STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Annual Report

2015/16

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LIST OF ABBREVIATIONS

ABS	Access to Basic Services
ACDP	African Christian Democratic Party
AG	Auditor-General
ANC	African National Congress
AMEU	Association of Municipal Electricity Utilities
ANPR	Automatic Number Plate Recognition System
BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
BBBEE	Broad-Based Black Economic Empowerment
BICLS	Bulk Infrastructure Development Contribution Levies
CAC	Civic Amenity Centre
CAPEX	Capital Expenditure
CBD	Central Business District
CBP	Community Based Planning
CDW	Community Development Worker
CEO	Chief Executive Officer
CEB	Compressed Earth Block
CCTV	Closed Circuit Television
CFO	Chief Financial Officer
CGI	Compliance and Governance Index
COGTA	Cooperative Governance and Traditional Affairs
CITP	Comprehensive Integrated Transport Plan
COPE	Congress of the People
CRSES	Sustainable Energy Studies
CWD	Cape Winelands District
CWDM	Cape Winelands District Municipality
DA	Democratic Alliance
DCAS	Department of Arts, Culture and Sports
DEA & DP	Department of Environmental Affairs and Development Planning
DEDAT	Department of Economic Development and Tourism
DOE	Department of Education
DORA	Division of Revenue Act
DWS	Department of Water and Sanitation
ECD	Early Childhood Development
EE	Employment Equity
EIA	Environmental Impact Assessment
EHP	Emergency Housing Policy
ESTA	Extension of Security of Tenure Act
EPWP	Expanded Public Works Programme
FBAR	Final Basic Assessment Report
GAMAP	Generally Accepted Municipal Accounting Practice

GRDP	Gross Regional Domestic Product
GRAP	Generally Recognised Accounting Practice
HSDG	Human Settlements Development Grant
HR	Human Resources
ICT	Information and Communication Technology
IBR	Inverted Box Rib
IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
IPC	Integrated Planning Committee
IIC	Infrastructure Innovation Committee
IMATU	Independent Municipal Trade Union
IMFO	Institute for Municipal Finance Officers
IMESA	Institute of Municipal Engineers of South Africa
IZS	Integrated Zoning Scheme
IRDP	Integrated Residential Development Programme
IWMP	Integrated Waste Management Plan
JPI	Joint Planning Initiative
JSE	Johannesburg Stock Exchange
KPA	Key Performance Area
KPI	Key Performance Indicator
KIWMF	Kraaifontein Integrated Waste Management Facility
LED	Local Economic Development
LETRP	Large Employer Trip Reduction Programme
LGMTEC	Local Government Medium Term Expenditure Committee
LGSETA	Local Government Sector Education and Training Authority
LR	Labour Relations
LM	Limpopo
LUMS	Land Use Management System
LUPA	Land Use Planning Act
LUPO	Land Use Planning Ordinance
MAYCO	Executive Mayoral Committee
MBI	Municipal Benchmarking Initiative
MERO	Municipal Economic Review Outlook
MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
MIG	Municipal Infrastructure Grant
MILE	Municipal Institute of Learning
MINMAY	Provincial Ministers, Provincial Heads of Departments, Mayors and Municipal Managers
MIQ	Municipal Data and Intelligence
MM	Municipal Manager
MMC	Member of the Mayoral Committee
MMF	Municipal Managers Forum
MOU	Memorandum of Understanding
MPAC	Municipal Public Accounts Committee
MPC	Multipurpose Centre
MPI	Municipal Productivity Index
MRF	Material Recovery Facility

MSA	Municipal Systems Act (Act No. 32 of 2000)
MTAB	Metropolitan Transport Advisory Board
MVA	Mega Volt Amp
MTECH	Medium Term Expenditure Committee
mSCOA	Municipal Standard Chart of Accounts
NDP	National Development Plan
NEMA	National Environment Management Authority
NGO	Non-Governmental Organisation
NHBRC	National Housing Building Regulation Council
NMT	Non-Motorised Transport
NPO	Non-Profit Organization
NRTLEC	National Road Traffic Legislation Enforcement Code
NT	National Treasury
OPEX	Operating Expenditure
PDO	Predetermined Objectives
PDoHS	Provincial Department of Human Settlement
PIE	Prevention of Illegal Evictions
PSP	Provincial Strategic Plan
PPDO	Provincial Predetermined Objectives
PMS	Performance Management System
PPP	Public Private Partnership
PSDF	Provincial Spatial Development Framework
PRASA	Passenger Rail Agency of South African
PSDF	Provincial Spatial Development Framework
PT	Provincial Treasury
RBIG	Regional Bulk Infrastructure Grant
SAB	South African Breweries
SABS	South African Bureau of Standards
SALGA	South African Local Government Organisation
SAMDI	South African Management Development Institute
SAMWU	South African Municipal Workers Union
SANEDI	South African National Energy Development Initiative
SANS	South Africa National Standards
SASSA	South African Social Security Agency
SAPS	South African Police Service
SCA	Stellenbosch Civic Association
SCMU	Supply Chain Management Unit
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SEDA	Small Enterprise Development Agency
SITA	State Information Technology Agency
SMME	Small Medium Micro Enterprises
SMS	Short Message Service
SSI	Stellenbosch Safety Initiative
SOP	Standard Operating Procedure

SPA	Stellenbosch People's Alliance
SPLUMA	Spatial Planning and Land Use Management Act
STOD	Sustainable Transit Oriented Development Plan
SPV	Special Purpose Vehicles
SWWTW	Stellenbosch Waste Water Treatment Works
TASK	Tuned Assessment of Skills and Knowledge
TIATCP	Technical Innovation Agency Technical Centre Program
VTS	Vehicle Testing System
WC	Western Cape
WCDM	Western Cape District Municipality
WCO24	Greater Stellenbosch
WWF	World Wildlife Fund
WRC	Water Research Commission
WoF	Working on Fire

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

It is noteworthy to mention this report deals with the delivery performance of the previous Council, and the new Council was inaugurated on 15 August 2016.

The Municipality's mission is to deliver effective and cost-effective services that will provide the most enabling environment for civil and corporate citizens. Our Values are Integrity, Accountability, Respect, Excellence and Innovation. This is evident in the second clean audit achieved by the Municipality for the 2015/16 financial year.

The strategic goals of the Stellenbosch municipality are aligned with the Provincial Growth and Development strategy, in terms of Good Governance, Increasing Wellness and Safety and Enabling a resilient, sustainable quality and inclusive living environment that focuses on creating opportunities for growth and jobs.

We are proud to report on some of the basic service delivery performance highlights:

The capital investment of R230 million in 2014/15 increased to R349 million for the 2015/16 financial year. The increase of 52% indicates the commitment to service delivery in terms of infrastructural developments.

- There was an improvement in the liquidity and the asset ratios of the municipality. The asset ratio improved from 2.6 in the 2014/15 financial year to 2.7 in 2015/16 financial year. This means the municipality has the ability to pay its short-term and long-term obligations. The liquidity ratio also improved from 2.5 in 2014/15 to 2.6 in 2015/16.
- Stellenbosch municipality is one of the top 3 performing municipalities in the Western Cape in terms of MIG management.
- The indigent qualification has been increased from R 3000 to R 4000 per month. The free basic water for indigent consumers has been increased from 6KI to 10KI per household per month.
- A total of 169 top structures were completed, and the handover of 100 houses to beneficiaries was done by the MEC.
- The completion for the installation of civil engineering services to 277 sites in Kayamandi.
- In Jamestown, the installation of civil engineering services for 162 sites was completed.
- The general improvement in waste management, with the successful implementation of the youth in waste programme; swop shop pilot projects and cutting and shaping of the Devon valley landfill site.
- The transfer of Pniel and surrounding electrical supply area to Stellenbosch was approved by Drakenstein and Stellenbosch councils.
- Replacing streetlights with energy saving LED lights with a value of R6 million was completed.

- The IDP process has greatly improved to ensure communities are informed about the projects and service delivery priorities. Constant communication and encouraging communities to participate in all public processes are vital to the municipality.

In spite of these successes, Stellenbosch municipality is still facing some major challenges, and some of these challenges are:

- Preparation for a water scarce future, with major water restrictions already in place.
- The integration of the waste management functions.
- The further improvement of the debt collection process.
- The traffic congestion on the roads of Stellenbosch.
- The supply of housing remains a challenge.
- Sewerage challenges.
- The achievement of 90% average water quality needs further improvement.

These challenges will have to be faced and solutions must be found to resolve it.

Stellenbosch Municipality remains committed to the goals as set out, as well as to align itself even more to the Provincial Growth and Development strategy.

We urge all residents to work with us in partnership and collaboration to ensure a better future for all.

Adv. G. Van Deventer

Executive Mayor

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW

Stellenbosch Municipality is a Category B municipality and its powers and functions are assigned to it in terms of sections 155 and 156 of the Constitution of the Republic of South Africa, 1996, and the local government matters referred to in Parts B of Schedules 4 and 5. Chapter 3 of the Local Government: Municipal Systems Act, Act 32 of 2000, and its Regulations, also describes the powers and functions of municipalities. The executive and legislative authority of a municipality is described, as well as the development and implementation of by-laws to give effect to its policies and to support its strategies.

During the course of the 2015/16 financial year, the Municipality experienced challenges with the management environment. Mr Richard Bosman was seconded from the City of Cape Town for a period of 10 months to act in the position of Municipal Manager. The Local Government Elections held on 3 August 2016 gave light to a new political administration, with Adv. G van Deventer being elected as Executive Mayor at the Inaugural Council meeting held on 15 August 2016.

The follow up process regarding audit enquiries was strict to eliminate repeat findings. A Clean Audit (unqualified) was achieved for the second time for the Stellenbosch Municipality. The clean audit means that the financial statements fairly present the financial position and performance of the municipality and that the performance reporting was in order.

Risk Management remains an integral part of the basis for determining Stellenbosch Municipality's priority areas.

Some of the risks facing the Municipality are business continuity; under expenditure of capital budget and ageing infrastructure and equipment.

The financial position of the Municipality is sound. The liquidity position is sufficient to cover short term financial obligations.

The Municipality is maintaining a healthy payment rate of consumers as a result of effective credit control, debt collection management and the enforcement of policies and by-laws. To maintain this situation it is important to keep services not only affordable, but to deliver same in the most efficient and economical manner, as we are very aware of the increasing pressure on the income of our citizens. Financial sustainability, as reflected by the financial ratios, indicates a healthy state of the financial position. Water losses remain a challenge.

Thank you to all residents, visitors, partners and community groups for the support during 2015/16. The Directors and I look forward to improve service delivery, together with all our staff, through innovation and partnerships during 2016/17.

Richard Bosman

Acting Municipal Manager

1.2 MUNICIPAL OVERVIEW

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

The 2015/16 Annual Report reflects on the performance of the Stellenbosch Municipality for the period of 1 July 2015 to 30 June 2016. The Annual Report is prepared in terms of section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an Annual Report for each financial year.

1.2.1 VISION, MISSION AND VALUES

The Stellenbosch Municipality has committed itself to the following vision and mission:

Vision:

"The Innovation Capital of South Africa"

Mission:

"To deliver cost-effective services that will provide the most enabling environment for civil and corporate citizens"

Values:

Character Leadership: We undertake to involve communities in planning development in their areas, to provide regular progress reports on the implementation of those plans and to deal decisively and swiftly with poor performance, mismanagement of council assets, corruption and fraud that are all impediments to good municipal governance.

Transformation: We will tirelessly work at transforming our municipality, communities and broader society as custodians of hope through unlocking the endless possibilities our valley holds treasure. This commitment is shaped by our understanding of the historical, spatial, social and economic inequalities rife in our valley.

Innovation: We will continuously review our systems, procedures and processes to make them less bureaucratic and more responsive to customer needs. We will acknowledge and reward initiatives which show creativity and ingenuity.

1.2.2 HOUSE OF VALUES

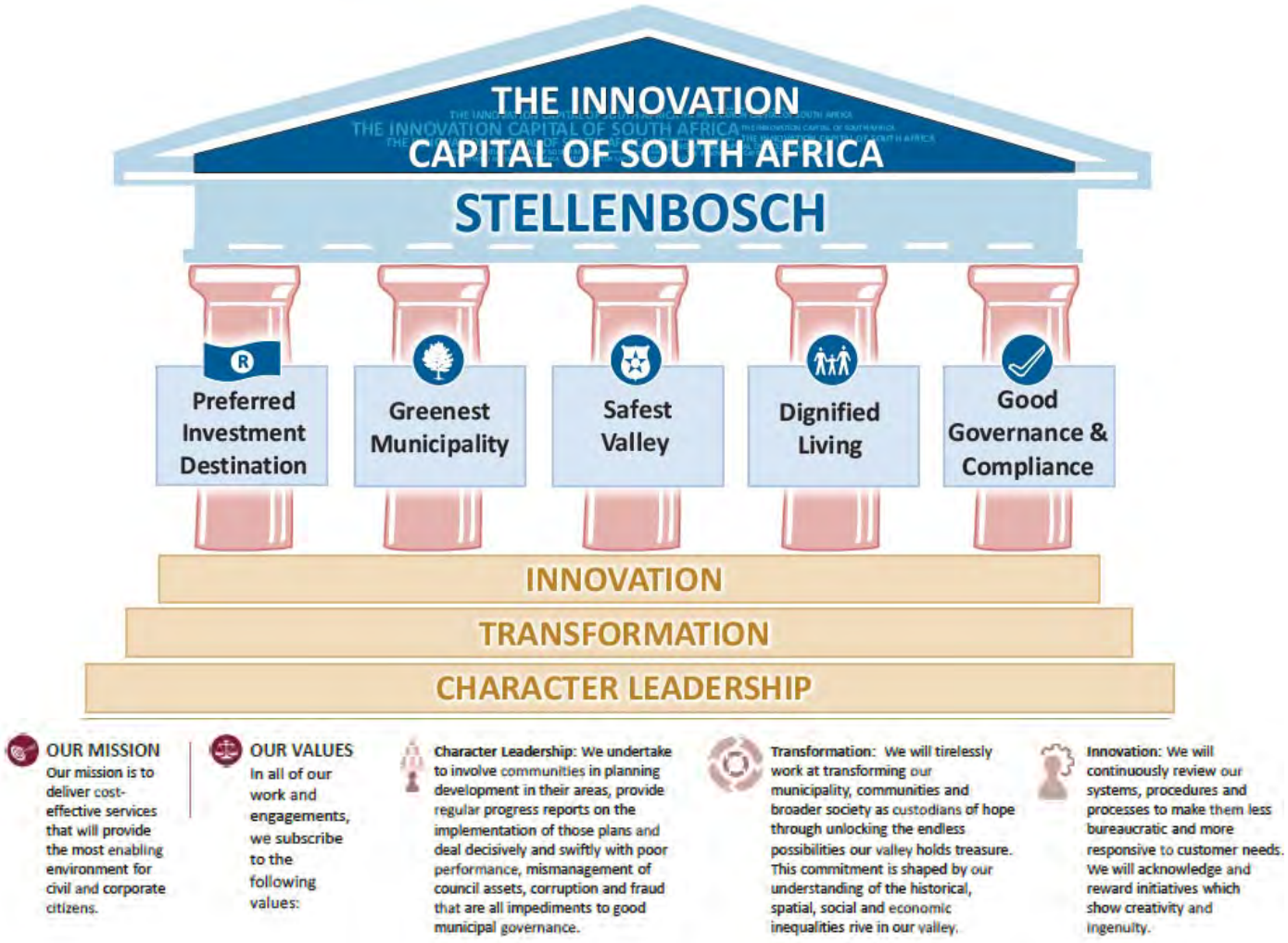


Figure 1 House of Values

1.2.3 DEMOGRAPHIC AND SOCIO-ECONOMIC INFORMATION

A) MUNICIPAL GEOGRAPHICAL INFORMATION

Stellenbosch Municipality is located at the edge of the City of Cape Town and has a population of 3,8 million and still manages to retain its distinct small-town character. This undoubtedly gives Stellenbosch a strong competitive advantage – sharply contrasting with similarly sized towns located 400 km or more from the nearest metropolis. Aside from being a mere 50 km from Cape Town's central business district (CBD) and being flanked by the N1 and N2 main routes, Stellenbosch is also just 30 km away from the sea (at Somerset West/Strand) and only a few kilometres away from one of the most attractive mountain ranges of the Boland. In addition, Stellenbosch is a mere 28 km from Cape Town International Airport, one of South Africa's top (air) links to the global economy, and not much further away from Cape Town harbour, the shipping portal to both the Atlantic and the Indian Oceans.

This convergence of environmental resources, scenic quality and business opportunities has two other mutually reinforcing spin-offs: The largest number of JSE-listed companies based in any small South African town have their

headquarters in Stellenbosch and the town is home to a disproportionately high number of corporate CEO's and executives, which in turn means that it is able to sustain a comparatively high level of economic activity and consumer services for a town of its size. This results in other benefits throughout the value-add chain and for employment. The municipal area covers approximately 900 km². The Municipality's area of jurisdiction includes the town of Stellenbosch and Franschhoek, as well as a number of rural hamlets such as Wemmershoek, La Motte, De Novo, Kylemore, Pniel, Johannesdal, Languedoc, Groot Drakenstein, Muldersvlei, Klapmuts, Elsenburg, Raithby, Jamestown, Koelenhof and Vlottenburg (most with a population of less than 5 000). Apart from formal settlement areas, the municipal area also includes a number of informal settlements.

Stellenbosch town is the second oldest town in South Africa, dating back to 1679 when an island in the Eerste River was named Stellenbosch by the then Governor of the Cape, Simon van der Stel. The first farming activities in the area were started in 1679. Today, the area has become primarily known for its extraordinary wines and its fruit. The towns of Stellenbosch and Franschhoek are renowned for various architectural styles such as Dutch, Georgian and Victorian, which reflect its heritage and traditions, but also divisions of the past.

The area houses excellent educational institutions, including the University of Stellenbosch and a number of prestigious schools. It has a strong business sector, varying from major South African businesses and corporations to smaller enterprises and home industries. The tourism industry alone is responsible for the creation of about 18 000 jobs in the area. Wine farms and cellars abound and the area is the home of the very first Wine Route in South Africa. A variety of sport facilities is available. Coetzenburg, with its athletics and rugby stadiums, has delivered star performances over many generations. The municipal area has a number of theatres, which include the university's HB Thom Theatre, Oude Libertas Amphitheatre (renowned for its summer season of music, theatre and dance), Spier Amphitheatre, as well as Klein Libertas Theatre, Dorpstraat Theatre and Aan de Braak Theatre.

Wards

The municipality is currently structured into the following **22** Wards:

WARD	AREAS	Population (Census 2011)
1	Franschhoek Town, Bo-hoek Farms, Groendal, Mooiwater	12 389
2	Langrug, La Motte, Dennegeur	7 519
3	Wemmershoek, Lynquedoc, Meerlust	8 952
4	Pniel, Kylemore, Johannesdal	8 230
5	The Ridge, Lindida, Ida's Valley (The Hydro in the direction of Idas Valley and Omega Street to Jonkershoek)	5 656
6	Idas Valley and farms (Nietvoorbij, Timberlea, Morgenhof, Remhoogte, Muratie, Groenhof, Delheim, Lievland, Kanonkop, Uitkyk, Glenelly, Emerie, Laundry, Packham, L'Avenir)	5 856
7	Mostertsdrift, Kolonieshof, Karindal, Rozendal, Uniepark, Simonswyk, Universiteitsoord, De Weides	3 873
8	Stellenbosch Central and university areas	5 682
9	Boundaries of the Eerste River, Krige, Herte, Skone Uitsig, Bird, Merriman, Bosman, Victoria, Neethling, Van Riebeeck, Drostdy and Helderberg Street	821

WARD	AREAS	Population (Census 2011)
10	Tenantville, Lappan street to Lackay street, La Colline-Faure, Dr Malan street to Irene Park, Conde Street, Mount Albert, Taylor, Voorplein to Kromriver, Municipal Flats (Lavanda, Aurora, Phyllaria, Molteno Avenue) to Paul Kruger Street and Banghoek Avenue	5 270
11	Dorp Street to Herte Street, Mark Street, Alexander Street, bottom of Bird Street to the Stellenbosch Train Station, all areas in Onder Papegaaiberg and businesses	6 545
12	Kayamandi	8 009
13	Kayamandi	2 482
14	Kayamandi	5 280
15	Kayamandi	10 403
16	Long Street to end of Smarty Town, Eike Street, Curry Street, Primrose Street, Pine (Bo en Onder), North End, Vredelust, Gemsbok, Daffodil Single, Steps, Sylvia Street, Eiland Street, Last Street (White City), Frikkadel Dorp, September Street, Smarty Town and Weltevrede	8 626
17	Kloof and Longstreet flats, Welgevonden and Weltevreden	7 728
18	Klapmuts and surrounding farms	8 763
19	Elsenburg, De Novo	10 493
20	Vlottenburg, Raithby, Lynedoch to Meerlust, Eikendal, Mooiberge, Faure	9 628
21	Jamestown, Paradyskloof, De Zalze, Techno Park, Blaauwklippen, surrounding farms	8 651
22	Die Boord, Dalsig, Brandwacht, Krigeville, Libertas Farm	4 873
Total		**155 733**

Table 1: ***Municipal Wards***

Below is a map of the Cape Winelands District in relation to the provincial boundary:

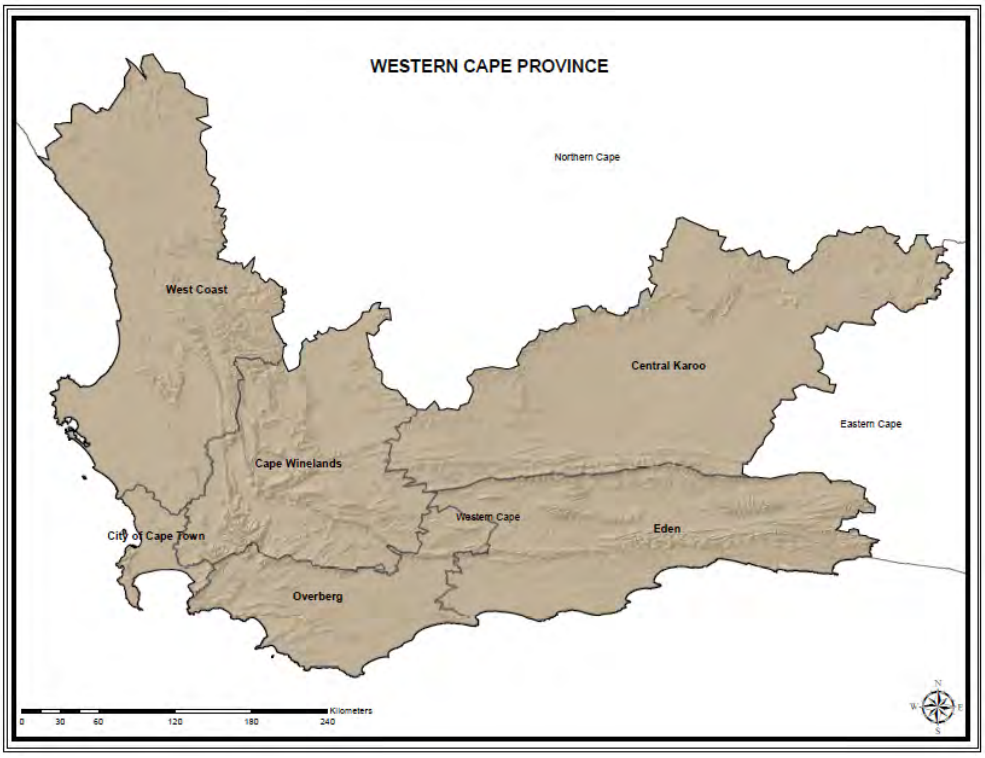


Figure 2 Locality Map of Cape Winelands District in Relation to Provincial Boundaries

Below is a map of the municipalities in relation to the Cape Winelands District:

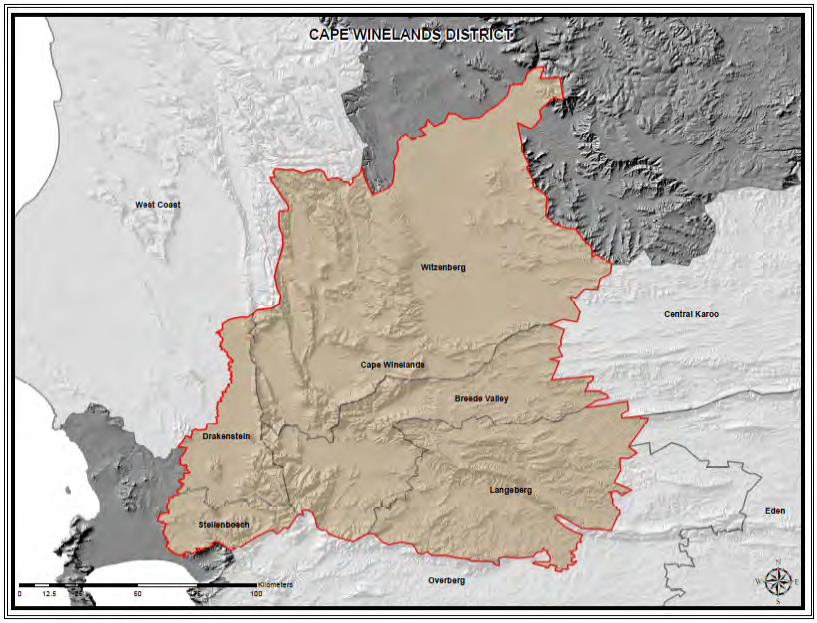


Figure 3 Locality Map of Stellenbosch Municipality in Relation to Cape Winelands District Boundaries

Below is a map of the Stellenbosch Municipality's area of jurisdiction:

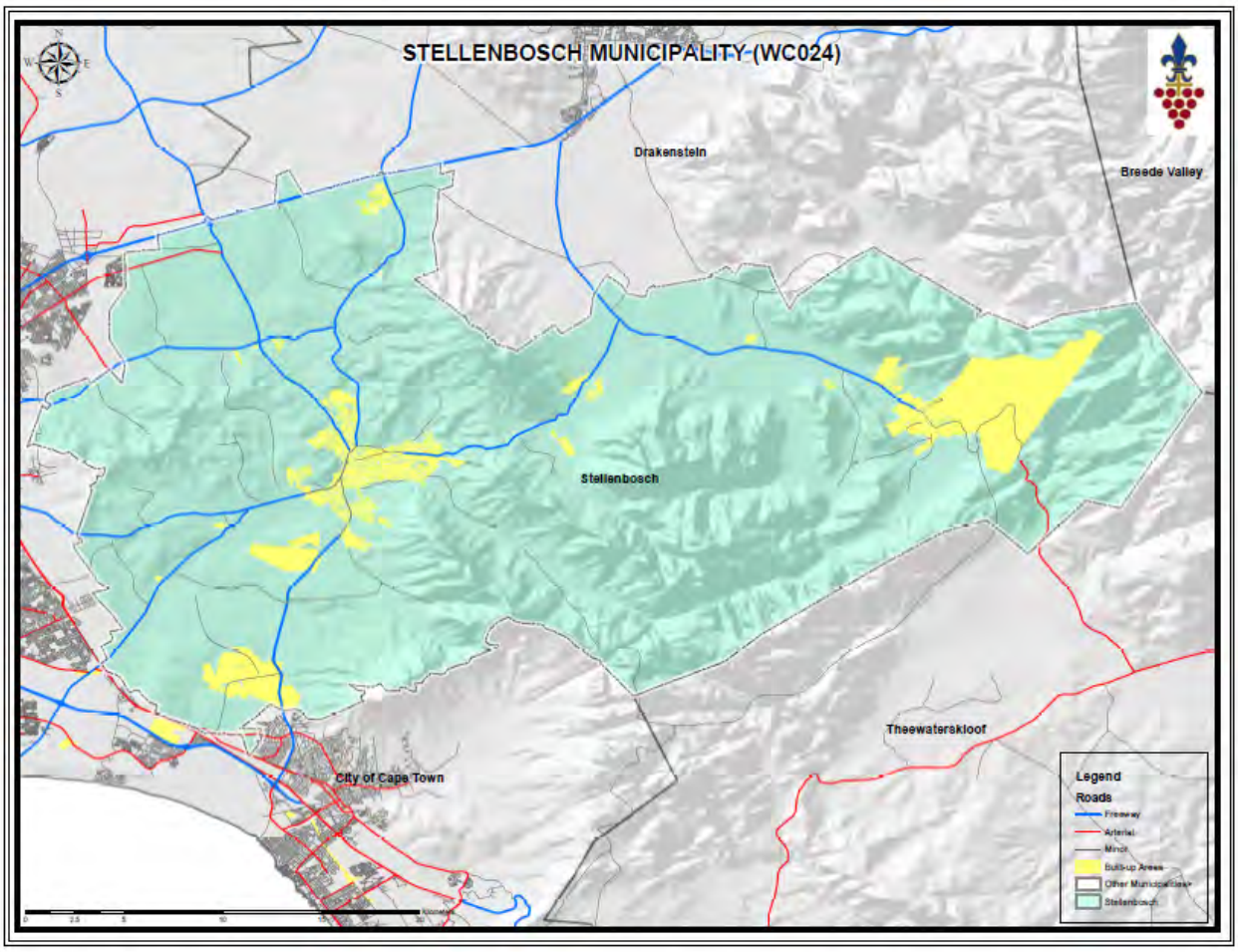


Figure 4 Locality Map of Municipal Boundaries

B) STATE OF THE GREATER STELLENBOSCH

The information contained in this profile highlights statistics for the Stellenbosch Municipality in relation to the district and the broader Western Cape Province. This profile primarily uses data sourced from Statistics South Africa (StatsSA), administrative data from Provincial Treasury and other sector departments, the 2015 MERO and Quantec. The latest survey data available at municipal level from Statistics South Africa includes the 2011 Census data. The updated population forecasts by the Department of Social Development are valuable and will assist with future planning.

In all, the profile reflects the socio-economic reality of the area. As such, valuable insight can be gained as to the developmental challenges faced by communities residing within a specific geographical area.

Stellenbosch Municipality has shown improvement over the years with regard to its socio-economic environment. The Municipality has a strong economic resource base including human capital that could contribute to economic growth and development. The favourable economic climate in Stellenbosch has led to decreasing poverty levels.

[1]Stellenbosch Municipality is hard hit when it comes to residential burglaries and drug-related crime. The murder rate is also alarming and has increased by 13% from 76 per 100 000 in 2015 to 77 per 100 000 in 2016. Drug-related crime has a severe and negative impact on the social fibre of a community and degrades the quality of life of individuals as it infiltrates all aspects of society. These crimes have increased by 23% from 2015 to 2016. The 2002 cases per 100 000 in 2015 increased to 2463 cases per 100 000 in 2016.

Stellenbosch comprised 24% of the Cape Winelands District's GDPR and employed 20% of the CWD labour force in 2015. Despite high job losses in the agriculture sector, Stellenbosch was the only municipality in the District to experience overall net growth in employment over the 2005 - 2013 period. This employment growth remained at 2.2% per annum since 2005.

Poverty levels are still relatively high, which places increased reliance on indigent support from the Municipality and other special services being provided by the province. According to the Community Survey of 2016 done by StatsSA, the poverty head count in the Stellenbosch Municipal area has increased from 3.8% in 2011 to 6.1% in 2016. The intensity of poverty however, has decreased from 42.1% in 2011 to 39.8% in 2016.

Given strong population growth and continued emphasis on economic growth and development, the need to conserve and better manage limited resources, including that of the environment, is becoming more pronounced. The interface of the environment with social and economic sectors will also require much more attention and emphasis in coming years.

[1] *2016: Socio-economic profile: Stellenbosch*

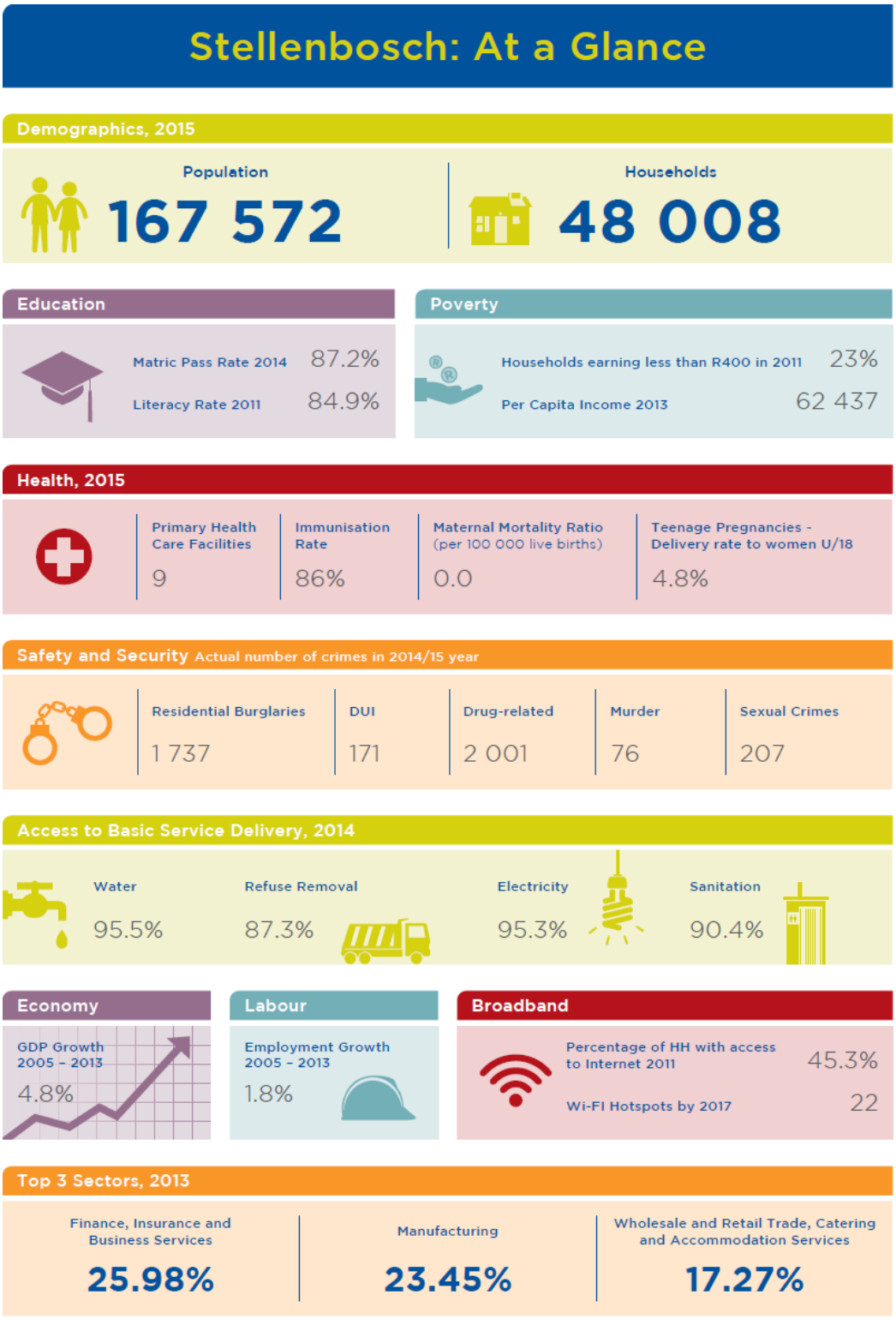


Figure 5 Stellenbosch: Summarised Statistics

Source: Western Cape Department of Social Development, 2015

C) DEMOGRAPHIC PROFILE

[1]Population Distribution by Sex, 2001 and 2011

Table 3 shows number and percentage distribution of population by sex in Stellenbosch. Females had the highest percentage of people in both 2001 and 2011 compared to males with **51,5%** and **51,1%** respectively. The distribution of male and female has remained relatively unchanged between 2001 and 2011.

Population by Gender

Gender	2001		2011	
	N	%	N	%
Male	57 567	48.5	76 176	48.9
Female	61 142	51.5	79 557	51.1
Total	118 709	100.0	155 733	100.0

Table 2: Population by Gender

Population Distribution by Population Group, 2001 and 2011

Table 4 below shows the number and percentage distribution of people by population group in Stellenbosch, Cape Winelands and Western Cape for 2001 and 2011. In both 2001 and 2011, Coloureds had the highest percentage of people residing in Stellenbosch, Cape Winelands and Western Cape. Within Stellenbosch, there were notable changes in composition of the population from 2001 to 2011. In 2001, Coloureds (57,6%) had the highest percentage of people residing in Stellenbosch, followed by whites (21,8%), Black African (20,4%) and Indians or Asians (0,2%). In 2011, Coloureds (52,2%) still had the highest percentage of people staying in Stellenbosch, followed by Black Africans (28,1%), whites (18,5%) and Indians or Asians (0,2%).

[2] **Population Distribution by Population Group (2001, 2011)**

[1] Statistics South Africa (Census 2011)

[2] Statistics South Africa (Census 2011)

Population Group	Stellenbosch				Cape Winelands		Western Cape	
	2001		2011		2001	2011	2001	2011
	N	%	N	%	%	%	%	%
Black African	24 248	20.4	43 716	28.1	19.8	23.7	26.7	32.8
Coloured	68 318	57.6	81 361	52.2	65.0	62.1	53.9	48.8
Indian or Asian	241	0.2	623	0.4	0.2	0.4	1.0	1.0
White	25 902	21.8	28 742	18.5	15.0	12.9	18.4	15.7
Other	0	0.0	1 290	0.8	0.0	0.9	0.0	1.6
Total	118 709	100.0	155 732	100.0	100.0	100.0	100.0	100.0

Table 3: Population Distribution by Population Group (2001, 2011)

Population Contribution of Local Municipalities Within theCape Winelands District and Western Cape

Table 5 below, shows the population contribution of each local municipality in the Cape Winelands and Western Cape. Drakenstein remained the largest contributor to the Cape Winelands and Western Cape population in both 2001 and 2011. Stellenbosch remained the third largest contributor in Cape Winelands and Western Cape population in both 2001 and 2011.

Population Contribution of Local Municipalities in Cape Winelands District and Western Cape

Local Municipalities	Cape Winelands		Western Cape	
	2001	2011	2001	2011
Witzenberg	14.1	14.7	2.0	2.0
Drakenstein	30.8	31.9	4.3	4.3
Stellenbosch	18.8	19.8	2.6	2.7
Breede Valley	23.2	21.2	3.2	2.9
Langeberg	13.0	12.4	1.8	1.7

Table 4: Population Contribution for local Municipalities in Cape Winelands District and Western Cape

[3]Population Growth Between 1996, 2001 and 2011

Figure 3 below shows the population growth between 1996 and 2001 and between 2001 and 2011. There was a 12,4% increase in the population of Stellenbosch from 1996 to 2001 and a 23,8% increase between 2001 and 2011.

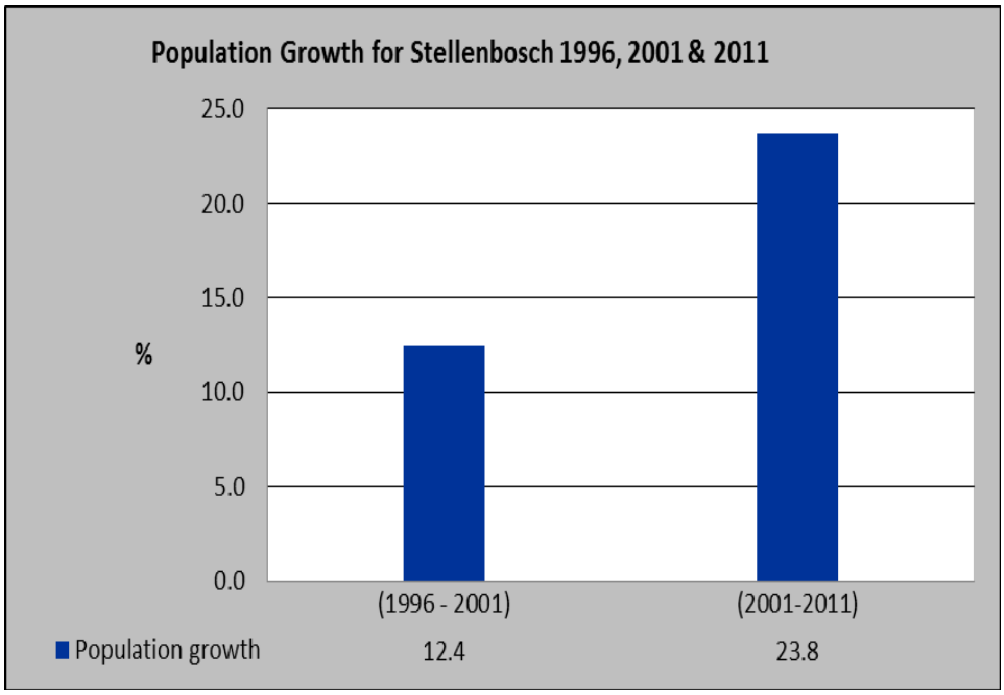
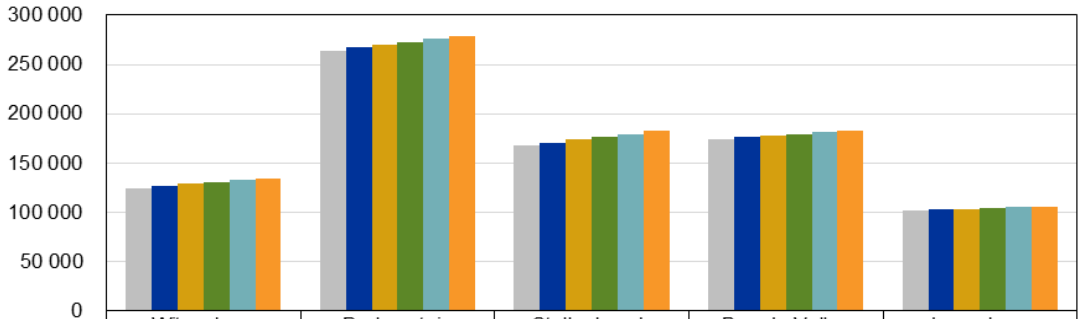


Table 5: ***Population Growth Between 1996, 2001 and 2011***

The Western Cape Department of Social Development was able to make accurate population growth estimates for 2015 – 2020, on the basis of the StatsSA data, which indicated a 2.6% population growth between 2001 and 2011. These projections will assist in aligning budget allocations with basic service delivery priorities.

[3] Statistics South Africa (Census 2011)



	Witzenberg	Drakenstein	Stellenbosch	Breede Valley	Langeberg
2015	124 492	263 912	167 572	174 198	101 543
2016	126 573	267 013	170 572	176 008	102 472
2017	128 614	270 070	173 557	177 793	103 389
2018	130 605	273 068	176 519	179 548	104 287
2019	132 546	275 984	179 463	181 262	105 160
2020	134 440	278 794	182 373	182 938	106 016

Figure 6 : Cape Winelands District Municipalities: Population Projections 2015 – 2020

Of the five local municipalities within the Cape Winelands District, Stellenbosch has the third largest population, which is estimated to be 167 572 in 2015. This total gradually increases across the 2015/16 MTREF years and is projected to reach 182 373 by 2020 and equates to an approximate 8.8 per cent growth off the 2015 base estimate.

Age and Gender Indicators

The age profile provides valuable insight into the composition of the market population and will help establish the Potential Economically Active population (PEA). The PEA population refers to the population that falls within the working age group (between 15 and 64 years). It does not mean that this entire portion of the population is prepared, willing or able to be employed. For example, some prefer to stay at home as housekeepers, some are disabled and others are full-time students or have given up looking for work. They do however, form part of the potential labour pool.

Figure 7 illustrates the population pyramid in the Stellenbosch Local Municipality. The population pyramid for this area has a broad base that gradually narrows. The broad base of the pyramid indicates a high fertility rate. The pyramid narrows toward the top which indicates a higher mortality rate among the older generations than among the younger people. This represents a natural and healthy demographic trend.

Stellenbosch Age Profile, 2011

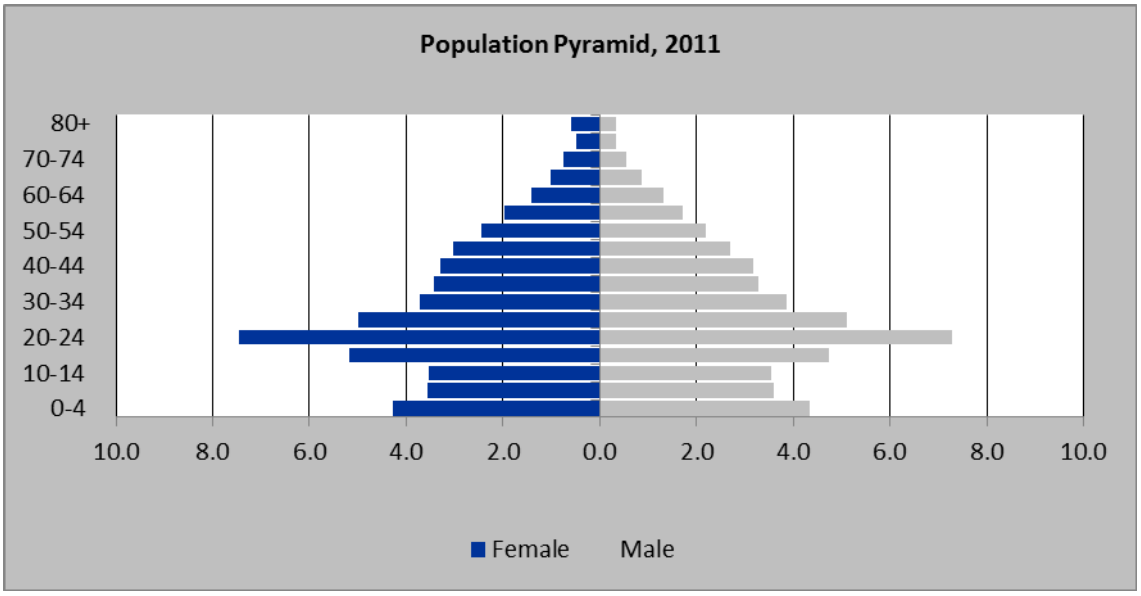


Figure 7 Stellenbosch Age Profile, 2011

The population pyramid shows that the male and female distribution of the Stellenbosch population is fairly equal with 51.1% of the population being female and 48.9% being male. The high concentration of 20- to 24 year-olds can mainly be attributed to the Stellenbosch University and College student population. Further, 14,2% of the population fall within the 5- to 14 year-old age group, which gives an indication of the large percentage of the population that will be entering the labour market in the future. This gives an indication of the need for employment opportunities to be created within the area in order to absorb the current unemployed as well as the future labour pool.

Figure 8 reflects the population age distribution of Stellenbosch for 2015 and reveals that approximately 72% of the 167 572 inhabitants of the Municipality are currently considered to be within the working age category.

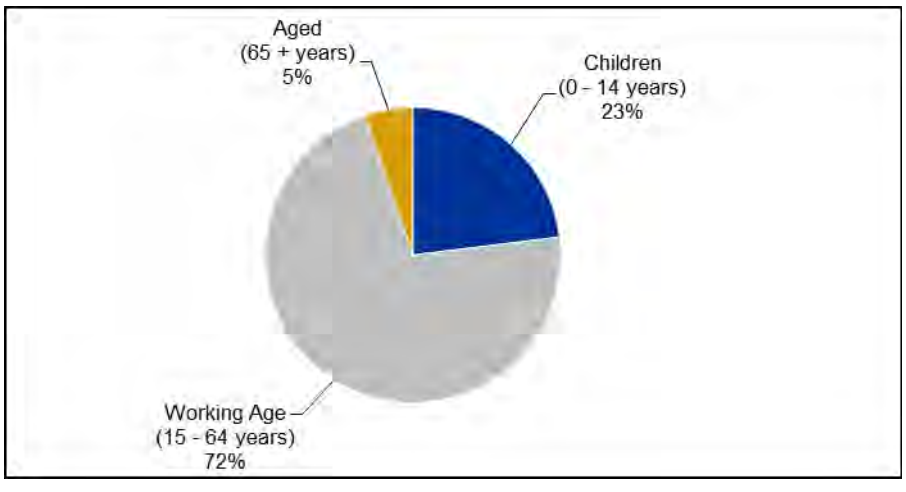


Figure 8 Population Age Cohorts, 2015

The population pyramids reflected in Figure 9 shows the age and gender distributions of Stellenbosch's population in 2015 and 2020.

