



**PARLIAMENT**  
OF THE REPUBLIC OF SOUTH AFRICA



## **PROVINCIAL PROFILES 2025 NCOP PROVINCIAL WEEK**

### **WESTERN CAPE**

**Building Viable Municipalities for  
Enhanced Delivery of Basic  
Services to Communities.**

November 2025



# PROVINCIAL PROFILES: WESTERN CAPE 2025 NCOP PROVINCIAL WEEK

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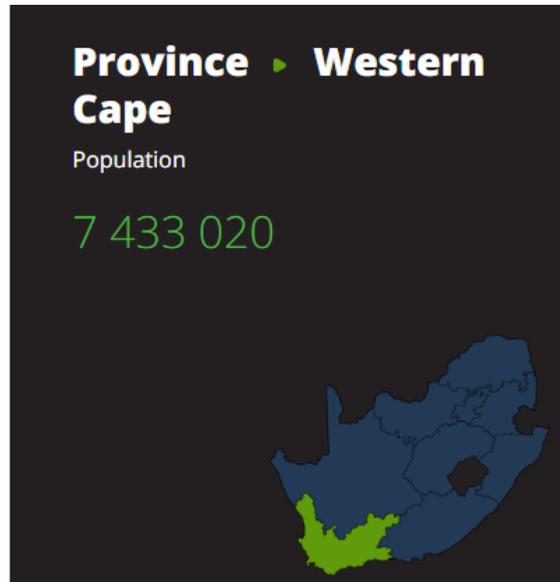
# PROVINCIAL PROFILES: WESTERN CAPE

## 2025 NCOP PROVINCIAL WEEK

### 1. BACKGROUND

During provincial week, specific focus will be placed on local governance and service delivery across South Africa's nine provinces. This brief seeks to provide an overview of the Western Cape province and, where possible, information specific to the Garden Route District Municipality will be provided, since it was identified as the district municipality which will receive specific focus in the province during the programme.

The Western Cape province lies at South Africa's southernmost tip and includes Cape Town, the country's legislative capital. It is the third most populous province after Gauteng and KwaZulu-Natal and is the second largest provincial economy in South Africa, after Gauteng.



Source: Statistics South Africa, Census 2022

The province has a population of over 7.4 million, making it the third most populous in the country. Afrikaans is the most widely spoken language, followed by isiXhosa and English. Renowned as a premier tourism destination, the Western Cape is celebrated for its beaches, mountain ranges and vineyards, and is home to Table Mountain, recognised as one of the New Seven Wonders of Nature. The province also hosts several leading universities, including the University of Cape Town, Stellenbosch University, and the University of the Western Cape.

### 2. GEOGRAPHY

The Province occupies the southernmost tip of South Africa, with an extensive coastline along both the Atlantic and Indian Oceans. The province shares its northern and eastern borders with the Northern Cape and Eastern Cape, respectively. The provincial capital, Cape Town, also serves as the country's legislative capital.

The province's physical terrain is diverse and encompasses coastal plains, the Cape Fold Belt mountains, and extends into the semi-arid Little and Great Karoo interior. This geographic diversity underpins a varied economic base including viticulture, fruit production, fishing, tourism, and biodiversity conservation.<sup>1</sup>

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<sup>1</sup> StatsSA (2023).

In terms of the **Garden Route District Municipality**, the natural landscape underpins the region's tourism appeal while also creating infrastructure challenges, including through the mountain passes which constrain road access, estuaries which require careful waste-water management, and Karoo municipalities facing water-scarcity pressures.<sup>2</sup>

The district's position along the national N2 route, which links Cape Town to Gqeberha, establishes it as a critical logistics and tourism corridor. The **N2 coastal highway carries commercial traffic, tourism flows, and regional connectivity**, while the interior R62 scenic route links Karoo towns (Oudtshoorn, Calitzdorp, Ladismith) and serves agricultural transport needs. Provincial connector routes (R328, R102) integrate coastal and inland areas, though mountain passes can constrain access during extreme weather events.<sup>3</sup>

The coastal belt experiences **medium to high risk of storm-surge erosion**, particularly in low-lying settlements such as Wilderness, Knysna, and Hartenbos. Rising sea levels threaten coastal infrastructure, including roads, municipal facilities, and tourism assets, while saltwater intrusion risks contaminating coastal groundwater supplies. In the mountainous interior, intense rainfall events trigger flooding in catchments and estuarine zones, as evidenced by the **severe 2023 floods that damaged roads, bridges, and municipal infrastructure across the district**.<sup>4</sup>

### 3. DEMOGRAPHY

The Western Cape's population grew substantially over the decade between 2011 and 2022, reaching 7,433,019 people (27.7% increase during this period), which is **the largest provincial population growth rate recorded in South Africa**.<sup>5</sup> This growth trajectory reflects sustained in-migration driven by economic opportunity, perceived quality of life, and service-delivery stability relative to other provinces. The Western Cape currently accounts for 12% of South Africa's 62 million people, with its share of the national population steadily rising since the mid-1990s.<sup>6</sup>

The Western Cape's gender composition shows a slight female majority, with a sex ratio of 94 males per 100 females (meaning that women constitute 51.5% of the population).

