*Previous Year	*Current Year	*Previous Year	*Current Year	*Current Year	*Current Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(viii)	(ix)
Service Objective xxx							
% of the municipality's budget actual spent on implementing its workplace skills plan.	Human Resource Development	82%	85%	102%	90%	100%	100%
Staff vacancy rate	Filling of vacant funded posts	6%	8%	13%	15%	13%	13%
Number of people from employment equity target groups (females) employed in the 3 highest levels of management	Implementation of Employment Equity Plan	5	3			2	2
Number of active suspensions longer than three months	Finalisation of all outstanding suspensions that are longer 3 months	36	35	0	8	18	18
*Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*							
T.3.26.3							

T3.26.3

Employees: Human Resource Services					
Job Level	2023/2024	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	7	7	7	0	0%
4 - 6	10	11	9	2	18%
7 - 9	35	38	34	4	11%
10 - 12	26	30	25	5	17%
13 - 15	8	10	9	1	10%
16 - 18	5	7	6	1	14%
19 - 20	2	2	2	0	0%
Total	93	105	92	13	12%
					T3.26.4

Financial Performance for 2024/25: Human Resource Services

Financial Performance 2024/2025: Human Resource Services					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**15 685**	**10 801**	**10 801**	**15 042**	**28%**
Expenditure:					
Employees	114 753	108 341	121 346	121 233	11%
Repairs and Maintenance	–	153	41	41	0%
Other	32 703	26 923	24 373	24 102	-12%
Total Operational Expenditure	**147 456**	**135 417**	**145 761**	**145 377**	**7%**
Net Operational Expenditure	**131 771**	**124 616**	**134 960**	**130 335**	**4%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.26.5*

Capital Expenditure for 2024/25: Human Resource Services

Capital Expenditure 2024/2025: Human Resource Services R' 000					
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**6,700**	**6,970**	**4,072**	**-65%**	
OFFICE FURN AND EQUIPMENT (DIRECTORATE)	500	170	621	19%	1,121
EMPLOYEE PERFORMANCE MANAGEMENT SYSTEM		2,610	2,610	0%	6,610
EMPLOYEE PERFORMANCE MANAGEMENT SYSTEM	3,000	3,000	–	0%	2,610
PAY DAY ELECTRONIC ATTENDANCE SYSTEM FOR BCMM	–	213	–	0%	1,990
PAY DAY ELECTRONIC ATTENDANCE SYSTEM FOR BCMM		777	777	0%	–
PAY DAY ELECTRONIC ATTENDANCE SYSTEM FOR BCMM	200	200	65	0%	–
OFFICE FURNITURE AND EQUIPMENT FOR INTERNS	3,000	–	–	0%	150
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T 3.26.6

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVES OVERALL

Since the commencement of the Job Evaluation process, the Municipality has evaluated a total of 1 652 positions, affecting more than 5 000 employees. The Job Evaluation process, which was facilitated by an external service provider, has been completed.

T 3.26.7

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The Information Technology and Support Department is the institutional enabler of Information Communication and Technology (ICT). Its mandate is guided by the ICT Strategy, which aligns with and supports the MGDS Vision 2030, targeting key strategic focus areas in the IDP, namely:

- Municipal Transformation and Organisational Development.
- Integrated physical ICT Infrastructure to enhance multimodal connectivity.
- Municipal Basic Service Delivery & Infrastructure Development.
- Implement and support the Council-approved BCMM Smart City Strategy.

ICT GOVERNANCE

ICT Governance structures that are fully operational are as follows:

a) **ICT Change Advisory Board (CAB)**

The ICT CAB is integral to the assessment, approval, and supervision of modifications within the ICT environment, ensuring alignment with organisational objectives, reduction of risks, and preservation of operational stability.

b) **ICT Security Review Board (SRB)**

The ICT SRB is tasked with evaluating and addressing security risks within an organisation's ICT infrastructure, thereby protecting data, systems, and operations from potential threats and vulnerabilities.

c) **ICT Operations and Projects Forum**

The ICT Operations and Projects Forum functions as a collaborative platform, enabling stakeholders to discuss, plan, and coordinate ICT operations and projects in order to improve efficiency and ensure alignment with organisational objectives.

d) **Disaster Recovery Planning Forum**

The Disaster Recovery Planning Forum plays a pivotal role in strategising and coordinating initiatives aimed at formulating and sustaining comprehensive disaster recovery plans. Its efforts are integral to ensuring business continuity and organisational resilience in response to unforeseen catastrophic events.

e) **ICT Steering Committee**

The ICT Steering Committee serves as a governing body responsible for establishing strategic direction, determining priorities, and formulating policies for information and communication technology initiatives to ensure alignment with the organisation's overarching aims and objectives.

ICT POLICIES

The following policies have been developed and approved by Council:

a) Application Development Policy
b) Application Support Policy
c) Asset Management Policy
d) Backup Policy
e) Change Management Policy
f) Cloud Computing Policy
g) Disaster Recovery Plan Policy
h) Security Policy
i) User Account Policy

**The reviewed policies were approved by Council in May 2025.*

ICT SECURITY

Improved ICT security includes:

a) Firewall Enhancements and Monitoring.

- Security Analysis Report
- Threat Report

b) Application Security Enhancements.

c) User Awareness Service Desk Notifications on ICT Security Risks.

d) Blocking of various malicious and phishing spam.

e) Upgrading various BCMM computer machines from Windows 10 to Windows 11.

f) Management of user accounts through ongoing reconciliations in Active Directory.

NETWORK INFRASTRUCTURE AND INTERNET CONNECTIVITY

An improved ICT network that includes:

The development and execution of an expansive fibre connectivity network through the implementation of the following radio links:

- Bhisho to Epol Radio Link
- Bhisho to Zwelitsha Radio Link
- Cecilia Makiwane Hospital to Zone 6 Mdantsane Radio Link
- Buffalo Flats WT – Electrical Stubby installation
- Duncan Village Ward 7
- Greenfields OPGW Fibre and 45 Commercial Rd

DISASTER RECOVERY TESTING

On 7 June 2025, the ICT Department successfully conducted a disaster recovery (DR) test of ten critical municipal systems and applications. This important exercise aimed to validate the Municipality's DR Plan, clarify critical roles and responsibilities, and refine emergency response procedures. Each system tested had a recovery time objective (RTO) and recovery point objective (RPO) of less than six hours, reflecting the Municipality's dedication to prompt service restoration. The session was attended by ICT officials and system end-users, and was formally reported to the Internal Audit Department for oversight and assurance.

BUSINESS MODERNISATION AND OFFICE AUTOMATION

The ICT Department finalised the data migration from Document to Microsoft SharePoint to enable a single enterprise content management capability for BCMM.

The ICT Department, together with the EPMO and GIS Unit, launched the AFLA system. This system manages the automation of spatial development processes such as:

- Wayleave Application Management System (WAMS)
- Property and Lease Application Management System (PLAMS)
- Building Plan Application Management System (BPAMS)
- Town Planning Application Management System (TPAMS)

The ICT Department, alongside HR Performance and Development and the IDP Unit, has deployed the organisational performance management system for the management of organisational reporting and the automation of organisational and individual performance.

MEASURES TO IMPROVE ICT PERFORMANCE

a) Developed an ICT Digital Strategy in collaboration with the ICT Steering Committee.

b) Revised ICT Policies, which were approved by the Council.

c) Appointed a Cybersecurity Champion to drive the development of robust cybersecurity frameworks and policies, foster a culture of awareness, ensure regulatory and legislative compliance, and align cybersecurity initiatives with the Municipality's broader strategic objectives.

d) Strengthened the ICT Governance, Risk, and Compliance (GRC) function to exercise oversight over various governance structures and sub-committees responsible for ICT security, change management, operations, and project execution. This ensures enhanced accountability and efficient monitoring and control of ICT operations.

e) Renewed the Terms of Reference for governance structures and sub-committees.

f) The Change Advisory Board and Security Board ensured that all changes and security vulnerabilities were addressed during the meetings of both committees.

g) Training was provided to ICT employees on various cutting-edge technologies.

T 3.27.1

SERVICE STATISTICS FOR ICT SERVICES

The ICT Unit received 1 437 IT equipment requests in relation to:

a) Desktop/Laptops

b) Smart Tabs
c) Network Access Points
d) Printers/Scanners/Copiers/Fax Machines
e) Cabling

ICT further responded to a total of 6 455 incidents, which related to challenges with:

a) Network
b) Desktops/Laptops
c) Electronic mail
d) Applications
e) Storage
f) Security
g) Printers
h) Smart Tabs

T 3.27.2

ICT Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2023/24		2024/25			2025/26	2026/27	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Connected City	Number of Municipal Offices and Halls with Wi-Fi hotspots installed	1	1	1	1	1	3	1	1
	Number of BCMM halls and offices with Fibre Network installed	1	1	1	1	1	1	1	1
Capacitate City Infrustructure	Number of Servers procured for Disaster Recovery	1	1	1	1	1	1	1	1

T 3.27.3

Employees: ICT Services

Employees: ICT Services					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	2	0	0%
4 - 6	1	1	1	0	0%
7 - 9	5	5	5	0	0%
10 - 12	16	21	17	4	19%
13 - 15	8	10	9	1	10%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	33	40	35	5	13%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T 3.27.4

Financial Performance for 2024/25: ICT Services

Financial Performance 2024/2025: ICT Services					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**282**	**815**	**815**	**531**	**0%**
Expenditure:					
Employees	47 623	52 943	46 849	46 819	-13%
Repairs and Maintenance	3 552	7 192	2 831	2 255	-219%
Other	47 123	47 340	47 231	50 137	6%
Total Operational Expenditure	**98 298**	**107 475**	**96 911**	**99 211**	**-8%**
Net Operational Expenditure	**98 017**	**106 660**	**96 097**	**98 680**	**-8%**

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.27.5

Capital Expenditure for 2024/25: ICT Services

Capital Expenditure 2024/2025: ICT Services R' 000					
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**10,000**	**10,971**	**8,225**	**-22%**	
FIBRE NETWORK	1,500	1,108	1,044	-44%	1,787
FIBRE NETWORK	–	180	180	0%	851
LTE INFRASTRUCTURE	1,000	52	–	0%	1,180
LTE INFRASTRUCTURE		3,026	4,003	0%	5,003
DISASTER RECOVERY ENHANCEMENT	1,500	1,500	899	-67%	1,571
PROCUREMENT OF ICT EQUIPMENT	1,000	1,984	1,374	27%	2,555
PROCUREMENT OF ICT EQUIPMENT		121	121	100%	121
MASTER DATA MANAGEMENT	3,000	–	–	0%	–
WI-FI	2,000	2,000	603	-232%	1,603
WI-FI	–	1,000	–	0%	–
Total project value represents the estimated cost of the project on approval by council (including past and future					*T 3.27.6*

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The ICT Department has made significant strides in enhancing service delivery and operational efficiency. The successful implementation of key infrastructure projects, such as the expansion of fibre connectivity and radio links, has substantially improved network infrastructure and internet reliability. These upgrades have enabled seamless communication and established a robust ICT foundation that supports the institution's broader operational framework.

In addition, the department's strategic focus on disaster recovery and business modernisation has delivered commendable results. The deployment of automated systems, such as the AFLA platform for spatial development, has streamlined processes and improved service delivery. These initiatives have not only boosted efficiency but also centralised critical data, facilitating more effective cross-departmental collaboration and decision-making.

ICT has strengthened its ICT Governance, Risk, and Compliance function to enforce monitoring and control over the Municipality's ICT strategy, governance structures, service delivery, operations, and projects ensuring improved project execution, accountability and return on investment and better business enablement. Service statistics highlight the department's responsiveness, with thousands of incidents and equipment requests successfully managed, demonstrating its capacity to meet user needs and resolve technical issues promptly. Furthermore, the updated IT policies have enhanced governance within the department, contributing to improved operational continuity and service standards.

T 3.27.7

3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

INTRODUCTION TO PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES

BCMM has a substantial portfolio of capital assets, land, buildings, and facilities of various uses, from which it delivers services to the community.

The department is responsible for:

a) Estate management, property transfers, and transactions;

b) Property disposals, acquisitions, exchanges, and expropriations;

c) Building maintenance, refurbishment, and renewal.

PROPERTY MANAGEMENT DEPARTMENT

The Property Management Department is responsible for:

– Estate management, property transfers, and transactions;

– Property disposals, acquisitions, exchanges, and expropriations;

– Building maintenance, refurbishment, and renewal.

These services are delivered through the following divisions:

Estates Management Division: Consists of the following branches: Property Management and Land Reform and Transactions.

Property Management: Manages the municipal property portfolio and is responsible for the acquisition and allocation of office space for councillors and municipal directorates, inspections, and insurance.

Land Reform and Transactions: Supports land restitution programmes for those dispossessed by racially discriminatory legislation and policies, providing essential support for the vital processes of reconciliation, reconstruction, and development. Restitution is an integral part of the broader land reform programme and is closely linked to the need for land redistribution and tenure reform.

Land Re-Distribution: Provides historically disadvantaged individuals and communities with access to land for residential and productive uses, thereby improving their income and quality of life.

Land Tenure Upgrading: Seeks to upgrade existing land rights, such as site permits, residential permits, lodgers' permits, certificates of occupation, and permissions to occupy, making them more secure. This aspect of land reform is articulated in Section 25(6) of the 1996 Constitution.

Extended State Discount Benefit Scheme: Specifically addresses all beneficiaries prior to 1994 who were allocated houses by the previous regime. All land rights are now being upgraded to full title.

The Property Disposals and Acquisitions Division: Is responsible for the disposal and acquisition of land and property (buildings) to enhance service delivery within BCMM's jurisdiction. The core responsibility is to dispose of surplus property and land to the public for residential, business, institutional, industrial, and agricultural uses, as expressed in Clause 25 of the Constitution of the Republic of South Africa. The intention is to address BCMM's Land Redistribution Programme.

The Council has approved that land parcels be acquired for the Mixed Use Integration Zone, which is privately owned.

LAND ACQUISITIONS AND FEASIBILITY STUDIES THAT WILL MITIGATE LAND INVASION

1. The Council Minute for the donation of Farm 754, EL, from Amathole District Municipality to BCMM, as well as the feasibility studies, is still to be concluded.
2. Completed feasibility studies as portfolios of evidence (POEs):
    a. Amalinda Forest: Erf numbers 22634, 54136, 4479, 650, 22693, 1236, and 24754; and the remainder of Erf 644, 45343, 1234, 1237, and 1238.
    b. Mtsotsa/Silvertown Settlements in MDT.
    c. Portion 14 of Farm 832, EL, from the Provincial Government of EC.
    d. Quenera Area.
    e. Msobomvu: remainder of Farm 270; and Portions 1,2,4,5,6,7,8,9,10,11,12, and 13.
    f. Cuba and Eluxolweni Settlements.
    g. Remainder of Erf 413, Newlands; the remainder of Portion 2 of Farm 302; and the remainder of Farm 302.
    h. The remainder of Erf 412, 413, and 414, Amatola; and Erf 416, Newlands.
    i. Cambridge Location informal settlement: Erven 5152, 56451, 56449, and 44402.
3. Land parcels acquired for the year under review:
    a. Portion 11 Farm 925, EL.
4. Land Parcel acquired for the year under review:
    a. Portion 11 Farm 925, EL.

LAND ACQUISITIONS

Portion 11 of Farm 925 EL has been acquired.

LAND INVASIONS

MANAGING AND CURBING LAND INVASION AND ILLEGAL OCCUPATIONS OF LAND WITHIN BCMM AREA OF JURISDICTION

• Land invasion refers, inter alia, to the illegal occupation of land by an individual or groups, whether to establish a settlement, business, or both, and any other land use that would be deemed

illegal on municipally owned land or other privately owned properties without the consent of the owner.

• There are large tracts of land that have been invaded, and in some areas, such acts impact municipal plans. In response to these illegal activities, steps have been taken by the BCMM to address any kind of invasion, either proactively or reactively. These steps include, but are not limited to, the application of the Land Management Policy, interdicts, and court orders, and such actions are documented.

Prevention of Illegal Eviction (PIE) ACT

According to the Prevention of Illegal Eviction From and Unlawful Occupation of Land Act (PIE Act), No. 19 of 1998:

- Urgent amendments are required if municipalities are to succeed in curbing land invasions.
- The City and other metros have submitted a comprehensive amendment bill to National Government on this matter.
- The Act places an unnecessary burden on municipalities to provide alternative accommodation.
- There is no clear time period within which informal structures may be demolished without a court order.

CATALYST OF UNLAWFUL LAND OCCUPATIONS (ULO)

1. Service delivery protest
2. Need for space
3. Opportunistic entrepreneurism
4. Proximity to alternative services
5. Political manoeuvring
6. Economic impacts of COVID-19 (Eviction from backyards)
7. “Gaming the system” (Awaiting temporary basic services)

BROAD CHALLENGES

• Judiciary systems and outcomes that favour land invaders due to the current PIE Act.

• Lack of local-level intelligence to assist in identifying perpetrators.

• Delays in obtaining eviction and court orders, leading to uncontrolled land invasions.

• Difficulty in monitoring informal settlements that are not easily accessible.

• Rapid proliferation of informal structures after hours or during weekends.

• Safety risks to staff when confronted by invaders, who are often violent.

• Burden on the City to provide alternative accommodation, in terms of current legislation, when evicting occupants from both state and private land.

• Unlawful sale of Council land.

• Lack of intergovernmental intervention between the City and other state landowners within the municipal jurisdiction.

THE BUILDING MAINTENANCE DIVISION

The Division consists of the following branches: Contracts and Planning Branch, the Operations Branch, and the Administration Branch. The key objectives are as follows:

- To ensure that buildings and assets are adequately maintained;
- To ensure that risks to BCMM in this regard are effectively managed;
- To ensure that health, safety, and security objectives are met;
- To ensure that BCMM has the necessary information to monitor maintenance activities.

The Contracts and Planning Branch is responsible for the Building Maintenance Project Management programmes for work on CAPEX votes, with some of the work falling under Operating and OPEX votes.

The work covers the following functional maintenance areas:

- Planned Maintenance
- Deferred Maintenance
- The Contracts and Planning Branch's sections are as follows:

- Electrical and Air-conditioning Works Section
- Informal and Quotations Works Section
- Emergency Works Section
- Formal Tenders Works Section
- **Procurement:** The section undertakes the procurement of contractors and consultants by implementing BCMM procurement processes according to SCM guidelines.
- **Construction Management:** The section ensures that maintenance projects are implemented to a high standard and managed in compliance with the various Acts and Regulations governing the construction industry.
- **Contract Management:** The section ensures that maintenance projects and consultants are managed in accordance with the agreement and that contractual obligations are met by all parties.
- **Financial Management:** The section ensures that maintenance projects are implemented within budget constraints and that over-expenditure does not occur, with reporting on expenditure.

The Building Maintenance Contracts Branch carried out the following CAPEX projects in BCMM Wards.

The **Operations Branch** is responsible for all minor building maintenance works within the Operating and Capital cost centres. Emergency and minor maintenance works are carried out either through internal in-house workshop sections or by utilising annual tenderers.

The workshop sections are as follows:

- Term Maintenance
- Emergency Maintenance
- Housing Maintenance
- Electrical and Air- conditioning Maintenance
- Inland Building Maintenance
- Coastal Building Maintenance

The **Administration Branch** is responsible for the administration of the Division, which includes the BMS database, works orders, data capturing, sub-stores, and all BMS finances.

Refurbishment, renewal, and maintenance of buildings are critical components of effective physical asset management and overall property management, and are essential to meeting statutory requirements.

Budgets for the Property Management Department: 2024/25

Buxton, Electricity House And Reserve Bank Refurbishment	R 455 003
Orient theatre refurbishment	R 300 000
Capex Land Acquisition	R 7 000 000

T3.28.1

THE SERVICE STATISTICS FOR PROPERTY MANAGEMENT DEPARTMENT ARE TOTALED AS FOLLOWS:

Items	2024/2025
Acquisitions	2
Registered properties under the state discount scheme	53
Land Invasions	4
External Quotations and Emergency works	47
Internal minor and emergency works	455
Contracts and Planned works	35
Planning, Specification, Site, Progress, Snag, Payment, and Final Inspections related the Building Maintenance Services in line with CIDB regulations.	2148
Jobs created by Building Maintenance in relation to Maintenance Works Completed	246
Annual Tenders	6

T3.28.2

Property; Legal; Risk Management; and Procurement Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2022/2023		2023/2024			2024/2025		
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Number of land parcels acquired by Council for Mixed Use Integration Zone and Densification (public and privately owned).	Land parcels acquired	4	4	4	4	4	N/A	N/A	N/A
Number of BCMM owned buildings upgraded	Upgrading of BCMM owned buildings	16	16	16	16	16	16	16	16
									T 3.28.3

Employees: Property; Legal; Risk Management; and Procurement Services

Employees: Property; Legal; Risk Management; and Procurement Services					
Job Level	Year -2024/25	Year 2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	9	9	0	0%
4 - 6	4	43	38	5	12%
7 - 9	1	37	34	3	8%
10 - 12	2	14	11	3	21%
13 - 15	2	8	6	2	25%
16 - 18	4	11	9	2	18%
19 - 20	0	1	1	0	0%
Total	13	123	108	15	12%

T 3.28.4

Financial Performance for 2024/2025: Property; Legal; Risk Management & Procurement Services

Financial Performance 2024/2025: Property; Legal; Risk Management and Procurement Services R'000					
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**18,144**	**27,458**	**11,458**	**61,074**	**55%**
Expenditure:					
Employees	38,990	49,341	40,526	40,513	-22%
Repairs and Maintenance	17,708	20,006	8,679	8,240	-143%
Other	172,865	79,358	79,222	203,805	61%
Total Operational Expenditure	**229,564**	**148,705**	**128,427**	**252,559**	**41%**
Net Operational Expenditure	**211,419**	**121,247**	**116,969**	**191,485**	**37%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.28.5*

Capital Expenditure for 2024/2025: Property; Legal; Risk Management & Procurement Services

Capital Expenditure 2024/2025: Property; Legal; Risk Management and Procurement Services R' 000					
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**15,000**	**9,689**	**9,306**	**-61%**	
FENCING OF MUNICIPAL BUILDINGS		1,004	1,004	100%	2,004
UPGRADING OF MUNICPAL BUILDINGS & OFFICES		811	1,191	100%	1,004
INSTALLATION OF AIR-CONDITIONERS		763	–	0%	811
LAND ACQUISITION	15,000	7,111	7,111	0%	–
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as					*T 3.28.6*

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

IDP / CAPITAL PROJECTS	BUDGET	COMMENTS
Land Acquisition	7 000 000	The property has been registered at the Deeds Registry Office in favour of BCMM. Negotiations regarding Portion 1 and Portion 2 of Farm 925 EL have been put on hold until the Conceptual Framework Plan for the West Bank MIHS area study has been completed. Owners of Erven 1236 and 1238 Amalinda Forest are unhappy with the valuation report they received and want BCMM to make a higher offer; otherwise, the landowners are not willing to sell. We are awaiting land coordinates from the landowner regarding Portion 2 of Farm 302 EL, and the landowner is willing to sell the land that has been illegally invaded to BCMM. Regarding Portion 4 of Farm 303 EL, landowners are requesting a land swap; therefore, the department is awaiting the landowners to submit a request for the land swap in writing.
Buxton, Electricity House and Reserve Bank Refurbishment	455 003	Project completed.
Orient Theatre Refurbishment	300 000	Project completed.

OVERALL PERFORMANCE

The department has performed fairly well in the areas of refurbishment, renewal, and maintenance of buildings and land acquisition, as can be seen in the table for the "SERVICE STATISTICS FOR PROPERTY MANAGEMENT DEPARTMENT":

- Portion 11 of Farm 925, EL, has been acquired.
- Feasibility studies have been completed to mitigate land invasion in the following areas:

  - Amalinda Forest: Erf numbers 22634, 54136, 4479, 650, 22693, 1236, 24754; remainder of erf 644; remainder of erf 45343; remainder of erf 1234; remainder of Erf 1237; and the remainder of Erf 1238.
  - Mtsotsa/Silvertown Settlements in MDT.
  - Portion 14 of Farm 832, EL, from the Provincial Government of EC.
  - Quenera area.
  - Msobomvu: remainder of Farm 270 and Portions 1,2,4,5,6,7,8,9,10,11,12, and 13.
  - Cuba and Eluxolweni Settlements.
  - Remainder of Erf 413, Newlands; remainder of Portion 2 of Farm 302; and the remainder of Farm 302.
  - Remainder of Erf 412, 413, and 414, Amatola, and Erf 416, Newlands.
  - Cambridge Location informal settlement: Erven 5152, 56451, 56449, and 44402.

T 3.28.7

COMPONENT J: MISCELLANEOUS

This component includes the provision of Airports, Abattoirs, Municipal Courts and Forestry as municipal enterprises.

INTRODUCTION TO MISCELLANEOUS SERVICES

NB. COMPONENT J IS NOT APPLICABLE TO BCMM

T3.29.0

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

NB. ORGANISATIONAL PERFORMANCE SCORECARD IS BELOW

AUDITED BUFFALO CITY METROPOLITAN MUNICIPALITY ANNUAL PERFORMANCE REPORT : 2024/2025 FINANCIAL YEAR

CITY MANAGER: MR M. YAWA

KFA NO.	National Treasury Reference/BCMM Code	Key Performance Indicator	Project	Baseline (Annual Performance 2023/2024-Audited)	Annual target for 2023/2024	Actual Annual Performance for 2023/2024	Annual target for 2024/2025	Actual Annual Performance for 2024/2025	Portfolio of evidence	Reason for deviation	Corrective measures	Achievement levels	Responsible Directorate
STRATEGIC OUTCOME 1: INNOVATIVE AND PRODUCTIVE CITY													
NATIONAL PRESCRIBED INDICATOR													
KFA 11	FD 1.11	Percentage compliance with the required attendance time for structural firefighting incidents (formal & informal)	Fire Incidents Response Times	45.11% (592 reported incidents and 263 responded in time) (Q1 = 41.44% (222 reported and 92 responded to Q2 = 38.46% (130 reported and 50 responded to) Q3 = 47.37% (114 reported and 54 responded to) Q4 = 53.17% (126 reported and 67 responded to))	75%	45.11% (592 reported incidents and 263 responded in time) (Q1 = 41.44% (222 reported and 92 responded to Q2 = 38.46% (130 reported and 50 responded to) Q3 = 47.37% (114 reported and 54 responded to) Q4 = 53.17% (126 reported and 67 responded to))	45% Compliance (per quarter) with the required attendance time of 14 minutes or less for structural firefighting incidents (formal & informal	76.24% Compliance (annual) with the required attendance time of 14 minutes or less for structural firefighting incidents (formal & informal areas) Quarter 1: 63.91%; Quarter 2: 79.64%; Quarter 3: 76.40%; Quarter 4: 85%.	News of The Day (Incident Reports) extracted from the Emergency Services System (ESS) – Fire Call Logging System	Daily analyzing of the News of the Day reports, to monitor and evaluate the response times was carried out during the period under review, (fourth quarter – 1 April 2025 to 30 June 2025) to ensure strict compliance to the SANS Code. Management intervention to ensure that fire incidents were responded to timeously, from the time the calls were logged, to the arrival at the fire incident scene - which was monitored by the Station Commanders, has resulted in improved response times on structural firefighting incidents (formal and informal areas)	None at this stage because this is an ongoing/daily operational activity. However the Department will continue to ensure that daily analyzing and monitoring of all calls and reporting is monitored by the Station Commanders to maintain the standards being implemented. The aim is to try to achieve the National Standards.		Directorate: Public Safety and Emergency Services
KFA2	LED 3.11	Average time taken to finalise business license applications	BCMM Business Licence process	5,7 days	14 working days	5,7 days	12 working days	Q1 -5.5, Q2-3.6, Q3 -2.02 Q4- 2.4 (Average for the year is 3,37 working days)	Quarterly report & Business License Register	N/A	N/A		Directorate: Economic Development and Agencies
KFA 2	LED3.12	Average time to formalise informal trading permits	BCMM informal trading permits for informal traders	6,3 days	14 working days	6,3 days	12 working days	Q1-6, Q2 -6, Q3-2, Q4-1 (Average for the year is 4 working days)	Quarterly report & Hawkers License/ Permit Register	N/A	N/A		Directorate: Economic Development and Agencies
KFA5	LED 1.21	Number of work opportunities created by the municipality through Public Employment Programmes (Incl. EPWP, CWP and other related employment programmes)	EPWP	3927	5617	3927	3148	4450	Employment Contracts	N/A	N/A		City Manager's Office (EPWP)
BCMM INDICATORS													
KFA 5	IPC 5	Number of direct and indirect job opportunities created through Economic Development Projects, initiatives and partnerships	Job opportunities created through Economic Development Projects, initiatives and partnerships	738	600	738	700	840	List of names with ID numbers	There was a huge over achievement in quarter two because of many events that took place during that period additional there was a recruitment drive of pulic employment participants that also took place during the same quarter.	N/A		Directorate: Economic Development and Agencies
KFA 5	IPC 22	Number of bursaries awarded	Bursaries Non - Employee	67 Bursaries Awarded	50 Bursaries Awarded	67 Bursaries Awarded	67 Bursaries Awarded	81 Bursaries Awarded	Bursary Fund award letters	The over achievement is caused by the escalated number of deserving underpriviledged youth who achieved good results and that the Bursary Fund was allocated an additional budget approved by Council offering oportunity for more intake.	The previous year's expenditure and the allocated budget will giude on the number of students to benefit from the fund		Directorate: Executive Support Services
KFA5	IPC60	Number of youth development programmes supported	N/A	4 Youth Development programmes	4 Youth Development programmes	4 Youth Development programmes	6 Youth Development programmes	6 Youth Development programmes	Newsflash and attendance registers	N/A	N/A		Directorate: Executive Support Services
KFA 8	IPC 21	Number of sport development programmes supported	N/A	4 (Sports Development courses)	4 (Sports Development courses)	4 (Sports Development courses)	4 (Sports Development courses)	4 (Sports Development courses)	Newsflash and attendance registers	N/A	N/A		Directorate: Sport, Recreation and Community Development

KFA 2	IPC8	Number of interventions supported to retain existing investors and promote attraction of new investment into Buffalo City	Invest Buffalo City, Dimbaza Indusrtial area, Scoping study for industrial areas	2 (Q1 –Revitalization of Industrial Parks Q4 – Invest Buffalo City)	3 (i) (Revitalization of Industrial park Dimbaza , (ii) Invest Buffalo City (iii) Scoping study for Wilsonia industrial area	2 (Q1 –Revitalization of Industrial Parks Q4 – Invest Buffalo City)	3 (i) (Revitalization of Industrial park Dimbaza , (ii) Invest Buffalo City (iii) Support of other industrial parks	3 (Q2-Support provided to other Industrial Parks Q3- Support provided to Invest Buffalo City Q4-Support of other Industrial Parks)	Quarterly reports and attachment from implementing agents (Border Kei Chamber of Business + ECDC)	N/A	N/A		Directorate: Economic Development and Agencies
KFA 1	IPC3	Number of infrastructure projects for informal traders implemented	Infrastructure Project Implemented for informal traders	0	3 (Mzamomhle, Ward 9, Fort Jackson Junction Hub)	0	5 (1) NU 16 Hawker Stalls, (2) Ward 6 & (3) Fort Jackson Junction, (4) Ward 1 Duncan Village and ward 13 (Reeston)	0	Quarterly report, purchase order & Invoices	The project was not achieved because there was no annual contract or formal tender in place	Procurement and purchase orders has been done, the projects will be implemented in the next financial year.		Directorate: Economic Development and Agencies
KFA 1	IPC 4	Number of interventions implemented to support SMMEs and Cooperatives	Training, Procurement of equipment and machinery for SMMEs and Cooperatives	5 (Q1 – Capacity building Q3 – Access to markets, SMME Roadshows Q4 – Procurement of equipment, Incubation programme)	5 (Provision of machinery and equipment, Access to Markets, SMME Roadshows, Capacity building programme, Incubation programme)	5 (Q1 – Capacity building Q3 – Access to markets, SMME Roadshows Q4 – Procurement of equipment, Incubation programme)	4(Provision of machinery and equipment, SMME Roadshows, Capacity building programme, Incubation programme)	4(Provision of machinery and equipment, SMME Roadshows, Capacity building programme, Incubation programme)	Quarterly report & acknowledgement letter from supported SMMEs, Invoices	N/A	N/A		Directorate: Economic Development and Agencies
KFA 7	IPC6	Number of creative industries support projects/ programmes implemented	Creative industries support projects/ programmes	4 (4 x creative industry quarterly reports i.e. one quarterly report per quarter and 1 x deviation certificate for Upgrading and Extension of Mdantsane Art Centre.	(5) (4 Quarterly Creative industries support Programmes/Projects (1 per quarter), -(1) Extension and Upgrading of Mdantsane Arts Centre (Phase 1)	4 (4 x creative industry quarterly reports i.e. one quarterly report per quarter and 1 x deviation certificate for Upgrading and Extension of Mdantsane Art Centre.	4) Quarterly Creative industries support Programmes/ Projects (1 per quarter),	4) Quarterly Creative industries support Programmes/ Projects (1 per quarter),	Quarterly report, Invoices, Acknowledgement letters from recepients,Attendance register	N/A	N/A		Directorate: Economic Development and Agencies
KFA 7	IPC30	Number of Arts, Culture and Heritage projects/programmes implemented	Arts, Culture and Heritage projects / programmes	3 (Restoration of Mzukisi Skweyiya, Restoration of Zola Brian Mjo Burial Site, Land scaping of Rharhabe Burial site)	6 (Land scaping of Rharhabe Burial site, Restoration of Ngidi burial site, Restoration of multi cultural statue, Restoration of Zola Brian Mjo Burial Site, Restoration of Mzukisi Skweyiya, Restoration of Magxala Burial Site)	3 (Restoration of Mzukisi Skweyiya, Restoration of Zola Brian Mjo Burial Site, Land scaping of Rharhabe Burial site)	6 Landscapping of Rharhabe burial site, Restoration of Ngidi burial site, restoration of multi cultural statue, restoration of Zola Brian Mjo burial site, restoration of Mzukisi Skweyiya, restoration of	0	N/A	There was no budget allocated for these projects	Projects will be implemented in the next financial year (2025/2026).		Directorate: Sport, Recreation and Community Development
KFA 4	IPC7	Number of initiatives (programmes) implemented to develop, market and promote Buffalo City as a tourist destination of choice	Tourism Projects/ Programmes	16 (4 x Quartely destination marketing programmes , 4 x quartely tourism awareness and capacity building programmes , 4 x quarterly tourism SMMEs support programmes and 4 x quartely tourism events programmes)	16 (4 x Quartely destination marketing programmes , 4 x quartely tourism awareness and capacity building programmes , 4 x quarterly tourism SMMEs support programmes and 4 x quartely tourism events programmes)	16 (4 x Quartely destination marketing programmes , 4 x quartely tourism awareness and capacity building programmes , 4 x quarterly tourism SMMEs support programmes and 4 x quartely tourism events programmes)	13 (4 x Quarterly destination marketing programmes , 4 x quarterly tourism awareness and capacity building programmes , 1 x quarterly tourism recovery support programmes and 4 x quarterly tourism events	13 (4 x Quarterly destination marketing programmes , 4 x quarterly tourism awareness and capacity building programmes , 1 x quarterly tourism recovery support programmes and 4 x quarterly tourism events	Quarterly report, Attendance register, Invoice, Close out from event organisers, Contract for exhibition attended, Signed contract for adverts placed in the magazine.	N/A	N/A		Directorate: Economic Development and Agencies

KFA 2	IPC9	Number of interventions implemented on export development and promotion for emerging exporters on a quarterly basis	Exporter Sector Specific Training, Trade Seminars, Trade Missions, Global Exporter Passport Programme, Export Symposium, Exporter Development Programme	14 (Q1 – Trade mission; export symposium; export preparation and regulations training, emerging exporter training Q2 – Exporter development programme; trade seminar; trade mission; emerging exporter training Q3 – trade mission; trade seminar; emerging export training Q4 – trade mission; trade seminar; emerging export training)	14 4 Quarterly Trade missions; Export Symposium & Exhibition; Export Preparations and Regulations Training; 4 Quarterly Emerging Exporter Training; Exporter Development Programme; 3 Quarterly Trade Seminars;	14 (Q1 – Trade mission; export symposium; export preparation and regulations training, emerging exporter training Q2 – Exporter development programme; trade seminar; trade mission; emerging exporter training Q3 – trade mission; trade seminar; emerging export training Q4 – trade mission; trade seminar; emerging export training)	8 1x Export Symposium & Exhibition; 2 Export Preparations and Regulations Training; 3 Trade , Trade Seminars;	(8) Q1- Emerging exporter training, Export, Preparations and Regulations Training, Export Symposium & Exhibition(3) Q2- Trade Seminars (3) achieved 1 ,Q3 - Trade Seminars, Trade Mission(2) , Q4- Trade Seminar(International), Exploring Trade Opportunities in Brazil: Seminar, Summer Fancy Food Show (3)	Quarterly report , attendance register	N/A	N/A		Directorate: Economic Development and Agencies
KFA 6	IPC11 (a)	Number of Agricultural Farmer support programmes implemented	Farmers support programmes/projects	7 (Q1 –Urban agriculture/Food Security, Fencing of arable land Q2 – Production inputs Q3 – No target Q4 – Agri-village; hydroponics and packhouse; poultry and piggery structure; livestock improvement)	(7) (1) Food Security, (2) Hydroponics programme, (3) Fencing of Arable Land, (4) Piggery and poultry structure, (5) Livestock improvement equipment, (6) Agri-village, (7) Urban Agriculture	7 (Q1 –Urban agriculture/Food Security, Fencing of arable land Q2 – Production inputs Q3 – No target Q4 – Agri-village; hydroponics and packhouse; poultry and piggery structure; livestock improvement)	(6) (1) Food Security, (2) Hydroponics programme, (3) Fencing of Arable Land, , (4) Agrivillage, (5) Food gardens - Public	(5) Q1- Fencing of Arable Land, Food gardens - Public Employment Programme, Q2- Food Security, Q3 - Hydroponics programme(Ginsberg) , Q4- Dipping tank (Nonkcampa -Employment Programme),(6) Dipping Tank	Quarterly report , attendance register	The 4th quarter target for Agri Village has not been achieved, due to the delays in the renovation of the Sekunjalo hydroponics tunnel, and as well finalizing an agreement with regards to the operations.	The tunnel will be completed in 1stquarter of 2025/26 financial year, service provider has been appointed, as well as discussions with a private operator will take place.		Directorate: Economic Development and Agencies
KFA 12	IPC20	% Reduction in road traffic fatalities on BCMM roads	Reduction in road fatalities on BCMM roads	3.35% reduction for the 2023/2024 year – actual number = 161 for the year (Q1 = 0.83% - 40 actual number reduction Q2 = 1.04% - 50 actual number reduction Q3 = 0.75% - 36 actual number reduction Q4 = 0.73% - 35 actual number reduction	5% Reduction	3.35% reduction for the 2023/2024 year – actual number = 161 for the year (Q1 = 0.83% - 40 actual number reduction Q2 = 1.04% - 50 actual number reduction Q3 = 0.75% - 36 actual number reduction Q4 = 0.73% - 35 actual number reduction	5% Reduction	2.90% (annual) reduction in road traffic fatalities recorded for the financial year 1 July 2024 to 30 June 2025 : 1st quarter = 40 2nd quarter = 43 3rd quarter = 30 4th quarter = 26 Total = 139 X 5% / 240	SAP statistics of fatalities and departmental operational plans	a) The joint efforts between local authorities and other stakeholders and special operations enforced during the period of 1 April 2025 to 30 June 2025 has resulted in a reduction in road fatalities. b) Actual number of fatalities recorded for the fourth quarter was 26 which equates to a total reduction of 0.54% (actual 26 x 1.25%Q target÷60=0.54%).	None at this stage: No remedial action to be taken, however the department will continue to ensure: a) Drunken driving campaigns, speeding operations, ANPR roadblocks etc with various stakeholders, namely SAPS, Law Enforcement Services etc take place at identified hotspots. b) Safey Awareness Campaigns are carried out. c)Visibility and daily enforcement operations are done through the deployment of officers to improve compliance to the law.		Directorate: Public Safety and Emergency Services
KFA 12	IPC 19	Number of Areas covered by surveillance cameras	Roll out of CCTV cameras in BCMM	0	2 areas KWT Traffic Dept & Cambridge Pump Station	0	(2 Areas) - KWT Traffic Dept & Cambridge Pump Station	0	Award letter dated 20 June 2025, communication between the GM PS Office & SCM, BEC Minute BEC 2 41/25 dated 09/04/2025, tender advert dated 19/11/2024 & specifications dated July 2024	Internal challenges were encountered with the sitting of the various Bid Committees which delayed the progression of the tender through the Committees. Tender was approved at BSC on the 4/11/2025 & advertised on the 19/11/2025. Tenders were evaluated and considered at BEC dated 9/4/2025. Tender was awarded at BAC on the 9/06/2025. Letter of award was issued on the 20 June 2025.	Continuous communication between the General Manager Public Safety & Senior Admin Officer resulted in the department obtaining correspondence relating to the formal procurement process and communication from the HOD office escalated the process further. The DPS & ES has written on numerous occasions regarding the non-sitting of the various Bid Committees which contributed to the delay in the awarding of the tender. The tender was awarded on the 9 June 2025 & award letter issued on the 20 June 2025.		Directorate: Public Safety and Emergency Services
KFA 12	IPC 51	Milestones towards the Review of Crime Prevention Strategy	Milestones towards the Review of Crime Prevention Strategy	New indicator	New indicator	New indicator	Appointment of service provider Draft Reviewed Crime Prevention Strategy	1)Appointment of Service Provider	Letter of award RFQ /LES/2024-25/419 Memo dated 27 March 2025 Re Cancellation & Re-Advertisement of Tender. Tender Register indicating no tender submissions. Email dated 27 March 2025. Memo dated 18 February 2025 Re Appointment of Technical Advisors for Contract CE 3245	The formal tendering process which was initially followed yielded no bidders for the tender CE 3542. BSC 1 approved the specifications on the 24 Oct 2024, Contract CE 3542. Tender was advertised on the 3 December 2024 and closed on the 20th December 2024. Tender was re-advertised on the 6th May 2025 on BCMM website and closed on the 13 May 2025..RFQ PS&ES /2024-25/419 was evaluated on 14 May 2025, there were no tender submissions. RFQ was re-advertised on 30 May 2025 on BCMM website. Evaluation took take place on 3 June 2025. Evaluation report populated and submitted to SCM on 4th of June 2025. Award was made on the 23 June 2025	Continuous communication between the General Manager Public Safety & Senior Admin Officer resulted in the department ensuring that the tendering process was continuously re-advertised due to no bidders for the previous tendering processes and communication from the HOD office escalated the process further. The award was made on the 23 June 2025.		Directorate: Public Safety and Emergency Services
KFA 12	IPC 52	Development of BCMM Security Risk Analysis	Development of BCMM Security Risk Analysis	New indicator	New indicator	New indicator	BCMM Security Risk Analysis	Service Provider appointed, Service Level Agreement signed & the service provider has met with the relevant officials of BCMM to approve a final implementation plan and determination of external role players.	Award letter dated 17 April 2025, official order no 0002145175, tax invoice no 0000287, Notice of appointment to site managers, signed SLA, minutes of meetings dated 3 May 2025 & 14 May 2025	The service provider was only appointed on the 17 April 2025. The SLA & Terms of Reference had to be drafted and signed by both parties before work could be undertaken. The SLA was signed by the City Manager on the 10 June 2025	The appointed service provider is on site and has completed the pre-planning phase in June 2025. Work will continue into the 2025/2026 financial year and work will be measured against the milestones as per the SLA, (14 days to complete Phase 1, 4 months to complete Phase 2 & 14 days to complete Phase 3) by the GM PS & Project Manager		Directorate: Public Safety and Emergency Services

KFA 11	IPC 53	Review of the Disaster Management Policy Framework	Review of the Disaster Management Policy Framework	New indicator	New indicator	New indicator	Reviewed Disaster Management Policy Framework	Final Inception report received; Invitation to Participate in Review and Update submitted to Corporate Services (ICT); Interview Questionnaire drafted	Copies of Advert/s; Award Letter; Order; CM Memo of approval; Extracts of signed SLA; Invoice; Evaluation of SP; Inception Report; Memo of Invitation; Questionnaire Template; email follow up regarding stakeholder interviews	Delays were experienced in securing a responsive bidder. RFQ/PS & ES/2024-25/54 was advertised on the 10 September 2024 & RFQ/PS & ES/2024-25/55 was advertised on the 11 October 2024 which yielded no responsive bidders. RFQ/PS & ES/2024-25/54 was advertised on the 6 December 2025 and was successfully evaluated. An award was made on the 4 February 2025. Delays were experienced in finalizing the Service Level Agreement	The RFQ/PS & ES/2024-25/54 was awarded on 7 February 2025. The Service Level Agreement was signed off by the City Manager on the 10 June 2025. The service provider proceeded in the interim to prepare and submit a Final Inception Report Project will continue in the 2025/26 financial year		Directorate: Public Safety and Emergency Services
KFA 11	FE1.1/IPC 2	Number of fire stations refurbished	Refurbishment of Fire Stations	1 (Vincent Fire Station - New palisade fence and new gate with gate motor installed completed)	1 (Vincent Fire Station)	1 (Vincent Fire Station - New palisade fence and new gate with gate motor installed completed)	1 (Mdantsane Fire Station Refurbished)	1 (Mdantsane Fire Station Refurbished) as follows: Painting internal & external; Roof repairs/ partial replacement; kitchen refurbished; lockers installed; ceiling partially; replaced; engine bay doors repaired; floors tiled; emergency generator switch installed at DV board	Copies of Advert; Award Letter; Order; Invoices, Evaluation of SP's; Progress Memo's from Dep CFO; photographs of work completed	N/A	N/A		Directorate: Public Safety and Emergency Services
KFA 10	HS 3.2/ IPC 53	Number of Community Halls Upgraded	Upgrading of Community Halls	2 (Macleantown and Carnegie Hall)	3 (Macleantown Hall, War Memorial Hall, Carnegie Hall)	2 (Macleantown and Carnegie Hall)	5	0	N/A	The funding for 2024-2025 FY has been utilised for projects reinstated from the 2023-2024 FY.	Projects will be implemented in the next financial year.		Directorate: Sport, Recreation and Community Development
KFA9	HS 3.1/IPC16	Number of Swimming Pools upgraded	Upgrading of swimming pools	2 Joan Harrison Swimming Pool and Orient Swimming Pool	2 Joan Harrison Swimming Pool and Orient Swimming Pool	2 Joan Harrison Swimming Pool and Orient Swimming Pool	3 (Ruth Belonsky Pool, Mdantsane pool King Williams Town Pools)	2	Invoices and dated colour pictures (before and after)	N/A	N/A		Directorate: Sport, Recreation and Community Development
	IPC 50	Number of Resorts upgraded	Upgrading of resorts	New indicator	New indicator	New indicator	1 Gonubie resort	1 Gonubie resort	Invoices and dated colour pictures (before and after)	N/A	N/A		Directorate: Sport, Recreation and Community Development
KFA4	IPC13	Number of Aquarium facilities upgraded	Refurbishment of Aquarium	0	1 (Refurbish of Aquarium Live Animal Exhibit)	0	1(Refurbish of Aquarium Exhibit)	1 (Refurbish of Aquarium Exhibi	Invoices and dated colour photos (before and after)	N/A	N/A		Directorate: Sport, Recreation and Community
KFA9	HS 3.4/IPC12	Number of sports facilities upgraded	Sports facilities upgraded	1 (Gompo Stadium)	2 (Sisa Dukashe Stadium, Gompo Stadium)	1 (Gompo Stadium)	1 Gompo Stadium)	1 Gompo Stadium)	Invoices and photos	N/A	N/A		Directorate: Sport, Recreation and Community Development
KFA 10	HS 3.2/IPC18	Number of Libraries Upgraded	Upgrading of Libraries	New Indicator	New Indicator	New Indicator	6 (Gonubie Library, Zwelitsha Library, Dimbaza Library, Green Fields Library, Berlin Library, Central Library)	6 (Gonubie Library, Zwelitsha Library, Dimbaza Library, Green Fields Library, Berlin Library, Central Library)	Completion Certificate, invoices and Photos	N/A	N/A		Directorate: Sport, Recreation and Community Development

KFA 10	HS 3.2/IPC17	Number of Community Halls Constructed (Phase 3)	Continuation of Development of Nompumelelo Community Hall - Phase 3	0	1	0	1 (Nompumelelo Community Hall - Office Space and Meeting Room)	0	N/A	All funds were removed during first budget adjustment	This project will be undertaken as soon as funds are available in the 2025/2026 financial year		Directorate: Sport, Recreation and Community Development
STRATEGIC OUTCOME 2: A GREEN CITY													
NATIONAL PRESCRIBED INDICATORS													
KFA18	ENV 3.11	Percentage of known informal settlements receiving basic refuse removal services	Waste handling	100%	100%	100%	100% of known informal settlements receiving basic refuse removal services	100% of known informal settlements receiving basic refuse removal services	List of known informal settlements that received basic refuse removal services (Signed and date of collection)	N/A	N/A		Directorate: Solid Waste and Environmental Management
KFA18	ENV 5.11	Percentage of coastaline with protection measures in place	Coastline protection	73.2% of coastline with protection measures in place	73.2% of coastline with protection measures in place	73.2% of coastline with protection measures in place	73.2% of coastline with protection measures in place	73.2% of coastline with protection measures in place	GIS Spatial Map;Report on Coastline Protection Measures	N/A	N/A		Directorate: Solid Waste and Environmental Management
KFA18	ENV 5.12	Number of coastal water samples taken for monitoring purposes	Water Quality Monitoring	669 coastal water samples taken for monitoring purposes	400 coastal water samples taken for monitoring purposes	669 coastal water samples taken for monitoring purposes	400 coastal water samples taken for monitoring purposes	567 coastal water samples taken for monitoring purposes	Laboratory reports (NHLS excel customer detailed schedule, request forms & final reports)	The target has been exceeded. The Environmental Health Practitioners (EHPs) identified more sampling points over the reporting period and in some areas, there was a need for resampling which was duly conducted	N/A		Directorate: Solid Waste and Environmental Management
KFA18	ENV 5.21	Number of inland water samples tested for monitoring purposes	Water Quality Monitoring	461 inland water samples taken for monitoring purposes	400 inland water samples taken for monitoring purposes	461 inland water samples taken for monitoring purposes	400 inland water samples taken for monitoring purposes	404 inland water samples taken for monitoring purposes	Laboratory reports (NHLS excel customer detailed schedule, request forms & final reports)	The target has been exceeded. The Environmental Health Practitioners (EHPs) identified more sampling points over the reporting period and in some areas, there was a need for resampling which was duly conducted	N/A		Directorate: Solid Waste and Environmental Management
KFA16	ENV4.21	Percentage of biodiversity priority areas protected	Biodiversity prioirity areas protected	69.0% of biodiversity priority areas protected	69.0% of biodiversity priority areas protected	69.0% of biodiversity priority areas protected	69.97% of biodiversity priority areas protected	69.97% of biodiversity priority areas protected	GIS Spatial Map; Report on biodiversity priority areas protected	N/A	N/A		Directorate: Solid Waste and Environmental Management
KFA16	ENV4.11	Percentage of biodiversity priority area within the metro	Biodiversity prioirity areas within the metro	5.1% biodiversity priority area within the metro	3.8% of biodiversity priority area within the metro	5.1% biodiversity priority area within the metro	5.17% biodiversity priority area within the metro	5.17% biodiversity priority area within the metro	GIS Spatial Map; Report of biodiversity priority area within the metro	N/A	N/A		Directorate: Solid Waste and Environmental Management
KFA14	ENV1.12	Percentage of Air Quality (AQ) monitoring stations providing adequate data over a reporting year	Air Monitoring Stations	0% of Air Quality Monitoring Stations providing adequate data (East London, Zwelitsha & Gompo)	75% of Air Quality (AQ) monitoring stations providing adequate data	0% of Air Quality Monitoring Stations providing adequate data (East London, Zwelitsha & Gompo)	75% of Air Quality (AQ) monitoring stations providing adequate data	0% of Air Quality (AQ) monitoring stations providing adequate data	Print out - data recovery from three air quality monitoring stations. Report on all the activities conducted towards functionality of the air quality monitoring stations within the financial year of reporting is attached Annexure A- ENV 1.12.	All three Air Quality Monitoring Stations were not operational/ functional during the reporting year, 2024/25 due to the following challenges: 1. EL AQ Monitoring Station - The station is not operational and not transmitting data due to malfunction of the analysers. All analysers have been sent for service and repairs to the service provider, however, there are delays on the side of the service providers. 2. Gompo AQ Monitoring Station - The station is not transmitting data to SAAQIS due to the configuration of EnviDas. Thermo Scientific Air Quality Analysers (NOx) is damaged due to the analysers' power failure. 3. Zwelitsha Air AQ Monitoring Station - the station is not operational and does not transmit data due to damaged cable and network connection disruption.	1. EL AQ Monitoring Station: To conduct constant follow-up with the service providers for delivery of the analysers by 30 September 2025. 2. Gompo AQ Monitoring Station: South African Weather Service (SAWS) officials will be assisting with the reconfiguration and extracting of data from this station by 31 July 2025. 3. Zwelitsha Air AQ Monitoring Station: The new shelter was set-up and commissioned, now awaiting electrical connection by 30 September 2025. BCMM approval to participate in Contract RT37-2024: Supply, Delivery, Installation, Commissioning, and Maintenance of Air- Quality Monitoring Stations and related infrastructure for a period of three years (1 October 2024 to 30 September 2027) was received on the 31st of January 2025 from National Treasury.		Directorate: Solid Waste and Environmental Management
BCMM INDICATORS													
KFA18	GC 101	Number of Kilograms (kgs) of recycleables diverted from Landfills to Buy-Back Centres	Implementation of waste diversion initiatives	838 011.30 kg of recyclables diverted from Landfills to Buy-Back Centres	600 000 kg of recycleables diverted from Landfills to Buy-Back Cetres	838 011.30 kg of recyclables diverted from Landfills to Buy-Back Centres	800 000 kg of recyclables diverted from Landfills to Buy-Back Centres	869 694,80 kg of recyclables diverted from Landfills to Buy-Back Centres	Buyback Centre Data of Recyclables	The kilograms of recyclables received exceeded the targeted number of recyclables for the reporting period. This is due to frequent awareness campaigns on waste management including recycling which encourages the public to participate in recycling activities.	N/A		Directorate: Solid Waste and Environmental Management
KFA18	ENV 5.21 (a)	Number of Midland water samples taken for monitoring purposes	Water Quality Monitoring	220 Midland water samples taken for monitoring purposes	200 Midland water samples taken for monitoring purposes	220 Midland water samples taken for monitoring purposes	200 midland water samples taken for monitoring purposes	200 midland water samples taken for monitoring purposes.	Laboratory reports (NHLS excel customer detailed schedule, request forms & final reports)	N/A	N/A		Directorate: Solid Waste and Environmental Management
KFA15	GC 10	Number of Community Parks Upgraded	Upgrading and Development of Community Parks	1 (Ward 1 - Pefferville)	1 (Ward 1 - Pefferville)	1 (Ward 1 - Pefferville)	3 (Ward 1, 22 & 44)	2 (Ward 1 & 44)	Invoices & photos	During mid-term adjustment, there was a need to reprioritise our porjects. As a result funding was redirected from this project to NU 2 swimming pool project	Work to be carried out during the second quarter of 2025/2026 financial year		Directorate: Sport, Recreation and Community Development

KFA 15	GC11	Milestones achieved towards the establishment of recreational parks	Establishement of recreational parks	New indicator	New indicator	New indicator	3 (Ward 7, 11 & 45)	3 (Ducan Village, NU 5 Mdantsane and Ilitha)	Invoices & photos	N/A	N/A		Directorate: Sport, Recreation and Community Development
SRTATEGIC OUTCOME 3: A CONNECTED CITY													
NATIONAL PRESCRIBED INDICATORS													
KFA22	EE1.11	Number of dwellings provided with connections to the mains electricity supply by the municipality	Electrification of formal and informal dwellings	328	250	328	330	341	Completion Certificate	Construction of dwellings exceeded expectations for the quarter	Nil required		Directorate: Infrastructure Services
KFA22	EE3.11	Percentage of unplanned outages that are restored to supply within industry standard timeframes	Operations	91.67%	100%	91.67%	75% of normal network outages returned to service within 24 hrs (will exclude calls caused by illegal connections)	82,7%	Log sheets from control centre	Exceeded 75% of normal network outages that are restored to supply within industry standard timeframes, due to sufficient alternate feeds.	Nil		Directorate: Infrastructure Services
KFA22	EE3.21	Percentage of Planned Maintenance Performed	Operations	79.96%	Complete 70% or more of planned maintainance	79.96%	Complete 70% or more of planned maintenace	61+75.49+81.3+77.6 =73.8%	Maintenance schedule with calculations	N/A	N/A		Directorate: Infrastructure Services
KFA22	EE1.13	Percentage of valid customer application for new electricity connections processed in terms of municipal service standards	N/A	88%	100%	88%	90% (NRS 047)	100+100+100+100 = 100%	Signed of Job Master	Sufficient staff capacity and vehicles.	Nil		Directorate: Infrastructure Services
KFA22	EE4.12	Installed capacity of approved embedded generators on the municipal distribution network	N/A	0.799 Mw Ytd + Accumulative 8.767 Mw = 9.566 Mw	0	0.799 Mw Ytd + Accumulative 8.767 Mw = 9.566 Mw	0 (As per AG this is an accumitalive figure based of applications received)	110,2kw(Q1) 74,6kw(Q2) 32,1kw(Q3) 29 kw(4Q) 245,9kw, 0,25Mw 0,25 Mw YtD+9,523Mw Accmulative 9,77MW	Approval letter to Service Provider or Consumer	N/A	N/A		Directorate: Infrastructure Services
KFA19	TR6.11	Percentage of unsurfaced road graded (Auditors conclusion outstanding)	Rural Roads	4.64 % (62,7km)	4,48% (60km)	4.64 % (62,7km)	4,48% (62km)	5,43% (73,55km)	Departmental blading and regravelling reports	There was an over Achievement in the previous quarter, wich results in less output in the following quarter	N/A		Directorate: Infrastructure Services
KFA19	TR6.12	Percentage of surfaced municipal road lanes which has been resurfaced and resealed	Urban Roads Programme	0,5325% (8,052km)	0.5%(8km)	0,5325% (8,052km)	0.5% (8km)	0.451 % (7.215km)	Completion Certificate	The under achievement is due to reprioritization of project scope due to unforeseen construction challenges	None – as one cannot forsee challenges that arise due to unseen foundation or drainage issues		Directorate: Infrastructure Services
KFA19	TR6.13	KMs of new municipal road network (*No new km were planned to be added on the municipal network as defined on MFMA Circular 88 Technical Indicator Description due to budgetary constraints)	Urban & Rural Roads Programme	0km	7km	0km	0km	0km	N/A	N/A (Directorate: Infrastructure Services This indicator has been discussed. Roads Branch does not built NEW roads as per the Definition on a regular basis. Therefore this indicator would be better suited for a deprtment that constructs New roads which meet the definition as per the indicator.)	N/A	N/A	Directorate: Infrastructure Services .
BCMM INDICATORS													
KFA22	EE1.1/CC 20	Number of new high mast lights installed	Streetlights or highmasts within BCMM area of supply	6	6	6	16	16	Completion certificate	N/A	N/A		Directorate: Infrastructure Services

KFA19	TR 6.1/CC6	Km of gravel Roads upgraded to Surfaced Standard	Roads Upgrade	11,616km	8 km	11,616km	4 km	4,7 km	Completion Certificate/ Progress Report	Projects that were nearing completion, but wer anticipated to be complete in the 2025/2026 FY have been completed earlier due to favourable site conditions	The target is based on the construction program for the various roads updgrade projects, however this varies based on site conditions, weather and construction output		Directorate: Infrastructure Services
KFA19	CC19	Number of bridges rehabilitated	Bridge Refurbishment Programme	1	1	1	6	0	Completion certificate	The implementation of the Bridge and Culvert Refurbishment projects have been delayed by the process of obtaining environmental authorisations	Professional Service providers have been engaged to undertake the applications and obtain the necessary authorisations		Directorate: Infrastructure Services
KFA 21	TR1.1/CC 15	Number of public transport facilities rehabilitated	Upgrading of Public Transport Facilities	1 (Ebuhlanti Taxi Rank)	1 (Ebuhlanti Taxi Rank)	1 (Ebuhlanti Taxi Rank)	1 (Dimbaza Taxi Rank)	0 (Stormwat er & earthwork is at 90%)	Practical Completion Certificate	The contractor was delayed by SMME unrest on site.	Contractors has added additional resources on site & has allocated SMME packages. The work will be completed by end of August 2025.		Directorate: Spatial Planning and Development
KFA 21	TR1.1/CC 16	Milestones towards the construction of 1Km Road	(Sleeper Site) Sleeper Site Road	New Indicator	New Indicator	New Indicator	1. Complete base course rehabilitation 2. Complete Asphalt Works	1. Base course rehabilitation completed 2. Asphalt Work completed	Practical Completion Certificate	N/A	N/A		Directorate: Spatial Planning and Development
KFA 21	TR1.21	Number of Pedestrian Bridges Constructed	Construction of Stormwater Crossing/Pedestrian Bridge and footpaths at Sithembiso School Mdantsane	New Indicator	New Indicator	New Indicator	2 Pedestrian Bridges constructed (Ward 14 & 48)	Foundations for Bridges completed	Practical Completion certificate	Delays were experienced in acquiring environmental authorization from DEDEA to commence with projects. Authorization was granted on the 19 May 2025.	Contractors commenced on site in early June and are progressing with completion expected in End of September 2025.		Directorate: Spatial Planning and Development
KFA 21	CC25	KMs of sidewalks constructed	Construction of sidewalks	1km	1km	1km	0.3KM	0,371km	Practical completion certificate	The contractor had completed the targeted 0,3km and there was still budget savings, hence the over-achievement.	N/A		Directorate: Spatial Planning and Development
KFA 21	TR7.1/CC 11	Number of speed humps constructed	Construction of speed humps	30	30	30	20	17	Invoices with Internal practical completion certificate	One of the works orders was issued in June 2025 and the contractor failed to start the works on time hence the target has not been achieved.	All works orders to be issued within the first quarter of the year so that work can proceed on time.		Directorate: Spatial Planning and Development
KFA 20	CC 4	Number of municipal offices and halls with Wi-Fi hotspots installed	Wi-fi	0	1 (WiFi Controller-ICT Munifin Building)	0	1 (WiFi Controlle r-ICT Munifin Building)	1 (WiFi Controlle r-ICT Munifin Building)	Invoice Completion certificate	N/A	N/A		Directorate: Corporate Services
KFA 20	CC 7	Number of BCMM halls and offices with Fibre Network installed	Fiber Network	2 (Robbie Delange and KWT Fire Office)	2 (Robbie Delange and KWT Fire Office)	2 (Robbie Delange and KWT Fire Office)	1(Clement s Kadalie Offices)	0	Invoice Completion certificate	Project delay due to vandalism of fibre network	To first repair vandalized fibre network		Directorate: Corporate Services
KFA 20	CC201	Numbers of servers procured for disaster recovery	Disaster recovery Enhancement	1 Storage disk shelf	1	1 Storage disk shelf	1	1	Invoice Completion certificate	N/A	N/A		Directorate: Corporate Services
STRATEGIC OUTCOME 4: A SPATIALLY TRANSFORMED CITY													
NATIONAL PRESCRIBED INDICATORS													
KFA25	HS1.12	Number of serviced sites	Reeston Phase 3 stage 2 (100 sites) CNIP VICTIMS (100 sites) & Breidbach (139 sites)Total number sites to be installed in the 4th Qaurter is 329	197	643	197	700	713	Performance Certificate, Construction programme & Layout plan	Major contractors on site have increased production of Internal Services to keep up with the construction programme & recover on loss production in the previous quarters.	N/A		Directorate: Human Settlements
KFA 25	HS1.11	Number of subsidised housing units constructed using various Human Settlements Programmes (THIS INDICATOR IS EXEMPTED BY NATIONAL TREASURY FOR 2024/2025 REPORTING)	Potsdam Ikwezi Block 1 (200) CNIP Cambridge (70) Reeston Phase 3 stage2 (100) Peelton-tyutyu (280) Mdantsane zone 18 cc(300) &cluster 2(100) Ilitha North (50)	379	748	379	800	439	Performance Certificate, Construction programme & Layout plan	There was work stoppage on some site following inclement weather conditions especial towards the end of the 4th Quarter. Inclement weather delays impacted construction & completion of houses that were at wallplate level	Contractors to adjust construction programme upon approval of inclement weather construction time extension approval and deploy more resource to catch on loss production on completion of housing units by the end of first quarter 2025/26		Directorate: Human Settlements
KFA23	WS1.11	Number of new sewer connections meeting minimum standards.	N/A	234	300	234	250	747	Quarterly Performance Report	This target is dependent on number of RDP houses serviced and the applications from consumers	This indicator is for reporting purposes as it fluctuates depending on the number of applications received from the public, which is not within the control of the department		Directorate: Infrastructure Services

KFA23	WS2.11	Number of new water connections meeting minimum standards.		234	300	234	300	338	List of the actual new water connections done internally or practical completion certificate or project progress report for Housing projects	Over-achieved by 38,the target of 300 has been attained in the 4th quarter 2024/2025. The outcome is influenced by the number of consumers wishing to apply for private connections, installed communal & yard standpipes and planned RDP water installations	There is no corrective measure that can be implemented by the Department as the performance achievement for this indicator is influenced by factors that are not within the control of the Department..		Directorate: Infrastructure Services
KFA23	WS5.31	Percentage of total water connections metered	N/A	92%	92%	92%	92%	91%	BP92 Report	The shortfall was primarily due to delays in receiving the confirmation for extension of the existing contract from the Office of the City Manager. This delay affected the planning process for appointment of contractors responsible for verifying whether water meters exist on properties currently billed at flat-rate tariffs. Under normal circumstances, where no meter exists, contractors install a new meter. Where a meter is already installed, contractors conduct inspections to confirm meter number, installation date, calibration status, and all information required for proper registration of the meter against the relevant property. These investigations and meter-installation schedules are overseen by professional service providers appointed for designated areas. However, the contract for the panel of professional service providers had also expired during the period under review. The municipality is in the process of finalizing procurement of a new panel of professional service providers, and this process is currently at Bid Evaluation Committee stage	The Directorate of Water and Sanitation Services will ensure that procurement processes for contractors and professional service providers are initiated timeously, such that new panels of contractors and professional service providers are appointed before the expiry of outgoing contracts. This will prevent procurement gaps and delays that have occurred in the current audit period, thereby ensuring uninterrupted investigation and installation of water meters on flat-rated properties going forward.		Directorate: Infrastructure Services
KFA28	HS2.22	Average Number of days taken to process building applications of 500 square meters or less	Building plans approval	149 Days	30 Days	149 Days	30 Days	132,65 days	BPS Report and Excel Spreadsheet	Some of the Building Plans have been in the Building Plan System (BPS) since 2016 due to the system being unable to cancel old Building Plans and non-provision of guidelines with respect to cancellation of old Building Plans by the National Building Regulations and Building Standards Act 103 of 1977. All submitted Building Plans are kept in the BPS until approval as cancellation may constitute non-compliance with the provisions of the Act. The BPS limitations, that is: inability to separate Building Plans (<500m2 and >500m2) as well as inability to reflect the actual date on which the amended Building Plan in compliance with the Act was completed also contributed to the deviation. The System's inability to track and speed up the relevant Departmental requirements and outstanding comments during circulation also resulted in non-achievement. The manual system used further contributed to non-tracking/tracing of progress on the Building Plans submitted including direct engagements with applicants concerned with respect to all the required compliance issues for approval. * The average performance for the 4th quarter is 127 days. Out of a total of 213 Building Plans processed, 84 Plans were submitted and approved in the quarter under review resulting in an average of 27 days.	The acquired Integrated Business Processing System to replace the dysfunctional Building Plan System and reporting (to produce authentic reports), through the Directorates of Executive Support Services (Geographic Information Systems - GIS), Corporate Services (Information and Communication Technology - ICT) and the City Manager ' s Enterprise Project Management Office, has since not gone live (estimated in December 2025). The ArcGIS for Local Authorities (AFLA) Portal designed by Esri is intended to promote faster turnaround times on Building Plan online applications. The Building Inspectorate staff is undergoing training from EPMO and GIS in digital building plan processing. Currently, the Building Plans are separated manually, and data transported to an Excel spreadsheet to calculate the average number of days taken to approve Building Plans. Respective Municipal Departments are to take responsibility of ensuring compliance by the applicants on specific Departmental requirements.		Directorate: Spatial Planning and Development
KFA28	LED3.13	Average Number of days taken to process building plan applications of more than 500 square meters	Building plans approval	218 Days	60 days	218 Days	60 days	244,64 days	BPS Report and Excel Spreadsheet	Some of the Building Plans have been in the Building Plan System (BPS) since 2022 due to the system being unable to cancel old Building Plans and non-provision of guidelines with respect to cancellation of old Building Plans by the National Building Regulations and Building Standards Act 103 of 1977. All submitted Building Plans are kept in the BPS until approval as cancellation may constitute non-compliance with the provisions of the Act. The BPS limitations, that is: inability to separate Building Plans (<500m2 and >500m2) as well as inability to reflect the actual date on which the amended Building Plan in compliance with the Act was completed also contributed to the deviation. The System's inability to track and speed up the relevant Departmental requirements and outstanding comments during circulation also resulted in non-achievement. The manual system used further contributed to non-tracking/tracing of progress on the Building Plans submitted including direct engagements with applicants concerned with respect to all the required compliance issues for approval. * The average performance for the 4th quarter is 236 days. Out of a total of 9 Building Plans processed 2 Plans were submitted and approved in the quarter under review resulting in average of 18 days.	The acquired Integrated Business Processing System to replace the dysfunctional Building Plan System and reporting (to produce authentic reports), through the Directorates of Executive Support Services (Geographic Information Systems - GIS), Corporate Services (Information and Communication Technology - ICT) and the City Manager ' s Enterprise Project Management Office, has since not gone live (estimated in December 2025). The ArcGIS for Local Authorities (AFLA) Portal designed by Esri is intended to promote faster turnaround times on Building Plan online applications. The Building Inspectorate staff is undergoing training from EPMO and GIS in digital building plan processing. Currently, the Building Plans are separated manually, and data transported to an Excel spreadsheet to calculate the average number of days taken to approve Building Plans. Respective Municipal Departments are to take responsibility of ensuring compliance by the applicants on specific Departmental requirements.		Directorate: Spatial Planning and Development
KFA 28	HS1.13	Hectares of land acquired for human settlements in Prioirity Housing Development Areas	Hectares of Land Acquired	76,3984 hectares	0	76,3984 hectares	0	(85 653 m2) 8,5653 hectares	Signed Deed of sale/Deed of Transfer				Directorate: Spatial Planning and Development
BCMM INDICATORS													
KFA23	WS1.1/STC 2	Number of ablution facilities constructed (seats)	Ablution Facilities	100	100	100	110	107	Completion Certificates	The was no contract for implementation of the Projects due to expired previous contract	Deviation Contract 517 is extended up to 16 December 2025 while the Department is going through the procurement processes for the new contract CE 599		Directorate: Infrastructure Services
KFA 28	STC 9	Number of BCMM owned buildings upgraded	Upgrading of BCMM owned buildings	16	16	16	16	16	Invoices with Internal practical completion certificate	N/A	N/A		Directorate: Spatial Planning and Development
KFA25	STC 15	Number of beneficiaries registered on NHNR	Registration of Beneficiaries	2030	2020	2030	2020	2016	National Housing Needs Register	The reason for the finding is the duplication caused by the National System used by the metro. The city is not the administer of the system functions for monitoring and corrections.	However, for future reference the corrective measure is to pre audit capturing and Quality check of the POE list to note duplications and correct accordingly.		Directorate: Human Settlements

KFA29	STC 3	Number of cemeteries upgraded	Development and Upgrading of Cemeteries	2 (Ward 24 - Fort Jackson, Ward 37 Club View)	2 (Ward 37- Clubview, Ward 24 - Fort Jackson and Ward 4- Cambridge Cemetry)	2 (Ward 24 - Fort Jackson, Ward 37 Club View)	2 (Cambridge & Fort Jackson)	1 (Fort Jackson)	Invoices and photos	The funding allocated was redirected to NU 2 swimming pool	The outstanding work to be carried out during 2025/2026 financial year.		Directorate: Sport, Recreation and Community Development
KFA29	STC13	Number of Parks Depots Upgraded	Upgrading of parks depots	0	1	0	1	0	NA	The funding allocated was redirected to NU 2 swimming pool	The outstanding work to be carried out during 2025/2026 financial year		Directorate: Sport, Recreation and Community Development
STRATEGIC OUTCOME 5: A WELL GOVERNED CITY													
NATIONAL PRESCRIBED INDICATORS													
KFA 37	HS2.21	Number of rateable residential properties in the subsidy housing market entering the municipal valuation roll	Annual Supplementary Valuation Roll	429	400	429	400	586	Monthly Supplementary Valuation Roll	N/A	N/A		Directorate: Finance Services
KFA 37	LED 1.11	Percentage of total municipal operating expenditure spent on contracted services physically residing within the municipal area	N/A	91,75%	95%	91,75%	95%	Q1 = 98% Q2 = 93% Q3 = 92% Q4 = 98% (Annual Average = 95,25%)	Operating Expenditure Report	The City Implemented a financial recovery plan to limit the procurement of goods and services.	The procurement of goods and services are mostly awarded to local service providers for effective service delivery.		Directorate: Finance Services
KFA 37	LED 3.31	Average number of days from the point of advertising to the letter of award per 80/20 procurement process	N/A	298,38	180 days	298,38	210 Days	Q1 = 187,37 Days Q2 = 140 Days Q3 = 179,68 Days Q4 = 195 Days (Annual Average= 175,5 Days)	Quarterly awards report	N/A	N/A		Directorate: Finance Services
KFA 37	LED3.21	Percentage of revenue clearance certificates issued within 10 working days from the time of completed application received	N/A	98,43%	95%	98,43%	95%	99.52%	Clearance report	Prioritise the issuing of clearance certificates	N/A		Directorate: Finance Services
KFA 37	LED 2.11	Percentage of budgeted rates revenue collected	N/A	74%	78%	74%	78%	72,17%	Rates calculation	Where an objection outcome is not in favour of the property owner or the objector, catching up with payments when accounts are unflagged becomes a challenge.	Enhanced implementation of credit control measures and quick resolution of queries on a monthly basis.		Directorate: Finance Services
KFA 37	LED2.12	Percentage of the municipality's operating budget spent on free basic services to indigent households	Free Basic Services to Indigent households	5.61%	5%	5.61%	5%	6,69%	1. Annual budget schedule 2. Excel spreadsheet calculation 3. General ledger expenditure per free basic services vote	N/A	N/A		Directorate: Finance Services
KFA 37	EE2.11	Percentage of total residential electricity provision allocated as Free Basic Electricity (FBE)	Free Basic Electricity to Indigent households	11.44%	10%	11.44%	10%	13,53%	1. BS512 report 2. Daily Sales Report 3. Excel Spreadsheet Calculation	N/A	N/A		Directorate: Finance Services
KFA 37	LED 3.32	Percentage of municipal payments made to service providers who submitted complete forms within 30-days of invoice submission	N/A	100%	100%	100%	100%	98,5%	HR 994	Due to expenditure section raising queries, the delays are caused by the user directorates in the submission for capturing and processing of invoices.	Prepare a monthly communication that will be sent to all Directorates reminding them of the importance of paying invoices within 30 days in compliance with section 65. 2 (e) of the MFMA.		Directorate: Finance Services

KFA 37	FM1.21	Funded budget (Y/N) (Municipal) (THIS INDICATOR IS EXEMPTED BY NATIONAL TREASURY FOR 2024/2025 REPORTING)	N/A	Funded budget (YES)	Funded budget (YES)	Funded budget (YES)	Funded budget (YES)	Funded budget (YES)	Table A8 on Approved MTREF Table B8 cashed back reserves/ accumulated surplus	N/A	N/A		Directorate: Finance Services
KFA 37	FM2.21	Cash backed reserves reconciliation at year end (THIS INDICATOR IS EXEMPTED BY NATIONAL TREASURY FOR 2024/2025 REPORTING)	N/A	Reconciliation report	Reconciliation report	Reconciliation report	Reconciliation report	Reconciliation report	Table B8 cashed back reserves/ accumulated surplus	N/A	N/A		Directorate: Finance Services
	FM3.11	Cash/cost Coverage ratio	N/A	1-2 x fixed operating expenditure	1-2 x fixed operating expenditure	1-2 x fixed operating expenditure	1-2 x fixed operating expenditure	0.85	Section 71 report	•Continued funding of HSDG projects •Increase in debtor's book Continuous implementation of intervention measures to improve the City's collection rate	The City continues to implement intervention measures to improve the City's cash collection. As a tool to monitor the performance of the collection rate, on a Bi-weekly basis a report is tabled to the City Manager and Executive Mayor to appraise on the strides taken to ensure the City is able to meet its commitments as they fall dues. The above assists the City Manager to come up with prompt interventions and remedial actions, the following has been implemented as part of the remedial action: a) Continuous engagements with the Provincial Human Settlements department and BCMM Human settlements		Directorate: Finance Services
KFA 37	FM3.12	Current ratio (current asset/current liabilities)	N/A	1.58:1	1.5:1	1.58:1	1.5:1	1.77:1	Section 71 report	N/A	N/A		Directorate: Finance Services
KFA 37	FM3.13	Trade payables to cash ratio	N/A	0.39:1	<0.5:1	0.39:1	>1:1	0.431:1	Section 71 report	Low collection ratio.We would like to request that the information be included on the adjusted final APR.	The City will strengthen the implementation of Credit Control actions on a monthly basis, which will include: -Serving 14-day pre-termination notices to overdue accounts. -Blocking and disconnecting electricity services for non-		Directorate: Finance Services
KFA 37	FM3.14	Liquidity ratio	N/A	0.26:1	>1.6:1	0.26:1	>1.5:1	0.29:1	Section 71 report	Met with variance however due to maintaining creditors days below 30, the City pays creditors weekly. The low collection rate occupied with creditors payments results in low cost coverage ratio.	The City will strengthen the implementation of Credit Control actions on a monthly basis, which will include: ⊡Serving 14-day pre-termination notices to overdue accounts. ⊡Blocking and disconnecting electricity services for		Directorate: Finance Services
KFA 37	FM4.11	Irregular, Fruitless and Wasteful, Unauthorised Expenditure as a percentage of Total Operating Expenditure (THIS INDICATOR IS EXEMPTED BY NATIONAL TREASURY FOR 2024/2025 REPORTING)	N/A	68%	0%	68%	0%	N/A	Irregular expenditure report	N/A	N/A		Directorate: Finance Services
KFA 37	FM4.31	Creditors payment period	N/A	52 days	30 days	52 days	30 days	46 days	Section 52(d) report	The following are some of the challenges that we have experienced. - The City is on a Megaflex tariff structure with Eskom and in winter, our account increases. More so. The Eskom account service costs increased by	The actions proposed to correct the deviation are as follows: - Monitoring the Eskom account and implement more controls for tamper alerts. - Daily monitoring of the collection rate for all services to		Directorate: Finance Services
KFA 37	FM5.11	Percentage of total capital expenditure funded from own funding (Internally generated funds + Borrowings)	N/A	29%	38%	29%	36%	39%	Section 52(d) report	N/A	N/A		Directorate: Finance Services
KFA 37	FM5.12	Percentage of total capital expenditure funded from capital conditional grants (THIS INDICATOR IS EXEMPTED BY NATIONAL TREASURY FOR 2024/2025 REPORTING)	N/A	72%	59%	72%	64%	93%	Section 52(d) report	N/A	N/A		Directorate: Finance Services
KFA 37	FM5.21	Percentage of total capital expenditure on renewal/upgrading of existing assets	N/A	64%	61%	64%	70%	52%	Section 71 report	N/A	N/A		Directorate: Finance Services

KFA 37	FM5.22	Renewal/Upgrading of Existing Assets as a percentage of Depreciation/Asset impairement	N/A	24%	100%	24%	55%	40%	Section 71 report	Increase in impairment losses of assets.We would like to request that the information be included on the adjusted final APR.	Regular maintenance of assets on an ongoing basis to avoid impairment. Ensure sufficient budget is reserved for renewal and upgrading of asset to avoid new purchase of infrastructural assets.		Directorate: Finance Services
KFA 37	FM5.31	Repairs and maintenance as percentage of property plant, equipment and investment property	N/A	2%	4%	2%	4%	1%	Section 71 report	-Insufficient budget to fund additional budget request for repairs and maintenance -Currently, repairs and maintenance are sitting at 5.1% as a percentage of total operating expenditure. We are striving for them to sit at 8% of total operating expenditure budget.	-Increase the budget allocation of repairs and maintenance over a three year period, 2025/26 MTREF.		Directorate: Finance Services
KFA 37	FM6.12	Percentage of awarded tenders [over R200k], published on the municipality's website (THIS INDICATOR IS EXEMPTED BY NATIONAL TREASURY FOR 2024/2025 REPORTING)	N/A	100%	100%	100%	100%	100% (Q1 = 100% Q2 = 100% Q3 = 100% Q4 = 100%)	Quarterly Awards reports	N/A	N/A		Directorate: Finance Services
KFA 37	FM6.13	Percentage of tender cancellations (THIS INDICATOR IS EXEMPTED BY NATIONAL TREASURY FOR 2024/2025 REPORTING)	N/A	10%	15%	10%	15%	Q1 = 0% Q2 = 4% Q3 = 2% Q4 = 4% Annual Average = 2,5%	Cancellation adverts	No responsive bids were received .	To ensure that tender specifications are reviewed accurately and aligned to the SCM Policy and CIDB regulations		Directorate: Finance Services
KFA 37	FM7.11	Debtors payment period	Implementation of Revenue Enhancement Strategy and Credit Control Policy	316 days	680 days	316 days	680 days	344 days	1.BP135 trial balance billing report 2.Debt Impairment calculation schedule/GL Impairment Votes	N/A	N/A		Directorate: Finance Services
KFA 37	FM7.12	Collection rate ratio	Implementation of Revenue Enhancement Strategy and Credit Control Policy	78%	78%	78%	77%	70,11%	1.BP135 trial balance billing report 2.NT collection ratio formula Section 52(d) report	a.Meter Tampering and theft of electricity and water meters is on the increase. This causes the disconnection and blocking action to be ineffective. b.Customers default on debt arrangements. c.The legal collection process is slow by nature and therefore customers may only respond once there is a warrant of execution.	a.The Municipality continues to implement full Debt Collection in terms of the Credit Control Policy. b.Urgent priority to be given to address the meter tampering and theft of infrastructure and prosecute the offenders.		Directorate: Finance Services
KFA 37	FM7.31	Net Surplus/Deficit Margin for Electricity	N/A	-45%	-20%	-45%	-30%	-15%	Section 52(d) report	Increase in operational expenditure.Contributing items are Depreciation and Debt Impairment	Ongoing Rehabilitation, replacement and refurbishment of Electricity infrastructure. The Municipality continues to implement full Debt Collection in terms of the Credit Control Policy.		Directorate: Finance Services
KFA 37	FM7.32	Net Surplus/Deficit Margin for Water	N/A	11%	31%	11%	15%	-33%	Section 52(d) report	Contributing items are Depreciation and Debt Impairment	-Rehabilitation, replacement or refurbishment of Water infrastructure. -Capital budget has been increased for water infrastructural projects in 2025/26 financial year. This is going reduce high water losses and depreciation costs. -The Municipality continues to implement full Debt		Directorate: Finance Services
KFA 37	FM7.33	Net Surplus/Deficit Margin for Wastewater	N/A	29%	46%	29%	35%	-63%	Section 52(d) report	-Increase in operational expenditure of the following items i) Debt Impairment, ii) Repairs & Maintenance and iii) OPEX.	Work towards increasing collection ratio to reduce Debt Impairment.		Directorate: Finance Services
KFA 37	FM7.34	Net Surplus/Deficit Margin for Refuse	N/A	21%	37%	21%	25%	4%	Section 52(d) report	-The decrease in refuse service revenue is primarily due to the reversal of billing in rural areas where refuse collection services were billed but not provided. -These accounts were corrected in June 2025 and inactivated from future billing. Additionally, an increase in contracted services contributed to higher expenditure.	Revenue: -The City will continue with a comprehensive data clean-up exercise to ensure only valid refuse service accounts are billed. -This process will be finalised by 31 December 2025. Expenditure:		Directorate: Finance Services
KFA 37	GG3.11	Number of repeat audit findings	Audit	43 (2022/2023 financial year)	0	43 (2022/2023 financial year)	0	60 (2023/2024 financial year)	AG's Report	Information was provided that the NT portal contains comprehensive action plans for all findings raised, which includes the corrective and remedial actions to address each issue. While certain findings can be resolved within the short term (by the end of the following financial year), others require medium- to long-term interventions and will therefore not be cleared	Revised Corrective Action: Revenue: The City will continue with a comprehensive data clean-up exercise to ensure only valid refuse service accounts are billed. This process will be finalised by 31 December		Directorate: Finance Services
KFA 46	GG 1.21	Staff vacancy rate	Filling of vacant funded posts	13%	15%	13%	13%	Q1=11%, Q2=12,7%, Q3=13,70, Q4=9,59% (Average for 2024/2025 = 11,75%)	Staff Complement and Vacant funded posts reports	N/A	N/A		Directorate: Corporate Services
KFA41	LED 1.31	Number of individuals connected to apprenticeships and learnerships through municipal interventions	Skills Development for unemployed local youth (Implementation of FRP)	34 Learners	36 Learners	34 Learners	40 learners	26 learners	Letters of appointments	Internship program was affected by the institutional financial recovery plan hence limited number of interns were approved and appointed in line with the institutional financial recovery plan and available budget.	During 2025/2026 financial year planning process (including mid-term budget adjustment process), targets will be set or adjusted in line with the available budget .		Directorate: Corporate Services

KFA46	GG 1.22	Percentage of vacant posts filled within 3 months	Filling of vacant funded posts within 3 months	34.5% (Q1 = 53% Q2 = 16% Q3 = There was no target Q4 = There was no target)	(30% of all vacant funded post where the recruitment process has been initiated per quarter)	34.5% (Q1 = 53% Q2 = 16% Q3 = There was no target Q4 = There was no target)	30% of all vacant funded post where the recruitment process has been initiated per quarter)	Average for 2024/2025 = 57,26% (Q1 = No target Q2= No target % Q3 = 67,63 % Q4 = 46,90 %	Approved request to advertise and adverts, recruitment file, letters of appointment	It is noted that the circular changed in 2024 from 3 to 6 months however BCMM retained the 3 months to maintain the standard of finalising recruitment processes within 3 months.	It is noted that the circular changed in 2024 from 3 to 6 months however BCMM retained the 3 months to maintain the standard of finalising recruitment processes within 3 months.		Directorate: Corporate Services
KFA 46	GG 5.11	Number of active suspensions longer than three months	Finalisation of all oustanding suspensions that are longer 3 months	18	18 (Suspensions longer than 3 months not to exceed 18 per quarter)	0	18 (Suspensions longer than 3 months not to exceed 18 per quarter)	Q1 = 1 Q2 = 0 Q3 = 0 Q4 =1 (Average for 2024/2025 = 2)	Letters of suspensions, suspension statistics	N/A	N/A		Directorate: Corporate Services
KFA 30	GG2.11	Percentage of ward committees with 6 or more ward committee members (excluding ward councillors)	N/A	100% Ward Committee members	100% Ward Committee members	100% Ward Committee members	100% Ward Committee members	100% Ward Committee members	List of Ward Committee members with their personal details including their ID numbers	N/A	N/A		Directorate: Executive Support Services
KFA 30	GG 2.12	Percentage of wards that have held at least one councillor-convened community meeting	N/A	Q1 = 36% Q2 = 20% Q3 = 24% Q4 = 6% Average for 2023/2024 is 22%	100% (1 Public Meeting Convened per ward each quarter = 50 Public meetings for 50 wards, and 50 times 4 quarters = 200)	Q1 = 36% Q2 = 20% Q3 = 24% Q4 = 6% Average for 2023/2024 is 22%	100% (1 Public Meeting Convened per ward each quarter = 50 Public meetings for 50 wards, and 50 times 4 quarters = 200)	Q1 = 56% Q2 = 70% Q3 = 42% Q4 = 48% Average for 2024/2025 is 54%	Attendance Register and Minutes of the meetings convened.	Ward Councillors do not adhere to the annual schedule of meetings they submitted and adopted by Council.	The Ward Councillors are responsible for convening public meetings quarterly in their respective wards. The indicator is beyond the control of the Head of Directorate (Administration). The Public Participation unit will continue to assist Ward Councillors by sending reminders and promoting the prompt submission of meeting minutes and attendance registers for all convened meetings in the next quarter.		Directorate: Executive Support Services
KFA 30	GG3.12	Percentage of councillors who have declared their financial interests	N/A	100%	100%	100%	100%	100%	Declaration Forms	N/A	N/A		Directorate: Executive Support Services
KFA 30	GG2.31	Percentage of official complaints responded to through the municipal complaint management system	N/A	100%	100%	100%	100%	100%	Acknowledgement of receipt register	N/A	N/A		Directorate: Executive Support Services
KFA25	HS1.31	Number of informal settlements assessed (enumerated and classified)	Informal settlements upgrade	46 Informal settlements assessed (enumerated and classified)	31 Informal settlements assessed (enumerated and classified)	2 Informal settlements assessed (enumerated and classified)	4 Informal settlements assessed (enumerated and classified	0 Informal settlements assessed (enumerated and classified	Progress Report signed by HOD submitted to Portfolio Committee	The Municipality does not have the technical capacity to fully undertake the indicator except for enumeration. We require Town planners to assist with land and its associated ownership, thereafter, conduct environment and geotechnical investigation and to determine if an informal settlement upgrading is possible or not. Furthermore, Engineers are required to assist with the investigation and recommendation for engineering services for each settlement.	The Municipality has engaged NDoHS for technical support. Furthermore, the Municipality has appointed a multi-disciplinary team to assist with the SMART City The anticipated time frame to undertake the listed activities is 15 months		Directorate: Human Settlements
KFA25	HS1.32	Number of informal settlements upgraded to Phase 2	Informal settlements upgrade	22 Informal settlements upgraded to Phase 2	22 Informal settlements upgraded to Phase 2	22 Informal settlements upgraded to Phase 2	4 Informal settlements upgraded to Phase 2	0 Informal settlements upgraded to Phase 2	Progress Report signed by HOD submitted to Portfolio Committee	The upgrading of informal settlements to phase 2 is practically possible over a number of years. With a township establishment that takes about 18 months In the first year town planners undertakes the preliminary land ownerships, potential, zoning and geotechnical issues. Conceptual developmental framework is produced. Second year detailed geotechnical investigations, EIA and proposed zoning is determined. Draft township establishment and settlement layout plan is produced.	The Municipality has drawn a Standard Operating Procedure that will outline the entire process for phase 2 development Taking into considerations of all the components under phase 2 the time required as indicated in the SOP the phase 2 will require about 3 years		Directorate: Human Settlements
KFA32	WS3.11	Percentage of complaints/callouts responded to within 48 hours (sanitation/ wastewater)	N/A	95%	100%	95%	95%	63%	Water management information system report or copies of job cards	There has been a backlog in capturing and closing of job cards to Water Information Management System due to high number of vacancies in the department	The Department has appointed temporary Data Capturers to assist with the backlog.		Directorate: Infrastructure Services
KFA32	WS3.21	Percentage of complaints/callouts responded to within 48 hours (water)	N/A	100%	100%	100%	Respond to 92% of water outages and burst pipe complaints/queries within 48 hours.(Exclude completion of repairs)	98%	Water management report	Over achieved by 6%. The target of 92% has been attained in the 4th quarter 2024/2025.	No corrective action is required. It is not practical to achieve the exact target that has been set due to the nature of this indicator, which is fluctuating and depends on the number of various complaints received from the public, which cannot be predicted upfront.		Directorate: Infrastructure Services
KFA23	WS4.21	Percentage of industries with trade effluent inspected for compliance	Inspection of trade effluent producers on trade effluent database (20% annually over a 5 year cycle)	20%	20%	20%	20%	20%	Correspondence from scientific services	N/A	N/A		Directorate: Infrastructure Services

KFA 25	TR6.21	Percentage of reported pothole complaints resolved within standard municipal response time	Pothole Patching	62%	60%	62%	60%	70%	Pothole complaints register	1. A concerted pothole patching campaign undertaken over the period to address the high number of potholes throughout the city. This resulted in the overachievement on the target. 2. Pothole patching teams have been working overtime in order to speed up delivery and reduce the number of potholes.	The pothole continuation of the pothole patching campaign is subject to the availability of materials, resources and budget allocation.		Directorate: Infrastructure Services
KFA32	WS4.11	Percentage of water treatment capacity unused	Umzonyana Dam and East Coast Water Supply Upgrade	9%	10%	9%	7%	1%	Water production figures	Under achieved by 6%. Target could not be achieved due to the increase in water demand at Umzonyana water treatment works.	The Department currently has a contractor on site implementing the refirbishments for the optimazation of the plant and has also completed a prefeasibility study for the upgrading of the Umzonyana water treatment plant.		Directorate: Infrastructure Services
KFA32	WS4.31	Percentage of waste water treatment capacity unused	N/A	23%	40%	23%	40%	63%	Montly Flow Records to Wastewater Treatment Works Against Design Capacities	The measured flows are not a true reflection of actual flows that should have reached the treatment plants due to flow losses from pump stations as a result of vandalism and also vandalism of treatment works.	The department is currently improving security at pump stations and treatment plants.		Directorate: Infrastructure Services
KFA25	WS5.21	Infrastructure leakage index	W/Demand Mangm-Water Conserv - PRV STA	7.7	<7.3	7.7	<9.1	5.8	Water balance report	N/A	N/A		Directorate: Infrastructure Services
							BCMM INDICATORS						
KFA 37	WGC22	Total increase in the amount of revenue collected for traffic fines	Collection of traffic fines	R10,642,144.41	R 5.500.000	R10,642,144.41	R8 000 000	R11,937,160.50	Solar Income Report, TCS roadblock report and department operational plan	The Department currently has the following measures in place: a) Daily Roadblocks including weekends with the mobile office to collect fines income. b) SMS notifications c) Serving of summonses d)Continuous operations with SAPS e) Warrants executed Executing bulk proxies with outstanding fines Use of media platforms to advise the public of outstanding fines.	a) Every effort is made in terms of notifying offenders of outstanding fines. However, cognizance must be taken that an offender cannot be forced to pay as the offender have the right to submit a representation to reduce or withdraw a fine, the offender also has the right to appear in court and the Magistrate or State Public Prosecutor will decide whether to proceed with the traffic offence or not. b) Traffic Services is bound and guided by (DPP) Directive of Public Prosecutions as well as Legislation in terms of traffic offences issued. The prescripts of the Director of Public Prosecutions Guidelines and Criminal Procedure Act (Act 51 of 1977) clearly prescribes that the validity period on summonses/warrants will take effect within a		Directorate: Public Safety and Emergency Services
KFA 39	WGC14	Credit Rating Maintained at A	Appointment of a Credit Rating Institution	A	A	A	A	A	Credit Rating Report	N/A	N/A		Directorate: Finance Services
KFA 39	WGC 16	Debt to revenue percentage (the extent of Total Borrowings in relation to Total Operating Revenue).	N/A	1.23%	Less than 45%	1.23%	1.10%	0.83%	Section 71 report	Increase in revenue due to electricity basic charge tariff implemented during 2024/25	The new tariff has been budgeted for in the 2025/26 financial year and will make the ratio to be in line with the annual target.		Directorate: Finance Services
KFA 37	WGC31	Percentage of registered billing queries	Accurate Billing of accounts	0,92%	3.5%	0,92%	3.5%	Q1 = 0.61% Q2 = 0.44% Q3 = 0.54% Q4 = 0.33% (Annual Average= 0,48%)	1.IVR Register Report 2. Report on Accounts Issued	N/A	N/A		Directorate: Finance Services
KFA37	WGC24	Number of kilo-litres reduced (physical water losses in terms of system losses)	W/Demand Mangm-Water Conserv - PRV STA	881280	850 000kl	881280	850 000kl	1 181 952kl	Water conservation and water demand management report	Overachieved by 331 952kl. The overachievement is due to the fact that it is imposible to predict the exact volume of water loss reduction due to flactuating water consupmtions by the consumers, which may be influenced by the change in consumer's behavior as a result of consumer awareness campaigns and education on the importance of saving water without necessary fixing any infrastructure	None, The overachievement is due to the fact that it is imposible to predict the exact volume of water loss reduction due to flactuating water consupmtions by the consumers, which may be influenced by the change in consumer's behavior as a result of consumer awareness campaigns and education on the importance of saving water without necessary fixing any infrastructure		Directorate: Infrastructure Services
KFA 46	WGC 1	Number of people from employment equity target groups (females) employed in the 3 highest levels of management	Implementation of Employment Equity Plan	1 (Female) employed in the 3 highest levels of Management	2 (Female) employed in the 3 highest levels of Management	2 (Female) employed in the 3 highest levels of Management	2 (Female) employed in the 3 highest levels of Management	2 (Female) employed in the 3 highest levels of Management	Appointment letters	N/A	N/A		Directorate: Corporate Services
KFA 41	C9/WGC 27	% of the municipality's budget actual spent on implementing its workplace skills plan (LGSETA Grant only)	Human Resource Development	102%	90%	102%	100% (16 423 003,00)	87% (14 212 061,01)	Solar printout report	Training programs were put on hold until a recovery plan was approved. Limited number of training programs were approved in line with the financial recovery plan.	During 2025/2026 financial year, budget and expenditure for the implementation of the WSP will be closely monitored on monthly and quarterly basis so as to be able to identify early warning signs of under performance.		Directorate: Corporate Services
KFA 41	WGC 150	% of grant spent on implementing ISDG Program.	ISDG	108%	90%	108%	100% (11 000 000,00)	93% (10 270 559,66)	Solar printout report	Other ISDG interns have completed the program on the 3rd quarter	N/A		Directorate: Corporate Services

KFA 20	WGC 205	Milestones towards implementation of Automated Performance Management System (Phase 2)	Implementation of electronic Performance Management System CM, HOD and Task Grade Levels 15-20	1. Appointment of Service provider 2. Design and customise electronic employee performance management system 3. Installation of the Designed and customised electronic employee performance management system software into the city systems 4. Completion of designing and customisation of electronic Performance Planning Module for City Manager & HODs.	1. Appointment of Service provider 2. Design and customise electronic employee performance management system 3. Installation of the Designed and customised electronic employee performance management system software into the city systems 4. Completion of designing and customisation of electronic Performance Planning Module for City Manager & HODs.	1. Appointment of Service provider 2. Design and customise electronic employee performance management system 3. Installation of the Designed and customised electronic employee performance management system software into the city systems 4. Completion of designing and customisation of electronic Performance Planning Module for City Manager & HODs.	Implement electronic Performance Management System for Task Grade Levels 15-20 (153 managers)	34 [22%] managers between TG levels 15 and 20 submitted their performance Agreements during 2024/25 FY	Screenshot from the system, quarterly report	119 (78%) of the TG level 15-20 managers remained non-responsive to the system.	The City Manager issued a directive to all HODs and TG levels 15-20 to comply with PMS legal requirements with immediate effect (01 July 2025) and enforce consequence management if non-compliance persists		Directorate: Corporate Services
	ACHIEVEMENT LEVELS & LEGEND												
		Outstanding performance											
		Performance significantly above expectations											
		Fully effective performance											
		Performance not fully satisfactory											
		Unsatisfactory performance											
		Not Applicable /On hold/Not for reporting for this quarter											
	N/A	Not Applicable											

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Organisational Development, aimed at fostering sustainable growth and long-term viability, is a core practice within BCMM. The Municipality implements HR behavioural management processes as an integral component of its Organisational Development Strategy to support effective growth and sustainability. These processes encompass the establishment of an IDP-aligned organisational structure, an employee performance management system designed to enhance service delivery, recruitment and placement of staff, job grading and compensation, staff capacitation, employee relations, and employee wellness initiatives.

COMPONENT A: INTRODUCTION TO MUNICIPAL WORKFORCE

As at 30 June 2025, the total staff complement stood at 4 900, inclusive of fixed-term contract employees.

Human Resources delivers an innovative HR service that addresses both administrative functions and skills development.

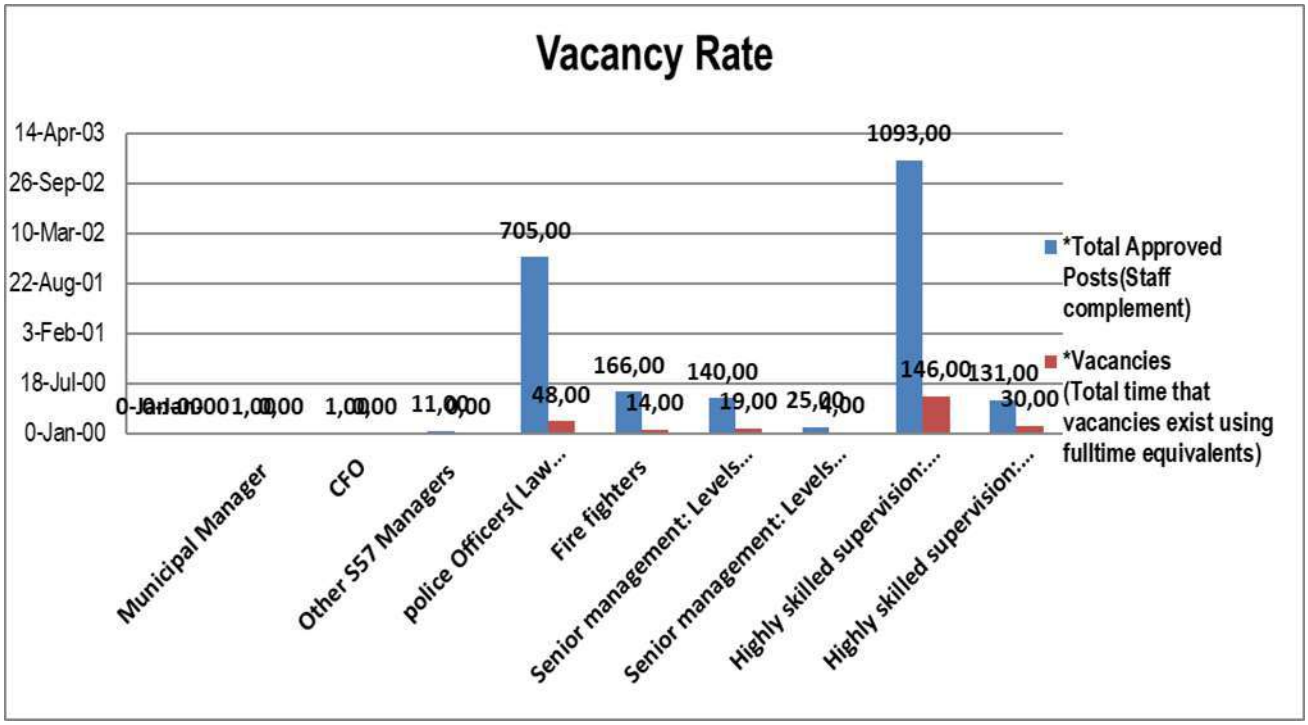
All staff-related policies are drafted and submitted to Council for approval prior to implementation. Policies are reviewed annually to assess their relevance and effectiveness. Draft policies or proposed amendments are discussed with the representative labour unions in the Local Labour Forum. The following policies are currently under review: Scarce Skill Remuneration Policy, Employee Wellness Policy, Substance Abuse Policy, and HIV/AIDS Policy.

T4.0.1

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	Year -2023/23	Year 202/25			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water	291,	318,	269,	49,	15,
Waste Water (Sanitation)	331,	327,	305,	23,	7,
Electricity	205,	208,	194,	14,	7,
Waste Management	636,	494,	470,	24,	5,
Housing	61,	82,	67,	6,	8,
Waste Water (Stormwater Drainage) added to Roads	–	–	–	–	%
Roads	265,	270,	249,	21,	8,
Transport	34,	32,	28,	4,	13,
Planning	12,	133,	122,	11,	8,
Local Economic Development	73,	80,	72,	8,	10,
Planning (Strategic & Regulatory)	179,	213,	155,	58,	%
Local Economic Development duplicate	–	–	–	–	%
Community & Social Services(bio diver)	494,	384,	299,	49,	14,
Environmental Protection	64,	64,	60,	4,	6,
Health	60,	67,	64,	3,	%
Security and Safety(Police)	661,	705,	657,	48,	7,
Sport and Recreation	338,	361,	336,	25,	%
Corporate Policy Offices and Other added with Panning (Strategic & Regulatory)	–	–	–	–	%
Totals	**3.704,**	**3.738,**	**3.347,**	**347,**	**108,**
Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved organogram.					*T 4.1.1*

Vacancy Rate: Year 2024/2025			
Designations	*Total Approved Posts(Staff complement)	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1,00	0,00	0,00
CFO	1,00	0,00	0,00
Other S57 Managers	11,00	0,00	0,00
police Officers(Law Enforcement +Traffic)	705,00	48,00	0,07
Fire fighters	166,00	14,00	0,08
Senior management: Levels 15-20 (excluding Finance Posts)	140,00	19,00	0,14
Senior management: Levels 15-20 (Finance posts)	25,00	4,00	0,16
Highly skilled supervision: levels 8-14 (excluding Finance posts)	1093,00	146,00	0,13
Highly skilled supervision: levels 8-14 (Finance posts)	131,00	30,00	0,23
Total			
*Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*			T 4.1.2



Employee turnover rate

Turn-over Rate			
Details	Staff establishment as at the end of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
2022/23	5252	243	5%
2023/24	5093	201	4%
2024/25	4900	157	3%
** Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year*			*T 4.1.3*

COMMENT ON VACANCIES AND TURNOVER:

Appointments to the following key positions were made:

1. HEADS OF DIRCTORATES

Head of Directorate – Spatial Planning and development

Head of Directorate – Infrastructure services

2. GENERAL MANAGERS AND SENIOR MANAGERS THAT WERE APPOINTED DURING THE YEAR UNDER REVIEW PER DIRECTORATE ARE AS FOLLOWS:

DIRECTORATE OF SOLID WASTE & ENVIRONMENTAL MANAGEMENT

General Manager – Municipal Health Services

DIRECTORATE OF FINANCIAL SERVICES

General Manager – Budget and Treasury

Senior Manager – Demand and Supplier Database

DIRECTORATE PUBLIC SAFETY & EMERGENCY SERVICES

Chief Security & Protection Services Manager

DIRECTORATE OF HUMAN SETTLEMENTS

GM-Housing Delivery & Implementation

Senior Manager – Informal Settlement Upgrading

DIRECTORATE OF CORPORATE SERVICES

General Manager – Corporate Support Services

Senior Manager – Employee Performance and Development

For the year ending 30 June 2025 a total of 89 posts were filled and terminations amounted to 157.

Reasons for terminations are listed below:

Resignations	**27**
Retirements	78
Deceased	33
Medical Boarding	7
Dismissals	12
Contract exp	0
Total	157

The Revenue Improvement Plan remains in effect, and key positions, as well as roles that become vacant from September 2024 onwards, are being advertised. The following measures have been implemented to attract and retain staff:

- Progression for certain posts
- Bursary scheme
- Training and Development

T4.1.4

COMPONENT B: MANAGEMENT OF THE MUNICIPAL WORKFORCE

INTRODUCTION TO MANAGING MUNICIPAL WORKFORCE

Managing a municipal workforce involves fair and effective personnel administration governed by legislation such as the MSA, ensuring that staff are qualified, skilled, and motivated to deliver public services. Key aspects include establishing clear human resource policies, procedures, and conditions of service; attracting and retaining talent; promoting accountability and performance management; and fostering a culture of public service.

The long-awaited Employment Equity Amendment Act 4 of 2022 came into effect on 1 January 2025, following its proclamation by the President on 28 November 2024. The purpose of the amendments is to amend the Employment Equity Act, 1998 by amending an existing definition, inserting certain definitions, substituting and deleting definitions, providing for the Minister to identify sectoral targets to ensure the equitable representation of suitably qualified persons from designated groups, and establishing criteria for the Minister to issue compliance certificates.

The three most notable amendments to the Employment Equity (EE) Act include the following;

1. **DELETION OF PART OF THE CURRENT DEFINITION OF THE "DESIGNATED EMPLOYER"**

AMENDMENT	AMENDMENT CLARIFICATION	WHAT IT MEANS TO BCMM
Designated employer – means a) An employer who employs 50 or more employees;	Only employers with 50 or more employees will be considered designated employers. Total annual turnover will no longer be a consideration.	As from 01 January BCMM will remain a Designated Employer and will need to submit EE reports as required by section 21 of the EE Act.

2. SECTOR- SPECIFIC TARGETS

AMENDMENT	AMENDMENT CLARIFICATION	WHAT IT MEANS TO BCMM
Empowering the Minister of Employment and Labour to regulate the setting of specific sector EE numerical targets	The minister of Employment and Labour now has the authority to set numerical targets for specific economic sectors.	The amendments to the EE plan will only take place when sector targets are finalized and being published in the Government Gazette. Once consulted by Minister of Employment and Labour. The Employment Equity Plan will be reviewed and targets will be set as determined by the Minister of Employment and Labour.

3. INTRODUCTION OF THE CERTIFICATE OF COMPLIANCE

AMENDMENT	AMENDMENT CLARIFICATION	WHAT IT MEANS TO BCMM
Section 53 of the EE Act that deals with the issuing of the EE Certificate as a prerequisite for accessing of State Contracts	In terms of the amendments, a compliance certificate may only be issued if the minister is satisfied that: a) The employer has complied with any sectoral numerical targets applicable to the employer, or has raised a reasonable ground justifying its failure to comply. b) The employer has submitted its annual Employment Equity report. c) There have been no findings by the Commission for Conciliation, Mediation and Arbitration (CCMA) or a court that the employer breached the unfair discrimination provisions of the	This section was introduced some time ago and it will finally come into effect on 1 January 2025 . The amendment of the EE Act in relation to Supply Chain Management will be incorporated into our Supply Chain Management (SCM) processes.

T4.2.0

Table 1 represents numerical goals set as per EE Plan for 1 July 2024 to June 2025

Table 1: Numerical goals for all employees, including people with disabilities

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	5	0	1	0	4	1	0	0	0	0	11
Senior management	19	1	0	1	11	0	0	1	0	0	33
Professionally qualified and experienced specialists and mid-management	96	11	4	17	68	8	3	5	0	0	212
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	348	52	15	57	305	35	5	26	0	0	843
53Semi-skilled and discretionary decision making	1377	138	21	56	1103	120	5	50	0	0	2870
Unskilled and defined decision making	632	56	8	18	815	42	0	16	0	0	1587
TOTAL PERMANENT	2477	258	49	149	2306	206	13	98	0	0	5556
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	2477	258	49	149	2306	206	13	98	0	0	5556

Reasonable progress has been made in implementing the Employment Equity Plan and is shown in Table 2.

Table 2: Workforce profile for all employees, including people with disabilities as at 30 June 2025

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	5	0	1	0	5	0	0	0	0	0	11
Senior management	26	0	1	1	5	0	0	0	0	0	33
Professionally qualified and experienced specialists and mid-management	88	7	5	24	59	7	4	7	0	0	201
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	361	77	19	74	300	33	6	26	0	0	896
Semi-skilled and discretionary decision making	1286	60	5	29	970	75	6	29	0	0	2460
Unskilled and defined decision making	433	22	0	0	833	10	0	0	0	0	1298
TOTAL PERMANENT	2199	166	31	128	2172	125	16	62	0	0	4898
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	2199	166	31	128	2172	125	16	62	0	0	4898

Table 3: Total number of employees with disabilities only

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	1	0	0	2	1	0	0	1	0	0	5
Semi-skilled and discretionary decision making	1	0	0	1	0	0	0	0	0	0	2
Unskilled and defined decision making	1	0	0	0	1	0	0	0	0	0	3
TOTAL PERMANENT	3	0	0	3	1	0	0	1	0	0	8
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	3	0	0	3	1	0	0	1	0	0	8

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	**Completed in %**	**Reviewed in %**	**Date adopted by council or comment on failure to adopt**
1	Code of Conduct for employees	100%	100%	Annexure in the Disciplinary Procedure in the Main Collective Agreement of National South African Local Government Bargaining Council (SALGBC).
2	Disciplinary Code and Procedures	100%	100%	Main Collective Agreement of National South African Local Government Bargaining Council (SALGBC)
3	Essential Services	100%	100%	Contained in the Labour Relations Act.
4	Employee Assistance / Wellness	90%	90%	The policy is before the Local Labour Forum (LLF) for consultation with organised labour. Labour has already been workshopped on the policy as part of the consultation process, and the policy is expected to be approved by Council before the end of December 2025.
5	Employment Equity	100%	100%	In terms of the EE ACT
6	Grievance Procedures	100%	100%	Main Collective Agreement of National South African Local Government Bargaining Council (SALGBC)
7	HIV/Aids	90%	90%	The policy is before the Local Labour Forum for consultation with organised labour. Labour has been already workshopped on the policy as part of consultation and policy is expected to be approved by council before end of December 2025.
8	Human Resource and Development	100%	100%	Approved by Council 25 August 2023
9	Job Evaluation	100%	100%	Adopted South African Local Government Association (SALGA) Job Evaluation Policy.
10	Leave	100%	100%	Awaiting new Main Collective Agreement of National South African Local Government Bargaining Council (SALGBC).
11	Occupational Health and Safety	100%	100%	Approved by Council 25 August 2023
12	Official Working Hours and Overtime	95%	95%	Due for consultation at LLF and final approval

13	Organisational Rights	100%	100%	Main Collective Agreement of National South African Local Government Bargaining Council (SALGBC)
14	Payroll Deductions	100%	100%	Managed in terms of the Main Collective Agreement of National South African Local Government Bargaining Council (SALGBC) and other legislated environment
15	Performance Management and Development	100%	100%	Approved by Council 25 August 2023
16	Staff Provisioning Policy	100%	100%	Approved by Council 25 August 2023
17	Remuneration Scales and Allowances	100%	100%	Main Collective Agreement of National South African Local Government Bargaining Council (SALGBC)
18	Sexual Harassment	100%	100%	Main Collective Agreement of National South African Local Government Bargaining Council (SALGBC)
19	Regulation of tobacco use	100%	100%	Approved by Council 25 August 2023
20	Scarce Skills	100%	100%	Approved by Council 25 August 2023
21	Organisational Design Policy	85%	85%	The policy is before the Local Labour Forum for consultation with organised labour.
22	Uniforms and Protective Clothing	100%	100%	Approved by Council 25 August 2023
23	Sewer Allowance	100%	100%	Approved by Council 25 August 2023
24	Progression	100%	100%	Approved by Council 25 August 2023
25	Substance Abuse Policy	90%	90%	The policy is before the Local Labour Forum for consultation with organised labour. Labour has been already workshopped on the policy as part of consultation and policy is expected to be approved by council before end of December 2025.
26	Locomotion allowance policy	85%	85%	The policy is before the Local Labour Forum for consultation with organised labour.
Note: The above policies only relate to Human Resources Management and Human Resources Performance Development				***T 4.2.1***

COMMENT ON WORKFORCE POLICY DEVELOPMENT

Policies guide fair and consistent treatment of staff and ensure a uniform approach to staff management. They are reviewed when there are changes to legislation or when the need arises.

All staff-related policies are drafted and submitted for approval by the Council prior to implementation, and they are reviewed annually to assess their relevance and effectiveness. Draft policies or policy amendments are consulted with the representative labour unions in the LLF. The following policies are currently under review: the Scarce Skill Remuneration Policy, Employee Wellness Policy, Substance Abuse Policy, and HIV/AIDS Policy.

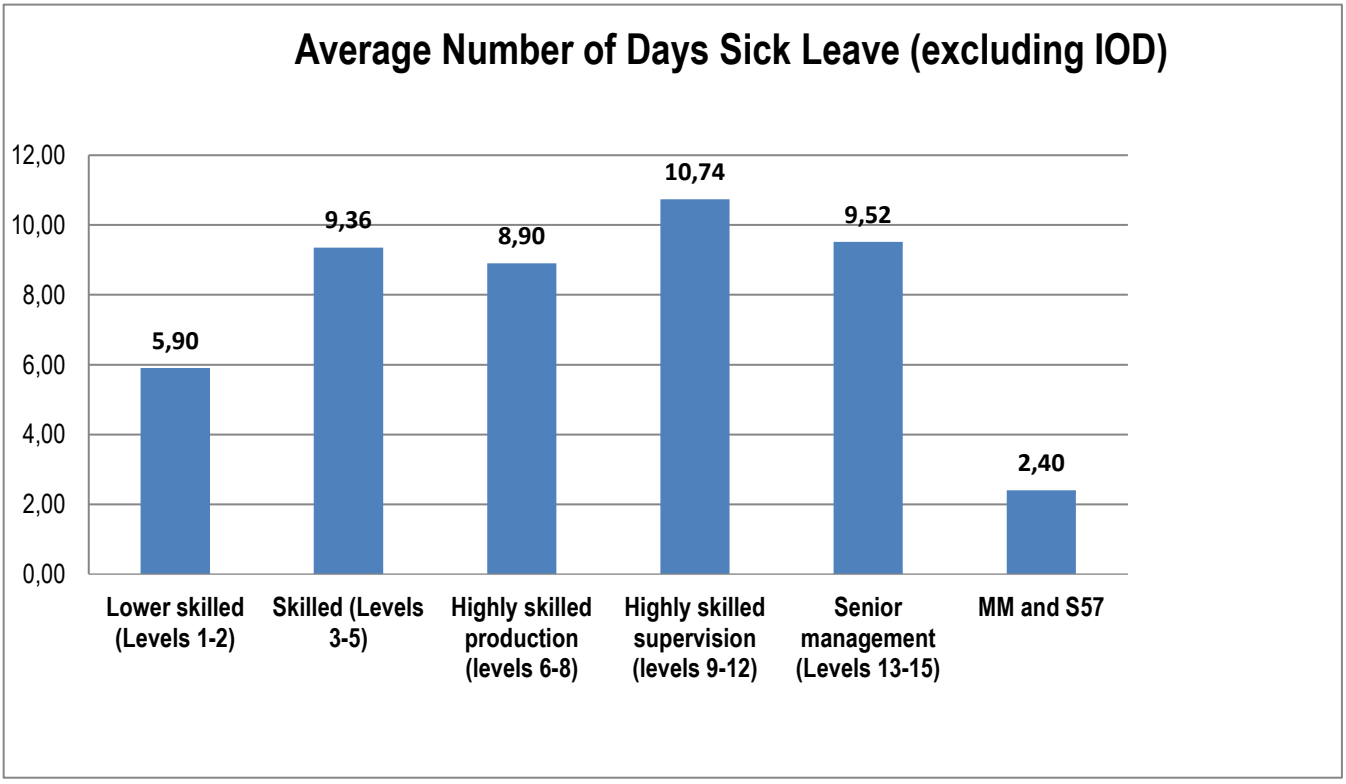
T4.2.1.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	**Injury Leave Taken**	**Employees using injury leave**	**Proportion employees using sick leave**	**Average Injury Leave per employee**	**Total Estimated Cost**
	Days	**No.**	**%**	**Days**	**R'000**
Required basic medical attention only	0	19	100	0	0
Temporary total disablement	510	87	100%	0.90	2 013 045.86
Permanent disablement					0
Fatal	1	0	0	0	0
Total	510	106	100%	0.90	2 013 045 86
					T 4.3.1

Average Number of Days of Sick Leave (excluding injury on duty)

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	57	11%	3	5	0,01	35
Skilled (Levels 3-5)	16969	17%	1306	2540	3,46	12234
Highly skilled production (levels 6-8)	9366	22%	732	1337	1,91	10611
Highly skilled supervision (levels 9-12)	6723	24%	549	762	1,37	12126
Senior management (Levels 13-20)	2487	21%	228	244	0,51	8775
MM and S57	16	0	2	10	0	102
Total	35618	0,16	2820	4898	7,27	43883
* - Number of employees in post at the beginning of the year						T 4.3.2
*Average is calculated by taking sick leave in column 2 divided by total employees in column 5						



T4.3.3

COMMENT ON INJURY AND SICK LEAVE:

Occupational Health and Safety (OHS) provisions are informed by the Occupational Health and Safety Act, No. 85 of 1993. BCMM demonstrates a strong commitment to the well-being of its employees, facilitating operational efficiency by addressing workplace injuries, managing sick leave, and fostering a healthy work environment.

Medical costs for the 2023/24 financial year amounted to R2 893 291, decreasing to R2 013 045 in the 2024/25 financial year. Additionally, the number of days taken for IOD declined from 561 days in 2023/24 to 510 days in 2024/25.

The Wellness Centre continues to implement health and wellness awareness initiatives across the institution's three regions, aiming to enhance employees' overall well-being and mitigate the risk of chronic conditions and ill health.

COMMENT ON SICK LEAVE:

Sick leave costs for the financial year 2023/24 amounted to R49 256 044,50, while the cost for the 2024/25 financial year is R43 885 918,61. The skill levels with the highest costs of sick leave are skilled levels 3-5 and highly skilled levels 9-12 supervision, attributed to various reasons such as:

- Actual physical or mental illness.
- An unhealthy lifestyle.
- Personal emotional issues.
- Workplace problems, leading to avoidance or stress-related illnesses.
- Financial challenges.

However, there is a slight decrease in sick leave costs for the 2024/25 financial year compared to the previous year, due to close monitoring of staff, strict scrutiny of sick certificates by line managers, and sending employees to the municipal doctor for a second opinion when abuse of sick leave is suspected.

Human resources will continue with departmental visits to encourage line managers and supervisors to comply with the policy.

T 4.3.4

4.3.5. Number and period of suspensions

The are two employees that have been suspended for a period of more than 04 months.

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
General Manager : Water, Wastewater & Scientific Services	Dishonesty, gross negligence, gross insubordination and gross dereliction of duty.	18-Mar-25	Unfair suspension claim: The arbitration was finalized and the award was delivered on 05 August 2025. The award was in favour of the employer. The Commissioner ruled that the suspension was procedurally and substantially fair	Pending
			Rescission of arbitration award: The employee applied for a rescission of the arbitration award relating to the unfair suspension claim. We opposed the application. The Commissioner ruled that the application was brought out of time and no condonation was applied for. The application was therefore dismissed.	
			Interpretation / application of collective agreement: The first sitting of the arbitration was conducted on 27 October 2025. The next date for arbitration is awaited from SALGBC	
Supervisor: Call Centre, Financial Services	Sexual harassment and Intimidation	24-Apr-25	Employer still leading evidence	Pending
				T 4.3.5

4.3.6. Disciplinary action taken on cases of Financial Misconduct

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
None			
			T 4.3.6
	Note: Cases on Financial Misconduct are handled by the Legal department (CM's Office must provide information)		

COMMENTS ON SUSPENSIONS

- The first suspended employee was challenging his unfair suspension, and the tribunal had to address that issue before it could consider the dispute of unfair dismissal.
- The second employee has been suspended for a period exceeding four months, as the matter is being handled externally. Furthermore, the applicant had no representative. The employee sought legal representation for quite some time and ultimately succeeded in securing a representative. Approximately five sittings that took place, and a further sitting was scheduled for September; however, this was postponed due to a strike.

COMMENT ON FINANCIAL MISCONDUCT

Cases of financial misconduct are handled by the Legal Department. (The CM's Office must provide the information required).

T4.3.7

4.4. PERFORMANCE REWARDS

Performance Rewards By Gender					
Designations	**Beneficiary profile**				
	Gender	**Total number of employees in group**	**Number of beneficiaries**	**Expenditure on rewards Year 1**	**Proportion of beneficiaries within group**
				R' 000	**%**
Lower skilled (Levels 1-2)	Female	1	No performance rewards awarded during the year under review	No performance rewards awarded during the year under review	No performance rewards awarded during the year under review
	Male	5	No performance rewards awarded during the year under review	No performance rewards awarded during the year under review	No performance rewards awarded during the year under review
Skilled (Levels 3-5)	Female	1255	No performance rewards awarded during the year under review	No performance rewards awarded during the year under review	No performance rewards awarded during the year under review
	Male	1281	No performance rewards awarded during the year under review	No performance rewards awarded during the year under review	No performance rewards awarded during the year under review
Highly skilled production (levels 6-8)	Female	654	No performance rewards awarded during the year under review	No performance rewards awarded during the year under review	No performance rewards awarded during the year under review
	Male	563	No performance rewards awarded during the year under review	No performance rewards awarded during the year under review	No performance rewards awarded during the year under review
Highly skilled supervision (levels 9-12)	Female	345	No performance rewards awarded during the year under review	No performance rewards awarded during the year under review	No performance rewards awarded during the year under review
	Male	478	No performance rewards awarded during the year under review	No performance rewards awarded during the year under review	No performance rewards awarded during the year under review

Senior management (Levels 13-15)	Female	74	No performance rewards awarded during the year under review	No performance rewards awarded during the year under review	No performance rewards awarded during the year under review
	Male	112	No performance rewards awarded during the year under review	No performance rewards awarded during the year under review	No performance rewards awarded during the year under review
MM and S57	Female	5	No performance rewards awarded during the year under review	No performance rewards awarded during the year under review	No performance rewards awarded during the year under review
	Male	7	No performance rewards awarded during the year under review	No performance rewards awarded during the year under review	No performance rewards awarded during the year under review
Total		4780	21		
Has the statutory municipal calculator been used as part of the evaluation process ?					Yes/No
Note: MSA 2000 S51(d) requires that … 'performance plans, on which rewards are based should be aligned with the IDP'… (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).					***T 4.4.1***

COMMENT ON PERFORMANCE REWARDS

No performance rewards were granted to Section 57 Managers or to employees below Section 57 level during the year under review.

T4.4.1.1.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The BCMM Annual Training Plan, derived from the Workplace Skills Plan 2024/25, was developed in consultation with stakeholders within the Municipality and submitted to the Local Government Sector Education and Training Authority (LGSETA) for final approval by the deadline of 30 April 2024, in accordance with the Skills Development Act, No. 97 of 1998.