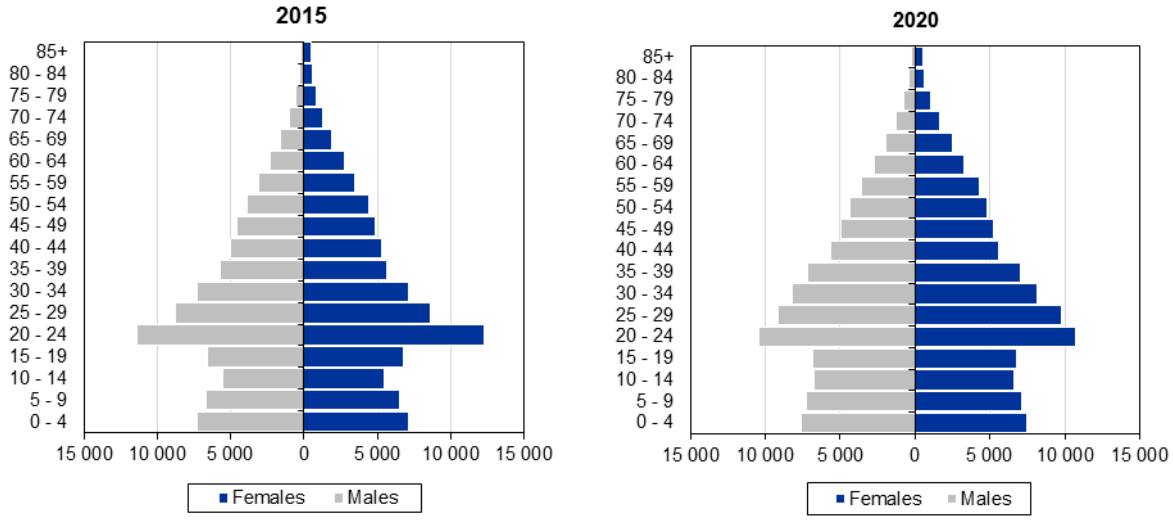


Figure 9 Locality Stellenbosch: Population Age Distribution, 2015 and 2020

What is very apparent from the pyramids, is the impact of the student population on population numbers and the bulge in particularly the 20- to 24 year-old age group as well as the 25- to 29 year-old age group. The shape, particularly of that of a smaller base is indicative of slower population growth.

Distribution of the Education Levels of the Population Aged 20 Years and Older (1996, 2001 and 2011)

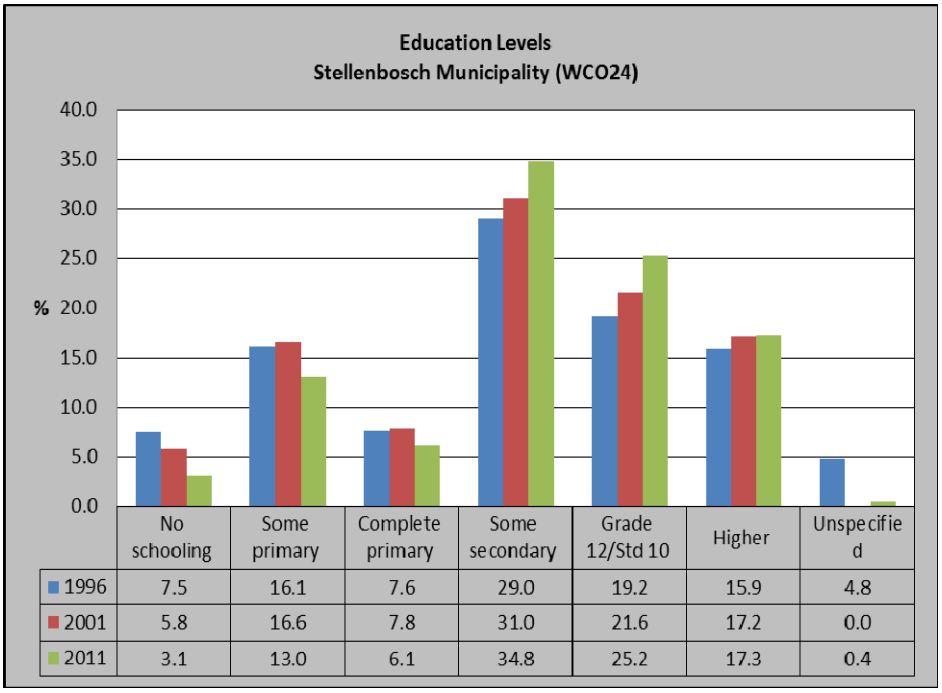
Figure 10 suggests that the percentage of people aged 20 years and older with no schooling declined in 2001 (5,8%) from 1996 (7,5%) and decreased even further in 2011 (3,1%). However, the percentage of people with matric / grade 12 / standard 10 of the same age category has increased from 19,2% in **1996** to 21,6% in **2001** and 25,2% in **2011**. Of note is the increase in the percentage of people with higher qualifications from 15,9% in **1996** to 17,2% in **2001** and 17,3% in **2011**.

Figure 10: Education Levels

The Importance of Education

Education and training improves access to employment opportunities and helps to sustain and accelerate overall development.

[4]Source: Western Cape Department of Social Development, 2015



	No schooling	Some primary	Complete primary	Some secondary	Grade 12/Std 10	Higher	Unspecified
1996	7.5	16.1	7.6	29.0	19.2	15.9	4.8
2001	5.8	16.6	7.8	31.0	21.6	17.2	0.0
2011	3.1	13.0	6.1	34.8	25.2	17.3	0.4

Figure 10 Education Levels Stellenbosch Municipality

It expands the range of options available from which a person can choose to create opportunities for a fulfilling life. Through indirect positive effects on health and life expectancy, the level of education of a population also influences its welfare. The literacy rate in Stellenbosch was recorded at 84.9% in 2011 which is lower than the average literacy rate of the Western Cape at 87.2%.

Learner Enrolment, the Learner-Teacher Ratio and Learner Dropout Rate

Population dynamics, which include knowledge of the current population profile and projected learner growth, provides a basis for sound education planning. Knowing the learner enrolment numbers of a municipality enables the Western Cape Education Department (WCED) to determine the level of demands placed on schools for the current year as well as anticipated demands for future years. Having a sense of the exit points allows the WCED to plan more effectively with respect to Further Education and Training (FET). The learner-teacher ratio is very important, because it is closely related to the amount of money spent per child. It also has an impact on the education outcomes.

[5] *Cape Winelands District municipalities: Education indicators*

[5] *Source: Western Cape Department of Education, Annual Survey of public and independent Schools (ASS) 2014*

Municipality	Learner enrolment		Dropout rate		Learner-teacher ratio	
	2013 (Gr 1 - 12 + LSEN)	ASS 2014	Average dropout rate 2012	Crude dropout rate using Yr 2013 - Gr 10 and Yr 2015 - Gr 12	Average learner-teacher ratio 2012	ASS 2014: ALL state + SGB + substitute teachers excl. practitioners and other
Witzenberg	17 922	18 038	38.00%	29.00%	27.3	29.3
Drakenstein	46 821	46 474	28.60%	27.00%	26.6	28.8
Stellenbosch	26 657	25 274	31.90%	21.80%	21.5	26.3
Breede Valley	32 004	32 076	40.90%	32.20%	27.3	29.3
Langeberg	17 415	17 226	48.30%	38.70%	26.8	29.4

Table 6: Cape Winelands District Municipalities: Education Indicators

According to the Annual Survey of Public and Independent Schools (ASS) done by the WCED in 2014, learner enrolment in Stellenbosch has decreased slightly from 26 657 in 2013 to 25 274 in 2014. This might be due to the fact that learner enrolment in 2013 included learners with special education needs. The average school dropout rate in Stellenbosch was recorded at 31.90 per cent in 2012. However, the dropout rate measured amongst Grade 10 learners of 2013 and Grade 12 learners at the start of 2015 was 21.80 per cent. This implies that one in every five Grade 10 learners in Stellenbosch dropped out of school before reaching Grade 12. The average learner-teacher ratio for Stellenbosch has increased between 2012 and 2014 from 21.3 to 26.3.

Education Facilities

The availability of adequate education facilities such as schools, FET colleges and schools equipped with libraries and media centres could affect academic outcomes positively. Stellenbosch had 40 schools in 2014 which had to accommodate 25 274 learners at the start of 2014. The proportion of no-fee schools has decreased from 67.5% in 2012 to 65.0% in 2014 indicating that, given the tough economic climate, schools have been reporting an increase in parents being unable to pay their school fees. In an effort to alleviate some of the funding challenges, the Western Cape Department of Education offered for certain fee-paying schools to become no fee schools. This means that more than half of the schools in Stellenbosch (65%) are registered with the Western Cape Department of Education as no-fee schools. Stellenbosch has a limited number (9) of Public FET Colleges whose mandate is to ensure that education, training and skills development initiatives respond to the economy, rural development challenges and an informed and critical citizenry. The number of schools in Stellenbosch with libraries or media centres was reduced from 32 to 29 between 2012 and 2014.

[6]*Cape Winelands District Municipalities: Education Facilities, 2014*

Municipality	Total number of schools	Number/proportion of no fee schools		Public FET colleges - main + sat	Education facilities: Number of schools with libraries/media centres	
	2014 Dec	2012	2014 Dec	ASS 2014 Lib	2012	2014
Witzenberg	53	67.90%	84.90%	9	16	16
Drakenstein	68	58.80%	67.70%	17	45	48
Stellenbosch	40	67.50%	65.00%	9	32	29
Breede Valley	56	66.07%	80.40%	15	31	33
Langeberg	55	90.90%	87.30%	9	19	17

Table 7: Cape Winelands District Municipalities: Education Facilities, 2014

Educational Outcomes (Matric Pass Rate)

Education remains one of the key avenues through which the state is involved in the economy. In preparing individuals for future engagement in the labour market, policy choices and decisions in the sphere of education play a critical role in determining the extent to which future economic and poverty reduction plans can be realised. The 2014 matric results for Stellenbosch showed a slight regression in the matric pass rate from 88.1 per cent in 2013 to 87.2 per cent in 2014, together with deterioration in the learner-teacher ratio.

[7]*Cape Winelands District Municipalities: Education Outcomes, 2013 – 2014*

Municipality	Education outcomes: Matric pass rate	
	2013	2014
Witzenberg	84.7%	75.1%
Drakenstein	89.4%	83.8%
Stellenbosch	88.1%	87.2%
Breede Valley	81.7%	82.1%
Langeberg	88.9%	84.2%

Table 8: Cape Winelands District Municipalities: Education Outcomes, 2013 – 2014

[6] *Source: Western Cape Department of Education, Annual Survey of public and independent Schools (ASS) 2014*
[7] *Source: Western Cape Department of Education, Annual Survey of public and independent Schools (ASS) 2014*

D) LABOUR PROFILE

[8]Stellenbosch Labour force

Table 9 shows the distribution of the economically active population by employment status in the Stellenbosch Municipal area. In the Cape Winelands District, 19,7% of employed people were residing in Stellenbosch Municipal area, and 21,4% of unemployed persons. Only 20,7% of the economically active population in Cape Winelands lives in the Stellenbosch Municipal area and the rest within another local municipal area.

Stellenbosch Labour Force, 2011

Employment status	Cape Winelands	Stellenbosch Municipality	Contribution of Stellenbosch (%)
Employed	289 765	56 957	19.7
Unemployed	47 487	10 178	21,4
Discouraged work-seeker	12 393	2 731	22,0
Not economically active	193 955	42 666	22,0
Economically active population	543 600	112 533	20,7

Table 9: Stellenbosch Labour Force, 2011

Distribution of Persons by Unemployment Rate

Figure 11 shows the percentage distribution of persons by unemployment rate in Cape Winelands and Stellenbosch. There is a general increase in the unemployment rate in both Cape Winelands and Stellenbosch between 2001 and 2011. In 2011, Stellenbosch Municipality (24,4%) had a higher unemployment rate than Cape Winelands (23,1%).

[8] Statistics South Africa (Census 2011)

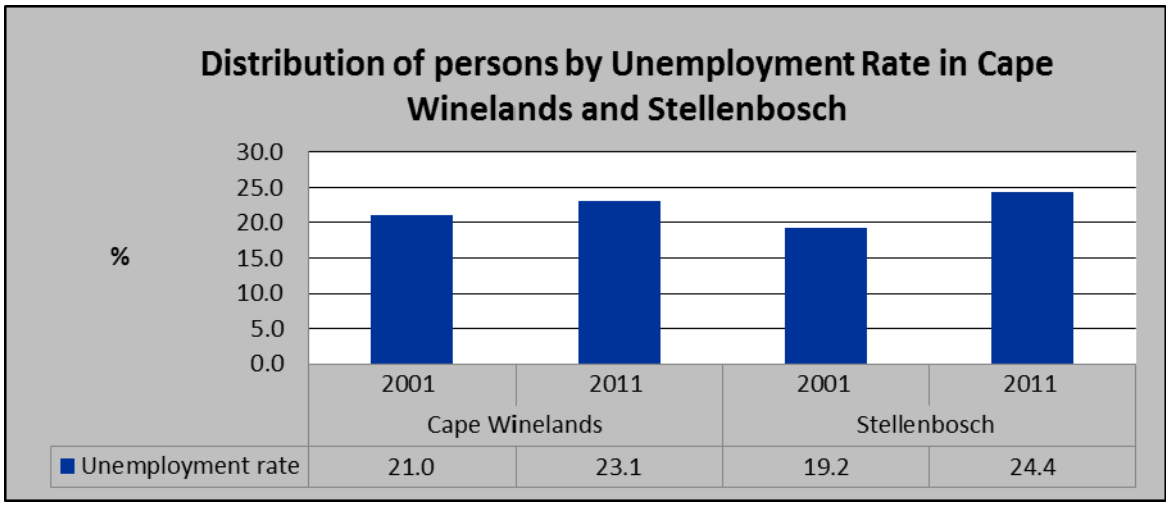
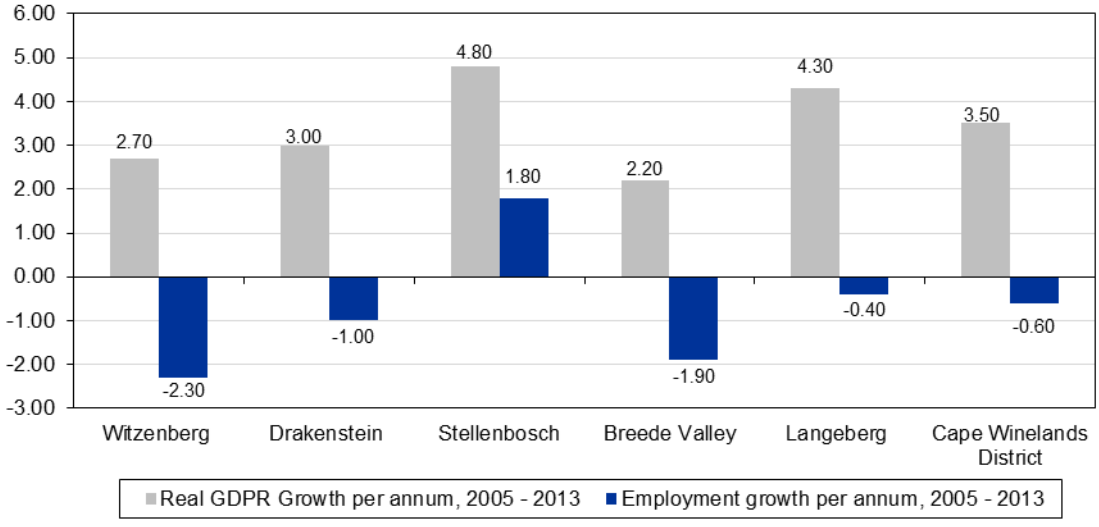


Figure 11 Unemployment Rate

Labour Market

Unemployment remains one of South Africa's biggest challenges. Overall unemployment (as per the narrow definition) stood at 25% at the end of 2014. Skills shortages, weak economic growth and electricity supply constraints are among the most significant constraints on employment growth. The NDP aims to reduce unemployment to 6% by 2030. Improvements in education and training are integral to the attainment of this goal. These issues are structural and are felt at a local government level, where high levels of unemployment puts significant strain on municipal funds. Stellenbosch comprised 34% of the GDPR but only 29% of the employment in the District in 2013.

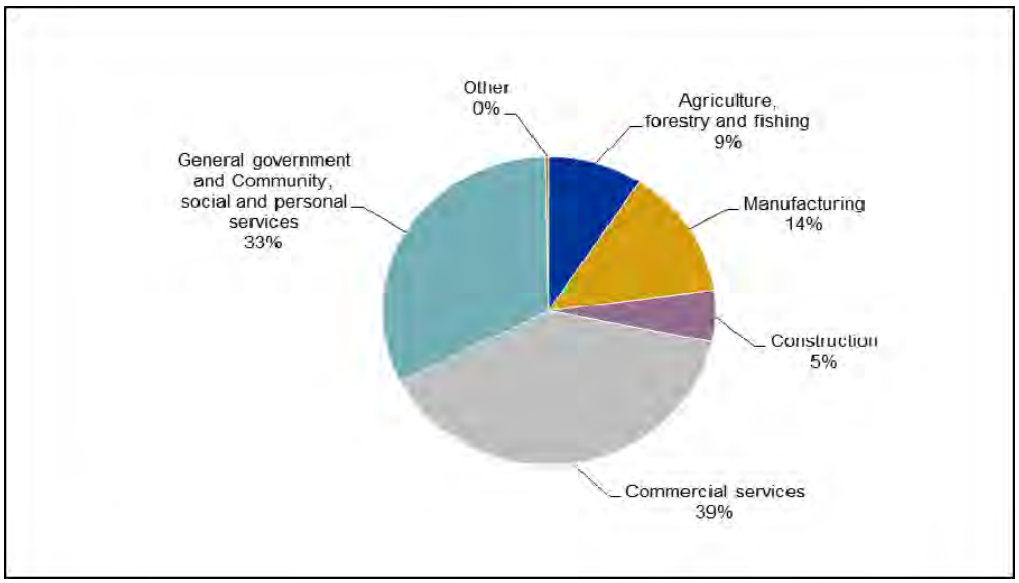
Figure 12 provides a comparison of the annual municipal GDPR growth rate and annual employment growth rate in the district. Whilst all the municipalities in the district displayed a positive annual GDPR growth rate from 2005 - 2013, Stellenbosch was the only municipality who experienced a positive annual employment rate over the period. Stellenbosch achieved 1.8% employment growth annually over the 2005 - 2013 periods, while the district experienced a contraction of 0.60%. The average annual employment growth rate in Witzenberg was -2.3%. Drakenstein and Breede Valley had employment growth rates of -1.0 and -1.9% respectively. Langeberg, who had the second fastest GDPR growth per annum, experienced annual employment growth of -0.4%.



[9]

Figure 12 Locality Cape Winelands District: Municipal GDPR vs. Municipal Employment, 2005 – 2013

Figure 13, illustrates that Stellenbosch's commercial services sector is the largest employer in the municipality, employing 39% (47 054) of the municipality's working population in 2013, followed by the general government and CSP services sector, which employed 33% (39 815). The construction sector was among the municipality's bottom 3 employers, employing only 5% (6 033) of the municipality's working population.



[10]

Figure 13 Locality Stellenbosch: Employment by Sector, 2013

As per Table 10, Stellenbosch Municipality experienced its highest job losses in the agriculture sector where net employment stood at -5 550. Despite the high economic growth experienced in the construction sector, this sector was the only other sector (apart from agriculture) to experience net job losses of 73. The next two fastest growing sectors (general government and CSP services and commercial services) created the most jobs in both the municipality and district overall, with 7 755 net jobs created in the general government and CSP services sector and 7 427 net jobs created in the commercial services sector in the municipality.

[11] *Cape Winelands District: GDPR Growth vs Net Employment, 2005 - 2013*

	Witzenberg	Drakenstein	Stellenbosch	Breede Valley	Langeberg	Cape Winelands

[9] *Source: Municipal Economic Review and Outlook (MERO), 2015*

[10] Source: Municipal Economic Review and Outlook (MERO), 2015

[11] Source: Municipal Economic Review and Outlook (MERO), 2015

											District	
Industry	**GDPR trend**	**Net employment**	**GDPR trend**	**Net employment**	**GDPR trend**	**Net employment**	**GDPR trend**	**Net employment**	**GDPR trend**	**Net employment**	**GDPR trend**	**Net employment**
Agriculture, forestry and fishing	1.30%	-7 773	1.00%	-8 396	0.50%	-5 550	-0.10%	-9 791	0.30%	-6 313	0.60%	-38 284
Manufacturing	1.40%	-399	0.60%	-1 338	1.90%	676	3.00%	-72	3.50%	505	1.80%	-557
Construction	0.80%	-381	3.40%	-1 805	9.40%	-73	7.70%	-241	7.80%	-191	6.60%	-2 699
Commercial services	4.80%	497	5.10%	3 675	6.10%	7 427	2.80%	91	7.90%	2 922	5.30%	15 597
General government and Community, social and personal services	3.30%	910	2.20%	581	6.70%	7 755	1.90%	420	5.10%	1 659	4.00%	11 856
Other	0.50%	19	4.10%	212	4.30%	94	-6.00%	23	-0.40%	81	1.80%	429
Total	**2.70%**	**-7 127**	**3.00%**	**-7 071**	**4.80%**	**10 329**	**2.20%**	**-8 670**	**4.30%**	**-1 337**	**3.50%**	**-13 658**

Table 10: Cape Winelands District: GDPR Growth vs Net Employment, 2005 - 2013

Stellenbosch experienced an increase in labour demand in all the categories of employment except the semi-skilled and unskilled sectors. The demand for highly skilled labour grew at 3.3% per annum, while demand for skilled labour grew by 1.9% per annum.

[12] *Cape Winelands District Municipalities: Employment per Skills Sector, 2005 - 2013*

Sector composition	Witzenberg		Drakenstein		Stellenbosch		Breede Valley		Langeberg	
	Number	Growth p.a. 2005 - 2013	Number	Growth p.a. 2005 - 2013	Number	Growth p.a. 2005 - 2013	Number	Growth p.a. 2005 - 2013	Number	Growth p.a. 2005 - 2013
Highly skilled	2 730	1.1%	9 100	0.4%	9 028	3.3%	4 871	-0.5%	3 038	2.6%
Skilled	6 038	-0.5%	21 502	-0.5%	21 651	1.9%	11 249	-1.2%	7 526	1.7%
Semi- and unskilled	15 286	-4.6%	24 006	-4.3%	22 664	-1.9%	18 595	-4.9%	12 050	-4.3%
Informal	4 907	2.6%	16 060	4.5%	17 875	7.8%	10 475	4.7%	6 778	6.1%
Total employment	**28 960**	**-2.3%**	**70 668**	**-1.0%**	**71 217**	**1.8%**	**45 190**	**-1.9%**	**29 392**	**-0.4%**

Table 11: Cape Winelands District Municipalities: Employment per Skills Sector, 2005 - 2013

Demand for labour in the semi- and unskilled sectors (which make up a third of the municipality's working population and which employs the largest portion of the district's semi- and unskilled workforce) contracted by 1.9% per annum. This pattern is prevalent across the district, with the majority of the job losses emanating from the semi- and unskilled sector. The job losses in this sector are congruent with the job losses experienced in the agriculture and construction sectors, and represent an increasing trend in the demand for skilled employment (and thus employment in the tertiary sector) over unskilled labour.

Poverty

In an effort to eliminate poverty and reduce inequality, the National Development Plan has set the objective of having zero households earn less than R418 per month by 2030.

As per Table 11, in 2011, Stellenbosch Municipality was still behind this target with approximately 22.7% of its 44 953 households earning less than R400 a month. The presence of lower levels of household income tends to increase indigent dependency on municipal support. Municipal resources are therefore strained in an effort to provide free basic services.

[12] *Source: Municipal Economic Review and Outlook (MERO), 2015*

Cape Winelands District: Household Income, 2011

Municipality	No income	R1 - R4 800	R4 801 - R9 600	R9 601 - R19 600	R19 601 - R38 200	R38 201 - R76 400	R76 401 - R153 800	R153 801 - R307 600	R307 601 - R614 400	R614 001 - R1 228 800	R1 228 801 - R2 457 600	R2 457 601 or more
Cape Winelands District	13.1	1.9	3.4	13.2	20.3	18.4	12.3	8.9	5.7	1.9	0.5	0.4
Witzenberg	6.4	1.9	4.0	18.5	25.8	20.9	10.4	6.8	3.9	0.9	0.3	0.2
Drakenstein	13.0	1.7	3.1	10.7	17.2	18.4	14.0	11.0	7.4	2.5	0.7	0.4
Stellenbosch	20.6	2.1	3.5	10.2	16.5	15.5	11.5	8.5	6.6	3.3	1.0	0.7
Breede Valley	12.0	1.7	2.9	14.9	22.2	19.0	12.6	8.5	4.7	1.0	0.3	0.2
Langeberg	9.7	2.3	4.4	15.5	24.9	20.0	11.0	7.3	3.6	0.8	0.2	0.2

Source: Statistics South Africa, Census 2011

Table 12: Municipal Wards Cape Winelands District: Household Income, 2011

Measuring levels of poverty and inequality for the period 2006 to 2011, Statistics South Africa's 2014 Poverty Trends Report specifies that the lower-bound poverty line (LBPL) for March 2011 was set at R443 (per capita, inflation adjusted poverty line) meaning that any individual earning less than R443 a month would have to sacrifice essential food items in order to obtain non-food goods. Compared to the above specified average household income for the Stellenbosch Municipality, in Table 12, it is concerning to note that 10 204 households in the municipal area earn less than R400 a month and must therefore survive on less than what an individual person requires as per the LBPL measure.

Cape Winelands District: Per Capita Income, 2011 - 2013

Regional area	Per capita income (R)		
	2011	2012	2013
Western Cape	43 614	44 291	44 553
Cape Winelands District	36 441	37 071	37 252
Witzenberg	21 243	21 640	21 787
Drakenstein	35 655	36 427	36 535
Stellenbosch	61 012	62 120	62 437
Breede Valley	25 807	25 969	25 923
Langeberg	33 872	34 204	34 592

Source: Own Calculations, Department of Social Development, 2015 and Quantec, 2015

Table 13: Cape Winelands District: Per Capita Income, 2011 - 2013

As per Table 13, annual per capita income in the Stellenbosch Municipality is substantially higher than in any of the other local municipalities in the Cape Winelands region largely as a result of a well-balanced industry structure and broad based growth.

Despite these high income levels, per capita income in Stellenbosch only increased by 0.51% fromR62 120 in 2012 to R62 437 in 2013. Although these figures bode well as a general measure of wealth and prosperity, the Municipality needs to make significant progress if it is to achieve the 2030 NDP target of R110 000 per person, per annum.

E) HOUSEHOLD PROFILE

[13]Distribution of Household by Annual Household Income

Figure 12 shows the distribution of households by annual income in the Stellenbosch Municipal area. Most of the households (43%) fall in the income bracket of R19 601 to R153 800 annually. Of note is the number of households (2,1%) in income bracket R1 - R4800 per year.

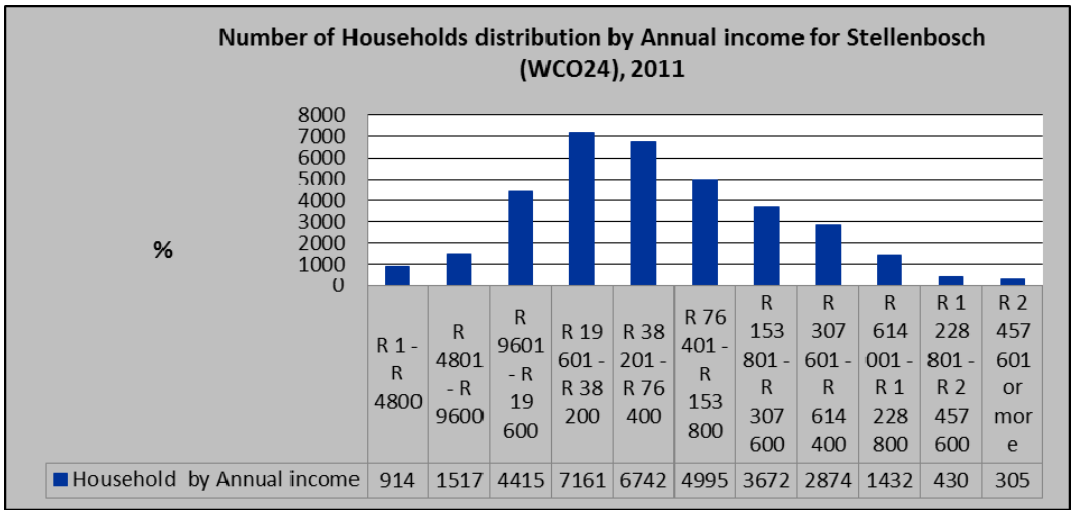


Figure 14 Locality Number of Households by Income Category (2011)

Projections on the number of households form the basis of municipal service delivery planning and essentially inform budget allocations towards basic services such as water, electricity, sanitation and refuse removal. It is therefore vital that for budget planning and implementation purposes, a municipality relies on credible and accurate household estimates.

[13] Statistics South Africa (Census 2011)

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Municipality	2011	2012	2013	2014	2015
Cape Winelands District	204 909	208 265	211 646	215 104	218 620
Witzenberg	28 262	28 766	29 268	29 785	30 305
Drakenstein	61 859	62 818	63 785	64 768	65 778
Stellenbosch	44 953	45 695	46 446	47 219	48 008
Breede Valley	43 832	44 599	45 374	46 163	46 963
Langeberg	26 003	26 387	26 773	27 169	27 566

Table 14: Cape Winelands District: Household Estimates, 2011 - 2015

As per Table 14, the total number of households in the Stellenbosch Municipality was estimated to be 48 008 in 2015, which equates to a 1.67% growth from 2014.

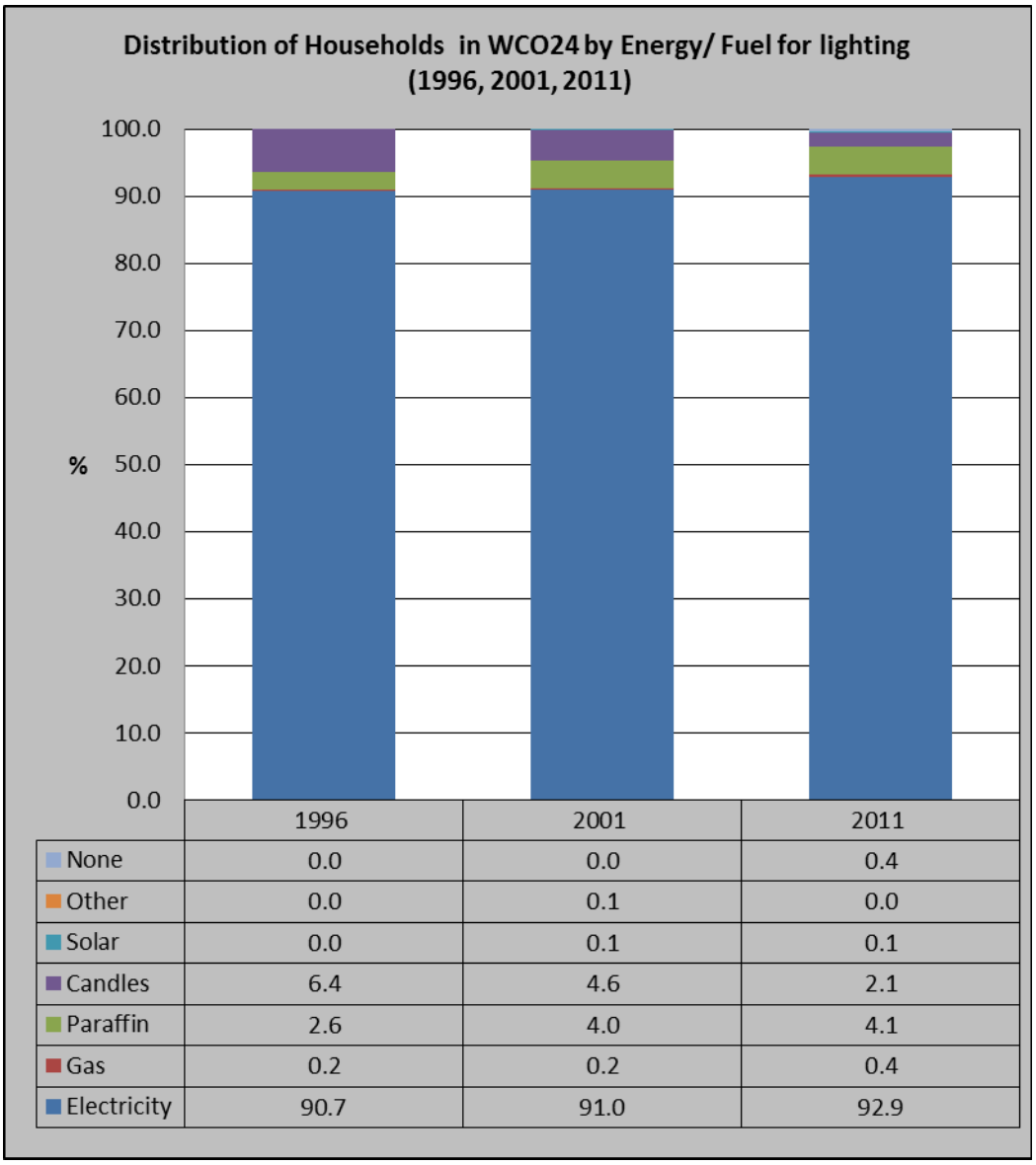
15**Household Infrastructure Profile**

Distribution of Households in the Stellenbosch Municipal area by Energy/Fuel for Lighting (1996, 2001 and 2011)

Figure 15 suggests that the majority of households were using electricity for lighting in 1996, 2001 and 2011. There was only a slight increase in the use and/or access to electricity for lighting between 1996, 2001 and 2011, whilst a decrease in the use of candles was balanced by an increase in the use of paraffin, but the total use of these forms of energy decreased by 2.8%.

[14] *Source: Quantec Research, 2015*

[15] Statistics South Africa (Census 2011)

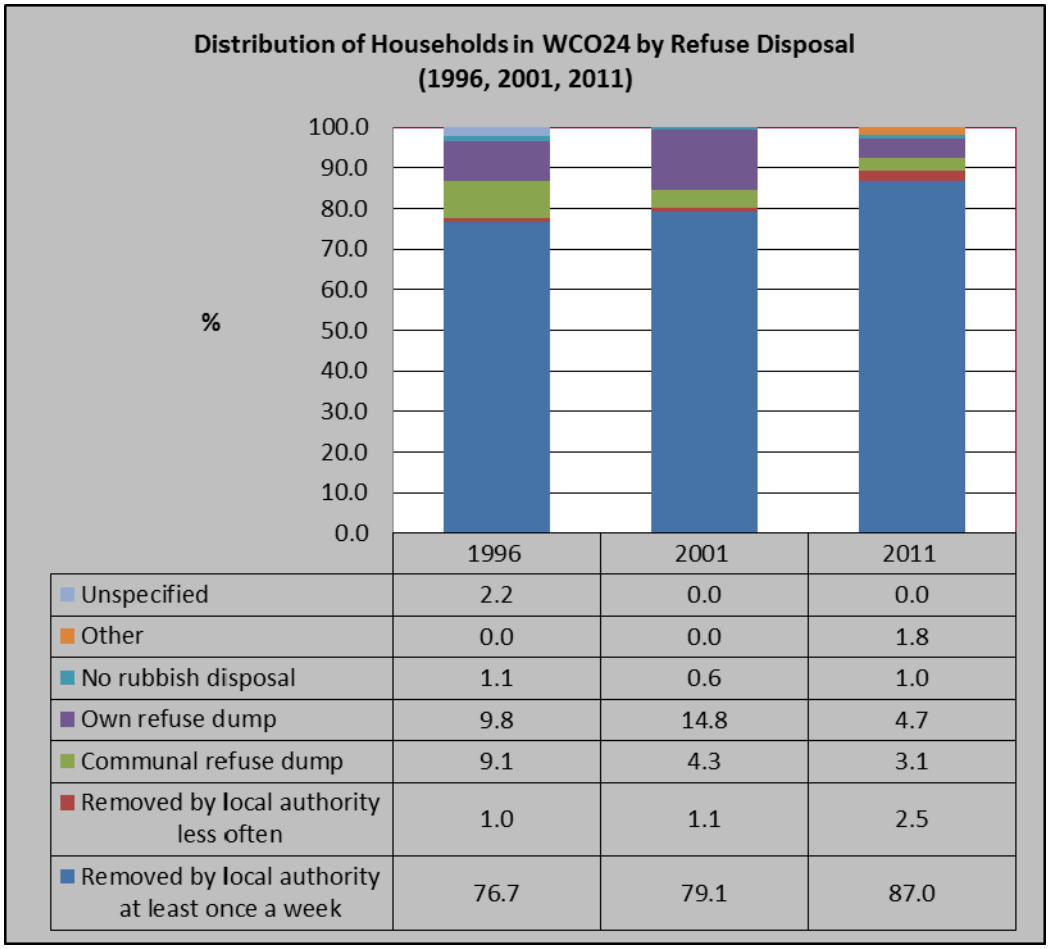


	1996	2001	2011
None	0.0	0.0	0.4
Other	0.0	0.1	0.0
Solar	0.0	0.1	0.1
Candles	6.4	4.6	2.1
Paraffin	2.6	4.0	4.1
Gas	0.2	0.2	0.4
Electricity	90.7	91.0	92.9

Figure 15 Distribution of Households in Stellenbosch Municipality by Energy/Fuel for Lighting (1996, 2001 and 2011)

[16]Distribution of Households in Stellenbosch Municipality by Refuse Disposal (1996, 2001, 2011)

Figure 16 suggests an increase in the percentage of households whose refuse is removed by the local municipality in 1996, 2001 and 2011. There is a fluctuation in the percentage of households with no rubbish disposal(1.1%) in 1996 and a decrease to 0.6% in 2001, followed by an increase to 1,0% in 2011.



	1996	2001	2011
Unspecified	2.2	0.0	0.0
Other	0.0	0.0	1.8
No rubbish disposal	1.1	0.6	1.0
Own refuse dump	9.8	14.8	4.7
Communal refuse dump	9.1	4.3	3.1
Removed by local authority less often	1.0	1.1	2.5
Removed by local authority at least once a week	76.7	79.1	87.0

Figure 16 Distribution of Households in Stellenbosch Municipality by Refuse Disposal (1996, 2001, 2011)

Inadequate waste services lead to unpleasant living conditions and a contaminated, unhealthy environment. Therefore, the importance of providing inhabitants with waste removal services is imperative.

[16] Statistics South Africa (Census 2011)

[17] *Cape Winelands District: Access to Refuse Removal, 2014*

Regional area	Removed at least once a week	Removed less often	Communal refuse dump	Own refuse dump	No rubbish disposal	Unspecified / other
Western Cape	89.8	1.2	2.8	4.6	1.0	0.6
Cape Winelands District	79.8	4.1	3.7	9.3	1.6	1.4
Witzenberg	69.7	8.7	6.9	11.4	1	2.3
Drakenstein	86.2	2.8	3.3	5.3	1	1.4
Stellenbosch	87.3	2.6	2.4	4.7	1	1.9
Breede Valley	75.1	5.2	5.1	11.3	2.9	0.4
Langeberg	72.0	2.7	1	20.8	2.1	1.4

Table 15: Cape Winelands District: Access to refuse removal, 2014

The data in Table 15 indicates that within Stellenbosch, 87.3% of households have their refuse removed at least once a week. This is higher than that of its fellow municipalities. Stellenbosch outperforms the district in terms of the levels of access to refuse removal by the local authority at least once a week. The only concern is the 4.7% of households that have their own refuse dump.

[18]**Distribution of Households in the Stellenbosch Municipal Area Having Toilet Facilities (1996, 2001, 2011)**

Access to sanitation is one of the most important basic services, as it concerns the health and dignity of human beings. Figure 17 indicates an increase in the percentage of households with flush or chemical toilets in the Stellenbosch Municipal area between 1996, 2001 and 2011. There is a fluctuation in the percentage of households using a bucket system with 3.2% in 1996 decreasing to 2.0% in 2001 and increasing to 2.6% in 2011.

[17] *Source: Quantec Research, 2015*
[18] Statistics South Africa (Census 2011)

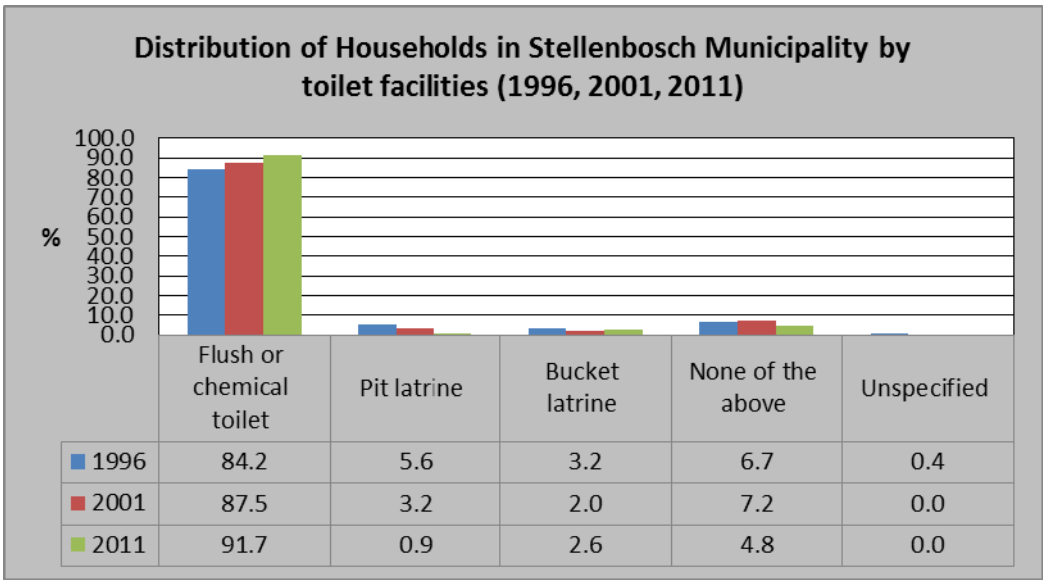


Figure 17 Distribution of Households in Stellenbosch Municipality Having Toilet Facilities (1996, 2001, 2011)

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Municipality	Flush or chemical toilet	Pit latrine	Bucket latrine	Not listed elsewhere
Cape Winelands District	90.8	0.7	2.6	5.9
Witzenberg	91.3	0.9	2.0	5.9
Drakenstein	93.6	0.5	2.9	2.9
Stellenbosch	90.4	0.9	3.0	5.7
Breede Valley	87.9	0.7	2.6	8.9
Langeberg	89.2	0.6	2.3	7.9

Table 16: Cape Winelands District: Access to Sanitation, 2014

In 2014, 90.4% of households had access to flush toilets (connected to sewerage/septic tank), 5.7% of households did not have access to sanitation, whilst 3.9% of households made use of bucket latrines and pit latrines. This is an increase in the percentage of households using bucket latrines and pit latrines from the 2011 statistics. It is therefore important to take the necessary steps to address this problem.

[19] Source: Quantec Research, 2015

Distribution of Households with Access to Different Forms of Energy (2015)

Table 17 reflects the different sources of energy used for lighting by households in the Cape Winelands District.

[20]*Cape Winelands District: Access to Electricity, 2014*

Municipality	Electricity	Gas	Paraffin	Candles	Solar/other/ unspecified
Cape Winelands District	93.1	0.2	3.1	2.9	0.6
Witzenberg	93.4	0.2	1.8	3.9	0.8
Drakenstein	94.9	0.2	2.5	1.9	0.5
Stellenbosch	95.3	0.3	1.8	2.0	0.7
Breede Valley	87.8	0.2	7.2	4.3	0.5
Langeberg	94.3	0.1	1.0	3.5	1.1

Table 17: Cape Winelands District: Access to electricity, 2014

Table 17 indicates that the biggest source of energy in Stellenbosch is electricity at 95.3% in 2014. This is the highest level of energy access within the District and also slightly above the Cape Winelands District average of 93.1% for 2014.

Distribution of Households with Access to Water (2015)

Table 18 indicates the levels of access to potable water within the Cape Winelands District in 2014.

[21] *Cape Winelands District: Access to water, 2014*

[20] Source: Quantec Research, 2015

Regional area	Piped water inside dwelling	Piped water inside yard	Piped water less than 200 m from dwelling	Piped water more than 200 m from dwelling	Borehole/ rain-water tank/well	Dam/river stream/ spring	Water-carrier tanker/water vendor	Other/ Unspecified
Western Cape	74.1	13.8	8.7	2.5	0.1	0.1	0.1	0.6
Cape Winelands District	75.6	13.7	8.0	1.8	0.1	0.1	0.0	0.6
Witzenberg	78.0	12.4	8.1	1.0	0.1	0.1	0.0	0.3
Drakenstein	79.3	13.9	5.4	0.8	0.1	0.1	0.0	0.4
Stellenbosch	73.9	8.6	12.9	3.4	0.1	0.1	0.0	0.8
Breede Valley	68.2	18.7	9.5	2.2	0.0	0.1	0.1	1.2
Langeberg	79.9	14.2	3.7	1.6	0.0	0.2	0.1	0.3

Table 18: Cape Winelands District: Access to Water, 2014

The data indicates that in Stellenbosch 73.9% of households have access to water within their dwellings and a further 8.6% have access within their yard. The minimum service level is households having access to water at least 200 m from their dwelling. Approximately 95.4% of households meet this minimum standard. This puts Stellenbosch a little way off from the NDP target of 100 per cent access to water by 2030. There is room for improvement in terms of household access to water within their homes.

Distribution of Households with Access to Different Types of Housing Structures (2014)

Decent housing with the relevant basic services is essential for human security, dignity and well-being.

[22] *Cape Winelands District: Types of housing structures, 2014*

[21] Source: Quantec Research, 2015

[22] *Source: Quantec Research, 2015*

Municipality	House or brick structure on a separate stand or yard	Traditional dwelling	Flat in a block of flats	Town/ cluster/ semi-detached house (simplex, duplex or triplex)	House/ flat/ room in backyard	Informal dwelling/ shack in backyard	Informal dwelling/ shack NOT in backyard, e.g. in an informal/ squatter settlement	Room/ flat let not in backyard but on a shared property	Other
Cape Winelands District	68.9	0.6	5.6	5.9	1.2	6.1	9.8	0.7	1.2
Witzenberg	77.5	0.8	1.2	5.6	0.6	3.6	8.6	0.6	1.4
Drakenstein	70.0	0.5	6.4	5.9	1.4	8.0	5.9	0.9	1.0
Stellenbosch	59.8	0.6	9.9	5.6	1.1	5.6	15.2	0.7	1.5
Breede Valley	61.0	0.7	5.7	8.0	1.6	5.6	15.4	0.6	1.4
Langeberg	84.7	0.4	1.4	3.2	0.9	6.0	2.3	0.2	0.8

Table 19: Cape Winelands District: Types of Housing Structures, 2014

Table 19 highlights that the most common dwellings in the Stellenbosch Municipality area were house or brick structures on a separate stand (59.8%), informal dwellings in an informal/squatter camp (15.2%), flat in block of flats (9.9%), town/cluster/semi-detached house (5.6%) and informal dwelling/shack in the backyard (5.6%) in 2014.