The province's age profile reflects both its economic attractiveness to working-age migrants and the pressures this creates for service delivery. Census 2022 data show that just over a quarter of the population (27%) are children under 15, while nearly a third (29%) fall into the youth category (ages 15–34). The working-age cohort (age 35–64 years) constitutes 35% of the population, and the elderly (age 65+) account for 9%.<sup>7</sup>

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<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

<sup>4</sup> StatsSA (2023).

<sup>5</sup> StatsSA (2023a).

<sup>6</sup> Ibid.

<sup>7</sup> StatsSA (2023).

Over half a million Western Cape residents are aged between 15 and 34, which drives demand for post-school education, job creation, affordable housing for young families, and public transport linking residential areas to employment opportunities and business hubs.<sup>8</sup>

The Coloured population group remains the largest demographic group in the Western Cape, followed by the African and White population groups. Between the first quarters of 2020 and 2025, the share of the African population rose from 35.4% to 36.6%, which is an increase of 1.2%. Over the same period, the White population declined from 16.4% to 15.5% (0.9% decrease), while the Coloured population share decreased slightly from 47.2% to 46.5% (0.7%).

The Western Cape's **population growth reflects both natural increase and substantial net in-migration**, driven by the province's reputation for stronger employment prospects, more reliable service delivery, and an overall higher quality of life compared with many other regions.<sup>9</sup>

According to the 2025 Mid-Year Population Estimates, the Western Cape and Gauteng continue to attract the largest number of in-migrants among all provinces. International migration also remains concentrated in Gauteng, with the Western Cape consistently ranking second as a destination.

The demographic shifts are further shaped by urbanisation and labour-market dynamics, with the City of Cape Town serving as a major destination for job seekers in sectors such as construction, domestic work, and services.<sup>10</sup>

Population projections suggest that **by 2035, the province will need to accommodate approximately 1.13 million additional residents**. This anticipated expansion underscores the importance of long-term infrastructure, housing, and social-service planning, alongside efforts to address spatial inequality and promote environmental sustainability.<sup>11</sup>

Continued migration into Cape Town and nearby municipalities is expected to place increasing pressure on existing urban systems, particularly in housing, transport, and basic services, unless accompanied by coordinated investment and integrated spatial planning. Without such interventions, rapid population growth may intensify urban sprawl, traffic congestion, and socio-economic disparities across the province.<sup>12</sup>

Language patterns across the province mirrored population-group geography, with Afrikaans spoken in approximately 45% of households, IsiXhosa in 25% of households, and English in 20% of households in 2024.<sup>13</sup>

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<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

<sup>11</sup> Western Cape Government (2025).

<sup>12</sup> Ibid.

<sup>13</sup> StatsSA (2023).

### **The Garden Route District**

The Garden Route district reflects this provincial pattern, though coastal municipalities (George, Mossel Bay, Knysna) show greater linguistic diversity linked to in-migration and the multilingual tourism workforce. Afrikaans remains dominant across most local municipalities, particularly in interior Karoo towns.<sup>14</sup>

In terms of the gender composition of households in the Garden Route District, household-headship data offer additional insight: 55.2% of the district's 256,000 households are male-headed, while 44.8% are female-headed.<sup>15</sup>

**The substantial share of female-headed households (nearly 115,000 households across the district), carries service-delivery implications.** Female-headed households often experience distinct vulnerabilities, such as lower average incomes, higher rates of informal employment, and greater reliance on public transport and social services. Housing allocation processes, childcare access, and transport planning should account for these realities.<sup>16</sup>

Furthermore, the Garden Route's age profile shows a slight skew toward older residents compared to the provincial average, reflecting retirement migration to coastal areas (particularly Knysna, Mossel Bay, and Hessequa). This demographic mix creates competing service pressures in terms of younger families needing schools, childcare, and jobs, juxtaposed with retirees requiring primary health-care facilities, mobility services, and accessible public amenities.<sup>17</sup>

## **4. GOVERNANCE**

The Western Cape's 30 municipalities fall into three constitutional categories: one metropolitan municipality (the City of Cape Town), five district municipalities (West Coast, Cape Winelands, Overberg, Garden Route, and Central Karoo), and 24 local municipalities distributed across the five districts.<sup>18</sup>

This structure has been stable since the 2016 boundary demarcation, which creates both coordination opportunities and potential friction points in multi-sphere governance.



Source: Statistics South Africa

<sup>14</sup> Ibid.

<sup>15</sup> StatsSA (2023a).

<sup>16</sup> StatsSA (2023).

<sup>17</sup> Garden Route District Municipality (2022).

<sup>18</sup> Western Cape Government (2025).