The resulting development interventions were designed to benefit both the workforce and unemployed young graduates, supporting LED initiatives. Youth development programmes included internships, in-service training or Work Integrated Learning (WIL), and mentorship opportunities. Each year, BCMM receives a conditional grant from National Treasury, specifically the Infrastructural Skills Development Grant (ISDG). Through this funding, BCMM was able to implement an internship programme aimed at enabling local unemployed graduates to work towards professional registration with their respective statutory professional bodies.

The ISDG internship programme is exclusively available to fields of study within the built environment and their related professional bodies, which include:

Engineering Council of South Africa (ECSA), South African Council for Planners (SACPLAN), South African Council for Property Valuers Profession (SACPVP), South African Geomatics Council (SAGC), and South African Council for Natural Scientist Profession (SACNASP).

Since the inception of the ISDG Programme in 2013, a total of 35 graduates have achieved professional registration, with 18 of these professionals subsequently appointed to permanent positions within BCMM.

During the 2023/24 financial year, 25 graduates were appointed to participate in the programme. However, two (2) graduates withdrew due to personal reasons, and seven (7) successfully completed the programme. The remaining 16 graduates were initially expected

to complete the ISDG Programme by the end of June 2025. Following requests from their mentors, National Treasury approved the extension of their contracts, allowing completion between July 2025 and June 2026.

Among the Geographic Information Systems (GIS) graduates, one has achieved professional registration as a Geomatics Technician and secured permanent employment with BCMM. Additionally, a Land Surveyor graduate is registered as a Professional Land Surveyor with the South African Geomatics Council (SAGC). BCMM has gained significantly from the programme by employing professionals who graduated in diverse fields, including Civil Engineering, Electrical Engineering, Land Survey, Town Planning, and GIS.

Internship programmes targeting additional operational areas within the Municipality have also been implemented, supported financially by the LGSETA as well as BCMM's own resources. A total of 26 interns participated in the programme during the 2024/25 financial year and are expected to complete their internships by May 2027.

BCMM provides financial assistance to employees for registration with Further Education and Training (FET) Colleges and universities in disciplines relevant to municipal functions. In total, 378 employees received bursaries to enrol in part-time studies and technical skills development, ranging from matric, certificates, diplomas, to degrees.

The Municipality remains committed to developing officials affected by the MFMA Minimum Competency Levels Regulations, thereby enabling them to acquire the required competencies as set out in the relevant Occupational Category Unit Standards.

T4.5.0

4.5. SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 2024/2025	Number of skilled employees required and actual as at 30 June Year 2024/2025											
			ISDG & LGSETA Internship Programme			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of Year -1	Actual: End of Year 0	Year 2024/2025 Target	Actual: End of Year -1	Actual: End of Year 0	Year 2024/25 Target	Actual: End of Year -1	Actual: End of Year 0	Year 2024/25 Target	Actual: End of Year -1	Actual: End of Year 0	Year 2024/2025 Target
MM and s57	Female	5			0			0			1			1
	Male	5			0			0			0			0
Councillors, senior officials and managers	Female	91			0			2			1			3
	Male	165			0			2			1			3
Technicians and associate professionals*	Female	178			15			0			2			17
	Male	237			14			2			2			18
Professionals	Female	153			17			6			4			27
	Male	121			6			6			2			14
Sub total	Female	427			32			8			8			48
	Male	528			20			10			5			35
Total		1483		0	52	0	0	18	0		13	0		83
**Registered with professional Associate Body e.g CA (SA)*														*T 4.5.1*

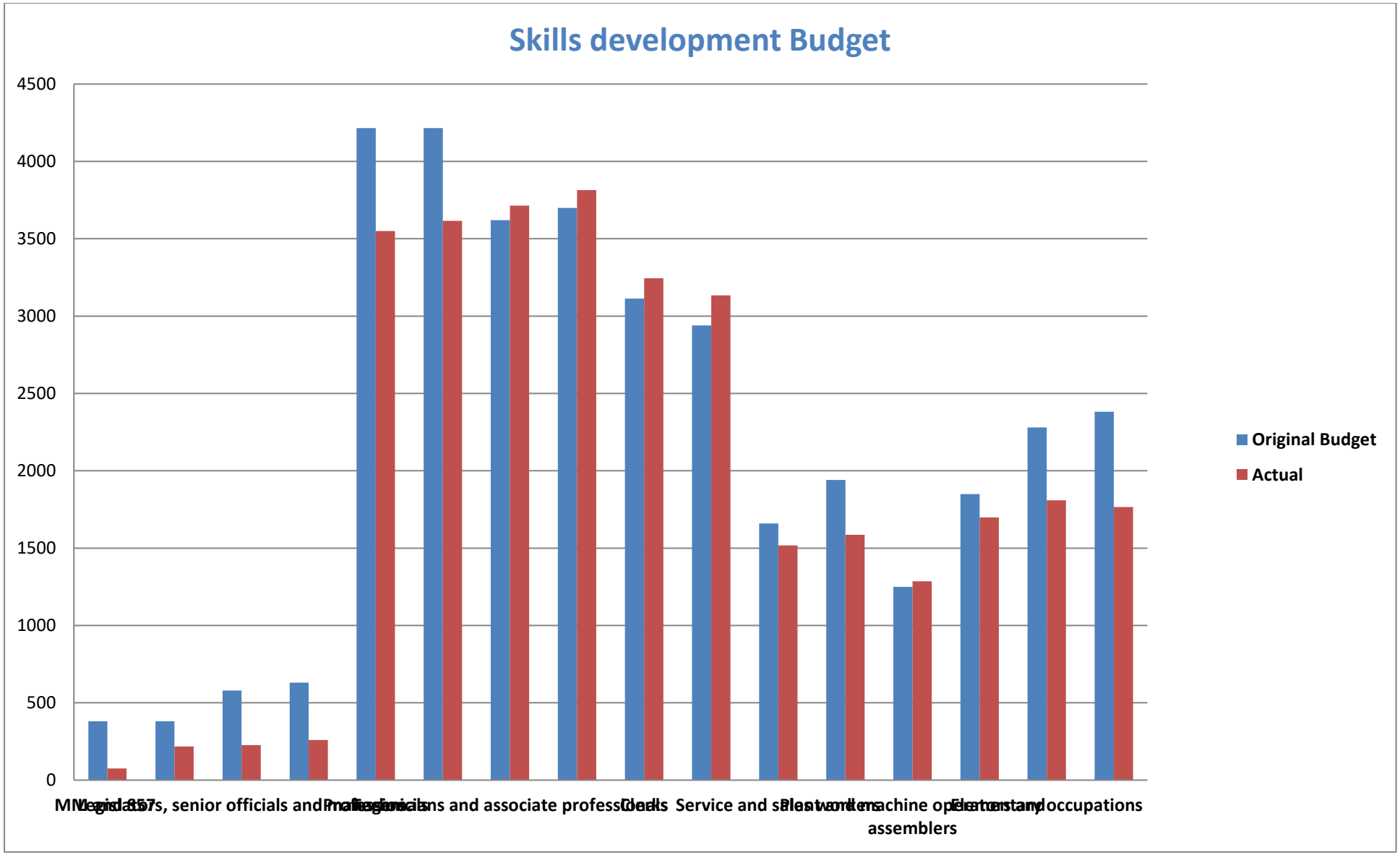
FINANCIAL COMPETENCY DEVELOPMENT PROGRESS REPORT

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	1	2	2	2	2
Chief financial officer	1	1	2	2	2	1
Senior managers	8	1	9	9	9	7
Any other financial officials	34	0	34	34	0	26
Supply Chain Management Officials						
Heads of supply chain management units	0	0	0	0	0	1
Supply chain management senior managers	4	0	4	4	4	4
TOTAL	**48**	**3**	**51**	**51**	**17**	**41**
1 vacant Sect.57 post 5 officers on MFMP training for MFMA compliance						***T 4.5.2***

Skills Development Expenditure

Skills Development Expenditure										
R'000										
Management level	Gender	Employees as at the beginning of the financial year 2024/2025	Original Budget and Actual Expenditure on skills development Year 2024/2025							
			ISDG & LGSETA Internship Programme		Skills programmes & other short courses		Bursary Assistance		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	5	0	0	100	0	200	0	300	
	Male	5	0	0	100	0	200	128	300	128
Legislators, senior officials and managers	Female	91	0	0	160	144	300	100	460	244
	Male	165	0	0	160	144	350	100	510	244
Professionals	Female	153	3101	2050	175	175	300	220	3576	2445
	Male	121	3101	2049	175	175	300	330	3576	2554
Technicians and associate professionals	Female	178	2645	2249	195	189	150	300	2990	2738
	Male	237	2645	2249	177	175	180	320	3002	2744
Clerks	Female	577	1600	1774	220	245	767	1000	2587	3019

	Male	181	1600	1774	270	256	767	1000	2637	3030
Service and sales workers	Female	380	0	0	180	225	717	1100	897	1325
	Male	560	0	0	200	192	717	1100	917	1292
Plant and machine operators and assemblers	Female	77	0	0	190	189	850	870	1040	1059
	Male	308	0	0	180	190	850	870	1030	1060
Elementary occupations	Female	916	0	0	262	268	1637	696	1899	964
	Male	1130	0	0	262	265	1638	695	1900	960
Sub total	Female	2377	7346	6073	1482	1435	4921	4286	13749	11794
	Male	2702	7346	6072	1524	1397	4802	4543	13674	12012
Total		5079	14692	12145	3006	2832	9723	8829	27423	23806
Budget is inclusive of R 11 000m received from National Treasury augmenting to R 16 423m from BCMM Cofas to make R 27 423 .									**27423**	**23806**
										T4.5.3


Skills development Budget
4500
4000
3500
3000
2500
2000
1500
1000
500
0
Original Budget
Actual
Service and sales workers
assemblers

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS

The Workplace Skills Plan for the 2024/25 financial year was developed and implemented across the Municipality, including responsive training initiatives addressing performance deficiencies identified throughout the year. The initial objective was to achieve 100% expenditure of the allocated training budget of R16 423 003,00, as well as the ISDG budget of R11 000 000.00, with quarterly performance reviews conducted until the financial year's conclusion. By year-end, the institution had utilised 86% of the training budget and 94% of the ISDG allocation. The shortfall in training expenditure is attributable to the Institutional Financial Recovery Plan approved by Council on 5 December 2023.

In the 2024/25 financial year, particular attention was directed towards supporting ISDG graduates in preparing for board examinations and registration through their respective Councils, enabling them to achieve professional recognition within their fields.

The training budget was allocated to the Conditional Bursary Assistance programme, employee capacity building and development, and the implementation of training interventions sourced from the LGSETA Mandatory Grant, BCMM internal funds, and the National Treasury Conditional Grant. Funding from these sources proved sufficient to meet the planned developmental needs.

Regular meetings and sessions were conducted with departments to plan staff development, ensuring that their requirements were incorporated into the WSP. Priority was assigned to employees affected by the MFMA regulations on minimum competency levels, facilitating their acquisition of the prescribed Unit Standards for relevant occupational categories during the 2024/25 financial year.

T4.5.4

COMPONENT D: MANAGING WORKFORCE EXPENDITURE.

INTRODUCTION TO WORKFORCE EXPENDITURE

BCMM is committed to ensuring that workforce management is conducted in a timely and efficient manner. The HRM Department is currently implementing the electronic attendance control system, with the rollout having commenced in the 2024/25 financial year and scheduled for extension into 2025/26 and 2026/27. The introduction of this system aims to facilitate precise attendance monitoring, improve the management of absenteeism and leave, and eradicate payroll inaccuracies. BCMM also fosters a culture of workforce safety and compliance. Annual roadshows are conducted to communicate relevant policies and procedures to staff, thereby enhancing their understanding of the implications within the workplace..

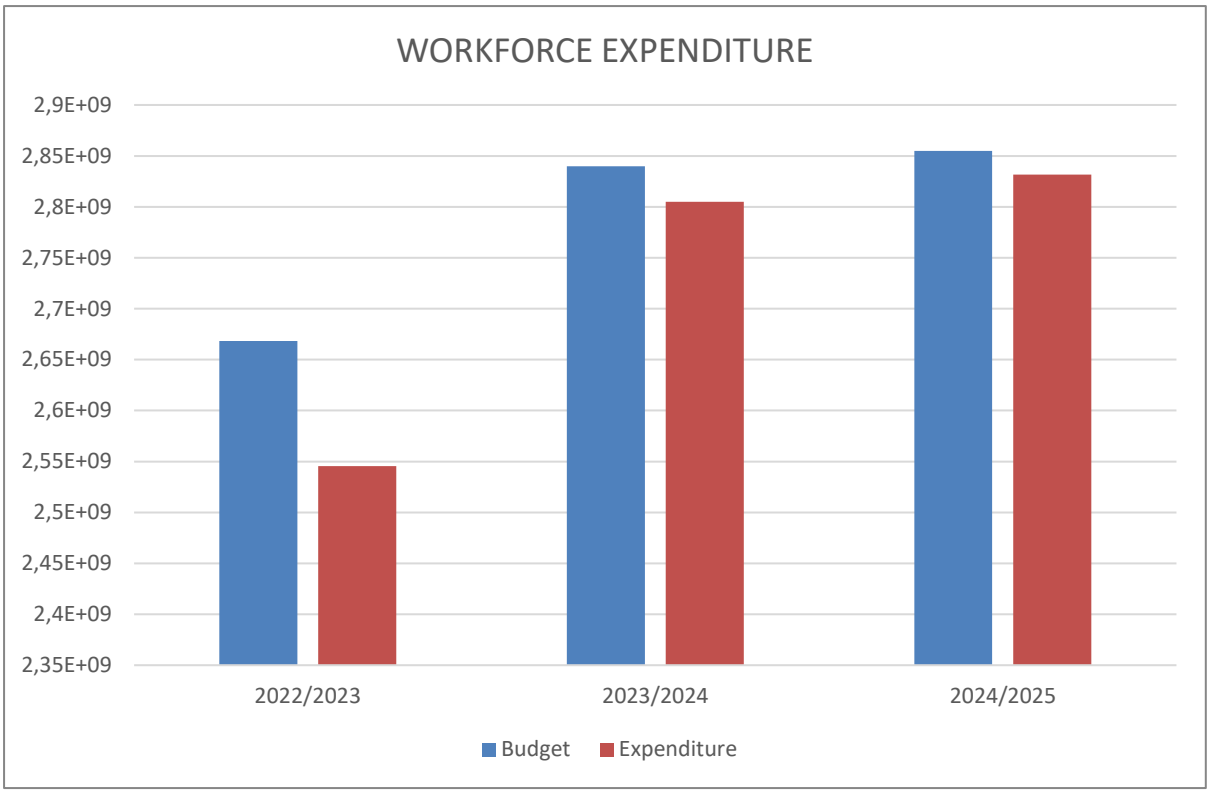
T4.6.0

4.6 EMPLOYEE EXPENDITURE

Workforce Expenditure Trends

The following are workforce expenditure trends:

Financial year	Budgeted amount	Expenditure	Expenditure Pattern
2022/2023	2 668 350 873	2 545 378 724	Actuals within budget
2023/2024	2 839 803 200	2 805 096 636	Actuals within budget
2024/2025	2 854 804 468	2 831 517 575	Actuals within budget



T 4.6.1

Comment on workforce expenditure

Expenditure for the 2024/25 financial year remained within the allocated budget.

Monthly monitoring of expenditure is conducted, and any deviations are communicated to the relevant HODs for comment.

T4.6.1.1

Number of employees whose salaries were increased due to their positions being upgraded:

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	**Gender**	**Total**
Lower skilled (Levels 1-2)	Female	_
	Male	_
Skilled (Levels 3-5)	Female	4
	Male	11
Highly skilled production (Levels 6-8)	Female	8
	Male	8
Highly skilled supervision (Levels9-12)	Female	27
	Male	100
Senior management (Levels13-16)	Female	12
	Male	9
MM and S 57	Female	_
	Male	_
Total		179
Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).		***T 4.6.2***

Employees whose salary levels exceeded the grade determined by Job Evaluation

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	**Number of employees**	**Job evaluation level**	**Remuneration level**	**Reason for deviation**
Supervisor Billing Enquiries	1	9	Salary exceed Task Grade	No Deviation
Senior Housing Practitioner	2	9	Salary exceed Task Grade	No Deviation
Administrative Officer: Executive Support	2	9	Salary exceed Task Grade	No Deviation
Senior Fire Fighter	4	9	Salary exceed Task Grade	No Deviation
Assistant Accountant: Corporate Asset	1	8	Salary exceed Task Grade	No Deviation
				T 4.6.3

Employees appointed to posts not approved

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
None				
				T 4.6.4

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

Batches were implemented in the financial year 25/26. Batch 1 and Batch 2 of the Job Evaluation Review Process comprised 535 submissions.

Several positions exceeded their grade values, resulting in incumbents retaining their contractual-to-holder status. The revised values will be applied once new incumbents assume these positions.

T4.6.5

NB. For T4.6.6. Please refer to Appendix J: Disclosures of financial interests for City Manager and Heads of Directorates

T4.6.6

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

The City has a credit rating of A-(za) (Short Term) and A2(za) (Long Term) with a negative outlook. However, with the low gearing ratio, the City can borrow capital to fund its revenue-generating infrastructure. Nonetheless, due to weak economic performance and a low collection rate, the process for additional loans is undertaken with caution.

The City has implemented Government Gazette No. 42514, issued on 7 June 2019, titled "Municipal

Cost Containment Regulations", in order to contain costs, and the City is implementing a Financial Recovery Plan.

BCMM's finances have declined. There is pressure on the collection of outstanding debtors, which is negatively impacting the growth trend of the City's cash and cash equivalent balance.

T5.0.1.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

Note: Statements of Revenue Collection Performance by vote and by source are included at ***Appendix K****.*

The financial statements are prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any relevant interpretations and directives issued by the Accounting Standards Board, as required by Section 122(3) of the MFMA, No. 56 of 2003. These statements are founded on appropriate accounting policies that are applied consistently and are supported by reasonable and prudent judgements and estimates.

The financial statements are compiled on an accrual basis and in accordance with the historical cost convention as the primary measurement basis, unless otherwise indicated. They provide a comprehensive overview of the City's financial position, its performance relative to the approved budget, the management of revenue, expenditure, assets, and liabilities, as well as its financial standing at the end of the financial year. The annual financial statements have been prepared on the assumption that the Municipality remains a going concern, with no intention or necessity to liquidate or significantly curtail its operations.

Table 5.1.1 below sets out the comparison between budgeted and actual amounts for the 2024/25 financial year. The statement of financial performance is presented according to MFMA classification, reflecting revenue by source and expenditure by type.

A deficit totalling R0,991 billion was incurred for the year under review. This reflects an unfavourable variance of R0,464 billion compared to the budgeted deficit of R0,528 billion.

The unfavourable revenue variance of R0,166 billion was due to the following factors:

a) Transfers recognised – operational: total revenue realised was R1,481 billion, which was R0,293 billion below the budgeted amount of R1,773 billion.

b) Transfers recognised – capital: total revenue realised was R0,773 billion, which was R0,128 billion below the budgeted amount of R0,901 billion.

The Metro's total operating expenditure was higher than the anticipated budget. The largest contributors to this variance of R0,297 billion are as follows:

a) Depreciation & asset impairment: amounted to R2,362 billion, which was R0,533 billion above the budgeted expenditure of R1,829 billion.

b) Finance charges: amounted to R0,044 billion, which was R0,035 billion above the budgeted expenditure of R0,009 billion.

The statement of financial position for 2024/25 reflects a favourable position, as the Metro has excess assets over liabilities, resulting in a net worth of R43,011 billion. The value of the municipality's total assets is R46,714 billion, comprising current assets valued at R4,248 billion and non-current assets amounting to R42,466 billion. The value of the municipality's total liabilities is R3,703 billion, comprising current liabilities valued at R2,377 billion and non-current liabilities amounting to R1,325 billion.

Long-term loans total R0,079 billion, representing a decrease of R0,029 billion from the balance at the beginning of the financial year. The Institution is in an enviable position, with access to additional long-term loan facilities to invest in the replacement of infrastructure assets.

The Metro's cash and cash equivalents are declining but are sufficient to meet immediate obligations. The stagnant revenue base threatens the City's cash position; as a result, the City has adopted an aggressive Revenue Enhancement Strategy, which includes revenue generation, ensuring the accuracy of meter readings, regular supplementary valuations, and ensuring all residents receive a correct bill for services rendered by the Metro, thereby contributing to consumer confidence.

T 5.1.0

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Reconciliation of Table A1 Budget Summary

Description	2024/2025											2023/2024			
R thousands	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Financial Performance															
Property rates	2,269,497	–	2,269,497	–	–	2,269,497	2,169,015		(100,482)	95.6%	95.6%				2,105,248
Service charges	4,886,537	–	4,886,537	–	–	4,886,537	4,994,155		107,618	102.2%	102.2%				4,168,383
Investment revenue	25,656	46,542	72,197	–	–	72,197	72,215		17	100.0%	281.5%				318,511
Transfers recognised - operational	1,636,167	136,995	1,773,161	–	–	1,773,161	1,480,582		(292,579)	83.5%	90.5%				1,291,763
Other own revenue	1,316,955	–	1,316,955	–	–	1,316,955	1,558,575		241,620	118.3%	118.3%				1,622,174
Total Revenue (excluding capital transfers and contributions)	**10,134,811**	**183,536**	**10,318,348**			**10,318,348**	**10,274,542**		**(43,806)**	**99.6%**	**101.4%**				**9,506,079**
Employee costs	(2,937,654)	109,992	(2,827,662)	–	–	(2,827,662)	(2,780,894)	–	46,767	98.3%	94.7%	–	–	–	2,740,422
Remuneration of councillors	(77,686)	7,313	(70,373)	–	–	(70,373)	(70,373)		–	100.0%	90.6%	–	–	–	72,892
Debt impairment	(1,681,728)	(249,655)	(1,931,384)	–	–	(1,931,384)	(1,987,596)	(56,212)	(56,212)	102.9%	118.2%	–	–	–	1,291,454
Depreciation & asset impairment	(2,001,862)	171,925	(1,829,937)	–	–	(1,829,937)	(2,362,853)	(532,939)	(532,916)	129.1%	118.0%	–	–	–	1,624,849
Finance charges	(8,966)	0	(8,966)	–	–	(8,966)	(44,468)	(35,485)	(35,502)	496.0%	495.9%	32,619	32,619	–	46,211
Materials and bulk purchases	(3,112,590)	147,382	(2,965,208)	–	–	(2,965,208)	(2,984,144)	(22,187)	(18,936)	100.6%	95.9%	–	–	–	2,252,355
Transfers and grants	(142,581)	8,844	(133,736)	–	–	(133,736)	(61,780)	–	71,956	46.2%	43.3%	–	–	–	71,316
Other expenditure	(1,600,795)	(379,337)	(1,980,132)	–	–	(1,980,132)	(1,750,791)	–	229,341	88.4%	109.4%	335,836	335,836	–	2,284,016
Total Expenditure	**(11,563,862)**	**(183,536)**	**(11,747,399)**			**(11,747,399)**	**(12,042,900)**	**(646,823)**	**(295,501)**	**102.5%**	**104.1%**	**368,454**	**368,454**	–	**10,383,516**
Surplus/(Deficit)	**(1,429,051)**	**(0)**	**(1,429,051)**	–	–	**(1,429,051)**	**(1,768,358)**	**(646,823)**	**(339,307)**	**123.7%**	**123.7%**				**(877,436)**
Transfers recognised - capital	788,563	112,636	901,199			901,199	773,040		(128,159)	85.8%	98.0%				838,435
Contributions recognised - capital & contributed assets	–	–	–				5,666		5,666	0.0%	0.0%				–
Surplus/(Deficit) after capital transfers & contributions	**(640,488)**	**112,636**	**(527,852)**	–	–	**(527,852)**	**(989,652)**	**(646,823)**	**(461,800)**	**187.5%**	**154.5%**				**(39,001)**
Taxation	–	–	–			–	-		–	0.0%	0.0%				
Share of surplus/ (deficit) of associate	–	–	–			–	(1,976)		(1,976)	0.0%	0.0%				42,276
Surplus/(Deficit) for the year	**(640,488)**	**112,636**	**(527,852)**			**(527,852)**	**(991,627)**		**(463,776)**	**187.9%**	**154.8%**				**3,274**
Capital expenditure & funds sources															
Capital expenditure															
Transfers recognised - capital	788,563	(112,636)	901,199			901,199	773,040		(128,159)	85.8%	98.0%				838,435
Public contributions & donations		–				–			–	0.0%	0.0%				–
Borrowing	–	–	–			–	–		–	0.0%	0.0%				–
Internally generated funds	442,552	(68,489)	511,041			511,041	527,855		16,814	103.3%	119.3%				346,368
Total sources of capital funds	**1,231,115**	**(181,125)**	**1,412,240**	–	–	**1,412,240**	**1,300,894**	–	**(111,346)**	**92.1%**	**105.7%**				**1,184,803**
Cash flows															
Net cash from (used) operating	1,321,339	248,749	1,570,088			1,570,088	1,190,833		(379,254)	75.8%	90.1%				1,140,201
Net cash from (used) investing	(1,230,865)	(181,395)	(1,412,260)			(1,412,260)	(1,151,800)		260,459	81.6%	93.6%				(1,069,130)
Net cash from (used) financing	(25,540)	(177)	(25,717)			(25,717)	(28,991)		(3,274)	112.7%	113.5%				(30,060)
Cash/cash equivalents at the year end	**791,916**	**57,402**	**849,318**	–	–	**849,318**	**731,029**	–	**(118,289)**	**86.1%**	**92.3%**				**720,987**

T 5.1.1

Financial Performance of Operational Services

R '000

Description	2023/2024	2024/2025			2024/2025 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	1,279,960	803,662	1,577,950	1,740,298	53.95%	9.57%
Waste Water (Sanitation)	491,320	450,304	462,949	1,268,685	64.53%	63.54%
Electricity	3,830,729	3,937,555	3,326,197	3,712,231	-5.64%	10.76%
Waste Management	651,135	544,840	762,736	795,502	31.58%	4.21%
Housing	158,914	197,194	250,381	140,453	-40.24%	-78.07%
Component A: sub-total	6,412,058	5,933,555	6,380,213	7,657,169	22.73%	16.91%
Waste Water (Stormwater Drainage)	0	0	0	0	0.00%	0.00%
Roads	749,690	448,741	299,629	505,789	15.50%	43.58%
PIU & Construction	29,946	40,701	31,764	31,619	-28.13%	0.00%
Transport	126,787	78,887	43,960	95,499	17.40%	53.97%
Component B: sub-total	906,423	568,328	375,354	632,907	13.67%	42.98%
Planning	94,987	82,093	82,868	82,471	0.46%	-0.48%
Local Economic Development	267,595	1,705,921	1,692,366	142,928	-30.98%	-19.37%
Component B: sub-total	362,583	1,788,015	1,775,234	225,399	-19.30%	-12.36%
Libraries, Archieves, Museums, Galaries, Community Facilities etc	223,315	155,064	177,638	223,039	30.81%	20.74%
Cemetories and Crematoriums	93,944	80,584	82,663	92,150	13.20%	10.96%
Child Care, Aged Care, Social Programmes	0	0	0	0	0.00%	0.00%
Component C: sub-total	317,258	235,648	260,301	315,189	25.65%	17.88%
Pollution Control	0	0	0	0	0.00%	0.00%
Bio-Diversity, Landscape and Other	197,997	218,344	212,798	219,858	1.08%	3.59%
Component E: Environmental Protection - sub-total	197,997	218,344	212,798	219,858	1.08%	3.59%
Clinics	0	0	0	0	0.00%	0.00%
Ambulance Service	0	0	0	0	0.00%	0.00%
Health Inspection, Food and Abbatoir Licensing and Inspection	48,320	56,311	52,289	52,520	-7.08%	0.57%
Component F: Health - sub-total	48,320	56,311	52,289	52,520	-7.08%	0.57%
Traffic Services & Law Enforcement	413,035	382,126	359,813	409,338	6.71%	12.16%
Fire	157,053	155,212	119,223	212,594	27.04%	43.95%
Other (Disaster Management, Animal Licencing and Control etc	6,288	8,891	6,660	6,596	-33.51%	0.00%
Component G: Security and Safety - sub-total	576,376	546,230	485,696	628,529	13.16%	22.78%
Sport and Recreation	93,594	106,907	132,743	151,822	30.62%	13.85%
Component H: Sport and Recreation - sub-total	93,594	106,907	132,743	151,822	30.62%	13.85%
Executive and Council	374,989	391,727	366,381	369,013	-6.13%	0.74%
Financial Services	518,668	1,244,337	1,179,336	1,136,938	-9.42%	-3.70%
Human Resources Services	145,719	135,417	145,761	145,377	6.92%	-0.19%
Information and Communication Technology	98,298	107,475	96,911	99,211	-7.81%	2.79%
Property, Legal, Risk Management and Procurement Services	195,972	148,705	128,427	252,559	41.23%	49.24%
Component I:Policy Offices and Other sub-total	1,333,646	2,027,660	1,916,817	2,003,098	-1.15%	4.38%
Other	92,985	82,865	155,953	158,387	47.78%	1.73%
Component J: Other sub-total	92,985	82,865	155,953	158,387	47.78%	1.73%
Total Expenditure	**10,341,240**	**11,563,862**	**11,747,399**	**12,044,876**	**3.99%**	**2.47%**

In this table operational income is offset agaist operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

T 5.1.2

COMMENT ON FINANCIAL PERFORMANCE:

COMMENTS ON MATERIAL VARIANCES (SIGNIFICANT VARIANCES GREATER THAN 10% VERSUS FINAL BUDGET):

REVENUE BY SOURCE

Transfers recognised – operational

The transfers recognised pertain to grants and subsidies received, as well as revenue recognised from grant-funded operating projects. Revenue from these projects is recognised as expenditure is incurred; consequently, lower expenditure on grant-funded projects has resulted in revenue realised falling short of expectations. The principal contributing grant is the Human Settlements Development Grant, with revenue generated from funds received from the EC Department of Human Settlements for the development and construction of housing units. Contractual disputes and slow progress by contractors on site have contributed to the underperformance in revenue.

Other own revenue

Other own revenue comprises various items. The key contributors to the variance are as follows:

• Interest earned from receivables – The debtors' book continues to grow due to persistent non-payment by debtors. This increase in outstanding debts leads to higher interest charges, even though credit control measures are being enforced.

• Fines, penalties and forfeits – The rise in revenue is attributable to the daily operations of the ANPR Unit, which focuses on collecting outstanding traffic fines. The ANPR employs advanced technology to identify offenders at roadblocks, who are then notified of their fines and provided with the option to either settle the amount at the ANPR pay point or, if they choose, contest the fines and submit a representation.

EXPENDITURE BY TYPE

Depreciation and asset impairment

BCMM transferred a substantial portion of completed assets from the work in progress register to the completed asset register, resulting in a depreciation impact. Furthermore, assets underwent impairment assessments, and an impairment was recognised.

Finance charges

An amount of R35 million pertains to accrued interest associated with the Landfill Provision. The estimated interest cost required to close the landfill sites will be incurred approximately 20 to 25 years in the future. Given the materiality of the time value of money, it is necessary to discount this amount using the municipality's borrowing rate (R8,3% per annum, with minor risk adjustments).

Transfers and grants

BCMM allocated a budget anticipating donor funding of R32 million for the Duncan Village Buy-Back Centre, supported by a European Union (EU) Grant. The project is being executed by BCMDA; however, no funding was received from National Treasury during the reporting year.

Transfers recognised – capital

During the mid-year budget adjustment process in February 2025, additional funding was allocated to the budget, specifically impacting the Municipal Disaster Recovery Grant (MDRG) and the Municipal Disaster Response Grant. Although the Municipality did not fully expend the allocations for these grants, the funds are already entirely committed to specific, identifiable projects.

Contributions recognised – capital and contributed assets

In the 2024/25 financial year, the City received donations of electrical and computer assets that could not have been anticipated; consequently, these donations were not included in the original budget.

Surplus/(Deficit) for the year

A deficit was recorded by the ELIDZ, with a 26% shareholding held by BCMM, resulting in a deficit of R1 975 925 for the year ended June 2025.

Surplus/(Deficit) for the year

The deficit incurred by the Metro is primarily attributable to two non-cash items: depreciation and amortisation, and debt impairment.

• Depreciation and asset impairment: BCMM transferred a significant number of completed assets from the work in progress register to the completed asset register, which resulted in a depreciation impact. Furthermore, assets were evaluated for impairment and an impairment was recognised.

• Debt impairment: The increase is due to a rise in debtors, primarily as a result of customer non-payment within the financial year.

Transfers recognised – capital

During the mid-year budget adjustment process in February 2025, additional funding was appropriated to the budget. The grants affected are the MDRG) and the Municipal Disaster Response Grant. Although the Municipality was unable to fully expend the allocation of these grants, the funds are already fully committed to identifiable projects.

CASH FLOWS

Net cash from (used) operating

There has been a notable decline in the collection ratio, with the achieved rate at 70,47% compared to the budgeted 77%. This shortfall, together with rising operating costs, has adversely affected net cash from operations.

Net cash from (used) investing

Spending on CAPEX remained low, despite an unplanned increase in the CAPEX budget following additional allocations from the MDRG and Municipal Disaster Response Grant. Nonetheless, the bulk of these resources are already committed as at 30 June 2025.

Net cash from (used) financing

Financing costs have declined significantly due to a reduction in the outstanding loan principal.

Cash/cash equivalents at the year end

Cash holdings at year end improved by R14 million. Nevertheless, the actual collection ratio of 70,47% – falling short of the 77% target – had a negative impact on overall cash performance.

T5.1.3

5.2 GRANTS

INTRODUCTION TO TOTAL OPERATING TRANSFERS AND GRANTS:

The grant performance table below summarises the operating transfers and grants. The total performance for operating transfers and grants amounts to R1,481 billion, representing 83% of the allocated budget of R1,773 billion.

Operating Grant Performance						R' 000
Description	2023/2024	2024/2025			2024/2025 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	**1,252,134**	**1,354,802**	**1,442,681**	**1,372,653**	**1%**	**-5%**
Equitable share	1,138,058	1,218,324	1,218,324	1,218,324	0%	0%
Infrastructure Skills Development	10,624	10,800	10,800	10,571	-2%	-2%
Finance Management	999	885	981	981	10%	0%
Expanded Public Works Programme Inc	10,727	2,314	2,314	2,314	0%	0%
Urban Settlement Development	30,566	46,711	61,373	63,462	26%	3%
Neighbourhood Development Grant	25,758	36,000	35,655	35,655	-1%	0%
Informal Settlement Upgrading Partnership Grant	23,712	24,768	23,233	23,233	-7%	0%
Programme and Project Preperation Support Grant	11,689	15,000	15,000	15,000	0%	0%
Department of Transport	–	–	75,000	3,112		
Provincial Government:	**20,197**	**162,359**	**209,530**	**100,921**	**-61%**	**-108%**
Library Subsidy	15,870	17,883	17,883	17,883	0%	0%
PG EC - Seta Grant	4,327	19,476	12,082	12,835	0%	0%
Human Settlement Development Grant	–	125,000	179,565	70,203	0%	0%
District Municipality:	**-**	**-**	**-**	**-**	**-**	**-**
State Health-Environmental	–	–	–	–	–	–
Other grant providers:	**19,433**	**119,006**	**120,951**	**7,008**	**-1598%**	**-1626%**
Parent Municipality	12,109	105,847	107,447	–	0%	0%
Salaida/Gavle	15	–	–	–	0%	0%
City of Oldenburg	–	–	360	137	100%	-164%
Eastern Cape Development Corporation Grant - BCMDA	4,348	–	–	–	0%	0%
LG SETA Grant - BCMDA	47	59	43	43	-35%	0%
NDPG GRANT	2,914	13,100	13,100	6,729	-95%	-95%
NDPG PUBLIC EMPLOYMENT	–	–	–	99	100%	100%
BCMDA- OPERATING PROJECTS	–	–	–	–	0%	0%
Total Operating Transfers and Grants	**1,291,763**	**1,636,167**	**1,773,161**	**1,480,582**	**-11%**	**-20%**
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and						*T 5.2.1*

INTRODUCTION TO TOTAL CAPITAL TRANSFERS AND GRANTS:

The grant performance table below provides a summary of capital transfers and grants. The capital transfers and grants performance total to R0.901 billion which is 100% of R0.773 billion.

Capital Grant Performance						R' 000
Description	2023/2024	2024/2025			2024/2025 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Capital Transfers and Grants						
National Government:	**838,435**	**788,563**	**901,199**	**773,040**	**-2%**	**-17%**
Integrated National Electrification Programme	–	–	–	–	0%	0%
Electricity Demand Side Management	–	–	–	–	0%	0%
Infrastructure Skills Development	145	200	200	65	0%	0%
Finance Management	–	115	19	–	0%	0%
Urban Settlement Development	581,622	488,654	563,992	535,716	9%	-5%
Public Transport Network Grant	–	–	–	–	0%	0%
Integrated City Development Grant	–	–	–	–	0%	0%
Informal Settlements Upgrading Partnership Grant	252,105	279,939	212,389	212,388	-32%	0%
Neighboughood Development Partnership Grant	4,562	19,655	2,000	1,611	0%	0%
Buffalo City Metro Transport (BCMET) Funding	–	–	–	–	0%	0%
Municipal Disaster Response Grant	–	–	44,600	16,604	0%	0%
Municipal Recovery Grant	–	–	78,000	6,656	0%	0%
Provincial Government:	**–**			**–**	**–**	**–**
Local Govt & Traditional Affairs	–	–	–	–	0%	0%
Local Govt & Traditional Affairs	–	–	–	–	0%	0%
Department of Public Works	–	–	–	–	0%	0%
Municipal Recovery Grant						
District Municipality:	**–**	**–**	**–**	**–**	**0%**	**0%**
[insert description]						
Other grant providers:	**–**	**–**	**–**	**–**	**0%**	**0%**
Parent Municipality	–	–	–	–	0%	0%
BCMDA	–	–	–	–	0%	0%
Total Capital Transfers and Grants	**838,435**	**788,563**	**901,199**	**773,040**	**-2%**	**-17%**
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and						*T 5.2.1*

COMMENT ON TRANSFERS AND GRANTS:

*Note: For Urban Settlement Development Grant (USDG) see T5.8.3. For other conditional transfers) see **Appendix L**.*

Finance Management Grant

The aim is to advance and facilitate reforms in financial management by enhancing municipal capacity to implement the MFMA.

During the 2024/25 financial year, the Metro engaged eight interns within the MFMP. Of the R1 million allocated through the grant, 98% was expended on appointing these interns.

Additionally, the funding was directed towards the training of municipal officials and interns in financial management.

Infrastructure Skills Development Grant

The objective is to recruit unemployed graduates into municipalities for training and professional registration in accordance with the requirements of the relevant statutory councils within the built environment.

During the 2024/25 financial year, the Metro utilised 97% (R10,64 million) of its adjusted ISDG budget of R11 million.

Expanded Public Works Programme

The aim is to incentivise municipalities to expand work creation initiatives by employing labour-intensive delivery methods in compliance with EPWP guidelines. The programme seeks to enhance the quality of life for disadvantaged communities and promote social stability by engaging the unemployed in productive activities.

The allocated grant funding of R2,31 million was fully expended.

Programme and Project Preparation Support Grant (PPPSG)

The PPPSG aims to assist metropolitan municipalities in developing a pipeline of investment-ready capital programmes and projects by establishing and institutionalising an effective and efficient system for programme and project preparation. It also seeks to ensure an increasing allocation of municipal resources towards preparation activities. The Metro utilised 100% (R15 million) of its 2024/25 PPPSG budget during the year under review.

Urban Settlement Development Grant (USDG)

The USDG seeks to increase urban land production for the benefit of low-income households, reduce the cost of urban land, improve the quality of life in informal settlements, subsidise land acquisition costs, and provide basic services for poor households.

During the year under review, the Metro expended 96% (R599,18 million) of its 2024/25 USDG budget of R625,37 million.

Informal Settlement Upgrading Partnership Grant (ISUPG)

The ISUPG is designed to provide funding for a comprehensive, inclusive, and municipality-wide approach to upgrading informal settlements. The Metro achieved full expenditure, utilising 100% (R235,62 million) of its 2024/25 ISUPG budget during the year under review.

Neighbourhood Development Partnership Grant

The NDPG aims to plan, catalyse, and invest in targeted areas to attract and sustain third-party capital investments directed at spatial transformation. These efforts seek to improve quality of life and expand access to opportunities for residents in South Africa's under-served neighbourhoods, particularly within township areas.

The Metro expended 99% (R37,65 million) of its 2023/24 NDPG adjusted budget of R37,26 million in the reporting period.

Municipal Disaster Response Grant

The MDRG provides immediate funding for disaster response where an occurrence cannot be adequately addressed in accordance with Section 2(1)(b) of the DMA.

The Metro utilised 37% (R16,60 million) of its 2024/25 MDRG budget of R44,60 million during the year under review.

Municipal Disaster Recovery Grant

The Municipal Disaster Recovery Grant is intended for the rehabilitation and reconstruction of municipal infrastructure following a disaster.

The Metro spent 9% (R6,66 million) of its 2024/25 MDRG budget of R78 million in the reporting year.

T 5.2.2

Grant Received from Sources other than the Division of Revenue (DoRA)

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant 2023/2024	Actual Grant 2024/2025	Year 2024/2025 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals						
Department of Human Settlements	85,302	70,203	0	N/A	0	The creation of sustainable and integrated human settlements that enable an improved quality of household life and access to basic services
Local Government Sector Education & Training Authority Fund (SETA)	4,327	12,039	0	N/A	0	The key focus must be to address scarce and critical skills through programmes that are designed to address needs which include such skills as work integrated learning.
Library Subsidy	15,870	17,883	0	N/A	0	To transform urban and rural community library infrastructure, facilities and services
Foreign Governments/Development Aid Agencies						
City of Oldenburg	–	137	0	N/A	0	Increasing resource use efficiency in the Republic of South Africa through water reuse and sustainable energy generation at wastewater treatment plants
Provide a comprehensive response to this schedule						*T 5.2.3*

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

Housing – Human Settlement Development Grant

The grant is allocated for the construction of top structures – specifically, the erection of dwellings excluding internal services infrastructure – for human settlement developments.

All projects included in the approved business plan must correspond with the IDP, the spatial development framework of municipalities, and, for metropolitan municipalities, the BEPP. Provincial business plans are required to indicate relevant allocations, targets, and outputs, as agreed and approved in collaboration with the respective municipalities.

Local Government Sector Education & Training Authority Fund (LGSETA)

This grant, governed by the Skills Development Levies Act, obliges the Municipality to contribute 1% of workers' salaries to the skills development levy. The Municipality may recoup a portion of these funds from the SETA as a refund when staff training is provided. The funding supports education and training initiatives set out in the Workplace Skills Plan and Annual Training Report (ATR) submitted to LGSETA.

Library Subsidy

The City maintains an agreement with DSRAC for the management of libraries within BCMM. Accordingly, the grant is transferred to the City to support the operational costs of these libraries.

City of Oldenburg

The grant is directed towards enhancing resource use efficiency in South Africa by promoting water reuse and sustainable energy generation at wastewater treatment plants.

Application of Rollover on Conditional Grants

BCMM applied to National Treasury for the rollover of R126,05 million for the following grants that remained unspent as at 30 June 2025.

Infrastructure Skills Development Grant – R0,36 million
Urban Settlement Development Grant – R26,19 million
Neighbourhood Development Partnership Grant – R0,39 million
Municipal Disaster Response Grant – R27,99 million
Municipal Disaster Recovery Grant – R71,34 million

The unspent grants are attributable to slow progress in the implementation of grant-funded capital projects, primarily arising from procurement and project management inefficiencies. Nevertheless, the funding for these projects remains fully committed.

During the mid-year budget adjustment process in February 2025, additional funding was allocated to the budget as follows:

R78 million – Municipal Disaster Recovery Grant
R44 million – Municipal Disaster Response Grant
R90 million – Urban Settlement Development Grant

T 5.2.4

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

BCMM's Finance Directorate oversees two key divisions responsible for Asset Accounting:

Asset Reporting and Insurance Division

- **Primary Functions**:
    - Ensures accurate asset reporting
    - Manages insurance coverage for Council-owned assets
- **Staff Complement**: 21 personnel

- **Collaboration**: Works closely with Sector Departments to maintain asset integrity and reporting standards

Corporate Asset Management Division

- **Primary Functions**:
    - Oversees full lifecycle asset management
    - Supports strategic asset planning and compliance
- **Staff Complement**: 15 personnel (delegated to the General Manager: Corporate Asset Management)
- **Reporting Line**: Operates under the direct supervision of the CFO
- **Status**:
    - Newly established department
    - Staffing not yet complete due to a moratorium on appointments
    - All proposed posts were submitted for job evaluation to ensure appropriate task grading

Inter-Departmental Collaboration

Both divisions liaise with Sector Departments to:

- Ensure comprehensive asset management
- Maintain accurate reporting
- Guarantee adequate insurance coverage for all Council-owned assets

All staff members in Asset Reporting and Insurance have received training in basic asset management and asset capitalisation, and all hold the necessary qualifications.

Comprehensive asset management training is scheduled for the 2025/26 financial year to ensure that staff are fully equipped to implement GRAP, the new ERP system, and SOPs aligned with both GRAP and CIDMS. This training occurs annually and is coordinated in collaboration with National Treasury, SALGA, and other state entities.

BCMM currently utilises the approved Movable Asset Management Policy and Immovable Asset Policy. Both policies comply with GRAP standards and are periodically reviewed to ensure continued alignment with changing legislation and regulations. These approved policies delineate several key elements, including:

- Roles and responsibilities
- Classification of assets

- Accounting for property, plant, and equipment
- Accounting policy applicable to each class of assets
- Annual updating of the asset registers
- Depreciation methods for each class of assets

BCMM is currently finalising the development of a comprehensive, integrated asset management system, designed to ensure that all Council assets are recorded within a single platform. This system will be fully aligned with the main financial management systems as well as other departmental sub-systems used for municipal asset management. Such integration is expected to strengthen the department's operational capacity and may also necessitate revisions to existing policies and the organisational structure.

T 5.3.1

Treatment of the Three Largest Assets Acquired in 2024/25

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2024/2025				
Asset 1				
Name	Property, Plant, Equipment			
Description	Roads Provision			
Asset Type	Roads			
Key Staff Involved	Engineering and Infrastructure			
Staff Responsibilities	Monitor and Maintain			
Asset Value	2021/2022	2022/23	2023/24	2024/25
	82 367 822	38 500 000	65 500 000	34 000 000
Capital Implications	Road Network			
Future Purpose of Asset	Transport Use			
Describe Key Issues	None			
Policies in Place to Manage Asset	Immovable Asset Management Policy			
Asset 2				
Name	Property, Plant, Equipment			
Description	Bulk Electricity Provision			
Asset Type	Electricity			
Key Staff Involved	Senior Development Technicians & Senior Contracts Technicians	220690948		
Staff Responsibilities	Developing Specifications and Project Management			
Asset Value	2021/22	2022/23	2023/24	2024/25
	91 684 280	102 112 787	104 566 432	117 888 195
Capital Implications	Allow for further growth			

Future Purpose of Asset	To ensure a stable and reliable electrical network			
Describe Key Issues	Illegal connections			
Policies in Place to Manage Asset	Asset Management Policy and Asset Management Plans			
Asset 3				
Name	Property, Plant, Equipment			
Description	Smart Metering Solutions - Water & Electricity			
Asset Type	Water and Electricity meters			
Key Staff Involved	Infrastructure Services (Water and Electricity) and Revenue Management Billing			
Staff Responsibilities	Monitor and maintain			
Asset Value	2021/2022	2022/23	2023/24	2024/25
	186 155 884	64 005 939	56 438 110	52 407 841
Capital Implications	Smart Meters			
Future Purpose of Asset	Billing of consumers' services			
Describe Key Issues	Vandalism			
Policies in Place to Manage Asset	Asset Management Policy, Credit Policy			
				T 5.3.2

COMMENT ON ASSET MANAGEMENT:

Improving asset management remains a central priority for BCMM, as it underpins the effective delivery of services to residents and constitutes a primary source of revenue.

User Directorates within the City are responsible for the acquisition, administration, control, safeguarding, and disposal of all municipal assets within their respective domains, in accordance with the City's Asset Management and Disposal Policies.

The Corporate Asset Management Department oversees the coordination of asset management functions, ensuring that the City maintains a comprehensive and compliant asset register as required by the MFMA, No. 56 of 2003.

In accordance with the Asset Disposal Policy, municipal user directorates are required to identify assets that are no longer essential for the delivery of minimum municipal services and recommend their disposal to the designated Disposal Committee.

A service provider has been engaged to assist in the development of a fully integrated, GRAP-compliant asset management system. This process encompasses the review and refinement of current asset management policies as well as asset maintenance plans.

When selecting projects for implementation, the relevant BCMM user directorates undertake needs analyses to determine community priorities, guided by the approved IDP and the available budget. These priorities are subsequently incorporated into the SDBIP and serve as the basis for implementing approved initiatives, including asset creation.

T 5.3.3

Repair and Maintenance Expenditure for 2024/25

Repair and Maintenance Expenditure: 2024/2025				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	525070	435322	379398	28%
				T 5.3.4

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

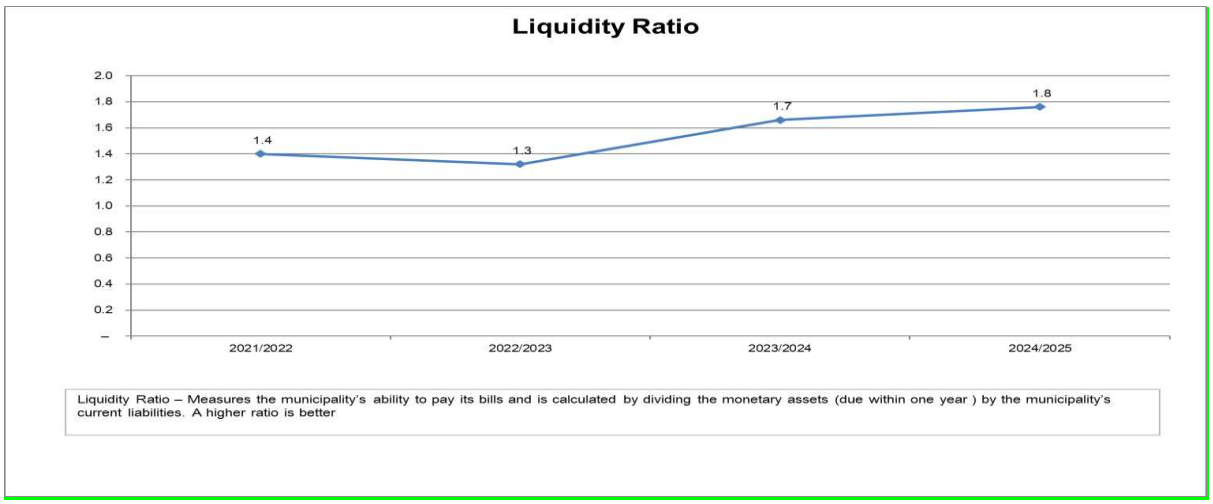
Over the past four years, BCMM has consistently spent an average of 90% of its repairs and maintenance budget. However, when comparing this expenditure to the conditional assessment of both movable and immovable assets, it becomes evident that the allocated amount is insufficient to prevent accelerated asset depreciation. The City has regularly budgeted an average of 4% to 6% for repairs and maintenance, whereas the National Treasury norm requires a margin of 8% to 10% of Property, Plant and Equipment.

A key obstacle in achieving the 8% threshold is the application of the revaluation model for valuing Property, Plant and Equipment. The City's infrastructure repairs and maintenance programme is further supported by the renewal and upgrading of existing assets through its capital programme.

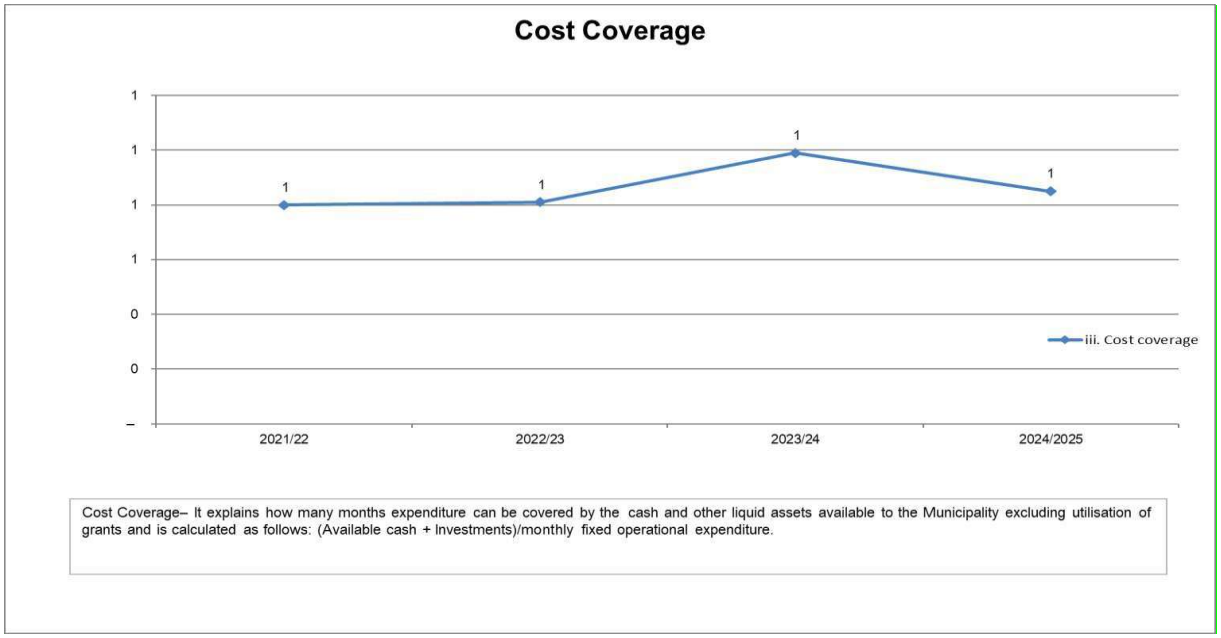
For the 2024/25 financial year, the City has allocated R0,785 billion to the upgrading and renewal programme, which serves to complement the repairs and maintenance efforts.

T 5.3.4.1

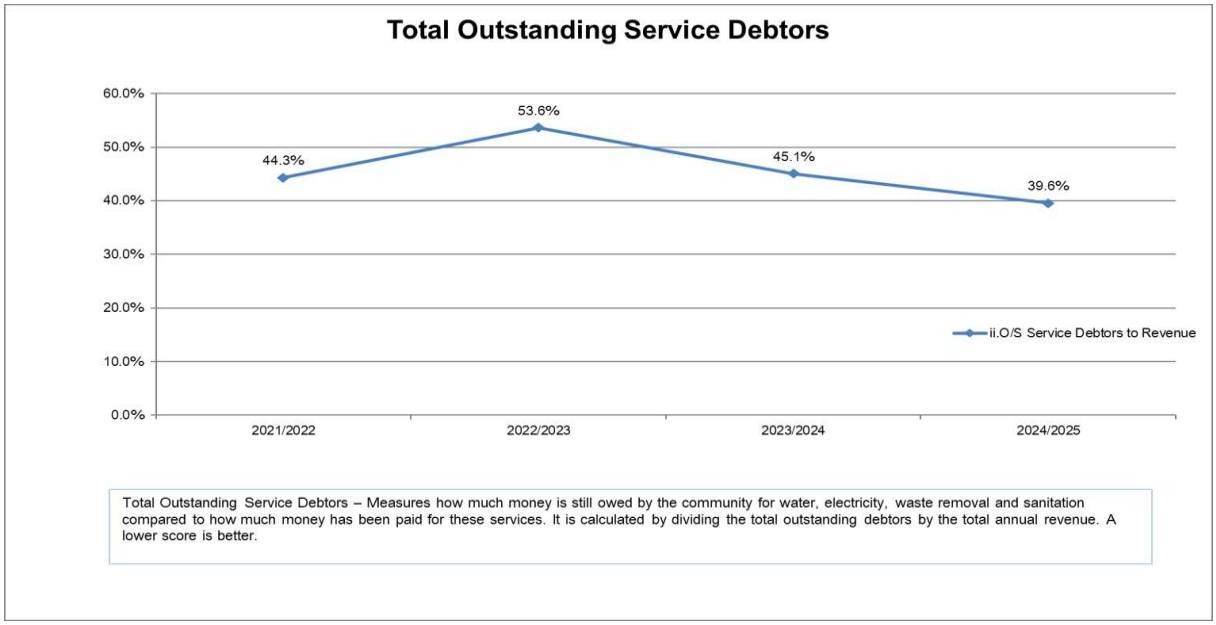
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



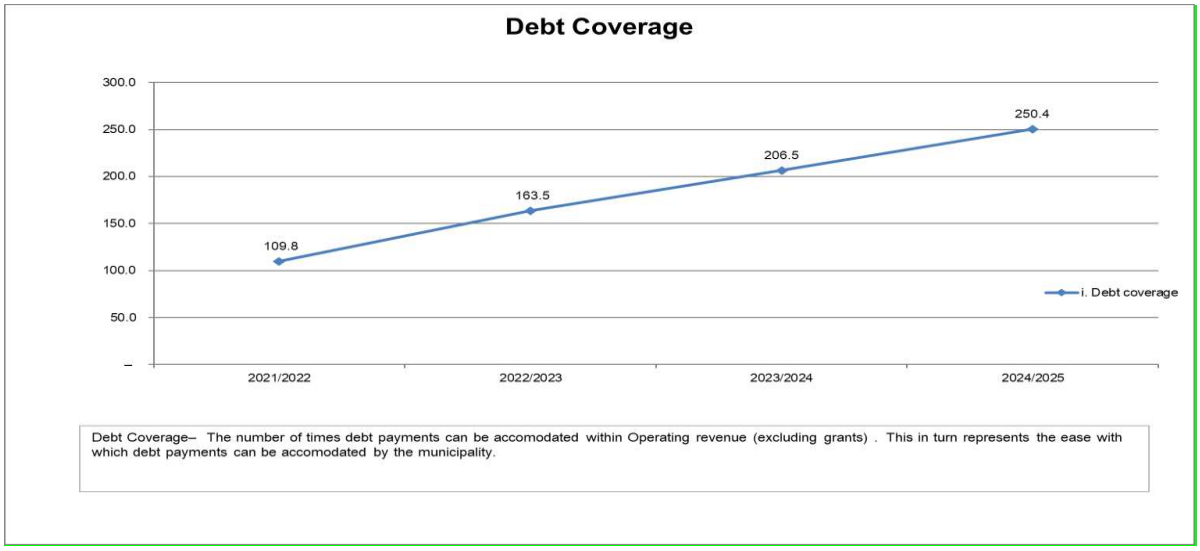
T 5.4.1



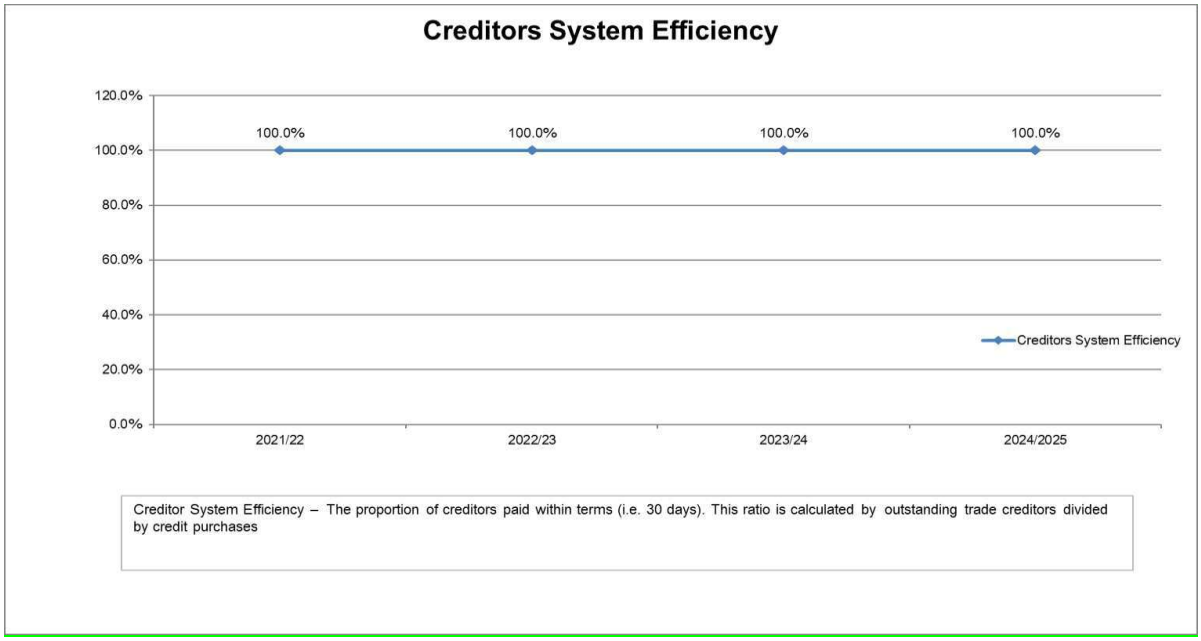
T 5.4.2


Total Outstanding Service Debtors
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
53.6%
44.3%
45.1%
39.6%
2021/2022
2022/2023
2023/2024
2024/2025
ii.O/S Service Debtors to Revenue
Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

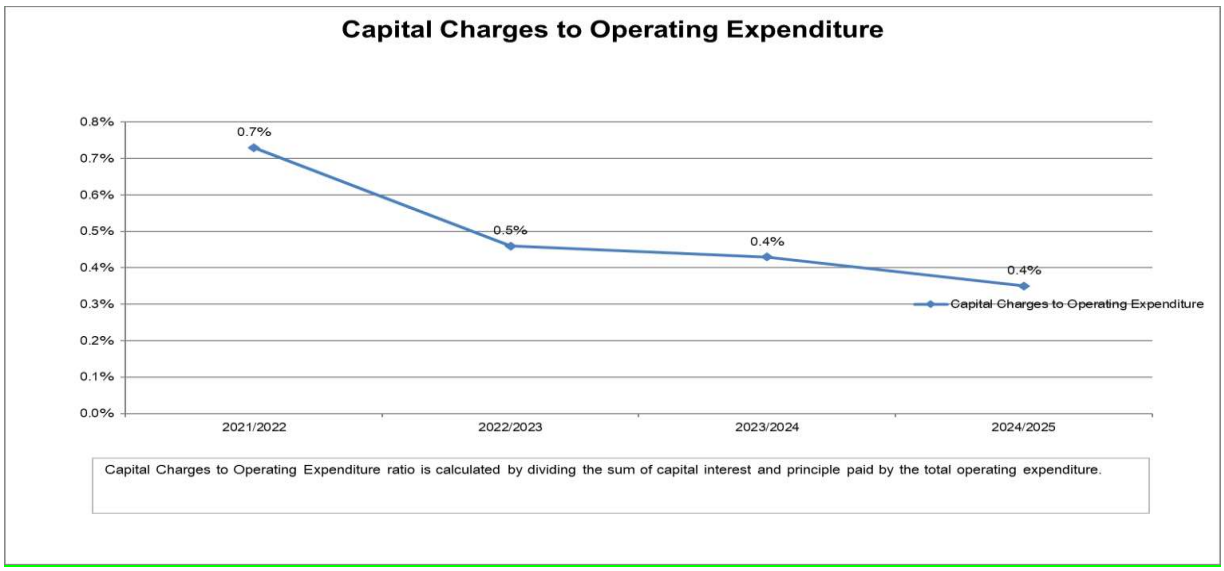
T 5.4.3


Debt Coverage
300.0
250.0
200.0
150.0
100.0
50.0
–
109.8
163.5
206.5
250.4
2021/2022
2022/2023
2023/2024
2024/2025
i. Debt coverage
Debt Coverage– The number of times debt payments can be accomodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accomodated by the municipality.

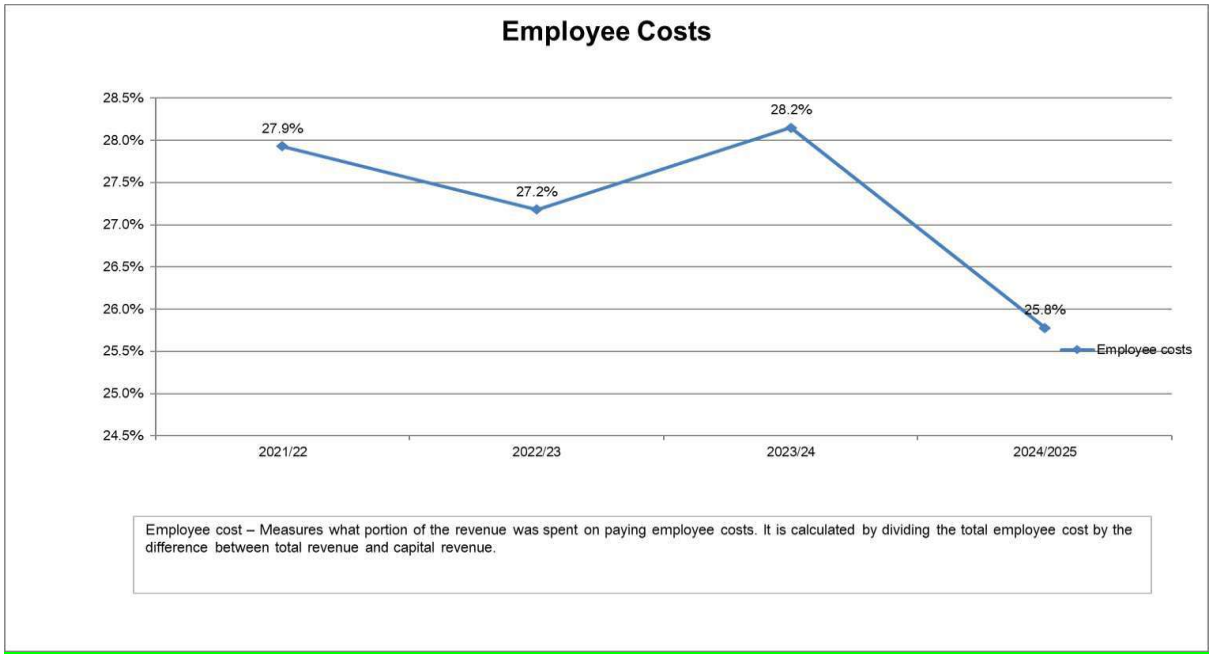
T 5.4.4


Creditors System Efficiency
120.0%
100.0%
80.0%
60.0%
40.0%
20.0%
0.0%
100.0%
100.0%
100.0%
100.0%
2021/22
2022/23
2023/24
2024/2025
Creditors System Efficiency
Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

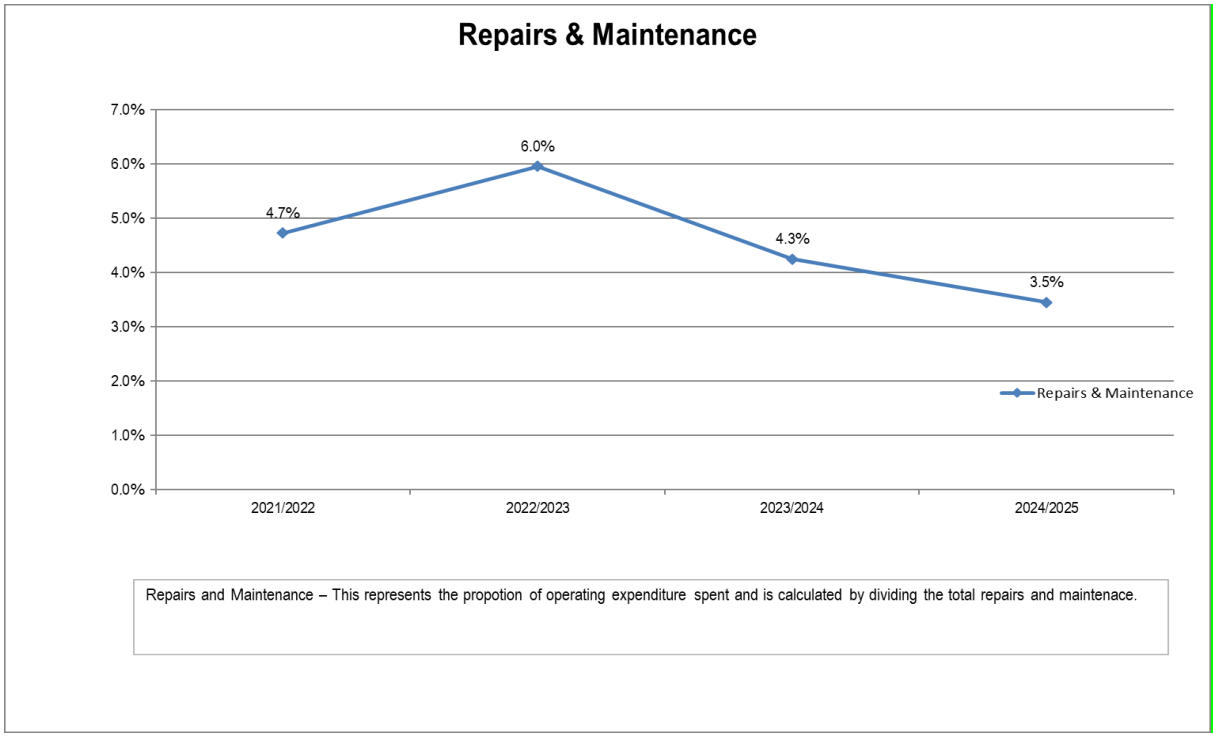
T 5.4.5


Capital Charges to Operating Expenditure
0.8%
0.7%
0.6%
0.5%
0.4%
0.3%
0.2%
0.1%
0.0%
0.7%
0.5%
0.4%
0.4%
2021/2022
2022/2023
2023/2024
2024/2025
Capital Charges to Operating Expenditure
Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

T 5.4.6


Employee Costs
28.5%
28.0%
27.5%
27.0%
26.5%
26.0%
25.5%
25.0%
24.5%
27.9%
27.2%
28.2%
25.8%
2021/22
2022/23
2023/24
2024/2025
Employee costs
Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

T 5.4.7


Repairs & Maintenance
7.0%
6.0%
5.0%
4.0%
3.0%
2.0%
1.0%
0.0%
4.7%
6.0%
4.3%
3.5%
2021/2022
2022/2023
2023/2024
2024/2025
Repairs & Maintenance
Repairs and Maintenance – This represents the propotion of operating expenditure spent and is calculated by dividing the total repairs and maintenace.

T 5.4.8

COMMENT ON FINANCIAL RATIOS:

Liquidity Ratio: The rate of 1.8:1 is regarded as being within the National Treasury norm that ranges between 1.5 - 2:1. The ratio measures the Municipality's ability to meet its current liabilities. A lower ratio indicates a weakened liquidity position. The City is still able to pay current liabilities with available current assets but is investigating revenue enhancement strategies to strengthen its current asset position.

Cost Coverage: This ratio explains how many months' expenditure can be covered by the cash and other liquid assets available to the Municipality, excluding the utilisation of grants. This rate is at 0,9 months and is below the National Treasury norm of between 1 – 3 months.

Total Outstanding Service Debtors: The rate of outstanding service debtors is currently at 39,6%. Outstanding debtors continue to be a focus for the City, which is continuously implementing methods to decrease this rate to a manageable level. The City continues to explore efforts to decrease outstanding service debtors and therefore improve its collection ratio above the budget of 90,5%.

Debt Coverage: This reflects the number of times debt payments can be made within operating revenue (excluding grants). This, in turn, represents the ease with which debt payments can be made by the City. This rate continues to improve; it is 250,4% as of 30 June 2025. This indicates that the Metro's long-term debt is decreasing and is due to the City not taking on additional loan funding during the 2024/25 financial year. The City has the capacity to take on additional financing from borrowing to invest in infrastructure projects; however, due to weak economic performance as well as a weak collection rate, the process for additional loans is undertaken with caution.

Efficiency: The City aims to pay its creditors within the norm of 30 days; the current creditors efficiency ratio is at 100%.

Capital Charges to Operating Expenditure: The rate is 3,5% for the 2024/25 financial year. The City has the capacity to take on additional financing from borrowing to invest in infrastructure projects; however, due to weak economic performance as well as a weak collection rate, the process for additional loans needs to be undertaken with caution.

Employee Costs as a Percentage of Operating Expenditure: The rate of 25,8% is within the norm of 25% – 40%.

Repairs and Maintenance as a Percentage of Total Revenue (Excluding Capital Transfers and Contributions): This represents the proportion of total repairs and maintenance when compared with total revenue (excluding capital transfers and contributions). The rate remains below the norm of 8% for the City, as it is at 3,9%. The City is augmenting its asset maintenance programme by using part of its own funding towards capital investment in the renewal of existing assets.

Finance Charges and Debt Impairment: The ratio for finance charges and debt impairment is 18,3% of total operating expenditure, which is above the required norm of 10%. Reasons for the percentage being higher than anticipated include a low collection ratio of 70% compared to the budgeted 77% and an increase in finance charges due to the rehabilitation of the landfill site.

T 5.4.9

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

The City had a capital budget of R1,412 billion, of which R1,301 billion (inclusive of VAT), equating to 92%, was spent. Own-funded projects had a budget of R0,511 billion, and R0,528 billion (103%) of the budget was spent. Grant-funded projects had a budget of R0,901 billion, and R0,773 billion, equating to 86%, was spent.

Renewal of existing assets represents 48% (R0,680 billion) of the total capital expenditure, while new assets account for 44% (R0,621 billion) in the 2024/25 financial year.

The five largest capital projects of the City in the 2024/25 financial year were as follows:

a) Sleeper Site Road: the project was allocated 2% of the City's capital budget.

b) Rural Roads: the project was allocated 4% of the City's capital budget.

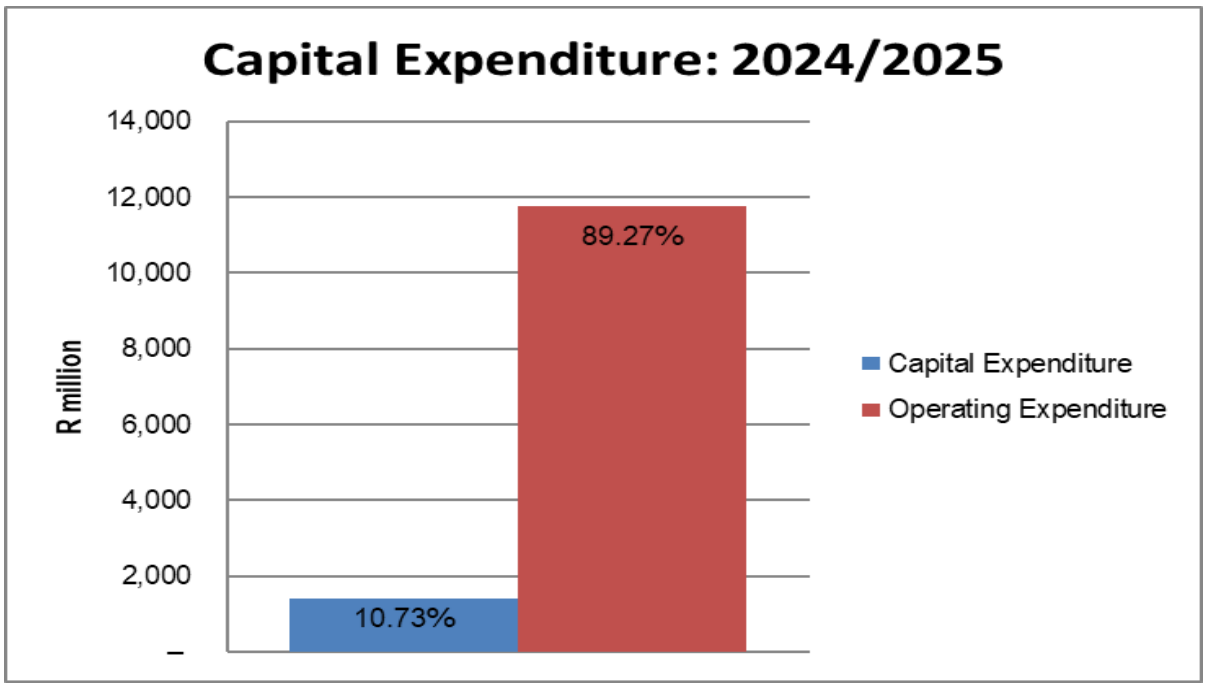
c) Roads Provision: the project was allocated 3% of the City's capital budget.

d) Bulk Electricity Infrastructure Upgrade: the project was allocated 11% of the City's capital budget.

e) Smart Metering Solutions – Water and Electricity: the project was allocated 7% of the City's capital budget

T 5.5.0

5.5 CAPITAL EXPENDITURE

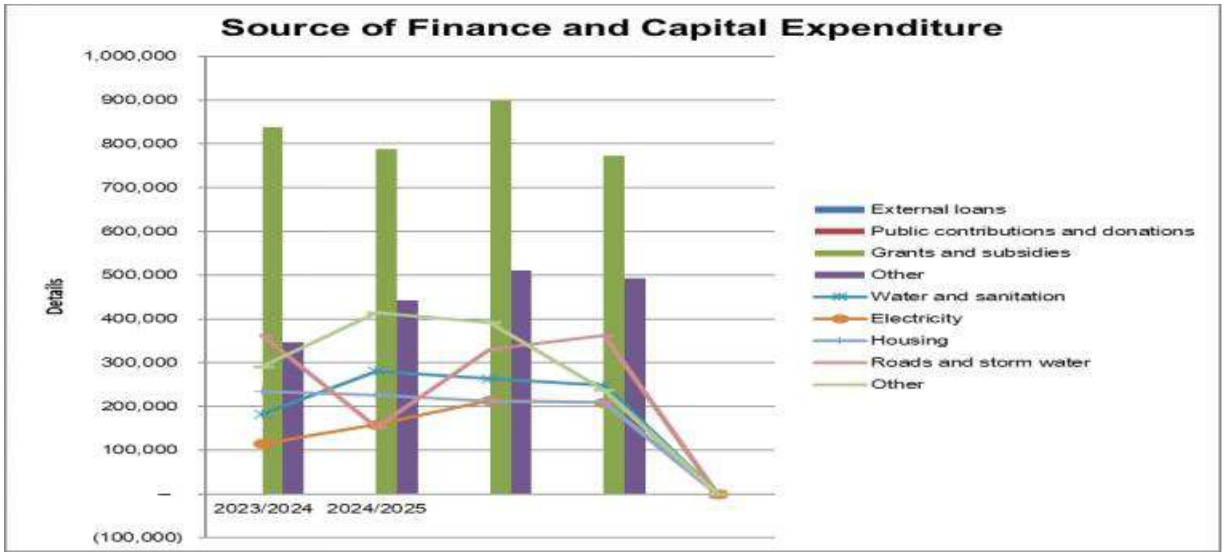


T 5.5.1

5.6 Sources of Finance

Capital Expenditure - Funding Sources: 2023/2024 to 2024/2025 R' 000						
Details		2023/2024	2024/2025			
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)
Source of finance						
	External loans	–	–	–	–	0.00%
	Public contributions and donations	–	–	–	–	0.00%
	Grants and subsidies	838,435	788,563	901,199	773,040	14.28%
	Other	346,368	442,552	511,041	527,855	15.48%
Total		**1,184,803**	**1,231,115**	**1,412,240**	**1,300,894**	**29.76%**
Percentage of finance						
	External loans	0.0%	0.0%	0.0%	0.0%	0.0%
	Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%
	Grants and subsidies	70.8%	64.1%	63.8%	59.4%	48.0%
	Other	29.2%	35.9%	36.2%	40.6%	52.0%
Capital expenditure						
	Water and sanitation	182,363	280,389	263,034	254,100	-6.19%
	Electricity	114,450	158,388	213,537	213,231	34.82%
	Housing	234,699	225,927	212,452	209,144	-5.96%
	Roads and storm water	362,082	152,087	330,951	259,099	117.61%
	Other	291,210	414,325	392,267	365,319	-5.32%
Total		**1,184,803**	**1,231,115**	**1,412,240**	**1,300,894**	**134.95%**
Percentage of expenditure						
	Water and sanitation	15.39%	22.78%	18.63%	19.53%	-4.59%
	Electricity	9.66%	12.87%	15.12%	16.39%	25.80%
	Housing	19.81%	18.35%	15.04%	16.08%	-4.42%
	Roads and storm water	30.56%	12.35%	23.43%	19.92%	87.15%
	Other	24.58%	33.65%	27.78%	28.08%	-3.95%

T5.6.1



COMMENT ON SOURCES OF FUNDING:

The City had a total budget of R13,160 billion, of which R1,412 billion (10.73%) was allocated to the capital budget. Expenditure on the capital budget amounted to R1,301 billion, inclusive of VAT, representing 92% of the allocated amount.

Projects funded internally had a budget of R0,511 billion, with actual expenditure reaching R0,528 billion (103%). In contrast, grant-funded projects were allocated R0,901 billion, of which R0,773 billion (86%) was spent. Government grants and subsidies remain the principal source of funding for capital expenditure.

The Municipality applies the revaluation method in asset accounting, which enables the generation of funding through depreciation for the renewal and refurbishment of existing assets. Consequently, this approach contributes to the financing of the capital budget.

T 5.6.1.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects* R' 000					
Name of Project	Current: 2024/2025			Variance: Current 2024/2025	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Sleeper Site Road	25,000	22,623	22,623	10%	10%
B - Rural Roads	37,000	52,492	52,492	-42%	-42%
C - Roads Provision	33,000	37,090	37,090	-12%	-12%
D - Bulk Electricity Infrastructure Upgrade(Ring-Fenced 4% of the Total Electricity Revenue)	117,888	154,280	154,079	-31%	-31%
E - Smart Metering Solutions - Water & Electricity	52,408	93,574	93,574	-79%	-79%
** Projects with the highest capital expenditure in Year 2024/2025*					
Name of Project - A	**Sleeper Site Road**				
Objective of Project	Improve traffic flow and road safety				
Delays	Adjoining side streets deterioration requiring different treatment				
Future Challenges	Availability of funds to maintain the road once the design life of 20 years has expired.				
Anticipated citizen benefits	Improved road safety and lesser travel times				
Name of Project - B	**Rural Roads**				
Objective of Project	To rehabilitate existing rural roads in BCMM				
Delays	None				
Future Challenges	This is an ongoing project aimed at improving the condition of roads infrastructure in BCMM. It				
Anticipated citizen benefits	All the residents of BCMM				
Name of Project - C	**Roads Provision**				
Objective of Project	To rehabilitate existing urban roads in BCMM				
Delays	None				
Future Challenges	This is an ongoing project aimed at improving the condition of roads infrastructure in BCMM. It				
Anticipated citizen benefits	All the residents of BCMM				
Name of Project - D	**Bulk Electricity Infrastructure Upgrade (Ring-Fenced 4% of the Total Electricity**				
Objective of Project	The Upgrading of Electrical infrastructure, broken down into MV/LV Network, MV switching				
Delays	None				
Future Challenges	N/A				
Anticipated citizen benefits	All the residents of BCMM as there would be less interuption of electrical supply.				
Name of Project - E	**Smart Metering Solutions - Water & Electricity**				
Objective of Project	Installation of Smart Meters				
Delays	The moratorium was lifted in the last quarter of 2024/25 financial year, and the intention to				
Future Challenges	Budget on both component, as the budget focused on the support and maintenance				
Anticipated citizen benefits	Accurate billing, and a view of their consumption.				
T 5.7.1					

COMMENT ON CAPITAL PROJECTS:

Sleeper Site Road – The budget was adjusted downwards from R25 million to R23 million, resulting in a decrease of R2 million. The actual expenditure, when compared to the adjusted budget, equates to 100%.

Rural Roads – The budget was adjusted upwards from R37 million to R52 million, resulting in an increase of R15 million. The actual expenditure, when compared to the adjusted budget, equates to 100%.

Roads Provision – The budget was adjusted upwards from R33 million to R37 million, resulting in an increase of R4 million. The actual expenditure, when compared to the adjusted budget, equates to 100%.

Bulk Electricity Infrastructure Upgrade (Ring-Fenced 4% of Total Electricity Revenue) – The budget was adjusted upwards from R118 million to R154 million, resulting in an increase of R36 million. The actual expenditure, when compared to the adjusted budget, equates to 100%. Smart Metering Solutions – Water and Electricity – The budget was adjusted upwards from R52 million to R94 million, resulting in an increase of R41 million. The actual expenditure, when compared to the adjusted budget, equates to 100%.

T 5.7.1.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Water and Sanitation

BCMM is characterised as a rural metro due to the proportion of rural land within its municipal jurisdiction. Population growth continues to affect the municipality's ability to address water supply delivery backlogs. Although demographic data indicate a 60:40 urban-to-rural split, several rural developments have emerged along the urban edge as people move out of cities. This places additional strain on water resources, as these developments require higher levels of service, resulting in an increase in unauthorised water connections. Consequently, this leads to poor water pressure, water outages in certain areas, and increased water losses.

Other factors impeding backlog removal include the rising and largely unmanaged demand for services in fast-growing informal settlements. Sanitation backlogs are largely confined to rural areas and some informal settlements, primarily due to historical legacies from Transitional Local Councils, population growth, and village expansion.

Electricity

With funding from the USDG, the Electricity and Energy Department electrifies RDP homes and is responsible for ensuring universal access to electricity as a fundamental service for all residents. The institution surpasses the minimum requirement of 20 amps by supplying at least 40 amps to every RDP service connection within the Municipal supply area. To facilitate the

scheduling of electrification for housing projects completed in the previous year, the department requests Human Settlement to submit a list of those projects.

To accelerate the electrification of informal areas, the Council has adopted a new SOP for re-blocking. This revised process is currently being piloted in Scenery Park.

Waste Management

The City has strategically enhanced and aligned its solid waste management services by utilising PEPs, which are now fully integrated into daily operational workflows. Integration of PEPs has facilitated the implementation of a comprehensive three-shift system, ensuring uninterrupted waste collection throughout the day and evening. This approach has increased operational adaptability and responsiveness. The three-shift system has played a crucial role in addressing historical backlogs, particularly in high-density and informal settlement areas where waste volumes and access constraints are most acute, including locations affected by urban migration, relocations, and the fragmentation of families. By extending working hours and deploying additional personnel through PEPs, the department has achieved notable improvements in service delivery efficiency and reduced occurrences of waste accumulation.

Housing

BCMM currently has approximately 119 024 prospective beneficiaries listed in the NHNR. These individuals are registered and recorded within the NHNR system and must subsequently wait until land and budgetary allocations are provided by the appropriate directorates, stakeholders, and authorities. The Informal Settlement Study, approved by BCMM's Council in 2012, identified 154 informal settlements within the urban areas. Nevertheless, the proliferation and expansion of informal settlements has persisted since the study's development and Council's approval.

The Directorate of Human Settlements contends with the rapid urbanisation resulting from an increasing influx of people migrating to the city in search of employment opportunities, tertiary institutions, and other social amenities. A significant proportion of these migrants are unemployed and choose to settle in informal settlements, thereby augmenting the number of individuals living in hazardous conditions that require urgent intervention.

There is a marked increase in the disaggregation of families, with some constructing informal dwellings in backyards. Consequently, the municipality has approximately 14 500 backyarders recorded in the NHNR system. The demand for housing opportunities is intensifying rapidly as a result of migration and socio-economic factors, making it increasingly challenging for the

Municipality to provide housing for all residents. The Municipality's capacity to deliver housing is constrained by its reliance on the budget allocated by the Provincial Department of Human Settlements, National Treasury through the Urban Settlement Development Grant (USDG), Human Settlement Development Grant (HSDG), and Informal Settlement Upgrading Grant (ISUPG), as well as the availability of strategically located, suitable land.

The ISHSP of the Directorate of Human Settlements has introduced a significant shift in the approach to human settlements provision within BCMM. Nevertheless, effective implementation and continuous monitoring of the changes proposed in the ISHSP remain necessary. The Human Settlements Directorate is currently developing an ISHSP Implementation Plan and reviewing the Allocation and Relocation Policy to address the housing backlog and associated challenges. Furthermore, Council has approved the Social Housing and Rental Policy, which will serve as a guiding document for social housing development within the City.

T 5.8.1

Service Backlogs as at 30 June 2025

Service Backlogs as at 30 June 2025				
				Households (HHs)
	Service level above minimum standard		Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	264 739	98%	4 031	2%
Sanitation	253 234	94%	15 536	6%
Electricity	137981	71,50%	55000	28,50%
Waste management	4	0,0017	18	0,027
Housing	119 024	0.65%	0	%
% HH are the service above/below minimum standard as a proportion of total HHs. Housing refers to *formal and **informal settlements.				
T5.8.2				

Urban Settlement Development Grant Expenditure for 2024/2025 on Service Backlogs

Urban Settlement Grant (USDG)* Expenditure 2024/2025 on Service backlogs R' 000						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust-ments Budget	
Governance and administration	**16,061**	**19,246**	**19,246**	-20%	0%	
Executive and council	16,061	19,246	19,246	-20%	0%	
Community and public safety	**125,546**	**131,588**	128,572	-2%	2%	
Community and social services	5,000	5,926	6,216	-24%	-5%	A minimum of 50 per cent of the USDG allocation must be spent on the provision of individual basic services to households living in informal settlements either through in-situ upgrades, relocation or integrated development projects. Metros must submit an annual BEPP, USDG performance matrix and SDBIP aligned to the IDP, to the National Department of Human Settlements and National Treasury.
Sport and recreation	6,000	5,124	5,124	15%	0%	
Human settlements	114,546	120,538	117,231	-2%	3%	
Economic and environmental services	**156,689**	**209,341**	**202,160**	-29%	3%	
Planning and development	65,458	70,393	63,212	3%	10%	
Road transport	91,232	138,948	138,948	-52%	0%	
Trading services	**216,249**	**246,660**	**231,317**	-7%	6%	
Energy sources	12,000	43,197	38,525	-221%	11%	
Water management	107,328	95,773	85,097	21%	11%	
Waste water management	66,922	92,573	92,573	-38%	0%	
Waste management	30,000	15,117	15,122	50%	0%	
Other - LED	20,819	18,530	17,884	14%	3%	
Total	**535,365**	**625,365**	**599,179**	**-12%**	**4%**	
** USDG is intended to provide the municipalities with funds to supplement Capital Investment Programmes in terms of the*						*T 5.8.3*

COMMENT ON BACKLOGS:

Water and Sanitation

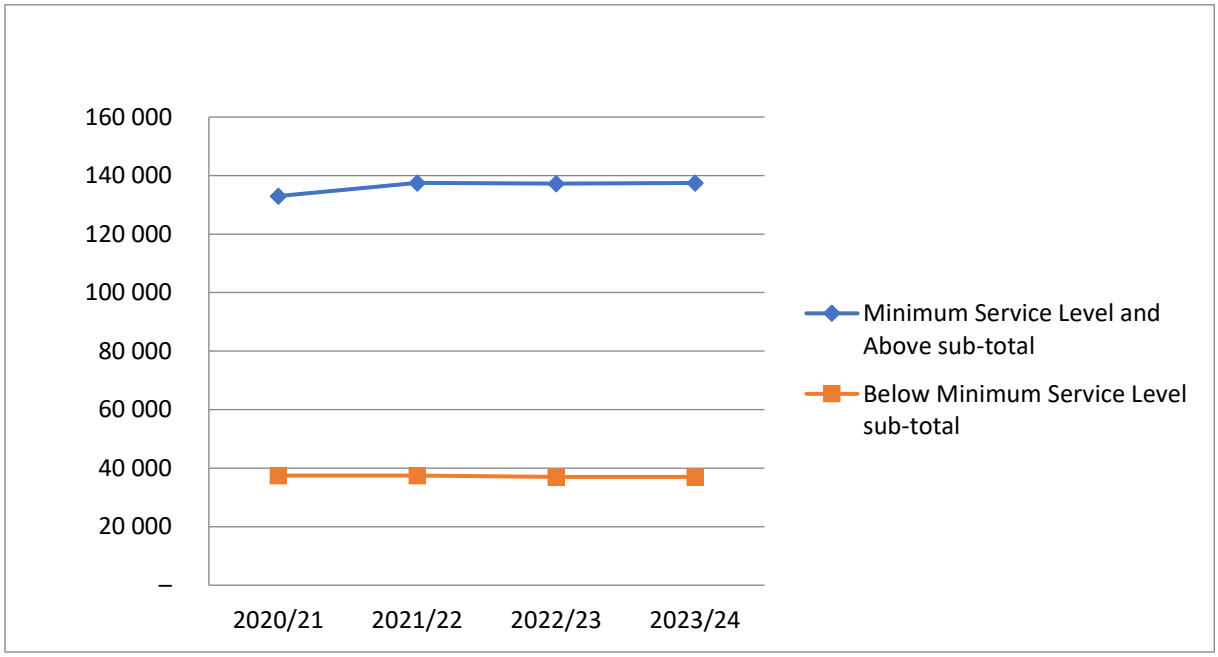
The Department has allocated funds for the provision of basic water and sanitation services, including communal standpipes located within a 200-metre radius of each household, as well as one Ventilated Improved Pit (VIP) latrine per household.

The BCMM Water and Sanitation Department does not directly service schools or clinics; however, it provides water connection points at the boundaries of these facilities.

Electricity

Backlogs for standard definitions are only taken into account in the official RDP housing sector. The backlog in RDP formal housing in BCMM is caused by newly constructed homes from developments that occur throughout the year; these homes range from 500 to 1 000 and are temporarily without electricity.

Approximately 8 000 informal homes have been electrified thanks to projects carried out by Electricity and Energy Services; however, there is still a backlog of an estimated 55 000 informal homes. Note: This is a very low estimate, as the number is increasing daily due to land invasions and the growth of informal settlements. If all directorates cooperate to achieve the end goal, the SOP being implemented in Scenery Park will successfully increase the number of informal dwellings that meet the electrification criteria.



The primary reason for the backlog in the ESKOM area of supply is the extensions to villages that have already been electrified; however, many of these extensions do not adhere to the electrification guidelines, which require a formal layout plan or approval that the area will remain rural.

Waste Management

The City has not experienced any backlog regarding refuse removal services during the current reporting period.

Housing

The Directorate has a significant backlog in Human Settlements concerning housing opportunities. Depending on the budget provided by Human Settlements and National Treasury, as well as the availability of land, implementation is carried out accordingly. In the 2023/24 financial year, the housing backlog was 115 024; this number increased to 119 024 in the 2024/25 financial year.

T 5.8.4

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Managing the cash resources of BCMM remains a key requirement to ensure the liquidity of the Municipality in order to meet its financial obligations, both currently and in the sustainable future.

Cash flow is actively monitored by BCMM, with daily cash flows being prepared and reported to provide a clear indication of the current cash position. This enables the Municipality to meet its obligations as they become due. Both major revenue sources (grants, equitable share, and high revenue inflow periods, etc.) and expenditure categories (bulk purchases and loan repayments, etc.) have been identified and accounted for appropriately to ensure that repayments are made on time and that surplus funds are invested to earn a favourable return on investment.

The effects of the global economic crisis are a cause for concern for the Metro, as they impact revenue-generating ability and the capacity to maintain a favourable cash flow position. Operations have settled, and tight cash controls have ensured that cash optimisation in spending occurs, rather than a focus on cash generation. The area of revenue collection requires close attention to ensure a favourable cash flow position is maintained and improved. The collection of outstanding debtors is critical to the financial sustainability of the Metro.

BCMM makes payments to creditors within the terms specified by suppliers, ensuring that investments remain in place to maximise interest-earning potential while also ensuring the safety of the principal of any surplus funds. Investment diversification is practised at BCMM in an attempt to minimise risk and maximise interest-earning potential.

T 5.9

5.9 CASH FLOW

Cash Flow Outcomes				R'000
Description	2023/2024	Current: Year 2024/2025		
	Restated	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates, penalties & collection charges	1,472,173	1,772,612	1,772,612	1,549,289
Service charges	3,132,451	3,822,072	3,822,072	3,911,764
Other revenue	1,261,815	720,584	758,584	931,077
Government - operating	1,299,072	1,530,435	1,793,882	1,410,379
Government - capital	838,435	788,698	778,581	773,040
Interest	356,843	186,789	246,168	354,639
Dividends	–		–	
Payments				
Suppliers and employees	(7,092,225)	(7,417,686)	(7,529,350)	(7,667,997)
Finance charges	(12,107)	(13,906)	(13,906)	(9,577)
Transfers and Grants	(71,316)	(68,259)	(58,554)	(61,780)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**1,185,139**	**1,321,339**	**1,570,088**	**1,190,833**
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	30	–	–	77,752
Decrease (Increase) in non-current debtors	–	–	–	
Decrease (increase) other non-current receivables	–	–	–	
Decrease (increase) in non-current investments	–	–	–	
Payments				
Capital assets	(1,113,792)	(1,230,865)	(1,412,260)	(1,229,553)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(1,113,761)**	**(1,230,865)**	**(1,412,260)**	**(1,151,800)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	–	–	–	–
Borrowing long term/refinancing	–			–
Increase (decrease) in consumer deposits	–	3,274	3,274	–
Payments				
Repayment of borrowing	(30,366)	(28,814)	(28,991)	(28,991)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(30,366)**	**(25,540)**	**(25,717)**	**(28,991)**
NET INCREASE/ (DECREASE) IN CASH HELD	**41,012**	**64,934**	**132,111**	**10,042**
Cash/cash equivalents at the year begin:	679,975	726,982	717,207	720,987
Cash/cash equivalents at the year end:	**720,987**	**791,916**	**849,318**	**731,029**
Source: MBRR A7				*T 5.9.1*

COMMENT ON CASH FLOW OUTCOMES:

The net cash flows used in operating activities have increased slightly from R 1,185 billion compared to R 1,190 billion at 30 June 2025. The main contributing factor is Property Rates and Service Charges, which have increased compared to the 2023/24 financial year. The budget was adjusted upwards from R1,321 billion to R1,570 billion, resulting in an increase of R0,248 billion.

Cash flow from investing activities has increased, comparing R1,114 billion to R1,152 billion at 30 June 2025. The budget was adjusted upwards from R1,231 billion to R1,412 billion, resulting in an increase of R0,181 billion.

The cash flow summary clearly indicates a decrease in Cash and Cash Equivalents at year-end from R0,731 billion to R0,721 billion at 30 June 2025. The net impact is a decrease in cash and cash equivalents at year-end.

T 5.9.1.1

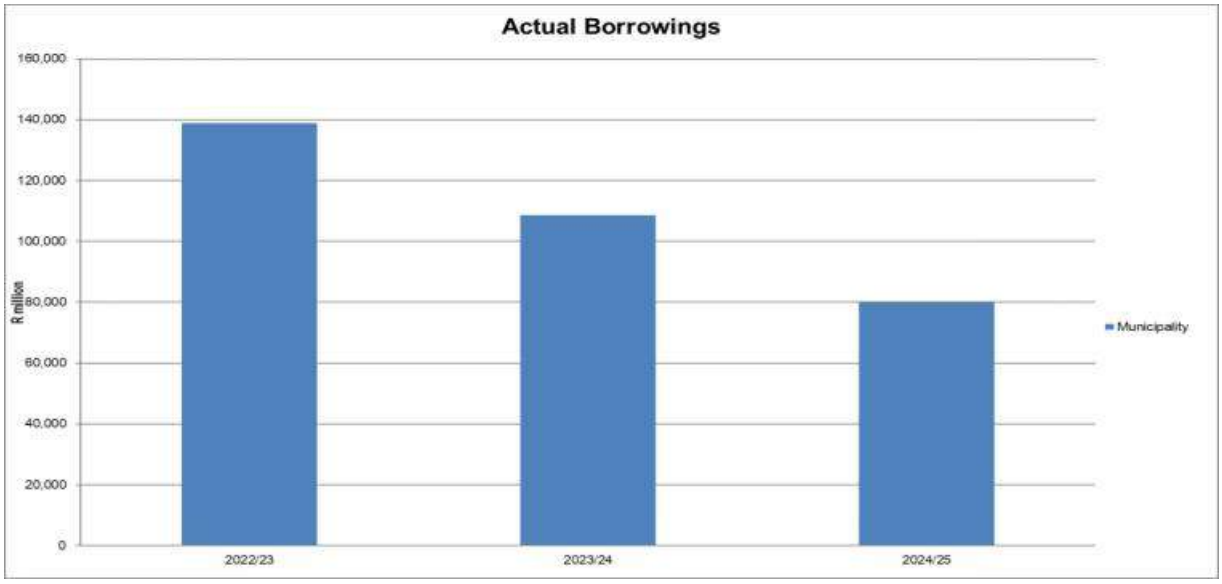
5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

The City's current loan balance totals R0,079 billion, compared to R0,108 billion for 2023/24. No additional borrowings were taken during the year under review. The City is currently servicing its debt quarterly with two financial institutions, namely Rand Merchant Bank and the Development Bank of Southern Africa. While the City has the capacity to take on additional financing through borrowing to invest in infrastructure projects, the process for securing additional loans is approached with caution due to weak economic performance and a low collection rate.

T 5.10.1

Actual Borrowings: 2022/2023 - 2024/2025			R' 000
Instrument	**2022/2023**	**2023/2024**	**2024/2025**
Municipality			
Long-Term Loans (annuity/reducing balance)	138,853	108,607	79,793
Municipality Total	138,853	108,607	79,793
Municipal Entities			
Long-Term Loans (annuity/reducing balance)	0	0	0
Entities Total	0	0	0
			T 5.10.2



T 5.10.3

Municipal and Entity Investments			R' 000
Investment* type	**2022/2023**	**2023/2024**	**2024/2025**
	Actual	**Actual**	**Actual**
Municipality			
Deposits - Bank	659,988	683,763	697,781
Municipality sub-total	659,988	683,763	697,781
Municipal Entities			
Deposits - Bank	19,986	37,224	33,247
Entities sub-total	19,986	37,224	33,247
Consolidated total:	679,974	720,987	731,028
			T 5.10.4

COMMENT ON BORROWING AND INVESTMENTS:

The City's investments held with financial institutions have increased from R 0.721 billion to R 0731 billion in 2024/2025. BCMM has not taken up new loan funding during 2023/2024.

T 5.10.5

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

No Public Private Partnerships (PPP) concluded during the year under review.

T 5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

BCMM's SCM Policy, revised in February 2024, ensures compliance with the recent Constitutional Court ruling on the 2017 procurement regulations, which were found to be unconstitutional.

BCMM's SCM function comprises the following critical components:

• Demand Management and Supplier Development Section

• Acquisitions Section (Buying and Contracts)

• Logistics, Warehouse, and Disposal Sections

• Risk and Compliance Management Section

• Contracts Performance Management Section

An Audit Improvement Plan (AIP) has been developed as a progressive tool to address all matters raised during the audit and report them in the relevant structures of Council. The AIP serves as a review process with the intent of monitoring the issues raised.

Furthermore, all five senior managers have reached the prescribed levels required for their positions.

T 5.12.1

5.13 GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognised **A**ccounting **P**ractice, which provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance ensures that municipal accounts are comparable and more informative for the municipality. It also ensures that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is necessary to enable the National Treasury to assess the pace of progress and consider the implications.

GRAP provides the regulations and guidelines that municipalities must follow to maintain their financial accounts. BCMM complies with all GRAP provisions. The financial statements have been prepared using an accrual accounting basis and are in accordance with the historical cost convention, unless otherwise specified.

The financial statements have been prepared in accordance with the MFMA and the applicable GRAP standards. They also incorporate all relevant interpretations and directives issued by the Accounting Standards Board (ASB), as required by Section 122(3) of the MFMA. The Annual Financial Statements (AFS) are presented on the assumption that the Municipality will continue as a going concern, with no plans or requirements to liquidate or significantly reduce its operations.

T 5.13.1

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

The Annual Financial Statements were prepared and presented to the Auditor General by 31 August 2025 in compliance with the legislative requirements detailed in section 126(1)(a) of the Municipal Finance Management Act, No 56 of 2003. The audit by the Auditor-General (AG) was conducted successfully and was signed off on 11 December 2025.

T 6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS: 2023/2024

6.1 AUDITOR GENERAL REPORTS 2023/2024 (PREVIOUS YEAR)

Auditor-General Report on Financial Performance 2023/2024*	
Status of audit report:	Qualified with findings
Non-Compliance Issues	Remedial Action Taken
The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, revenue and expenditure items identified by the auditors in the submitted financial statements were subsequently corrected, but uncorrected material misstatements resulted in a qualified audit opinion.	Property, plant, and equipment-WIP: Long-standing and slow-moving WIP that has signs of impairment has not been assessed for impairment and resulted in a limitation in the audit of the valuation of WIP – (1) Physically verify all WIP projects to determine whether there are any existing indications of impairment. (2) Properly document the impairment consideration for all the assets identified to be having impairment indicators. (3) Disclose all impairments according to the relevant accounting standards. Property, Plant and Equipment-WIP: Completed infrastructure assets are classified as WIP and are not accounted for in compliance with GRAP. – (1) Develop a standard policy in line with the GRAP standards that details the capitalisation process for all completed immovable assets. (2) Hold Bi- Monthly meetings with user departments to discuss the status of the WIP projects and encourage capitalisation of all completed projects. Property, Plant and Equipment – Motor Vehicles: Motor vehicles with signs of impairment had not been assessed for impairment, which limited the audit of the valuation of motor vehicles. – (1)Physically verify movables assets to determine whether there are any existing indications of impairment. (2)Properly document the impairment consideration for all the assets identified to be having impairment indicators. (3)Disclose all impairments according to the relevant accounting standards.

	Property, Plant and Equipment-Revaluation: The municipality has not applied its revaluation methodology consistently in the revaluation and depreciation of its assets. Carrying value of assets whose useful lives have changed have not been computed accurately before revaluation resulting in material differences between in the revaluation movement. – (1)Assets where the remaining useful life has been revised will be accounted for accurately and the effect of the change in estimate will be properly disclosed in the AFS. (2)Review the revaluation calculations upon receipt from the expert to confirm that the change in accounting estimate has been taken into consideration. Property, Plant and Equipment – Undepreciated Landfill sites: The municipality has not depreciated the landfill rehabilitation provisions that form part of landfill site assets since their initial recognition. - Depreciation of the asset component on landfill site rehabilitation provisions will be accounted for as per the requirements of GRAP 17. Revaluation Reserve and Revaluation movement – assets with negative revaluation balances : Negatively revalued items whose revaluation balance has decreased below R0 have not been disclosed as impairment in current and prior year AFS. - Review the fixed asset register to ensure that for all assets that had revaluation decrease, revaluation reserve is debited to the extent of its credit balance, and any excess is recorded as impairment loss in profit and loss. Property, Plant and Equipment – Verification Differences: Various issues were identified. Infrastructure assets could not be verified including assets with no coordinates, coordinates in fixed asset register (FAR) that differ from where assets are located, and assets verified that did not match the description in the FAR. - Physically verify Immovable assets on a sample basis and confirm accuracy and completeness of the geographic coordinates, and update the fixed asset register accordingly. Capital expenditure transactions have been recognised as operational expenditure i.e. repairs and maintenance – Monthly communication with Directorates liable for misallocation of expenditure, to correct the misallocations. Formal communication quarterly to the HODs to correct the misallocation of expenditure. HOD will have to provide reasons why the expenditure has been misallocated and correcting journals within the specified timeframes. Informal training sessions (experiential learning, cross-training, etc) for Budget & Treasury Management (BTM) Accountants on expenditure classification to be conducted. Management review of significant

	expenditure transactions to ensure correct classification to be conducted monthly. Sewerage (pans): Errors were identified in adjustments that were processed to correct over and underbilling of revenue after the verification of pans was concluded. Furthermore, the completeness of the total population of pans that should have been verified could not be determined - Reconcile pans SOLAR billing report to Valuation Roll. Obtain and review list of adjustments processed for revenue corrections related to sewerage pans. Verify the accuracy of the calculations made for both overbilling and underbilling adjustments. Conclude on valid or invalid exceptions. Valid exception and include them in verification of the 21% on the next step of the remaining population that had refused access or locked properties. Reconcile the new property SOLAR entries to the verification schedules for completeness, accuracy and validity. Ensure adjustments are supported by proper documentation and approved by authorized personnel. Retrospective adjustments will be made in line with the stipulations of the Credit control policy and only after the customer is made aware of the backcharge in writing by the municipality.
The performance management system and related controls were inadequate as it did not describe how the performance measurement, review, reporting and improvement processes should be conducted, organised and managed, as required by municipal panning and performance management regulation 7(1).	Revise and strengthen the Performance Management Framework to ensure it fully describes performance measurement, review, reporting, and improvement processes. Align the PMS with Municipal Planning and Performance Management Regulation 7(1) and MFMA requirements. Establish clear guidelines on how performance data should be collected, verified, and reported. Develop and implement internal controls to ensure the accuracy, completeness, and reliability of performance information. Assign clear roles and responsibilities for monitoring and evaluation within the municipality. Structured performance review process, including quarterly and annual performance assessments to be undertaken. Provide training to municipal staff on performance management principles, reporting requirements, and compliance with regulations. Develop a tracking system to monitor progress in addressing performance deficiencies.
The SDBIP for the year under review did not include monthly revenue projections by source of collection and the monthly operational capital expenditure by vote, as required by section 1 of the MFMA.	Strengthening the budget planning processes, implementing internal controls to verify the completeness of SDBIP components before approval, and conducting training for finance and planning officials on MFMA compliance. Additionally, management oversight and regular monitoring and review of the SDBIP to ensure all statutory requirements are consistently met.
Performance targets were not set for each of the KPIs for the financial year, as required by s41(1)(b) of the MSA and municipal planning and performance management regulation 12(1).	Align KPIs with SMART (Specific, Measurable, Achievable, Relevant, and Time-bound) targets and ensuring that targets are documented in the Integrated Development Plan (IDP) and SDBIP. Internal controls should be improved to monitor compliance.

	Regular reviews and quarterly performance assessments should be conducted to track progress and adjustments required.
Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed, adopted as required by section 67(1)(d) of the Municipal Systems Act 32 of 2000.	The PMS Modules - namely, Planning, Performance Reporting are currently being customised. 2. Dashboards will reflect plans and performance across all areas of the institution by the end of the2024/2025 financial year. The Digital PMS roll-out will commence with task grade 15-20 in 2024/2025 through a training and implemention team. Roadshows will be conducted to facilitate manual PMS implementation to all Task Grade levels. Each task grade will in turn be cascaded onto the digital system until the entire institution is loaded. Performance Management System is being implemented to all employees for 2024/25 Financial Year.
Some of the goods and services with a transaction value of above R750 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids.	The Supply Chain Management (SCM) policy to be reviewed and strengthened to prevent irregular deviations, ensuring that deviations are only approved when truly impractical, with proper justification and documentation. An internal review mechanism is to be implemented to verify procurement processes before approval. Additionally, the internal audit and to monitor procurement compliance.
Some of the invitations for competitive bidding were not advertised for a required minimum period of days, in contravention of SCM Regulation 22(1) and 22(2).	internal controls to be strengthened by implementing a bidding checklist and approval process before advertisements are published. Additionally, pre-procurement reviews by the SCM unit to be conducted to verify compliance, and instances of non-compliance to be reported to management for corrective action.
Sufficient appropriate audit evidence could not be obtained that the performance of contractors or providers was monitored on a monthly basis as required by s116(2) of the MFMA.	Monthly performance reviews, maintaining detailed records of contractor evaluations, and ensuring that contract managers document and report on supplier performance. Regular oversight meetings, and ensuring that all performance reports are retained as audit evidence.
Persons in the service of the municipality who had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention with SCM regulation 46(2)(e) and the code of conduct for staff members issued in terms of the MSA.	Strengthening of the declaration processes by ensuring all officials annually disclose private or business interests, and implementing stringent conflict-of-interest policies. A register of interests is maintained and is to be reviewed regularly. Procurement processes must include mandatory disclosure declarations before awarding contract.
Persons in service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of SCM regulation 46(2)(e) and the code of conduct for staff members issued in terms of the MSA	Strengthening conflict of interest disclosure mechanisms. All officials must be required to declare private or business interests in municipal contracts through mandatory disclosure forms and regular declaration updates. Internal controls to be enhanced to identify and prevent non-disclosure, including cross-checking supplier databases against employee records.
Irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by s32(2)(b) of MFMA	Investigations are currently underway into the irregular expenditure to determine if any official or third party is liable. This process includes a thorough review of the expenditure, identification of responsible individuals, and appropriate corrective measures such as disciplinary action or recovery of

	funds if liability is established. Findings and actions taken must be documented and reported to the relevant authorities for accountability and transparency.
Wastewater treatment works were not safeguarded and maintained to prevent defective, depleted and malfunctioning, vandalized infrastructure and theft to operate as intended as required by s63(1)(a) of the MFMA.	Stringent security measures, such as fencing, surveillance, and access controls, to prevent vandalism and theft at wastewater treatment works. Regular maintenance and inspection schedules should be enforced to promptly identify and repair defective or depleted infrastructure, ensuring optimal functionality. Adequate funding and resource allocation must be prioritized to support necessary upgrades and safeguard equipment.
There were wastewater treatment plants that did not have valid operating licenses as required by section 22(1)(b) of the National Water Act.	Reviews of the technical reports for all wastewater treatment works are currently in the process of being concluded. Thereafter applications for licences will be lodged.

T6.1.1.

Auditor-General Report on Service Delivery Performance: 2023/2024*	
Status of audit report:**	**No audit opinion expressed**
Non-Compliance Issues	**Remedial Action Taken**
A Connected city **No process to consistently measure and reliably report on various indicators.** **Material misstatements between actual and reported achievements were found.**	The standing operating procedures (SOP) to assist with the implementation of the performance policy framework to be enforced together with the business processes. SOPs and business processes to be designed for all indicators. Records management and review process to ensure accurate reporting by all departments. Quarterly meetings to be held between Performance Reporting team and Directorates.
A Spatially transformed city **Misstatements between actual and reported achievements were found.**	The standing operating procedures (SOP) to assist with the implementation of the performance policy framework to be enforced together with the business processes. SOPs and business processes to be designed for all indicators. Records management and review process to ensure accurate reporting by all departments. Quarterly meetings to be held between Performance Reporting team and Directorates.
A Well governed city **No process to consistently measure and reliably report on various indicators.** **Material differences between actual and reported achievements were found.**	The standing operating procedures (SOP) to assist with the implementation of the performance policy framework to be enforced together with the business processes. SOPs and business processes to be designed for all indicators. Records management and review process to ensure accurate reporting by all departments. Quarterly meetings to be held between Performance Reporting team and Directorates.
A Green city **Misstatements between actual and reported achievements were found.**	The standing operating procedures (SOP) to assist with the implementation of the performance policy framework to be enforced together with the business processes. SOPs and business processes to be designed for all indicators.

	Records management and review process to ensure accurate reporting by all departments. Quarterly meetings to be held between Performance Reporting team and Directorates.

T6.1.2.

COMPONENT B: AUDITOR-GENERAL'S OPINION 2024/2025 (CURRENT YEAR)

6.2 AUDITOR GENERAL REPORT 2024/2025 (CURRENT YEAR)

Auditor-General Report on Financial Performance 2024/2025*	
Status of audit report:	Qualified with findings
Non-Compliance Issues	Remedial Action Taken
The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current assets, non-current assets and expenditure items identified by the auditors in the submitted financial statements were subsequently corrected resulting in a qualified audit opinion.	Property, plant, and equipment-WIP: WIP projects showing signs of impairment were not assessed for impairment - (1) Physically verify all WIP projects to determine whether there are any existing indications of impairment. (2) Properly document the impairment consideration for all the assets identified to be having impairment indicators. (3) Disclose all impairments according to the relevant accounting standards. Property, plant, and equipment: Intangible assets recognised incorrectly as WIP - Undertake a comprehensive review of all projects currently recognised as work-in-progress (WIP) to identify items that meet the definition of intangible assets. Misclassified items will be re-assessed, appropriately reclassified. Management will update and enforce clear accounting policies and standard operating procedures for the identification, classification and capitalisation of intangible assets. A formal review and approval process will be implemented before year-end to ensure all WIP balances are accurately classified. Ongoing monitoring will be performed through periodic reconciliations and management reviews to prevent recurrence and ensure sustained compliance in future financial reporting. Property, plant, and equipment: Land has been classified incorrectly as other classes of infrastructure assets - A detailed reassessment of all land assets is to be undertaken to confirm correct classification with specific focus on land currently classified as public service infrastructure (PSI). This will be reviewed and reclassified to the appropriate asset categories where they do not meet the definition of PSI. The affected assets will be corrected in the Fixed Asset Register and reflected accurately in the financial statements. Strengthened reviews and approval controls over asset classification, supported by updated asset classification

	guidelines, physical verification evidence and documented management review will ensure accurate classification. Property Plant and Equipment-Infrastructure verification: Assets were recorded as a single entry in the fixed asset register, creating limitations in verifying the existence of certain assets and in assessing valuation for all - All infrastructure assets recorded as single entries in the Fixed Asset Register to be reviewed and significant components in line with applicable GRAP requirements to be identified. Each identified component will be separately recorded in the register. The Fixed Asset Register will be updated accordingly, and review controls will be strengthened to ensure componentisation is applied consistently to all new and existing infrastructure assets, thereby improving asset verification, valuation accuracy and ongoing asset management. Property Plant and Equipment-Impairment: Differences in impairment calculation arose from incorrect inputs and the impairment of assets that should not have been impaired - Strengthen impairment governance over immovable infrastructure assets by enhancing oversight of condition assessments and impairment evaluations. This will include ensuring that impairment losses are recognised when there is clear, quantified and documented evidence of a permanent or significant decline in service potential, supported by technical reports and measurable indicators. Condition ratings applied in impairment calculations will be validated against approved condition rating bands, and recalculations of impairment and revaluation movements will be reviewed for accuracy. Management will also reinforce review controls to ensure reliable, complete and consistent information is maintained in the Fixed Asset Register and aligns with amounts disclosed in the financial statements. Property Plant and Equipment: Impact on the current year as a result of the limitations in the opening balance of PPE - Comprehensive reconstruction and validation of historical asset cost information to be implemented to ensure that all current replacement cost, accumulated depreciation and revaluation adjustments are fully supported by verifiable source documentation. This will include cleansing and correcting the Fixed Asset Register, enforcing documented methodologies for deemed cost and revaluation calculations, and subjecting all prior-year and current-year adjustments to review and approval before processing. Property Plant and Equipment: Differences identified in the depreciation calculations - Strengthened controls over infrastructure depreciation by improving the accuracy and

	completeness of information maintained in the Fixed Asset Register, including residual values, remaining useful lives and depreciation parameters. Depreciation calculations will be reviewed and reconciled to supporting schedules prior to year-end reporting. Ongoing monitoring and periodic validation of depreciation calculations will be implemented to ensure that infrastructure assets are depreciated correctly. Property Plant and Equipment: Differences identified in the condition of assets physically verified and the impact on remaining useful life - Ensure condition assessments from physical verification reports are accurately and consistently updated in the Fixed Asset Register in line with the Immovable Asset Management Policy. This will include correcting system and data-processing errors and implementing formal review and reconciliation procedures to ensure alignment between verification reports and the asset register. Enhanced management oversight, validation checks and periodic reviews will be applied to confirm that asset condition grades, remaining useful lives, depreciation and impairment assessments are based on reliable and complete information. Property Plant and Equipment: Incorrect application of residual values to road assets, resulting in depreciation differences - Review and realign the Immovable Asset Management Policy and residual value methodology particularly the definition and determination of residual values for infrastructure assets. Reassess residual values, evaluating the need for componentisation of infrastructure assets with differing useful lives, and ensuring that residual values reflect disposal proceeds at the end of an asset's useful life as required by GRAP. Property Plant and Equipment-Prior year audit: Management did not provide adequate evidence to support prior years cost adjustments - Comprehensive reconstruction and validation of historical asset cost information to ensure that all prior-year and current-year cost adjustments are fully supported by reliable source documentation. This will include cleansing and correcting the Fixed Asset Register, enforcing approved and documented methodologies for determining deemed cost, current replacement cost, accumulated depreciation and revaluation movements, and subjecting all asset adjustments to review and approval before submission for audit. Property Plant and Equipment-Prior year audit: Adequate evidence was not provided to support the restated opening balance of the revaluation reserve – Detailed supporting documentation, including reconciling journal entries, to be

	provided which substantiate any adjustments made to the annual financial statements and postings to the general ledger. Property Plant and Equipment-Prior year audit: Misstatements from the prior year, not adequately addressed in the current year. This relates to a limitation on verifying a pumpstation and motor vehicles for impairment assessments - Strengthen controls over asset verification and existence by ensuring that all immovable and infrastructure assets are supported by complete, accurate and up-to-date verification information in the Fixed Asset Register, including GPS coordinates, clear asset descriptions, photographs and component-level details where applicable. Formal reconciliation procedures will be implemented to ensure that verification reports, condition assessments and FAR records are aligned and reviewed before year-end reporting.
The performance management system and related controls were inadequate as it did not describe how the performance measurement, review, reporting and improvement processes should be conducted, organised and managed, as required by municipal panning and performance management regulation 7(1).	Revise and strengthen the Performance Management Framework to ensure it fully describes performance measurement, review, reporting, and improvement processes. Align the PMS with Municipal Planning and Performance Management Regulation 7(1) and MFMA requirements. Establish clear guidelines on how performance data should be collected, verified, and reported. Develop and implement internal controls to ensure the accuracy, completeness, and reliability of performance information. Assign clear roles and responsibilities for monitoring and evaluation within the municipality. Structured performance review process, including quarterly and annual performance assessments to be undertaken. Provide training to municipal staff on performance management principles, reporting requirements, and compliance with regulations. Develop a tracking system to monitor progress in addressing performance deficiencies.
Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA and regulation 31 of the Municipal Staff Regulations	PMS-Logic was procured and work started on October 1, 2023. Outstanding modules include performance reporting and dashboards. Customization and system improvement are on-going throughout the project lifecycle that ends on September 30, 2026. BCMM has adopted the following, to ensure a focused and systematic PMS rollout, in line with the Local Government regulations: • Secure executive buy-in, support and general championship - August 2025 • Establish and capacitate Moderating Committees to oversee performance - September 2025 • Establish and capacitate a Performance Champion Forum - November 2025 • Roll out PMS in phases: Task Grade levels 16-20 in FY 2025/6 and Task Grade levels 13-3 in FY 2026/7

	• Communicate the new software change and its benefits clearly, and address potential questions and resistance through a change management drive - July 2025 – June 2027 • Target all users using launch events and other communication platforms - Task Grade levels 16-20 in FY 2025/6 and Task Grade levels 13-3 in FY 2026/7 • Train users comprehensively on the PMS-Logic to ensure that they understand how to use features work as the customized modules are gradually introduced • Collect Feedback continuously from users to identify areas for improvement and refine the implementation process
The creditor-payment period remained high for the last number of financial years. At financial year end the period was 77 days and is an indication that the municipality is experiencing challenges in managing its working capital as well as cash flow problems which can lead to going concern difficulties.	Implement focused creditor management aimed at reducing the creditor-payment period to within acceptable norms. This will include improved cash flow forecasting, stricter monitoring of payment cycles, prioritisation of critical and overdue creditors, and enhanced alignment between revenue collection, budgeting and expenditure commitments. Management will also strengthen oversight through regular reporting to senior management to ensure timely corrective action is taken.
Some of the contracts were awarded to bidders based on points given for legislative requirement that differed from those stipulated in the original invitation for bidding, in contravention of SCM regulations 21(b) and 28(1)(a) and the Preferential Procurement Regulations.	Supply Chain Management controls to be strengthened by ensuring that bid evaluation and adjudication are conducted strictly in accordance with the criteria and preference point system stipulated in the original invitation for bidding and the applicable Preferential Procurement Regulations. Bid committees will be capacitated on regulatory requirements, evaluation templates will be standardised and pre-approved, and management review and compliance checks will be implemented prior to award to prevent deviations and ensure consistent, lawful procurement practices.
Some of the contracts were awarded to bidders based on preference points that were not allocated and/or calculated in accordance with the requirements of section 2(1)(a) of the Preferential Procurement Policy Framework Act and its regulations	Ensure preference point systems are correctly applied in all bid evaluations in line with the Preferential Procurement Policy Framework Act and its regulations. This will include reinforcing compliance checks during bid evaluation and adjudication, standardising calculation templates, capacitating SCM officials, and implementing review and oversight processes to prevent incorrect allocation of preference points.
Awards were made to providers who were in the service of other state institutions or whose directors / principal shareholders were in the service of other state institutions, in contravention of MFMA 112(1)(j) and SCM Regulation 44.	Enforce enhanced verification procedures prior to the award of contracts to include mandatory pre-award checks against the Central Supplier Database and employee registers, improved declaration and vetting processes for directors and shareholders, and independent review of compliance before awards are approved.
Inadequate contract management controls resulting in possible manipulation of contract management processes (i.e. contract extensions, variation orders,	Management has embarked on a strategy including Standard Operating procedures to reduce the backlog on the historical UIFWE reported to council and to implement the necessary investigation processes to institute consequence management where applicable. Finalise all historical UIFW investigations. MPAC

amendments) and irregular, fruitless and wasteful expenditure.	to pronounce on investigations and motivate for write-off of UIFW where appropriate. Institute consequence management and recoveries.
Irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.	Investigations are currently underway into the irregular expenditure to determine if any official or third party is liable. This process includes a thorough review of the expenditure, identification of responsible individuals, and appropriate corrective measures such as disciplinary action or recovery of funds if liability is established. Findings and actions taken must be documented and reported to the relevant authorities for accountability and transparency.
	T.6.2.1.

Auditor-General Report on Service Delivery Performance: 2024/2025*	
Status of audit report:**	**No audit opinion expressed**
Non-Compliance Issues	**Remedial Action Taken**
A Connected city **No process to consistently measure and report on achievements against planned indicators.** **Adequate supporting evidence was also not provided.**	The standard operating procedures (SOPs) were developed, and a records management and review process was established to enhance accurate reporting across all departments. Additionally, quarterly reviews will be conducted between the Performance Reporting team and Directorates to monitor progress and address any reporting challenges.
A Well governed city **Audit evidence not provided in certain instances and material differences between actual and reported achievements were found.**	The standard operating procedures (SOPs) were developed, and a records management and review process was established to enhance accurate reporting across all departments. Additionally, quarterly reviews will be conducted between the Performance Reporting team and Directorates to monitor progress and address any reporting challenges.
	T6.2.2.