F) ECONOMIC PROFILE

[23]General Regional Perspective

Stellenbosch is a well-balanced regional economy and is the largest and fastest-growing in the Cape Winelands District (CWD). Apart from the region's locational attributes making it a destination of choice for tourists, business people and workers, the municipality is blessed with a strong knowledge sector (with strong research and development capacity), as well as key competitive advantages. These include a globally competitive wine and deciduous fruit sector with strong linkages to food and beverage processing, a vibrant tourism sector, the economy being integrated with the Cape Metro economy and having a strong brand (i.e. the Cape Winelands). Agriculture and food and beverage processing (24%) form the backbone of the regional economy, which has become well-diversified with the development of secondary and tertiary economic activities. Business services (18,5%), wholesale and retail activities (13%, also boosted by tourism), finance and insurance (7,5%), other services (8%), manufacturing industries (7%) and construction (4,5%) also make strong contributions to GDPR.

Real GDPR growth averaged 5,5% per annum over the period 2000-2013 and 14 100 new jobs were created over this period at a rate of 2.1% per annum. Characteristic of the region's expansion has been the fast growth

[23] Source: Bureau for Economic Research Report, December 2014

of the services sector (7% per annum, contributing 64% of GDPR), also accounting for 150% of the net employment creation which occurred over the 2000-2013 period. In contrast, the region's manufacturing base (accounting for a relatively large share of value added, i.e. 25% compared to the provincial average of 17% in 2013) has shown moderate growth (3% per annum), with its relative share declining from 37,5% in 1995. Construction has been a rapidly expanding sector (9.9% per annum), while agriculture has been stable in terms of output, but shedding labour on a large scale.

This sector composition of growth has led to a labour skills demand profile due to the rapid expansion of demand for skilled labour (at rates of between 4,5% and 5,5% per annum, 2000-2013), while the demand for semi- and unskilled labour (-0.5% per annum) has declined. Therefore, Stellenbosch shares the modern trend and the contemporary problem where we find that the demand for higher skilled labour increases where shortages exist, while the demand for lower skilled labour declines where the surpluses are. The realities of the modern knowledge economy are evident and likely to deepen, but the trend in the labour market is unsustainable.

The objective of the current study was to explore the contents of an economic strategy which can propel the regional economy onto a higher growth plane on a sustainable basis. More specifically, the study seeks to calibrate a sectoral composition of growth which could accelerate the 5,5% trend growth performance closer to 8% on a sustainable basis. An 8% real economic growth rate seems far-fetched in the current macro-economic climate of below 2% annual growth, but is not that unrealistic.

The analysis commences with an unpacking of the 2004-2008 period of high growth achieved in the Stellenbosch municipal economy, i.e. during the run-up to the global financial crisis and recession. Real GDPR growth averaged 7.6% over this 5-year period and in calendar year 2006 an 8% real GDPR growth rate was registered. The period was characterized by highly favourable economic growth conditions in the national and global economies. This period already provides pointers to what is shown in the remainder of the study and that is the growth boost required in the secondary industries such as *manufacturing and construction* in order to deliver the growth dividend that will elevate the regional growth performance to an 8% level.

A proper *baseline projection* of GDPR growth (5% per annum) and employment creation (2.8% per annum or a cumulative 10 500 new jobs) was constructed, taking into account the existing and anticipated macro-economic parameters and thereafter, two scenarios were developed:

- One: A *"towards 8% growth"* scenario, with real GDPR growth averaging 6,5% per annum, but reaching 8% in 2018 and employment expanding by 4.2% per annum (or a cumulative 16 000 new jobs over the forecast period, *i.e. 5 500 on top of the baseline projection*); and
- Two: A "hypothetical" scenario (2019-2023), *"sustaining 8% growth",* illustrating key elements of any economic strategy with the aim of generating higher and inclusive economic growth.

These two scenarios are reflected as follows, in different sectors. In **manufacturing**, with a trend growth rate of 3% per annum (2000-2013), it is calculated that the real value-added growth rate (i.e. 3.4% per annum) in the baseline projection has to accelerate to 6.4% per annum (2014-2018) in the *"towards 8% scenario"*, which can potentially deliver an aggregate 8% growth by 2018. Real manufacturing growth is projected to reach 9% in 2018 and in the (hypothetical) *"sustained 8% growth"* scenario (2019-2023) to average close to 11% per annum. In **construction**, with a trend growth rate of 9.9% per annum (2000-2013), the corresponding acceleration is from 7.5% per annum in the baseline forecast to 10.2% per annum in the "*towards 8% scenario*". Real construction growth is projected to reach 13.5% in 2018 and in the "*sustained 8% growth"* scenario (2019-2023) to average 14% per annum.

The higher semi- and unskilled labour components of these sectoral workforces should ensure that the skills profile of employment creation changes notably in the municipal economy, whereas the demand for this category of labour declined in absolute terms over the period 2000-2013, this could change to 4.5% annual growth (or 1 000 new semi- and unskilled jobs per annum in the *"towards 8% growth"* scenario; 1 500 new jobs per annum in the *"sustained 8% growth"* scenario).

In all, in the *"towards 8% growth"* scenario an additional cumulative 5 500 jobs are created over the five year period of 2014-2018 on top of the 10 500 new jobs projected in the baseline forecast. Another 6 400 new jobs on top of the *"towards 8% growth"* scenario is projected over the period 2019-2023. The improved employment growth is a function of both higher GDPR growth and some improvement in the employment elasticity, from around 0.40% (2000-2013) to 0.60% (2014-2023).

While the **broad services sector** is projected to grow in line with historical trends (not repeating the exceptional growth over the 2004-2008 period), it will continue to generate the bulk (up to 70%) of the new job opportunities. In this regard, the **tourism sector** is a key sector warranting support. Physical limits will constrain the expansion of agriculture. However, keen demand conditions, a competitive currency and strong forward linkages with the food and beverage processing industries (and tourism) will continue to render this a key sector in the region. Substantial scope to increase value addition in the agro-processing industries embodies huge growth potential which needs to be unlocked. The expansion is likely to occur downstream in the processing industries.

Both in theory and practice, also evident in the CWD, the link between well-directed, managed and maintained infrastructure spending and real economic growth is undeniable. **Infrastructure spending** needs to be directed at the areas with comparative advantage, e.g. industrial development on the outskirts of the town center where the labour surplus resides. The **development of secondary industries** can make a positive impact on the socio-economic conditions of these communities. **Decisive policy action** is required. The municipality needs to forge close ties with the provincial government and provided its close proximity to industry at the local level, nurture a business climate conducive to private fixed investment and employment creation. A range of national and some provincial industrial incentives are on offer from ***the DTI*** and other institutions like the **IDC**.

In all, while the regional economy's competitive strengths in **agriculture** and **tourism** need to be developed further and while the rapid growth of its **tertiary industries** like wholesale and retail, financial and business services will in all likelihood continue, a key structural change needs to be engineered; namely, arresting the declining share of manufacturing activity and boosting the construction sector further. The focus of developing the manufacturing base has to be exports given the limited size of the domestic market. This will eventually change the skills profile of employment and elevate the region's growth performance closer to 8% on a sustainable basis. In this regard, the region's strong **knowledge sector**, playing a catalytic role in collaborative efforts between the tertiary and research institutions, business and the three tiers of government, is well-positioned. The commercialization of research and development activities and the building of small and medium-sized businesses become key.

Finally, it needs to be emphasized that the current study has a distinct *"what-if"* flavour. It is not a rigorous forecast of regional growth and employment creation over the next 5-10 years, but rather **a somewhat hypothetical exercise designed to estimate the potentialities** over the medium term and should be regarded as such. The idea was to calibrate the sectoral composition of growth which would deliver an 8% real GDPR growth rate and to assess the skills profile of the resulting labour demand and to draw conclusions regarding proper interventions, if any were required.

In figure 18, the scenario suggests that a cumulative additional 22 400 jobs can be created over a five-year period, i.e. 6 400 on top of the *"towards 8% growth"* scenario projection and 11 900 on top of the baseline forecast. The table also shows a better balance between the demands for the various labour skills categories. In the baseline, virtually no growth is projected in the demand for semi- and unskilled labour, but this changes significantly in the higher growth scenarios where manufacturing and construction make stronger contributions to growth. In the *"sustained 8% growth"* scenario, the demand for skilled and highly skilled labour is projected to grow by around 5% per annum compared to 4% per annum in the case of semi- and unskilled labour.

	2011	2000-13	2019	2020	2021	2022	2023	2019-23	
	% share	ave pa						ave pa	
Real GDPR growth:									
Agriculture & mining	5.0	0.4	2.1	2.2	2.2	2.2	2.2	2.2	
Manufacturing	25.5	3.0	10.0	10.5	11.5	11.5	11.0	10.9	
Construction	4.6	9.9	12.0	13.5	14.5	15.0	15.0	14.0	
Services	64.1	6.9	7.3	7.0	6.5	6.5	6.5	6.8	
Other	0.7	4.7	5.0	5.0	5.0	5.0	5.0	5.0	
Total GDPR	**100.0**	**5.3**	**8.0**	**8.0**	**8.1**	**8.2**	**8.1**	**8.1**	
Employment growth									
Agriculture & mining	9.0	-6.7	0.2	0.2	0.2	0.2	0.2	0.2	
Manufacturing	15.4	1.7	5.2	5.7	6.4	6.7	6.6	6.1	
Construction	6.0	2.5	7.3	8.4	9.1	9.6	9.7	8.8	
Services	69.5	5.1	5.1	4.8	4.3	4.2	4.0	4.5	
Other	0.2	3.4	4.4	4.4	4.4	4.4	4.4	4.4	
Total Employment	**100.0**	**2.1**	**4.9**	**4.8**	**4.7**	**4.7**	**4.6**	**4.7**	
Employment growth: skills									
Highly skilled	16.4	5.5	5.9	5.5	5.0	4.7	4.7	5.1	
Skilled	41.5	4.5	5.4	5.3	5.1	5.1	5.0	5.2	
Semi- and unskilled	42.1	-0.5	4.0	4.0	4.0	4.1	4.1	4.0	
Total	**100.0**	**2.1**	**4.9**	**4.8**	**4.7**	**4.6**	**4.6**	**4.7**	
		net change							
Employment (number)	**2018**	**pa**						net change	cumulative
Agriculture & mining	5900	-720	5900	5900	6000	6000	6000	20	100
Manufacturing	12000	270	12600	13300	14200	15100	16100	820	4100
Construction	5400	170	5800	6300	6800	7500	8200	560	2800
Services	62500	2680	65700	68900	71800	74800	77800	3060	15300
Other	200	1	200	200	200	200	200	0	0
Total Employment	**86000**	**2410**	**90200**	**94600**	**99000**	**103600**	**108400**	**4480**	**22400**
Employment (number): skills									
Highly skilled	16000	740	17000	17900	18800	19700	20600	920	4600
Skilled	36300	1470	38300	40300	42400	44500	46700	2080	10400
Semi- and unskilled	33700	210	35000	36400	37900	39400	41000	1460	7300
Total	**86000**	**2410**	**90300**	**94600**	**99100**	**103600**	**108400**	**4480**	**22400**

Table 20: GDPR Growth – Employment (Source: Bureau for Economic Research Report - December 2014)

According to the socio-economic profile provided by Provincial Treasury and as per Figure 19, Stellenbosch comprised the largest share (R17 billion) of the district's GDPR of R50 billion in 2013, making it the largest economy in the district, followed by Drakenstein (R15.5 billion), Breede Valley (R7.5 billion), Langeberg (R5.5 billion) and Witzenberg (R4.5 billion).

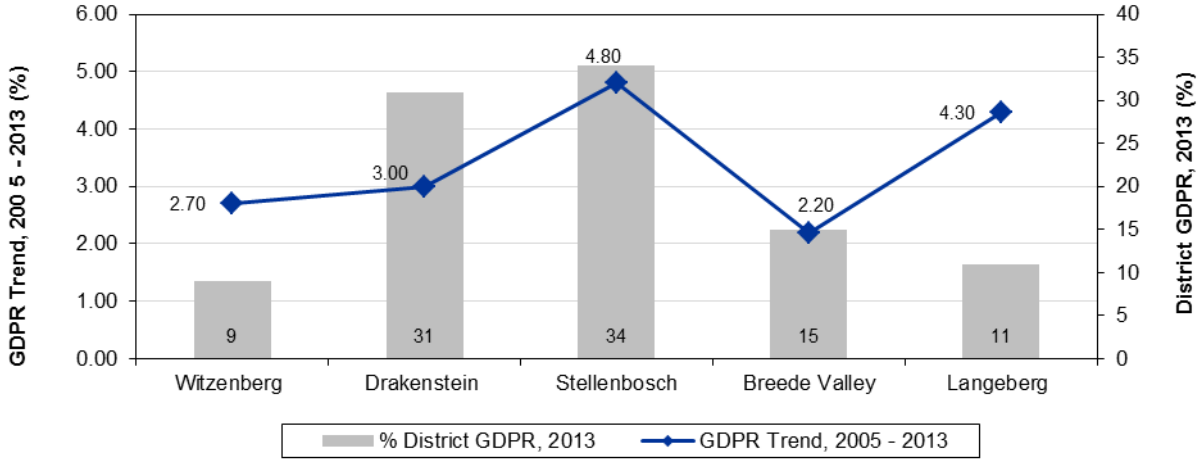

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Figure 18 ***Locality*** **Cape Winelands District Municipalities: GDPR Growth, 2005 - 2013**

As seen in Figure 19, the finance, insurance, real estate and business services sector (as a part of the commercial services sector) and manufacturing sector are also the largest in the Municipality (comprising 26% and 23% of the Municipality's GDPR in 2013 respectively). The wholesale and retail trade, catering and accommodation sector is the third largest in Stellenbosch, contributing 17% of the municipality's total GDPR in 2013.

[24] Source: Municipal Economic Review and Outlook (MERO), 2015

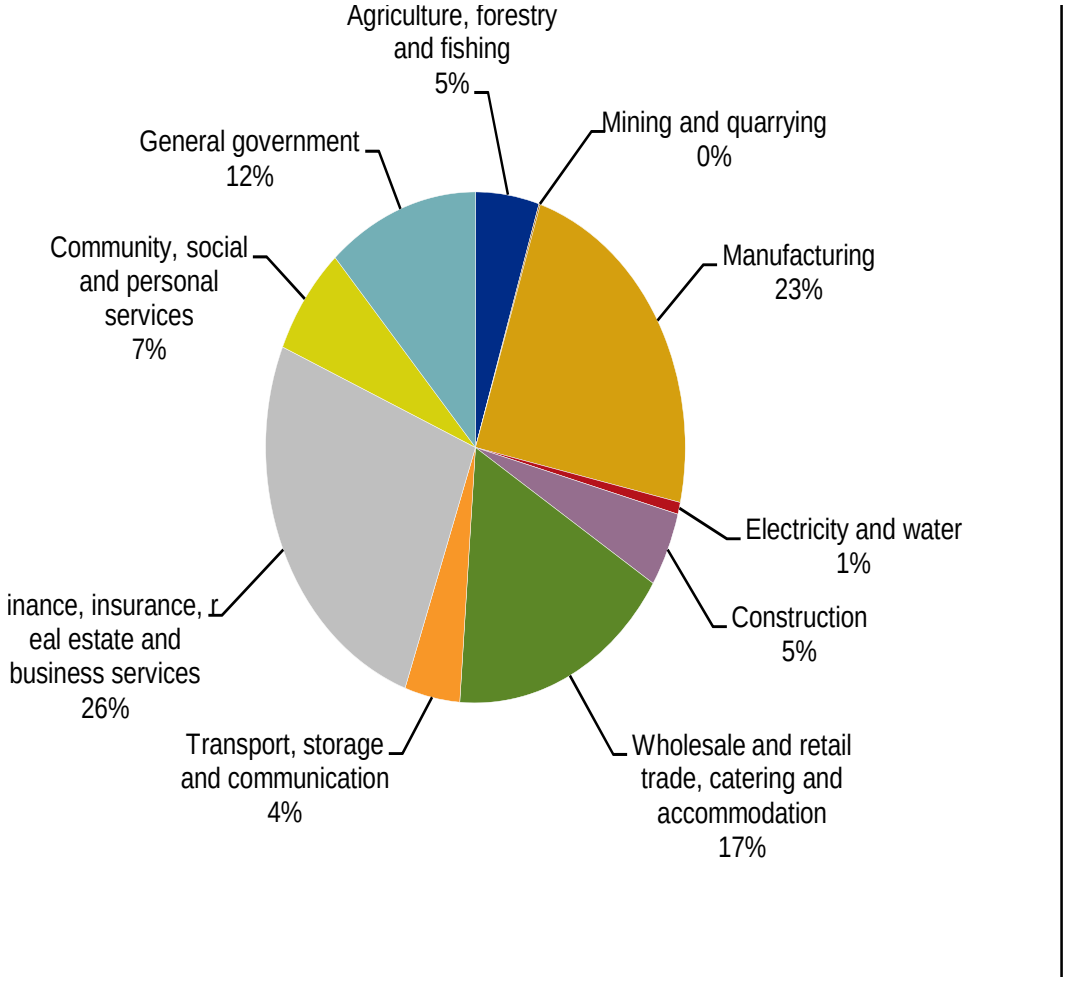

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Figure 19 **Stellenbosch: Sectoral Composition, 2013**

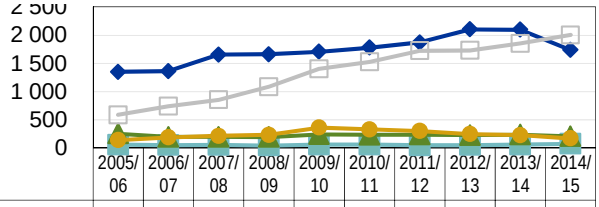
G) SAFETY AND SECURITY PROFILE

The Constitution upholds the notion that everybody has the right to freedom and security of the person. The safety of persons and property is therefore vitally important to the physical and emotional well-being of people and businesses. Without the respect of person and property, it would be impossible for people to live peacefully, without fear of attack and for businesses to flourish.

The extent of crime in South Africa does however not only have a significant impact on the livelihood of citizens, but also affects the general economy. Crime hampers growth and discourages investment and capital accumulation. If not addressed with seriousness, it has the potential to derail both social and economic prosperity.

[25] Source: Municipal Economic Review and Outlook (MERO), 2015

Peoples' general impressions, as well as official statistics on safety and crime issues, mould perceptions of areas as living spaces or places in which to establish businesses. The discussion in this section that follows is limited to the reported contact and property-related crime such as murder and sexual crimes, as well as crime heavily dependent on police action for detecting drug-related crimes and driving under the influence of alcohol/drugs.



	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Murder	62	52	54	46	59	62	49	53	59	76
Total sexual offences	256	200	198	194	244	235	238	229	237	207
Burglary at residential premises	1 351	1 362	1 654	1 662	1 705	1 778	1 871	2 101	2 095	1 737
Drug-related crime	589	741	855	1 086	1 404	1 526	1 725	1 729	1 854	2 001
Driving under the influence of alcohol or drugs	142	189	216	235	364	329	302	250	228	171

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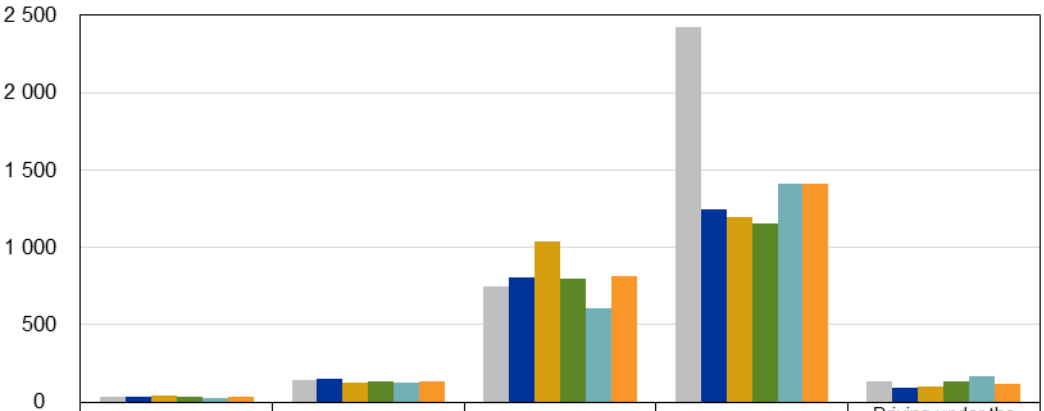
Figure 20 Stellenbosch: Crime statistics, 2005/06 - 2014/15

The categories pertaining to residential burglaries and drug-related crime are dominant in relation to crime within Stellenbosch Municipality. There has been a steady increase in drug-related crimes since 2005/06 whilst residential burglaries plateaued since 2012/13. The number of murders picked up again since 2012/13. However, there has been a steady decline in total sexual offences as well as driving under the influence of alcohols and drugs since 2010/11.

[26] *Source: SAPS, Quantec Research, 2015*



	Murder	Total sexual offences	Burglary at residential premises	Drug-related crime	Driving under the influence of alcohol or drugs
Witzenberg	38	143	748	2 426	136
Drakenstein	36	148	805	1 243	89
Stellenbosch	45	124	1 036	1 194	102
Breede Valley	36	138	795	1 153	137
Langeberg	25	124	606	1 411	168
Cape Winelands District	37	137	817	1 412	118

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Figure 21 Cape Winelands District: Crime Statistics per 100 000, 2014/15

It is customary to express occurrences of crime per 100 000 so as to allow for an easy comparison between areas with different population densities.

It is evident from the above table that drug-related crimes (possession, manufacturing, distribution of illegal substances, including alcohol related transgressions) is a major concern throughout the Cape Winelands District with an average of 1 412 crimes per 100 000. Drug-related crimes have a severe negative impact on human development by degrading the quality of life, as it infiltrates all aspects of society including families, health, the work environment and the economy. Stellenbosch Municipality has the second lowest incidence of such crimes at 1 194 per 100 000 when compared to the rest of the district.

Given its regular occurrence and the psychological impact on victims, residential burglaries are an obstinate concern in South Africa. The Cape Winelands District is no exception, with residential burglaries being the second most prominent criminal offence among all local municipalities at an average of 817 occurrences per 100 000. Stellenbosch is especially hard hit by this crime, impacting on 1 036 persons per 100 000 - the highest incidence rate in the district.

[27] Source: SAPS, Quantec Research, 2015

Safety Needs and Concerns

A variety of recurring safety needs and concerns were raised during the 2015/16 Policing Needs and Priorities consultation workshops, facilitated by the Department of Community Safety (DOCS). During the workshops, participants were divided into three groups to discuss their priority safety concerns and to develop safety plans to respond to them. The three groups followed the Community Safety Improvement Partnership (CSIP) themes of professional policing, safe public spaces and partnerships.

[28]Safety Needs, Concerns and Policing Priorities for the Winelands Cluster

Winelands
PROFESSIONAL POLICING
• Conduct of police at community service centres needs to improve.
• The police respond slowly to crime scenes or they do not respond at all.
• There are insufficient vehicles and police officials at police stations in the cluster.
PUBLIC SPACES
• Concern about the ATM at the garage in sector 1 was reported to the Sector Manager but no action was taken by the SAPS.
• There are many burglaries and robberies at residential areas, but members of the community need to be made aware of how to take steps to increase their own safety.
• There is a lack of municipal involvement in taking measures to increase safety.
• An increase in business robberies in the area, especially of spaza shops.
• There is an increase of illegal liquor outlets and drug outlets, especially in council housing.
• Both legal and illegal liquor outlets are not properly regulated. They are attended by under aged children and they are noisy and a disturbance to neighbours.
• There is prevalent abuse of alcohol and drugs at many schools in the area.
• Learners are not attending school and are bunking school, especially at Ikaya Primary School. Learners roaming the streets become vulnerable to crime.
• The elderly are vulnerable to crime in public spaces such as malls and on paydays.
• Illegal drag racing on public roads when law enforcement officials are not on duty.
• People are robbed on trains and at train stations. There are insufficient police in these areas and they do not investigate such crimes.
PARTNERSHIPS
• CPFs are not making full use of the Expanded Partnership Programme (EPP) reporting system and are not accessing the funds that are available to support their work.
• CPFs are not fully aware of their roles and responsibilities.
• The community is not aware of the roles and responsibilities of the CPF and accordingly do not use them as the first line of complaint.
• Current NHW structures are not trained or professional.
• It is difficult to recruit and retain safety volunteers as they receive no payment for their services.
• There is a lack of communication between the SAPS and NHW in the cluster and lack of support.
• Need to ensure that quality services are provided by VEP volunteers to victims of crime.

Figure 22 Safety Needs, Concerns and Policing Priorities

[28] *Source: Provincial Policing Needs and Priorities (PNP) Report for the Western Cape 2015/16, DOCS*

H) ENVIRONMENT

The 2011 National Strategy for Sustainable Development for South Africa describes the concept of sustainability as composing three overlapping developmental spheres, namely, the natural environment, social context and economic activity. These spheres, which are underpinned by a system of governance, are interlinked and fully dependent on the extent and functionality of the others. A trade-off in one sphere will compromise the functionality of another with significant knock-on effects.

The natural environment, inclusive of elements such as land, inland water, biodiversity, oceans and coastlines are increasingly under pressure as a result of certain socio-economic factors such as population growth rates and increased land use. These pressures on natural resources also pose limitations to economic growth. Climate change also poses significant bio-physical and economic risks and as such, sustainable and effective resource-use and climate change response, should be both a provincial as well as municipal strategic priority.

The Environmental section outlines key focus areas relevant to the current state of the natural environment and the associated need for environmental management in terms of broad focus areas: legislative reform, integrated waste management and climate change.

Law Reform – Implementation of SPLUMA/LUPA in Municipalities

The Spatial Planning and Land Use Management Act, Act No. 16 of 2013 (SPLUMA), implemented on 1 July 2015, and the Western Cape Land Use Planning Act of 2014 (LUPA) ushers in a new era of planning and development decision-making where the responsibility rests largely on local municipalities to fulfil their role as land use planning decision-makers as per constitutional mandates and obligations. Section 24(1) of SPLUMA determines that a municipality must, after consultation as prescribed in the Act, adopt and approve a single land use scheme for its entire area within five years from the commencement of this Act. Currently, many municipalities have a Land Use Management Scheme in place in the form of Zoning Schemes, which are compliant with the provisions of the Land Use Planning Ordinance of 1985 (Ordinance 15 of 1985) (LUPO). These are known as LUPO section 7 and 8 Schemes. The process has commenced to replace these schemes to meet the requirements for Integrated Zoning Schemes (Land Use Schemes) in terms of section 24 of SPLUMA.

Stellenbosch Municipality currently has a Land Use Management Scheme in the form of Zoning Schemes compliant with the provisions of the Land Use Planning Ordinance 15 of 1985 (LUPO). Stellenbosch Municipality has developed a draft Integrated Zoning Scheme and is busy with the stakeholder engagement process.

From Waste Management to Integrated Waste Management

There is a shortage of available landfill airspace across the province. The recovery of waste material for the waste economy is only at 9%. It is paramount to move away from the landfill bias to integrated waste management. To achieve this, more integrated waste management infrastructure is urgently needed. This will increase the recovery of waste material and thereby save landfill airspace, promote the waste economy, reduce the environmental impacts of waste management and create jobs. A mind shift is also needed from municipalities to move away from seeing waste just as a nuisance and risk to realise the intrinsic value of waste and to utilise the potential value of it.

Due to the landfill airspace shortage, municipalities are exploring regional waste disposal options. However, such options are costly due to the high transport cost. The effective management of such regional facilities is also problematic due to the multi-party involvement. These regional facilities have to be operated by the district municipalities and unfortunately these municipalities do not receive any MIG funding, which makes these facilities difficult to construct and operate. However, regionalisation of not just waste disposal facilities, but integrated waste management facilities has to be encouraged and alternative business cases such as private public ventures have to be explored.

Climate Change

To date, the implementation of climate change responses to this changed climate has been slow, but it has to be incorporated into every facet of spatial and land use planning, service delivery, infrastructure development and economic planning. Failure would compromise basic service delivery, exacerbate poverty and undermine the most vulnerable communities.

There is a unique opportunity in the immediate short term to radically shift planning and infrastructure development to become climate resilient and to reduce greenhouse gas emissions that are directly driving the problem. The window of opportunity is however short and closing rapidly, implying that climate change response is urgently needed if the Western Cape aims to continue with a thriving local economy and to continue reducing inequality and poverty.

I) BROADBAND PENETRATION

Broadband penetration offers immense economic benefits by fostering competition, encouraging innovation, developing human capital and by building infrastructure. Improved connectivity will attract new business and investments, reduce the cost of doing business and will offer small, medium and micro- enterprises access to new markets.

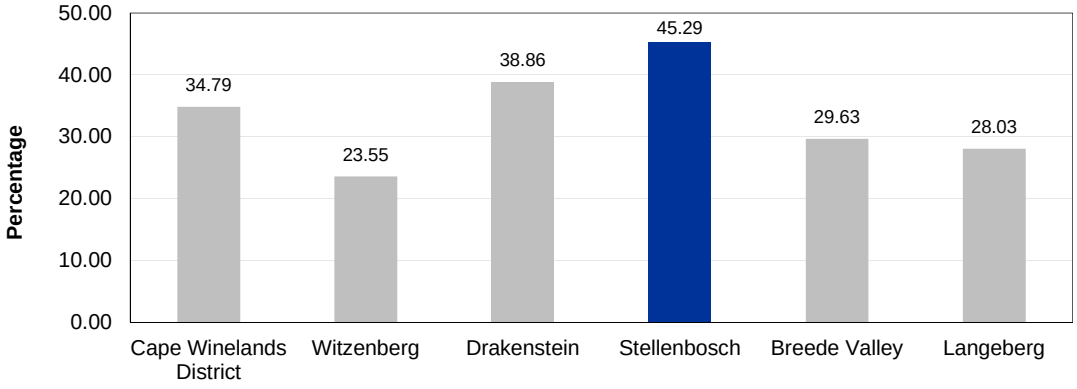

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Figure 23 Cape Winelands District: Internet access, 2011

In the Cape Winelands Municipality, 34% of households had access to the internet in 2011. The Stellenbosch Municipality compares favorably and, at 45.29%, had the highest penetration rate in the district. This rate offers great potential for economic growth by improving access, readiness and usage of the internet within the municipality.

J) HEALTH

The National Development Plan 2030 was adopted by government as its vision for the health sector. It will be implemented over three electoral cycles of government. The Medium Term Strategic Framework (MTSF) 2014- 2019 therefore finds its mandate from the National Development Plan (NDP) 2030.

[30]Alignment between NDP goals 2030, priority interventions proposed by NDP 2030 and sub-outcomes of MTSF 2014-2019 are as follows:

NDP Goals 2030	NDP Priorities 2030	Sub-Outcomes 2014-2019 (MTSF)
Average male and female life expectancy at birth increased to 70 years	a. Address the social determinants that affect health and diseases	HIV & AIDS and Tuberculosis prevented and successfully managed
Tuberculosis (TB) prevention and cure progressively improved		
Maternal, infant and child mortality reduced	d. Prevent and reduce the disease burden and promote health	
Prevalence of Non-Communicable Diseases reduced by 28%		Maternal, infant and child mortality reduced
Injury, accidents and violence reduced by 50% from 2010 levels		
Health systems reforms completed	b. Strengthen the health system	Improved health facility planning and infrastructure delivery

[29] *Source: Statistics South Africa, Census 2011*

[30] *Western Cape Government Provincial Health Plan 2016/17*

NDP Goals 2030	NDP Priorities 2030	Sub-Outcomes 2014-2019 (MTSF)
		Health care costs reduced
	c. Improve health information systems	Efficient Health Management Information System for improved decision making
	h. Improve quality by using evidence	Improved quality of health care
Primary health care teams deployed to provide care to families and communities		Re-engineering of primary health care
Universal health coverage achieved	e. Financing universal healthcare coverage	Universal health coverage achieved through implementation of National Health Insurance
Posts filled with skilled, committed and competent individuals	f. Improve human resources in the health sector	Improved human resources for health
	g. Review management positions and appointments and strengthen accountability mechanisms	Improved health management and leadership

Table 21: Health - Alignment between NDP Goals 2030

The NDP 2030, together with the MTSF 2014-2019, forms the umbrella goals for the health sector. These goals are specific but also generic enough to allow district management to develop their own plans in order to achieve the health sector goals but also incorporate priorities, which respond to localised challenges.

The Western Cape Minister of Health, in the 2016/17 Annual Performance Plan, has committed to:

- increasing the wellness of the population;
- improving the quality of care to the people of the Western Cape; and
- improving efficiencies within the department.

To achieve the above, we must continue to drive the message of wellness to every corner of the province. In so doing, we must encourage households and whole communities to lead healthier lifestyles through healthy choices, reducing the burden of disease throughout the province and reducing pressures on the health system as a whole.

Some of the priorities for Cape Winelands District in 2016/17 include:

- Improving child health outcomes through better utilisation of the school health wellness bus, focusing on the first 1 000 days of a child's life (with special focus on nutrition, alcohol use and the wellness of the mother and baby), and focussed community-based campaigns in response to poor immunisation coverage and outbreaks. The possibility to use speech therapy students from the Ukwanda Rural Clinical School will be explored to increase the number of learners that can be screened for hearing loss.
- Strengthening district hospital services by improving access to elective surgery and streamlining emergency centres through better coding practices, improving waiting times, ensuring adequate equipment is available, decongesting and implementing fast lanes for children.

- Strengthening the medical officer outreach and support programme to primary health care (PHC) facilities and improving access to rehabilitation services.
- Strengthening the non-communicable disease programme by rolling-out the Practical Approach to Care Kit (PACK) in all sub-districts, finalising the roll-out of the Chronic Dispensing Unit (CDU) and reducing re-admissions of mental health clients in district and psychiatric hospitals.
- Focusing on HIV wellness at PHC facilities, improving access to anti-retroviral treatment, and enhancing the management (treatment, care and support) of TB/HIV co-infected patients through the functional integration of TB and HIV activities at facility level.
- Increasing screening for TB at all facilities and strengthening the implementation of the directly observed treatment strategy (DOTS).
- In terms of quality assurance, the District will focus on the timelines for complaint resolution, reducing waiting times, implementation of the reception manual and using a LEAN management approach at all facilities.

The Stellenbosch Municipality works in collaboration with the Department of Health and Welfare, to address the identified needs in WCO24. Interventions such as providing playground equipment to ECD centres assist in promoting activity amongst young children. Equipment is also provided at old age homes to keep the elderly active, which contributes to their general health.

[31]The Cape Winelands District has a range of primary healthcare facilities which includes 44 fixed clinics, 34 mobile/satellite clinics, 6 community day centres, 4 district hospitals and 2 regional hospitals.

Cape Winelands District: Healthcare Services, 2015

Municipality	Number of PHC clinics - fixed	Number of PHC clinics - non-fixed (mobile/ satellite)	Community Health centres	Community Day centres	Total number of PHC facilities (fixed clinics, CHCs and CDCs, excluding non-fixed)	Number of district hospitals	Number of regional hospitals	Emergency medical services: Number of operational ambulances per 100 000 population
Cape Winelands District	44	34	0	6	84	4	2	0.47
Witzenberg	8	6	0	1	15	1	0	0.57
Drakenstein	14	6	0	3	23	0	1	0.23
Stellenbosch	8	7	0	1	16	1	0	0.31
Breede Valley	6	9	0	1	16	0	1	0.74
Langeberg	8	6	0	0	14	2	0	0.78

Table 22: Cape Winelands District: Healthcare Services, 2015

[31] *Source: Western Cape Department of Health, 2015*

Of these facilities, 8 fixed clinics, 7 mobile/satellite clinics, 1 community day centre and 1 district hospital is situated within the Stellenbosch Municipality area. Due to rural distances between towns and health facilities being much greater than in the metropole, combined with the relatively lower population per square kilometer in rural areas, ambulance coverage is greater in rural areas in order to maintain adequate coverage for rural communities. Within the Cape Winelands District, Stellenbosch has the second lowest number of ambulances per 100 000 population.

The needs of the community in terms of health, centered mostly on the assistance provided at clinics and hospitals and the long waiting times in queues. The Department of Health was provided with the report on the basic needs assessment facilitation by the IDP department.

1.2.4 MUNICIPAL HIGHLIGHTS

The following highlights must be mentioned:

Highlight	Description
Municipal infrastructure grants certificate of achievement	Stellenbosch Municipality is one of top 3 performing municipalities in the Western Cape in terms of MIG management.
Clean Audit	A clean audit was obtained for the 2015/16 financial year following the clean audit obtained in the 2014/15 financial year.
Increase of the indigent qualification	The indigent qualification has been increased from R3000 to R4000 per month. The free basic water for indigent consumers has been increased from 6Kl to 10Kl per household per month.
The declaration of Papegaaiberg as a nature reserve	The municipality succeeded to declare Papegaaiberg as a nature reserve. The declaration was advertised in June 2016. A management plan was approved and included a management structure that will be based on strong partnerships with the community and businesses.
Implementation of the River Stewardship Program	The River Stewardship Program, an innovative initiative that consists of a formal partnership between the municipality and private organisations in Stellenbosch in terms of which the two parties share the responsibility for the cleaning and maintenance of all rivers in the municipal area on a permanent basis.
2015 Greenest municipality award	Certificate of Outstanding Achievement received: Innovation Project awarded at the 2015 Greenest Municipality Competition
Innovation in waste management	Exposure on national TV (Afternoon Express show) on innovative Brickmaking. Trials with Biodigester (Food to Waste @ Spier) is the first in a South African municipality. Oil recycling container placed at landfill site by Rose Foundation - the only municipality outside of the metro to recycle used oil.

Highlight	Description
	Women employed in previously predominantly male-dominated environment as general waste collection workers. Exposure on national radio - women in waste programme (Radio RSG - 24 May 2016).
International co-operation and partnerships in waste management	GIZ used Stellenbosch Municipality as a best practise site to demonstrate to 6 municipalities some of the innovative methodologies used in waste management. Waste management is also one of the focus areas of the Dilbeek agreement.
Signing of a municipal commitment to universal access	After reaching a common understanding on what 'universal access' and 'universal design' is, Stellenbosch Municipality in the form of the Executive Mayor and the Municipal Manager signed a commitment towards achieving Universal Access in everything we do.

Table 23: Municipal Highlights

1.2.5 MUNICIPAL CHALLENGES

The following general challenges are experienced by the Municipality:

Challenge	Actions to address
Senior management continuity.	Filling of vacant senior management positions.
Organisational structure.	An organisational restructuring process planned.
Capacity constraints (staff).	All capacity constraints will be identified during the organisational restructuring process.
Task implementation process.	An assessment of the process in progress.
Contract management.	The Standard Operating Procedures will be refined to clarify roles and responsibilities of departments and Management Information Systems will be improved for better control.
Integration of waste management functions.	Integration and alignment of solid waste management and area cleaning functions. Waste volumes to be mitigated by waste minimisation strategies. A Joint Planning Initiative has been registered with PDLG to collaboratively search for solutions at a regional level for landfill space.
Integrated strategic planning and decision-making.	Establishment of different institutional mechanisms and fundamental structures to ensure integrated decision-making processes and strategies.
Preparing for a water scarce future.	It is expected that the impact of climate change on the municipal area will lead to a decline in rainfall and water availability. Planning for a resilient municipality that adapts to the changing environment, yet continues and increases its economic activities, particularly with a strong agricultural sector, will require innovative and strong leadership.
5 years' timeframe to implement SPLUMA compliant SDF.	Legislation dictates that all SDF's and Zoning schemes need to be SPLUMA compliant within five years as of 1 July 2015 and need to be updated every 5 years thereafter. Budgetary provisions need to be made for the implementation process. This process has great advantages for the community.

Challenge	Actions to address
Building of 195 houses with new specifications in the new subsidy bracket (Kayamandi).	The provincial Department of Human Settlements assisted the municipality with a limited bidding process and successfully appointed two service providers (contractors) that were prepared to build the houses in the new subsidy bracket.
Servicing of Watergang phase 2 (295 sites).	Due to the slopes, the cost of servicing the sites was higher than the new subsidy bracket. Redesign of services to complement the slopes (topography) and accordingly reduce the cost per site.
Accurate demographic data on the various informal settlements.	Demographic data is continuously updated.

Table 24: Municipal Challenges

1.3 SERVICE DELIVERY OVERVIEW

1.3.1 BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS

Highlight	Description
Kayamandi – 193 housing top structures.	A total of 169 top structures were completed. Handover of 100 houses to beneficiaries by MEC.
Kayamandi housing – service sites.	Completion for the installation of civil engineering services to 277 sites
Jamestown	Installation of civil services for 162 sites. Site handover for the construction of 162 top structures
Waste minimization.	Chipping and crushing of material entering Landfill site. The appointment of additional staff viz., Principle Technician, waste minimisation and disposal and Contract Foreman: Disposal also assisted in achieving compliance and has contributed in implementing waste minimisation initiatives.
General improvement in waste management.	Franschhoek major drop off facility design and planning is near completion. Roll out of 240 litre wheelie bins to the entire Klapmuts Community. PRASA Waste Entrepreneurial training offered to recyclers. Youth in waste programme successfully implemented. S78(3) investigation completed and final report drafted. Cutting and shaping of Devon Valley landfill site – finally adhering to waste management best practices. Swop shop pilot projects in communities launched.
Implementation plan for disability accessibility.	The implementation plan was developed with inputs from all departments including a focus on processes and procedures. The process also made provision for training of building control officers on SANS 10400 S of the NBR regulations.
Roadworks projects.	Implemented all road reseal projects. Started construction of Marais Street - multi-year project. Construction of Van Rheede Street/R44 intersection improvement, removing major bottleneck - multi-year project. Upgrading gravel roads in Mooiwater to tarred streets, using labour intensive methods and local labour. Major roads rehabilitation program: Rehabilitated and resealed about 10km of asphalt

Highlight	Description
	(tar) road, in the following areas: Jamestown, Technopark, Mostertsdrift, Plankenbrug, Pniel and Franschhoek.
WastewateTreatment Works (WWTW) extension of tender.	Wemmershoek Wastewater Treatment Works construction completed and commissioned. Stellenbosch Wastewater Treatment Works extension of tender initiated: Tender commenced on 16 March 2016 – 60% completed. 50% Weighted Average effluent quality target achieved and exceeded in terms of requirements as regulated by the Water Use Licence for all Waste Water Treatment Works - Weighted Average effluent quality > 50%.
90% Average water quality target achieved.	90% Average water quality target achieved and exceeded as per micro-, chemical, operational and physical determinants in terms of the Blue Drop requirements regulated by SANS 241 for all Wastewater Treatment Works - Average water quality target achieved > 90%.
Pipe replacement program.	Completed previous multi-year pipe replacement program in beginning of financial year. Started multi-year pipe replacement program for 2015. Excellent response to emergency repairs during pipeline breaks.
Small Scale Embedded Generation (SSEG).	Policy and guidelines on small scale embedded generation (SSEG) advertised for public comments.
Pniel and surrounding electrical supply area to Stellenbosch.	Transfer of Pniel and surrounding electrical supply area to Stellenbosch, approved by Drakenstein and Stellenbosch Councils. An application to be lodged with NERSA.
Replacing streetlights with energy saving LED lights.	A project to the value of R6 million was completed, replacing streetlights with energy saving LED lights.
Upgrade of substations.	Jan Marais 66kV substation and other substations were upgraded.
Overhead lines replacement with underground reticulation.	Project to replace overhead lines with underground reticulation in Ida's Valley is 70% complete.
Quarterly SWM newsletter.	Launch of the quarterly SWM Newsletter "Utter Rubbish" as a communication network - the first in a municipal departmental environment.
Skills development programs.	83% spending of skills budget for the development of staff in the organisation.
Record management.	Compliant archive registry in place.
Exceed the projected value of building plan fees with 46%.	The increase of the processing of building plans <500m² (within 30 days) from 80% to 92% and building plans >500² (within 60 days).
Grant-in-Aid (GIA).	The implementation of the process has been aligned with the budget cycle and the GIA policy aligned to the IDP needs identification.
Successful youth interventions.	Training of 60 youths with accredited artisan skills training across 5 disciplines.
Mapping of Early Childhood Development centres (ECD).	The geo-mapping of all local ECD's within municipality completed on GIS.
Backup power to high sites.	Matopie and Papegaaiberg sites installed with 8-hour standby power generation.
98% network system uptime.	Upgrade of ICT infrastructure improved to 98% uptime.
100% network connectivity.	ICT connection to all municipal sites reached 100%.
ICT strategy review.	ICT strategy for 2015/16 reviewed by SITA.

Table 25: Basic Service Delivery Highlights

1.3.2 BASIC SERVICES DELIVERY CHALLENGES

Challenge	Actions to address
Capacity constraints (staff).	Rapid appointment of staff.
Outdated equipment and implements.	List all equipment i.t.o. priority and budget accordingly.
Recruitment processes.	Excel recruitment and selection processes to ensure quick replacement of staff.
Control of alien invasive plant specimens.	Ensure sufficient resources for a 5-year budget cycle.
Ageing biological assets (oak trees) posing a danger to private property and the identity of the "Oak City".	Identify most critical and dangerous trees to be removed and replaced with new Oak specimens to retain the status as one of the "Oak Cities" in SA.
Layout changes for the 295 service sites in Kayamandi impacted on a reduction of sites and funding to create retaining walls.	Project reduced from 295 to 277 service sites. Funding application for retaining walls was submitted to Provincial Department of Human Settlements.
Soil conditions of the Jamestown housing development creates geotechnical challenges.	Applied for additional funding from the Provincial Department of Human Settlements
Changes on the layout due to steep site conditions of the 193 top structures in Kayamandi reduced the number of structures to 169. Community unrest, labour issues and strikes on site caused project delay.	Ongoing inter-governmental co-operation between Stellenbosch Municipality and the Provincial Department of Human Settlements. Multi-stakeholder co-operation between Stellenbosch Municipality, site committee and Service provider assisted in resolving the problem.
Rolling out of youth services in different communities.	Additional funding required for youth services in the communities of Idas Valley and Cloetesville.
The availability of ICT resources in terms of sufficient data storage capacity of servers and network share drives, bandwidth and cable internet connection and the satellite connection to Franschhoek.	Provision will be made to acquire a large enough server with sufficient storage capacity and a central network which can accommodate the housing and sharing of information constructively. The bandwidth and cable internet connection for the municipality and the satellite feed to the Franschhoek office to be upgraded.

Table 26: Basic Service Delivery Challenges

1.3.3 PROPORTION OF HOUSEHOLDS WITH ACCESS TO BASIC SERVICES

Service	2011
Formal Dwellings	90.7%
Informal Dwellings	9.3%
Formal Dwelling Backlog	3 149
Electricity Connections (% Share of HHS)	98.8%
Hygienic Toilets	97.2%
Water (Piped Water)	96.7%
Formal Refuse Removal (% share of HHS)	89.9%

Table 27: Households with minimum level of Basic Services

1.4.1 FINANCIAL VIABILITY HIGHLIGHTS

Highlight	Description
Long Term Financial Plan updated and approved.	This plan fulfils the role of an affordability assessment framework for the three year budgeting process, including cash flows, affordability of long term loans and possible capital investments.
Improved asset ratio.	The municipality's acid ratio improved from 2.6 in the 2014/15 financial year to 2.7 in 2015/16 financial year. This translates into an upgraded ability by the municipality to pay its short-term and long-term obligations.
Improved liquidity ratio.	The municipality's liquidity ratio improved from 2.5 in the 2014/15 financial year to 2.6 in 2015/16 financial year.
Net cash flow.	The net cash flow from operating activities equals an amount of R305 million in the 2015/16 financial year compared to R298 million in 2014/15.
Increase in capital investment.	The capital investment of R230 million in 2014/15 increased to R349 million for the 2015/16 financial year. The increase of 52% indicates the commitment to service delivery in terms of infrastructural developments.