## 5. ECONOMIC PROFILE

The Western Cape's **economy is predominantly service-driven**, supported by a strong and expanding financial-services and information-technology sector. The province's appeal as a business and lifestyle destination is enhanced by its high-quality infrastructure, a well-developed tourism industry, and a diverse cultural and culinary offering. In 2023, the Western Cape continued to **contribute approximately 14.2% to South Africa's total gross domestic product (GDP)**.<sup>19</sup>

Within the broader industrial development context, the Saldanha Industrial Development Zone and the Atlantis Special Economic Zones are relevant.<sup>20</sup>

The Western Cape's six regional economies, comprising five district municipalities and the City of Cape Town Metropolitan Municipality, reflect a remarkable diversity of landscapes and economic profiles. From the province's fertile farming regions and mountain corridors to its extensive coastline and urban-industrial centres, each region contributes distinctively to the provincial economy.<sup>21</sup>

**Compared with the national economy, the structure of economic activity in the Western Cape is markedly different.** The finance sector holds a significantly larger share of the provincial economy (34.1%, compared to 26.3% nationally), while the mining and community-services sectors are proportionally smaller (0.2% and 12.1%, compared to 4.9% and 17.6%, respectively). The manufacturing sector makes a slightly greater contribution to the provincial economy (14.1%) than it does nationally (12.5%). The financial-services industry remains the key driver of growth, facilitating investment, liquidity, and economic dynamism across sectors.<sup>22</sup>

In 2023, the **provincial economy grew by an estimated 0.7%**. Growth was led by the finance industry, which added 0.6 percentage points, followed by transport (0.5 percentage points) and community services (0.2 percentage points). These sectors' stronger performance reflected both their size within the economy, (for example, Finance (33.5%), Transport (11.2%), and Community Services (11.8%)), and their positive growth rates during the year (Finance at 1.6%, Transport at 4.2%, and Community Services at 1.7%). In contrast, **the trade sector contracted by 2.1%**, subtracting 0.3% from overall growth. Weaker consumer spending driven by high inflation, rising interest rates, and increased household debt burdens, has curtailed retail activity.<sup>23</sup>

Nationally, retail sales declined by 1.0% from 2022 to 2023, with most retail categories recording negative annual growth. Over the longer term (2014–2023), the Western Cape

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<sup>19</sup> Western Cape Government (2024).

<sup>20</sup> Western Cape Government (2025).

<sup>21</sup> Ibid.

<sup>22</sup> Ibid.

<sup>23</sup> Western Cape Government (2025).

economy expanded by 9.1% in total, equivalent to an average annual growth rate of 0.9%. The finance sector accounted for the majority of this expansion (0.7%), with additional contributions from community services, government, transport, and agriculture (each about 0.1%). Over the decade, agriculture recorded the strongest growth (31.1%), followed by finance (25.6%) and government services (13.1%). The agricultural sector's performance is largely attributed to its expanding access to international markets and rapid export growth.<sup>24</sup>

The City of Cape Town continues to dominate as the Western Cape's economic hub, generating roughly 72.3% of provincial GDP in 2024. Over the past decade, the metro's economy expanded at an average annual rate of 0.7%, with growth estimated at 0.4% in 2024. The finance industry remained the largest contributor to metropolitan output, adding 0.7% to total growth, followed by the government and community-services sectors (each adding 0.1%). By contrast, the construction, trade, and transport sectors all registered mild contractions of 0.2% each, reflecting subdued investment and consumer-spending conditions.<sup>25</sup>

**Although the Cape Metro contributes the largest share of economic output, its growth over the past decade was the slowest among the province's six regions**, expanding by only 6.6% between 2014 and 2024. In comparison, smaller districts achieved notably stronger growth: Overberg (15.8%), Cape Winelands (14.1%), and West Coast (12.9%). This stronger performance is linked to broad-based expansion in the finance, manufacturing, transport, community-services, and agricultural sectors, with each playing a role in diversifying and strengthening local economies.<sup>26</sup>

A continuing socio-economic concern is **youth unemployment**. Despite the province's large and dynamic youth population, job creation for this group continues to lag broader employment gains. The weakening correlation between tertiary education and formal employment underscores the need for a more comprehensive approach—one that includes work-readiness initiatives, technical and vocational training, targeted skills development, and improved labour-market mobility.<sup>27</sup>

Conversely, districts such as the West Coast and Central Karoo, whose economies rely heavily on agriculture, experienced economic downturns during 2024. The province's **agricultural sector contracted by 8.1% following extensive flooding between April and July 2024**. As a result, the West Coast District's GDP fell by 0.6%, while the Central Karoo recorded a deeper contraction of 1.2%. In both regions, agriculture remains a dominant industry by accounting for 21.4% of total economic activity in the West Coast and 15.5% in the Central Karoo, which is far higher than in other districts. Because their economies are less diversified and have smaller financial sectors, economic growth in these areas often diverges from overall provincial trends.<sup>28</sup>

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<sup>24</sup> Western Cape Government (2024).

<sup>25</sup> Ibid.

<sup>26</sup> Ibid.

<sup>27</sup> Western Cape Government (2024).

<sup>28</sup> Ibid.

Across the province, agricultural gross value added (GVA) is concentrated in the Cape Metro and West Coast District, which together generate the largest share of provincial agricultural output.