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: 2024/2025

NB: SEE THE AUDITOR GENERAL REPORT BELOW OR IN THE NEXT PAGE

T 6.2.3

Report of the auditor-general to the Eastern Cape Provincial Legislature and the council on Buffalo City Metropolitan Municipality and its municipal entity

Report on the audit of the consolidated and separate financial statements

Qualified opinion

1. I have audited the consolidated and separate financial statements of the Buffalo City Metropolitan Municipality and its municipal entity (the group) set out on pages ... to ..., which comprise the consolidated and separate statement of financial position as at 30 June 2025, the consolidated and separate statement of financial performance, consolidated and separate statements of changes in net assets, consolidated and separate cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of this auditors report, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the group as at 30 June 2025, and the group's consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act No.24 of 2024 (Dora).

Basis for qualified opinion

Property, plant and equipment

3. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for property, plant and equipment. This was due to a lack of accounting records provided as evidence for the prior year cost and revaluation reserve adjustments made to the property, plant and equipment impacting the current year opening balance and the cumulative impact of this on the current year closing balance. Consequently, I was unable to determine whether any adjustments were necessary to property, plant and equipment stated at R40,9 billion (2024: R42,1 billion) in note 4 to the consolidated and separate financial statement and the revaluation reserve stated at R10,6 billion (2024: R12,3 billion) in the consolidated and separate statement of financial position. This also has an impact on the deficit for the period and on the accumulated surplus in the consolidated and separate financial statements.

4. The group did not comply with the requirements of *GRAP 17, property, plant and equipment*. Impairment indicators for work-in-progress and motor vehicles were not adequately assessed, and depreciation and residual values were incorrectly calculated. In addition, intangible assets were misclassified as work-in-progress, and land was incorrectly classified under other asset categories. Furthermore, errors in the fixed asset register, adversely affected the determination

of useful life estimates and this negatively impacted the verification of assets. Consequently, I could not determine the full extent of the misstatements and their impact on property plant and equipment stated at R40,9 billion (2024: R42,1 billion) in note 4 to the consolidated and separate financial statement as well as impairment expenditure in note 42 to the consolidated and separate financial statements as it was impracticable to do so. This also has an impact on the deficit for the period and on the accumulated surplus in the consolidated and separate financial statements.

Context for opinion

5. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the consolidated and separate financial statements section of my report.

6. I am independent of the group in accordance with the International Ethics Standards Board for Accountants' *International Code of ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

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

9. As disclosed in note 59 to the consolidated and separate financial statements, the corresponding figures for 30 June 2024 have been restated as a result of errors identified in the consolidated and separate financial statements of the group at, and for the year ended, 30 June 2025.

10. As disclosed in note 11 to the consolidated and separate financial statements, material allowances for the impairment of receivables from exchange and non-exchange of R6,41 billion (2024: R4,95 billion) have accumulated over a number of years.

11. As disclosed in note 46 of the consolidated and separate financial statements, material electricity losses of R831,43 million (2023: R556,01 million) were incurred, which represents 32.19% (2024: 24.20%) of total electricity purchased. The non-technical losses amounted to 22.19% (2023: 14.20%) and was due to theft, faults and billing discrepancies.

12. As disclosed in note 46 of the consolidated and separate financial statements, material water losses of R187,49 million (2023: R147,96 million) were incurred, which represents 41.42% (2024: 37.74%) of total water cost. The non-technical losses amounted to 15.71% (2023: 14.91%) and was mainly due to theft or illegal use.

Responsibilities of the accounting officer for the consolidated and separate financial statements

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

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

Responsibilities of the auditor-general for the audit of the consolidated and separate financial statements

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

16. A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report. This description, which is located at page XX, forms part of my auditor's report.

Report on the audit of the annual performance report

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof; I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected strategic outcomes presented in the annual performance report. The Accounting officer is responsible for the preparation of the annual performance report.

18. I selected the following strategic outcomes presented in the annual performance report for the year ended 30 June 2025 for auditing. I selected strategic outcomes that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

Strategic outcome	Page numbers	Purpose
A Connected City	XX	To maintain a world class logistics network.
A Spatially Transformed City	XX	To develop and maintain world class infrastructure and utilities.
A Well Governed City	XX	Promote sound financial and administrative capabilities.

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

20. In performing the audit, my procedures focused on the material indicators relating to water, sanitation, human settlements and related infrastructure, as well as electricity and energy, roads and transport services.

21. I performed procedures to test whether:

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

22. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

23. I did not identify any material findings on the reported performance information for the selected strategic outcome: A Spatially Transformed City.

24. The material findings on the reported performance information for the selected strategic outcomes are as follows:

A Connected City

Various indicators

25. I could not determine the accuracy of various reported achievements and adequate supporting evidence to clarify the methods and processes for measuring achievement were not provided. Consequently, the reported achievements might be more or less than reported and were not reliable for determining if the targets have been achieved.

Indicator	Target	Detail
Percentage of planned maintenance performed.	Complete 70,0% or more of planned maintenance	The information used to determine the achievement reported in the APR is not accurate and complete. The municipality is separated into three (3) regions, Inland, Midland and Coastal regions. Maintenance plans as well as maintenance jobs performed for Coastal and Inland were not considered in determining the reported achievement.
Percentage of surfaced municipal road lanes which has been resurfaced and resealed.	0,5%(8km)	I was unable to verify the total kilometres of surfaced municipal road lanes. The road network is outdated and was last measured during 2012.

Percentage of unplanned outages that are restored to supply within industry standard timeframes

26. An achievement of 91.1% was reported against a target of 75%. We could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

A Well Governed City

Various indicators

27. I could not determine the accuracy of various reported achievements and adequate supporting evidence to clarify the methods and processes for measuring achievement were not provided. Consequently, the reported achievements might be more or less than reported and were not reliable for determining if the targets have been achieved.

Indicator	Target	Detail
Percentage of Complaints/Callouts responded to within 48 hours (Sanitation/Wastewater)	95%	The exclusion of the Inland region from the callout population resulted in APR achievements that do not reflect the full metro, and the reported figures also do not align with the Portfolio of Evidence, making the information incomplete and inaccurate.
Percentage of reported pothole complaints resolved within standard municipal response time	60%	The SOP only addresses routine pothole maintenance and does not define the required processes for receiving, logging, monitoring and resolving pothole complaints, resulting in no formal tracking or prioritisation of reported issues. As general maintenance was recorded instead of actual complaints and no completion records were kept, the municipality cannot verify whether pothole complaints were resolved within the required response time.
Percentage of wastewater treatment capacity unused	40%	Of the 15 Wastewater Treatment Works, only 2 have measurable flows, while 9 lack measuring tools and 4 are non-operational due to vandalism. Consequently, the Annual Performance Report did not reflect complete and accurate achievements.

Other matters

28. I draw attention to the matters below.

Achievement of planned targets

29. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements and measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.

30. The tables that follow provide information on the achievement of planned targets and list the key service delivery indicators that were not achieved as reported in the annual performance

report. The measures taken to improve performance are included in the annual performance report on pages xx to xx.

A Connected City

Targets achieved: 67% *Budget spent: 120%*		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**
Percentage of surfaced municipal road lanes which has been resurfaced and resealed	0.5% (8km)	0.451% (7.215km)

A Spatially Transformed City

Targets achieved: 38% *Budget spent: 132 %*		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**
Percentage of total water connections metered	92%	91%
Average Number of days taken to process building applications of 500 square meters or less	30 days	132,65 days
Number of ablution facilities constructed(seats)	110	107

A Well Governed City

Targets achieved: 55% *Budget spent: 98%*		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**
Percentage of complaints/Callouts responded to within 48 hours (Sanitation/Wastewater)	95%	53%
Percentage of water treatment capacity unused	7%	1%
Number of informal settlements assessed (enumerated and classified)	4 Informal settlements assessed (enumerated and classified)	0 Informal settlements assessed (enumerated and classified)

Targets achieved: 55% *Budget spent: 98%*		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**
Number of informal settlements upgraded to Phase 2	4 Informal settlements upgraded to Phase 2	0 Informal settlements upgraded to Phase 2

Material misstatements

31. I identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for A Connected City and A Well Governed City. Management did not correct all of the misstatements, and I reported material findings in this regard.

Report on compliance with legislation

32. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's 's compliance with legislation.

33. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

34. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

35. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

36. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

Strategic planning and performance management

37. The performance management system and related controls were not maintained and were inadequate as it did not describe how the performance planning, monitoring, measurement,

review, reporting and improvement processes should be conducted and organised and or managed, as required by municipal planning and performance management regulation 7(1).

Asset management

38. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.

Expenditure management

39. Reasonable steps were not taken to ensure that money owed by the municipality was always paid within 30 days, as required by section 65(2)(e) of the MFMA.

40. Reasonable steps were not taken to prevent irregular expenditure amounting R1,14 billion as disclosed in note 66 to the annual financial statements as required by section 62(1)(d) of the MFMA.

41. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R646,82 million, as disclosed in note 64 to the separate annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure relates to depreciation and amortisation not budgeted for.

Human resource management

42. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA.

Procurement and contract management

43. Some of the goods and services within the prescribed transaction value for competitive bids were procured without inviting competitive bids, as required by SCM Regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1). Similar non-compliance was also reported in the prior year.

44. Some of the contracts were awarded to bidders based on points given for legislative requirement that were not stipulated /differed from those stipulated in the original invitation for bidding, in contravention of SCM regulations 21(b) and 28(1)(a)(i) and the Preferential Procurement Regulations.

45. Some of the construction contracts were awarded to contractors that were not registered with the CIDB and did not qualify for the contract in accordance with section 18(1) of the CIDB Act and CIDB Regulations 17 and 25(7A).

Consequence management

46. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Environment management

47. The Reeston, Zwelitsha and Schornville waste water treatment works (WWTWs) were not safeguarded and maintained to prevent defective, depleted, malfunctioning, vandalised infrastructure and theft to operate as intended as required by section 63(1)(a) of the MFMA.

48. I was unable to obtain sufficient appropriate audit evidence that the following WWTWs had a valid operating licence, as required by section 22(1)(b) of the National Water Act (NWA); Amalinda/Central, Berlin, Breidbach, Bisho, Dimbaza, East Bank, Kayser's Beach, Kidd's Beach, Mdantsane, Potsdam, Schornville and Westbank.

Other information in the annual report

49. The accounting officer responsible for the other information included in the annual report. The other information does not include the consolidated and separate financial statements, the auditor's report and those selected strategic outcomes presented in the annual performance report that have been specifically reported on in this auditor's report.

50. My opinion on the consolidated and separate financial statements, and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

51. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the consolidated and separate financial statements and the selected strategic outcomes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

52. I did not receive the other information prior to the date of this report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

53. I considered internal control relevant to my audit of the consolidated and separate financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

54. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.

55. The accounting officer and senior management did not exercise adequate oversight over compliance, financial reporting, and performance reporting. Prior-year audit recommendations and the audit intervention plan were not effectively implemented, resulting in recurring findings in the consolidated and separate financial statements, predetermined objectives, and legislative compliance. These deficiencies are attributable to ineffective collaboration and communication between directorates and the failure to address control weaknesses. Furthermore, delayed and ineffective consequence management has hindered the establishment of a performance-driven culture.

56. Senior management did not implement proper document management and record-keeping systems to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.

Material irregularities

57. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

Material irregularities identified during the audit

58. The material irregularities identified are as follows:

Lack of proper Performance Management System and Records

59. The municipality did not comply with regulation 7(1) of the Municipal Planning and Performance management regulations as evident from significant deficiencies identified in the performance management system during the 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 audits. This was as a result of the municipality not preparing regular, accurate and complete performance reports that are supported and evidenced by reliable information.

60. This is likely to cause harm to Buffalo City Metropolitan Municipality due to the following disruptions to the operations of the municipality which is also the primary mandate of the municipality:

- The inability to verify the calculations and processes behind determining performance targets and achievement of targets impairs the council, executive, and oversight authorities' capacity to effectively perform their oversight roles and negatively affects service delivery and accountability.
- A lack of credible performance information on basic services and other primary functions of the municipality is likely to affect the ability of the municipality, council and other levels of government in executing their management, accountability, oversight and governance functions.

61. I notified the accounting officer of the material irregularity on 23 June 2025 and invited him to make a written submission on the actions taken. The accounting officer responded on 04 August 2025 by provided supporting evidence and reasons for the material irregularity as well as steps taken to address the material irregularity and future planned steps.

62. The following actions have been taken to resolve the material irregularity:

- A standard operating procedure (SOP) has been developed that aligns with IDP/SDBIP/APR and AFS.
- A Directorate SOP on managing performance information was also developed.
- Review of indicator SOP, Technical Indicator Descriptions (TIDs) and business processes was conducted.

63. The following actions are planned to be taken to resolve the material irregularity:

- Conduct regular workshops to capacitate both political and administrative arm
- Establishment of Performance management committee by December 2025, to strengthen performance management across planning, monitoring, reporting and evaluation. The committee will also be responsible for identifying weaknesses in performance information management and driving corrective actions to address them.
- Review of Performance Management System Framework by June 2026.
- Appointment of Performance Management System champions by December 2025 to support directorates in compiling accurate and reliable POE, strengthening data collection, analysis, storage and processing, and guiding project managers in developing SMART reasons for deviation and corrective measures.
- Strengthening Directorate record keeping systems by December 2025.
- On a quarterly basis, reported performance achieved to be quality assured by the General Managers and Heads of Directorates before being submitted to PMS unit for consolidation.

64. I will follow up on the implementation of the planned actions during my next audit.

Material irregularities in progress

65. I identified other material irregularities during the audit and notified the accounting officer of these, as required by material irregularity regulation 3(2). By the date of this auditor's report, the responses of the accounting officer were not yet due. These material irregularities will be included in next year's auditor's report.

Status of previously reported material irregularities

Substantial harm to the public - Pollution of water resource not prevented - Nahoon bulk outflow sewer (NBOS) pipeline (East Bank Waste Water Treatment Works)

66. The municipality did not adequately manage the Nahoon Bulk Outflow Sewer (NBOS) wastewater pipeline, which pumps sewerage to the East Bank Waste Water Treatment Plant (WWTW). The old infrastructure has a limited life expectancy. It does not have adequate funding for replacement, and there is uncontrollable expansion of informal settlements which have further overwhelmed the current reticulation systems. Residents of informal settlements deliberately or negligently block the sewer network, resulting in sewerage overflows, hotspots, and spills into the Nahoon River, Nahoon Estuary, and Nahoon Beach. This has led to non-

compliance with Section 28(1) of the National Environmental Management Act 107 of 1998 (NEMA) and Section 19(1) of the National Water Act 36 of 1998 (NWA).

67. I notified the accounting officer of the material irregularity on 23 May 2023 and invited him to make a written submission on the actions taken. The accounting officer responded on 8 June 2023 and provided supporting evidence and reasons for the material irregularity as well as steps taken to address the material irregularity and future planned steps:

- Consultants were appointed on 29 April 2022 to investigate and support capacity issues within the NBOS, with one of six recommendations currently implemented to find solutions to the problem that the NBOS waste water pipeline is inadequate to manage increased volumes.
- The Acting Director: Infrastructure Services submitted a report to the Accounting Officer "The Mitigations of River Pollution: WWTWs and Pump Stations Improvement Plan" dated 24 June 2024, proposing to reallocate capital funding for wastewater infrastructure upgrades within three years, focusing on WWTWs and pump stations to deal with funding for replacement of old infrastructure. During the 2024-25 financial year Ihlanza Main Wastewater Pump Station as well as the East Bank WWTW was upgraded to the value of R7,6 million.
- Sample sites along the Nahoon River are monitored weekly or monthly, depending on the specific sample site.

68. A follow-up visit conducted in September 2025 confirmed the status of the NBOS wastewater pipeline as follows:

- The Ihlanza Main Wastewater Pump Station was upgraded during the 2024-25 financial year.
- Overflows from the Nompumelelo Township continue to pollute the Nahoon River.
- Electrical work remains outstanding at the Cambridge Pump Station.
- Pollution continues along the NBOS wastewater pipeline, as confirmed by tested samples. Water quality monitoring samples submitted included samples exceeding total coliforms, faecal coliforms, and E-coli levels above the MPN/100 ml within the Nahoon River, Nompumelelo storm water inflow, playwater, and picnic site.

69. I determined that the accounting officer is not taking appropriate action to resolve the MI. I am in the process of making a decision on further actions to be taken.

Loss of revenue from rental of municipal properties

70. The municipality did not appropriately bill rental debtors in line with their lease agreements and did not appropriately apply escalation rates contained in lease agreements since inception of the lease agreements. The non-compliance was identified during October 2022 and related to the under-billing of rental debtors from the 2020-21 financial year onwards and there is still a continued loss of revenue as the municipality does not have an appropriate document management system to record and bill the rental debtors thereby resulting in non-compliance with section 64(2)(e) of the MFMA.

71. I notified the accounting officer of the material irregularity on 8 December 2022 and invited him to make a written submission on the actions taken. The accounting officer responded on 3

February 2023 and provided a plan with timelines on actions that would be implemented to address the material irregularity. The accounting officer committed to the following key actions in response to the material irregularity:

- Moving the lease register from excel to a more suitable electronic database so that the lease register and lease contracts can be centralised and better managed.
- Review and validate all rental debtors and their associated lease agreements to ensure rental charges and related escalation rates are appropriate, with a focus on correcting rental values that fall below market rates, thereby ensuring that the rental debtors are being charged at the correct rental values.
- Monthly workgroup meetings were to be set up between the responsible departments to facilitate the reviewing of the lease register against the billing report and to confirm that the billing is valid, accurate and complete.
- The accounting officer would delegate relevant department heads to investigate the root causes that led to unbilled lease debtors and implement consequence management, where applicable.

72. There has been slow progress in implementing the key actions and addressing the material irregularity. The municipality is still using Excel as the lease register and this document continues to have deficiencies when reviewed. The municipality has initiated the automation of its lease register to improve accuracy, efficiency, and monitoring of lease-related processes, however this system is only at 90% completion, therefore still in progress. The process to verify and validate all rental debtors is still ongoing and the service provider only commenced work on 23 June 2025 to undertake a comprehensive assessment of the market-related rentals and applicable escalation rates being applied to leased properties. The assessment project was scheduled to be concluded by 30 November 2025.

73. Monthly meetings between relevant departments were informal, with no documented attendance or minutes. As a result, the frequency of meetings, decisions made on addressing the material irregularity, and accountability for actions taken or not taken could not be determined.

74. The accounting officer delegated relevant department heads from 31 August 2023 to investigate the root causes that led to unbilled lease debtors; however, this process is still in progress and consequence management is yet to be implemented.

75. I have determined that the accounting officer is not taking the appropriate action to resolve the MI. I am in the process of making a decision on further actions to be taken.

Vandalism and theft of completed asset

76. The municipality did not comply with section 63(2)(c) read together with section 63(1)(a) of the MFMA. Management did not safeguard Phase 2 completed on 10 February 2020 of the Gonubie Beacon Bay link road post-handover from the contractor which resulted in vandalism and theft. The road will only be brought into use once all phases of the five phased project are complete. The non-compliance has resulted in a material financial loss of R4,1 million.

77. I notified the accounting officer of the material irregularity on 4 July 2022 and invited him to make a written submission on the actions taken. The accounting officer responded on 14 October 2022 indicating that there is a lack of funds to complete the remaining phases of the road in order to bring it into use and also concluded that no official could be held accountable for the loss.

78. On the basis of a preliminary investigation conducted, a cost-benefit analysis was performed in the 2021-22 financial year and in the 2022-23 financial year.

79. The municipality has initiated the project in May 2025, the focus area or the pressure point to implement will be where the link road joins up with the Gonubie Main Road. This decision was taken due to a large outcry by the developers as well as the ever-growing community along that corridor. The municipality secured funding from the Department of Transport to fund part of the project with a R30 million budget allocation in the 2024/25 financial year and an additional allocation of R40 million in the 2025/26 financial year. The funding in 2024/25 was used for phase 1 of the project which will cover the construction of 0.9km from Gonubie Main Road to the intersection 200 meters past Gonubie Palms and phase 2 will cover an additional 4.5 km in the 2025/26 financial year.

80. Based on the actions taken by the accounting officer the materiality irregularity has now been resolved.

Other reports

81. In addition to the investigations relating to material irregularities, I draw attention to the following investigations conducted by various parties. These reports did not form part of my opinion on the consolidated and separate financial statements or my findings on the reported performance information or compliance with legislation.

82. A case pertaining to structures under COVID-19 was investigated by the SIU and has been finalised. The matter has been referred to the Disciplinary Board of Council.

83. Following the investigation by the Directorate for Priority Crime Investigation (DPCI), a service provider was fined, and one of its directors was sentenced to a term of imprisonment.

84. Five cases are under investigation by external parties:

- Two cases, one in relation to councillors' qualifications at an institution of higher learning and the other in relation to procurement irregularities in the electricity department are being investigated by the Special Investigating Unit (SIU) and are both still in progress at the date of this report.
- SAPS is investigating a case relating to the alleged bribery by councillors of the majority party, reported by Public Protector/Whistleblower and is still in progress at the date of this report.
- DPCI are investigating the following cases:
  - The unlawful appointment of a legal firm through a deviation from normal procurement processes and is still in progress at the date of this report.

- A criminal case against a former councillor in relation to an irregular sports related payment is still in progress at the date of this report.

Auditor-General

East London

11 December 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor general's responsibility for the audit

Professional judgement and professional scepticism

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

Consolidated and separate financial statements

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

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

separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. I am responsible for the direction, supervision and review of audit work performed for purposes of the group audit. I remain solely responsible for my audit opinion.

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), 32(6)(a), 32(7), 33(1)(c)(ii), 53(1)(c)(ii), 53(1)(c)(iii)(bb), 54(1)(c), 62(1)(d), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 165(1), 165(2)a, 165(2)(b)(ii), 165(2)(b)(iv), 165(2)(b)(v), 165(2)(b)(vii), 166(2)(b), 166(2)(a)(iv), 166(5), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal budget and reporting regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(i), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
Municipal Property Rates Act 6 of 2004	Section: 3(1)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 45(a), 54A(1)(a), 56(1)(a), 57(2)(a), 57(4B), 57(6)(a), 57A, 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b) **Parent municipality with ME:** Sections: 93B(a), 93B(b) **Parent municipality with shared control of ME:** Section: 93C(a)(iv), 93C(a)(v)

Legislation	Sections or regulations
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 14(1)(b)(iii), 14(1)(c)(ii), 14(4)(a)(i), 14(4)(a)(iii), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3), 26(5), 27(4)(a)(i)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
MSA: Municipal Staff Regulations	Regulations: 7(1), 19, 31, 35(1)
MSA: Municipal Systems Regulations, 2001	Regulation: 43
National Environmental Management: Waste Act 59 of 2008	Section: 20(b)
National Water Act 36 of 1998	Section: 22(1)(b)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)

COMMENTS ON AUDITOR-GENERAL'S OPINION 2024/2025

The Auditor General has issued a qualified audit opinion with findings on the Annual Financial Statements for the year ended 30 June 2025. The Annual Financial Statements present fairly, in all material respects, the consolidated and separate financial position of the Buffalo City Metropolitan Municipality.

Management comments and corrective action are to be instituted on the matters raised in the Auditor General report to the Council on the consolidated annual financial statements of Buffalo City Metropolitan Municipality for the year ended 30 June 2025 in terms of section 121(4)(e) of the Municipal Finance Management Act, Act 56 of 2003. The findings are categorised under the heading 'Report on audit of compliance with legislation' and for which management comments and related corrective actions are currently being implemented through the 2024/2025 Audit Action Plan. The findings raised by the Auditor General are being addressed to achieve sound financial management, commitment to clean governance and the attainment of a clean audit.

T 6.2.4

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer)…….....
Dated

T 6.2.5

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE – FINANCIAL YEAR JULY 2024 - END JUNE 2025

Councillors, Committees Allocated and Council Attendance					
Council Members	**Full Time / Part Time**	**Committees Allocated**	***Ward and/ or Party Represented**	**Percentage Council Meetings Attendance**	**Percentage Apologies for non-attendance**
	FT/PT			%	%
Maxegwana, C.H.M. (Speaker) (Elected on 23/11/21)	FT	Council (Chairperson)	PR ANC	100%	0%
Faku, P. (Executive Mayor) (Elected on 23/3/23)	FT	Metropolitan Mayoral Committee (Chairperson) (Ex-Deputy Executive Mayor) Strategic Development (Chairperson)	PR ANC	88,89%	11,11%
Mhlola, N.M. (Chief Whip of Council) (Elected on 31/3/23)	FT	Chief Whip of the Council (Ex-Human Settlement Chairperson)	PR ANC	100%	0%
Angelbeck, R.E.	PT	Corporate Services	PR DA	88,89%	11,11%
Bamla, P.	PT	Human Settlement	Ward 42 ANC	94,44%	5,56%
Bangani, B	PT	Public Safety and Emergency Services	Ward 31 ANC	83,33%	16,67%
Basopu, P.M.	FT	Corporate Services (Chairperson)	PR ANC	100%	0%
Batala, C.N.	PT	Public Safety and Emergency Services	PR EFF	66,67%	33,33%
Bentley, S.E.	PT	Infrastructure Services	PR DA	88,89%	11,11%
Bernardo, A.P.	PT	• Corporate Services • Sports, Recreation and Community Development	PR ACDP	94,44%	5,56%
Booi, S.	PT	Sports, Recreation and Community Development	Ward 22 ANC	88,89%	11,11%
Botha, A.M.C.	PT	Solid Waste and Environmental Management	PR DA	94,44%	5,56%
Caga, S.W. (Elected on 31/3/23)	FT	MPAC (Chairperson) (Ex-Finance Portfolio Committee Chairperson)	PR ANC	88,89%	11,11%

Councillors, Committees Allocated and Council Attendance					
Council Members	**Full Time / Part Time**	**Committees Allocated**	***Ward and/ or Party Represented**	**Percentage Council Meetings Attendance**	**Percentage Apologies for non-attendance**
	FT/PT			%	%
Ciliza, K.	PT	• Economic Development and Agencies • Finance	Ward 1 ANC	100%	0%
Daniso, M.	PT	Infrastructure Services	Ward 44 ANC	94,44%	5,56%
Dywili, Z.A.	PT	• Solid Waste and Environmental Management • (Ex-Sports, Recreation and Community Development)	Ward 2 ANC	88,89%	11,11%
Faku, K.T.	PT	Economic Development and Agencies	Ward 40 ANC	77,78%	22,22%
Faku, M.	PT	Finance	PR EFF	83,33%	16,67%
Fritz, T.F.	PT	Infrastructure Services	PR DA	88,89%	11,11%
Gcobo, A.	PT	Infrastructure Services	PR PAC	55,56%	44,44%
Gcwabe, A. Deceased on 3/8/24.	PT	Economic Development and Agencies	Ward 20 ANC	100%	0%
Gida, S.P.	PT	Corporate Services	PR EFF	94,44%	5,56%
Goci, N.M.	PT	Infrastructure Services	Ward 5 ANC	77,78%	22,22%
Gqola, L.	PT	Strategic Development	Ward 39 ANC	94,44%	5,56%
Green, J.D.	PT	• Human Settlement • Petitions Management Committee	PR DA	100%	0%
Gulwa, S.S.	PT	Finance	Ward 23 ANC	100%	0%
Gunyazile, A.	PT	• Corporate Services • (Ex-MPAC member)	Ward 50 ANC	88,89%	11,11%
Hali, L.	PT	Finance (Ex Spatial Planning and Development)	Ward 3 DA	88,89%	11,11%
Hansen, P.	PT	• Infrastructure Services • (Ex-Strategic Development)	Ward 10 ANC	100%	0%
Hlekiso, M.	PT	MPAC	PR EFF	94,44%	5,56%
Hoffman, S.M.	PT	Sports, Recreation and Community Development	Ward 19 DA	94,44%	5,56%

Holmes, V.A.	PT	Spatial Planning and Development	PR DA	94,44%	5,56%
Jaxa, P.	PT	MPAC	Ward 48 ANC	88,89%	11,11%
Kalani, B.	PT	• MPAC • Spatial Planning and Development	Ward 27 ANC	100%	0%
Kese-Ndotyi, N.L.	PT	Human Settlement	Ward 38 ANC	72,22%	27,78%
Kilimani, N.W.	PT	Public Safety and Emergency Services	Ward 46 ANC	94,44%	5,56%
Knoetze, V.D.	PT	Economic Development and Agencies (Ex Strategic Development)	Ward 29 DA	94,44%	5,56%
Kosani, M.	PT	Economic Development and Agencies	PR DA	77,78%	22,22%
Kumbaca, N.L.N.	PT	• Economic Development and Agencies • Spatial Planning and Development	PR ANC	94,44%	5,56%
Libala, S	PT	Awaiting deployment	PR EFF	66,67%	33,33%
Lottering, G.M.	FT	Sports, Recreation and Community Development (Chairperson)	PR ANC	100%	0%
Luhadi, N.E.	PT	Spatial Planning and Development	PR EFF	66,67%	33,33%
Mahanjana, D.A.	PT	Spatial Planning and Development	Ward 43 ANC	77,78%	22,22%
Majeke, A	PT	• Strategic Development • MPAC	PR DA	100%	0%
Majeke, K.	PT	Finance	Ward 8 ANC	83,33%	16,67%
Mangxola, O.	PT	• Corporate Services • Petitions Management Committee	PR DA	88,89%	11,11%
Mashiya, M.J.	PT	• Economic Development and Agencies • Strategic Development • MPAC	PR ATM	77,78%	22,22%
Masiki, Y.	PT	Awaiting deployment	PR EFF	83,33%	16,67%
Matwele, S.T.	FT	Spatial Planning and Development (Chairperson) (Acting Chairperson Public Safety and Emergency Services for August 2024)	PR ANC	83,33%	16,67%
Maxongo, N.		Finance (Chairperson)	PR ANC	88,89%	11,11%

(Elected on 31/3/23)	FT	(Ex-Chairperson Spatial Planning and Development)			
Mcako, M.	PT	Sports, Recreation and Community Development	Ward 34 ANC	88,89%	11,11%
McDowell, J.S.	PT	• Public Safety and Emergency Services • Strategic Development	Ward 18 DA	94,44%	5,56%
Mcwabeni, N.	PT	• Public Safety and Emergency Services • (Ex-Human Settlement)	Ward 15 ANC	88,89%	11,11%
Mfazwe, M.M. (Elected on 31/3/23)	FT	Human Settlement (Chairperson) (Ex-Chairperson Infrastructure Services Portfolio Committee) (Acting Chairperson Corporate Services for January 2024 and August 2024)	PR ANC	94,44%	5,56%
Mfene, M.	PT	Corporate Services	Ward 26 ANC	77,78%	22,22%
Mhlauli, O.	PT	• Corporate Services • (Ex-Strategic Development)	Ward 13 ANC	94,44%	5,56%
Mndi, N.	PT	Spatial Planning and Development	Ward 21 ANC	100%	0%
Mnyute, A.O.	PT	(Ex Solid Waste and Environmental Management) (Chairperson until 31/3/23) Public Safety and Emergency Services (Chairperson)	PR ANC	88,89%	11,11%
Mpupha, K.H.	PT	Sports, Recreation and Community Development	PR EFF	61,11%	38,89%
Mrwebi, V.A.	PT	Strategic Development	Ward 17 ANC	77,78%	22,22%
Mtyingizane, Z.	PT	Chairperson : Women's Caucus (Ex-MPAC member)	Ward 14 ANC	72,22%	27,78%
Mxabanisi-Gakrishe, C.	PT	Finance	Ward 25 ANC	66,67%	33,33%
Mzekeli, L.	PT	Infrastructure Services (Ex-MPAC member)	Ward 6 ANC	83,33%	16,67%
Nkala, A.	PT	Corporate Services	Ward 49 ANC	94,44%	5,56%
Nkungwini, S.	PT	Human Settlement	PR EFF	83,33%	16,67%
Nokoyo, A.S.	PT	Sports, Recreation and Community Development	PR EFF	83,33%	16,67%
Noyakhe, Z.	PT	Solid Waste and Environmental Management	PR EFF	61,11%	38,89%
Ntsasela, S. (Elected on 31/3/23)	FT	Economic Development and Agencies (Chairperson) (Ex-Chief Whip of the Council)	PR ANC	77,78%	22,22%
Ntshebe, N.M.	PT	Solid Waste and Environmental Management	Ward 37 ANC	77,78%	22,22%

Ntyabontyi, D.	PT	Human Settlement	Ward 12 ANC	100%	0%
Nyusile, M.L.	PT	• MPAC • Strategic Development	PR ANC	72,22%	27,78%
Pakati, X.A.	PT	Finance	PR ANC	55,56%	44,44%
Peter, V.	PT	• Solid Waste and Environmental Management • Sports, Recreation and Community Development	PR ANC	100%	0%
Phandliwe, S.	PT	• Human Settlement • (Ex-Spatial Planning and Development)	Ward 35 ANC	100%	0%
Pisane, L.	PT	Economic Development and Agencies	Ward 20 ANC	100%	0%
Pohl, F.C.	PT	Solid Waste and Environmental Management	Ward 28 DA	88,89%	11,11%
Qali, N.	PT	Infrastructure Services	Ward 16 ANC	94,44%	5,56%
Ralasi, A.	PT	Sports, Recreation and Community Development	PR ANC	55,56%	44,44%
Rumbu, S.P.	PT	• Economic Development and Agencies • Strategic Development	PR EFF	44,44%	55,56%
Sabana, N.	PT	Public Safety and Emergency Services	Ward 32 ANC	61,11%	38,89%
Sauli, B.	PT	• MPAC • Sports, Recreation and Community Development • Strategic Development	Ward 36 ANC	88,89%	11,11%
Siboyana, V.	PT	• MPAC • (Ex-Finance) • (Ex-Infrastructure Services)	PR ANC	88,89%	11,11%
Skepe, S.G.	PT	Corporate Services	Ward 41 ANC	88,89%	11,11%
Skoti, A.J.	PT	• Human Settlement • Public Safety and Emergency Services	PR UDM	100%	0%
Stemela, N.C.	PT	Spatial Planning and Development	Ward 11 ANC	94,44%	5,56%
Stewart, L.A.	PT	Sports, Recreation and Community Development	Ward 4 DA	100%	0%

Tempi, T.	PT	• Human Settlement • (Ex-Infrastructure Services)	Ward 45 ANC	66,67%	33,33%
Theron, D.A.	PT	Spatial Planning and Development	PR FFP	88,89%	11,11%
Thomas, M.D.	PT	Solid Waste and Environmental Management	Ward 33 ANC	100%	0%
Tshabe, N.E.	PT	Infrastructure Services	PR EFF	88,89%	11,11%
Tutu, M.	PT	Strategic Development	Ward 24 ANC	83,33%	16,67%
Tutu, V.	PT	• Finance • Solid Waste and Environmental Management	PR AIC	44,44%	55,56%
Tyali, Y. (Elected on 31/3/23)	FT	Infrastructure Services (Chairperson) (Ex-MPAC Chairperson)	PR ANC	100%	0%
Vallabh, D.	PT	Strategic Development (Ex Economic Development and Agencies)	PR DA	88,89%	11,11%
Walton, G.K.	PT	• Finance • MPAC	PR DA	94,44%	5,56%
Wetsetse, M.	PT	Economic Development and Agencies	Ward 9 ANC	88,89%	11,11%
Whittington, N.	PT	• Public Safety and Emergency Services • Solid Waste and Environmental Management	Ward 30 ANC	100%	0%
Wolose, F.S.	PT	Public Safety and Emergency Services	Ward 47 DA	94,44%	5,56%
Wood, B.F.	PT	Spatial Planning and Development (Ex Finance)	PR DA	94,44%	5,56%
Yekiso-Morolong, M.C. (Elected on 31/3/23)	FT	Solid Waste and Environmental Management (Chairperson) (Ex Chairperson : Women's Caucus)	Ward 7 ANC	94,44%	5,56%
Zonke, K.	PT	Human Settlement	PR DA	94,44%	5,56%
Note: * Councillors appointed on a proportional basis do not have wards allocated to them					*T A*

APPENDIX B

COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE COMMITTEE) AND PURPOSES OF COMMITTEES	
Municipal Committees	**Purpose of Committee**
CORPORATE SERVICES PORTFOLIO COMMITTEE	To consider and to make recommendations to the Council on the measures necessary including inter alia the following – Industrial relations matters, including to investigate questions relating to job evaluations and the submission thereof to the Industrial Council and to consider measures relating to Conciliation Boards and Industrial Court hearings Manpower planning Recruitment, selection, remuneration, utilization and development of staff; Occupational Health and Safety and Industrial Health services; Productivity in the municipal workforce Training and staff development; Employment equity and skills development Employee performance; Information and technology support services; Contract management and negotiations in respect of salary increases and fringe benefits; Measures required in respect of the avoidance of strike and other conflict actions; Policy regarding the appointment of Directors, General Managers and Heads of Departments and confirmation of their appointments; and Council Support Auxiliary, Records Management and Decision Tracking
INSTITUTIONAL OPERATIONS AND CIVIC RELATIONS PORTFOLIO COMMITTEE	To make recommendations to the Executive Mayor pertaining to the formulation of policies, strategies and programmes aimed at increasing equity for vulnerable marginalized or special interest groups, with specific focus on: Young people, the aged, the disabled, gender-related issues, special projects.
MUNICIPAL SERVICES PORTFOLIO COMMITTEE	To consider and make recommendations to the Mayoral Committee on in respect of all environmental services matters as provided for in any relevant legislation and all community matters; to consider all matters under the control of the Director of Community Services, including inter alia the following – Childcare facilities; Pontoons, ferries, jetties, piers and harbours [excluding the regulation of international and national shipping and matters related thereto]; Beaches and amusement facilities; Cemeteries, funeral parlours and crematoria; Fencing and fences ;Local amenities; Local sports facilities; Municipal parks and recreation Public places; Horticulture; Libraries;Halls;a and Community Support Centres.

FINANCE PORTFOLIO COMMITTEE	To formulate recommendations to the Executive Mayor (Mayoral Committee) on financial matters. As an Operational Committee the scope of these financial matters would include considerations of the financial position of Council in terms of the budget from an accrual as well as a cash flow perspective, including inter alia the following – Budget alignment; Monitoring and budget implementation; Control measures Financial reporting; Budget management including revenue and expenditure management; Capital raising; and Supply Chain management.
BUDGET STEERING COMMITTEE	The Finance Budget Committee will fulfil the following Operational functions. Budget Management Revenue (Including Tariffs Expenditure) In-year Financial Reporting Control Measures of Budget Implementation Monitoring and Budget Progress Budget Implementation It must be emphasized that the interface with the IDP, Budget Strategy and Performance Management Committee is central to the achievement of delivery objectives and must be closely monitored
HEALTH AND PUBLIC SAFETY AND EMERGENCY SERVICES PORTFOLIO COMMITTEE	To consider and make recommendations to the Mayoral Committee on all health and public safety matters of the Metropolitan Municipality including inter alia the following – Air pollution; Firefighting services; Municipal health services; Trading regulations. Control of public nuisances; Control of undertakings that sell liquor to the public; Facilities for the accommodation, care and burial of animals; Licensing of dogs; Licensing and control of undertakings that sell food to the public; Municipal abattoirs; Noise pollution; Street trading; Traffic and parking; and Disaster management.

DEVELOPMENT AND SPATIAL PLANNING PORTFOLIO COMMITTEE	To make recommendations to the Mayoral Committee and Council on transportation, town and regional planning, architectural, land survey and land administration matters allocated to it and to report and make recommendations thereon to the Council and to investigate strategic land and property use, including inter alia the following – Building regulations and control Municipal planning Billboards and the display of advertisements in public places Spatial planning, Spatial Development Frameworks and precinct plans Architectural services GIS Mapping Regional / District/ Precinct management Spatial norms and standards enforcement Land use management Property management Municipal valuations
INFRASTRUCTURE SERVICES PORTFOLIO COMMITTEE	To consider and to make recommendations on all matters affecting the civil engineering and electrical infrastructure, associated designs and mechanical and scientific services , including inter alia the following – Air pollution; Electricity and gas reticulation; Municipal airports; Municipal public works Storm water management systems; Water and sanitation services limited to potable water supply systems and domestic waste water and sewage disposal Municipal public transport systems; Cleansing; Municipal roads; Refuse removal, refuse dumps and solid waste disposal; Street lighting; and
IDP AND ORGANISATIONAL PERFORMANCE MANAGEMENT	To oversee on behalf of the Executive Mayor the process of integrated development planning (strategic planning) in Buffalo City, including annual reviews of the IDP, and to make recommendations to the Executive Mayor in this regard in terms of chapter 5 of the Municipal Systems Act and section 56 of the Municipal Structures Act.
ECONOMIC DEVELOPMENT AND AGENCIES PORTFOLIO COMMITTEE	To assist the Executive Mayor in ensuring that the economic development including rural development of the whole community of Buffalo City is promoted (sections 152 & 153 of the Constitution), including inter alia the following:- Facilitate job creation Promote the development of small, medium and micro-enterprises Market the municipality holistically Promote and facilitate rural development Arts and culture and Heritage Activities Municipal public transport

HUMAN SETTLEMENTS PORTFOLIO COMMITTEE	To make recommendations to the Mayoral Committee and Council on housing matters allocated to it and to report and make recommendations thereon to the Council and to investigate strategic use of housing resources.
SOCIAL FACILITATION COMMITTEE	To consider Councilors welfare and matters related thereto
MUNICIPAL PUBLIC ACCOUNTS COMMITTEE	The purpose of the Municipal Public Accounts Committee is to strengthen the oversight arrangements in the municipality and to ensure the efficient and effective use of municipal resources. Consider and evaluate the content of the annual report and make recommendations to Council when adopting an oversight report on the annual report as required in terms of section 121 of the Local Government: Municipal Finance management Act and Circular no 32 issued by the Minister of Finance
AUDIT COMMITTEE	The primary purpose of the Audit Committee is to assist the Council discharge its responsibility in maintaining and applying appropriate accounting and financial reporting processes and procedures as well as maintaining effective risk management and internal controls.
REMUNERATION COMMITTEE	To examine information provided to the Committee dealing with the total remuneration package of all Section 57
RULES COMMITTEE	To determine the standing rules and orders of procedure for the Council.

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

THIRD TIER STRUCTURE	
DIRECTORATE	**DIRECTOR/MANAGER (TITLE AND NAME)**
MUNICIPAL MANAGER	MR MXOLISI YAWA
EXECUTIVE SUPPORT SERVICES	MS NCUMISA SUDUKWANA (HEAD OF DIRECTORATE)
CORPORATE SERVICES	MR BOB NAIDOO (HEAD OF DIRECTORATE)
ECONOMIC DEVELOPMENT AND AGENCIES	MS NOLUDWE NCOKAZI (HEAD OF DIRECTORATE)
INFRASTRUCTURE SERVICES	MS NOMFANELO MQOQI-MONDI (HEAD OF DIRECTORATE)
SOLID WASTE AND ENVIRONMENTAL MANAGEMENT	MS YOLISWA SINYANYA (HEAD OF DIRECTORATE)
PUBLIC SAFETY AND EMERGENCY SERVICES	ADVOCATE BONISWA MZIMBA (HEAD OF DIRECTORATE)
FINANCE SERVICES	MR NTSIKELELO SIGCAU - CHIEF FINANCIAL OFFICER (MR VINCENT PILLAY - ACTING CHIEF FINANCIAL OFFICER)
SPATIAL PLANNING AND DEVELOPMENT	MR SANDILE BOOI (HEAD OF DIRECTORATE)
HUMAN SETTLEMENT	MR LUYANDA MBULA (HEAD OF DIRECTORATE)
SPORT, RECREATION AND COMMUNITY DEVELOPMENT	MR HOWARD SIKWEZA (HEAD OF DIRECTORATE)
TRADING SERVICES	

WATER AND SANITATION	MR M. NONGOGO (ACTING HOD)
ELECTRICITY AND ENERGY	MR R. FERRIER (ACTING HOD)

APPENDIX D

MUNICIPAL /		
MUNICIPAL FUNCTIONS	FUNCTION APPLICABLE TO MUNICIPALITY (YES / NO)*	FUNCTIONS APPLICABLE TO THE ENTITY (BCMDA)
Constitution Schedule 4, Part 4 functions		
Air Pollution	Y	
Building regulations	Y	
Child care facilities	Y	
Electricity and gas reticulation	Y	
Firefighting services	Y	
Local tourism	Y	Y
Municipal airports	N	
Municipal planning	Y	
Municipal health services	Y	
Municipal public transport	Y	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under	Y	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and	Y	
Storm water management systems in built-up areas	Y	
Trading regulations	Y	
Water and sanitation services limited to potable water supply and domestic waste-water and sewage disposal	Y	
Beaches and amusement facilities	Y	
Billboards and the display of advertisements in public	Y	
Cemeteries, funeral parlours and crematoria	Y	
Cleansing	Y	
Control of public nuisances	Y	
Control of undertakings that sell liquor to the public	Y	
Facilities for the accommodation, care and burial of animals	Y	
Fencing and fences	Y	
Licensing of dogs	Y	
Licensing and control of undertakings that sell food to the	Y	
Local amenities	Y	
Local sport facilities	Y	

Markets	Y	Y
Municipal abattoirs	Y	
Municipal parks and recreation	Y	
Municipal roads	Y	
Noise pollution	Y	
Pounds	Y	
Public places	Y	
Refuse removal, refuse dumps and solid waste disposal	Y	
Street trading	Y	
Street lighting	Y	
Traffic and parking	Y	
***If municipality: indicate (yes or No), * If entity: Provide name of entity**		TD

APPENDIX E - WARD REPORTING

Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	**Cllr KUHLE CILIZA**	Yes	4		2
	NOMPEMBELELO ANNE MAKUPULA				
	VUYELWA GQOLA				
	LUNGISILE JULIUS PAUL				
	THENJISWA CYNTHIA MTATSI-NTUKU				
	NONKOSINATHI MAKUPULA				
	FUNDILE LUPINDO				
	NORMA CALVERY				
	SINDISWA SYLVIA SONSTHI				
2	**Cllr ZWELIKHANYILE AKHONA DYWILI**	Yes	0		0
	MBULELO FILTANE				

	ZUKISWA MAVIS WELANI				
	NYAKOMBI ELLIOT MVULENI				
	LOYISO VICTOR MAKI				
	MASIZA JADU				
	NTOMBOXOLO JAZA				
	FUNDISWA MSENGANA				
	AKHONA ROLINYATHI				
	FUNEKA NONZINYANA				
3	**Cllr LORNA HALI**	Yes	6		3
	NONTUTUZELO KELELE				
	WISEMAN JABULILE SOGONI				
	TABILE ZINGISA KUNJWA				
	SIPHOKAZI VANESSA MPOFU **(Deceased and not yet replaced)**				
	SIPHOKAZI TUNYARA				
	THAPELO VICTOR FUNO				
	FEZIWE MAYEDWA				
	VUYISA BLOSSOM JUMBA				
	SIMAMKELE GUNTU				
	ANNA JOHANNA ELIZABETH BYNES				
4	**Cllr LEMARC ALLISTER STEWART**	Yes	5		4

	MICHAEL THANDO NTONGA				
	SINDISWA MANYI				
	BUYISWA MENTHER MXOKISO				
	HEADMAN MATYENI				
	NANCY DYUNA				
	THEMBISA QUKULU				
	PUMEZA TEMPI				
	NONTUTHUZELO PRUNAH FOKWEBE				
	NOMBULELO NKUNGWANA				
	ISAAC KODWA				
5	**Cllr MONICA GOCI**	Yes	3		2
	YOLANDA AMANDA MAKOM				
	BULELWA NONJEZI				
	NOMALIZO EUNICE GALADA				
	NTOBEKO MICHAEL MATEYISI				
	ZANDISILE BELLINGTON STUURMAN				
	NONTEMBEKO LETTICIA GCULE				
	SIHLE TOKO				
	AMANDA MADUMANE				
	AGCOBILE AMOS BUNGU				

6	**Cllr LUKHANYISO MZEKELI**	Yes	0		1
	SIYABULELA MENZELELI				
	NOMVUYO GODINI				
	SIMAMKELE KLAAS				
	UNATHI MADYAKA			3	
	DEVINA PERRIN				
	STEVEN ADKINS				
	SIBONGILE NDUMISO			1	
	JENNIFER HARMAN			4	
	MZIWAMADODA BOOI			1	
	MAURICE BRICE WHITTINGTON			1	
7	**CLLR CLARA MOROLONG-YEKISO**	Yes	1		3
	MATU JAMJAM				
	NOMBUYISELO NOMVULA MHLATI				
	NOMBEKO ELSIE DEKI				
	ARRIE WILLIAMS				
	TEMBISA GETRUDE MBATYOTI				
	MICHAEL LINDA NONGOGO				
	MNINAWA NGUMBELA				
8	**CLLR KWANELE MAJEKE**	Yes	7		3
	SIPIWO DODO				

	VATHISWA NONDUMISO QOTO				
	NCEBA VILI				
	NTOMBOXOLO SOMJWAXA				
	AKHONA QACO				
	PETER CRAIG DAVIDS				
	MZWANDILE BUKULA				
	ANELA LINDANI				
	PULENG ROSELINE KLAAS				
	NOXOLO MATETA				
9	**CLLR MENDI WETSETSE**	Yes	5		4
	PETER GREY				
	NANGAMSO MAKAZI				
	LINDA MHLAMBI				
	LENA VANI				
	MZWANDILE ADONISI				
	LINDA PELI				
	NTOMBOKANYO VIRGINIA DAWETI				
	LUDUMO CLAXTON LUSASENI				
	AKHONA FIYO				
10	**CLLR PEARL HANSEN**	Yes	0		0
	CARMAN AUDREY DANIELS				
	PHUMEZA WAYAYA			1	

	THEMBAKAZI GLENROSE HLOPHEKAZI				
	SIPHOSETHU XALA			3	
	NOLUVUYO FEFANI			2	
	GETRUDE MICHAELS				
	NOSISA DYASI				
	AGNES NOTOSI FRANCE				
	NOMTHANDAZO JACK			1	
	LUNGISWA CEBANA				
11	**CLLR NOZUKO CLAUDIA STEMELA**	Yes	4		2
	XOLELWA JILINGISI-FANCE			12	
	ZIKHONA MALUNGA			12	
	ZOLISWA TENGISILE			10	
	ZODWA MAGOPHENI			11	
	PUMELA GLORIA BANI			10	
	LINDA PATIENCE LESTIG **(Deceased)** NOSIPHO NDLOVU **(Replacement)**			11	
	APHIWE MEKUTO			11	
	PELOKAZI NKANYUZA			11	
	LUNGILE ALFRED DAVID			10	
	VIWE MAPASA			10	
12	**CLLR ANDILE ANDY PHETHANI**	Yes	1		1

	CLLR D. NTYABOTYI				
	SIVUYILE JACOB			0	
	ODWA SITYANA			0	
	JOYCE NOLALA TISHALA **(Deceased)** VUYOKAZI VIVIAN FUNEKA **(Replacement)**			0	
	LAWUKAZI NZEKENI			0	
	NOMSA VERONICA TENGI			0	
	NOLUTHANDO MGUBO			0	
	MTSATSENI PELISWA			0	
	BENNET WILLIE TYABULE			0	
	SIKELELWA MVULENI			0	
	WINEKA PETI			0	
13	**CLLR OSCAR MHLAWULI**	Yes	1		2
	KHAYA MELANE				
	MCINGISI GOODWILL NGQINISO				
	NOSITHANA LONGO				
	ZANELE QEBEDU				
	SIPHOSETHU BUNU				
	SINDISWA NYANDA				
	SIZIWE IRIS DANISO				
	SANELE MANJINGOLO				
	NOMPHELO KWETHA				
	FUZILE PATNER GOMBA				

14	**CLLR ZININZI MTYINGIZANE**	Yes	7		3
	LUKHANYO NDUBANE			0	
	PHUMELA PLAATJIE			0	
	ZIMASA MALEKI			0	
	AMANDA NDILEKA MNTYEKU			0	
	NOSIPHIWO SAMFUMFANA			0	
	JULIA UNATHI XHOLO			0	
	PHILASANDE MAKANOZA			0	
	BUKELWA ETHEL MENDU			0	
	VUYOKAZI SWEETNESS MENQE			0	
15	**CLLR NWABISA MCWABENI**	Yes	6		3
	SIPHOSETHU HLAMVANA				
	SIYABONGA NDALISO				
	NTOMBIZANELE QAWU				
	NOMAPHELO XHELO				
	VUYELWA BHODA				
	ZANETHEMBA GASELA				
	FUNDISWA MSHWESHWE				
	AMANDA YVONNE BOKO				
16	**CLLR NTSIKA QALI**	Yes	0		1

	MNIKELO MAZAMISA				
	NOBONILE PRISCILLA TYITYI				
	NODUMO LYNETTE MONAKALI				
	LUNGISILE LOVEMORE MAGAMA				
	PATIENCE NONE ZANTSI				
	NOSISA MBEKI				
17	**CLLR VELISWA MRWEBI**	Yes	1		1
	MCEBISI MASUMPA			1	
	NOMPUMELELO PRISCILLA DEKEZA			7	
	NONKULULEKO NDZIWENI			1	
	NGATHINI MRWARWAZA			0	
	AYANDA VASINI			0	
	YONELA NJEBULANA			1	
	BUSISIWE DOROTHY NYABA			3	
	CINGELWA SIKWEYIYA			1	
	MELISIZWE MBULELO MANCAPA			0	
	VUYOLWETHU FAYE (replaced by Vuyolwethu Makeleni)			0	

18	**CLLR JASON SCOTT MCDOWELL**	Yes	5		3
	JAN LOUIS ROODT				
	CARIKE ANEL GOUWS				
	MAURICE LEVY				
	KATHLEEN BADENHORST				
	HALDANE WALTER CUNNINGHAM				
	SUSAN MERLE HOLMES				
	BERYL KEIL				
	ALAN ROBERT CARTER				
19	**CLLR SHANDRE MERYLIN HOFFMAN**	Yes	6		2
	CHARLENE DOROTHY SHELVER				
	ROSEMARY ANNE SCHROEDER				
	THANDOLWETHU JALI				
	VUYOKAZI BLAYI				
	THABANG LENNOX SEJOSENGOE				
	GLORIA MERY FREYSTER				
	RODWELL CECIL FREDRICKS				
	ABIGAIL HAZEL OLIPHANT				
	PETRUS DAVID OLIPHANT				

20	**CLLR APHIWE GCWABE** **CLLR l. PISANE**	YES	1		1
	MASIXOLE NIMROD TIYA			9	
	SONWABO FUMANISA			10	
	BONGANI MLUMBI			11	
	AGRINETTE WILLIAMS			8	
	ANDILE TAFENI			0	
	SIPHOKAZI FUNDISA MBONJA			0	
	MZWANDILE ROYARD CWECWE			4	
	UNATHI NOGWEBU			0	
	LUVUYO TYAMZASHE			5	
	KWAMILA VANI			0	
	Veliswa Myataza			6	
21	**CLLR NKOSINATHI MNDI**	YES	1		1
	ZINGISA LUCAS ZWENI				
	NOPOLOLO GLADYS TYENI				
	NOLULAMO ORIENDA NXALA				
	CREGGIE MLULEKI GOGI				
	VUYANI MATYALANA				
	NOBUNTU BILLE				
	OLWTHU BANA				

	PHUMZA NQOZI				
	ANELE PINANA				
	PHINDILE XAKATA				
22	**CLLR SABELO BOOI**	Yes	1		3
	NOSICELO AGNES MAYO			8	
	DORA MOEKETSI			6	
	ZUKISANI XHANGA			5	
	THOZAMA MTSHATSHENI			11	
	NELISWA LORRAINE RAYIBO			4	
	DANISWA NQWILISO			10	
	NTOMBIZODWA MILRED MDLANKOMO			2	
	NAMHLA PIPILE			2	
	NOMAPHELO NXIWA			10	
	SANDILE MQWASHINI			10	
23	**CLLR SIMBONGILE SIDWELL GULWA**	YES	5		4
	XOLISA WELCOME KOMANI				
	ANDILE VICTOR MELUDE				
	THEMBANI NKAYI				
	MZIWANELE SIMON LINDENI				
	LESLEY MABOY AUGUST				
	MATHABO GQAMLANA				

	NOBUNTU MAVIS PONTSHI				
	PUMZILE NDABA				
	SIVENATHI FALI				
24	**CLLR MELISIZWE TUTU**	YES	0		1
	NOKUTHULA FLORANCE NSTHINGA				
	XOLANI VESHILE				
	MZINGAYE MLHOPHE				
	BUYISWA JONAS				
	NOMONDE ZITA				
	NOSIVIWE GQOSHA				
	YONELA GWENTSHU				
	ELLIOT BOLITA MOSE				
	GCOBISA GLADYS GONIWE				
	CALVIN THOBILE NJATYA				
25	**CLLR CYNTHIA MXABANISI-GAKRISHE**	YES	0		0
	NOBELUNGU NZUZO-RALA				
	ASANDA COLLEN QOSHA				
	ANDILE MENI				
	NOMVUKO THEODORA NDINDWA				
	THEMBELA GLADYS MFAKADOLO				

	NTOMBIZANELE NTOZINI				
	SILUMKO CHRISTOPHER MARAMBA				
	ANELE ROBERT NKWALASE				
	FUNIWE EUNICE MTYOKI				
	SEDGWWICK MHLELI JACOBS				
26	**CLLR MONDE MFENE**	YES	3		1
	NTOMBIZANELE NJOLI			9	
	ZOLISWA SAMANTHA TUSWA			10	
	SAKHUMZI OBEDIENT JAJI			4	
	VELISWA VINOLEAH QONDANI			5	
	BAQIWE EUNICE NQEZU			8	
	THELIWE XHONGOSHE			5	
	QHAMANI BATYI			4	
	ARON NABALA NTONGANA			5	
	XOLANI MLILWANA			8	
	GCOBANI NGCUKA			4	
27	**CLLR BOY-BOY KALANI**	YES	1		1
	NOZUKO AKHANYA SONJICA				
	NOSIBULELO LINDA SITYEBI				

	THULANE MADALA				
	ZIMASA MPOFU				
	NIKISWA INNOCENTIA KONDILE				
	SIPHOSETHU MAVUKA				
	NOMONDE MAQOKOLWANA				
	LUNGA MQHAYI				
	AYANDA TEENAGE TUNYWA				
	SIKO DALASILE				
28	**CLLR FREDRICK CAREL POHL**	YES	5		3
	FANDILEKI ZWELINZIMA **(Resigned)** PUMZA MPULAMPULA **(Replacement)**				
	SIKHULULE SIBALI				
	SHARONNE BERNADETTE DEWING				
	BRENDA PAMELA GUNGU				
	MICHAEL GOERGE WILLIAMS				
	CAREL ANNE WEYER				
	SETON JOHN PROUD				
	MERVYN MALCOM SYMONS				
	NORMAN ROBERT AGNEW				

29	**CLLR VALERIE DAWN KNOETZE**	YES	2		1
	CHRISTIAN ANDRIES SWART				
	DEWALD KNOETZE				
	LEONARD JOHN GERBER				
	RUSSELL WAYNE DE REUCK				
	MICHAEL MCLAREN				
	CAROLYN HENN				
	MARION MACKELY				
	ADOLF HENDRICK SMIT				
	ZANDER SMIT				
	JOHANNA PETRONELLA SMIT				
30	**CLLR NONTYILELO WHITTINGTON**	YES	5		2
	FUNEKA TWASHU			12	
	RICHARD NELSON BANJWA			12	
	NOMPUMELELO VICTORIA GODA-SHELENI			8	
	NTOMBIKAYISE GQADUSHE			12	
	XOLISWA BEAUTY TATAYI			10	
	PHUMLA NISEKO			12	

	NOMBUYISELO PRETTY BAVUMA			12	
	SILINDOKUHLE TYENI			8	
	NONANI MASHIBINI			12	
	BULELWA DOREEN BULANE			12	
31	**CLLR BONISANI BANGANI**	YES	7		1
	SINDISWA VENUS TSHWELI				
	PATISWA JULIET MQUQU				
	BONISILE DAVID MKOBENI				
	OLWETHU MABUDA				
	PUMZA JULIA MGAJU				
	PUMEZO MABUSELA				
	NOLUVUYO PEKUZA				
	SIYAVUYA TUKUTEZI				
	KHOLEKA CYNTHIA MALI				
32	**CLLR NTOMBEKHAYA SABANA**	YES	2		2
	ANDILE SIZANI				
	NTOMBENSTHA VERONICA GAULA				
	NOZIPHO SHEILA MAWENI				
	NTOMBIZAKHE JALI				
	SISEKO KENNY VELU				

	PHELISILE PATRICK STRATO				
	SIMON MERILE				
	ZAMIKHAYA PETRICK MARANGXA				
33	**CLLR MLULEKI DAVID THOMAS**	YES	2		1
	BUYISWA VINUS KWAYIMANI				
	BULELWA MAHOLWANA				
	ZUKISA MONA				
	NOMVELISO VICTORIA NTONA				
	BONIWE DYAKOPU				
	THUNDEZWA TSHUBABANTU				
	LINDILE LENNOX VUSANI				
	FEZIWE MBILINI				
	XOLANI KALIPA				
	VUYOKAZI KHOHLISO				
34	**CLLR MAYIHLOME MCAKO**	YES	4		2
	NANGAMSO MAKAYI				
	MANDISA HLAZO				
	MAMPHO NOSIPHO BUZANI				
	OLWETHU TABO				
	NELISWA KEIT				
	AMANDA MTWAKU				
	THEMBELA NICHOLINE FENI				

	NOSIPO BLOSSOM MTSHAULANA				
	XOLANI NELSON NGCAM				
	ZAMILE DESMOND JOKANI				
35	**CLLR SIMBONGILE PHANDLIWE**		1		3
	SINDISWA MONICA NANTE			6	
	SIMPHIWE MAGQAZA			0	
	NOLUNDI ANGEL MALGAZ			0	
	PHELO PAMELLA NAKA			0	
	NOLUBABALO CECILIA NOYILA			8	
	SIKHULULWE MELANE			0	
	OLWETHU NDIKI-PLAATJIE			0	
	NOKUTHULA KULA			5	
	NONTLANTLA VENI			5	
	VUYISEKA NTUSI			3	
36	**CLLR BONGIWE SAULI**	YES	0		1
	NELSON XOLANI MAWUWA				
	THEMBAKAZI MFUKU				
	MBULELO CLEFORD MAGCOBA				
	ANATHI MATADI				
	BULELWA VELEM				

	MAJOR LUNGISILE SOMNONO				
	PUMEZA CIBI				
	SONWABO LIVINGSTONE JOYISI				
	VELISWA FAITH SOPOTELA				
	KILANI ANDILE				
37	**CLLR NTOMBEKHAYA NTSHEBE**	YES	8		3
	PHIWOKUHLE AKHONA LINDANI				
	GALLANT VULINDAWO SISWANA				
	PHILA KHANGELANI JENTILE				
	YANDISA UNATHI MBEWU				
	MZIMKHULU MERRYMAN GQAMANE				
	ASANDA BEREND				
	GLORIA NTOMBIZABANTU MABESI				
	ZOLISWA MATENJWA				
38	**CLLR NTOMBOMZI NDOTYI**	YES	8		2
	ZIKHONA CEBOKAZI MBOLEKWA				
	MOMFUSI CYNTHIA MJAKUJA				

	LUNGEKA OLGA SIGWELO **(Resigned)**				
	THOZAMA BEAUTY GWAM				
	LUDWE MFUMFU				
	SISANDA HAPPINESS NKANJENI				
	SYLVIA PHINDILE TANALI				
	NKULULEKO MAXIN MANI				
	NOLUTHANDO MONI				
	MANELISI CALLCIUS KEPE				
39	**CLLR LUNGA GQOLA**	YES	8		3
	NONDUMISO YAKOBI			8	
	MZUVUKILE GOODMAN NGALO			12	
	MELVIN JAMES SMITH			12	
	LUKHANYO FABA			12	
	BATHINI MANELI			12	
	MANDILAKHE MNYAKA			12	
	NOLUKHOLO MBAQA (replacement: Noluthando Sandi)			9	
	NOKHANYO MXINZELELI			11	
	NICHOLUS MZIWABANTU GQIBA			9	
40	**CLLR KHOLIWE THEMLA FAKU**	YES	1		2

	NOMTHANDAZO JOSI				
	THEMBINKOSI MICHAEL GXALATANE				
	MPHUMEZO MAGQUPU				
	NWABISA MLOLWENI				
	JUSTICE MAKAPELA				
	SIYABULELA TSHEFU				
	ASANDISO GALADA				
	BONISWA MAVIS NTSHEBE				

Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
41	**CLLR SINDISWA SKEPE**	YES	0		0
	NOKUZOLA CHRISTINA FATUSE				
	PUMLA MADLINGOZI				
	NOMFUNEKO NDADANA				
	THOZAMA JENNIFER MOMOTI				
	WONKE MANELI				
	NELISWA CAROLINE MPOFU				

	THEMBELA COPISO				
	VELISWA MARVELLOUS NKONGO				
	THABISA LEKORO				
	NTOMBOMZI SKEPE				
42	**CLLR PHAKAMILE BAMLA**	YES	6		4
	NJONGO MGAYI			0	
	NOKUBONGA GOLA			0	
	ANELE SILINYANA			0	
	LWANDILE FAKU			0	
	IKHO BASHMAN			0	
	VUYOKAZI AURLEEN SOMTA			0	
	NOMFUNDO PREMROSE NJANDU			5	
	ZANELE ELIZABETH GOBINGCA			0	
	PUMLA NGWANE			0	
	MPUMELELO SHAROLD NOGADLA			0	
43	**CLLR DUMISANI MAHANJANA**	YES	0		0
	NOXOLO TSABANE				
	KOLOSA GADU				
	PHELISA FLOURIDE BLOM				
	THOMAS SAKELE				
	PUMLA PATIENCE MHLOBO				
	STANFORD MRWEBI				

	NOZIBONELE MNYIKIZO				
	SINESIPHO NGCOLANI				
44	**CLLR MWEZI DANISO**	YES	2		2
	NOMTHANDAZO KHAVE				
	NELISWA SWEETNESS MAVUKUZA				
	WELILE ISAAC NTOZINI				
	TOZAMA MLATA				
	RACHEL FRITZ				
	NOMAGUGU MONICA TYALA				
	MAWETHU HAWELL QABA				
	PHELISA NDLEBE				
	SINDISWA MAKUBALO				
	CHERYLDINE JACQUELINE BOUTCHER				
45	**CLLR THULANI TEMPI**	YES	0		0
	BULELWA MAVIS MATAYITAYI				
	LULAMA LILIAN MGOLOMBANE				
	ETHELINE THEMBEKA JAVU				
	LONWABO KIMBILI				

	SEBENZILE ALFRED QAMARANA				
	SONGEZO VICTOR SAM				
	MKHULULI NGINASE				
	LIHLE SHUSHU				
	MAWETHU ETHEL MAYINJI				
	KWEZILOMSO MGWADLELA				
46	**CLLR NCEBA KILIMANI**	YES	2		2
	TEMPLETON MPUMELELO SABA				
	THANDISWA MARGRET KOLISI				
	ZAMXOLO DRESI				
	NOKUZOLA FLORANCE NDONDO				
	SIPHOKAZI THERESA MALOYI				
	SIVENATHI DYABA				
	ZINAKILE JEFFREY APRIL				
	ERIC BOY RUSI				
	NOLUVUYO MAQUBELA				
47	**CLLR FUNEKA SARAH WOLOSE**	YES	4		2
	NTOMBIZODWA JUDITH MANYATHI				

	LINDSEY POLLOCK				
	WLLIAM DONNE GOULD				
	SEKELENI MAKELENI				
	KULUSHE VICTORIA MYEKENI				
	VUSUMZI MISHACK NGCABA				
	BULELANI PIKE				
	NKOSINATHI SIFENENGU				
	YOLANDA LIVINUS				
	VUSI VENENE BESTER				
48	**CLLR PUMEZO JAXA**	YES	0		1
	VICTOR SIVUYILE NGOZI			6	
	NONTEMBISO ADELAIDE TWETWA			6	
	ZOLEKA NDUKU			6	
	XOLANI MAFANGA			6	
	ANDILE JACOB			5	
	MXOLISI SAMUEL JAFTA			4	
	IKE SIMELE SALI			6	
	ZANDILE BOMENI			6	
	PHUMEZO HLANGANISE			6	
	SIYANDA NKWENKWANA			6	
49	**CLLR AYANDA NKALA**	YES	3		4

	SINDISWA SYLVIA SOYA				
	SIYATHEMBA KATSAZA				
	MONICA KWAYIMANI				
	PHUMLANI TSHAKA				
	REUBEN DYANTYIESI				
	SIPHO BATALA				
	VUYISWA VUMENDLINI				
	THANDEKILE WAPI				
	NOWHISE BANJWA				
	MAGAQANA CHARLIE KOSE				
50	**CLLR ANELE GUNYAZILE**	YES	2		1
	NTOMBINA GLORIA MAYIZELI				
	THEMBISILE MATELISE				
	NONTOMBI XAKAVU				
	SISTER MDUDUMANA				
	WANDISILE PLATYI				
	ZUKISWA SYLVIA KETSHESE				
	BENNY MASAMANZI				
	VUYOKAZI MAHLAMBENI				
	SIPHOKAZI CWABA				
	SITHEMBISO DYELE				

APPENDIX F : WARD INFORMATION

Capital Expenditure of 5 largest projects*					
					R' 000
Name of Project	Current: 2024/2025			Variance: Current 2024/2025	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Sleeper Site Road	25,000	22,623	22,623	10%	10%
B - Rural Roads	37,000	52,492	52,492	-42%	-42%
C - Roads Provision	33,000	37,090	37,090	-12%	-12%
D - Bulk Electricity Infrastructure Upgrade(Ring-Fenced 4% of the Total Electricity Revenue)	117,888	154,280	154,079	-31%	-31%
E - Smart Metering Solutions - Water & Electricity	52,408	93,574	93,574	-79%	-79%
** Projects with the highest capital expenditure in Year 2024/2025*					

Name of Project - A	**Sleeper Site Road**
Objective of Project	Improve traffic flow and road safety
Delays	Adjoining side streets deterioration requiring different treatment
Future Challenges	Availability of funds to maintain the road once the design life of 20 years has expired.
Anticipated citizen benefits	Improved road safety and lesser travel times
Name of Project - B	**Rural Roads**
Objective of Project	To rehabilitate existing rural roads in BCMM
Delays	None
Future Challenges	This is an ongoing project aimed at improving the condition of roads infrastructure in BCMM. It
Anticipated citizen benefits	All the residents of BCMM
Name of Project - C	**Roads Provision**
Objective of Project	To rehabilitate existing urban roads in BCMM
Delays	None
Future Challenges	This is an ongoing project aimed at improving the condition of roads infrastructure in BCMM. It
Anticipated citizen benefits	All the residents of BCMM
Name of Project - D	**Bulk Electricity Infrastructure Upgrade (Ring-Fenced 4% of the Total Electricity**
Objective of Project	The Upgrading of Electrical infrastructure, broken down into MV/LV Network, MV switching
Delays	None
Future Challenges	N/A
Anticipated citizen benefits	All the residents of BCMM as there would be less interuption of electrical supply.
Name of Project - E	**Smart Metering Solutions - Water & Electricity**
Objective of Project	Installation of Smart Meters
Delays	The moratorium was lifted in the last quarter of 2024/25 financial year, and the intention to
Future Challenges	Budget on both component, as the budget focused on the support and maintenance
Anticipated citizen benefits	Accurate billing, and a view of their consumption.

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Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in Year 0 (Full List at Appendix O)				
				R' 000
No.	Project Name and detail	Start Date	End Date	Total Value

	Bulk Electricity Infrastructure Upgrade (Ring-Fenced 4% of the Total Electricity Revenue)	18/07/2022	20/06/2023	66 789 325
	ENERGY EFFICIENCY DEMAND SIDE MANAGEMENT PROGRAMME	N/A	N/A	0
	ELECTRIFICATION OF INFORMAL DWELLING AREAS - BCMM	18/07/2022	22/06/2023	16 983 245
	USDG ELECTRIFICATION PROGRAM	18/07/2022	30/06/2023	8 984 585
	STREET LIGHTING AND HIGHMASTS WITHIN BCMM AREAS OF SUPPLY	18/07/2022	30/05/2023	4 991 966
				T F.1

APPENDIX G

Municipal Audit Committee		
Date of the Committee Meeting	**Committee recommendation during 2024/25**	**Recommendation adopted (enter yes) if not adopted (provide explanation)**
31 July 2024	3	3-Yes
24 October 2024	8	1-Yes
11 December 2024	2	2-Yes
10 February 2025	12	6-yes 4- On going
25 April 2025	21	13- yes 8- On-going

APPENDIX H: LONG-TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS.

Not applicable to BCMM.

APPENDIX I: MUNICIPAL ENTITY SERVICE PROVIDER PEFORMANCE SCHEDULE.

NB. PLEASE REFER TO BCMDA ANNUAL PERFORMANCE REPORT 2024/25 ATTACHED

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

DISCLOSURE OF FINANCIAL INTERESTS FOR BCMM COUNCILLORS

Name of Councillor Naam van Raadslid	Date of Notice to Company Datum van Kennisgewing van Maatskappy	Date of Minute Datum van Notulering	Particulars of Contract Besonderhede van Kontrak	Nature of Extent of Interest Aard en Omvang van belang
HUMPHREY MAQOCWA COMELY MAXEGWANA				
	EASTERN CAPE SOCIO-ECONOMIC CONSULTATIVE COUNCIL (ECSECC) 3 RESIDENTIAL PROPERTIES PARLIAMENT INVESTMENT SPECIAL PENSION (GOVERNMENT)		DIRECTOR (RESIGNED AS OF 28 AUGUST 2025) OWNER PENSION FUND PENSION FUND	
NONTOBEKO LUHADI	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
BONGIWE SAULI	SALSA PARTICIPANT			
ALUTA NOKOYO	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
TERENCE FLAVIAN FRITZ	DADDY TEE (CONSTRUCTION COMPANY)		SOLE MEMBER	
	SASSA GRANT		GOVERNMENT OLD AGE	

	DALE COLLEGE PRIMARY SCHOOL		AFTERCARE TEACHER (WIFE)	
PHAKAMILE BAMLA	NOTHING DECLARED		NOTHING DECLARED	
NCEDO KUMBACA			2 RESIDENTIAL PROPERTIES (MDANTSANE & AMALINDA)	OWNER
SONGEZO NKUNGWINI	WHIPHOLD FARMING PROJECT			DIVIDENDS
MNINAWA LEWIS NYUSILE	NOTHING DECLARED		NOTHING DECLARED	NOTHING DECLARED
DINESH VALLABH			SASOL	ORDINARY
			LITTLE CREEK	SHAREHOLDER
			DINESH VALLABH FAMILY TRUST	TRUSTEE
			DMD PARTNERSHIP	PARTNER
			WALTER SISULU UNIVERSITY	PROFESSOR
			RESIDENTIAL PROPERTY	OWNER
			RESIDENTIAL PROPERTY (INDIA)	
ANELE SKOTI	MONETARY GIFT FROM DAUGHTER		MONETARY GIFT	
NOZIBELE EMILY TSHABE	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
FUNEKA SARAH WOLOSE	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
JOHANNES DICK GREEN	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED

			RESIDENTIAL PROPERTY	OWNER
ROY ANGELBECK			DEROSA TRUST	TRUSTEE
			MAAS SHOP	OWNER/PARTNER
			IRONWOOD BARN	
			2 COMMERCIAL PROPERTIES (FARM)	OWNERS/TRUST OWNER
			3 RESIDENTIAL PROPERTIES	OWNER
KUHLE CILIZA	NOTHING DECLARED		NOTHING DECLARED	
KWANELE ZONKE			THE ANNUAL 4990 PTY LTD VOICEMAIL JEANS PTY LTD ZOOMA TRADING	DIRECTOR DIRECTOR DIRECTOR
MONICA NTOMBENANI GOCI			OLAGMM (PTY)	DIRECTOR
ANELE GUNYAZILE			GEOSCIENCE TESTING LAB	MATERIAL TESTER
SIXOLISIWE NTSASELA	MASHWEME FOUNDATION		NPO	NPO
ANATHI MAJEKE	Travelled to the United States of America for Fellowship (Vital Voices Global).			
MELISIWE TUTU	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
NTOMBOMZI KESE-NOTYI	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
SABELO BOOI	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED

PUMEZO JAXA	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
ONELA MANGXOLA	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
NWABISA MCWABENI	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
AMANDA RALASI	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
VUYOKAZI SIBOYANA	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
SINDISWA SKEPE	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
LEMARC ALLISTER STEWART			LIVESTACK SOLUTIONS PTY LTD	OWNER
CLARA YEKISO-MOROLONG	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
MWEZI DANISO	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
PEARL HANSEN	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
BOY-BOY KALANI	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
NCEBA KILIMANI	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
VUYANI PETER	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED

BEVERLY FRIEDA WOOD			2 RESIDENTIAL PROPERTIES IN KWELERHA & DORCHESTER PENSIONS FROM GLACIER FINANCIAL SERVICES	OWNER & TENANT PENSION FUND
CINDY BATALA	NOTHING DECLARED		NOTHING DECLARED	NOTHING DECLARED
MANDLA FAKU	NOTHING DECLARED		NOTHING DECLARED	NOTHING DECLARED
LUNGA GQOLA			BORNTYRE GENERAL TRADING L AND G TRADING ELAM CEBO TRAVEL AGENCY KWALINI BUSINESS FORUM	
NOMA-AFRICA MAXONGO	NPO		PRISCILLA MAXONGO FOUNDATION ECPGNC ECPHRA	DIRECTOR COUNCIL MEMBER COUNCIL MEMBER
KOLEKA MPHUPHA	NOTHING DECLARED		NOTHING DECLARED	NOTHING DECLARED
AYANDA NKALA	NOTHING DECLARED		NOTHING DECLARED	NOTHING DECLARED
NTOMBEKHAYA NTSHEBE	NOTHING DECLARED		NOTHING DECLARED	NOTHING DECLARED
SANGWENI MATWELE	NOTHING DECLARED		NOTHING DECLARED	NOTHING DECLARED

SIMBONGILE GULWA	NOTHING DECLARED		NOTHING DECLARED	NOTHING DECLARED
GRAHAM LOTTERING				
	INTLOKO AUTO ENGINEERING			SOLE PROPRIETOR
MLULEKI DAVID THOMAS			DEPARTMENT OF EDUCATION	DEPUTY PRINCIPAL/ TEACHING
			GOVERNMENT PENSION FUND	PENSION
JASON MCDOWELL			MCDOWELL AGENCIES	
			PLATINUM MINE INVESTMENT	
			COLLEGE STREET ADULT CENTRE	EXECUTIVE DIRECTOR
			SRS SOUTH AFRICA	ACCOUNTANT (SPOUSE)
MIKE PRICE BASOPU			RESIDENTIAL PROPERTY IN GONUBIE	OWNER
			SANLAM/GLACIER	PENSION
NONTYILELO WHITTINGTON			ANIZAMETIX (PTY) LTD	ORDINARY
			ZEE'S TARVEN	ORDINARY
MENDY WETSETSE	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
XOLA ANDERSON PAKATI			SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION (SALGA)	DEPUTY PRESIDENT
VUSUMZI TUTU			QZL LTD	
			QZL FUNERAL LTD	OWNER

			QZL TRADING (RNTERPRISE)	OWNER
			ZIZAMELE	50% OWNER
			VACANT LAND AT NU1 MDANTSANE. ADDRESSES – 977, 2024, 2016 & 2007	
			VACANT LAND IN LESOTHO	
BONISANI BANGANI	MBANJA TRANSPORT			
	BOVUYO HOLDING			
THULANI TEMPI	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
ZININZI MTYINGIZANE	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
ANDRIES BERNARDO	NOTHING DECLARED	NOTHING DECLARE	NOTHING DECLARED	NOTHING DECLARED
ANASTASIA MELISSA BOTHA	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
VAUGHAN ANDREW HOLMES			VAUGHN HOLMES ATTORNEY	SOLE PROPRIETOR
			RESIDENTIAL PROPERTY – IN VINCENT FLAT IN PRETORIA (FROM A DECEASED ESTATE ON THE SPOUSE'S SIDE)	OWNER PART-OWNER
CYNTHIA MXABANISI GAKRISHE	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED

FREDERICK CAREL POHL			SANLAM LTD PROPERTY OWNER (GONUBIE AND BELLVILLE CAPE TOWN) FARM (392ha) NANIQUA	SHARES (ORDINARY) BOTH FOR RESIDENTIAL FARM
VELISWA MRWEBI	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
SAKHUMZI CAGA			PROPERTY OWNER (MDANTSANE AND CAPE TOWN)	OWNER
ZUKISWA NOYAKHE ALONI	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
SIYABONGA GIDA	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
SUSAN BENTLEY			2 RESIDENTIAL PROPERTIES (EAST LONDON, GQEBERHA)	OWNER
			PLOT IN SEDGEFIELD	OWNER
	STIRLING HIGH SCHOOL			TEACHER
PRINCESS FAKU	SASOL (SHARES)			ORDINARY
	PPIP TRADING			CO-OWNER/ 50%
			2 RESIDENTIAL PROPERTIES IN GONUBIE	OWNER
	GIFTS: 1. Ethiopian coffee and tea sets valued at R900 2. Human Settlemen		GIFTS	

	ts cup valued at R500 3. Fan from Chinese Ambassador valued at R500 4. Framed Hydrographic Publication valued at R1000 5. Wine valued at R100			
AYANDA GCOBO	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
LORNA HALI	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
VALERIE DAWN KNOETZE			RESIDENTIAL PROPERTY	OWNER
			CORENET	EMPLOYEE (SPOUSE)
			ESTATE AGENT AT HOMES4U	AGENT
			SIMPLY STAY (DORMANT COMPANY)	
MALIBONGWE MFAZWE	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
AKHONA DYWILI	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
DUMISANI MAHANJANA	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
SHANDRE HOFFMAN			SCAW METALS	STOREMAN
			RESIDENTIAL PROPERTY	OWNER

			(BUFFALO FLATS)	
GEOFFREY KEITH WALTON			ABSA	ORDINARY
			OLD MUTUAL	ORDINARY
			WALTON FAMILY	TRUSTEE
			RESIDENTIAL PROPERTY	OWNER
			PRIVATE PENSION	PENSION
KHOLIWE THELMA FAKU	NOTHING DECLARED		NOTHING DECLARED	NOTHING DECLARED
SIMBONGILE PHANDLIWE	SINI GENERAL TRADING PTY LTD			OWNER
NTOMBEKHAYA SABANA	NOTHING DECLARED		NOTHING DECLARED	NOTHING DECLARED
YOLANDA MASIKI			WRISTWATCH VALUED AT R1500	GIFT
MANDISA JOY MASHIYA			M.J. MOMANE AFRICAN TRANSFORMATION MOVEMENT (POLITICAL PARTY)	SOLE MEMBER/ OWNER O.D CONSULTANT
LUKANYISO MZEKELI	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
SIMPHIWE LIBALA	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
KWANELE MAJEKE	BATTALION PROJECTS			
	LK AFRIKA SOLUTIONS			DEREGISTERED
MAWETHU KOSANI	NOTHING DECLARED		NOTHING DECLARED	NOTHING DECLARED
MZIYANDA HLEKISO	NOTHING DECLARED		NOTHING DECLARED	NOTHING DECLARED
LWANDO PISANE			SCMSOFT	ORDINARY SHARES

MAYIHLOME MCAKO	NOTING DECLARED		NOTING DECLARED	NOTING DECLARED
NKOSINATHI MNDI	NOTING DECLARED		NOTING DECLARED	NOTING DECLARED
NTOMBIZANDILE MAUREEN MHLOLA	ALEXANDRE FORBES PENSION FUND		PENSION	
AMANDA OLWETHU MNYUTE	NGUBESILO INSTITUTE SIYOLISE SERVICE CAMPANY		DIRECTOR SOLE MEMBER	
OSCAR MHLAULI	NOTING DECLARED		NOTING DECLARED	NOTING DECLARED
YOMELELA TYALI	MERCEDES BENZ		BUSINESS ANALYST	
NOZUKO CLAUDIA STEMELA	OOYONGOSE TRADING ANIVUYINA CONTRATION		100% SHARES 100% SHARES	
MONDE MFENE	NOTING DECLARED		NOTING DECLARED	NOTING DECLARED
NTSIKA QALI	BOARD MEMBER AT FRERE HOSPITAL		BOARD MEMBER	
DUMISANI NTYABONTYI	ANEBANGO CIVILS (PRIVATE COMPANY)		CO- DIRECTOR	
SIYABONGA PRECIOUS RUMBU	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED	NOTHING DECLARED
DEBORAH ANNE THERON			SYDNEY TRUST FLAT (IN GQEBERHA)	PROPERTY TRUST LANDLORD/OWNER

DISCLOSURE OF FINANCIAL INTERESTS FOR CITY MANAGER AND HEADS OF DIRECTORATES

Name of Section 56 Manager	Date of Notice to Company	Date of Minute	Particulars of Contract	Nature of Extent of Interest
Mr Mxolisi Yawa			Ndosina Investment Holdings Zondwa Properties (PTY) LTD Zondwa Trust Amaqadi Trust	None 100% Shareholder Trustee None
Ms Noludwe Ncokazi	N/A	N/A	Sasol Inzalo shares Directorship of the following: -Lifa Investment Holdings -Tourism Investment Company -Automotive Industry Development Centre (AIDC) -Eastern Cape Information and Technology Initiative	32 shares for R12 000 -Savings Group – 9,1% -State owned- no remuneration or income -State owned- no remuneration or income -State owned- no remuneration or income
Ms Ncumisa Sidukwana	NOTHING TO DECLARE	NOTHING TO DECLARE	NOTHING TO DECLARE	NOTHING TO DECLARE
Mr Bob Naidoo	NOTHING TO DECLARE	NOTHING TO DECLARE	NOTHING TO DECLARE	NOTHING TO DECLARE

Mr Luyanda Mbula	NOTHING TO DECLARE	NOTHING TO DECLARE	NOTHING TO DECLARE	NOTHING TO DECLARE
Advocate Boniswa Mzimba				
Ms Nomfanelo Mqoqi-Mondi				
Ms Yoliswa Sinyanya	NOTHING TO DECLARE	NOTHING TO DECLARE	NOTHING TO DECLARE	NOTHING TO DECLARE
Mr H. Sikweza	NOTHING TO DECLARE	NOTHING TO DECLARE	NOTHING TO DECLARE	NOTHING TO DECLARE
Mr Ntsikelelo Sigcau	N/A	N/A	Sasol- Sasol Khanyisa Vodacom – Yebo Yethu	53 shares 100 shares

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (I): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						R' 000
Vote Description	2023/2024	Current: 2024/2025			2024/2025 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 01 - Directorate - Executive Support Services	407	–	360	148	100%	-144%
Vote 02 - Directorate - Municipal Manager	16,087	18,375	21,560	31,397	41%	31%
Vote 03 - Directorate - Human Settlement	344,201	367,380	408,974	296,186	-24%	-38%
Vote 04 - Directorate - Chief Financial Officer	3,816,846	3,899,172	3,944,653	3,706,308	-5%	-6%
Vote 05 - Directorate - Corporate Services	15,378	11,816	11,816	15,638	24%	24%
Vote 06 - Directorate - Infrastructure Services	4,781,003	5,215,199	5,447,047	5,715,855	9%	5%
Vote 07 - Directorate - Spatial Planning And Development	201,905	124,802	126,056	152,615	18%	17%
Vote 08 - Directorate - Public Safety & Emergency Services	250,816	199,114	199,114	242,505	18%	18%
Vote 09 - Directorate - Municipal Services	–	–	–	–	0%	0%
Vote 10 - Directorate - Economic Development & Agencies	152,353	237,999	225,711	91,904	-159%	-146%
Vote 11 - Directorate - Solid Waste, Environmental & Health Management	700,990	786,876	771,023	754,520	-4%	-2%
Vote 12 - Directorate - Sport, Recreation & Community Development	64,528	62,642	63,233	46,173	-36%	-37%
Total Revenue by Vote	**10,344,514**	**10,923,375**	**11,219,547**	**11,053,248**	**1%**	**-2%**
Expenditure by Vote						
Vote 01 - Directorate - Executive Support Services	271,921	281,778	259,338	258,821	8%	0%
Vote 02 - Directorate - Municipal Manager	166,466	158,070	174,180	174,057	-10%	0%
Vote 03 - Directorate - Human Settlement	158,914	197,194	250,381	140,453	29%	44%
Vote 04 - Directorate - Chief Financial Officer	907,925	1,155,338	1,205,336	1,136,938	2%	6%
Vote 05 - Directorate - Corporate Services	244,017	242,880	242,672	239,628	1%	1%
Vote 06 - Directorate - Infrastructure Services	6,085,140	7,026,336	7,012,921	7,417,008	-6%	-6%
Vote 07 - Directorate - Spatial Planning And Development	354,466	414,662	330,237	371,625	10%	-13%
Vote 08 - Directorate - Public Safety & Emergency Services	577,714	546,230	486,294	629,057	-15%	-29%
Vote 09 - Directorate - Municipal Services	–	–	–	–	0%	0%
Vote 10 - Directorate - Economic Development & Agencies	267,709	271,674	258,119	142,928	47%	45%
Vote 11 - Directorate - Solid Waste, Environmental & Health Management	807,351	764,477	972,980	972,196	-27%	0%
Vote 12 - Directorate - Sport, Recreation & Community Development	499,615	505,224	554,941	562,166	-11%	-1%
Total Expenditure by Vote	**10,341,240**	**11,563,862**	**11,747,399**	**12,044,876**	**-4%**	**-3%**
Surplus/ (Deficit) for the year	**3,274**	**(640,488)**	**(527,852)**	**(991,627)**	**-55%**	**-88%**
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR						*T K.1*

APPENDIX K (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						R '000
Description	2023/2024	2024/2025			2024/2025 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	2,105,248	2,269,497	2,269,497	2,169,015	-5%	-5%
Service Charges - electricity revenue	2,096,374	2,835,814	2,835,814	3,019,887	6%	6%
Service Charges - water revenue	918,430	911,568	911,568	913,969	0%	0%
Service Charges - sanitation revenue	559,118	603,379	603,379	580,716	-4%	-4%
Service Charges - refuse revenue	470,948	535,777	535,777	479,584	-12%	-12%
Service Charges - other	123,512	153,110	153,110	122,557	0%	0%
Rentals of facilities and equipment	23,136	24,263	24,370	31,261	22%	22%
Interest earned - external investments	318,511	24,000	69,481	72,215	67%	4%
Interest earned - outstanding debtors	111,040	222,299	222,299	375,564	41%	41%
Fines	65,438	9,691	9,691	56,647	83%	83%
Licences and permits	13,685	14,022	14,022	16,427	15%	15%
Agency services	18,764	28,177	28,177	21,002	-34%	-34%
Transfers recognised - operational	1,283,855	1,636,167	1,773,161	1,480,582	-11%	-20%
Other revenue	1,068,121	867,049	868,003	933,906	7%	7%
Gains on disposal of PPE	307,489	–	–	1,211	0%	0%
Total Revenue (excluding capital transfers and contributions)	**9,483,670**	**10,134,811**	**10,318,348**	**10,274,542**	**1.36%**	**-0.43%**
Expenditure By Type						
Employee related costs	2,740,422	2,937,654	2,827,662	2,780,894	-6%	-2%
Remuneration of councillors	72,892	77,686	70,373	70,373	-10%	0%
Debt impairment	1,291,454	1,681,728	1,931,384	1,987,596	15%	3%
Depreciation & asset impairment	1,624,849	2,001,862	1,829,937	2,362,853	15%	23%
Finance charges	46,211	8,966	8,964	44,468	80%	80%
Bulk purchases	2,252,355	2,832,586	2,662,352	2,631,543	-8%	-1%
Inventory consumed	331,267	276,836	299,605	352,601	21%	15%
Contracted services	390,432	927,019	1,082,901	855,285	-8%	-27%
Transfers and grants	71,316	142,581	133,736	61,780	-131%	-116%
Other expenditure	1,062,427	561,946	753,480	671,066	16%	-12%
Loss on disposal of PPE	499,890	114,999	147,005	224,439	49%	35%
Total Expenditure	**10,383,516**	**11,563,862**	**11,747,399**	**12,042,900**	**4%**	**2%**
Surplus/(Deficit)	**(899,845)**	**(1,429,051)**	**(1,429,051)**	**(1,768,358)**	**19%**	**19%**
Transfers recognised - capital	838,435	788,563	901,199	773,040	-2%	-17%
Transfers and subsidies - capital (in-kind - all)	22,409	–	–	5,666	0%	0%
Surplus/(Deficit) for the year after capital transfers and contributions	**(39,001)**	**(640,488)**	**(527,852)**	**(989,651)**	**35%**	**47%**
Taxation		**-**	**-**		**0%**	**0%**
Share of surplus/ (deficit) of associate	42,276	–	–	(1,976)	**100%**	**100%**
Surplus/(Deficit) for the year	**3,274**	**(640,488)**	**(527,852)**	**(991,627)**	**35%**	**47%**
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is						*T K.2*

APPENDIX L: CONDITIONAL GRANTS RECEIVED

Conditional Grants						
						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Finance Management Grant	1,000	1,000	981	-2%	-2%	To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act.
Infrastructure Skills Development Grant	11,000	11,000	10,636	-3%	-3%	To recruit unemployed graduates into municipalities to be trained and professionally registered as per the requirements of the relevant statutory councils within the built environment.
Municipal Disaster Response Grant	–	44,600	16,604	100%	-169%	To provide for the immediate release of funds for disaster response if an occurrence cannot be adequately addressed in line with section 2(1)(b) of the Disaster Management Act.
Urban Settlement Development Grant	535,365	625,365	599,179	11%	-4%	To improve urban land production to the benefit of poor households, reduce cost of urban land, enhance quality of life in informal settlements, subsidise costs of acquiring land & provide basic services for poor households.
Neighbourhood Development Partnership Grant	55,310	37,655	37,266	-48%	-1%	To plan, catalyse, and invest in targeted locations in order to attract and sustain third party capital investments aimed at spatial transformation, that will improve the quality of life, and access to opportunities for residents in South Africa's under-served neighbourhoods, generally townships.
Expanded Public Works Programme Grant	2,314	2,314	2,314	0%	0%	To incentivise municipalities to expand work creation efforts through the use of labour-intensive delivery methods in compliance with the EPWP guidelines. To improve the quality of life of poor people and increase social stability through engaging the unemployed in productive activities.
Programme and Project Preparation Support Grant	15,000	15,000	15,000	0%	0%	To support metropolitan municipalities to develop a pipeline of investment ready capital programmes and projects through establishing and instituionalising an effective and efficient system of programme and project preperation and the allocation of growing level of municipal resources to preperation activities
Informal Settlements Upgrading Partnership Grant	304,707	235,622	235,622	-29%	0%	To provide funding for problematic inclusive and municipality-wide approach to upgrading informal settlements
Municipal DisasterRecovery Grant	–	78,000	6,656	100%	-1072%	To rehabilitate and reconstruct municipal infrastructure damaged by a disaster.
Total	924,696	1,050,556	924,257	0%	-15%	

COMMENT ON CONDITIONAL GRANTS:

Finance Management Grant

To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).

Infrastructure Skills Development Grant

To recruit unemployed graduates into municipalities to be trained and professionally registered as per the requirements of the relevant statutory councils within the built environment.

Expanded Public Works Programme

To incentivise municipalities to expand work creation efforts through the use of labour-intensive delivery methods in compliance with the EPWP guidelines. To improve the quality of life of poor people and increase social stability through engaging the unemployed in productive activities.

Neighbourhood Development Partnership Grant

To plan, catalyse, and invest in targeted locations in order to attract and sustain third party capital investments aimed at spatial transformation, that will improve the quality of life, and access to opportunities for residents in South Africa's under-served neighbourhoods, generally townships.

Programme and Project Preparation Support Grant
To support metropolitan municipalities to develop a pipeline of investment ready capital programmes and projects through establishing and institutionalising an effective and efficient system of programme and project preparation and the allocation of growing level of municipal resources to preparation activities

Informal Settlements Upgrading Partnership Grant
To provide funding for problematic inclusive and municipality-wide approach to upgrading informal settlements.

Urban Settlements Development Partnership Grant
To improve urban land production to the benefit of poor households, reduce cost of urban land, enhance quality of life in informal settlements, subsidise costs of acquiring land & provide basic services for poor households.

Municipal Disaster Response Grant
To provide for the immediate release of funds for disaster response if an occurrence cannot be adequately addressed in line with section 2(1)(b) of the Disaster Management Act.

Municipal Disaster Recovery Grant
To rehabilitate and reconstruct municipal infrastructure following a disaster.

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APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX M (I): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME – EXCLUSIVE OF VAT

Capital Expenditure - New Assets Programme*							R '000
Description	2023/2024	2024/2025			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2024/2025	2025/2026	2026/2027
Capital expenditure by Asset Class							
Infrastructure - Total	**295,822**	**383,834**	**466,373**	**468,134**	**383,834**	**390,874**	**372,911**
Infrastructure: Road transport - Total	**127,909**	**110,120**	**136,489**	**128,102**	**110,120**	**91,667**	**92,609**
Roads, Pavements & Bridges	81,508	71,670	102,935	96,770	71,670	63,863	61,805
Storm water	46,401	38,450	33,554	31,331	38,450	27,804	30,804
Infrastructure: Electricity - Total	**22,151**	**39,477**	**118,289**	**109,164**	**39,477**	**35,150**	**26,000**
Generation							
Transmission & Reticulation	22,151	39,477	118,289	109,164	39,477	35,150	26,000
Street Lighting							
Infrastructure: Water - Total	**109,866**	**162,545**	**150,378**	**180,103**	**162,545**	**185,975**	**203,344**
Dams & Reservoirs							
Water purification	109,866	162,545	150,378	180,103	162,545	185,975	203,344
Reticulation							
Infrastructure: Sanitation - Total	**35,153**	**68,693**	**55,404**	**44,639**	**68,693**	**76,082**	**45,959**
Reticulation							
Sewerage purification	35,153	68,693	55,404	44,639	68,693	76,082	45,959
Infrastructure: Other - Total	**743**	**3,000**	**5,813**	**6,127**	**3,000**	**2,000**	**5,000**
Waste Management							
Transportation							
Gas							
Other	743	3,000	5,813	6,127	3,000	2,000	5,000
Community - Total	**12,487**	**28,569**	**13,666**	**11,973**	**28,569**	**39,709**	**62,500**
Parks & gardens							
Sportsfields & stadia	–	150	43	–	150	300	1,500
Swimming pools							
Community halls							
Libraries	5,186	3,000	1,979	2,246	3,000	2,612	6,000
Recreational facilities	6,561	21,919	8,189	7,122	16,919	22,573	24,000
Fire, safety & emergency	–	3,000	3,000	1,932	3,000	3,000	15,000
Security and policing							
Buses							
Clinics							
Museums & Art Galleries	–	–	–	–	–	3,000	1,000
Cemeteries	510	250	205	456	250	500	1,000
Social rental housing							
Other	230	250	250	217	5,250	7,724	14,000
Table continued next page							

Capital Expenditure - New Assets Programme*							R '000
Description	2023/2024	2024/2025			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2024/2025	2025/2026	2026/2027
Capital expenditure by Asset Class							
Heritage assets - Total	972	–	–	–	–	–	1,000
Buildings							
Other	972	–	–	–	–	–	1,000
Investment properties - Total	**33,289**	**26,000**	**26,647**	**25,261**	**26,000**	**5,224**	**5,224**
Housing development	33,289	26,000	26,647	25,261	26,000	5,224	5,224
Other							
Other assets	**62,924**	**180,920**	**102,519**	**59,232**	**180,920**	**151,981**	**145,787**
General vehicles	14,700	86,800	40,086	21,315	86,800	48,500	31,000
Specialised vehicles							
Plant & equipment	10,857	26,869	17,811	9,372	26,869	38,758	40,300
Computers - hardware/equipment	2,203	3,515	5,224	2,099	3,515	3,615	3,915
Furniture and other office equipment	9,055	26,100	18,834	12,657	26,100	29,324	27,250
Abattoirs							
Markets							
Civic Land and Buildings	2,569	15,000	7,111	6,182	15,000	15,672	3,822
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other	23,539	22,636	13,453	7,607	22,636	16,112	39,500
Agricultural assets	–	–	–	–	–	–	–
List sub-class							
Biological assets	–	–	6,461	5,942	–	–	–
Licences and Rights	–	–	6,461	5,942			
Intangibles	197	13,100	11,962	16,107	13,100	8,100	8,270
Computers - software & programming	197	13,100	11,962	16,107	13,100	8,100	8,270
Other (list sub-class)							
Total Capital Expenditure on new assets	**405,691**	**632,424**	**627,628**	**586,648**	**632,424**	**595,887**	**595,693**
Specialised vehicles	–	–	–	–	–	–	–
Refuse					0		
Fire					0		
Conservancy					0		
Ambulances					0		
** Note: Information for this table may be sourced from MBRR (2009: Table SA34a)*						*T M.1*	*T M.1*

APPENDIX M (II): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME - EXCLUSIVE OF VAT

Capital Expenditure - Upgrade/Renewal Programme*							R '000
Description	2023/2024	2024/2025			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2024/2025	2025/2026	2026/2027
Capital expenditure by Asset Class							
Infrastructure - Total	**622,550**	**544,921**	**715,531**	**593,985**	**544,921**	**607,527**	**596,577**
Infrastructure: Road transport - Total	401,415	207,544	381,987	278,318	207,544	217,594	235,913
Roads, Pavements & Bridges	401,415	207,544	381,987	278,318	207,544	217,594	235,913
Storm water							
Infrastructure: Electricity - Total	105,144	132,888	158,341	161,925	132,888	147,907	118,343
Generation							
Transmission & Reticulation	105,144	132,888	158,341	161,925	132,888	147,907	118,343
Street Lighting							
Infrastructure: Water - Total	56,323	93,528	77,844	65,105	93,528	103,991	105,321
Dams & Reservoirs							
Water purification							
Reticulation	56,323	93,528	77,844	65,105	93,528	103,991	105,321
Infrastructure: Sanitation - Total	59,668	100,861	97,204	88,484	100,861	127,953	126,000
Reticulation	59,668	100,861	97,204	88,484	100,861	127,953	126,000
Sewerage purification							
Infrastructure: Other - Total	–	10,100	153	153	10,100	10,082	11,000
Waste Management							
Transportation	–	10,100	153	153	10,100	10,082	11,000
Gas	–	–	–	–	–	–	
Other	–	–	–	–	–	–	
Community	**73,687**	**41,570**	**49,760**	**31,692**	**41,570**	**57,204**	**117,224**
Parks & gardens	9,429	6,800	7,685	6,722			
Sportsfields & stadia	31,008	11,970	24,318	10,427	11,970	11,858	31,500
Swimming pools							
Community halls	13,416	3,500	3,947	3,594	3,500	3,612	6,224
Libraries							
Recreational facilities							
Fire, safety & emergency	–	–	701	–			
Security and policing							
Buses							
Clinics							
Libraries							
Cemeteries	6,396	3,000	1,330	1,029	3,000	4,950	4,500
Social rental housing							
Other	13,437	16,300	11,779	9,920	23,100	36,784	75,000
Heritage assets	**2,212**	**1,000**	**3,983**	**3,917**	**1,000**	**1,500**	**2,000**
Buildings							
Other	2,212	1,000	3,983	3,917	1,000	1,500	2,000

Capital Expenditure - Upgrade/Renewal Programme*							R '000
Description	2023/2024	2024/2025			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2024/2025	2025/2026	2026/2027
Capital expenditure by Asset Class							
Investment properties	–	–	–	–	–	–	–
Housing development	–			–	–	–	–
Other							
Other assets	**5,562**	**10,800**	**15,165**	**13,882**	**10,800**	**16,224**	**32,200**
General vehicles	–	1,000	–	–	1,000	1,000	1,500
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment							
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other	5,562	9,800	15,165	13,882	9,800	15,224	30,700
Agricultural assets	–	–	–	–	–	–	–
List sub-class							
Biological assets	**462**	**400**	**174**	**217**	**400**	**–**	**500**
Zoo's, Marine and Non-biological Animals	462	400	174	217	400	–	500
Intangibles	–	–	–	–	–	–	–
Computers - software & programming							
Other (list sub-class)	–			–			
Total Capital Expenditure on renewal of existing assets	**704,473**	**598,691**	**784,612**	**643,692**	**598,691**	**682,456**	**748,501**
Specialised vehicles	–	–	–	–	–	–	–
Refuse							
Fire							
Conservancy							
Ambulances							
** Note: Information for this table may be sourced from MBRR (2009: Table SA34b)*							

APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 2024/2025

Capital Programme by Project: 2024/2025					R' 000
Capital Project	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance (Act - Adj) %**	**Variance (Act - OB) %**
DIRECTORATE OF EXECUTIVE SUPPORT SERVICES					
OFFICE FURN AND EQUIPMENT (DIRECTORATE)	500	500	430	-16%	-16%
PROCUREMENT OF COUNCILLOR'S OFFICE FURNITURE	–	540	249	-117%	100%
TOTAL : EXECUTIVE SUPPORT SERVICES	**500**	**1,040**	**679**	**-53%**	**26%**
MUNICIPAL MANAGERS 'OFFICE					
OFFICE FURN AND EQUIPMENT (DIRECTORATE)	500	500	450	-11%	-11%
OFFICE FURNITURE AND EQUIPMENT-EPMO	150	65	65	0%	-131%
SENTIMENT ANALYSIS INTELLIGENCE SOFTWARE SERVICES	9,000	378	–	0%	0%
SENTIMENT ANALYSIS INTELLIGENCE SOFTWARE SERVICES	–	7,772	8,611	10%	100%
AUDIT SOFTWARE	–	1,426	–	0%	0%
TOTAL : MUNICIPAL MANAGER'S OFFICE	**9,650**	**10,141**	**9,126**	**-11%**	**-6%**
DIRECTORATE OF INFRASTRUCTURAL SERVICES					
OFFICE OF THE DIRECTOR					
OFFICE FURN & EQUIPMENT (DIRECTORATE)	500	218	382	43%	-31%
	500	**218**	**382**	**43%**	**-31%**
ELECTRICITY					
BULK ELEC INFRAS UPGR(RING-FENCED 4%)	**117,888**	**154,280**	**158,221**	**2%**	**25%**
LV NETWORK - RC=COASTAL	28,800	30,818	30,818	0%	7%
HV TRANSMISSION NETWORK - RC=COASTAL	27,642	31,635	31,635	0%	13%
HV TRANSMISSION NETWORK - RC=COASTAL	–	17,482	17,482	0%	100%
LV NETWORKS - RW=WHOLE METRO	61,446	55,331	59,271	7%	-4%
HV TRANSMISSION NETWORK - RW=	–	19,014	19,014	0%	100%
ELECTRIFICATION PROGRAMME	**12,000**	**43,197**	**38,525**	**-12%**	**69%**
LV NETWORKS - RW=WHOLE METRO	12,000	5,127	–	0%	0%
LV NETWORKS - RW=WHOLE METRO	–	628	–	0%	0%
LV NETWORKS - RW=WHOLE METRO	–	8,014	8,469	5%	100%
LV NETWORKS - RW=WHOLE METRO	–	29,428	30,056	2%	100%
ELECTRIFICATION - INFORMAL DWELLING AREAS - BCMM	**15,000**	**4,062**	**4,062**	**0%**	**-269%**
LV NETWORKS - RW=WHOLE METRO	15,000	4,062	4,062	0%	-269%

STREET LIGHT & HIGHASTS - BCMM AREAS OF SUPPLY	**10,000**	**9,712**	**9,712**	**0%**	**-3%**
LV NETWORKS - RW=WHOLE METRO	10,000	9,712	9,712	0%	-3%
TOOLS AND EQUIPMENT (SPECIALISED VEHICLES)	2,000	1,369	1,631	16%	-23%
BUILDING ALTERATIONS -BEACON BAY CIVIC CENTRE & OPERATIONS DEPOT	1,000	699	699	0%	-43%
	157,888	**213,319**	**212,849**	**0%**	**26%**
ROADS					
CONSTRUCTION OF ROAD INFRASTRUCTURE - TOYANA ROAD	19,655	2,000	1,611	-24%	-1120%
CONSTRUCTION OF ROAD INFRASTRUCTURE - TOYANA ROAD	–	3,396	3,396	0%	100%
REHABILIT OF BCMM BRIDGES AND STORMWATER	2,500	2,449	2,449	0%	-2%
REHABILITATION OF BEACONHURST DRIVE	4,000	–	–	0%	0%
REHABILITATION OF BEACONHURST DRIVE	–	4,004	4,004	0%	100%
REHABILITATION OF SETTLER'S WAY	–	11,687	11,687	0%	100%
EMERGENCY DISASTER MANAGEMNT PROJECTS : MUNICIPAL DISASTER RESPONSE GRANT	**–**	**44,600**	**16,604**	**-169%**	**100%**
ROADS REHABILITATION & CULVERT REHAB	–	2,500	–	0%	0%
ROADS REHAB & S/WATER UPGR IN ROBBIE DEL	–	2,000	1,280	-56%	100%
STORMWATER REHABILITATION AND UPGRADE	–	1,500	991	-51%	100%
ROADS REHABILITATION & STORMWATER UPGRAD	–	3,000	672	-346%	100%
ROADS REHABILITATION & STORMWATER UPGRAD	–	2,000	100	-1908%	100%
ROADS REHABILITATION & STORMWATER REHAB	–	1,500	–	0%	0%
MDANT UNIT 1 PIPE CULV INSTAL & UPGR & 2	–	2,500	2,000	-25%	100%
MDANTSANE UNIT 6 CULVERT REHABILITATION	–	2,500	183	-1266%	100%
MDANTSANE UNIT 6: CULVERT REHABILITATION	–	2,500	972	-157%	100%
MDANTSANE UNIT 6 CULVERT REHABILITATION	–	2,000	–	0%	0%
PORTAL CULVERT REHAB & ROAD REHABILITATI	–	1,600	849	-88%	100%
ROAD REHAB & S/WATER UPGR MDODA ST GINSB	–	3,000	2,557	-17%	100%
DIMBAZA STORMWATER DRAINAGE UPGRADE	–	2,000	1,632	-23%	100%
STORMWATER UPGRADE JOUBERT ST (QONCE)	–	2,000	592	-238%	100%
UPGR PIPE CULV CROSS DAMAGED BY FLOOD TO	–	2,000	62	-3105%	100%
UPGR STORMWATER DRAINAGE & ROAD REHABILI	–	3,000	1,523	-97%	100%
STORMWATER DRAINAGE UPGRADE	–	1,000	441	-127%	100%
S/WATER DRAIN UPGR JOHN NASH CRES & FALK	–	1,500	68	-2101%	100%

MDANTSANE UNIT 3 CULVERT UPGRADE	–	1,372	151	-808%	100%
STORMWATER DRAINAGE UPGRADE 4TH AVE GONU	–	2,128	2,128	0%	100%
STORMWATER DRAINAGE UPGRADE & GRAVEL ROA	–	2,000	402	-397%	100%
STORMWATER DRAINAGE UPGRADE & ROADS REHA	–	1,000	–	0%	0%
EMERGENCY DISASTER MANAGEMNT PROJECTS : DISASTER RECOVERY GRANT	**–**	**78,000**	**6,656**	**-1072%**	**100%**
KWELERA/TUBA/ZOZO/BOTHA STORM DAMAGE	–	3,500	–	0%	0%
UNIT P ROADS AND STORMWATER UPGRADE	–	3,500	–	0%	0%
ZWELITSHA ZONE 9 STORMWATER UPGRADE	–	2,000	886	-126%	100%
SMYTHELANDS RD CULVERT CROSS (NAHOON RIV	–	10,000	–	0%	0%
SUNRISE ON SEA ROAD AND STORMWATER UPGRA	–	2,500	–	0%	0%
AMALINDA/ MORNINGSIDE ROADS & CULVERT RE	–	4,500	–	0%	0%
TIKINIKINI CULVERT UPGRADE	–	1,500	–	0%	0%
CAMBRIDGE TOWNSHIP ROAD REHABILITATION	–	2,000	–	0%	0%
POTSDAM ROADS AND CULVERT REHABILITATION	–	1,500	–	0%	0%
ZWELITSHA ZONE 8 STORMWATER UPGRADE	–	2,000	316	-533%	100%
NORD AVE CULVERT REHABILITATION	–	3,500	65	-5275%	100%
GALWAY RD CULVERT UPGRADE	–	12,500	2,556	-389%	100%
NOMPHUMELELO	–	2,500	825	-203%	100%
NU 2 CULVERT UPGRADE	–	3,000	78	-3735%	100%
GONUBIE ACCESS RD TO THE QUENERA W/WATER	–	6,000	760	-690%	100%
NU 13 STORMWATER UPGRADE	–	1,500	–	0%	0%
NU 14 CULVERT UPGRADE	–	3,000	–	0%	0%
NU 14 STORMWATER UPGRADE	–	1,500	–	0%	0%
ESPLANADE SIDEWALK REHABILITATION	–	3,000	–	0%	0%
PEFFERVILLE STORMWATER UPGRADE	–	–	–	0%	0%
SCENERY PARK STORMWATER UPGRADE	–	4,000	1,122	-256%	100%
CAMBRIDGE ROADS REHABILITATION	–	3,000	48	-6204%	100%
NU 16 STORMWATER UPGRADE	–	1,500	–	0%	0%
ROADS PROVISION	**34,000**	**38,085**	**60,760**	**37%**	**44%**
ROADS PROVISION - WARD 01	1,000	–	–	0%	0%
ROADS PROVISION - WARD 02	1,000	–	–	0%	0%
ROADS PROVISION - WARD 03	1,000	–	–	0%	0%
ROADS PROVISION - WARD 04	1,000	1,894	4,480	58%	78%
ROADS PROVISION - WARD 05	1,000	1,915	1,915	0%	48%
ROADS PROVISION - WARD 05	1,000	971	971	0%	-3%
ROADS PROVISION - WARD 06	1,000	1,496	1,496	0%	33%

ROADS PROVISION - WARD 07	1,000	–	–	0%	0%
ROADS PROVISION - WARD 08	1,000	633	633	0%	-58%
ROADS PROVISION - WARD 09	1,000	–	–	0%	0%
ROADS PROVISION - WARD 12	1,000	–	–	0%	0%
ROADS PROVISION - WARD 13	1,000	3,535	3,535	0%	72%
ROADS PROVISION - WARD 16	1,000	–	–	0%	0%
ROADS PROVISION - WARD 18	1,000	–	–	0%	0%
ROADS PROVISION - WARD 19	1,000	985	985	0%	-2%
ROADS PROVISION - WARD 20	1,000	993	993	0%	-1%
ROADS PROVISION - WARD 22	1,000	1,000	1,000	0%	0%
ROADS PROVISION - WARD 25	1,000	1,462	1,462	0%	32%
ROADS PROVISION - WARD 26	1,000	993	993	0%	-1%
ROADS PROVISION - WARD 27	1,000	989	989	0%	-1%
ROADS PROVISION - WARD 28	1,000	995	4,655	79%	79%
ROADS PROVISION - WARD 29	1,000	633	633	0%	-58%
ROADS PROVISION - WARD 31	1,000	633	633	0%	-58%
ROADS PROVISION - WARD 32	1,000	986	986	0%	-1%
ROADS PROVISION - WARD 34	1,000	701	701	0%	-43%
ROADS PROVISION - WARD 35	1,000	1,041	1,041	0%	4%
ROADS PROVISION - WARD 36	1,000	942	942	0%	-6%
ROADS PROVISION - WARD 39	1,000	1,015	1,015	0%	1%
ROADS PROVISION - WARD 41	1,000	36	36	0%	-2676%
ROADS PROVISION - WARD 43	1,000	923	923	0%	-8%
ROADS PROVISION - WARD 44	1,000	–	–	0%	0%
ROADS PROVISION - WARD 45	1,000	1,962	1,962	0%	49%
ROADS PROVISION - WARD 47	1,000	5,335	5,335	0%	81%
ROADS PROVISION - WARD 50	1,000	6,016	6,016	0%	83%
	–	**10,495**	**10,495**	**0%**	**100%**
ROADS PROVISION - WARD 01	–	929	929	0%	100%
ROADS PROVISION - WARD 02	–	992	992	0%	100%
ROADS PROVISION - WARD 03	–	936	936	0%	100%
ROADS PROVISION - WARD 04	–	984	984	0%	100%
ROADS PROVISION - WARD 05	–	98	98	0%	100%
ROADS PROVISION - WARD 06	–	980	980	0%	100%
ROADS PROVISION - WARD 09	–	994	994	0%	100%
ROADS PROVISION - WARD 12	–	973	973	0%	100%
ROADS PROVISION - WARD 13	–	633	633	0%	100%
ROADS PROVISION - WARD 16	–	1,291	1,291	0%	100%
ROADS PROVISION - WARD 18	–	1,686	1,686	0%	100%
ROADS PROVISION	**13,000**	**14,272**	**14,272**	**0%**	**9%**
ROADS PROVISION - WARD 08	2,000	2,301	2,301	0%	13%
ROADS PROVISION - WARD 10	2,000	2,296	2,296	0%	13%
ROADS PROVISION - WARD 11	2,000	2,256	2,256	0%	11%

ROADS PROVISION - WARD 15	2,000	1,903	1,903	0%	-5%
ROADS PROVISION - WARD 16	2,500	2,704	2,704	0%	8%
ROADS PROVISION - WARD 42	2,500	2,813	2,813	0%	11%
RURAL ROADS	**37,000**	**52,492**	**57,695**	**9%**	**36%**
RURAL ROADS - WARD 37	1,000	3,570	8,773	59%	89%
RURAL ROADS - WARD 17	2,250	3,691	3,691	0%	39%
RURAL ROADS - WARD 22	2,250	2,587	2,587	0%	13%
RURAL ROADS - WARD 24	2,250	4,374	4,374	0%	49%
RURAL ROADS - WARD 25	2,250	2,587	2,587	0%	13%
RURAL ROADS - WARD 26	2,250	4,287	4,287	0%	48%
RURAL ROADS - WARD 31	2,250	2,388	2,388	0%	6%
RURAL ROADS - WARD 32	2,250	2,515	2,515	0%	11%
RURAL ROADS - WARD 33	2,250	2,584	2,584	0%	13%
RURAL ROADS - WARD 34	2,250	1,921	1,921	0%	-17%
RURAL ROADS - WARD 35	2,250	2,568	2,568	0%	12%
RURAL ROADS - WARD 36	2,250	4,274	4,274	0%	47%
RURAL ROADS - WARD 38	2,250	2,584	2,584	0%	13%
RURAL ROADS - WARD 40	2,250	4,805	4,805	0%	53%
RURAL ROADS - WARD 43	2,250	2,582	2,582	0%	13%
RURAL ROADS - WARD 49	2,250	2,586	2,586	0%	13%
RURAL ROADS - WARD 50	2,250	2,587	2,587	0%	13%
UPGR OF MDANTSANE RDS	**12,500**	**10,899**	**10,899**	**0%**	**-15%**
UPGR OF MDANTSANE RDS - CLUST 1: WARD 11	2,500	1,172	1,172	0%	-113%
UPGR OF MDANTSANE RDS - CLUST 1: WARD 12	2,500	1,714	1,714	0%	-46%
UPGR OF MDANTSANE RDS - CLUST 1: WARD 14	2,500	2,548	2,548	0%	2%
UPGR OF MDANTSANE RDS - CLUST 1: WARD 17	2,500	2,875	2,875	0%	13%
UPGR OF MDANTSANE RDS - CLUST 1: WARD 42	2,500	2,589	2,589	0%	3%
UPGR OF MDANTSANE RDS - CLUST 2	**12,232**	**21,197**	**21,197**	**0%**	**42%**
UPGR OF MDANTSANE RDS - CLUST 2: WARD 11	2,500	2,863	2,863	0%	13%
UPGR OF MDANTSANE RDS - CLUST 2: WARD 17	2,500	4,163	4,163	0%	40%
UPGR OF MDANTSANE RDS - CLUST 2: WARD 20	2,500	3,753	3,753	0%	33%
UPGR OF MDANTSANE RDS - CLUST 2: WARD 30	2,232	3,810	3,810	0%	41%
UPGR OF MDANTSANE RDS - CLUST 2: WARD 48	2,500	6,608	6,608	0%	62%
UPGR OF MDANTSANE RDS - CLUST 3	**10,000**	**12,349**	**12,349**	**0%**	**19%**
UPGR OF MDANTSANE RDS - CLUST 3: WARD 20	2,500	2,875	2,875	0%	13%
UPGR OF MDANTSANE RDS - CLUST 3: WARD 21	2,500	3,765	3,765	0%	34%
UPGR OF MDANTSANE RDS - CLUST 3: WARD 23	2,500	2,835	2,835	0%	12%
UPGR OF MDANTSANE RDS - CLUST 3: WARD 24	2,500	2,875	2,875	0%	13%
URBAN ROADS	**5,000**	**6,993**	**6,993**	**0%**	**28%**
URBAN ROADS - WARD 37	2,000	4,768	4,768	0%	58%

URBAN ROADS - WARD 39	3,000	2,225	2,225	0%	-35%
EBUHLANTI/GLEN MARINE	–	10,665	10,665	0%	100%
GONUBIE INTERNAL ROADS REHABILITATION	2,200	–	–	0%	0%
GONUBIE INTERNAL ROADS REHABILITATION	–	7,369	7,369	0%	100%
	152,087	**330,951**	**259,099**	**-28%**	**41%**
WASTEWATER					
SANITATION FACILITIES IN INFORMAL SETTLEMENTS	10,000	9,956	9,956	0%	0%
BISHO KWT & ZWELITSHA BULK REG SEWER SCHEME	16,122	36,118	36,118	0%	55%
BISHO KWT & ZWELITSHA BULK REG SEWER SCHEME	–	479	479	0%	100%
MDANTSANE WASTEWATER TREATMENT WORKS	18,739	30,743	30,743	0%	39%
UPGRADING OF POTSDAM WASTEWATER TREATMENT WORKS	12,000	6,183	6,183	0%	-94%
DUCATS SANITATION	2,000	–	–	0%	0%
UPGRADING OF FIRST CREEK OUTFALL SEWER	4,000	–	–	0%	0%
UPGRADING OF SECOND CREEK OUTFALL SEWER	3,000	–	–	0%	0%
REFURBISHMENT OF MDANTSANE NETWORK FLOOD DAMAGES	14,000	–	(0)	100%	0%
REFURBISHMENT OF MDANTSANE NETWORK FLOOD DAMAGES	–	8,478	8,478	0%	100%
UPGRADING OF EAST BANK WASTEWATER TREATMENT WORKS	7,000	–	–	0%	0%
UPGRADING OF EAST BANK WASTEWATER TREATM	–	2,744	3,218	15%	100%
RENEWAL OF CENTRAL WASTEWATER TREATEMENT WORKS	4,000	–	–	0%	0%
RENEWAL OF SCHORNVILLE WASTEWATER TREATEMENT WORKS	7,000	–	–	0%	0%
UPGRADING OF NAHOON BULK OUTFALL SEWER	3,000	6,623	7,519	12%	60%
INSTALLATION OF GROUNDWATER MONITORING BOREHOLES FOR WASTEWATER TREATMENT WORKS	1,000	1,004	669	-50%	-49%
NEW KIDDS BEACH WASTEWATER TREATMENT WORKS	4,000	–	–	0%	0%
REFURBISHMENT OF OLD ZWELITSHA WASTEWATER TREATMENT WORKS	–	2,090	–	0%	0%
REFURBISHMENT OF IHLANZA PUMP STATION	–	474	–	0%	0%
SECURITY UPGRADES TO WASTEWATER TREATMENT WORKS					
BISHO OXIDATION PONDS	1,500	–	–	0%	0%
BREIDBACH OXIDATION PONDS	1,500	–	–	0%	0%
BISHO OXIDATION PONDS	–	2,270	2,270	0%	100%

SECURITY UPGRADES TO SEWERAGE PUMP STATION					
SECOND CREEK PUMP STATION	2,000	–	–	0%	0%
YELLOWWOOD PUMP STATION	2,000	–	–	0%	0%
	112,861	**107,160**	**107,644**	**0%**	**-5%**
SCIENTIFIC SERVICES					
PURCHASE OF CRITICAL LABORATORY EQUIPMENT	3,000	–	–	0%	0%
UPGRADING OF LABORATORY		189	189	0%	100%
	3,000	**189**	**189**	**0%**	**-1486%**
WATER DEPT					
KWT & BHISHO INFRASTRUCTURE	**8,500**	**7,321**	**7,321**	**0%**	**-16%**
BULK MAINS-KWT & BHISHO INFRASTRUCTURE	1,500	1,105	1,105	0%	-36%
DAMS AND WEIRS-KWT & BISHO INFRASTRUCTURE	2,000	–	–	0%	0%
WATER TREATMENT WORKS-KWT & BISHO INFRASTRUCTURE	5,000	1,178	715	-65%	-599%
WATER TREATMENT WORKS-KWT & BISHO INFRASTRUCTURE	–	5,038	5,500	8%	100%
UPGRADE WATER NETWORKS	**19,000**	**209**	**209**	**0%**	**-8982%**
BULK MAINS-UPGRADE WATER NETWORKS	14,000	209	209	0%	-6592%
PUMP STATION-UPGRADE WATER NETWORKS	5,000	–	–	0%	0%
WATER BACKLOGS	**15,000**	**18,702**	**18,702**	**0%**	**20%**
BULK MAINS-WATER BACKLOGS	5,000	18,702	18,702	0%	73%
DISTRIBUTION MAINS-WATER BACKLOGS	5,000	–	–	0%	0%
RESERVOIRS-WATER BACKLOGS	5,000	–	–	0%	0%
PIPE AND WATER METER REPLACEMENT IN BISHO,KWT & DIMBAZA	**20,200**	**19,187**	**17,219**	**-11%**	**-17%**
BULK-PIPE AND WATER METER REPLACEMENT IN BISHO,KWT & DIMBAZA	4,000	–	–	0%	0%
DISTRIBUTION POINTS-PIPE AND WATER METER REPLACEMENT IN BISHO,KWT & DIMBAZA	4,000	7,723	5,755	-34%	31%
RESERVOIRS-PIPE AND WATER METER REPLACEMENT IN BISHO,KWT & DIMBAZA	2,500	11,464	11,464	0%	78%
PUMP STATION-PIPE AND WATER METER REPLACEMENT IN BISHO,KWT & DIMBAZA	2,500	–	–	0%	0%
WATER TREATMENT WORKS-PIPE AND WATER METER REPLACEMENT IN BISHO,KWT & DIMBAZA	7,200	–	–	0%	0%
PIPE AND WATER METER REPLACEMENT IN EL	**13,000**	**14,023**	**14,023**	**0%**	**7%**