Table 28: Financial Viability Highlights

1.4.2 FINANCIAL VIABILITY CHALLENGES

Challenge	Description
Debt collection.	The traceability of all debtors poses a challenge to the debt collection process.
Above inflation tariff increases.	Above inflation increases of cost of electricity impacts on affordability of municipal accounts.
Increased grant dependency.	Grant dependency increased from 12% in the 2014/15 financial year to 16% in the 2015/16 financial year.
Reduction in grants received.	MSIG and EPWP grants received were less than the preceding years'.
Revenue leakage.	An integrated revenue enhancement approach followed to combat leakages.

Table 29: Financial Viability Challenges

1.4.3 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (RATIOS)

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations no. 796 of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area namely Municipal Financial Viability and Management.

KPA & Indicator	2013/14	2014/15	2015/16
Debt coverage (total operating revenue - operating grants received): debt service payments due within the year	46.83	42.45	64.13
Service debtors to revenue – total outstanding service debtors: revenue received for services.	17.66%	18.22%	10.22%
Cost coverage (available cash + investments): monthly fixed operating expenditure.	7.84	9.89	1.4

Table 30: National KPI's for Financial Viability and Management

1.4.4 FINANCIAL OVERVIEW

Details	Original budget	Adjustment Budget	Actual
	R000		
Income			
Grants(Operating & Capital)	235 201	235 951	227 268
Taxes, Levies and Tariffs	938 226	936 728	1 064 738
Other	158 138	177 266	119 082
Sub-Total	1 331 565	1 349 945	1 411 088
***Less* Expenditure**	(1 274 227)	(1 284 671)	1 261 418
Net surplus/(deficit)	57 338	65 274	149 671

Table 31: Financial Overview

1.4.5 OPERATING RATIOS

Detail	Expected norm	Actual	Variance
Employee Cost	30%	29%	1%
Repairs & Maintenance	8%	4%	4%
Finance Charges	15%	2%	13%

Table 32: Operating Ratios

Employee cost is 1% lower than the norm of 30%, which represents a positive outcome. Repairs and maintenance are 4% below the norm of 8%, which indicates that expenditure on repairs and maintenance would have to be increased in future budgets to properly maintain Council's assets. Finance charges are 13% lower than the norm of 15%, this

can be attributed mainly to our ability to fund our capital programmes to some extent from our own sources and not external finance. In future, infrastructure backlogs will be addressed and will have a major impact on this ratio.

1.4.6 TOTAL CAPITAL EXPENDITURE

Detail	2012/13	2013/14	2014/2015	2015/16
	R			
Original Budget	189,043,691	200,065,525	294,188,484	452,759,209
Adjustment Budget	197,810,899	187,940,297	251,030,778	437,183,145
Actual	175,739,318	174,740,852	230 350 691	348,861,006

Table 33: Total Capital Expenditure

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

During 2012/13, Stellenbosch Municipality embarked on the first revision of its 3rd generation 2012/17 Integrated Development Plan and Medium-Term Revenue and Expenditure Framework for 2012/15.

A process plan, paving the way for ensuring an inclusive and comprehensive IDP process and culminated in the adoption of the 2015/16 (revised) IDP on 27th of March 2015. The process was also marked by a renewed commitment to ensuring that the organisational structure, human resources, skills and capacity entrenched in its officials and councillors all contribute immensely to the successful execution of the municipal strategy.

1.5.1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS

Highlight	Description
Project managers appointed.	Strategic project managers appointed to drive strategic and governance projects.
Capacity constraints (staff).	Rapid appointment of staff.
Medical assessment.	Medical assessment of relevant staff concluded during 2015/16.
Municipal Universal Access Policy.	Approved policy guiding the responsibility to ensure universal access to all citizens through service delivery between all departments within the municipality.
Council approval of the policy to manage municipal agricultural land.	The policy provides a framework for the management of the Council's capital assets with specific reference to municipal agricultural land in accordance with the municipality's Supply Chain Management policy.
Employment equity.	Employment equity appointments made. Training and exposure were provided

Table 34: Municipal Transformation and Organisational Performance Highlights

1.5.1.1 MUNICIPAL STANDARD CHART OF ACCOUNTS

This strategic municipal financial management business reform (Municipal Regulations on a Standard Chart of Accounts) will have substantial operational and institutional implications for the Municipality leading up to 1 July 2017.

In terms of section 169(1)(b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), the Minister of Finance has signed into effect and subsequently published the Municipal Regulations on a Standard Chart of Accounts (SCOA) in terms of Notice 312 of 2014, Government Gazette No. 37577 subsequent to formal consultation.

Section 216 of the Constitution of the Republic of South Africa, 1996, provides that national legislation must prescribe measures to ensure transparency and expenditure control in each sphere of government by introducing generally recognised accounting practice (GRAP), uniform expenditure classifications and uniform treasury norms and standards. The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003, MFMA), determines those measures for the local sphere of government and enables the Minister of Finance to further prescribe by regulation such measures in terms of section 168 thereof.

The Minister of Finance has, in terms of section 168 of the Local Government: Municipal Finance Management Act, 2003 (Act No.56 of 2003), and acting with the concurrence of the Minister of Cooperative Governance and Traditional Affairs gazetted the Municipal Regulations on Standard Chart of Accounts (mSCOA) into effect on 22 April 2014. Municipal SCOA provides a uniform and standardised financial transaction classification framework. Essentially, this means that mSCOA prescribes the method (the how) and format (the look) that municipalities and their entities should use to record and classify all expenditure (capital and operating), revenue, assets and liabilities, policy outcomes and legislative reporting.

The Regulations apply to all municipalities and municipal entities and indicate its applicability and relevance to each specific municipal environment while accommodating organisational uniqueness and structural differences. The Regulation provides for a three year preparation and readiness window and all 278 municipalities must be compliant to the mSCOA classification framework by 1 July 2017.

1.5.2 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES

Challenge	Actions to address
Organisational structure.	An organisational restructuring process is planned to be implemented in the new financial year.
Leadership continuity.	Municipal Manager and Senior Manager vacancies for extended periods. Different acting municipal managers.
Task implementation.	An assessment of the process in progress.
Capacity constraints (staff).	All capacity constraints will be identified during the organisational restructuring process and be addressed accordingly.
Succession planning.	Enrolling staff at lower levels to complete Minimum Competency course.
Computer system integration.	An alignment and integration of systems is planned.
Alignment of Universal Access policy to all other municipal policies.	In order for the Universal Access policy to give effect to service delivery experiences by all persons, the policy needs to be aligned to all other municipal policies.

Table 35: Municipal Transformation and Organisational Development Challenges

1.5.3 EXTERNAL MUNICIPAL SURVEYS

1.5.3.1 GOOD GOVERNANCE AFRICA

GGA aims to promote good governance in Africa through applied research and critical debate. The 36th issue of *Africa in Fact, dated March/April 2016* explores the topic of local government with a view to celebrating instances of good governance on the continent in an endeavour to facilitate positive transformation.

The results of the surveys are revealing that there is an urgent need for South Africa's government to significantly improve the quality of its administration, as well as economic and social development and service delivery to the communities at local level. Popular dissatisfaction with the local government is growing, with social grants and pensions practically the only successes. Citizens at grassroots level consistently express strong negative sentiments regarding the absence of accountability, as well as about pervasive incompetence and corruption in our local governments. They identify the ruling party's failure to take responsibility for the economy and unemployment as another source of dissatisfaction. South African citizens are also disillusioned with regard to law and order, education and health service, and sceptical regarding their democratic freedoms. The majority of the people interviewed have lost hope in the capacity of the government to hear and respond to the needs of the community. It would appear that we still have a long walk to achieve true democratic freedom.

The Good Governance Africa (GGA) Governance Performance Index (GPI) comprises tables for both provincial and national level. Rankings refer to 15 indicators, namely administrative, economic development and service delivery related variables. Out of the top 20 municipalities, 15 are located in the Western Cape, with three in the Northern Cape and two in the Free State. Some 60% of the bottom 20 are in the Eastern Cape, 30% in KwaZulu-Natal and one each in Limpopo and the North West provinces.

The GGA report isolates some of the factors at play in determining the positioning of the various municipalities and makes certain key recommendations to enhance governance. GGA also shared Markdata's analysis on local ward councillors. In the main, it demonstrates that the vast majority of people neither know their ward councillor, nor how to access them and that they have not experienced any gains from the work of their councillors in the last year. The overall ranking of councillors is poor, averaging less than 4/10 across the sample. The general feeling is summed up by one indicative comment that "we will see them when it is election time."

This leaves us with a conundrum: if governance in a democratic sense is, as we would like to believe, "of the people, by the people, for the people", then how can we reconcile this with a situation in which the people largely do not feel represented, are frustrated, dissatisfied and in some instances radically disillusioned - independent of age, race, gender, language, province or socio-economic group?

Tragically, it is the poorest people that are those in the lowest Living Standards Measure, who show the least satisfaction with the local governors, while simultaneously demonstrating a profound dependency on social grants and pensions to stay alive. Surely this is not, and could never be, the desired state of affairs for any government concerned with the well-being of its people?

All of this has caused considerable public concern. In recent years, the country has seen much social unrest and public protest, including disruptions in parliament, a student incursion into the parliamentary precinct, a series of student protests and a large march through Johannesburg to the Johannesburg Stock Exchange, as well as a continuing rhythm of service delivery protests.

Public attitudes were tested towards key aspects of governance by including a number of questions in the Markdata Omnibus Survey of September 2015*. This survey consisted of a fully representative nation - a sample of 2,245 respondents, weighted by race, gender, province and other key variables. The survey was conducted between 24 August and 30 September 2015, at a time of some national disillusion provoked in particular by the decline of economic growth and the consequent rise in unemployment. It was immediately clear that the public mood was sour and difficult. Many of Markdata's interviewers were threatened while attempting to ask questions.

Surveys were started with a general question: "How sensitive and accountable to the people do you think the government is?" Surveys often lead with a general question of this sort, such as asking people whether they expect tomorrow to be better than today. Clearly, in testing opinions about governance, accountability to the people is a prime concern. We found that only 14.3% of all our respondents said that the government was completely accountable, while another 39.7% said it was partially accountable. That is, overall, some 54% found the government's accountability to be at least to some extent satisfactory. This is not a high figure when one considers that some 62% of the population had voted for the current government, according to the Independent Electoral Commission, and that ideally one would want everyone in a democracy to see the government as accountable.

The results of the survey indicate that 21.6% agreed that "the government only really represents the interests of a small political class," while another 24.3% agreed that "today's government is even less accountable and sensitive to the needs of the people than the old apartheid government was."

Taking these last two groups together, it emerges that almost 46% of respondents were quite radically disillusioned with government accountability to the public and, indeed, felt that it hardly existed at all. It was noticeable that men were more disillusioned than women, with nearly 49% expressing radically disillusioned views compared to 43.4% of women.

The international Development of Governments Can Be Seen in the World Human Development Index

Country	Rank	Country	Rank	Country	Rank	Country	Rank
Norway	1	Kuwait	48	Libya	94	Bangladesh	142
Australia	2	Montenegro	49	Tunisia	96	Cambodia	143
Switzerland	3	Belarus	50	Colombia	97	Sao Tome and Principe	143
Denmark	4	Russian Federation	50	Saint Vincent and the Grenadines	97	Kenya	145
Netherlands	5	Oman	52	Jamaica	99	Nepal	145
Germany	6	Romania	52	Tonga	100	Pakistan	147
Ireland	6	Uruguay	52	Belize	101	Myanmar	148
United States	8	Bahamas	55	Dominican Republic	101	Angola	149
Canada	9	Kazakhstan	56	Suriname	103	Swaziland	150
New Zealand	9	Barbados	57	Maldives	104	Tanzania	151
Singapore	11	Antigua and Barbuda	58	Samoa	105	Nigeria	152
Hong Kong, China	12	Bulgaria	59	Botswana	106	Cameroon	153
Liechtenstein	13	Palau	60	Moldova	107	Madagascar	154
Sweden	14	Panama	60	Egypt	108	Zimbabwe	155
United Kingdom	14	Malaysia	62	Turkmenistan	109	Mauritania	156
Iceland	16	Mauritius	63	Gabon	110	Solomon Islands	156
Korea (Republic of)	17	Seychelles	64	Indonesia	110	Papua New Guinea	158
Israel	18	Trinidad and Tobago	64	Paraguay	112	Comoros	159
Luxembourg	19	Serbia	66	Palestine	113	Yemen	160
Japan	20	Cuba	67	Uzbekistan	114	Lesotho	161
Belgium	21	Lebanon	67	Philippines	115	Togo	162
France	22	Costa Rica	69	El Salvador	116	Haiti	163
Austria	23	Iran	69	South Africa	116	Rwanda	163
Finland	24	Venezuela	71	Viet Nam	116	Uganda	163
Slovenia	25	Turkey	72	Bolivia	119	Benin	166
Spain	26	Sri Lanka	73	Kyrgyzstan	120	Sudan	167
Italy	27	Mexico	74	Iraq	121	Djibouti	168
Czech Republic	28	Brazil	75	Cabo Verde	122	South Sudan	169
Greece	29	Georgia	76	Micronesia	123	Senegal	170
Estonia	30	St Kitts and Nevis	77	Guyana	124	Afghanistan	171
Brunei Darussalam	31	Azerbaijan	78	Nicaragua	125	Côte d'Ivoire	172
Cyprus	32	Grenada	79	Morocco	126	Malawi	173
Qatar	32	Jordan	80	Namibia	126	Ethiopia	174
Andorra	34	Macedonia	81	Guatemala	128	Gambia	175
Slovakia	35	Ukraine	81	Tajikistan	129	Congo (DRC)	176
Poland	36	Algeria	83	India	130	Liberia	177
Lithuania	37	Peru	84	Honduras	131	Guinea-Bissau	178
Malta	37	Albania	85	Bhutan	132	Mali	179
Saudi Arabia	39	Armenia	85	Timor-Leste	133	Mozambique	180
Argentina	40	Bosnia and Herzegovina	85	Syria	134	Sierra Leone	181
United Arab Emirates	41	Ecuador	88	Vanuatu	134	Guinea	182
Chile	42	Saint Lucia	89	Congo	136	Burkina Faso	183
Portugal	43	China	90	Kiribati	137	Burundi	184
Hungary	44	Fiji	90	Equatorial Guinea	138	Chad	185
Bahrain	45	Mongolia	90	Zambia	139	Eritrea	186
Latvia	46	Thailand	93	Ghana	140	Central African Republic	187
Croatia	47	Dominica	94	Laos	141	Niger	188

Source: UN Development Programme (rankings as assigned by the UNDP)

Figure 24 World Human Development Index

The Human Development Index (HDI) is a key measure used by the United Nations to assess the relative level of socio-economic development in countries. It is a measure of peoples' ability to live a long and healthy life, to communicate, participate in the community and to have sufficient means to be able to afford a decent living. The HDI is thus a composite of factors reflecting schooling, economic prosperity and longevity. It is represented by a number between 0 and 1 where 1 indicates a high level of human development and 0 represents no human development. The Human Development Index ranking of African countries is displayed on the map below. South Africa is number 116 on the list.

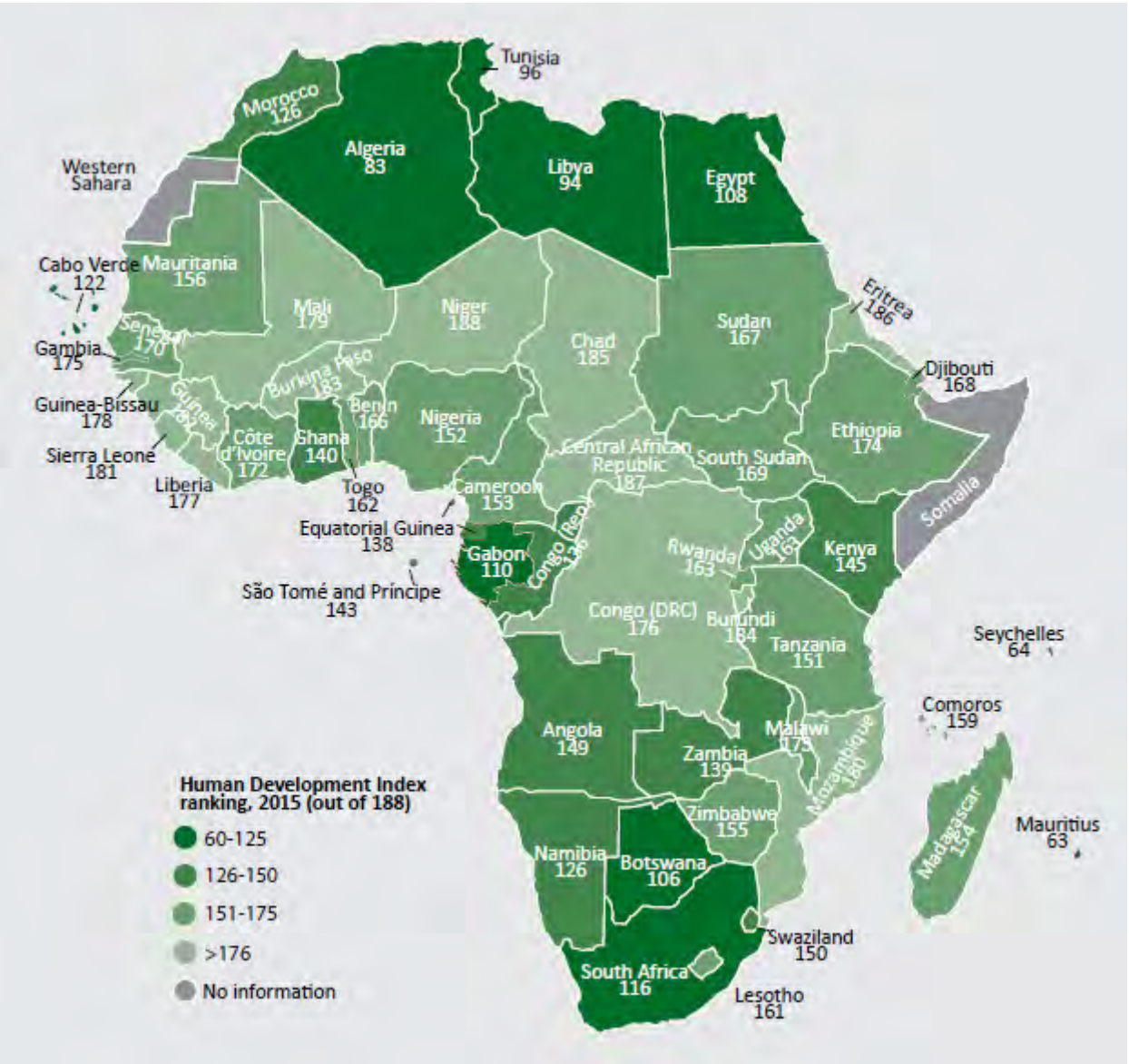


Figure 25 African Human Development Index

According to the GGA Government Performance Index of 2016, Stellenbosch Municipality ranked as number 31 in South Africa (Figure 26) and as number 18 in the Western Cape (Figure 27)

GGA Government Performance Index 2016®

Our survey of the country's 234 local municipalities reveals a pattern of extremes

National rank	Municipality	Province	Governing party
1	Swellendam	WC	DA-ACDP
2	Hessequa	WC	DA
3	Bergrivier	WC	DA
4	Swartland	WC	DA
5	Mossel Bay	WC	DA
6	Langeberg	WC	DA
7	Overstrand	WC	DA
8	Saldanha	WC	DA
9	Emthanjeni	NC	ANC
10	Witzenberg	WC	DA-COPE-DCP-IND
11	Cape Agulhas	WC	ANC
12	Beaufort West	WC	ANC
13	Prince Albert	WC	ANC
14	Hantam	NC	DA-COPE
15	Matzikama	WC	ANC
16	Drakenstein	WC	DA
17	Richtersveld	NC	ANC
18	George	WC	DA
19	Metsimaholo	FS	ANC
20	Dihlabeng	FS	ANC
21	//Khara Hais	NC	ANC
22	Lesedi	GP	ANC
23	Ngwathe	FS	ANC
24	Kopanong	FS	ANC
25	City of Cape Town	WC	DA
26	Kouga	EC	ANC
27	Mangaung	FS	ANC
28	Kwa Sani	KZN	ANC
29	Cederberg	WC	ANC
30	Baviaans	EC	DA
31	Stellenbosch	WC	DA
32	Bitou	WC	DA
33	Camdeboo	EC	ANC
34	Govan Mbeki	MP	ANC
35	Breede Valley	WC	DA
36	Umsobomvu	NC	ANC
37	Tswelopele	FS	ANC
38	Khâi-Ma	NC	ANC
39	Mantsopa	FS	ANC

Provincial rank	Municipality	Governing party
Eastern Cape		
1	Kouga	ANC
2	Baviaans	DA
3	Camdeboo	ANC
4	Inxuba Yethemba	ANC
5	Gariep	ANC
6	Kou-Kamma	ANC
7	Nxuba	ANC
8	Maletswai	ANC
9	Ndlambe	ANC
10	Nelson Mandela Bay	ANC
11	Blue Crane Route	ANC
12	Makana	ANC*
13	Lukhanji	ANC
14	Ikwezi	ANC
15	Inkwanca	ANC
16	Buffalo City	ANC
17	Nkonkobe	ANC
18	Tsolwana	ANC
19	Amahlathi	ANC
20	Senqu	ANC
21	Sundays River Valley	ANC
22	Sakhisizwe	ANC
23	Elundini	ANC
24	Ngqushwa	ANC
25	Emalahleni	ANC
26	Great Kei	ANC
27	Matatiele	ANC
28	King Sabata Dalindyebo	ANC
29	Umzimvubu	ANC
30	Mnquma	ANC
31	Nyandeni	ANC
32	Port St Johns	ANC
33	Intsika Yethu	ANC
34	Mhlontlo	ANC
35	Engcobo	ANC
36	Mbhashe	ANC
37	Ingquza Hill	ANC
38	Ntabankulu	ANC

Figure 26 RSA Government Performance Index 2016

GGA Government Performance Index 2016©

National rank	Municipality	Province	Governing party
208	Hlabisa	KZN	IFP
209	Greater Giyani	LP	ANC
210	Jozini	KZN	ANC
211	Nkomazi	MP	ANC
212	Imbabazane	KZN	ANC*
213	Makhuduthamaga	LP	ANC
214	Mpinga	KZN	IFP
215	King Sabata Dalindyebo	EC	ANC
216	Greater Taung	NW	ANC
217	Umzimvubu	EC	ANC
218	Mnquma	EC	ANC
219	Umzumbe	KZN	ANC
220	uMhlabuyalingana	KZN	ANC
221	Nyandeni	EC	ANC
222	Ndwedwe	KZN	ANC
223	Port St Johns	EC	ANC
224	Intsika Yethu	EC	ANC
225	Mhlontlo	EC	ANC
226	Engcobo	EC	ANC
227	Maphumulo	KZN	ANC
228	Mbhashe	EC	ANC
229	Greater Tubatse	LP	ANC
230	Vulamehlo	KZN	ANC
231	Ingquza Hill	EC	ANC
232	Ntambanana	KZN	ANC
233	Ntabankulu	EC	ANC
234	Mbizana	EC	ANC

Provincial rank	Municipality	Governing party
10	Ventersdorp	ANC*
11	Madibeng	ANC*
12	Ratlou	ANC
13	Maquassi Hills	ANC
14	Mamusa	ANC
15	Kgetlengrivier	ANC
16	Ditsobotla	ANC*
17	Tswaing	ANC*
18	Kagisano-Molopo	ANC
19	Greater Taung	ANC
Western Cape		
1	Swellendam	DA-ACDP
2	Hessequa	DA
3	Bergrivier	DA
4	Swartland	DA
5	Mossel Bay	DA
6	Langeberg	DA
7	Overstrand	DA
8	Saldanha	DA
9	Witzenberg	DA-COPE-DCP-IND
10	Cape Agulhas	ANC
11	Beaufort West	ANC
12	Prince Albert	ANC
13	Matzikama	ANC
14	Drakenstein	DA
15	George	DA
16	City of Cape Town	DA
17	Cederberg	ANC
18	Stellenbosch	DA
19	Bitou	DA
20	Breede Valley	DA
21	Laingsburg	DA-COPE
22	Knysna	DA
23	Theewaterskloof	DA
24	Oudtshoorn	ANC*
25	Kannaland	ICOSA-ANC

Political parties: abbreviations

ACDP	African Christian Democratic Party
ANC	African National Congress
COPE	Congress of the People
DA	Democratic Alliance
DCP	Democratic Christian Party
ICOSA	Independent Civic Organisation of South Africa
IFP	Inkatha Freedom Party
IND	Independent
KGP	Karoo Gemeenskap Party
NFP	National Freedom Party
*	Indicates the municipality is currently under provincial administration

Figure 27 Provincial Government Performance Index, 2016

1.5.3.2 RATINGS AFRIKA

Ratings Afrika is a ratings agency that specialises in ratings and similar opinions gauging the soundness of governance in different entities, including municipalities. The agency assigns its ratings and scorings solely upon request in the form of a mandate.

Ratings Africa released a Municipal Financial Sustainability Index(MFSI) in January 2016.

The rationale for the MFSI is that it fulfills the role of an independent benchmarking instrument to compare a municipality with its peers on a stand-alone basis.

Financial stability is measured in terms of the ability of the municipality to:

- deliver services;
- develop and maintain infrastructure required by residents without unplanned increases in rates and tarrifs or a reduction in the level of services; and
- absorb financial shocks caused by economic and natural disasters without external assistance.

Ratings form the pinnacle of opinions issued by Ratings Afrika. They are only issued when a request for rating is received from the ratee, via standard mandate. This sets out the relationships, underscores independence, requires access to information and promises confidentiality. Outputs from a rating assignment include: a rating symbol that indicates the soundness of governance, a report summarising the agency's views, verbal feedback,a board presentation and a press release on publication. The rating process is interactive. At the time of the initial rating, the ratee has the option of either keeping the result confidential or making it known publicly.

Municipal Financial Sustainability Index by Ratings Afrika. Last reviewed: Jan 2016

Stellenbosch

Province: Western Cape

1. Financial Sustainability Index	2011	2012	2013	2014	2015
Budget position	76	70	66	69	65
Operating performance	57	45	41	75	30
Liabilities management	92	86	84	88	80
Liquidity management	94	97	96	93	98
Financial stability	**82**	**78**	**76**	**84**	**73**
Affordability	79	76	74	67	68
Infrastructure development	80	86	88	90	90
Sustainability Index score	**81**	**79**	**77**	**82**	**75**
2. General information					
Provincial population	5 287 863	5 652 382	6 016 900	6 116 300	6 200 100
Provincial GDP (Rm - estimate)	413 913	446 537	485 545	519 533	555 900
Provincial GDP per capita (R - estimate)	78 276	79 000	80 697	84 942	89 660
Municipal population (estimate)	155 733	160 019	164 422	168 947	173 596
Municipal area (km²)	835	835	835	835	835
Population density (per km²)	187	192	197	202	208
Capex per capita (3 Yr average)	809	952	1 017	1 111	1 172
Household income as % of Nat'l average	150	145	141	137	133
3. Property tax base	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Property valuations					
Total valuation	**21 493 375**	**21 493 375**	**22 568 044**	**23 696 446**	**24 881 268**
Property rates received					
Total rates received	**183 291**	**192 416**	**205 935**	**235 933**	**252 369**
Average rate earned (Cents)					
Residential	0.954	1.146	1.057	1.055	n/c
Commercial	0.954	0.811	0.969	1.186	n/c
Agricultural	0.954	0.974	1.042	1.064	n/c
State & Municipal	n/c	n/c	n/c	n/c	n/c
Total average	**0.853**	**0.895**	**0.913**	**0.996**	**1.014**
4. Electricity services					
Sales of electricity only	302 890	332 461	362 675	404 678	414 759
Bulk purchases	161 023	204 322	239 090	250 903	268 064
Gross electricity surplus	**141 867**	**128 138**	**123 584**	**153 775**	**146 696**
Gross electricity margin (%)	**46.8**	**38.5**	**34.1**	**38.0**	**35.4**
Total electricity-related revenue	306 712	347 115	376 554	413 698	n/a
Cost	204 201	308 477	360 087	394 011	n/a
Segmental electricity surplus	**102 511**	**38 637**	**16 467**	**19 688**	**n/c**
Segmental electricity margin (%)	**33.4**	**11.1**	**4.4**	**4.8**	**n/c**
5. Water services					
Sales of water only	82 233	93 776	95 458	99 067	122 046
Bulk purchases	12 648	12 212	16 248	18 195	19 280
Gross water surplus	**69 585**	**81 564**	**79 210**	**80 872**	**102 766**
Gross water margin (%)	**84.6**	**87.0**	**83.0**	**81.6**	**84.2**
Total water-related revenue	89 022	103 686	104 327	129 935	n/a
Cost	63 965	72 646	81 014	125 811	n/a
Segmental water surplus	**25 057**	**31 041**	**23 313**	**4 124**	**n/c**
Segmental water margin (%)	**28.1**	**29.9**	**22.3**	**3.2**	**n/c**

Figure 28 Municipal Financial Sustainability Index by Ratings Africa – January 2016

Municipal Financial Sustainability Index by Ratings Afrika. Last reviewed: Jan 2016

Stellenbosch

FINANCIAL POSITION

Year ended 30 June (R million)	2013	% Δ	2014	% Δ	2015
Net assets	4 717.5	3.2	4 867.7	1.0	4 916.1
Long-term liabilities	94.7	16.2	110.0	36.7	150.3
Consumer deposits & other	64.5	(2.5)	62.9	(15.7)	53.0
Employee benefit obligation	182.0	(23.2)	139.8	35.0	188.7
	5 058.6	2.4	5 180.4	2.5	5 308.1
Property plant and equipment	4 118.7	0.5	4 138.8	2.4	4 237.4
Investments	-	-	-	-	-
Other non-current assets	551.7	2.3	564.5	(1.4)	556.3
Net current assets	388.2	22.9	477.1	7.8	514.4
Current assets	587.6	20.3	706.9	17.0	826.9
Inventory	5.7	56.9	9.0	77.1	15.9
Debtors	98.8	31.5	130.0	(20.4)	103.4
Bank and investments	438.9	15.0	504.9	20.7	609.4
Other	44.1	42.8	63.0	55.9	98.1
Current liabilities	199.3	15.3	229.8	36.0	312.5
Creditors and provisions	186.9	12.9	211.0	42.6	301.0
Short term liabilities	12.4	50.8	18.7	(38.6)	11.5
	5 058.6	2.4	5 180.4	2.5	5 308.1

FINANCIAL PERFORMANCE

Revenue	1 011.0	14.7	1 160.1	1.5	1 177.2
Property rates	205.9	14.6	235.9	7.0	252.4
Electricity sales	362.7	11.6	404.7	2.5	414.8
Water sales	95.5	3.8	99.1	23.2	122.0
Other service charges	72.8	4.8	76.3	15.8	88.4
Other income	97.2	100.3	194.6	(17.7)	160.1
Own revenue	834.0	21.2	1 010.6	2.7	1 037.7
Operating grants	99.2	(10.8)	88.5	(7.0)	82.3
Operating revenue	933.3	17.8	1 099.1	1.9	1 119.9
Capital & conditional grants	77.7	(21.6)	60.9	(6.0)	57.3
Expenditure	924.0	9.2	1 009.3	14.0	1 150.2
Employee costs	255.9	10.1	281.6	39.0	391.5
Debt impairment	6.9	(528.5)	(29.4)	(361.8)	77.1
Bulk purchases	255.3	5.4	269.1	6.8	287.3
Depreciation	132.6	(0.9)	131.4	13.4	149.0
Repairs & maintenance	57.0	14.1	65.1	(10.2)	58.5
Other expenses	207.9	34.8	280.2	(38.1)	173.5
Operating expenditure	915.5	9.0	997.9	13.9	1 136.8
Interest paid	8.5	34.2	11.3	18.2	13.4
Fair value adjustments & tax	-		0.6		16.6
Net income / (deficit)	87.0	74.1	151.4	(71.2)	43.6

CASH FLOW STATEMENT

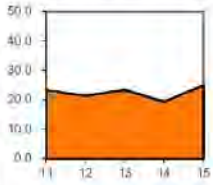
Cash from operations	236.0	(5.3)	223.5	31.1	292.9
Cash generated by operations	219.6	(7.1)	203.9	30.5	266.1
Investment income	24.8	24.5	30.9	30.0	40.2
	244.4	(3.9)	234.9	30.4	306.3
Finance costs	(8.5)	34.2	(11.3)	18.2	(13.4)
Cash from investing activities	(190.8)	(10.6)	(170.5)	33.3	(227.4)
Additions to fixed assets	(191.8)	(10.0)	(172.6)	33.2	(229.9)
Proceeds on sale of fixed assets	0.6	15.9	0.7	230.4	2.3
(Increase) / decrease in investments	0.4	261.4	1.4	(100.0)	-
Other	-	-	-	-	0.2
Net cash flow	45.2	17.3	53.0	23.7	65.5
Loans raised	22.4	7.6	24.1	107.6	50.0
Loans repaid	(5.4)	105.2	(11.0)	(0.1)	(11.0)
Consumer deposits increase	-	-	-	-	-
Cash resources (increase) / decrease	(62.2)	6.2	(66.0)	58.2	(104.5)
Cash from financing activities	(45.2)	17.3	(53.0)	23.7	(65.5)

RATIO ANALYSIS

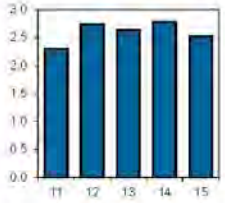
Net income / income (%)	8.60	13.05	3.70
Employee cost / revenue (%)	25.31	24.28	33.25
Repairs & maintenance / revenue (%)	5.64	5.61	4.97
Cash from operations / income (%)	23.34	19.27	24.88
Debtors collection rate (%)	97.74	94.92	97.99
Current ratio (:1)	2.80	2.93	2.54
Interest-bearing debt / Opr revenue (%)	11.48	11.71	14.45
Net cash flow / int-bearing debt (%)	0.42	0.41	0.40
Cash generated / interest paid	28.92	20.71	22.85

- = nil / not disclosed n/c = not calculated

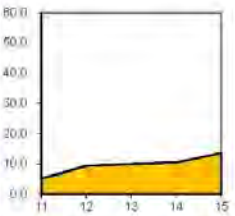
Cash from operations : total income



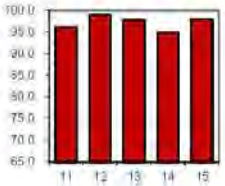
Adjusted current ratio



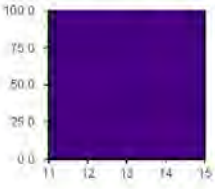
Interest-bearing debt : total income



Debtors' collection rate



Cash before capex : interest-bearing debt



Ratings Afrika

1.5.4 MFMA COMPETENCIES

In terms of section 83(1) of the MFMA, the accounting officer, senior managers, chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act. National Treasury prescribed such financial management competencies in Government Notice 493, dated 15 June 2007.

To assist the aforementioned officials in acquiring the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes-based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect, as of 1 January 2013 (exempted until 30 September 2015 as per Government Notice 179 of 14 March 2014), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

72 Employees completed and are competent in the Minimum Competency Levels. The service provider appointed for this training was Kgolo Institute.

The table below provides details of the financial competency development progress as required by the regulation (Government Notice 493 of 15 June 2007):

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials				
Accounting Officer	0	0	0	0
Chief Financial Officer	1	1	0	1
Senior Managers	4	4	0	4
Any other financial officials	66	66	0	66
Supply Chain Management Officials				
Heads of supply chain management unit	1	1	0	1
Supply chain management senior managers	0	0	0	0
TOTAL	**72**	**72**	0	**72**

Table 36: Financial Competency Development: Progress Report

1.6 AUDITOR GENERAL REPORT

Stellenbosch Municipality received a clean audit report from the Auditor-General. A clean audit means that the financial statements are free from material misstatements (in other words, a financially unqualified audit opinion) and there are no material findings on reporting on performance objectives or non-compliance with legislation. However, some matters of emphasis were highlighted by the Auditor-General of which the details are in Chapter 6 of this report.

1.6.1 AUDITED OUTCOMES

Year	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Status	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified (clean audit)	Unqualified (clean audit)

Table 37: Audit Outcomes Source: Auditor General of South Africa, 2016

CHAPTER 2: GOVERNANCE

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

A) NATIONAL KEY PERFORMANCE INDICATORS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

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

KPA & INDICATORS	2012/13	2013/14	2014/15	2015/16
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan.	88.79	92.97	91.52	79.74

Table 38: National KPIs - Good Governance and Public Participation Performance

B) PERFORMANCE HIGHLIGHTS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Highlight	Description
Audit action plan.	The compilation and successful implementation of an audit action plan
Improved capital grant spending.	100% of National Government Capital Grants spent and 90% of Provincial Government Capital Grants spent for the 2015/16 financial year.
Third Generation Integrated Waste Management Plan (IWMP).	The Third Generation IWMP, first in the province, gives direction regarding waste-to-energy, Alternate Waste Management options and Waste Management projects proposals.
Transit Oriented Development (TOD).	A feasibility study was completed for Transit Oriented Development. The TOD is also registered as a Joint Planning Initiative.
Effective governance structure for Transport.	Quarterly meetings of the Transport Working Group involve role players such as the Minister of Transport and Public Works, National and Provincial departments, University of Stellenbosch, the taxi-industry and business representatives.
Improvement of water quality.	Participation in the establishment of the Stellenbosch River Collaborative, aiming to improve water quality in the Plankenbrug River
Participation in Berg River Improvement Project.	Participation in Berg River Improvement Project, including initialisation of Genius of Place Project (innovative surface water treatment in an informal area). The project has received an international nomination for best innovation in sewer/storm water management
The establishment of a corporate GIS in the municipality.	The GIS platform enabled the municipality to integrate all systems based on the GIS platform and to introduce electronic applications systems for building plans and town planning applications.

Infrastructure Innovation Committee (IIC).	Infrastructure Innovation Committee (IIC) delivered Quo Vadis document, input into SDF process, proposal to implement game changer, TOD proposal and established a base for Stellenbosch Urban Re-development and economic growth
Design Decision-making Support Tool.	Memorandum of Understanding signed with Green Cape to implement the Design Decision-making Support Tool to analyse and advise on best technology alternative for waste management.
Approval of Air Quality Management Plan.	The first air quality management plan was prepared and approved by Council in line with a legislative requirement. The plan included the appointment of an air quality management official.
The implementation of SPLUMA on 1 December 2015.	The new planning dispensation has been implemented on 1 December 2015 by repealing old order legislation and replacing it with the Spatial Planning Land Use Management Act (2013), the Land Use Planning Act (2014) and the Stellenbosch Municipal Land Use Planning By-law (2015).
A SPLUMA compliant Land Use Management System (LUMS) has been prepared.	Dealing with illegal land uses and development has improved significantly.
The establishment of the new land use planning decision making bodies.	As set out in SPLUMA, Stellenbosch Municipality established the new decision making bodies which include the Municipal Planning Tribunal, an authorised Official and the Appeals Authority.
Implementation of a Planning Portal.	A planning portal was created for communication purposes and is in line with the Batho Pele principles, ensuring openness and transparency, access to information and value for money.
Fraud Awareness.	Different fraud awareness campaigns have been launched.
Improvement of the IDP Process.	The IDP process has greatly improved to ensure communities are informed about the projects and service delivery priorities. Constant communication and encouraging communities to participate in all public processes are vital to the municipality.

Table 39: Performance Highlights - Good Governance and Public Participation

C) CHALLENGES - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Description	Actions to address
Leadership continuity.	Municipal Manager and Senior Manager vacancies for extended periods. Different Acting Municipal Managers during the financial year.
Attracting staff with the required qualifications.	Difficult to attract people with the required qualifications and experience in certain departments.
Copper theft and vandalism.	The integrated crime prevention approach as part of the Stellenbosch Safety initiative will assist in this.
Illegal electrical connections are a serious safety problem.	Multi-sector partnership approach to be followed to develop preventative measures.
Social relief of distress.	Response time to verified lists in order to affect Social Relief of Distress to be improved.
Implementation of liquor trading by-law.	Staff complement to be extended

Table 40: Challenges - Good Governance and Public Participation

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE STRUCTURE

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

2.1.1 COUNCIL

Below is a table that categorises the councillors within their specific political parties and wards:

Name of councillor	Capacity	Political Party	Ward representing or proportional
F Adams	Part-time	SPA	Proportional Representative (PR)
DS Arends	Part-time	ACDP	PR
NM August	Part-time	DA	Ward Councillor
HC Bergstedt (Ms)	MPAC Chairperson	COPE	PR
PW Biscombe	Single Whip	DA	Ward Councillor
DC Botha	Part-time	DA	PR
A Crombie (Ms)	Part-time	DA	Ward Councillor
JA Davids	Part-time	ANC	PR
R du Toit (Ms)	Part-time	DA	Ward Councillor
V Fernandez (Ms)	Mayco member	DA	Ward Councillor
JSA Fourie	Part-time	DA	PR
AR Frazenburg	Mayco Member	DA	Ward Councillor
N Gcaza (Ms)	Part-time	ANC	Ward Councillor
E Groenewald (Ms)	Part-time	DA	Ward Councillor
DA Hendrickse	Part-time	SCA	PR
JK Hendriks	Part-time	DA	Ward Councillor
N Jindela	Mayco member	DA	PR
MC Johnson	Part-time	DA	Ward Councillor
S Jooste	Part-time	ANC	PR
CP Jooste	Speaker	DA	PR
DD Joubert	Mayco member	DA	Ward Councillor
SJ Louw (Ms)	Mayco member	DA	Ward Councillor
N Mananga-Gugushe (Ms)	Part-time	ANC	Ward Councillor
C Manuel	Part-time	DA	PR
EL Maree (Ms)	Part-time	DA	Ward Councillor

Name of councillor	Capacity	Political Party	Ward representing or proportional
NE McOmbring (Ms)	Part-time	DA	Ward Councillor
XL Mdemka (Ms)	Part-time	DA	PR
C Moses (Ms)	Part-time	ANC	PR
RS Nalumango (Ms)	Part-time	ANC	PR
N Ntsunguzi (Ms)	Part-time	ANC	Ward Councillor
MM Ngcofe	Part-time	ANC	PR
WC Petersen (Ms)	Part-time	DA	PR
PJ Retief	Mayco member	DA	Ward Councillor
L Ronoti	Part-time	ANC	Ward Councillor
JP Serdyn (Ms)	Mayco member	DA	Ward Councillor
CJ Sidego	Executive Mayor	DA	PR
P Sitshoti (Ms)	Part-time	ANC	Ward Councillor
LN Siwakamisa (Ms)	Part-time	ANC	PR
Q Smit	Mayco member	DA	Ward Councillor
MG Smuts	Deputy Executive Mayor	DA	Ward Councillor
LL Stander	Part-time	NPP	PR
AT van der Walt*	Part-time	SCA	PR
MM Wanana	Part-time	SCA	PR
** Councillor AT van der Walt removed as a councillor since 2 June 2016*			

Table 41: Council 2015/16

The table below indicates the council meetings attendance for the 2015/16 financial year:

Meeting dates	Number of items (resolutions) submitted	Percentage Attendance of Council Meetings	Percentage Apologies for non-attendance
20 July 2015	2	88	12
29 July 2015	7	98	2
04 August 2015	2	86	14
17 August 2015	3	91	9
25 August 2015	20	100	0
21 September 2015	2	93	7
23 September 2015	10	93	7
28 October 2015	26	95	5
25 November 2015	15	91	9
01 December 2015	2	81	19
27 January 2016	18	100	0

Meeting dates	Number of items (resolutions) submitted	Percentage Attendance of Council Meetings	Percentage Apologies for non-attendance
24 February 2016	11	93	7

Table 42: Council Meetings

2.1.2 EXECUTIVE MAYORAL COMMITTEE

The Executive Mayor of the municipality, **Alderman CJ Sidego**, assisted by the Mayoral Committee, heads the executive arm of the municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the council, as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the municipality, the Executive Mayor and Mayoral Committee are acting in sync with one another.

The name and portfolio of each member of the Mayoral Committee is listed in the table below for the period 1 July 2015 to 30 June 2016

Name of member	Capacity
CJ Sidego	Executive Mayor
MG Smuts	Deputy Executive Mayor
DC Botha	Mayco member until January 2015
V Fernandez	Mayco member
AR Frazenburg	Mayco member*
N Jindela	Mayco member
DD Joubert	Mayco member
SJ Louw	Mayco member
PJ Retief	Mayco member
JP Serdyn	Mayco member
Q Smit	Mayco member

Table 43: Executive Mayor-in-Committee 2015/16

The table below indicates the dates of the Executive Mayor-in-Committee meetings and the number of reports submitted to council for the 2015/16 financial year:

Meeting date	Number of items submitted
19 August 2015	15
16 September 2015	5
21 October 2015	14
18 November 2015	13
27 January 2016	11
17 February 2016	8
23 March 2016	8
22 April 2016	4

Meeting date	Number of items submitted
18 May 2016	11
10 June 2016	14
19 August 2015	15

Table 44: Committee Meetings

2.1.3 PORTFOLIO COMMITTEES

In terms of section 80 of the Municipal Structures Act of 1998, if a council has an executive committee, it may appoint, in terms of section 79, committees of councillors to assist the executive committee or executive mayor. Section 80 stipulates that committees are permanent committees that specialise in a specific functional area of the municipality and, in some instances, may make decisions on specific functional issues. They advise the executive committee on policy matters and make recommendations to council.

The portfolio committees for the 2015/16 mayoral term and their chairpersons are as in the tables below.