### ***Poverty and inequality***

In South Africa, poverty, inequality, and human development remain among the country's most pressing challenges, shaping the trajectory of its social, economic, and political development. Poverty lines are an essential tool for tracking deprivation and assessing the impact of poverty-reduction initiatives over time.<sup>29</sup>

The share of the provincial population below the lower-bound poverty line fluctuated between 51.5% and 53.8% over the 2015–2024 period. Notable spikes occurred in 2018 and 2020, coinciding with weaker economic performance and pandemic-related disruptions. Although poverty rates fell to a low of 51.5% in 2022, they have since risen again, reaching 52.7% in 2024.<sup>30</sup>

At the same time, the **province shows a gradual decline in inequality**, with the Gini coefficient improving from 0.61 in 2015 to 0.59 in 2024. This pattern is broadly consistent across districts, where marginal but steady progress points to a modest narrowing of income gaps. The West Coast (0.55) and Overberg (0.54) districts display the lowest inequality levels in 2024, suggesting relatively fairer income distributions, whereas the **Central Karoo continues to exhibit persistent inequality, maintaining** a Gini coefficient of 0.71, underscoring deep and long-standing disparities.<sup>31</sup>

Despite these improvements, high unemployment, limited skills alignment, and structural barriers continue to drive inequality, even in the presence of redistributive policies such as social grants and expanded basic-service provision. Sustained progress will require improving education quality, enhancing labour-market access, and fostering inclusive economic growth.<sup>32</sup>

Demographically, the Western Cape faces a dual reality of both opportunity and constraint. On one hand, the growth of the working-age population, reinforced by ongoing in-migration, offers potential productivity gains and a larger tax base. On the other, the simultaneous increase in the elderly population and persistent poverty intensify pressure on healthcare, social protection systems, and infrastructure.<sup>33</sup>

While inequality has narrowed modestly in parts of the province, stark spatial disparities remain, most notably in the Central Karoo. The province's Human Development Index (HDI)

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<sup>29</sup> Western Cape Government (2025).

<sup>30</sup> Ibid.

<sup>31</sup> Ibid.

<sup>32</sup> Western Cape Government (2025).

<sup>33</sup> Ibid.

has improved gradually, yet urban–rural gaps in education, income, and service access continue to pose challenges.<sup>34</sup>

### ***The Garden Route District***

The municipal-level data reveals the concentration of population growth along the coastal corridor. As an example, George and Mossel Bay (the district's largest municipalities) grew at annual rates exceeding 4%, which are among the highest in the province outside the Cape Town metro. This **rapid expansion creates infrastructure pressures, including water and sanitation** systems designed for smaller populations now experiencing strain under peak demand, informal settlements expanding on municipal peripheries, and roads experiencing congestion during tourism high seasons. The interior municipalities (Oudtshoorn, Hessequa, Kannaland) grew more moderately, but are facing different challenges, such as aging populations, limited fiscal capacity, and economic dependence on agriculture and niche tourism.<sup>35</sup>

The province's diverse economic base, anchored in tourism, agriculture, and services, provides opportunities to reduce inequality, provided that targeted measures are implemented to support small and medium enterprises (SMEs), strengthen rural development, and bridge spatial divides through coordinated planning.<sup>36</sup>

In 2024, the Garden Route District achieved the highest economic growth rate in the province (1.2%) and was the only district to outperform its average growth trend of the past decade. The district's strong performance was driven primarily by gains in the finance sector (1.3%) and the community-services sector (0.9%), highlighting the district's diversified service-based economy and steady public-sector activity.<sup>37</sup>

## **6. THE STATE OF MUNICIPALITIES IN THE PROVINCE AND DISTRICT**

In the 2022/23 audit cycle, 20 of the province's 30 municipalities achieved unqualified audit opinions with no findings, which is **the Auditor-General's (AG) highest clean-audit designation**. This 66.7% clean-audit rate far exceeds the national average of 15% (only 34 of South Africa's 257 municipalities achieved this outcome).<sup>38</sup>

Bitou and Oudtshoorn local municipalities improved to achieve clean audits, due to stable leadership and the implementation and monitoring of credible audit action plans. Despite progress being made by these two municipalities, the outcomes of Knysna, Prince Albert, Swellendam and Theewaterskloof (TWK) local municipalities regressed, with Knysna

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<sup>34</sup> Ibid.

<sup>35</sup> Ibid.

<sup>36</sup> StatsSA (2023).

<sup>37</sup> Western Cape Government (2025).

<sup>38</sup> AGSA (2024).

receiving a qualified audit opinion and TWK regressed from a clean audit to an unqualified audit opinion with findings. In the case of Swellendam, the AG was unable to audit all material service delivery performance indicators, after some of the municipality's records were lost after the municipal building was set on fire.<sup>39</sup>

Overall, the AG was satisfied with the quality of municipal financial statements in the province, with 26 municipalities (86.6%) receiving unqualified audit opinions (with or without findings) in 2023. Since these municipalities are responsible for 98% of the province's R92.61 billion municipal expenditure budget, the **financial stability, good quality daily accounting disciplines and regular in-year reporting** illustrated by these municipalities, generally bodes well for fiscal discipline in service delivery spending.<sup>40</sup>

The AG considered the **support provided by the provincial treasury through technical forums and workshops as significant** in terms of the contribution it made to the strong financial control environment. It did note, however, that **more focused interventions were required at the municipalities which received qualified or adverse audit opinions**.<sup>41</sup>