BULK-PIPE AND WATER METER REPLACEMENT IN EL	3,000	4,058	4,058	0%	26%
DISTRIBUTION POINTS-PIPE AND WATER METER REPLACEMENT IN EL	3,000	3,410	3,410	0%	12%
RESERVOIRS-PIPE AND WATER METER REPLACEMENT IN EL	3,800	3,331	3,331	0%	-14%
WATER TREATMENT WORKS-PIPE AND WATER METER REPLACEMENT IN EL	3,200	3,224	3,224	0%	1%
PIPE AND WATER METER REPLACEMENT IN MDANTSANE	**12,200**	**12,530**	**15,756**	**20%**	**23%**
BULK-PIPE AND WATER METER REPLACEMENT IN MDANTSANE	3,500	1,851	1,851	0%	-89%
DISTRIBUTION POINTS-PIPE AND WATER METER REPLACEMENT IN MDANTSANE	2,500	8,038	8,038	0%	69%
RESERVOIRS-PIPE AND WATER METER REPLACEMENT IN MDANTSANE	6,200	2,641	5,867	55%	-6%
DISTRIBUTION-AMAHLEKE WATER SUPPLY	12,500	13,769	13,769	0%	9%
ALTERNATIVE WATER SUPPLY	7,000	7,320	7,320	0%	4%
RESERVOIRS EAST COAST SUPPLY	9,000	13,768	13,768	0%	35%
UMZONYANA DAM AND EAST COAST WATER SUPPLY UPGRADE	18,128	18,128	7,452	-143%	-143%
W/DEMAND MANGM - WATER CONSERV - PRV STA	6,000	5,858	5,858	0%	-2%
INFORMAL SETTLEMENTS	**24,000**	**24,871**	**24,871**	**0%**	**4%**
WATER MAINS-INFORMAL SETTLEMENTS INLAND	7,000	7,693	7,693	0%	9%
WATER SUPPLY -INFORMAL SETTLEMENTS COASTAL	8,000	7,159	7,159	0%	-12%
DISTRIBUTION MAINS- INFORMAL SETTLEMENTS MIDLANDS	9,000	10,020	10,020	0%	10%
	164,528	**155,685**	**146,267**	**-6%**	**-12%**
FLEET					
BCM FLEET PLANT SPEC EQUIP & S/WASTE VEH	60,000	15,419	13,963	-10%	-330%
BCM FLEET PLANT SPEC EQUIP & S/WASTE VEH	–	716	659	-9%	100%
TOTAL : INFRASTRUCTURE SERVICES	**650,863**	**823,656**	**741,053**	**-11%**	**12%**
DIRECTORATE OF FINANCIAL SERVICES					
OFFICE FURN & EQUIPMENT (DIRECTORATE)	850	1,481	1,481	0%	43%
OFFICE FURN & EQUIPMENT (DIRECTORATE)	115	19	–	0%	0%
SMART METERING SOLUTIONS (ELECTRICITY)	16,477	65,327	65,327	0%	75%
SMART METERING WATER SOLUTIONS	35,931	28,247	73,398	62%	51%
ACQUIRE ERP SYSTEM (ASSET MANAGEMENT SYSTEM,PROCUREMENT SYSTEM, etc)	10,000	–	(0)	100%	0%
REFURBISHMENT OF MUNIFIN BUILDING	3,000	2,000	814	-146%	-269%

CONSTRUCTION OF OFFICE ACCOMODATION - CUSTOMER CARE OFFICE-MIDLAND	4,686	3,186	694	-359%	-575%
CONSTRUCTION OF OFFICE ACCOMODATION - CUSTOMER CARE OFFICE-MIDLAND	–	1,358	729	-86%	100%
OFFICE FURN & EQUIPMENT (DIRECTORATE)	–	22	22	0%	100%
INDIGENT MANAGEMENT MODULE	–	4,687	–	0%	0%
INDIGENT MANAGEMENT MODULE	–	703	4,109	83%	100%
TOTAL : FINANCIAL SERVICES	**71,058**	**107,029**	**146,574**	**27%**	**52%**
DIRECTORATE OF CORPORATE SERVICES					
OFFICE FURN AND EQUIPMENT (DIRECTORATE)	500	170	621	73%	19%
EMPLOYEE PERFORMANCE MANAGEMENT SYSTEM	3,000	–	–	0%	0%
EMPLOYEE PERFORMANCE MANAGEMENT SYSTEM	–	2,610	2,610	0%	100%
PAY DAY ELECTRONIC ATTENDANCE SYSTEM FOR BCMM	3,000	3,000	–	0%	0%
PAY DAY ELECTRONIC ATTENDANCE SYSTEM FOR BCMM	–	213	–	0%	0%
PAY DAY ELECTRONIC ATTENDANCE SYSTEM FOR BCMM	–	777	777	0%	100%
FIBRE NETWORK	1,500	1,108	1,044	-6%	-44%
FIBRE NETWORK	–	180	180	0%	100%
LTE INFRASTRUCTURE	1,000	52	–	0%	0%
LTE INFRASTRUCTURE	–	3,026	4,003	24%	100%
DISASTER RECOVERY ENHANCEMENT	1,500	1,500	899	-67%	-67%
PROCUREMENT OF ICT EQUIPMENT	1,000	1,984	1,374	-44%	27%
PROCUREMENT OF ICT EQUIPMENT		121	121	0%	100%
OFFICE FURNITURE AND EQUIPMENT FOR INTERNS	200	200	65	-209%	-209%
MASTER DATA MANAGEMENT	3,000	–	–	0%	0%
WI-FI	2,000	2,000	603	-232%	-232%
WI-FI	–	1,000	–	0%	0%
TOTAL : CORPORATE SERVICES	**16,700**	**17,941**	**12,298**	**-46%**	**-36%**
DIRECTORATE OF HUMAN SETTLEMENT					
OFFICE FURN & EQUIPMENT (DIRECTORATE)	500	413	413	0%	-21%
AMALINDA 179 MILITARY VETERANS	**3,000**	**–**	**(0)**	**100%**	0%
AMALINDA 179 MILITARY VETERANS- STORMWATER	750	–	–	0%	0%
AMALINDA 179 MILITARY VETERANS- ROADS	750	–	–	0%	0%
AMALINDA 179 MILITARY VETERANS- SANITATION	750	–	–	0%	0%
AMALINDA 179 MILITARY VETERANS- WATER	750	–	–	0%	0%

DIMBAZA SHUTER HOUSES: DETAILED INFRASTRUCTURE INVESTIGATION	**4,000**	**2,145**	**2,145**	**0%**	**-86%**
DIMBAZA SHUTER HOUSES: DETAILED INFRASTRUCTURE INVESTIGATION - STORMWATER 10%	1,000	357	357	0%	-180%
DIMBAZA SHUTER HOUSES: DETAILED INFRASTRUCTURE INVESTIGATION- ROADS	1,000	517	517	0%	-93%
DIMBAZA SHUTER HOUSES: DETAILED INFRASTRUCTURE INVESTIGATION- SANITATION	1,000	522	522	0%	-92%
DIMBAZA SHUTER HOUSES: DETAILED INFRASTRUCTURE INVESTIGATION- WATER	1,000	749	749	0%	-34%
PHAKAMISA SOUTH	**7,000**	**11,677**	**11,677**	**0%**	**40%**
PHAKAMISA SOUTH - STORMWATER	2,000	2,269	2,269	0%	12%
PHAKAMISA SOUTH -ROADS	2,000	3,883	3,883	0%	48%
ILITHA 177	**2,000**	**–**	**–**	**0%**	**0%**
ILITHA 177 - STORMWATER 10%	500	–	–	0%	0%
ILITHA 177 - ROADS	500	–	–	0%	0%
ILITHA 177 - SANITATION	500	–	–	0%	0%
ILITHA 177 - WATER	500	–	–	0%	0%
REESTON PHASE 3 STAGE 2	**19,424**	**17,098**	**12,501**	**-37%**	**-55%**
REESTON PHASE 3 STAGE 2 - STORMWATER 10%	5,000	1,106	1,106	0%	-352%
REESTON PHASE 3 STAGE 2 - ROADS	4,500	5,103	5,103	0%	12%
REESTON PHASE 3 STAGE 2 - SANITATION	5,000	2,964	2,964	0%	-69%
REESTON PHASE 3 STAGE 2 - WATER	4,924	7,924	3,328	-138%	-48%
POTSDAM IKHWEZI BL 1	**13,000**	**6,734**	**6,734**	**0%**	**-93%**
POTSDAM IKHWEZI BL 1 - STORMWATER	2,500	783	783	0%	-219%
POTSDAM IKHWEZI BL 1- ROADS	2,500	–	–	0%	0%
POTSDAM IKHWEZI BL 1 - SANITATION	5,500	5,951	5,951	0%	8%
POTSDAM IKHWEZI BL 1 - WATER	2,500	–	–	0%	0%
POTSDAM IKHWEZI BL 2 - STORMWATER	**1,000**	**–**	**–**	**0%**	**0%**
POTSDAM IKHWEZI BL 2 - STORMWATER	250	–	–	0%	0%
POTSDAM IKHWEZI BL 2- ROADS	250	–	–	0%	0%
POTSDAM IKHWEZI BL 2 - SANITATION	250	–	–	0%	0%
POTSDAM IKHWEZI BL 2 - WATER	250	–	–	0%	0%
POTSDAM NORTH KANANA - STORMWATER	**1,000**	**–**	**–**	**0%**	**0%**
POTSDAM NORTH KANANA - WATER	1,000	–	–	0%	0%
DUNCAN VILLAGE PROPER	**100**	**–**	**–**	**0%**	**0%**
DUNCAN VILLAGE PROPER - STORMWATER	100	–	–	0%	0%

MDANTSANE Z 18 CC PH 2	**14,000**	**20,998**	**20,998**	**0%**	**33%**
MDANTSANE Z 18 CC PH 2 - STORMWATER	5,000	7,998	7,998	0%	37%
MDANTSANE Z 18 CC PH 2 - ROADS	9,000	13,000	13,000	0%	31%
CLUSTER 1	**1,000**	**–**	**–**	**0%**	**0%**
CLUSTER 1 - STORMWATER	250	–	–	0%	0%
CLUSTER 1 - ROADS	250	–	–	0%	0%
CLUSTER 1 - SANITATION	250	–	(0)	0%	0%
CLUSTER 1 - WATER	250	–	–	0%	0%
CLUSTER 1	**–**	**1,070**	**1,070**	**0%**	**100%**
CLUSTER 1 - ROADS		1,070	1,070	0%	100%
CLUSTER 2	**15,000**	**12,490**	**12,489**	**0%**	**-20%**
CLUSTER 2 - STORMWATER	3,750	3,248	3,248	0%	-15%
CLUSTER 2 - ROADS	3,750	0	–	0%	0%
CLUSTER 2 - ROADS	–	3,376	3,376	0%	100%
CLUSTER 2 - SANITATION	3,750	–	–	0%	0%
CLUSTER 2 - SANITATION	–	3,366	3,366	0%	100%
CLUSTER 2 - WATER	3,750	–	–	0%	0%
CLUSTER 2 - WATER	–	2,499	2,499	0%	100%
CLUSTER 2 - STORMWATER		810	810	0%	100%
CLUSTER 3	**2,000**	**50**	**50**	**0%**	**-3873%**
CLUSTER 3 - STORMWATER	500	–	–	0%	0%
CLUSTER 3 - ROADS	500	–	–	0%	0%
CLUSTER 3 - SANITATION	500	50	50	0%	-893%
CLUSTER 3 - WATER	500	–	–	0%	0%
DUNCAN VILL COMP/SITE	**100**	**–**	**–**	**0%**	**0%**
DUNCAN VILL COMP/SITE -SANITATION	100	–	–	0%	0%
TYUTYU PHASE 3	**2,000**	**6,587**	**6,587**	**0%**	**70%**
TYUTYU PHASE 3 - STORMWATER	500	449	449	0%	-11%
TYUTYU PHASE 3 - ROADS	600	2,475	2,475	0%	76%
TYUTYU PHASE 3 - SANITATION	400	3,210	3,210	0%	88%
TYUTYU PHASE 3 - WATER	500	453	453	0%	-10%
WESTBANK RESTITUTION	**13,000**	**4,336**	**4,336**	**0%**	**-200%**
WESTBANK RESTITUTION - STORMWATER	3,000	3,428	3,428	0%	12%
WESTBANK RESTITUTION - ROADS	3,000	–	–	0%	0%
WESTBANK RESTITUTION - SANITATION	3,924	209	209	0%	-1774%
WESTBANK RESTITUTION - WATER	3,076	699	699	0%	-340%
C SECTION & TRIANGULAR SITE	**1,000**	**–**	**(0)**	**100%**	**0%**

C SECTION & TRIANGULAR SITE - STORMWATER	100	–	–	0%	0%
C SECTION & TRIANGULAR SITE - ROADS	400	–	–	0%	0%
C SECTION AND TRIANGULAR SITE - SANITATION	–	–	–	0%	0%
C SECTION AND TRIANGULAR SITE - WATER	500	–	(0)	100%	0%
D HOSTEL	**1,200**	**–**	**0**	**100%**	**0%**
D HOSTEL - STORMWATER	300	–	–	0%	0%
D HOSTEL - ROADS	348	–	–	0%	0%
D HOSTEL - SANITATION	250	–	–	0%	0%
D HOSTEL - WATER	302	–	0	100%	0%
D HOSTEL - FENCING	–	3,625	3,625	0%	100%
BREIDBACH SERVICES PROJECT	–	4,000	5,000	20%	100%
FORD MSIMANGO	**100**	**–**	**–**	**0%**	**0%**
FORD MSIMANGO - SANITATION	100	–	–	0%	0%
N2 ROAD RESERVE	**1,000**	**–**	**–**	**0%**	**0%**
N2 ROAD RESERVE - WATER	–	–	–	0%	0%
HANI PARK - WATER	1,000	2,795	2,795	0%	64%
HLALANI - WATER	1,000	2,289	2,289	0%	56%
PHOLA PARK - WATER	1,000	1,861	1,861	0%	46%
BERLIN LINGELITSHA - PHASE 1 - WATER	2,000	–	–	0%	0%
ILITHA SPORTSFIELD - WATER	5,000	3,612	3,612	0%	-38%
EMPILISWENI - WATER	3,000	–	–	0%	0%
MATSHENI PARK - WATER	3,000	6,475	6,475	0%	54%
KHAYELITSHA - WATER	3,000	1,817	1,817	0%	-65%
XHWITINJA - WATER	500	–	–	0%	0%
KWATSHATUSHU - WATER	100	–	–	0%	0%
GINSBERG - WATER	3,000	4,807	4,807	0%	38%
SLOVO PARK - WATER	1,000	–	–	0%	0%
EKUPHUMLENI - WATER	2,312	1,637	1,637	0%	-41%
ETHEMBENI - WATER	500	–	–	0%	0%
EAST BANK RESTITUTION - WATER	1,500	–	–	0%	0%
REESTON PHASE 2 STAGE 3 -(KHAYELITSHA INTERNAL ROADS	6,000	–	–	0%	0%
REESTON PHASE 2 STAGE 3 -(KHAYELITSHA INTERNAL ROADS	–	5,986	5,986	0%	100%
KAISERS BEACH INTERNAL ROADS	6,000	3,950	3,950	0%	-52%
BREIDBACH SERVICES PROJECT	12,000	1,000	–	0%	0%
MANYANO THEMBELIHLE RD & STORMWATER	6,000	–	0	100%	0%
MANYANO THEMBELIHLE RD & STORMWATER	–	1,113	1,113	0%	100%
STONEY DRIFT TRA	1,000	–	–	0%	0%
NOMPUMELELO TRA	1,000	–	–	0%	0%

PIKINIKINI TRA	1,000	–	–	0%	0%
MZAMOMHLE ROADS	6,000	7,377	7,377	0%	19%
NONDULA-WATER	500	–	–	0%	0%
SUNNY SOUTH ROADS	6,000	(0)	(0)	0%	0%
GQOZO VILLAGE-STORMWATER	**1,000**	**–**	**–**	**0%**	**0%**
GQOZO VILLAGE-STORMWATER	200	–	–	0%	0%
GQOZO VILLAGE-ROADS	200	–	–	0%	0%
GQOZO VILLAGE-SANITATION	200	–	–	0%	0%
GQOZO VILLAGE-WATER	400	–	–	0%	0%
BOXWOOD PROJECT	**10,000**	**5,000**	**5,000**	**0%**	**-100%**
BOXWOOD PROJECT - STORMWATER	5,000	5,000	5,000	0%	0%
BOXWOOD PROJECT - SEWER	5,000	–	–	0%	0%
CNIP VICTIMS PROJECT: CAMBRIDGE WEST	**14,968**	**20,536**	**20,536**	**0%**	**27%**
CNIP VICTIMS PROJECT: CAMBRIDGE WEST - STORMWATER	250	4,117	4,117	0%	94%
CNIP VICTIMS PROJECT: CAMBRIDGE WEST - ROADS	1,000	1,150	1,150	0%	13%
CNIP VICTIMS PROJECT: CAMBRIDGE WEST - SANITATION	7,218	8,351	8,351	0%	14%
CNIP VICTIMS PROJECT: CAMBRIDGE WEST - WATER	6,500	6,918	6,918	0%	6%
MZAMOMHLE: PEOPLES HOUSING PROCESS	1,000	5,806	5,806	0%	83%
PARKHOMES FOR DESTITUTES & GBV VICTIMS	1,000	1,006	1,006	0%	1%
ZIPHUNZANA BYPASS RELOCATION SITE (TRAs)	9,500	8,972	8,972	0%	-6%
MDANTSANE ERF 81,87 &88 RELOCATION SITE UNITS	1,000	(1,290)	0	0%	0%
FYNBOSS RELOCATION SITE UNITS	500	–	0	100%	0%
HEMINGWAYS INFORMAL SETTLEMENTS	1,000	–	–	0%	0%
SILVERTOWN	1,000	–	–	0%	0%
KWT GOLF CLUB/ SWEETWATERS (NEW)	10,122	2,301	2,301	0%	-340%
AMALINDA JUNCTION TRA PHASE 1	–	5,057	5,057	0%	100%
REESTON PHASE 3 STAGE 2 (CHICKEN FARM)-ROADS	–	11,898	11,898	0%	100%
SCENERY PARK-ROADS	–	12,671	12,671	0%	100%
FARM 924	**–**	**3,748**	**3,748**	**0%**	**100%**
FARM 924 - STORMWATER	–	2,129	2,129	0%	100%
FARM 924 - ROADS	–	557	557	0%	100%
FARM 924 - SANITATION	–	557	557	0%	100%
FARM 924 - WATER	–	506	506	0%	100%
TOTAL : HUMAN SETTLEMENTS	**225,927**	**212,452**	**209,144**	**-2%**	**-8%**

DIRECTORATE OF SPATIAL PLANNING AND DEVELOPMENT					
OFFICE FURN & EQUIPMENT (DIRECTORATE)	300	115	115	0%	-161%
DEVELOPMENT PLANNING					
AERIAL PHOTOGRAPHY AND MAPPING	250	–	–	0%	0%
PLOTTERS	300	–	–	0%	0%
SURVEY EQUPMENT	300	–	–	0%	0%
	850	**–**	**–**	**0%**	**0%**
PROPERTY MANAGEMENT					
BUXTON, ELECTRICITY HOUSE AND RESERVE BANK REFURBISHMENT	–	–	822	100%	100%
FENCING OF MUNICIPAL BUILDINGS	–	1,004	1,004	0%	100%
UPGRADING OF MUNICPAL BUILDINGS&OFFICES	–	811	1,191	32%	100%
INSTALLATION OF AIR-CONDITIONERS	–	763	–	0%	0%
ORIENT THEATRE REFURBISHMENT	300	–	–	0%	0%
LAND ACQUISITION	15,000	7,111	7,111	0%	-111%
	15,300	**9,689**	**10,127**	**4%**	**-51%**
TRANSPORT PLANNING AND OPERATIONS					
TRAFFIC SIGNALS	–	6,160	6,160	0%	100%
BRIDGE DESIGNS & IMPLEMENTATION (Midlands)	11,958	11,958	5,321	-125%	-125%
GUARDRAILS (Coastal)	100	113	113	0%	11%
GUARDRAILS (Midland)	100	113	113	0%	12%
GUARDRAILS (Inland)	100	159	159	0%	37%
SLEEPER SITE ROAD	25,000	22,623	22,623	0%	-11%
GUIDANCE SIGNAGE (Coastal)	200	–	–	0%	0%
SIDEWALKS (Midland)	1,000	1,103	1,103	0%	9%
TRAFFIC CALMING (Coastal)	250	170	170	0%	-47%
TRAFFIC CALMING (Midland)	500	529	529	0%	5%
TRAFFIC CALMING (Inland)	250	192	192	0%	-30%
TRAFFIC SIGNALS AND MANAGEMENT	6,000	12,205	12,205	0%	51%
QUMZA HIGHWAY PHASE 7 - PHASE 1 & 2	10,000	11,227	11,227	0%	11%
TAXI RANK INFRAST (ROADS & ABLUTION FAC) (Coastal)	10,000	10,000	9,456	-6%	-6%
	65,458	**76,552**	**69,371**	**-10%**	**6%**
TOTAL : SPATIAL PLANNING & DEVELOPMENT	**81,908**	**86,356**	**79,614**	**-8%**	**-3%**
DIRECTORATE OF ECONOMIC DEVELOPMENT AND AGENCIES					
OFFICE FURN & EQUIPMENT (DIRECTORATE)	250	590	996	41%	75%
UPGRADING OF MARKET HALL	5,500	5,530	4,884	-13%	-13%

MDANTSANE ART CENTRE	5,000	735	735	0%	-580%
FORT JACKSON JUNCTION HUB	5,000	1,415	1,415	0%	-253%
SMME INCUBATOR: SEKUNJALO TRAINING CENTRE	5,000	5,803	5,803	0%	14%
INFORMAL TRADE INFRASTRUCTURE (Hawker Stalls)	9,000	1,968	1,968	0%	-357%
HYDROPONICS AND PACKHOUSE PROJECT	5,319	6,461	6,461	0%	18%
AGRI-VILLAGE	7,819	4,222	4,222	0%	-85%
TOURISM HUB	–	505	52	-867%	100%
EXTENSION OF MDANTSANE ART CENTRE	–	129	129	0%	100%
KIWANE RESORT MAINTENANCE & UPGRADE	–	39	39	0%	100%
IMPROVE ACCESS ROAD	–	3,991	3,991	0%	100%
SMME INCUBATION HUB	–	1,101	501	-120%	100%
TOTAL : ECONOMIC DEVELOPMENT & AGENCIES	**42,889**	**32,489**	**31,197**	**-4%**	**-37%**
DIRECTORATE OF PUBLIC SAFETY AND EMERGENCY SERVICES					
OFFICE FURN & EQUIPMENT (DIRECTORATE)	500	494	113	-338%	-343%
OFFICE FURN & EQUIPMENT (DIRECTORATE)	–	319	319	0%	100%
EMERGENCY SERVICES CALL OUT & RESPONSE SYSTEM	1,500	–	–	0%	0%
EMERGENCY SERVICES CALL OUT & RESPONSE SYSTEM	–	2,500	–	0%	0%
ESTABLISHMENT OF NEW DISASTER MANAGEMENT CENTRE	2,500	1,500	–	0%	0%
DISASTER MANAGEMENT VEHICLES	1,800	1,800	–	0%	0%
EARLY WARNING SYSTEMS (AUTOMATED WEATHER STATIONS)	750	750	–	0%	0%
REFURBISHMENT OF FIRE ENGINES	1,000	–	–	0%	0%
NEW FIRE STATION - BERLIN WARD 45	3,000	3,000	1,932	-55%	-55%
NEW FIRE STATION - BERLIN WARD 45	–	6,637	6,637	0%	100%
REFURBISHMENT OF FIRE STATIONS	1,000	1,000	–	0%	0%
REFURBISHMENT OF FIRE STATIONS	–	701	–	0%	0%
FURNITURE & EQUIPMENT -LAW ENFORCEMENT OFFICES	–	17	17	0%	100%
PUBLIC SAFETY SPECIALISED VEHICLES	3,000	3,000	–	0%	0%
TRAFFIC AND LAW ENFORCEMENT EQUIPMENT	1,000	1,000	254	-294%	-294%
TRAFFIC AND LAW ENFORCEMENT EQUIPMENT	–	1,063	984	-8%	100%
CLOSED CIRCUIT TELEVISION NETWORK - CCTV	1,000	1,000	–	0%	0%
CLOSED CIRCUIT TELEVISION NETWORK - CCTV	–	10	10	0%	100%
BACK-UP GENERATORS	–	1,562	1,562	0%	100%
REFURBISHMENT OF TRAFFIC SERVICES / LAW ENFORCEMENT BUILDINGS	–	0	–	0%	0%
FENCING OF PUBLIC SAFETY & EMERGENCY SERVICES BUILDINGS	1,000	711	711	0%	-41%
TOTAL CAPITAL BUDGET: PUBLIC SAFETY & EMERGENCY SERVICES	**18,050**	**27,064**	**12,538**	**-116%**	**-44%**

DIRECTORATE OF SPORTS, RECREATION & COMMUNITY DEVELOPMENT					
OFFICE FURN & EQUIPMENT (DIRECTORATE)	500	319	319	0%	-57%
DEVELOPMENT, UPGRADE & REFURBISHMENT OF COMMUNITY HALLS & LIBRARIES					
DEVELOPMENT OF C/HALLS & FACILITIES	1,000	–	–	0%	0%
DEVELOPMENT UPGRADE AND REFURBISHMENT OF COMMUNITY HALLS	2,500	3,947	3,947	0%	37%
DEVELOPMENT UPGRADE AND REFURBISHMENT OF LIBRARIES	2,500	1,979	2,270	13%	-10%
DEVELOPMENT UPGRADE AND REFURBISHMENT OF LIBRARIES	500	–	–	0%	0%
HALLS-TOOLS AND EQUIPMENT	450	9	–	0%	0%
HALLS-TOOLS AND EQUIPMENT		232	242	4%	100%
UPGRADING OF RESORTS					
BUILDING OF S/POOL AT GONUBIE RESORT	250	250	250	0%	0%
INSTALLATION OF FLOODLIGHTS AT GONUBIE RESORTS	250	240	240	0%	-4%
REFURBISHMENT OF CHALETS	250	250	–	0%	0%
REFURBISHMENT OF CHALETS		90	90	0%	100%
REFURBISHMENT OF BACKPACKERS	250	–	–	0%	0%
INSTALLATION OF CCTV CAMERAS RESORTS	250	–	–	0%	0%
DEVELOPMENT & REVAMPING OF JUMPING CASTLE AT RESORTS	250	–	–	0%	0%
REFUBISHMENT OF ABLUTION BLOCKS AT RESORTS	250	250	217	-15%	-15%
UPGRADING OF GONUBIE RESORTS ENTRANCE	300	920	920	0%	67%
DEVELOPMENT, UPGRADE & REFURBISHMENT OF SPORTSFIELDS					
DEVELOPMENT, UPGRADE AND REFURBISHMENT OF SPORTS FACILITIES AND STADIUMS	1,500	–	–	0%	0%
UPGRADING OF MAIN GRAND-STAND AT SISA DUKASHE STADIUM	–	279	279	0%	100%
SPORTS PLANT & EQUIPMENT	–	2,702	404	-568%	100%
UPGRADING OF SPORTSFIELDS	2,500	2,785	2,785	0%	10%
UPGRADING OF ZOO					
UPGRADING OF ZOO	500	–	55	100%	-806%
PLANT - ZOO	100	79	24	-230%	-317%
REFURBISMENT OF AQUARIUM					
REFURBISMENT OF AQUARIUM	400	174	217	20%	-84%
PLANT - AQUARIUM	50	43	–	0%	0%

SWIMMING POOLS					
PLANT - SWIMMING POOL	250	–	–	0%	0%
UPGRADING AND REFURBISHMENT OF SWIMMING POOLS-COASTAL	250	515	515	0%	51%
UPGRADING AND REFURBISHMENT OF SWIMMING POOLS-MIDLAND	250	–	–	0%	0%
UPGRADING AND REFURBISHMENT OF SWIMMING POOLS-INLAND	250	250	250	0%	0%
CONSTRUCTION OF OFFICES AT NAHOON CARAVAN PARK	–	48	–	0%	0%
REDEVELOPMENT OF MDANTSANE SPORT PRECINCT NU2 SWIMMING POOL	–	54	29	-84%	100%
REFURBISHMENT OF SWIMMING POOLS	–	181	110	-65%	100%
REDEVELOPMENT OF MDANTSANE SPORT PRECINCT NU2 SWIMMING POOL	–	15,000	1,858	-707%	100%
UPGRADING OF DEPOTS					
UPGRADING OF PARKS DEPOT	300	–	–	0%	0%
GRASS CUTTING EQUIPMENT	250	–	–	0%	0%
DEVELOPMENT OF CEMETRIES					
PLANT AND EQUIPMENT (CEMETRIES)	250	205	456	55%	45%
COAST CEMETRIES (CAMBRIDGE CREMATORIUM) 2	250	–	–	0%	0%
COAST CEMETRIES (CAMBRIDGE CREMATORIUM) 2	–	77	77	0%	100%
DEVELOPMENT OF CEMETERIES-COASTAL	350	265	384	31%	9%
DEVELOPMENT OF CEMETERIES-INLAND	1,200	288	235	-23%	-411%
DEVELOPMENT OF CEMETERIES-MIDLAND	1,200	700	333	-110%	-260%
UPGRADING OF COMMUNITY PARKS					
UPGRADING AND DEVELOPMENT OF COMMUNITY PARKS - COASTAL	500	747	747	0%	33%
UPGRADING AND DEVELOPMENT OF COMMUNITY PARKS - MIDLAND	500	–	–	0%	0%
UPGRADING AND DEVELOPMENT OF COMMUNITY PARKS - INLAND	500	–	–	0%	0%
ESTABLISHMENT OF RECREATIONAL PARKS	5,000	4,381	4,381	0%	-14%
CLEANING MACHINERY & EQUIPMENT FOR BABY LEE JEGELS RECREATIONAL PARK	–	100	366	73%	100%
BOTANICAL GARDENS	–	180	–	0%	0%
TOTAL CAPITAL BUDGET: SPORTS, RECREATION & COMMUNITY DEVELOPMENT	**25,850**	**37,539**	**21,998**	**-71%**	**-18%**
DIRECTORATE OF SOLID WASTE & ENVIRONMENTAL MANAGEMENT					

OFFICE FURN & EQUIPMENT (DIRECTORATE)	500	500	583	14%	14%
OFFICE FURN & EQUIPMENT (DIRECTORATE)	–	419	310	-35%	100%
ALTERNATIVE ENERGY SYSTEM AND NETWORK CONNECTIVITY	–	243	–	0%	0%
BEACHES					
PLANT - BEACHES	200	145	145	0%	-38%
REFURBISHMENT & UPGRADING OF FACILITIES AT BEACHES	–	174	714	76%	100%
FENCING AND STABILISATION OF BEACHES FACILITIES	500	350	–	0%	0%
STABILISATION OF SAND DUNES	320	–	–	0%	0%
PILOT BLUE FLAG BEACHES - GONUBIE AND KIDD'S BEACH	350	30	30	0%	-1076%
REVITILISATION OF BEACH INFRASTRUCTURE	5,500	4,580	4,580	0%	-20%
BCM FLEET AND PLANT - FOR SOLID WASTE AND ENVIRONMENTAL MANAGEMENT	10,000	7,000	2,532	-176%	-295%
PURCHASE OF BULK CONTAINERS WITH REMOVAL VEHICLES	2,000	2,000	–	0%	0%
PURCHASE OF BULK CONTAINERS WITH REMOVAL VEHICLES	–	2,451	–	0%	0%
ACQUISITION OF REFUSE COMPACTOR TRUCKS	1,000	700	–	0%	0%
ACQUISITION OF LDV'S AND 4 TON TRUCK	5,000	–	–	0%	0%
ACQUISITION OF REFUSE COMPACTOR TRUCKS	15,000	15,117	15,054	0%	0%
ACQUISITION OF FLEET (CHERRY PICKER TRUCKS, CREW CAGE TRUCK, TIPPER TRUCK, TRACTORS, BUSH CUTTERS, TRAILERS FOR RITE ON ETC)c/o	–	–	1,958	100%	100%
ACQUISITION OF FLEET (CHERRY PICKER TRUCKS, CREW CAGE TRUCK, TIPPER TRUCK, TRACTORS, BUSH CUTTERS, TRAILERS FOR RITE ON ETC)c/o	–	151	–	0%	0%
TRANSFER STATION					
REFURBISHMENT OF TRANSFER STATIONS	800	153	153	0%	-422%
REFURBISHMENT OF WASTE MANAGEMENT FACILITIES	6,300	–	–	0%	0%
DEVELOPMENT OF BEACH AND NATURE RESERVES INFRASTRUCTURE	500	544	544	0%	8%
CONSTRUCT CELL 5 & 6 AT ROUNDHILL LANDFILL SITE	2,000	–	–	0%	0%
CONSTR WASTE CELLS AT KWT LANDFILL SITE	–	–	68	100%	100%
ESTABLISHMENT OF GARDEN TRANSFER STATIONS (MIDLAND)	4,350	–	–	0%	0%
ESTABLISHMENT OF GARDEN TRANSFER STATIONS (INLAND)	4,350	–	–	0%	0%
CONSTRUCTION OF TRANSFER STATIONS/ESTABLISHMENT OF BUY BACK CENTRES	1,000	–	–	0%	0%

GALVANISED STREET LITTER BINS	2,000	–	–	0%	0%
GALVANISED STREET LITTER BINS		1,965	1,965	0%	100%
DEVELOP WASTE TO ENERGY PROJECTS	2,000	–	–	0%	0%
REFURBISHMENT OF WASTE MANAGEMENT FACILITIES	3,000	–	–	0%	0%
ACQUISITION OF CHIPPING MACHINES FOR GARDEN TRANSFER STATION	1,500	–	–	0%	0%
ACQUISITION OF PLANT & MACHINERY FOR LANDFILL SITES AND GARDEN TRANSFER STATIONS	1,500	1,106	1,106	0%	-36%
FENCING OF SWEM OFFICE COMPLEX AND CONSTRUCTION OF GUARD HOUSE	3,000	–	–	0%	0%
SUPPLY, DELIVER AND INSTALL A PREFABRICATED GUARD HOUSE STRUCTURE	–	500	–	0%	0%
GRASS CUTTING EQUIPMENT	400	381	381	0%	-5%
GRASS CUTTING EQUIPMENT	–	65	65	0%	100%
CONSTRUCTION OF STAFF ACCOMODATION	–	427	427	0%	100%
REFURBISMENT OF NATURE RESERVES					
REFURBISMENT OF NATURE RESERVE(BOARDWALKS)	300	300	130	-130%	-130%
PLANT - NATURE RESERVE	100	–	–	0%	0%
PLANT - NATURE RESERVE	–	87	–	0%	0%
ACQUISITION OF PARKHOMES FOR NU6 DEPOT (CHANGE ROOMS)	1,000	–	–	0%	0%
ACQUISITION OF PARKHOMES FOR NU6 DEPOT (CHANGE ROOMS)	–	983	983	0%	0%
REFURBISHMENT OF NU 6 MDANTSANE OFFICES FOR MUNICIPAL HEALTH SERVICES MIDLAND c/o	–	887	–	0%	0%
REFURBISHMENT OF NU 6 MDANTSANE OFFICES FOR MUNICIPAL HEALTH SERVICES MIDLAND c/o	–	2,113	2,113	0%	100%
AIR MONITORING STATION	1,000	915	610	-50%	-64%
ACQUISITION OF FLEET (CHERRY PICKER TRUCKS, CREW CAGE TRUCK, TIPPER TRUCK, TRACTORS, BUSH CUTTERS, TRAILERS FOR RITE ON ETC)	–	2,839	492	-477%	100%
ACQUISITION OF FLEET (CHERRY PICKER TRUCKS, CREW CAGE TRUCK, TIPPER TRUCK, TRACTORS, BUSH CUTTERS, TRAILERS FOR RITE ON ETC)	5,000	2,161	–	0%	0%
TOTAL CAPITAL BUDGET: DIRECTORATE OF SOLID WASTE & ENVIRONMENTAL MANAGEMENT	**80,470**	**49,284**	**34,942**	**-41%**	**-130%**
ASSET REPLACEMENTS - INSURANCE	**7,000**	**7,000**	**1,711**	**-309%**	**-309%**
TOTAL BCMM CAPITAL PROJECTS	**1,230,865**	**1,411,990**	**1,300,875**	**-9%**	**5%**

BCMDA PROJECTS					
COMPUTER SOFTWARE	100	100	–	0%	0%
OFFICE FURN & EQUIPMENT (DIRECTORATE)	50	50	19	-159%	-159%
COMPUTER EQUIPMENT	100	100	–	0%	0%
TOTAL - BCMDA PROJECTS	**250**	**250**	**19**	**-1197%**	**-1197%**
TOTAL CAPITAL PROGRAMME	**1,231,115**	**1,412,240**	**1,300,894**	**-9%**	**5%**

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR

R' 000

Capital Project	Ward(s) affected	Works completed (Yes/No)
SANITATION / SEWERAGE		
SANITATION FACILITIES IN INFORMAL SETTLEMENTS	ALL WARDS	No
BERLIN SEWERS	45	No
BISHO KWT & ZWELITSHA BULK REG SEWER SCHEME	25, 35, 37, 41 , 44	No
EAST BEACH GRAVITY SEWER UPGRADE	1, 2, 3, 4, 6, 7, 8, 9, 16, 18, 19, 28, 47	No
RENEWAL OF INFRASTRUCTURE - RETICULATION, PUMP STATIONS & TREATMENT WORKS	ALL WARDS	No
HOOD POINT MARINE OUTF SEWER & AUXILLIARY WORKS	19, 31, 46	No
MDANTSANE WASTEWATER TREATMENT WORKS	11, 12, 14, 20, 21, 22, 23, 24, 30	No
UPGRADING OF POTSDAM WASTEWATER TREATMENT WORKS	23	No
UPGRADING OF POTSDAM WASTEWATER TREATMENT WORKS	23	No
UPGRADING OF DIMBAZA WASTEWATER TREATMENT WORKS	34, 36	No
DUCATS SANITATION	15	No
UPGRADING OF FIRST CREEK OUTFALL SEWER	11, 12, 14, 20, 21, 22, 23, 24, 30	No
UPGRADING OF SECOND CREEK OUTFALL SEWER	11, 12, 14, 20, 21, 22, 23, 24, 30	No
INSTALLATION OF NETWORK FLOW MONITORING INFRASTRUCTURE	ALL WARDS	No
REFURBISHMENT OF MDANTSANE NETWORK FLOOD DAMAGES	20,21,23,24	No

UPGRADING OF EAST BANK WASTEWATER TREATMENT WORKS	10	No
RENEWAL OF CENTRAL WASTEWATER TREATEMENT WORKS	ALL WARDS	No
RENEWAL OF SCHORNVILLE WASTEWATER TREATEMENT WORKS	39	No
UPGRADING OF NAHOON BULK OUTFALL SEWER	18	No
INSTALLATION OF GROUNDWATER MONITORING BOREHOLES FOR WASTEWATER TREATMENT WORKS	ALL WARDS	No
NEW KIDDS BEACH WASTEWATER TREATMENT WORKS	47	No
RENEWAL OF WESTBANK INVERTED SYPHON VALVES AND AUXILLIARY WORKS	47	No
DECOMMISIONING OF SLUDGE LAGOONS IN QUINERA WWTW	28	No
UPGRADING OF BUFFALO RIVER OUTFALL SEWER IN QONCE	37	No
UPGRADING OF DIMBAZA OUTFALL SEWER	36	No
UPGRADING OF MZONYANA OUTFALL SEWER	10	No
SECURITY UPGRADES TO WASTEWATER TREATMENT WORKS	ALL WARDS	No
SECURITY UPGRADES TO SEWERAGE PUMP STATION	ALL WARDS	No
SECURITY UPGRADES TO SEWERAGE PUMP STATION	ALL WARDS	No
WATER		
PURCHASE OF CRITICAL LABORATORY EQUIPMENT	ALL WARDS	No
KWT & BHISHO INFRASTRUCTURE	34,37,38,39,40,41,43,44,49,35	No
UPGRADE WATER NETWORKS	26,31,32,33,36,37,38	No
WATER BACKLOGS	26,31,32,33,36,37,38,40,50	No
PIPE AND WATER METER REPLACEMENT IN BISHO,KWT & DIMBAZA	34,35,36,37,38,39,40,41,43,44,49	No
PIPE AND WATER METER REPLACEMENT IN BISHO,KWT & DIMBAZA	34,35,36,37,38,39,40,41,43,44,49	No
PIPE AND WATER METER REPLACEMENT IN EL	1-10,15,16,18,27,28,29,31,32,33,46,47,50	No
PIPE AND WATER METER REPLACEMENT IN EL	1-10,15,16,18,27,28,29,31,32,33,46,47,50	No
PIPE AND WATER METER REPLACEMENT IN MDANTSANE	11,12,13,14,42,48,50,17,20,23	No
AMAHLEKE WATER SUPPLY	36,37,38	No
ALTERNATIVE WATER SUPPLY	ALL WARDS	No
RESERVOIRS EAST COAST SUPPLY	1-10, 15, 16, 18, 27, 28, 29, 31, 32, 33, 46, 47, 50	No
UMZONYANA DAM AND EAST COAST WATER SUPPLY UPGRADE	1-10, 15, 16, 18, 27, 28, 29, 31, 32, 33, 46, 47, 50	No
W/DEMAND MANGM - WATER CONSERV - PRV STA	ALL WARDS	No
INFORMAL SETTLEMENTS	34,35,36,37,38,39,40,41,43,44,49,11,12,13,14,42,48,50,17,20,23	No

	1,10,15,16,18,27,28,29,31,32,33 ,46,47,50	
ELECTRICITY		
BULK ELEC INFRAS UPGR(RING-FENCED 4%)	7,9,8.10,13,1415,17,22,27,37,42 ,45,46,	No
ELECTRIFICATION PROGRAMME	ALL WARDS	No
ELECTRIFICATION - INFORMAL DWELLING AREAS - BCMM	ALL WARDS	No
STREET LIGHT & HIGHASTS - BCMM AREAS OF SUPPLY	ALL WARDS	No
TOOLS AND EQUIPMENT (SPECIALISED VEHICLES)	ALL WARDS	No
BUILDING ALTERATIONS - BEACON BAY CIVIC CENTRE & OPERATIONS DEPOT	28	No
ROADS		
BOWLS ROAD REHABILITATIONN - WARD 3	3	No
CONSTRUCTION OF ROAD INFRASTRUCTURE - TOYANA ROAD	14	No
REHABILIT OF BCMM BRIDGES AND STORMWATER	ALL WARDS	No
REHABILITATION OF BEACONHURST DRIVE	28	No
ROADS PROVISION	1,2,3,4,5,6,7,8,9,12,13,16,18,19, 20,22,25,26,27,28,29,31,32,34,3 5,36,39,41,43,44,45,47,50	No
ROADS PROVISION	1-50	No
RURAL ROADS - WARD 37	37	No
RURAL ROADS	17,22,24,25,26,31,32,33,34,35,3 6,38,40,43,50	No
UPGRADING OF MDANTSANE ROADS - CLUSTER 1	11,12,14,17,42	No
UPGRADING OF MDANTSANE ROADS - CLUSTER 2	11,17,20,30,48	No
UPGRADING OF MDANTSANE ROADS - CLUSTER 3	20,21,23,24	No
UPGRADE OF NORTH EAST EXPRESSWAY	18	No
URBAN ROADS - WARD 37	37	No
URBAN ROADS - WARD 39	39	No
GONUBIE INTERNAL ROADS REHABILITATION	18	No
GONUBIE INTERNAL ROADS REHABILITATION	18	No
BEACON BAY- GONUBIE LINK ROAD	18	No
HOUSING		
AMALINDA 179 MILITARY VETERANS	9, 16	No
DIMBAZA SHUTER HOUSES: DETAILED INFRASTRUCTURE INVESTIGATION	34	No
PHAKAMISA SOUTH	25	No
ILITHA 177	45	No
REESTON PHASE 3 STAGE 2	13	No
POTSDAM IKHWEZI BLOCK 1	24	No

POTSDAM IKHWEZI BLOCK 2	24	No
POTSDAM NORTH KANANA	24	No
DUNCAN VILLAGE PROPER	1, 6	No
MDANTSANE Z 18 CC PHASE 2	23	No
CLUSTER 1	12,14,17	No
CLUSTER 2	11,17,20,21,30,48	No
CLUSTER 3	1, 6	No
DUNCAN VILL COMP/SITE	1, 6	No
BRAELYN EXT 10	9;10	No
TYUTYU PHASE 3	43	No
WESTBANK RESTITUTION	19	No
C SECTION AND TRIANGULAR SITE	7	No
D HOSTEL	2	No
FORD MSIMANGO	6	No
N2 ROAD RESERVE	8	No
HANI PARK - WATER	11	No
HLALANI - WATER	11	No
PHOLA PARK - WATER	34	No
BERLIN LINGELITSHA - PHASE 1 - WATER	45	No
ILITHA SPORTSFIELD - WATER	45	No
EMPILISWENI - WATER	20	No
MATSHENI PARK - WATER	29	No
KHAYELITSHA - WATER	24	No
XHWITINJA - WATER	36	No
KWATSHATUSHU - WATER	44	No
GINSBERG - WATER	39	No
SLOVO PARK - WATER	42	No
EKUPHUMLENI - WATER	42	No
ETHEMBENI - WATER	11	No
EAST BANK RESTITUTION - WATER	10	No
REESTON PHASE 2 STAGE 3 -(KHAYELITSHA INTERNAL ROADS	13	No
KAISERS BEACH INTERNAL ROADS	32	No
BREIDBACH SERVICES PROJECT	44	No
MANYANO THEMBELIHLE RD & STORMWATER	30	No
STONEY DRIFT TRA	9	No
NOMPUMELELO TRA	15	No
PIKINIKINI TRA	50	No
MZAMOMHLE ROADS	27	No
NONDULA-WATER	12	No
SUNNY SOUTH ROADS	31	No
GQOZO VILLAGE	12	No
BOXWOOD PROJECT - SEWER	31	No
CNIP VICTIMS PROJECT: CAMBRIDGE WEST	4	No
MZAMOMHLE: PEOPLES HOUSING PROCESS	27	No

PARKHOMES FOR DESTITUTES & GBV VICTIMS	27	No
ZIPHUNZANA BYPASS RELOCATION SITE (TRAs)	1	No
MDANTSANE ERF 81,87 &88 RELOCATION SITE UNITS	23	No
FYNBOSS RELOCATION SITE UNITS	8	No
HEMINGWAYS INFORMAL SETTLEMENTS	1	No
SILVERTOWN	1	No
KWT GOLF CLUB/ SWEETWATERS (NEW)	44	No
ECONOMIC DEVELOPMENT		
OFFICE FURN & EQUIPMENT (DIRECTORATE)	47	No
UPGRADING OF BUILDINGS	ALL WARDS	No
UPGRADING OF MARKET HALL	4	No
KIWANE RESORT MAINTENANCE & UPGRADE	32	No
TOURISM HUB	41	No
CONSTRUCTION OF CABIN ACCOMMODATION	32	No
INSTALLATION OF RECREATIONAL FACILITIES	32	No
FILM STUDIO DEVELOPMENT	ALL WARDS	No
EXTENSION OF MDANTSANE ART CENTRE	42	No
ART CENTRE	37	No
MDANTSANE ART CENTRE	42	No
REVITALISATION OF INDUSTRIAL AREAS	36,24,5	No
FORT JACKSON JUNCTION HUB	24	No
SMME INCUBATOR: SEKUNJALO TRAINING CENTRE	33	No
SMME INCUBATOR	ALL WARDS	No
INFORMAL TRADE INFRASTRUCTURE (Hawker Stalls)	ALL WARDS	No
HYDROPONICS AND PACKHOUSE PROJECT	ALL WARDS	No
AGRI-VILLAGE	ALL WARDS	No
SPATIAL & DEVELOPMENT PLANNING		
AERIAL PHOTOGRAPHY AND MAPPING	47	No
PLOTTERS	47	No
SURVEY EQUPMENT	47	No
ORIENT THEATRE REFURBISHMENT	47	No
SLEEPER SITE REFURBISHMENT	47	No
UPGRADING OF KWT PAYMENTS HALL	37	No
LAND ACQUISITION	ALL WARDS	No
OFFICE FURN & EQUIPMENT (DIRECTORATE)	ALL WARDS	No
BRIDGE DESIGNS & IMPLEMENTATION (Midlands)	14,48	No
BRIDGE DESIGNS & IMPLEMENTATION (Coastal)	14,48	No
GUARDRAILS (Coastal)	18	No
GUARDRAILS (Midland)	21	No
GUARDRAILS (Inland)	25,39,41	No
SLEEPER SITE ROAD	47	No
GUIDANCE SIGNAGE (Coastal)	47	No
SIDEWALKS (Coastal)	16	No

SIDEWALKS (Midland)	12	No
SIDEWALKS (Inland)	25,41	No
TRAFFIC CALMING (Coastal)	2,9,10	No
TRAFFIC CALMING (Midland)	12,21,30	No
TRAFFIC CALMING (Inland)	25,39,41,44	No
TRAFFIC SIGNALS AND MANAGEMENT	5, 9	No
QUMZA HIGHWAY PHASE 7 - PHASE 1 & 2	21	No
TAXI RANK INFRAST (ROADS & ABLUTION FAC) (Coastal)	47	No
TAXI/BUS EMBAYMENTS (Midland)	20	No
NORTH WEST CORRIDOR	16	No
MDANTSANE ACCESS ROADS - MIDLAND	21	No
SPORT ARTS & CULTURE		
DEVELOPMENT, UPGRADE AND REFURBISHMENT OF SPORTS FIELDS AND STADIUMS	ALL WARDS	No
DEVELOPMENT, UPGRADE AND REFURBISHMENT OF SPORTS FIELDS AND STADIUMS	ALL WARDS	No
UPGRADING OF SPORTSFIELDS	ALL WARDS	No
UPGRADING OF TENNIS COURTS	ALL WARDS	No
UPGRADING OF CEMETRIES		
DEVELOPMENT OF CEMETRIES	4,5,10,13,19,43,44,24,13,37,25, 41,24,14	No
SWIMMING POOLS		
PLANT - SWIMMING POOL	ALL WARDS	No
REFURBISHMENT OF SWIMMING POOLS	ALL WARDS	No
COMMUNITY HALLS		
DEVELOPMENT OF COMMUNITY HALLS & FACILITIES	ALL WARDS	No
DEVELOPMENT UPGRADE AND REFURBISHMENT OF COMMUNITY HALLS	ALL WARDS	No
UPGRADING OF DEPOTS		
PURCHASE OF CAMBRIDGE DEPOT	4	No
HEALTH		
PURCHASE OF TOOLS AND EQUIPMENT FOR MHS	ALL WARDS	No
ACQUISITION OF PARKHOMES FOR NU6 DEPOT (CHANGE ROOMS)	ALL WARDS	No
AIR MONITORING STATION	ALL WARDS	No
SAFETY & SECURITY		
OFFICE FURN & EQUIPMENT (DIRECTORATE)	ALL WARDS	Yes

EMERGENCY SERVICES CALL OUT & RESPONSE SYSTEM	ALL WARDS	No
ESTABLISHMENT OF NEW DISASTER MANAGEMENT CENTRE	47	No
DISASTER MANAGEMENT VEHICLES	ALL WARDS	No
EARLY WARNING SYSTEMS (AUTOMATED WEATHER STATIONS)	ALL WARDS	No
REFURBISHMENT OF FIRE ENGINES	ALL WARDS	No
FIRE ENGINES PROCURED	ALL WARDS	No
FURNITURE & EQUIPMENT BERLIN FIRE STATION	45	No
FIRE EQUIPMENT	ALL WARDS	No
NEW FIRE STATION - BERLIN WARD 45	45	No
REFURBISHMENT OF FIRE STATIONS	47	No
PUBLIC SAFETY SPECIALISED VEHICLES	ALL WARDS	No
TRAFFIC AND LAW ENFORCEMENT EQUIPMENT	ALL WARDS	No
CLOSED CIRCUIT TELEVISION NETWORK - CCTV	43,37,25,41,44,34,36, 39	No
BACK-UP GENERATORS	ALL WARDS	No
REFURBISHMENT OF TRAFFIC SERVICES / LAW ENFORCEMENT BUILDINGS	47	No
DRONES FOR PUBLIC SAFETY DEPARTMENT	47	No
MOBLIE INCIDENT COMMAND VEHICLE	47	No
FENCING OF PUBLIC SAFETY & EMERGENCY SERVICES BUILDINGS	47	No
SOLID WASTE PROGRAMME		
BCM FLEET AND PLANT - FOR SOLID WASTE AND ENVIRONMENTAL MANAGEMENT	ALL WARDS	No
PURCHASE OF BULK CONTAINERS WITH REMOVAL VEHICLES	ALL WARDS	No
ACQUISITION OF REFUSE COMPACTOR TRUCKS	ALL WARDS	No
ACQUISITION OF LDV'S AND 4 TON TRUCK	ALL WARDS	No
ACQUISITION OF REFUSE COMPACTOR TRUCKS	ALL WARDS	No
REFURBISHMENT OF TRANSFER STATIONS	27 & 28	No
REFURBISHMENT OF WASTE MANAGEMENT FACILITIES	35	No
DEVELOPMENT OF BEACH AND NATURE RESERVES INFRASTRUCTURE	18,19,28,29,31,32, 46,50	No
CONSTRUCT CELL 5 & 6 AT ROUNDHILL LANDFILL SITE	45	No
ESTABLISHMENT OF CELL 5 AND 6 AT ROUNDHILL LANDFILL SITE	45	No
ESTABLISHMENT OF GARDEN TRANSFER STATIONS (COASTAL)		No
ESTABLISHMENT OF GARDEN TRANSFER STATIONS (MIDLAND)	14	No
ESTABLISHMENT OF GARDEN TRANSFER STATIONS (INLAND)	37	No
CONSTRUCTION OF TRANSFER STATIONS/ESTABLISHMENT OF BUY BACK CENTRES	45	No

PURCHASE OF CAMBRIDGE DEPOT	4	No
GALVANISED STREET LITTER BINS	ALL WARDS	No
DEVELOP WASTE TO ENERGY PROJECTS	45	No
REFURBISHMENT OF WASTE MANAGEMENT FACILITIES	45	
ACQUISITION OF CHIPPING MACHINES FOR GARDEN TRANSFER STATION	45	
ACQUISITION OF PLANT & MACHINERY FOR LANDFILL SITES AND GARDEN TRANSFER STATIONS	45	
FENCING OF SWEM OFFICE COMPLEX AND CONSTRUCTION OF GUARD HOUSE	47	
REFURBISHMENT OF SW&EM OFFICES	ALL WARDS	
CITY MANAGER'S OFFICE		
OFFICE FURN AND EQUIPMENT (DIRECTORATE)	ALL WARDS	Yes
OFFICE FURNITURE AND EQUIPMENT-EPMO	ALL WARDS	Yes
FINANCE		
OFFICE FURN & EQUIPMENT (DIRECTORATE)	ALL WARDS	Yes
OFFICE FURN & EQUIPMENT (DIRECTORATE)	ALL WARDS	Yes
SMART METERING SOLUTIONS (ELECTRICITY)	ALL WARDS	No
SMART METERING WATER SOLUTIONS	ALL WARDS	No
ASSET REPLACEMENTS - INSURANCE	ALL WARDS	No
ACQUIRE ERP SYSTEM (ASSET MANAGEMENT SYSTEM,PROCUREMENT SYSTEM, etc)	ALL WARDS	No
COST REFLECTIVE TARIFFS	ALL WARDS	No
REFURBISHMENT OF MUNIFIN BUILDING	ALL WARDS	No
CONSTRUCTION OF OFFICE ACCOMODATION -CUSTOMER CARE OFFICE-MIDLAND	11, 12, 13, 14, 20, 42, 48, 50, 17, 23, 47, 46, 33	No
CORPORATE SERVICES		
OFFICE FURN AND EQUIPMENT (DIRECTORATE)	ALL WARDS	No
EMPLOYEE PERFORMANCE MANAGEMENT SYSTEM	ALL WARDS	No
PAY DAY ELECTRONIC ATTENDANCE SYSTEM FOR BCMM	ALL WARDS	No
ICT SERVICES		
FIBRE NETWORK	ALL WARDS	No
LTE INFRASTRUCTURE	ALL WARDS	No
DISASTER RECOVERY ENHANCEMENT	ALL WARDS	No
PROCUREMENT OF ICT EQUIPMENT	ALL WARDS	No
MASTER DATA MANAGEMENT	ALL WARDS	No
WI-FI	ALL WARDS	No
EXECUTIVE SUPPORT		
OFFICE FURN AND EQUIPMENT (DIRECTORATE)	ALL WARDS	No

FLEET		
BCM FLEET PLANT SPECIALISED EQUIPMENT & SOLID WASTE VEHICLES	ALL WARDS	No
		T O

APPENDIX P: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS.

Not applicable to BCMM

APPENDIX Q: SERVICE BACKLOGS EXPERIENCED BY COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE DELIVERY.

Not applicable to BCMM

APPENDIX R: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALTY.

BCMM did not take loans during the year under review.

APPENDIX S: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71.

Not applicable to BCMM

APPENDIX T: NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT.

Not applicable to BCMM



AUDIT COMMITTEE'S REPORT 2024/2025

Buffalo City Metropolitan Municipality

Audit Committee Report

as at 30 June 2025

The Audit Committee is pleased to present its report for the period ending 30 June 2025, in accordance with section 166 the Local Government: Municipal Finance Management Act, No. 56 of 2003 (MFMA) read with related National Treasury Regulations, MFMA Circular 65 and 127 as well as applicable Council resolutions.

AUDIT COMMITTEE'S LEGISLATIVE ROLES AND RESPONSIBILITIES

The Audit Committee is constituted in terms of sections 166(1) and (2) of the MFMA and is an independent advisory body which must advise the municipal Council, the political office bearers, the accounting officer, and the management and staff of the municipality on matters relating to:

- Internal financial control and internal audits;
- Risk management;
- Accounting policies;
- The adequacy, reliability and accuracy of financial reporting, records and information;
- Performance management;
- Effective governance;
- Compliance with the MFMA, the annual Division of Revenue Act and any other applicable legislation;
- Performance evaluation; and,
- Any other matter referred to it by the institution.

The MFMA also requires the Audit Committee to review the Annual Financial Statements and respond to Council on matters raised by their external auditor, the Auditor General-South Africa (AGSA). The role and responsibilities of the Audit Committee are set out in the Audit Committee Charter which is approved by Council.

The Audit Committee endeavours to conduct its oversight role in compliance with its Charter, as well as regulative and legislative provisions. The detailed advice tendered by the Committee is recorded in the minutes of its various meetings as well as in oversight reports presented to Council.

The effectiveness of the Audit Committee and its individual members is assessed on an annual basis through a self-assessment by the Committee members as well as independent assessment by the various stakeholders with which the Committee interacts, i.e., the Eastern Cape Provincial COGTA, National Treasury, and Management.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Audit Committee in office as at the end of the 2024/25 financial period was appointed effective 4th February 2024 and comprises the following independent external members:

No.	Member	Number of meetings attended for the period
1.	Zola Luswazi (Chairperson) – resigned 8th August 2025	Six
2.	Benedict Khohliso	Eight
3.	Wisdom Mushohwe (Interim Chairperson – from August 2025)	Eight
4.	Fikile Judith Mudau	Eight
5.	Ntombizine V Madyibi	Eight
6.	Matsobane Gabriel Mello	Eight
7.	Grant Son – resigned 24th June 2025	Six

Out of the eight meetings held during the period, four were ordinary Audit Committee meetings and four were special meetings held for the following purposes:

- To consider the external audit updates and report as presented by the Auditor General-South Africa as well as for the consideration of the Audited Annual Financial Statements for the 2024/25 financial year;
- To review the Draft Annual Financial Statements and Draft Annual Performance Report for external audit recommendation;
- To finalise agenda items that could not be dealt with in previous meetings.

EFFECTIVENESS OF INTERNAL CONTROLS

The systems of internal control are the legislative responsibility of the accounting officer and senior executive management as required by the MFMA, read in conjunction with MFMA Circulars 65 and 127, as well as the Global Internal Audit Standards.

In assisting management with this responsibility, the Annual Internal Audit Plan was prepared by the City's Governance and Internal Audit unit taking into cognisance the City's audit universe, including emerging and residual risks identified by management under the guidance of the Risk Management Office.

Although the scope of the planned internal audit work for the 2024/25 financial period was assessed to be adequate to assist in improving the effectiveness of risk management, control and governance processes, the Audit Committee stresses the importance of promptly implementing recommendations made through Internal Audit as well as External Audit reviews and assurance reports. This will have a meaningful impact on the effectiveness of the control environment in the mitigating the risk of potential fraud, maladministration, and lack of fair presentation in reporting.

The Committee observed during the period that, coupled with under resourcing of the Governance and Internal Auditing Unit, delayed management actions to the recommendations raised by Internal Audit hampered the effectiveness of this function to assist in the enhancement of internal controls within the institution, resulting in repeat audit findings. This was despite governance awareness sessions, collaboration discussions, and initiatives on combined assurance undertaken by Internal Audit to encourage collective ownership of internal controls and risk management.

The Committee identified a need for the municipality to enhance its internal controls, with particular emphasis on consistent implementation. Strengthening these controls is essential to ensure that both financial and non-financial reports are accurate and free from material misstatements, while effectively mitigating risks. This will support good governance, facilitate the achievement of the City’s strategic objectives, and contribute to unqualified external audit results.

While the City has in place frameworks promoting a culture constant improvement in controls, i.e. the Combined Assurance Framework and Consequence Management Framework; key improvement areas for sustainable change are still required in co-ordination of work, accountability and practical consequence management. The Committee therefore looks forward to the full implementation of these frameworks as key governance enhancement strategies and stresses that it is Management’s responsibility to build an environment of ethical behaviour with visible discipline and accountability being actioned. Swift, consistent and decisive consequence management still needs improvement to strengthen accountability in the institution.

FINANCIAL REPORTING

In addition to the Draft Annual Financial Statements, the Audit Committee was presented with quarterly Statements of Financial Performance, the Financial Recovery Plan, as well as reports on the Implementation of the 2024/25 Budget. While the City's accounting policies were found to be generally consistent with the selected financial reporting framework—the GRAP Standards (Standards of Generally Recognised Accounting Practice)—the Audit Committee observed that the City continues to apply the asset revaluation model for annual valuation of its infrastructure assets. The Committee maintains its recommendation to management that this approach may not be the most effective

accounting policy, particularly given the substantial infrastructure asset base involved. The Audit Committee additionally advised that the City's debt register should be reviewed as a priority. It is essential to determine whether all listed debtors accurately reflect their collectability, especially in light of persistently low collection rates relative to revenue targets for the period.

Upon review of Management's Financial Recovery Plan (FRP), the Committee expressed concern regarding the plan's insufficient implementation and operationalisation to achieve sustainable financial health for the City. The evidence indicates substantial potential for improvement in both rand value outcomes and the revenue collection rate, as the City continues to report figures below National Treasury benchmarks. Further attention is warranted for controls addressing financial losses, specifically issues such as selling electricity below cost, the persistently low cash coverage ratio, and ensuring full implementation of the revised Overtime Policy.

The Committee additionally expressed concerns regarding the low expenditure of CAPEX funds (capital expenditure), an issue compounded by a significant number of cancelled bids. This situation indicates slow progress in both procurement and Supply Chain Management (SCM) processes. The inefficiencies within the SCM operational value chain have resulted in increased reliance on deviations from standard competitive bidding procedures. Enhanced procurement planning is essential to reduce dependence on such deviations, as this practice may increase the risk of irregular expenditure for the City. Furthermore, the Committee recommends that the City intensify its efforts to conclude investigations into Unauthorised, Irregular, Fruitless, and Wasteful Expenditure (UIFWE) balances, to enable timely recovery or write-off actions as appropriate.

The Committee noted concerns regarding the accuracy of reported asset values, particularly work-in-progress figures. This issue was underscored by multiple control deficiencies identified by various assurance providers in the asset management business process. Additionally, it was noted with concern that control deficiencies related to Infrastructure assets, as previously highlighted by external auditors, remained unresolved despite numerous advisory meetings convened by the Committee to address these issues.

While the previously reported vandalism and theft of completed assets was resolved during the current audit, with commendation to the Accounting Officer for taking appropriate action in this regard, the Audit Committee noted that there were remaining material irregularities raised by the external auditors. These include lack of a proper performance management system, lack of prevention of pollution of a water resources, as well as loss of revenue from rental of municipal properties.

Given the pervasive nature of the issues identified, the Audit Committee agrees with the external auditors' recommendations that the municipality must adopt a robust culture of monitoring, particularly, in-year monitoring, which is critical for performance, accountability and, ultimately, strategic goal achievement.

The Committee commends Management for reducing the number of qualifying line items in the external audit report by resolving issues related to Revenue Management and Expenditure Management. However, it is unfortunate that the external audit outcome remains unchanged, with a qualified audit opinion due to material misstatements on Asset Management persisting in both the current and previous financial years due to insufficient audit evidence and GRAP 17 non-compliance. The Committee urges management to implement effective control systems, especially to ensure proper safeguarding, accurate valuation and recording of assets, take steps to prevent land invasion and enhance the reliability of reporting to improve future external audit opinions.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

The Committee noted improvements with the ICT Steering Committee activities during the year, although more work remains specifically on addressing prior findings on ICT matters as raised by the external auditors. ICT security further remains a risk area for the City, with limited support on vulnerability management and low network availability due to vandalism of the infrastructure network. Although recovery testing was successfully conducted for nine out of ten municipal systems and backup software was renewed, concerns regarding server performance, business continuity, and cybersecurity remain.

Management is commended for the reported improvements in terms of ICT human resource capacitation with the appointment of staff to critical positions, as well as on the drafting of an institution-wide ICT Digital Strategy for the City. Remaining concerns highlighted for the City's attention in this area include budget constraints, limited allocations for Wi-Fi, fibre network, disaster recovery and infrastructure sustainability. The Committee considers that adequate network infrastructure is important for employee productivity, revenue collection and maintaining the City reputation with its external stakeholders. Continuous oversight is undertaken by the Audit Committee to assist the City in optimising ICT business processes for the achievement of strategic goals.

SERVICE DELIVERY AND BUDGET IMPLEMENTATION

The Audit Committee considered the City's quarterly and annual performance reports, and, considering the still modified opinions from the external auditors on the Audit of Predetermined Objectives for strategic outcomes *A Connected City* and *A Well Governed City*, the Committee emphasised to

Management the importance of availability and submission of Portfolios of Evidence that accurately, validly, and completely support reported information to all assurance providers.
In terms of the strategic outcome *A Spatial Transformed City*, the Committee welcomed the sustained unmodified conclusion of the external auditors revealing no material findings on their audit of this outcome and commended the Municipality for this effort.

While noting that Management has endeavoured to automate the City's performance management system to assist in resolving challenges on performance monitoring and reporting, the implementation of the process was noted to be slow and dependent on the effectiveness of the change management processes, which processes are still ongoing. The Committee has recommended aligning managers' performance management contracts and key performance indicators with the audit outcomes required by the City as well as having separate Audit Committee meetings focusing on performance.

The Committee further considered with concern, management's slow uptake in implementing control improvement recommendations from internal assurance providers such as Internal Audit, as evidenced by repeated findings for the two abovementioned strategic outcomes, resulting in modified external audit conclusions. This has had a significant impact on the ultimate year-end conclusions by the external auditors. The Committee, therefore, implores management to improve on fairly presented and evidenced reporting.

The Committee has identified several areas for improvement in performance management as it relates to projects and service delivery assets. These include better planning, assessment, risk analysis, integrated budgeting, and effective project monitoring. Issues such as poor workmanship, contractor non-compliance, and lengthy delays are negatively affecting the City's ability to deliver services and eroding stakeholder confidence. As a result, the Committee has strongly encouraged Management to give these concerns greater attention.

RISK MANAGEMENT

The City's risk profile comprises of a mixture of risks which include service delivery, compliance, financial, and information technology related risks. A noteworthy emerging risk during the period was regarding the current threat on the local economy of the City which might result from the United States tariff pronouncements. Management was advised to implement effective controls to monitor and address this risk.

The Committee further observed the need for improvement terms of the efforts in mitigating the reported risks of the City as reported in the risk registers. . The residual risks also remained significantly stagnant in as far as strategic risks were concerned. The City was noted to be facing ongoing challenges such as

poor revenue collection, stagnant audit results, high litigation levels, illegal land invasion, vandalism and theft of municipal infrastructure as persisting risks; the Audit Committee is focusing on these issues in assisting the municipality with appropriate mitigation.

On the risks identified by the external auditors, the Committee noted that while an Audit Action Plan exists for the City, the development of specific action plans to address the reported deficiencies, as well as their timely implementation, continue to be inadequate to address the root causes. The recurring external audit material misstatements related to property, plant and equipment balances are indicative of the deficiency of the Audit Action Plan of the 2024/25 financial year to entirely correct and prevent recurrence of material misstatements.

Pertaining to Disaster Risk Management, Management was commended for initiative to have a review of the City's Climate Change Strategy. The Committee looks forward to the finalisation of the strategy and implementation thereof. Concerningly, however, the conditional assessment of municipal infrastructure had been delayed due to procurement challenges. The interim measures, such as pothole patching and road rehabilitation programmes, that are being implemented were considered, however, assessed as insufficient. The Committee further looks forward to seeing the results of the security risk assessment commissioned by Management to guide the prioritisation of limited resources to high-risk areas when it comes to the safety and security of municipal assets.

The Committee noted that the City's strategic risk profile did not show significant improvement during the period. However, Management demonstrated ongoing commitment to risk management, as evidenced by the active involvement of the Risk Management Committee, which is chaired by an independent external individual and includes two additional independent external members. Furthermore, the City is commended for having a fraud prevention plan in place as well as a whistleblowing platform allowing anonymous or known persons to report fraud and/or misconduct.

The Risk Management Committee has been recommended to thoroughly assess the Municipality's risk appetite and tolerance levels. Additionally, the Audit Committee encourages management to persist in strengthening the City's internal control systems and overall risk management framework.

CONCLUSION

The Audit Committee has noted an improvement in the uptake of their resolutions by management; more coordination efforts are still required to close the gaps. There is an indication that management largely responds positively to the advice and oversight guidance made by the Audit Committee in carrying out its responsibilities. The Committee actively participated in the external audit process by reviewing the

audit strategy presented by AGSA, receiving field audit updates and conducting separate briefings with the external auditors; while management convened periodic audit steering committee meetings and presented related reports during Audit Committee sessions.

The recurring qualified opinion and material findings highlight systemic weaknesses in financial management, compliance, and performance reporting. The Audit Committee implores management to craft SMART (specific, measurable, achievable, relevant, time-bound) action plans for the implementation of the recommendations emanating from the external auditors, as well as all assurance providers under the Combined Assurance Framework, in order to improve the current control environment as well as external audit outcomes.

The Committee is further committed to anti-fraud and anti-corruption principles, including those relating to preventing fraudulent conduct before it occurs, by encouraging a culture within the Municipality whereby stakeholders continuously conduct and promote integrity in their dealings with, or on behalf of, the Municipality.

The Audit Committee would like to express its appreciation towards the officials and all other role players for their diligent attendance and participation at the Audit Committee meetings and look forward to a continued constructive working relationship with all the relevant parties in the Municipality.



Mr. W. Mushohwe, CA(SA)

Interim Chairperson, Audit Committee



VOLUME II:

ANNUAL FINANCIAL STATEMENTS



Buffalo City Metropolitan Municipality

Audited Consolidated Annual Financial Statements

for the year ended 30 June 2025

Buffalo City Metropolitan Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2025

General Information

Legal form of entity	Municipality
Nature of business and principal activities	Local Government
Jurisdiction	The demarcation board has determined that Buffalo City Metropolitan Municipality (BUF) includes the towns of East London, Bhisho, Qonce, Ntabozuko as well as the townships of Mdantsane, Gompo, Zwelitsha, Dimbaza, Phakamisa, Ndevana, Ilitha, Ginsberg and the surrounding rural areas.
Mayoral committee	
Executive Mayor	Councillor P. Faku
Councillors	Councillor M. Mfazwe - Human Settlements
	Councillor S. Matwele - Spatial Planning & Development
	Councillor N. Maxongo - Financial Services
	Councillor S. Ntsasela - Economic Development & Agencies
	Councillor M. Basopu - Corporate Services
	Councillor A. Mnyute - Public Safety and Emergency Services
	Councillor Y. Tyali - Infrastructure Services
	Councillor G. Lottering - Sports, Recreation and Community Development
	Councillor C. Yekiso-Morolong - Solid Waste and Environmental Management
Grading of local authority	Grade 6 Municipality
City Manager / Accounting Officer	Mr. M. Yawa
Acting Chief Financial Officer (ACFO)	Mr. V. Pillay
Business address	Trust Centre Oxford Street East London 5201
Postal address	PO Box 134 East London 5200
Bankers	Standard Bank
Auditors	Auditor General of South Africa
Members of the Audit Committee	Mr. Z. Luswazi (Chairperson) - appointment 04 February 2024 - resigned 08 August 2025
	Mr. B. Khohliso (Member) - appointment 04 February 2024
	Mr. W. Mushohwe (Member) - appointment 04 February 2024
	Ms. F.J. Mudau (Member) - appointment 04 February 2024
	Rev. N.V. Madyibi (Member) - appointment 04 February 2024
	Adv. M.G. Mello (Member) - appointment 04 February 2024
	Mr. G. Son (Member) - appointment 04 February 2024 - resigned 24 June 2025
Legislation Governing the Municipality	The Constitution of the Republic of South Africa, 1996 The Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) The Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004) Municipal Fiscal Powers and Functions Act, 2007 (Act 12 of 2007) Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998) Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005) Division of Revenue Act (Act 1 of 2007) Framework envisaged in section 219 of the Constitution of South Africa

Buffalo City Metropolitan Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2025

Index

The reports and statements set out below comprise the audited consolidated annual financial statements presented to the Council:

	Page
Accounting Officer's Responsibilities and Approval	3
Statement of Financial Position	4
Statement of Financial Performance	5
Statement of Changes in Net Assets	6
Cash Flow Statement	7
Statement of Comparison of Budget and Actual Amounts	8 - 14
Accounting Policies	15 - 41
Notes to the Audited Consolidated Annual Financial Statements	42 - 127

Abbreviations used:

BCMDA	Buffalo City Metropolitan Development Agency
BCMM	Buffalo City Metropolitan Municipality
COID	Compensation for Occupational Injuries and Diseases
DBSA	Development Bank of South Africa
ELIDZ	East London Industrial Development Zone
FMG	Finance Management Grant
GRAP	Generally Recognised Accounting Practice
GTAC	Government Technical Advisory Centre
HDA	Housing Development Agency
KWT	King William's Town
mSCOA	Municipal Standard Chart of Accounts
MFMA	Municipal Finance Management Act
MEC	Member of Executive Council
MIG	Municipal Infrastructure Grant
NT	National Treasury
PAYE	Pay As You Earn
SARS	South African Revenue Service
SAMWU	South African Municipal Workers' Union
SDL	Skills Development Levy
SEZ	Special Economic Zone
VAT	Value-Added Tax

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the audited consolidated annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the audited consolidated annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the audited consolidated annual financial statements and are given unrestricted access to all financial records and related data.

The audited consolidated annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The audited consolidated annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the economic entity and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the economic entity and all employees are required to maintain the highest ethical standards in ensuring the economic entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the economic entity is on identifying, assessing, managing and monitoring all known forms of risk across the economic entity. While operating risk cannot be fully eliminated, the economic entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the audited consolidated annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the economic entity's cash flow forecast for the year to 30 June 2026 and, in the light of this review and the current financial position, he is satisfied that the economic entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is dependent on National and Provincial government for continued funding of operations. The audited consolidated annual financial statements are prepared on the basis that the municipality is a going concern, and that the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

The accounting officer is primarily responsible for the financial affairs of the municipality, and is supported by the economic entity's Senior management team.

The unaudited consolidated annual financial statements set out on page 4 - 127, which have been prepared on the going concern basis, were approved by the accounting officer on 30 September 2025.

Accounting Officer
Mr. M. Yawa

Statement of Financial Position as at 30 June 2025

		Economic entity		Controlling entity	
Figures in Rand	Note(s)	2025	2024 Restated*	2025	2024 Restated*
Assets					
Current Assets					
Inventories	8	64 218 925	69 398 396	64 175 801	69 346 670
Receivables from non-exchange transactions	9&11	1 476 419 212	1 332 159 010	1 476 131 238	1 332 159 009
Receivables from exchange transactions	10&11	1 976 521 662	1 877 690 832	1 976 140 896	1 876 339 449
Cash and cash equivalents	12	731 028 583	720 986 557	697 781 225	683 762 515
		4 248 188 382	**4 000 234 795**	**4 214 229 160**	**3 961 607 643**
Non-Current Assets					
Investment property	3	788 463 001	768 451 001	788 463 001	768 451 001
Property, plant and equipment	4	40 887 139 397	42 104 638 807	40 886 649 360	42 103 617 326
Intangible assets	5	11 697 819	6 819 423	11 288 242	6 336 074
Heritage assets	6	53 391 845	54 166 071	53 391 845	54 166 071
Investments in controlled entities	7	-	-	100	100
Investments in associates	7	725 412 562	727 388 487	725 412 562	727 388 487
		42 466 104 624	**43 661 463 789**	**42 465 205 110**	**43 659 959 059**
Total Assets		**46 714 293 006**	**47 661 698 584**	**46 679 434 270**	**47 621 566 702**
Liabilities					
Current Liabilities					
Operating lease liability	15	65 981	152 657	-	-
Employee benefit obligation	16	66 373 000	66 698 000	66 373 000	66 698 000
Unspent conditional grants and receipts	17	166 229 116	28 379 357	165 952 988	23 465 598
Borrowings	18	25 085 847	28 813 896	25 085 847	28 813 896
Finance lease obligation	19	55 669	157 612	-	-
Provisions	20	407 272 855	382 021 140	406 201 866	380 950 151
Trade payables from exchange transactions	21	1 622 830 479	1 767 792 454	1 615 914 366	1 756 106 063
Consumer deposits	22	89 974 403	87 137 643	89 974 403	87 137 643
		2 377 887 350	**2 361 152 759**	**2 369 502 470**	**2 343 171 351**
Non-Current Liabilities					
Other liabilities	14	273 911 368	253 912 263	273 911 368	253 912 263
Employee benefit obligation	16	861 290 000	770 563 000	861 290 000	770 563 000
Borrowings	18	54 707 887	79 793 735	54 707 887	79 793 735
Finance lease obligation	19	-	55 669	-	-
Provisions	20	135 496 554	108 298 655	135 496 554	108 298 655
		1 325 405 809	**1 212 623 322**	**1 325 405 809**	**1 212 567 653**
Total Liabilities		**3 703 293 159**	**3 573 776 081**	**3 694 908 279**	**3 555 739 004**
Net Assets		**43 010 999 847**	**44 087 922 503**	**42 984 525 991**	**44 065 827 698**
Reserves					
Revaluation reserve	13	10 580 599 041	12 342 616 020	10 580 599 041	12 342 616 020
Accumulated surplus		32 430 400 806	31 745 306 483	32 403 926 950	31 723 211 678
Total Net Assets		**43 010 999 847**	**44 087 922 503**	**42 984 525 991**	**44 065 827 698**

* See Note 59

Statement of Financial Performance

		Economic entity		Controlling entity	
Figures in Rand	Note(s)	2025	2024 Restated*	2025	2024 Restated*
Revenue					
Revenue from exchange transactions					
Service charges	26	4 994 155 198	4 168 382 828	4 994 155 198	4 168 382 828
Rental of facilities and equipment	27	31 260 642	23 136 005	31 260 642	23 136 005
Construction contract	28	70 202 832	91 712 399	70 202 832	91 712 399
Agency services	29	21 002 430	18 764 272	21 002 430	18 764 272
Other revenue (exchange)	30	88 912 138	83 056 771	88 912 059	83 056 471
Interest received	31	330 251 231	318 511 071	327 534 397	316 825 063
Total revenue from exchange transactions		**5 535 784 471**	**4 703 563 346**	**5 533 067 558**	**4 701 877 038**
Revenue from non-exchange transactions					
Property rates	33	2 169 014 672	2 105 248 187	2 169 014 672	2 105 248 187
Licences and Permits (non-exchange)	34	16 427 152	13 684 835	16 427 152	13 684 835
Service charges - Availability charges	32	54 817 667	37 957 882	54 817 667	37 957 882
Interest (non-exchange)	35	123 854 204	111 040 240	123 854 204	111 040 240
Government grants & subsidies	36	2 183 419 288	2 137 507 114	2 178 380 824	2 122 290 044
Other revenue (non-exchange)	37	100 262 447	98 250 726	100 262 447	98 250 726
Public contributions and donations	25	5 666 429	22 409 060	5 666 429	22 409 060
Fines	25	56 647 107	65 437 669	56 647 107	65 437 669
Fuel levy	25	777 132 000	741 926 000	777 132 000	741 926 000
Total revenue from non-exchange transactions		**5 487 240 966**	**5 333 461 713**	**5 482 202 502**	**5 318 244 643**
Total revenue	25	**11 023 025 437**	**10 037 025 059**	**11 015 270 060**	**10 020 121 681**
Expenditure					
Employee related costs	38	(2 795 223 282)	(2 740 422 464)	(2 768 590 282)	(2 696 701 705)
Remuneration of councillors/directors	39	(71 884 626)	(72 891 681)	(70 373 311)	(70 899 480)
Inventory consumed	40	(345 883 282)	(331 267 041)	(345 883 282)	(331 234 270)
Depreciation and amortisation	41	(1 628 459 077)	(1 624 848 736)	(1 627 834 153)	(1 623 765 308)
Finance costs	43	(44 468 214)	(46 210 625)	(44 448 679)	(46 183 512)
Debt Impairment	45	(1 987 595 727)	(1 291 454 455)	(1 987 595 727)	(1 291 454 455)
Bulk purchases	46	(2 631 543 066)	(2 252 355 443)	(2 631 543 066)	(2 252 355 443)
Repairs and maintenance	47	(379 954 307)	(429 930 301)	(379 398 230)	(429 911 161)
Contracted services	48	(512 175 551)	(390 431 882)	(504 005 484)	(381 749 115)
Grants and subsidies paid	49	(61 780 270)	(71 316 468)	(102 001 041)	(131 530 965)
General expenses	50	(640 746 374)	(632 496 974)	(634 672 748)	(625 158 431)
Total expenditure		**(11 099 713 776)**	**(9 883 626 070)**	**(11 096 346 003)**	**(9 880 943 845)**
Operating (deficit) surplus		**(76 688 339)**	**153 398 989**	**(81 075 943)**	**139 177 836**
Net gain/(loss) on derecognition of assets	4	(10 605 810)	(299 062 531)	(10 605 810)	(299 063 825)
Inventories losses/write-downs	55	(187 975 551)	(148 218 824)	(187 966 948)	(148 230 590)
Fair value adjustments	51	20 012 000	307 489 401	20 012 000	307 489 401
Impairment loss	42	(734 393 805)	(52 608 336)	(734 393 805)	(52 608 336)
Share of surpluses or (deficits) from associates	7	(1 975 925)	42 275 674	(1 975 925)	42 275 674
		(914 939 091)	**(150 124 616)**	**(914 930 488)**	**(150 137 676)**
(Deficit) surplus for the year		**(991 627 430)**	**3 274 373**	**(996 006 431)**	**(10 959 840)**

* See Note 59

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus / deficit	Total net assets
Economic entity			
Opening balance as previously reported	16 454 472 359	10 436 314 970	26 890 787 329
Adjustments			
Prior year adjustments (note 59)	(14 420 795 494)	20 676 305 955	6 255 510 461
Balance at 01 July 2023 as restated*	**2 033 676 865**	**31 112 620 925**	**33 146 297 790**
Changes in net assets			
Surplus for the year	-	3 274 373	3 274 373
Prior period error	(629 411 185)	629 411 185	-
Revaluation	10 938 350 340	-	10 938 350 340
Total changes	10 308 939 155	632 685 558	10 941 624 713
Restated* Balance at 01 July 2024	**12 342 616 020**	**31 745 306 474**	**44 087 922 494**
Changes in net assets			
(Deficit) for the year	-	(991 627 430)	(991 627 430)
Adjustment	(1 762 016 978)	1 676 721 762	(85 295 216)
Total changes	(1 762 016 978)	685 094 332	(1 076 922 646)
Balance at 30 June 2025	**10 580 599 042**	**32 430 400 806**	**43 010 999 848**
Note(s)	13	59	
Controlling entity			
Opening balance as previously reported	16 454 472 359	10 429 440 708	26 883 913 067
Adjustments			
Prior year adjustments (note 59)	(14 420 795 494)	20 675 319 625	6 254 524 131
Balance at 01 July 2023 as restated*	**2 033 676 865**	**31 104 760 333**	**33 138 437 198**
Changes in net assets			
(Deficit) for the year	-	(10 959 840)	(10 959 840)
Prior period error	(629 411 185)	629 411 185	-
Revaluation	10 938 350 340	-	10 938 350 340
Total changes	10 308 939 155	618 451 345	10 927 390 500
Restated* Balance at 01 July 2024	**12 342 616 020**	**31 723 211 671**	**44 065 827 691**
Changes in net assets			
(Deficit) for the year	-	(996 006 431)	(996 006 431)
Adjustment	(1 762 016 978)	1 676 721 710	(85 295 268)
Total changes	(1 762 016 978)	680 715 279	(1 081 301 699)
Balance at 30 June 2025	**10 580 599 042**	**32 403 926 950**	**42 984 525 992**
Note(s)	13	59	

* See Note 59

Cash Flow Statement

Figures in Rand	Note(s)	Economic entity		Controlling entity	
		2025	2024 Restated*	2025	2024 Restated*
Cash flows from operating activities					
Receipts					
Sale of goods and services	72	6 254 280 690	5 858 112 018	6 253 597 967	5 864 573 394
Government grants and subsidies	72	2 321 269 048	2 145 833 433	2 320 868 214	2 127 056 406
Interest income	35&31	354 638 700	356 842 550	351 921 866	355 156 543
		8 930 188 438	8 360 788 001	8 926 388 047	8 346 786 343
Payments					
Employee costs & Councillors remuneration	72	(2 778 073 479)	(2 744 221 407)	(2 749 929 164)	(2 698 593 131)
Suppliers and other payments	72	(4 951 704 041)	(4 419 320 428)	(4 972 268 139)	(4 468 950 877)
Finance costs	43	(9 577 431)	(12 107 483)	(9 577 430)	(12 107 484)
		(7 739 354 951)	(7 175 649 318)	(7 731 774 733)	(7 179 651 492)
Net cash flows from operating activities	53	**1 190 833 487**	**1 185 138 683**	**1 194 613 314**	**1 167 134 851**
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(1 222 161 514)	(1 112 414 356)	(1 222 141 805)	(1 111 934 582)
Proceeds from sale of property, plant and equipment	4	77 752 400	30 434	77 752 400	-
Purchase of other intangible assets	5	(7 391 303)	(197 463)	(7 391 303)	-
Purchase of heritage assets	6	-	(1 180 000)	-	(1 180 000)
Net cash flows from investing activities		**(1 151 800 417)**	**(1 113 761 385)**	**(1 151 780 708)**	**(1 113 114 582)**
Cash flows from financing activities					
Repayment of borrowings	18	(28 813 897)	(30 246 177)	(28 813 896)	(30 246 177)
Finance lease payments		(177 147)	(119 561)	-	-
Net cash flows from financing activities		**(28 991 044)**	**(30 365 738)**	**(28 813 896)**	**(30 246 177)**
Net increase/(decrease) in cash and cash equivalents		**10 042 026**	**41 011 560**	**14 018 710**	**23 774 092**
Cash and cash equivalents at the beginning of the year		720 986 557	679 974 997	683 762 515	659 988 423
Cash and cash equivalents at the end of the year	12	**731 028 583**	**720 986 557**	**697 781 225**	**683 762 515**

* See Note 59

Statement of Comparison of Budget and Actual Amounts

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Reference
Economic entity - 2025											
Financial Performance											
Property rates	2 269 496 542	-	2 269 496 542	-		2 269 496 542	2 169 014 672		(100 481 870)	96 %	
Service charges	4 886 537 464	-	4 886 537 464	-		4 886 537 464	4 994 155 199		107 617 735	102 %	
Investment revenue	25 655 547	46 541 795	72 197 342	-		72 197 342	72 214 660		17 318	100 %	
Transfers recognised - operational	1 636 166 824	136 994 512	1 773 161 336	-		1 773 161 336	1 520 802 991		(252 358 345)	86 %	N1
Other own revenue	1 316 954 914	-	1 316 954 914	-		1 316 954 914	1 558 575 193		241 620 279	118 %	N2
Total revenue (excluding capital transfers and contributions)	**10 134 811 291**	**183 536 307**	**10 318 347 598**	**-**		**10 318 347 598**	**10 314 762 715**		**(3 584 883)**	**100 %**	
Employee costs	(2 937 653 875)	109 992 221	(2 827 661 654)	-	-	(2 827 661 654)	(2 780 894 285)	-	46 767 369	98 %	
Remuneration of councillors	(77 685 849)	7 312 539	(70 373 310)	-	-	(70 373 310)	(70 373 310)	-	-	100 %	
Debt impairment	(1 681 728 272)	(249 655 441)	(1 931 383 713)			(1 931 383 713)	(1 987 595 727)	(56 212 014)	(56 212 014)	103 %	
Depreciation and asset impairment	(2 001 862 441)	171 925 127	(1 829 937 314)			(1 829 937 314)	(2 362 852 884)	(532 915 570)	(532 915 570)	129 %	N3
Finance charges	(8 966 469)	321	(8 966 148)	-	-	(8 966 148)	(44 468 216)	(35 502 068)	(35 502 068)	496 %	N4
Inventory consumed and bulk purchases	(3 112 589 989)	147 381 705	(2 965 208 284)	-	-	(2 965 208 284)	(2 984 144 388)	(18 936 104)	(18 936 104)	101 %	
Transfers and grants	(142 580 580)	8 844 266	(133 736 314)	-	-	(133 736 314)	(102 001 039)	-	31 735 275	76 %	N5
Other expenditure	(1 600 794 994)	(379 337 054)	(1 980 132 048)	-	-	(1 980 132 048)	(1 750 790 701)	-	229 341 347	88 %	
Total expenditure	**(11 563 862 469)**	**(183 536 316)**	**(11 747 398 785)**	**-**	**-**	**(11 747 398 785)**	**(12 083 120 550)**	**(643 565 756)**	**(335 721 765)**	**103 %**	
Surplus/(Deficit)	**(1 429 051 178)**	**(9)**	**(1 429 051 187)**	**-**		**(1 429 051 187)**	**(1 768 357 835)**		**(339 306 648)**	**124 %**	

Statement of Comparison of Budget and Actual Amounts

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Reference
Transfers recognised - capital	788 563 251	112 636 100	901 199 351	-		901 199 351	773 039 901		(128 159 450)	86 %	N6
Contributions recognised - capital and contributed assets	-	-	-	-		-	5 666 429		5 666 429		N7
Surplus (Deficit) after capital transfers and contributions	**(640 487 927)**	**112 636 091**	**(527 851 836)**	**-**		**(527 851 836)**	**(989 651 505)**		**(461 799 669)**	**187 %**	
Share of surplus (deficit) of associate	-	-	-	-		-	(1 975 925)		(1 975 925)		N8
Surplus/(Deficit) for the year	**(640 487 927)**	**112 636 091**	**(527 851 836)**	**-**		**(527 851 836)**	**(991 627 430)**		**(459 823 744)**	**188 %**	N9

Statement of Comparison of Budget and Actual Amounts

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Reference
Capital expenditure and funds sources											
Sources of capital funds											
Transfers recognised - capital	788 563 251	112 636 092	901 199 343	-		901 199 343	773 039 901		(128 159 442)	86 %	N10
Internally generated funds	442 551 560	68 489 061	511 040 621	-		511 040 621	527 854 509		16 813 888	103 %	
Total sources of capital funds	**1 231 114 811**	**181 125 153**	**1 412 239 964**	**-**		**1 412 239 964**	**1 300 894 410**		**(111 345 554)**	**92 %**	
Financial position											
Total current assets	5 898 347 194	8 421 933	5 906 769 127	-		5 906 769 127	4 248 188 382		(1 658 580 745)	72 %	N11
Total non-current assets	25 806 386 492	5 811 876 302	31 618 262 794	-		31 618 262 794	42 466 104 624		10 847 841 830	134 %	N12
Total current liabilities	(3 838 978 247)	93 105 929	(3 745 872 318)	-		(3 745 872 318)	(2 377 887 350)		1 367 984 968	63 %	N13
Total non-current liabilities	(1 001 294 829)	1 175 746	(1 000 119 083)	-		(1 000 119 083)	(1 325 405 809)		(325 286 726)	133 %	N14
Community wealth/Equity	**26 864 460 610**	**5 914 579 910**	**32 779 040 520**	**-**		**32 779 040 520**	**43 010 999 847**		**10 231 959 327**	**131 %**	
Cash flows											
Net cash from (used) operating	1 321 338 841	248 748 969	1 570 087 810	-		1 570 087 810	1 190 833 487		(379 254 323)	76 %	N15
Net cash from (used) investing	(1 230 864 811)	(181 394 859)	(1 412 259 670)	-		(1 412 259 670)	(1 151 800 417)		260 459 253	82 %	N16
Net cash from (used) financing	(25 539 696)	(177 147)	(25 716 843)	-		(25 716 843)	(28 991 044)		(3 274 201)	113 %	N17
Net increase/(decrease) in cash and cash equivalents	**64 934 334**	**67 176 963**	**132 111 297**	**-**		**132 111 297**	**10 042 026**		**(122 069 271)**	**8 %**	
Cash and cash equivalents at the beginning of the year	726 982 135	(9 775 407)	717 206 728	-		717 206 728	720 986 557		3 779 829	101 %	
Cash and cash equivalents at year end	**791 916 469**	**57 401 556**	**849 318 025**	**-**		**849 318 025**	**731 028 583**		**(118 289 442)**	**86 %**	N18

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Reference
Controlling entity - 2025											
Financial Performance											
Property rates	2 269 496 542	-	2 269 496 542	-		2 269 496 542	2 169 014 672		(100 481 870)	96 %	
Service charges	4 886 537 464	-	4 886 537 464	-		4 886 537 464	4 994 155 199		107 617 735	102 %	
Investment revenue	24 000 000	45 480 505	69 480 505	-		69 480 505	69 497 826		17 321	100 %	
Transfers recognised - operational	1 548 936 865	135 409 611	1 684 346 476	-		1 684 346 476	1 475 543 756		(208 802 720)	88 %	N1
Other own revenue	1 316 954 914	-	1 316 954 914	-		1 316 954 914	1 558 575 114		241 620 200	118 %	N2
Total revenue (excluding capital transfers and contributions)	**10 045 925 785**	**180 890 116**	**10 226 815 901**	**-**		**10 226 815 901**	**10 266 786 567**		**39 970 666**	**100 %**	
Employee costs	(2 888 237 670)	103 806 512	(2 784 431 158)	-	-	(2 784 431 158)	(2 752 943 261)	-	31 487 897	99 %	
Remuneration of councillors	(77 685 849)	7 312 539	(70 373 310)	-	-	(70 373 310)	(70 373 311)	-	(1)	100 %	
Debt impairment	(1 681 728 272)	(249 655 441)	(1 931 383 713)			(1 931 383 713)	(1 987 595 727)	(56 212 014)	(56 212 014)	103 %	
Depreciation and asset impairment	(2 001 344 233)	172 055 127	(1 829 289 106)			(1 829 289 106)	(2 362 227 960)	(532 938 854)	(532 938 854)	129 %	N3
Finance charges	(8 964 052)	2	(8 964 050)	-	-	(8 964 050)	(44 448 681)	(35 484 631)	(35 484 631)	496 %	N4
Inventory consumed and bulk purchases	(3 109 421 815)	147 464 706	(2 961 957 109)	-	-	(2 961 957 109)	(2 984 144 388)	(22 187 279)	(22 187 279)	101 %	
Transfers and grants	(142 580 580)	9 294 266	(133 286 314)	-	-	(133 286 314)	(102 001 041)	-	31 285 273	77 %	N5
Other expenditure	(1 565 014 492)	(371 167 836)	(1 936 182 328)	-	-	(1 936 182 328)	(1 735 789 033)	-	200 393 295	90 %	
Total expenditure	**(11 474 976 963)**	**(180 890 125)**	**(11 655 867 088)**	**-**	**-**	**(11 655 867 088)**	**(12 039 523 402)**	**(646 822 778)**	**(383 656 314)**	**103 %**	
Surplus/(Deficit)	**(1 429 051 178)**	**(9)**	**(1 429 051 187)**	**-**		**(1 429 051 187)**	**(1 772 736 835)**		**(343 685 648)**	**124 %**	

Statement of Comparison of Budget and Actual Amounts

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Reference
Transfers recognised - capital	788 563 251	112 636 100	901 199 351	-		901 199 351	773 039 901		(128 159 450)	86 %	N6
Contributions recognised - capital and contributed assets	-	-	-	-		-	5 666 429		5 666 429	- %	N7
Surplus (Deficit) after capital transfers and contributions	**(640 487 927)**	**112 636 091**	**(527 851 836)**	**-**		**(527 851 836)**	**(994 030 505)**		**(466 178 669)**	**188 %**	
Share of surplus (deficit) of associate	-	-	-	-		-	(1 975 925)		(1 975 925)	- %	N8
Surplus/(Deficit) for the year	**(640 487 927)**	**112 636 091**	**(527 851 836)**	**-**		**(527 851 836)**	**(996 006 430)**		**(468 154 594)**	**189 %**	N9
Capital expenditure and funds sources											
Sources of capital funds											
Transfers recognised - capital	788 563 251	112 636 092	901 199 343	-		901 199 343	773 039 901		(128 159 442)	86 %	N10
Internally generated funds	442 301 560	68 489 060	510 790 620	-		510 790 620	527 835 236		17 044 616	103 %	
Total sources of capital funds	**1 230 864 811**	**181 125 152**	**1 411 989 963**	**-**		**1 411 989 963**	**1 300 875 137**		**(111 114 826)**	**92 %**	
Financial position											
Sources of capital funds											
Total current assets	5 878 025 460	(6 814 561)	5 871 210 899	-		5 871 210 899	4 214 229 160		(1 656 981 739)	72 %	N11
Total non-current assets	25 804 714 331	5 812 648 846	31 617 363 177	-		31 617 363 177	42 465 205 110		10 847 841 933	134 %	N12
Total current liabilities	(3 802 171 668)	74 631 570	(3 727 540 098)	-		(3 727 540 098)	(2 369 502 470)		1 358 037 628	64 %	N13
Total non-current liabilities	(996 720 980)	(3 398 103)	(1 000 119 083)	-		(1 000 119 083)	(1 325 405 809)		(325 286 726)	133 %	N14
Community wealth/Equity	**26 883 847 143**	**5 877 067 752**	**32 760 914 895**	**-**		**32 760 914 895**	**42 984 525 991**		**10 223 611 096**	**131 %**	

Statement of Comparison of Budget and Actual Amounts

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Reference
Cash flows											
Net cash from (used) operating	1 321 338 841	248 748 969	1 570 087 810	-		1 570 087 810	1 194 613 314		(375 474 496)	76 %	N15
Net cash from (used) investing	(1 230 864 811)	(181 375 151)	(1 412 239 962)	-		(1 412 239 962)	(1 151 780 708)		260 459 254	82 %	N16
Net cash from (used) financing	(25 539 696)	-	(25 539 696)	-		(25 539 696)	(28 813 896)		(3 274 200)	113 %	N17
Net increase/(decrease) in cash and cash equivalents	**64 934 334**	**67 373 818**	**132 308 152**	**-**		**132 308 152**	**14 018 710**		**(118 289 442)**	**11 %**	
Cash and cash equivalents at the beginning of the year	726 982 135	(43 219 620)	683 762 515	-		683 762 515	683 762 515		-	100 %	
Cash and cash equivalents at year end	**791 916 469**	**24 154 198**	**816 070 667**	**-**		**816 070 667**	**697 781 225**		**118 289 442**	**86 %**	N18

Statement of Comparison of Budget and Actual Amounts

Reasons for significant variances greater that 10% shown on the Statement of Comparison of Budget and Actual Amounts are detailed below:

N1 - (Transfers recognised - operational) – The transfers recognised relate to grants and subsidies received as well as revenue recognised on grant funded operating projects. Revenue from grant funded projects is recognised as the expenditure is incurred, the low expenditure on grant funded projects has resulted in revenue realised being less than anticipated. The major contributing grant is Human Settlements Development Grant – revenue arise from funds received from the Eastern Cape Department of Human Settlements for the development and construction of housing units. Contractual disputes and slow progress by contractors on site contribute to the underperformance on revenue.

N2 - (Other own revenue) – Other own revenue is made up of numerous revenue items. The contributing items to the variance are the following:

- Interest earned from Receivables - the debtor's book is increasing due to non-payment of debtors. The increase in debtor's results in an increase in interest charges, despite credit control action being implemented.
- Fines, penalties and forfeits - The increase in revenue can be attributed to the Automatic Number Plate Recognition (ANPR) unit's daily operations for the collection of outstanding traffic fines. The ANPR utilizes state of the technology to detect an offender at a roadblock who in turn is informed of their fines and are given the options to either pay at the ANPR pay point or if the offender wishes he/she can contest their fines and submit a representation.

N3 - (Depreciation and asset impairment) – BCMM transferred a significant amount of completed assets out of the work in progress register to the completed asset register and there was a depreciation impact. Additionally, assets were assessed for impairment and an impairment was recognised.

N4 - (Finance charges) - An amount of R35m relates to accrued interest in respect of the Landfill Provision. The interest cost to close the landfill sites is an estimate and it's a cost that will be incurred in about 20-25 years' time. The time value of money is material, so you have to discount it using the municipality's borrowing rate (R8.3%pa, with minor adjustments for risk).

N5 - (Transfers and grants) - BCMM had budgeted to receive donor funding of R32m for Duncan Village Buy Back Centre which is funded through the European Union grant funding. The project is being implemented by BCMDA, funding was never received from National Treasury in the year under review.

N6 - (Transfers recognised – capital) - During the mid-year budget adjustment process in February 2025, additional funding was appropriated into the budget, grants affected are Municipal Disaster Recovery Grant and Municipal Disaster Response Grant. The municipality was unable to fully spend the allocation of these grants; however, the funds are already fully committed to identifiable projects.

N7 - (Contributions recognised – capital and contributed assets) - In the 2024/2025 financial year the City received donations of Electrical assets and computer assets that could not have been anticipated and therefore the donations were not budgeted for.

N8 - (Share of surplus (deficit) of associate) – There was a deficit realised by the East London Industrial Development Zone at 26% share price held by Buffalo City Metropolitan Municipality resulting in R1 975 925 deficit for the year ended June 2025.

N9 - (Surplus/(Deficit)) for the year - The deficit that has been incurred by the Metro is mainly caused by two non-cash items - Depreciation & amortisation and Debt impairment.

- Depreciation & and asset impairment: BCMM transferred a significant amount of completed assets out of the work in progress register to the completed asset register and there was a depreciation impact. Additionally, assets were assessed for impairment and an impairment was recognised.
- Debt impairment: The increase is due to rise in debtors primarily due to non-payment by customers within the financial year.

N10 - (Transfers recognised – Capital) - During the mid-year budget adjustment process in February 2025, additional funding was appropriated into the budget, grants affected are Municipal Disaster Recovery Grant and Municipal Disaster Response Grant. The municipality was unable to fully spend the allocation of these grants; however, the funds are already fully committed to identifiable projects.

N11 - (Total current assets) - The reason for the variance is VAT payable and receivable disclosed separately for NT mSCOA budgeting purposes and combined and grouped together for GRAP reporting.

N12 - (Total non-current assets) – The increase is due to annualised revaluation of assets.

N13 - (Total current liabilities) – The reason for the variance is VAT payable and receivable disclosed separately for NT mSCOA budgeting purposes and combined and grouped together for GRAP reporting. Also, the East and West Bank funds have been moved from current liabilities to non-current liabilities.

N14 - (Total non-current liabilities) – The reason for the variance is that the Metro moved the East and West Bank funds from current liabilities to non-current liabilities and there was a bigger than expected increase in employee benefit obligation (noncurrent portion).

N15 - (Net cash from (used) operating) - A significant decrease in collection ratio. Achieved collection ratio is 70.47% versus budgeted collection ratio of 77% and increase in operating costs.

N16 - (Net cash from (used) investing) - Low spending on CAPEX and unanticipated increase in CAPEX budget due to additional funding received from Municipal Disaster Recovery Grant and Municipal Disaster Response Grant. However, the majority of these funds are committed as at 30 June 2025.

N17 - (Net cash from (used) financing) - Significant reduction on financing costs as the loan capital amount reduces.

N18 - (Cash / cash equivalents at the year-end) – A cash improvement of R14 million is observed, however, a decrease in collection ratio from 77% budgeted to a 70.47% actual has affected the outcome.

Accounting Policies

	Economic entity	Controlling entity

1. Presentation of Audited Consolidated Annual Financial Statements

The audited consolidated annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These audited consolidated annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these audited consolidated annual financial statements, are disclosed below;

1.1 Going concern assumption

These audited consolidated annual financial statements have been prepared based on the expectation that the economic entity will continue to operate as a going concern for at least the next 12 months. Management considers key financial metrics and approved medium-term budgets, together with the municipality's dependency on the grants from National and Provincial government, to conclude that the going concern assumptions used in the compilation of its annual financial statements, is appropriate.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the audited consolidated annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the audited consolidated annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the audited consolidated annual financial statements. Significant judgements include:

Trade receivables / Held to maturity investments and/or loans and receivables

The economic entity assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Allowance for slow moving, damaged and obsolete stock

An allowance to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the notes to the financial statements per inventory note 8.

Fair value estimation

The valuation of assets is based on management's estimation based on the valuation techniques and market information available. The actual value of assets could differ from the estimate.

Fair value estimates require management to make certain assumptions which are also subject to change.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the economic entity for similar financial instruments.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including i.e. production estimates, supply demand, together with economic factors such as exchange rates, inflation and interest.

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 20 - Provisions.

Useful lives and residual values of assets

The municipality's management determines the estimated useful lives and related depreciation charges for the waste water and water networks. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

The estimation of residual values of assets is based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

Employee benefit obligation

The present value of the post-retirement obligation and other employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations and other employee benefit obligations.

The economic entity determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the post-retirement obligations. In determining the appropriate discount rate, the economic entity considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related post-retirement obligation.

Other key assumptions for employee benefit obligations are based on current market conditions. Additional information is disclosed in Note 16.

Effective interest rate

The economic entity used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

On debtors, an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Cash and non-cash generating assets

The municipality is not a profit-oriented entity as its primary objective is service delivery. Tariffs and charges are cost-reflective to ensure continued financial sustainability. No profit element is included in the determination of a tariff, although net positive cash flows are achieved from electricity service charges.

The municipality receives rental income from investment property. Commercial return from positive cash flows is not expected to be significantly higher than the cost of the asset.

Management assessed this as immaterial and regards all assets to meet the definition of non-cash generating assets.

Service charges

Service Charges relating to electricity and water are based on consumption. Estimates are raised where actual readings cannot be taken and these are recognised as revenue when invoiced. Adjustments to estimates of consumption are made in the invoicing period when meters have been read. Waste removal is based on the size of the bin and the number of times it is collected. Waste water is based on the size of the erf for residential customers. For business customers, an area charge plus a charge per pan, including, where applicable a Trade Effluent charge is raised based on water consumption. All Service Charges are billed monthly.

1.3 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Accounting Policies

1.3 Investment property (continued)

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the economic entity, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the municipality determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the municipality determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the municipality measures that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The municipality applies the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

Once the municipality becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

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

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations, are as follows:

Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:

(a) commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
(b) commencement of development with a view to sale, for a transfer from investment property to inventories;
(c) end of owner-occupation, for a transfer from owner-occupied property to investment property; or
(d) commencement of an operating lease (on a commercial basis) to another party, for a transfer from inventories to investment property.

The initial cost of a property interest held under a lease and classified as an investment property has been recognised at the lower of the fair value of the property and the present value of the minimum lease payments.

1.4 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

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

1.4 Property, plant and equipment (continued)

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the municipality is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses, except for land, buildings, other properties, community properties, roads, electricity, water and wastewater which is carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value except for furniture and fittings, which are depreciated using the diminishing balance method at 10% per annum.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life or % of use
Land	Straight-line	Indefinite
Buildings	Straight-line	30 to 60
Plant and machinery	Straight-line	3 to 30
Furniture and fittings	Diminishing balance	10%
Motor vehicles	Straight-line	4 to 15
Electricity	Straight-line	30 to 60
Community - Buildings	Straight-line	30 to 60
Community - Recreation	Straight-line	15 to 60
Other properties	Straight-line	5 to 60
Roads	Straight-line	5 to 100
Wastewater network	Straight-line	5 to 80
Water network	Straight-line	5 to 150

The Municipality acquires and maintains assets to provide social service to the community, with no intention of disposing of the assets for any economic gain, and thus no residual values are determined other than that of certain Plant and Equipment, and Transport assets with significant carrying values. For Plant and Equipment and Transport assets (Above R5000) the residual value and the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised prospectively as a change in accounting estimates in the Statement of Financial Performance.

Motorised plant and machinery is accounted for under motor vehicles, due to the nature of their use.

Accounting Policies

1.4 Property, plant and equipment (continued)

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the municipality to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised and will be classified as revenue. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end, and the assets are available-for-sale. These assets are not accounted for as non-current assets held for sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the municipality.

Servitudes are recognised as a component of property, plant and equipment as it is directly linked to the location and construction of infrastructure assets.

1.5 Site restoration and dismantling cost

The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as rehabilitation of landfill site provision. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which a municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the revaluation model:

(a) changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:
- a decrease in the liability (subject to (b)) is credited to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit.
- an increase in the liability is recognised in surplus or deficit, except that it is debited to the revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

(b) in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in surplus or deficit; and

(c) a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Any such revaluation is taken into account in determining the amounts to be taken to surplus or deficit or net assets under (a). If a revaluation is necessary, all assets of that class are revalued.

1.6 Intangible assets

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

An asset is identified as an intangible asset when it:
- is capable of being separated or divided from a municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability, or
- arises from contractual rights or other legal rights, regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

An intangible asset is recognised when:
- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the economic entity; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

When an intangible asset is acquired through a non-exchange transaction, the cost shall be its fair value as at the date of acquisition.

Accounting Policies

1.6 Intangible assets (continued)

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Amortisation method	Average useful life
Computer software	Straight-line	3 to 10

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

1.7 Heritage assets

Assets are resources controlled by a economic entity as a result of past events and from which future economic benefits or service potential are expected to flow to the economic entity.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

In terms of Section 39 of the National Heritage Resources Act, 1999 (Act No. 25 of 1999) (NHRA), the South African Heritage Resource Agency (SAHRA) is required to compile and maintain an inventory of the national estate, defined as heritage resources of cultural and other significance. This information is contained in the South African Heritage Resources Information System (SAHRIS) and is available on SAHRA's website.

Not all assets that are designated as heritage assets in terms of the NHRA are classified as a heritage asset in terms of GRAP 103. Buffalo City Metropolitan Municipality assessed the items included in the SAHRIS using the criteria prescribed in GRAP 103 before classifying the assets as a heritage in terms of GRAP 103. The item must meet the definition of a heritage asset in GRAP 103 and the item must not be excluded from the scope of GRAP 103.02. When the heritage asset has more than one purpose, the city determines its primary purpose and treats the asset as Heritage Asset and account for it using GRAP 103 if the primary purpose falls within GRAP 103, even if other purposes can fall under another GRAP standard.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an economic entity’s operations that is shown as a single item for the purpose of disclosure in the audited consolidated annual financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

Accounting Policies

1.7 Heritage assets (continued)

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

If a municipality holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of a heritage asset because it cannot be reliably measured, relevant and useful information about it shall be disclosed in the notes to the financial statements.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Impairment

The municipality assesses at each reporting date whether there is an indication that a heritage asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The economic entity derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

Accounting Policies

1.8 Interests in other entities

Investment in controlled entities

Municipal controlled entities are those entities which the City owns or over whose financial and operating policies it has the power to exercise beneficial control. Buffalo City Metropolitan Development Agency is wholly owned by the City. Refer to note 7.

In the controlling entity's annual financial statements, investments in controlled entities are carried at cost less any accumulated impairment.

Investments in associates

An associate is an entity over which the municipality is in a position to exercise significant influence, through participation in the financial and operating policy decisions of the investment, but is not in control or joint control of those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting.

The carrying value of the investment in associates is adjusted for the municipality's share of operating surpluses/(deficits) less any dividends received.

Where the municipality or its entities transact with an associate, unrealised gains and losses are eliminated to the extent of the municipality's or its municipal entities' interest in the relevant associate, except where unrealised losses provide evidence of an impairment of the asset transferred.

Where the municipality is no longer able to exercise significant influence over the associate, the equity method of accounting is discontinued.

The municipality uses the most recent available financial statements of the associate in applying the equity method.

Impairment losses

After application of the equity method, including recognising the associate’s deficits, the municipality applies the Standard of GRAP on Financial Instruments to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate. The municipality also applies the Standard of GRAP on Financial Instruments to determine whether any additional impairment loss is recognised with respect to its interest in the associate that does not constitute part of the net investment and the amount of that impairment loss. Whenever application of the Standard of GRAP on Financial Instruments indicates that the investment in an associate may be impaired, the municipality applies the Standard of GRAP on Impairment of Cash-Generating Assets and/or the Standard of GRAP on Impairment of Non-Cash-Generating Assets.

The recoverable amount of an investment in an associate is assessed, unless the associate does not generate cash inflows from continuing use that are largely independent of those from other assets of the municipality.

Equity method

On initial recognition, the investment in an associate or a joint venture is recognised at cost and the carrying amount is increased or decreased to recognise the municipality as investor’s share of the surplus or deficit of the investee after the date of acquisition. The municipality as investor’s share of the investee’s surplus or deficit is recognised in the municipality as investor’s surplus or deficit. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the municipality as investor’s proportionate interest in the investee arising from changes in the investee’s equity that have not been recognised in the investee’s surplus or deficit. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The municipality as investor’s share of those changes is recognised in net assets of the municipality as investor.

An investment in an associate or a joint venture accounted for using the equity method is classified as a non-current asset.

The municipality with joint control of, or significant influence over, an investee, accounts for its investment in an associate or a joint venture using the equity method except when that investment qualifies for exemption.

Consolidated financial statements

Consolidated audited consolidated annual financial statements are the audited consolidated annual financial statements of an economic entity in which the assets, liabilities, net assets, revenue, expenses and cash flows of the controlling entity and its controlled entities are presented as those of a single economic entity.

An entity controls another entity when the entity is exposed, or has rights, to variable benefits from its involvement with the other entity and has the ability to affect the nature or amount of those benefits through its power over the other entity.

Consolidated annual financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Accounting Policies

1.8 Interests in other entities (continued)

The consolidated annual financial statements of the controlling entity and its controlled entities used in the preparation of the consolidated annual financial statements are prepared as of the same reporting date.

Adjustments are made when necessary to the consolidated annual financial statements of the controlled entities to bring their accounting policies in line with those of the controlling entity.

All intra-entity transactions, balances, revenues and expenses are eliminated in full on consolidation.

1.9 Financial instruments

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Classification

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position and in note 24:

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position and in note 24:

Class	Category
Borrowings	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at fair value
Other deposits	Financial liability measured at fair value

Accounting Policies

1.9 Financial instruments (continued)

Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument.

Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, the municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Reclassification

The municipality does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The municipality assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the

1.9 Financial instruments (continued)
amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Derecognition

a) Financial assets
The municipality derecognises financial assets (or part of a financial asset) when the contractual rights to the cash flows from the financial asset expire, are settled or waived or when the City has transferred all of the significant risks and rewards of ownership using trade date accounting. On derecognition of a financial asset (or part of a financial asset), the difference between the carrying amount and the sum of the consideration received is recognised in the statement of financial performance.

b) Financial liabilities
The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished (when the obligation specified in the contract is discharged, cancelled, expires or waived). The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of financial performance. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in statement of financial performance.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in statement of financial performance.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the municipality currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the municipality does not offset the transferred asset and the associated liability.

1.10 Statutory receivables

Initial and subsequent measurement

The economic entity measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

Where the economic entity levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions, whichever is applicable.

Impairment losses

The economic entity assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the economic entity considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

Accounting Policies

1.10 Statutory receivables (continued)

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the economic entity measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, an economic entity considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the municipality discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted using the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

1.11 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the municipality assesses the classification of each element separately.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.12 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the economic entity incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the economic entity.

Accounting Policies

1.12 Inventories (continued)

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.13 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

At each reporting date a review is carried out to determine whether there are any indications that any assets and non-cash- generating units may be impaired. If such indications exist, the recoverable amounts of the affected assets are determined.

Where the recoverable service amount of an asset is lower than its carrying amount, an impairment loss is recognised in surplus or deficit in respect of assets at historic cost, and recognised in the revaluation reserve in respect of assets at revalued amounts.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The economic entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the economic entity estimates the recoverable service amount of the asset.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the economic entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the economic entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Accounting Policies

1.13 Impairment of non-cash-generating assets (continued)

Reversal of an impairment loss

The economic entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the economic entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Re-designation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

Accounting Policies

1.14 Employee benefits

Identification

Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service.

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment. Refer to note 16.

Other long-term employee benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits. Refer to note 16.

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Refer to note 73.

Classification of plans

A binding arrangement is an arrangement that confers enforceable rights and obligations on the parties to the arrangement as if it were in the form of a contract. It includes rights from contracts or other legal rights.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Net defined benefit liability (asset)

The net defined benefit liability (asset) is the deficit or surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling.

The deficit or surplus is: (a) the present value of the defined benefit obligation; less (b) the fair value of plan assets (if any); plus (c) any liability that may arise as a result of a minimum funding requirement.

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

Defined benefit cost

Service cost comprises: (a) current service cost, which is the increase in the present value of the defined benefit obligation resulting from employee service in the current period; (b) past service cost, which is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from a plan amendment (the introduction or withdrawal of, or changes to, a defined benefit plan) or a curtailment (a significant reduction by the entity in the number of employees covered by a plan); and (c) any gain or loss on settlement.

Net interest on the net defined benefit liability (asset) is the change during the period in the net defined benefit liability (asset) that arises from the passage of time.

Remeasurements of the net defined benefit liability (asset) comprise: (a) actuarial gains and losses; (b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Actuarial gains and losses are changes in the present value of the defined benefit obligation resulting from: (a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and (b) the effects of changes in actuarial assumptions.

Accounting Policies

1.14 Employee benefits (continued)

A settlement is a transaction that eliminates all further legal or constructive obligations for part or all of the benefits provided under a defined benefit plan, other than a payment of benefits to, or on behalf of, employees that is set out in the terms of the plan and included in the actuarial assumptions.

Short-term employee benefits

Recognition and measurement

All short-term employee benefits

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

(a) As a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

(b) As an expense, unless another Standard of GRAP requires or permits the inclusion of the benefits in the cost of an asset.

Short-term paid absences

The entity recognises the expected cost of short-term employee benefits in the form of paid absences as follows:

(a) in the case of accumulating paid absences, when the employees render service that increases their entitlement to future paid absences; and

(b) in the case of non-accumulating paid absences, when the absences occur.

The entity measures the expected cost of accumulating paid absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

Bonus, incentive and performance related payments

The entity recognises the expected cost of bonus, incentive and performance related payments when, and only when:

(a) the entity has a present legal or constructive obligation to make such payments as a result of past events; and

(b) a reliable estimate of the obligation can be made. A present obligation exists when, and only when, the entity has no realistic alternative but to make the payments.

Post-employment benefits: Distinction between defined contribution plans and defined benefit plans

Post-employment benefits: Defined contribution plans

Recognition and measurement

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

(a) as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and

(b) as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset. When contributions to a defined contribution plan are not expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service, they are be discounted using the discount rate as specified.

Accounting Policies

1.14 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Recognition and measurement

The entity determines the net defined benefit liability (asset) with sufficient regularity that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period.

Accounting for the constructive obligation

The entity accounts not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits.

Statement of financial position

The entity recognises the net defined benefit liability (asset) in the statement of financial position. When the entity has a surplus in a defined benefit plan, it measures the net defined benefit asset at the lower of:

(a) the surplus in the defined benefit plan; and

(b) the asset ceiling, determined using the discount rate specified. Any adjustments arising from the limit is recognised in surplus or deficit.

Asset recognition ceiling: When a minimum funding requirement may give rise to a liability

If the entity has an obligation under a minimum funding requirement to pay contributions to cover an existing shortfall on the minimum funding basis in respect of services already received, the entity determines whether the contributions payable will be available as a refund or reduction in future contributions after they are paid into the plan. To the extent that the contributions payable will not be available after they are paid into the plan, the entity recognises a liability when the obligation arises. The liability reduces the defined benefit asset or increases the defined benefit liability so that no gain or loss is expected to result when the contributions are paid.

Recognition and measurement: Present value of defined benefit obligations and current service cost

Actuarial valuation method

The entity uses the projected unit credit method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost.

Attributing benefit to periods of service

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the entity attributes benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the entity attributes benefit on a straight-line basis from:

(a) the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until

(b) the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the end of the reporting period, for the period over which the obligations are to be settled.

Actuarial assumptions: Mortality

The entity determines its mortality assumptions by reference to its best estimate of the mortality of plan members both during and after employment.

Actuarial assumptions: Discount rate

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Accounting Policies

1.14 Employee benefits (continued)

Actuarial assumptions: Salaries, benefits and medical costs

The entity measures its defined benefit obligations on a basis that reflects:

(a) the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the end of the reporting period;

(b) any estimated future salary increases that affect the benefits payable;

(c) the effect of any limit on the employer's share of the cost of the future benefits;

(d) contributions from employees or third parties that reduce the ultimate cost to the entity of those benefits; and

(e) estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:

(i) those changes were enacted before the end of the reporting period; or

(ii) historical data, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs takes account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Past service cost and gains and losses on settlement

When determining past service cost, or a gain or loss on settlement, the entity remeasures the net defined benefit liability (asset) using the current fair value of plan assets and current actuarial assumptions (including current market interest rates and other current market prices), reflecting:

(a) the benefits offered under the plan and the plan assets before the plan amendment, curtailment or settlement; and

(b) the benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement.

Past service cost

The entity recognises past service cost as an expense at the earlier of the following dates:

(a) when the plan amendment or curtailment occurs; and

(b) when the entity recognises related restructuring costs or termination benefits.

Gains and losses on settlement

The entity recognises a gain or loss on the settlement of a defined benefit plan when the settlement occurs.

Components of defined benefit cost

The entity recognises the components of defined benefit cost in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset, as follows:

(a) service cost;

(b) net interest on the net defined benefit liability (asset); and

(c) remeasurements of the net defined benefit liability (asset).

Current service cost

The entity determines current service cost using actuarial assumptions determined at the start of the reporting period. However, if the entity remeasures the net defined benefit liability (asset) in accordance with the section on Past service cost gains and losses on settlement, it determines current service cost for the remainder of the reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to remeasure the net defined benefit liability (asset) in accordance with the section on Past service cost gains and losses on settlement (part b).

Net interest on the net defined benefit liability (asset)

Accounting Policies

1.14 Employee benefits (continued)

The entity determines net interest on the net defined benefit liability (asset) by multiplying the net defined benefit liability (asset) by the discount rate specified.

To determine net interest, the entity uses the net defined benefit liability (asset) and the discount rate determined at the start of the reporting period. However, if the entity remeasures the net defined benefit liability (asset) in accordance with the section on Past service cost gains and losses on settlement, the entity determines net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement using:

(a) the net defined benefit liability (asset) determined in accordance with the section on Past service cost gains and losses on settlement (part b); and

(b) the discount rate used to remeasure the net defined benefit liability (asset) in accordance with the section on Past service cost gains and losses on settlement (part b).

In applying this, the entity also takes into account any changes in the net defined benefit liability (asset) during the period resulting from contributions or benefit payments.

Remeasurements of the net defined benefit liability (asset)

Remeasurements of the net defined benefit liability (asset) comprise:

(a) actuarial gains and losses;

(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Presentation

Offset

The entity offsets an asset relating to one plan against a liability relating to another plan when, and only when, the entity:

(a) has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan; and

(b) intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Current/non-current distinction

The entity offsets an asset relating to one plan against a liability relating to another plan when, and only when, the entity:

(a) has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan; and

(b) intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Components of defined benefit cost

The entity recognises service cost, net interest on the net defined benefit liability (asset) and remeasurements in surplus or deficit.

Other long-term employee benefits

Recognition and measurement

For other long-term employee benefits, the entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

(a) service cost;

(b) net interest on the net defined benefit liability (asset); and

(c) remeasurements of the net defined benefit liability (asset).