PLANNING AND ECONOMIC DEVELOPMENT PORTFOLIO COMMITTEE:

Name of member	Meeting dates
S Louw	Portfolio Chairperson 26 August 2015
JP Serdyn	Portfolio Chairperson
A Frazenburg	Portfolio Chairperson 26 August 2015
F Adams	Committee member
DC Botha	Committee member
JA Davids	Committee member
S Jooste (Ms)	Committee member
EL Maree (Ms)	Committee member
N Ntsunguzi (Ms)	Committee member

Table 45: Planning and Economic Development Portfolio Committee

Meeting dates	Number of reports submitted
04 August 2015	3
01 September 2015	12
06 October 2015	16
03 November 2015	13
01 December 2015	7
02 February 2016	13
01 March 2016	8
05 April 2016	4
03 May 2016	4

Meeting dates	Number of reports submitted
31 May 2016	9

Table 46: Planning and Economic Development Portfolio Committee Meeting Dates

ENGINEERING SERVICES AND HUMAN SETTLEMENTS PORTFOLIO COMMITTEE:

Name of member	Capacity
DD Joubert	Portfolio Chairperson
V Fernandez (Ms)	Committee Member
DS Arends	Committee Member
N Gcaza (Ms)	Committee Member
JK Hendriks	Committee Member
C Manuel	Committee Member
XL Mdemka (Ms)	Committee Member
C Manuel	Committee Member
L Ronoti	Committee Member

Table 47: Engineering Services and Human Settlements Portfolio Committee

Meeting dates	Number of reports submitted
05 August 2015	10
02 September 2015	4
07 October 2015	6
04 November 2015	11
01 December 2015	4
03 February 2016	6
02 March 2016	6
06 April 2016	6
04 May 2016	7

Table 48: Engineering Services and Human Settlements Portfolio Committee meeting dates

FINANCE AND STRATEGIC AND CORPORATE SERVICES PORTFOLIO COMMITTEE:

Name of member	Capacity
N Jindela	Portfolio Chairperson
Deputy Mayor, MG Smuts	Portfolio Chairperson
JSA Fourie	Committee Member
M Mananga-Gugushe (Ms)	Committee Member
A Crombie	Committee Member
WC Petersen (Ms)	Committee Member
LN Siwakamisa (Ms)	Committee Member

Name of member	Capacity
AT van der Walt	Committee Member
MM Wanana	Committee Member

Table 49: Finance and Strategic and Corporate Services Portfolio Committee

Meeting dates	Number of reports
11 August 2015	7
08 September 2015	6
13 October 2015	5
10 November 2015	8
09 February 2016	3
08 March 2016	9
12 April 2016	3
10 May 2016	3
07 June 2016	5

Table 50: Finance and Strategic and Corporate Services Portfolio Committee Meeting Dates

COMMUNITY SERVICES AND COMMUNITY PROTECTION PORTFOLIO COMMITTEE:

Name of member	Capacity
PJ Retief	Portfolio Chairperson
Q Smit	Portfolio Chairperson
JSA Fourie	Committee Member
A Crombie (Ms)	Committee Member
DA Hendrickse	Committee Member
C Moses (Ms)	Committee Member
P Sitshoti (Ms)	Committee Member
LL Stander	Committee Member
XL Mdemka	Committee Member

Table 51: Community Services and Community Protection Portfolio Committee

Meeting dates	Number of reports
12 August 2015	7
09 September 2015	1
14 October 2015	2
11 November 2015	8
02 December 2015	3

Meeting dates	Number of reports
10 February 2016	1
09 March 2016	2
13 April 2016	1
11 May 2016	11

Table 52: Community Services and Community Protection Portfolio Committee Meeting Dates

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC):

Name of member	Capacity
HC Bergstedt (Ms)	Chairperson
NM August	Committee Member
R du Toit	Committee Member
E Groenewald (Ms)	Committee Member
MC Johnson	Committee Member
NE McOmbring	Committee Member
RS Nalumango (Ms)	Committee Member
MM Ngcofe	Committee Member

Table 53: MPAC Committee Members

Meeting dates	Number of reports
06 August 2015	1
10 September 2015	13
21 October 2015	5
12 November 2015	5
13 December 2015	2
04 February 2016	5
07 April 2016	2
05 May 2016	3
02 June 2016	2
23 June 2016	2

Table 54: MPAC Meeting Dates

2.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

The Municipal Manager is the Chief Accounting Officer of the municipality. He is the head of the administration and primarily has to serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his directors, which constitutes the Management Team, whose structure is outlined in the table below:

Name of Official	Department	Performance agreement signed (Yes/No)
Luzuko Mdunyelwa	Director: Strategic and Corporate Services: until 19 September 2015	Yes
Raymond Esau	Director: Strategic and Corporate Services from 1 February 2016	Yes
Dupré Lombaard (from 1 September 2014)	Director: Planning and Economic Development and Acting Municipal Manager from 11 August 2015 to 31 January 2016	Yes
Richard Bosman	Acting Municipal Manager from 1 February 2016 for the rest of the financial year	Redeployed from the City of Cape Town
Tabiso Mfeya (from 1 December 2014)	Director: Integrated Human Settlements and Property Management	Yes
Marius Wüst	Chief Financial Officer	Yes
Patrick Oliver	Director: Community and Protection Services	Yes
Gerald Esau	Director: Community and Protection Services from 1 January 2016	Yes
Vacant since 1 July 2015	Director: Engineering Services	N/A

Table 55: Administrative Governance Structure

COMPONENT B: PUBLIC ACCOUNTABILITY

MSA section 15(b) requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16(i) states that a municipality must develop a system of municipal governance that complements formal representative governance with a system of participatory governance. Section 18(i)(d) requires a municipality to supply its community with information concerning municipal governance, management and development.

The participation outlined above is required in terms of the:

- preparation, implementation and review of the IDP;
- establishment, implementation and review of the performance management system;
- monitoring and review of performance, including the outcomes and impact of such performance; and
- preparation of the municipal budget.

2.3 INTERGOVERNMENTAL RELATIONS

National Intergovernmental Structures

The National Forum, i.e. The Municipal Managers Forum, facilitated by the Department of Cooperative Government and Traditional Affairs (COGTA) meets twice per annum. New legislation and its implications, as well as challenges for local government, e.g. financial sustainability, professionalism and oversight structures are discussed.

The Directorate: Engineering Services represented by the Director: Engineering Services as a member of the national WRC/SALGA Municipal Benchmarking Initiative in Water Services, which collaborates in a national program towards the improvement of water services, co-driven by SALGA and the Water Research Commission (WRC) and in collaboration with Ethekwini Municipality, MILE (Municipal Institute of Learning), representatives of other municipalities, the Institute of Municipal Engineers (Imesa) and the Department of Water and Sanitation (DWS).

Provincial Intergovernmental Structures

Office of the Municipal Manager

The municipality is a keen participant of joint intergovernmental planning initiatives of Provincial Government. MINMAY (Provincial Ministers, Provincial Heads of Departments, Mayors and Municipal Managers) and the Premier's Coordinating Forum are provincial forums for fruitful interaction regarding local government cooperation and challenges. These meetings are held twice per annum. The Provincial Municipal Managers Forum meets quarterly.

Chief Audit Executive and Chief Risk Officer forums are held on a quarterly basis in conjunction with Provincial Treasury where all municipalities share best practises and consult on areas of improvement.

Strategic and Corporate Services and Finance

Stellenbosch is represented on the Provincial IDP Managers Forum, the Provincial Public Participation and Communication Forum, all of which are facilitated by the Provincial Department of Local Government.

To give effect to the integrated planning and budgeting approach and to embed good governance and integrated service delivery through partnerships and spatial development, the IDP Indaba 2, mid-year and MGRO 2 engagements were combined in the 2015/16 financial year into one single engagement per municipality.

Stellenbosch Municipality's active participation within the JPI (Joint Planning Initiative) also plays a crucial role in ensuring integrated and sustainable service delivery. The Joint Planning Initiative (JPI) of the Western Cape province is propelled by the National Development Plan (NDP) that has set an important vision to address challenges facing South Africa.

The JPIs consist of a set of priorities agreed upon by the Western Cape Government through the Provincial Strategic Plan (PSP) and sector departmental initiatives and its municipalities' Integrated Development Plans (IDP). A core team has been established, comprising four departments (Departments of the Premier, Local Government, Environmental Affairs and Development Planning and Provincial Treasury) to lead the JPI in consultation with a core team from the Municipal Managers nominated by the Municipal Managers Forum (MMF).

The Municipality participated in the Municipal Governance Review and Outlook (MGRO) sessions organized by province. Engagements took place on 16 September 2015 in Worcester and MGRO2 took place on 18 February 2016 in Paarl. The engagement in Paarl in February was held together with the IDP Indaba where all the provincial departments were present to also discuss the JPI's.

On 25 April 2016, the municipality participated in the LGMTEC engagement with provincial government to discuss the provincial report on the credibility of the IDP and budget before Council approval in May 2016.

The Finance Directorate participates in several provincial fora on a quarterly basis. The fora include the Supply Chain Management forum, the Municipal Property Rates Act forum, the Management Accountants forum as well as the Chief Financial Officer forum.

In collaboration with the Department of Justice, a Municipal Court has been established and is in full operation.

Planning and Economic Development

The municipality is represented by the Manager: Spatial Planning, Heritage and Environment on the task team set up by DEA&DP to revise the Provincial Spatial Development Framework (PSDF). Through this inter-governmental process Stellenbosch Municipality is able to provide input into the format and substance of this document that will have a legal bearing on all local municipalities in the Western Cape.

The DEA&DP and the Municipality established a working group to consult monthly or more regularly as the need arises about environmental authorization applications and land use (spatial planning) matters. Slow response times to applications by developers, entrepreneurs, farmers, service providers (Eskom, Telkom, cellular operators, etc.), waste management bodies, mining operators and roads authorities, cause delayed investment and infrastructure provisions. This has negative effects on the economy and therefore the working group was established to increase the speed with which the applications are administered.

The working group consists of the technical role players and it is overseen by the portfolio councillors of the municipality, to ensure prior commitment to and understanding of matters to be reported to the relevant portfolio

committees or council. The working group is administered by the DEA&DP and meetings are in liaison with the Directorate: Planning and Economic Development, who must invite and ensure attendance by affected internal role players.

Engineering Services

The Directorate participates in the Stellenbosch River Collaborative Steering Committee with the aim of developing a multi-stakeholder collaborative governance process within which to deal with issues of water quality and pollution in the Stellenbosch rivers. The participants include the Winelands Water Users Association, Stellenbosch Municipality, Department of Water Affairs, the Department of Environmental Affairs, Cape Nature, WWF, Wildlands and key stakeholders in the wine industry such as Spier and the Distell group.

The Department of Waste Management is taking the lead in a Waste-to-Energy project, via a Green Cape initiative, the Western Cape Provincial Government's flagship project towards advancement of the Green Economy. The Stellenbosch project serves as the provincial pilot project, taking the lead in this important field. Other participants include the Department of Environmental Affairs and Development Planning (DEA&DP), SANEDI (South African National Energy Development Institute) and Provincial Treasury's Senior Manager: Infrastructure.

The Department of Waste Management also embarked on a Waste Characterisation Study, to provide the information base in drafting a new approach towards waste management, which has been captured in the new generation, Integrated Waste Management Plan (IWMP). The 3rd Generation Integrated Waste Management Plan (IWMP), first in the province, gives direction regarding Waste-to-Energy, Alternate Waste Management options and Waste Management projects proposals. This innovative approach was recognised by the DEA&DP when the municipality was requested to assist three other local municipalities in taking this approach. The municipalities of Beaufort West, Prins Albert and Laingsburg were assisted in this manner by the visit of the Waste Management Department team, who trained the local officials as well as assisted in the first data collection exercise.

A Transport Working Group is active and gives emphasis in finding integrated solutions to the long-standing transport issues that affect the area. This Working Group liaises with the Provincial Government's Department of Transport, the City of Cape Town's Transport for Cape Town, the Passenger Rail Agency of South Africa (PRASA) and other role-players such as the taxi-industry and business representatives. The committee includes members representing the Cape Winelands District Municipality and the University of Stellenbosch.

The Directorate participates in the Berg River Improvement Project, including initialisation of Genius of Place Project (innovative surface water treatment in informal areas - international nomination for best innovation in sewer/stormwater management).

The Directorate is actively involved in the implementation of a biomimicry innovative storm water system, in collaboration with the Department of Environmental Affairs and Development Planning. The project started in Langrug in the beginning of 2015.

The Directorate interacts with the University of Stellenbosch on various levels and via a variety of committees, e.g. the Integrated Development Planning Committee, the Mayor/Rector Forum and the Infrastructure Innovation Committee.

The Electrical Department is extensively involved with the other local municipalities' electricity departments through

the Association of Municipal Electricity Utilities (AMEU). In collaboration with Eskom, a Demand Side Management Project was completed to implement energy saving and load shifting capacity within the municipal area. In collaboration with the Department of Energy, a further energy efficiency project was completed by installing energy saving lights in streetlights, traffic signals and council facilities. The Electricity Department is liaising with the City of Cape Town and Ethekwini Municipality in the drafting of a policy for consideration by council, to introduce measures whereby private energy generators could return excess energy into the municipal grid. This will be a leading initiative in the South African context.

The Directorate: Engineering Services supports innovation and research and collaborates with various entities in this regard. Research was undertaken at one of Council's Waste Water Treatment works to test nano-fibre technology as a new cost-effective and robust technology which could revolutionise the wastewater treatment sector in South Africa.

Community and Protection Services

The Department of Community Services had numerous engagements with the Department of Environmental Affairs (DEA) pertaining to river cleaning in the greater Stellenbosch. Regular meetings were held and the focus areas for cleaning the river areas were Plankenbrug, Krommerivier and the Eerste River. The SALGA Western Cape offices provide assistance in policy formulation with specific emphases on the Sports Management Plan.

The Department of Arts, Culture and Sports (DCAS) worked with the Department of Community Services on various aspects, such as the Sports Management Plan and the cultural initiations. In December 2013, the Municipality and DCAS obtained a court interdict to rescue the initiatives from the Idas Valley initiation site. This occurred after the death of two young boys. The Municipality in collaboration with DCAS are now formulating a Cultural Initiation Policy.

The Directorate had numerous engagements with the Cape Winelands District Municipality and the Provincial Disaster Management team regarding the Stellenbosch Disaster Management Plan initiatives.

The Directorate also engaged with the Provincial Department of Transport regarding traffic enforcement and traffic administration matters.

Human Settlements and Property Management

Regional Forum Meetings between Provincial Department of Human Settlements (PDoHS) and Municipalities in the Cape Winelands region:

The PDoHS and the municipalities in the Cape Winelands Region meet on a quarterly basis to discuss all new housing policies and budget related matters in housing delivery. During the meeting, all the housing officials of the various municipalities are present to share their precincts and new innovative ideas. The overall performance of each municipality is discussed in detail as well as mitigating options if the need arises.

Applications of new and existing projects are also discussed with the feedback from the PDoHS. The municipalities receive information relating to: beneficiary administration, outstanding approvals, informal settlement challenges, title deed transfers, farm worker evictions and other matters with regards to the housing delivery.

Legislation and court rulings are also discussed to ensure that senior officials are aware of any new implementation programs and circulars. Each of the five municipalities is given the opportunity to host this engagement.

The municipality engages in numerous partnerships to facilitate service delivery.

NAME OF PARTNER/	PURPOSE
Mayor/Rector Forum	A partnership with the University of Stellenbosch to ensure aligned development planning and that the municipality draws from the university's expertise and resources.
Memorandum of Cooperation between the Stellenbosch Municipality and	Cooperation in terms of closed circuit television in the interest of the security of the town and the campus with a view to a crime-free university town.
Landfill Monitoring Committee	A partnership with the Devon Valley residents, whereby residents monitor the Stellenbosch landfill site.
IMESA (Institute for Municipal	A partnership with IMESA aimed at strengthening knowledge and capacity related to municipal infrastructure and service delivery.
Integrated Development Committee (IPC)	A partnership with the university and other stakeholders aimed at exploring spatial and urban planning possibilities for Stellenbosch to meet the needs of the municipality and university.
Department Social Development, DCAS, Cape Winelands District	Joint implementation of programmes focussing on common issues within WC024.
SALGA Municipal Benchmarking Initiative	A partnership aimed at improving efficiency and effectiveness through comparative process benchmarking, peer-to-peer operational knowledge sharing and iterative performance improvements.
Stellenbosch River Collaborative	A partnership was formed between various role players to improve the water quality in the Eerste River catchment, with the focus being on the Plankenbrug river.
Bergriver Improvement Programme	A partnership was formed to improve the quality of the storm water run off from the Langrug Informal Settlement. The project entails the implementation of biomimicry, waste recycling and a Sustainable Urban Drainage lab.
LTAB	A partnership was formed between political leaders to discuss Land Transport-related matters that affect transport in the area.
Transport Working Group	A Transport Working Group was established to discuss transport related matters that affect Stellenbosch, including all relevant governmental institutions and other role players.

IPC	The Integrated Planning Committee is a working group between the City of Cape Town, Stellenbosch, Saldanha, Overstrand, Theewaterskloof, and Drakenstein Municipality that discuss all transport related matters to effectively promote regional planning
NMT Working Group	A working group that discusses all Non-Motorised Transport matters in the Stellenbosch area. The group consist of NMT users, officials, representatives from the university and the disabled fraternity.
GreenCape	The GreenCape partnership represents a cooperation with the province's 110% green initiatives, focussing on alternative waste management initiatives and energy efficiency.
CSIR	A partnership aimed at multidisciplinary research and development by supporting innovation in Stellenbosch.
Genius of Space	This initiative developed from, and forms part of the Western Cape 110% Green Initiative. The Biomimicry Genius of Space project is a registered flagship project of 110% Green. This initiative combines two priorities of the Western Cape Government – the Berg River and the Green Economy – to find an innovative solution to water pollution in the Berg River.

Table 56: Municipal Partnerships

District Intergovernmental Structures

The Cape Winelands District Municipality's Executive Mayor is Chairperson of the District Coordinating Forum which has been established in accordance with the Intergovernmental Relations Framework Act, No. 13 of 2005. This forum meets quarterly and seeks to promote and facilitate intergovernmental relations between the district municipality and the local municipalities in the district. The Stellenbosch Municipality participates in this forum and the Cape Winelands District Municipal Managers Forum and benefits immensely from this involvement by being exposed to good practises in other municipalities and strengthening the relationship with the district municipality in forging joint partnerships in the interest of good governance and service delivery. The Cape Winelands District Municipality supports community development and use indigenous sports to create social cohesion amongst communities in the district. Special focus and attention was given to our communities in rural areas. Stellenbosch, Drakenstein and Breede Valley Municipalities have participated in various indigenous games which were hosted by the Cape Winelands Municipality. The relationship between Stellenbosch Municipality and the district municipality has dramatically improved and the Community Services Department has managed to exceed all expectations in this regard. A targeted approach was followed and sports were used as a catalyst to cement this relationship with the district.

The areas that the Department of Community Services targeted were communication, sharing of resources, capacity building and financial resources. The improved relationship between the district municipality and Stellenbosch Municipality enabled the communities to also participate in the Provincial and National Indigenous Games**.**

The district municipality also supplied Stellenbosch Municipality with busses, refreshments, medals and trophies.

2.4 REPRESENTATIVE FORUMS

2.4.1 LABOUR FORUM

The table below lists the members of the Local Labour Forum for the 2015/16 financial year:

Name of representative	Capacity	Meeting dates
Ms. EL Maree	Councillor	2015-07-23 2015-08-27 2015-10-01 2016-01-28 2016-02-25 2016-03-31 2016-05-26 2016-06-23
J Davids	Councillor	
M Smuts	Councillor	
L Stander	Councillor	
Ms. P Sitshoti	Councillor	
J Hendricks	Councillor	
Vernon Bowers / Andre Van Rooyen (October 2015-January 2016)	Acting Director: Strategic and Corporate Services	
R Esau (February 2016 until present)	Director Strategic and Corporate Services	
S Haider / Willem Pretorius	Acting Director: Engineering Services	
W Smith / Gerald Esau	Acting Director: Community and Protection Services	
D Lombaard	Director Planning and Economic Development	
M Wust	Chief Financial Services	
T Mfeya	Director: Human Settlements	
A van Rooyen	HR Manager	
M Zimri	Head Labour Relations	
CM Zongolo	SAMWU Representative	
P Ndleleni	SAMWU Representative	
I Nkunkumana	SAMWU Representative	
N Kwintshi	SAMWU Representative	
Peter Maziko	SAMWU Representative	
S Kiva	SAMWU Representative	
M Danana	SAMWU Representative	
L Cosa	SAMWU Representative	
H Coffee	IMATU Representative	
H Wanza	IMATU Representative	

Table 57: Local Labour Forum

2.4.2 WARD COMMITTEES

The Local Government: Municipal Systems Act of 2000 states in section 42 that a municipality, through appropriate mechanisms, processes and procedures established in terms of Chapter 4, must involve the local community in the development, implementation and review of the municipality's performance management system and, in particular, allow the community to participate in the setting of appropriate key performance indicators and performance targets for the municipality.

The objective of a ward committee is to enhance participatory democracy in local government. Ward committees are a part of local governance and an important way of achieving the aims of local governance and democracy mentioned in the Constitution of 1996.

A general understanding has emerged that a ward committee is an area-based committee whose boundaries coincide with ward boundaries.

Ward committees:

- are made up of representatives of a particular ward
- are made up of members who represent various interests within the ward
- are chaired by the ward councillor
- are meant to be an institutionalised channel of communication and interaction between communities and municipalities
- give the community members the opportunity to express their needs and opinions on issues that affect their lives, and to be heard at the municipal level via the ward councillor
- are advisory bodies created within the sphere of civil society to assist the ward councillor in carrying out his or her mandate in the most democratic manner possible

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and acts as the chairperson. Although ward committees have no formal powers, they advise the ward councillor, who makes specific submissions directly to the council. These committees play a very important role in the development and annual revision of the integrated development plan of the area.

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

Ward 1: Franschhoek Town, Bo-hoek Farms, Groendal and Mooiwater

Name of representative	Capacity representing
Aldridge Frazenburg	Councillor
Dennis van der Berg	Civic
Richard von Hoesslin	Tourism
Siegfried Schäfer	Heritage and Environment
Ruth Morgan	Education
Garth van Zyl	Safety and Security

Table 58: Ward 1 Committee Members

Ward 2: Langrug, La Motte and Dennegeur

Name of representative	Capacity representing
Nombulelo Ntsunguzi	Councillor
Ncumisa E.Joni	Youth Welfare
Nobathembu Fata	Safety
Anita Jefthas	Women
Lubambo Mvukweni	Unemployment
Rachel Pearce	Rate Payers
Simphiwe Nomnqa	C.B.O's
Jeffrey Tomson	Sport
Frederick Simons	W/F
Babalwa V Mnyateli	Ward Admin

Table 59: Ward 2 Committee Members

Ward 3: Wemmershoek, Lynquedoc and Meerlust

Name of representative	Capacity representing
Nicholas August	Councillor
Rodney Bezuidenhout	Sport
Marion Adams	Health
Elizabeth Meiring	Tourism
Louis Cloete	Religion
Daniel Kampher	Business
Lydia Malan	Women and Elders
Shaun Laksman	Youth
Eldrid Kleinschmidt	Safety and Security
Sam Manual	Agriculture
U De Klerk	General Public

Table 60: Ward 3 Committee Members

Ward 4: Pniel, Kylemore and Johannesdal

Name of representative	Capacity representing
Malcolm Johnson	Councillor
Mashiela Cupido	Health and Welfare
Jonathan Hanekom	Youth
Brain Smith	Sport

Table 61: Ward 4 Committee Members

Ward 5: The Ridge, Lindida and Idas Valley (Hydro into the direction of Idas Valley and Omega Street to Jonkershoek)

Name of representative	Capacity representing
Donovan Joubert	Councillor
Adam Pietersen	Geographical
Harold Joseph	Geographical
Jeffrey Thompson	Geographical
Kerneels Marais	Geographical
Manfred Josephs	Geographical
Martina Pohl	Geographical
Nozipho Dalasile	Geographical
Norman Rhode	Geographical
Tessa Baardman	Geographical
Pieter Johnson	Geographical
Brenda Abrahams	Ward Administrator

Table 62: Ward 5 Committee Members

Ward 6: Idas Valley and farms (Nietvoorbij, Timberlea, Morgenhoff, Remhooghte, Muratie, Groenhof, Delheim, Lievland, Kanonkop, Uitkyk, Glenelly, Emerie, Laundry, Packham, L'Avenir)

Name of representative	Capacity representing
Nateshia Mcombring	Councillor
Menthor Adendorff	Tourism
George August	Youth
Rhodes Benting	Sport
Johannes Brandt	Environment
Patricia Constable	Rural Areas
Richard Esau	General Public
Jerome Thomas	Safety

Table 63: Ward 6 Committee Members

Ward 7: Mosterdsdrif, Kolonieshof,Karindal, Rozendal, Uniepark, Simonswyk, Universiteits Oord and De Weides

Name of representative	Capacity representing
Pietman Retief	Councillor
Pierre Du Toit	Geographical
Hans Hugo	Geographical
Gawie Groenewald	Geographical

Name of representative	Capacity representing
Piet Claasen	Geographical
Lewis Silberbauer	Geographical
Johan Adendorff	Geographical
Peter Hill	Geographical
Patricia Botha	Geographical
L B Kriel	Geographical

Table 64: Ward 7 Committee Members

Ward 8: Stellenbosch Central

Name of representative	Capacity representing
Quintin Smit	Councillor
Sophia Engelbrecht	Geographical
Josephine Rust	Geographical
Marlene Pauw	Geographical
Simon Wessels	Geographical
Johanna Calitz	Geographical
Pieter Thiel	Geographical

Table 65: Ward 8 Committee Members

Ward 9: Stellenbosch Central

Name of representative	Capacity representing
Martin Smuts	Councillor
Albe Louw	Geographical
Arno Zacharias	Geographical
Carinus Lemmer	Geographical
Jan de Villiers	Geographical
Joan Mödinger	Geographical
Marnes de Wet	Geographical
Marié Raubenheimer	Geographical
Paolo Sandri	Geographical
Schalk van Der Merwe	Geographical
Zelda Dalling	Geographical

Table 66: Ward 9 Committee Members

Ward 10: Tenantville and La Coline

Name of representative	Capacity representing
Rozette du Toit	Councillor
Glen Daniels	Geographical
Joana du Toit	Geographical
Freddie Williams	Geographical
Beryl Samuels	Geographical
Peter Stone	Geographical
Anro Brand	Geographical
Peter Hough	Geographical
Gavin Stofberg	Geographical
Lolita Atson	Ward Administrator
Rozette du Toit	Councillor

Table 67: Ward 10 Committee Members

Ward 11: Onder Papegaaiberg

Name of representative	Capacity representing
Joannie Serdyn	Councillor
MM Van Niekerk	Elderly
Bait Brand	Infrastructure
Pierre Serdyn	Safety - Rural
Usher Bell	Safety - Town
Izak Fourie	Infrastructure
Alwyn Hanekom	Environment Issues, Wetlands and Mountain
Jeanneret Momberg	Agriculture and Tax Payer Representative
Jaco Eckley	Infrastructure in Town
Adri Van Zyl	Safety - Rural and Town
Delihla Cupido	Community Development

Table 68: Ward 11 Committee Members

Ward 12: Kayamandi

Name of representative	Capacity representing
Nokuthula Managa Gugushe	Councillor
Thamsanqa Ndabeni	Faith-based
Qobolakhe Botha	Health and Welfare
Sitamcela Alecks Banzana	Sport and Recreation

Name of representative	Capacity representing
Nandipha Roshe	Youth
Nandipha Tsomo	Business
Yolisa Angel Makuleni	Education
Leonard Madevu	Farm Workers
Siguba Sizeka	Women
Andiswa Ndoda	Ward Administrator

Table 69: Ward 12 Committee Members

Ward 13: Kayamandi

Name of representative	Capacity representing
Nokuthula Managa Gugushe	Councillor
Thamsanqa Ndabeni	Faith-based
Qobolakhe Botha	Health and Welfare
Sitamcela Alecks Banzana	Sport and Recreation
Nandipha Roshe	Youth
Nandipha Tsomo	Business
Yolisa Angel Makuleni	Education
Leonard Madevu	Farm Workers
Siguba Sizeka	Women
Andiswa Ndoda	Ward Administrator

Table 70: Ward 13 Committee Members

Ward 14: Kayamandi

Name of representative	Capacity representing
Nomthunzi Gcaza	Councillor
Nozuko Finini	Women
Pumla Vani	Health
N Sisilana	Youth
C Mayekiso	Business
Bulelwa Mbaqa	Education
Simphiwe Mkiva	Agriculture
Fezeka Notshokovu	Faith-based
Xolani Mfazwe	Sport
Nonceba Magcanya	Safety
R Motwa	Elderly

Table 71: Ward 14 Committee Members

Ward 15: Kayamandi

Name of representative	Capacity representing
Lindela Ronoti	Councillor
Nonzukiso Dlaku	Youth
Nosibulele Sinkinya	Ratepayers
Letticia Mpotololo	Women
Ncebazi Sibeko	Business
Ntomboxolo Mto	Health
Themba Ntshaba	Safety
Thokozani Leophena	Education
Samson Setona	Disability
Mcebisi Mqudu	Sport

Table 72: Ward 15 Committee Members

Ward 16: Cloetesville

Name of representative	Capacity representing
Valerie Fernandez	Councillor
Magdalene Blankenberg	Community Safety
Aubrey Pietersen	Ratepayers and Civic Ass.
Lawrence Seals	Health and Welfare
Wynanda Jacobs	Education
Margaret Moffat	Women
Eugene Gordon	Sport, Art and Culture
Elna Lindoor	Youth
Henry Robyn	Disabled
Moenadia van der Merwe	Ward Administrator

Table 73: Ward 16 Committee Members

Ward 17: Cloetesville/Welgevonden

Name of representative	Capacity representing
Paul Biscombe	Councillor
Andrea Jacobs	Youth
Bonita Klaasen	Women
Danvil Brown	Sport, Art and Culture
Andrew Adams	Religion
Sarina Fredericks	Informal Trading

Name of representative	Capacity representing
Katie Joseph	Community Safety
Doreen Smith	Ratepayers and Civic Association
Joseph Joon	Education
Desmond Robyn	Transport
Moenadia van der Merwe	Ward Administrator

Table 74: Ward 17 Committee Members

Ward 18: Klapmuts and surrounding farms

Name of representative	Capacity representing
Sophie Louw	Councillor
Matthys Everts	Civics
Mirriam Sigijimi	Women
Sarah Swarts	Farms
Moos Beukes	Small Business

Table 75: Ward 18 Committee Members

Ward 19: Elsenburg and De Nova

Name of representative	Capacity representing
Jan Karel Hendriks	Councillor
James Williams	Ratepayers and Civic Association
Henry Carolus	Land
Japie Skippers	Youth
Salie Pieters	Education
Carol Martin	Safety
H T van Wyk	Sport
A Tieties	Business
A Africa	Disability

Table 76: Ward 19 Committee Members

Ward 20: Vlottenburg, Raithby, Lynedoch to Meerlust, Eikendal, Mooiberge and Faure

Name of representative	Capacity representing
Ansaaf Crombie	Councillor
Owen Charles Gordon	Geographical
Jacobus Hendricks	Geographical
Nicolaas J Myburgh	Geographical
Elenora Stigland	Geographical
Pieter Taaibosch	Geographical
Moira Daniels	Geographical

Name of representative	Capacity representing
Pauline Malgas	Geographical
Carel van der Merwe	Geographical

Table 77: Ward 20 Committee Members

Ward 21: Jamestown, Paradyskloof, De Zalze, Techno Park, Blaauwklippen and surrounding farms

Name of representative	Capacity representing
Lauretta Maree	Councillor
Oldrin Meyer	Jamestown
Audrey Adonis	Jamestown
Rodney Davidse	Jamestown
Alfred Christians	Jamestown
Dale Simons	Jamestown
Anelle Blanckenberg	Paradyskloof
Philip Botha	Paradyskloof
Konrad Brandt	Jamestown

Table 78: Ward 21 Committee Members

Ward 22: Die Boord/Dalsig

Name of representative	Capacity representing
Esther Groenewald	Councillor
Bertie Van Wyk	Community Safety
Matilda Hayes	Tourism
Lee-Anne Lemmer	Women and Senior Citizens
Andy Marren	Sport and Recreation
Johan Slabber	Youth
Francois v.d. Berg	Ratepayers
D P Van Velden	Health and Welfare
Pieter Schaafsma	Heritage and Environment
Hercules Frederick Van der Walt	Business

Table 79: Ward 22 Committee Members

2.4.3 FUNCTIONALITY OF WARD COMMITTEES

The purpose of a ward committee is:

- to get better participation from the community to inform council decisions;
- to make sure that there is more effective communication between the council and the community; and
- to assist the ward councillor with consultation and report-backs to the community.

The policies and procedures for Ward Committees was adopted by Council on 29 November 2006 and amended on 26 August 2010, 20 June 2012 and 28 October 2015.

The annually budgets for the reimbursement of out-of-pocket expenses for members of ward committees in respect of their participation in ward committees subject to the certain criteria as approved by Council on 20 June 2012 and revised by Council on 28 October 2015.

:Transport is provided, where necessary, to ward committee members to attend ward committee meetings and functions where public participation, through the ward committee system is required.

Venues have been established for the ward meetings, and support personnel, through the Ward Administrators.

The table below provides information on the establishment of Ward Committees and their functionality:

Ward Number	Committee established	Number of reports submitted to the Speakers/IDP Office	Number of reports submitted to the Speakers/IDP Office	Number of Public meetings	Meeting dates of ward committees	Committee functioning effectively
	Yes / No					Yes / No
1	Yes	3	3		15/09/15; 17/11/15; 03/02/16	Yes
2	Yes	2	2	13/08/15; 24/11/15;	07/10/15; 22/06/16;	Yes
3	Yes	5	5	10/09/15	13/08/15; 15/10/15; 12/11/15; 11/02/16; 10/03/16	Yes
4	Yes	2	2	29/09/15	27/08/15; 11/11/15;	Yes
5	Yes	9	9	10/11/15	07/09/15; 28/07/15; 13/01/15; 17/11/15; 09/02/16; 08/03/16; 19/04/16; 17/05/16; 07/06/16	Yes
6	Yes	8	8	14/10/15	05/08/15; 03/09/15; 04/11/15; 03/02/16; 09/03/16; 06/04/16; 04/05/16; 01/06/16	Yes
7	Yes	8	8		05/08/15; 02/09/15; 11/11/15; 02/12/15; 03/02/16; 02/03/16; 06/04/16; 04/05/16	Yes

Ward Number	Committee established	Number of reports submitted to the Speakers/IDP Office	Number of reports submitted to the Speakers/IDP Office	Number of Public meetings	Meeting dates of ward committees	Committee functioning effectively
	Yes / No					Yes / No
8	Yes	10	10	29/09/15	30/07/15; 20/08/15; 21/10/11; 20/11/15; 01/03/16; 29/03/16; 21/04/16; 31/05/16; 21/06/16;	Yes
9	Yes	1	1		05/05/16;	Yes
10	Yes	10	10	04/11/15; 29/03/16	11/08/15; 08/09/15; 13/10/15; 01/12/15; 02/02/16; 01/03/15; 05/04/16; 03/05/16; 07/06/16	Yes
11	Yes	8	8		20/08/15; 22/09/15; 27/10/15; 18/11/15; 10/02/16; 16/03/16; 13/04/16; 11/05/16	Yes
12	Yes	11	11	02/03/16	28/07/15; 23/09/15; 21/10/15; 05/11/15; 19/11/15; 28/01/16; 17/02/16; 06/04/16; 11/05/16; 18/05/16	Yes
13	Yes	10	10	22/09/15; 14/03/16	06/08/15; 09/09/15; 27/10/15; 17/11/15; 10/02/16; 07/03/16; 06/04/16; 19/05/16	Yes
14	Yes	9	9	19/11/15	12/08/15; 26/10/15; 29/10/15; 25/02/16; 23/03/16; 05/04/16;	Yes

Ward Number	Committee established Yes / No	Number of reports submitted to the Speakers/IDP Office	Number of reports submitted to the Speakers/IDP Office	Number of Public meetings	Meeting dates of ward committees	Committee functioning effectively Yes / No
					18/05/16; 01/06/16	
15	Yes	7	7	31/03/16	12/08/15; 09/09/15; 07/10/15; 11/11/15; 04/03/16; 06/04/16;	Yes
16	Yes	9	9	18/11/15	12/08/15;09/09/15; 11/11/15; 10/02/16; 09/03/10; 13/04/16; 11/05/16; 08/06/16	Yes
17	Yes	10	10	05/11/15	06/08/15; 08/09/15; 10/11/15; 01/12/15; 02/02/16; 01/03/16; 05/04/16; 03/05/16; 07/06/16	Yes
18	Yes	8	8		20/07/15; 20/08/15; 26/11/15; 09/02/16; 08/03/16; 12/04/16; 11/05/16; 06/06/16	Yes
19	Yes	12	12		07/07/15; 08/09/15; 06/10/15; 06/10/15; 03/11/15; 08/12/15; 05/01/16; 02/02/16; 01/03/16; 12/04/16; 10/05/16; 13/06/16	Yes
20	Yes	10	10		30/07/15; 09/07/15; 01/10/15; 11/11/15; 02/12/15; 28/01/16; 25/02/16; 24/03/16;	Yes

Ward Number	Committee established	Number of reports submitted to the Speakers/IDP Office	Number of reports submitted to the Speakers/IDP Office	Number of Public meetings	Meeting dates of ward committees	Committee functioning effectively
	Yes / No					Yes / No
					28/04/16; 26/05/16	
21	Yes	7	7		18/08/15; 15/09/15; 27/10/15; 03/12/15; 23/02/16; 31/03/16; 09/06/16	Yes
22	Yes				02/02/2016; 01/03/2016; 05/04/2016; 03/05/2016; 07/06/2016; 05/07/2016; 02/08/2016; 06/09/2016; 04/10/2016; 01/11/2016;	Yes

Table 80: Functionality of Ward Committees

COMPONENT D: CORPORATE GOVERNANCE

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

2.5 RISK MANAGEMENT

Section 62 of the Municipal Finance Management Act (MFMA), No. 56 of 2003, states that the Accounting Officer should take all reasonable steps to ensure that the Municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control, as well as the effective, efficient and economical use of the resources of the municipality.

This responsibility was delegated to the Chief Risk Officer. During this current financial year, the following were done:

- continuous training and awareness for all departments and units where the risk register was completed;
- the Risk Management Committee was established to facilitate and govern the risk management process, with a terms of reference, and has been operational since January 2013;
- risk registers have also been completed at an operational level;
- the previous year's strategic registers were revisited and updated;
- risks were also identified which could prevent the achievement of the predetermined objectives, and were noted in the SDBIP;
- a risk management automated tool was purchased and was implemented since 2013; and
- the Risk Management Policy and Strategy was reviewed.

Although the Chief Risk Officer is responsible for risk management, management took ownership of risks and the mitigation thereof.

Risk Management Grid

Moderate	
Major	
Critical	

Strategic Risks Identified

Risk	Risk Assessment	Mitigation
Lack of business continuity due to inadequate disaster recovery and business continuity plans. Negative financial and operational impact.	Major	All business plans and ICT policies have been reviewed and presented to the various committees.
Risk	**Risk Assessment**	**Mitigation**
Public uprising due to demand for service delivery beyond current capacity.	Major	Budget prioritisation for basic service delivery. Continued and Effective communication focused on the needs of community. Public participation process scheduled and managed as per legislation.
Under expenditure (Capex Budget).	Major	Constant monitoring and reporting with regards to major projects as well as the Service Delivery and Budget Implementation plan.
Inadequate planning for continued growth in urbanisation.	Major	Review planning policies. Review capacity of Land Invasion and Planning Departments and ensure constant communication with the various communities and their specific needs.
Threat to financial sustainability.	Major	Policies in place to expand rate base. Stricter controls over credit management. Monitoring of the Service Delivery and Budget Implementation Plan.
Ageing infrastructure and equipment.	Major	Improved planning for long term projects and identifying these projects. Update of masterplans. Monitoring and reporting with regards to ageing infrastructure and equipment also in alignment with the Service Delivery and Budget Implementation Plan.
Implementation of mSCOA (standard charter on accounts).	Major	Constant communication with service provider to ensure compliance to mSCOA as prescribed by National Treasury as well provincial treasury to ensure

		implementation as required. Established a functional mSCOA project team in the municipality to drive the process and development of a separate risk register to implement and mitigate risks identified.
Disaster Management Contingency Plans	Major	Constant review of contingency plans. Identification and upgrade of existing systems and equipment. Information sharing with all role players and regular meetings.

Table 81: Strategic Risks Identified

2.6 ANTI-CORRUPTION AND ANTI-FRAUD

Section 83(c) of the Local Government: Municipal Systems Act, No. 32 of 2000 (MSA) refers to the implementation of effective bidding structures to minimise the possibility of fraud and corruption, while the Local Government: Municipal Finance Management Act (MFMA) No. 56 of 2003, section 112(1)(m)(i), identifies supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimise the likelihood of corruption and fraud.

As with risk management, management and Council have taken ownership of combatting fraud and corruption within the municipality.

A Fraud Response Committee, reporting and accountable to the Audit Committee, was established in 2012, and is fully functional. Quarterly meetings are held or as required where the fraud risk register, compliance to legislation and governance (review of fraud policies, whistle-blowing and the management thereof, etc.) are discussed.

The Anti-Fraud and Corruption Policy as well as the Terms of Reference of the Fraud Response Committee were reviewed during the 2015/16 financial year and approved by the Audit Committee.

The fraud hotline or tip-off line is also fully functional and managed by an independent service provider. A toll free number and e-mail service are available to members of the public to report any suspected fraudulent or corrupt activities.

A) DEVELOPED STRATEGIES

Name of strategy	Developed Yes/No	Date Adopted/Reviewed
Anti-Corruption Strategy	Yes	Annual review
Fraud and Corruption Policy	Yes	Reviewed June 2015

Table 82: Strategies: Anti-Corruption and Anti-Fraud

Structural strategies according to the Fraud Prevention Strategy include the establishment of a Fraud Response Committee to oversee the Municipality's approach to fraud prevention, fraud detection strategies and responses to

fraud and corruption incidents reported by employees or other external parties. Such a committee has been established to deal with fraud-related matters and its Terms of Reference have been approved by Council.

The committee members are as follows:

- Chairperson: Mr. Linda Nene (chairperson of the Audit and Performance Committee). Term expired November 2015 and replaced by Mrs. Rayhana Gani).

  ***Members**:*

  - Mrs. M van der Merwe (member of the Audit and Performance Committee)
  - Mr. Richard Bosman (acting Municipal Manager)
  - Mr. Mervyn Williams (Senior Legal Advisor)
  - Ms. Helena Priem (Chief Risk Officer)

The table below provides an indication of some of the operational, preventative, detection, response and maintenance strategies identified in the Fraud Prevention Strategy with an indication of the progress in this regard.

B) IMPLEMENTATION OF STRATEGIES

Strategies to implement	Key measures to curb corruption and fraud
Creating awareness	Awareness sessions with municipal employees through presentations. On-going fraud awareness sessions conducted as part of induction of new employees.
Monitoring fraud and corruption	Fraud Response Committee meetings to monitor and make recommendations. Meetings were held on: - 7 August 2015 - 28 August 2015 - 10 September 2015 - 28 September 2015 - 21 October 2015 - 20 November 2015 - 25 November 2015 - 12 December 2015 - 18 March 2016 - 20 May 2016
Communication	Booklets and Branding of Fleet. Posters at various places in the Municipality. Access for public and officials to the fraud hotline. Log-on screens on PCs.

Table 83: Implementation of Anti-Corruption and Anti-Fraud Strategies

2.7 AUDIT AND PERFORMANCE AUDIT COMMITTEE

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must – (a) advise the Municipal Council, the political office-bearers, the Accounting Officer and the management staff of the municipality, on matters relating to:-

- internal financial control and internal audit;
- risk management;
- accounting policies;
- the adequacy, reliability and accuracy of financial reporting information;
- performance management;
- effective governance;
- compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;
- performance evaluation; and
- any other issues referred to it by the municipality

2.7.1 FUNCTIONS OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE

The Municipal Audit and Performance Audit Committee's objectives and functions are based on Section 166(2)(a-e) of the Municipal Finance Management Act, 2003, further supplemented by the Local Government: Municipal Planning and Performance Management Regulation, as well as the approved Audit and Performance Audit Committee Charter approved July 2015 by Council.

The objectives of the Audit and Performance Audit Committee of the Stellenbosch Municipality are to:

- Assist the Council in discharging its duties relating to the safeguarding of Council's assets;
- Develop and oversee the operation of an adequate internal process and control system;
- Oversee the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements, corporate governance and accounting standards;
- Provide support to the Council on the risk profile and risk management of the Council; and
- Ensure that there is an internal audit function in place and that the roles of the internal and external audit functions are coordinated.

- The Audit and Performance Audit Committee is responsible for the oversight of internal controls, financial reporting and compliance with regulatory matters and mainly make recommendations to management.

- The responsibilities of the Audit and Performance Audit Committee is further to review the:
  - Effectiveness of the Council's system of internal control and risk management;
  - Financial reporting and financial statements;
  - Internal Audit function;
  - Auditor General's report;
  - Council's compliance with legislation and regulation;
  - Compliance with the Council's Code of Conduct and ethics; and
  - Performance management system to make recommendations in this regard to Council.

- The Audit and Performance Audit Committee advises Council, political office-bearers, the Accounting Officer and management of the municipality on the matters pertaining to duties as described in the Audit and Performance Audit Committee Charter.

- The Audit and Performance Audit Committee is also accountable to identify major risks to which Council is exposed and determine the extent to which risks have been mitigated.

2.7.2 MEMBERS OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE

Name of representative	Capacity	Meeting dates
Linda Nene	Chairperson (term expired - 18 November 2015)	1 July 2015 27 August 2015 8 November 2015 12 January 2016 9 May 2016 28 June 2016
Reyhana Gani	Member (appointed as Chairperson - 30 March 2016)	
Henry Isaacs	Member (term expired - 18 November 2015)	
Ruthaleen Davidse	Member	
Maryke Van Der Merwe	Member	
Nimrod LlewellynMortimer	New Member (30 March 2016)	
Jeremy Fairbairn	New Member (30 March 2016)	

Table 84: Members of the Audit Committee

2.7.3 AUDIT AND PERFORMANCE AUDIT COMMITTEE RECOMMENDATIONS

Quarterly formal reports on recommendations for implementation to address control weaknesses were submitted to Council for notification for the period under review. The Audit Committee regularly follows up with Internal Audit and management on the state of corrective actions implemented. Furthermore, the Audit Committee also has oversight of various internal and external reports. The recommendations of the Audit Committee are outlined in the minutes of the meetings held in the period under review.

2.8 PERFORMANCE AUDIT COMMITTEE

The Municipal Audit and Performance Audit Committee, appointed in terms of section 166 of the MFMA, fulfils the role of the Performance Audit Committee.

The Regulations require that the Performance Audit Committee comprises a minimum of three members, the majority of whom are external (neither a Councillor nor an employee) of the municipality. Section 14(2)(b) of the Regulations further stipulates that the Performance Audit Committee must include at least one person who has expertise in performance management. It is also a requirement of the Regulations in section 14(2)(d) that the Council of a municipality designate a member of the Performance Audit Committee who is neither a Councillor nor an employee of the municipality as the Chairperson of the committee.

In terms of section 166(4)(a) of the MFMA, an Audit Committee must consist of at least three persons with appropriate experience, of whom the majority may not be in the employ of the municipality.

Section 166(5) of the MFMA requires that the members of an Audit Committee must be appointed by the Council of the municipality. One of the members, not in the employ of the municipality, must be appointed as the Chairperson of the committee. No Councillor may be a member of an Audit Committee.

Both the Regulations and the MFMA indicate that three is the minimum number of members needed to comprise a Performance Audit Committee. While the Regulations preclude the appointment of a Councillor as Chairperson of the Performance Audit Committee, the MFMA entirely excludes the involvement of a Councillor in the composition of a Performance Audit Committee.

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

2.8.1 FUNCTIONS OF THE PERFORMANCE AUDIT COMMITTEE

In terms of section 14(4)(a) of the Regulations, the Performance Audit Committee has the responsibility to -

(i) review the quarterly reports produced via the internal audit process;

(ii) review the municipality's performance management system and make recommendations in this regard to the council of the municipality; and

(iii) submit a performance audit report to the council of the municipality at least twice during each financial year.

2.8.2 MEMBERS OF THE PERFORMANCE AUDIT COMMITTEE

Stellenbosch Municipality's Audit Committee serves a dual role and also performs the role of the Performance Audit Committee.