The **AG further raised concerns over Beaufort West Local Municipality**, as it again received a qualified audit opinion, despite having a financial recovery plan in place. The Laingsburg Local Municipality also received an adverse audit opinion, despite paying R4.06 million to consultants to assist it with preparing its financial statements. A high vacancy rate, a lack of adequate skills within the finance unit, an ineffective internal audit unit and a non-functional audit committee for half of the year, resulted in poor record keeping and inadequate reviews of financial statements in the municipality.<sup>42</sup>

### ***The Garden Route District***

Within the provincial governance landscape, the municipalities within the Garden Route present a mixed picture. The district as a whole presents well, since **the majority of its seven local municipalities appear among the province's 20 clean-audit achievers**, and financial-distress indicators show that key municipalities like George maintain healthy cash positions and submit credible budgets. George, alongside Stellenbosch, stands as one of only two South African secondary cities maintaining cash reserves above the three-month operational threshold, which is considered to be a mark of fiscal prudence.<sup>43</sup>

However, the district also exhibits the capacity disparities typical of South African municipal systems. George and Mossel Bay, which are the larger coastal municipalities with stronger revenue bases (property rates, tourism-linked business levies), employ well-qualified technical staff, maintain asset registers, and manage complex infrastructure projects. In contrast, Kannaland and Hessequa, which are the **smaller interior municipalities with limited commercial/industrial ratepayers, struggle with staff retention, procurement capacity, and maintenance backlogs**. The district municipality attempts to bridge this gap through

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<sup>39</sup> Ibid.

<sup>40</sup> Ibid.

<sup>41</sup> AGSA (2024).

<sup>42</sup> Ibid.

<sup>43</sup> Ibid.

technical support units and shared services, but resource constraints limit what can be achieved through coordination.

The 2022/23 audit cycle illustrates these dynamics: while the overall Garden Route performance exceeded national norms, one municipality (Laingsburg, in the neighbouring Central Karoo but relevant for comparison) received an adverse audit opinion, signalling severe governance and financial-management failures.<sup>44</sup>

## 7. HUMAN SETTLEMENT PROJECTS IN THE PROVINCE

The housing crisis in the Western Cape mirrors national patterns, but with regional intensities shaped by in-migration and spatial legacies. Census 2022 found that 83.4% of the province's 2.45 million households live in formal dwellings, while **15.1% occupy informal structures**, which is a proportion concentrated in urban informal settlements and backyard shacks in older townships. This 15% translates into over 370,000 households living in substandard conditions, with a **backlog that grows as in-migration, household formation (young adults leaving parental homes), and backyard-dweller aspirations for independent tenure** outpace formal housing delivery.<sup>45</sup>

The table below provides a snapshot of human settlements indicators in the Western Cape, compared to national averages, as reported in the Statistics South Africa General Household Survey, released in 2025.

**Table 1. Human settlements indicators in the Western Cape<sup>46</sup>**

Indicators	Western Cape	National average
% of households who live in an RDP or state-subsidised house	18.0%	17.8%
% of households receiving a housing subsidy from the state	13.3%	10.3%
% of households living in informal dwellings/tents/caravans	18.6%	11.7%
% of households who state that the condition of the walls of their state provided/subsidised housing is weak/very weak	9.8%	7.1%
% of households who state that the condition of the roof of their state provided/subsidised housing is weak/very weak	10.6%	7.6%
% of households who pay rent for a state provided/RDP house	13.9%	10.1%
% of households who fully own their dwellings	47.7%	53.8%

In the Western Cape, proactive and integrated planning is increasingly critical to manage the effects of in-migration, especially within the Cape Town Metropolitan area, where **growing demand for affordable housing, transport, and social services continues to exceed available capacity**. This situation **underscores the need for coordinated spatial planning**,

<sup>44</sup> AGSA (2024).

<sup>45</sup> Ibid.

<sup>46</sup> StatsSA (2025a).

**targeted infrastructure investment, and inclusive urban-development** approaches to ensure sustainable growth and equitable access to opportunities.<sup>47</sup>

A key strategic focus area of the province is to advance spatial transformation by developing well-located, mixed-use and mixed-income neighbourhoods that integrate residential, work, learning, and recreation spaces in close proximity to public transport nodes. Ongoing flagship projects reflecting this approach include Conradie Park in Pinelands, as well as the Founders' Garden, Leeuloop, and Prestwich Precinct developments in central Cape Town.<sup>48</sup>

### ***The Garden Route District***

In the Garden Route, informal settlements cluster predictably in high-growth coastal municipalities: Thembalethu and Pacaltsdorp (George) absorb migrants from the Eastern Cape seeking employment; KwaNonqaba and D'Almeida (Mossel Bay) house industrial and tourism workers; Hornlee and Khayaletu (Knysna) accommodate seasonal tourism-sector employees; Bridgton (Oudtshoorn) serves agricultural and ostrich-farm workers. **These settlements represent both a humanitarian challenge (inadequate shelter, health risks, dignity concerns) and a spatial-planning failure—many occupy peripheral land poorly connected to jobs, schools, and services, perpetuating apartheid-era settlement patterns that trap residents in expensive, time-consuming commutes.**<sup>49</sup>