Accounting Policies

1.15 Provisions and contingencies

Provisions are recognised when:

- the economic entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the economic entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If a municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 57.

1.16 Commitments

Items are classified as commitments when the municipality has committed itself to future transactions that will normally result in the outflow of cash. A commitment is disclosed to the extent that it has not already been recognised elsewhere in the financial statements.

At the end of each financial period the municipality determines commitments in respect of capital expenditure that has been approved and contracted for which is then disclosed as a note in the annual financial statements differentiating between community, infrastructure and other capital expenditure commitments. Refer to note 56.

1.17 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

Accounting Policies

1.17 Revenue from exchange transactions (continued)

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Service charges relating to solid waste, sanitation and sewerage are levied in terms of the approved tariffs.

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and revenue is recognised in the period when the consumption took place. Provisional estimates of consumption are made monthly when meter readings have not been performed. Adjustments to provisional estimates of consumption are made in the invoicing period when meters have been read. These adjustments are recognised as revenue in the invoicing period.

To include all revenue in the financial period, calculations and accruals are made to account for consumption that took place during the last meter reading dates and the financial year end.

Services provided on a prepayment basis are recognised at the point of sale. An adjustment for an unutilised portion is made at year-end, based on the average consumption history.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the economic entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the economic entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the economic entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the economic entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

Interest

Revenue arising from the use by others of municipality assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.18 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Accounting Policies

1.18 Revenue from non-exchange transactions (continued)

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Taxes

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Transfers

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Debt forgiveness and assumption of liabilities

The municipality recognise revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Accounting Policies

1.18 Revenue from non-exchange transactions (continued)

Fines

Fines are economic benefits or service potential received or receivable by the municipality, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting municipality.

Traffic fines are accounted for at a net value based on total outstanding fines calculated using the average of the previous three years less impairment based on a probability collection factor calculated using the average of the previous 5 years.

Bequests

Bequests that satisfy the definition of an asset are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality, and the fair value of the assets can be measured reliably.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Availability charges

Availability charges are levied in terms of the municipality's approved Tariff Policy and Tariff Book on serviced vacant or undeveloped land for water, sanitation and electricity services. The charges are billed monthly in accordance with the applicable tariff schedules.

1.19 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.20 Borrowing costs

Borrowing costs are interest and other expenses incurred by a municipality in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.21 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another municipality (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one municipality (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether a municipality is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another municipality or for its own benefit.

Accounting Policies

1.21 Accounting by principals and agents (continued)

Binding arrangement

The economic entity assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which municipality benefits from the transactions with third parties

When the economic entity in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the economic entity concludes that it is not the agent, then it is the principal in the transactions.

The economic entity is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the economic entity has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The economic entity applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the economic entity is an agent.

Recognition

The economic entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The economic entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The economic entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.22 Construction contracts and receivables

Revenue from the construction contracts arise from funds received from the Eastern Cape Department of Human Settlements for the development and construction of housing units on behalf of the department.

The accounting treatment as a construction contract is in accordance with the ASB Guide for Housing Arrangements, where the City is responsible for the appointment of contractors (service provide for the construction of these units).

Construction revenue will be realized based on the progress billing by the Contractor (service Provider) for work done to date as certified by the City.

Construction receivable is recognized as certain projects are funded using own funds and claimed from the Eastern Cape Department of Human Settlement.

Construction payable is recognized as certain project funds are received in advance.

In addition, the City administers East Bank Land Affairs funding on behalf of the Department of Land Affairs for the benefit of restitution claimants. Under this arrangement, the City is the developer, and therefore exercises control over the progress of the project. The arrangement meets the definition of a construction contract under GRAP 11, and is accounted for accordingly. Revenue and related assets or liabilities are recognised in line with the principles outlined above.

1.23 Comparative figures

When the presentation or classification of items in the annual financial statements is amended due to better presentation and/or better understand ability and/or comparability and/or due to the implementation of a new or amended standard, prior period comparative amounts are restated. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.24 Unauthorised expenditure

Unauthorised expenditure means:

Accounting Policies

1.24 Unauthorised expenditure (continued)

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.25 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred and identified. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.26 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements is recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements. Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end is recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the municipal council may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.27 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued assets are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

1.28 Off-setting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

1.29 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.30 Budget information

Economic Entity are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by economic entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

Accounting Policies

1.30 Budget information (continued)

The approved budget is prepared on an accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2024/07/01 to 2025/06/30.

The budget for the economic municipality includes all the entities approved budgets under its control.

Differences between budget and actual amounts are regarded as material differences when a 10% difference exists. All material differences are explained in the Statement of Comparison of Budget and Actual Amounts to the annual financial statements.

Comparative information is not required.

1.31 Related parties

Parties are considered to be related if one party directly or indirectly has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or is a member of the key management of the municipality. Refer to note 58.

1.32 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The economic entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The economic entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.33 Value added tax (VAT)

The municipality accounts for value added tax on the payment basis. Revenue, expenses and assets are recognised net of the amount of VAT. The net amount of VAT recoverable from or payable to, the taxation authority is disclosed on the face of the statement of financial position. Refer to note 23.

1.34 Investments

Where the carrying amount of an investment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the statement of financial performance.

1.35 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the municipality's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management.

Accounting Policies

1.36 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable surplus will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in surplus or deficit for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to net assets; or
- a business combination.

Current tax and deferred taxes are charged or credited to net assets if the tax relates to items that are credited or charged, in the same or a different period, to net assets.

1.37 Change in accounting policy, accounting estimate and prior period error

Change in accounting policies are applied retrospectively in accordance with the requirements of GRAP. Except to the extent that it is impractical to determine the period specific effects or the cumulative effect of the change in accounting policy relates, the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which the restatement is practical.

The effect of a change in an accounting estimate shall be recognised prospectively by including it in profit or loss in the:

Period of the change, if the change affects that period only, or

The period of the change and future periods, if the change affects both.

All material prior period errors are corrected retrospectively in the first set of financial statements for issue after the discovery by management by;

Restating the comparative amounts for the prior period(s) presented in which the error occurred; or
If the error occurred before the earliest period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

However, if its impracticable to determine the period-specific effects of an error on comparative information for one of more prior periods presented, the entity must restate the opening balances of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable.

Further, if it is impracticable to determine the cumulative effect, the beginning of the current period, of an error on all prior periods, the entity must restate the comparative information to correct the error prospectively from the earliest date practicable.

	Economic entity	Controlling entity

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The economic entity has not applied the following standards and interpretations, which have been published and are mandated for the economic entity's accounting periods beginning on or after 01 July 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP1 (Amended): Presentation of Financial Statements	Not yet set	Unlikely there will be a material impact
• GRAP 103 (Amended): Heritage Assets	Not yet set	Unlikely there will be a material impact
• GRAP 104 (Revised): Financial Instruments	01 April 2025	Impact is currently being assessed
• iGRAP 22: Foreign Currency Transaction and Advance Consideration	01 April 2025	Unlikely there will be a material impact

GRAP 104 (as revised): Financial Instruments

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules based. As a result, the International Accounting Standards Board® amended its existing Standards to deal with these issues. The IASB issued IFRS® Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 so as to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:
- Financial guarantee contracts issued
- Loan commitments issued
- Classification of financial assets
- Amortised cost of financial assets
- Impairment of financial assets
- Disclosures

The effective date of the revisions is 2025/04/01, set by the Minister of Finance.

The impact of this standard is currently being assessed.

Figures in Rand	Economic entity 2025	Economic entity 2024 *Restated	Controlling entity 2025	Controlling entity 2024 *Restated

3. Investment property

Economic entity	2025	2024
	Cost / Valuation	Cost / Valuation
Investment property	788 463 001	768 451 001

Controlling entity	2025	2024
	Cost / Valuation	Cost / Valuation
Investment property	788 463 001	768 451 001

Reconciliation of investment property - Economic entity - 2025

	Opening balance	Fair value adjustments	Total
Investment property	768 451 001	20 012 000	788 463 001

Reconciliation of investment property - Economic entity - 2024

	Opening balance	Fair value adjustments	Total
Investment property	460 961 600	307 489 401	768 451 001

Reconciliation of investment property - Controlling entity - 2025

	Opening balance	Fair value adjustments	Total
Investment property	768 451 001	20 012 000	788 463 001

Reconciliation of investment property - Controlling entity - 2024

	Opening balance	Fair value adjustments	Total
Investment property	460 961 600	307 489 401	768 451 001

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Per accounting policy Note 1.3 the municipality is on the fair value (FV) model of measuring Investment Property. No Investment Properties are pledged as a security and there are no restrictions on all the Investment Properties. There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Rental income from investment properties in respect of monthly and annual leases amounted to R17 374 561, (2024: R15 778 412).

In line with National Treasury regulations, the municipality budgets and records repairs and maintenance on a functional and project basis. This approach does not separately distinguish between asset classes, but rather reflects expenditure incurred across infrastructure and other functions. As the majority of the municipality's investment property comprises land, the related repairs and maintenance expenditure is minimal. Repairs and maintenance relating to investment property are included within Infrastructure and are disclosed in aggregate in Note 47.

Valuations were done based on three valuation methodologies.

1. Direct Comparative Sales

In order to assess the likelihood of these properties' values being materially different from the prior year, reference is made to the FNB Property Barometer. This is a credible, verifiable index published for the purpose of such evaluations by one of South Africa's leading banks. The report indicates low growth during the period, and specifically mentions the slow growth rate in metropolitan municipalities. Which indicates that there has been no major market fluctuation that would require a comprehensive new valuation in the current year. Current year calculation was performed by Daniel Grobler - Professional Associated Valuer reg. no 2311/3 sworn appraiser.

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

3. Investment property (continued)

2. Income Capitalisation Method

Two properties were valued using the Income Capitalisation method in 2023. Thompsons Property Solutions, represented by Brendon Thompson - Certified Auctioneer reg. no CA136 and sworn appraiser was engaged to perform a similar calculation in 2024. The properties were inspected for possible improvements since the prior year and to ensure that the condition is not materially different from the prior year. No significant changes were identified. The values were then recalculated in 2024 by calculating market related rates per square meter for comparable properties in similar locations and applying this to the general lettable area of the subject properties, and adjusting these for concomitant expenditure based on the type of properties and professional judgement of the appraisers.

3. Depreciated Replacement Cost

Using the Aurecon tool, an industry standard for calculating annual construction cost fluctuations, changes to extend the current replacement costs for the properties to 2024; this application of an index is common practice in the depreciated replacement cost method. These values were then adjusted for the age and condition of the assets to yield a new Depreciated Replacement Cost, (i.e. fair value) at the reporting date. This calculation was performed by Daniel Grobler - Professional Associated Valuer reg. no 2311/3 sworn appraiser.

Properties were individually valued using a specific method that is best applicable to each property. The full methodology and assumptions used are available for review to each property certificate.

4. Property, plant and equipment

Economic entity	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	112 777 128	-	112 777 128	106 595 480	-	106 595 480
Plant and machinery	81 684 688	(57 903 043)	23 781 645	102 126 839	(83 725 725)	18 401 114
Furniture and fixtures	220 742 681	(155 853 037)	64 889 644	215 916 145	(142 285 976)	73 630 169
Motor vehicles	608 853 057	(337 948 345)	270 904 712	694 912 463	(356 965 198)	337 947 265
IT equipment	2 156 481	(1 896 636)	259 845	2 147 546	(1 603 665)	543 881
Electricity infrastructure	15 768 584 398	(6 452 196 559)	9 316 387 839	15 607 650 074	(5 983 242 812)	9 624 407 262
Other property (halls, social housing)	3 222 312 020	(1 134 188 648)	2 088 123 372	3 201 758 987	(1 038 818 072)	2 162 940 915
Work in progress (WIP)	1 986 762 271	(80 186 840)	1 906 575 431	1 811 099 320	(52 608 336)	1 758 490 984
Recreational facilities	1 199 972 794	(613 262 793)	586 710 001	1 202 878 326	(561 420 098)	641 458 228
Roads	21 512 122 958	(7 004 346 259)	14 507 776 699	21 039 546 639	(6 344 378 394)	14 695 168 245
Wastewater network	7 803 318 986	(4 126 709 409)	3 676 609 577	7 754 988 887	(3 638 093 521)	4 116 895 366
Water network	11 823 192 351	(5 039 846 480)	6 783 345 871	11 649 452 213	(4 733 774 300)	6 915 677 913
Community buildings	2 904 946 488	(1 355 948 855)	1 548 997 633	2 893 546 187	(1 241 064 202)	1 652 481 985
Total	**67 247 426 301**	**(26 360 286 904)**	**40 887 139 397**	**66 282 619 106**	**(24 177 980 299)**	**42 104 638 807**

4. Property, plant and equipment (continued)

Controlling entity

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	112 777 128	-	112 777 128	106 595 480	-	106 595 480
Plant and machinery	81 684 688	(57 903 043)	23 781 645	102 126 839	(83 725 725)	18 401 114
Furniture and fixtures	219 127 974	(154 468 522)	64 659 452	214 312 212	(141 159 643)	73 152 569
Motor vehicles	608 853 057	(337 948 345)	270 904 712	694 912 463	(356 965 198)	337 947 265
Electricity infrastructure	15 768 584 398	(6 452 196 559)	9 316 387 839	15 607 650 074	(5 983 242 812)	9 624 407 262
Other property (halls, social housing)	3 222 312 020	(1 134 188 648)	2 088 123 372	3 201 758 987	(1 038 818 072)	2 162 940 915
Work in progress (WIP)	1 986 762 271	(80 186 840)	1 906 575 431	1 811 099 320	(52 608 336)	1 758 490 984
Recreational facilities	1 199 972 794	(613 262 793)	586 710 001	1 202 878 326	(561 420 098)	641 458 228
Roads	21 512 122 958	(7 004 346 259)	14 507 776 699	21 039 546 639	(6 344 378 394)	14 695 168 245
Wastewater network	7 803 318 986	(4 126 709 409)	3 676 609 577	7 754 988 887	(3 638 093 521)	4 116 895 366
Water network	11 823 192 351	(5 039 846 480)	6 783 345 871	11 649 452 213	(4 733 774 300)	6 915 677 913
Community buildings	2 904 946 488	(1 355 948 855)	1 548 997 633	2 893 546 187	(1 241 064 202)	1 652 481 985
Total	**67 243 655 113**	**(26 357 005 753)**	**40 886 649 360**	**66 278 867 627**	**(24 175 250 301)**	**42 103 617 326**

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Economic entity - 2025

	Opening balance	Additions	Transfers	Disposals	Depreciation	Impairment loss	Total
Land	106 595 480	6 181 648	-	-	-	-	112 777 128
Plant and machinery	18 401 114	10 168 167	-	(516 995)	(3 094 416)	(1 176 225)	23 781 645
Furniture and fixtures	73 630 169	10 681 459	-	(268 970)	(12 880 117)	(6 272 897)	64 889 644
Motor vehicles	337 947 265	29 023 111	-	(35 016 536)	(39 302 278)	(21 746 850)	270 904 712
IT equipment	543 881	8 934	-	-	(292 970)	-	259 845
Electricity infrastructure	9 624 407 262	164 441 815	-	(2 080 577)	(346 304 346)	(124 076 315)	9 316 387 839
Other property (halls, social housing)	2 162 940 915	20 553 032	-	-	(86 807 688)	(8 562 887)	2 088 123 372
Work in progress (WIP)	1 758 490 984	1 185 231 574	(1 009 568 622)	-	-	(27 578 505)	1 906 575 431
Recreational facilities	641 458 228	1 602 835	-	(905 677)	(37 384 238)	(18 061 147)	586 710 001
Roads	14 695 168 245	569 477 623	-	(44 256 914)	(576 702 527)	(135 909 728)	14 507 776 699
Wastewater network	4 116 895 366	48 361 233	-	(26 680)	(130 217 627)	(358 402 715)	3 676 609 577
Water network	6 915 677 913	177 526 079	-	(3 627 849)	(294 984 170)	(11 246 102)	6 783 345 871
Community buildings	1 652 481 985	14 139 055	-	(1 658 012)	(95 351 333)	(20 614 062)	1 548 997 633
	42 104 638 807	**2 237 396 565**	**(1 009 568 622)**	**(88 358 210)**	**(1 623 321 710)**	**(733 647 433)**	**40 887 139 397**

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Economic entity - 2024

	Opening balance	Additions	Transfers	Disposals	Revaluations	Depreciation	Impairment loss	Total
Land	104 052 329	2 543 151	-	-	-	-	-	106 595 480
Plant and machinery	19 253 082	7 372 041	-	(70 756)	-	(8 153 253)	-	18 401 114
Furniture and fixtures	89 091 388	7 517 771	-	(393 220)	-	(22 585 770)	-	73 630 169
Motor vehicles	397 965 388	12 812 474	-	(2 156 353)	-	(70 674 244)	-	337 947 265
IT equipment	509 937	439 279	-	(29 140)	-	(376 195)	-	543 881
Electricity infrastructure	6 573 374 559	255 347 343	-	(2 609 304)	3 116 463 606	(318 168 942)	-	9 624 407 262
Other property (halls, social housing)	1 819 872 269	257 659 566	-	(131 205 691)	296 543 872	(79 929 101)	-	2 162 940 915
Work in progress (WIP)	2 817 700 567	-	(1 059 209 583)	52 608 336	-	-	(52 608 336)	1 758 490 984
Recreational facilities	432 535 819	51 422 926	-	(1 905 087)	200 055 808	(40 651 238)	-	641 458 228
Roads	10 706 440 105	825 453 198	-	(183 128 739)	3 924 681 995	(578 278 314)	-	14 695 168 245
Wastewater network	3 238 491 205	112 231 910	-	(18 633 737)	921 317 940	(136 511 952)	-	4 116 895 366
Water network	4 695 866 357	500 231 215	-	(4 319 855)	1 982 738 759	(258 838 563)	-	6 915 677 913
Community buildings	1 110 144 093	161 002 125	-	(7 249 419)	496 548 360	(107 963 174)	-	1 652 481 985
	32 005 297 098	**2 194 032 999**	**(1 059 209 583)**	**(299 092 965)**	**10 938 350 340**	**(1 622 130 746)**	**(52 608 336)**	**42 104 638 807**

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Controlling entity - 2025

	Opening balance	Additions	Transfers	Disposals	Depreciation	Impairment loss	Total
Land	106 595 480	6 181 648	-	-	-	-	112 777 128
Plant and machinery	18 401 114	10 168 167	-	(516 995)	(3 094 416)	(1 176 225)	23 781 645
Furniture and fixtures	73 152 569	10 670 685	-	(268 970)	(12 621 935)	(6 272 897)	64 659 452
Motor vehicles	337 947 265	29 023 111	-	(35 016 536)	(39 302 278)	(21 746 850)	270 904 712
Electricity infrastructure	9 624 407 262	164 441 815	-	(2 080 577)	(346 304 346)	(124 076 315)	9 316 387 839
Other property (halls, social housing)	2 162 940 915	20 553 032	-	-	(86 807 688)	(8 562 887)	2 088 123 372
Work in progress (WIP)	1 758 490 984	1 185 231 574	(1 009 568 622)	-	-	(27 578 505)	1 906 575 431
Recreational facilities	641 458 228	1 602 835	-	(905 677)	(37 384 238)	(18 061 147)	586 710 001
Roads	14 695 168 245	569 477 623	-	(44 256 914)	(576 702 527)	(135 909 728)	14 507 776 699
Wastewater network	4 116 895 366	48 361 233	-	(26 680)	(130 217 627)	(358 402 715)	3 676 609 577
Water network	6 915 677 913	177 526 079	-	(3 627 849)	(294 984 170)	(11 246 102)	6 783 345 871
Community buildings	1 652 481 985	14 139 055	-	(1 658 012)	(95 351 333)	(20 614 062)	1 548 997 633
	42 103 617 326	**2 237 376 857**	**(1 009 568 622)**	**(88 358 210)**	**(1 622 770 558)**	**(733 647 433)**	**40 886 649 360**

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Controlling entity - 2024

	Opening balance	Additions	Transfers	Disposals/ Transfers	Revaluations	Depreciation	Impairment loss	Total
Land	104 052 329	2 543 151	-	-	-	-	-	106 595 480
Plant and machinery	19 253 082	7 372 041	-	(70 756)	-	(8 153 253)	-	18 401 114
Furniture and fixtures	88 398 133	7 477 276	-	(393 220)	-	(22 329 620)	-	73 152 569
Motor vehicles	397 965 388	12 812 474	-	(2 156 353)	-	(70 674 244)	-	337 947 265
Electricity infrastructure	6 573 374 559	255 347 343	-	(2 609 304)	3 116 463 606	(318 168 942)	-	9 624 407 262
Other property (halls, social housing)	1 819 872 269	257 659 566	-	(131 205 691)	296 543 872	(79 929 101)	-	2 162 940 915
Work in progress (WIP)	2 817 700 567	-	(1 059 209 583)	52 608 336	-	-	(52 608 336)	1 758 490 984
Recreational facilities	432 535 819	51 422 926	-	(1 905 087)	200 055 808	(40 651 238)	-	641 458 228
Roads	10 706 440 105	825 453 198	-	(183 128 739)	3 924 681 995	(578 278 314)	-	14 695 168 245
Wastewater network	3 238 491 205	112 231 910	-	(18 633 737)	921 317 940	(136 511 952)	-	4 116 895 366
Water network	4 695 866 357	500 231 215	-	(4 319 855)	1 982 738 759	(258 838 563)	-	6 915 677 913
Community buildings	1 110 144 093	161 002 125	-	(7 249 419)	496 548 360	(107 963 174)	-	1 652 481 985
	32 004 093 906	**2 193 553 225**	**(1 059 209 583)**	**(299 063 825)**	**10 938 350 340**	**(1 621 498 401)**	**(52 608 336)**	**42 103 617 326**

Proceeds on disposal of Property, plant and equipment	**2025**	**2024**	**2025**	**2024**
Carrying value of Property, plant and equipment	88 358 210	299 092 965	88 358 210	299 063 825
Net gain/(loss) on disposal of assets	(10 605 810)	(299 062 531)	(10 605 810)	(299 063 825)
	77 752 400	**30 434**	**77 752 400**	**-**

There are properties for which tittle deeds are registered under the name of the Municipality but have not been included in the Municipality's financial records. These properties are represented by RDP land, ex Ciskei and other land parcels, vacant and improved. It should furthermore be noted that management is of the view that the inclusion of these properties in the Annual Financial Statements could result in a misrepresentation of the financial information for users of the Annual Financial Statements.

Expenditure relating to property, plant and equipment is disclosed under repairs and maintenance note 47.

Refer to note 56 for committed expenditure.

The values were determined as 30 June 2024 by an external Professional Valuer registered with the South African Council for the Property Valuers Profession, Registration No. 5435/7. Revaluation methodology is available at BCMM.

4. Property, plant and equipment (continued)

There are also no assets that are owned by the City which are held under the service concession agreements, surety arrangements and/or under finance lease where the City is the lessor.

No assets of the City were pledged as security and there are no restrictions on the asset's title deeds.

The City owns living animals which are used to deliver services. However, the cost of these animals is not material and is recognised as part of Other property, plant and equipment and not separately as per GRAP 110, Living and non-living resources.

The following property plant and equipment is in the process of being constructed or developed and is disclosed as part of work-in-progress. Work-in-progress comprises of the following classes of infrastructure.

WIP Categories	2025	2024	2025	2024
Buildings	58 342 096	54 336 932	58 342 096	54 336 932
Community facilities	126 987 972	154 079 524	126 987 972	154 079 524
Electricity	149 252 397	138 573	149 252 397	138 573
Other assets	130 168 882	116 337 954	130 168 882	116 337 954
Roads	725 422 005	882 268 430	725 422 005	882 268 430
Sanitation	438 979 076	450 072 822	438 979 076	450 072 822
Water supply	242 491 068	101 256 749	242 491 068	101 256 749
	1 871 643 496	**1 758 490 984**	**1 871 643 496**	**1 758 490 984**

The carrying values of all the projects that are taking significantly longer to complete as shown below are included in PPE Note 4 and under WIP. Impairment loss incurred for some of these projects is also accounted for.

Contract/WIP	Carrying value 'R	Reasons
WIP 1222 Gompo Industria line	6 125 936	Electricity project, delayed by Local business Forum challenges insisting on getting 30% work.
Contract No: 3187: Township Establishment: Smiling Valley	386 957	Delayed by the EIA approval related issues for a township establishment.
NU2 swimming pool	0	Contractor terminated due to poor workmanship.
KWT WWTW Phase 2	214 448 443	Project has been halted pending finalisation of the litigation process.
Water World	48 949 015	The contractor abandoned the site and the contract has since been terminated. The construction works were halted pending finalisation of the arbitration process.
CNIP Victims project	36 449 340	Project has been halted pending finalisation of the litigation process.
EL Sewer diversion	16 909 621	Project has been halted pending finalisation of the litigation process..
Posdam Ikhwezi Block 1	32 516 082	This project was terminated due to poor performance of the contractor and there were issues of non-payment of materials by the contractor resulting to them being litigated by the suppliers. The municipality has appointed a replacement contractor to complete and finalise the work that was left incomplete by the previous contractor.
	355 516 082	

A project is considered delayed if it has been halted or delayed for a period longer than 36months

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

5. Intangible assets

Economic entity	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	51 154 854	(39 457 035)	11 697 819	43 763 550	(36 944 127)	6 819 423

Controlling entity	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	46 078 104	(34 789 862)	11 288 242	38 686 800	(32 350 726)	6 336 074

Reconciliation of intangible assets - Economic entity - 2025

	Opening balance	Additions	Amortisation	Total
Computer software	6 819 423	7 391 303	(2 512 907)	11 697 819

Reconciliation of intangible assets - Economic entity - 2024

	Opening balance	Additions	Amortisation	Total
Computer software	9 042 729	197 463	(2 420 769)	6 819 423

Reconciliation of intangible assets - Controlling entity - 2025

	Opening balance	Additions	Amortisation	Total
Computer software	6 336 074	7 391 303	(2 439 135)	11 288 242

Reconciliation of intangible assets - Controlling entity - 2024

	Opening balance	Amortisation	Total
Computer software	8 305 760	(1 969 686)	6 336 074

Other information

The City did not have any intangible assets/projects taking significantly longer to complete.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the City.

None of the City's Intangible assets are restricted and or pledged as a security.

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

6. Heritage assets

Economic entity	2025			2024		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Historical monuments	11 104 644	-	11 104 644	11 104 644	-	11 104 644
Memorials	2 866 049	(15 077)	2 850 972	2 866 049	-	2 866 049
Historical buildings	22 198 433	(282 664)	21 915 769	22 198 433	-	22 198 433
Other Heritage sites	17 996 945	(476 485)	17 520 460	17 996 945	-	17 996 945
Total	**54 166 071**	**(774 226)**	**53 391 845**	**54 166 071**	**-**	**54 166 071**

Controlling entity	2025			2024		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Monuments	11 104 644	-	11 104 644	11 104 644	-	11 104 644
Memorials	2 866 049	(15 077)	2 850 972	2 866 049	-	2 866 049
Historical buildings & sites	22 198 433	(282 664)	21 915 769	22 198 433	-	22 198 433
Other Heritage sites	17 996 945	(476 485)	17 520 460	17 996 945	-	17 996 945
Total	**54 166 071**	**(774 226)**	**53 391 845**	**54 166 071**	**-**	**54 166 071**

Reconciliation of heritage assets - Economic entity - 2025

	Opening balance	Impairment losses recognised	Total
Historical monuments	11 104 644	-	11 104 644
Memorials	2 866 049	(15 077)	2 850 972
Historical buildings	22 198 433	(282 664)	21 915 769
Other Heritage sites	17 996 945	(476 485)	17 520 460
	54 166 071	**(774 226)**	**53 391 845**

Reconciliation of heritage assets - Economic entity - 2024

	Opening balance	Additions	Impairment losses and derecognition recognised	Total
Historical monuments	10 168 384	1 180 000	(243 740)	11 104 644
Memorials	2 866 049	-	-	2 866 049
Historical buildings	22 198 433	-	-	22 198 433
Other Heritage sites	18 050 426	-	(53 481)	17 996 945
	53 283 292	**1 180 000**	**(297 221)**	**54 166 071**

Reconciliation of heritage assets - Controlling entity - 2025

	Opening balance	Impairment losses recognised	Total
Monuments	11 104 644	-	11 104 644
Memorials	2 866 049	(15 077)	2 850 972
Historical buildings & sites	22 198 433	(282 664)	21 915 769
Other Heritage sites	17 996 945	(476 485)	17 520 460
	54 166 071	**(774 226)**	**53 391 845**

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

6. Heritage assets (continued)

Reconciliation of heritage assets - Controlling entity - 2024

	Opening balance	Additions	Impairment losses and derecognition recognised	Total
Monuments	10 168 384	1 180 000	(243 740)	11 104 644
Memorials	2 866 049	-	-	2 866 049
Historical buildings & sites	22 198 433	-	-	22 198 433
Other Heritage sites	18 050 426	-	(53 481)	17 996 945
	53 283 292	**1 180 000**	**(297 221)**	**54 166 071**

Heritage assets are reviewed annually for impairment. None of the City's Heritage assets are restricted and or pledged as a security.

In line with National Treasury regulations, the municipality budgets and records repairs and maintenance on a functional and project basis. This approach does not separately distinguish between asset classes, but rather reflects expenditure incurred across infrastructure and other functions. Repairs and maintenance relating to heritage assets are included within Infrastructure and are disclosed in aggregate in Note 47.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the City.

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

7. Investment in controlled entity and associate

		Economic Entity		Controlling Entity	
Name	Principal activity	Carrying amount 2025	Carrying amount 2024	Carrying amount 2025	Carrying amount 2024
Buffalo City Metropolitan Development Agency SOC Ltd	Tourism and development throughout the City.	-	-	100	100
		-	-	100	100

		Economic Entity		Controlling Entity	
Name	Principal activity	Carrying amount 2025	Carrying amount 2024	Carrying amount 2025	Carrying amount 2024
East London Industrial Development Zone (Pty) Ltd	Development of East London's Industrial Development Zone.	725 412 562	727 388 487	725 412 562	727 388 487
% holding		26 %	26 %	26 %	26 %
		725 412 562	727 388 487	725 412 562	727 388 487

The carrying amounts of associates are shown net of impairment losses.

Movements in carrying amount				
Opening balance	727 388 487	685 112 813	727 388 487	685 112 813
Share of associate surplus/(deficit)	(1 975 925)	42 275 674	(1 975 925)	42 275 674
	725 412 562	**727 388 487**	**725 412 562**	**727 388 487**

Investment in associate at 30 June 2025 amounted to R725 412 562 (2024: R727 388 487).

Fair value

Management could not make a reliable estimate of the fair value of the associate as the information to determine the fair value is not readily available. Management however believes that the face value approximates the fair value of the shares.

Summary of controlled entity's interest in associate				
Total assets	772 927 959	775 062 537	772 927 959	775 062 537
Total liabilities	(47 515 397)	(47 674 051)	(47 515 397)	(47 674 051)
Total equity	725 412 562	727 388 487	725 412 562	727 388 487
Share in surplus/(deficit) for the year	(1 975 925)	42 275 674	(1 975 925)	42 275 674
Surplus - opening balance	727 388 487	685 112 813	727 388 487	685 112 813

The financial statements of East London Industrial Development Zone (Proprietary) Limited have a different year end to BCMM and ELIDZ statements are prepared for the accounting period 01 April 2024 to 31 March 2025.

Per Accounting Policy 1.8, the municipality uses the most recent available financial statement of the associate in applying the equity method. The amounts reflected above are for the period 01 April 2024 - 31 March 2025.

Management reviewed the management accounts of East London Industrial Development Zone (Proprietary) Limited for the period 1 April 2025 to 30 June 2025 to identify any significant transactions or events occurring between reporting dates.

Management noted no significant transactions or events in the period that would require adjustments to the associate's results. Therefore, no changes have been made to the amounts recognised in the Municipality financial statements arising from the reporting date difference.

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

7. Investment in controlled entity and associate (continued)

Interests in associates

Material associates

Name of the associate:	East London Industrial Development Zone (Pty)Ltd
Nature of the entity's relationship with the associate:	The development and management of the Special Economic Zone (SEZ) in East London.
Domicile and legal form of the associate:	State owned company
Proportion of ownership interest or participating share held by the entity:	26%
Proportion of voting rights held:	26%
The investment in associate is measured using:	Equity Method

Summarised financial information for the associate

Current assets	287 523 366	313 510 422	287 523 366	313 510 422
Non-current assets	2 685 276 477	2 667 499 337	2 685 276 477	2 667 499 337
Current liabilities	(182 751 529)	(183 361 733)	(182 751 529)	(183 361 733)
Revenue	505 291 487	621 511 206	505 291 487	621 511 206
Expenditure	(512 621 243)	(456 772 526)	(512 621 243)	(456 772 526)
Tax expense	(269 956)	(2 139 933)	(269 956)	(2 139 933)
Surplus or (deficit)	(7 599 712)	162 598 747	(7 599 712)	162 598 747

8. Inventories

Electricity store (Electrical maintenance parts)	32 217 213	36 572 721	32 217 213	36 572 721
Workshop store (Mechanical maintenance parts)	1 569 867	1 217 450	1 569 867	1 217 450
Water store (Water maintenance parts)	11 249 597	10 170 678	11 249 597	10 170 678
Unsold water (Treated water in pipelines & reservoirs)	9 395 546	9 051 949	9 395 546	9 051 949
General stores (Chiselhurst, Mdantsane, KWT)	10 274 200	12 640 345	10 222 473	12 600 385
	64 706 423	69 653 143	64 654 696	69 613 183
Inventories (write-downs)	(487 498)	(254 747)	(478 895)	(266 513)
	64 218 925	**69 398 396**	**64 175 801**	**69 346 670**

Refer to note 40 Inventory consumed for the amount of inventory expensed during the year.

Figures in Rand		Economic entity 2025	Economic entity 2024 *Restated	Controlling entity 2025	Controlling entity 2024 *Restated
9. Receivables from non-exchange transactions					
Other debtors		35 597 864	30 642 706	35 309 890	30 642 705
Traffic fines		146 553 288	184 462 867	146 553 288	184 462 867
Allowance for impairment - Traffic fines		(123 104 762)	(157 378 307)	(123 104 762)	(157 378 307)
Consumer debtors - Property rates	11	2 191 270 445	1 820 812 829	2 191 270 445	1 820 812 829
Allowance for impairment - Consumer debtors - Property rates	11	(1 243 566 164)	(960 958 175)	(1 243 566 164)	(960 958 175)
Consumer debtors - Other receivables (billing)	11	389 042 631	344 833 761	389 042 631	344 833 761
Allowance for impairment - Consumer debtors - Other receivables (billing)	11	(103 363 298)	(78 668 492)	(103 363 298)	(78 668 492)
Consumer debtors - Electricity availability charges	11	35 591 920	18 400 142	35 591 920	18 400 142
Allowance for impairment - Consumer debtors - Electricity availability charges	11	(7 903 374)	(6 107 403)	(7 903 374)	(6 107 403)
Consumer debtors - Waste water availability charges	11	114 374 185	104 553 448	114 374 185	104 553 448
Allowance for impairment - Consumer debtors - Waste water availability charges	11	(20 445 496)	(15 799 439)	(20 445 496)	(15 799 439)
Consumer debtors - Water availability charges	11	84 728 477	64 641 261	84 728 477	64 641 261
Allowance for impairment - Consumer debtors - Water availability charges	11	(22 356 504)	(17 276 188)	(22 356 504)	(17 276 188)
		1 476 419 212	**1 332 159 010**	**1 476 131 238**	**1 332 159 009**
Statutory receivables included in receivables from non-exchange transactions above are as follows:					
Property rates - Gross		2 191 270 445	1 820 812 829	2 191 270 445	1 820 812 829
Property rates - Impairment		(1 243 566 164)	(960 958 175)	(1 243 566 164)	(960 958 175)
Traffic fines - Gross		146 553 288	184 462 867	146 553 288	184 462 867
Traffic fines - Impairment		(123 104 762)	(157 378 307)	(123 104 762)	(157 378 307)
		971 152 807	**886 939 214**	**971 152 807**	**886 939 214**
Financial asset receivables included in receivables from non-exchange transactions above	24	**505 266 405**	**445 219 796**	**504 978 431**	**445 219 795**
Total receivables from non-exchange transactions		1 476 419 212	1 332 159 010	1 476 131 238	1 332 159 009
Traffic fines					
Opening Balance - Total Outstanding Fines (Based on prior 3 years)		184 462 867	253 081 624	184 462 867	253 081 624
Less: Outstanding Fines in respect of prior third year		(82 571 082)	(123 360 257)	(82 571 082)	(123 360 257)
Total Traffic Fines Issued BCMM		61 305 424	69 341 594	61 305 424	69 341 594
Traffic Fines withdrawn, untraceable and uncollectable		(4 706 760)	(3 957 950)	(4 706 760)	(3 957 950)
Traffic Fines Paid		(11 937 161)	(10 642 144)	(11 937 161)	(10 642 144)
Total Outstanding Fines		146 553 288	184 462 867	146 553 288	184 462 867
Impairment (Based on a probability collection factor of approx. 16% - 2025 and 15% - 2024)		(123 104 762)	(157 378 307)	(123 104 762)	(157 378 307)
		23 448 526	**27 084 560**	**23 448 526**	**27 084 560**

The amount of the contribution to impairment for traffic fines was R(48 297 537) (2024: R(64 702 119)).

Credit quality of receivables from non-exchange transactions

The credit quality of other receivables from non-exchange transactions that are neither past nor due, nor impaired can be assessed by previous payments and collection trends, and any other default information.

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

9. Receivables from non-exchange transactions (continued)

Receivables from non-exchange transactions impaired

As of 30 June 2025, other receivables from non-exchange transactions of R (1 397 634 836) (2024: R (1 078 809 697)) were impaired and provided for.

The amount of the contribution to impairment was R(535 359 699) (2024: R(338 514 778)).

Amounts totalling R218 101 105 (2024: R136 950 975) were written off as uncollectable against the debt impairment allowance account. This represents 2% (2024: 1%) of the total operating income for the year.

The creation and release of provision for impaired receivables have been included in operating expenses in surplus or deficit (note 45). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

These amounts best represent the maximum exposure to credit risk at the end of the reporting period, without taking account of any collateral held or credit enhancements.

Statutory receivable disclosure

Property rates - Gross ageing				
Current (0 -30 days)	181 175 686	164 201 372	181 175 686	164 201 372
31 - 60 days	94 267 174	81 434 790	94 267 174	81 434 790
61 - 90 days	72 392 245	66 659 613	72 392 245	66 659 613
91 - 120 days	65 584 512	65 033 663	65 584 512	65 033 663
121 - 365 days	479 813 278	450 917 308	479 813 278	450 917 308
> 365 days	1 298 037 550	992 565 609	1 298 037 550	992 565 609
	2 191 270 445	**1 820 812 355**	**2 191 270 445**	**1 820 812 355**
Property rates - Impairment ageing				
Current (0 -30 days)	(102 814 889)	(86 330 344)	(102 814 889)	(86 330 344)
31 - 60 days	(53 497 676)	(42 814 416)	(53 497 676)	(42 814 416)
61 - 90 days	(41 083 409)	(35 046 353)	(41 083 409)	(35 046 353)
91 - 120 days	(37 219 945)	(34 191 509)	(37 219 945)	(34 191 509)
121 - 365 days	(272 299 406)	(237 070 192)	(272 299 406)	(237 070 192)
> 365 days	(736 650 839)	(525 505 361)	(736 650 839)	(525 505 361)
	(1 243 566 164)	**(960 958 175)**	**(1 243 566 164)**	**(960 958 175)**
Property Rates - Consumer debtors past due but not impaired				
Current (0 -30 days)	78 360 797	77 871 502	78 360 797	77 871 502
31 - 60 days	40 769 498	38 620 374	40 769 498	38 620 374
61 - 90 days	31 308 836	31 613 260	31 308 836	31 613 260
91 - 120 days	28 364 567	30 842 154	28 364 567	30 842 154
121 - 365 days	207 513 872	213 847 116	207 513 872	213 847 116
> 365 days	561 386 711	467 060 248	561 386 711	467 060 248
	947 704 281	**859 854 654**	**947 704 281**	**859 854 654**

The City considers the likelihood of non-payment for each debtor. A debtor is considered either likely to pay, or not. This will result in the entire debt amount outstanding, to be included in the impairment provision, with the exception of those debtors that are identified as being able to settle their debt in full.

With regards to the recoverability and impairment of traffic fines, the City considers the probability of collecting traffic fines, and determines a % probability collection factor, which is based on a 5-year moving average, which is then applied to the total outstanding fines in order to determine the traffic fine debtor amount. In determining the % probability collection factor, the City also considers the total traffic fines issued, less those fines that are withdrawn, untraceable etc, as well as the fines that are paid.

Figures in Rand		Economic entity 2025	Economic entity 2024 *Restated	Controlling entity 2025	Controlling entity 2024 *Restated
10. Receivables from exchange transactions					
Consumer debtors - Electricity - Gross	11	1 424 928 582	987 398 869	1 424 928 582	987 398 869
Consumer debtors - Electricity - Impairment	11	(1 076 160 746)	(831 612 815)	(1 076 160 746)	(831 612 815)
Consumer debtors - Water - Gross	11	2 794 548 974	2 457 834 412	2 794 548 974	2 457 834 412
Consumer debtors - Water - Impairment	11	(2 603 746 232)	(2 012 068 124)	(2 603 746 232)	(2 012 068 124)
Consumer debtors - Waste water - Gross	11	845 527 287	698 751 005	845 527 287	698 751 005
Consumer debtors - Waste water - Impairment	11	(593 333 383)	(458 503 664)	(593 333 383)	(458 503 664)
Consumer debtors - Refuse - Gross	11	1 191 579 027	1 009 626 887	1 191 579 027	1 009 626 887
Consumer debtors - Refuse - impairment	11	(686 238 985)	(530 297 297)	(686 238 985)	(530 297 297)
Consumer debtors - Rental debtors - Gross	11	74 801 787	59 114 412	74 801 787	59 114 412
Consumer debtors - Rental debtors - Impairment	11	(51 019 542)	(40 650 895)	(51 019 542)	(40 650 895)
Accrued income		399 021 992	365 089 017	399 021 992	365 089 017
Prepayments		10 000 000	-	10 000 000	-
VAT accrual on payables	23	127 652 040	123 153 871	127 236 457	121 927 743
VAT control	23	35 876 756	49 847 072	35 675 950	49 729 899
VAT accrual on receivables	23	83 077 698	-	83 319 728	-
Other debtors		6 407	8 082	-	-
		1 976 521 662	**1 877 690 832**	**1 976 140 896**	**1 876 339 449**
Statutory receivables included in receivables from exchange transactions above are as follows:					
VAT Control		35 876 756	49 847 072	35 675 950	49 729 899
Total financial asset receivables included above	24	**1 940 644 906**	**1 827 843 760**	**1 940 464 946**	**1 826 609 550**
Total receivables from exchange transactions		1 976 521 662	1 877 690 832	1 976 140 896	1 876 339 449

Credit quality of trade and other receivables from exchange transactions

The credit quality of receivables from exchange transactions that are neither past nor due nor impaired can be assessed by previous payments and collection trends, and any other default information.

Trade and other receivables impaired

As of 30 June 2025, trade and other receivables of R (5 010 498 889) (2024: R (3 873 132 794)) were impaired and provided for. The amount of the contribution to impairment was R(1 417 901 955) (2024: R(898 551 858)).

Amounts totalling as of 30 June 2025 R491 654 608 (2024: R309 115 255) were written off as uncollectable against the debt impairment allowance account. This represents 5% (2024: 3%) of the total operating income for the year.

The creation and release of allowance for impaired receivables have been included in operating expenses in the statement of financial performance (note 38). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. These amounts best represent the maximum exposure to credit risk at the end of the reporting period, without taking account of any collateral held or other credit enhancements.

In terms of the arrangements to repay rates and services debt as at 30 June 2025 6 101, (2024: 4 169) debtors had active outstanding arrangements to the value of R314 709 778 (2024: R286 199 244). The repayment periods range from 1 month to a maximum of 24 months in terms of the Credit Control Policy.

Figures in Rand		Economic entity		Controlling entity	
		2025	2024 *Restated	2025	2024 *Restated
11. Consumer debtors' disclosure					
Gross balances					
Consumer debtors - Rates	9	2 191 270 445	1 820 812 829	2 191 270 445	1 820 812 829
Consumer debtors - Electricity	10	1 424 928 582	987 398 869	1 424 928 582	987 398 869
Consumer debtors - Water	10	2 794 548 974	2 457 834 412	2 794 548 974	2 457 834 412
Consumer debtors - Waste water	10	845 527 287	698 751 005	845 527 287	698 751 005
Consumer debtors - Refuse	10	1 191 579 027	1 009 626 887	1 191 579 027	1 009 626 887
Consumer debtors - Rental debtors	10	74 801 787	59 114 412	74 801 787	59 114 412
Consumer debtors - Other receivables (billing)	9	389 042 631	344 833 761	389 042 631	344 833 761
Consumer debtors - Electricity availability charges	9	35 591 920	18 400 142	35 591 920	18 400 142
Consumer debtors - Waste water availability charges	9	114 374 185	104 553 448	114 374 185	104 553 448
Consumer debtors - Water availability charges	9	84 728 477	64 641 261	84 728 477	64 641 261
		9 146 393 315	**7 565 967 026**	**9 146 393 315**	**7 565 967 026**
Less: Allowance for impairment					
Consumer debtors - Rates	9	(1 243 566 164)	(960 958 175)	(1 243 566 164)	(960 958 175)
Consumer debtors - Electricity	10	(1 076 160 746)	(831 612 815)	(1 076 160 746)	(831 612 815)
Consumer debtors - Water	10	(2 603 746 232)	(2 012 068 124)	(2 603 746 232)	(2 012 068 124)
Consumer debtors - Waste water	10	(593 333 383)	(458 503 664)	(593 333 383)	(458 503 664)
Consumer debtors - Refuse	10	(686 238 985)	(530 297 297)	(686 238 985)	(530 297 297)
Consumer debtors - Rental debtors	10	(51 019 542)	(40 650 895)	(51 019 542)	(40 650 895)
Consumer debtors - Other receivables (billing)	9	(103 363 298)	(78 668 492)	(103 363 298)	(78 668 492)
Consumer debtors - Electricity availability charges	9	(7 903 374)	(6 107 403)	(7 903 374)	(6 107 403)
Consumer debtors - Waste water availability charges	9	(20 445 496)	(15 799 439)	(20 445 496)	(15 799 439)
Consumer debtors - Water availability charges	9	(22 356 504)	(17 276 188)	(22 356 504)	(17 276 188)
		(6 408 133 724)	**(4 951 942 492)**	**(6 408 133 724)**	**(4 951 942 492)**
Net balance					
Consumer debtors - Rates	9	947 704 281	859 854 654	947 704 281	859 854 654
Consumer debtors - Electricity	10	348 767 836	155 786 054	348 767 836	155 786 054
Consumer debtors - Water	10	190 802 742	445 766 288	190 802 742	445 766 288
Consumer debtors - Waste water	10	252 193 904	240 247 341	252 193 904	240 247 341
Consumer debtors - Refuse	10	505 340 042	479 329 590	505 340 042	479 329 590
Consumer debtors - Rental debtors	10	23 782 245	18 463 517	23 782 245	18 463 517
Consumer debtors - Other receivables (billing)	9	285 679 333	266 165 269	285 679 333	266 165 269
Consumer debtors - Electricity availability charges	9	27 688 546	12 292 739	27 688 546	12 292 739
Consumer debtors - Waste water availability charges	9	93 928 689	88 754 009	93 928 689	88 754 009
Consumer debtors - Water availability charges	9	62 371 973	47 365 073	62 371 973	47 365 073
		2 738 259 591	**2 614 024 534**	**2 738 259 591**	**2 614 024 534**
Statutory receivables included in consumer debtors above are as follows:					
Consumer debtors - Rates		947 704 281	859 854 654	947 704 281	859 854 654
Financial asset receivables included in consumer debtors above		**1 790 555 310**	**1 754 169 880**	**1 790 555 310**	**1 754 169 880**
Total consumer debtors		2 738 259 591	2 614 024 534	2 738 259 591	2 614 024 534
Included in above is receivables from exchange transactions					
Electricity		348 767 836	155 786 054	348 767 836	155 786 054
Water		190 802 742	445 766 288	190 802 742	445 766 288
Waste water		252 193 904	240 247 341	252 193 904	240 247 341
Refuse		505 340 042	479 329 590	505 340 042	479 329 590
Rental debtors		23 782 245	18 463 517	23 782 245	18 463 517
		1 320 886 769	**1 339 592 790**	**1 320 886 769**	**1 339 592 790**

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

11. Consumer debtors' disclosure (continued)

Included in above is receivables from non-exchange transactions (taxes and transfers)				
Rates	947 704 281	859 854 654	947 704 281	859 854 654
Other receivables (billing)	285 679 333	266 165 269	285 679 333	266 165 269
Electricity availability charges	27 688 546	12 292 739	27 688 546	12 292 739
Waste water availability charges	93 928 689	88 754 009	93 928 689	88 754 009
Water availability charges	62 371 973	47 365 073	62 371 973	47 365 073
	1 417 372 822	**1 274 431 744**	**1 417 372 822**	**1 274 431 744**
Net balance	**2 738 259 591**	**2 614 024 534**	**2 738 259 591**	**2 614 024 534**
Rates				
Current (0 -30 days)	181 175 686	164 201 846	181 175 686	164 201 846
31 - 60 days	94 267 174	81 434 790	94 267 174	81 434 790
61 - 90 days	72 392 245	66 659 613	72 392 245	66 659 613
91 - 120 days	65 584 512	65 033 663	65 584 512	65 033 663
121 - 365 days	479 813 278	450 917 308	479 813 278	450 917 308
> 365 days	1 298 037 550	992 565 609	1 298 037 550	992 565 609
	2 191 270 445	**1 820 812 829**	**2 191 270 445**	**1 820 812 829**
Electricity				
Current (0 -30 days)	418 826 289	334 048 213	418 826 289	334 048 213
31 - 60 days	79 543 638	47 443 022	79 543 638	47 443 022
61 - 90 days	68 766 401	33 987 421	68 766 401	33 987 421
91 - 120 days	57 112 390	22 138 988	57 112 390	22 138 988
121 - 365 days	354 431 454	154 274 441	354 431 454	154 274 441
> 365 days	446 248 410	395 506 784	446 248 410	395 506 784
	1 424 928 582	**987 398 869**	**1 424 928 582**	**987 398 869**
Water				
Current (0 -30 days)	180 480 848	204 516 458	180 480 848	204 516 458
31 - 60 days	74 135 452	61 049 221	74 135 452	61 049 221
61 - 90 days	66 665 612	71 840 170	66 665 612	71 840 170
91 - 120 days	59 018 769	66 282 446	59 018 769	66 282 446
121 - 365 days	456 027 471	455 710 852	456 027 471	455 710 852
> 365 days	1 958 220 822	1 598 435 265	1 958 220 822	1 598 435 265
	2 794 548 974	**2 457 834 412**	**2 794 548 974**	**2 457 834 412**
Waste water				
Current (0 -30 days)	66 182 377	66 234 668	66 182 377	66 234 668
31 - 60 days	31 570 932	25 149 282	31 570 932	25 149 282
61 - 90 days	25 852 393	22 824 885	25 852 393	22 824 885
91 - 120 days	23 363 513	21 789 937	23 363 513	21 789 937
121 - 365 days	174 138 059	154 761 799	174 138 059	154 761 799
> 365 days	524 420 013	407 990 434	524 420 013	407 990 434
	845 527 287	**698 751 005**	**845 527 287**	**698 751 005**
Refuse				
Current (0 -30 days)	52 939 019	46 406 927	52 939 019	46 406 927
31 - 60 days	33 288 310	30 849 553	33 288 310	30 849 553
61 - 90 days	29 765 834	28 129 760	29 765 834	28 129 760
91 - 120 days	27 715 946	30 072 166	27 715 946	30 072 166
121 - 365 days	223 125 461	223 593 660	223 125 461	223 593 660
> 365 days	824 744 457	650 574 821	824 744 457	650 574 821
	1 191 579 027	**1 009 626 887**	**1 191 579 027**	**1 009 626 887**

Figures in Rand	Economic entity		Controlling entity	
	2025	2024 *Restated	2025	2024 *Restated
11. Consumer debtors' disclosure (continued)				
Rental debtors				
Current (0 -30 days)	6 225 058	1 566 279	6 225 058	1 566 279
31 - 60 days	1 485 240	1 105 690	1 485 240	1 105 690
61 - 90 days	1 460 358	793 334	1 460 358	793 334
91 - 120 days	1 192 299	880 187	1 192 299	880 187
121 - 365 days	15 692 307	10 246 251	15 692 307	10 246 251
> 365 days	48 746 525	44 522 671	48 746 525	44 522 671
	74 801 787	**59 114 412**	**74 801 787**	**59 114 412**
Other receivables (billing)				
Current (0 -30 days)	14 051 132	16 821 377	14 051 132	16 821 377
31 - 60 days	8 964 541	7 965 221	8 964 541	7 965 221
61 - 90 days	9 252 813	7 174 203	9 252 813	7 174 203
91 - 120 days	7 018 845	7 617 681	7 018 845	7 617 681
121 - 365 days	59 466 208	58 600 299	59 466 208	58 600 299
> 365 days	290 289 092	246 654 980	290 289 092	246 654 980
	389 042 631	**344 833 761**	**389 042 631**	**344 833 761**
Electricity availability charges				
Current (0 -30 days)	1 786 228	923 436	1 786 228	923 436
31 - 60 days	1 686 758	872 012	1 686 758	872 012
61 - 90 days	1 610 721	832 703	1 610 721	832 703
91 - 120 days	1 580 237	816 944	1 580 237	816 944
121 - 365 days	15 016 223	7 763 016	15 016 223	7 763 016
> 365 days	13 911 753	7 192 031	13 911 753	7 192 031
	35 591 920	**18 400 142**	**35 591 920**	**18 400 142**
Waste water availability charges				
Current (0 -30 days)	1 922 203	1 755 730	1 922 203	1 755 730
31 - 60 days	1 884 676	1 722 872	1 884 676	1 722 872
61 - 90 days	1 760 751	1 609 587	1 760 751	1 609 587
91 - 120 days	1 709 988	1 563 181	1 709 988	1 563 181
121 - 365 days	19 029 980	17 396 212	19 029 980	17 396 212
> 365 days	88 066 587	80 505 866	88 066 587	80 505 866
	114 374 185	**104 553 448**	**114 374 185**	**104 553 448**
Water availability charges				
Current (0 -30 days)	2 140 480	1 633 020	2 140 480	1 633 020
31 - 60 days	1 982 138	1 512 218	1 982 138	1 512 218
61 - 90 days	1 930 335	1 472 696	1 930 335	1 472 696
91 - 120 days	1 901 081	1 450 378	1 901 081	1 450 378
121 - 365 days	17 657 938	13 471 638	17 657 938	13 471 638
> 365 days	59 116 505	45 101 311	59 116 505	45 101 311
	84 728 477	**64 641 261**	**84 728 477**	**64 641 261**

Figures in Rand	Economic entity 2025	Economic entity 2024 *Restated	Controlling entity 2025	Controlling entity 2024 *Restated
11. Consumer debtors' disclosure (continued)				
Summary of debtors by customer classification				
Consumers				
Current (0 -30 days)	430 084 839	264 701 175	430 084 839	264 701 175
31 - 60 days	227 834 577	176 446 705	227 834 577	176 446 705
61 - 90 days	203 591 888	172 122 137	203 591 888	172 122 137
91 - 120 days	182 697 299	166 159 092	182 697 299	166 159 092
121 - 365 days	1 426 687 927	1 226 248 032	1 426 687 927	1 226 248 032
> 365 days	4 768 987 524	3 929 809 951	4 768 987 524	3 929 809 951
	7 239 884 054	5 935 487 092	7 239 884 054	5 935 487 092
Less: Allowance for impairment	(5 500 926 700)	(4 251 439 908)	(5 500 926 700)	(4 251 439 908)
	1 738 957 354	**1 684 047 184**	**1 738 957 354**	**1 684 047 184**
Industrial/commercial				
Current (0 -30 days)	444 468 537	364 744 357	444 468 537	364 744 357
31 - 60 days	89 205 875	70 296 254	89 205 875	70 296 254
61 - 90 days	67 024 718	55 615 963	67 024 718	55 615 963
91 - 120 days	55 988 684	45 306 915	55 988 684	45 306 915
121 - 365 days	364 778 365	306 092 200	364 778 365	306 092 200
> 365 days	761 026 563	677 716 060	761 026 563	677 716 060
	1 782 492 742	1 519 771 749	1 782 492 742	1 519 771 749
Less: Allowance for impairment	(907 207 024)	(700 502 582)	(907 207 024)	(700 502 582)
	875 285 718	**819 269 167**	**875 285 718**	**819 269 167**
National and provincial government				
Current (0 -30 days)	51 175 940	52 277 117	51 175 940	52 277 117
31 - 60 days	11 768 408	12 360 921	11 768 408	12 360 921
61 - 90 days	8 840 859	7 586 272	8 840 859	7 586 272
91 - 120 days	7 511 596	6 179 564	7 511 596	6 179 564
121 - 365 days	22 932 087	14 395 241	22 932 087	14 395 241
> 365 days	21 787 628	17 909 069	21 787 628	17 909 069
	124 016 518	**110 708 184**	**124 016 518**	**110 708 184**
Total				
Current (0 -30 days)	925 729 316	681 722 650	925 729 316	681 722 650
31 - 60 days	328 808 859	259 103 880	328 808 859	259 103 880
61 - 90 days	279 457 465	235 324 372	279 457 465	235 324 372
91 - 120 days	246 197 580	217 645 571	246 197 580	217 645 571
121 - 365 days	1 814 398 379	1 546 735 474	1 814 398 379	1 546 735 474
> 365 days	5 551 801 716	4 625 435 080	5 551 801 716	4 625 435 080
	9 146 393 315	7 565 967 027	9 146 393 315	7 565 967 027
Less: Allowance for impairment	(6 408 133 725)	(4 951 942 491)	(6 408 133 725)	(4 951 942 491)
	2 738 259 590	**2 614 024 536**	**2 738 259 590**	**2 614 024 536**
Less: Allowance for impairment				
Current (0 -30 days)	(673 489 737)	(608 897 283)	(673 489 737)	(608 897 283)
31 - 60 days	(228 598 407)	(168 981 927)	(228 598 407)	(168 981 927)
61 - 90 days	(195 048 263)	(155 326 908)	(195 048 263)	(155 326 908)
91 - 120 days	(171 534 598)	(140 428 496)	(171 534 598)	(140 428 496)
121 - 365 days	(1 253 569 198)	(988 265 130)	(1 253 569 198)	(988 265 130)
> 365 days	(3 885 893 521)	(2 890 042 747)	(3 885 893 521)	(2 890 042 747)
	(6 408 133 724)	**(4 951 942 491)**	**(6 408 133 724)**	**(4 951 942 491)**

		Economic entity		Controlling entity	
Figures in Rand		2025	2024 *Restated	2025	2024 *Restated

11. Consumer debtors' disclosure (continued)

Reconciliation of allowance for impairment					
Balance at beginning of the year		(4 951 942 491)	(4 026 159 305)	(4 951 942 491)	(4 026 159 305)
Contributions to allowance		(2 165 946 947)	(1 371 849 415)	(2 165 946 947)	(1 371 849 415)
Bad debts written off against allowance		709 755 713	446 066 229	709 755 713	446 066 229
		(6 408 133 725)	**(4 951 942 491)**	**(6 408 133 725)**	**(4 951 942 491)**
Reconciliation of allowance for impairment - Receivables from exchange and non-exchange					
Balance at beginning of the year		(4 951 942 491)	(4 026 159 305)	(4 951 942 491)	(4 026 159 305)
Contributions to allowance - Receivable from non-exchange transaction	9	(535 359 699)	(338 514 778)	(535 359 699)	(338 514 778)
Contributions to allowance - Receivable from exchange transaction	10	(1 630 587 248)	(1 033 334 637)	(1 630 587 248)	(1 033 334 637)
Bad debts written off - Receivable from non-exchange transaction	9	218 101 105	136 950 974	218 101 105	136 950 974
Bad debts written off - Receivable from exchange transaction	10	491 654 608	309 115 255	491 654 608	309 115 255
		(6 408 133 725)	**(4 951 942 491)**	**(6 408 133 725)**	**(4 951 942 491)**

Contribution of allowance for impairment - Receivable from non-exchange transaction includes VAT of R(13 963 463) : 2024: R(10 373 394) , amount recognised in Statement of Financial Performance is R(521 396 235) : 2024 R(328 141 384) Refer to note 45

Contribution of allowance for impairment - Receivable from exchange transaction includes VAT of R(212 685 293) : 2024: R(134 782 779) , amount recognised in Statement of Financial Performance is R(1 417 901 955) : 2024 R(898 551 858) Refer to note 45

Credit quality of consumer debtors

In determining the recoverability of a receivable, the municipality considers any change in the credit quality of the receivable from the date on which the credit was initially granted, up to the reporting date. The concentration of credit risk is limited but take into consideration the repayments trends and collection rate, as the consumer base is large and unrelated. Accordingly, management believes that further credit provision is required in excess of the present allowance for doubtful debts.

Consumer debtors past due but not impaired				
Current (0 -30 days)	252 239 579	72 825 366	252 239 579	72 825 366
31 - 60 days	100 210 452	90 121 953	100 210 452	90 121 953
61 - 90 days	84 409 202	79 997 464	84 409 202	79 997 464
91 - 120 days	74 662 982	77 217 075	74 662 982	77 217 075
121 - 365 days	560 829 181	558 470 344	560 829 181	558 470 344
> 365 days	1 665 908 195	1 735 392 334	1 665 908 195	1 735 392 334
	2 738 259 591	**2 614 024 536**	**2 738 259 591**	**2 614 024 536**
The ageing of consumer debts impaired				
Current (0 -30 days)	673 489 737	608 897 283	673 489 737	608 897 283
31 - 60 days	228 598 407	168 981 927	228 598 407	168 981 927
61 - 90 days	195 048 263	155 326 908	195 048 263	155 326 908
91 - 120 days	171 534 598	140 428 496	171 534 598	140 428 496
121 - 365 days	1 253 569 198	988 265 130	1 253 569 198	988 265 130
> 365 days	3 885 893 521	2 890 042 747	3 885 893 521	2 890 042 747
	6 408 133 724	**4 951 942 491**	**6 408 133 724**	**4 951 942 491**

The City hold deposits as security in respect of consumable services.

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

12. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	94 130	95 390	93 784	93 784
Bank balances	95 641 694	142 470 955	62 394 682	105 248 519
Short-term deposits	635 292 759	578 420 212	635 292 759	578 420 212
	731 028 583	**720 986 557**	**697 781 225**	**683 762 515**
Allocation of external investments (call and short-term deposits)				
Own funding (operating account commitments)	635 292 759	578 420 212	635 292 759	578 420 212
Call and short-term deposits per institution				
Absa (interest rate range : 2025 - 7.55% to 8.05% | 2024 : 7.55%)	113 946 126	129 996 846	113 946 126	129 996 846
Nedbank (interest rate range : 2025 - 7.30% to 8.05% | 2024 : 9.21%)	185 376 746	158 159 726	185 376 746	158 159 726
FNB (interest rate range : 2025 - 7.35% to 8.10% | 2024 : 9.03%)	197 561 286	173 896 034	197 561 286	173 896 034
Standard Bank (interest rate range : 2025 - 7.30% to 8.05% | 2024 : 9.00%)	130 789 553	64 239 568	130 789 553	64 239 568
Stanlib (interest rate range : 2025 - 7.30% to 8.05% | 2024 : 7.78%	7 619 048	52 128 038	7 619 048	52 128 038
	635 292 759	**578 420 212**	**635 292 759**	**578 420 212**

There is a gradual decline in interest rates between the 2024 and 2025 financial years due to constant interest rates drop by the SARB MPC.

Own funding includes the insurance and Compensation for Occupational Injuries and Diseases (COID) purposes.

No cash and cash equivalents (or portions thereof) were pledged as security for any financial liabilities.

No restrictions exist with regard to the use of cash. No portion is past due or impaired.

These amounts best represent the maximum exposure to credit risk at the end of the reporting period, without taking account of any collateral held or other credit enhancements.

A cession by the Municipality in respect of the Department of Labour for COID amounts to R25 723 985 (2024: R23 828 947)

Refer to note 31 for interest earned on bank and call deposits.

The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
STANDARD BANK - Primary Account - 081-166-702	40 576 813	82 062 029	43 238 367	82 783 848
STANDARD BANK - Market Account - 081-167-873	18 769 540	9 206 515	4 258 052	3 156 994
STANDARD BANK - Prism Account - 081-167-776	-	-	14 898 264	19 307 677
First National Bank - Public Sector Cheque Account - 620-9871-7899	810 015	7 850 478	810 015	7 850 478
First National Bank - Commercial Money Market Account - 620-9871-9358	32 420 662	21 942 780	32 420 662	21 942 780
First National Bank - Public Sector Cheque Account - 629-0192-1983	16 334	7 429 178	16 334	7 429 178
Total	**92 593 364**	**128 490 980**	**95 641 694**	**142 470 955**

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

13. Revaluation reserve

Opening balance	12 342 616 021	21 664 108 228	12 342 616 021	21 664 108 228
Change during the year	(1 762 016 979)	(9 321 492 207)	(1 762 016 979)	(9 321 492 207)
	10 580 599 042	**12 342 616 021**	**10 580 599 042**	**12 342 616 021**

14. Other liabilities

West Bank Land Affairs	147 346 920	136 557 314	147 346 920	136 557 314
East Bank Land Affairs	126 564 448	117 354 949	126 564 448	117 354 949
	273 911 368	**253 912 263**	**273 911 368**	**253 912 263**

West Bank Land Affairs

This amount relates to funding which BCMM administers on behalf of the department of Land Affairs for the benefit of restitution and claimants. These funds have not been spent due to slow progress in the restitution processes. BCMM has no control on the spending or use of this funding. The City does not recognise any revenue from the above funds, hence it is reclassified in the year under review to other liabilities.

East Bank Land Affairs

This amount relates to funding which BCMM administers on behalf of the department of Land Affairs for the benefit of restitution and claimants. These funds have not been spent due to slow progress in the restitution processes. BCMM is the developer under this arrangement, thereby control of progress is within the City which gives rise to GRAP 11 and is adequately accounted for under note 26 Construction contracts.

15. Operating lease liability

Current liabilities	65 981	152 657	-	-

The Agency entered into lease agreements for its two multifunctional printers and office space. GRAP 13 requires straight lining of the lease payments over the duration of the lease term. The Agency entered into a new lease for office space on 1 March 2025, the lease has an escalation clause of 6% per annum. The above operating lease accrual is therefore as a result of adhering with the standard.

16. Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

Carrying value				
Present value of the defined benefit obligation-wholly unfunded	927 663 000	837 261 000	927 663 000	837 261 000
Non-current liabilities	(861 290 000)	(770 563 000)	(861 290 000)	(770 563 000)
Current liabilities	(66 373 000)	(66 698 000)	(66 373 000)	(66 698 000)
Net liability	**(927 663 000)**	**(837 261 000)**	**(927 663 000)**	**(837 261 000)**

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	837 261 000	774 719 000	837 261 000	774 719 000
Service cost	46 619 000	45 409 000	46 619 000	45 409 000
Interest cost	94 834 000	89 607 000	94 834 000	89 607 000
Remeasurements	15 647 000	(13 104 000)	15 647 000	(13 104 000)
Contributions / payments by employer	(66 698 000)	(59 370 000)	(66 698 000)	(59 370 000)
	927 663 000	**837 261 000**	**927 663 000**	**837 261 000**

		Economic entity		Controlling entity	
Figures in Rand		2025	2024 *Restated	2025	2024 *Restated

16. Employee benefit obligations (continued)

Net expense recognised in the statement of financial performance are as follows:

Service cost		46 619 000	45 409 000	46 619 000	45 409 000
- Current service cost		46 619 000	45 409 000	46 619 000	45 409 000
Net interest on the net defined benefit liability		94 834 000	89 607 000	94 834 000	89 607 000
Remeasurements of the net defined benefit liability		-	-		
- Actuarial gains and losses arising from:		15 647 000	(13 104 000)	15 647 000	(13 104 000)
- Changes in financial assumptions		21 259 000	(10 213 000)	21 259 000	(10 213 000)
- Experience adjustments		(5 612 000)	(2 891 000)	(5 612 000)	(2 891 000)
Contributions / payments by employer		(66 698 000)	(59 370 000)	(66 698 000)	(59 370 000)
Net costs per Statement of Financial Performance	38	**90 402 000**	**62 542 000**	**90 402 000**	**62 542 000**

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

16. Employee benefit obligations (continued)

Post-retirement medical contribution amounts recognised in the statement of financial position

Present value of the defined benefit obligation	630 641 000	560 619 000	630 641 000	560 619 000

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	560 619 000	511 671 000	560 619 000	511 671 000
Service cost	23 180 000	21 896 000	23 180 000	21 896 000
Interest costs	67 073 000	62 565 000	67 073 000	62 565 000
Remeasurements	4 866 000	(15 017 000)	4 866 000	(15 017 000)
Contributions / payments by employer	(25 097 000)	(20 496 000)	(25 097 000)	(20 496 000)
	630 641 000	**560 619 000**	**630 641 000**	**560 619 000**

Net expense recognised in the statement of financial performance are as follows:

Service cost	23 180 000	21 896 000	23 180 000	21 896 000
- Current service cost	23 180 000	21 896 000	23 180 000	21 896 000
Net interest on the net defined benefit liability	67 073 000	62 565 000	67 073 000	62 565 000
Remeasurements of the net defined benefit liability	-	-		
- Actuarial gains and losses arising from:	4 866 000	(15 017 000)	4 866 000	(15 017 000)
- Changes in financial assumptions	21 608 000	(7 954 000)	21 608 000	(7 954 000)
- Experience adjustments	(16 742 000)	(7 063 000)	(16 742 000)	(7 063 000)
Contributions / payments by employer	(25 097 000)	(20 496 000)	(25 097 000)	(20 496 000)
	70 022 000	**48 948 000**	**70 022 000**	**48 948 000**

The best estimates for the employer benefit payments in the 2024/25 financial period is expected to be R 26 394 000 (The actual employer benefit payments in the 2023/24 financial period was R25 097 000).

The municipality's defined benefit obligation as at 30 June 2025 was estimated to be R 630 641 000. Since there is no plan asset, this is also the municipality's net defined benefit liability. The current service cost was estimated to be R 23 180 000 for the year ending 30 June 2025, and R 25 789 000 for the ensuing year. Since there is no past service cost, the service cost is equal to the current service cost.

The municipality's employees contribute to 5 accredited medical aid schemes, namely LA Health, Bonitas, Key Health, SAMWU Med and Hosmed. Pensioners continue on the option they belonged to on the day of their retirement.

The obligation in respect of the medical care contributions for retirement benefits is valued every year by independent qualified actuaries. The last actuarial valuation was prepared in July by ARCH Actuarial Consulting using the Projected Unit Credit Method.

The employer's post-employment health care liability consists of a commitment to pay a portion of the pensioners' post-employment medical scheme contributions. The liability is also generated in respect of dependents who are offered continued membership of the medical scheme on the death of the primary member.

The valuation method and assumptions do not affect the ultimate cost of the post-employment health care arrangement – this is determined by actual experience and by the benefits provided. The method and assumptions influence how the defined benefit obligation and future service costs are recognised over time.

In estimating the net defined benefit liability for the post-employment health care benefits a number of assumptions are required.

Figures in Rand	Economic entity		Controlling entity	
	2025	2024 *Restated	2025	2024 *Restated

16. Employee benefit obligations (continued)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	11.20 %	12.23 %	11.20 %	12.23 %
CPI (Consumer Price Inflation)	5.20 %	6.21 %	5.20 %	6.21 %
Health care cost inflation rate	7.00 %	7.71 %	7.00 %	7.71 %
Net-of-health-care-cost-inflation discount rate	3.90 %	4.20 %	3.90 %	4.20 %
Maximum subsidy inflation rate	4.70 %	5.41 %	4.70 %	5.41 %
Net-of-maximum-subsidy-inflation discount rate	6.30 %	6.47 %	6.30 %	6.47 %
Continuation of membership at retirement	75.00 %	75.00 %	75.00 %	75.00 %
Proportion with a spouse dependent at retirement	60.00 %	60.00 %	60.00 %	60.00 %
Proportion of in-service non-members joining a scheme by retirement and continuing with the subsidy at retirement	10.00 %	10.00 %	10.00 %	10.00 %
Average retirement age	62	62	62	62
Mortality during employment	SA 85-90	SA 85-90	SA 85-90	SA 85-90
Mortality post-employment	PA(90) -1 with a 1% mortality improvement p.a. from 2010	PA(90) -1 with a 1% mortality improvement p.a. from 2010	PA(90) -1 with a 1% mortality improvement p.a. from 2010	PA(90) -1 with a 1% mortality improvement p.a. from 2010
Comparison of in-service members statistics				
Total number of eligible employees	4 876	5 067	4 876	5 067
Number of in-service members	3 290	3 407	3 290	3 407
Average age	47.6	46.8	47.6	46.8
Average past service	13.9	13.6	13.9	13.6
Average current value of post-employment subsidy p.m.	R 3 277	R 3 015	R 3 277	R 3 015
Comparison of in-service non-members statistics				
Number of in-service non-members	1 586	1 660	1 586	1660
Average age	47.9	47.5	47.9	47.5
Average past service	13.1	12.6	13.1	12.6
Average current value of post-employment subsidy p.m.	R 3 515	R 3 174	R 3 515	R 3 174
Continuation members				
Number of principal members	488	488	488	488
Proportion with a spouse dependent	37 %	38 %	37%	38%
Average age of members	73.1	72.8	73.1	72.8
Average subsidy per month	R 3 955	R 3 767	R 3 955	R 3 767

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

16. Employee benefit obligations (continued)

Sensitivity Results

The defined benefit obligation at the Valuation Date was recalculated to show the effect of:

- a one percentage point increase and decrease in the assumed medical aid contribution inflation rate;
- a one percentage point increase and decrease in the discount rate;
- a one-year age increase and decrease in the assumed rates of post-employment mortality;
- a one-year decrease in the assumed average retirement age; and
- a decrease of ten percentage points in the assumed proportion of in-service members that remain members at retirement.

Sensitivity analysis on the defined benefit obligation (R Millions)

Assumption	Change	Eligible Employees	Continuation Members	Total	% change
Central assumptions		402.820	227.821	630.641	
Medical aid contribution inflation rate	+1%	437.725	241.474	679.199	8%
	-1%	359.449	213.732	573.181	-9%
Discount rate	+1%	345.717	211.578	557.295	-12%
	-1%	474.168	246.566	720.734	14%
Post-employment mortality	+1 yr	393.979	220.263	614.242	-3%
	-1 yr	411.431	235.398	646.829	3%
Average retirement age	-1 yr	445.575	227.821	673.396	7%
Membership continuation	-10%	349.111	227.821	576.932	-9%

Sensitivity analysis on current service and interest costs for year ending 30/06/2025

Assumption	Change	Current-Svc. Cost	Interest Cost	Total Cost	% change
Central assumptions		23 180 000	67 073 000	90 253 000	
Medical aid contribution inflation rate	+1%	25 559 000	72 582 000	98 141 000	9%
	-1%	20 287 000	60 782 000	81 069 000	-10%
Discount rate	+1%	19 730 000	64 159 000	83 889 000	-7%
	-1%	27 520 000	70 313 000	97 833 000	8%
Post-employment mortality	+1 yr	22 681 000	65 304 000	87 985 000	-3%
	-1 yr	23 665 000	68 818 000	92 483 000	2%
Average retirement age	-1 yr	24 680 000	71 594 000	96 274 000	7%
Membership continuation	-10%	20 093 000	61 447 000	81 540 000	-10%

Sensitivity analysis on current service and interest costs for year ending 30/06/2026

Assumption	Change	Current-Svc. Cost	Interest Cost	Total Cost	% change
Central assumptions		25 789 000	69 193 000	94 982 000	
Medical aid contribution inflation rate	+1%	28 224 000	74 625 000	102 849 000	8%
	-1%	22 695 000	62 764 000	85 459 000	-10%
Discount rate	+1%	21 924 000	66 427 000	88 351 000	-7%
	-1%	30 656 000	72 201 000	102 857 000	8%
Post-employment mortality	+1 yr	25 232 000	67 359 000	92 591 000	-3%
	-1 yr	26 333 000	71 003 000	97 336 000	2%
Average retirement age	-1 yr	27 112 000	73 911 000	101 023 000	6%
Membership continuation	-10%	22 350 000	63 200 000	85 550 000	-10%

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

16. Employee benefit obligations (continued)

History of Liabilities, Assets and Experience Adjustments (R millions)

The table below summarises the defined benefit obligation and the plan assets for the current period and previous periods.

Net Defined Benefit Liability History	30/06/2021	30/06/2022	30/06/2023	30/06/2024	30/06/2025
Defined benefit obligation	512.157	533.474	511.671	560.619	630.641
Fair value of plan asset	0.000	0.000	0.000	0.000	0.000
Net defined benefit liability	**512.157**	**533.474**	**511.671**	**560.619**	**630.641**

The table below summarises the experience adjustments for the current period and the previous four periods. Experience adjustments are the effects of differences between the previous actuarial assumptions and what has occurred.

Experience adjustments	Year ending 30/06/2021	Year ending 30/06/2022	Year ending 30/06/2023	Year ending 30/06/2024	Year ending 30/06/2025
Liabilities: (Gain) / Loss	55.349	50.570	(1.671)	(7.063)	(16.742)
Assets: Gain / (Loss)	0.000	0.000	0.000	0.000	0.000

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

16. Employee benefit obligations (continued)

Long service awards - Amounts recognised in the statement of financial position

Carrying value				
Present value of the defined benefit obligation-wholly unfunded	297 022 000	276 642 000	297 022 000	276 642 000

Long service awards - Changes in the present value of the defined benefit obligation are as follows:

Opening balance	276 642 000	263 048 000	276 642 000	263 048 000
Service cost	23 439 000	23 513 000	23 439 000	23 513 000
Interest costs	27 761 000	27 042 000	27 761 000	27 042 000
Remeasurements	10 781 000	1 913 000	10 781 000	1 913 000
Contributions / payments by employer	(41 601 000)	(38 874 000)	(41 601 000)	(38 874 000)
	297 022 000	**276 642 000**	**297 022 000**	**276 642 000**

Long service awards - Net expense recognised in the statement of financial performance are as follows:

Service cost	23 439 000	23 513 000	23 439 000	23 513 000
- Current service cost	23 439 000	23 513 000	23 439 000	23 513 000
Net interest on the net defined benefit liability	27 761 000	27 042 000	27 761 000	27 042 000
Remeasurements of the net defined benefit liability	-	-		
- Actuarial gains and losses arising from:	10 781 000	1 913 000	10 781 000	1 913 000
- Changes in financial assumptions	(349 000)	(2 259 000)	(349 000)	(2 259 000)
- Experience adjustments	11 130 000	4 172 000	11 130 000	4 172 000
Contributions / payments by employer	(41 601 000)	(38 874 000)	(41 601 000)	(38 874 000)
	20 380 000	**13 594 000**	**20 380 000**	**13 594 000**

Key assumptions used

The table below summarises the key financial assumptions used for the liabilities at the Valuation Date and the expense figures for the ensuing year. The average expected remaining working-lifetime of eligible employees is 14.5 years (2023/24 : 15.1 years).

Assumptions used at the reporting date:				
Discount rate	9.50 %	10.83 %	9.50 %	10.83 %
CPI inflation rate	3.50 %	4.98 %	3.50 %	4.98 %
Normal salary increase rate	4.50 %	5.98 %	4.50 %	5.98 %
Net effective discount rate	4.80 %	4.57 %	4.80 %	4.57 %
Number of eligible employees	4 876	5 067	4 876	5 067

Sensitivity analysis

The liability at the Valuation Date was recalculated to show the effect of:
- a one percentage point increase and decrease in the assumed general earnings inflation rate;
- a one percentage point increase and decrease in the assumed discount rate;
- a two-year increase and decrease in the assumed average retirement age of eligible employees; and
- a two-fold increase and a 50% decrease in the assumed rates of termination of service.

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Change	Liability	% Change
Central assumptions		279 022 000	
General earnings inflation rate	+1%	310 900 000	5%
	-1%	284 220 000	-4%
Discount rate	+1%	282 315 000	-5%
	-1%	313 237 000	5%
Average retirement age	+2 yrs	329 341 000	11%
	-2 yrs	263 480 000	-11%
Rates of termination of service	x2	249 615 000	-16%
	x0.5	327 566 000	10%

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

16. Employee benefit obligations (continued)

Sensitivity analysis on current service and interest costs for year ending 30/06/2025

Assumption	Change	Current-Svc. Cost	Interest Cost	Total	% change
Central assumptions		23 439 000	27 761 000	51 200 000	
General earnings inflation rate	+1%	24 802 000	29 195 000	53 997 000	5%
	-1%	22 193 000	26 439 000	48 632 000	-5%
Discount rate	+1%	22 249 000	28 699 000	50 948 000	0%
	-1%	24 760 000	26 688 000	51 448 000	0%
Average retirement age	+2 yrs	25 565 000	30 945 000	56 510 000	10%
	-2 yrs	21 208 000	24 516 000	45 724 000	-11%
Rates of termination of service	x2	18 476 000	228 840 000	41 316 000	-19%
	x0.5	26 816 000	30 965 000	57 781 000	13%

Sensitivity analysis on current service and interest costs for year ending 30/06/2026

Assumption	Change	Current-Svc. Cost	Interest Cost	Total	% change
Central assumptions		23 650 000	26 140 000	49 790 000	
General earnings inflation rate	+1%	24 983 000	27 458 000	52 441 000	5%
	-1%	22 430 000	24 924 000	47 354 000	-5%
Discount rate	+1%	22 467 000	27 353 000	49 820 000	0%
	-1%	24 963 000	24 762 000	49 725 000	0%
Average retirement age	+2 yrs	25 875 000	29 159 000	55 034 000	11%
	-2 yrs	21 310 000	23 020 000	44 330 000	-11%
Rates of termination of service	x2	18 848 000	21 668 000	40 516 000	-19%
	x0.5	26 880 000	29 026 000	55 906 000	12%

History of Liabilities, Assets and Experience Adjustments (R Millions)

The table below summarises the defined benefit obligation and the plan asset for the current period and the previous four periods.

Net Defined Benefit Liability History	30/06/2021	30/06/2022	30/06/2023	30/06/2024	30/06/2025
Defined benefit obligation	275.058	321.401	263.048	276.642	297.022
Fair value of plan asset	0.000	0.000	0.000	0.000	0.000
(Deficit)	**275.058**	**321.401**	**263.048**	**276.642**	**297.022**

The table below summarises the experience adjustments for the current and previous four periods. Experience adjustments are the effects of differences between the previous actuarial assumptions and what has occurred.

Experience adjustments	Year ending 30/06/2021	Year ending 30/06/2022	Year ending 30/06/2023	Year ending 30/06/2024	Year ending 30/06/2025
Defined benefit obligation: (Gain) / Loss	5.198	25.383	(78.428)	4.172	11.130
Assets: Gain / (Loss)	0.000	0.000	0.000	0.000	0.000

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

17. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprise of:

Unspent conditional grants and receipts				
National Government Grants	126 729 385	18 880 051	126 453 257	13 966 292
Provincial Government Grants	34 492 415	7 180 860	34 492 415	7 180 860
Other Conditional Grants	5 007 316	2 318 446	5 007 316	2 318 446
	166 229 116	**28 379 357**	**165 952 988**	**23 465 598**

National Government	Unspent balance 2024	Current years receipts / interest allocated	Transfer to revenue operating expenditure	Transfer to revenue capital expenditure	Transfers / VAT transfers	Unspent balance 2025
Financial Management Grant (FMG)	1 818	1 000 000	(981 406)	-	(1 818)	18 594
Neighbourhood Development Partnership Grant (NDPG)	5 437 936	2 000 000	-	(1 610 778)	(5 437 936)	389 222
Neighbourhood Development Partnership Grant (NDP) PEP	1 347	35 655 000	(34 312 227)	-	(1 344 066)	54
Programme and Project Preparation Support Grant(PPPSG)	1 219 939	15 000 000	(15 000 000)	-	(1 219 939)	-
Urban Settlement Development Grant (USDG)	5 845 587	625 365 000	(59 064 403)	(485 642 441)	(60 317 636)	26 186 107
Expanded Public Works Programme (EPWP)	344	2 314 000	(2 313 792)	-	-	552
Informal Settlements Upgrading Partnership Grant (ISUPG)	1 305 193	235 622 000	(21 969 205)	(193 267 549)	(21 689 964)	475
Infrastructure Skills Development Grant (ISDG)	235	11 000 000	(10 436 182)	(56 200)	(143 525)	364 328
Public Transport Network Grant (PTNG)	153 893	-	-	-	-	153 893
Municipal Disaster Recovery Grant	-	78 000 000	-	(6 513 939)	(142 425)	71 343 636
Municipal Disaster Relief Grant	-	44 600 000	-	(15 395 404)	(1 208 200)	27 996 396
NDPG - Integrated Waste Management Grant - BCMDA	4 913 759	191 818	(6 729 451)	-	1 900 002	276 128
Total	**18 880 050**	**1 050 747 818**	**(150 806 666)**	**(702 486 311)**	**(89 605 507)**	**126 729 385**

Provincial Government	Unspent balance 2024	Current years receipts / interest allocated	Transfer to revenue operating expenditure	Transfer to revenue capital expenditure	Transfers / VAT transfers	Unspent balance 2025
Transitional Grant	113 769	-	-	-	-	113 769
King William's Town: Grants Government	2 053	-	-	-	-	2 053
European Commission	1 560 650	122 473	-	-	-	1 683 123
Gompo Survey (DVRI Hydroponics)	98 532	-	-	-	-	98 532
Gompo & Mdantsane Art Centres (DVRI Arts Centre)	861	-	-	-	-	861
Pilot Housing Project	268 793	-	-	-	-	268 793
Reeston Development - Land Affairs	231 681	18 247	-	-	-	249 928
Mdantsane Urban Renewal Project (Mount Ruth Node)	3 602 815	282 731	-	-	-	3 885 546
Ikhwezi Block 1 Development	175 288	-	-	-	-	175 288
Mdantsane Upgrade - MD Assessment Study	189 165	-	-	-	-	189 165
Needscamp Planning	937 253	-	-	-	-	937 253
Department of Transport	-	30 000 000	(3 111 895)	-	-	26 888 105
Total	**7 180 860**	**30 423 451**	**(3 111 895)**	**-**	**-**	**34 492 415**

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

17. Unspent conditional grants and receipts (continued)

Other Conditional Grants	Unspent balance 2024	Current years receipts / interest allocated	Transfer to revenue operating expenditure	Transfer to revenue capital expenditure	Transfers / VAT transfers	Unspent balance 2025
Buffalo City Metro Transport (BCMET) Funding	2 953	-	-	-	-	2 953
Friends of East London Zoo (Felzoo)	248 026	-	-	-	-	248 026
SALAIDA (Gavle)	44 424	29 550	-	-	-	73 974
Leiden	105 706	7 946	-	-	-	113 652
Umsobomvu Youth Fund	355 347	31 159	-	-	-	386 506
City of Oldenburg	1 561 990	2 756 817	(136 601)	-	-	4 182 206
Total	**2 318 445**	**2 825 472**	**(136 601)**	**-**	**-**	**5 007 316**

National Government (2024)	Unspent balance 2023	Current years receipts / interest allocated	Transfer to revenue operating expenditure	Transfer to revenue capital expenditure	Transfers / VAT transfers	Unspent balance 2024
Financial Management Grant (FMG)	583	1 000 000	(995 426)	-	(3 339)	1 818
Neighbourhood Development Partnership Grant (NDPG)	15 028	10 000 000	-	(3 967 037)	(610 055)	5 437 936
Neighbourhood Development Partnership Grant (NDP) PEP	9 841 358	20 581 000	(25 744 624)	-	(4 676 387)	1 347
Programme and Project Preparation Support Grant(PPPSG)	717	12 908 000	(10 383 909)	-	(1 304 869)	1 219 939
Urban Settlement Development Grant (USDG)	65	618 034 000	(28 882 257)	(520 455 658)	(62 850 563)	5 845 587
Expanded Public Works Programme (EPWP)	985	6 093 000	(6 093 641)	-	-	344
Informal Settlements Upgrading Partnership Grant (ISUPG)	604	277 122 000	(22 946 548)	(238 791 423)	(14 079 440)	1 305 193
Infrastructure Skills Development Grant (ISDG)	113 422	10 770 000	(10 608 647)	(145 401)	(129 139)	235
Public Transport Network Grant (PTNG)	153 893	-	-	-	-	153 893
NDPG - Integrated Waste Management Grant - BCMDA	1 353 802	8 672 127	(4 199 357)	-	(912 813)	4 913 759
Total	**11 480 456**	**965 180 127**	**(109 854 409)**	**(763 359 519)**	**(84 566 605)**	**18 880 051**

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

17. Unspent conditional grants and receipts (continued)

Provincial Government (2024)	Unspent balance 2023	Current years receipts / interest allocated	Transfer to revenue operating expenditure	Transfer to revenue capital expenditure	Transfers / VAT transfers	Unspent balance 2024
Transitional Grant	113 769	-	-	-	-	113 769
King William's Town: Grants Government	2 053	-	-	-	-	2 053
European Commission	1 440 013	120 637	-	-	-	1 560 650
Gompo Survey (DVRI Hydroponics)	98 532	-	-	-	-	98 532
Gompo & Mdantsane Art Centres (DVRI Arts Centre)	861	-	-	-	-	861
Pilot Housing Project	268 793	-	-	-	-	268 793
Reeston Development - Land Affairs	213 707	17 974	-	-	-	231 681
Mdantsane Urban Renewal Project (Mount Ruth Node)	3 324 321	278 494	-	-	-	3 602 815
Ikhwezi Block 1 Development	175 288	-	-	-	-	175 288
Mdantsane Upgrade - MD Assessment Study	189 165	-	-	-	-	189 165
Needscamp Planning	937 253	-	-	-	-	937 253
Total	**6 763 755**	**417 105**	**-**	**-**	**-**	**7 180 860**

Other Conditional Grants (2024)	Unspent balance 2023	Current years receipts / interest allocated	Transfer to revenue operating expenditure	Transfer to revenue capital expenditure	Transfers / VAT transfers	Unspent balance 2024
Buffalo City Metro Transport (BCMET) Funding	2 953	-	-	-	-	2 953
Friends of East London Zoo (Felzoo)	248 026	-	-	-	-	248 026
SALAIDA (Gavle)	31 359	28 035	(14 970)	-	-	44 424
Leiden	97 207	8 499	-	-	-	105 706
Umsobomvu Youth Fund	324 655	30 692	-	-	-	355 347
City of Oldenburg	1 104 626	457 364	-	-	-	1 561 990
Total	**1 808 825**	**524 590**	**(14 970)**	**-**	**-**	**2 318 446**

Other balances relate to ring fenced trust funding projects.

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

18. Borrowings

At amortised cost				
Annuity loans	79 793 734	108 607 631	79 793 734	108 607 631
Non-current liabilities				
At amortised cost	54 707 887	79 793 735	54 707 887	79 793 735
Current liabilities				
At amortised cost	25 085 847	28 813 896	25 085 847	28 813 896

The municipality did not default on any of the borrowings in respect of capital or interest portions.

No terms attached to the borrowings were re-negotiated.

Average interest rate is 8.30% (2024: 8.26%). Refer to note 43 for finance cost relating to borrowings.

The above loans relate to DBSA. These are unsecured loans paid bi-annually.

19. Finance lease obligation

Minimum lease payments due				
- within one year	57 585	177 147	-	-
- in second to fifth year inclusive	-	57 586	-	-
	57 585	234 733	-	-
less: future finance charges	(1 916)	(21 452)	-	-
Present value of minimum lease payments	**55 669**	**213 281**	**-**	**-**
Non-current liabilities	-	55 669	-	-
Current liabilities	55 669	157 612	-	-
	55 669	**213 281**	**-**	**-**

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

20. Provisions

Reconciliation of provisions - Economic entity - 2025

	Opening Balance	Additions/ (Reductions)	Utilised during the year	Increase/ (decrease)	Interest	Total
Landfill sites	424 575 999	18 332 556	-	-	35 484 629	478 393 184
Bonus provision	65 743 796	63 305 236	(60 233 336)	(4 439 471)	-	64 376 225
	490 319 795	**81 637 792**	**(60 233 336)**	**(4 439 471)**	**35 484 629**	**542 769 409**

Reconciliation of provisions - Economic entity - 2024

	Opening Balance	Additions/ (Reductions)	Utilised during the year	Increase	Interest	Total
Landfill sites	417 747 743	(27 790 300)	-	-	34 618 556	424 575 999
Bonus provision	58 206 753	65 743 796	(61 593 150)	3 386 397	-	65 743 796
	475 954 496	**37 953 496**	**(61 593 150)**	**3 386 397**	**34 618 556**	**490 319 795**

Reconciliation of provisions - Controlling entity - 2025

	Opening Balance	Additions	Utilised during the year	Increase/ (decrease)	Interest	Total
Landfill sites	424 575 999	18 332 556	-	-	35 484 629	478 393 184
Bonus provision	64 672 807	63 305 236	(60 233 336)	(4 439 471)	-	63 305 236
	489 248 806	**81 637 792**	**(60 233 336)**	**(4 439 471)**	**35 484 629**	**541 698 420**

Reconciliation of provisions - Controlling entity - 2024

	Opening Balance	Additions/ (Reductions)	Utilised during the year	Increase	Interest	Total
Landfill sites	417 747 743	(27 790 300)	-	-	34 618 556	424 575 999
Bonus provision	58 206 753	64 672 807	(61 593 150)	3 386 397	-	64 672 807
	475 954 496	**36 882 507**	**(61 593 150)**	**3 386 397**	**34 618 556**	**489 248 806**

Non-current liabilities	135 496 554	108 298 655	135 496 554	108 298 655
Current liabilities	407 272 855	382 021 140	406 201 866	380 950 151
	542 769 409	**490 319 795**	**541 698 420**	**489 248 806**

The municipality manages twelve landfill sites, of which ten are closed and two are active. The costs of rehabilitation include, inter alia, the application of final cover, topsoil, vegetating, drainage maintenance and leachate management, in order to comply with the "Minimum Requirements for Waste Disposal by Landfill", Second Edition 1998, Chapter 2.3.4, published by the Department of Water Affairs and Forestry".

For the ten closed sites, in consultation with management, and through inspection of the sites, it was determined that there had been no significant changes to the utilization of the sites from the prior year. Therefore, the present values of the costs of the rehabilitation of the sites calculated in 2024 were extended for the current year. These costs were adjusted to an estimated future cost using the Cost Price Adjustments Provisions (CPAP) work group publication (an inflation-based index appropriate to general earthworks), these were then discounted to present values using the municipality's borrowing rates.

For the two active sites, the extent of the work required given the current utilization of the sites was determined in consultation with management, measurements of the sites and remaining airspace, and on-site inspection of the facilities and compaction of waste. Based on this analysis, and with reference to current pricing information, unit rates for rehabilitation costs were determined as well as the expected remaining useful lives of the sites. These costs were then adjusted over the remaining useful lives of the sites and the anticipated rehabilitation period, using the CPAC rates, which were then discounted to present values using the municipality's borrowing rate.

Assumptions used

The Cost Price Adjustments Provisions (Statistical Release: P0151.1) was taken as 6.27% (2024: Consumer Price Index at 5.48%).

		Economic entity		Controlling entity	
Figures in Rand		2025	2024 *Restated	2025	2024 *Restated

20. Provisions (continued)

Interest rate used is BCMM's borrowing rate at 8.30% (2024: 8.26%).

Rehabilitation costs in respect of geohydrological monitoring is anticipated to be a recurring cost for the next 30 years.

Detailed valuations reports are available at the municipality's offices which give additional detail on the methodology used.

The valuation for the landfill site provision in 2025 was performed by a suitably qualified and experienced team, lead by T.McNeil, who is a member of the South African Institution of Civil Engineers – Member No. 20121055 and the Institute of Waste Management Southern Africa (IWMSA) Member No. 10111146.

The expense relating to the provision of bonus is included under note 38 Employee related costs. All staff is entitled to a 13th cheque except the sec57 employees (Municipal Manager, CFO and HOD's). The 13th cheque is paid in the month that the staff member completes a years service and then annually thereafter. For the calculation of bonus provision an assumption of 5% salary increase was used.

21. Trade payables from exchange transactions

Trade payables	24	1 013 158 965	990 454 899	1 012 893 135	987 919 506
Payments received in advanced	24	232 240 478	317 592 663	232 240 478	317 592 663
Retention monies	24	84 387 520	86 598 788	79 813 672	82 024 940
Accrued leave pay	24	156 420 933	148 526 988	156 420 933	148 526 988
Deposits received	24	8 007 379	11 406 393	8 006 379	11 405 393
Other creditors	24	128 615 204	203 144 962	126 539 769	200 747 244
VAT accrual on receivables	23	-	10 067 761	-	7 889 329
		1 622 830 479	**1 767 792 454**	**1 615 914 366**	**1 756 106 063**

22. Consumer deposits

Electricity	54 820 541	53 416 427	54 820 541	53 416 427
Water	35 153 862	33 721 216	35 153 862	33 721 216
	89 974 403	**87 137 643**	**89 974 403**	**87 137 643**

The amounts reflected represent a cost value which is viewed to be the approximate fair value.

The consumer deposits are reflected at nominal value as they are utilised as part of the settlement of final consumer accounts.

Guarantees held in lieu of Electricity and Water deposits amounted to R89 974 403 (2024: R87 137 643).

23. VAT receivable

VAT accrual on payables	10	127 652 040	123 153 871	127 236 457	121 927 743
VAT control	10	35 876 756	49 847 072	35 675 950	49 729 899
VAT accrual on receivables	21	83 077 698	(10 067 761)	83 319 728	(7 889 329)
		246 606 494	**162 933 182**	**246 232 135**	**163 768 313**

The above VAT receivable amount is the net amount of total VAT input R945 261 512 (June 2024: R832 252 350) less total VAT output R920 354 003 (June 2024: R811 290 398).

VAT Output includes VAT on impaired debtors of R221 324 626 (2024: R142 806 361).

VAT on impaired debtors	221 324 626	142 806 361	221 324 626	142 806 361
Output VAT	(920 354 003)	(811 290 398)	(920 354 003)	(811 290 398)
	(699 029 377)	(668 484 037)	(699 029 377)	(668 484 037)
Input VAT	945 635 871	831 417 219	945 261 512	832 252 350
	246 606 494	**162 933 182**	**246 232 135**	**163 768 313**

The municipality is registered on the payment basis. VAT is declared to SARS on receipt of payments from customers and claimed once payment is made to suppliers.

		Economic entity		Controlling entity	
Figures in Rand		2025	2024 *Restated	2025	2024 *Restated

24. Financial instruments disclosure

Categories of financial instruments

Economic entity - 2025

Financial assets

		At amortised cost	Total
Other receivables from non-exchange transactions	9	505 266 405	505 266 405
Trade and other receivables from exchange transactions	10	1 940 644 906	1 940 644 906
Cash and cash equivalents	12	731 028 583	731 028 583
		3 176 939 894	**3 176 939 894**

Financial liabilities

		At fair value	At amortised cost	Total
Payments received in advance	21	-	232 240 478	232 240 478
Borrowings: Other financial liabilities	18	-	79 793 734	79 793 734
Trade and other payables from exchange transactions	21	-	1 226 161 689	1 226 161 689
Consumer deposits	22	89 974 403	-	89 974 403
Other deposits	21	8 007 379	-	8 007 379
		97 981 782	**1 538 195 901**	**1 636 177 683**

Economic entity - 2024

Financial assets

		At amortised cost	Total
Other receivables from non-exchange transactions	9	445 219 796	445 219 796
Trade and other receivables from exchange transactions	10	1 827 843 760	1 827 843 760
Cash and cash equivalents	12	720 986 557	720 986 557
		2 994 050 113	**2 994 050 113**

Financial liabilities

		At fair value	At amortised cost	Total
Payments received in advance	21	-	317 592 663	317 592 663
Borrowings: Other financial liabilities	18	-	108 607 631	108 607 631
Trade and other payables from exchange transactions	21	-	1 280 198 649	1 280 198 649
Consumer deposits	22	87 137 643	-	87 137 643
Other deposits	21	11 406 393	-	11 406 393
		98 544 036	**1 706 398 943**	**1 804 942 979**

		Economic entity		Controlling entity	
Figures in Rand		2025	2024 *Restated	2025	2024 *Restated

24. Financial instruments disclosure (continued)

Controlling entity - 2025

Financial assets

		At amortised cost	Total
Other receivables from non-exchange transactions	9	504 978 431	504 978 431
Trade and other receivables from exchange transactions	10	1 940 464 946	1 940 464 946
Cash and cash equivalents	12	697 781 225	697 781 225
		3 143 224 602	**3 143 224 602**

Financial liabilities

		At fair value	At amortised cost	Total
Payments received in advance	21	-	232 240 478	232 240 478
Borrowings: Other financial liabilities	18	-	79 793 734	79 793 734
Trade and other payables from exchange transactions	21	-	1 219 246 576	1 219 246 576
Consumer deposits	22	89 974 403	-	89 974 403
Other deposits	21	8 006 379	-	8 006 379
		97 980 782	**1 531 280 788**	**1 629 261 570**

Controlling entity - 2024

Financial assets

		At amortised cost	Total
Other receivables from non-exchange transactions	9	445 219 795	445 219 795
Trade and other receivables from exchange transactions	10	1 826 609 550	1 826 609 550
Cash and cash equivalents	12	683 762 515	683 762 515
		2 955 591 860	**2 955 591 860**

Financial liabilities

		At fair value	At amortised cost	Total
Payments received in advance	21	-	317 592 663	317 592 663
Borrowings: Other financial liabilities	18	-	108 607 631	108 607 631
Trade and other payables from exchange transactions	21	-	1 270 691 690	1 270 691 690
Consumer deposits	22	87 137 643	-	87 137 643
Other deposits	21	11 405 393	-	11 405 393
		98 543 036	**1 696 891 984**	**1 795 435 020**

Financial instruments in Statement of financial performance

Economic entity - 2025

		At amortised cost	Total
Interest income (calculated using effective interest method) for financial instruments at amortised cost	31	330 251 231	330 251 231
Interest expense (calculated using effective interest method) for financial instruments at amortised cost	43	(44 468 214)	(44 468 214)
Impairment loss	45	(1 987 595 727)	(1 987 595 727)
		(1 701 812 710)	**(1 701 812 710)**

		Economic entity		Controlling entity	
Figures in Rand		2025	2024 *Restated	2025	2024 *Restated

24. Financial instruments disclosure (continued)

Economic entity - 2024

		At amortised cost	Total
Interest income (calculated using effective interest method) for financial instruments at amortised cost	31	318 511 071	318 511 071
Interest expense (calculated using effective interest method) for financial instruments at amortised cost	43	(46 210 625)	(46 210 625)
Impairment loss	45	(1 291 454 455)	(1 291 454 455)
		(1 019 154 009)	**(1 019 154 009)**

Controlling entity - 2025

		At amortised cost	Total
Interest income (calculated using effective interest method) for financial instruments at amortised cost	31	327 534 397	327 534 397
Interest expense (calculated using effective interest method) for financial instruments at amortised cost	43	(44 448 679)	(44 448 679)
Debt impairment	45	(1 987 595 727)	(1 987 595 727)
		(1 704 510 009)	**(1 704 510 009)**

Controlling entity - 2024

		At amortised cost	Total
Interest income (calculated using effective interest method) for financial instruments at amortised cost	31	316 825 063	316 825 063
Interest expense (calculated using effective interest method) for financial instruments at amortised cost	43	(46 183 512)	(46 183 512)
Debt impairment	45	(1 291 454 455)	(1 291 454 455)
		(1 020 812 904)	**(1 020 812 904)**

25. Revenue

Service charges	4 994 155 198	4 168 382 828	4 994 155 198	4 168 382 828
Construction contracts	70 202 832	91 712 399	70 202 832	91 712 399
Rental of facilities and equipment	31 260 642	23 136 005	31 260 642	23 136 005
Agency services	21 002 430	18 764 272	21 002 430	18 764 272
Licences and permits (non-exchange)	16 427 152	13 684 835	16 427 152	13 684 835
Total other revenue	88 912 138	83 056 771	88 912 059	83 056 471
Interest received	330 251 231	318 511 071	327 534 397	316 825 063
Property rates	2 169 014 672	2 105 248 187	2 169 014 672	2 105 248 187
Service charges - Availability charges	54 817 667	37 957 882	54 817 667	37 957 882
Interest (non-exchange)	123 854 204	111 040 240	123 854 204	111 040 240
Government grants & subsidies	2 183 419 288	2 137 507 114	2 178 380 824	2 122 290 044
Other revenue - (non-exchange)	100 262 447	98 250 726	100 262 447	98 250 726
Public contributions and donations	5 666 429	22 409 060	5 666 429	22 409 060
Fines	56 647 107	65 437 669	56 647 107	65 437 669
Fuel levy	777 132 000	741 926 000	777 132 000	741 926 000
	11 023 025 437	**10 037 025 059**	**11 015 270 060**	**10 020 121 681**

The amount included in revenue arising from exchanges of goods or services are as follows:

Service charges	4 994 155 198	4 168 382 828	4 994 155 198	4 168 382 828
Construction contracts	70 202 832	91 712 399	70 202 832	91 712 399
Rental of facilities and equipment	31 260 642	23 136 005	31 260 642	23 136 005
Agency services	21 002 430	18 764 272	21 002 430	18 764 272
Total other revenue	88 912 138	83 056 771	88 912 059	83 056 471
Interest received	330 251 231	318 511 071	327 534 397	316 825 063
	5 535 784 471	**4 703 563 346**	**5 533 067 558**	**4 701 877 038**

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

25. Revenue (continued)

The amount included in revenue arising from non-exchange transactions is as follows:				
Taxation revenue				
Property rates	2 169 014 672	2 105 248 187	2 169 014 672	2 105 248 187
Licences and permits (non-exchange)	16 427 152	13 684 835	16 427 152	13 684 835
Surcharges and Taxes	54 817 667	37 957 882	54 817 667	37 957 882
Interest (non-exchange)	123 854 204	111 040 240	123 854 204	111 040 240
Transfer revenue				
Government grants & subsidies	2 183 419 288	2 137 507 114	2 178 380 824	2 122 290 044
Levies	100 262 447	98 250 726	100 262 447	98 250 726
Public contributions and donations	5 666 429	22 409 060	5 666 429	22 409 060
Fines	56 647 107	65 437 669	56 647 107	65 437 669
Fuel levy	777 132 000	741 926 000	777 132 000	741 926 000
	5 487 240 966	**5 333 461 713**	**5 482 202 502**	**5 318 244 643**

Total fines outstanding at 30 June 2025 is R146 553 288 (R184 462 867 : 2024) after eliminating untraceable and collected fines. A probability factor of 16% (15% : 2024) collection of total outstanding fines was calculated resulting in a traffic fines debtor amount of R23 448 526 (R27 084 560 : 2024). Refer to note 9.

The lifespan of traffic fines is as follows:

- Traffic offences in respect of which the admission of guilt amount is below R500: one year from date of issue of the warrant.
- Traffic offences in respect of which the admission of guilt amount is from R500 up to the maximum amount that may be determined by a peace officer in terms of section 56(1) of Act 51 of 1977: two years from the date of issue of the warrant.

The above arrangement also applies in traffic cases where a notice in terms of section 341 of Act 51 1977 is followed up by a summons setting admission of guilt up to the above maximum amount.

Public contributions and donations

In 2025 the City received donations in relation to electricity infrastructure amounting to R5 666 429. In 2024 the City received donations in relation to electricity infrastructure of R22 409 060.

26. Service charges

Sale of electricity	2 979 388 992	2 336 364 605	2 979 388 992	2 336 364 605
Sale of water	969 901 894	839 176 845	969 901 894	839 176 845
Sewerage and sanitation charges - Non Pans	429 450 713	413 881 627	429 450 713	413 881 627
Sewerage and sanitation charges - Pans	154 652 461	134 782 789	154 652 461	134 782 789
Refuse removal	479 583 913	469 492 029	479 583 913	469 492 029
Other service charges	46 618 678	29 666 476	46 618 678	29 666 476
Less: Income forgone - Sale of water	(61 869 121)	(45 890 808)	(61 869 121)	(45 890 808)
Less: Income forgone - Sewerage - Pans	(3 572 332)	(9 090 735)	(3 572 332)	(9 090 735)
	4 994 155 198	**4 168 382 828**	**4 994 155 198**	**4 168 382 828**

27. Rental of facilities and equipment

Facilities and equipment				
Rental of facilities	31 260 642	23 136 005	31 260 642	23 136 005

Figures in Rand	Economic entity		Controlling entity	
	2025	2024 *Restated	2025	2024 *Restated

28. Construction contract

Amount of contract revenue recognised in revenue	(70 202 832)	(91 712 399)	(70 202 832)	(91 712 399)
Amount of costs recognised in surplus	70 202 832	91 712 399	70 202 832	91 712 399
Amount received in advance recognised under Trade and other payables - Payments received in advanced	(9 300 092)	(26 150 092)	(9 300 092)	(26 150 092)
Aggregate amount of cost incurred to date	1 320 387 000	1 250 185 167	1 320 387 000	1 250 185 167
Amounts paid in advance recognised under Receivables from exchange transactions - Accrued income	385 609 180	355 140 989	385 609 180	355 140 989
Amount received in advance recognised under Other liabilities - East Bank Land Affairs	(126 564 448)	(117 354 949)	(126 564 448)	(117 354 949)
Retentions	(4 073 382)	(4 073 382)	(4 073 382)	(4 073 382)
	1 566 058 258	**1 457 747 733**	**1 566 058 258**	**1 457 747 733**

The Eastern Cape Department of Human Settlement in partnership with BCMM and are implementing the construction of top structures on RDP housing by appointing consultants and contractors on behalf of the Department of Human Settlements. No commission is earned by the City on the implementation of this arrangement.

This East Bank land affairs funding which BCMM administers on behalf of the department of Land Affairs for the benefit of restitution and claimants. These funds have not been spent due to slow progress in the restitution processes. BCMM under this arrangement has the right to appoint contractors, thereby control of progress is within the BCMM. No contract revenue or cost was recognised.

29. Agency services

Vehicle Registration	21 002 430	18 764 272	21 002 430	18 764 272

30. Other revenue - (exchange)

Admission fees	3 623 730	2 616 264	3 623 730	2 616 264
Cemetery fees	7 895 650	8 437 931	7 895 650	8 437 931
Commission	35 539 515	35 293 087	35 539 515	35 293 087
Coupons and clip tickets	194 714	332 537	194 714	332 537
Grazing fees	48 935	102 919	48 935	102 919
Insurance	10 408 905	8 097 559	10 408 905	8 097 559
Plan approval fees	6 251 857	9 617 260	6 251 857	9 617 260
Private works	1 469 409	2 250 135	1 469 409	2 250 135
Tender receipts	1 285 131	1 841 869	1 285 131	1 841 569
Sale of plants and animals	4 883	6 014	4 883	6 014
Sale of property	15 374 421	2 430	15 374 421	2 430
Sale of scrap waste	945 836	770 178	945 836	770 178
Street frontage and administration fees	95 279	104 231	95 279	104 231
Sundry income	3 746 937	11 728 078	3 746 858	11 728 078
Town planning and sub-division fees	2 012 233	1 823 819	2 012 233	1 823 819
Vehicle registrations	14 703	32 460	14 703	32 460
	88 912 138	**83 056 771**	**88 912 059**	**83 056 471**

31. Interest received

Interest revenue				
Call accounts with financial institutions	50 136 342	23 944 707	50 136 342	23 944 707
Bank	22 078 318	27 685 273	19 361 484	25 999 265
Interest charged on trade and other receivables	258 036 571	266 881 091	258 036 571	266 881 091
	330 251 231	**318 511 071**	**327 534 397**	**316 825 063**

32. Service charges - Availability charges

Electricity - Availability charges	19 131 023	6 777 570	19 131 023	6 777 570
Water - Availability charges	18 453 169	16 305 005	18 453 169	16 305 005
Waste water management - Availability charges	17 233 475	14 875 307	17 233 475	14 875 307
	54 817 667	**37 957 882**	**54 817 667**	**37 957 882**

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

33. Property rates

Rates received

Agricultural	16 074 454	14 513 509	16 074 454	14 513 509
Commercial	970 178 582	935 842 997	970 178 582	935 842 997
Industrial	82 670 762	79 815 569	82 670 762	79 815 569
Mining	432 025	156 957	432 025	156 957
Public Benefit Organisation	2 953 612	1 854 299	2 953 612	1 854 299
Public Service Infrastructure	2 223 454	2 238 015	2 223 454	2 238 015
Public Service Purpose	91 458 433	104 479 507	91 458 433	104 479 507
Residential	1 061 168 417	976 706 372	1 061 168 417	976 706 372
Vacant land	91 060 919	109 833 053	91 060 919	109 833 053
Less: Income forgone	(149 205 986)	(120 192 091)	(149 205 986)	(120 192 091)
	2 169 014 672	**2 105 248 187**	**2 169 014 672**	**2 105 248 187**

Valuations

Agricultural	4 644 254 100	4 654 991 100
Commercial	29 155 617 690	29 357 566 690
Industrial	2 264 845 550	2 073 290 212
Mining	14 090 000	4 400 000
Public Benefit Organisation	726 921 500	724 466 500
Public Service Infrastructure	874 043 050	976 473 700
Public Service Purpose	4 651 571 200	4 736 121 200
Residential	83 259 634 900	82 709 506 325
Vacant land	3 841 548 780	3 922 417 300
	129 432 526 770	**129 159 233 027**

The Buffalo City Metropolitan Municipality is required in terms of the Municipal Property Rates Act, Act 6 of 2004 (MPRA) to undertake a General Valuation on Land and Buildings every four years and a supplementary valuation at least once a year. BCMM implemented its 4th General Valuation on 1 July 2023 with the Valuation date being 1 July 2022. The valuation roll is valid for a period of four years in terms of Section 32 (1)(b)(i) of the Municipal Property Rates Act 6 of 2004.

Rates are levied on a monthly basis (the due date for monthly accounts is the 15th of every month). Consumers must apply if they want to pay annually with the final date for payment for annual accounts being 30 September each year. Interest at a standard rate (as amended from time to time), is levied on rates outstanding after 30 September, except where the owner is paying in instalments.

Tariffs levied: cents in the rand

Agricultural	0.003706	0.003567
Business and Commercial	0.037063	0.035672
Industrial	0.037063	0.035672
Mining	0.037063	0.035672
Public Benefit Organisation	0.003706	0.003567
Public Service Infrastructure	0.003706	0.003567
Public Service Purpose	0.023721	0.022831
Residential	0.014825	0.014269
Vacant land	0.044476	0.042806

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

33. Property rates (continued)

Rebates, exclusions and exemptions

Buffalo City Metropolitan Municipality grants rebates in terms of the Municipality's rates policy to the following categories of property or owners:

1) Economic development rebate

The rebate will be phased in over a period of 5 years, from the effective date of the valuation of the improved property in the municipality's valuation roll as follows:

Year 1 – 50%
Year 2 – 40%
Year 3 – 30%
Year 4 – 20%
Year 5 – 10%, thereafter full rates are payable.

2) A discretionary rebate/discount of up to 75%, where the Municipality does not supply some or all of the following services:

Constructed public roads	15.0 %	15.0 %
Water supply	22.5 %	22.5 %
Refuse removal service	7.5 %	7.5 %
Electricity supply	15.0 %	15.0 %
Sewerage service	15.0 %	15.0 %
	75.0 %	**75.0 %**

3) Senior citizens

In order to qualify for a rebate, a senior citizen must meet the following requirements:

(i) Be the owner of a property categorised as residential
(ii) The applicant must be the registered owner of the property and occupy the property as his/her primary residence or where the owner is unable to occupy the property due to no fault of his/her own, the spouse and/or minor children must occupy the property
(iii) The retired person must be at least 60 years of age.
(iv) If the retired person turns 60 during the financial year, the rebate will be granted with effect from the next billing cycle following the date on which the application is received.
(v) Submit an application for the 2023/24 financial year and thereafter when the age category changes.

Senior citizens will be categorized into three age groups and a percentage rebate will be applied according to the age category as follows:

Age group	% rebate
60 - 64 years	40.0%
65 - 74 years	62.5%
75 years and upwards	85.0%

4) On application, Public Benefit Organisations (PBO's) as defined in the Municipal Property Rates Act and BCMM's Rates Policy are granted rebates.

5) Section 17 of the MPRA lists other impermissible rates, where a municipality may not levy a rate and the following were applied:

Section 17(1)(a) - First 30% of the market value of public service infrastructure.
Section 17(1)(h) - First R15 000 of the market value of a property categorised as residential.
Section 17(1)(i) - On a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office bearer of that community.

34. Licences and permits (non-exchange)

Dog	1 092 563	1 018 221	1 092 563	1 018 221
Trading	2 392 432	267 182	2 392 432	267 182
Road transport	12 942 157	12 399 432	12 942 157	12 399 432
	16 427 152	**13 684 835**	**16 427 152**	**13 684 835**

Figures in Rand		Economic entity		Controlling entity	
		2025	2024 *Restated	2025	2024 *Restated
35. Interest (non-exchange)					
Interest - Receivables		123 854 204	111 040 240	123 854 204	111 040 240
36. Government grants & subsidies					
Operating grants					
Government grants - operating projects		154 465 809	109 457 312	154 465 809	109 457 312
LG SETA Grant - BCMDA		43 457	46 980	-	-
Other Government grants and subsidies		1 250 875 114	1 174 397 709	1 250 875 114	1 174 397 709
Neighbourhood Development Programme Grant - BCMDA		4 896 213	10 222 897	-	-
Public Employment Programme - BCMDA		98 794	599 367	-	-
Eastern Cape Development Corporation Grant - BCMDA		-	4 347 826	-	-
		1 410 379 387	**1 299 072 091**	**1 405 340 923**	**1 283 855 021**
Capital grants					
Government grant (capital: PPE)		773 039 901	838 435 023	773 039 901	838 435 023
		2 183 419 288	**2 137 507 114**	**2 178 380 824**	**2 122 290 044**
37. Other revenue - (non-exchange)					
Fire levy		100 262 447	98 250 726	100 262 447	98 250 726
38. Employee related costs					
Basic salaries		1 678 538 871	1 680 735 792	1 663 718 198	1 648 741 577
Car allowance		52 317 774	46 503 000	52 307 774	46 443 000
Bonus		-	752 236	-	-
Employee benefit obligation net cost	16	90 402 000	62 542 000	90 402 000	62 542 000
Essential user cost		29 498 999	29 407 520	29 498 999	29 407 520
Group life		10 857 983	10 006 748	10 802 096	10 006 748
Housing benefits and allowances		13 450 873	16 314 643	13 450 873	16 302 643
Leave pay contributions (Leave pay provision charge)		52 549 347	48 607 070	51 801 428	48 067 475
Long-service awards		43 107 100	40 224 305	43 107 100	40 224 305
Medical aid contributions		126 845 404	121 656 483	126 795 942	121 652 727
Other allowances		80 797 867	78 128 034	80 797 867	78 128 034
Overtime payments		163 883 546	164 300 483	163 883 546	164 300 483
Pension fund contributions		319 662 990	315 289 970	318 432 278	313 962 521
UIF		10 868 996	11 387 236	10 803 379	11 166 007
WCA		193 296	199 716	-	-
SDL		205 847	227 636	-	-
13th Cheques		135 113 031	139 475 782	134 473 232	138 684 927
Less: Employee costs capitalised to Water inventory		(21 684 430)	(32 928 262)	(21 684 430)	(32 928 262)
		2 786 609 494	**2 732 830 392**	**2 768 590 282**	**2 696 701 705**
Remuneration of City Manager					
Annual remuneration		1 633 676	1 471 086	1 633 676	1 471 086
Allowance		726 752	650 675	726 752	650 675
UIF		2 125	2 125	2 125	2 125
Medical aid		66 178	63 129	66 178	63 129
Pension contributions		294 062	264 795	294 062	264 795
		2 722 793	**2 451 810**	**2 722 793**	**2 451 810**

Figures in Rand	Economic entity 2025	Economic entity 2024 *Restated	Controlling entity 2025	Controlling entity 2024 *Restated
38. Employee related costs (continued)				
Remuneration of Chief Financial Officer				
Annual remuneration	1 596 263	1 176 869	1 596 263	1 176 869
Travel allowance	476 718	356 991	476 718	356 991
Allowance	215 292	139 079	215 292	139 079
UIF	2 125	2 125	2 125	2 125
Medical aid	66 178	63 129	66 178	63 129
Pension contributions	287 327	211 836	287 327	211 836
Group life	16 534	11 418	16 534	11 418
	2 660 437	**1 961 447**	**2 660 437**	**1 961 447**
Remuneration of HOD: Executive Support Services				
Annual remuneration	1 596 263	1 171 861	1 596 263	1 171 861
Travel allowance	242 766	242 766	242 766	242 766
Allowance	470 411	275 552	470 411	275 552
UIF	2 125	2 125	2 125	2 125
Medical aid	36 749	32 810	36 749	32 810
Pension contributions	287 327	210 935	287 327	210 935
Group life	24 797	17 051	24 797	17 051
	2 660 438	**1 953 100**	**2 660 438**	**1 953 100**
Remuneration of HOD: Human Settlements				
Annual remuneration	1 596 263	1 176 869	1 596 263	1 176 869
Travel allowance	477 550	357 823	477 550	357 823
Allowance	195 978	125 484	195 978	125 484
UIF	2 125	2 125	2 125	2 125
Medical aid	66 178	63 129	66 178	63 129
Pension contributions	287 327	211 836	287 327	211 836
Group life	35 017	24 182	35 017	24 182
	2 660 438	**1 961 448**	**2 660 438**	**1 961 448**
Remuneration of HOD: Corporate Services				
Annual remuneration	1 596 263	1 171 860	1 596 263	1 171 860
Travel allowance	240 000	240 000	240 000	240 000
Allowance	488 564	268 081	488 564	268 081
UIF	2 125	2 125	2 125	2 125
Medical aid	46 159	42 521	46 159	42 521
Pension contributions	287 327	228 513	287 327	228 513
	2 660 438	**1 953 100**	**2 660 438**	**1 953 100**
Remuneration of HOD: Public Safety & Emergency Services				
Annual remuneration	1 215 706	980 724	1 215 706	980 724
Travel allowance	368 780	298 188	368 780	298 188
Allowance	168 985	139 165	168 985	139 165
UIF	2 125	1 771	2 125	1 771
Medical aid	39 161	28 622	39 161	28 622
Pension contributions	218 827	176 530	218 827	176 530
Group life	12 593	9 539	12 593	9 539
	2 026 177	**1 634 539**	**2 026 177**	**1 634 539**

Figures in Rand	Economic entity 2025	Economic entity 2024 *Restated	Controlling entity 2025	Controlling entity 2024 *Restated

38. Employee related costs (continued)

Remuneration of HOD: Infrastructure Services

Annual remuneration	1 114 397	327 617	1 114 397	327 617
Travel allowance	-	54 000	-	54 000
Allowance	482 688	84 177	482 688	84 177
UIF	1 948	708	1 948	708
Medical aid	46 160	10 903	46 160	10 903
Pension contributions	200 591	63 885	200 591	63 885
Group life	11 543	4 737	11 543	4 737
	1 857 327	**546 027**	**1 857 327**	**546 027**

The position became vacant 12 October 2023. No acting allowance was paid in the 2024/25 financial year in respect of this position. The new incumbent was appointed 01 August 2024.

Remuneration of HOD: Development and Spatial Planning

Annual remuneration	810 470	292 965	810 470	292 965
Travel allowance	245 853	48 000	245 853	48 000
Allowance	94 645	78 651	94 645	78 651
UIF	1 417	531	1 417	531
Medical aid	44 119	8 177	44 119	8 177
Pension contributions	145 885	57 128	145 885	57 128
Group life	8 395	2 822	8 395	2 822
	1 350 784	**488 274**	**1 350 784**	**488 274**

The position became vacant 01 October 2023. Acting allowance to the value of R46 731 was paid in the 2024/25 financial year in respect of this position. The new incumbent was appointed 01 November 2024.

Remuneration of HOD: Solid Waste and Environmental Health

Annual remuneration	1 596 263	1 176 869	1 596 263	1 176 869
Travel allowance	264 000	264 000	264 000	264 000
Allowance	460 071	262 546	460 071	262 546
UIF	2 125	2 125	2 125	2 125
Medical aid	50 652	44 071	50 652	44 071
Pension contributions	287 327	211 836	287 327	211 836
	2 660 438	**1 961 447**	**2 660 438**	**1 961 447**

Remuneration of HOD: Economic Development & Agencies

Annual remuneration	1 596 263	1 176 869	1 596 263	1 176 869
Travel allowance	476 718	356 991	476 718	356 991
Allowance	270 407	188 988	270 407	188 988
UIF	2 125	2 125	2 125	2 125
Medical aid	27 598	24 638	27 598	24 638
Pension contributions	287 327	211 836	287 327	211 836
	2 660 438	**1 961 447**	**2 660 438**	**1 961 447**

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

38. Employee related costs (continued)

Remuneration of HOD: Sport, Recreation & Community Development

Annual remuneration	1 596 263	1 176 869	1 596 263	1 176 869
Travel allowance	476 718	356 991	476 718	356 991
Allowance	253 873	177 570	253 873	177 570
UIF	2 125	2 125	2 125	2 125
Medical aid	27 598	24 638	27 598	24 638
Pension contributions	287 327	211 836	287 327	211 836
Group life	16 534	11 418	16 534	11 418
	2 660 438	**1 961 447**	**2 660 438**	**1 961 447**

Remuneration of Chief Operations Officer

Annual remuneration	1 489 968	944 213	1 489 968	944 213
Travel allowance	480 000	320 000	480 000	320 000
Allowance	181 400	109 904	181 400	109 904
UIF	2 125	1 417	2 125	1 417
Medical aid	46 159	21 308	46 159	21 308
Pension contributions	268 194	169 958	268 194	169 958
Other	15 433	6 888	15 433	6 888
	2 483 279	**1 573 688**	**2 483 279**	**1 573 688**

During the year, Council noted that the remuneration of the City Manager and Heads of Departments (HODs) had fallen behind that of certain General Managers due to collective bargaining arrangements applicable to non-senior staff since 2017/18. This disparity created challenges in attracting, retaining, and fairly rewarding senior management.