Name of Member	Capacity	Meeting dates
Linda Nene	Chairperson (term expired 18 November 2015)	1 July 2015 27 August 2015 8 November 2015 12 January 2016 9 May 2016 28 June 2016
Reyhana Gani	Member Chairperson 30 March 2016)	
Henry Isaacs	Member (Term expired 18 November 2015)	
Ruthaleen Davidse	Member	
Maryke van der Merwe	Member	
Nimrod Llewellyn Mortimer	New Member (30 March 2016)	
Jeremy Fairbairn	New Member (30 March 2016)	

Table 85: Members of the Performance Audit Committee

2.9 INTERNAL AUDITING

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

The internal audit unit of a municipality must –

(a) prepare a risk based audit plan and an internal audit program for each financial year; and

(b) advise the accounting officer and report to the Audit Committee on the implementation on the internal audit plan and matters relating to:

- internal audit;
- internal controls;
- accounting procedures and practices;
- risk and risk management;
- performance management;
- loss control; and
- compliance with this Act, the annual Division of Revenue Act and another applicable legislation.

(c) perform such other duties as may be assigned to it by the Accounting Officer.

Stellenbosch Municipality's Internal Audit function comprised in-house staff. The main focus areas were compliance to applicable laws, regulations, policies and procedures which resulted in both assurance as well as consulting work. During the year under review, the internal audit activity was able to effectively execute 95% of the initial adopted risk-based audit plan.

In addition, process flowcharts for all identified audit areas have been documented, highlighting the key controls and/or control gaps for process owners/line managers to consider and implement.

Follow-up reviews were conducted relating to previously reported matters during the previous financial year.

Risk register and three-year strategic plan

Risk assessment updates were performed during June/July 2015 and all relevant risks were populated into a new Risk Register for the municipality. This Risk Assessment Plan forms the basis of the 2015/16 financial year's Risk-Based Audit Plan. New updates to the Stellenbosch Municipality's risk profile were captured during 2015/16 in consultation with the Risk Management Committee, which Internal Audit will use to populate the Combined Assurance Framework. This will ensure that adequate audit coverage be obtained from Internal Audit in consultation with the Auditor General and management.

The results of the 3-year strategic internal audit plan are included below:

Audit Activity	2013/14	2014/15	2015/16
Supply Chain Management	✓	✓	✓
Human Resources (Acting Allowances and Training)	✓	-	-
Asset Management	✓	-	-
Statutory Audits			
MFMA Compliance (Including other Relevant Acts)	Included in other reviews/ reporting i.e. MGRO	✓	✓
Division of Revenue Act (DoRA) Compliance	✓	✓	✓
Performance Management System	✓	✓	✓
Risk Management Review	✓	✓	✓
Additional Audits After Review of Risks			
ITGC, Applications Review and Support Services Equipment	-	✓	✓
Governance	✓	✓	✓
Quarterly Key Control Reviews	✓	✓	✓
Security Services (Access Control of Various Assets)	✓	-	-
Communication	✓	-	-
Financial Year-End Stock-Take	✓		
Housing Administration	-	✓	-
Fleet Management (Fire and Disaster)	-	✓	-
Cemetery	-	✓	-
Access Control and Visual Management (Beltana)	-	✓	-
Disaster Management	-	-	✓
Infrastructure Maintenance (Area, Cleaning, Parks and Rivers)	-	-	✓
Leave Management	-	-	✓
Follow-Up Reviews			
Recruitment and Selection	✓	-	-
Revenue	✓	-	-
Infrastructure Maintenance	✓	-	-
Division of Revenue Act (DoRA)	✓	-	-
AG Follow-Up Review	✓	✓	✓
Fleet Management (Fire and Disaster)			✓
Access Control and Visual Management (Beltana)			✓

Table 86: Three-Year Strategic Internal Audit Plan

✓ *Confirms audit activity completed in the financial year*

Annual Risk Based Audit Plan

The Risk-Based Audit Plan for 2015/16 was implemented with available resources. The table below provides detail on audits completed:

Audit Activity	Total Hours budgeted	Actual hours	Timing
MFMA Compliance	120	120	Included in other reviews/ reporting i.e. MGRO 1 & 2
DoRA Compliance	80	80	July 2016
Governance	120	120	Continuous
Risk Management	120	120	Rolled over to 2016/17
AG Follow-Up Review			Continuous
IA Follow-Up Review	720	720	Continuous
Quarterly Key Control Reviews	160	160	Quarter 1, 2 and 3 finalised
Audit of Performance Information	720	720	Quarter 1, 2 and 3 finalised
Supply Chain Management	720	720	July 2016
ITGC, Applications Review and Support Services Equipment	720	720	July 2016
Disaster Management	500	500	April 2016
Infrastructure Maintenance	720	720	May 2016
Leave Management	500	500	In progress
Total	**5400**	**5400**	**Total**

Table 87: Annual Risk-Based Audit Plan

PMS Audits

Actual performance was subjected to an internal audit review and results of their findings submitted to the Performance Audit Committee:

- Quarterly audits were performed and reported to the Audit Committee.

2.10 SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy applicable to the 2015/16 financial year was revised and adopted by Council on 25 May 2016 (as APPENDIX 7 of the budget-related policies) in terms of section 17(1) – (3) of the MFMA (Act 56 of 2003).

The changes alluded to above will ensure that the Supply Chain Management Unit (SCMU) has the required legislative mandate to further streamline procedures and processes in order to promote more efficient and effective service delivery to all our internal and external stakeholders.

2.10.1 COMPETITIVE BIDS IN EXCESS OF R200 000

2.10.1.1 BID COMMITTEE MEETINGS

The following table details the number of bid committee meetings held for the 2015/2016 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
108	92	29

Table 88: Bid Committee Meetings

The attendance figures of members of the bid specification committee are as follows:

Member	% Attendance
Supply Chain Management Representative	100
Relevant technical expert responsible for a function	100

Table 89: Attendance of Members of Bid Specification Committee

The attendance figures of members of the bid evaluation committee are as follows:

Member	% Attendance
Senior Accountant: SCM or SCM Practitioner	100
Relevant technical expert responsible for a function	100

Table 90: Attendance of Members of Bid Evaluation Committee

The attendance figures of members of the bid adjudication committee are as follows:

Member	% attendance
Director Financial Services (Chairperson)	100%
Director Planning and Development	44.83%
Director Human Settlements and Property Management	93.10%
Director Engineering Services	72.41%
Director Public Safety and Community Services	75.86%
Director Strategic and Corporate Services	65.52%

Table 91: Attendance of Members of Bid Adjudication Committee

The percentages indicated above include the attendance by those officials acting in the position of a bid committee member and/or chairperson.

2.10.1.2 AWARDS MADE BY THE BID ADJUDICATION COMMITTEE

The Bid Adjudication Committee awarded **90** bids with a value of **R 241 703 592.30**, excluding annual tenders awarded on the basis of approved rates.

.

The ten highest bids awarded by the bid adjudication committee are as follows:

Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded
B/SM 98/15	Construction of the Plankenbrug main outfall sewer and associated works	Engineering Services: Water services	JVZ Construction (Pty)Ltd & Vakala Construction J/V	R47 648 707.06
B/SM 27/16	Upgrading of the Klapmuts waste water treatment works to 2.4ml/day.	Engineering Services: Water services	Baseline Civil Contractors	R 32 836 247.55
B/SM 68/16	Klapmuts: construction of new multi-purpose community centre	Humans Settlements and Property Management: Property Management	Build A Way Construction	R20 751 616. 24
B/SM 33/16	Supply installation of a STS compliant prepayment electricity vending system and audit of electrical meters	Engineering Services: Metering and loss control	Itron Metering Solutions S.A (Pty)Ltd	R19 298 400.00
B/SM 86/15	Construction of phase A:120 top structures and phase B: 42 top structures on phase 1 of portion 7 of farm 527, Jamestown	Human Settlements and Property Management	People's Helping Project Building Supplies	R 17 748 720.00
B/SM 08/16	Construction of civil engineering services: 295 service sites on phase B and C of property 2183, Watergang, Kayamandi	Human Settlements and Property Management	Amandla GCF Construction	R 14 405 605.50
B/SM 70/16	Bid B/SM 70/16: Jamestown bulk services phase 2A: Construction of Paradyskloof to Jamestown water supply	Engineering Services: Water services	JVR Construction cc	R12 530 261.89
B/SM 54/16	Design, manufacture, testing, supply, delivery and offloading of 12kv metal-enclosed ring main units and switchgear	Engineering Services: Electrical services	ABB South Africa (Pty) Ltd & Jo Castro (Pty) LTD	R 8 839 946.79
B/SM 64/16	Refurbishment, installation and commissioning of three 7.5mva 66/11 kv oil-type transformers until 30 June 2017	Engineering Services: Operation and Maintenance	LH Marthinusen	R 7 593 966.93
B/SM 71/16	Stellenbosch Municipality: energy	Engineering Services: Electrical	EMC Electrical Reticulation	R 5 230 400.43

Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded
	efficiency and demand side management: streetlight retrofit project	Services		

Table 92: Ten Highest Bids Awarded by Bid Adjudication Committee

2.10.1.3 AWARDS MADE BY THE ACCOUNTING OFFICER

In terms of paragraph 2.4 of Council's Supply Chain Management policy, only the Accounting Officer may award a bid which is in excess of R 10 million. The authority to make such an award may not be sub-delegated by the Accounting Officer. The bids awarded by the Accounting Officer are as follows:

Bid number	Title of bid	Directorate	Value of bid awarded
B/SM 98/15	Construction of the Plankenbrug main outfall sewer and associated works.	Engineering Services: Water services	R47 648 707.06
B/SM 27/16	Upgrading of the Klapmuts waste water treatment works to 2.4ml/day.	Engineering Services: Water services	R 32 836 247.55
B/SM 68/16	Klapmuts: construction of new multi-purpose community centre.	Humans Settlements and Property Management: Property Management	R20 751 616. 24
B/SM 33/16	Supply installation of a STS compliant prepayment electricity vending system and audit of electrical meters.	Engineering Services: Metering and loss control	R19 298 400.00
B/SM 86/15	Construction of phase A:120 top structures and phase B: 42 top structures on phase 1 of portion 7 of farm 527, Jamestown.	Human Settlements and Property Management	R 17 748 720.00
B/SM 08/16	Construction of civil engineering services: 295 serviced sites on phase B and Cerf 2183, Watergang, Kayamandi	Human Settlements and Property Management: New Housing	R 14 405 605.50
B/SM 70/16	Bid B/SM 70/16: Jamestown bulk services phase 2A: Construction of Paradyskloof to Jamestown water supply	Engineering Services: Water services	R12 530 261.89

Table 93: Awards made by the Accounting Officer

2.10.1.4 OBJECTIONS LODGED

Eighteen (18) objections were lodged by aggrieved bidders on awards made, in terms of section 49 of the Municipal Supply Chain Management Regulations.

The matters were subsequently referred back to the Legal Department for their attention. One (1) was voluntarily withdrawn by the bidder.

2.10.2 FORMAL QUOTATIONS (ABOVE R 30 000 AND BELOW R 200 000) PROCUREMENT PROCESSES

The number of formal quotations approved by the Head: Supply Chain Management for the year under review follows:

Description	Financial Years					Increase / Decrease 2013/14-2014/15	Increase / Decrease 2014/15 – 2015/16
	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016		
Number of Awarded Formal Quotations	194	186	239	257	246	+7.53	-4.28%
Total Formal Quotations Advertised	308	279	367	350	322	-4.63	-8%
Percentage awarded	**62.99**	**66.67**	**65.12**	**73.42**	**76.40**	**+ 2.90%**	**-12.28%**

Table 94: Formal Quotations (above R 30 000 and below R 200 000)

2.10.3 DEVIATION FROM NORMAL PROCUREMENT PROCESSES

Paragraph 4.36 of Council's Supply Chain Management Policy allows the Accounting Officer to dispense with the official procurement process. The following table indicates the number of certificates of emergencies and deviations approved in terms of section 4.36 of the SCM Policy.

Description	Financial Years					Increase / Decrease 2013/14 – 2014/15	Increase / Decrease 2014/15 - 2015/16
	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016		
Certificate of Emergencies: Approved by the Directors i.t.o. Section 4.36.4 of the SCM Policy	64	109	58	0	0	-100	0%
Deviations: Approved by the Accounting Officer i.t.o. Section 4.36.1 of the SCM Policy	99	64	97	68	26	-29.89%	-61.76%
TOTAL	**163**	**173**	**155**	**68**	**26**	**-56.13%**	**-61.76%**

Table 95: Deviation from Normal Procurement Process

Deviations from the normal procurement processes have been monitored closely to mitigate the risk of abuse associated with such appointments. Monthly reporting in terms of paragraph 4.36 of the SCM policy has been complied with. Cognisance must be taken of the **decreasing trend** as depicted in the aforementioned table with regards to instances, where the municipality has dispensed with official procurement processes. This can be attributed to the following factors:

- greater understanding of internal procurement processes by the internal stakeholders;
- optimal usage of Annual Tenders;
- leadership from Top Management and end user commitments and support;
- appointment of key Supply Chain Management (SCM) vacant positions

2.10.4 DISPOSAL MANAGEMENT

The system of disposal management envisages the following:

- immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
- movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
- firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
- immovable property is let at market related rates, except when the public plight of the poor demands otherwise;

- all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
- where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
- in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

The municipality complies with section 14 of the MFMA which deals with the disposal of capital assets as well as with the Asset Transfer Regulations.

2.10.5 SUPPLY CHAIN MANAGEMENT PERFORMANCE MANAGEMENT

The SCM policy requires that an internal monitoring system be established and implemented in order to determine, on the basis of retrospective analysis, whether the SCM processes were followed and whether the objectives of the SCM policy were achieved.

Monitoring of internal processes is an on-going process. Procedure manuals for various SCM processes have been developed and approved and are being implemented.

2.11 BY-LAWS AND POLICIES

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

Budget related policies reviewed in the 2015/16 financial year are listed below.

Policies Revised	Date Adopted	Public Participation Conducted Prior to Adoption of Policy
		Yes/No
Travel and Subsistence Policy	25 May 2016	Yes
Indigent Policy	25 May 2016	Yes
Credit Control and Debt Collection Policy	25 May 2016	Yes
Irrecoverable Debt Policy	25 May 2016	Yes
Tariff Policy	25 May 2016	Yes
Accounting Policy	25 May 2016	Yes
Funding and Reserve Policy	25 May 2016	Yes
Grants-in-Aid Policy i.t.o. Section 67, MFMA, 2003	25 May 2016	Yes
Non-Financial Asset Management Policy	25 May 2016	Yes
Borrowing, Funds and Reserves Policy	25 May 2016	Yes
Development Contribution Policy	25 May 2016	Yes

Petty Cash Policy	25 May 2016	Yes
Bodies Performing a Municipal Function Policy	25 May 2016	Yes
Liquidity Policy	25 May 2016	Yes
Virement Policy	25 May 2016	Yes
Cash Management and Investment Policy	25 May 2016	Yes
Performance Management Framework	25 May 2016	Yes
Public Participation Policy	25 May 2016	Yes

Table 96: Budget Related Policies Reviewed

2.12 WEBSITE

The municipal website is an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies.

Below is a website checklist to indicate the compliance to Section 75 of the MFMA:

Documents Published on the Stellenbosch Municipality's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	Within legislated period
All current budget-related policies	Yes	Within legislated period
Current annual and adjustment budgets and all budget-related documents	Yes	Within legislated period
All current budget-related policies	Yes	Within legislated period
The annual report for 2014/15	Yes	Within legislated period
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act for 2015/16	Yes	Within legislated period
All service delivery agreements for 2015/16	Yes	Within legislated period
All long-term borrowing contracts for 2015/16	Yes	Within legislated period
All supply chain management contracts above a prescribed value for 2015/16	Yes	Within legislated period
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 2015/16	Yes	Within legislated period

Table 97: Website Checklist

2.13 COMMUNICATION

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

Good customer care is clearly of fundamental importance to any organisation, and analysis here shows that local residents view the municipality's people relations in a negative light. A successful communication strategy therefore links the people to the municipality's programme for the year.

2.14 COMMUNITY SATISFACTION SURVEY

The Stellenbosch Municipality used the C-Index methodology for the measurement of the levels of satisfaction in terms of 14 elements in the community.

The C-Index measures in this study serves as the baseline measurement (point of departure) to monitor future effects of Stellenbosch Municipal development initiatives and service delivery. The C-Index is robust enough not to be affected by irrelevant or lesser issues (odd outliers or spikes), but at the same time, sensitive enough to give a measured satisfaction perception of the reality regarding service delivery as perceived by the public living in the Stellenbosch Municipal geographical area. By using the Schutte scale, monitoring is done with respect to all 15 basic building blocks needed in any community to function as a community on a 10-point scale ranging from 1 (dissatisfied) to 11 (very satisfied). These 15 building blocks cannot be prioritised, as it is regarded as the "bare minimum" for functional communal existence. The purpose of the C-Index radar graph is to reflect the future positive or negative effect of any service delivery and/or development projects/programmes executed by the Stellenbosch Municipality, with respect to this baseline measurement. The C-Index claims to be the only true holistic method and values free measuring instruments that can accommodate and quantify responses from both literate and illiterate respondents and which can be used across cultures with the same level of validity.
The information reflected in the C-Index is vital for any sustainable development programme, as it serves as the monitoring tool with a baseline from which change in the target community could be monitored with future measurements as a result of intervention programmes.

DISCUSSION OF THE C-INDEX RESULTS

The measured perceptions of satisfaction with each element is measured on a scale, ranging from 1(very dissatisfied) to 11 (very satisfied). It is clear from the Community Index that the most prominent issues in the Stellenbosch municipal area are safety (2,7), housing (3,4), health care (3,6), income (3,8), sanitation (3,9), recreation facilities (4,0), clean environment (4,1), transport (4,2), electricity (4,4), welfare (4,6), and education (5,7). Though some of the issues fall outside the municipal scope of practice, they all form part of the living space in a community and the municipality could play an important role as a conduit to bring all the necessary role players together to assist in improving the quality of life of all the citizens living in the Stellenbosch municipal area. What is clear is that safety is a concern in all wards.

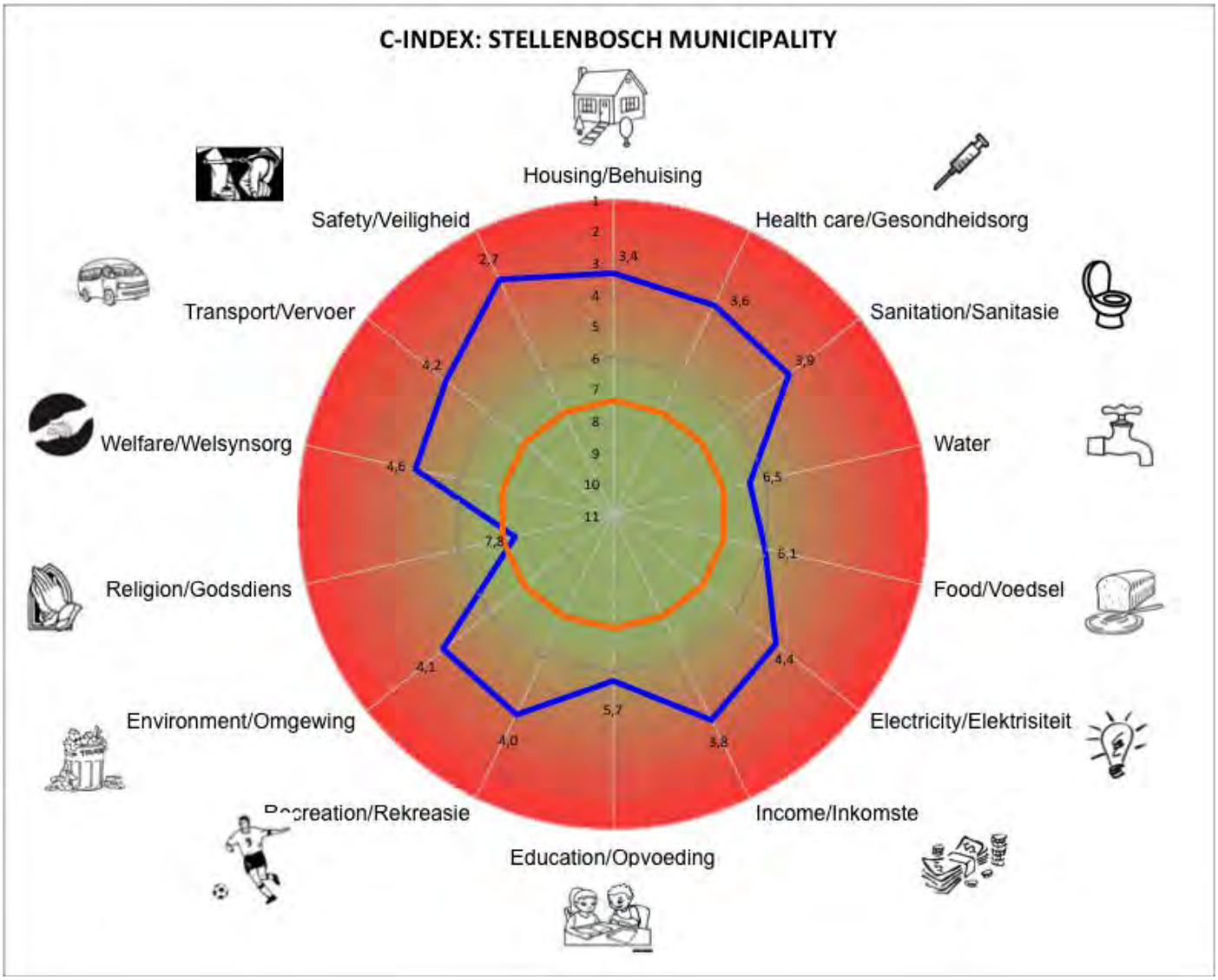


Figure 29 C-Index of Stellenbosch Municipality

2.15 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

Below is a communication checklist of the compliance to the communication requirements:

Communication activities	Yes/No
Communication unit	Yes
Communication strategy	Yes
Communication policy	Yes
Customer satisfaction surveys	Yes
Functional complaint management systems	Yes
Newsletters distributed at least quarterly	Yes

Table 98: Communication Activities

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

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

At local government level, performance management is institutionalised through the legislative requirements of the performance management process. Performance management provides the mechanism to measure whether targets are met in line with strategic goals as set by the organisation.

Section 152 of the Constitution of the Republic of South Africa, 1996, deals with the objectives of local government and paves the way for performance management. The idea of an accountable government is important to meet the needs of Stellenbosch. The democratic values and principles in terms of section 195 (1) are also linked with the concept of performance management, with reference to the principles of the following, among others to:

- promote the efficient, economic and effective use of resources,
- ensure accountable public administration,
- be transparent by providing information,
- be responsive to the needs of the community, and
- facilitate a culture of public service and accountability amongst staff.

The Local Government: Municipal Systems Act (MSA) of 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) require the Integrated Development Plan (IDP) to be aligned to the municipal budget. The monitoring of organizational performance of the budget must be done against the IDP on a quarterly basis via the Service Delivery and Budget Implementation Plan (SDBIP). The report is made public after the council has been informed of the quarterly progress against set targets.

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

LEGISLATIVE REQUIREMENTS

In terms of section 46(1)(a) of the Local Government: Municipal Systems Act, a municipality must prepare a performance report for each financial year that reflects the municipality's and any service provider's performance during the financial year. The report must furthermore indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year, and measures that were or are to be taken to improve performance.

ORGANISATIONAL PERFORMANCE

Strategic performance assessment indicates how well the Municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for their implementation. The implementation must be monitored on an ongoing basis and the results must be reported on during the financial year to various role players to enable them to implement corrective measures timeously where required.

This report highlights the strategic performance in terms of the municipality's Top-Layer Service Delivery and Budget Implementation Plan (SDBIP), high-level performance in terms of the strategic objectives of the municipality and performance on the National Key Performance Indicators prescribed in terms of section 43 of the Municipal Systems Act of 2000.

ADOPTION OF A PERFORMANCE MANAGEMENT FRAMEWORK

The municipality adopted a Performance Management Framework during 2011. The framework was reviewed during the 2015/16 financial year. The framework was approved by the municipal council on the 30th of April 2015.

THE IDP AND THE BUDGET

The draft IDP was tabled on the **27th of March 2015** (item 8.1) and was advertised for public comment. At a meeting held on the **25th of May 2015**, the Stellenbosch Municipal Council adopted the 2015/16 revised IDP and MTREF for 2015/16, 2016/17 and 2017/18. The IDP has as its primary aim the reflection of Council's vision for long-term development by focusing on the critical development and transformation needs. It is therefore important to assess the existing level of development as identified within the communities and allow citizens the opportunity to render comments on such developments. The IDP and performance management processes are integrated and requires consultation with the public in order to commence with activities that influence the community directly. The IDP fulfils the planning stage of performance management. Performance management, in turn, fulfils the implementation, management, monitoring and evaluation of the IDP.

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The organisational performance is evaluated by means of a municipal scorecard (Top-Layer SDBIP). Performance objectives, as reflected in the municipal scorecard, are required to be practical, measurable and based in the key performance indicators.

The SDBIP is a tool that converts the IDP and budget into measurable criteria of how, where and when the strategies, objectives and normal business processes of the municipality are implemented.

It also allocates responsibility to directorates to deliver the services in terms of the IDP and the budget.

MFMA Circular No. 13 is a clarification of the Municipal Budget and Reporting Regulations, Schedule A 1, GenN 393 in GG32141 and prescribes that:

- the IDP and budget must be aligned;
- the budget must address the strategic priorities;
- the SDBIP should indicate what the municipality is going to do during the next 12 months; and
- the SDBIP should form the basis for measuring the performance against goals set during the budget/IDP processes.

The Top-Layer SDBIP was prepared as described in the paragraphs below and approved by the Executive Mayor, Conrad Sidego on the **24th of June 2015**.

THE MUNICIPAL SCORECARD (TOP-LAYER SDBIP)

The municipal scorecard (Top-Layer SDBIP) consolidates service delivery targets set by Council/senior management and provides an overall picture of the performance of the municipality as a whole, reflecting performance in its strategic priorities for the 2015/16 financial year. The scorecard is the performance evaluation tool and is used during the informal and formal performance assessment of senior managers. Components of the Top-Layer SDBIP include:

One-year detailed plan with the following components:

- Monthly projections of revenue to be collected for each source
  - Expected revenue to be collected, NOT billed
- Monthly projections of expenditure (operating and capital) and revenue for each vote
  - Section 71 format (monthly budget statements)
- Quarterly projections of service delivery targets and performance indicators for each vote
  - Non-financial, measurable performance objectives in the form of targets and indicators
  - Output, NOT input/internal management objectives
  - Level and standard of service being provided to the community

Top-Layer KPI's were prepared based on the following:

- Key performance indicators (KPI's) for the programmes/activities identified to address the strategic objectives as documented in the IDP in co-operation with the community who identifies developmental priorities;
- KPI's identified during the IDP and KPI's that need to be reported to key municipal stakeholders;
- KPI's to address the required national minimum reporting requirements.

AMENDMENT OF THE TOP-LAYER SDBIP

No amendment of the Top-Layer SDBIP occurred during the 2015/16 financial year.

ACTUAL PERFORMANCE

The municipality utilizes an electronic web-based real time performance-based system on which KPI owners update actual performance on a monthly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- The actual result in terms of the target set;
- A performance comment;
- Actions to improve the performance by the submission of corrective measures to meet the set target for the reporting interval in question, if the target was not achieved.

It is the responsibility of every KPI owner to maintain a hard copy portfolio of evidence to support actual performance results updated and provide it to the Internal Auditor and Auditor General upon request.

MONITORING OF THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

Municipal performance is measured as follows:

Mid-year assessment and submission of the mid-year report to the Mayor in terms of section of Section 72(1)(a) and 52(d) of the Local Government Municipal Finance Management Act to assess the performance of the municipality during the first half of the financial year.

Actual performance was subjected to an internal audit and results of their findings submitted to the Performance Audit Committee:

- Quarter 1, 2, 3 and 4 were performed and reported to the Audit Committee.

INDIVIDUAL PERFORMANCE

MUNICIPAL MANAGER AND MANAGERS DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER

The Municipal Systems Act (MSA), 2000 (Act 32 of 2000) prescribes that the municipality must enter into performance based agreements with all section 57-employees and that performance agreements must be reviewed annually and published for public interest. This process and the format are further regulated by Regulation 805 (August 2006), MSA.

The performance agreements for the section 57 appointments for the 2015/16 financial year were signed during July 2015 as prescribed. They include the:

- Director: Strategic and Corporate Services: 1 July 2015 – 19 September 2015
- Director: Strategic and Corporate Services: 1 February 2016 – 30 June 2016
- Director: Community and Protection Services: 1 January 2016 – 31 June 2016
- Chief Financial Officer
- Director: Planning and Economic Development

- Director: Human Settlements and Property Management

The following directors were appointed during the financial year:

- Director: Community and Protection Services: 1 January 2016; and
- Director: Strategic and Corporate Services: 1 February 2016

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The mid-year performance assessment for the 2015/16 financial year took place on **1 June 2016** and was tabled at the 27th Council meeting held on **27 January 2016** under item 7.2.

The final evaluation of the 2014/15 financial year (1 June 2013 to 30 June 2014) took place on 27 November 2015.

The appraisals were done by an evaluation panel as indicated in the signed performance agreements and in terms of Regulation 805.

The panel consisted of the following people:

- Alderman C. Sidego, Executive Mayor;
- Councillor Johanna Serdyn, Chairperson of the Planning Portfolio Committee;
- Councillor Sophie Louw, Chairperson of the LED, Tourism and Agriculture Portfolio Committee;
- Councillor Aldrigde Frazenburg, Chairperson of the Social Development Portfolio Committee;
- Councillor Valerie Fernandez, Integrated Human Settlements Portfolio Committee;
- Johann Mettler, Municipal Manager of Drakenstein Municipality;
- Gawie Groenewald, Ward Committee member nominated by the Executive Mayor; and
- Andre Pelser, Community member nominated by the Executive Mayor

OTHER MUNICIPAL PERSONNEL

The municipality is in the process of implementing individual performance management for employees on TASK levels 14-19. The introduction of the performance management took longer than anticipated whereby more consultation was required with service departments.

Introduction sessions were held on:

- 23 November 2015
- 25 November 2015
- 15 December 2015
- 18 January 2016

A new KPI was developed for the 2015/16 financial year whereby every manager will be required to:

- Plan, develop and sign a performance agreement;
- Consult on performance agreements directed at staff between TASK levels 14-19.

SERVICE DELIVERY PERFORMANCE

Introduction

This chapter provides an overview of the key service achievements of the municipality that came to completion during 2015/16 in terms of the deliverables achieved compared to the key performance objectives and indicators in the IDP.

3.1 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (TOP-LAYER)

The purpose of performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview on the achievement of a municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top-Layer (strategic) SDBIP is the municipality's strategic plan and shows the strategic alignment between the different documents (IDP, Budget and Performance Agreements).

In the paragraphs below, the performance achieved is illustrated against the Top-Layer SDBIP according to the IDP strategic objectives.

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

Category	Colour	Explanation
KPI Not Yet Measured		KPI's with no targets or actuals in the selected period
KPI Not Met		0% > = Actual/Target< 75%
KPI Almost Met		75% > = Actual/Target < 100%
KPI Met		Actual/Target = 100%
KPI Well Met		100% > Actual/Target < 150%
KPI Extremely Well Met		Actual/Target > = 150%

Table 99: SDBIP Measurement Categories - Top-Layer SDBIP

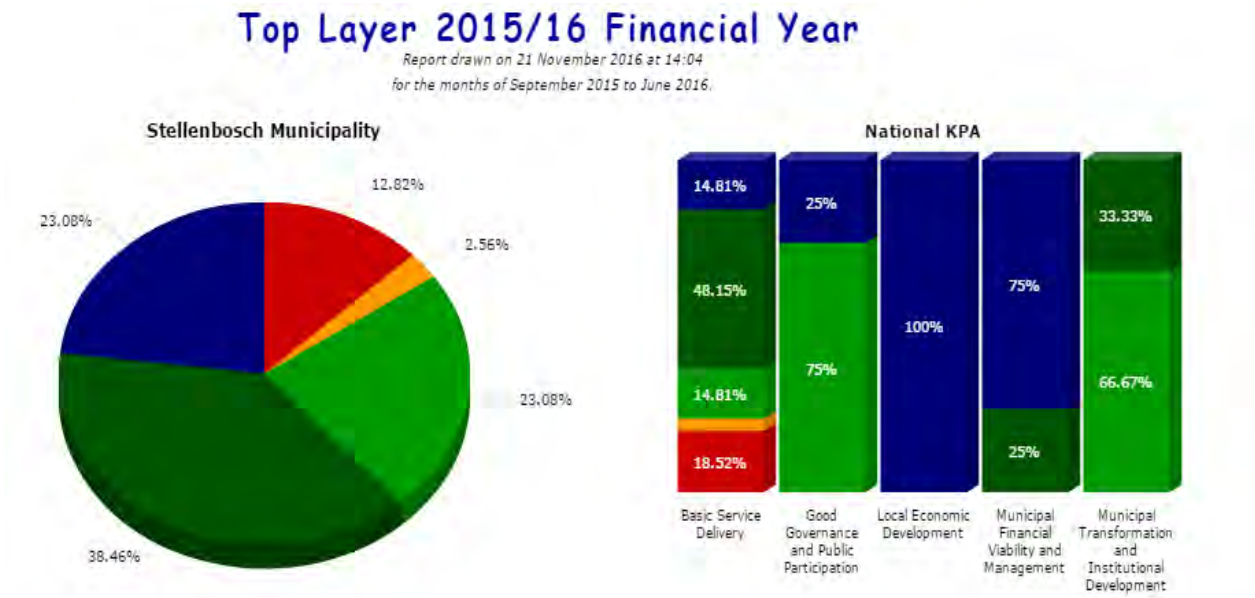
The overall performance results achieved by the municipality in terms of the Top-Layer SDBIP are indicated in the table and graph below according to the National KPAs.

	Stellenbosch Municipality	National KPA				
		Basic Service Delivery	Good Governance and Public Participation	Local Economic Development	Municipal Financial Viability and Management	Municipal Transformation and Institutional Development
KPI Not Met	5 (12.8%)	5 (18.5%)	-	-	-	-
KPI Almost Met	1 (2.6%)	1 (3.7%)	-	-	-	-
KPI Met	9 (23.1%)	4 (14.8%)	3 (75%)	-	-	2 (66.7%)
KPI Well Met	15 (38.5%)	13 (48.1%)	-	-	1 (25%)	1 (33.3%)
KPI Extremely Well Met	9 (23.1%)	4 (14.8%)	1 (25%)	1 (100%)	3 (75%)	-
Total:	39	27	4	1	4	3

Table 100: Review of the Municipal Scorecard (Top-Layer SDBIP)

3.1.1 OVERALL PERFORMANCE

The graph below displays the overall performance per National KPA for 2015/16:



Graph 1: ***Overall Strategic Performance per National KPA***

3.1.2 ACTUAL PERFORMANCE FOR 2015/16

3.1.2.1 DIGNIFIED LIVING

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2015/16						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
TL 1	Provide clean piped water to formal residential properties which are connected to the municipal water infrastructure network as at 30 June 2016	Number of formal residential properties receiving piped water as at 30 June 2016	All	24 715	0	0	0	23,000	23,000	25,519	G 2
TL 2	Provide electricity to formal residential	Number of formal residential properties	All	24 715	0	0	0	23,000	23,000	25,519	G 2

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2015/16						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
	properties connected to the municipal electrical infrastructure network for both credit and prepaid electrical metering as at 30 June 2016	connected to the municipal electrical infrastructure network (credit and prepaid electrical metering) as at 30 June 2016									
TL 3	Provide sanitation services to residential properties which are connected to the municipal waste water (sanitation/sewerage) network as at 30 June 2016	Number of residential properties which are billed for sewerage in accordance with the SAMRAS financial system as at 30 June 2016	All	24 715	0	0	0	23,000	23,000	25,519	G 2
TL 4	Provision of refuse removal, refuse dumps and solid waste disposal to all residential account holders as at 30 June 2016	Number of formal residential properties for which refuse is removed as at 30 June 2016	All	24 715	0	0	0	23,000	23,000	25,519	G 2
TL 5	Provide free basic water in terms of the equitable share requirements to indigent account holders	Monthly provisioning of free basic water in terms of the equitable share requirements to indigent account holders (kl per account holder)	All	6	10	10	10	10	10	10	G
TL 6	Provide clean piped water to registered indigent account holders which are connected	Number of indigent account holders receiving free basic water as at 30 June 2016	All	5757	0	0	0	4,900	4,900	6,486	G 2

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2015/16						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
	to the municipal water infrastructure network as at 30 June 2016										
TL 7	Provide free basic electricity to registered indigent account holders connected to the municipal electrical infrastructure network	Provide free basic electricity to indigent account holders in terms of the equitable share requirements measured in terms of quantum approved (Free kw basic electricity per indigent household)	All	60	60	60	60	60	60	60	G
TL 8	Provide free basic electricity to registered indigent account holders connected to the municipal electrical infrastructure network as at 30 June 2016	Number of indigent account holders receiving free basic electricity which are connected to the municipal electrical infrastructure network as at 30 June 2016	All	5757	0	0	0	4,900	4,900	7,042	G 2
TL 9	Provide free basic sanitation services to registered indigent account holders which are connected to the municipal waste water (sanitation/sewerage) network and are billed for sewerage service, irrespective of	Number of indigent account holders connected to the sanitation/sewerage network and are billed for sewerage services as at 30 June 2016	All	5757	0	0	0	4,900	4,900	6,486	G 2

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2015/16						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
	the number of water closets (toilets) as at 30 June 2016										
TL 10	Provide free basic refuse removal, refuse dumps and solid waste disposal to registered indigent account holders as at 30 June 2016	Number of indigent account holders receiving free basic refuse removal as at 30 June 2016	All	5757	0	0	0	4,900	4,900	6,486	G2
TL 11	The percentage of the municipality's capital budget spent on capital projects by 30 June 2016 {(Total actual capital expenditure/approved capital budget) x 100}	The percentage of the municipality's capital budget spent by 30 June 2016 {(total actual capital expenditure/approved capital budget) x 100}	All	91.59%	0%	10%	30%	90%	90%	79.74 %	O
		The item will be tabled in the new financial year.									
TL 25	Provide 80 additional waterborne toilet facilities and taps to informal settlements by 30 June 2016	Number of waterborne toilets facilities and taps provided by 30 June 2016	All	172 toilets ------ 140 taps	0	20	20	40	80	41 toilets -- 13 taps.	R
TL 26	Service sites for low cost housing development by 30 June 2016	Number of sites serviced by 30 June 2016	All	120	0	0	0	242	242	439	B
TL 27	Construct top structures for low cost housing development by 30 June	Number of top structures constructed by 30 June 2016	All	0	0	0	0	160	160	169	G2

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2015/16						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
	2016										
TL 28	Identify land for emergency housing and submit report with recommendations to the Portfolio Committee by 30 June 2016	Report with recommendations submitted to the Portfolio Committee by 30 June 2016	All	New Kpi	0	0	0	1	1	0	R
		The item will be tabled in the new financial year.									
TL 29	Compile and sign 200 transfer documents for ownership of low cost houses by 30 June 2016	Number of transfer documents compiled and signed by 30 June 2016	All	New Kpi	0	0	100	100	200	33	R
TL 30	Limit unaccounted for electricity to less than 11% by 30 June 2016 {(number of electricity units purchased and/or generated - number of electricity units sold (incl. free basic electricity)) / number of electricity units purchased and/or generated) × 100}	{(Number of electricity units purchased and/or generated - number of electricity units sold (incl. free basic electricity)) / number of electricity units purchased and/or generated) × 100}	All	7.43%	0%	0%	0%	11%	11%	6.06%	B
TL 32	90% Average water quality achieved as per micro, chemical, operational and physical determinants	Percentage average water quality achieved as per micro, chemical, operational and physical	All	94.77%	90%	90%	90%	90%	90%	91.50 %	G 2

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2015/16						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
	in terms of the Blue Drop requirements regulated by SANS 241 for all Water Treatment Works	determinants									
TL 33	Limit unaccounted for water to less than 25% by 30 June 2016	Percentage of unaccounted for water calculated in terms of standard IWA formula	All	22.60%	0%	0%	0%	25%	25%	24.98%	B
TL 34	Review and submit the Water Services Development Plan to the Portfolio Committee by 30 June 2016	Water Services Development Plan submitted to the Portfolio Committee by 30 June 2016	All	0	0	0	0	1	1	0	R
		Will be submitted in the 2016/2017 financial year with the IDP.									

Table 101: Top-Layer SDBIP - Dignified Living

3.1.2.2 GOOD GOVERNANCE AND COMPLIANCE

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2015/16						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
TL13	The number of people from employment equity target groups employed in the top three occupational levels of management in compliance with the municipality's approved Employment Equity Plan	Number of appointments made in the three highest levels of management approved Employment Equity Plan	All	4	1	1	2	2	6	17	B
TL	The		All	0.83%	0	0	0	0.80	0.80%	0.97%	G

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2015/16						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
14	percentage of a municipality's payroll budget actually spent on implementing its workplace skills plan by 30 June 2016 ((total actual training expenditure/ total annual payroll budget)x100)	((Total actual training expenditure/ total annual payroll budget)x100)						%			2
TL15	Financial viability measured in terms of the municipality's ability to meet its service debt obligations	Debt to Revenue (short term borrowing + bank overdraft + short term lease + long term borrowing + long term lease) / total operating revenue - operating conditional grant	All	45.1	0	55	0	0	55	19	B
TL16	Financial viability measured in terms of the outstanding service debtors	(Total outstanding service debtors/ revenue received for services)	All	19	0%	20%	0%	0%	20%	15.70%	B
TL17	Financial viability measured in terms of the available cash to cover fixed operating expenditure	((Cash and cash equivalents - unspent conditional grants - overdraft) + short term investment) / monthly fixed operational expenditure excluding (depreciation, amortisation, and provision for bad debts,	All	7.8	0	6	0	0	6	9.74	B

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2015/16						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
		impairment and loss on disposal of assets)).									
TL18	Review the risk based audit plan and submit to the Audit Committee by 30 June 2016	Reviewed RBAP and submitted to the Audit Committee by 30 June 2016	All	1	0	0	0	1	1	1	G
TL19	Approve an Audit Action Plan to address the issues raised in the Audit Report by 31 January 2016	Audit Action Plan developed and approved by 31 January 2016	All	1	0	0	1	0	1	1	G
TL20	Review the IT Backup Disaster Recovery Plan and submit draft to Portfolio Committee by 30 June 2016	Reviewed IT Backup Disaster Recovery Plan and submitted to Portfolio Committee by 30 June 2016	All	1	0	0	0	1	1	1	G
TL21	Review the Communication Strategy and submit to Portfolio Committee by 30 June 2016	Reviewed Communication Strategy and submitted to Portfolio Committee by 30 June 2016	All	1	0	0	0	1	1	1	G
TL22	Review ICT Strategy Policy Framework and submit to Portfolio Committee by 30 June 2016	Reviewed Policy and submitted to Portfolio Committee by 30 June 2016	All	1	0	0	0	1	1	1	G
TL23	Achieve an average payment of 96% by 30 June 2016 (gross debtors closing balance + billed revenue - gross debtors	(Gross debtors closing balance + billed revenue - gross debtors opening balance + bad debts written off)/billed revenue) x 100	All	100.05%	96%	96%	96%	96%	96%	109.53%	G2

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2015/16						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
	opening balance - bad debts written off)/billed revenue) x 100										

Table 102: Top-Layer SDBIP – Good Governance and Compliance

3.1.2.3 GREENEST MUNICIPALITY

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2015/16						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
TL31	50% Weighted Average effluent quality achieved in terms of requirements as regulated by the water use license for all Waste Water Treatment Works	Percentage effluent quality	All	57.81%	50%	50%	50%	50%	50%	76%	B
TL36	Complete S78.3 study of service delivery options on solid waste and submit report to Portfolio Committee by 31 March	Report submitted to Portfolio Committee by 31 March	All	0	0	0	1	0	1	0	R
		Additional stakeholder engagement processes are required with labour and other stakeholders and will be completed in the new financial year. These inputs will be incorporated in the final report.									
TL37	Submit quarterly progress reports to the Portfolio Committee on the implementati	Number of progress reports submitted to the Portfolio Committee	All	New Kpi	1	1	1	1	4	0	R

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2015/16						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
	on of waste-to-energy projects as per the approved Integrated Waste Management Plan										
	Corrective measure	A new proposed plan and report will be submitted in the new financial year.									

Table 103: Top-Layer SDBIP – Greenest Municipality

3.1.2.4 PREFERRED INVESTMENT DESTINATION

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2015/16						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
TL12	Number of temporary jobs created by 30 June 2016 through the municipality's local economic development EPWP projects, measured by the number of people temporarily employed in the EPWP programs for the period and linked to the availability of budget	Number of people temporarily employed in the EPWP programs linked to the availability of budget by 30 June 2016	All	613	80	180	100	50	410	745	B
TL35	Quarterly Transport Working Group meetings held	Number of Transport Working Group meetings held	All	4	1	1	1	1	4	5	G2
TL38	Develop a strategic infrastructure plan and	Plan submitted to the Portfolio	All	New KPI	0	0	0	1	1	1	G

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2015/16						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
	submit to the Portfolio Committee by 30 June 2016	Committee by 30 June 2016									
TL39	90% of the total approved MIG funding for Engineering Department (85% of allocation) spent by 30 June 2016 in terms of the grant funding agreement [(actual amount spent/total allocation received)x100]	Percentage of the allocation spent by 30 June 2016 [(actual amount spent/total allocation received)x100]	All	New KPI	0%	10%	30%	90%	90%	100%	G2

Table 104: Top-Layer SDBIP – Preferred Investment Destination

3.1.2.5 SAFEST VALLEY

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2015/16						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
TL 24	Review the Safety and Security Strategy and submit to Portfolio Committee by 31 March 2016	Revised Safety and Security Strategy submitted to Portfolio Committee by 31 March 2016	All	1	0	0	1	0	1	1	G

Table 105: Top-Layer SDBIP – Safest Valley

3.1.3 TOP-LAYER SDBIP 2014/15

The table below provides information on KPI's of the Top-Layer SDBIP for 2014/15. The indicators for 2014/15 were revised with the compilation of the 2015/16 Top-Layer SDBIP.