The provincial government responds to this housing backlog through multiple delivery instruments. The Informal Settlements Upgrading Programme (ISUPG) pursues in-situ upgrading—providing secure tenure, basic services (water, sanitation, electricity, roads), and incremental top-structure housing to informal-settlement residents without relocating them. **The 2024/25 financial year saw 43 ISUPG projects funded (R382.3 million)** across the province before mid-year national budget cuts, with Garden Route municipalities (George, Mossel Bay, Knysna, Oudtshoorn) included in this portfolio. Eleven projects reached implementation stage, delivering 1,698 serviced sites.<sup>50</sup>

The First Home Finance programme (previously known as the Finance-Linked Individual Subsidy Programme (FLISP)) targets the "gap market", which refers to households earning R3,500–R22,000 per month who fall between subsidy housing and unassisted bond finance. FLISP provides subsidies of R30,000–R130,000 (income-dependent) that households combine with mortgage finance to purchase units built by private developers. **Priority Development Areas (PDAs)**, which are large-scale integrated projects combining social housing, gap-market units, and community facilities, concentrate in the Cape Town metro but **the planning model is being adapted for George and Mossel Bay growth corridors.** Social housing institutions deliver affordable rental stock (targeting households earning

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<sup>47</sup> Ibid.

<sup>48</sup> Western Cape Government DOI (2024).

<sup>49</sup> Ibid.

<sup>50</sup> Ibid.

R1,500–R15,000 monthly), although the participation of the Garden Route district in this programme remains limited.

Overall, the 2024/25 delivery cycle produced 4,779 housing opportunities and 4,853 serviced sites (3,181 via the Human Settlements Development Grant, 1,672 via ISUPG). It reflects performance has either met or exceeded targets despite mid-year budget cuts of R200 million (HSDG) and R100 million (ISUPG) announced by the Western Cape Department of Infrastructure in March 2025.

However, these delivery figures must be contextualized: they represent annual increments against a backlog measured in hundreds of thousands. At current delivery rates, closing the housing gap would take decades, and this assumes the backlog stops growing, which is an unrealistic assumption considering the continued in-migration and household formation.<sup>51</sup>

## 8. ROADS AND TRANSPORT INFRASTRUCTURE IN THE PROVINCE

In terms of key points of interest in the transport sector of the Western Cape, the province's principal air access point is Cape Town International Airport, managed by the Airports Company South Africa (ACSA), which serves domestic and international traffic and is a critical gateway for tourism and business in the Western Cape, while the regional airport at George provides support to the local tourism sector and connectivity to the garden route and coastal area.<sup>52</sup>

The province is furthermore served by major maritime infrastructure, notably Saldanha Bay harbour and the Port of Cape Town, which is operated by Transnet National Ports Authority. The port plays a critical role in container, break-bulk and agriculture export traffic for the province and national economy.<sup>53</sup> Saldanha Bay harbour is located about 110 km north of Cape Town and is one of the largest and deepest natural harbours in the Southern Hemisphere, with water-depths exceeding 23 m.<sup>54</sup>

Rail is identified by the provincial mobility department as a vital element in the freight and logistics chain for the Western Cape. The province has a strategic framework called the **Western Cape Freight Rail Revitalisation Framework ("WC FRRF")** which aims to shift more freight from road to rail, improve export competitiveness and reduce infrastructure damage from heavy-truck use.<sup>55</sup>

The provincial government has emphasised the importance of ports and rail to its growth agenda, signalling the need for private-sector investment in these logistics hubs as part of its **"Growth for Jobs" strategy**.<sup>56</sup>

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<sup>51</sup> Western Cape Government DOI (2024).

<sup>52</sup> Airports Company South Africa (2025).

<sup>53</sup> Transnet National Ports Authority (2010).

<sup>54</sup> Ibid.

<sup>55</sup> Western Cape Government (2025a).

<sup>56</sup> South African Government (2025).

The provincial road network is managed through the provincial government's infrastructure and transport departments. The provincial Department of Infrastructure publishes a "Road Asset Management Plan" which provides an overview of the current state of the network in terms of service levels, condition, and the need for rehabilitation.<sup>57</sup>

The Western Cape Department of Infrastructure manages the provincial road network under Programme 3: *Transport Infrastructure, balancing capital* projects (new roads, major rehabilitation) with routine maintenance (resurfacing, regravelling, pothole repair). The 2024/25 financial year saw a final budget appropriation of R5.356 billion, of which R4.775 billion (89.2%) was spent. The R581 million underspending primarily reflects disaster-recovery funding received late in the year for 2023 flood-damage repairs and a rollover to 2025/26 has been requested to complete these rehabilitation projects.<sup>58</sup>

The Department employs systematic asset-management tools, such as the **Provincial Roads Infrastructure Management System (PRIMS)** and **Roads Asset Management System (RAMS)**, to prioritize investments based on road condition, traffic volumes, and economic impact.<sup>59</sup>

### ***The Garden Route District***

In the Garden Route, the most visible infrastructure achievement is the **George Western Bypass, completed in 2023, which diverts through-traffic around the town center, reducing congestion and improving logistics efficiency**. The national N2 route, which is managed by SANRAL and therefore not the province, is undergoing staged upgrades between Mossel Bay and Knysna (widening, resurfacing, drainage improvements), although specific budgets and timelines require verification from SANRAL project schedules. Routine maintenance activities include substantial gravel-road blading (46,517 km bladed province-wide in 2024/25), resurfacing of surfaced roads, and flood-damage repairs on mountain passes and rural connectors.<sup>60</sup>