On 31 May 2023, Council resolved to apply for exemption from the Government Gazette limits on remuneration packages for Municipal Managers and Managers directly accountable to the City Manager. Approval for this exemption was granted by the Minister of Cooperative Governance and Traditional Affairs on 2 April 2024.

Following this approval, BCMM implemented adjustments whereby HODs' remuneration was aligned at 2.4% above the highest paid General Manager package, and the City Manager's remuneration at 4.8% above that level. These adjustments account for the significant increase in senior management salaries during the year.

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

38. Employee related costs (continued)

BCMDA - Remuneration of Executive Management

Remuneration - Chief Executive Officer (A Gqoboka)

Annual Remuneration	2 899 864	1 356 916	-	-
Cellphone allowance	14 000	-	-	-
Performance Bonuses	-	69 030	-	-
Contributions to UIF, Medical and Pension Funds	73 153	24 739	-	-
	2 987 017	**1 450 685**	**-**	**-**

Mr A Gqoboka was appointed as Chief Executive Officer on the 1st January 2024.

Remuneration - Chief Financial Officer (B Lubelwana)

Annual remuneration	746 148	1 326 222	-	-
Car allowance	50 000	110 000	-	-
Cellphone allowance	10 301	-	-	-
Performance bonuses	-	78 767	-	-
Contributions to UIF, Medical and Pension Funds	67 722	150 364	-	-
	874 171	**1 665 353**	**-**	**-**

Mrs B Lubelwana was appointed as Chief Financial Officer on the 15th August 2023, and she resigned on the 31st December 2024.

Remuneration - Acting Chief Financial Officer

Annual remuneration	66 180	7 813	-	-

Mr S Peter was appointed as an Acting Chief Financial Officer from the 15th May 2023 up until the 14th August 2023, then Mrs B Lubelwana was appointed as a Chief Financial Officer on the 15th August 2023.

Miss S Mgudlwa was appointed as the Acting Chief Financial Officer from the 23rd of May 2024 up until September 2024.

Remuneration - Interim Chief Executive Officer

Annual remuneration	-	32 556	-	-
Contributions to UIF, Medical and Pension Funds	-	288	-	-
	-	**32 844**	**-**	**-**

Mr S Peter was appointed as Interim Chief Executive Officer effective 16th of August 2023, up until 31 December 2023.

Remuneration - Interim Chief Executive Officer (M Sibam)

Annual remuneration	-	343 046	-	-
Contributions to UIF, Medical and Pension Funds	-	354	-	-
	-	**343 400**	**-**	**-**

Remuneration - Executive Manager: Corporate Services (N van Wyk)

Annual remuneration	1 860 230	1 343 884	-	-
Contributions to UIF, Medical and Pension Funds	2 125	177	-	-
	1 862 355	**1 344 061**	**-**	**-**

Mr N van Wyk was appointed on the 1 November 2023 as the Executive Manager: Corporate Services.

Included in the prior year is the salary for Mr X Jikela who reached an out of court settlement with the Executive Manager: Corporate Services and his contract was terminated as at 30 June 2023.

Remuneration - Executive Manager: Strategy & Risk (L Govender)

Annual remuneration	546 647	1 561 560	-	-

Figures in Rand	Economic entity 2025	Economic entity 2024 *Restated	Controlling entity 2025	Controlling entity 2024 *Restated
38. Employee related costs (continued)				
Cellphone Allowance	8 700	-	-	-
Performance bonuses	-	85 800	-	-
Contributions to UIF, Medical and Pension Funds	52 366	156 565	-	-
	607 713	**1 803 925**	**-**	**-**
Remuneration - Chief Investment Officer (T Tongo)				
Annual remuneration	-	133 896	-	-
Contributions to UIF, Medical and Pension Funds	-	177	-	-
	-	**134 073**	**-**	**-**

The Chief Investment Officer was relieved of her duties on the 31 July 2023 and an out of court settlement was reached.

Remuneration - Executive Manager: Property Planning, Development and Management (T Hangana)				
Annual remuneration	-	131 556	-	-
Contributions to UIF, Medical and Pension Funds	-	12 640	-	-
Settlement cost	1 773 362	-	-	-
	1 773 362	**144 196**	**-**	**-**

The Executive Manager: Property Planning, Development and Management was relieved of her duties on the 31 July 2023 and a settlement was reached during the current financial year and was paid in May 2025.

Remuneration - Acting Executive: Corporate Services				
Annual remuneration	-	13 246	-	-

Mrs F Goniwe was appointed as Acting Executive: Corporate Services in December 2022 up until 2 August 2023. Ms M Zokufa was appointed as Acting Executive: Corporate Services effective on 3rd August 2023 - 31st October 2023, taking over from Mrs F Goniwe. Mr N van Wyk was appointed as the Executive Manager: Corporate Services on the 1st November 2023.

A Ntshokoma (Acting Executive Manager: Property Planning, Development and Management) (A Ntshokoma)				
Annual remuneration	281 284	24 942	-	-
Remuneration - Company Secretary & Legal Services Manager (Z Thomas)				
Annual remuneration	-	626 471	-	-
Contributions to UIF, Medical and Pension Funds	-	1 063	-	-
	-	**627 534**	**-**	**-**

The Company Secretary, Mrs Z Thomas, was appointed on 1 December 2023, and then resigned on the 6 May 2024.

Remuneration - Acting Chief Financial Officer (A Manciya)				
Annual remuneration	159 611	-	-	-
BCMDA - Remuneration of Executive Management	8 613 788	7 592 072	-	-
Economic entity employee related cost	2 786 609 494	2 732 830 392	2 768 590 282	2 696 701 705
	2 795 223 282	**2 740 422 464**	**2 768 590 282**	**2 696 701 705**

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

39. Remuneration of councillors/directors

Executive Mayor	927 835	927 835	927 835	927 835
Chief Whip	705 864	705 864	705 864	705 864
Mayoral Committee Members	4 941 048	6 185 730	4 941 048	6 185 730
Speaker	749 337	749 337	749 337	749 337
Councillors' salaries	32 519 325	31 842 126	32 519 325	31 842 126
Councillors' pension contribution	4 368 792	4 319 457	4 368 792	4 319 457
Councillors' housing subsidy	14 807 122	14 917 176	14 807 122	14 917 176
Councillors' medical aid	1 772 826	1 714 810	1 772 826	1 714 810
Cellphone Allowance	4 313 436	4 561 162	4 313 436	4 561 162
Travel allowance	5 267 726	4 975 983	5 267 726	4 975 983
Board fees	1 511 315	1 992 201	-	-
	71 884 626	**72 891 681**	**70 373 311**	**70 899 480**

Board fees 2025	**Board remuneration**	**Re-imbursive Costs**	**Total**
Mr M Dilima (Acting Chairperson)	378 500	2 315	380 815
Ms N Ndevu-Sakube	251 500	-	251 500
Mrs N Madikizela-Renene	332 500	-	332 500
Mrs Z Faku	223 000	-	223 000
Mr M Sibam	323 500	-	323 500
	1 509 000	**2 315**	**1 511 315**

Board fees 2024	**Board remuneration**	**Re-imbursive Costs**	**Total**
Ms N Pietersen (Chairperson)	158 500	-	158 500
Mr N van Wyk	94 500	-	94 500
Ms A Kumbaca	273 000	10 139	283 139
Ms N Ndevu-Sakube	267 000	450	267 450
Mr S Toni	262 000	6 135	268 135
Mr M Sibam	180 500	-	180 500
Mr M Dilima	238 000	-	238 000
Mrs N Madikizela-Renene	290 500	-	290 500
Mrs Z Faku	211 000	477	211 477
	1 975 000	**17 201**	**1 992 201**

The Board's remuneration has decreased by 24% when compared to the previous year. Mr Dilima was the acting Chairperson throughout the financial year. The two (2) board members who had resigned in the prior financial year were not replaced and this resulted in the number of board sittings decreasing during the year.

In-kind benefits

The Executive Mayor, Deputy Executive Mayor, Speaker, Chief Whip and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council. Cost of secretarial support amounts to R24 029 985 (2024: R24 099 710).

The Housekeeper appointed to maintain the Mayoral house cost to Council amounts to R234 071 (2024: R50 771).

The Executive Mayor, Deputy Executive Mayor, Speaker and Chief Whip each have the use of a Council owned vehicle for official duties. Repairs to the vehicles amounts to R489 097 (2024: R234 642). An amount of R3 284 604 (2024: R2 467 823) was incurred for hired vehicles.

The Executive Mayor, Deputy Executive Mayor and Speaker each have full-time bodyguards. Cost of 12 bodyguards amounts to R12 338 197 (2024: R9 283 674).

The salaries, allowances and benefits of Councillors are within the upper limits of the framework envisaged in section 219 of the Constitution of South Africa.

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand		Economic entity 2025	Economic entity 2024 *Restated	Controlling entity 2025	Controlling entity 2024 *Restated
40. Inventory consumed					
Water		278 040 051	255 543 395	278 040 051	255 543 395
Other inventory		67 843 231	75 723 646	67 843 231	75 690 875
		345 883 282	**331 267 041**	**345 883 282**	**331 234 270**
41. Depreciation and amortisation					
Property, plant and equipment	4	1 625 946 170	1 622 427 967	1 625 395 018	1 621 795 622
Intangible assets	5	2 512 907	2 420 769	2 439 135	1 969 686
		1 628 459 077	**1 624 848 736**	**1 627 834 153**	**1 623 765 308**
42. Impairment loss					
Impairments					
Property, plant and equipment		733 619 579	52 608 336	733 619 579	52 608 336
Heritage assets		774 226	-	774 226	-
The City undertook a comprehensive physical verification of its assets to assess their condition and operational status. This process was aimed at identifying indicators of impairment and the assessment of impairment loss where it was evident that the recoverable service amount was lower than the carrying amount.					
		734 393 805	**52 608 336**	**734 393 805**	**52 608 336**
43. Finance costs					
Borrowings		8 964 050	11 564 956	8 964 050	11 564 956
Unwinding of interest on provisions		35 484 629	34 618 556	35 484 629	34 618 556
Finance leases		19 535	27 113	-	-
		44 468 214	**46 210 625**	**44 448 679**	**46 183 512**
Refer to note 18 Borrowings relating to finance cost.					
44. Auditors' remuneration					
Fees		29 966 205	23 917 137	29 008 452	22 982 780
45. Debt impairment					
Contributions to debt impairment - Exchange	11	1 417 901 955	898 551 858	1 417 901 955	898 551 858
Contributions to debt impairment - Non-exchange	11	569 693 772	392 902 597	569 693 772	392 902 597
		1 987 595 727	**1 291 454 455**	**1 987 595 727**	**1 291 454 455**
46. Bulk purchases					
Electricity - Eskom		2 662 352 454	2 273 928 751	2 662 352 454	2 273 928 751
Electricity usage - Water treatment		(30 809 388)	(21 573 308)	(30 809 388)	(21 573 308)
		2 631 543 066	**2 252 355 443**	**2 631 543 066**	**2 252 355 443**

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

46. Bulk purchases (continued)

Electricity losses

Description	2025 Amount (R)	%	2024 Amount (R)	%
Technical	257 739 990	10.00	233 333 557	10.00
Non-technical	573 693 829	22.19	322 680 510	14.20
	831 433 819	**32.19**	**556 014 067**	**24.20**

Total losses amounted to 435 001 244 kWh (2024: 315 455 746 kWh) of which 135 118 575 kWh (2024: 130 332 244 kWh) are technical losses and 299 882 669 kWh (2024: 185 123 501 kWh) are non-technical losses.

Electricity losses for the current year ending 30 June 2025 amounted to 32.19% (2024: 24.20%) i.e. R831 433 819 (2024: R556 016 067) These losses comprise of technical and non-technical losses. Technical losses, being losses within the network which are inherent in any network, account for 10% (2024: 10%) i.e. R257 739 990 (2024: R233 335 557). Non-technical losses, being theft, faults, billing discrepancies etc., account for 22.19% (2024: 14.2%) i.e. R573 693 829 (2024: R322 680 510).

Water losses

Description	2025 Amount (R)	%	2024 Amount (R)	%
Technical	116 363 746	25.71	89 510 613	22.83
Non-technical	71 124 307	15.71	58 453 464	14.91
	187 488 053	**41.42**	**147 964 077**	**37.74**

Total losses amounted to 29 439 054 Kl (2024: 24 983 539 Kl) of which 18 271 236 Kl (2024: 15 113 750 Kl) are technical losses and 11 167 818 Kl (2024: 9 869 789 Kl) are non-technical losses.

Non-technical

Unbilled Authorised Consumption - The unbilled authorised consumption is the volume of authorised consumption that is not billed or paid. The level of unbilled authorised consumption will vary from WSA to WSA and in some areas, virtually all water is metered and billed in some manner with the result that the unbilled authorised consumption is zero.

Apparent Losses - Apparent losses or commercial losses are made up from the unauthorised (theft or illegal use), plus all technical and administrative inaccuracies associated with customer metering. While it should be noted that the apparent losses should not be a major component of the water balance in most developed countries, it can represent the major element of the total losses in many developing countries. A systematic estimate should be made from local knowledge of the system and an analysis of technical and administrative aspects of the customer metering system.

Technical

Real Losses - Real losses are the physical water losses from the pressurised system, up to the point of measurement of customer use. In most cases, the real losses represent the unknown component in the overall water balance and the purpose of most water balance models is therefore to estimate the magnitude of the real losses so that the WSA can gauge whether or not it has a serious leakage problem. The real losses are calculated as the difference between the total losses and the estimated apparent losses.

Water losses are being addressed by the implementation of water conservation and water demand measures which includes pipe replacement, water meter replacement, etc.

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

47. Repairs and maintenance

Infrastructure	122 604 072	184 460 608	122 604 072	184 460 608
Community assets	4 293 156	5 589 015	4 293 156	5 589 015
Other assets	13 516 437	17 677 322	12 960 360	17 658 182
Computer Equipment	74 599	204 424	74 599	204 424
Furniture and Office Equipment	13 172 196	3 828 006	13 172 196	3 828 006
Machinery and Equipment	193 610 250	196 310 121	193 610 250	196 310 121
Transport Assets	36 008 260	28 693 221	36 008 260	28 693 221
Less: Repairs and maintenance capitalised to Water inventory	(3 324 662)	(6 832 416)	(3 324 662)	(6 832 416)
	379 954 308	**429 930 301**	**379 398 231**	**429 911 161**

48. Contracted services

Outsourced Services				
Alien Vegetation Control	485 855	295 850	485 855	295 850
Animal Care	1 440 000	1 345 242	1 440 000	1 345 242
Burial Services	1 117 739	337 743	1 117 739	337 743
Business and Advisory	78 593	240 767	78 593	240 767
Catering Services	4 259 237	3 865 047	4 259 237	3 865 047
Cleaning Services	441 976	223 901	441 976	223 901
Clearing and Grass Cutting Services	13 293 690	9 112 293	13 293 690	9 112 293
Connection/Dis-connection	11 751 934	10 581 076	11 751 934	10 581 076
Hygiene Services	61 167	61 682	61 167	61 682
Internal Auditors	631 802	591 148	631 802	591 148
Meter Management	469 609	142 275	469 609	142 275
Medical Services (Medical Health Services & Support)	122 645	64 414	122 645	64 414
Personnel and Labour	123 966 619	50 233 631	123 966 619	50 233 631
Professional Staff	16 734 902	13 707 622	16 734 902	13 707 622
Refuse Removal	11 478 166	8 817 984	11 478 166	8 817 984
Security Services	994 166	2 603 138	-	-
Traffic Fines Management	3 191 667	3 105 983	3 191 667	3 105 983
Consultants and Professional Services				
Business and Advisory	86 556 133	66 510 683	80 493 215	61 320 320
Infrastructure and Planning	6 865 763	8 200 795	6 282 667	8 200 795
Laboratory Services	374 695	325 750	374 695	325 750
Legal Cost	49 304 614	58 750 521	48 774 727	57 861 255
Contractors				
Artists and Performers	642 550	661 103	642 550	661 103
Building	98 908 569	111 733 348	98 908 569	111 733 348
Electrical	12 046 624	10 404 944	12 046 624	10 404 944
Event Promoters	5 049 362	4 964 491	5 049 362	4 964 491
Inspection Fees	313	841	313	841
Management of Informal Settlements	6 642	424 246	6 642	424 246
Medical Services	36 069	31 136	36 069	31 136
Pest Control and Fumigation	7 757	-	7 757	-
Plants, Flowers and Other Decorations	73 514	59 096	73 514	59 096
Safeguard and Security	21 188 106	12 839 913	21 188 106	12 839 913
Sewerage Services	39 903 820	8 963 321	39 903 820	8 963 321
Stage and Sound Crew	691 253	1 231 898	691 253	1 231 898
	512 175 551	**390 431 882**	**504 005 484**	**381 749 115**

Figures in Rand	Economic entity		Controlling entity	
	2025	2024 *Restated	2025	2024 *Restated
49. Grants and subsidies paid				
Other subsidies				
Buffalo City Metropolitan Development Agency	-	-	40 220 771	60 214 497
Disaster management fund	360 598	711 491	360 598	711 491
Mayoral Social Responsibility	1 602 584	1 806 871	1 602 584	1 806 871
Other Organisations	24 875 987	26 171 272	24 875 987	26 171 272
Rural development	1 697 880	4 263 895	1 697 880	4 263 895
Social relief	10 953 378	28 550 171	10 953 378	28 550 171
Sponsored Events	22 289 843	9 812 768	22 289 843	9 812 768
	61 780 270	**71 316 468**	**102 001 041**	**131 530 965**
50. General expenses				
Advertising	9 021 835	11 137 173	8 952 894	11 029 441
Auditors' remuneration	29 966 205	23 917 137	29 008 452	22 982 780
Bank charges	10 115 988	8 436 931	10 107 574	8 421 160
Cleaning	134 577	98 195	134 577	98 195
Commission paid	44 172 360	41 498 836	44 172 360	41 498 836
Conferences and seminars	3 722 431	1 420 414	3 722 431	1 420 414
Consumables	8 538 653	11 754 047	8 216 128	10 081 026
Entertainment	859 514	868 357	769 718	654 297
Hire	234 321 014	211 365 862	234 119 893	211 193 262
Insurance	42 156 277	40 978 897	41 983 853	40 780 898
IT expenses	47 478 915	51 899 428	46 017 745	50 232 354
Lease rentals on operating lease	27 962 621	24 945 458	26 971 307	23 618 056
Levies	23 078 455	21 461 619	23 078 455	21 461 619
Magazines, books and periodicals	236 213	178 565	236 213	178 565
Marketing	3 683 550	1 269 014	3 637 922	1 269 014
Motor vehicle expenses	6 966 325	8 327 044	6 966 325	8 327 044
Other expenses	41 079 207	53 272 562	41 079 207	54 055 352
Placement fees	3 425	30 595	-	-
Postage and courier	5 212 630	6 417 892	5 063 840	6 388 840
Printing and stationery	5 718 117	12 893 254	5 713 265	12 864 778
Promotions	2 113 799	1 818 962	1 398 307	1 395 601
License fees	6 532 630	5 004 981	6 532 630	5 004 981
Special events	461 110	58 670	461 110	58 670
Staff welfare	2 233	24 815	-	-
Subscriptions and membership fees	20 677 408	19 327 511	20 672 367	19 327 511
Telephone and fax	18 043 462	19 387 991	17 910 732	19 177 841
Title deed search fees	322 194	289 122	322 194	289 122
Training	13 547 902	17 425 484	13 436 237	17 166 600
Travel - local	14 573 753	12 875 337	14 333 161	12 327 296
Travel - overseas	240 443	254 682	240 443	254 682
Remuneration to WARD Committees	9 365 387	8 954 377	9 365 387	8 954 377
Utilities - Other	240 926	167 749	-	-
Uniforms	10 195 918	14 736 011	10 047 124	14 645 817
Departmental charges	897	-	898	-
	640 746 374	**632 496 974**	**634 672 748**	**625 158 431**
51. Fair value adjustments				
Investment property (Fair value model)	20 012 000	307 489 401	20 012 000	307 489 401

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

52. Deferred tax

As indicated in the accounting policy notes, deferred tax is accounted for in line with IAS 12. Management made an annual assessment and judgement on the recognition of deferred tax in the current year. The decision was that since BCMDA is still heavily dependent on grant income, which is exempt for Income Tax purposes, with an assessed loss balance, therefore recognition of deferred tax in the current period would not necessarily be in line with the Accounting Standards. IAS 12 requires that there should be probability of the entity deriving taxable income which would reduce the deferred tax in future. Disclosed below therefore is unrecognised deferred tax asset in respect of both deductible temporary differences and tax losses. The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. The Minister of Finance announced on 27th February 2022 that the corporate tax rate would decrease from 28% to 27% effective for years ended on or after 31 March 2023, there has been no change during the financial year under review. Therefore, they have been offset in the statement of financial position as follows:

Unrecognised deferred tax asset

Deductible temporary differences not recognised as deferred tax assets	140 482	473 814	-	-
Unused tax losses not recognised as deferred tax assets	44 066 665	49 224 272	-	-
	44 207 147	**49 698 086**	**-**	**-**

53. Cash generated from operations

(Deficit) surplus	(991 627 430)	3 274 373	(996 006 431)	(10 959 840)
Adjustments for:				
Depreciation and amortisation	1 628 459 077	1 624 848 736	1 627 834 153	1 623 765 308
(Gain)/Loss on sale of assets	10 605 810	299 062 531	10 605 810	299 063 825
Inventory losses/write-downs	187 975 551	148 218 824	187 966 948	148 230 590
Loss/(income) from equity accounted investments	1 975 925	(42 275 674)	1 975 925	(42 275 674)
Fair value adjustments	(20 012 000)	(307 489 401)	(20 012 000)	(307 489 401)
Finance costs - Finance leases	19 535	27 113	-	-
Impairment deficit	734 393 805	52 608 336	734 393 805	52 608 336
Debt impairment	1 987 595 727	1 291 454 455	1 987 595 727	1 291 454 455
Movements in other liabilities	19 999 105	18 786 611	19 999 105	18 786 611
Movements in retirement benefit assets and liabilities	90 402 000	62 542 000	90 402 000	62 542 000
Movements in provisions	52 449 614	13 378 994	52 449 614	13 294 310
Movements in operating lease assets and accruals	(86 676)	63 342	-	-
Other non-cash items	(93 558 254)	(66 990 684)	(93 558 311)	(68 282 726)
Changes in working capital:				
Inventories	(182 796 080)	(166 770 823)	(182 796 079)	(166 770 824)
Receivables from exchange transactions	(1 516 732 784)	(831 971 782)	(1 517 703 402)	(825 510 106)
Receivables from non-exchange transactions	(713 953 975)	(852 591 594)	(713 666 001)	(852 591 594)
Trade payables from exchange transactions	(144 961 982)	(72 884 148)	(140 191 699)	(77 017 937)
Unspent conditional grants and receipts	137 849 759	8 326 318	142 487 390	4 766 362
Consumer deposits	2 836 760	3 521 156	2 836 760	3 521 156
	1 190 833 487	**1 185 138 683**	**1 194 613 314**	**1 167 134 851**

54. Operating leases - as lessee (expense)

Minimum lease payments due - Buildings				
- within one year	4 734 238	13 045 641	3 252 201	11 580 354
- in second to fifth year inclusive	5 524 012	6 334 270	3 070 060	5 479 519
	10 258 250	**19 379 911**	**6 322 261**	**17 059 873**

Operating lease payments represent rentals payable by the municipality for certain of its office properties.

Leases are negotiated for an average term of five years and rental escalates at annual fixed rates that vary between 0% and 12% annually.

No contingent rent is payable.

There were no sublease agreements between BCMM and third parties.

Figures in Rand	Economic entity		Controlling entity	
	2025	2024 *Restated	2025	2024 *Restated

54. Operating leases - as lessee (expense) (continued)

Minimum lease payments due - Printing Machines				
- within one year	5 936 783	5 510 346	5 901 068	5 449 121
- in second to fifth year inclusive	3 111 027	7 160 933	3 111 027	7 125 219
	9 047 810	**12 671 279**	**9 012 095**	**12 574 340**

Operating lease payments represent rentals payable by the municipality for certain of its printing machinery.

Leases are negotiated for an average term of three years and there is no rental escalation.

No contingent rent is payable.

55. Inventories losses/write-downs

Other inventory losses	487 498	254 747	478 895	266 513
Real losses	116 363 746	89 510 613	116 363 746	89 510 613
Apparent losses	71 124 307	58 453 464	71 124 307	58 453 464
	187 975 551	**148 218 824**	**187 966 948**	**148 230 590**

Refer to note 46 for detail on water losses.

56. Commitments

Authorised capital expenditure

Already contracted for but not provided for				
• Community (including housing)	441 023 413	454 971 692	441 023 413	454 971 692
• Infrastructure	28 513 990	78 267 814	28 513 990	78 267 814
• Other	266 147	1 867 450	266 147	1 867 450
• Annual contracts	209 790 115	113 723 491	209 790 115	113 723 491
	679 593 665	**648 830 447**	**679 593 665**	**648 830 447**
Total capital commitments				
Already contracted for but not provided for	679 593 665	648 830 447	679 593 665	648 830 447

Authorised operational expenditure

Already contracted for but not provided for				
• Design & Implementation Services of the Duncan Village Buy-Back Centre Through a Turnkey Solution in Buffalo City	17 292 093	-	-	-
• Other	6 676 929	7 253 711	-	-
	23 969 022	**7 253 711**	**-**	**-**
Total operational commitments				
Already contracted for but not provided for	23 969 022	7 253 711	-	-

This committed expenditure relates to Infrastructure, Community, Property, Plant and Equipment and Annual contracts. Refer to note 4 Property, plant and equipment.

Consultants and professional fees are not included in the commitment disclosure due to their nature and the fact that their costs can only be determined after the works have been concluded and payment made. This is because the amount of expenditure relating to consultants cannot be determined in advance and will only be determined once expenditure is incurred.

The above amounts exclude VAT.

Figures in Rand	Economic entity		Controlling entity	
	2025	2024 *Restated	2025	2024 *Restated
57. Contingencies				
Litigation issues These are instances whereby legal claims have been instituted against Council by various third parties. Legal advice is sought and Council will defend claims where so advised.	42 811 658	176 729 679	42 811 658	176 729 679
Labour issues These are instances whereby labour disputes have resulted in possible claims by employees.	24 879 967	24 903 664	24 879 967	24 903 664
Insurance issues These are instances whereby insurance claims have been instituted against Council by various third parties. Advise is sought from Council's insurers whether BCMM is liable. If BCMM is liable, then Council's insurers will determine the settlement amount to be paid. If BCMM is not liable, then Council's insurers will legally defend the matter on Council's behalf.	286 625 010	226 612 041	286 625 010	226 612 041
Other matters Litigation concern relating to services rendered	15 864 840	-	15 864 840	-
BCMDA - Litigation issues These are instances whereby legal claims have been instituted against the Agency by various third parties. Legal advice is sought and the Agency will defend claims where so advised.	2 946 362	31 904 977	-	-
BCMDA - Labour issues These are instances whereby labour disputes have resulted in possible claims by employees.	-	6 508 540	-	-
	373 127 837	**466 658 901**	**370 181 475**	**428 245 384**

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

58. Related parties

Relationships	
Controlled entities	Buffalo City Metropolitan Development Agency SOC Ltd
Associates	Refer to note 7
Members of key management	Refer to note 38 and 39

Buffalo City Metropolitan Development Agency (BCMDA) (a SOC Ltd company registration no 2016/168330/30).

The BCMDA was incorporated on 20 April 2016 as a Municipal Entity of BCMM. BCMDA is 100% controlled by BCMM.

BCMM relationship with BCMDA: Subsidiary - Buffalo City Metropolitan Development Agency (SOC) Ltd.

The municipality issued grants of R36 996 228 to BCMDA during the current financial year (2024: R44 071 372) (VAT exclusive).

BCMM has raised a creditor amounting to R1 833 238 due to an outstanding BCMDA invoice that relates to Duncan Village Buy Back Centre which is funded through the European Union grant funding (2023/2024: R0). BCMM has also raised a debtor of the same amount due to the outstanding grant funding from National Treasury (2023/2024: R0)

European Union grants funding amounting to R0 was received by BCMM for the Duncan Village Buy Back Centre (2023/2024: R16 143 125)

An allocation of R1 600 000 has been granted to BCMDA for the Sector Development Programmes in 2024/2025 financial year (2023/2024: R0)

BCMM reimbursed BCMDA with an amount of R0 (2024: R4 396 579) (VAT exclusive) and a payable of R0 (2024: R5 388 300) is due to BCMDA for the implementation of the BCMDA East London Beachfront and Water World Project.

BCMM reimbursed BCMDA with an amount of R98 794 (2024: R15 554 130) (VAT exclusive) and a payable of R0 (2024: R1 188 362) is to BCMDA for the Public Employment Programme that is funded through the Neighbourhood Development Partnership Grant.

Agency fees amounting to R0 (2023/2024: R782 790) (VAT exclusive) were recognised relating to projects implemented and administered on behalf of BCMM, of this amount a payable of R0 (2023/2024: R431 064) is due to BCMDA.

BCMDA has paid no consumer accounts during the current financial year.

There are no share-based payments in respect of BCMDA.

There are no post-employment benefits for key personnel in respect of BCMDA.

BCMM paid an amount of R1 369 768 (2024: R3 882 676) VAT inclusive in respect of grass mowing, municipal services and office rental for the 2023/24 financial year to the East London IDZ.

All Councillors and Employees have disclosed their interest in related parties and no one has the ability to control or exercise significant influence over Council in making financial and operating decisions.

Key management information - BCMDA

Class	Description	Number
Non-executive board members	Board of Directors	5
Audit and risk committee	Shared with parent municipality	3
Executive management	Agency management	5
Councillors	Shareholder representative	1

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

59. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

Accumulated surplus prior to 2023

	Note	As previously reported	Correction of error	Restated
Opening balance		10 436 314 970	-	10 436 314 970
Various		-	20 676 305 955	20 676 305 955
		10 436 314 970	**20 676 305 955**	**31 112 620 925**

Economic entity - 2024

Summary of Statement of Financial Position	Note	Error reference	As previously reported	Correction of error	Re-classification	Restated
Inventories	8		69 398 396	-	-	69 398 396
Receivables from non-exchange transactions	9	i,k,l	1 197 137 575	135 021 435	-	1 332 159 010
Receivables from exchange transactions	10	h,k,l	2 145 176 988	(267 486 156)	-	1 877 690 832
Cash and cash equivalents	12		720 986 557	-	-	720 986 557
Investment property	3	n	484 115 274	284 335 727	-	768 451 001
Property, plant and equipment	4	c,f,n	30 442 362 243	11 662 276 564	-	42 104 638 807
Intangible assets	5	o	7 247 129	(427 706)	-	6 819 423
Heritage assets	6	n	54 060 071	106 000	-	54 166 071
Investment in associate	7		726 924 658	463 829	-	727 388 487
Borrowings	18		(28 813 896)	-	-	(28 813 896)
Finance lease obligation	19		(157 612)	-	-	(157 612)
Operating lease liability	15		(152 657)	-	-	(152 657)
Trade payables from exchange transactions	21	a,b,f,m	(1 754 175 779)	(13 616 675)	-	(1 767 792 454)
Consumer deposits	22		(87 137 643)	-	-	(87 137 643)
Employee benefit obligation	16		(66 698 000)	-	-	(66 698 000)
Unspent conditional grants	17		(289 600 698)	7 309 077	253 912 264	(28 379 357)
Provisions	20	g	(384 931 441)	2 910 301	-	(382 021 140)
Borrowings	18		(79 793 735)	-	-	(79 793 735)
Employee benefit obligation	16		(770 563 000)	-	-	(770 563 000)
Finance lease obligation	19		(55 669)	-	-	(55 669)
Other liabilities	14		-	1	(253 912 264)	(253 912 263)
Provisions	20	g	(111 144 162)	2 845 507	-	(108 298 655)
Revaluation reserve	13		(21 664 108 227)	9 321 492 207	-	(12 342 616 020)
Accumulated surplus			(10 610 076 372)	(21 135 230 111)	-	(31 745 306 483)
			-	-	-	-

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

59. Prior-year adjustments (continued)

Statement of financial performance

Economic entity - 2024

Summary of Statement of Financial Performance	Note	Error reference	As previously reported	Correction of error	Re-classification	Restated
Service charges	26	i,j	(4 333 828 824)	127 488 114	37 957 882	(4 168 382 828)
Rental of facilities and equipment	27		(23 226 131)	90 126	-	(23 136 005)
Construction contract	28		(91 712 399)	-	-	(91 712 399)
Other revenue (exchange)	30		(83 056 771)	-	-	(83 056 771)
Interest received	31		(328 377 833)	11 187 163	(1 320 401)	(318 511 071)
Agency fees	29		(18 764 272)	-	-	(18 764 272)
Property rates	33	h,j	(2 127 633 956)	22 385 769	-	(2 105 248 187)
Licences and Permits (non-exchange)	34		(13 697 831)	12 996	-	(13 684 835)
Service charges - Availability charges	32	-	-	-	(37 957 882)	(37 957 882)
Interest (non-exchange)	35		(112 362 090)	1 449	1 320 401	(111 040 240)
Government grants and subsidies	36		(2 130 198 037)	(7 309 077)	-	(2 137 507 114)
Other revenue (non-exchange)	37		(97 920 061)	(330 665)	-	(98 250 726)
Public contributions and donations	25		(22 409 060)	-	-	(22 409 060)
Fines	25		(65 437 669)	-	-	(65 437 669)
Fuel levy	25		(741 926 000)	-	-	(741 926 000)
Employee related cost	38	a	2 701 208 808	39 213 656	-	2 740 422 464
Remuneration of councillors	39	b	70 959 578	1 932 103	-	72 891 681
Inventory consumed	40		336 956 044	(5 689 003)	-	331 267 041
Depreciation and amortisation	41	n	1 891 872 716	(267 023 980)	-	1 624 848 736
Finance cost	43		46 210 625	-	-	46 210 625
Debt Impairment	45	l	1 336 717 876	(45 263 421)	-	1 291 454 455
Repairs and maintenance	47	c,f	485 105 498	(55 175 197)	-	429 930 301
Bulk purchases	46		2 252 355 443	-	-	2 252 355 443
Contracted services	48	f	385 191 318	5 240 564	-	390 431 882
Grants and subsidies paid	49		71 316 468	-	-	71 316 468
General expenses	50	f	632 320 632	176 342	-	632 496 974
Gain/(Loss) on disposal of assets	4		351 670 867	(52 608 336)	-	299 062 531
Fair value adjustments	51		(23 153 674)	(284 335 727)	-	(307 489 401)
Share of surplus of associate	7	o	(40 750 306)	(1 525 368)	-	(42 275 674)
Inventories losses/write-downs	55		148 218 824	-	-	148 218 824
Impairment loss			-	52 608 336	-	52 608 336
(Surplus) / Deficit		**-**	**455 649 783**	**(458 924 156)**	**-**	**(3 274 373)**

Other disclosure items	Note	Error reference	As previously reported	Correction of error	Re-classification	Restated
Contingencies - Other matters	57		216 484 622	(39 754 943)	-	176 729 679
Commitments - Community (including housing)	56	d	151 220 734	303 750 958	-	454 971 692
Commitments - Infrastructure	56	d	76 974 987	1 292 827	-	78 267 814

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

59. Prior-year adjustments (continued)

Cash flow statement

	Note	As previously reported	Correction of error	Restated
Cash flow from operating activities				
Sale of goods and services	e	5 757 321 456	100 790 562	5 858 112 018
Government grants and subsidies		2 164 620 045	(18 786 612)	2 145 833 433
Interest income	e	440 739 923	(83 897 373)	356 842 550
Employee costs & Councillors remuneration	e	(2 702 089 343)	(42 132 064)	(2 744 221 407)
Suppliers and other payments	e	(4 508 825 705)	89 505 277	(4 419 320 428)
Finance costs		(11 564 956)	(542 527)	(12 107 483)
	-	**1 140 201 420**	**44 937 263**	**1 185 138 683**
Cash flow from investing activities				
Purchase of property, plant and equipment	e	(1 067 782 822)	(44 631 534)	(1 112 414 356)
Proceeds from sale of property, plant and equipment		30 434	-	30 434
Purchase of other intangible assets		(197 463)	-	(197 463)
Purchase of other heritage assets		(1 180 000)	-	(1 180 000)
	-	**(1 069 129 851)**	**(44 631 534)**	**(1 113 761 385)**
Cash flow from financing activities				
Repayment of borrowings		(30 246 177)	-	(30 246 177)
Movement in finance lease obligation		186 167	(305 728)	(119 561)
		(30 060 010)	**(305 728)**	**(30 365 738)**

Explanations of errors

a) The error is in respect of results of the Job Evaluation process which was undertaken by BCMM with the calculations backdated from 1 July 2015 and payment done in the 2023/24 Financial year.

b) The error relates to increases for Councillors with effect from 01 July 2022 as per the Government Gazette 46470 of June 2022, with payment done in the 2023/24 Financial year.

c) The refurbishment of the KWT Traffic Services Stone Building was initially misclassified under capital expenditure, but subsequent consultancy costs were later identified as operational, requiring a journal correction to address a prior period error. The Directorate has since committed to budgeting all future desktop assessments under operating expenses to ensure proper classification and prevent recurrence.

d) During the restatement process, the population was reviewed, and the correct expenditure per contract was identified. The expenditure incurred was then linked to the total contract value, including any variation orders or contract amendments. For the contracts in question, during the 22/23 & 23/24 financial years, these projects have been omitted on the commitments disclosure. As the projects had been correctly captured in the financial year it was incurred.

e) Cash flow effect of all prior period adjustments.

f) During the 2024 audit, the Auditor-General identified that certain transactions had been incorrectly recorded under Repairs and Maintenance in the general ledger. Upon detailed review, it was determined that some of these expenditures were capital in nature and should have been classified as Capital Expenditure.

g) The landfill sites were evaluated in terms of GRAP and the Municipality's policies and it was found that these had not been depreciated or revalued as required, and an additional difference of R4.7m arose as a result of an error in processing in 2024. The 2023 and 2024 values were used as a baseline valuations and deemed costs at 1 July 2007 calculated to allow for a restatement to revalued amounts and calculate depreciation.

h) Prior year adjustments were required due to supplementary valuation rolls, objections, and appeal board outcomes, with changes applied retrospectively where valuation and objection dates fell before the financial year-end of 30 June. Adjustments cannot be prevented and made in line with MPRA provisions.

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

59. Prior-year adjustments (continued)

i) Errors arose from leaks, meter issues, incorrect billing, tariff changes, and infrastructure theft. Full recurrence cannot be avoided due to external factors that occur in certain instances, but a drive to clear outstanding billing queries is aiding in minimising adjustments.

j) Beneficiaries fail to report status changes, and the lack of external database access, for example Department of Home Affairs, results in invalid subsidies. Quarterly checks with AGSA and a new Indigent Management System will limit prior period adjustments.

k) Debt write-offs had to be reversed where external data revealed that customers were not eligible, or where subsequent billing adjustments created credit balances on accounts. While reversals cannot be fully avoided, improved controls aim to reduce the number of journal adjustments required.

l) Prior period debtor adjustments affected closing balances, requiring opening balance corrections in the prior period. Recurrence is unavoidable as long as debtor-related prior period journals exist.

m) A billing system error with SSEG tariffs caused mismatches between the ledger and the billing register. System fixes and monthly reconciliations now ensure alignment, with adjustments limited to the current period.

n) The City conducted a comprehensive review of historical Work-in-Progress (WIP) statuses to identify items that are eligible for capitalisation hence prior year additions. This exercise ensured that all completed projects and qualifying expenditures were appropriately transferred to the relevant asset classes, thereby enhancing the accuracy of the asset register.

In parallel to this, the City undertook a systematic reassessment of the Estimated Useful Lives (EUL) of assets across all categories. This adjustment aligned the EULs to the upper limits of the prescribed policy bands for each asset class, reflecting revised expectations of asset longevity and service potential.

Furthermore, a detailed review of historical Current Replacement Cost (CRC) calculations was performed to validate the integrity of prior valuations and ensure consistency with GRAP requirements in relation to accumulated surplus.

o) There was a change in East London Industrial Development Zone (Pty) Ltd comparative figures due to a prior period error recorded. The municipality restated the investment in associate accordingly.

60. Comparative figures

Certain comparative figures have been reclassified. Refer to note 59 Prior year adjustments for detail.

61. Risk management

Financial risk management

The municipality’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. Risk Management is carried out under policies approved by the accounting officer. The accounting officer provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

Liquidity risk

The municipality’s risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Credit risk

Credit risk consists mainly of cash deposits (refer note 12), deteriorating audit outcomes, low collection rates and trade debtors (refer note 9, 10 and 11). The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any counter-party, which is in line with Investment regulations and policy on investment.

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

61. Risk management (continued)

Market risk

Interest rate risk

The municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk, however all finance charges are on the variable interest rate.

The risk of a decrease in interest rate will place additional pressure to funding operations as a result of less income being realised from interest received and vice versa for finance charges.

Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due after five years
Trade and other receivables - normal credit terms	11.75 %	3 452 940 874	-	-	-	-
Cash in current banking institutions	6.85 %	95 641 694	-	-	-	-
Call Investments deposits	7.59 %	635 292 759	-	-	-	-
Trade and other payables - extended credit terms	9.85 %	1 226 161 689	-	-	-	-
Long term borrowings	8.30 %	25 085 847	20 829 396	8 416 924	9 375 411	12 086 155

Sensitivity Analysis of Market Risk

Effect of a 1% change in the interest rate	Current interest rate	Value as at 30 June 2025	Discounted value at current rate	Discounted value at current rate (-1%)	Discounted value at current rate (+1%)
Trade and other receivables - normal credit terms	11.75 %	3 452 940 874	3 089 879 977	3 117 779 570	3 062 475 276
Cash in current banking institutions	6.85 %	95 641 694	89 510 242	90 355 875	88 680 291
Call Investments deposits	7.59 %	635 292 759	590 475 657	596 015 348	585 037 995
Trade and other payables - extended credit terms	6.85 %	1 226 161 689	1 147 554 225	1 158 395 549	1 136 913 944
Short term borrowings	8.30 %	25 085 847	23 163 294	23 379 168	22 951 370
Long term borrowings	8.30 %	54 707 887	50 515 131	50 985 915	50 052 962

The sensitivity analysis was based on the assumption that a 1% increase or decrease in the interest rate could occur.

The method used to prepare the sensitivity analysis was based on the discounted value of the respective cash flow for 1 year using the respective current interest rate in order to determine the effect of applicable market risk of a 1% increase or decrease in the interest rate.

Capital risk management

The municipality's objectives when managing capital are to safeguard the municipality's ability to continue as a going concern in order to provide returns for members and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the municipality consists of debt, which includes the borrowings, cash and cash equivalents and equity.

There have been no changes to what the municipality manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The municipality is in an enviable position of having access to additional long-term facilities in order to invest in the replacement of infrastructure assets.

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

62. Going concern

The audited consolidated annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

It is the responsibility of management to make an assessment of whether the going concern presumption is appropriate, or not, when preparing the financial statements.

In order to conclude as to whether, or not, an entity is able to continue in business for the foreseeable future, management makes judgments on various uncertain future outcomes of events or conditions, e.g., Inflation, Division of revenue adjustments etc.

This assessment is based on the reported results and financial position for the year ended 30 June 2025.

Buffalo City Metropolitan Municipality is a category “A” size municipality providing electricity, refuse and other services. Refuse and other services are not affected by external factors.

At the time of making this assessment there are no subsequent events that may result in outcomes that are inconsistent with judgments made.

Liquidity ratios				
Current ratio	1.79	1.69	1.78	1.69
Acid test ratio	1.76	1.66	1.75	1.66
Cash coverage	0.86	0.71	0.86	0.71
Cash ratio	0.43	0.39	0.43	0.39

These ratios above indicate a satisfactory current asset to current liability position at year end. The City undertook a vigorous drive to improve revenue collection, minimize electricity and water losses as a result there has been a significant improvement in the City’s Liquidity ratio. BCMM cash ratio and cash coverage is below the National Treasury norm, which has an adverse effect on the going concern of the City. The resultant cause is mainly due to the Cities collection rate also being below the National treasury norm and further our own projected collection of 77%. The City has a adopted a financial recovery plan to contain costs and also fully implement its credit control as part of its revenue enhancements strategy. This is monitored on a quarterly basis.

Gearing ratio				
Borrowings	79 793 734	108 607 631	79 793 734	108 607 631
Net assets	43 010 999 847	44 087 922 503	42 984 525 991	44 065 827 698
Borrowings as a percentage of net assets	0.19 %	0.25 %	0.19 %	0.25 %

The noted decrease in Net Assets is primary due to property plant and equipment carrying value due the total verification of assets, resulting in the increase in impairment based on the condition of our assets on the ground. Financially the municipality is sound with borrowings accounting for less than 1% of the net assets for the year under review.

Operating results and Cash flows from operating activities				
Total revenue	11 023 025 437	10 037 025 059	11 015 270 060	10 020 121 681
Operating expenditure	(12 014 652 867)	(10 033 750 686)	(12 011 276 491)	(10 031 081 521)
Operating (deficit)	(76 688 339)	153 398 989	(81 075 943)	139 177 836
Cash flows from operating activities	1 190 833 487	1 185 138 683	1 194 613 314	1 167 134 851
Cash and cash equivalents	731 028 583	720 986 557	697 781 225	683 762 515
Cumulative (deficit)	(995 947 254)	(632 386 022)	(1 006 966 271)	(622 979 016)

This deficit is as result of significant increases on non-cash items emanating from asset impairments.
.
At 30 June 2025, the municipality is liquid. It is noted that net cash flows from operating activities increased from the 30 June 2024 to 30 June 2025.

The table above demonstrates the cash resources position at 30 June 2024 with an increase at 30 June 2025. The City is currently revisiting its capital prioritization funding methodology and also reviewing its credit control initiatives to better improve revenue collection. The City anticipates to meet its obligations as and when they fall due from normal operations.

Operational forecast	**30 June 2026**
Operating Revenue	10 967 399 487
Operating expenditure	(10 366 308 389)
Surplus	601 091 098

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

62. Going concern (continued)

The municipality anticipates that all operational expenditure as forecasted will be honored with the sufficient budgetary provisions. The forecast operating results to 30 June 2026 reflect that the municipality will generate a surplus which will be utilized to fund future capital requirements.

Debtor days - 30 days		
Number of days	344days	316days

The City is continuing to strengthen the implementation of Credit Control actions on a monthly basis.

Creditors - 30 days		
Number of days	76days	46days

BCMM always strives to pay all its creditors within 30 days as stipulates by section 65(e) of the MFMA except when there are disputes on received invoices. BCMM will seek NT guidance as to which point one starts calculating the creditor's days. Is it on invoice date or upon receipt of invoice or on goods receipt. The matter will be escalated to National Treasury for consultation in the 2025/26 Financial year.

Repairs and maintenance		
% of Property, plant and equipment	0.93%	1.02%
Assets renewal & rehabilitation as percentage of depreciation	40.35%	43.39%

BCMM Repairs and Maintenance expenditure level is sitting far below the MFMA circular 71 target. Numerous engagements on the non-achievement of the 8% have been held with NT and the City has made a representation that it accounts for its immovable on the revaluation method. This was undertaken to have the true replacement cost of its infrastructure so as to increase its accumulation of reserves by drafting a policy to ringfence all interest on investments towards infrastructure replacement. This became unsustainable as the cities cash and cash equivalents declined. This necessitated the review of the accounting policy for its immovable assets. The review and implementation back to the cost model has significant risks and the city is still consulting on this review to ensure it achieved the 8% of PPE and achieves cost reflectivity (affordability) of the cities tariffs.

Consideration of National Rating Trigger

GCR Ratings (GCR), independent credit rating company, has affirmed Buffalo City Metropolitan Municipality's national scale long and short-term issuer ratings to A-(ZA) and A2(ZA) respectively. The ratings have been maintained on Negative Outlook. The rating affirmation on Buffalo City Metropolitan municipality (BCMM or the Metro) reflects its net ungeared financial position despite persistent cash flow pressures due to weak debtor collection rates. The Metro has also managed to balance its income and expenditure, preventing further erosion of its liquidity profile. However, the Negative Outlook reflects the difficulties in improving debtors' collection, affecting liquidity and capital expenditure on a sustained basis. This rating decline is also mainly caused by Industry portfolio decline as a factor in rating consideration to which this is outside the control of the City. GCR has also recently taken a more negative view of the South African municipal and public sector, given the increasingly complex environment, where operating underperformance and rising responsibilities are contributing to financial distress and a deterioration in service delivery.

Impact of Mercedes Benz South Africa (MBSA) Retrenchment

Buffalo City Metro has been engaging with key players in the Province such as the Office of the Premier (OTP), Department of Economic Development and Environmental Affairs and Tourism (DEDEAT), the East London Special Economic Zone (IDZ), Automotive Industry Development Centre Eastern Cape (AIDC EC) to consider various ways of intervening and providing support to the ailing automotive industry. Buffalo City Metro did not conduct an entire assessment but was able to collect some data which has been released for the third quarter (Q3) of 2025:

- Due to the slump in demand for vehicles which arose from the import tariffs imposed by the United States of America, MBSA downscaled its production from three-shifts to two-shifts, thereby shedding 700 jobs.
- The exports of the C-Class to the US, which is around +90% of its production decreased exponentially by 82%.
- This had a ripple effect on the component suppliers most of which are at the East London SEZ,
- The overall risk in the Buffalo City Region is estimated at 40 000 potential job losses in the longer term if the situation does not improve or there are no meaningful interventions.
- Over and above the job losses, the Metro will potentially lose revenue as more people will become indigent.
- Reduced demand for utilities such as water and electricity will have more devastating effects on the municipal revenue base. Most of these companies and in particular MBSA is a bulk user.

Together with the above-mentioned stakeholders, BCMM pursued a Chinese company to consider setting up its auto plant on a "multi-OEM" model platform, using the spare capacity at the MBSA plant. The second intervention is looking at reviewing the current investment incentives package, benchmarking from the likes of Nelson Mandela Metro Municipality and Tshwane. Buffalo City remains committed to the Memorandum of Understanding it has with MBSA and will consider critical issues that are deserving attention to retain the investment in the Metro.

Based on the above assessment, the annual financial statements have been prepared based on accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent liabilities and commitments will occur in the ordinary course of business.

Management is satisfied that the municipality continues to operate on a going concern basis and will continue to do so for the foreseeable future.

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

63. Events after the reporting date

There are no events after reporting date to be disclosed.

64. Unauthorised expenditure

Opening balance as previously reported	368 454 149	-	403 496 432	-
Add: Unauthorised expenditure - current	643 565 756	368 454 149	646 822 778	403 496 432
Less: Expenditure authorised in terms of section 32 of the MFMA	(368 454 149)	-	(403 496 432)	-
Closing balance	**643 565 756**	**368 454 149**	**646 822 778**	**403 496 432**

The over expenditure incurred by municipal departments during the year is attributable to the following categories:

Non-cash	643 565 756	368 454 149	646 822 778	403 496 432

Analysed as follows: non-cash

Debt impairment	56 212 014	-	56 212 014	-
Inventory consumed and bulk purchases	18 936 104	-	22 187 279	-
Finance Charges (Interest)	35 502 068	32 618 557	35 484 631	32 618 557
Other losses	-	-	-	19 092 254
Loss on derecognition of assets	-	335 835 592	-	351 785 621
Depreciation & amortisation	532 915 570	-	532 938 854	-
	643 565 756	**368 454 149**	**646 822 778**	**403 496 432**

The 2025 unauthorised expenditure:

The unauthorised expenditure of R643 565 756 relates to the following:

Debt impairment (R56 212 014) due to the following:

- Low collection rate, the target was 77% as at 30 June 2025, and 70% was achieved.
- There was an increase in non-purchases in prepayment electricity, an indication of increased meter tampering, which affects revenue collection.
- There has been an increase in Electricity and Water losses. Meter Tampering has significantly increased year-on-year, which causes any suspension of services to be ineffective.
- For 2024/25: 5,134 less customers made payments as compared to 2023/24 financial year, an indication of economic decline, i nflation, possible meter tampering etc.
- Inventory consumed and bulk purchases relates to secondary costing journals passed: R18 936 104
- Finance charges (Interest) due to non-cash accrued interest in respect of the Landfill Provision: R35 502 068
- Depreciation & Amortisation is due to asset impairment: R532 915 570

The 2024 unauthorised expenditure:

The unauthorised expenditure of R368 454 149 relates to the following:

- non-cash accrued interest in respect of the Landfill Provision: R32 618 557
- loss on derecognition of assets: R335 835 592

The 2024 unauthorised expenditure of R368 454 149 was authorised in a Council meeting on the 24th January 2025.

Unauthorised expenditure: Budget overspending – per directorate:

Infrastructure services	404 086 266	230 157 920	404 086 267	230 157 920
Spatial planning and development	41 387 944	-	41 387 944	-
Public safety & emergency services	142 762 924	-	142 762 924	-
Economic development & agencies	-	-	-	37 391 353
Solid waste & environmental management	-	36 092 597	-	36 092 597
Sports, recreation & community development	7 224 204	-	7 224 204	-
	595 461 338	**266 250 517**	**595 461 339**	**303 641 870**

Figures in Rand	Economic entity		Controlling entity	
	2025	2024 *Restated	2025	2024 *Restated

65. Fruitless and wasteful expenditure

Opening balance as previously reported	50 389 955	11 239 847	981 826	10 731 676
Add: Fruitless and wasteful expenditure identified - current	5 622 664	692 826	5 622 664	692 826
Add: Fruitless and wasteful expenditure identified - prior period	-	48 899 958	-	-
Less: Amount written off - current	(49 408 129)	(10 442 676)	-	(10 442 676)
Closing balance	**6 604 490**	**50 389 955**	**6 604 490**	**981 826**

BCMM has established a Municipal Public Accounts Committee (MPAC) which is constituted by Council to investigate all irregular, fruitless and wasteful expenditure. The MPAC recommends to Council the write off and future actions to be taken in accordance with the provisions in terms of Section 32 of the MFMA.

Cases under investigation

Investigations are still progress regarding 5 (2024: 2) which relate to payment made without reasonable care.

R48.9 million of fruitless and wasteful expenditure was incurred in previous year but discovered in the current year and relates to poor project management during the construction of the Water World and Court Crescent Parks.

The Board resolved to write off an amount of R49 408 129 as at 30 June 2025.

Amount recoverable

There are no recoverable amounts.

Amount written-off

After the MPAC investigations, Council / BCMDA Board adopted the MPAC recommendations to write-off R49 408 129 (2024: R10 442 676) from the total fruitless and wasteful expenditure amount as it was proven to be irrecoverable.

Figures in Rand	Economic entity 2025	Economic entity 2024 *Restated	Controlling entity 2025	Controlling entity 2024 *Restated
66. Irregular expenditure				
Opening balance as previously reported	10 555 695 972	10 896 378 423	10 555 443 257	10 870 106 978
Opening balance as restated	**10 555 695 972**	**10 896 378 423**	**10 555 443 257**	**10 870 106 978**
Add: Irregular Expenditure - current	1 140 130 371	1 330 886 824	1 139 643 154	1 317 740 495
Less: Amounts ratified / approved as irrecoverable by Council and written off - Prior period	(67 282 119)	(1 671 569 275)	(66 542 187)	(1 632 404 216)
Closing balance	**11 628 544 224**	**10 555 695 972**	**11 628 544 224**	**10 555 443 257**
Details of irregular expenditure				
Procurement made outside SCM regulations	461 228 113	1 226 753 687	461 228 113	1 226 753 687
Procurement made outside SCM regulations (under determination)	641 905 483	-	641 905 483	-
Bid Construction Contracts (BCC)	13 241 646	57 841 873	13 241 646	57 841 873
Annual contracts	6 186 726	20 642 181	6 186 726	20 642 181
Informal contracts	17 081 186	12 502 754	17 081 186	12 502 754
Bid Adjudication Committee - BCMDA	487 217	13 146 329	-	-
	1 140 130 371	**1 330 886 824**	**1 139 643 154**	**1 317 740 495**

Expenditure amounting to R641 905 483 included in the balance above has been declared as irregular expenditure and is still under determination. The final classification and disclosure remain subject to the outcome of further engagement with appropriate authorities which may result in adjustments in a future reporting period.

67. In-kind donations and assistance				
FELZOO donated assistance to BCMM	14 216	134 146	14 216	134 146
FELA donated assistance to BCMM	11 750	6 000	11 750	6 000
Nahoon Point Nature Reserve	67 669	90 099	67 669	90 099
	93 635	**230 245**	**93 635**	**230 245**

The nature of the above In-kind donations and assistance amounts are ad-hoc cash donations which are non-exchange transactions.

68. Additional disclosure in terms of Municipal Finance Management Act				
Contributions to organised local government				
Current year subscription / fee	19 894 406	18 592 903	19 894 406	18 592 903
Amount paid - current year	(19 894 406)	(18 592 903)	(19 894 406)	(18 592 903)
	-	**-**	**-**	**-**
Contributions to SA Cities Network				
Add: Losses identified - prior period	5 540 077	5 275 564	5 540 077	5 275 564
Less: Amounts recovered - current	(5 540 077)	(5 275 564)	(5 540 077)	(5 275 564)
	-	**-**	**-**	**-**
Audit fees				
Current year subscription / fee	29 966 205	23 917 137	29 008 452	22 982 780
Amount paid - current year	(29 966 205)	(23 917 137)	(29 008 452)	(22 982 780)
	-	**-**	**-**	**-**

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

68. Additional disclosure in terms of Municipal Finance Management Act (continued)

PAYE, UIF and Skills Development Levy

Opening balance	648 945	1 068 131	-	-
Current year subscription / fee	516 962 946	448 417 921	510 556 921	441 353 187
Amount paid - current year	(517 781 306)	(448 837 107)	(510 556 921)	(441 353 187)
	(169 415)	**648 945**	**-**	**-**

Amounts in respect of June 2025 were paid by the 7 July 2025 as per legislation, therefore there were no outstanding amounts for the financial this period.

Pension and Medical Aid Deductions

Opening balance	57 510	136 854	-	-
Current year subscription / fee	690 087 627	652 437 795	688 738 422	650 795 027
Amount paid - current year	(690 080 679)	(652 517 139)	(688 738 422)	(650 795 027)
	64 458	**57 510**	**-**	**-**

Amounts in respect of June 2025 were paid by the 7 July 2025 as per legislation, therefore there were no outstanding amounts for the financial this period.

VAT

VAT receivable	246 606 494	162 933 182	246 232 135	163 768 313

VAT output payables and VAT input receivables are shown in note 23.

All VAT returns have been submitted by the due date throughout the year. VAT is only declared to SARS on receipt of payment from consumers and claimed on payment to suppliers.

Councillors' arrear consumer accounts

Arrear Councillors accounts totalling R45 550 were outstanding for more than 90 days at 30 June 2025 (2024 R50 388) for which mechanisms are in place to deduct amounts from the monthly allowances of each Councillor.

30 June 2025	Outstanding more than 90 days R	Total R
Councillor X.A. Pakati	40 277	40 277
Councillor Z. Mtyingizane	662	662
Councillor V. Siboyana	4 611	4 611
	45 550	**45 550**

30 June 2024	Outstanding more than 90 days R	Total R
Councillor M.L. Nyusile	12 454	12 454
Councillor N. Maxongo	37 934	37 934
	50 388	**50 388**

At year end, officials accounts totalling R15 080 191 (2024: R15 194 711) were outstanding for more than 90 days.

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

69. Deviation from supply chain management regulations

Regulation 36 of the MFMA on Supply Chain Management (SCM) Regulations and clause 36 of the SCM Policy of 2012 states that a SCM Policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the Council and includes a note to the audited consolidated annual financial statements.

During the financial year under review goods/services totalling R777 979 778 (2024: R171 560 342) were procured and the process followed in procuring those goods/services deviated from the provisions of the regulations as stated above. The accounting officer approved the deviations from the normal SCM regulations.

Type of contract	**No of contracts Economic entity**	**Value of contracts Economic entity**	**No of contracts Controlling entity**	**Value of contracts Controlling entity**
Emergency	4	52 200 916	4	52 200 916
Sole supplier	16	116 855 493	16	116 855 493
Other exceptional cases	11	69 833 921	10	69 163 361
Other exceptional cases (under determination) - Refer to note 63 Irregular expenditure	4	539 089 448	4	539 089 448
	35	**777 979 778**	**34**	**777 309 218**

Expenditure amounting to R539 089 448 included in the balance above has been declared as irregular expenditure and is still under determination. The final classification and disclosure remain subject to the outcome of further engagement with appropriate authorities which may result in adjustments in a future reporting period.

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

70. Segment information

General information

Identification of segments

The municipality is organised and reports to management on the basis of 5 major functional areas : Community and public safety, Economic and environmental services, Municipal governance and administration, Trading services and Other. The segments were organised around the type of service delivered. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Aggregated segments

The municipality operates throughout the Eastern Cape Province. Segments were aggregated on the basis of services delivered as management considered that the economic characteristics of the segments throughout Eastern Cape were sufficiently similar to warrant aggregation.

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Community and Public Safety	Service or activity that is performed by the Metro for the benefit of the public or its institutions.
Economic and Environmental Services	Helps the Metro to make better decisions by identifying resources, understanding the needs of the public and formulate plans to make the local economy fully functional and investor friendly.
Municipal Governance and Administration	Management, cohesive policies, guidance, processes and decision-rights
Trading Services	Providing a service to customers at a tariff determined to "recover cost".
Other	Tourism promotion & development and Operations of fresh produce market.

70. Segment information (continued)

Segment surplus or deficit, assets and liabilities

Economic entity 2025

	Community and Public Safety	Economic and Environmental Services	Municipal Governance and Administration	Trading Services	Other	Total
Revenue						
Service charges	-	-	(321 817)	4 994 477 015	-	4 994 155 198
Rental of facilities and equipment	2 618 379	2 785 421	23 258 966	-	2 597 876	31 260 642
Construction contract	70 202 832	-	-	-	-	70 202 832
Agency services	21 002 430	-	-	-	-	21 002 430
Other revenue (exchange)	10 507 479	8 683 345	34 593 525	2 485 820	32 641 969	88 912 138
Interest received	-	2 716 834	95 418 071	232 116 326	-	330 251 231
Property rates	-	-	2 169 014 672	-	-	2 169 014 672
Licences and Permits (non-exchange)	15 552 910	-	-	-	874 242	16 427 152
Service charges - Availability charges	-	-	-	54 817 667	-	54 817 667
Interest (non-exchange)	-	-	117 527 205	6 326 999	-	123 854 204
Government grants & subsidies	313 969 333	251 661 143	571 737 573	998 016 385	48 034 854	2 183 419 288
Other revenue (non-exchange)	100 262 447	-	-	-	-	100 262 447
Public contributions and donations	451 013	-	-	5 215 416	-	5 666 429
Fines	56 647 107	-	-	-	-	56 647 107
Fuel levy	-	-	777 132 000	-	-	777 132 000
Total segment revenue	**591 213 930**	**265 846 743**	**3 788 360 195**	**6 293 455 628**	**84 148 941**	**11 023 025 437**

70. Segment information (continued)

Expenditure						
Employee related costs	(982 715 995)	(226 432 667)	(826 188 670)	(708 325 123)	(51 560 827)	(2 795 223 282)
Remuneration of councillors	-	(1 511 315)	(70 373 311)	-	-	(71 884 626)
Inventory consumed	(23 159 525)	(7 899 216)	(17 160 272)	(296 587 572)	(1 076 697)	(345 883 282)
Depreciation and amortisation	(105 507 536)	(546 285 783)	(175 595 679)	(801 070 079)	-	(1 628 459 077)
Finance costs	(750 559)	(2 448 156)	(910 744)	(40 135 774)	(222 981)	(44 468 214)
Debt Impairment	(141 746 292)	-	(559 474 344)	(1 286 375 091)	-	(1 987 595 727)
Bulk purchases	-	-	-	(2 631 543 066)	-	(2 631 543 066)
Repairs and maintenance	(19 036 682)	(58 174 779)	(32 921 604)	(267 004 706)	(2 816 536)	(379 954 307)
Contracted services	(141 982 229)	(22 243 611)	(151 831 088)	(181 680 361)	(14 438 262)	(512 175 551)
Grants and subsidies paid	(12 522 017)	-	(21 290 109)	(22 203 999)	(5 764 145)	(61 780 270)
General expenses	(86 978 942)	(24 205 483)	(284 203 266)	(218 143 672)	(27 215 011)	(640 746 374)
Net gain/(loss) on derecognition of assets	(516 995)	27 957 939	(33 758 001)	(4 288 753)	-	(10 605 810)
Inventories losses/write-downs	-	(8 603)	(478 895)	(187 488 053)	-	(187 975 551)
Fair value adjustments	-	-	20 012 000	-	-	20 012 000
Impairment loss	(22 512 971)	74 866 810	(72 703 115)	(707 805 531)	(6 238 998)	(734 393 805)
Share of surpluses or (deficits) from associates	-	-	(1 975 925)	-	-	(1 975 925)
Total segment expenditure	**(1 537 429 743)**	**(786 384 864)**	**(2 228 853 023)**	**(7 352 651 780)**	**(109 333 457)**	**(12 014 652 867)**
Total segmental surplus/(deficit)	**(946 215 813)**	**(520 538 121)**	**1 559 507 172**	**(1 059 196 152)**	**(25 184 516)**	**(991 627 430)**
Total Revenue as per Statement of Financial Performance						11 023 025 437
Total Expenditure as per Statement of Financial Performance						(11 099 713 776)
Other items as per Statement of Financial Performance						(914 939 091)
Economic entity's (deficit) for the period						**(991 627 430)**

The municipality does not disclose segment assets and liabilities as they are not regularly reported on and reviewed by management.

70. Segment information (continued)

Economic entity 2024

	Community and Public Safety	Economic and Environmental Services	Municipal Governance and Administration	Trading Services	Other	Total
Revenue						
Service charges	-	-	434 091	4 167 948 737	-	4 168 382 828
Rental of facilities and equipment	2 674 280	1 805 515	15 778 412	-	2 877 798	23 136 005
Construction contract	91 712 399	-	-	-	-	91 712 399
Agency services	18 764 272	-	-	-	-	18 764 272
Other revenue (exchange)	16 595 372	12 045 017	19 538 440	3 073 109	31 804 833	83 056 771
Interest received	-	1 686 008	322 515 314	(5 690 251)	-	318 511 071
Property rates	-	-	2 105 248 187	-	-	2 105 248 187
Licences and Permits (non-exchange)	13 417 653	-	-	-	267 182	13 684 835
Service charges - Availability charges	-	-	-	37 957 882	-	37 957 882
Interest (non-exchange)	-	-	111 041 689	(1 449)	-	111 040 240
Government grants & subsidies	358 480 348	368 867 377	523 720 163	847 026 411	39 412 815	2 137 507 114
Other revenue (non-exchange)	98 250 726	-	-	-	-	98 250 726
Public contributions and donations	-	-	-	22 409 060	-	22 409 060
Fines	65 437 669	-	-	-	-	65 437 669
Fuel levy	-	-	741 926 000	-	-	741 926 000
Total segment revenue	**665 332 719**	**384 403 917**	**3 840 202 296**	**5 072 723 499**	**74 362 628**	**10 037 025 059**

70. Segment information (continued)

Expenditure						
Employee related costs	(936 706 413)	(240 557 067)	(775 505 019)	(736 831 940)	(50 822 025)	(2 740 422 464)
Remuneration of councillors	-	(1 992 201)	(70 899 480)	-	-	(72 891 681)
Inventory consumed	(26 093 939)	(9 793 492)	12 889 283	(306 361 195)	(1 907 698)	(331 267 041)
Depreciation and amortisation	(112 655 579)	(869 752 314)	(7 746 678)	(634 694 165)	-	(1 624 848 736)
Finance costs	(967 504)	(3 386 134)	(975 723)	(40 593 584)	(287 680)	(46 210 625)
Debt Impairment	(108 733 199)	-	(358 129 320)	(824 591 936)	-	(1 291 454 455)
Bulk purchases	-	-	21 573 308	(2 273 928 751)	-	(2 252 355 443)
Repairs and maintenance	(21 719 243)	(85 876 255)	(60 846 267)	(259 581 904)	(1 906 632)	(429 930 301)
Contracted services	(142 709 057)	(21 010 096)	(130 314 823)	(80 631 048)	(15 766 858)	(390 431 882)
Grants and subsidies paid	(244 588)	-	(37 465 860)	(24 221 798)	(9 384 222)	(71 316 468)
General expenses	(82 904 732)	(24 010 622)	(261 726 541)	(242 376 545)	(21 478 534)	(632 496 974)
Net gain/(loss) on derecognition of assets	-	289 434 005	25 434 425	(613 633 741)	(297 220)	(299 062 531)
Inventories losses/write-downs	-	11 766	(266 513)	(147 964 077)	-	(148 218 824)
Fair value adjustments	-	-	307 489 401	-	-	307 489 401
Share of surpluses or (deficits) from associates	-	-	42 275 674	-	-	42 275 674
Impairment loss	-	-	-	-	(52 608 336)	(52 608 336)
Total segment expenditure	**(1 432 734 254)**	**(966 932 410)**	**(1 294 214 133)**	**(6 185 410 684)**	**(154 459 205)**	**(10 033 750 686)**
Total segmental surplus/(deficit)	**(767 401 535)**	**(582 528 493)**	**2 545 988 163**	**(1 112 687 185)**	**(80 096 577)**	**3 274 373**
Total Revenue as per Statement of Financial Performance						10 037 025 059
Total Expenditure as per Statement of Financial Performance						(9 883 626 070)
Other items as per Statement of Financial Performance						(150 124 616)
Economic entity's surplus for the period						**3 274 373**

70. Segment information (continued)

Controlling entity 2025

	Community and Public Safety	Economic and Environmental Services	Municipal Governance and Administration	Trading Services	Other	Total
Revenue						
Service charges	-	-	389 756	4 993 765 442	-	4 994 155 198
Rental of facilities and equipment	2 618 379	2 785 421	23 258 966	-	2 597 876	31 260 642
Construction contract	70 202 832	-	-	-	-	70 202 832
Agency fees	21 002 430	-	-	-	-	21 002 430
Other revenue (exchange)	10 507 479	8 683 265	34 593 524	2 485 820	32 641 968	88 912 056
Interest received	-	-	95 418 071	232 116 328	-	327 534 399
Property rates	-	-	2 169 014 672	-	-	2 169 014 672
Licences and permits (non-exchange)	15 552 910	-	-	-	874 242	16 427 152
Service charges - Availability charges	-	-	-	54 817 667	-	54 817 667
Interest (non-exchange)	-	-	117 527 205	6 326 999	-	123 854 204
Government grants and subsidies	313 969 333	246 622 678	571 737 573	998 016 385	48 034 856	2 178 380 825
Other revenue (non-exchange)	100 262 447	-	-	-	-	100 262 447
Public contributions and donations	451 013	-	-	5 215 416	-	5 666 429
Fines	56 647 107	-	-	-	-	56 647 107
Fuel levy	-	-	777 132 000	-	-	777 132 000
Total segment revenue	**591 213 930**	**258 091 364**	**3 789 071 767**	**6 292 744 057**	**84 148 942**	**11 015 270 060**

70. Segment information (continued)

Expenditure						
Employee related cost	(982 715 995)	(199 799 667)	(804 504 241)	(730 009 549)	(51 560 830)	(2 768 590 282)
Remuneration of councillors	-	-	(70 373 311)	-	-	(70 373 311)
Inventory consumed	(23 159 525)	(7 899 216)	(17 160 272)	(296 587 572)	(1 076 697)	(345 883 282)
Depreciation and amortisation	(105 507 536)	(545 660 859)	(175 595 679)	(801 070 080)	-	(1 627 834 154)
Finance cost	(750 559)	(2 428 621)	(910 744)	(40 135 774)	(222 981)	(44 448 679)
Debt impairment	(141 746 292)	-	(428 306 479)	(1 417 542 956)	-	(1 987 595 727)
Bulk purchases	-	-	30 809 388	(2 662 352 454)	-	(2 631 543 066)
Repairs and maintenance	(19 036 682)	(57 618 702)	(32 921 604)	(267 004 704)	(2 816 538)	(379 398 230)
Contracted services	(141 982 229)	(14 073 544)	(151 831 088)	(181 680 361)	(14 438 262)	(504 005 484)
Grants and subsidies paid	(12 522 017)	-	(21 290 109)	(22 203 999)	(45 984 916)	(102 001 041)
General expenses	(86 978 937)	(18 131 857)	(284 203 266)	(218 143 672)	(27 215 017)	(634 672 749)
Gain/(loss) on disposal of assets	(516 995)	27 957 939	(33 758 001)	(4 288 752)	-	(10 605 809)
Fair value adjustments	-	-	20 012 000	-	-	20 012 000
Share of surplus of associate	-	-	(1 975 925)	-	-	(1 975 925)
Inventories losses/write-downs	-	-	(478 895)	(187 488 052)	-	(187 966 947)
Impairment loss	(22 512 969)	74 866 810	(72 703 115)	(707 805 531)	(6 239 000)	(734 393 805)
Total segment expenditure	**(1 537 429 736)**	**(742 787 717)**	**(2 045 191 341)**	**(7 536 313 456)**	**(149 554 241)**	**(12 011 276 491)**
Total segmental surplus/(deficit)	**(946 215 806)**	**(484 696 353)**	**1 743 880 426**	**(1 243 569 399)**	**(65 405 299)**	**(996 006 431)**
Total Revenue as per Statement of Financial Performance						11 015 270 060
Total Expenditure as per Statement of Financial Performance						(11 096 346 003)
Other items as per Statement of Financial Performance						(914 930 488)
Controlling entity's (deficit) for the period						**(996 006 431)**

The municipality does not disclose segment assets and liabilities as they are not regularly reported on and reviewed by management.

70. Segment information (continued)

Controlling entity 2024

	Community and Public Safety	Economic and Environmental Services	Municipal Governance and Administration	Trading Services	Other	Total
Revenue						
Service charges	-	-	434 092	4 167 948 736	-	4 168 382 828
Rental of facilities and equipment	2 674 280	1 805 515	15 778 412	-	2 877 798	23 136 005
Construction contract	91 712 399	-	-	-	-	91 712 399
Agency services	18 764 272	-	-	-	-	18 764 272
Other revenue (exchange)	16 595 372	12 044 717	19 538 440	3 073 109	31 804 833	83 056 471
Interest received	-	-	322 515 314	(5 690 251)	-	316 825 063
Property rates	-	-	2 105 248 187	-	-	2 105 248 187
Licences and Permits (non-exchange)	13 417 653	-	-	-	267 182	13 684 835
Service charges - Availability charges	-	-	-	37 957 882	-	37 957 882
Interest (non-exchange)	-	-	111 041 689	(1 449)	-	111 040 240
Government grants & subsidies	358 480 348	353 650 307	523 720 162	847 026 411	39 412 816	2 122 290 044
Other revenue (non-exchange)	98 250 726	-	-	-	-	98 250 726
Public contributions and donations	-	-	-	22 409 060	-	22 409 060
Fines	65 437 669	-	-	-	-	65 437 669
Fuel levy	-	-	741 926 000	-	-	741 926 000
Total segment revenue	**665 332 719**	**367 500 539**	**3 840 202 296**	**5 072 723 498**	**74 362 629**	**10 020 121 681**

70. Segment information (continued)

Expenditure						
Employee related costs	(936 706 413)	(196 836 311)	(775 505 019)	(736 831 940)	(50 822 022)	(2 696 701 705)
Remuneration of councillors	-	-	(70 899 480)	-	-	(70 899 480)
Inventory consumed	(26 093 939)	(9 760 722)	12 889 283	(306 361 195)	(1 907 701)	(331 234 274)
Depreciation and amortisation	(112 655 579)	(868 668 885)	(7 746 678)	(634 694 166)	-	(1 623 765 308)
Finance costs	(967 504)	(3 359 021)	(975 723)	(40 593 584)	(287 680)	(46 183 512)
Debt Impairment	(108 733 199)	-	(258 985 427)	(923 735 829)	-	(1 291 454 455)
Bulk purchases	-	-	21 573 308	(2 273 928 751)	-	(2 252 355 443)
Repairs and maintenance	(21 719 243)	(85 857 116)	(60 846 267)	(259 581 904)	(1 906 631)	(429 911 161)
Contracted services	(142 709 057)	(12 327 329)	(130 314 823)	(80 631 048)	(15 766 858)	(381 749 115)
Grants and subsidies paid	(244 588)	-	(37 465 860)	(24 221 798)	(69 598 719)	(131 530 965)
General expenses	(82 904 732)	(15 889 289)	(261 726 541)	(242 376 545)	(22 261 321)	(625 158 428)
Net gain/(loss) on derecognition of assets	-	289 432 711	25 434 425	(613 633 741)	(297 219)	(299 063 824)
Fair value adjustments	-	-	307 489 401	-	-	307 489 401
Impairment loss	-	-	-	-	(52 608 336)	(52 608 336)
Share of surpluses or (deficits) from associates	-	-	42 275 674	-	-	42 275 674
Inventories losses/write-downs	-	-	(266 513)	(147 964 077)	-	(148 230 590)
Total segment expenditure	**(1 432 734 254)**	**(903 265 962)**	**(1 195 070 240)**	**(6 284 554 578)**	**(215 456 487)**	**(10 031 081 521)**
Total segmental surplus/(deficit)	**(767 401 535)**	**(535 765 423)**	**2 645 132 056**	**(1 211 831 080)**	**(141 093 858)**	**(10 959 840)**
Total Revenue as per Statement of Financial Performance						10 020 121 681
Total Expenditure as per Statement of Financial Performance						(9 880 943 845)
Other items as per Statement of Financial Performance						(150 137 676)
Controlling entity's (deficit) for the period						**(10 959 840)**

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

70. Segment information (continued)

Information about geographical areas

The municipality's operations are in the Eastern Cape Province.

The reason for non-disclosure of geographical areas is because it is considered to be irrelevant for decision making purposes. The municipality's geographical areas of operation are considered as a single geographical area for decision making purposes.

71. Accounting by principals and agents

The municipality is party to principal-agent arrangements.

Details of the arrangements are as follows:

Department of Transport

BCMM entered in an agreement with the Department of Transport to collect licence and permit fees and in return BCMM pays these over to the Department of Transport with a 19% retention for BCMM.

The amount retained by BCMM ensures increased revenue collection and is redirected to service delivery.

There are private companies other than BCMM that also offer roadworthy testing of vehicles.
Vehicle licences can be renewed at the Post Office, Provincial Department of Transport and certain Banks offer the same services.

Government Technical Advisory Centre

BCMM has requested GTAC support services to assist with a series of projects detailed in the Memorandum of agreement over a period of five (5) years. GTAC will assist with project preparation and packaging for funding basis through appointing transactional advisors. The Cost of each project is entailed in the MOA and shall be paid in the new year. In this arrangement, GTAC is an agent of the municipality and the municipality is a Principal.

Housing Development Agency (HDA)

BCMM has entered into an agreement with Housing Development Agency as an agent to the construction of certain RDP projects as listed in the agreement. BCMM pays HDA on invoices received for such projects. Total amount paid to HDA during the 2025 financial year amounted to R86 495 152

Municipality as agent

Resources held on behalf of the principals, but recognised in the entity's own financial statements

No resources are held on behalf of the principals.

Revenue recognised

The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principal is R21 002 430 (2024: R18 764 272).

Corresponding rights of reimbursement recognised as assets

Corresponding rights of reimbursement that have been recognised as assets are R385 609 180 (2024: R365 089 017) Refer to note 10, Accrued income.

Municipality as principal

Resources (including assets and liabilities) of the entity under the custodianship of the agent

BCMM received funding through National Treasury GBS funding for the Duncan Village Waste Buy Back Centre. BCMM entered into an agreement with BCMDA to implement the project and on completion, the asset is transferred to BCMM. In this agreement, no project management fees are charged to BCMM. Refer to note 49 Grant and subsidies paid and note 58 Related parties, for further details.

		Economic entity		Controlling entity	
Figures in Rand		2025	2024 *Restated	2025	2024 *Restated

71. Accounting by principals and agents (continued)

BCMDA is a development agency of the BCMM and has a responsibility to ensure economic development is achieved through its existence to expedite development of the City and participate in job creation through its mandate areas as approved by Council. Through the signed Service Delivery Agreement (SDA), the Agency was allocated recreational projects to implement on behalf of the City. In this arrangement, the BCMDA appointed contractors to commence with the construction at both Water World and Court Crescent. The City retains control of the assets are thus not recorded in BCMDA's accounting records rather the City. Invoices received from the contractors are recorded as expenditure in the Statement of Financial Performance and as liabilities in the statement of Financial Position. Refer to note 49, Grant and subsidies paid and note 58 Related parties for further details.

72. Cash flows from operating activities

Sale of goods and services					
Total revenue from Statement of Financial Performance		11 023 025 437	10 037 025 059	11 015 270 060	10 020 121 681
Less: Interest received (exchange)	31	(330 251 231)	(318 511 071)	(327 534 397)	(316 825 063)
Less: Interest received (non-exchange)	35	(123 854 204)	(111 040 240)	(123 854 204)	(111 040 240)
Add: Non cash interest on receivables		99 466 735	72 708 760	99 466 735	72 708 760
Less: Government grants and subsidies	36	(2 183 419 288)	(2 137 507 114)	(2 178 380 824)	(2 122 290 044)
Movement in receivables from exchange transactions	53	(1 516 732 784)	(831 971 782)	(1 517 703 402)	(825 510 106)
Movement in receivables from non-exchange transactions	53	(713 953 975)	(852 591 594)	(713 666 001)	(852 591 594)
		6 254 280 690	**5 858 112 018**	**6 253 597 967**	**5 864 573 394**
Government grants and subsidies					
Government grants and subsidies	36	2 183 419 288	2 137 507 114	2 178 380 824	2 122 290 044
Movement in unspent conditional grant	53	137 849 759	8 326 318	142 487 390	4 766 362
		2 321 269 047	**2 145 833 432**	**2 320 868 214**	**2 127 056 406**
Employee costs & Councillors remuneration					
Employee related costs	38	(2 795 223 282)	(2 740 422 464)	(2 768 590 282)	(2 696 701 705)
Councillors remuneration	39	(71 884 626)	(72 891 681)	(70 373 311)	(70 899 480)
Movement in post-retirement medical aid benefit obligation	53	90 402 000	62 542 000	90 402 000	62 542 000
Movement in bonus provision	20	(1 367 571)	6 550 738	(1 367 571)	6 466 054
		(2 778 073 479)	**(2 744 221 407)**	**(2 749 929 164)**	**(2 698 593 131)**
Suppliers and other payments					
Total expenditure as per the Statement of Financial Performance		(11 099 713 776)	(9 883 626 070)	(11 096 346 003)	(9 880 943 845)
Less: Employee related costs	38	2 795 223 282	2 740 422 464	2 768 590 282	2 696 701 705
Less: Councillors remuneration	39	71 884 626	72 891 681	70 373 311	70 899 480
Less: Finance costs	43	9 577 431	12 107 483	9 577 431	12 107 483
Less: Depreciation and amortisation	41	1 628 459 077	1 624 848 736	1 627 834 153	1 623 765 308
Less: Debt Impairment	45	1 987 595 727	1 291 454 455	1 987 595 727	1 291 454 455
Less: Finance costs - Finance leases		19 535	27 113	-	-
Movement in provisions relating to landfill sites	20	53 817 185	6 828 256	53 817 185	6 828 256
Movement in trade payables from exchange transactions	53	(144 961 982)	(72 884 148)	(140 191 699)	(77 017 937)
Movement in inventory	53	(182 796 080)	(166 770 823)	(182 796 079)	(166 770 824)
Movements in operating lease liability		(86 676)	63 342	-	-
Movement in other liabilities	53	19 999 104	18 786 613	19 999 104	18 786 612
Movement in consumer deposits	53	2 836 760	3 521 156	2 836 760	3 521 156
Non-cash adjustments	53	(93 558 254)	(66 990 684)	(93 558 311)	(68 282 726)
		(4 951 704 041)	**(4 419 320 426)**	**(4 972 268 139)**	**(4 468 950 877)**

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

73. Retirement contribution information

The employees of the Council as well as the Council as employer, contribute to Municipal Pension, Retirement and various Provident Funds as listed below:

- LA Retirement Fund
- Cape/Consolidated Retirement Fund
- Eastern Cape Local Authorities Provident Fund
- Government Employees Pension Fund
- Municipal Worker's Retirement Fund
- SALA Pension Fund
- Municipal Employees Pension Fund
- Municipal Councillors Pension Fund
- National Fund for Municipal Workers
- Aftredevoorsieningfonds vir Kaapse Plaaslike Owerhede
- East London Municipal A Band Provident Fund

The LA Retirement Fund's last actuarial valuation was at 30 June 2024 conducted by S. Neethling from Momentum Consultants and Actuaries. The fund was in a sound financial condition with a funding level of 106.1%.

The Consolidated Retirement Fund's last actuarial valuation was at 30 June 2024 conducted by S. Neethling from Momentum Consultants and Actuaries who certified that the fund was in a sound financial position.

The Eastern Cape Local Authorities Provident Fund's last valuation was at 30 June 2024 conducted by E. Du Toit from Alexander Forbes Financial Services, who confirmed that the fund was in a sound financial position. The funding level was at 100.8% at valuation date.

The Government Employees Pension Fund's last valuation was at 31 March 2024 conducted by AR. Pienaar of Alexander Forbes Financial Services who confirmed that the fund was in a sound financial condition.

Municipal Worker's Retirement Fund (previously known as SAMWU National Provident Fund) last actuarial valuation was at 30 June 2020 conducted by E.J. Potgieter and G. Base from Towers Watson (Pty) Ltd. The report stated that the fund was in a sound financial position as at 30 June 2020.

The SALA Pension Fund's last valuation was at 01 July 2021 conducted by J.F. Rosslee of ARGEN Actuarial Solutions. The fund was 85.5% funded as at the current valuation date. The valuator was satisfied with the investment strategy of the fund and the nature of the assets is in his opinion, suitable for the nature of the liabilities of the fund as defined in the rules of the fund.

The Municipal Employees Pension Fund's last interim valuation was at 29 February 2020 prepared by Itakane Consultants and Actuaries (Pty) Ltd. The report stated that the fund was financially sound for the purposes of the Pension Fund Act of 1956

The Municipal Councillors Pension Fund's last valuation was at 30 June 2021 prepared by Mothapo R. and Barnard G.M. from Moruba Consultants and Actuaries. The report stated that the funding level was at 100% at the time of valuation.

The National Fund for Municipal Worker's last Actuarial Valuation was at 30 June 2023 and prepared by G. Grobler from Alexander Forbes Financial Services who confirmed that the fund continues to be able to meet its liabilities. The funding level was 100%

The East London Municipal A Band and the Aftredevoorsieningsfonds vir Kaapse Plaaslike Owerhede are fixed/defined contributions funds. It is therefore not necessary to perform an actuarial valuation for these funds.

It is Council's policy to fund 60% of Pensioner's medical aid expenses. The current costs amount to approximately R26,1 million.

An amount of R468.2 million (2024: R439.8 million) was contributed by Council, Councillors' and employees' in respect of Councillor and employee retirement funding. These contributions have been expensed.

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

74. Bids awarded to family of employees in service of the State

In terms of section 45 of the Municipal SCM regulation, any award above R2 000 to family of an employee in the service of the State must be disclosed in the annual financial statements. The following is a list as recorded in the declaration-of-interest form:

Connected person	Position held	Institution	2025	2024
N. Tyobosini	Security guard	BCMM	1 097 745	204 002
L. Boya	Communications Officer	BCMM	59 340	-
M. Mqikela	Skills development	BCMM	3 047 029	733 175
S. Mxesibe	Geomatics Technician	BCMM	1 838 563	1 075 883
C.F. Stoffels	Informal contract	BCMM	-	1 362 414
H.C. Prince	Administrative officer	BCMM	25 542	513 515
Z. Gqokoza	Equipment operator	BCMM	295 309	109 881
S. Sopazi	Staff accounts	BCMM	53 284	65 450
Z. Mkwanti	Artisan Assistant	BCMM	95 220	-
S. Xoki	Chief risk officer	BCMM	7 568 129	547 255
N. Pepani	Admin technician	BCMM	714 210	73 421
A. Fredericks	Senior meter reader	BCMM	-	238 511
Z. Ndzondo	Bid Secretariat	BCMM	5 507 382	191 130
A. Ceba	BCX Director	Transnet Group	26 040 791	32 374 239
M. Hadebe	Town planner	Ekurhuleni Municipality	608 615	-
L. Mbekeni	Employee	Government employee	13 305 906	2 226 609
K. Rantjie	Employee	Department of Transport	204 309	-
K. Farr	Teacher	EC Department of Education	4 242 302	3 960 827
M. Nomphelo	Tip attendant	Government employee	-	175 545
L.H. Siphathi	Deputy head Municipal courts	Government employee	-	22 500
D.M. Ntombiyakhe	General worker	Government employee	-	2 325
D.E. Nomase	Admin assistant	Government employee	-	4 965
M.M. Nonceba	HOD Development & Spatial Planning	Government employee	375 400	27 800
S. Felicia	General worker	Government employee	474 740	301 507
S.T. Luthando	Libraries	BCMM	-	274 479
J.S.P. Matsebula	Director	Technology Innovation Agency	817 260	925 939
K.P. Mfene	Admin clerk	SAPS	101 420	103 200
H. Nazir	Teacher	EC Education	1 035 167	1 304 626
N. Ndzondo	Bid Secretariat	BCMM	371 930	-
I.Z. Ratombo	IT service desk assistant	South African Post Office	9 250	-
L.G. Gcanga	Employee	National Health Laboratory Service	23 098	-
S. Buntu	Admin assistant	Transnet Property	13 200	-
V. Sisulu	Employee	Housing Development Agency	187 453	-
V. Zitumane	BCMDA Board member	BCMDA	3 636 345	3 103 793
			71 748 939	**49 922 991**

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 *Restated	2025	2024 *Restated

75. Change in estimate

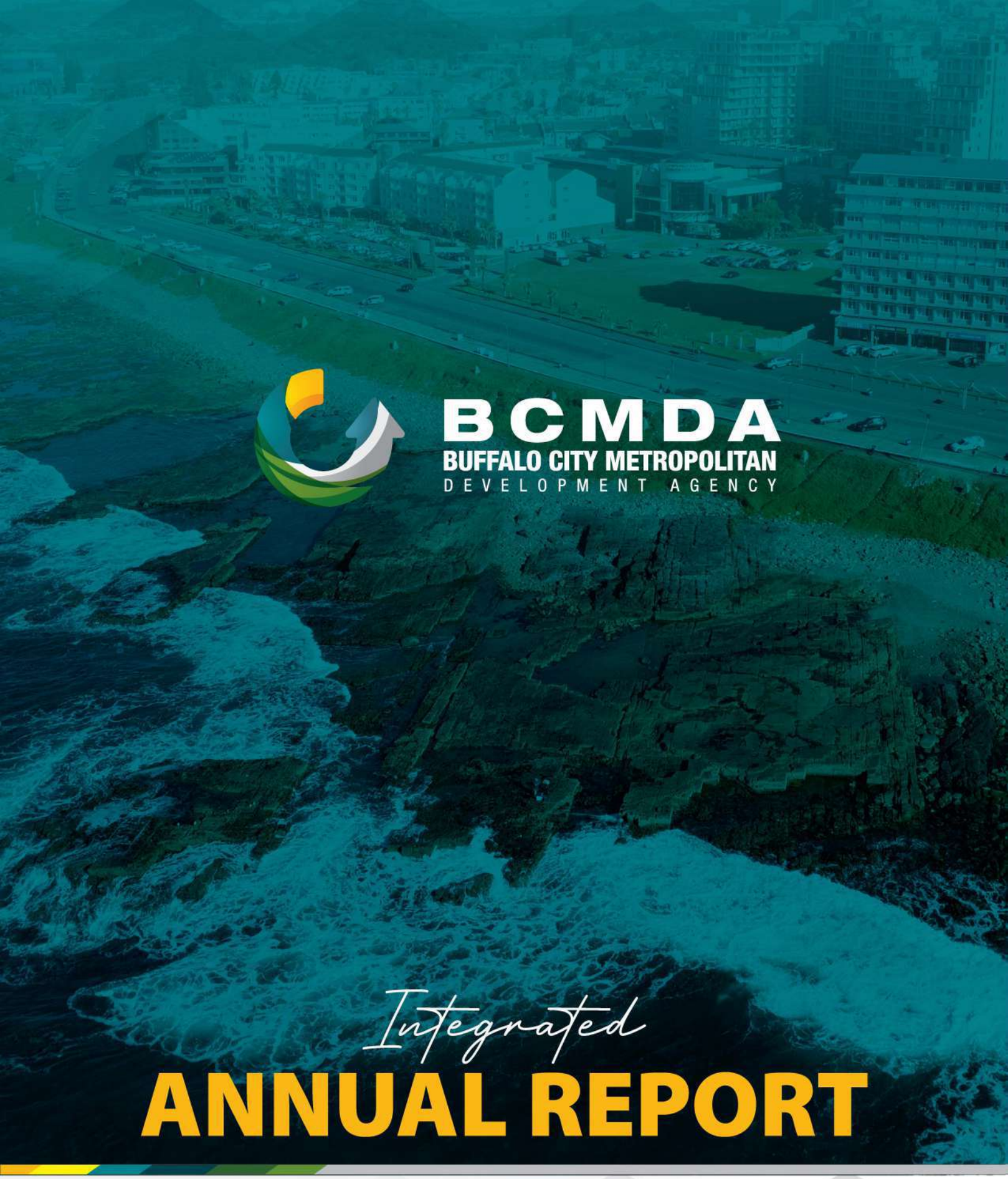
Property, plant and equipment

During the 2024/25 financial year, the Municipality performed a condition assessment of certain infrastructure assets (incl roads, stormwater and water networks etc). The assessment revealed that the physical condition of these assets' service life has decreased faster or at a slower rate than anticipated. Consequently, the remaining useful lives were revised.

Asset class

Asset class	Previous RUL (Years)	Revised RUL (Years)	Impact on 2025 Depreciation	Expected annual change in future depreciation
Plant and equipment	4	7	2 074 250	2 074 250
Furniture and fixtures	4	5	1 731 334	1 731 334
Motor vehicles	7	7	1 796 892	1 796 892
Electricity infrastructure	17	27	(2 970 858)	(2 970 858)
Recreational facilities	11	16	1 586 710	1 586 710
Roads infrastructure	13	25	226 311 660	226 311 660
Wastewater network	20	28	4 198 025	4 198 025
Water network	21	23	(30 941 314)	(30 941 314)
Community buildings	11	16	8 233 310	8 233 310
Other property (halls, social housing)	19	24	6 022 519	6 022 519
			218 042 528	**218 042 528**

BUFFALO CITY METROPOLITAN DEVELOPMENT AGENCY



BCMDA
BUFFALO CITY METROPOLITAN
DEVELOPMENT AGENCY

Integrated

ANNUAL REPORT

2024 / 25

Disclaimer

- This report excludes the Auditor-General's Audit Report.

TABLE OF CONTENTS

LIST OF ABBREVIATIONS 5
1. MAYORS FOREWORD AND EXECUTIVE SUMMARY 7
2. CHAIRPERSON'S STATEMENT 10
CHIEF EXECUTIVE OFFICERS REPORT 14
3. CHIEF FINANCIAL OFFICERS REPORT 19
4. GOVERNANCE 22
4.1. ABOUT THE REPORT 23

5. COMPONENT A: GOVERNANCE STRUCTURE 25
5.2 BOARD OF DIRECTORS 27
5.3 BOARD SUB-COMMITTEE MEETINGS 29

6. COMPONENT B AND C: INTERGOVERNMENTAL RELATIONS AND STAKEHOLDER MANAGEMENT 32
6.1 The value of engaging 33
6.2. Intergovernmental Relations 33
6.3. Observations and Trends 34

COMPONENT D: CORPORATE GOVERNANCE 37
7. Risk Management 38
7.1 Risk Management Policy and strategy 38
7.2 Risk Assessment and Risk Reporting 38
7.3 Strategic Risks of the Agency 39
7.4 Corporate Ethics and Organisational Integrity 41
7.5 Code of Conduct 41
7.6 Declaration of interest 42
7.7 Compliance with laws and regulations 42
7.8 Anti-corruption and Fraud 42
7.9 Information and Communication Technology (ICT) Governance 43
7. 10 ICT Steering Committees 43
7. 11 Business Continuity/ Disaster Recovery 43

8 COMPONENT E: SERVICE DELIVERY AND PERFORMANCE 45
8.1 Strategy Overview 45
8.1.1 Vision 45
8.1.2 Mission 45
8.1.3 Values 45
8.1.4 Mandate 45
8.1.5 Strategic Goals 46
8.2 The BCMDA Business Model 47
8.3 Economic Information of the Metro 48
8.4 Buffalo City Fresh Produce Market 49

9 COMPONENT F: ORGANISATIONAL DEVELOPMENT PERFORMANCE 83
9.1Human Resources and Organizational Development 83
9.2Human resources profile 83
9.3Learning & Development 83

9.4 Recruitment for 2024/25 83
9.5 Employment Equity 83
9.6 Performance Management 84
9.7 Skills Development and Capacitation 84
9.8 Employee Benefits 86
9.9 HR/Payroll System Procurement 86
9.10 Organizational Structure 87

10 COMPONENT G: FINANCIAL PERFORMANCE 91

11 COMPONENT H: SUPPLY CHAIN MANAGEMENT 93
11.1 Supply chain management 94
11.2 Bid Committees 94
11.3 Expenditure on B-BBEE 95

12 COMPONENT I: STATEMENT BY GOVERNANCE COMMITTEES 97
STATEMENT BY THE BOARD OF DIRECTORS 101

VOLUME II: ANNUAL FINANCIAL STATEMENTS 106
AUDITED ANNUAL FINANCIAL STATEMENTS 107
AUDITORS REPORT 109
ANNEXURE TO THE AUDITOR'S REPORT 111

LIST OF TABLES

Table 1: BCMM MGDS2030 Pillars....10
Table 2: Long-Term Performance Trend (2018/19 → 2024/25)....11
Table 3: Board Committees' Performance Summary (2024/25)....12
Table 4.1 Internal And External Materiality....23
Table 5.1: Board of Directors....28
Table 5.2: Board meetings....29
Table 5.3: Board meetings and schedule and attendance....30
Table 5.4: Organisational committee meetings....30
Table 5.5: Project Development Committee meetings....30
Table 5.6: Incoming Risk Committee meetings....30
Table 6.1: List of key stakeholder engagements for 2024/25....35
Table 7.1: Strategic Risk of the agency....39
Table 7.2: Strategic Risk register....40
Table 7.3: Financial Disclosures For Senior Management....42
Table 8: Revenue contribution to the municipal revenue....50
Table 8.1: Turnover and Tonnage of wholesalers accommodated inside the premises....53
Table 8.2: Project Expenditure....57
TABLE 8.3: Rural livelihood programme....58
Table 8.4: Annual targets for Investment Promotion and Socio-Economic Development Units....60
Table 8.5: Annual targets for Property Management and Development Unit....67
Table 9: BCMDA staff profile....83
Table 9.1: Recruitment for 2024/25....83
Table 9.2: Training/ courses and workshops....85
Table 9.3: Cost of employees....86
Table 10: Bid Committees are constituted as follows:....95
Table 11: Audit and Risk Committee meetings....98
Table 12: Number of Board and sub-committee meetings....103
Table 13: New Board Remuneration (2024)....103
Table 14: Board Remuneration (2025)....104

LIST OF FIGURES

Figure 1.1: Financial Performance....19
Figure 7.1: business unit risk perceived control effectiveness mitigation achieved....40
Figure 8.: BCMDA Business Model....48
Figure 8.1: Comparison of market annual tonnage between 2023/24 & 2024/25....50
Figure 8.2: Comparison of monthly turnover performance over three financial years....51
Figure 8.3: Annual Sales section commodity performance 2024/2025....51
Figure 8.4: Market Agents best performers / sellers in 2024/2025....52
Figure 8.4: Achievements in outcomes for 2024/2025....59
Figure 8.4: Overall annual performance trend....79
Figure 9: Employment Equity....84
Figure 9.1: BCMDA organisational structure....87

LIST OF GRAPHS

Graph 1.1: Organizational Performance....14
Graph 1.2: Overall Performance....15
Graph 1.3: Five-Year Organisational Performance 2019/20 – 2024/25....15
Graph 8.1: Category of market buyers in TURNOVER and TONNAGE (2024/25)....53
Graph 8.2: Foodie Basket performance report 2024/25....55
Graph 8.3: Luziko Fresh Produce Supplies report 2024/2025....55

LIST OF ABBREVIATIONS

ABBREVIATION	MEANING
BCMA / BCMDA	Buffalo City Metropolitan Development Agency, commonly referred to as BC Metro Development Agency.
MFMA	Municipal Finance Management Act
MSCOA	Municipal Standard Chart of Accounts
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
SCOPA	Standing Committee on Public Accounts
JEC	Johannesburg Stock Exchange if referenced in investment benchmarking or governance alignment discussions.
DPME	Department of Planning, Monitoring and Evaluation
DCOGTA	Department of Cooperative Governance and Traditional Affairs
PT	Provincial Treasury
NT /	National Treasury
IDP	Integrated Development Plan
APP	Annual Performance Plan
SDBIP	Service Delivery and Budget Implementation Plan
SOPs	Standard Operating Procedures
IR	Intergovernmental Relations
ARA	Annual Report Assessment
BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
CSD / CSD-SA	Central Supplier Database
EPWP	Expanded Public Works Programme
BBBEE	Broad-Based Black Economic Empowerment
HRD	Human Resource Development
ERM	Enterprise Risk Management
KPI	Key Performance Indicator
KPA	Key Performance Area
SLA	Service Level Agreement
ICT	Information and Communications Technology
CFO	Chief Financial Officer
CEO	Chief Executive Officer
EXCO	Executive Committee of Council referring to the Municipality's political executive structure.
GRAP	Generally Recognised Accounting Practice
IFAC	International Federation of Accountants
IPSAS	International Public Sector Accounting Standards used for best-practice benchmarking, as Circular 63 encourages alignment to recognised standards.



1. MAYORS FOREWORD AND EXECUTIVE SUMMARY



Ms. P Faku

BUFFALO CITY METROPOLITAN MUNICIPALITY MAYOR

MAYOR'S FOREWORD – 2024/25 FINANCIAL YEAR

On 1 November 2021 the citizens of Buffalo City Metropolitan Municipality (BCMM), from every walk of life, came forward to cast their votes and entrust this Council with their mandate. We honour and value those citizens who continue to nurture South Africa's democratic journey. Our commitment to the residents of this Metro remains resolute, and we continue to uphold the service-delivery promises made during the sixth municipal elections since the dawn of democracy.

We cherish the trust placed in this Council and recognise that only through collective endeavour, shared responsibility, and mutual accountability can we sustain the social contract born in 2021. We affirm our pledge: "the center will hold—responsive, committed, and accountable to the people of this Metro."

Social Compact & Accountability

The transformation envisioned for a democratic South Africa has always encompassed more than political freedom. It has sought economic opportunity, dignity, and meaningful participation. That remains our social compact with citizens. Transparency, accountability, and public participation are non-negotiable in honouring this commitment. As required by the legislative framework governing municipalities, we uphold the obligation to inform and account to our community. In fulfilment of these obligations, it is my honour to present the 2024/25 Integrated Annual Report of the Buffalo City Metropolitan Development Agency (BCMDA) to residents, stakeholders, and the public at large.

BCMDA Mandate

BCMDA is entrusted with the vital purpose of driving sustainable economic growth through property development, tourism and socio-economic projects, and commercialising strategic municipal assets. The aim is to strengthen the Metro's capacity for service delivery, unlock investment, and improve livelihoods across our communities.

Alignment With BCMM

The Agency's mandate is deeply aligned with the strategic objectives of the Metro Growth Strategy (MGDS). Through catalytic projects, BCMDA strives to deliver inclusive economic growth, improve living standards, strengthen infrastructure and connectivity, and foster environmental sustainability. During 2024/25, the Agency made measurable progress towards these goals:

- Improved material conditions for residents through inclusive economic initiatives
- Upgraded infrastructure and connectivity to support social and economic exchanges
- Advanced urban regeneration, green-space upgrades, and environmental sustainability programmes
- Continued work on infrastructure and property projects to support investment and quality living environments

Governance & Comparative Performance and AGSA Report

Governance remains a central pillar in BCMDA's operations. During the year under review, a revitalised Board of Directors and a fully

functional Audit and Risk Committee provided strengthened oversight, leadership, and strategic direction.

In the 2024/25 financial year, BCMDA achieved **60.7%** organizational performance against its 28 adjusted targets. In the prior year, the Agency achieved **63%**, reflecting a **2.3%** marginal decline. This comparison shows sustained momentum despite notable execution constraints, particularly in property and infrastructure project packaging, human capital capacity, and contract management. The current year did, however, demonstrate stronger outcomes in tourism route support, socio-economic project implementation, financial ratio health, and BBBEE procurement compliance.

The audit outcome for the 2024/25 financial year remains unchanged, recorded as Unqualified, with one noncompliance related to laws and regulations, and a material adjustment on the Annual Financial Statements. Notably, there has been a marked improvement in the audit of predetermined objectives, where no material findings or adjustments were issued on performance outcomes. This progress reflects strengthened performance reporting credibility and represents a meaningful advancement toward achieving a clean audit opinion.

Financial Stewardship & Shareholder Value

As the sole shareholder, BCMM expects that BCMDA's work delivers real value to the Metro and its citizens. The 2024/25 audited financial statements reveal a net surplus of R4million, underpinned by prudent cost management and strategic investment in priority projects. While challenges remain in some service-delivery obligations, the Agency continues to deliver tangible value and build a foundation for long-term financial sustainability.

Strategic Project Highlights

Over the reporting period, BCMDA contributed significantly to several priority MGDS projects, including:

- Inner-city regeneration through public-art installations, cleaning and greening programmes, and the Sleeper Site project, creating employment opportunities and revitalizing urban identity
- Initial phases of the Water-World precinct development in the West Bank area
- Investment planning for the municipal racetrack facility to attract credible private sector participation
- Preparations for the commercialisation of the East London Port to support maritime infrastructure and trade
- Urban upgrades along corridors such as Bisho–Qonce and Berlin–Ntabozuko green hub, enhancing town centres and environmental infrastructure
- Completion and opening of the refurbished Baby-Lee Jegels Park (formerly Court Crescent), delivering a new public recreational facility

These undertakings underscore BCMDA's capacity to deliver visible, community-impacting results in line with strategic intent.

Looking Ahead

As we enter the next financial year, it is imperative that BCMDA preserves strategic focus, clarity of mandate and disciplined execution. Accordingly, we will initiate a review of the Service Delivery Agreement with the Board to sharpen operational parameters, strengthen accountability, and ensure prioritisation of projects that deliver maximum value for our citizens.

In closing, I extend gratitude to the Board, executive leadership, and staff of BCMDA for their dedication and resilience. I further thank our public, private, and community partners for their collaboration. Above all, I thank the citizens of Buffalo City for their trust — your confidence empowers our purpose. It is with confidence and optimism that I present the 2024/25 Integrated Annual Report.

Yours sincerely.

MS. P. FAKU
HONORABLE EXECUTIVE MAYOR
BUFFALO CITY METROPOLITAN MUNICIPALITY


HOTEL OSNER

2. CHAIRPERSON'S STATEMENT



Mr. M. Dilima

CHAIR OF THE BOARD

I am honoured to present the 2024/25 Buffalo City Metro Development Agency Integrated Annual Report on behalf of the Board of Directors. The Board served its first full year as an officially confirmed structure, having taken office in September 2022 as an interim governance arrangement and formally confirmed in August 2023. The year under review marks the Agency's 7th year of operation, following Council approval of its mandate in December 2015.

Guided by the Municipal Systems Act 32 of 2000, the Municipal Structures Act 1998, Municipal Financial Management Act 1998, and the governance principles articulated in the King IV Report on Corporate Governance, the Board ensured that oversight systems, governance committees, controls, technology safeguards, compliance obligations, ethical culture, delegation mechanisms, performance evaluation, and stakeholder inclusion are embedded in the Agency's operating model.

Policy Development And Board Oversight

During 2024/25, the Board strengthened the governance foundation of the Agency through targeted policy direction and oversight. A total of **12 sitting engagements** were held, including quarterly governance reviews, a policy review session, and strategy reaffirmations. The board's focus remained on ensuring regulatory compliance, strengthening internal controls, and enabling a sound policy environment for operational delivery.

Strategic Positioning

At the core of the Board's work is the deliberate pursuit of **a fair and equitable society** driven by economic improvement across Buffalo City. Shareholder value creation is affirmed through disciplined strategy execution, accountability, and governance stewardship. The 2024/25 financial year confirms a well-aligned strategic positioning between BCMM and the Agency.

The Board's mandate directly supports the **Buffalo City Metropolitan Growth and Development Strategy (MGDS 2030)**, anchored on five strategic pillars that guide both BCMM and BCMDA outcomes:

Table 1: BCMM MGDS2030 Pillars

BCMM MGDS2030 Pillars	BCMM Outcomes	BCMDA Outcomes
Strategic Pillar 1 - Inclusive and sustainable economic growth	Strategic Outcome 1 - Innovative & Productive City	Outcome 1 - Dynamic tourism attraction
Strategic Pillar 2 - Globally connected city	Strategic Outcome 3 - Connected City	Outcome 2 - A supportive environment for global investment
Strategic Pillar 3 - Clean and environmentally sustainable city	Strategic Outcome 2 - A Green City	Outcome 4 - Socio-economic programmes
Strategic Pillar - Spatially transformed city	Strategic Outcome 4 - Spatial transformation	Outcome 3 - Robust property market and tourism economy

BCMM MGDS2030 Pillars	BCMM Outcomes	BCMDA Outcomes
Strategic Pillar 5 • Well-governed city	Strategic Outcome 5 - A well-governed City	Outcome 5 - Sustainable, compliant and capable Agency

The 2024/25 year confirms a **consistent, strategic alignment between BCMM and the Agency**, reinforced through structured board engagements with management systems, financial ratios, and audit oversight. *Trend confirmation:* BCMDA delivered an overall organizational annual performance result of **60.7% in 2024/25**, maintaining positive momentum from the **51% low point in 2022/23**, and holding an upward long-term trend.

Table 2: Long-Term Performance Trend (2018/19 → 2024/25)

Financial Year	Performance %
2018/19	88%
2019/20	58%
2020/21	73%
2021/22	68%
2022/23	51%
2023/24	63%
2024/25	60.70%

Overall, annual organizational performance achieved 60.7%.

Board Functionality and Oversight

In 2024/25, the Board consolidated effectiveness originally initiated in prior periods by ensuring:

- 4 quarterly oversight board meetings held
- 3 special governance engagements within the year
- Full committee system functionality maintained, despite capacity and vacancy challenges
- Engagement with Auditor-General on audit outcomes
- Approval of the 2024/25 budget and Adjusted Annual Performance Plan
- Creditor payments maintained within 30-day compliance threshold
- Financial ratios achieved beyond required thresholds (Quick Ratio 3.03:1)
- Quick Ratio achieved at 3.03:1 against 2:1 requirement, reflecting strong liquidity.
- Total Audit findings resolved, or in-progress stood at 82% (50% resolved, 32% in progress).
- BBBEE Level One procurement achieved 93%, exceeding the 75% target set.

2024/25 global investment KPIs recorded **50% achievement rate** (1 achieved, 1 not achieved), while **Inclusive economy results stood at 100% achievement**.

2024/25 KPI Achievement Overview Breakdown per outcome in 2024-25:

- Outcome 1: Dynamic Tourist Destination → 67%
- Outcome 2: City for Global Investment → 50%
- Outcome 3: Vibrant Local Spaces → 0%
- Outcome 4: Inclusive & Resilient Economy → 100%
- Outcome 5: Efficient & Sustainable Agency → 72%

Table 3: Board Committees' Performance Summary (2024/25)

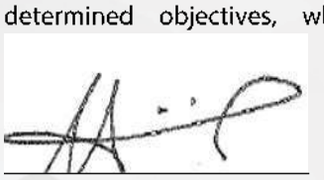
Committee	Number of sittings	Notes
Board	12	Quarterly, Special policy, Strategy sessions
Governance Committee	1	Functions merged with Board sessions
Organizational Committee	4	Discharged specialised oversight
Project Development & Investment	4	Quarterly average sitting
Audit & Risk Committee	4 (incl 1 special)	Shared committee with BCMM

All committees maintained operational governance roles, ensuring shareholder assurance and internal systems strengthening through transitions.

Organisational Performance and Audit Outcomes

The Agency recorded **60.7% performance in 2024-25**, reflecting marginal decline from **63% in 2023/24 (2.3% variance)**, but showing depth challenges specifically in capital project execution under Outcome 3. The Board remains committed to enabling policy instruments that unlock project delivery capacity and investment facilitation in future cycles.

The audit outcome for the 2024/25 financial year remains unchanged, recorded as Unqualified, with one noncompliance related to laws and regulations, and a material adjustment on the Annual Financial Statements. Notably, there has been a marked improvement in the audit of predetermined objectives, where no material findings or adjustments were issued on performance outcomes. This progress reflects strengthened performance reporting credibility and represents a meaningful advancement toward achieving a clean audit opinion.



MR. M DILIMA
CHAIR OF THE BOARD
Buffalo City Metro Development Agency

Critical Pending Matters (2024/25)

As the Agency concludes the 2024/25 financial year, the Board acknowledges transitions impacting capacity while remaining committed to governance strengthening. Critical pending matters for immediate prioritization include the formalisation and ratification of newly reviewed governance policies, organizational capability rebuilding through targeted recruitment, the holding of the Annual General Meeting to approve outstanding Integrated Annual Reports, and the signing and updating of the Memorandum of Incorporation and Service Level Agreement with BCMM.



CHIEF EXECUTIVE OFFICER'S REPORT



Mr. A Gqoboka.

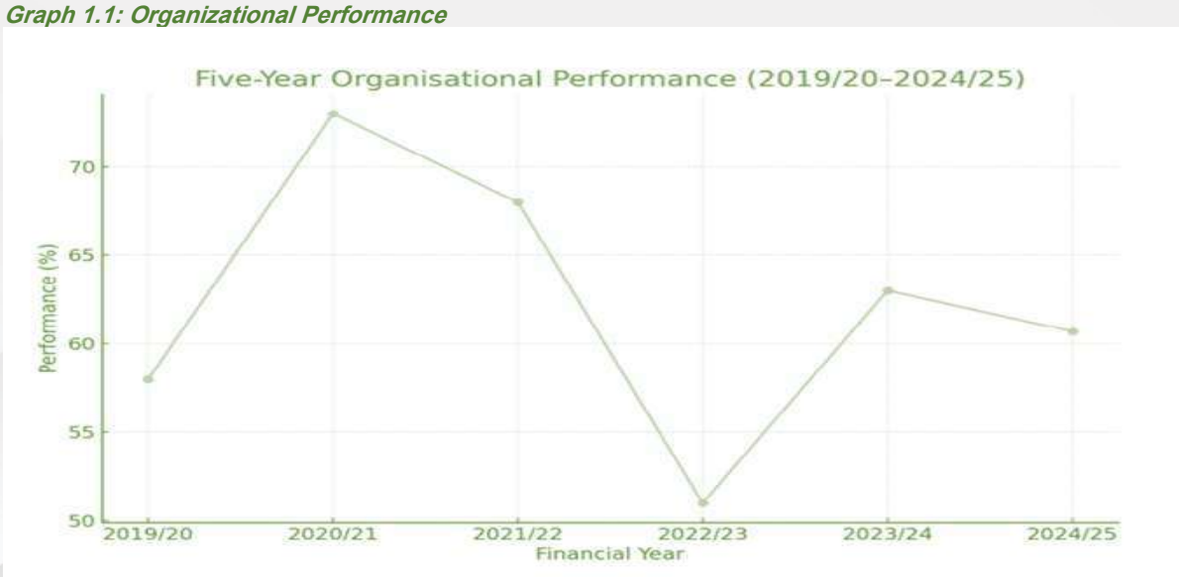
CHIEF EXECUTIVE OFFICER

The 2024/25 financial year reflects a period of consolidation, system strengthening, and improving governance maturity. The Agency was assessed against 28 approved KPIs, achieving 17 and not achieving 11, concluding the year with an overall organizational performance of 60.7%. Tourism and socio-economic outcomes showed full execution of delivery, while capital project execution and investment pipeline conversion require strengthened capacity.

Five-Year Performance Overview

The Graph 1.1, below illustrates the Agency's long-term performance trajectory, confirming an upward stabilisation Audit and Risk Committee from the 51% low point in 2022/23 to 60.7% in 2024/25.

Graph 1.1: Organizational Performance



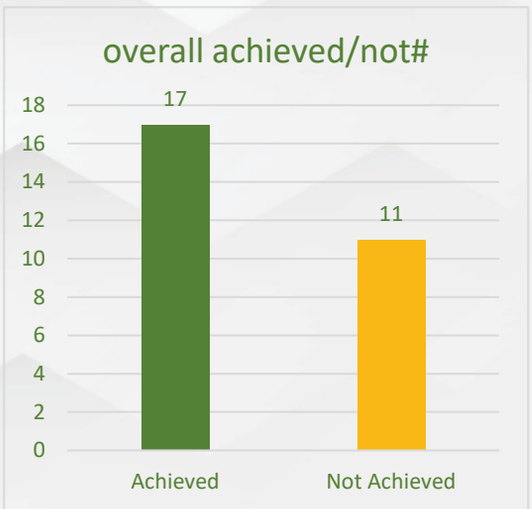
Financial governance remained stable in 2024/25, with the Agency maintaining unqualified audit outcomes under GRAP, a strong liquidity position with a Quick Ratio of 3.03:1, and consistent 30-day creditor compliance. ICT governance also demonstrated maturity, with four successful failover tests, two master system plan initiatives implemented, and 95% system uptime achieved.

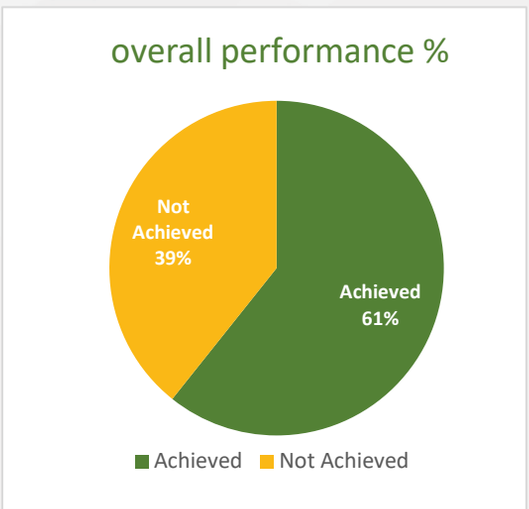
People and Culture governance showed progress, with full delivery of planned wellness interventions and key interviews conducted for senior posts such as CFO and Programme Manager: Building and Engineering. However, the activation of these appointments occurs in 2025/26 and therefore remains part of the next cycle's governance commitments.

Organisational Performance Overview

Summary: During the 2024/25 financial year, the Agency's performance was assessed against 28 Key Performance Indicators (KPIs), as outlined in the adjusted Annual Performance Plan. Of these, 17 targets were achieved while 11 were not, resulting in an Overall achievement rate of 60.7%.

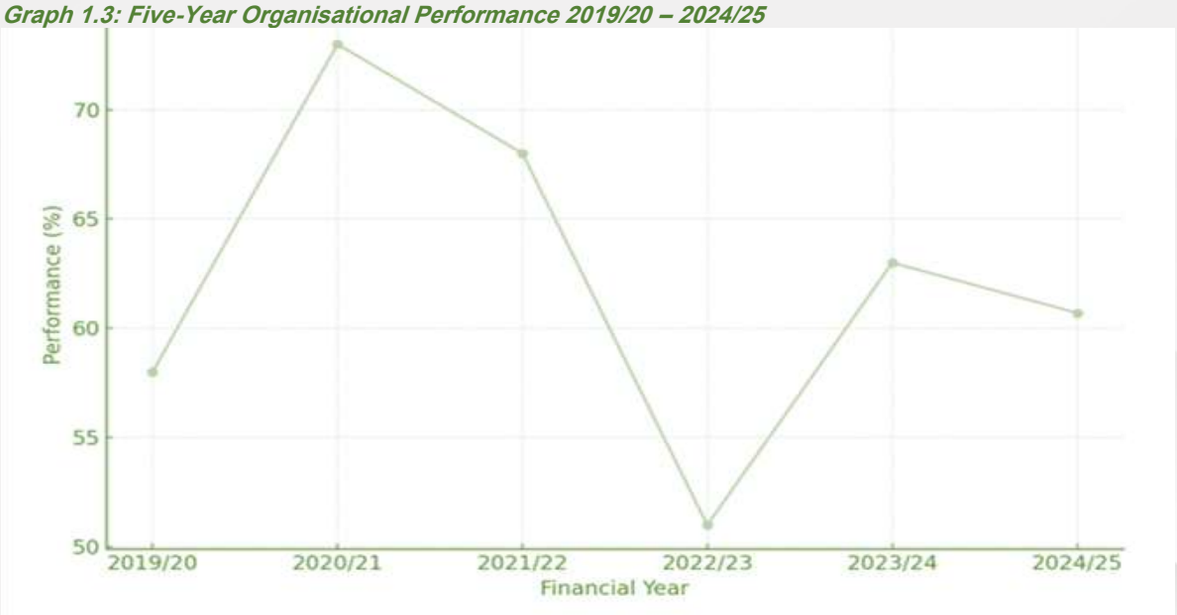
Graph 1.2: Overall Performance





Long-term performance trend: An analysis of the Agency's performance trajectory over the past six years have shown that pre-COVID levels of performance have not yet been.

Graph 1.3: Five-Year Organisational Performance 2019/20 – 2024/25



In the 2019/20 financial year, the Agency achieved an 88% performance rate. Its highest in recent years. This was significantly disrupted in 2019/20 with the onset of the global COVID-19 pandemic, resulting in a sharp decline to 58%. In the aftermath, the Agency demonstrated some resilience, recovering to 73% in 2020/21 and maintaining a reasonably stable performance of 68% in 2021/22. However, performance dipped again to 51% in 2022/23 due to challenges in capital project execution, notably related to budget alignment and the mid-year reprioritisation of funds.

Encouragingly, the Agency rebounded in 2023/24, achieving 63% of its annual targets.

Despite a slight drop to **60.7%** in the current financial year, the Agency has managed to maintain an overall upward trend from the 2022/23 low point.

Overall assessment per outcome.

Outcome 1: Dynamic Tourist Destination achieved 50% compliance at the output level, demonstrating measurable progress in interpretive content and route storytelling. Community consultation delays represented the non-compliant indicator constraining full delivery, but foundational assets are complete.

Outcome 2: Attractive City for Global Investment reached 50% measurable compliance, reflecting successful identification and packaging of strategic land parcels for Council consideration. Advancement of notarial leases and financial close was impeded by approval delays despite significant lease values already concluded within the period under review.

Outcome 3: Vibrant and Attractive Local Spaces attained 40% compliance at the output level, indicating tangible plans and approved engagements to rehabilitate urban and coastal public spaces. Resource and facilitation capacity limitations delayed design approvals and construction progression, reducing full indicator compliance.

Outcome 4: Inclusive and Resilient Economy achieved 100% output compliance, evidencing active implementation of socio-economic interventions through environmental management programmes with ongoing training, waste separation pilots, and site readiness, enabling delivery momentum.

Outcome 5.2: Corporate Services Human Resources delivered 50% output compliance with statutory submissions and wellness interventions completed. Vacancy fill rate and delayed internal recruitment signoffs reduced overall compliance at the outcome output level for the year under review.

Outcome 5.2: Corporate Services ICT achieved 100% output indicator compliance, maintaining required system uptime, completed failover tests, and convened governance meetings. Digital continuity and governance discipline were fully evidenced through all ICT outputs.

Remedial Actions for Indicators Not Achieved (2024/25 → 2025/26)

- Acceleration of capital projects under Outcome 3
- Full activation of funded executive and programme leadership posts
- Strengthening investor conversion processes for Outcome 2
- Finalisation and signing of the Memorandum of Incorporation and Service Level Agreement
- Strengthening CSI partnership activation and tracking mechanisms
- Improved sequencing and scheduling of investment and property development activities

Financial Performance, Audit Outcome and Strategic Alignment

The audit outcome for the 2024/25 financial year remains unchanged, recorded as Unqualified, with one noncompliance related to laws and regulations, and a material adjustment on the Annual Financial Statements. Notably, there has been a marked improvement in the audit of predetermined objectives, where no material findings or adjustments were issued on performance outcomes. This progress reflects strengthened performance reporting credibility and represents a meaningful advancement toward achieving a clean audit opinion.

The Agency maintained a strong balance sheet and closed the year with a surplus of R4miilion, reflecting sound liquidity and improving working capital discipline. Revenue remained predominantly grant funded, with capital project execution pace and key vacancies shaping revenue recognition and overall KPI performance. Operational costs declined significantly, and creditor obligations reduced, strengthening internal financial resilience. While investment facilitation

advanced into legal structuring and notarial lease negotiations valued in the billions, these had not yet activated exchange revenue recognition in the income statement due to accounting recognition being tied to lease execution.

The Agency has entered a strategic inflection point where financial fundamentals signal stability, but sustainability will depend on converting investment pipelines into recognised revenue producing contracts, closing delivery critical specialist posts, accelerating grant spend, and embedding contract management and audit remediation capabilities that unlock greater asset utilization and organizational autonomy.