Ref	KPI	Unit of	Wards	Previous	Performance for 2014/15

		Measurement		Year Actual	Q1	Q2	Q3	Q4	Annual Target	Actual	R
TL 12	Provide free basic electricity to registered indigent account holders connected to the municipal electrical infrastructure network	Provide free basic electricity to indigent account holders in terms of the equitable share requirements measured in terms of quantum approved (free kw basic electricity per indigent household)	All	60	60	60	60	60	60	60	G
TL 13	Provide free basic electricity to registered indigent account holders connected to the municipal electrical infrastructure network	No. of indigent account holders receiving free basic electricity which are connected to the municipal electrical infrastructure network	All	5117	0	0	0	4,900	4,900	5,757	G 2
TL 14	Provide electricity to formal residential properties connected to the municipal electrical infrastructure network for both credit and prepaid electrical metering	No. of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)	All	24719	0	0	0	23 000	23 000	24 715	G 2
TL 15	Provide free basic sanitation services to registered indigent account holders	No. of indigent account holders connected to the	All	5117	0	0	0	4 900	4 900	5 757	G 2

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2014/15						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
	which are connected to the municipal waste water (sanitation/sewerage) network and are billed for sewerage service, irrespective of the number of water closets (toilets)	sanitation/sewerage network and are billed for sewerage services									
TL 16	Provide sanitation services to residential properties which are connected to the municipal waste water (sanitation/sewerage) network	No. of residential properties which are billed for sewerage in accordance with the SAMRAS financial system	All	24207	0	0	0	23 000	23 000	24 715	G 2
TL 17	Provide free basic water in terms of the equitable share requirements to indigent account holders	Monthly provisioning of free basic water in terms of the equitable share requirements to indigent account holders (kl per account holder)	All	6	6	6	6	6	6	6	G
TL 18	Provide clean piped water to registered indigent account holders which are connected to the municipal water infrastructure network	No. of indigent account holders receiving free basic water	All	5095	0	0	0	4 900	4 900	5 757	G 2
TL 19	Provide clean piped water to formal	No. of formal residential properties	All	24207	0	0	0	23 000	23 000	24 715	G 2

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2014/15						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
	residential properties which are connected to the municipal water infrastructure network	receiving piped water									
TL 20	Provide free basic refuse removal, refuse dumps and solid waste disposal to registered indigent account holders	No. of indigent account holders receiving free basic refuse removal	All	5095	0	0	0	4 900	4 900	5 757	G 2
TL 21	Provision of refuse removal, refuse dumps and solid waste disposal to all residential account holders	No. of formal residential properties for which refuse is removed	All	24207	0	0	0	23 000	23 000	24 715	G 2
TL 22	The percentage of the municipality's capital budget spent on capital projects identified in the IDP	The percentage of a municipality's capital budget spent on capital projects identified in the IDP for the 2014/15 financial year, measured as (total actual capital expenditure/ approved capital budget) x 100	All	92.97%	0%	10.95 %	32%	90%	90%	91.50 %	G 2
TL 26	Limit unaccounted for electricity to less than 11% (number of electricity units	(Number of electricity units purchased and/or generated -	All	8%	0%	0%	0%	11%	11%	7.43%	B

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2014/15						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
	purchased and/or generated - number of electricity units sold) / number of electricity units purchased and/or generated) × 100	number of electricity units sold) / number of electricity units purchased and/or generated) × 100									
TL 27	50% Weighted Average effluent quality achieved in terms of requirements as regulated by the water use license for all Waste Water Treatment Works	Percentage effluent quality	All	New performance indicator for 2014/15.	67%	70%	54.24 %	50%	50%	57.81%	G 2
TL 28	90% Average water quality achieved as per micro, chemical, operational and physical determinants in terms of the Blue Drop requirements regulated by SANS 241 for all Water Treatment Works	Percentage average water quality achieved as per micro, chemical, operational and physical determinants	All	97.50%	95.30 %	93.98%	99.90 %	90%	90%	94.77%	G 2
TL 34	Compile a new policy on the management of informal settlements and submit to the Portfolio Committee by 31 December	Policy submitted to the Portfolio Committee by 31 December	All	New performance indicator for 2014/15.	0	1	0	0	1	0	R
TL 35	Review the existing emergency	Policy submitted to the Portfolio	All	New performance	0	0	0	1	1	1	G

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2014/15						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
	housing policy and submit to the Portfolio Committee by 30 April	Committee by 30 April		indicator for 2014/15.							
TL 36	Provide 70 additional waterborne toilet facilities and taps to informal settlements	Number of waterborne toilet facilities and taps provided	All	New performance indicator for 2014/15.	0	0	0	172 toilets	70	172 toilets – 40 taps	B
TL 37	Number of sites serviced	Number of sites serviced	All	New performance indicator for 2014/15.	0	0	0	400	400	120	R
TL 38	Number of top structures constructed	Number of top structures constructed	All	New performance indicator for 2014/15.	0	0	0	180	180	0	R
TL1	Review the risk based audit plan and submit to the Audit Committee by 30 June	Reviewed RBAP and submitted to the Audit Committee by 30 June	All	1	0	0	0	1	1	1	G
TL2	Approve an Audit Action Plan to address the issues raised in the Audit Report by 31 December	Audit Action Plan developed and approved by 31 December	All	1	0	0	1	0	1	1	G
TL3	Review the IT Backup Disaster Recovery Plan and submit draft to Portfolio Committee by 30 June	Reviewed IT Backup Disaster Recovery Plan and submitted to Portfolio Committee by 30 June	All	1	0	0	0	1	1	1	G
TL4	Review the Communication Strategy and	Reviewed Communication Strategy	All	1	0	0	0	1	1	1	G

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2014/15						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
	submit to Portfolio Committee by 30 June	and submitted to Portfolio Committee by 30 June									
TL5	The percentage of a municipality's budget actually spent on implementing its workplace skills plan ((total actual training expenditure/ total annual payroll budget)x100)	(Total actual training expenditure/ total annual payroll budget)x100)	All	0.01%	0%	0%	0%	0.50 %	0.50 %	0.83%	B
TL6	Review ICT Strategy Policy Framework and submit to Portfolio Committee by 30 June	Reviewed Policy and submitted to Portfolio Committee by 30 June	All	1	0	0	0	1	1	1	G
TL7	The number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved Employment Equity Plan	Number of appointments made in the three highest levels of management in compliance with the approved Employment Equity Plan	All	1	0	0	0	1	1	4	B
TL8	Achieve an average payment of 96% by 30 June	(Gross debtors closing balance + cash receipts - gross debtors opening balance + bad debts	All	103.71%	99.81 %	100%	100 %	96%	96%	100.05 %	G 2

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2014/15						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
		written off)/billed revenue x 100									
TL9	Financial viability measured in terms of the municipality's ability to meet its service debt obligations	Debt to Revenue (short term borrowing + bank overdraft + short term lease + long term borrowing + long term lease) / total operating revenue - operating conditional grant	All	59.10%	0	45.1	0	0	55	45.1	B
TL 10	Financial viability measured in terms of the outstanding service debtors	(Total outstanding service debtors/ revenue received for services)	All	16.80%	0%	19%	0%	0%	20%	19%	B
TL 11	Financial viability measured in terms of the available cash to cover fixed operating expenditure	((Cash and cash equivalents - unspent conditional grants - overdraft) + short term investment) / monthly fixed operational expenditure excluding (depreciation , amortisation, and provision for bad debts, impairment and loss on disposal of assets)).	All	7.4	0	7.8	0	0	6	7.8	G 2

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2014/15						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
TL 43	Develop a draft Human Resource Strategy and submit to Portfolio Committee by 30 June	Draft Strategy submitted to Portfolio Committee by 30 June	All	New performance indicator for 2014/15.	0	1	0	1	1	1	G
TL 44	Report quarterly to Council on the performance in terms of the Top-Layer SDBIP	Number of reports submitted	All	New performance indicator for 2014/15.	0	2	1	1	4	3	O
TL 45	Compile the draft annual report i.t.o. the MFMA and submit to Council by 31 January	Draft report submitted to Council by 31 January	All	1	0	0	1	0	1	1	G
TL 46	Report once per quarter on back-ups made to the Portfolio Committee	Number of reports on back-ups submitted to the Portfolio Committee	All	New performance indicator for 2014/15.	0	1	1	1	4	3	O
TL1	Review the risk based audit plan and submit to the Audit Committee by 30 June	Reviewed RBAP and submitted to the Audit Committee by 30 June	All	1	0	0	0	1	1	1	G
TL2	Approve an Audit Action Plan to address the issues raised in the Audit Report by 31 December	Audit Action Plan developed and approved by 31 December	All	1	0	0	1	0	1	1	G
TL3	Review the IT Backup Disaster Recovery Plan and submit draft to Portfolio Committee by 30 June	Reviewed IT Backup Disaster Recovery Plan and submitted to Portfolio Committee by 30 June	All	1	0	0	0	1	1	1	G

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2014/15						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
TL4	Review the Communication Strategy and submit to Portfolio Committee by 30 June	Reviewed Communication Strategy and submitted to Portfolio Committee by 30 June	All	1	0	0	0	1	1	1	G
TL5	The percentage of a municipality's budget actually spent on implementing its workplace skills plan ((total actual training expenditure/ total annual payroll budget)x100)	(total actual training expenditure/ total annual payroll budget)x100)	All	0.01%	0%	0%	0%	0.50 %	0.50 %	0.83%	B
TL6	Review ICT Strategy Policy Framework and submit to Portfolio Committee by 30 June	Reviewed Policy and submitted to Portfolio Committee by 30 June	All	1	0	0	0	1	1	1	G
TL7	The number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved Employment Equity Plan	Number of appointments made in the three highest levels of management in compliance with the approved Employment Equity Plan	All	1	0	0	0	1	1	4	B
TL8	Achieve an average payment of	(Gross debtors closing	All	103.71%	99.81 %	100%	100 %	96%	96%	100.05 %	G 2

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2014/15						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
	96% by 30 June	balance + cash receipts - gross debtors opening balance + bad debts written off)/billed revenue x 100									
TL9	Financial viability measured in terms of the municipality's ability to meet its service debt obligations	Debt to revenue (short term borrowing + bank overdraft + short term lease + long term borrowing + long term lease) / total operating revenue - operating conditional grant	All	59.10%	0	45.1	0	0	55	45.1	B
TL 10	Financial viability measured in terms of the outstanding service debtors	(Total outstanding service debtors/ revenue received for services)	All	16.80%	0%	19%	0%	0%	20%	19%	B
TL 11	Financial viability measured in terms of the available cash to cover fixed operating expenditure	((Cash and cash equivalents - unspent conditional grants - overdraft) + short term investment) / monthly fixed operational expenditure excluding (depreciation , amortisation, and provision	All	7.4	0	7.8	0	0	6	7.8	G 2

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2014/15						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
		for bad debts, impairment and loss on disposal of assets)).									
TL 43	Develop a draft Human Resource Strategy and submit to Portfolio Committee by 30 June	Draft Strategy submitted to Portfolio Committee by 30 June	All	New performance indicator for 2014/15.	0	1	0	1	1	1	G
TL 44	Report quarterly to Council on the performance in terms of the Top-Layer SDBIP	Number of reports submitted	All	New performance indicator for 2014/15.	0	2	1	1	4	3	O
TL 45	Compile the draft annual report i.t.o. the MFMA and submit to Council by 31 January	Draft report submitted to Council by 31 January	All	1	0	0	1	0	1	1	G
TL 46	Report once per quarter on back-ups made to the Portfolio Committee	Number of reports on back-ups submitted to the Portfolio Committee	All	New performance indicator for 2014/15.	0	1	1	1	4	3	O
TL 23	Review and submit a Sport and Recreation Management Plan to the Portfolio Committee by 31 March	Draft Sports and Recreation Management Plan and submitted to the Portfolio Committee by 31 March	All	New key performance indicator for 2014/15. No comparatives available	0	0	1	0	0	0	R
TL 32	Develop a SDF (Shaping Stellenbosch) for Stellenbosch Town and	SDF developed for Stellenbosch Town and submitted to	All	New performance indicator for 2014/15.	0	0	0	0	1	0	R

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2014/15						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
	submit to the Portfolio Committee by 31 December	the Portfolio Committee by 31 December									
TL33	Develop a SDF for Kayamandi and submit progress report to the Portfolio Committee by 30 June	SDF progress report for Kayamandi submitted to the Portfolio Committee by 30 June	All	New performance indicator for 2014/15.	0	1	0	1	1	1	G
TL 25	Number of square meters of surfaced roads resealed	Number of square meters of surfaced roads resealed	All	New performance indicator for 2014/15.	0	0	0	20 000	20 000	104,717.99	B
TL 29	Limit unaccounted for water to less than 25%	Percentage of unaccounted for water calculated in terms of standard IWA formula.	All	25%	0%	0%	0%	25%	25%	22,6%	B
TL 31	Number of temporary jobs created through the municipality's local economic development EPWP projects, measured by the number of people temporarily employed in the EPWP programs for the period	Number of people temporarily employed in the EPWP programs	All	1043	0	0	568	686	686	613	O
TL 39	Complete feasibility study for Transit Oriented Development (TOD) and	Report to Transport Working Group by 30 June	All	New performance indicator for 2014/15.	0	0	0	1	1	1	G

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2014/15						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
	submit a report to the Transport Working Group by 30 June										
TL 40	Quarterly Transport Working Group meetings held	Number of Transport Working Group meetings	All	New performance indicator for 2014/15.	1	1	1	1	4	4	G
TL 41	Drafting of the 3rd generation Integrated Waste Management Plan (IWMP) and submit to Portfolio Committee by 31 March	Report to Portfolio Committee by 31 March	All	New performance indicator for 2014/15.	0	0	0	0	1	0	R
TL 42	Complete S78.3 study of service delivery options on solid waste and submit report to Portfolio Committee by 31 March	Report submitted to Portfolio Committee by 31 March	All	New performance indicator for 2014/15.	0	0	0	0	1	0	R

Table 106: Top-Layer SDBIP 2014/15

3.2 SERVICE PROVIDERS STRATEGIC PERFORMANCE

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement. According to the AG's office:

a) Service provider means a person or institution or any combination of persons and institutions that provide a municipal service.

b) External service provider means an external mechanism referred to in section 76(b) that provides a municipal service for a municipality.

c) Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality.

Section 121(b) of the MFMA and section 46 of the MSA further state that a municipality should include the following aspects related to service providers in its annual report:

- The performance of each service provider;

- A comparison of the performance with targets set for and performance in the previous financial year; and
- Measures taken to improve performance.

The purpose of this section is to provide information related to the performance of external service providers. Only services rendered for an amount of more than **R200 000** are listed.

3.2.1 STRATEGIC AND CORPORATE SERVICES

Description of services rendered	Term of contract	Performance areas	Performance progress	Performance comment	Corrective measures
B/SM 52/16 Aptronics-Cape (Pty) Ltd	7 months	Renewal of Mimecast software/licenses from 01 December 2015 to 30 June 2016 as per specification	Excellent	Mimecast Email Security Software was renewed and updated to prevent against any email security breaches.	Not applicable
B/SM 51/16 Madge Computers	1 week	Services: Supply and delivery of wireless microwave equipment for Stellenbosch Municipality	Excellent	Microwave links were supplied and delivered in good condition.	Not applicable
B/SM 104/15 Telkom	2 years	Services: provision and delivery of 44 tablets for municipal councillors, Stellenbosch Municipality	Tender was cancelled.	Not applicable.	Not applicable
B/SM 61/16 Zimele ERP IT Services (Pty) Ltd	4 months	Municipal system integration for the ICT department	Excellent	The business case was delivered by Zimele Technologies in line with the scope of the tender.	Not applicable

Table 107: Service Providers Strategic and Corporate Services

3.2.2 FINANCIAL SERVICES

Description of services rendered	Term of contract	Performance areas	Performance progress	Performance comment	Corrective measures
B/SM 8/17 Novus3 (Pty) Ltd	2 years	Procurement of a capital budget planning and prioritization tool	Tender awarded in 2015/16 Financial year	Services to start in 2016/17 Financial Year.	Not applicable
B/SM 119/16 Grant Thornton Ras (Pty) Ltd	1 year	Physical stock count of Stellenbosch Municipality's assets to verify the completeness and existence of all movable assets	Satisfactory	Compliance to all undertakings.	Not applicable
B/SM 118/16 Aurecon South Africa Pty Ltd	1 year	Unbundling of Stellenbosch Municipality's infrastructure assets in the corporate asset register	Satisfactory	Service provider required service according to the specifications. Not required.	Not applicable

Description of services rendered	Term of contract	Performance areas	Performance progress	Performance comment	Corrective measures
B/SM 2/17 CAB Holding (Pty) Ltd	3 years	Printing and distribution of monthly consumer accounts, newsletters and other communication until 30 June 2019	Excellent	Compliance to all undertakings, duties and obligations. Any requests to the service provider are immediately attended to and finalised.	Not applicable

Table 108: Service Providers – Financial Services

3.2.3 ENGINEERING SERVICES

Description of services rendered	Term of contract	Performance areas	Performance progress	Performance comment	Corrective measures
B/SM 9/16 Lawula Systems	11 months	Traffic engineering; annual tender; works on traffic signals	Excellent	The contractor performed and completed all requests within the agreed timeframes and with the utmost professionalism.	Not applicable
B/SM 14/16 Eya Bantu Professional Services	1 year	Services: substations communication network installations	Satisfactory	Service provider has to date offered an above standard service in terms of delivery and quality of goods and workmanship delivered.	Not applicable
B/SM 1/16	10 months	Roads and storm water annual tender: civil works	Satisfactory	Ad Hoc tenders to various service providers. Tender is used by all users in the municipality.	Not applicable
B/SM 2/16	10 months	Roads and storm water annual tender: plant and materials	Satisfactory	Ad Hoc tenders to various service providers. Tender is used by all users in the Municipality.	Not applicable
B/SM 18/16 Ibhunga Cleaning	12 months	The maintenance and operation of the communal ablution facilities at Kayamandi informal settlement for a period of 12 months	Satisfactory	Ibhunga complies with most duties/ obligations and requirements as per the Main Agreement. Challenges are addressed and preventative measures executed within the agreed timeframes.	Not applicable
B/SM 19/16 Impolo Projects	12 months	The maintenance and operation of the communal ablution facilities at Mooiwater and Langrug informal settlements for a period of 12 months	Satisfactory	Quality of service is in compliance with the Agreement, but requires more management and focus from the service provider. Most of the challenges were administration and communication but were	Not applicable

Description of services rendered	Term of contract	Performance areas	Performance progress	Performance comment	Corrective measures
				addressed.	
B/SM 21/16 Inter Waste	12 months	The operating and management of the landfill site for a period of 12 months	Satisfactory	Tender is operating as per tender requirements.	Not applicable
B/SM 98/15 JVZ Construction (Pty)Ltd & Vakala Construction J/V	20 months	Construction of the Plankenbrug main outfall sewer and associated works	Satisfactory	Contractor performing in terms of agreement. Any shortcomings are addressed immediately.	Not applicable
B/SM 37/16 Reliance Trading	12 months	Disposal of green garden waste from Devon Valley landfill site	Satisfactory	Tender is operating as per tender requirements.	Not applicable
B/SM 27/16 Baseline Civil Contractors	1 year 7 months	Upgrading of the Klapmuts waste water treatment works to 2.4ml/day.	Satisfactory	Delays have been experienced but it is addressed at all times.	Not applicable
B/SM 28/16 Various bidders	2 years	Appointment of consulting engineers, for professional civil and electrical services, for various projects for a period up to two years	Satisfactory	Unable to rate as various bidders. Each project manager to evaluate own appointed service providers.	Detailed information is required in order to rate service provider
B/SM 63/16 Africa Distributors	7 months	Supply and delivery of mill feed sand to the Idas Valley filtration plants slow sand filters until 30 June 2016	Satisfactory	Service provider has to date offered an above standard service in terms of delivery and quality of goods.	Not applicable
B/SM 33/16 Itron Metering Solutions S.A (Pty)Ltd	2 years 7 months	Supply installation of a STS compliant prepayment electricity vending system and audit of electrical meters	Satisfactory	Service provider has to date offered an above standard service in terms of delivery and quality of goods and quality of work.	Not applicable
B/SM 55/16 On Lab Specialist Electro-Technology CC	4 weeks	Manufacture, supply and delivery of substation battery chargers and sets for batteries	Satisfactory	Service provider has to date offered an above standard service in terms of delivery and quality of goods and services.	Not applicable
B/SM 57/16 Seventh Avenue Trading	4 weeks	Supply and delivery of a diesel 4x4 single cab LDV and a petrol 4x2 panel van	Poor	Tender cancelled due to service provider's poor performance (non-delivery).	Tender cancelled
B/SM 54/16 ABB South Africa (Pty) Ltd	2 years	Design, manufacture, testing, supply,delivery and offloading of 12kv metal enclosed ring	Satisfactory	Service provider has to date offered an above standard service in terms of delivery and quality of goods and services.	Not applicable

Description of services rendered	Term of contract	Performance areas	Performance progress	Performance comment	Corrective measures
		main units and switchgear			
B/SM 83/16 DP Truckhire	7 months	Kerbside collection of municipal solid waste generated in Franschoek, Groendal, Wemmershoek and La Motte and transport of the waste to Stellenbosch landfill site	Satisfactory	A very well executed operation.	Not applicable
B/SM 71/16 EMC Electrical reticulation	8 weeks	Stellenbosch Municipality: energy efficiency and demand side management: streetlight retrofit project	Satisfactory	Service provider has to date offered an above standard service in terms of delivery and quality of goods and services.	Not applicable
B/SM 47/16TRF Boland Promotions	5 months	Supply and delivery of protective clothing with a 100% local content as and when needed until 30 June 2016.	Satisfactory	All items were delivered on time by Boland Promotions.	Not applicable
B/SM 66/16 CBI Electric (African Cables)	2 years 5 months	Maintenance and repairs of oil filled 66kv/11kv units and cables until 30 June 2018	Satisfactory	Service provider has to date offered an above standard service in terms of delivery and quality of goods and services.	Not applicable
B/SM 64/16 LH Marthinusen	1 year 5 months	Refurbishment, installation and commissioning of three 7.5mva 66/11 kv oil type transformers until 30 June 2017	Satisfactory	Service provider has to date offered an above standard service in terms of delivery and quality of goods and services.	Not applicable
B/SM 72/16 Consolidated Power (Pty) Ltd	1 year 5 months	Supply, delivery and installation of high voltage isolators until 30 June 2017	Satisfactory	Service provider has to date offered an above standard service in terms of delivery and quality of goods and services.	Not applicable
B/SM 67/16 ABB South Africa	1 year 4 months	Installation and commissioning of medium voltage switchgear	Satisfactory	Service provider has to date offered an above standard service in terms of delivery and quality of goods and services.	Not applicable
B/SM 75/16 Powertech System Integrators (Pty) Ltd	1 year 4 months	Hot water load control (HWLC) project (2nd phase) - new installations and maintenance of new/existing network and system of infrastructure until 30 June 2017	Satisfactory	Service provider has offered an above standard service in terms of delivery and quality of goods and workmanshipdelivered.	Not applicable
B/SM 79/16 High Power Equipment	4 months	Supply and delivery of a backhoe digger loader for	Excellent	Service provider performed beyond	Not applicable

Description of services rendered	Term of contract	Performance areas	Performance progress	Performance comment	Corrective measures
(Pty) Ltd		Stellenbosch Municipality		expectations.	
B/SM 85/16 Seventh Avenue Trading 612cc	4 months	Supply and delivery of 2x crew cab four ton tipper trucks for Stellenbosch Municipality	Excellent	The service provider delivered as per agreed timeframes and with the utmost professionalism.	Not applicable
B/SM 34/16CSIR	2 years 3 months	Drinking water quality management (DWQM) program	Excellent	Service provider delivered as per agreed timeframes with utmost professionalism.	Not applicable
B/SM 77/16 Livewire Engineering & Consulting	2 years 3 months	Provision of automatic meter reading services for a period until 30 June 2018	Satisfactory	Service provider has offered an above standard service in terms of delivery and workmanship delivered.	Not applicable
B/SM 31/16 Ikapa Reticulation and Flow cc	3 months	Bid B/SM 31/16: Pilot project: Stellenbosch household leak repair and water meter replacement	Satisfactory	Service Provider complies with the most duties, obligations and requirements as per the Main Agreement. Progress with the project is on target.	Not applicable
B/SM 70/16 JVR Construction cc	3 months	Bid B/SM 70/16: Jamestown bulk services phase 2A: Construction of Paradyskloof to Jamestown water supply	Poor	Voluntary termination of contract as per request from the service provider.	New process initiated to appoint a contractor
B/SM 73/16 Powerrec, Grace Consreuctio n, Adenco	1 month	Annual electrical labour tender	Satisfactory	Unable to rate as various bidders. Each project manager to evaluate own appointed service providers.	Detailed information is required in order to rate service provider
B/SM 93/16 Eyeondigital (Pty) Ltd (item 1 & 2) Actom (Pty) Ltd (item 3)	3 months	Supply and delivery of cable terminations and accessories	Satisfactory	Service provider has offered good service in terms of quality and delivery of goods	Not applicable
B/SM 84/16 DP Coetzee t/a DP Truck Hire	12 months	Transport of containerised waste from Klapmuts and Franschoek	Excellent	The contractor performed and completed all requests within the agreed timeframes and with the utmost professionalism.	Not applicable
B/SM 100/16 Powerrec (Pty) Ltd	1 year 1 month	Services: installation of a medium and low voltage network complete plus house connections to 500 structures at Langrug,	Satisfactory	Service provider has offered good service in terms of quality, delivery of goods and worksmanship.	Not applicable

Description of services rendered	Term of contract	Performance areas	Performance progress	Performance comment	Corrective measures
		Franschoek			
B/SM 95/16 JB's Truck (Pty) Ltd	1 month	Supply and delivery of a 4x2 petrol panel van	Satisfactory	Service provider delivered on time.	Not applicable
B/SM 111/16 Protea Toyota	1 month	Supply and delivery of a 4x4 diesel single cab LDV with accessories	Satisfactory	Service provider delivered on time.	Not applicable
B/SM 89/16 Gateway Metalworks cc	2 years	Supply and installation of fencing at Devon Valley landfill site	Project has not commenced yet	Awaited approval of rollover of funds.	Project to start by 15 September 2016
B/SM 92/16 Trade Avail 406cc T/A Caf Contractor	2 years	Supply and installation of fencing at Klapmuts transfer station	Project has not commenced yet	Awaited approval of rollover of funds.	Project to start by 15 September 2016
B/SM 112/16 Seventh Avenue Trading 612cc	1 month	Supply and delivery of a new truck with vehicle mounted hydraulic crane	Poor	Non-delivery – poor performance.	Reported to SCM

Table 109: Service Providers – Engineering Services

3.2.4 PLANNING AND ECONOMIC DEVELOPMENT

Description of services rendered	Term of contract	Performance areas	Performance progress	Performance comment	Corrective measures
B/SM 10/16 Aurecon SA	3 years	Appointment of professional consulting civil engineers to plan and design a taxi rank in Klapmuts	Satisfactory	Excellent services rendered and keep deadlines	Not applicable
B/SM 7/16 V & V Consulting Engineers	9 months	Appointment of professional consulting engineers to update the pavement management system	Satisfactory	Excellent services rendered and keep deadlines	Not applicable
B/SM 65/16 Universal Design Africa Initiative	7 months	Develop an implementation plan for the accessibility study on municipal facilities and infrastructure of Stellenbosch Municipality	Satisfactory	Continues communication regarding the arrangement of deliverable workshops	Not applicable

Description of services rendered	Term of contract	Performance areas	Performance progress	Performance comment	Corrective measures
B/SM 64/15 Cape Winelands Professional Practices in Association	2 years	Preparation of a comprehensive heritage inventory and management plan for Stellenbosch Local Municipality (wc024) in terms of the national resources heritage act, no 25 of 1999	Excellent	Excellent services rendered and keep deadlines	Not applicable
B/SM 49/16 Various Service Providers	2 years 4 months	Appointment of panel of professional service providers for economic sector development and project management for a period until 30 June 2018	Satisfactory	Satisfactory services were rendered	Not applicable
B/SM 16/16 Various	2 years 3 months	Professional service providers for planning, land use management, environmental management, land development, heritage resources, project management, architectural services and related professions as per specifications until 30 June 2018	Satisfactory	We received good services in the set timeframes	Not applicable
B/SM 87/16 FSG Event Logistics (Pty) Ltd	3 months	Procurement of services for a mayoral youth skills development programme as part of youth month 2016	Satisfactory	We received a good service in the set timeframe	Not applicable

Table 110: Service Providers – Planning and Economic Development

3.2.5 HUMAN SETTLEMENT AND PROPERTY MANAGEMENT

Description of services rendered	Term of contract	Performance areas	Performance progress	Performance comment	Corrective measures
B/SM 24/16 FZ and Z Construction (Pty) Ltd	16 weeks	Alterations to existing reception, cashiers and finance offices at Stellenbosch Municipality, Plein Street, Stellenbosch	Satisfactory	Services were rendered according to the requirements	Not applicable
B/SM 97/15 Rapicorp 48 (Pty) Ltd	n/a	Sale of portions of properties 313 and 314, Stellenbosch	The service provider rendered a sale transaction	Not applicable	Not applicable
	10	Construction of civil	Satisfactory	Project completed and reduced to 277 from 295	Not applicable

Description of services rendered	Term of contract	Performance areas	Performance progress	Performance comment	Corrective measures
B/SM 8/16 Amandla GCF Construction	months	engineering services sites: 295 service sites on phase B and C of property 2183, Watergang, Kayamandi		due to change in layout of area	
B/SM 86/15 People's Helping Project Building Supplies	28 weeks	Construction of phase A:120 top structures and phase B: 42 top structures on phase 1 of portion 7 of farm 527, Jamestown	Satisfactory	Delays on site due to platforms that had to be built	Project will be completed by end October 2016
B/SM 25/16 CSM Consultants	2 years	Appointment of a quantity surveyor and team of specialist consultants: property 412, Groendal	Satisfactory	Project in progress	Not applicable
B/SM 26/16 Adenco	8 months	Construction of electricity engineering services for the Watergang housing project, phase a of portion b, remainder of erf. 2183, Kayamandi, Stellenbosch	Satisfactory	Project completed in line with specs requirement	Not applicable
B/SM 30/16 Sanitech	2 years 9 months	Provision, service and maintenance of chemical toilets within the Stellenbosch jurisdiction as per specifications for a period 1 Oct 2015 to 30 June 2018	Satisfactory	Client (community) was satisfied with services rendered	Not applicable
B/SM 40/16 Jonty Engineering	8 months	Supply, delivery and installment of 41 wendy houses at Klapmuts informal settlement section, Stellenbosch Municipality	Poor	Feedback from the community that the quality of the wendy house structures is poor.	Dispute over contract in progess. Referred to legal advisor.
B/SM 80/16 Ikapadata (Pty) Ltd	4 months	Undertaking of demographic survey of Enkanini, Kayamandi and submit smart cards containing household information	Service provision could not commence	An appeal is in process	An independent service provider lodged an appeal against the appointment of the service provider
B/SM 81/16 Ikapadata (Pty) Ltd	4 months	Undertake a demographic survey of the Langrug informal settlement, Stellenbosch and submit smart cards containing household information	Service provision could not commence	An appeal is in process	An independent service providers lodged an appeal against the

Description of services rendered	Term of contract	Performance areas	Performance progress	Performance comment	Corrective measures
					appointment of the service provider
B/SM 68/16 Build A Way Construction	1 year 3 months	Klapmuts: construction of new multi-purpose community centre	Project did not commence	Project put on ice due to zoning issues	Not applicable
B/SM 78/16 Skep Studio (Pty) Ltd	4 months	Architect: re-design of Klein Libertas theatre, Stellenbosch	Satisfactory	Ongoing project	Not applicable
B/SM 115/16 Leafy Space (Pty) Ltd	1 year	Hard and soft landscaping of Stellenbosch Courtiers, Dorp Street	Satisfactory	Ongoing project	Not applicable
B/SM 116/16 Tija Trading cc t/a Floor Master Stellenbosch	3 years	Repairs, sanding, polishing and continued maintenance of wooden floors at the Stellenbosch town hall.	Excellent	The service provider met the milestones set in the specifications	Not applicable

Table 111: Service Providers – Human Settlements and Property Management

3.2.6 COMMUNITY AND PROTECTION SERVICES

Description of services rendered	Term of contract	Performance areas	Performance progress	Performance comment	Corrective measures
B/SM 38/16 Marce Projects (Pty) Ltd	12 weeks	Repairs and modification of fire fighting vehicle Mercedes Benz 4x4 tanker	Satisfactory	100% satisfied with the repairs of the tanker. A replacement saving was made for R400 000 to repair the tanker instead of buying a new one at R3.5 million.	Not applicable
B/SM 43/16 Cape contours landscapes	20 days	Hard and soft landscaping and irrigation in Bird Street, Stellenbosch	Satisfactory	Performance was consistent at a high level throughout the project with delays being justified beyond the contractor's control. An end product of high quality was delivered.	Not applicable
B/SM 35/16 Short Nissan	8 months	Supply and delivery of a 4x2-4 ton crew cab tip truck with dropped sides	Satisfactory	We are satisfied with the deliverables set to the service provider	Not applicable

Description of services rendered	Term of contract	Performance areas	Performance progress	Performance comment	Corrective measures
		and rear flap.			
B/SM 36/16Geoss (PTY) LTD	8 months	A water resource assessment study at La Motte sports grounds.	Satisfactory	We are satisfied with the deliverables set to the service provider	Not applicable
B/SM 17/16 CK Rumboll and Partners - Planning	1 year 7 months	Services: cemetery land study, Stellenbosch Municipality	Satisfactory	We are satisfied with the deliverables set to the service provider	Not applicable
B/SM 59/16 Masanda Trading cc	7 months	Upgrading of public amenities buildings in Kayamandi	Satisfactory	We are satisfied with the service rendered	Not applicable
B/SM 82/16 PVR Services and Supplies	4 months	Supply and delivery of radios and pagers	Delivered the equipment on time	Equipment was delivered on time as per tender. Currently busy with the programming and implementing of equipment.	Not applicable
B/SM 45/16 Group 1 Nissan Stellenbosch & Barons Culemborg	3 months	Supply and delivery of various new vehicles	Satisfactory	Vehicles were delivered on time	Not applicable
B/SM 41/16 FK Maintenance Services	3 months	Structural improvements and painting of various buildings at Beltana depot	Satisfactory	Service were rendered at required quality level	Not applicable
B/SM 74/16 Yara Civils and Construction (Pty) Ltd	3 months	Bid B/SM 74/16: Upgrade of informal traders area, Kayamandi	Satisfactory	Service were rendered at a satisfactory level	Not applicable

Table 112: Service Providers – Community and Protection Services

3.2.7 OFFICE OF THE MUNICIPAL MANAGER

Description of services rendered	Term of contract	Performance areas	Performance progress	Performance comment	Corrective measures
B/SM 101/15Swey Design cc	2 years 11 months	Communication tender	Satisfactory	Overall performance was satisfactory	Not applicable

Table 113: Service Providers – Office of the Municipal Manager

3.3 MUNICIPAL FUNCTIONS

3.3.1 ANALYSIS OF FUNCTIONS

The municipal functional areas are as indicated below:

Municipal Function	Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Childcare facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Storm water management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste water and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes from 2013
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	No

Municipal Function	Yes / No
Constitution Schedule 4, Part B functions:	
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Table 114: Municipal Functional Areas i.t.o. the Constitution

3.4 DEVELOPMENT AND SERVICE DELIVERY PRIORITIES AND THE PERFORMANCE TARGETS SET FOR 2016/17

The main development and service delivery priorities for 2016/17 form part of the municipality's Top-Layer SDBIP and are indicated in the table below:

3.4.1 DIGNIFIED LIVING

Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
TL1	Financial Services	Provide clean piped water to formal residential properties which are connected to the municipal water infrastructure network as at 30 June 2017	Number of formal residential properties receiving piped water as at 30 June 2017	All	23,000
TL2	Financial Services	Provide electricity to formal residential properties connected to the municipal electrical infrastructure network for both credit and prepaid electrical metering as at 30 June 2017	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering) as at 30 June 2017	All	23,000
TL3	Financial Services	Provide sanitation services to residential properties which are connected to the municipal waste water (sanitation/sewerage) network as at 30 June 2017	Number of residential properties which are billed for sewerage in accordance with the SAMRAS financial system as at 30 June 2017	All	23,000
TL4	Financial Services	Provision of refuse removal, refuse dumps and solid waste disposal to all residential account holders once a week as at 30 June 2017	Number of formal residential properties for which refuse is removed as at 30 June 2017	All	23,000
TL5	Financial Services	Provide free basic water in terms of the equitable share requirements to indigent account holders	Monthly provisioning of free basic water in terms of the equitable share requirements to indigent account holders (kl per account holder)	All	10
TL6	Financial Services	Provide clean piped water to registered indigent account holders which are connected to the municipal water infrastructure network as at 30 June 2017	Number of indigent account holders receiving free basic water as at 30 June 2017	All	5,000
TL7	Financial Services	Provide free basic electricity to registered indigent account holders connected to the municipal electrical infrastructure network	Provide free basic electricity to indigent account holders in terms of the equitable share requirements measured in terms of quantum approved (free kw basic electricity per indigent household)	All	60
TL8	Financial Services	Provide free basic electricity to registered indigent account holders connected to the municipal electrical infrastructure network as at 30 June 2017	Number of indigent account holders receiving free basic electricity which are connected to the municipal electrical infrastructure network as at 30 June 2017	All	5,000
TL9	Financial Services	Provide free basic sanitation services to registered indigent account holders which are connected to the municipal waste water (sanitation/sewerage)	Number of indigent account holders connected to the sanitation/sewerage network and are billed for	All	5,000

Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
		network and are billed for sewerage service, irrespective of the number of water closets (toilets) as at 30 June 2017	sewerage services as at 30 June 2017		
TL10	Financial Services	Provide free basic refuse removal, refuse dumps and solid waste disposal to registered indigent account holders as at 30 June 2017	Number of indigent account holders receiving free basic refuse removal as at 30 June 2017	All	5,000
TL11	Financial Services	The percentage of the municipality's capital budget spent on capital projects by 30 June 2017 {(total actual capital expenditure/approved capital budget) x 100}	Percentage of the municipality's capital budget spent by 30 June 2017 {(total actual capital expenditure/approved capital budget) x 100}	All	90%
TL30	Human Settlements & Property Management	Provide 50 additional waterborne toilet facilities to informal settlements by 30 June 2017	Number of waterborne toilets facilities provided by 30 June 2017	2; 12; 13; 14; 15; 18; 21	50
TL31	Human Settlements & Property Management	Service sites for low cost housing development by 30 June 2017	Number of sites serviced by 30 June 2017	15; 18	190
TL32	Human Settlements & Property Management	Compile and sign 200 transfer documents for ownership of low cost houses by 30 June 2017	Number of transfer documents compiled and signed by 30 June 2017	All	200
TL33	Human Settlements & Property Management	Construct 105 top structures by 30 June 2017	Number of top structures constructed by 30 June 2017	15; 21	105
TL34	Human Settlements & Property Management	Install 50 taps in informal settlements by 30 June 2017	Number of taps Installed by 30 June 2017	All	50
TL35	Engineering Services	Limit unaccounted for electricity to less than 11% by 30 June 2017 {(number of electricity units purchased and/or generated - number of electricity units sold (incl. free basic electricity)) / number of electricity units purchased and/or generated) × 100}	{(Number of electricity units purchased and/or generated - number of electricity units sold (incl. free basic electricity)) / number of electricity units purchased and/or generated) × 100}	All	11%
TL37	Engineering Services	90% Weighted Average water quality achieved as per micro, chemical, operational and physical determinants in terms of the Blue Drop requirements regulated by SANS 241 for all Water Treatment Works	Percentage average water quality achieved as per micro, chemical, operational and physical determinants	All	90%
TL38	Engineering Services	Limit unaccounted for water to less than 25% by 30 June 2017	Percentage of unaccounted for water calculated in terms of standard IWA formula	All	25%

Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
TL39	Engineering Services	Review and submit the Water Services Development Plan to the Portfolio Committee by 30 June 2017	Reviewed Water Services Development Plan submitted to the Portfolio Committee by 30 June 2017	All	1
TL51	Planning and Economic Development	Identify land for emergency housing and submit report with recommendations to the Portfolio Committee by 30 June 2017	Report with recommendations submitted to the Portfolio Committee by 30 June 2017	All	1

Table 115: Service Delivery Priority 2016/17: Dignified Living

3.4.2 GOOD GOVERNANCE AND COMPLIANCE

Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
TL13	Strategic and Corporate Services	The number of people from employment equity target groups employed (to be appointed) in the top three occupational levels of management in compliance with the municipality's approved Employment Equity Plan by 30 June 2017	Number of appointments made in the three highest levels of management by 30 June 2017 in compliance with the municipality's approved Employment Equity Plan	All	5
TL14	Strategic and Corporate Services	The percentage of a municipality's payroll budget actually spent on implementing its workplace skills plan by 30 June 2017 ((total actual training expenditure/ total annual payroll budget)x100)	Percentage of municipality's payroll budget actually spent on implementing its workplace skills plan by 30 June 2017 ((total actual training expenditure/ total annual payroll budget)x100)	All	0.80%
TL15	Financial Services	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2017 (short term borrowing + bank overdraft + short term lease + long term borrowing + long term lease) / total operating revenue - operating conditional grant	Debt to revenue as at 30 June 2017 (short term borrowing + bank overdraft + short term lease + long term borrowing + long term lease) / total operating revenue - operating conditional grant	All	55
TL16	Financial Services	Financial viability measured in terms of the outstanding service debtors as at 30 June 2017 (total outstanding service debtors/ revenue received for services)	Percentage of outstanding service debtors as at 30 June 2017 (total outstanding service debtors/ revenue received for services)	All	20%
TL17	Financial Services	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2017 ((cash and cash equivalents - unspent conditional grants - overdraft) + short term investment) / monthly	Cost coverage as at 30 June 2017 ((cash and cash equivalents - unspent conditional grants - overdraft) + short term investment) / monthly fixed operational expenditure excluding depreciation,	All	6

Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
		fixed operational expenditure excluding depreciation, amortisation, and provision for bad debts, impairment and loss on disposal of assets).	amortisation, and provision for bad debts, impairment and loss on disposal of assets).		
TL18	Office of the Municipal Manager	Review the risk based audit plan and submit to the Audit Committee by 30 June 2017	Reviewed RBAP submitted to the Audit Committee by 30 June 2017	All	1
TL19	Office of the Municipal Manager	Approve an Audit Action Plan by 31 January 2017 to address the issues raised in the Audit Report for the 2015/16 financial year	Audit Action Plan developed and approved by 31 January 2017	All	1
TL20	Office of the Municipal Manager	Review the risk register and submit to the Risk Management Committee by 30 June 2017	Reviewed risk register submitted to the Risk Management Committee by 30 June 2017	All	1
TL21	Strategic and Corporate Services	Review the ICT Backup Disaster Recovery Plan and submit to the Portfolio Committee by 31 January 2017	Reviewed ICT Backup Disaster Recovery Plan submitted to Portfolio Committee by 31 January 2017	All	1
TL22	Strategic and Corporate Services	Review the Communication Strategy and submit to the Portfolio Committee by 30 June 2017	Reviewed Communication Strategy submitted to Portfolio Committee by 30 June 2017	All	1
TL23	Strategic and Corporate Services	Review the Strategic ICT Plan and submit to the Portfolio Committee by 31 March 2017	Reviewed Strategic ICT Plan submitted to the Portfolio Committee by 31 March 2017	All	1
TL24	Strategic and Corporate Services	Review the Rules of Order By-Law and submit to Council by 31 December 2016	Reviewed Rules of Order By-Law submitted to Council by 31 December 2016	All	1
TL25	Strategic and Corporate Services	Review the Municipal Honours By-Law and submit to Council by 31 December 2016	Reviewed Municipal Honours By-Law submitted to Council by 31 December 2016	All	1
TL26	Strategic and Corporate Services	Compile and submit the draft 4th generation IDP to Council by 31 March 2017	Draft 4th generation IDP compiled and submitted to Council by 31 March 2017	All	1
TL27	Strategic and Corporate Services	Review the system of delegations and submit to the Portfolio Committee by 31 December 2016	Reviewed system of delegations submitted to the Portfolio Committee by 31 December 2016	All	1
TL28	Strategic and Corporate Services	Review the organisational structure and submit to the Portfolio Committee by 30 June 2017	Reviewed organisational structure submitted to the Portfolio Committee by 30 June 2017	All	1
TL29	Financial Services	Achieve an average payment of 93% by 30 June 2017 (gross debtors closing balance + billed revenue - gross debtors opening balance - bad debts written off)/billed revenue) x 100	(Gross debtors closing balance + billed revenue - gross debtors opening balance + bad debts written off)/billed revenue) x 100	All	93%

Table 116: Service Delivery Priority 2016/17: Good Governance and Compliance

3.4.3 GREENEST MUNICIPALITY

Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
TL36	Engineering Services	50% Weighted Average effluent quality achieved in terms of requirements as regulated by the water use license for all Waste Water Treatment Works	Percentage effluent quality	All	50%
TL40	Engineering Services	Develop the Integrated Waste Management Plan and submit it to the Portfolio Committee by 30 June 2017	Integrated Waste Management Plan submitted to Portfolio Committee by 30 June 2017	All	1
TL41	Engineering Services	Develop a Waste Management By-law and submit to the Portfolio Committee by 30 June 2017	By-law developed and submitted to the Portfolio Committee by 30 June 2017	All	1

Table 117: Service Delivery Priority 2016/17: Greenest Municipality

3.4.4 PREFERRED INVESTMENT DESTINATION

Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
TL12	Planning and Economic Development	Number of FTE's created by 30 June 2017 in terms of Expended Public Works Programme	Number of FTE's created by 30 June 2017	All	84
TL46	Planning and Economic Development	Report quarterly to the Portfolio Committee on the process of land-use applications within the prescribed/legislated periods	Number of reports submitted	All	4
TL47	Planning and Economic Development	Report quarterly to the Portfolio Committee on the process of building plan applications within the prescribed/legislated periods	Number of reports submitted	All	4
TL48	Planning and Economic Development	Provide training to entrepreneurs and SMME's	Number of training events	All	4
TL49	Planning and Economic Development	Develop the Urban Development Strategy as the first phase of the WC024 SDF and submit it to the Portfolio Committee by 30 June 2017	Strategy submitted to the Portfolio Committee by 30 June 2017	All	1
TL50	Planning and Economic Development	Review Grant-in-Aid policy and submit it to the Portfolio Committee by 31 March 2017	Policy submitted to the Portfolio Committee By 31 March 2017	All	1

Table 118: Service Delivery Priority 2016/17: Preferred Investment Destination

3.4.5 SAFEST VALLEY

Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
TL42	Community and Protection Services	Review the Disaster Management Plan and submit to the Portfolio Committee by 30 June 2017	Reviewed Plan submitted to Portfolio Committee by 30 June 2017	All	1
TL43	Community and Protection Services	Review the Safety and Security Strategy and submit to the Portfolio Committee by 31 March 2017	Revised Safety and Security Strategy submitted to the Portfolio Committee by 31 March 2017	All	1
TL44	Community and Protection Services	Review the Sport Management Plan and submit to the Portfolio Committee by 30 June 2017	Reviewed plan submitted to the Portfolio Committee by 30 June 2017	All	1
TL45	Community and Protection Services	Report quarterly to the Portfolio Committee on the enforcement of municipal by-laws on public open spaces, municipal owned property and municipal owned land	Number of reports submitted	All	4

Table 119: Service Delivery Priority 2016/17: Safest Valley

COMPONENT A: BASIC SERVICES

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

3.5 NATIONAL KEY PERFORMANCE INDICATORS – BASIC SERVICE DELIVERY AND LOCAL ECONOMIC DEVELOPMENT

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the following two National Key Performance Areas: Basic Service Delivery and Local Economic Development.

KPA & INDICATORS	2014/15	2015/16
The number of households with access to free basic services and that are earning less than R4 000 (from 2015/16) and less than R 3 000 per month (2014/15) - (service for water, sanitation and refuse removal)	5 757	6 486
Service for water, sanitation and refuse removal	5 757	7 042
Local Economic Development		
The number of jobs created through municipality's Local Economic Development initiatives including capital projects	EPWP Job Creation 613	EPWP Job Creation 745

Table 120: National KPIs – Basic Service Delivery and Local Economic Development

3.6 WATER PROVISION

Stellenbosch Municipality supplies water to the consumers in their area of jurisdiction through the following five water supply systems:

- Stellenbosch
- Franschhoek
- Wemmershoek (treated water imported from City of Cape Town)
- Blackheath (treated water imported from City of Cape Town)
- Faure (treated water imported from City of Cape Town)

The total population supplied with water in the Stellenbosch Municipal area amount to approximately 168 737 people. Water is also supplied to a fairly extensive industrial area.