The Department **reports achieving 98% of planned maintenance targets for the year, with all scheduled reseal and regravelling projects completed within budget**, and the asset-condition index for surfaced roads showing improvement for the third consecutive year. The Provincial Economic Review and Outlook 2024 links this sustained infrastructure investment to regional economic resilience, estimating that each 1% increase in public-infrastructure spending adds approximately 0.4% to regional GDP growth. This is a multiplier effect that justifies prioritizing road maintenance even under fiscal constraints.<sup>61</sup>

The Garden Route's position as a transport corridor linking Cape Town and Gqeberha via the N2 makes road infrastructure economically and politically salient. The N2 coastal highway carries not only tourism flows but also commercial logistics and regional connectivity. This means that bottlenecks or poor road conditions directly affect the district's economic

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<sup>57</sup> Western Cape Government (2019).

<sup>58</sup> Ibid.

<sup>59</sup> Ibid.

<sup>60</sup> Western Cape Government (2024).

<sup>61</sup> Ibid.

competitiveness. The interior R62 scenic route connects Karoo towns (Oudtshoorn, Ladismith, Calitzdorp) and serves agricultural exports, while provincial connector routes (R328, R102) integrate coastal and inland areas.

However, the **2023 floods that devastated parts of the Garden Route exposed infrastructure vulnerability**. Storm damage to roads, bridges, and mountain passes required emergency repairs funded through provincial disaster-recovery allocations, diverting resources from planned maintenance and creating a repair backlog.<sup>62</sup>

**Public-transport infrastructure in the Garden Route remains underdeveloped** compared to the **Cape Town metro, where the MyCiTi Bus Rapid Transit system** continues to expand. In the Garden Route, municipal transport comprises Dial-a-Ride services for elderly and disabled residents, limited municipal bus routes in George and Mossel Bay, and reliance on minibus taxis for most of public-transport users. The Provincial Economic Review and Outlook 2024 notes that reliable public-transport infrastructure is central to reducing transport inequality and supporting economic participation, yet this policy priority has not translated into substantial Garden Route investment.<sup>63</sup>

Road infrastructure faces multiple pressures, from declining conditional-grant allocations (the Provincial Road Maintenance Grant and Public Transport Network Grant have declined in real terms), rising construction costs (bitumen, cement, labour), flood-damage repair backlogs, limited contractor capacity in rural areas, to coordination challenges between provincial, district, and municipal road authorities. The Department is developing an **Infrastructure Resilience Programme focused on climate-adaptation design standards and improved multi-sphere coordination**, but these remain planning initiatives rather than implemented solutions.<sup>64</sup>

## **9. CURRENT PROJECTS IN THE PROVINCE TO IMPROVE BASIC SERVICE DELIVERY**

### ***Access to free basic services***

The Free Basic Services (FBS) programme, introduced in 2001, represents government's commitment to ensuring that poor and indigent households have access to essential municipal services. Initially focused on basic water and electricity, the policy framework has since expanded to include sanitation and solid-waste (refuse) removal.<sup>65</sup>

Over time, separate policies and implementation guidelines were introduced for each service<sup>66</sup>:

- The Free Basic Water (FBW) policy was launched in 2001;

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<sup>62</sup> Western Cape Government (2024).

<sup>63</sup> Ibid.

<sup>64</sup> Ibid.

<sup>65</sup> StatsSA (2025).

<sup>66</sup> Ibid.

- The Free Basic Electricity (FBE) policy followed in 2003 under the Department of Mineral Resources and Energy;
- The Free Basic Sanitation Implementation Strategy was issued in 2008 by the Department of Water and Sanitation; and
- The National Policy on Free Basic Refuse Removal was finalised in 2009.

Municipalities are tasked with implementing these services at the local level. The Municipal Indigent Policy Framework provides national guidelines for determining eligibility and designing municipal indigent-support programmes. Each municipality defines its own criteria for indigent status, taking into account local fiscal capacity and demographic conditions. In most cases, qualifying households receive 6 kilolitres of free water and 50 kWh of free electricity per month, while subsidies for sanitation and refuse removal vary by municipality.<sup>67</sup>

According to the Statistics South Africa, 15.8 million consumer units received municipal water services in 2023, compared with 15.3 million in 2022. However, **the share of households receiving free or subsidised water declined slightly from 17% to 16%. Similar downward trends were observed in access to free electricity and sanitation services, while solid-waste removal was the exception:** coverage increased from 11.1 million to 11.8 million consumer units, and the proportion of households receiving the service at no charge rose marginally from 16.6% to 16.8%.<sup>68</sup>

The broader trend since 2014 shows growth in the total number of serviced households—both paid and subsidised—but a gradual decline in the share of households benefiting from free basic services. The Western Cape recorded the highest proportion of qualifying households in 2023.<sup>69</sup>

**Fiscal constraints have led many municipalities to become more targeted in allocating free services, focusing primarily on the poorest households.** In earlier years, some municipalities extended subsidies to all residents within their jurisdiction, but this approach has largely been phased out due to budget limitations and the expanding demand from informal settlements, which has placed additional pressure on municipal finances and service networks.<sup>70</sup>

**An additional challenge relates to awareness and registration.** Households are responsible for applying for indigent status and must renew their registration regularly, often on an annual basis. In some areas, limited community awareness of the registration and renewal processes results in eligible households not accessing available benefits, leading to gaps in coverage and exclusion from the intended social protection.<sup>71</sup>

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<sup>67</sup> Ibid.