Stabilisation Of the Organisation

The year 2024/25 marked the strengthening of governance foundations, including improved financial credibility, technology stability, strengthened internal controls, and improved shareholder alignment. Over 210 jobs were created, and three investment projects progressed towards facilitation fee agreements at 1.5%.

Full executive leadership capacity will be completed in 2025/26, including the appointment of the Executive: Strategy & Risk; CFO and Executive: PPDM, and technical programme heads. This executive consolidation forms the critical enabler for improving capital project delivery and investment pipeline conversion.

Future Outlook

Strategic Consolidation and 2026 - 27 Readiness

The Agency is concluding the 2021 to 2026 Strategic Plan cycle and commencing preparation for the 2027 organisational strategy. This period will prioritise stakeholder realignment, strengthening of institutional strategic enablers, and the enforcement of governance mechanisms that unlock greater asset utilisation. Investment pipeline instruments under negotiation notably notarised lease transactions will be finalised to support exchange revenue recognition movement in the income statement. Specialist and funded delivery critical vacancies will be closed to activate catalytic project execution and accelerate conditional grant spend, specifically in public place-making infrastructure and tourism asset support.

As part of strategic maturity progression, we will deepen stakeholder partnerships across BCMM, public-private partnership across the sector, COGTA, tourism sector formations, development finance institutions and local business networks to recalibrate performance appetite, increase revenue instrument finalisations, and enforce contract and audit capability controls that support sustainable financial autonomy. We are preparing for the 2026 Local Government Elections by strengthening strategic coherence in municipal programmes, reinforcing stakeholder engagement protocols, supporting democratic planning confidence, and enabling organisational agility for post-election priority review cycles. The elections period also informs our 2027 strategy framing, resource modelling intense stakeholder consultation cadence and institutional accountability activation.

2021–2026 Strategy Close-Out Milestones

The Agency will complete the Outcome KPI cycle by June 2026 to enable final certification and strategic baseline hand-over. Funded and delivery-critical senior project posts will be finalised and filled by Q3 2025/26 to strengthen execution capacity and accelerate conditional grant expenditure, enabling greater revenue recognition linked to spend. Stakeholders will re-endorse the City and Agency's economic strategy for the 2026/27 planning baseline by February 2026, reinforcing strategic alignment for the next cycle. A strategic panel convening between the City and Agency leadership will be held by July 2026 to support post-election maturity strategy hand-over and institutional accountability activation.



MR. A. GQOBOKA
CHIEF EXECUTIVE OFFICER
Buffalo City Metro Development Agency



3. CHIEF FINANCIAL OFFICER'S REPORT



Mr. S. Mavundla.

CHIEF FINANCIAL OFFICER

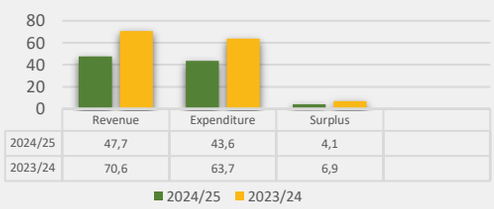
The 2024/25 financial year stands as a defining period for the Buffalo City Metropolitan Development Agency. It was a year in which financial discipline, governance maturity, and strategic intent converged to reposition the Agency as a credible, accountable and forward-leaning municipal entity, one capable of driving catalytic development and restoring confidence in public institutions. As the Office of the Chief Financial Officer, we present this inception statement not merely as a summary of financial results, but as a declaration of the Agency's strengthened financial resilience and renewed commitment to transparent, value-driven public sector management.

Alignment to the Annual Financial Statements: A Year of Stabilisation and Strengthening

The Annual Financial Statements for the year ended 30 June 2025 reflect a fiscally stabilized entity, one that has actively tightened internal controls, optimised its cost base, strengthened oversight mechanisms, and significantly improved financial performance.

Figure 1.1: Financial Performance

FINANCIAL PERFORMANCE



FINANCIAL POSITION

	2024/25	2023/24
Assets:	R36.7m	R46.7m
Liabilities	R10.5m	R24.6m
Net Assets	R26.2m	R22.m

CASH FLOW

Closing Cash: R33.2m (⇩ from R37.2m in 2023/24)
Net Cash Outflow: R3.9m
Liquidity Ratio: 3,41 : 1

OVERSIGHT NOTES

- ✓ Surplus achieved despite significant revenue decline.
- ✓ Strong liquidity & improved net assets year on year
- × Dependency on municipal grants (R38m for 2025/26)
- × Need to accelerate grant spending & project delivery

Key Financial Highlights

- **Surplus for the year: R4.379 million (2024: R6.925 million)** This demonstrates that despite lower grant income and intensified operational constraints, the Agency remained surplus generating through disciplined expenditure control and efficient cash management.
- **Cash and cash equivalents: R33.247 million** BCMDA remains liquid and financially stable, with a healthy cash position that enables sustained operations and delivery of the capital portfolio.
- **Accumulated surplus: Increased to R19.164 million, up from R14.786 million** This growth affirms a strong financial trajectory, reduced liabilities, and improved internal financial governance.
- **Reduction in liabilities**: Total liabilities reduced significantly from R31.883 million to R17.527 million. This signals a cleaner balance sheet, improved grant management, and enhanced financial stewardship.
- **Employee costs decreased by 39%** due to tighter organizational structure whilst ensuring the correct individuals are placed in key positions, natural attrition, and cost-containment measures.
- **Contracted services and general expenses** were prudently managed, leading to substantial savings that supported the positive net surplus.

Together, these outcomes reflect an organization that is actively maturing and strengthening its financial posture, even under constrained funding and uneven project implementation.

Audit Outcome and Governance Improvements
The audit cycle for 2024/25 served as a critical accountability mechanism, helping to refine internal processes, reinforce governance discipline, and correct long-standing administrative and financial weaknesses.

The audit outcome for the 2024/25 financial year remains unchanged, recorded as *Unqualified*, with one noncompliance related to laws and regulations, and a material adjustment on the Annual Financial Statements. Notably, there has been a marked improvement in the audit of predetermined objectives, where no material findings or adjustments were issued on performance outcomes. This progress reflects strengthened performance reporting credibility and represents a meaningful advancement toward achieving a clean audit opinion.

While the final audit outcome does not reflect the desired improvement the OCFO was aiming for, the Agency has materially improved:

- the accuracy and completeness of financial reporting,
- the treatment of prior period errors,
- the reconciliation of grant-related transactions,
- compliance with GRAP standards, and
- financial controls across receivables, asset management, and cash flow processes.

The result are financial statements that are more compliant, and better aligned to the MFMA, National Treasury frameworks, and AGSA expectations.

More importantly, the Agency has matured its control environment through:

- strengthened internal audit engagement,
- revived governance monitoring through the ARC and Board structures, and
- tightened oversight over project expenditure and contract management.

This represents a clear shift towards an essential foundation for sustainable performance.
Addressing Financial Non-Performance and Project Execution Constraints
The fiscal year also exposed structural constraints that affected project delivery and spending patterns, particularly relating to the NDPG and certain infrastructure development projects.

Key areas of financial non-performance included:

- Lower than anticipated grant revenue recognition due to delays in project implementation.
- Slower spending on conditional grants, leading to higher unspent balances.
- Vacant critical posts, affecting operational capacity and project delivery.
- Delayed procurement processes driven by compliance requirements and bid complexities.

To address these issues, the Agency has implemented the following key elements:

- accelerated procurement pipelines,
- targeted contract management interventions,
- improved project planning and execution controls,
- enhanced monitoring of conditional grant utilisation,
- strengthened collaboration with BCMM to unlock bottlenecks.

This strategy ensures that financial non-performance is not repeated and that the BCMDA resumes its role as a high-impact, development-driven entity.

Strengthening Partnerships for Developmental Impact

BCMDA's success is not only dependent on internal discipline which rests on the collective commitment of leadership, stakeholders, and partners who share the vision of a growing, inclusive and catalytic Buffalo City.

This therefore calls for Effective Council support to accelerate project approvals, unlock land-use processes, and remove systemic barriers that impede organisational delivery. The Agency is further advocating for reinvest in its primary mandate through sustainable operational funding and targeted capital allocations that empower the Agency to drive meaningful economic transformation. The Board remains deeply appreciative of the continued confidence placed in BCMDA by oversight bodies, including AGSA, SCOPA at both national and provincial levels, Provincial Treasury, National Treasury, and key governance structures that uphold accountability, ethical conduct, and transparent financial management. Finally, we emphasised the need for collaborative execution across government spheres, private sector partners, and communities, ensuring that every project advances shared strategic intent and delivers measurable socio-economic impact.

Future Outlook

A New Era of Accountability, Stability and Developmental Excellence. The 2024/25 financial year may have tested the Agency, but it also marked the beginning of a stronger, more resilient BCMDA.

As the result the Agency have:

- restored stability,
- strengthened governance,
- refined our operational capacity, and
- realigned our mandate to meaningful, catalytic development.

The BCMDA is emerging as a reliable, high-performance municipal entity, one that honours its commitments to the people of Buffalo City and that stands ready to drive inclusive economic growth with excellence, transparency, and renewed confidence.

Together, let us continue building a vibrant, integrated and inclusive City—one catalytic project at a time.

MR. S. MAVUNDLA
CHIEF FINANCAIL OFFICER
Buffalo City Metro Development Agency



GOVERNANCE

ABOUT THE REPORT

4. GOVERNANCE

4.1. ABOUT THE REPORT

The preparation of the Integrated Buffalo City Metropolitan Development Agency (BCMDA) Annual Report is guided by circular 63 (2012) of the Municipal Finance Management Act (MFMA) (2003), issued by the National Treasury. The BCMDA being an entity wholly funded and owned by the Municipality reports according MFMA which states that:

"Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter".

The MFMA prescribes the content municipalities should cover in their annual reports in chapter 12 "Financial Reporting and Auditing" section 121 to section 134 and circular 63 of 2012 relating to municipalities and municipal entities. In this regard the 2024/25 integrated annual report provides the required data and tables, in line with the above the purpose of this report is to:

a. Provide a record of activities of the Agency during the financial 2024/25
b. Provide an account of the performance against the budget of the Agency for the 2024/25 financial year.
c. Provide the state of affairs of the Agency with reference to its business activities and its financial position as at the end of the financial year.
d. To promote accountability to the local community for the decisions made throughout the year by the Agency.

To comply with local and international sustainable reporting best practice guidelines, the 2024/25 Integrated Annual Report also considers the financial, social and economic factors in reporting on the BCMDA's operations. The guidelines applied include:

a. Reporting requirements as per the Municipal Finance Management Act No. 56 of 2003, Circular 63 (MFMA)
b. The South African Statements of Generally Recognised Accounting Practice (GRAP)
c. Section 46(1) of the Municipal Systems Act (2000).
d. King Code of Governance for South Africa
e. National Treasury Guidelines and Regulations
f. Company's Act of 2013

MATERIALITY

The BCMDA applies the principle of materiality to determine the nature, timing and extent of the disclosures in its annual reports. A matter is material if it is of such relevance and importance that it could substantially influence an assessment of the report and the entity's ability to create value in the short, medium and long term. The following internal and external criteria were used to identify material issues:

Table 4.1 Internal And External Materiality

Internal Criteria	External Criteria
The BCMDA's mission, vision and values.	Priorities and support of national and provincial government.
The goals and objectives of the MGDS 2030	The priorities and support of local government
The expectations of the shareholder.	The socioeconomic development agenda.
BCMDA's governance framework and policy environment.	Factors that may affect the BCMDA's reputation and influence its ability to promote the economic development of Buffalo City.
The expectations and feedback of stakeholders such as residents, ratepayers, the business community, civil society, national and provincial government, neighbouring municipalities, and designated targeted groups.	The provisions of various frameworks, including the MFMA, section 46(1) of the Municipal Systems Act, King IV, the International Financial Reporting Standards, the Millennium Development Goals, and the broad-based black economic empowerment (BBBEE) code.

Material issues are embedded into the company's processes in at least the following four ways that ensure efficiency and impact:



STRATEGY:

To feed into ongoing strategy development by highlighting rapidly emerging issues and enabling them to be factored into strategy development and possibly addressed as business opportunities, rather than ignored until they become business risks.

PERFORMANCE:

To promote internal understanding of the link between environmental, social, and governance issues and business performance. The materiality determination provides a link between issue experts and strategic and operational managers.

STAKEHOLDER ENGAGEMENT

To provide a framework to design stakeholder engagement strategies and a powerful tool to help identify opportunities for dialogue and collaboration.

REPORTING

To determine the scope of reporting and other communications so that they are more strategically aligned and useful to external stakeholders

COMPONENT A



GOVERNANCE STRUCTURE

COMPONENT A: GOVERNANCE STRUCTURES

BOARD *Members*



MANDILAKHE DILIMA
INTERIM BOARD CHAIRPERSON



MANDILAKHE DILIMA
BOARD MEMBER



NGCANE MADIKIZELA RENE
BOARD MEMBER



MXOLISI SIBAM
BOARD MEMBER



ZUKISA FAKU
BOARD MEMBER

MS B SAULI
BOARD MEMBER

5.1 CORPORATE GOVERNANCE STRUCTURES

Good Corporate governance is essentially about effective and ethical leadership by the BCMDA Board. It requires leadership that can integrate decision-making, business strategy and sustainability. It also calls for an inclusive and collaborative approach with stakeholders, to ensure effective engagement and to ensure all stakeholders interests are considered in decision-making.

The Board ensures compliance with the King Code IV of Corporate Governance practices and strives towards the achievement of Ethical culture, good performance, effective control and legitimacy.

The Board consists of most Non-Executive Directors and one Executive Director which is the CEO. The Board works collectively in executing its fiduciary duties effectively and has maintained good and strong relations with the Chief Executive Officer.

The BCMDA recognises that conducting its affairs with integrity will ensure that the public and its parent municipality, BCMM will have confidence in its work. To that end the BCMDA's Board of Directors and executive management team subscribe to the governance principles set out in the Code of Conduct for Directors referred to in section 93L of the Municipal Systems Act, circular 63 of the MFMA and the King Code.

The Company Secretary was outsourced from 01 July 2023 up until end November 2023 where the in-house Company Secretary was appointed and execution of duties commenced on the 01 December 2023. The Agency appointed a head – hunter to find a suitable candidate to be an in-house company secretary. The position has been filled in the 2025/26 financial period.

The Board also actively reviews and enhances the:

a. Systems of internal control and governance procedures in place to ensure that the Agency is managed ethically and within prudently determined risk parameters.
b. Performs according to a service delivery agreement and performance objectives set by the Buffalo City Metropolitan Municipality.
c. Management is accountable for strategic and operational matters to the Board of Directors, which controls and maintains a fiduciary relationship with the company. The BCMDA coordinates its area-based development activities and other catalytic interventions with BCMM and engages with functional departments in the design and construction of infrastructure assets. The Board and management team are committed to the principles of openness, integrity and accountability advocated by the King Code principles.
d. The work of internal audit so that regular feedback to the Audit and Risk Committee, which is responsible for monitoring compliance.
e. The process of shareholder and other stakeholder assurance that the entity is being ethically managed according to prudently determined risk parameters in compliance with generally accepted corporate practices.
f. The Board is responsible for ensuring that the entity complies with applicable laws and considers adherence to non-binding rules, codes and standards. The company secretary certifies that all statutory returns have been submitted to the Registrar of Companies in terms of section 268(d) of the Companies Act. The internal audit team provides assurance on the BCMDA's compliance with laws and regulations.

5.2 BOARD OF DIRECTORS

The BCMDA has a single shareholder which is the Buffalo City Metropolitan Municipality (BCMM). For the current financial year, the Board consisted of eight (8) members whose term was effective from 01 July 2023 until 30 June 2028.However three (3) members resign in 2024.The Board is consisted of five (5) members and one shareholder (1). The recruitment processes for a new CEO of the BCMDA was concluded near the end of the 2023 and the Board appointed Mr Ayanda Gqoboka as the Chief Executive Officer as of 1 January 2024 for a period of 5 years.

The Board is constituted as follows:

- Nine (09) non-executive Directors, and one member resigned on the 31 of October 2023 and the Board Chairperson resigned on the 26 January 2024, thereafter the Interim Board Chairperson was appointed in February 2024.
- A Councillor from BCMM who serve as a non-voting observer.
- The Chief Executive Officer as an ex officio member
- The Chief Financial Officer who is a permanent invitee.

The Board is constituted by members with a wide range of skills, they collectively possess inter alia, business administration, finance, accounting, human resources, public sector management etc. The Board is the core of the Agency's corporate governance architecture and is responsible for:

- Providing a clear strategic Direction to the Agency.
- Ensuring that appropriate management structures are in place to ensure day to day.
- Promoting a culture of ethical behaviour.
- Entrenching sound corporate governance through an integrated governance structure; and
- Compliance with all relevant laws, regulation and codes of practice.

The Board of Directors of the Agency meets at regular intervals, retains full and effective control over the entity and monitors the implementation of the entity's strategic programmes by the executive management through a structured approach to reporting and accountability. It also sets the strategic direction and monitors overall performance. All Board Committees are chaired by independent non-executive directors.

Table 5.1: Board of Directors

Board Member	Capacity	Gender	Qualifications/skills/ expertise	Committee Membership
Mr Mandilakhe Vuyo Dilima	Member	Male	– University of South Africa, South Africa – Master of Business Leadership, Leadership, 02/2020 to 11/2022 – Rand Afrikaans University, South Africa – Certificate in Project Management, Project Management, 09/2001 to 09/2001 – Technikon South Africa, South Africa – B Tech: Civil Engineering, Engineering, 02/1996 to 02/1998 – University of Land an Architectural Studies, Da-es-salaam, Tanzania – Advanced Diploma in Environmental Engineering, Engineering, 07/1992 to 06/1995 – Mkwawa University of Education, Iringa Tanzania – Diploma Science Education, Education, 06/1989 to 06/1992 – University of Pretoria, – Certificate in Environmental Management, 2000 – Stellenbosch University, – Certificate in Project Management, 2004 – SOCIAL RESPONSIBILITY	-GSE Chairperson, OC & PDIC
Mr. Mxolisi Sibam	Member	Male	– Corporate Governance Certificate, University of Johannesburg – Project Management Certificate, Rhodes University Business School – Registered Associate General Accountant AGA(SA), SAICA – Post Graduate Diploma in Accounting (PGDA), Rhodes University – BCom (Accounting & Commercial Law), Rhodes University – Matric, Hector Peterson High School	– PDIC Chairperson, OC & GSEC Member
Ms. Ngcane Mnadikizela-Renene	Member	Female	– Accumulated executive skills and experience of more than 20 years working in both public and – private sectors. The above is a summary of the experience. I have worked for more than 10 years in corporate services holding executive and senior management roles. Through these roles I acquired a multi – disciplinary set of strategic and operational capabilities. – I am conversant and has working experience of all the relevant prescripts applicable in public administration and financial management having worked as an executive as well oversight role in various Boards in the public and private sector board experience. – I have undertaken further training through the Institute of Directors and completed being a Director	– OC Chairperson, PDIC & GSCE Member

Board Member	Capacity	Gender	Qualifications/skills/ expertise	Committee Membership
			– Part 1. – I am currently studying LLB at Unisa and enrolled for my 3rd year level modules	
Ms. Zukisa Faku	Member	Female	– Not specified	– OC & PDIC Member
Ms. Nobantu-Veilwe Sakube-Ndevu	Member	Female	Diploma in Education, Leadership in finance for non – Financial Manager • Total Quality in change management, Community Development • Exploring BCMM GIS and land Information With arc Reader • Knowledge Management certificate of achievement, Communication skills • Transition to democratic local government, BCM Ward committee policy, rules and procedures • Municipal Role, responsibilities and power of player, Guidelines for running effective word committees • Attended the building communities through dialogue and conversation workshop	-OC & PDIC Member
Cllr Bongiwe Sauli	Member/Shareholder	Female	– Not specified	None.

Board Meeting Schedule and Attendance

Table 5.2: Board meetings

Date of meetings	Mr Dilima	Mr Sibam	Ms Madikizela-Renene	Ms Sakube-Ndevu	Ms Faku	Ms Sauli
30 August 2024	Yes	Yes	Yes	Yes	Yes	Yes
09 September 2024	Yes	Yes	Yes	Yes	Yes	Yes
14 October 2024	Yes	Yes	Yes	Yes	Yes	Yes
16 October 2024	Yes	Yes	Yes	Yes	Yes	Apology
31 October 2025	Yes	Yes	Yes	Yes	Yes	Yes
31 January 2025	Yes	Yes	Yes	Yes	Yes	Yes
28 February 2025	Yes	Yes	Yes	Yes	Yes	Yes
27 March 2025	Yes	Yes	Yes	Yes	Yes	Yes
15 May 2025	Yes	Yes	Yes	Yes	Yes	Yes
26 May 2025	Yes	Yes	Yes	Yes	Yes	Yes
30 June 2025	Yes	Yes	Yes	Yes	Yes	Apology

5.3 BOARD SUB-COMMITTEE MEETINGS

There are three Board committees, which are the Governance Committee, Organisational Committee, and the Project Development and Investment Committee. The Agency shares the Audit Committee with BCMM, its parent municipality. The Board added the risk management function to the Audit and Risk Committee. The Committees held its meeting as follows within the 2024/25 financial year:

5.3.1 Governance Committee Meeting Schedule and Attendance

Table 5.3: Board meetings and schedule and attendance

Date of Meeting	Mr Dilima	Mr Sibam	Ms Madikizela-Rene
14 August 2024	Yes	N/A	Yes
19 November 2025	Yes	Yes	Yes
24 April 2025	Yes	Yes	Yes
18 June 2025	Yes	Yes	Yes

5.3.2 Organisational Committee Meeting Schedule and Attendance

Table 5.4: Organisational committee meetings

Date of Meeting	Mr Sibam	Ms Madikizela	Ms Sakube-Ndevu	Ms Faku
13 August 2024	Yes	Yes	Yes	Yes
11 November 2024	Yes	Yes	Yes	Yes
24 April 2025	Yes	Yes	Yes	Yes
18 June 2025	Yes	Yes	Yes	Yes

5.3.3 Project Development and Investment Committee Meeting Schedule and Attendance

Table 5.5: Project Development Committee meetings

Date of Meeting	Ms Madikizela-Renene	Ms Sakube-Ndevu	Ms Faku	Mr Sibam	Mr Dilima
13 August 2024	Yes	Yes	Yes	Yes	Yes
12 November 2024	Yes	Yes	Yes	Yes	Yes
25 April 2025	Yes	Yes	Yes	Yes	Yes
18 June 2025	Yes	Yes	Yes	Yes	Yes

5.3.4 Audit and Risk Committee meeting schedule and attendance

Table 5.6: Incoming Risk Committee meetings

Date of meeting	Mr Luswazi	Mr Son	Ms Mudau
21 August 2024	Yes	Yes	Yes
20 November 2024	Yes	Yes	Yes
06 May 2025	Yes	Yes	Yes
27 June 2025	Yes	Ye	Yes

- The BCMM appointed a new ARC in May 2024 to serve the Metro which the BCMDA also share services with.
- The one ARC Member resigned the 24 June 2025.

5.3.5 Role of the Company Secretary

a. Ensuring compliance to the provisions of Companies Law and rules made there-under and other statues and policies of the Agency.
b. Ensuring that Business of the Agency is conducted in accordance with its objects as contained in Memorandum of Incorporation (MOI).
c. Ensuring that the affairs of the Agency are managed in accordance with the provisions of the law.
d. Develop framework to ensure that the organisation complies with relevant statutes.
e. Preparing, approving, and signing agreements, leases, legal forms, on behalf of the Agency when authorised.
f. Engaging legal advisors and defending the rights of the Agency in Courts of Law; and
g. Advising the Chief Executive and other executives in respect of legal matters.
h. Providing legal opinions and advice to the Board on relevant legislation as and when required.
i. The Company Secretary ensures that s/he keeps up to date with the changes in pertinent legislation and corporate governance matters in order for him/her to properly advise the Board.
j. Attend Board meetings and all subcommittee meetings as per outlined in the Board meeting calendar.

k. Ensuring that the minutes of all Board, Board Subcommittee meetings, any meeting involving the Board or its subcommittee are properly recorded in accordance with the Companies Act. The minutes will be prepared by the Company Secretary (preferred bidder) and made available for review by the BCMDA and subsequently submitted to the BCMDA Board within 7 working days after each meeting held.

l. Preparation, updating and maintenance of Board and Sub-Committee resolutions register.

m. Ensuring and confirm that the company's annual financial statements have been certified and whether the company has filed required returns and notices in terms of the Companies Act, and whether all such returns and notices appear to be true, correct and up to date. The Company Secretary will be responsible for certification of the Annual Financial Statement.

n. Attend to CIPC Requirements including but not limited to Filing of Annual return, Audited AFS, updating directors' details and MOI amendments.

COMPONENT B & C



INTERGOVERNMENTAL RELATIONS AND STAKEHOLDERS MANAGEMENT

6 COMPONENT B AND C: INTERGOVERNMENTAL RELATIONS AND STAKEHOLDER MANAGEMENT

STAKEHOLDER ENGAGEMENT

Across the year under review, the Agency coordinated high-level stakeholder interactions spanning municipal IGR committees, Treasury-linked funding dialogues, industry feasibility initiatives, and executive strategic sessions. The Agency engagement sectors were dominated by the municipality, government, and investment communities. The Agency, further recorded 27 strategic meetings coordinated or attended, including investor pre-engagement roundtables, council and traditional leadership policy dialogues on the IDP, Disaster and District Development Model (DDM/One Plan) convenors' sessions, bilateral diplomacy for city cooperation projects, and national communicators' forums.

6.1 THE VALUE OF ENGAGING

These values are essential to the agency's sustainability, understood as development that meets the needs of the present without compromising the ability of the future generations to meet their needs as outlined in the King Code IV on ethics and governance. Inline to this the BCMDA places value on:

a. **Integrated thinking:** considering the connectivity and interdependence between the range of factors that affect an Agency's ability to create value over time.
b. **Organisation as an integral part of society**: Organisations operate in a societal context which they affect and by which they are affected.
c. **Stakeholder inclusivity**: There is an interdependent relationship between the organisation and its stakeholders, and the Agency's ability to create value for others. An organization becomes attuned to the opportunities and challenges posed by the triple context in which it operates by having regard to the needs of, interests and expectations of material stakeholders.
d. **Corporate citizenship:** As the organisation is an integral part of society, it has corporate citizenship status. This status confers rights, obligations and responsibilities on the organisation towards society and the natural environment on which society demands.

More benefits derived from stakeholder engagements are to:

- Promote the Agency's business development ambitions.
- Support the Agency in moving closer to meeting the objectives of its Financial Sustainability Strategy; and
- Allow the Agency to get feedback from citizens and therefore ensure shareholder value generation.

6.2. INTERGOVERNMENTAL RELATIONS

Apart from the Constitution of South Africa, the Batho Pele Principles the BCMDA's stakeholder programme is significantly influenced by intergovernmental relations (IGR) which are governed by the Intergovernmental Relations Act. Intergovernmental relations means the relationships between the three spheres of government. The South African Constitution states, 'the three spheres of government are distinctive, interdependent and interrelated'.

This relationship enhances the emergence of cooperation rather than competitive federation. Moreover, inter-governmental relations help to accelerate effective and efficient utilization of human and material resources among the three levels of government.

IGR are intended to promote and facilitate co-operative decision-making and ensure that policies and activities across all spheres encourage service delivery and meet the needs of the citizens in an effective way.

6.3. OBSERVATIONS AND TRENDS

The BCMDA continues to attract attention from a myriad of stakeholders, which over the past three years has translated to an average of no less than 40 engagements per quarter. This means that on average the agency holds engagements or participates in engagements with approximately 160 stakeholders from its various business units.

Some of the government entities included in this rubric include organizations such as Transnet, the Eastern Cape Parks and Tourism Agency, Buffalo City Intergovernmental Relations Forum. The private sector is composed of organizations such as Uber, Garden Court, Mercedes Benz.

Non - Profit Organisations (NPOs) tend to receive a 20 % of the interactions. This category includes community engagements, the University of Fort Hare (UFH), Buntu Boxing Association (BBA), and Qonce Sports Veterans (QSV).

The agency received most of its engagements in the investment promotion area of work which tends to account for approximately 25% of engagements. This area of work includes stakeholder work directed at addressing investor needs and progress updates on projects. In advancing the investment promotion and property development agenda, the Agency.

Keen interest was shown from the public sector as well as the private sector in partnerships in our socio-economic projects. Some of our strategic partners in this space include the Border Kie Chamber of Business. This culminated in the signing of an MOU between the BCMDA- the BCMM and the Border Kie Chamber of Business. The Agency is also proud to have initiated a partnership with Walter Sisulu University that is targeted at providing experiential learning for communication and public art students. This work has contributed to over 20 students gaining the necessary experience to complete their academic qualifications.

The Agency continues to engage meaningfully with the tourism community as it rolls out its Heritage Route development program. The feedback and contributions from this community which includes amongst others; tour operators, the hospitality industry, and other public sector bodies such as the Eastern Cape Parks and Tourism Agency is invaluable and serves as a positive sound board for the Agency to test its concepts and ideas.



The table below depicts some of the engagements that have taken place throughout the year under review:

Table 6.1: List of key stakeholder engagements for 2024/25

No	Primary Interest	Date
1	Baby Lee Vandalism at Jegels Park	17-Apr-24
2	Ironman event prospect for Buffalo City Tourism	11-Jul-24
3	Infrastructure condition concerns (concrete tiles, uneven ground, tiles damage) at Baby Lee Jegels Park	12-Jun-24
4	Site security services inquiry for Baby Lee Jegels Park	24-Jul-24
5	Ebuhlanti Marina Glen Project updates	30-Jul-24
6	Accommodation at IDZ and announcement of Dr Govender's resignation and supplier contract matters	16-Oct-24
7	CFO resignation confirmation and timeline request	01-Nov-24
8	Egerton management resignation clarity follow up	04-Dec-24
9	Egerton Management Resignations (initial enquiry)	04-Dec-24

PARTNERS AND STAKEHOLDERS



























COMPONENT D



CORPORATE GOVERNANCE

7. RISK MANAGEMENT

BCMDA subscribes to the principles of good governance and further is committed to carry out its activities in an effective and efficient manner through ensuring that risks are minimised, and opportunities are explored. Risk management forms part of management's core responsibilities and is an integral part of the internal processes of the Agency.

7.1 RISK MANAGEMENT POLICY AND STRATEGY

The need for Risk Management is mandated by the Municipal Finance Management Act (MFMA), local government risk management framework, King report on corporate governance, ISO:31000 as well as COSO framework. The Risk management framework recommends that the Institution must operate within the terms of a risk management policy and strategy approved by the Accounting Officer / Authority. During the year BCMDA was operating within an approved risk management policy and strategy.

An assessment of the risk maturity level of BCMDA had been taken through an online tool (RUBIQ) With the support of the Eastern Cape Provincial Treasury. The Agency took an approach of firstly conducting an individual risk maturity level and then consolidating the scores to come up with the organizational risk maturity level.

To advance institutional maturity, BCMDA developed a dedicated risk implementation plan, conducted organisation-wide risk management workshops, and embedded risk considerations into operational processes, planning cycles, and governance routines. These interventions were implemented to strengthen risk competency, improve assurance practices, and promote a culture where risk posture informs both strategic and project-level execution.

7.2 RISK ASSESSMENT AND RISK REPORTING

Engagement	Primary Interest	Date
Participation in the Border Kei Chamber Tourism Committee meetings	Tourism coordination and alignment	January to March 2025
Attendance in the Mdantsane Tourism Committee engagements	Tourism collaboration, planning alignment	January to March 2025
Engagement referred for preliminary fraud investigation with BCMM Chief Risk Manager	SCM process integrity, fraud veracity testing	April to June 2025
Circulation of BCMDA Newsletter (monthly/when possible)	Communications, risk culture messaging, coordination	April to June 2025
Updates on BCMDA Social Media platforms	Marketing communications, project progress and reputation	January to March 2025
Risk and consequence management workshops (planned/rescheduled)	Risk maturity improvement, consequence management	April to June 2025

Risk management is scaled logically with the stakes: higher risk is given deeper analysis, tighter controls and faster reporting cadence while lower risk should not absorb disproportionate resources. The system reinforces organizational direction by linking risk decisions to strategy, projects, budgets, and compliance duties so that mitigation efforts strengthen core operations. Risk is built into approvals, procurement, project governance, oversight structures, and performance cycles. Risk systems update assumptions continuously and adjust mitigations as threats; opportunities and operating conditions evolve.

Proportionate	Risk Management activities must be proportionate to the level of risk faced by the organization.
Aligned	Risk Management activities need to be aligned with other activities of the organization. Comprehensive: To be fully effective, the risk management approach must be comprehensive.
Embedded	Risk management activities need to be embedded within the organization.
Dynamic:	Risk Management activities must be dynamic and responsive to emerging and changing risks.

The BCMDA's Board monitors risk through the Audit and risk Committee, which ensures that there is an effective risk management process and system in place. Risks will be assessed not only at the strategic and operational level, but risks are also effectively monitored considering their level of severity.

The risks for the current financial year include financial sustainability pressures arising from persistent grant dependency, constrained technical capacity affecting infrastructure execution timelines, fraud and irregular procurement vulnerabilities linked to third-party contractors, delays in investment project conversions, ICT integration gaps impacting data integrity, compliance exposure relating to AGSA audit requirements, and reputational sensitivity attached to key catalytic projects. These risks are being monitored through defined risk owners, embedded key risk indicators (KRIs), quarterly reporting packs, tolerance thresholds, and escalation protocols to ensure timely corrective action and governance alignment. The Agency continues to operationalize its implementation plan for improving risk maturity through training, control strengthening, payment verification triggers, pipeline conversion tracking, and governance reporting cadence to support auditability and performance assurance.

7.3 STRATEGIC RISKS OF THE AGENCY

Strategic risk identification is to identify risks emanating from the strategic choices made by the Agency, specifically about whether such choices weaken or strengthen the Agency's ability to execute its mandate will be carried out. The Strategic risks identified are documented, assessed, and managed through the normal functioning of the system of risk management.

The following strategic risks have been identified by the BCMDA:

Table 7.1: Strategic Risk of the agency

1.	Ineffectiveness in developing and promoting the city as a tourism destination.
2.	Failure to create an enabling environment to facilitate economic development and attract new investments.
3.	Poor contract management
4.	Failure to establish effective stakeholder involvement in projects.
5.	Inadequate profiling of Agency and brand management.
6.	Inability to attract and retain experienced and qualified personnel
7.	Inconducive office space
8.	Effectiveness of budget management
9.	Data Recovery
10.	Inability to identify, prevent, respond, and recover from potential cyber attacks

Figure 7.1: business unit risk perceived control effectiveness mitigation achieved



Table 7.2l: Strategic Risk register

Business Unit	Risk	Perceived Control Effectiveness	Mitigation	Achieved
PPDM	Possible increase on project costs cost overrun	Weak	Establish project steering committee contract management training contingency allowance	Not Achieved
PPDM	Theft and vandalism of material and assets	Satisfactory	Deploy integrated security plan fencing cameras CCTV service providers on sites	In Progress
PPDM	Inability to develop rural areas incoherent business plan no funding	Weak	Recruit personnel build partnerships for rural development secure contingency and resource mobilization	Not Achieved
OCFO	Under/Overspending inaccurate budget information	Good	National Treasury engagement refresher training bringing onsite vendor support for system setup	Not Achieved
OCFO	Poor Contract Management failure asset misuse	Good	Install contract management module on Sage enforce SCM policies performance reviews onsite vendor support	In Progress
OCFO	Potential misuse and theft of inventory and inventory models	Satisfactory	Improve stock count mechanism incorporate inventory SOPs offsite storage CCTV strongroom security services	Not Achieved
ICT	Unstable network	Good	Network assessment network performance reports secondary internet mobile 4/5G backup	Achieved
ICT	Denial of ICT services backup failure	Good	Monitoring backups DR restore tests backup monitoring automated SRA relocation to IDZ DR	Achieved
ICT	Failure by external ICT suppliers	Good	Monthly and quarterly service provider reviews and follow-ups	Achieved
Stakeholder & Comms	Inadequate brand management	Weak	Develop marketing policy strategy response to media budget adjustment for LGSETA/marketing	Not Achieved

Business Unit	Risk	Perceived Control Effectiveness	Mitigation	Achieved
Stakeholder & Comms	Ineffective stakeholder engagement	Satisfactory	Implement stakeholder matrix stakeholder forums continual engagements coordination	Achieved
Stakeholder & Comms	Misuse of accounts or leaking data unauthorized access overstating facts	Satisfactory	Patch systems monitor user logs enforce data agreements stakeholder forum establishment	In Progress
Corporate Services	Inability to attract retain qualified personnel salary manipulation	Satisfactory to Weak	Salary benchmarking talent acquisition onboarding policy retention policy training awareness ODD alignment	Mixed: Q2 Not Achieved, Policy Work In Progress
All Units	False payment requests bribery and kickbacks misuse of accounts sharing unauthorized budget data fraudulent suppliers inventory theft manipulation of timesheets unethical bid behavior	Satisfactory	Consequence management workshops ethics declarations segregation of duties fraud hotline whistleblowing GRN service stamp supplier evaluation patching systems offsite storage monthly reconciliation	Partially Achieved but flagged as Not Achieved where budget blocker stated
Procurement	Selling critical bid info fictitious invoices deceptive marketing or inflation of quotations	Satisfactory	Automate SCM processes designate strongroom for SCM documents enforce code of conduct confirm service rendered and GRNs	Not Achieved

During the year the strategic risks of the agency were managed through mitigating the risks in the units.

7.4 CORPORATE ETHICS AND ORGANISATIONAL INTEGRITY

The BCMDA and its board subscribe to high ethical standards and principles. The leadership provided by the board is characterised by the values of responsibility, accountability, fairness and transparency, and has been a defining characteristic of the BCMDA since its establishment in 2016.

The agency's main objective has always been to do business ethically while building a sustainable company that recognises the short- and long-term impact of its activities on the economy, society and the environment. In its deliberations, decisions and actions.

7.5 CODE OF CONDUCT

The BCMDA's Code of Conduct is fully endorsed by the Board and applies to all directors and employees. The Code aligns with Schedule 1 of the Municipal Systems Act (Act 32 of 2000), which prescribes standards of ethical behaviour for municipal officials and entities, and is also consistent with the corporate governance protocol of the Buffalo City Metropolitan Municipality for municipal entities. The policy undergoes regular review to ensure that it upholds leading governance practices, statutory compliance, and professional conduct, with the most recent review undertaken during the current financial year.

Through the Code, BCMDA commits to institutional integrity by promoting the highest standards of ethical behaviour in engagements with stakeholders and society, ensuring fairness in commercial dealings through competitive and ethical business practices, enabling workforce development through continuous training and skills investment, safeguarding inclusivity by eliminating unfair discrimination and enhancing employee potential, integrating environmental and social considerations into decision making, protecting impartial governance by requiring directors and staff to declare all direct or indirect personal or business interests that may compromise their stewardship and to act objectively, lawfully and in alignment with organisational policies.

The policy reinforces that all officials must act with integrity, objectivity, and independence in the execution of their responsibilities, and any failure to comply results in appropriate disciplinary processes in accordance with labour law principles, institutional policies, and procedural fairness standards. The Code is introduced to every new employee during induction, and all staff members are required to sign an annual declaration confirming compliance, reinforcing accountability and ethical continuity. Ethical performance and governance conduct are further strengthened by BCMDA's Ethics Programme, which is designed in line with the principles of ISO 31000:2018 on Risk Management and good governance practices embedded in the King IV Report on Corporate Governance for South Africa (2016). Breaches of the Code are regarded as serious governance violations, managed with due oversight, and function as a deterrent to unethical behaviour.

A copy of the Code of Conduct remains accessible to interested parties, affirming BCMDA's transparency commitments and stakeholder confidence in its governance and ethics posture.

7.6 DECLARATION OF INTEREST

In accordance with its code of conduct, the BCMDA maintains a register of directors' declarations of interests. The register is updated annually and as and when each director's declared interests change. A register is circulated at every Board and Board committee meeting for the directors to declare any interest related to every matter discussed at a particular meeting.

The BCMDA's employee code of ethics and terms and conditions of employment require all employees to complete declarations of interest covering shareholding in private companies, membership of close corporations, directorships held, partnerships and joint ventures, remunerative employment outside of the BCMDA, gifts and hospitality, and the status of their municipal accounts.

As per the MFMA section 124 the financial disclosures for senior managers and Section 56 of the MFAM officials are as follows:

Table 7.3: Financial Disclosures For Senior Management

No	Surname	Full name	Designation	Declaration
1	Gqoboka	Ayanda	Chief Executive Officer	Yes
2	Van Wyk	Noel	Executive: Corporate Services	No
3	Manciya	Aviwe	Acting CFO	Yes
4	DR Govender	Kasavan Lesley	Executive: Strategy & Risk	Yes
5	Ntshokoma	Athie	Acting EM: PPDM	Yes

7.7 COMPLIANCE WITH LAWS AND REGULATIONS

BCMDA has a compliance register which regulates the state of compliance with the applicable laws and regulations. The register is updated to ensure that all the divisions adhere to the requirements. Further there are policies and procedures that employees abide by, which are made available to each employee. Further the Internal and External Auditors provide assurance that the Agency is compliant and make the necessary recommendations where applicable. Furthermore, employees are required to follow specific policies and procedures, which are made available to each individual. Furthermore, employees are required to follow specific policies and procedures, which are made available to each individual Furthermore, employees are required to follow specific policies and procedures, which are made available to each individual.

7.8 ANTI-CORRUPTION AND FRAUD

The system of internal control applied by the Agency over anti-corruption and fraud which is Fraud Prevention Policy and Plan is approved by the Board. There is currently no reported fraud, and corruption matters to the Agency.

7.9 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) GOVERNANCE

The BCMDA Information and Communications Technology (ICT) unit plays a critical role in enabling the organization's operations, driving digital transformation, and ensuring secure, efficient, and reliable technology services. The ICT unit supports the Agency's business strategy and objectives by enhancing operational efficiency through automation, facilitating better communication, ensuring user connectivity, and enabling effective data management and security.

During the reporting period the ICT department focused on:

- Effective ICT Support
- Enhancing Cybersecurity Posture
- Ensuring High System Availability
- Disaster Recovery
- Aligning ICT operations with Business needs
- Seamless data integration with the parent Municipality Financial System
- and developing the Electronic Document Management System

Also, during the period under review, the Electronic Document Management System (EDMS) was developed using internal resources, and departments commenced the process of migrating documents to the electronic platform to enhance record management, accessibility, and operational efficiency.

Lastly, the ICT governance framework was reviewed and updated to incorporate COBIT 2019, King V, and Disaster Recovery principles, ensuring that ICT management practices are aligned with internationally recognised standards and best practices. This strengthened governance has enhanced accountability, improved project delivery, and ensured that technology initiatives effectively support business outcomes.

7. 10 ICT STEERING COMMITTEES

The ICT Steering Committee plays a vital role in providing strategic oversight, governance, and direction for the organization's technology initiatives. The Committee ensures that ICT strategies, projects, and investments are aligned with the organization's strategic objectives and comply with established governance frameworks and policies. It serves as a platform for decision-making, prioritization of ICT initiatives, and monitoring implementation progress to ensure that ICT continues to add value across all operational areas.

During the financial year under review, the ICT Steering Committee convened four (4) meetings to review ICT performance, monitor the implementation of key projects, and consider matters relating to cybersecurity, system availability, digital transformation, and governance compliance, there were sitting on the following dates:

Quarter 1: 08 August 2024	**Quarter 3:** 30 April 2025
Quarter 2: 17 December 2024	**Quarter 4:** 31 July 2025

7. 11 BUSINESS CONTINUITY/ DISASTER RECOVERY

Disaster recovery measures, BCMDA's ICT unit continuously evaluates potential risks and updates the DR plan to address emerging threats, including cyberattacks, hardware failures, and natural disasters. Regular failover simulations are conducted to test core staff preparedness and the effectiveness of recovery procedures, ensuring that any gaps are promptly addressed.

The integration of the DR plan with the Agency's overall ICT governance framework ensures alignment with business objectives and compliance with regulatory standards. Through these proactive strategies, BCMDA reinforces operational resilience, safeguards critical data, and maintains uninterrupted service delivery to its stakeholders. There were four failover test successfully conducted in the 2024/25 Financial Year.



COMPONENT E

SERVICE DELIVERY AND PERFORMANCE

8 COMPONENT E: SERVICE DELIVERY AND PERFORMANCE

8.1 STRATEGY OVERVIEW

The BCMDA is an agency of the Buffalo City Metropolitan Municipality, seeking to create a vibrant, integrated, and inclusive Metro. The core ideology of the BCMDA is captured in its Vision, Mission, and Core Values, as detailed below.

8.1.1 VISION

An innovative agency that catalyses investment opportunities for a vibrant, integrated, and inclusive city.

8.1.2 MISSION

To build a vibrant, integrated, and inclusive city through promoting investment in property, tourism, and socioeconomic development for the benefit of citizens.

8.1.3 VALUES

As BCMDA we will strive to perform our functions in a professional and transparent manner guided by the highest levels of integrity whilst delivering high quality products and services and accountable to our stakeholders. The BCMDA has therefore defined the following guiding values in its operations:

• Agility	• Efficiency and effectiveness
• Innovation	• Accessible
• Integration and alignment	• Professional and Accountable

8.1.4 MANDATE

The BCMDA is a municipal entity wholly owned by the Buffalo City Metropolitan Municipality, incorporated in 2016 as a profit company with legal powers that enable the Agency to borrow capital, enter binding contracts, develop property, commercialise assets, and generate its own revenue streams in pursuit of municipal strategy. The Municipal Systems Act 44 of 2003, under Chapter 8A Section 86B(1)(a), authorises a municipality to establish a private company that performs municipal functions using sound business practices were doing so more effectively realises strategic objectives and delivers broad community benefit.

Following the attainment of metropolitan status by Buffalo City in 2011, the Municipality restructured its governance and development approach to align with metro requirements, including resolutions in 2015 that approved the establishment and functional mandate of a dedicated development agency as the implementing partner for catalytic spatial, tourism, investment, and socio-economic programmes. The Council approved the Agency's development function and powers by resolution on 11 December 2015, including its scope in property development, tourism development, investment promotion, and socio-economic development, with the Council ratifying these interdependent responsibilities for long-term municipal impact and commercial sustainability.

In terms of the Municipal Finance Management Act, the Agency is formally classified as a municipal entity, a juristic person with borrowing powers, fiduciary obligations, structured reporting requirements, and MFMA-aligned budget, audit, and performance governance obligations, operating as the extended strategic delivery arm of BCMM for development projects benefiting the entire municipal area.

The primary and enduring mandate of the BCMDA is to attract private investment, expand tourism and destination markets, regenerate commercial and urban property assets, and design and deliver socio-economic programmes that increase inclusive economic growth and spatial transformation for Buffalo City communities. This mandate is executed through four integrated strategic functions. The property development and regeneration function focuses on the acquisition, development, management, and commercialisation of land and buildings, contributing to urban revitalisation, growth of the municipal asset base, development of investor-ready precincts, and creation of

revenue-producing municipal property environments.

The tourism development function positions Buffalo City as a competitive destination market through destination partnerships, tourism product development, private participation in tourism infrastructure, facilitation of events, and promotion of visitor-ready municipal assets to domestic and international markets. The investment promotion and capital attraction function drives investor pipeline growth, markets Buffalo City's value propositions, packages investment-ready projects, supports development finance conversion, and facilitates investment approvals, incentives, and market intelligence coordination to increase committed capital into Buffalo City's tourism and commercial nodes.

The socio-economic development function identifies, plans, implements, co-finances, and facilitates empowerment and inclusion programmes that support community-benefiting development projects, job creation pathways, local market participation, tourism sector inclusion, and commercial social asset programmes that uplift communities and grow inclusive municipal economic capability. The combined effect of these four functions is the operationalisation of the Agency's primary mandate to attract investors, increase economic growth, expand tourism markets, regenerate municipal property assets, and strengthen socio-economic capability across Buffalo City for lasting community benefit and commercial sustainability.

8.1.5 STRATEGIC GOALS

The Buffalo City Metropolitan Municipality strives to realise the following 5 strategic outcomes by the year 2030, which the BCMDA has a big role to play towards their achievement:

a) **An inclusive and sustainable economic growth** – with rapid and inclusive growth, and falling unemployment,
b) **A clean and environmentally sustainable city** – environmentally sustainable with optimal benefits from our natural assets. A clean and health city of subtropical gardens,
c) **A globally connected city** – high quality (and competitively priced) connections to ICT, electricity, and transport networks (inside the city and to the outside world),
d) **A spatially transformed city** – the spatial divisions and fragmentation of the apartheid past are progressively overcome, and township economies have become more productive, and
e) **A well governed city** – a smart and responsive municipality (working with other levels of government) that plans and efficiently delivers high quality services and cost-effective infrastructure, without maladministration and political disruptions.

The Metro Growth and Development Strategy (MGDS) is set as the City's foundation for the future, aimed at mobilising partners and stakeholders to work together towards shared programme goals, encouraging business and stakeholders to commit to a common vision. BCMDA has a critical role to play in ensuring the city realises its strategic aspirations by performing both a facilitation function as well as a delivery function.

Creating a uniquely homecoming African-global city that drives inclusive opportunities and prospects that improve the quality of life for its citizens

Following from the impact statement, the organisation set five strategic outcomes, which will be measured over the five (5) year period, forming part of the 5-year strategy. The strategic outcomes for the organisation over the term are:

a) dynamic tourist attraction,
b) attractive home for global investments,
c) a robust property market,
d) delivered socio-economic development programmes, and
e) a well-governed and viable agency.

8.2 THE BCMDA BUSINESS MODEL

The roofline of the model states **Economic Development for Sustainable Growth**. This reveals a core mission to catalyse economic activity that is integrated, inclusive, and commercially viable within the metropolitan area. The model signals that the agency positions itself as a **development catalyst**, a **transactional entity**, and a **facilitator of investment ecosystems** across both the public and private sector in Buffalo City. Business models of MFMA-regulated municipal entities commonly blend public value creation with commercial revenue generation to expand municipal capability. *(See Xaba, 2020, on municipal entity governance models; South African Local Government Research Centre).*

Core Value Proposition

The model positions the agency as **innovative** and **commercially agile**, **driving catalytic investment attraction** that strengthens the metro through cross sector public value, while mobilising capital into sectors underserved by traditional municipal processes.

The partner architecture includes:

- **Sector Departments (BCMM)**: These are municipal departments with whom the agency co-creates programmes, aligns project planning, and ensures legitimacy for project origination. They provide regulatory alignment, land and permitting support, and project sponsorship.
- **Investment Community and Local Investors**: Capital providing stakeholders, typically developers, infrastructure investors, tourism operators or industrial investors wanting metropolitan access.
- **Research Institutions**: Knowledge partners who generate evidence-based feasibility inputs, sector diagnostics, sustainability frameworks, socio-economic analysis, community surveys, impact measurement.
- **Development Finance Institutions (DFIs)**: Financial institutions providing blended finance for infrastructure, industrial parks, agro-processing facilities, renewable energy, housing related catalytic developments.
- **Private Sector Partners**: Co-investors, operators, consortium partners, PPP vehicles, joint delivery partners, impact funders.
- This constellation aligns with Kransdorff's 2021 assessment of municipal development agency ecosystems which emphasise that DFIs and PPP stakeholders are central to catalytic city building. *(Kransdorff, G., South African Development Finance Review).*

Key Services and Target Sectors

- Tourism Investment Promotion
- Property and Infrastructure Development
- Agro-processing and Agriculture
- Manufacturing
- Renewable Energy
- Digital Economy
- Business Enablement (enterprise support)

Data from the 2025 National Treasury Municipal Entities Review indicates that tourism and property commercialisation are the two largest revenue-yielding sectors for MFMA Schedule 3 entities in coastal metros, with property management yielding an average 12–18% annualised return for agencies holding developmental landbanks or commercial assets.

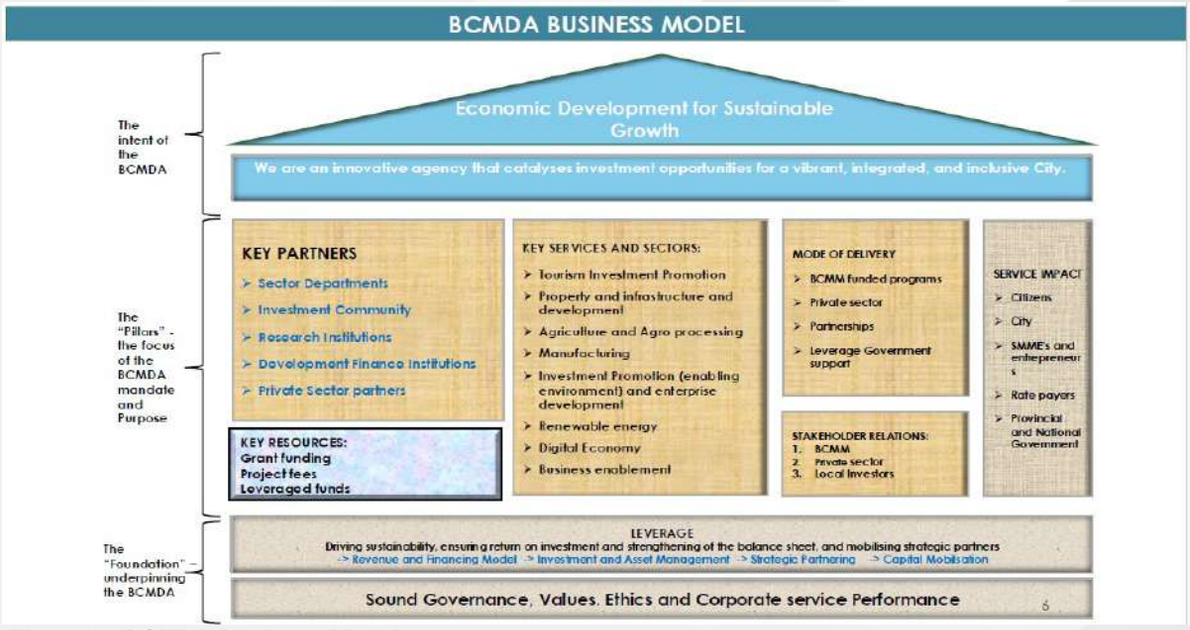


Figure 8.: BCMDA Business Model

8.3 ECONOMIC INFORMATION OF THE METRO

During the year under review the Agency operated with the following economic conditions in exercising the implementation of its mandate. The Agency has three areas that need to be considered for the reporting period namely investment promotion, tourism and gross domestic product. According to the situational analysis of the City the following is evident:

INTRODUCTION TO ECONOMIC DEVELOPMENT

The Directorate of Economic Development and Agencies is mandated to promote economic growth, creating a conducive environment for businesses to thrive, facilitate the creation of jobs by key economic players, attracting and retaining investment and improving the overall well -being of the local communities in Buffalo City Metropolitan Municipality.

The directorate is comprised of the following departments:

- Fresh Produce Market
- Agriculture and Rural Development
- Trade, Sector and Industry Development
- Tourism development, Arts & Culture

The City's annual report will give detail of each of the above with their involvement to supporting local businesses in the Business sector, initiatives on attractive investment to stimulate economic growth as well as infrastructure developed to facilitate business operations and any community engagement projects to improve the quality of life for the residents.

8.4 BUFFALO CITY FRESH PRODUCE MARKET

8.4.1 BACKGROUND AND INTRODUCTION

The Buffalo City Fresh produce market (BCFPM) is a department within the Directorate of Economic Development and Agencies of the Buffalo City Metropolitan Municipality. The market is one of the fifteen (15) National Fresh Produce Markets that were established long time ago with an objective to ensure fresh produce distribution at affordable cost to the citizens of the Buffalo City Metropolitan Municipality (BCMM) and its neighbouring areas. The Buffalo City Fresh Produce Market conducts business with farmers and businesses of all sizes, gender, and race. The suppliers deliver their produce to be sold by appointed market agencies who operate private businesses on allocated spaces at the Municipal Fresh Produce Market trade hall. The Market accommodates four (4) Market Agencies and their respective employees, three (3) wholesalers with their employees, and other small businesses / operators.

The Fresh Produce Market receives 5% of sales as commission from farmers. Other income is generated through rentals for office space, cold storage, and other general storage spaces. The Market took off with a turnover of about R4 million for 1978/1979 sales period compared to the revenue of approximately R634 000 000. The Market is ranked number six (6) in terms of size and turnover performance nationwide, however there are prospects to move up the list in future, particularly with all the initiatives that market management is embarking on.

The current location of the market is at 1 Mercator Place, Wilsonia industrial area, East London, 5247. The Market website is as follows. https://www.buffalocity.gov.za/bcmm-freshmarket/index.php

VISION STATEMENT

To be a convenient trading platform for fresh produce related products

MISSION STATEMENT

To build modern infrastructure facility as a trading platform

STRATEGIC OBJECTIVES

- To increase Buffalo City Metropolitan Municipality revenue
- Promote access to food security.
- Promote inclusive economy through transformation.
- To build a strong and capable human capital.

VALUES

Respect
Transparency

PURPOSE

To table Buffalo City Fresh Produce Market Annual Performance Report (period include 01 July 2024 to 30 June 2025).

8.4.2 ANALYSIS OF THE MARKET ANNUAL SALES FOR 2024/2025 FINANCIAL YEAR

Comparison of market annual turnover performance between 2023/24 and 2024/25

Figure 1 below compares market annual turnover between 2023/24 and 2024/25, and the graph reveals that the market generated an annual turnover of R634 967 334 in 2024/25 as compared R619 947 890. The stats reflect an increase of 2% when compared to 2023/24. The rand per tonne increased by 3% from R8 356 (2023/2024) to R 8 645 in the current year.

8.4.3 The BCFPM contribution to the municipal revenue is depicted in the table below:

Table 8: Revenue contribution to the municipal revenue

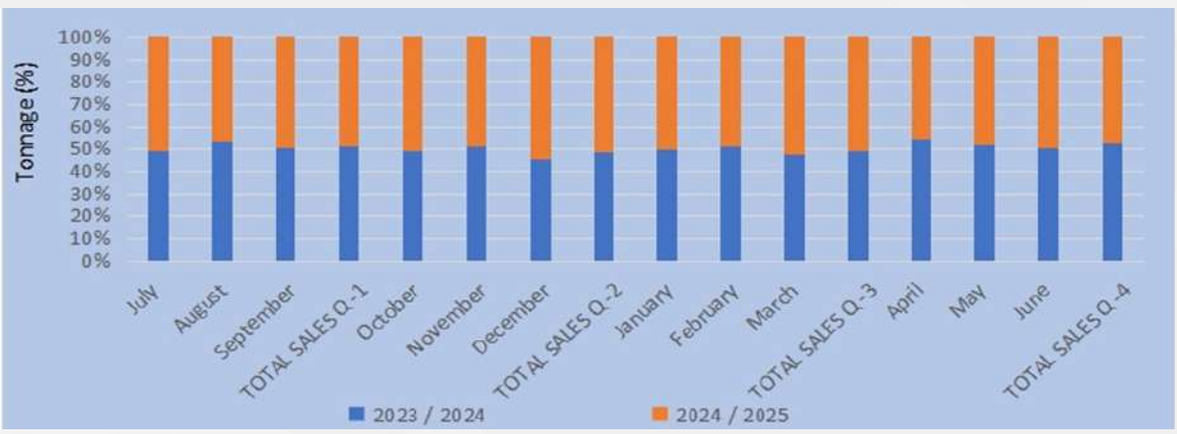
REVENUE TYPE	AMOUNT
Commission Earned	R31 791 121,82
Rentals	R767 432,19
Sundries	R833 791,80
Cold Storage	R1 669 381,17
TOTAL	**R35 061 726,98**

Commission remains the highest revenue type for the BCFPM. This is the main source of revenue for the department, and more efforts are being made to stimulate sales because increased sales result in increased commission.

The next highest revenue type is the rental of cold storage. The department has a cold storage facility that accommodates over 1,500 tons of produce. The cold storage facility is well maintained and equipped with the latest technology. Over the years, the department has invested its capital budget and upgraded its cold storage facility. Cold storage remains the biggest attraction for farmers and businesses.

8.4.4 Comparison of market annual tonnage performance between 2023/24 and 2024/25 Source: Refresh Trading System

Figure 8.1: Comparison of market annual tonnage between 2023/24 & 2024/25

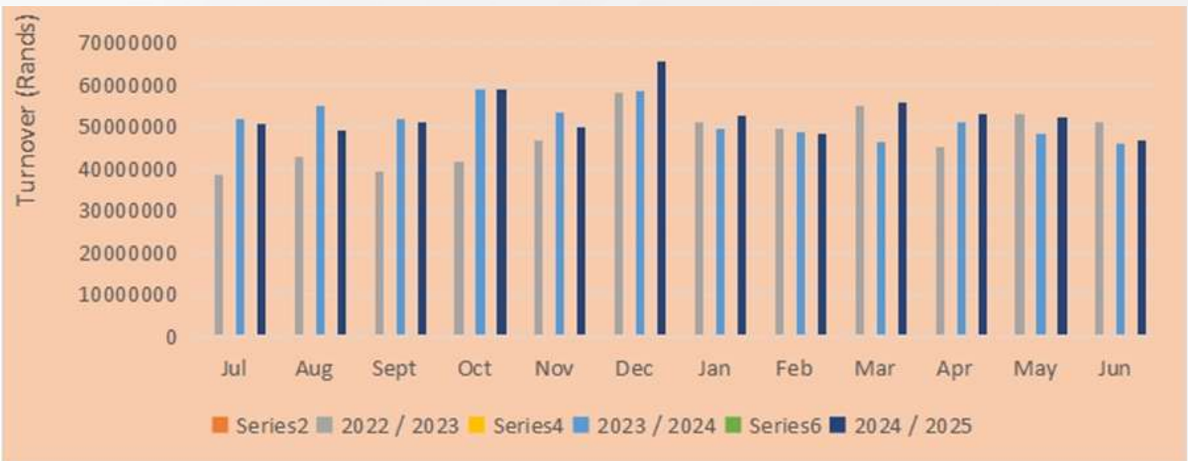


The figure 8.1 above depicts that the Fresh Produce Market has distributed 73 447 metric tons of fresh produce during 2024/25 period as compared to 74 195 metric tons in 2023/24 period. The tonnage movement reflect a decrease of 1% when comparing the two financial years under review.

The Refresh Trading System has registered 502 total suppliers/ farmers in 2024/25, and statistics reflect -2% when comparing to 510 registered suppliers for the 2023/24 period. The trading system also reports 6 459 registered buyers for the 2024/25 sales period, and this reflect a 15% increase when comparing to 5636 registered buyers in 2023/24 financial period.

3.4 Monthly sales growth performance over the three-year sales period (2021/22, 2022/23, 2023//24)

Figure 8.2: Comparison of monthly turnover performance over three financial years.



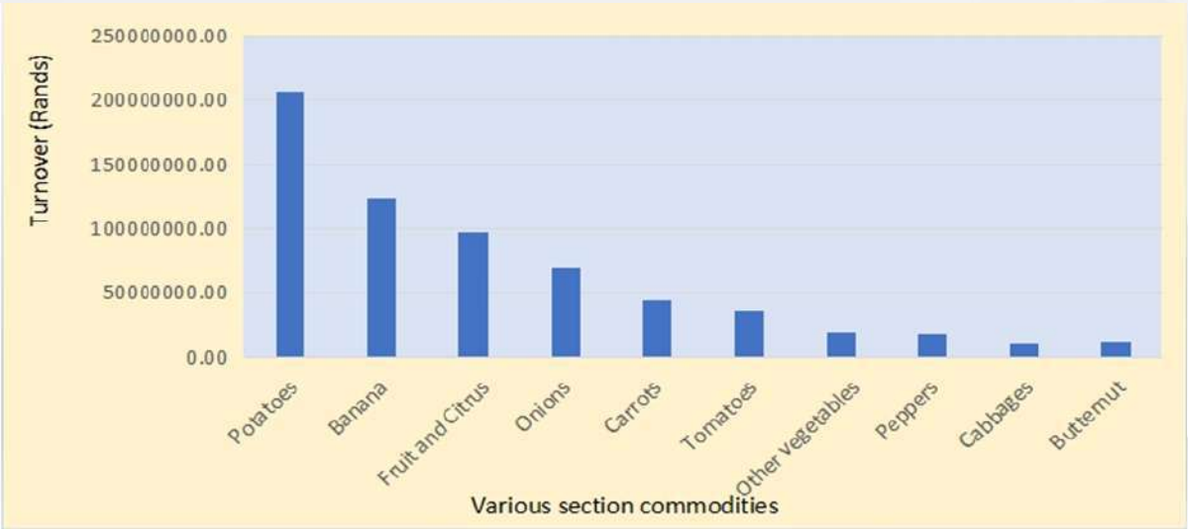
Source: Refresh Trading System

The graph in figure 8.2 above shows comparison of monthly turnover performance over the three financial years from 2022/23, 2023/24 and 2024/25 period under review. The graph further indicates that the monthly turnover performed consistently better / at acceptable levels in 2024/25 and attained the highest peak in December, followed by 2023/24 in terms of dominance. It is clear from the graph that in quarter one and quarter three of 2022/23, there were declines in term of turnover performance due to less fresh produce supplied and farmers inconsistent production and harvest expectations due to disease outbreaks.

MARKET TOP SELLER COMMODITY/ PRODUCT FOR 2024/2025 PERIOD

8.4.5 Market top ten seller commodities/ product performances

Figure 8.3: Annual Sales section commodity performance 2024/2025



Source: Refresh Trading System

Figure 8.3 above depicts performance of the top ten commodities/ products sold at the Market during 2024/ 2025 period. The picture further depicts that potatoes are the biggest contributor to the revenue generated by the market with a combined turnover of about R206 799 228. The section has 33% share of annual turnover and 38% share of annual tonnage, respectively. The second-best seller section is banana with a combined turnover of about R123 823 677; and

the market share of annual turnover at 20% and 16% share of annual tonnage over the same period under review. The third best seller section is fruit/ citrus with a combined turnover of about R88 805 474. The fruit/ citrus section has 14% share of annual turnover and 10% share of annual tonnage. The figure further depicts that cabbages are ranked at the bottom of the top ten products with 2% share of annual turnover and 4% share of annual tonnage. The butternut also contributed the least in the top ten ranking products with and 2% share of annual turnover over the period 2024/2025.

8.9.6 MARKET AGENTS SALES SUMMARY REPORT 2024/2025

Figure 8.4: Market Agents best performers / sellers in 2024/2025



	Banana	Tomato	Carrot	Potato	Cabbage	Fruit & Citrus	Onion	Vegetable
Martin & Scheepers	74%	36%	12%	54%	42%	37%	14%	25%
AAM	0%	62%	19%	18%	28%	14%	43%	33%
Subtropico	3%	2%	59%	16%	12%	34%	16%	19%
Border Farmers	23%	0%	10%	11%	17%	15%	27%	23%

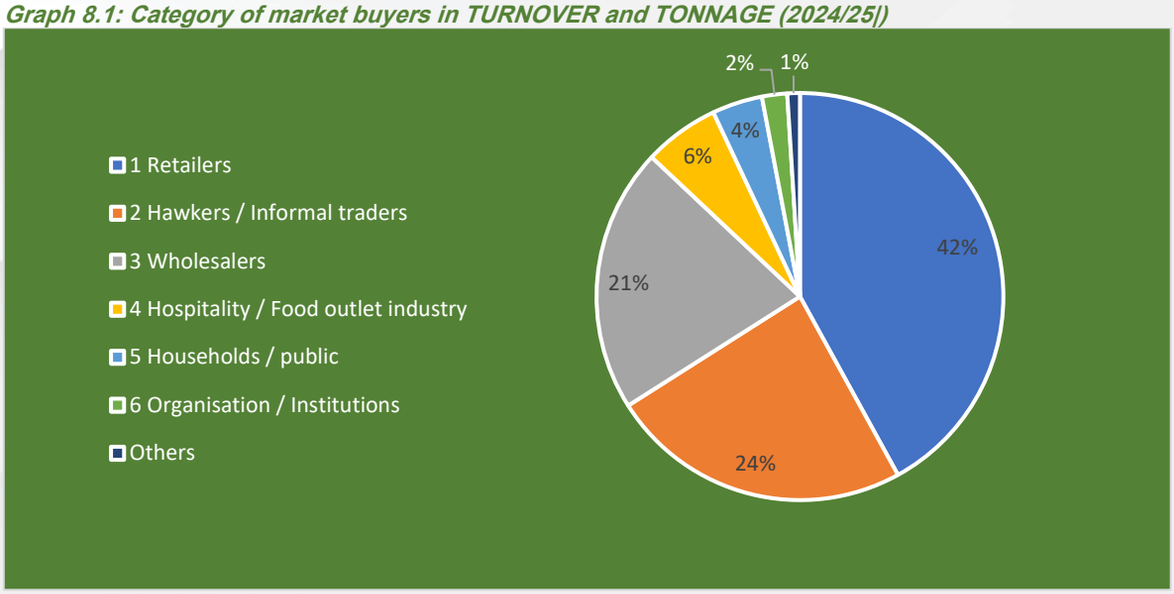
Source: Refresh Trading System

Figure 8.4 above illustrates the summary of the market agent's performances during 2024/2025 financial year under review. Market Agents are assessed in accordance with their annual performance in terms of turnover generated and tonnage sold. The graph further illustrates that Martin and Scheepers market agent is the biggest market agent in the market with 46% share in turnover and 44% in tonnage. Their main product sellers are bananas and potatoes which are the highest consumed products in South Africa in terms of rankings. Cabbages also contributed to the performance of this market agent with 42% share in the market. AA Market Agent also contributed and showed their dominance in tomatoes and onions over the same period. It is also clear that Subtropico Market Agent performed well in carrots with 59% share and in Fruit/ Citrus at 34% share. Border Farmer market agent is at the end of the list in terms of performance, showing promising signs of economic contribution in onion (27% share), vegetables (23% share), and bananas also at 23% share.

SUMMARY PERFORMANCE IN THE BUYER'S CATEGORY

Category of market buyers and performance in 2024/2025 financial year

Graph 8.1: Category of market buyers in TURNOVER and TONNAGE (2024/25|)



Source: Refresh Trading System

The graph 8.1 above indicates that the market has various categories of buyers which seven (7) being the total. The buyer's performance is analysed on the pie chart above, e.g. 1. Retailers (42%), 2. Hawkers (24%), 3. Wholesalers (21%), 4. Hospitality (6%), 5. Households/ public (4%). 6. Organisations/ Institutions (2%). 7. Others (1%). The graph indicates that Retail Group takes the biggest share in terms of value (42% share), followed by hawkers' group and wholesalers in number three.

Performance of Wholesalers at the Market

Table 8.1: Turnover and Tonnage of wholesalers accommodated inside the premises

NO.	NAME	AMOUNT	TONNAGE
1	HRT TRADE	R37 563 919,55	4 515,95
2	FRUIT & VEG T/A	R37 149 781,00	3 433,43
3	MJ ENGELBRECHT T/A	R21 251 331,38	2 806,59
		R95 965 031,93	10 755,97

Source: Refresh Trading System

To stimulate demand, the BCFPM is refurbishing and upgrading its facility to accommodate wholesalers. Accommodating these wholesalers inside the premises reduces their cost of doing business and increases their buying power. The table below shows the wholesalers currently accommodated inside the premises:

SUMMARY OF MARKET ANNUAL DISCARDED FRESH PRODUCE 2024/25

#	Product description	Discards in kg's	Estimated value (R)
1	AA MARKET AGENT	96 348	R894 647.98
2	BORDER FARMERS	89 963	R1 251 041.61
3	MARTIN & SCHEEPERS	137 531	R1 362 547.29
4	SUBTROPICO	70 201	R742 438.82
5	TOTAL	394 043	R4 250 675.70

Source: Refresh Trading System

The table above indicates fresh produce that has been discarded in 2024/ 2025 financial year based on individual market agents operating on the market trading floor. The table further indicates that Martin and Scheepers market agency accounted for the highest discards of about 137 531 kilograms of fresh produce with an estimated value of R1.3 million. The table also indicates that AA Market Agency are ranked number two in terms of the tonnage discarded at 96 348 kilograms with an estimated value of R894 647. Border Farmers and Subtropico Market Agencies experienced substantial but less volumes of fresh produce discarded over the same period. Potatoes are ranked number one in terms of discarded products with 50 936 kilograms that have been thrown away. The potato tonnage discarded represents an amount of about R380 724 in value terms. The carrots are ranked in position two in terms of the volumes/ tonnage that has been discarded with 49 259 kilograms, and estimated value of about R432 685. This is followed by products such as pumpkins, peppers, tomatoes, lemons, butternut, sweet potato, onions, cabbages, etc.

OTHER MARKET PROJECTS

As part of government transformation agenda, BCFPM Management decided to introduce some new concepts into the Fresh Produce Market Industry to make the market attractive and appealing to the BCMM Community. The Food Hub Concept created business opportunities particularly for previously disadvantaged individuals who are citizens of the Region. Most of the operators of the Food Hub are previously disadvantaged people who are in the fresh produce business operations as per the mandate given by Market Management. The following are the recently established businesses in the Food Hub Area of the Market as follows:

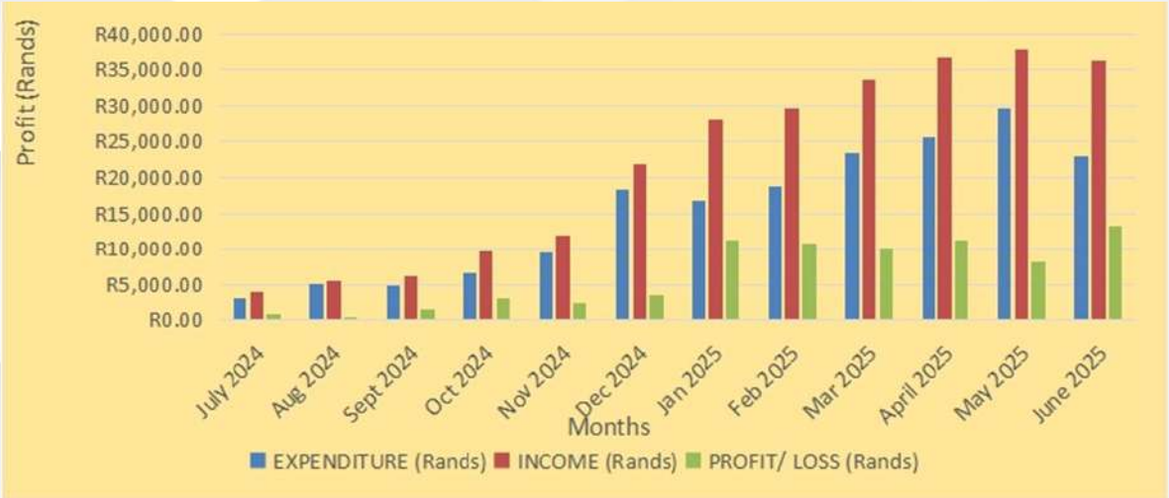
THE FOOD HUB

The Food Hub is a concept that is intended to create a link between the forward and backward integration in the food value chain, where a strong demand through off take agreements with institutions like schools, prisons, hospitals, restaurants, hotels are created. The Fresh Produce Market organised a group of farmers with an intention to hold quarterly Flea Market Days. The Flea Market Days are held on a quarterly basis next to the newly constructed Food Hub building. The intention is to promote produce from small scale farmers and create market access opportunities, raise awareness and capacitate farmers in order to supply the food hub area on a consistent basis. Another aim is to grow the farmers and graduate them to commercial businesses. The two black operators in the Food Hub were given a reasonable rental rate over a period of three years in order to provide stability of the operations, and to strengthen economic growth and expansion of the businesses.

Foodie Basket performance report (July 2024 to June 2025)

The main/ key focus area is to pre-pack fresh produce in small quantities for household sales as compared to the bulk sales in the formal trading platforms (main market hall). As the picture above, the foodie basket operator who is a black South African woman is doing fairly well in terms of economic contribution of the market. The Operator has employed two black South African women to assist with operations of the business. The business offers a variety of food stuffs for various market customer needs. The figure below depicts performance of Foodie Basket Operator over 12 months period 2024/2025 financial year.

Graph 8.2: Foodie Basket performance report 2024/25



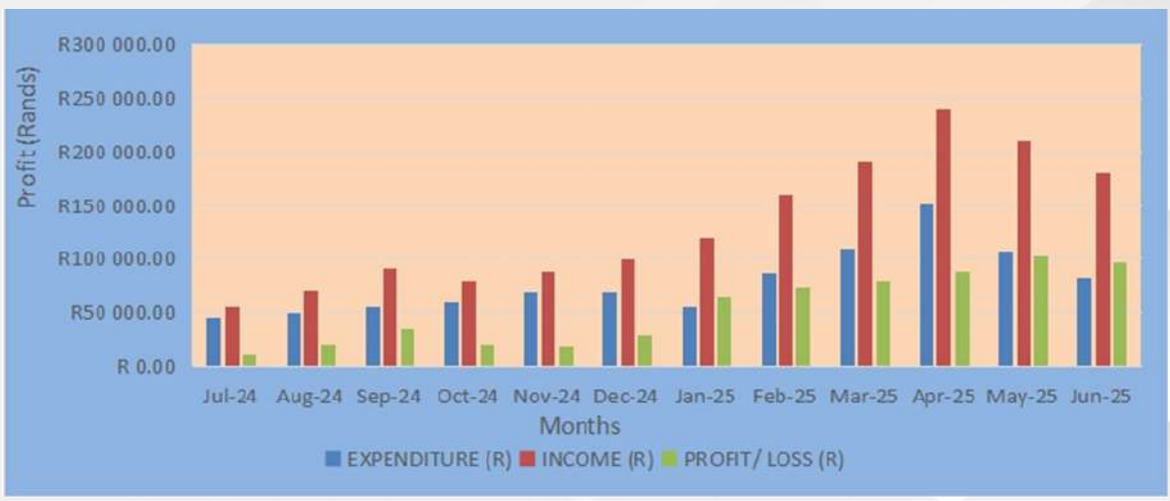
Source: Foodie Basket

The graph above demonstrates performance of the operator in the food hub area over twelve months period starting from July 2024 to June 2025. The graph further demonstrate that the income dominated the business particularly starting from December 2024. We can see the rise in expenditure and income over the same month of December 2024. The introduction of side operations outside the original mandate of fruit and vegetables had an impact in the increase in revenue.

Luziko Fresh Produce Supplies (July 2024 to June 2025)

The main/ key focus area is also to pre-pack fresh produce (mainly peppers and other vegetable products) in small quantities for various business/ customers in the East London, Grahamstown and former Transkei area as compared to the bulk sales in the formal trading platforms (main market hall). As the picture above, Luziko Fresh Produce Supplies Operator who is a black South African male is doing very well in terms of economic contribution of the market. The Operator has employed six black South African women to assist with operations of the business. The business offers a variety of fresh produce supply and most importantly buys most of the produce from the Market. The figure below shows performance of Luziko Fresh Produce Operator over 12 months period 2024/2025 financial year.

Graph 8.3: Luziko Fresh Produce Supplies report 2024/2025



Source: Luziko Fresh Produce Supplies

Figure 7 above indicates performance of the operator in the food hub area over twelve months (12) period starting from July 2024 to June 2025. It is clear from the graph that Luziko Fresh Produce Supplies generated insignificant revenue between July 2024 and December 2024. The graph further indicates a surge in income during the January 2025 month, while the expenditure was at acceptable normal levels. The picture also indicates that income levels increased substantially between February 2025 and June 2025 attaining a peak in April 2025. The expenditure followed the trend even though it did not exceed R150 000 during the same April 2025 month. Also, important to note was that the profit margins were not bad at almost R100 000 during the same month under review.

THE PACKHOUSE ENVIRONMENT

The second one is the packhouse environment and the aim is to introduce emerging farmers to the Market Food Hub processing facility to promote and encourage consistent production and supply of fresh produce and other related food items. It further aimed at addressing the lack of consistent supply and the dwindling number of farmers and declining food quantities, while increasing market access opportunities. Each emerging farmer is allocated space to display his/her agricultural products through the Flea Market Days that are held quarterly. The BCFPM has identified 30 local farmers with the aim of providing guidance and advice in terms of the demand and which products need to be aggregated to meet the required supply of vegetable products and few fruit farmers to be the main suppliers of the packhouse facility. The main/ anchor products required in the packhouse facility are peppers (all colours) and will be supported by other vegetable products, and fruits will be sourced from the commission system and where necessary outside the Market to increase food basket of consumers. At the initial stages of the project, the commission system will not apply, and farmers receive 100% profits from their sales as compared to the core business on the market trading floor.

DEMAND AGGREGATION OF FRESH PRODUCE IN EASTERN CAPE PROVINCE

The Market is currently facing a challenge of declining tonnage of fresh produce that is being sold, unfortunately climate and weather conditions affect the performance of BCFPM especially on the main product such as potatoes. The market is currently experiencing short supply on potatoes due to the six commercial farmers in Limpopo Province who have experienced black frost that destroyed their potential harvest. As a result of this, the price of a bag of potato is expected to increase dramatically due to the factors mentioned above, where various markets and buyers will be competing for the same scarce product. The declining production and supply of bananas is also a huge concern for the market and BCMM community and surrounding areas in terms of addressing food security and poverty alleviation.

Possible Solutions:

The Eastern Cape Provincial Cabinet has approved direct procurement of fresh produce by the government departments that deals with procurement of food on daily basis from the three fresh produce markets in the province. The new potential buyers pose a challenge to both the three markets and farmers as food shortages is becoming a reality and the demand and supply of food is a concern. The BCFPM in partnership with South African Union of Food Markets (SAUFM) and Department of Agriculture (DOA) are currently conducting awareness campaigns through the demand aggregation model to encourage and attract new and existing local farmers that are producing low volumes in areas such as Buffalo City and surrounding communities. This project is promising to bare fruits; however, the mandate has been taken away from DOA to Eastern Cape Rural Development Agency to implement with the support of industry stakeholders including BCMM.

FINANCIAL IMPLICATIONS

The City's local economic department was allocated R5 500 000 capital budget for 2024/25. The following projects were implemented:

Table 8.2: Project Expenditure

NO.	PROJECT NAME	PROJECT EXPENDITURE	COMMENTS
1.	Upgrading of cold rooms	R2 742 714,64	100%
2.	Upgrading of Parking Bays	R391 050,00	100%
3.	Office Refurbishments and Replacement of Rainwater goods	R559 417,50	80%
4.	Installation of dock levellers	R321 699,20	50%
5.	Refurbishment of LV Panels	R626 086,96	100%
6.	Supply, delivery and assembly of two prefabricated units	R350 860,00	100%

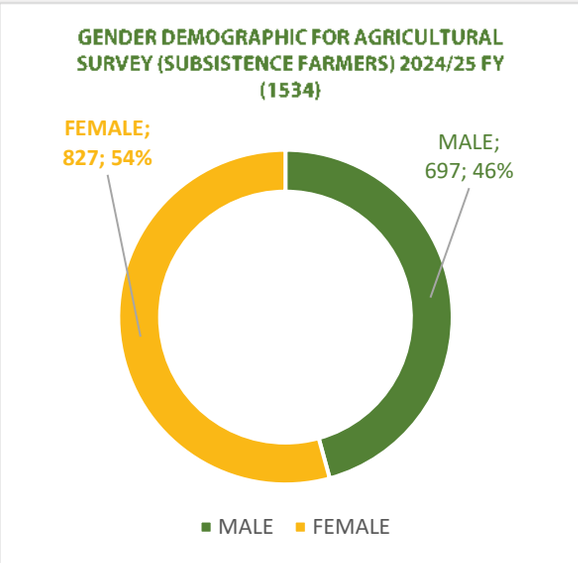
AGRICULTURE & RURAL DEVELOPMENT REPORT – 2024/25

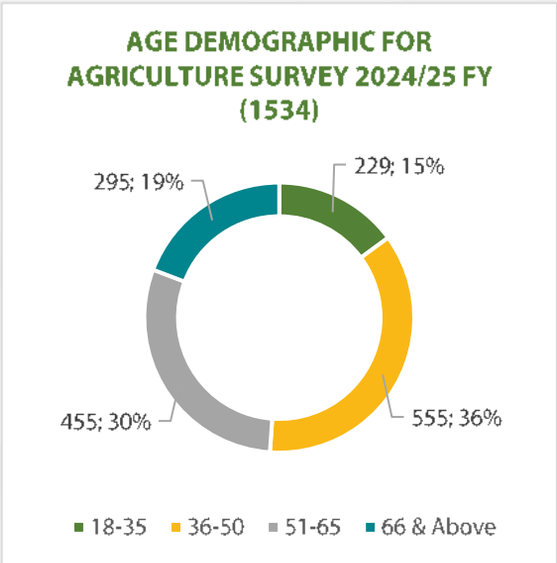
Introduction

The climate and natural resources of Buffalo City Metropolitan Municipality (BCMM) make it favourable for the Metro to make a meaningful contribution to the food basket of the province. The sub-tropical climate, with deep soils and summer rainfall favours several crops. A number of perennial rivers such as Nahoon, Buffalo and Keiskamma run through the metro to make it possible to engage in major irrigation schemes.

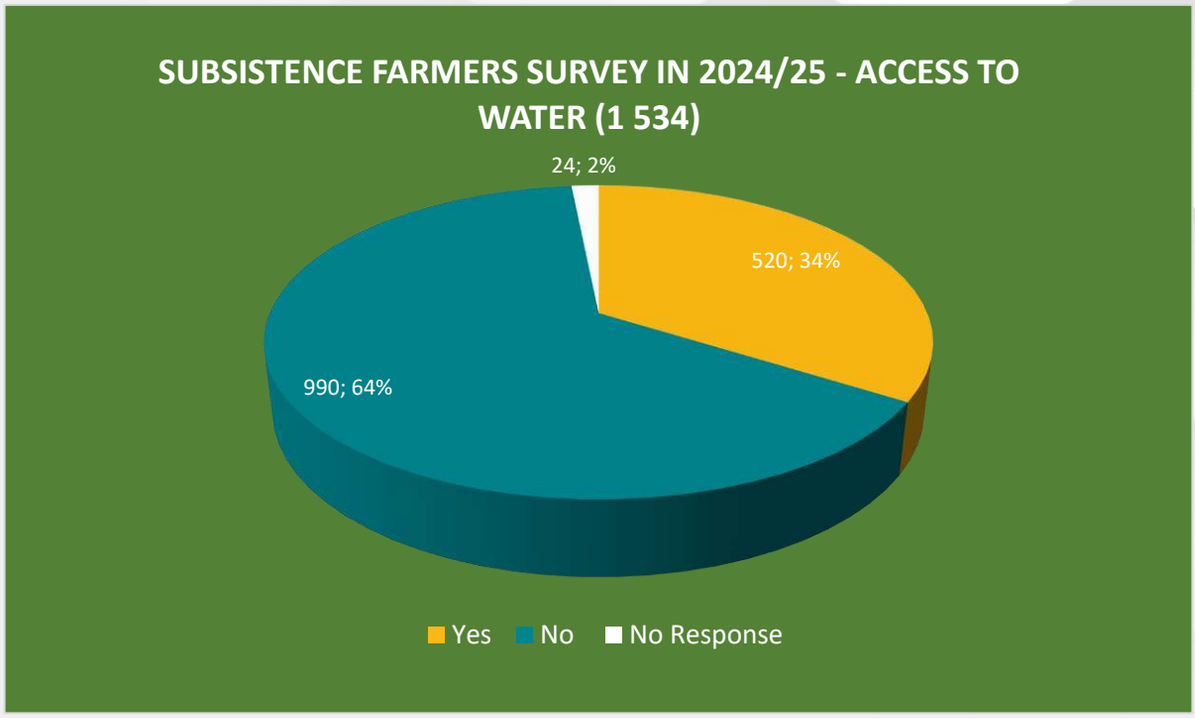
BCMM is made up of commercial, emerging and subsistence farmers. Commercial farmers occupy mainly prime land along the coast, stretching from Kaysers Beach to Kwelerha, while subsistence farmers practice their agriculture in the rural villages, mainly former Homelands. Most of the emerging farmers were established through government's land reform programmes and most of these farms were vacated or left idle.

According to Agricultural Survey conducted by BCMM during the 2024/25 financial year, majority of subsistence farmers within the Metro are females and the aged (see graph below).





The Survey confirmed the known challenge that very few young people are involved in Agriculture, standing at 15%. The most active group in agriculture is between ages 36 and 50 at 36%, followed by the matured group of between 51 and 65. Interestingly, those from age 66years and above exceed the youth and stand at 19%.



Most common enterprises in the BCMM area are dairy, beef, pineapples, macadamia and various kinds of vegetables.

URBAN FOOD GARDENS – PUBLIC EMPLOYMENT PROGRAMME (PROGRAMME) -PEP

This is a programme that promotes food gardens while creating employment for youth in our Metro funded through the Neighbourhood Development Partnership Grant (NDPG) from National Treasury. Those who are already involved in farming are recruited and trained in agro-ecological (organic) agriculture while getting stipend over six (6) months. The training is over five (5) days, and it entails land preparation, seed bed preparation, planting, compost making, pest and weed control and harvesting.

Buffalo City partnered with the Rural Livelihoods Programme (RULIV) to implement the Programme in the following coastal areas during the 2024/25 financial year:

TABLE 8.3: Rural livelihood programme

Inland	Coastal
Dimbaza	Sunnysouth
Zwelitsha	Mdantsane
Tsolo	Westbank
Tolofiyeni	Braelyn
Tshabo	Kusile

ORGANISATIONAL PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

The Agency developed its annual performance in fulfilment of the provisions of MFMA and Local Government Systems Action to monitor and evaluate implementation of the strategy. The performance scorecard details all the KPI's that the BCMDA has in its annual performance plan and the deviations to the target for financial year are depicted below.

During the year the Annual performance plan was reviewed and approved twice, resulting in the final performance tables listed hereunder. Statistically, the following summary of achievements were made per goal which is expanded in the tables hereunder.

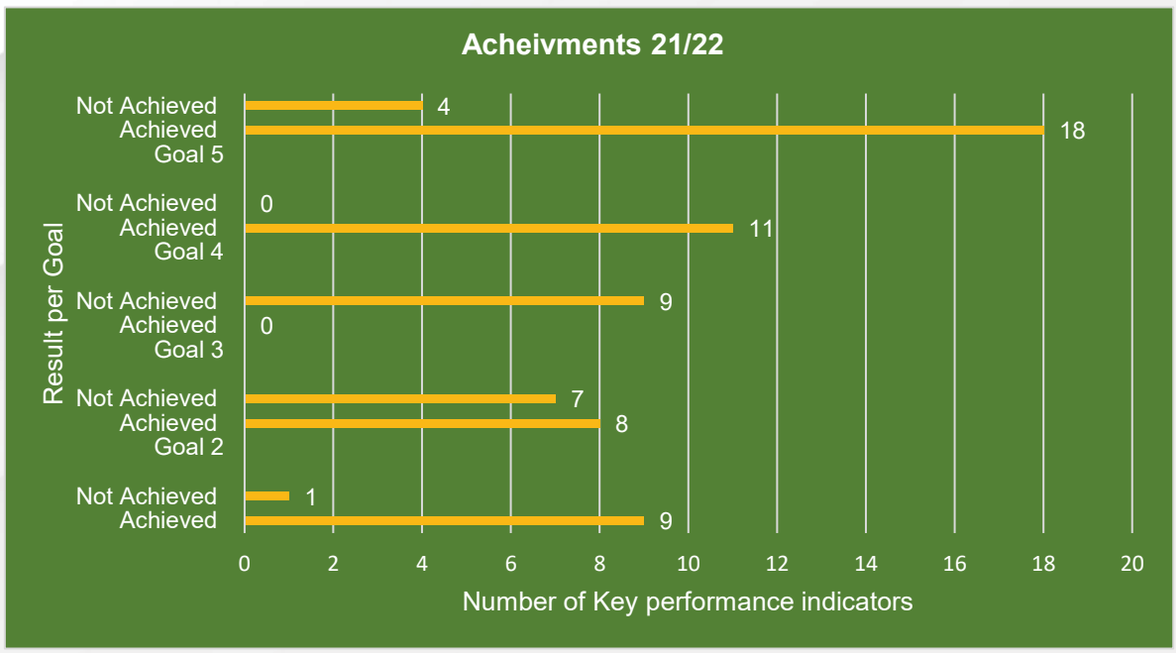


Figure 8.4: Achievements in outcomes for 2024/2025

ALIGNMENT WITH THE CITY

The Buffalo City Metropolitan Municipality strives to realise the following 5 strategic outcomes by the year 2030, which the BCMDA has a big role to play towards their achievement:

f) **An inclusive and sustainable economic growth** – with rapid and inclusive growth, and falling unemployment,

g) **A clean and environmentally sustainable city** – environmentally sustainable with optimal benefits from our natural assets. A clean and healthy city of subtropical gardens,

h) **A globally connected city** – high quality (and competitively priced) connections to ICT, electricity, and transport networks (inside the city and to the outside world),

i) **A spatially transformed city** – the spatial divisions and fragmentation of the apartheid past are progressively overcome, and township economies have become more productive, and

j) **A well governed city** – a smart and responsive municipality (working with other levels of government) that plans and efficiently delivers high quality services and cost-effective infrastructure, without maladministration and political disruptions.

The Metro Growth and Development Strategy (MGDS) is set as the City's foundation for the future, aimed at mobilising partners and stakeholders to work together towards shared programme goals, encouraging business and stakeholders to commit to a common vision. BCMDA has a critical role to play in ensuring the City realises its strategic aspirations by performing both a facilitation function as well as a delivery function.

BCMDA STRATEGIC GOALS/ OUTCOMES

The Agency has set five strategic outcomes, which will be measured over the five (5) year period, forming part of the 5-year strategy. The strategic outcomes for the Agency over the term are:

Outcome 1: A dynamic tourist destination	• Focuses on increasing the number of tourists coming into the City through creating an enabling environment for tourism product development and/ or enhancement.
Outcome 2: Attractive city for global investment.	• Deals with increasing the size and ROI of the Agency's investment portfolio in Tourism, Property, and Industrial Sectors so that it can make the Metro increasingly economically active and competitive.
Outcome 3: Vibrant and attractive local spaces.	• Focuses on acquiring property for development, management, revitalisation of urban and rural spaces in the Metro, implementation of integrated initiatives for beachfront development so that the Metro can cope with pace of urbanisation
Outcome 4: Inclusive and resilient economy	• Focuses on implementing the Agency's socio-economic development programme that improves access to meaningful work opportunities for identified beneficiary groups within the City. This includes the implementation of economic diversification and expansion projects
Outcome 5: An efficient, well-governed and viable agency	• Focuses on the performance of the agency against four key areas: financial health; performance excellence; as well as governance & compliance excellence.

INSTITUTIONAL PROGRAMME PERFORMANCE 2024/2025

The institutional performance in the five strategic outcomes will be measured through a set of outputs set for the upcoming financial year and the MTEF. For measurement purposes, the Agency has defined key performance indicators (KPIs) for each output (henceforth referred to as key performance area) which was approved and subsequently revised during the mid-year review. The mid-term review brought into sharp focus the availability of resources and the various challenges with respect to project management and implementation of infrastructure projects.

The performance here is based on the revised annual performance plan submitted along with the revised budget.

INVESTMENT PROMOTION, TOURISM DEVELOPMENT AND SOCIO-ECONOMIC DEVELOPMENT UNITS

This area of work involves the work undertaken in Outcome 1 namely a dynamic tourist destination, Outcome 2 which is an attractive City for global investments and Outcome 4 an Inclusive and resilient economy.

Table 8.4: Annual targets for Investment Promotion and Socio-Economic Development Units

OUTCOME 1: A DYNAMIC TOURIST DESTINATION

KPI ID	Key Performance Indicator (KPI)	2024/25 Annual Targets	2024/25 Budget	Progress	Achieved / not achieved	Comments, challenges explanation of variance
1.1.1	Number of tourism routes supported with storyline development	2 Tourism routes supported with storyline development	R 300 000	Storylines have been developed for the following routes: Dimbaza and the Coastal Route.	Achieved (2 Tourism routes supports with storyline development)	All content has been completed for the various routes, and a consultation with the Dimbaza community on the routes will be pursued in the next financial year.
1.1.2	Number of tourism routes supported with interpretive board development	3 Tourism routes supported with interpretive boards	R 100 000	BCMDA has made proposals for the placement of boards in the various sites.	Not Achieved	. A consultation process with the community for agreement on the

KPI ID	Key Performance Indicator (KPI)	2024/25 Annual Targets	2024/25 Budget	Progress	Achieved / not achieved	Comments, challenges explanation of variance
				Engagement with the community and councillors is yet to be completed		location of the boards is still pending. Capacity challenges about internal resources/ prolonged vacancies (Human Capital, location of it executive, project manager)
1.1.3	Number of tourism sector development interventions initiated	2 tourism sector development interventions initiated	R0	Following tourism interventions were initiated: Mdantsane Tourism Forum bid to host Provincial Tourism Day, Berlin, November, Duncan Village Museum, Africa Rowing Championship to BCMM initiative.	Achieved (2 tourism sector development interventions initiated in Berlin in November, Hosting of Provincial Tourism Month Launch)	There has been much interest from the public and organisation in the tourism community to work with the BCMDA. To this end, the organisation has received significant interest for collaborations and partnerships leading to more achievements than anticipated.

OUTCOME 2: ATTRACTIVE CITY FOR GLOBAL INVESTMENT

Output Indicator	2024/25 Annual Targets	Adjusted 2023/24 Budget	Achievements / Progress	Comments	Corrective Measure
Number of land parcels identified and packaged for Investment opportunities.	3 land parcels identified and packaged	R 0	Achieved	The following land parcels were identified and packaged as possible proposals to the council: Settlers Way- Chester Road, Commercial Road-Avenue Street, Buhlanti-Buccaneers Precinct, Qonce -Bisho Precinct	None
The value of the investment facilitated	700 000 million (2 new investments)	R 0	Not Achieved	The year under review saw the conclusion of the Sleepersite notarial lease valued at R 4.6 billion. The Seaview Terrace and Marina Glen A projects are at an advanced stage towards the signing of notarial leases.	Delays in the conclusions of notarial leases for the said projects hampered the projects from getting to financial close and approval processes for construction to begin.
Number of tourism sector development interventions initiated	2 tourism sector development interventions initiated	NIL	Achieved	Following tourism interventions were initiated: Mdantsane Tourism Forum bid to host Provincial Tourism Day, Berlin, November, Duncan Village Museum, Africa Rowing Championship to BCMM initiative.	None

OUTCOME 3: VIBRANT AND ATTRACTIVE LOCAL SPACES

Output Indicator	2024/25 Annual Targets	Adjusted 2023/24 Budget	Achievements / Progress	Comments	Corrective Measure
Number of spaces planned for Rehabilitation (rural and urban)	Inner City and Urban Redevelopment Programme (Quigney) planned for rehabilitation	R 0	Not Achieved	Engagements with BCMM EPMO for identification of a Project Steering Committee role-players and development of terms of reference are underway.	Capacity challenges about internal resources/prolonged vacancies (Human Capital, executive, pro manager, and project managers).
Number of beach sites renovation designs approved	2 Beach sites Renovation designs approved (Gonubie and Nahoon)	R 0	Not Achieved	Bonza Bay Beach - Interviews with members of the public are underway. however, with limited resources (human) to conduct social facilitation.	Budgetary limitations to procure professional services for social facilitation and design work. Capacity challenges about internal resources/prolonged vacancies (Human Capital, executive, pro manager, and project managers).
Number of properties development projects under construction	1 project under construction (Water World Fun Park)	NIL	Not Achieved	The contractor has initiated an arbitration process. Museum, Africa Rowing Championship to BCMM initiative.	Final account disputed by Contractor; thus, impeding progression to next stage. Budgetary limitations to procure professional services for social facilitation and design work. Capacity challenges about internal resources/ prolonged vacancies (Human Capital, executive, pro manager, and project managers).

OUTCOME 4: INCLUSIVE AND RESILIENT ECONOMY

Output Indicator	2024/25 Annual Targets	Adjusted 2023/24 Budget	Achievements / Progress	Comments	Corrective Measure
Number of socioeconomic projects implemented through Environmental Management.	Duncan Village Waste Management Programme	R31 700 000	Not Achieved	Socio-economic components, i.e. training and capacitation, waste collection and separation, etc. are ongoing. Site establishment in preparation for construction is in progress.	None

OUTCOME 5.2: AN EFFICIENT, COMPLIANT, WELL-GOVERNED, AND VIABLE AGENCY

Output Indicator	2024/25 Annual Targets	Adjusted 2023/24 Budget	Achievements / Progress	Comments	Corrective Measure
Health of financial ratios.	Quick Ratio = 2:1	R0	Achieved 3.03:1	Achieved (Achieved 3.03:1 financial ratio)	None
Compliance on financial planning, administration and reporting requirement	100% compliance	R 0	Achieved (100% compliance with financial planning and reporting requirements)	Financial and performance reports submitted. • 100% of creditors paid within 30 days. Monthly budget statements submitted by the 7th working day. • Reconciliation of revenue, expenditure, assets, and liabilities performed. • EMP 201 returns submitted within 7 days. • VAT 201 returns submitted by the last working day of the month. -EMP 501 returns are submitted by October and May. • Monthly Updating and maintenance of the fixed asset register performed. • Submission of annual budget for approval by 31 May. • mSCOA compliance monitored. • 100% Compliance with Supply Chain Management Policy; • Develop and adhere to an annual procurement plan. • Monthly evaluation of supplier performance and maintenance of contracts register performed.	None
Improved Audit Outcome	Unqualified Audit Opinion without findings	R1 000 000	Not Achieved	Achieved unqualified audit opinion with findings on contract management and project management.	Audit action plan developed to address audit findings and is being implemented Capacity challenges about internal resources/ prolonged vacancies (Human Capital, executive,

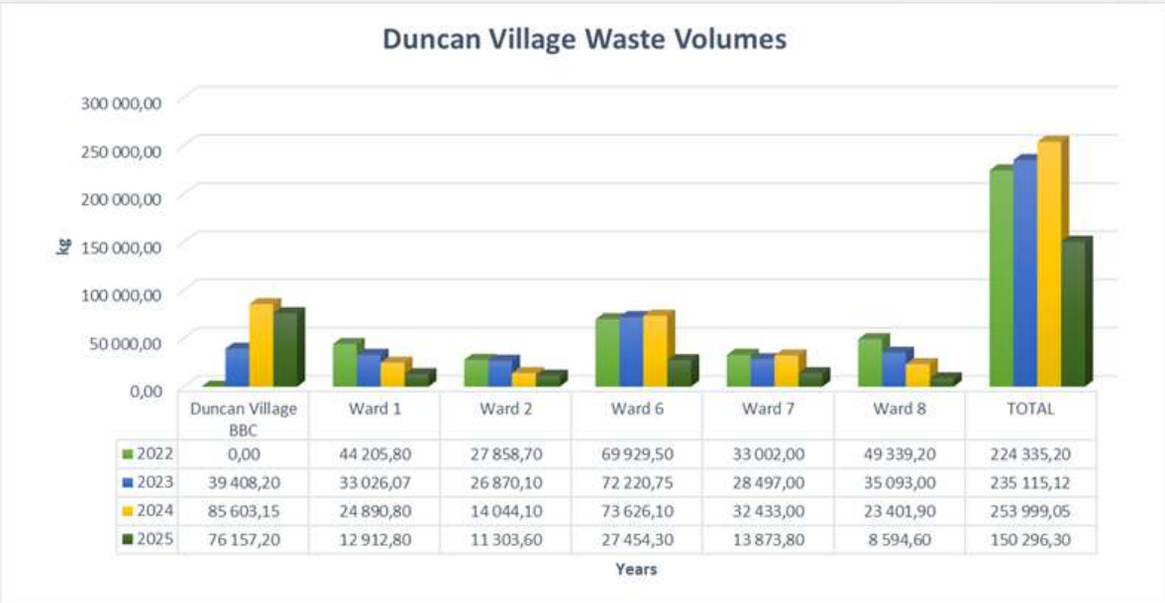
Output Indicator	2024/25 Annual Targets	Adjusted 2023/24 Budget	Achievements / Progress	Comments	Corrective Measure
					pro manager, and project managers).
Expenditure incurred	97 of % Spending of the grant from the City	R42 545 662	Not Achieved	94% Achieved	Variance relates to slow progress in filling of vacant posts.
Improved percentage implementation of recommendations from External and Internal Audit Reports	90% Implementation of recommendations from External and Internal Audit reports	R319 600	Not Achieved	50% of findings resolved, 32% are in progress, and 18% are unresolved.	Agency has made a submission to the Council to refer the Water World and Court Crescent project irregularities to the Municipal Financial Misconduct. Board for investigation. Investigation of irregular expenditure and performance information reviews are awaiting to be conducted by the incoming firm of internal auditors.
Percentage LEVEL ONE BBBEE expenditure on procurement of goods & services	75% LEVEL ONE BBBEE expenditure on procurement of goods and services	R50 000	Achieved 93% LEVEL ONE BBBEE expenditure on procurement of goods and services	Achieved 93% LEVEL ONE BBBEE expenditure on procurement of goods and services	None

OUTCOME 5.2: Corporate Services Human Resources

Output Indicator	2024/25 Annual Targets	Adjusted 2023/24 Budget	Achievements / Progress	Comments	Corrective Measure
Percentage submission of legislated reports to the Department of Labour	100% Submission of COIDA and WSP	R20000	Submitted as per legislative requirement	Achieved (100% Submission of COIDA and WSP)	None
Percentage submission of all staff performance related documents	100% of Performance Contracts and Performance Agreements - 100% submission of disclosures - 100% submission of performance reviews	R 0	Not Achieved	95% of Performance Contracts and Performance Agreements • 96.4% submission of disclosures • 85% submission of performance reviews	Units did not fully submit the required performance agreements • Units did not fully submit the disclosure forms • Units did not fully submit the performance reviews
Percentage annual training budget spent	95% spent on approved training budget	R 146 817	Achieved (95% spent on approved training budget)	95% spent on approved training budget	None
Percentage people and Culture strategy interventions implemented	100% planned wellness interventions implemented.	R 50 000	Achieved (100% planned wellness interventions implemented.)	100% planned wellness interventions implemented.	None
Percentage of funded vacancies filled	100% of identified funded	34 354 813	Not Achieved	Interviews were conducted in Q4 Programme Manager started 1 July CFO, starting 1st August	Recruitment plans not signed on time.
Percentage Workspace management compliance to OHS	100% compliance with OHS act	R 52 450	Achieved (100% compliant to OHS)	100% compliant to OHS	None
Number of Facilities Management reports submitted	Submission of 4 Quarterly Facilities Management Report	R0	Achieved (Submission of 4 Quarterly Facilities Management Report)	Facilities reports for new office premises	The agency did not occupy office space for the period October 2024 to March 2025.

OUTCOME 5.3: Corporate Services ICT

Output Indicator	2024/25 Annual Targets	Adjusted 2023/24 Budget	Achievements / Progress	Comments	Corrective Measure
Percentage availability of ICT system achieved	95% uptime	R0	Achieved (95% availability of ICT system)	Completed	None
Percentage completion of fail over tests	4 tests per annum	R 0	Achieved (4 successful failover tests completed)	4 successful failover tests completed	None
Percentage adherence to prescribed help desk response time	<3 hours	R0	Achieved (Helpdesk response time of under 3 hrs achieved)	Helpdesk response time of under 3 hrs achieved	None
Number of ICT Governance meetings	4 ICT Steering meetings	R 0	Achieved (4 ICT steering meetings convened)	4 ICT steering meetings sat	None
Number of masters plan systems implemented	2 Master System Plan targets implemented	R 50 000	Achieved (2 Master systems plan initiatives implemented)	2 Master systems plan initiatives implemented	None



	Duncan Village BBC	Ward 1	Ward 2	Ward 6	Ward 7	Ward 8	TOTAL
2022	0,00	44 205,80	27 858,70	69 929,50	33 002,00	49 339,20	224 335,20
2023	39 408,20	33 026,07	26 870,10	72 220,75	28 497,00	35 093,00	235 115,12
2024	85 603,15	24 890,80	14 044,10	73 626,10	32 433,00	23 401,90	253 999,05
2025	76 157,20	12 912,80	11 303,60	27 454,30	13 873,80	8 594,60	150 296,30

Table 8.5: Annual targets for Property Management and Development Unit

Output Indicator	2024/25 Annual Targets	Adjusted 2024/25 Budget	Achievements / Progress	Comments/ Challenges	Corrective Measure
Number of socio-economic projects implemented and under management	1 project: Duncan Village Waste Management Programme	R 26 000 000	Achieved	Socio-economic components, i.e. training and capacitation, waste collection and separation, etc. progressed well, with. site establishment in preparation for construction commencing in Quarter 4.	None
Number of spaces planned for Rehabilitation (rural and urban)	Inner City and Urban Redevelopment Programme (Quigney) planned for rehabilitation	R 0	Not achieved	The scope for the project changed due to the district development model	Conducting needs analysis prior commencement of similar projects, well as ensuring budget availability and alignment with the City's developmental plans.
Number of beach sites renovation designs approved	2 Beach sites concepts developed (Bonza Bay and Nahoon)	R 0	Not achieved	A multi-disciplinary Project Steering Committee is required for such an undertaking as the Agency does not have the relevant expertise on board. This also assists with guiding the development of Terms of Reference for projects.	Commence stakeholder engagements and ensure availability of budget.
Number of properties development projects under construction	1 project under construction (Water World Fun Park)	R 0	Not achieved	Final account disputed by Contractor; resulting in prolonged dispute process; thus, impeding progression to next stage.	Alternative mechanisms are being pursued to complete the project.
Number of business development opportunities/proposals pursued	2 business development proposals developed	R 0	Not Achieved	Development of Business Plans for accreditation and approval is underway.	Submit a request to Council for approval for an amendment of the Service Delivery Agreement to include BCMDA as an implementing Agency for Social Housing as well as for the Department of Education

GROUP SUPPORT SERVICES

Group services and administration offers key strategic and operational support services to the core business units. The main purpose of group services is to provide a seamless, efficient and effective administrative support function that are regulatory, leadership, corporate and statutory. These functions support three business units:

a. Office of the CEO, inclusive of Strategy, Research, Risk, Fraud and Compliance Management and Internal Audit.
b. Chief Financial officer, inclusive of Supply Chain and Financial Management.
c. Corporate Services, inclusive of Human Capital, Information Communication and Technology (ICT) and document management.
d. Legal and Company Secretary.

HIGHLIGHTS OF SERVICES PROVIDED PER PROGRAMME

As outlined in the previous chapter, the mandate of the BCMDA is to attract investors into Buffalo City and increase economic growth through tourism, economic and social development, and property management and commercialization. This mandate is carried out through] five outcomes.

- Outcome 1: Dynamic Tourist attraction
- Outcome 2: Attractive home for global investments and sustainable economic development
- Outcome 3: A robust property market
- Outcome 4: Delivered Socio-Economic development programs
- Outcome 5: A well-governed and viable agency

OUTCOME 1: DYNAMIC TOURIST ATTRACTION

Tourism continues to serve as a key pillar in driving inclusive economic growth, social cohesion, and place-making within the Buffalo City Metropolitan Municipality (BCMM). In line with the BCMM Vision 2030 and the BCMDA's mandate to catalyse sustainable development, the Agency intensified its efforts to reposition Buffalo City as a vibrant tourism and cultural destination of choice.



During the year under review, the BCMDA achieved a series of strategic milestones aimed at strengthening policy alignment, institutional coordination, and project implementation within the tourism sector. This work has laid a solid foundation for long-term growth, investment attraction, and destination competitiveness — ensuring that the tourism economy continues to create shared value for both the shareholder and local communities.

Policy Framework: Strengthening Strategic Alignment

Under its Tourism Development Programme, the Agency concluded and adopted two landmark policies — the **Tourism Policy** and the **Public Art Policy** — marking a significant step in establishing a clear, coordinated framework for the growth of the tourism and cultural economy.

The **Tourism Policy** sets out a strategic framework for improving visitor numbers, spending, and experiences through three central pillars:

- **Content Development:** Showcasing Buffalo City's history, heritage, and diverse cultural identity.

- **Infrastructure Development:** Upgrading and designing tourism products and facilities to enhance visitor experiences.
- **Institutional Development:** Strengthening partnerships, coordination, and local tourism structures.

This policy provides a structured approach to project prioritisation, market analysis, and commercial viability — ensuring that tourism growth remains inclusive, sustainable, and investor-friendly.



Complementing this, the **Public Art Policy** reinforces BCMDA's place-making and creative development mandate by setting out how public artworks are commissioned, maintained, and integrated into public spaces. It promotes creativity, cultural expression, and community participation, while shaping a distinct visual identity for Buffalo City.

Together, these policies position BCMDA as a leader in advancing sustainable tourism, creative economy development, and inter-institutional alignment — reinforcing the Metro's goals of economic diversification and inclusive urban transformation.

Tourism Route Development: Building Content and Business Opportunities

A major milestone during the reporting year was the successful completion of the **Heritage and Liberation Route Development Project**, which celebrates the rich tapestry of Buffalo City's cultural, historical, and social heritage.



Following a **hub-and-spoke model**, the project links East London as the central hub with key township and heritage nodes including **Duncan Village, Mdantsane, Ntabozuko, Bisho–Qonce–Zwelitsha, and Dimbaza**, as well as the **coastal corridor** capturing the Metro's scenic beaches and marine assets.

Through extensive community consultations, authentic narratives and interpretive content were developed to ensure inclusivity and historical accuracy. This work forms the foundation for the next phase — **installation of interpretive signage and route activation** — designed to enrich visitor experiences and educational engagement.

In parallel, BCMDA undertook a **spatial and opportunity scan** across the identified nodes to determine viable tourism and business opportunities. This analysis yielded a set of strategic project concepts that align with the Metro's tourism growth and local development objectives, including:

- Upgrade and landscaping of the **Steve Biko Cemetery**,
- Revitalisation of the **Mqayi Heritage Site**,
- Development of the Sisa Dukashe Sports Precinct, and
- Formalisation of trading facilities in Qonce.

Each project has been conceptualised with the dual purpose of preserving heritage while stimulating local enterprise, employment, and spatial inclusion. To broaden access and visibility, BCMDA has also initiated the **digitisation of all route content**, making Buffalo City's heritage stories and opportunities accessible to both local audiences and international visitors through its official platforms.

Support to Tourism Product Development

Despite operating within tight financial constraints, the BCMDA continued to play a catalytic role in the tourism ecosystem by providing **technical, institutional, and strategic support** to initiatives with high potential for destination enhancement and economic impact.



Key interventions during the year included:

- **Mdantsane Tourism Forum:** Provided technical support that enabled the Forum's successful bid to host the 2025 **Provincial Tourism Day Launch** — a landmark achievement for township tourism.
- **Berlin November:** Supported through hospitality and stakeholder engagement initiatives, using the event as a platform to promote Buffalo City's tourism products and strengthen partnerships.
- **Duncan Village Museum Project:** Facilitated partnership mobilisation and coordination to advance the establishment of this key heritage attraction.
- **Africa Rowing Championships Initiative:** Assisted in resource mobilisation and partnership facilitation to enhance Buffalo City's capacity to host international sporting and recreational events.

Beyond these direct project interventions, the Agency has continued to contribute to **policy coordination and strategic dialogue** through its active participation in the **Border–Kei Chamber of Business Tourism Committee**, promoting collaboration, investment facilitation, and private sector involvement in tourism development.

Conclusion: Unlocking Tourism's Transformative Potential

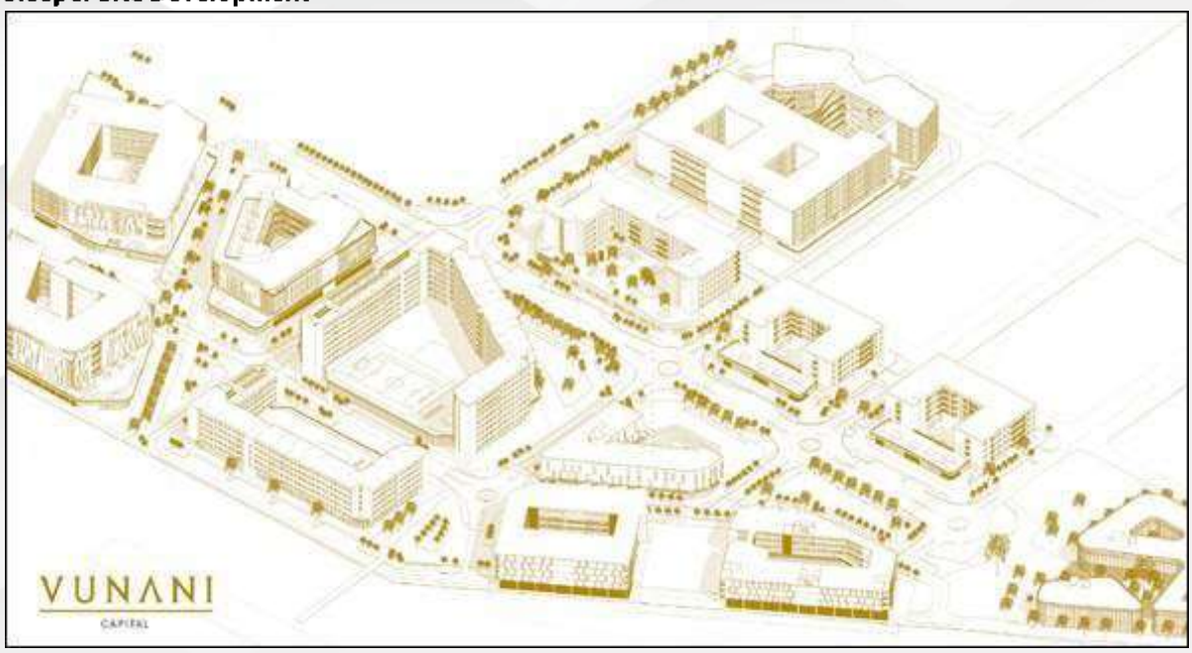
Through these strategic interventions — from policy alignment to route development and product support — the BCMDA continues to demonstrate its commitment to **building an inclusive, competitive, and resilient tourism economy** for Buffalo City.

OUTCOME 2: ATTRACTIVE HOME FOR GLOBAL INVESTMENTS AND SUSTAINABLE ECONOMIC DEVELOPMENT

During the year under review, the Buffalo City Metropolitan Development Agency (BCMDA) continued to advance its Investment Promotion Programme — a core component of its mandate to stimulate economic growth, attract private-sector investment, and drive urban regeneration across the Buffalo City Metropolitan Municipality (BCMM).

The programme focuses on unlocking strategic land parcels for high-impact developments, building investor partnerships, and enabling projects that contribute to the Metro's Vision 2030 Growth and Development Strategy. The Agency's efforts have resulted in measurable progress on a portfolio of five catalytic investment projects, representing a combined potential investment value of approximately R 6.4 billion. Each of these projects has the potential to play a pivotal role in strengthening the Metro's property market, enhancing revenue generation, and creating long-term employment and enterprise opportunities.

Sleeper Site Development



Investment value R 4.6 billion: The Sleeper Site Development remains the BCMDA's flagship urban regeneration initiative, positioned at the heart of the East London CBD. During the year, the project reached significant milestones, including the signing of the notarial lease and the transfer of property to the investor, Vunani Capital. The project envisions a vibrant mixed-use precinct comprising commercial, residential, hospitality, and recreational spaces that will reposition the inner city as an attractive destination for investment and tourism. Over the next year, the Agency will facilitate an investor roundtable, finalise financial close, and coordinate with BCMM to determine the bulk infrastructure requirements to support implementation.

2. Marina Glen A Development

Investment value R 912 million: The Marina Glen A Development, led by The Facilities Company, progressed to an advanced preparation stage with deal negotiations concluded and both the draft lease and development agreements completed. This development is strategically located within the East London beachfront precinct and is envisioned as a modern, high-end mixed-use node incorporating residential, retail, and leisure components. Once implemented, the project is expected to catalyse tourism, enhance the urban landscape, and create significant employment and supplier development opportunities. In the upcoming year, BCMDA will focus on finalising financial close, concluding agreements, and coordinating the bulk infrastructure planning process with BCMM.

3. Seaview Terrace Development

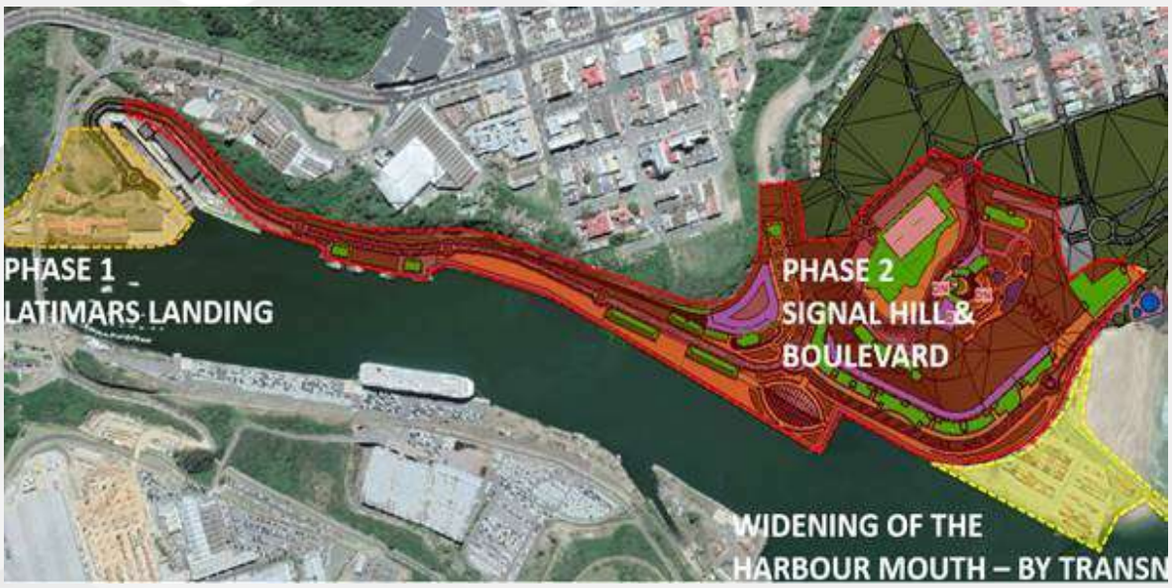


Investment value R 400 million: Located along the East London beachfront the Seaview Terrace Development advanced through the completion of deal negotiations and the preparation of both the draft lease and development agreements with Boma Real Estate. This project forms part of the Agency's coastal regeneration agenda, aimed at unlocking mixed-use and hospitality investments that strengthen tourism, enhance the city's visual appeal, and stimulate private-sector activity along the beachfront. The next steps will include finalising all legal agreements, establishing the investor's work plan, and assessing the infrastructure needs required to initiate construction.

4. Victoria Grounds Development

Investment value R 500 million: The Victoria Grounds Development, in partnership with Twin City, advanced through initial negotiations but experienced delays due to social facilitation processes and pending arrangements for alternative sporting fields. The project has significant potential to transform the Qonce downtown into a modern, integrated mixed-use area combining retail, leisure, and community facilities. In the next financial year, BCMDA will focus on facilitating social facilitation resolutions, hosting an investor roundtable, and finalising the investor's work plan to enable the next phase of project implementation. Once operationalised, the project is expected to generate employment opportunities and enhance social infrastructure within the area.

East London Waterfront Development



Investment value R 6. 8 billion: The East London Waterfront Development represents one of the most strategic long-term catalytic investments in the Metro. The development aims to revitalise the East London Harbour precinct into a dynamic waterfront destination that integrates commercial, maritime, residential, and leisure uses, transforming the city's economic and visual identity. The next step will involve facilitating an engagement between the BCMDA Board and the Transnet Board to confirm strategic alignment and define the governance and implementation framework for this transformative initiative.

East London Racetrack Project

Property value R 45 million: The East London Racetrack Project continued under a directive from Council for BCMDA to conclude a 20-year lease with Border Motorsport. During the year, the Agency supported Border Motorsport in developing a business plan and provided guidance on defining the desired development outcomes of the lease. The project aims to revitalise the racetrack as a sustainable motorsport and events hub, contributing to tourism, recreation, and local enterprise participation. In the coming year, BCMDA will work with the City to finalise the legal instruments governing the transaction and ensure that the development framework aligns with municipal property and investment policies.

Outlook and Next Steps

In the forthcoming financial year, the BCMDA will prioritise bringing these six flagship projects — Sleeper Site, Seaview Terrace, Marina Glen A, Victoria Grounds, East London Waterfront, and East London Racetrack — to financial close, construction readiness, and implementation.

Key priorities include:

- Hosting investor roundtables with development partners to finalise governance and implementation frameworks.
- Signing notarial and development agreements to formalise transactions.
- Advancing social facilitation and stakeholder engagement to unlock outstanding constraints, particularly at Victoria Grounds.
- Collaborating with BCMM to identify and deliver bulk infrastructure solutions that enable development readiness.
- Strengthening investment promotion marketing, targeting domestic and international investors.

OUTCOME 3: A ROBUST PROPERTY MARKET

Here under is a brief progress report on infrastructure projects in Execution:

a. Completion of Court Crescent Recreational Park – the Park was officially launched and opened to the public in November 2023. The facility has been capitalized, officially making it an asset of the City. The daily maintenance of the facility was carried out through the Public Employment Programme (PEP) until 30 June 2024. Security se services were also rendered until the end of June 2024.
b. Completion of Water World Fun Park - Construction works on site were suspended in April 2023, following the contractor's termination and subsequent arbitration. To date there is no certified value/claim by the contractor, due to disputes.
c. Due to non-activities on site the site has, and continues to, suffer damage owing to the elements and overgrowth, as well as vandalism.
d. The environmental cleaning services at Marina Glen B (Ebuhlanti) and Esplanade (along the Eastern Beach) were successfully rendered until the natural expiry of the contract in December 2023. The rendering of these services assisted in maintaining a clean and environmentally friendly space.
e. Duncan Village Waste Management Programme: Waste collection and recycling continues, with Duncan Village as a pilot. The programme is piloted in five wards within Duncan Village, with 15 participants per ward and administrative staff operating the static buy-back centre. The static buy-back centre attracts volumes of recyclable materials for offtake to the market. Desing and construction of a new Buy-Back Centre will commence in the new financial year.
f. Business Improvement Initiative with Oxford Street as a pilot was awarded to Pholisani Capital. Research was submitted to the Agency and awaits Board presentation and approval before it goes to the Council.
g. Esplanade Masterplan – Engagements with urban planners, for best solutions on the development of the Esplanade and Quigney precinct, have been initiated.

GOAL 4: DELIVERED SOCIO-ECONOMIC PROGRAMMES

BCMDA is mandated to conceptualise, plan, and execute catalytic socio-economic development projects. The Unit is charged with mandate to rollout socio economic development programmes. These programmes are targeted at having a positive impact on livelihoods of the citizens of the metro through targeting especially disengaged groups such as the youth and women. These projects are also geared at addressing the spatial development imbalances within the metro as well as incorporating previously disadvantaged spaces and also promoting sector development diversification such as textiles, agriculture, and renewable energy development. While the programme is still at a nascent stage initiative for SMME development have started to take root, it is the short term to medium objective of the programme to provide support to SMMEs in line with the BCMDA SMME Policy and Strategy. In promoting improved livelihoods, the Unit also looks at creative approaches to job creation through partnerships with programmes such as public employment work. The Socio-economic Development Unit amongst other is responsible for the following programmes:

a. Implement projects with direct impact and improvement to marginalized groups.
b. Rural Development programs
c. SMME development strategies
d. Partnerships and CSI Projects

The following is an status quo of current programmes that are geared toward ensuring that the Agency becomes more responsive to socio economic development needs:
The following Socio-Economic Programmes are under implementation:

Rural Development Projects

Small scale farmer's support

In line with Outcome 3 to deliver socio-economic development programs, revitalising agriculture and agro-processing value chain was identified as one of the key sectors needed to be responded to. The Agency in this regard allocated budget support the economic regeneration projects at Shushu B and Maclean Town. Both these are projects are agricultural and the funding is allocated for provision of agriculture inputs for small scale farmer's support.

Currently, service provider to delivery relief support in form of agriculture inputs has been appointed and due to nature of the inputs, the service provider was expected to deliver before the end of ploughing season in Quarter 3 but failed to deliver. The service provider's order was cancelled, and the project closed.

SMME Development Strategies

The Buffalo City Metropolitan Development Agency (BCMDA) has developed a Small Medium Micro Enterprise (SMME) Development Policy that will guide the Agency regarding interventions to support and develop SMMEs in rural and urban areas within the Buffalo Metropolitan Municipality jurisdiction. To implement the programme, SMME policy, SMME Support and Development Strategy has been developed that seek to guide the BCMDA on how to do business and implement the SMME support and development programme. Notable, the SMME policy and Strategy was adopted in 2022. The processes undertaken in implementing the SMME Support programme is outlined hereunder: SMME support and development policy is to be implemented through the following stages:

Integrated Waste Management, Greening And Beautification Programme

Integrated Waste Management, Greening and Beautification Programme:

BCMDA together with BCMM secured conditional grant funding from the National Treasury to roll out a waste management, greening and beautification programme. The programme encompasses 6 components i.e., Waste management, greening, coastal guards, public art, textiles & prints and public education & awareness. This project forms part of the Good Green Deeds and city-wide waste management projects funded by the national Department of Environmental Affairs. Participants work an 8-hour day for 6 days and are further capacitated with various training opportunities.

Generally, the programme is implemented through the EPWP guidelines therefore, recruitment of participants is inline with the prescribed determination and the recruitment of administrative staff was done within the BCMM through interview. On start of the programme, Participants partook in an extensive induction programme which was conducted in partnership with the Department of Employment and Labour.

The programme offers the following services:
Conventional PEP – street cleaning, removal of waste in illegal dump sites and public open spaces. Waste collection. Waste Transportation. Greening

Innovative PEP - Public Art, Textiles and Prints, Public Awareness and communication, Coastal patrols

Project Location

The project is located in key/hot spots in all regions of the BCMM (Coastal, inland and midland) to enhance cleanliness of the city through grass cutting, general waste picking and beatification. Coastal patrol is located at the Esplanade Street in Quigney, pilot for public art is located at Steve Biko Bridge in East London whilst textile and print are located at King Williams Town.



Waste pickers, grass cutters and coastal guard's participants are still on month-to-month renewable contracts pending availability of budget. The overall number of participants for P.E.P to date is totalling to 256. This number includes 230 Waste pickers, 10 grass cutters, 4 Coastal guards, 9 supervisors and 3 Office staff.

All these components have played a crucial role in the accomplishment of the programme deliverables through success stories of bringing safety to City, beauty and exposure of the City to the holiday makers and in providing needed publicity of the programme through BCMTV media coverage and other social media platforms.

For the better part of the financial year, the project steering committee hasn't been sitting and this has created a number of problems resulted in project holdups, lack of decision making, and suffering as some of the decisions aren't implemented properly.

Certainly, the project received an approved rollover of R4.9m for unspent funds from previous financial year and this has helped to improve the financial capacity of the programme as it has been suffering from budget limitations and as such contracts of all participants ended on 30 June 2025.







The City has experience massive rains and there was a need for gutter clearance and grass cutting especially in public areas.

The following tables show the current participation statistics by end of the Financial Year:

	MID-LAND	IN-LAND	COASTAL	GRASS CUTTERS	SECURITY GUARDS	OFFICE STAFF	TOTAL
No. Participants	26	61	143	10	4	12	256
Females	21	47	117	0	3	6	194
Males	5	14	26	10	1	6	62
Youth	9	23	66	1	1	2	102

OUTCOME 5: A WELL-GOVERNED AND VIABLE AGENCY

A key strategic objective is to ensure that there is a solid base from which to operate as an Agency of the Municipality. The aim of goal one is to ensure a that there a well-governed meaning stable and fully capitated agency to deliver on its mandate effectively as well as a viable agency intimating that sustainability in the medium to long term is critical.

This goal forms the support to the Agency's core business and other strategic objectives. This objective includes the following key strategic areas of work namely financial sustainability, governance maturity, stakeholder management and a high-performing and motivated staff and the creation of a sound research platform.



Figure 8.4: Overall annual performance trend

OUTCOME 1: A DYNAMIC TOURIST DESTINATION

The 2024/25 financial year marked meaningful progress in deepening Buffalo City's tourism product offering. Despite tight fiscal constraints, BCMDA successfully supported the development of two tourism routes with full storyline buildout for Dimbaza and the Coastal Route, achieved within the allocated budget for content development. The completion of verified cultural and geographic storylines positions the metro to advance community-led tourism experiences in the subsequent financial year and reinforces the agency's role in rural tourism activation. The planned 2025 stakeholder consultation with the Dimbaza community signals a shift toward participatory product custodianship, aligned with community-based tourism principles that emphasise local ownership and inclusive planning for tourism assets. While the interpretive board programme did not reach financial close, proactive site placement proposals were produced. To strengthen delivery momentum, a CEO endorsed Tourism Routes Interpretive Board Steering Committee was formally constituted to resolve location agreements

OUTCOME 2: AN ATTRACTIVE CITY FOR GLOBAL INVESTMENT

As a development facilitator, BCMDA demonstrated strategic readiness in land packaging for investment despite having no direct budget allocation for this indicator. Three high-value land parcels were identified and professionally prepared for council consideration, including sites in the inner city and catalytic precinct nodes, enabling future blended finance opportunities. Municipal development agencies rely on early-stage land packaging to de-risk investor entry and unlock systemic capital flows. The agency also realised a landmark notarial lease conclusion for the Sleepersite project valued at R4.6 billion, signalling one of the largest property market transactions in the metro's portfolio and affirming the agency's ability to commercialise land in line with the Municipal Systems Act. Private company municipal entities are empowered to transact development functions more effectively and to the benefit of communities under Chapter 8A S86B(1)(a) of the MSA 2003 as amended. Additional lease projects progressed to advanced negotiation, affirming sustained investor confidence. BCMDA also initiated and successfully executed major tourism sector interventions, including bids and cross-sector sporting tourism platforms that strengthen destination positioning, consistent with the city's strategic tourism aspirations (Buffalo City MGDS 2023-2030). These milestones reinforce the agency's catalytic investment role and its contribution to diversified tourism participation ecosystems.

OUTCOME 3: VIBRANT AND ATTRACTIVE LOCAL SPACES

BCMDA sustained its systems strengthening influence through ongoing steering committee engagements for rural and urban space rehabilitation cluster planning. Although rural beach site renovation financial close and Water World Fun Park construction timelines were delayed due to arbitration-related contractual processes, the agency delivered social facilitation interviews and initiated public consultations for Bonza Bay Beach, maintaining visible momentum on community voice integration. Development agencies must pursue facilitation activities proportionate to risk and resource realities, embedding a dynamic response to delivery blockers. Arbitration proceedings are formally recognised dispute resolution instruments under South African contract law when construction claims reach impasse, providing a path to structured settlement. The agency continues to play a central convening role for inner city spatial upgrading design planning, supporting credible and bankable terms of reference for multi-stakeholder rehabilitation programmes.

OUTCOME 4: INCLUSIVE AND RESILIENT ECONOMY

In fulfilling its environmental management-linked development function, BCMDA preserved operational continuity of the Duncan Village Waste Management Programme's socio-economic components, including training and waste separation pilots, despite broader grant process timelines being constrained by sequencing rather than implementation withdrawal. Environmental and socio-economic integration is a recognised municipal resilience enabler that strengthens inclusive economic benefits from natural assets. Site establishment progression confirms structured readiness for construction phase activities, reflecting continued operational delivery alignment to inclusive economy pillars reflected in national performance reporting frameworks.

OUTCOME 5.2: EFFICIENT, COMPLIANT, WELL-GOVERNED, AND VIABLE AGENCY

The agency maintained robust financial health, exceeding the 2:1 Quick Ratio target by closing the reporting year at 3.03:1, demonstrating liquidity strength far above the minimum prudential comfort norms for public entities. Liquidity ratios above 1.5 are recognised as healthy risk-adjusted buffers in development organisations with irregular grant timing profiles. BCMDA further achieved full compliance on legislated financial planning and reporting instruments, including tax submissions, 30-day creditor settlement compliance, mSCOA monitoring, asset register maintenance, and quarterly facilities management reporting, meeting requirements of the Public Finance Management and broader municipal compliance ecosystem (MFMA 2003, Section 87 for internal controls;National Treasury Circular 88 for financial reporting disciplines). BBBEE procurement quality improved substantially, closing at 93% Level One expenditure against an annual target of 75%, strengthening empowerment outcomes for qualifying suppliers and demonstrating policy-aligned procurement inclusion.

Corporate Services: Human Capital and Compliance

BCMDA demonstrated legislative adherence through 100% submission of COIDA and Workplace Skills Plan documentation to the Department of Labour, ensuring compliance with occupational injury and skills development statutory instruments. The agency further achieved 95% spending of the approved training budget, underscoring alignment with the agency's Human Resource Development Policy, which prioritises competency-based capacitation, leadership strengthening, and mandate supportive sector interventions (BCMDA HRD Policy 2024/25, Pillar 3 on Pivotal Training Investments). Prolonged recruitment sequencing delays between budget approval and signed recruitment plans marginally impacted the submission of performance agreements, with performance contracts achieving 95% submission overall, while key funded vacancy interviews progressed in Quarter 4, with the CFO and Programme Manager onboarding scheduled in Quarter 1 of the 2025 calendar year. Delayed signature timelines for recruitment plans are commonly recognised delivery inhibitors in municipal entities experiencing senior leadership transitions.

Corporate Services ICT: Governance and System Availability

ICT governance maturity measurably strengthened during the reporting period. The agency maintained 95% system availability uptime, completed four successful failover tests, sustained sub-3-hour helpdesk responsiveness, and convened four ICT Steering Committee governance sittings, demonstrating enterprise system resilience and governance cadence consistency. System availability, failover preparedness, and helpdesk responsiveness are formally recognised ICT risk and continuity deliverables aligned to ISO 27001 and COBIT governance best practice frameworks used across complex development organisations. In addition, BCMDA implemented two Master System Plan initiatives supported by internal ICT steering oversight, confirming continued progress on digital capability institutionalisation.

COMPONENT F



ORGANISATIONAL DEVELOPMENT PERFORMANCE

9 COMPONENT F: ORGANISATIONAL DEVELOPMENT PERFORMANCE

9.1 HUMAN RESOURCES AND ORGANIZATIONAL DEVELOPMENT

This is supported by BCMDA's overall objective, as out in its Talent Acquisition & On-Boarding Policy, to ensure that its employment practices and remuneration policies motivate and retain talented employees and create an attractive work environment. BCMDA periodically reviews its Human Resource Policies to ensure that they remain relevant and practical for the changing needs of current and potential employees.

9.2 HUMAN RESOURCES PROFILE

Table 9: BCMDA staff profile

BCMDA Staff Turnover	Actual
Permanent employees at the start of the period – 01 July 2024	12
Contract positions at the start of the period-01 July 2024	15
Interns- 1 July 2024	2
Add: Recruitment for 24/25	0
Less (for 24/25)	
• Resignations	5
• Deaths	0
• Dismissals	0
• Retirements	0
• Terminations	1
Total permanent employees as of 30 June 2025	9
Contract Employees as of 30 June 2025	15
Total employees at the end of the period as of 30 June 2025	24
TOTAL STAFF ESTABLISHMENT	24
• Less Actual positions filled	0
• Vacancy rate	30%

9.3 LEARNING & DEVELOPMENT

The learnership programs provide an excellent opportunity for graduates to acquire experience in their different fields of expertise as well as other operational areas of the BCMDA.

9.4 RECRUITMENT FOR 2024/25

A key strategy of BCMDA is to ensure that there is adequate human resources capacity to deliver on the mandate. With regards to vacancies, for the post of:

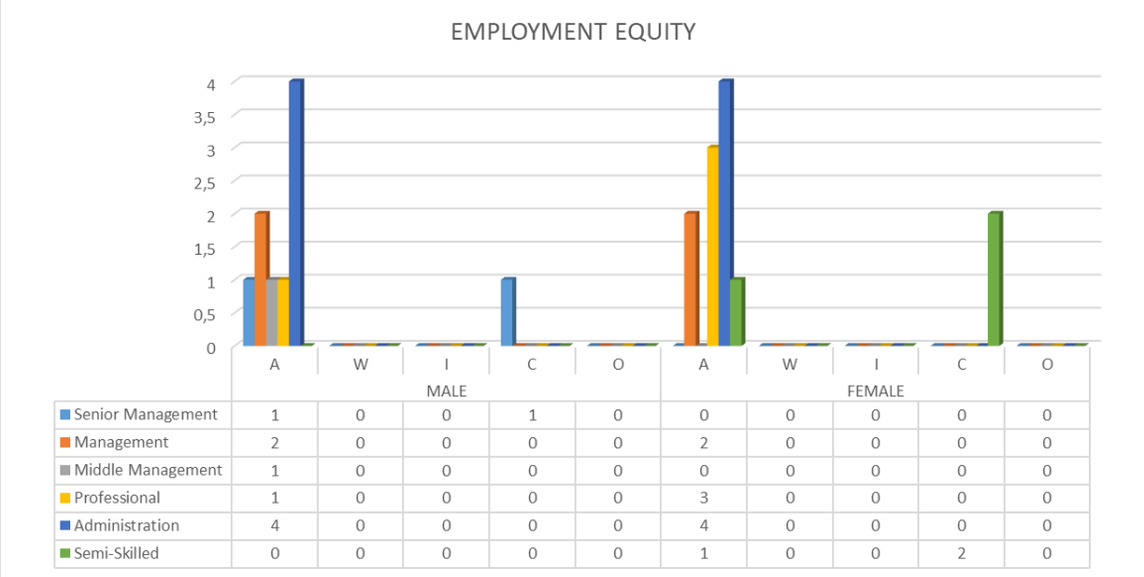
Table 9.1: Recruitment for 2024/25

No recruitment is conducted for 2024/25 FY.

9.5 EMPLOYMENT EQUITY

BCMDA is committed to the principles of equity, non-discrimination, and diversity enshrined in the Constitution and the Employment Equity Act (1998). It aims to employ a diverse staff to complement and support staff development and training. Equal employment opportunities are offered to all employees.

The BCMDA's staff complement as of 30 June 2025 as per the employment equity principles in terms of **gender** is reflected as below:



	MALE					FEMALE				
	A	W	I	C	O	A	W	I	C	O
Senior Management	1	0	0	1	0	0	0	0	0	0
Management	2	0	0	0	0	2	0	0	0	0
Middle Management	1	0	0	0	0	0	0	0	0	0
Professional	1	0	0	0	0	3	0	0	0	0
Administration	4	0	0	0	0	4	0	0	0	0
Semi-Skilled	0	0	0	0	0	1	0	0	2	0

Figure 9: Employment Equity

9.6 PERFORMANCE MANAGEMENT

The BCMDA views performance management as a positive management strategy rather than a punitive process, which ensures that employees feel comfortable being part of the process. The agency uses a scorecard to evaluate the performance of managers. Individual performance indicators are linked to the BCMDA's strategic objectives. Objectives that reinforce the culture of governance and financial management among managers are also included.

The Agency rolled out performance management agreements/ workplans to all employees during 2024/25 FY. Personal development plans (PDP's) are included in the performance review process as part of the coaching and mentorship process. In areas where there are gaps identified in terms of performance, the officials responsible are earmarked to receive training to improve their skills so that they can perform better in their functions.

9.7 SKILLS DEVELOPMENT AND CAPACITATION

The BCMDA is committed to staff training and development, ensuring professional delivery and a competitive edge. It aims to provide an integrated learning experience to its employees that will strengthen their commitment to the Agency values, enhance leadership capability, and improve BCMDA's capacity to meet current and future business requirements. The BCMDA's Learning Strategy is based on four pillars:

Understanding the educational requirements of the organization, based on competency assessments and pivotal training based on best practice learning design; Timely and appropriate learning delivery. The assessment of the impact of learning interventions on overall performance is crucial for the Agency's skills development and capacitation.

The development provided to the staff of BCMDA for the financial year is as follows:

Table 9.2: Training/ courses and workshops

TRAINING/ COURSE/ WORKSHOP	NUMBER OF EMPLOYEES	DATES OF TRAINING
AFCFTA Conference	1	25-26 July 2024
Hygiene & Cleanliness	3	19-20 September 2024
Cloud Management & IT Security	1	22-26 September 2024
CIGFARO Conference	3	07-10 October 2024
Report Writing and Minutes Taking	2	5-7 February 2025
Mastering Construction Engineering Contracts	1	27-28 February 2025
Grap Masterclass	2	12-14 March 2025
PowerPoint	1	26-28 March 2025
Ethical Hacker	1	19-20 June 2025

During the 2024/25 reporting period, BCMDA implemented a structured Human Capital Development programme that prioritised technical competency, governance strengthening, and organisational capability building. A total of 16 employees underwent targeted training interventions across trade, financial governance, ICT security, contract management, and administrative excellence. These programmes were selected through a needs-based analysis aligned to the Agency's Human Resource Development (HRD) Policy, which operationalizes the Human Resource Development Strategy Framework for South Africa and requires that training be responsive, role-enhancing, policy compliant and value-driven.

The Agency's participation in strategic governance and public sector finance conferences such as AfCFTA and CIGFARO directly supports national developmental objectives, including regional trade integration and municipal financial governance excellence. Similarly, courses in GRAP, contract engineering, report writing, minutes taking, and PowerPoint respond to core capability gaps identified in performance audits and organisational effectiveness reviews. Critical investment in ICT security skills, including Cloud Management, IT Security, and Certified Ethical Hacking, strengthened the organisation's risk posture and digital resilience in line with enterprise risk management principles that require adaptive capability in volatile threat environments.

BCMDA's HRD policy mandates that skills development should improve efficiency, compliance, accountability, and effectiveness while enabling employees to meet the competency demands of their roles. The learning pathways implemented achieved this objective by ensuring improved financial literacy, stronger contract negotiation capacity, enhanced reporting quality, and secured ICT environments, all of which materially enable the Agency's mandate execution. These initiatives further complied with the prescripts of the National Treasury's governance expectations for municipal entities, which emphasise ongoing training in public financial administration, ICT safeguards, contract oversight, and ethical governance.

The selection of these programmes therefore demonstrates deliberate capability investment rather than ad - hoc skills spending, ensuring that the Agency strengthens its human capital base in ways that enhance strategic outcomes, safeguard resources, deepen governance maturity, and enable developmental execution across Buffalo City's catalytic project pipeline. The training completed between 1 July 2024 and 20 June 2025 remains within the reporting scope of Quarter 1 to Quarter 4 for the 2024/25 financial period, satisfying temporal relevance requirements for the annual HRD disclosure.

9.8 EMPLOYEE BENEFITS

The BCMDA participates in two retirement benefit schemes: the Old Mutual Superfund Scheme and the Consolidated Retirement Scheme. Contributions of which are deducted through the payroll and paid directly into both schemes.

9.9 HR/PAYROLL SYSTEM PROCUREMENT

In order to comply with MSCOA compliance, the Agency procured MSCOAa system that is aligned with mSCOA and the Agency's Financial system. This led to the Agency procuring the Sage 300 Payroll system that integrates with the Agency's Financial Modules.

The employee costs is 64 % of operational expenditure are depicted below and have remained within range however with the addition of projects such as the Public Participation Programme these costs have moved the percentages out of range of the acceptable norm as directed by National Treasury of between of 25% to 40%.

Table 1.3: Cost of employees

Financial Year	Total Operating Expenditure (OPEX)	Cost of Employees (COE)[4]	COE Increase / - Decrease	COE as a % of OPEX
	R million	R million		
			%	
2017/2018	24 355 370	15 512 170	Inception	35
2018/2019	31 360 996	17 586 005	73	44
2019/2020	53 915 846	24 249 348	38	40
2020/2021	51 094 594	26 475 174	9	48
2021/2022	53 960 799	23 448 816	-11	57
2022/2023	76 835 273	45 851 453	96	40
2023/2024	63 679 513	43521043	-5	32
2024/2025	43 588 543.00	27 951 019.0	56%	64%

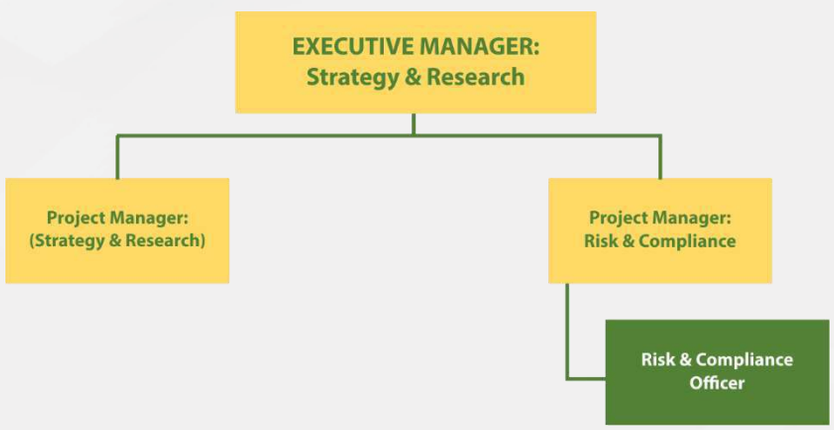
9.10 ORGANIZATIONAL STRUCTURE

Figure 9.1: BCMDA organisational structure

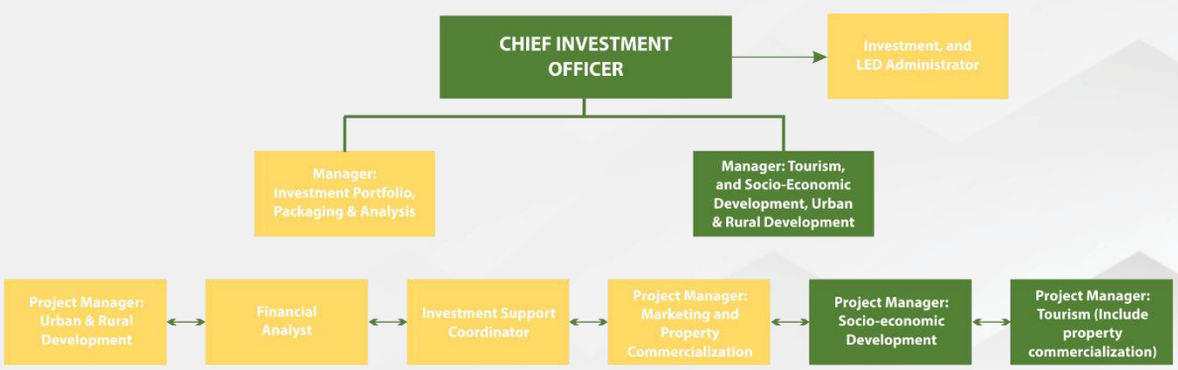
EXECUTIVE MANAGEMENT



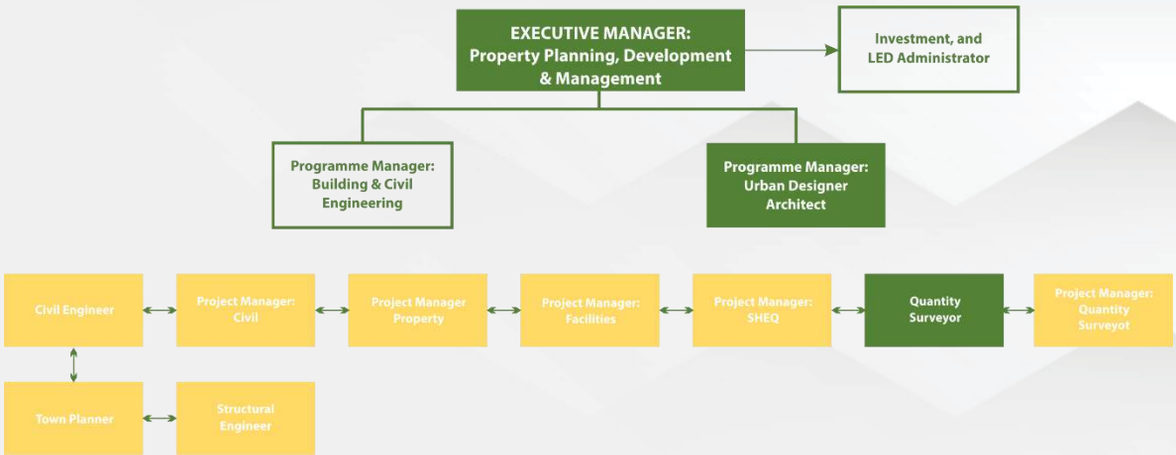
STRATEGY & RESEARCH



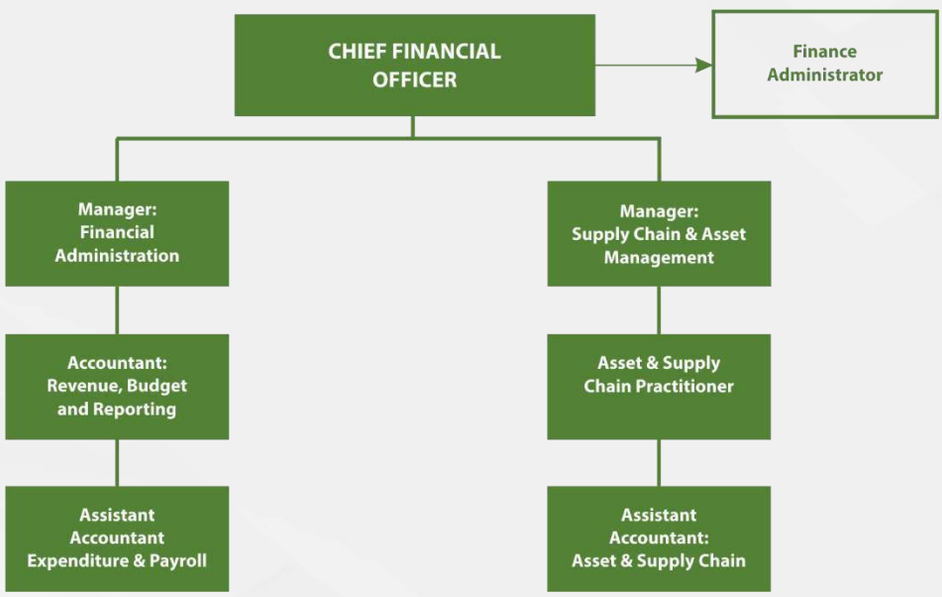
INVESTMENT & TOURISM DEVELOPMENT



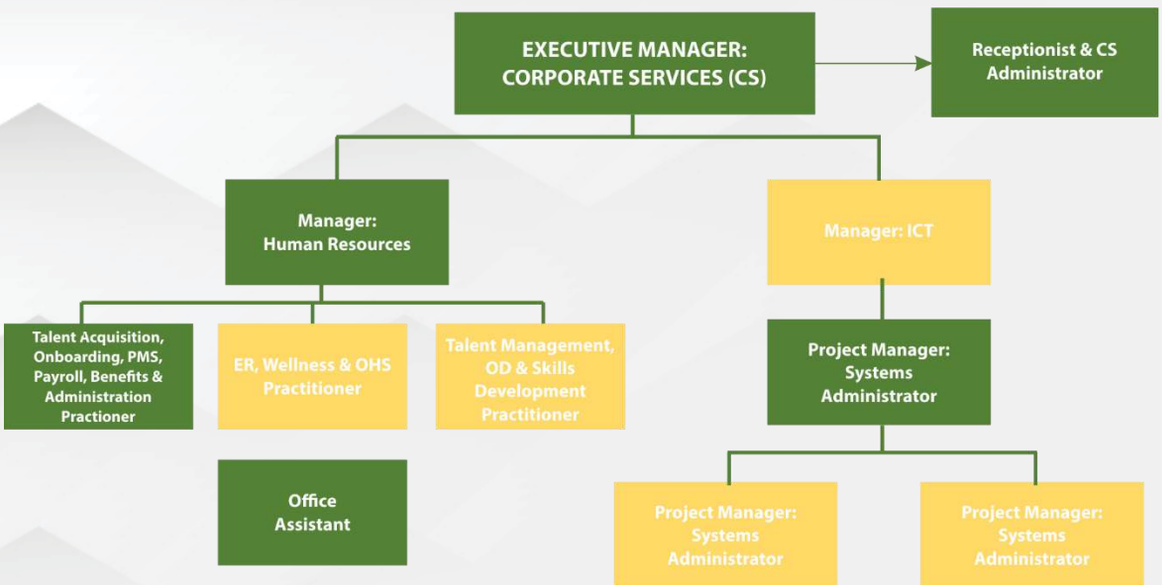
PROPERTY PLANNING, DEVELOPMENT & MANAGEMENT



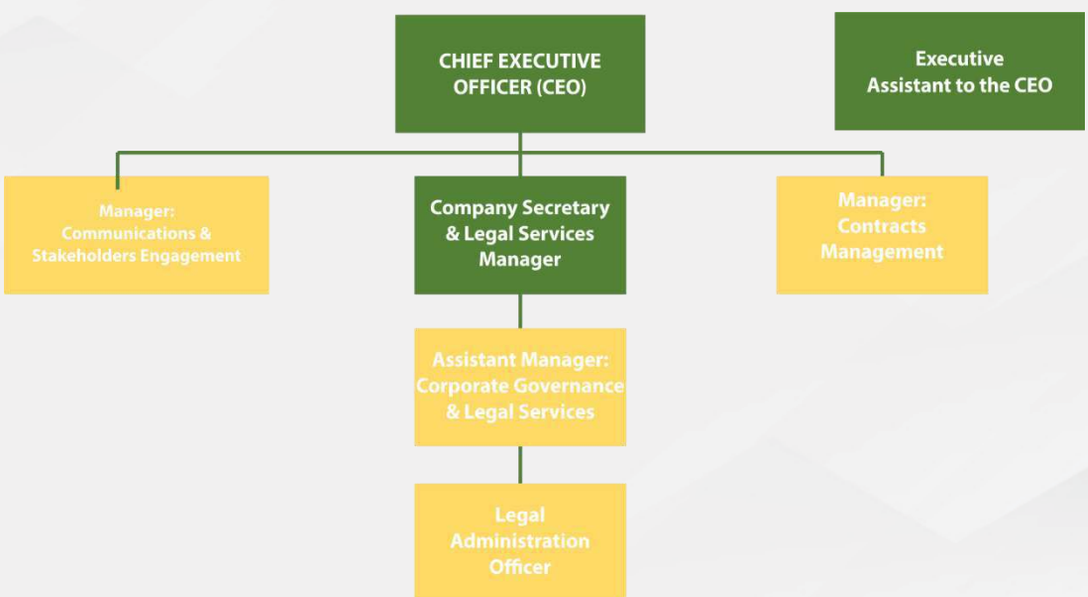
FINANCE



CORPORATE SERVICES



BOARD SECRETARIAT AND LEGAL SERVICES



COMPONENT G



FINANCIAL PERFORMANCE

10 COMPONENT G: FINANCIAL PERFORMANCE

10.1 Financial Performance as at 30 June 2025

The 2024/25 financial year marked a period of financial resilience, improved governance response, and strengthened internal controls for the Buffalo City Metropolitan Development Agency. The Finance Department maintained sound financial health, delivering performance that reflects a responsible, stable, and strategically aligned municipal entity.

The Agency achieved a quick ratio of 3.03:1, exceeding the benchmark target of 2:1, demonstrating strong liquidity and an enhanced ability to meet short-term obligations without reliance on external financing. This performance confirms effective working capital management, disciplined cash controls, and prudent balance sheet structuring that positions BCMDA well above minimum financial sustainability thresholds.

Compliance in financial planning, administration, and reporting was fully achieved at 100%. The Finance Department ensured that financial and performance reports were submitted to oversight structures within legislative timelines, all creditors were paid within 30 days in line with the MFMA payment norms, and monthly budget statements were tabled by the 7th working day, reinforcing transparency and financial reliability. Revenue, expenditure, assets, and liabilities were routinely reconciled; the fixed asset register was consistently updated, and statutory submissions including EMP201, EMP501, VAT201, and mSCOA monitoring were executed within prescribed deadlines. This reinforced BCMDA's governance credibility, sustained administrative continuity, and demonstrated Supply Chain Management compliance alongside systematic contract register maintenance and supplier performance evaluation.

The Agency retained an Unqualified Audit Opinion. With an improvement in Audit of pre-determined objectives (PDO). This affirms the integrity of its Annual Financial Statements, supported by improved processes and maturing financial oversight. BCMDA remains committed to improving audit of predetermined objectives, which reported no material adjustments this year. A budget allocation of R1,000,000 was ring-fenced to support audit remediation, system strengthening, and enhanced financial governance.

Grant utilization performance reached 94% of approved funding, amounting to R42,545,662 against a target of 97% spend. Expenditure is recorded as achieved from a funding execution standpoint but marked "Not Achieved" on system classification due to delays in recruitment and filling of vacant grant-funded posts. The variance, therefore, reflects capacity deployment timing rather than financial mismanagement. The Agency remained surplus-generating and solvent throughout the financial period despite operational constraints.

Implementation of audit recommendations progressed to 90%, aligning with the targeted threshold, and reflecting management's responsiveness to institutional oversight. Currently, 50% of audit findings have been fully resolved, 32% remain in progress, and 18% are still open for resolution.

Importantly, BCMDA has taken decisive governance action by submitting a formal Council referral for the Water World and Court Crescent project irregular expenditure matters to be investigated by the Municipal Financial Misconduct Board, reinforcing the Agency's willingness to uphold accountability, defend public resources, and strengthen governance response frameworks. Incoming internal auditors are preparing to commence irregular expenditure review processes and performance information validation as part of the updated audit action plan.

Procurement transformation remained in a standout performance area, with 93% of goods and service procurement spent directed to BBBEE Level One suppliers, far exceeding the 75% policy compliance target. This confirms BCMDA's

commitment to inclusive economic participation, supplier diversification, and legislative transformation imperatives under preferential procurement frameworks. Although budget system entries cite R50,000 as placeholder reference values, verified procurement outcomes confirm meaningful and disproportionate transformation participation exceeding policy benchmarks.

In response to audit outcomes, the Agency developed and adopted a comprehensive audit action plan aimed at addressing contract management inefficiencies, strengthening project governance controls, and improving evidence trails for organizational delivery alignment. This ensures BCMDA remains on a defined trajectory toward obtaining a clean audit outcome in the coming cycles.

Despite operational constraints, BCMDA demonstrated admirable financial discipline, liquidity strength, and transformational leadership in procurement execution. Expense variances were rooted in capacity deployment timing, not negligence. The audit trajectory progressed positively, with management taking proactive steps to institutionalise audit remediation and governance accountability.

The Agency ends the 2024/25 period fiscally stabilized, surplus generating, and strategically aligned to shareholder outcomes. The Finance Department continues to reinforce BCMDA as a credible development facilitator, responsible custodian of public funds, and a key economic enabler within Buffalo City's metropolitan development system.
To be signed after comments

Mr. S Mavudla
Chief Financial Officer

COMPONENT H



SUPPLY CHAIN MANAGEMENT

11 COMPONENT H: SUPPLY CHAIN MANAGEMENT

11.1 SUPPLY CHAIN MANAGEMENT

A municipal entity is conducting supply chain management in a manner that complies with the Constitution, statutory procurement laws, and Treasury frameworks. As per Section 217 of the Constitution requires public procurement to be fair, equitable, transparent, competitive and cost effective. The MFMA institutionalises this constitutional requirement for municipal entities and further mandates that procurement systems must operate under a Board-approved SCM policy.

The MFMA also prescribes the establishment and separation of bid committees, namely the Bid Specification Committee, the Bid Evaluation Committee and the Bid Adjudication Committee, each performing a distinct governance function to ensure procurement decisions are technically sound and procedurally compliant. These committees consist of appropriately skilled officials or experts, act impartially, and may not collapse or overlap their functions in a way that undermines competitive integrity or procedural fairness. BCMDA structured committee composition and thresholds through Board delegations, but the delegations are formally documented, and members must sign conflict of interest and confidentiality declarations at the commencement of every bid deliberation process.

Compliance is not demonstrated by the existence of committees alone, but through audit evidence, including formal appointment letters or Board resolutions, approved bid specifications before bids are invited, evaluation criteria recorded prior to bid opening, preference point scoring aligned with PPPFA regulations, signed declarations of interest, attendance registers, and accurate minutes reflecting motivations and resolutions. When BCMDA procures goods or services through competitive bidding, the Bid Specification Committee must define requirements free of ambiguity or bias, the Bid Evaluation Committee must apply the predetermined selection and preference scoring objectively, and the Bid Adjudication Committee must recommend or adjudicate awards in line with delegation thresholds, supported by defensible reasoning.

The PPPFA governs the application of preference objectives through an 80/20 or 90/10 points system for qualifying bids, while the BBBEE Act enables the inclusion of broad empowerment objectives in criteria where applicable. Any procurement decision must also be aligned with Treasury SCM regulations, adherence to local economic and social objectives approved in the entity's policy, and must avoid conflicts that could result in irregular, fruitless or wasteful expenditure as defined in section 1 of the MFMA.

11.2 BID COMMITTEES

In line with the legislative prescripts, the Accounting Officer appointed bid committees to serve during the period 03 July 2024 to 30 June 2025. These committees are constituted as follows:

Table 10: Bid Committees are constituted as follows:

Bid Specification Committee (BSC)	Bid Evaluation Committee (BEC) – Members allocated per sitting based on nature of goods and services.	Bid Adjudication Committee (BAC)
Mr. A. Manciya (Manager: Supply Chain and Asset Management) – Office of the CFO.	Mr. O. Makalima (Manager: Marketing and Communications) – IPTD	Mr. A. Manciya (Acting CFO) – Office of the CFO.
Mr. O. Makalima (Manager: Marketing and Communications) – IPTD.	Mr. Z. Silinga (Accountant: Financial Administration) - Office of the CFO.	Mrs. A. Ntshokoma (Acting Executive Manager: PPDM) – PPMD.
Ms. N. Zokufa (Manager: Stakeholder Management) – Office of the CEO	Mrs. F. Goniwe (HR Practitioner) Corporate Services	Mr. N. Van Wyk (Executive Manager: Corporate Services) – Corporate Services.
Mr. Z. Silinga (Accountant: Financial Administration) - Office of the CFO.	Mr. N. Sikoti (Project Manager: Systems Administration) – Corporate Services	Ms. N. Zokufa (Manager: Stakeholder Management) – Office of the CEO.
Mrs. F. Goniwe (HR Practitioner) Corporate Services	Miss A. Vabuhlungu (Junior Accountant: SCM and Asset.	Ms. Z. Madabane (Supply Chain and Asset Practitioner) – Office of the CFO.
Mr. N. Sikoti (Project Manager: Systems Administration) – Corporate Services		Mr. O. Makalima (Manager: Marketing and Communications) – IPTD.
Ms. Z. Madabane (Supply Chain and Asset Practitioner) – Office of the CFO.		

During the year under review, the entity ensured that every requirement, condition, and capability statement contained in each bidding document is fully considered. It is the culture of BCMDA that Evaluations are not based solely on compliance checklists but include an assessment of each bidder's competence, financial stability, technical capacity, track record, and overall ability to successfully execute the contract within scope, time, cost, and quality expectations.

This includes verifying whether the bidder demonstrates operational readiness, the necessary experience, access to required resources, and whether the proposal submitted shows a credible understanding of contract deliverables and risk obligations.

11.3 EXPENDITURE ON B-BBEE

,

The Agency has prioritised inclusive procurement and socio-economic participation in line with the legal and policy frameworks governing municipal entities. The Municipal Finance Management Act 56 of 2003 empowers municipal entities to implement supply chain practices that advance development objectives while ensuring value, fairness, and compliance.

Further, the Buffalo City Metropolitan Development Agency's Supply Chain Management Policy is aligned with the Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA), which mandates organs of state to intentionally direct a portion of procurement spend toward categories that enable equitable participation, including women-owned and youth-participating enterprises, provided that bids meet qualification, local content, and points system requirements.

As at the financial period reported, the Agency has conducted business with 81 companies, transacting a total expenditure value of R22 794 522.00 across supplier gender and age categories. Male suppliers that qualify under youth-owned or youth-participation criteria represent 5 businesses, at a cumulative value of R1 159 023.99, translating to 5% of total expenditure. Female suppliers that are non-youth represent 28 businesses, valued at R9 534 071.95, constituting 42% of organisational spending. Female suppliers classified under youth-owned or youth-participation criteria represent 9 businesses, valued at R227 605.15, equating to 1% of total expenditure. Male suppliers that are non-youth represent the highest number of suppliers at 39 businesses, valued at R11 873 820.91, constituting 52% of total organisational expenditure.

In assessing total procurement participation, youth classified suppliers across both gender categories account for 14 businesses (male and female youth combined), valued collectively at R1 614 234.29 and representing 6% of total

procurement spend to date. This reflects a measurable and compliant contribution toward youth economic enablement, undertaken through qualified service providers delivering against contracted outcomes on catalytic projects, security infrastructure support, technical services, and community-linked programmes.

This expenditure is fully justifiable as being in alignment with BCMDA's policy intent, developmental mandate, and compliance obligations. The Agency applies a 100% qualification-based procurement model, meaning each transaction was awarded only after meeting specification compliance, functionality scoring, verification on the Central Supplier Database, tax compliance, confirmation of municipal account good standing, declaration of non-state employment by directors, and competitive points evaluation. The proportional allocation of 6% youth spend is therefore not incidental, but the result of suppliers qualifying on both governance metrics and preferential participation criteria, consistent with policy directives for supplier diversification and economic inclusion.

The spend on women-participating enterprises (43% combined female categories) further reflects BCMDA's deliberate alignment to empowerment targets embedded in its SCM and corporate governance protocols. This level of participation validates maturity in procurement transformation, market diversification, and socio-economic support without compromising process integrity or fiscal discipline.

The cumulative youth supplier spends of R1.614 million demonstrates that the Agency has substantively met its policy obligations for inclusivity while sustaining procurement credibility, ensuring competition, and maintaining audit defensibility. Projects that benefited from this supplier cohort contribute directly to rural outreach, enterprise support, integrated site security, and technical project delivery, all programmes classified as eligible for preferential procurement participation, policy alignment, and development facilitation under governing statutes.

COMPONENT I



STATEMENT BY GOVERNANCE COMMITTEES

12 COMPONENT I: STATEMENT BY GOVERNANCE COMMITTEES

The Agency shares the services of the Audit and Risk Committee (ARC) with the Buffalo City Metropolitan Municipality. Leveraging from the parent municipality allows for better harmonisation with the parent municipality as well as improved effectiveness. According to the terms of reference, the ARC must meet at least four times a year. This is aligned with the reporting requirements of the Agency which are guided by the Municipal Financial Management Act.

During the year under review, the ARC witnessed a change in its membership as the term of the previous ARC came to an end in May 2024. I would like to thank the members of the previous ARC led by Mr. Z Luswazi as interim Chair of the committee for the stewardship they provided the Agency as well as for ensuring a smooth transition to the new team. Below is a list of the members of the previous ARC and the meetings that were convened by it during the period under review.

Table 11: Audit and Risk Committee meetings

Date of meeting	Mr Luswazi	Mr Son	Ms Mudau
21 August 2024	Yes	Yes	Yes
20 November 2024	Yes	Yes	Yes
06 May 2025	Yes	Yes	Yes
27 June 2025	Yes	Ye	Yes

Roles and Responsibilities of the Audit Committee

a. Reviewing BCMDA's internal controls and published financial reports for statutory compliance and against standards of best practice and recommending appropriate disclosure to the Board.
b. The external and internal auditors attend these meetings, and have direct access to the Chairperson of the Committee and Chairperson of the Board;
c. Reviewing reports from management and the internal and external auditors, to provide reasonable assurance that control procedures are in place and working as intended;
d. Considering the appointment of both the internal and external auditors, the audit fee and any questions of resignation or dismissal of auditors;
e. Reviewing the half-yearly and annual financial statements before submission to the Board, focusing particularly on any changes in accounting policies and practices.

14.1 Risk Management

Risk management is an integral part of good governance. It is a process whereby:

a. There is a shared awareness and understanding within the organisation of the nature and extent of the risks it faces (both positive and negative risks); the categories and extent of those risks regarded as acceptable and the likelihood and potential impacts of the risk materialising.
b. There is a regular and ongoing identification, evaluation, management, monitoring, recording, and reporting of risks with a view of improving the Agency's ability to manage and reduce the incidence or impact on the organisation of risks that do materialise. The Risk register is updated monthly.
c. An appropriate assessment is made of the costs of implementation and operating a particular control relative to the benefit obtained in managing the related risk.
d. The BCMDA's Board monitors risk through the ARC, which ensures that there is an effective risk management process and system in place. The committee recommends risk strategies and policies that need to be set, implemented, and monitored. The BCMDA Board is responsible for identifying, assessing, and monitoring the risks presented by the ARC.
e. The BCMDA has a risk management strategy, which follows an enterprise-wide risk management system in which all identified risk areas are managed systematically and continuously on an on-going basis at departmental level. The risk register is treated as a working risk management document because risks are constantly

recorded and managed. Management monitors and evaluates the implementation and efficiency of controls and actions to improve current controls in the risk register.

f. The BCMDA submits its risk management reports to the ARC. The committee assesses all risks affecting the BCMDA and makes recommendations to the Chief Executive Officer and the board on the general effectiveness of risk management processes in the BCMDA.

g. Risk identification and assessment is an on-going process. The BCMDA conducted an annual strategic and operational risk assessment workshop. This process is supported by an ongoing risk management process at departmental level, and all employees are required to take ownership of risks that fall within their respective areas of responsibility.

The Board and the ARC will continue to monitor the implementation of the documents listed above to ensure that the organisation is proactive in addressing risks and strengthening its internal control environment. The following risks remain as BCMDA strategic risks:

11.	**Ineffectiveness in developing & promoting the City as a tourism destination.**
12.	Failure to create an enabling environment to facilitate economic development and attract new investments.
13.	Poor contract management
14.	Failure to establish effective stakeholder involvement in projects.
15.	Inadequate profiling of Agency and brand management.
16.	Inability to attract and retain experienced and qualified personnel
17.	Inconducive office space
18.	Effectiveness of budget management
19.	Data Recovery
20.	Inability to identify, prevent, respond, and recover from potential cyber attacks

We acknowledge the candidness and honesty that management has been able to demonstrate by reflecting on the core risks and challenges that the organization is faced with. The strategic and operational risks and mitigation measures have been reported to the Committee, and work has been ongoing in attempts to put in place controls to ensure the annual performance plan is implemented.

Fraud Awareness

The Agency concentrates its efforts on preventing fraud, rather than responding to fraud. To achieve this objective a fraud Prevention Policy has been developed and the Fraud Hotline for Whistle Blowers is in place and currently shared with parent municipality, fraud risk assessment is conducted to ensure that all fraud risk is identified and mitigated. Internal audit reviews are conducted to ensure effectiveness on preventative controls; the emphasis is on proactive preventative techniques. During the financial year under review, the Agency received one fraud incidence report through the fraud hotline, during the period under review the matter was referred to the parent municipality for investigation.

Risk management and information technology

The ARC assessed the impact of risk management and information technology on its functions by:

a. Reviewing the policies on risk assessment and risk management, including IT RISKS as these pertain to financial reporting and the going concern assessment, and found these to be adequate.

b. Considering and reviewing the findings and recommendations of the Internal Audit.

Evaluation of Annual Financial Statements and Performance Information

The ARC has:

a. Reviewed and discussed the annual financial statements to be included in the annual report, with the Auditor-General South Africa.

b. Reviewed the information on pre-determined objectives to be included in the

annual report and noted the report by the Auditor-General of South Africa.

c. Reviewed the quality and timeliness of the financial information availed to the Audit and Risk Committee for oversight purposes during the year. The Corporation's performance in terms of finances and pre-determined objectives was reported at each Audit and Risk Committee meeting.

d. The ARC believes the content and quality of quarterly reports prepared and issued by the Corporation during the year under review have been of a good standard and notes the continued improvement from the previous year.

Internal audit

The ARC reviewed the activities of the external internal audit function and has concluded:

a. The function is effective, and there were no unjustified restrictions or limitations.

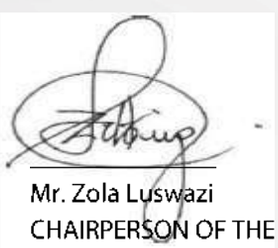
b. The internal audit reports were reviewed at quarterly meetings, including its annual work programme, coordination with the external auditors, the reports of significant investigations and management's responses to issues raised in these reports.

c. In coordinating the assurance activities, the Audit, Risk Committee reviewed the plans and work outputs of the external and internal auditors concluded. It concluded that these activities adequately addressed the business's significant financial risks.

The external auditor has direct access to the ARC chairperson and other members. The ARC is also responsible for the assessment of the performance of the head of Internal Audit, and the internal audit function.

Auditor-General of South Africa

Considering the audit outcome, the ARC interacted with the Auditor-General of South Africa during the planning, scoping, and review of the statements and performance information before the submission. We take note of the Auditor-General of South Africa's report and opinion, and we note the areas of improvement that management has been advised to make. Management will be requested to factor in these recommendations in its audit improvement plan for the 2024-2025 financial year and going forward.



Mr. Zola Luswazi
CHAIRPERSON OF THE AUDIT AND RISK COMMITTEE (BCMDA)

STATEMENT BY THE BOARD OF DIRECTORS

Directors' Responsibilities and Approval

The Agency's controlling Agency is Buffalo City Metropolitan Municipality. The Directors are required by the Municipal Finance Management Act (Act 56 of 2003) and the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Directors to ensure that the annual financial statements fairly present in the state of affairs of the Agency as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Agency and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Agency, and all employees are required to maintain the highest ethical standards in ensuring the Agency's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the Agency is on identifying, assessing, managing and monitoring all known forms of risk across the Agency. While operating risk cannot be fully eliminated, the Agency endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit. The Directors have reviewed the Agency's cash flow forecast for the year to 30 June 2024 and, in the light of this review and the current financial position, they are satisfied that the Agency has access to adequate resources to continue in operational existence for the foreseeable future.

The Agency is wholly dependent on the Buffalo City Metropolitan Municipality for the continued funding of operations. The annual financial statements are prepared on the basis that the Agency is a going concern and that the Buffalo City Metropolitan Municipality has neither the intention nor the need to liquidate or curtail materially the scale of the Agency. The external auditors are responsible for independently reviewing and reporting on the Agency's annual financial statements. The annual financial statements set out on pages 4 to 54, which have been prepared on the going concern basis, were approved by the **Board on 30 August 2024.**

Incorporation

Buffalo City Metropolitan Development Agency (BCMDA) has been operating since its incorporation on 20 April 2016. BCMM has for the past four financial years, supported the Agency financially as stipulated in the signed Service Delivery Agreement (SDA) which was last reviewed in July 2019.

Review of activities

Main business and operations during the year, the mandate of the Agency as approved by Council remained that of conceptualizing, planning, and executing catalytic socio-economic development capital projects; serving as tourism Agency of the parent municipality, to acquire, own and manage land and buildings and/or rights to land and buildings necessary to enable it to achieve its aims and objectives.

Going Concern

The annual financial statements for the 2024-25 yearend have been prepared based on accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The ability of the Agency to continue as a going concern is dependent on several factors. The most significant of these is that the Directors continue to procure funding for the ongoing operations of the Agency and that the service delivery agreement was reviewed and signed with the Municipality on 01 July 2019 and remains effective for the future operations of the Agency.

Directors' Interest in Contracts

The Directors have declared that they do not have any interest in the contracts of the Agency.

Accounting policies

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines, and directives issued by the Accounting Standards Board as the prescribed accounting framework by National Treasury. The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

Share Capital / Contributed Capital

There were no changes in the authorized or issued share capital of the Agency during the year under review. The Agency is wholly owned by the parent municipality; it is authorized to issue hundred (100) ordinary shares with no nominal or par value.

Board

During the period under review, the Board was composed of eight non-executive Directors, of which four resigned during the course due to various opportunities and commitments. The members were as follows:

- Mr. A Gqoboka (Chief Executive Officer)
- Mr. M Dilima (Acting Chairperson)
- Ms. N Ndevu-Sakube
- Mrs. N Madikizela-Renene
- Mrs. Z Faku
- Mr. M Sibam
- Ms. B Sauli (Shareholder Representative)

Corporate governance

The Board is committed to business integrity, transparency, and professionalism in all its activities. As part of this commitment, the Board supports the highest standards of corporate governance and the ongoing development of best practice. The Agency confirms and acknowledges its responsibility to comply with the Code of Corporate Practices and Conduct ("the Code") laid out in the King Report on Corporate Governance for South Africa 2002.

Board of directors retains full control over the Agency, its plans and strategy; acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency, and effective communication both internally and externally by the Agency and is of a unitary structure comprising:

The Chairperson is a non-executive and independent director. The roles of Chairperson and Chief Executive are separate, with responsibilities divided between them, so that no individual has unfettered powers of discretion.

Audit and risk committee

The chairperson of the audit committee is Mr. Z Luswazi, who is an independent audit committee member. The committee met during the financial year to review matters necessary to fulfill its role.

In terms of Section 166 of the Municipal Finance Management Act, Buffalo City Metropolitan Municipality (BCMM), as a parent municipality, must appoint members of the Audit Committee. Notwithstanding that non-executive director appointed by the parent municipality constituted the municipal entities' Audit Committees, National Treasury policy requires that parent municipalities should appoint further members of the municipality's audit committees who are not directors of the municipal Agency onto the audit committee.

Internal audit

The Agency outsourced its internal audit function to Ndluntsha Chartered Accountants for a period of three years starting from 18 August 2022, this contract continued during the course of the 2024-2025 financial year and is strictly managed through the audit plan which is agreed to by the BCMDA and the consultant on an annual basis. This is in compliance with the Municipal Finance Management Act, of 2003.

Auditors

The Auditor General of South Africa will continue audit services during the year under review in line with the Municipal Systems Act and well as the Municipal Financial Management Act.

Board Meetings

Table 12: Number of Board and sub-committee meetings

Type of Committee	Board and Committees
Board	11
Governance Committee	4
Organisational Committee	4
Project Development & Investment	4
Audit and Risk Committee	4

- The BCMM appointed a new ARC in May 2024 to serve the Metro which the BCMDA also shares services with.
- The one ARC Member resigned on the 24 June 2025.

Board remuneration

Table 13: New Board Remuneration (2024)

BOARD MEMBER	COMMITTEE MEMBERSHIP
Ms. Nolitha Pietersen	R 158 500
Ms. Nobantu Sakube Ndevu	R 267 450
Mr. Noel Van Wyk	R 94 500
Mr. Vuyo Mandilakhe Dilima	R 238 000
Mr. Mxolisi Sibam	R 180 000
Mr. Sindile Toni	R 268 135
Ms. Andisiwe Kumbaca	R 283 139
Ms. Ngcane Mnadikizela-Renene	R 290 500
Ms. Zukisa Faku	R 211 477
Total	**R 1 992 201**

Table 14: Board Remuneration (2025)

BOARD MEMBER	COMMITEE MEMBERSHIP
Mr. M Dilima (Acting Chairperson)	378 500
Ms. N Ndevu-Sakube	251 500
Mrs. N Madikizela-Renene	332 500
Mrs. Z Faku	223 000
Mr. M Sibam	323 500
Ms. B Sauli* (Shareholder Representative, non-executive role fees not separately itemised)	0 *
Total Non-Executive Directors' Fees 2024/25	1 511 315
Re-imbursive costs aggregate (Audit committee and board reimbursements, 2025 FY)	2 315



Mr. VM Dilima
BCMDA BOARD CHAIR



ANNUAL FINANCIAL STATEMENT

VOLUME II: ANNUAL FINANCIAL STATEMENTS

STATEMENT OF RESPONSIBILITY

The Directors are responsible for the preparation, integrity, and fair presentation of the financial statement of the entity. The annual financial statements presented in this Volume have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The directors are responsible for the preparation of the other information in the integrated annual report and are responsible for both its accuracy and consistency with the financial statements. The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the entity will not be a going concern in the foreseeable future based on the forecast and available cash resources. Refer to the Directors' report in Chapter 7 with regard to the appropriateness of the going concern assumption for the preparation of the financial statements. The BCMDA's executive management, internal audit unit, and the Audit and Risk Committee have reviewed and assessed the entity's integrated annual report for 2023/24 to ascertain whether minimum disclosure requirements were adhered terms of MFMA Circular 63 on Annual report requirements.

Mr. S Mavundla
Chief Financial Officer
To be signed post comments



Mr. A Gqoboka
Chief Executive Officer

To be signed post comments



Mr. M Dilima
Chair of the Board
To be signed post comments



ANNUAL FINANCIAL STATEMENT

Buffalo City Metropolitan Development Agency
(Registration number 2016/168330/30)
Annual Financial Statements
for the year ended 30 June 2025

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

General Information

Country of incorporation and domicile	South Africa
Legal form of entity	Municipal Entity
Nature of business and principal activities	Municipal entity established to be a key implementation instrument in delivering on the Buffalo City Metropolitan Municipality's local economic development agenda.
Board of Directors	Mr A Gqoboka (CEO) Mr M Dilima (Acting Chairperson) Ms N Ndevu-Sakube Mrs N Madikizela-Renene Mrs Z Faku Mr M Sibam Ms N Ndevu-Sakube Ms B Sauli
Audit and Risk Committee	Mr Z Luswazi (Chairperson) - resigned 8 August 2025 Mr F Mudau Mr G Son - resigned 24 June 2025
Chief Financial Officer	Mr S Mavundla (appointed 1 August 2025)
Registered office	10th Floor Trust Centre Oxford Street East London 5201
Business address	Buffalo City Metropolitan Development Agency 69 Frere Road Vincent East London 5217
Postal address	P O Box 134 East London 5201
Controlling entity	Buffalo City Metropolitan Municipality
Bankers	First National Bank Ltd
Auditors	Auditor General of South Africa Registered Auditors
Company Secretary	Clark Laing Incorporated
Company registration number	2016/168330/30
Applicable legislation	Municipal Finance Management Act (Act no. 56 of 2003)

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Index

The reports and statements set out below comprise the annual financial statements presented to the BCMM Council:

	Page
Directors' Responsibilities and Approval	3
Directors' Report	4 - 7
Statement of Financial Position	8
Statement of Financial Performance	9
Statement of Changes in Net Assets	10
Cash Flow Statement	11
Statement of Comparison of Budget and Actual Amounts	12 - 15
Significant Accounting Policies	16 - 39
Notes to the Annual Financial Statements	40 - 68

Abbreviations used:

BCMM	Buffalo City Metropolitan Municipality
BCMDA	Buffalo City Metropolitan Development Agency
GRAP	Generally Recognised Accounting Practice
IFRS	International Financial Reporting Standards
IAS	International Accounting Standards
SDA	Service Delivery Agreement
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts
NDPG	Neighbourhood Development Programme Grant
VAT	Value-Added Tax
PAYE	Pay-As-You-Earn
UIF	Unemployment Insurance Fund

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Directors' Responsibilities and Approval

The Directors are required by the Municipal Finance Management Act (Act No. 56 of 2003), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the directors to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the year then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board set standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The directors have reviewed the entity's cash flow forecast for the year to 30 June 2026 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on the Buffalo City Metropolitan Municipality for continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern and that the entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

Although the directors are primarily responsible for the financial affairs of the entity, they are supported by the entity's external auditors.

The external auditors are responsible for independently providing reasonable assurance by reviewing and reporting on the entity's annual financial statements at year end.

The annual financial statements set out on page 8 to 67, which have been prepared on the going concern basis, were approved by the Board of Directors on 28 August 2025 and were signed on its behalf by:

Mr A Gqoboka (CEO)
Chief Executive Officer

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Directors' Report

The directors submit their report for the year ended 30 June 2025.

1. Incorporation

The Buffalo City Metropolitan Development Agency (BCMDA) has been operating since its incorporation on 20 April 2016. BCMM has, for the past ten financial years, supported the entity financially as stipulated in the signed Service Delivery Agreement (SDA) which was reviewed in July 2019. BCMM has, in the current financial year (2024/25), transferred the entity's operational budget allocation in two half yearly tranches totalling R 42.5 million (2024: R50.6 million).

2. Review of activities

Main business and operations

During the year, the mandate of the Agency as approved by Council remained that of conceptualising, planning and executing catalytic socio-economic development projects; serving as tourism agency of the parent municipality to acquire, own and manage land and buildings and /or rights to land and buildings necessary to enable it to achieve its aims and objectives. In implementing its mandate, the vision is that of an innovative Agency that catalyses investment opportunities for a vibrant, integrated and inclusive City. The mission of the Agency is to build a vibrant, integrated, and inclusive City through promoting investment in property, tourism and socio-economic development for the benefit of its citizens.

3. Going concern

We draw attention to the fact that at 30 June 2025, the entity had an accumulated surplus of 26 473 905 and that the entity's total assets exceed its total liabilities by 26 473 905.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the entity to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the entity and that the service delivery agreement was reviewed and signed with the parent municipality on 01 July 2019 and remains effective for the future operations of the entity. Refer to note 35.

4. Events after the reporting date

The directors are not aware of any material events taking place after the reporting date that would affect the annual financial statements.

5. Directors' interest in contracts

The Directors have declared that they do not have any interests in the contracts of the entity.

6. Accounting policies

The annual financial statements were prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

7. Share capital / contributed capital

There were no changes in the authorised or issued share capital of the entity during the year under review. The entity is wholly owned by BCMM, its parent municipality. It is authorised to issue hundred (100) ordinary shares with no nominal or par value.

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Directors' Report

8. Board

The directors of the entity during the year and to the date of this report are as follows:

Name	
Mr A Gqoboka (CEO)	
Mr M Dilima (Acting Chairperson)	
Ms N Ndevu-Sakube	
Mrs N Madikizela-Renene	
Mrs Z Faku	
Mr M Sibam	
Ms N Ndevu-Sakube	
Ms B Sauli	Shareholders Representative

9. Secretary

The company secretary of the entity is Clark Laing Incorporated of:

Business address

Buffalo City Metropolitan Development Agency
69 Frere Road
Vincent
East London
5217

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Directors' Report

10. Corporate governance

General

The board is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the board supports the highest standards of corporate governance and the ongoing development of best practice.

The entity confirms and acknowledges its responsibility to total compliance with the Code of Corporate Practices and Conduct ("the Code") laid out in the King Report on Corporate Governance for South Africa 2002. The board discusses the responsibilities of management in this respect, at Board meetings and monitor the entity's compliance with the code on a three monthly basis.

The salient features of the entity's adoption of the Code is outlined below:

Board of directors

The Board:

- retains full control over the entity, its plans and strategy;
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the entity;
- is of a unitary structure comprising:
  - non-executive directors, all of whom are independent directors as defined in the Code; and
  - executive directors.
- has established a Board directorship continuity programme.

Chairperson and Chief Executive

The Chairperson is a non-executive and independent director (as defined by the Code).

The roles of Chairperson and Chief Executive are separate, with responsibilities divided between them, so that no individual has unfettered powers of discretion.

Executive meetings

The board have met on 7 separate occasions during the financial year and no Special Executive Committee meetings were held.

Non-executive directors have access to all members of management of the entity.

Audit and risk committee

The Audit and Risk Committee met on 4 separate occasions during the 2024/2025 financial year to execute assigned roles and responsibilities as enacted. The Chairperson of the audit committee is Mr Z Luswazi, who is an independent audit committee member. He has resigned on 8 August 2025.

In terms of Section 166 of the MFMA, Buffalo City Metropolitan Municipality (BCMM), as a parent municipality, must appoint members of the Audit and Risk Committee. BCMM has in line with section 166(6) of the MFMA established a single Audit and Risk Committee to service both the parent municipality and its entity (BCMDA). The Board is satisfied that the Audit and Risk Committee of the entity is properly constituted to fulfil its role and advise the Board of its responsibilities as provided in Section 166 of the MFMA.

Internal audit

The entity has outsourced its internal audit function to Bonakude Consulting. This is in compliance with the MFMA. During the financial year, the Agency had outsourced its internal audit function to Ndluntsha Chartered Accountants and the contract ended in August 2025.

11. Controlling entity

The entity's controlling entity is Buffalo City Metropolitan Municipality.

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Directors' Report

12. Bankers

All the entity's main bank accounts are held at First National Bank for the year.

13. Auditors

Auditor General of South Africa will continue in office for the next financial year.

14. Meetings

There were four (4) Board meetings including three (3) Special Board meetings that were held during the period 01 July 2024 to 30 June 2025. In addition the Board had established sub-committees to assist in discharging its governance responsibilities. The sub-committees are the Organisation Committee (OC), Governance and Social Ethics Committee (GSEC), Project Development and Investment Committee (PDIC) and the Audit and Risk Committee (ARC), which is shared with the parent municipality.

The OC met three (3) times, GSEC met three (3) times, PDIC met three (3) times and the ARC met three (3) times including one (1) special ARC meeting, during the period under review.

The annual financial statements set out on page 8 to 67 , which have been prepared on the going concern basis, were approved by the Board of Directors on 28 August 2025 and were signed on its behalf by:

Mr A Gqoboka (CEO)
Chief Executive Officer

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Position as at 30 June 2025

Figure in Rands	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Inventories	3	43 124	51 727
Receivables from exchange transactions	4	6 407	503 807
Receivables from non-exchange transactions	5	2 121 212	7 384 908
VAT receivable	6	374 359	-
Cash and cash equivalents	7	33 247 358	37 224 042
		35 792 460	**45 164 484**
Non-Current Assets			
Property, plant and equipment	8	490 037	1 021 481
Intangible assets	9	409 577	483 349
		899 614	**1 504 830**
Total Assets		**36 692 074**	**46 669 314**
Liabilities			
Current Liabilities			
Finance lease obligation	10	55 669	157 612
Operating lease liability	11	65 981	152 657
Payables from exchange transactions	12	8 749 402	17 388 599
VAT payable	13	-	835 131
Unspent conditional grants and receipts	14	276 128	4 913 759
Provisions	15	1 070 989	1 070 989
		10 218 169	**24 518 747**
Non-Current Liabilities			
Finance lease obligation	10	-	55 669
Total Liabilities		**10 218 169**	**24 574 416**
Net Assets		**26 473 905**	**22 094 898**
Accumulated surplus		26 473 905	22 094 898
Total Net Assets		**26 473 905**	**22 094 898**

* See Note 45 & 43

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Performance

Figure in Rands	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Fees earned	19	-	782 790
Gain on disposal of assets		-	1 294
Inventory reversal		-	11 766
Other income	20	79	300
Interest received - investment	21	2 716 834	1 686 008
Total revenue from exchange transactions		**2 716 913**	**2 482 158**
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	22	45 259 235	75 431 567
Total revenue	23	**47 976 148**	**77 913 725**
Expenditure			
Employee related costs	24	(26 439 704)	(43 521 043)
Remuneration of directors	25	(1 511 315)	(1 992 201)
Depreciation and amortisation	26	(624 924)	(1 083 428)
Finance costs		(19 535)	(27 113)
Contracted Services	27	(8 921 140)	(9 814 009)
Inventories losses/write-downs		(8 603)	-
General Expenses	28	(6 071 925)	(7 241 719)
Total expenditure		**(43 597 146)**	**(63 679 513)**
Surplus for the year		**4 379 002**	**14 234 212**

* See Note 45 & 43

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Statement of Changes in Net Assets

Figure in Rands	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	6 874 380	6 874 380
Adjustments		
Prior year adjustments 43&45	986 306	986 306
Balance at 01 July 2023 as restated*	**7 860 686**	**7 860 686**
Changes in net assets		
Surplus for the year	14 234 212	14 234 212
Total changes	14 234 212	14 234 212
Restated* Balance at 01 July 2024	**22 094 903**	**22 094 903**
Changes in net assets		
Surplus for the year	4 379 002	4 379 002
Total changes	4 379 002	4 379 002
Balance at 30 June 2025	**26 473 905**	**26 473 905**

Note(s)

* See Note 45 & 43

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Cash Flow Statement

Figure in Rands	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Grants		40 621 603	78 991 524
Interest income - investment		2 716 834	1 686 008
Other receipts		5 761 175	(3 929 963)
		49 099 612	76 747 569
Payments			
Employee costs		(26 846 867)	(42 387 231)
Suppliers		(24 606 138)	(14 602 177)
Remuneration of directors		(1 426 435)	(2 060 066)
		(52 879 440)	(59 049 474)
Net cash flows from operating activities	30	**(3 779 828)**	**17 698 095**
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(19 708)	(143 611)
Purchase of other intangible assets	9	-	(197 463)
Net cash flows from investing activities		**(19 708)**	**(341 074)**
Cash flows from financing activities			
Finance lease payments		(177 147)	(119 561)
Net increase/(decrease) in cash and cash equivalents		**(3 976 683)**	**17 237 460**
Cash and cash equivalents at the beginning of the year		37 224 042	19 986 574
Cash and cash equivalents at the end of the year	7	**33 247 359**	**37 224 034**

The accounting policies on pages 16 to 39 and the notes on pages 40 to 68 form an integral part of the annual financial statements.

* See Note 45 & 43

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figure in Rands	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Other income	-	-	-	79	**79**	
Interest received - investment	1 655 547	1 061 287	**2 716 834**	2 716 834	**-**	
Total revenue from exchange transactions	**1 655 547**	**1 061 287**	**2 716 834**	**2 716 913**	**79**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	87 479 959	1 584 901	**89 064 860**	45 259 235	**(43 805 625)**	N1
Total revenue	**89 135 506**	**2 646 188**	**91 781 694**	**47 976 148**	**(43 805 546)**	
Expenditure						
Employee related costs	(48 132 361)	6 430 708	**(41 701 653)**	(26 439 704)	**15 261 949**	N2
Remuneration of directors	(1 283 844)	(245 000)	**(1 528 844)**	(1 511 315)	**17 529**	
Depreciation and amortisation	(518 208)	(130 000)	**(648 208)**	(624 924)	**23 284**	
Finance costs	(2 098)	(17 937)	**(20 035)**	(19 535)	**500**	
Contracted Services	(27 468 290)	(6 140 039)	**(33 608 329)**	(8 921 140)	**24 687 189**	N3
General Expenses	(11 730 705)	(2 535 220)	**(14 265 925)**	(6 071 925)	**8 194 000**	N4
Total expenditure	**(89 135 506)**	**(2 637 488)**	**(91 772 994)**	**(43 588 543)**	**48 184 451**	
Operating surplus	**-**	**8 700**	**8 700**	**4 387 605**	**4 378 905**	
Inventories reversal	-	(8 700)	**(8 700)**	(8 603)	**97**	
Surplus for the year	**-**	**-**	**-**	**4 379 002**	**4 379 002**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**-**	**-**	**-**	**4 379 002**	**4 379 002**	

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figure in Rands	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Current Assets						
Inventories	38 316	4 802	**43 118**	43 124	**6**	
Receivables from exchange transactions	8 500 000	(6 554 034)	**1 945 966**	6 407	**(1 939 559)**	N7
Receivables from non-exchange transactions	-	-	**-**	2 121 212	**2 121 212**	N7
VAT receivable	436 248	(114 462)	**321 786**	374 359	**52 573**	
Cash and cash equivalents	11 347 168	21 900 190	**33 247 358**	33 247 358	**-**	
	20 321 732	**15 236 496**	**35 558 228**	**35 792 460**	**234 232**	
Non-Current Assets						
Property, plant and equipment	931 192	(441 155)	**490 037**	490 037	**-**	
Intangible assets	740 969	(331 392)	**409 577**	409 577	**-**	
	1 672 161	**(772 547)**	**899 614**	**899 614**	**-**	
Total Assets	**21 993 893**	**14 463 949**	**36 457 842**	**36 692 074**	**234 232**	
Liabilities						
Current Liabilities						
Finance lease obligation	-	-	**-**	55 669	**55 669**	
Operating lease liability	-	-	**-**	65 981	**65 981**	
Payables from exchange transactions	36 500 000	(27 826 162)	**8 673 838**	8 749 403	**75 565**	
Unspent conditional grants and receipts	-	-	**-**	276 128	**276 128**	N5
Provisions	306 579	1 750 715	**2 057 294**	1 070 989	**(986 305)**	N6
	36 806 579	**(26 075 447)**	**10 731 132**	**10 218 170**	**(512 962)**	
Non-Current Liabilities						
Provisions	4 573 849	(4 573 849)	**-**	-	**-**	
Total Liabilities	**41 380 428**	**(30 649 296)**	**10 731 132**	**10 218 170**	**(512 962)**	
Net Assets	**(19 386 535)**	**45 113 245**	**25 726 710**	**26 473 904**	**747 194**	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	(19 386 535)	45 113 245	**25 726 710**	26 473 905	**747 195**	

BCMDA
BUFFALO CITY METROPOLITAN
DEVELOPMENT AGENCY

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figure in Rands	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Grants	87 479 959	1 584 900	**89 064 859**	40 621 603	**(48 443 256)**	
Interest income	-	2 716 834	**2 716 834**	2 716 834	**-**	
Other income	1 655 547	(1 655 547)	**-**	5 761 176	**5 761 176**	
	89 135 506	**2 646 187**	**91 781 693**	**49 099 613**	**(42 682 080)**	
Payments						
Employee costs	(48 132 361)	6 430 708	**(41 701 653)**	(26 761 987)	**14 939 666**	
Suppliers	(39 719 301)	(8 831 895)	**(48 551 196)**	(24 606 140)	**23 945 056**	
Remuneration of directors	(1 283 844)	(245 000)	**(1 528 844)**	(1 511 315)	**17 529**	
	(89 135 506)	**(2 646 187)**	**(91 781 693)**	**(52 879 442)**	**38 902 251**	
Net cash flows from/(used in) operating activities	**-**	**-**	**-**	**(3 779 829)**	**(3 779 829)**	
Cash flows from investing activities						
Purchase of property, plant and equipment	-	(19 708)	**(19 708)**	(19 708)	**-**	
Cash flows from financing activities						
Finance lease payments	-	(177 147)	**(177 147)**	(177 147)	**-**	
Net increase/(decrease) in cash and cash equivalents	-	(196 855)	**(196 855)**	(3 976 684)	**(3 779 829)**	
Cash and cash equivalents at the beginning of the year	-	33 444 213	**33 444 213**	37 224 042	**3 779 829**	
Cash and cash equivalents at the end of the year	**-**	**33 247 358**	**33 247 358**	**33 247 358**	**-**	

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figure in Rands	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference

The accounting policies on pages 16 to 39 and the notes on pages 40 to 68 form an integral part of the annual financial statements.

N1 - Government grants & subsidies: The variance is caused by the transfer to revenue not realised during the financial year for the NDP Grant, and the transfer to revenue is dependant on the spending of the grant. The spending of the grant has been slower than anticipated, and this has affected the transfer to revenue. Included in the variance is the VAT output that BCMDA is liable to pay on the BCMM Operational Grant.

N2 - Employee related costs: The variance is caused by vacant posts not filled during the financial year. There have been some staff departrues during the financial year under review and some employees were appointed in an acting capacity. The delays in the recruitment processes has resulted in the variance.

N3 - Contracted services: The variance has largely been caused by the construction of the Duncan Village Buy Back Centre which commenced towards the end of the financial year.

N4 - General expenses: The variance is due to delays on spending as well as cost cutting measures that were implemented by the Agency. The procurement process on the NDPG Project has commenced and spending commenced towards the close of the year under review, therefore the spending on general expenditure was not in line with budgeted figures.

N5 - Unspent conditional grants and receipts: The variance is caused by a prior period error adjustment that was passed in the 2023 financial year, further details are stated in the contingent assets note.

N6 - Provisions: The variance is caused by the prior period adjustment, further details are stated in the prior period adjustment note.

N7 - This variance is due to a reclassification of receivables to non-exchange, this was done in accordance with accounting standards.

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

Note(s)

1. Significant accounting policies

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act No. 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

These accounting policies are consistent with the previous period.

1.2 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity. The amounts herein are therefore rounded off to the nearest Rand.

1.3 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.4 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Other significant judgements, sources of estimation uncertainty and/or related information, have been disclosed in the relating notes.

Trade receivables

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipal entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of intangible and tangible assets.

Applying materiality

Since materiality is an entity-specific concept, its application may result in different outcomes based on the Agency's circumstances. The assessment of materiality therefore requires management to apply judgements about:

(a) How information could reasonably be expected to influence the discharge of accountability by the Agency or decisions that the users make on the basis of those annual financial statements.

(b) How the nature or size or both, of the information could reasonably be expected to influence users' decisions.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 15 - Provisions.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The entity recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The entity has in accordance with paragraph 8 of Directive 5, GRAP Reporting Framework, adopted the International Financial Reporting Standards (IFRS) IAS 12 - Income Taxes. This is as a result of the absence of a GRAP standard dealing with taxation.

The entity recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the entity to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the entity to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

1.5 Property, plant and equipment

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

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.5 Property, plant and equipment (continued)

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

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

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight-line	6 years
Office equipment	Straight-line	5 years
IT equipment	Straight-line	3 years
Other property, plant and equipment (Cellphones)	Straight-line	2 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset’s future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Amortisation method	Average useful life
Computer software, other	Straight-line	3 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.7 Financial instruments (continued)

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.7 Financial instruments (continued)

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Fixed term deposits	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations
The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.7 Financial instruments (continued)

entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an entity calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Reclassification

The entity does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Where the entity cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value. If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost. If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:
If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:
If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.7 Financial instruments (continued)
Derecognition
Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :

- derecognise the asset; and
- recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognises either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognises the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities
The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.8 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The entity recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The entity initially measures statutory receivables at their transaction amount.

Subsequent measurement

The entity measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

Where the entity levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the entity is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

Impairment losses

The entity assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.8 Statutory receivables (continued)

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the entity considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, an entity considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The entity derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the entity, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognise the receivable; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.9 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.9 Tax (continued)

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable surplus will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in surplus or deficit for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to net assets; or
- a business combination.

Current tax and deferred taxes are charged or credited to net assets if the tax relates to items that are credited or charged, in the same or a different period, to net assets.

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessor

The entity recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the entity's net investment in the finance lease.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.10 Leases (continued)

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.11 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.12 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are available on demand.

Some equity investments are included in cash equivalents when they are, in substance, cash equivalents.

Bank overdrafts which are repayable on demand forms an integral part of the entity's cash management activities, and as such are included as a component of cash and cash equivalents.

1.13 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

1.14 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.15 Employee benefits

Identification

Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide postemployment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.Other long-term employee benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.15 Employee benefits (continued)

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of

employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

1.16 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.16 Provisions and contingencies (continued)

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of an activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the entity

No obligation arises as a consequence of the sale or transfer of an operation until the entity is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 42.

1.17 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the annual financial statements, if both the following criteria are met:

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.17 Commitments (continued)

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.18 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on Statutory Receivables).

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by the proportion that costs incurred to date bear to the total estimated costs of the transaction.

Interest, royalties and dividends

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.19 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.19 Revenue from non-exchange transactions (continued)

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

1.20 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.21 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.22 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the entity is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an entity is a principal or an agent requires the entity to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The entity assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.22 Accounting by principals and agents (continued)

Assessing which entity benefits from the transactions with third parties

When the entity in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the entity concludes that it is not the agent, then it is the principal in the transactions.

The entity is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the entity has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The entity applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the entity is an agent.

Recognition

The entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.23 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.24 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classifies in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.25 Irregular expenditure

Irregular exepnditure as defined in section 1 of the MFMA in relation to a municipal entity means:

Expenditure incurred by a municipal entity in contravention of, or that is not in accordance with a requirement of the MFMA, and which has not been condoned in terms of section 170 of the MFMA; Expenditure incurred by a municipal entity in contravention of, or that is not in accordance with a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act; Expenditure incurred in contravention of, or that is not in accordance with a requirement of the Supply Chain Management Policy of that municipal entity or Municipal SCM regulations which has not been condoned in terms of such policy.

Upon discovery or identification of irregular expenditure that was incurred, the Board of Directors has a responsibility to report in writing to the Mayor and Municipal Manager of the parent municipality and the Auditor General of South Africa, particulars of the expenditure and steps taken to recover and prevent recurrence of the expenditure.

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.25 Irregular expenditure (continued)

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the Accounting Officer or Accounting Authority may write off the amount as debt impairment and disclose such in the relevant note to the annual financial statements. The irregular expenditure register must be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the Board has the authority to investigate the irregular expenditure and write it off based on the outcome of the investigation. The write-off of such irregular expenditure should be reported to Council, the Executive Mayor and the Municipal Manager of the parent municipality.

1.26 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's annual financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

Even though the standard is applicable in the current financial year, the required disclosure requirements are not applicable to the entity. Management will continue to assess its applicability in future financial years.

1.27 Budget information

Entity are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by an entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget covers the fiscal period from 2024/07/01 to 2025/06/30.

The budget information is presented on the accrual basis and is based on the same period as the actual amounts, i.e 01 July 2024 to 30 June 2025. The budget information is therefore on a comparable basis to the actual amounts.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of Comparison of Budget and Actual Amounts.

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.28 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the entity.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's annual financial statements to understand the effect of related party transactions on its annual financial statements.

1.29 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the annual financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the annual financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the annual financial statements.

1.30 Value Added Tax

Buffalo City Metropolitan Development Agency is a registered VAT vendor in terms of the VAT Act with effect from 01 July 2016. Revenue, expenses and assets are recognised net of the amount of VAT except where VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from or payable to the taxation authority is included as part of receivables or payables in the statement of financial position.

The Agency accounts for VAT on an invoice or accrual basis.

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.31 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the annual financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total operating expenditure. This materiality is from management's perspective and does not correlate with the auditors' materiality.

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figure in Rands	2025	2024

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 104: Financial Instruments	01 April 2025	Unlikely there will be a material impact

2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 July 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 1: Presentation on Financial Statements		Unlikely there will be a material impact
• GRAP 107: Mergers	01 April 2099	Unlikely there will be a material impact
• GRAP 106: Transfer of Functions Between Entities Not Under Common Control	01 April 2099	Unlikely there will be a material impact
• GRAP 105 Transfer of Functions Between Entities Under Common Control	01 April 2099	Unlikely there will be a material impact
• Improvements to the Standards of GRAP	01 April 2099	Unlikely there will be a material impact
• GRAP 103: Heritage Assets	01 April 2099	Unlikely there will be a material impact

3. Inventories

Consumable stores	43 124	51 727

Inventory Reconciliation

Opening balance	51 727	39 960
Procured and expensed during the year	82 745	188 355
Consumed during the year	(91 348)	(176 588)
Closing balance	**43 124**	**51 727**

Included in inventory are items that were held in stock at the end of the financial year.

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

	2025	2024 Restated*

4. Receivables from exchange transactions

Project Management Fee Receivable	-	495 725
Sundry Debtors	6 407	8 082
	6 407	**503 807**

Sundry debtors is a board claim debtor of R1 000 and medical aid debtors amounting to R5 407. In the prior year sundry debtors were made up of R8 082 in relation to medical aid debt. Included in the prior year are project management fees receivable are made up of R0.5 million also in relation to the Court Crescent project.

The hawker stall debtors amounting to R103 645 were written off as they have been concluded to be irrecoverable.

5. Receivables from non-exchange transactions

Sundry Debtors	2 121 212	1 188 363
BCMM Receivables - Construction	-	6 196 545
	2 121 212	**7 384 908**

Sundry debtors are made up of R2.1 million which relates to invoices paid by the Agency on behalf of the NDP project as BCMM is still awaiting funds to be received from National Treasury. In the prior year sundry debtors were made up of invoices billed to the BCMM relating to the Public Employment Programme. Also included in the prior year are BCMM Construction fees of R6.1 million in relation to the Court Crescent project

6. VAT receivable

VAT	374 359	-

The Agency is a registered VAT vendor and accounts for VAT on an accrual basis. The Agency has, for the current financial year submitted all VAT returns to SARS. All amounts that were due to SARS were paid timeously.

* See Note 45 & 43

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

	2025	2024 Restated*

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	346	1 606
Bank balances	33 247 012	37 222 436
	33 247 358	**37 224 042**

The agency has the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2025	30 June 2024	30 June 2023	30 June 2025	30 June 2024	30 June 2023
First National Bank - Public Sector Cheque Account - 620-9871-7899	810 015	7 850 478	1 535 629	810 015	7 850 478	1 535 629
First National Bank - Commercial Money Market Account - 620-9871-9358	32 420 662	21 942 780	18 008 837	32 420 662	21 942 780	18 008 837
First National Bank - Public Sector Cheque Account - 629-0192-1983	16 334	7 429 178	442 083	16 334	7 429 178	442 083
Cash on hand	-	-	-	347	1 606	25
Total	**33 247 011**	**37 222 436**	**19 986 549**	**33 247 358**	**37 224 042**	**19 986 574**

The difference between the bank statement balances and cash book balances is as a result of cash on hand at the end of each of the financial years.

* See Note 45 & 43

Notes to the Annual Financial Statements

Figure in Rands

8. Property, plant and equipment

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	1 614 707	(1 384 515)	230 192	1 603 933	(1 126 333)	477 600
IT equipment	2 156 481	(1 896 636)	259 845	2 147 546	(1 603 665)	543 881
Total	**3 771 188**	**(3 281 151)**	**490 037**	**3 751 479**	**(2 729 998)**	**1 021 481**

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	477 600	10 774	(258 182)	230 192
IT equipment	543 881	8 934	(292 970)	259 845
	1 021 481	**19 708**	**(551 152)**	**490 037**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	693 255	40 495	-	(256 150)	477 600
IT equipment	509 937	439 279	(29 140)	(376 195)	543 881
	1 203 192	**479 774**	**(29 140)**	**(632 345)**	**1 021 481**

Pledged as security

None of the above property, plant and equipment has been pledged as security.

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

	2025	2024 Restated*

8. Property, plant and equipment (continued)

Depreciation rates

The depreciation methods and average useful lives of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight-line	6 years
Office equipment	Straight-line	5 years
IT equipment	Straight-line	3 years
Other property, plant & equipment (Cellphones)	Straight-line	2 years

Assets subject to finance lease (Net carrying amount)

IT equipment	109 390	228 058

A register containing the information required by section 63 of the MFMA is available for inspection at the registered office of the entity.

* See Note 45 & 43

Notes to the Annual Financial Statements

Figure in Rands

9. Intangible assets

	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	5 076 750	(4 667 173)	409 577	5 076 750	(4 593 401)	483 349

Reconciliation of intangible assets - 2025

	Opening balance	Amortisation	Total
Computer software, other	483 349	(73 772)	409 577

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Total
Computer software, other	736 969	197 463	(451 083)	483 349

Pledged as security

None of the above intangible assets are pledged as security:

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

	2025	2024 Restated*

10. Finance lease obligation

Minimum lease payments due		
- within one year	57 585	177 147
- in second to fifth year inclusive	-	57 586
	57 585	234 733
less: future finance charges	(1 916)	(21 452)
Present value of minimum lease payments	**55 669**	**213 281**
Present value of minimum lease payments due		
- within one year	-	157 612
- in second to fifth year inclusive	-	55 669
	-	**213 281**
Non-current liabilities	-	55 669
Current liabilities	55 669	157 612
	55 669	**213 281**

11. Operating lease liability

Current liabilities	65 981	152 657

The Agency entered into lease agreements for its two multifunctional printers and office space. GRAP 13 requires straightlining of the lease payments over the duration of the lease term. The Agency entered into a new lease for office space on 1 March 2025, the lease has an escalation clause of 6% per annum. The above operating lease accrual is therefore as a result of adhering with the standard.

12. Payables from exchange transactions

Trade payables	2 099 119	10 416 033
Board claims payable	60 500	-
Deposits received	1 000	1 000
Retentions	4 573 848	4 573 848
Audit Committee claims payable	24 380	-
Staff related payables	1 990 555	2 397 718
	8 749 402	**17 388 599**

Trade payables are made up of amounts due to service providers that were not paid by 30 June 2025. Staff related payables are mainly statutory deductions, leave accrual and staff claims. In addition, included in staff related payables is the 13th cheque accrual which is a result of the approval by Board of the Amended Remuneration Policy in March 2022. All statutory payments were paid by the 15th of July 2025. Deposit received relates to a vendor rental deposit for the Baby Lee Park in Court Crescent. Included in payables from exchange transactions are Board & Audit Committee claims which were outstanding as at 30 June 2025, these were subsequently paid in July 2025.

The retention liability represents the monies withheld from contractors invoices for the construction of Water World.

13. VAT payable

VAT	-	835 131

The Agency is a registered VAT vendor and accounts for VAT on an accrual basis. The Agency has, for the current financial year submitted all VAT returns to SARS. All amounts that were due to SARS were paid timeously.

* See Note 45 & 43

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

	2025	2024 Restated*

14. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
NDPG - Integrated Waste Management Grant	276 128	4 913 759
Movement during the year		
Balance at the beginning of the year	4 913 759	1 353 802
Additions during the year	191 819	8 672 127
Income recognition during the year	(6 729 452)	(11 508 435)
Funds recovered by BCMM	-	6 397 352
Unpaid salary	-	(1 087)
Expenditure incurred on behalf of NDP Grant	1 900 002	-
	276 128	**4 913 759**

The Agency was appointed by the BCMM to implement the Intergrated Waste Management Programme.

There was no additional funding received during the 2024/25 financial year, it is anticipated that funds will be received during the 2025/26 financial year for the construction of the Duncan Village Buy Back Centre.

Refer to note 22 for reconciliation.

During the current year, the Agency has had to incur expenditure amounting to R1.9 million for the NDP Grant utilising own funds. These funds were used mainly for the construction of the Duncan Village Buy Back Centre and the remainder utilised on other NDP project expenses. The reasoning for the Agency utilising own funds emanates from delays in disbursment of funds from National Treasury to BCMM. The principal-agent relationship with BCMM allows the Agency to claim the funds back from the City when the funds are disbursed by National Treasury and transferred to the Agency.

15. Provisions

Reconciliation of provisions - 2025

	Opening Balance	Total
Staff bonus	1 070 989	1 070 989

Reconciliation of provisions - 2024

	Opening Balance	Additions	Total
Staff bonus	-	1 070 989	1 070 989

Management made a provision for performance bonus for the 2023/24 financial year which is included in the reconciliation above. There has been no provision made for the current year under review.

Management made a prior period adjustment to write off the performance bonus for the 2021/22 financial year. These bonuses have been concluded that they will not be paid out which resulted in the decision to write off the bonuses. This has been detailed in note 45

* See Note 45 & 43

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

	2025	2024 Restated*

16. Deferred tax

Deferred tax asset

As indicated in the accounting policy notes, deferred tax is accounted for in line with IAS 12. Management made an annual assessment and judgement on the recognition of deferred tax in the current year. The decision was that since BCMDA is still heavily dependent on grant income, which is exempt for Income Tax purposes, with an assessed loss balance, therefore recognition of deferred tax in the current period would not ncessarily be in line with the Accounting Standards. IAS 12 requires that there should be probability of the entity deriving taxable income which would reduce the deferred tax in future. Disclosed below therefore is unrecognised deferred tax asset in respect of both deductible temporary differences and tax losses. The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. The Minister of Finance announced on 27th February 2022 that the corporate tax rate would decrease from 28% to 27% effective for years ended on or after 31 March 2023, there has been no change during the financial year under review. Therefore, they have been offset in the statement of financial position as follows:

Unrecognised deferred tax asset

Deductible temporary differences not recognised as deferred tax assets	140 482	473 814
Unused tax losses not recognised as deferred tax assets	44 066 665	49 224 272
	44 207 147	**49 698 086**

17. Employee benefit obligations

Defined contribution plans

It is the policy of the entity to provide retirement benefits to all its employees. Buffalo City Metropolitan Development Agency has during the financial year made contributions to a Defined Contribution Plan, wherein the fixed contributions are paid on a monthly basis to the fund. Kindly refer to note 37 for the amounts paid to the fund.

The entity is under no obligation to cover any unfunded benefits.

The amount recognised as an expense for defined contribution plans is	1 349 205	1 642 768

18. Share capital / contributed capital

Authorised		
100 Ordinary shares of R1 each	100	100

The Agency is authorised to issue no more than 100 (one hundred) ordinary shares with no nominal or par value.

19. Fees earned

	-	782 790

The project management fees are as a result of the BCMDA arrangement of implementation of the City projects. BCMDA receives 8% of the invoices that the City has certified on the work done by the contractors. There were no project management fees during the financial year.

20. Other income

Other income	79	-
Tender documents	-	300
	79	**300**

* See Note 45 & 43

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

	2025	2024 Restated*
21. Investment revenue		
Interest revenue		
Bank	2 716 834	1 686 008

The amount included in Investment revenue arising from positive bank balances held in short term call accounts amounted to 2 716 834.

* See Note 45 & 43

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

	2025	2024 Restated*

22. Government grants & subsidies

Operating grants

Buffalo City Metropolitan Municipality	36 996 228	44 071 372
LG Seta Grant	43 457	46 980
Neighbourhood Development Programme Grant	6 729 452	10 222 897
Public Employment Programme	98 794	16 742 492
Eastern Cape Development Corporation Grant	-	4 347 826
BCMM Arts & Culture Tourism Grant	1 391 304	-
	45 259 235	**75 431 567**

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	6 828 246	26 965 389
Unconditional grants received	38 430 989	48 466 178
	45 259 235	**75 431 567**

Neighbourhood Development Programme Grant

Balance unspent at beginning of year	4 913 759	1 353 802
Current-year receipts	191 819	8 672 127
Conditions met - transferred to revenue	(6 729 452)	(10 222 897)
Recognising payment to BCMM	-	6 397 352
Derecognition of VAT recognised	-	(1 285 538)
Unpaid salary	-	(1 087)
Expenditure paid on behalf of NDP Grant	1 900 002	-
	276 128	**4 913 759**

The Agency was appointed by the BCMM to implement the Intergrated Waste Management Programme.

As at 1 July 2024, the Agency has received a cumulative amount of R23.2 million for the project of implementation of the Duncan Village Buy Back Centre and Integrated Waste Managament on behalf of BCMM. Since the funds are received through BCMM, they are deemed a taxable supply for VAT purposes. Amounts disclosed are therefore net of VAT.

During the current year, the Agency has had to incur expenditure amounting to R1.9 million for the NDP Grant utilising own funds. These funds were used mainly for the construction of the Duncan Village Buy Back Centre and the remainder utilised on other NDP project expenses. The reasoning for the Agency utilising own funds emanates from delays in disbursment of funds from National Treasury to BCMM. The principal-agent relationship with BCMM allows the Agency to claim the funds back from the City when the funds are disbursed by National Treasury and transferred to the Agency.

The conditions of the grant have not been met and balance remains in liabilities (see note 14).

Public Employment Programme Grant

Current-year receipts	98 794	16 742 492
Conditions met - transferred to revenue	(98 794)	(16 742 492)
	-	**-**

Conditions of the grant have been met.

* See Note 45 & 43

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

	2025	2024 Restated*
23. Revenue		
Fees earned	-	782 790
Gain on disposal of assets	-	1 294
Inventory reversal	-	11 766
Other income	79	300
Interest received - investment	2 716 834	1 686 008
Government grants & subsidies	45 259 235	75 431 567
	47 976 148	**77 913 725**
The amount included in revenue arising from exchanges of goods or services are as follows:		
Fees earned	-	782 790
Gain on disposal of assets	-	1 294
Inventory reversal	-	11 766
Other income	79	300
Interest received - investment	2 716 834	1 686 008
	2 716 913	**2 482 158**
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Transfer revenue		
Government grants & subsidies	45 259 235	75 431 567

* See Note 45 & 43

BCMDA
BUFFALO CITY METROPOLITAN
DEVELOPMENT AGENCY

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

	2025	2024 Restated*

24. Employee related costs

Basic	14 820 673	31 994 215
Bonus	-	752 236
Medical aid - company contributions	49 462	3 756
UIF	65 617	221 229
SDL	205 847	227 636
13th Cheque	639 799	790 855
Car allowance	10 000	60 000
Housing benefits and allowances	-	12 000
Provident fund	1 230 712	1 327 449
Cellphone allowance	55 887	-
Leave pay provision	747 919	539 595
	17 825 916	**35 928 971**

Remuneration of Executive Management

Remuneration - Chief Executive Officer (A Gqoboka)

Annual Remuneration	2 899 864	1 356 916
Cellphone allowance	14 000	-
Performance Bonuses	-	69 030
Contributions to UIF, Medical and Pension Funds	73 153	24 739
	2 987 017	**1 450 685**

Mr A Gqoboka was appointed as Chief Executive Officer on the 1st January 2024.

Remuneration - Chief Financial Officer (B Lubelwana)

Annual Remuneration	746 148	1 326 222
Car Allowance	50 000	110 000
Cellphone allowance	10 301	-
Performance Bonuses	-	78 767
Contributions to UIF, Medical and Pension Funds	67 722	150 364
	874 171	**1 665 353**

Mrs B Lubelwana was appointed as Chief Financial Officer on the 15th August 2023, and she resigned on the 31st December 2024.

Remuneration - Acting Chief Financial Officer

Annual Remuneration	66 180	7 813

Mr S Peter was appointed as an Acting Chief Financial Officer from the 15th May 2023 up until the 14th August 2023, then Mrs B Lubelwana was appointed as a Chief Financial Officer on the 15th August 2023.

Miss S Mgudlwa was appointed as the Acting Chief Financial Officer from the 23rd of May 2024 up until September 2024.

Remuneration - Interim Chief Executive Officer (S Peter)

Annual Remuneration	-	32 556
Contributions to UIF, Medical and Pension Funds	-	288
	-	**32 844**

* See Note 45 & 43

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

	2025	2024 Restated*

24. Employee related costs (continued)

Mr S Peter was appointed as Interim Chief Executive Officer effective 16th of August 2023, up until 31 December 2023.

Remuneration - Interim Chief Executive Officer (M Sibam)

Annual Remuneration	-	343 046
Contributions to UIF, Medical and Pension Funds	-	354
	-	**343 400**

Mr M Sibam was appointed as Interim Chief Executive Officer for the periods 26 January 2023 until 15 August 2023.

Remuneration - Executive Manager: Corporate Services (N van Wyk)

Annual Remuneration	1 860 230	1 343 884
Contributions to UIF, Medical and Pension Funds	2 125	177
	1 862 355	**1 344 061**

Mr N van Wyk was appointed on the 1 November 2023 as the Executive Manager: Corporate Services.

Included in the prior year is the salary for Mr X Jikela who reached an out of court settlement with the Executive Manager: Corporate Services and his contract was terminated as at 30 June 2023.

Remuneration - Executive Manager: Strategy & Risk (L Govender)

Annual Remuneration	546 647	1 561 560
Cellphone Allowance	8 700	-
Performance Bonuses	-	85 800
Contributions to UIF, Medical and Pension Funds	52 366	156 565
	607 713	**1 803 925**

Dr L Govender resigned on the 31st December 2024.

Remuneration - Chief Investment Officer (T Tongo)

Annual Remuneration	-	133 896
Contributions to UIF, Medical and Pension Funds	-	177
	-	**134 073**

The Chief Investment Officer was relieved of her duties on the 31 July 2023 and an out of court settlement was reached.

Remuneration - Executive Manager: Property Planning, Development and Management (T Hangana)

Annual Remuneration	-	131 556
Settlement cost	1 773 362	-
Contributions to UIF, Medical and Pension Funds	-	12 640
	1 773 362	**144 196**

The Executive Manager: Property Planning, Development and Management was relieved of her duties on the 31 July 2023 and a settlement was reached during the current financial year and was paid in May 2025.

Remuneration - Acting Executive Manager: Corporate Services

* See Note 45 & 43

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

	2025	2024 Restated*

24. Employee related costs (continued)

Annual Remuneration	-	13 246

Mrs F Goniwe was appointed as Acting Executive: Corporate Services in December 2022 up until 2 August 2023. Ms M Zokufa was appointed as Acting Executive: Corporate Services effective on 3rd August 2023 - 31st October 2023, taking over from Mrs F Goniwe. Mr N van Wyk was appointed as the Executive Manager: Corporate Services on the 1st November 2023.

Remuneration - Acting Executive Manager: Property Planning, Development and Management (A Ntshokoma)

Annual Remuneration	281 284	24 942

Mrs A Ntshokoma was appointed as Acting Executive: Property Planning, Development and Management on the 17th August 2023 up until 31st July 2025 where an Executive Manager was appointed.

Remuneration - Company Secretary & Legal Services Manager (Z Thomas)

Annual Remuneration	-	626 471
Contributions to UIF, Medical and Pension Funds	-	1 063
	-	**627 534**

The Company Secretary, Mrs Z Thomas, was appointed on 1 December 2023, and then resigned on the 6 May 2024.

Remuneration - Acting Chief Financial Officer (A Manciya)

Annual Remuneration	159 611	-

Mr A Manciya was appointed as acting Chief Financial Officer on 23 December 2024 up until a CFO was appointed on 1 August 2025.

Total remuneration	26 439 704	43 521 043

* See Note 45 & 43

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

	2025	2024 Restated*

25. Remuneration of Directors

Non-executive

2025

	Directors' fees	Re-imbursive Costs	Total
Mr M Dilima (Acting Chairperson)	378 500	2 315	380 815
Ms N Ndevu-Sakube	251 500	-	251 500
Mrs N Madikizela-Renene	332 500	-	332 500
Mrs Z Faku	223 000	-	223 000
Mr M Sibam	323 500	-	323 500
	1 509 000	**2 315**	**1 511 315**

2024

	Directors' fees	Re-imbursive Costs	Total
Ms N Pietersen (Chairperson)	158 500	-	158 500
Mr N van Wyk	94 500	-	94 500
Ms A Kumbaca	273 000	10 139	283 139
Ms N Ndevu-Sakube	267 000	450	267 450
Mr S Toni	262 000	6 135	268 135
Mr M Sibam	180 500	-	180 500
Mr M Dilima	238 000	-	238 000
Mrs N Madikizela-Renene	290 500	-	290 500
Mrs Z Faku	211 000	477	211 477
	1 975 000	**17 201**	**1 992 201**

The Board's remuneration has decreased by 24% when compared to the previous year. Mr Dilima was the acting Chairperson throughout the financial year. The two (2) board members who had resigned in the prior financial year were not replaced and this resulted in the number of board sittings decreasing during the year.

26. Depreciation and amortisation

Property, plant and equipment	551 152	632 345
Intangible assets	73 772	451 083
	624 924	**1 083 428**

27. Contracted services

Presented previously		
Information Technology Services	798 768	342 404
Security Services	994 166	2 603 138
Operating Leases	991 314	1 327 402
Specialist Services	2 481 628	1 468 297
Construction Costs	583 096	-
Consultants and Professional Services		
Business and Advisory	2 542 281	3 183 502
Legal Cost	529 887	889 266
	8 921 140	**9 814 009**

* See Note 45 & 43

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

	2025	2024 Restated*

28. General expenses

Advertising	68 941	107 732
Auditors remuneration	957 753	934 357
Bank charges	8 414	15 771
Consumable Materials and Supplies	322 525	1 673 021
Delivery expenses	390	152
Insurance	172 424	197 999
Catering	67 560	140 465
Workmen's Compensation	193 296	199 716
Software expenses - Licences	1 461 170	1 667 074
Marketing	45 628	-
Promotions and sponsorships	715 492	423 361
Fuel and oil	-	32 771
Printing and stationery	4 852	28 476
Protective clothing	148 794	90 194
Repairs and maintenance	556 077	19 140
Employee wellness	2 233	24 815
Subscriptions and membership fees	5 041	-
Telephone and fax	132 730	210 150
Transport expenses	148 400	28 900
Training and Conferences	111 665	258 884
Travel, accommodation and subsistence - local	240 592	548 041
Utilities	240 926	167 749
Audit and Risk Committee remuneration	240 240	196 160
Placement fees	3 425	30 595
Refreshments	22 236	73 596
Venue expenses	201 121	172 600
	6 071 925	**7 241 719**

There is an overall 16% decrease on general expenditure when compared to the previous financial year. As a result of a decrease in the Operational Grant budget allocation from BCMM, the Agency has had to cut down on various expenditure spending to cater for the decrease in the budget allocation. Such expenditure included consumable material and supplies, promotions and sponsorships as well as travel and accommodation.The expenditure on protective clothing decreased due to project continuation. Catering and venue hire expenses increased as more physical meetings continued from the prior year.

29. Auditors' remuneration

Fees	957 753	934 357

* See Note 45 & 43

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

	2025	2024 Restated*
30. Cash (used in) generated from operations		
Surplus	4 379 002	14 234 212
Adjustments for:		
Depreciation and amortisation	624 924	1 083 428
Finance costs - Finance leases	19 535	27 113
Movements in operating lease assets and accruals	(86 676)	63 342
Movements in provisions	-	1 070 989
Loss/(Gain) on sale of assets	-	(1 294)
Changes in working capital:		
Inventories	8 603	(11 767)
Receivables from exchange transactions	497 400	2 685 374
Other receivables from non-exchange transactions	5 263 696	(7 384 908)
Payables from exchange transactions	(8 639 191)	2 249 623
VAT	(1 209 490)	122 026
Unspent conditional grants and receipts	(4 637 631)	3 559 957
	(3 779 828)	**17 698 095**

31. Financial instruments disclosure

Categories of financial instruments

2025

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	2 121 212	2 121 212
Cash and cash equivalents	33 247 358	33 247 358
	35 368 570	**35 368 570**

Financial liabilities

	At fair value	At amortised cost	Total
Trade and other payables from exchange transactions	-	6 672 967	6 672 967
Finance lease obligation	-	55 669	55 669
Consumer deposits	1 000	-	1 000
	1 000	**6 728 636**	**6 729 636**

2024

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	7 880 633	7 880 633
Cash and cash equivalents	37 224 042	37 224 042
	45 104 675	**45 104 675**

Financial liabilities

* See Note 45 & 43

BCMDA BUFFALO CITY METROPOLITAN DEVELOPMENT AGENCY

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

	2025	2024 Restated*

31. Financial instruments disclosure (continued)

	At fair value	At amortised cost	Total
Trade and other payables from exchange transactions	-	14 989 881	14 989 881
Finance lease obligation	-	213 281	213 281
Consumer deposits	1 000	-	1 000
	1 000	**15 203 162**	**15 204 162**

Reclassification

2025

Combined instruments

Financial instruments have been reclassified from fair value to amortised cost. The reason for reclassification is that valuation at amortised cost provides more reliable information to users.

2024

Combined instruments

Financial instruments have been reclassified from fair value to amortised cost. The reason for reclassification is that valuation at amortised cost provides more reliable information to users.

* See Note 45 & 43

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

	2025	2024 Restated*
32. Commitments		
Authorised operational expenditure		
Already contracted for but not provided for		
• Operating Lease - Premises	3 980 589	2 475 111
• Supply and Configuration of a Board Management Software for a period of 36 months	134 976	257 681
• Provision of Safety and Security Services at the Baby Lee Jegels Fun Park (Court Crescent) and Water World Sites on a month-to month basis up to 3 months.	109 632	124 744
• Provision of Strategy and Annual Performance Plan Facilitation to the Buffalo CityMetropolitan Development Agency (BCMDA) SOC Ltd	-	172 500
• Provision of brokage technical support and short-term insurance for the BCMDA for a period of 3 years	242 947	23 320
• Web Hosting, Maintenance and Support of the Website for a period of 12 months	-	55 200
• Construction Project management services at Court Crescent	-	894 080
• Design & Implementation Services of the Duncan Village Buy-Back Centre Through a Turnkey Solution in Buffalo City	17 292 093	-
• Duncan Village Buy Back Centre and Integrated Waste Management, Project Management and Implementation Services	210 000	-
• Development of various tourims routes in Buffalo City	-	228 186
• Support and maintenance of SAGE Evolution and SAGE 300 People	1 111 103	1 111 103
• Provision of Internal Audit Services for a period of 3 years	-	548 491
• Two Multi-Function Copier Rental, Maintenance and Consumables for 36 Months	36 095	102 421
• Hosting of BCMDA Disaster Recovery Virtual Server for A Period of 36 Months	83 550	151 259
• Supply and Delivery of Unified Communication and Mobile Communication Services to the State for a period of 36 Months	658 826	1 080 815
• Ikhaya Training and Consulting	-	28 800
• Cloud Management & Training (CompTIA Cloud +)	11 660	-
• Criminal Checks	3 777	-
• Upgrade and Promotion of BCMDA disaster recovery server as primary server	18 630	-
• Long stay accommodation for the new candidate (Mr Banti)	35 991	-
• Hiring Mobile toilet for the Duncan Village Buy Back Cantre for a period of three months	4 447	-
• Supply and Delivery of Protective Clothing (PPE) for the Duncan Village Waste Management Programme	34 706	-
	23 969 022	**7 253 711**
Total operational commitments		
Already contracted for but not provided for	23 969 022	7 253 711
Total commitments		
Total commitments		
Authorised operational expenditure	23 969 022	7 253 711

This committed expenditure relates to expenditure as outlined above and will be financed by available bank facilities arising from funding received from Buffalo City Metropolitan Municipality. There were no capital commitments during the 2024/25 financial year.

Operating leases - as lessee (expense)

Minimum lease payments due		
- within one year	1 517 751	1 526 512
- in second to fifth year inclusive	2 453 952	890 465

* See Note 45 & 43

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

	2025	2024 Restated*
32. Commitments (continued)		
	3 971 703	**2 416 977**

Operating lease payments represent rentals payable by the entity for its office space and two multipurpose printers/copiers. A new contract for office space was entered into and the lease is for a period of three years with an escalation clause of 6% per annum.

33. Related parties

Relationships	
Directors	Refer to directors' report note
Controlling entity	Buffalo City Metropolitan Municipality
Members of key management	Mr A Gqoboka (CEO) Mr S Mavundla Mr A Manciya (Acting CFO) Mr N van Wyk Dr KL Govender Dr S Mhlongo Mrs B Lubelwana Ms S Mgudlwa Mr O Makalima (Acting Executive: IPTD) Mrs A Ntshokoma (Acting Executive: PPDM)

Related party balances

Amounts included in Trade receivable regarding related parties		
Buffalo City Metropolitan Municipality	-	6 692 268
Buffalo City Metropolitan Municipality (PEP)	-	1 188 363
Buffalo City Metropolitan Municipality (NDPG)	2 121 212	-

Trade receivables in the current year relate to invoices paid for by BCMDA relating to the NDP Grant. Prior year trade receivables relate to invoices issued to BCMM for the implementation of Court Crescent recreational project. The above were outstanding invoices at 30 June 2025.

Related party transactions

Grants Received from related parties		
Buffalo City Metropolitan Municipality - Operational Grant	36 996 227	44 071 372
Buffalo City Metropolitan Municipality (NDPG)	-	14 037 500
Buffalo City Metropolitan Municipality - Recreational Projects	-	9 784 879
Buffalo City Metropolitan Municipality (PEP)	98 794	16 742 492
Buffalo City Metropolitan Municipality - Arts & Culture Tourism Grant	1 391 304	-
Project Management Fees from related parties		
Buffalo City Metropolitan Municipality	-	782 790

Key management information

Class	Description	Number
Non-executive board members	Board of Directors	5
Audit and risk committee	Shared with parent municipality	3
Executive management	Agency management	5
Councillors	Shareholder representative	1

Remuneration of management

* See Note 45 & 43

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

			2025	2024 Restated*

34. Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments.

The table below analyses the entity's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. It is evident from the table below that the liquidity ratio is 3.50:1, which means that the entity will be able to settle its debt as the become due.

Current assets	-	-	35 792 460	45 164 484
Current liabilities	-	-	(10 218 169)	(24 518 747)
	-	-	**25 574 291**	**20 645 737**
Liquidity Ratio	-	-	-	-
Current Assets/Liabilities	-	-	3,50	1,84

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2025	2024
Cash and cash equivalents	33 247 358	37 224 042

Market risk

Interest rate risk

As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

35. Going concern

We draw attention to the fact that at 30 June 2025, the entity had an accumulated surplus of 26 473 905 and that the entity's total assets exceed its total liabilities by 26 473 905.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Parent Municipality has allocated R38.0 million as an Operational Grant to the Agency for the 2025/26 financial year.

The ability of the entity to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the entity and that the service delivery agreement was reviewed and signed with the parent municipality on 01 July 2019 and remains effective for the future operations of the entity.

* See Note 45 & 43

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

	2025	2024 Restated*

36. Fruitless and wasteful expenditure

Opening balance as previously reported	49 408 129	508 171
Add: Fruitless and wasteful expenditure identified - prior period	-	48 899 958
Less: Amount written off - current	(49 408 129)	-
Closing balance	**-**	**49 408 129**

The opening balance is made up of fines and penalties that were charged by SARS and the Department of Labour in the 2018/19 financial year. Included in opening balance is a figure of R387 000 which emantes from the conclusion or findings made as reported in the Financial Misconduct Disciplinary Board's report as detailed in note 40.

Fruitless and wasteful expenditure is presented inclusive of VAT. Included in the balance for the previous year are fines and penalties from SARS which amount to R311 and R17 made up of bank debit interest.

R48.9 million of fruitless and wasteful expendiutre was incurred in previous year and relates to poor project management during the construction of the Water World and Court Crescent Parks.

The Board resolved to write off an amount of R49 408 129 as at 30 June 2025.

37. Irregular expenditure

Opening balance as previously reported	252 715	26 271 445
Add: Irregular expenditure - (Non-compliance with laws and regulations) - current	487 217	13 146 329
Less: Amount written off - current	(739 932)	(39 165 059)
Closing balance	**-**	**252 715**

Irregular expenditure is presented inclusive of VAT.

Irregular expenditure incurred as at 30 June 2025 amounted to R739 932. Of this amount, R487 217 was incurred in the current financial year in relation to a contract which was found to be improperly extended. In the 2023/24 financial year the Board resolved to write off an amount of R39 165 059, which was made up of contracts that were awarded from improperly constituted BAC. The opening balance of R252 715 relates to one of the two contracts whose renewal was found to be irregular and particulars thereof are yet to be investigated.

The Board resolved to write off an amount of R739 932 as at 30 June 2025.

38. Additional disclosure in terms of MFMA

Audit fees

Current year fee	957 753	934 357

PAYE and UIF

Opening balance	648 945	1 068 131
Current year contributions	6 406 025	7 064 734
Amount paid - current year	(7 224 385)	(7 483 920)
	(169 415)	**648 945**

* See Note 45 & 43

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

	2025	2024 Restated*

38. Additional disclosure in terms of MFMA (continued)

Provident fund contributions

Opening balance	57 510	136 854
Current year contributions	1 349 205	1 642 768
Amount paid - current year	(1 342 257)	(1 722 112)
	64 458	**57 510**

VAT

VAT Receivable/(Payable)	374 359	(835 131)

39. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the board and includes a note to the annual financial statements.

Deviations undertaken during the year related to instances where it was impractical to follow the normal procurement processes due to various reasons ranging from urgent litigation matters, unavoidable safeguarding, completion and handing over of capital projects. All instances of deviations were reported to the board.

Supplier details:		
Nala Consortium	670 560	-
MMDP Quantity Surveyors and Project Managers	-	91 172
Mayedwa Attorneys	-	185 138
Pharaoh Security Services	-	597 114
Jolwana Mgidlana Inc	-	227 261
YG Solutions	-	153 640
Gauflora CC	-	5 182 275
	670 560	**6 436 600**

* See Note 45 & 43

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

	2025	2024 Restated*

40. Accounting by principals and agents

The entity is a party to a principal-agent arrangement(s).

Details of the arrangment(s) is|are as follows:

BCMDA is a development agency of the BCMM and has a responsibility of ensuring economic development is achieved through its existence to expedite development of the City and also participate in job creation through its mandate areas as approved by Council. Through the signed Service Delivery Agreement (SDA), the Agency was allocated recreational projects to implement on behalf of the City. In this arrangement, BCMDA appointed contractors to commence with the construction of both Water World and Court Crescent. The City retains control of the assets, are therefore not recorded in the BCMDA's accounting records, rather the City's. invoices received from contractors are recorded as payables and a BCMM receivable is recognised in the Statement of Financial Position, since the funds to settle contractors invoices are claimed from BCMM as and when invoices are received. In total Rnil (2023/24: R9.7 million) are invoices that were received and claimed from the City. BCMDA further bills the City project management fees of 8% of the invoices received from the service providers at the abovementioned recreational sites. This is the only real transaction recorded by BCMDA in relation to the arrangement.

Entity as agent

Revenue recognised

The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principal is - (2024: 782 790).

Liabilities and corresponding rights of reimbursement recognised as assets

Liabilities incurred on behalf of the principal that have been recognised by the entity are invoices received from the contractors for the month of June 2025 amounting to R nil (2024: R6.1 million).

Corresponding rights of reimbursement that have been recognised as assets are billed to the City amounting to R nil (2024: R7.8 million).

41. Alleged financial misconduct investigation

An alleged financial misconduct incident was identified in the prior financial years. The Accounting Officer undertook appropriate steps by appointing Lunika Chartered Accountants, who were the Internal Auditors to conduct a premiliminary investigation as outlined in the Financial Misconduct regulations. The outcomes of the preliminary investigation warranted a full investigation, wherein a Financial Misconduct Disciplinary Board was established, with the appointment of the Independent Chairperson. The terms of reference for the full investigation were approved by the BCMDA Board on 29 October 2021. The outcome of the investigation was noted by the BCMDA Board in a Special Board meeting that was held on 22 August 2022. The final decision was granted by the Chairperson on the 24th June 2024, finding the employee guilty. The case is currently in arbitration at the CCMA.

* See Note 45 & 43

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

	2025	2024 Restated*

42. Contingencies

The Agency has the following contingent liabilities as at 30 June 2025.

Details of contingent liabilities	2025	2024
Thulisiwe Catherine Hangana - Miss Thulisiwe Hangana launched an application with the CCMA after her dismissal. The dismissal was as a result of non-confirmation of employment after probation period. The settlement agreement was withdrawn by Miss Hangana's representatives based on her non-agreement to the terms of the agreement. Miss Hangana is now preparing for an arbitration to proceed on a date which will be scheduled by the South African Local Government Bargaining Council.	-	6 508 540
Mvusuludzo Projects cc - Mvusuludzo Projects was appointed to construct the WaterWorld Fun Park located at the Racing Track East London. Their contract was terminated due to non-performance and a dispute ensued as to validity of the invoice submitted in relation to works performed. An arbitration was embarked on and an award was issued validating the termination. Parties were ordered to calculate amounts due which were not concluded at reporting date. Mvusuludzo issued a Dissatisfaction Notice due to the difference in valuation of work completed, the issue was referred back to the consultant (Mekan) to consider and make an appropriate ruling in terms of the GCC 2015.	To be determined on finalisation of dispute	30 829 550
Mariswe (Pty) Ltd - Contract was terminated between BCMDA and Mariswe due to design which were not according to the scope of the Agency, this led to a termination. Mariswe instituted legal proceedings which resulted in a letter of demand for a payment of R1 million in relation to services rendered. It is currently being defended by the Agency's lawyers. BCMDA lawyers have not received any communication from the lawyers of Mariswe.	1 075 427	1 075 427
Ampersand Studio (Pty) Ltd Ampersand was contracted to Tefla Group, the contractor, to render graphic design and public art services at both Court Crescent and Water World. Since the Agency facilitated the contract, Ampersand demanded the fees from the Agency after the contractor failed to honour the payment. Under a separate arrangement, Ampersand was already providing services to the Agency.	286 350	-
Public Employment Programme employees A number of project participants filed a claim with CCMA, arguing that they were not compensated for days worked on public holidays while they were part of the programme. Their contracts terminated in June 2024.	To be determined	-
Mekan Engineering Services In April 2023, Mekan Engineering Services filed a fee claim; however, because the sum demanded exceeded the contract value, they were not paid.	1 584 585	-

* See Note 45 & 43

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

	2025	2024 Restated*

43. Prior period errors

In the prior year, errors occured in relation to Unspent conditional grants. The error relates to the Neighbourhood Development Programme Grant.

During the 2023 financial year, there was an adjustment made to unspent conditional grants relating to a BCMM payable. The Agency had an obligation to return grant funds back to BCMM (Principal) and this was not done. Upon completion of the 2023 financial year, the Agency had incurred grant expenditure and recognised the grant revenue thereof. During the 2023 financial year audit, BCMM notified the Agency that it had returned the funds to National Treasury on behalf on the Agency and those funds would be claimed back from the Agency resulting in the BCMM payable. The revenue realised on the grant spending was reversed due to the grant no longer meeting the conditions of a conditional grant, as the Agency had used own funds. During the 2024 financial year the BCMM payable was settled by the Agency, this resulted in the Agency realising the grant revenue in the year the funds are paid back, necessitating the realisation of revenue in the prior year. The prior period error adjustment is performed in the 2024 financial year as result of the funds owed to BCMM being settled and Agency using own funds for the Neighbourhood Development Programme Grant.

The changes to the Statement of Financial Position relate to the 2024 financial year where an adjustment was made to Unspent conditional grants.

The correction of the error(s) results in adjustments as follows:

Statement of Financial Position		
Unspent conditional grants	-	7 309 077
Statement of financial performance		
Revenue from non-exchange transactions	-	(7 309 077)
Cash Flow Statement		
Cash flow from operating activities		
Unspent conditional grants	-	7 309 077

44. Events after the reporting date

During November 2024, Mrs B Lubelwana resigned as the Chief Financial Officer and the Agency appointed Mr A Manciya as an acting Chief Financial Officer. There was a recruitment process which resulted in the appointment of Mr S Mavundla as CFO for BCMDA in August 2025.

* See Note 45 & 43

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

	2025	2024 Restated*

45. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

2023

	Note	As previously reported	Correction of error	Restated
Provisions - Performance bonus	15	2 057 294	(986 305)	1 070 989

2024

	Note	As previously reported	Correction of error	Restated
VAT	13	848 650	(13 519)	835 131
Receivables from exchange transactions - Consumer debtors	4	103 645	(103 645)	-
Receivables from exchange transactions - BCMM Receivables Construction & Sundry Debtors	4	7 384 908	(7 384 908)	-
Receivables from non-exchange transactions - BCMM Receivables Construction & Sundry Debtors	5	-	7 384 908	7 384 908
		8 337 203	**(117 164)**	**8 220 039**

Statement of financial performance

2024

	Note	As previously reported	Correction of error
Revenue from exchange transactions	23	90 126	(90 126)

Presentation & disclosure

2024

	Note	As previously reported	Correction of error	Restated
Financial assets	31	45 216 402	(111 727)	45 104 675
Financial liabilities	31	17 388 600	(2 184 438)	15 204 162
Deferred tax	16	49 201 012	(23 260)	49 177 752
		111 806 014	**(2 319 425)**	**109 486 589**

Errors

The following prior period adjustments occurred:

* See Note 45 & 43

Buffalo City Metropolitan Development Agency

(Registration number 2016/168330/30)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

	2025	2024 Restated*

45. Prior-year adjustments (continued)

Financial instruments

The was a prior year adjustments made to the disclosure of financial instruments. Staff related payables were incorrectly included in financial liabilities, and by the definition they do not meet the requirements of a financial liability. Financial lease obligation was omitted and they have thus been included.

Performance Bonus

Management made a prior period adjustment to write off the performance bonus for the 2021/22 financial year. These bonuses have been concluded that they will not be paid out which resulted in the decision to write off the bonuses.

Rental of facilities and equipment

Rental of facilities and equipment amount to R90 126 relates to a write-off of rental debtors for Court Crescent (Baby Lee Jegels Recreational Park). The rental debtors amounting to R103 645 were deemed irrecoverable, and subsequently the asset was handed to BCMM as per the principal-agent agreement.

VAT & Deferred Tax

Value-added tax represents the input tax as well as the deferred tax portion as part of the adjustment mentioned above (Rental of facilities and equipment).

Reclassifications

The following reclassifications adjustment occurred:

BCMM Receivables - Construction

During the financial year, it was identified that BCMM Receivables - Construction from the prior year, amounting to R6.1 million met the requirements to be classified as receivables from non-exchange transactions. The account balance was previously classified as receivables from exchange transactions, and a prior year adjustment was performed to reclassify BCMM Receivables - Construction as receivables from non-exchange transactions.

Sundry Debtors

During the financial year, it was identified that Sundry Debtors from the prior year, amounting to R1.2 million met the requirements to be classified as receivables from non-exchange transactions. The account balance was previously classified as receivables from exchange transactions, and a prior year adjustment was performed to reclassify Sundry Debtors as receivables from non-exchange transactions.

* See Note 45 & 43



AUDITOR GENERAL'S REPORT



ANNEXURES

TO THE AUDITOR'S GENERAL REPORT