<sup>68</sup> StatsSA (2025).

<sup>69</sup> Ibid.

<sup>70</sup> Ibid.

<sup>71</sup> StatsSA (2025).

### **Current projects to improve access to basic services**

The table below provides a non-exhaustive list of a few infrastructure projects recently completed, or which are otherwise underway in the province, which will improve access to basic services.

**Table 2. Infrastructure projects in the Western Cape<sup>72</sup>**

<b>Project</b>	<b>Location/ Municipality</b>	<b>Description</b>	<b>Key implementing agents</b>
N7 Upgrade: Potsdam – Melkbosstrand	Cape Town Metro / West Coast	Upgrade of N7 to freeway standard as part of Northern Growth Corridor Scheme. Implementation planned: 2024 - 2026	SANRAL and the Western Cape Department of Infrastructure
George Water-Treatment Works Upgrade <sup>73</sup>	George municipality	Expansion of treatment capacity and replacement of raw-water pipeline to improve reliability. Completed in 2024	George Municipality / Western Cape Department of Infrastructure
Oudtshoorn & Knysna Wastewater Treatment Projects	Oudtshoorn and Knysna local municipalities in the Garden Route District	Upgrading aged wastewater facilities to meet compliance standards and accommodate population growth. Implemented during 2024 and 2025	Local Municipalities / Western Cape Department of Infrastructure / Department of Water and Sanitation
Conradie Park Integrated Development	Pinelands (Cape Town Metro)	Large mixed-income, mixed-use precinct promoting spatial transformation near public transport. Implementation is currently in phase 2.	Western Cape Department of Infrastructure / Private Partners / City of Cape Town
Water-Security & Smart Metering Initiative	Garden Route District	District-wide smart-metering and leak-reduction pilot supporting demand-management and resilience.	Garden Route District Municipality / Western Cape Department of Infrastructure / Department of Water and Sanitation
Energy Resilience Municipal Independent	Province-wide, including George and Stellenbosch	Support for municipal procurement of small-scale renewable energy (IPPs). Implementation: 2024 - 2026	Western Cape Department of Infrastructure / Department of Energy and Electricity/ Municipal Energy Offices

<sup>72</sup> Western Cape Government Department of Infrastructure (2024); Western Cape Government (2025); Garden Route District Municipality (2022).

<sup>73</sup> In February 2022, George Local Municipality (Western Cape) began upgrading the George new water treatment works with a planned completion date of February 2024 and a budget of R263,31 million. (AGSA, 2024).

Power Producer (IPP) Programme			
Human-Settlements Upgrading Projects (Garden Route Cluster)	George, Mossel Bay, Bitou, Oudtshoorn	Provincial pipeline to deliver mixed-income housing and title-deed regularisation in key coastal towns. Implementation planned from 2024 - 2027	Western Cape Department of Infrastructure / Municipal Human Settlements Units

## 10. FINANCING OF INFRASTRUCTURE IN THE PROVINCE

The Western Cape has four departments that received a clean audit for the past five years, except for the Department of Education and a new Department of Mobility that received unqualified with findings.

**Table 1: Audit outcomes of WC provincial departments**

	2023/24	2022/23	2021/22	2020/21	2019/20
Education	Unqualified with findings				
Health	Unqualified with no findings				
Social Development	Unqualified with no findings				
Human Settlements	Unqualified with no findings				
Infrastructure	Unqualified with no findings				
Mobility	Unqualified with findings	New auditee			

According to the Section 48 Consolidated Local Government Performance Report for the 2020/2021 financial year, which was gazetted on 15 November 2024, the Western Cape province reported that the key challenges that placed its service delivery at risk were the high-levels of in-migration, which meant that there is an increasing demand for access to basic services and free basic services, especially in the City of Cape Town. This is further

exacerbated by rapid population growth. The province has reported to be experiencing service delivery instability and a growing backlog as a result of the following challenges:

- Increased pockets of inequality in service delivery.
- Misalignment between spatial, infrastructure and financial planning
- Lack of asset management resulting in service delivery breakdown, instability,
- Increased maintenance costs and premature failure of infrastructure.
- An increase in crime, an increased vandalism to infrastructure is experienced<sup>74</sup>.
- Housing project delays imposed by the operations of the construction mafia which further<sup>75</sup>.
- Poor project management and quality of work alongside challenges with municipalities not delivering on infrastructure and community unrest within informal settlements<sup>76</sup>
- The City of Cape Town metro experienced water losses to the amount of R0.11 billion and electricity losses amounting to R0.63 billion, which is above the 10% norm<sup>77</sup>.

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<sup>74</sup> RSA (2024); National Treasury (2025).

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