Stellenbosch Local Municipality manages three water treatment works, namely Idas Valley, Paradyskloof and Franschhoek. The potable water supply from these works amounts to 28 Ml/d and a further 11.92 Ml/d was obtained from the City of Cape Town during the financial year, ensuring a supply of approximately 39.92 Ml/d to the Municipality's area of responsibility.
Areas supplied from the Wemmershoek water treatment works include half of Franschhoek town, La Motte, Wemmershoek, Pniel, Boschendal, Johannesdal, Kylemore, Lanquedoc, Klapmuts, Koelenhof, Elsenburg, Devon Valley and Muldersvlei. Areas supplied from Blackheath water treatment works include Polkadraai, Spier and Vlottenburg. Areas supplied from Faure water treatment works are Faure, Jamestown, De Zalze, Raithby and Lynedoch. Although these water treatment works fall within the sphere of responsibility of the City of Cape Town, their impact with regards to water quality and quantity needs to be monitored and considered by Stellenbosch Municipality.

Stellenbosch Municipality supplies potable water to the entire municipal area through a network and infrastructure consisting of 50 reservoirs/holding tanks and water towers, 25 water pump stations, 29 pressure reducing valve installations, 502 kilometres of pipeline and 51 water supply zones. The network is fully controlled and operated by a telemetry system.

The bulk water input into the water network for 2015/16 was 13 639 Ml, with an annual average daily demand of 37 367 kl/day. 39% of the water supplied is purified from own water sources at the Idas Valley and Franschhoek water treatment plants. The balance is supplied by the City of Cape Town and the Paradyskloof water treatment plant, where raw water supplied by the Department of Water and Sanitation is purified. Potable water supplied from the City of Cape Town is analysed on a monthly basis by the City of Cape Town.

Idas Valley and Paradyskloof water treatment works are equipped with some analytical capabilities and routine plant analyses are performed in-house. A full water quality monitoring programme is further performed for the

municipality by an accredited external laboratory/contractor. Maintenance of equipment is performed in-house and by specialist contractors.

During the 2015/16 financial year, the municipality recorded a 24.98% non-revenue water loss.

The municipality has developed a comprehensive Water Conservation and Water Demand Management (WC&WDM) strategy, which includes a 10-year financial plan. The strategy has two goals: the municipality will prioritise the implementation of WC&WDM, and will ensure ongoing planning, management, monitoring and an enabling environment.

The following planning documents are continuously updated to include the latest planning: the Water Master Plan, Water Services Audit Report and the Pipe Replacement Study and Model and all projects and daily operations are done in line with the aforementioned studies and guidelines.

During the last official Blue Drop certification (2012), Stellenbosch Municipality achieved Blue Drop certifications for four of its five water supply systems, with a total Blue Drop score of 95.56%. The Municipality achieved a platinum award for the Stellenbosch Water Supply System for achieving Blue Drop accreditation three times, every year since the programme's inception in 2009.

WATER CONSERVATION AND WATER DEMAND MANAGEMENT (WC/WDM) INITIATIVES

MAJOR PROJECTS

Project Name	Scope	Project Cost	Benefit, Impacts and Goals achieved	Other Comments
1. Water Pipe Replacement Program	Replacement of aging water mains in the WC024 network using Prioritization Program.	R 10M / annum	• Assist with long-term water security • Reduction in water losses • Reduction in number of regular pipe breaks and leakages • Replace approx. 6 600m of water mains • Replace 306 water meters • Contribute to the decrease in number of burst mains from an average of 4/day to 1/day	• This multi-year program is set to continue for many years • The budget allocation has increased from R 500 K/annum to R10 M/annum over the past 8 years
2. Indigent Leak Repair and Meter Replacement Program	Pilot project to investigate higher than expected residential consumption of indigent households; assist with plumbing repairs to curb unnecessary losses at consumer level and installation of "smart meter" technology to restrict usage currently in progress.	R 2.5M	• Implementation of WC/WDM strategies • Reduce local water losses	
3. Stellenbosch Water Meter Audit (Phase 1)	The audit of all water meters in the Klapmuts area is in progress.	R 3.5M	• Implementation of WC/WDM strategies • Improve accuracy of billing and revenue collection • Reduce water losses	

4. Stellenbosch In-House Water Services Operation and Maintenance	On-going operation and maintenance work to the existing water networks	R 2M /annum on-going	• Replaced 511 water meters • Repaired 335 burst mains • Repaired 3272 house connections and other leaks • Repaired and replaced 74 hydrants and 184 valves. • Replaced 2 100m of deteriorating water mains	• Significant reduction from 4 leak repairs/day to an average of 1/day over the past 5 years
5. New 4 Ml Reservoir and Bulk Water Supply Pipe Line in Kayamandi	The construction of a new reservoir and associated water supply pipelines in Kayamandi commenced in November 2014 and was completed in October 2015.	R 16M	• Increased capacity ensure future housing development needs are met	• A new 315mm pipeline was installed for 500m with valve chambers and special fittings and smaller 75mm – 160mm pipes were also installed for over 1.5km
6. New 5Ml Reservoir, Bulk Water Supply Pipeline and Pump Stations in Groendal, Franschhoek	The construction of a new reservoir in Groendal, Franschhoek and bulk water pipeline commenced in February 2013 and was completed in June 2015.	R 31M	• Eradicate previous problems with insufficient water supply and storage capacity in Franschhoek • Approx. 4 700m new 350mm diam. pipeline constructed and 5Ml reservoir • Unlock potential for future development	A total of 4.5kms of pipe was installed on this project.
7. New 7Ml Klapmuts Reservoir and Bulk Water Supply Pipeline	The new 7Ml Klapmuts Reservoir and Bulk Water Supply Pipeline commenced in November 2013. The reservoir was successfully completed in June 2014.	R 15M	• Increased capacity to unlock potential for future development • Together with new Klapmuts WWTW, the increased capacity has enabled the provision of 1000 additional housing opportunities in Klapmuts	
8. New Bulk Water Supply Pipeline in Cloetesville and Idas Valley	The construction of a bulk water supply line between Idas Valley Water Treatment Works and the Cloetesville Reservoir commenced in February 2014 and practical completion was achieved in October 2015.	R 20M	• Address current backlog • Provide capacity for future development and ensure future demand is met • Approximately 6 000m of diam. 200 - 400mm uPVC and HDPE pipeline constructed	

9. Rehabilitation and Upgrade to Existing Storage Dams and Reservoir in Stellenbosch	Rehabilitation and refurbishments of existing concrete arch dam and earth-filled dam. Includes replacement of pipework, valves and fittings at intake towers, leak repairs, crack sealing, corrosion protection, road rehabilitation and clearance of alien vegetation, etc.	R 6.5M	• Comply with The National Water Act 1998 and legislative regulations • Ensure long-term water security and dam safety	
10. Stellenbosch In-House Water Services Operation and Maintenance	Maintenance of ablution facilities in informal settlements in WC024.	R2M/annum on-going	• Strive to ensure that Access to Basic Services (ABS) needs are met • Provide basic services to approximately **31 000** informal dwellers • Dedicated projects allocated on yearly basis for maintenance of shared infrastructure	Continue with concerted efforts to maintain the ABS in informal settlements and to kerb pollution into nearest rivers.
11. New Cloetesville Reservoir	The preliminary design of a new reservoir in Cloetesville to address the current and future demand requirements in this area was completed.	R 6M	• Eradicate previous problems with insufficient water supply and storage capacity in Cloetesville • Increased capacity for future demand	This project is in preliminary design phase.
12. Bulk Water Supply Lines, Pump Stations and Reservoir for Dwarsrivier Area	The preliminary design of a new supply pipelines, pump stations and reservoir in Dwarsriver Area was completed to address the current and future demand requirements in this area.	R 18M	• Eradicate previous problems with insufficient water supply and storage capacity in Dwarsrivier area. • Increased capacity for future demand	This project is in preliminary design phase.

Table 121: Water Conservation and Water Demand Management (WC/WDM) Initiatives

3.6.1 SERVICE STATISTICS – WATER SERVICES

Below are totals per sector usage:

Total Use of Water (Mℓ)				
Year	**Total Water into the System (Mℓ)**	**Total Water Sold (Mℓ)**	**Unaccountable water losses**	**% Unaccountable water losses**
2013/14	14 027	10 456	3 572	25%

2014/15	14571	12443	2129	14,61%
2015/16	13 639	10509	3 139	24.98%

Table 122: Total use of water by sector (Mℓ)

Water is probably the most fundamental and indispensable of natural resources – fundamental to life, the environment, food production, hygiene and for power generation.

Poverty reduction and improved water management are closely linked. Section 4B of the Constitution lists water and sanitation services, limited to potable water supply systems and domestic waste water and sewerage disposal systems, as a local government function.

Basic water is defined as 25 litres of potable water per day supplied within 200 meters of a household.

Due to on-going drought and very low rainfall recorded in recent years, the municipalities in the Western Cape had to enforce Level 2 water restrictions. 2015/16 was the first year that Stellenbosch Municipality had to source additional raw water from the Kleinplaas dam scheme to supplement the Jonkershoek intake.

Stellenbosch Municipality embarked on a drive to minimize water losses and commenced with a water leak repair programme at indigent properties. These properties are equipped with a smart meter device restricting consumption to 400 litres per day per household.

On the first day of every month the smart meter counter restarts on zero with a new allocation of 400 litres of water per day. A 30 day month will have a total allocation of 12 000 litres of water. This smart meter will protect the owner from unnoticed leaks on the private property and subsequent high water accounts.

The success of this initiative is largely dependent on the co-operation of the consumer taking ownership of the new smart meter. The use of the water demand management device (smart meter) has been implemented nationally with huge success and reduction in water losses.
The project is currently underway and has been received with a positive reaction from the community.

3.6.2 WATER SERVICE DELIVERY LEVELS

As a priority, it is the responsibility of Stellenbosch Municipality to ensure that adequate and appropriate investments are made to ensure the progressive realisation of the rights of all people in its area of jurisdiction to receive at least a basic level of water and sanitation services. While the provision of basic water services is the most important and immediate priority, Water Services Authorities are expected to provide intermediate and higher levels of services (for example water on site) wherever it is practical and provided it is financially viable and sustainable to do so.

All water services provided by Stellenbosch Municipality to consumers within its Municipal Management Area are linked to the Municipality's Tariff Policy and Tariff by-laws, and poor households are incorporated through the Municipality's Indigent Policy.

The large number of residents in the lowest income groups (living in informal areas) poses a major challenge to the municipality to provide suitable housing. Stellenbosch Municipality works towards providing all households in the towns with a water connection inside the house and connecting all households to a waterborne sanitation system.

All the formal households in the urban areas of Stellenbosch Municipality's Management Area are provided with water connections and waterborne sanitation facilities inside the houses (higher level of service). Communal standpipes and ablution facilities are provided in the informal areas as a temporary emergency service. The municipality takes note of the fact that communal standpipes represent probably the weakest part of a network's water supply services. Standpipes are often constructed in ways that cannot withstand excessive use (and abuse) and are often neglected in terms of operation and maintenance, adversely affecting the health of their already vulnerable and poor users.

Communal standpipes are also used by poor households who normally do not pay for water.

Below is a table that specifies the different water service delivery levels per households:

Description	2012/13	2013/14	2014/15	2015/16
Household				
***Water:* (above minimum level)**				
Piped water inside dwelling	18 477	18 946	31437	37902
Piped water inside yard (but not in dwelling)	Not applicable	Not applicable	3517	3596
Using public tap (within 200m from dwelling)	13 500	14 903	6231	8491
Other water supply (within 200m)	Not applicable	Not applicable	Not Applicable	Not applicable
Minimum Service Level and Above Sub-Total	**28 612**	**33 849**	41185	49989
Minimum Service Level and Above Percentage	**99.57**	**99.63**	94.85	99.75
***Water:* (below minimum level)**				
Using public tap (more than 200m from dwelling)	Not applicable	Not applicable	Not applicable	Not applicable
Other water supply (more than 200m from dwelling)	125	125	1830	125
No water supply	Not applicable	Not applicable	405	405
Below Minimum Service Level Sub-Total	**125**	**125**	**2235**	**530**
Below Minimum Service Level Percentage	**0.43**	**0.37**	**5.15**	**1.06**
Total Number Of Households (formal and informal)	**28 737**	**33 974**	**43420**	**48002**

Table 123: Water Service Delivery Levels

3.6.3 CAPITAL EXPENDITURE – WATER SERVICES

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Bulk water supply pipeline and reservoir - Jamestown	3 881 000	345 233	-91.10%
Bulk water supply pipeline: Cloetesville/Idas Valley	2 118 515	1 902 204	-10.21%
Storage Dam and Reservoir Upgrade	3 000 000	2 878 580	-4.05%
Reservoirs and Dam safety	3 799 844	3 424 886	-9.87%
Water Pipe Replacement	13 758 158	13 276 454	-3.50%
Only the 5 largest capital projects are listed			

Table 124: Capital Expenditure 2015/16: Water Services

In the 2015/16 financial year, **88%** of the capital budget for water was spent.

3.6.4 - TOTAL EMPLOYEES – WATER AND SANITATION

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				**%**
Top Management and Councillors	0	0	0	0
Senior management	1	1	0	0
Professionally qualified and experienced specialists and mid-management	3	2	1	33.33
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	20	16	4	20
Semi-skilled and discretionary decision making	49	41	8	16.33
Unskilled and defined decision making	123	120	3	2.44
Total	196	180	16	8.16

Table 125: Total Employees – Water Services

3.7 WASTE WATER (SANITATION) PROVISION

The main focus for the 2015/16 financial year was to ensure that significant progress was achieved on the upgrade of the existing Stellenbosch Wastewater Treatment Works (WWTW), Klapmuts Wastewater Treatment Works, the successful commissioning of the new Wemmershoek Wastewater Treatment Works and the installation of phase 1 of the new Plankenbrug Outfall Sewer.

The extension of the Stellenbosch WWTW from a 20Ml/day to a 35Ml/day plant commenced in April 2015. This plant will make use of Membrane Bioreactor Technology to ensure that current and future demand flows meet the highest standards in effluent quality. The total construction value is estimated at R479 million. The project is funded by the Stellenbosch Municipality and Department of Water and Sanitation (DWS) through its Regional Bulk Infrastructure Grant (RBIG) initiative. This project is currently 60% complete.

The construction of phase 1 of the new Plankenbrug Outfall Sewer commenced in October 2015 and is expected to be completed in June 2017. The total value of Phase 1 is R42 million and consist of a new 1200mm diameter HDPE lined concrete pipe that is laid from the Stellenbosch WWTW up to Bosman's Crossing. The planning and design for phases 2 and 3 have been completed and the completion of phases 2 and 3 will result in additional sewer capacity for future development and address current demand in the Adam Tas/Plankenbrug drainage area to Stellenbosch

WWTW which includes Kayamandi and the Northern extension. This project is 67% complete.

The construction for the upgrade to Klapmuts WWTW commenced in January 2016 and is expected to be completed in December 2016. This upgrade will provide additional capacity at the plant for future development and address current demand in the Klapmuts drainage area to Klapmuts WWTW. The total construction value of this project is R33 million. The project is funded by the Stellenbosch Municipality and Department of Water and Sanitation (DWS) through its Municipal Infrastructure Grant (MIG) initiative. This project is 30% complete.

One of the major challenges facing the municipality is the need for replacement/upgrading of existing assets which have aged and deteriorated to the point where the majority of the sewer infrastructure has been "consumed". The bulk of the backlog is made up of the sewer reticulation assets and the Stellenbosch WWTW which is currently being upgraded.

3.7.1 SANITATION SERVICE DELIVERY LEVELS

The table below specifies the different sanitation service delivery levels per households for the financial years 2012/13, 2013/14, 2014/15 and 2015/16:

Description	2012/13	2013/14	2014/15	2015/16
Household				
***Sanitation/sewerage:* (above minimum level)**				
Flush toilet (connected to sewerage)	17 608	18 408	37 804	37 902
Flush toilet (with septic tank)	+/- 1100	+/-1100	1709	1079
Chemical toilet	138	138	321	321
Pit toilet (ventilated)	0	0	209	209
Other toilet provisions (above minimum service level)	0	0	1038	1038
Minimum Service Level and Above Sub-Total	**18 846**	**19 646**	**41081**	**40549**
Minimum Service Level and Above Percentage	**99.57**	**99.58**	**92.75**	**94.86**
***Sanitation/sewerage:* (below minimum level)**				
Bucket toilet	100	100	1137	125
Other toilet provisions (below minimum service level)	0	0	1038	1038
No toilet provisions	0	0	1035	1035
Below Minimum Service Level Sub-Total	**100**	**100**	**3210**	**2198**
Below Minimum Service Level Percentage	**0.43**	**0.43**	**7.25**	**5.14**
Total Number Of Households	**18 946**	**18 946**	**44291**	**42747**

Table 126: Sanitation Service Delivery Levels

3.7.2 CAPITAL EXPENDITURE – SANITATION SERVICES

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Upgrade of WWTW: Wemmershoek	1 602 136	305 661	-80.92%
Upgrade of WWTW: Klapmuts	12 325 017	10 455 927	-15.17%
Extention of WWTW: Stellenbosch	156 400 000	151 863 098	-2.90%

Table 127: Capital Expenditure 2015/16: Sanitation Services

Capital expenditure for sanitation was **95**% for 2015/16.

3.7.3 MAJOR PROJECTS IMPLEMENTED

Project Name	Scope	Project Cost	Benefit, Impacts and Goals achieved	Other Comments
WATER CONSERVATION AND WATER DEMAND MANAGEMENT (WC/WDM) INITIATIVES				
13. Extension of the Stellenbosch Waste Water Treatment Works (SWWTW).	The extension of the Stellenbosch Waste Water Treatment Works (SWWTW) is one of the largest projects in Stellenbosch history.	R 480M	• Increased Treatment capacity to **35 Ml/day** • Resolves the critical need for present and future WWT demand in the area. • Enables economic development in the area • Supports the housing provision pipeline	Classified as the number 1 priority in the administration. Currently moratorium on further development until completion of current phase. Phase 1 consists of constructing a new 27Ml/day MBR lane. Phase 2: the existing plant will be upgraded to BNR (Biological Nutrient Removal) system with capacity of 8Ml/day. Project has reached 50% completion.

14. New Wemmershoek (Franschhoek Valley) WWTW	The new Nereda Wemmershoek WWTW is at the forefront of technological innovation and construction was completed in April 2015 (Nereda © technology)	R 74M	• Ensure allowance for future demand and economic growth and development of the greater Franschhoek and surrounding areas • Increase capacity from **1.8Ml/day** to **7Ml/day** and eradicate Franschhoek WWTW challenges • Allow decommissioning of existing Franschhoek WWTW	Moratorium was placed on development, lifted after completion of new works. Staff are constantly trained to operate this plant, which is highly technical.
15. Upgrade of Klapmuts WWTW	The phase 1 upgrade of existing WWTW was completed in Jan 2014 and phase 2 is in the construction phase.	R 32M	• Phase 1: Capacity increased to 1.5Ml/day • Phase 2: Capacity increase to 2.4Ml/day	Future upgrades will be phased in 2.4Ml/day modules up to a total of 7.2Ml/day. Activated sludge process with Belt press.
16. New Plankenbrug Outfall Sewer	The contract is in the construction stage of phase 1 of the new Plankenbrug main sewer outfall. A new 1.2m concrete HDPE lined pipeline is being installed for approximately 1.9km.	R 45M	• Increase capacity and ensure needs for future demand is met • New main sewer outfall to tie into the newly extended Stellenbosch WWTW	Currently moratorium on further development until completion of phases 2 and 3.

Table 128: Water Conservation And Water Demand Management (WC/WDM) Initiatives

3.8 ELECTRICITY

The shortage of generating capacity at Eskom to supply electricity, improved to such an extent that no load shedding was experienced and according to Eskom no loadshedding will be necessary in the future.

The main reasons for the improvement are:

- The slowdown of the economy resulted in a decline in electricity demand;
- Increased generating capacity due to coal fired power stations and alternative energy;
- Electricity energy saving initiatives.

Stellenbosch Municipality contributed to the improvement of the situation mainly with the following projects:

- The demand side management project was completed and is currently being used with great success;
- An energy efficiency demand side management project to the value of R 6 million to replace old street lights with energy saving LED lights were implemented and successfully completed.

The guideline for small scale embedded generation (alternative energy) was completed and is pending Council's final approval. A special tariff that makes provision for consumers to generate electricity and feed the electricity back into the grid was approved by Council.

Electricity is available to all formal households. The supply of electricity within informal settlement areas is a priority for the Electricity Department. In some informal areas it is extremely difficult or impossible to supply electricity. In the absence of formal electricity connections, people install extension leads from houses or shacks already equipped with electrical supply, which give rise to unsafe situations. Prohibiting such unsafe connections are difficult to avoid since removed extension leads are being replaced almost instantly. Free basic electricity is supplied to all indigents.

The networks were well maintained and unplanned power outages were kept to a minimum.
Copper and metal theft increased during the 2015/2016 financial year. Forced entries resulted in substation vandalism and excessive damages occurred. Substation vandalism results in power failures causing financial loss to many consumers. The safety of staff is also in jeopardy when working in high risk areas and special arrangements must be made to ensure their safety.
Performance achieved in relation to electricity supply is an estimated availability rate of ±99% with minimum unforeseen failures during the year. This does not include load shedding.

3.8.1 ELECTRICITY SERVICE DELIVERY STATISTICS

Major Towns	Notified Maximum Demand (NMD)	Maximum Demand Growth (NMD)	Maximum Demand Peak (NMD)
Stellenbosch	60	0	60.6
Franschhoek	10	0.1	9.1
Cloetesville	16	0	10.66

Table 129: Electricity Notified Maximum Demand

The maximum demand for electricity did not increase much due to a setback in economic growth, however the notified demand with Eskom for Franschhoek was increased to 10 MVA. The electricity losses were 6.06% and the target is 11%. The department is continuously working towards reducing electricity losses. The department is understaffed and finds it difficult to attract qualified and competent persons. This situation negatively impacts on operations and service delivery. The department is in the process of filling vacancies to improve service delivery. Funds were

allocated for some unfunded posts and appointments will be made in the new financial year.

3.8.2 ELECTRICITY SERVICE DELIVERY LEVELS

Description	2012/13	2013/14	2014/15	2015/16
Household				
***Energy:* (above minimum level)**				
Electricity (at least minimum service level)	6 107	4 121	5576	6486
Electricity - prepaid (minimum service level)	22 044	23 416	20711	17504
Minimum Service Level and Above Sub-Total	**26 429**	**27 537**	**26287**	**29142**
Minimum Service Level and Above Percentage	**85.68**	**87.25**	**79.67**	**86.7**
***Energy:* (below minimum level)**				
Electricity (< minimum service level)	0	0	0	0
Electricity - prepaid (< min. service level)	3 698	4 021	5757	4460
Other energy sources	Not applicable	Not applicable	950	N/A
Below Minimum Service Level Sub-Total	**4 416**	**4 021**	**6707**	**4460**
Below Minimum Service Level Percentage	**14.32**	**12.75**	**20.33**	**13.27**
Total Number Of Households	**30 845**	**31 558**	**32994**	**48 002**

Table 130: Electricity Service Delivery Levels

During the 2015/16 financial year the Electricity Department concentrated on the renewal and upgrading of old equipment. In Idas Valley old overhead networks were replaced by underground cables. The replacement of old overhead networks with underground cables must be extended to prevent the further ageing of the electrical infrastructure. A grant from the Department of Energy enabled the replacement of streetlights with more efficient energy lamps. This should bring about a considerable saving on the streetlight consumption expenditure. Projects on capital budget were satisfactorily completed in the 2015/16 financial year. Unfortunately, due to a delay in the delivery of a switchgear order of nearly R 10 million from a factory in Norway, a 100% capital expenditure could not be achieved.

3.8.3 CAPITAL EXPENDITURE – ELECTRICITY SERVICES

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
General Systems Improvements - Stellenbosch	7 315 295	7 248 585	-0.91%

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Tennant switchgear	9 520 000	0	-100%
Energy efficiency and demand side management	6 000 000	5 064 996	-15.58%
Integrated National Electrification Programme	4 481 052	3 383 144	-24.5%
Main 66kV Upgrade (Transformers)	4 309 616	4 309 616	0%
Only the 5 largest capital projects are listed			

Table 131: Capital Expenditure 2015/16: Electricity Services

Capital expenditure of the budget for electricity was **75** % for 2015/16.

3.8.4 TOTAL EMPLOYEES – ELECTRICITY

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			%
Top Management and Councillors	0	0	0	0
Senior management	1	1	0	0
Professionally qualified and experienced specialists and mid-management	2	2	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	5	5	0	0
Semi-skilled and discretionary decision making	13	11	2	15.38
Unskilled and defined decision making	50	47	3	6
Total	86	73	13	15.12
Information as at 30 June 2016				

Table 132: Total Employees – Electricity

3.9 WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL AND RECYCLING)

SOLID WASTE MANAGEMENT

The Solid Waste Management Department made great strides in addressing the filling of vacant positions in the past financial year. The Principal Technician: Waste Management and Disposal was appointed in the vacant position in August 2015, which resulted in a greater focus on the waste minimisation projects that needed to be undertaken to achieve the goals set by the department, as well as the disposal site projects that required hands-on management. One of the major capital projects undertaken was the cutting and shaping of the closed cells 1 and 2 of the landfill site, in order to shape it to the 1:3 gradient as required according to permit conditions. A number of waste minimisation projects were implemented, and others continued, in order to curb the steady stream of waste brought to the Devon Valley landfill site for disposal. These included the shredding of garden greens, crushing of builders rubble, on-going separation-at-source programme in selected wards, the Compressed Earth Block (CEB) (Rambrick) project, and trials with the Home Biodigester (the first in South Africa) to address food waste and convert it into cooking gas. This was necessitated with the pressure of the Devon Valley Landfill, as the site only has 2 years of airspace remaining for disposal.

In addition to the Principal Technician, 15 other operational employees were recruited, viz. 6 operators and 9 general workers. A number of EPWP workers were employed as permanent staff in the latter category. The aforementioned vacancies were previously reported as a challenge, but have now been resolved.

Fleet management remains a challenge, as two more compactors were written off in the past financial year, bringing the total to four compactors being out of service. This not only places pressure on the remaining 6 compactors, but has an impact on service delivery in terms of an efficient and reliable service. The backlog of aged fleet still in service does result in high maintenance costs, and stemming from the Municipal Systems Act section 78(3) investigation undertaken, the municipality should consider Full Maintenance Lease (FML) agreements as an alternative to purchasing new compactor trucks.

Collections:

The following graphic gives a holistic overview from the LiftLogger data how many 240l wheelie-bins were collected in the 2015/16 year, as well as the areas serviced.

LIFTLOGGERS – TRUCKS FROM 1 JULY 2015 – 30 JUNE 2016					
TRUCK NUMBER	**Monday**	**Tuesday**	**Wednesday**	**Thursday**	**Friday**
CL 22542	6 879	11 594	11 361	7 668	5 882
CL 26685	16 718	19 538	25 039	27 216	14 635
CL 27923	19 967	23 733	13 390	29 996	13 225
CL 31479	22 368	26 489	31 704	34 351	16 670
CL 45835	20 488	29 437	23 840	25 630	18 202
CL 64272	17 846	17 407	21 548	23 681	17 909

CL 64779	20 589	29 685	26 699	28 756	22 950
CL 71677	9 537	36 116	33 172	27 551	10 363

Table 133: Total Amount of Wheelie-Bin Data Captured While Collecting Solid Waste

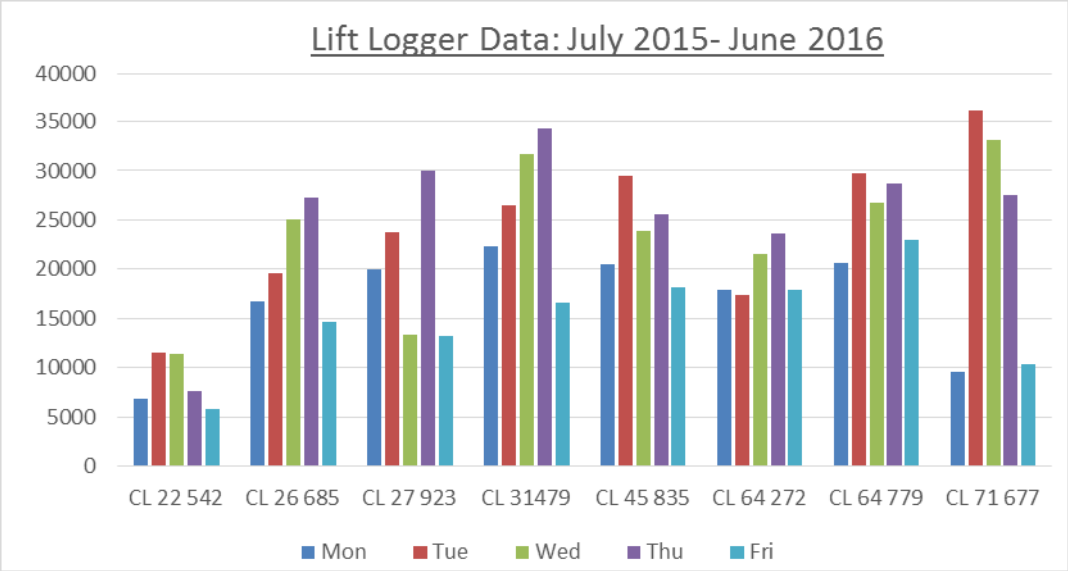


Figure 30 LiftLogger Data from July2015-June 2016

Truck Number	Monday	Tuesday	Wednesday	Thursday	Friday
Hire Truck	Klapmuts	Klapmuts	Klapmuts	Koelenhof farms	Welgevonden Complete
CL 26685	Uniepark, Simonswyk and University Oord East	Adam Tas, Krigeville, La Colline	Idas Valley	Tennantville	Jamestown
CL 27923	Lanquedoc and Meerlust	Onder Papegaaiberg, Vlottenburg,	R44 and Raithby	Kylemore	Jonkershoek, Blaauwklippen
CL 31479	Mostertsdrift and Karindal	Zimbabwe Taxi rank/ University Oord west	Idas Valley	Cloetesville	Welgevonden
CL 45835	University	Die Boord	University	Weltevreden and businesses	University

CL 64272	CBD	Brandwag, Dalsig	CBD	Pniel and Johannesdal	CBD
CL 71677	Kayamandi and Plankenbrug	Kayamandi	Kayamandi and Plankenbrug	Kayamandi	Kayamandi and Plankenbrug
CL 64779	Businesses in Stellenbosch	Paradyskloof	Businesses in Stellenbosch	Tenantville	Businesses in Stellenbosch

Table 134: Truck Sites

Please note that CL 22542 was written off in the 2015/16 financial year and hence reflects lower totals than other fleet, and is also not included in the schedule above.

Disposal:

The Devon Valley Landfill received the following quantities of waste which was recorded by the weighbridge at the site:

	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16
Industrial Refuse (Tonne)	280	270	467	544	603	499	444	502	497	578	614	546
Domestic Refuse (Tonne)	3277	3506	3572	3953	3758	4093	3694	3905	3550	4449	4066	3372
Green Refuse (Tonne)	427	445	599	658	640	392	509	628	598	684	770	634
Builders Rubble (Tonne)	1045	1346	967	2698	3103	3583	2519	4096	3125	3534	4520	3101
Soil (Tonne)	2458	2994	3329	5772	6286	6510	6284	5112	3667	9883	7208	5363
Miscellaneous (Tonne)	1	23	0	0	0	1	0	0	0	0	0	0
TOTAL	**7488**	**8584**	**8934**	**13625**	**14390**	**15078**	**13450**	**14243**	**11437**	**19128**	**17178**	**13016**

Table 135: Waste Received by the Devon Valley Landfill Site

The total waste received at the landfill site was 156 551t in the 2015/16 financial year. This is a 2.43% increase when compared to the corresponding period a year ago. This increase is much lower than the 15.8% increase experienced in the previous financial year, as a result of various waste minimisation interventions implemented, and the fact that the tariff makes a cross-boundary movement of waste prohibitive. Although the figures above reflect incoming waste-streams , not all of the waste was disposed of, as green waste was chipped and removed for composting and builder's rubble was crushed and used beneficially in the CEB manufacturing process. The vast quantities of soil received by the site that cannot be beneficiated remains a cause for concern, and alternative uses for the material are being investigated. Domestic and business refuse increased by 13.3%, builders' rubble and soil

(in combination) decreased by 5.9% and garden refuse increased by 102.7%, when compared to the corresponding period in the previous financial year. The fact that garden refuse had increased significantly is good news as none of the waste is landfilled, but chipped and removed off site for composting. This waste was previously illegally dumped, burned, or stockpiled which added not only to the environmental burden, but also financial burden to clean up the areas. In total, the number of users had increased from 32 342 in the 2014/15 year to 40 056. The total revenue generated in the 2015/16 financial year was R2 857 807.16.

Projects initiated in the 2014/15 financial year and continued in the 2015/16 financial year:

1. **The crushing of builders' rubble**

   The crushing tender was in place from January 2015 to December 2015. Not only will crushed rubble reduce the volume when disposing of the material, but it can also beneficially be used in the Compressed Earth Block (CEB) pilot project. Crushed builders' rubble removed from site during the 2015/2016 financial year was 195 tonnes. The Rambricks project ensured that 505m^3 of crushed builders' rubble was used in the manufacturing process, as well as 1965m^3 raw builders' rubble utilised for construction of platforms on site.

Figure 31: Uncrushed Rubble Received on Site

Figure 2: Crusher in Action

2. **The chipping and removal of green waste**

   The chipping and removal tender for green waste was awarded in November 2015. Reliance Group Trading (Pty) Ltd was awarded the contract, and shredded greens were either taken to their compost facility in Olifantsfontein, or utilised by the municipality for own use. Of the 2767 tonnes of waste removed off site, which equates to 15 704m^3 of chips removed, the following table demonstrates the locations where the shredded greens were utilised:

AMOUNT OF CHIPS TRANSPORTED TO FACILITIES	
Facility	**Volume (m^3)**
Small-scale Farmers (LED)	600.00
Waste Water Treatment Works	4,920.00
Olifantsfontein	10,183.88
Total	**15,703.88**

Table 136: Amount of Chips Transported to Facilities

Figure 3: Tub Grinder Shredding Green Waste

3. Environmental authorisation for the closure of the landfill site (cells 1, 2 and 3)

Aurecon was appointed to obtain a waste closure license for all three cells, although cell 3 is still operational (this will prevent duplication when cell 3 is eventually full in future). The Final Basic Assessment Report (FBAR) deadline for submission to the authorities was extended twice, and is now due in November 2016. The reason for the extension is as a result of not finalising the gas extraction plan which must also be submitted to the authorities. A request for quotation was advertised in the 2015/16 financial year, but no bids were received. A tender will be advertised in the 2016/17 financial year to appoint a suitable service provider to finalise the gas extraction plan for submission.

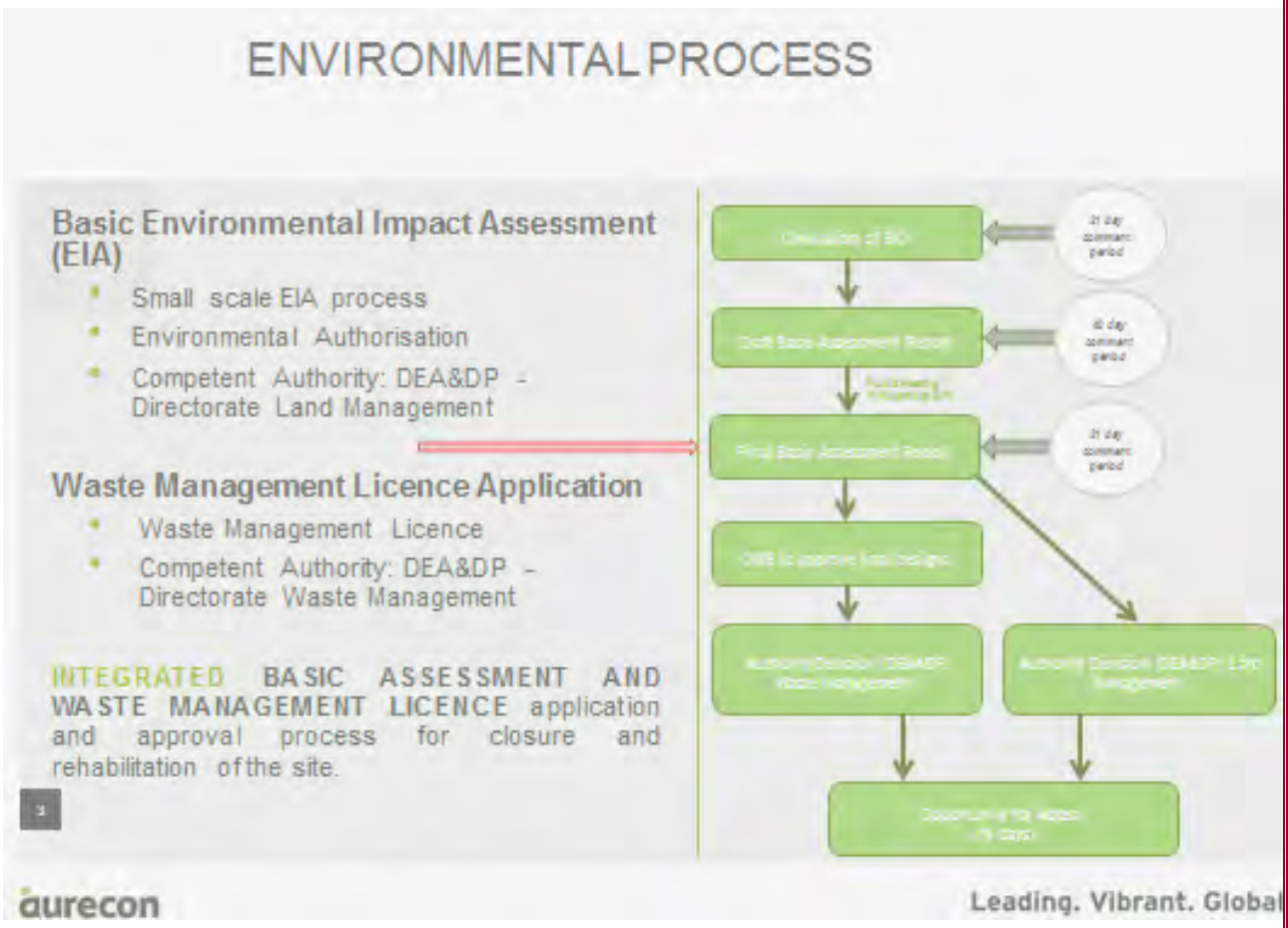


Figure 34: Aurecon Environmental Process

4. Design for rehabilitation and capping of the closed cells 1 and 2

Jan Palm Consulting Engineers (JPCE) was appointed as the consulting engineer for the project. It was determined that a 1:3 slope is possible for the entire closed area, and capping will be done by utilising the Trisoplast mineral liner (Dutch technology appropriate for the extraction of methane gas). This proposal was handed in to the authorities (Department of Water and Sanitation (DWS)) in July 2015 for consideration. The design also took the methane gas extraction into consideration. The DWS did in principle accept the Trisoplast design, but required additional capping layers to be included. This is currently under negotiation between the parties, and it is hoped that this design will be finalised soon.

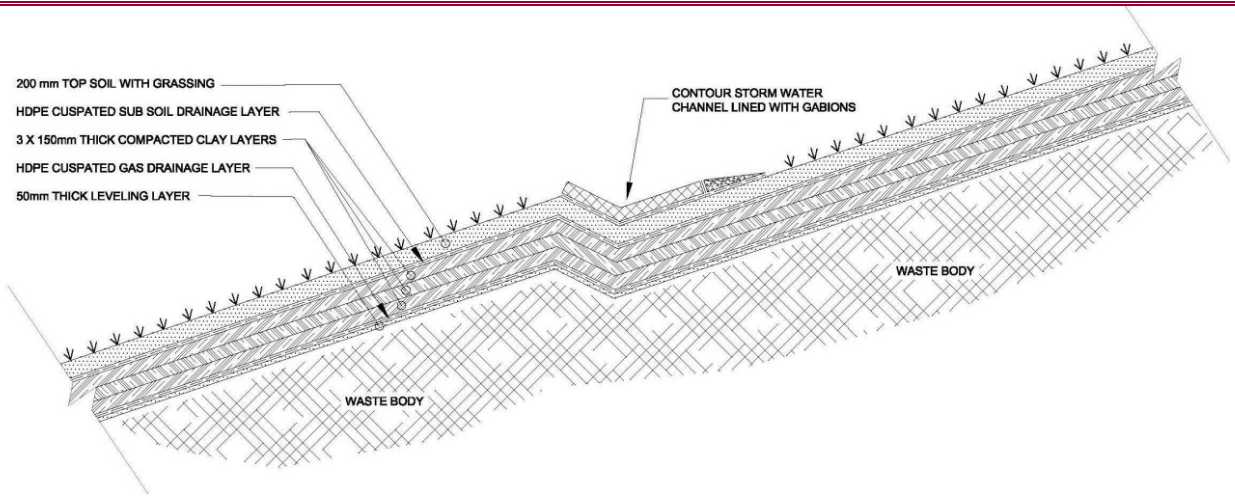


Figure 35: The Trisoplast Design

5. Cutting and shaping of the waste body of cells 1 and 2

Amandla GCF was appointed to do the cutting and shaping of the waste body of cells 1 and 2, in order to get the entire closed site in a 1:3 slope formation. This contract commenced in May 2015, and ended in March 2016. 45 000m^3 of clay from the stockpile is used as temporary cap until the closure license is awarded for the rehabilitation and capping to commence.

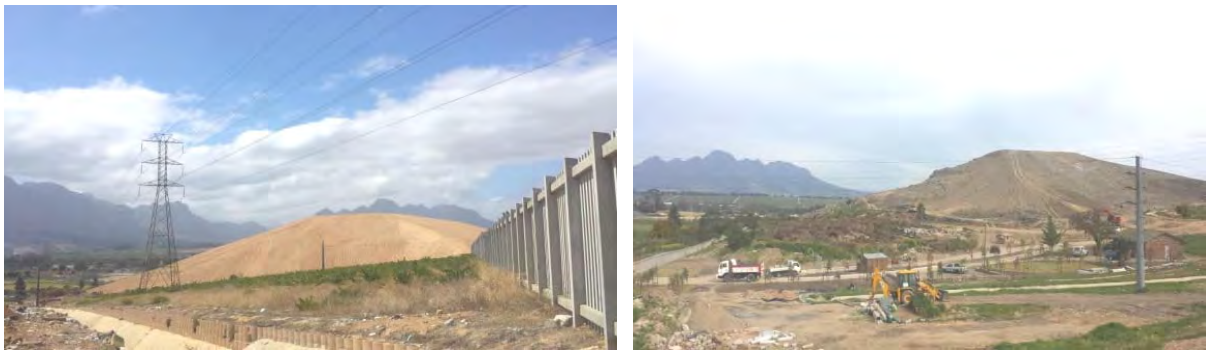


Figure 36: **Temporary clay cap**

6. Beautification of entrance for Devon Valley Landfill site

N1 Construction Group was appointed for the upgrading of the entrance at the Devon Valley Landfill site. The work entails greening the entrance facility with trees and vegetation, constructing parking areas for visitors, creating an area for after-hours drop-off of small loads in skips, paving of road leading up to cell 3, constructing storm water channels to keep the site from puddling, and generally tidying up a very drab area at the entrance gate. The work commenced in May 2015 and was completed by November 2015.

Figure 37: Fly traps and gabions

Figure 38: Beautification at entrance of site

7. Design and planning of a Material Recovery Facility (MRF) for Stellenbosch

Aurecon was appointed for the design and planning of the MRF for Stellenbosch Municipality, which also includes the public drop-off facility. Many lessons were learned from the Walker Bay facility in Hermanus, which assisted with the design for this facility. Various cost scenarios were modelled, including Full Build-Out, Phased Build-Out, and one of Minimum Service Level. The most appropriate is the Phased Build-Out, as it will operate as a clean MRF, maximum uptake will be achieved by 2023, and staggered capital investment would be required. The risk is lower than the Full Build-Out if uptake is slow.

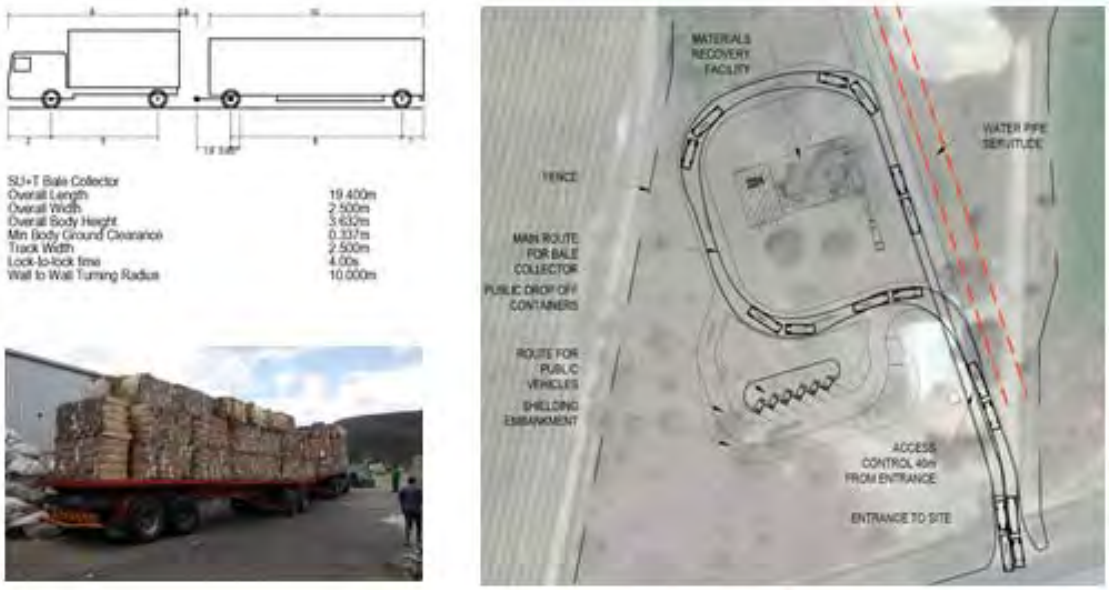


Figure 39: Proposed layout of MRF and drop-off

8. Design, planning and construction of a major drop-off facility in Franschhoek

AECOM was appointed in the 2014/15 financial year to commence with the design and planning of the facility, and thereafter the construction thereof. A public participation process was commissioned and undertaken by AECOM themselves, and a public open day was held on 15 August 2015. A 60-seater bus was hired and interested parties were taken to the Wynberg drop-off facility to see what is planned for the Franschhoek area. Upon the return from the Wynberg facility, a public meeting was held at the Groendal Hall where the project was explained to all attendees and the 5 alternate sites were presented as identified during the site selection process. After receiving the comments from the public, and after technical feasibility studies were undertaken, the preferred sites were the Groendal facility as first option, with the La Motte facility as the second best option.

Due to the fact that waste minimisation activities are intended to be undertaken at the preferred site, the Department: Environmental Affairs and Development Planning insisted that a Waste Management License (WML) application be made as at least three conditions listed in GN No. 921 will be triggered. No construction can thus commence until the license is issued, which had a negative impact on the capital budget, as the construction of the facility was budgeted for in the 2015/16 and 2016/17 financial years. The environmental authorisation process will take at least 6-8 months, and funds will have to be rolled over to the following financial year. AECOM would also need to supply two layout plans for both alternatives, as well as a final design for both sites. It is thus envisaged that the first half of the 2016/17 financial year will be to obtain the WML.

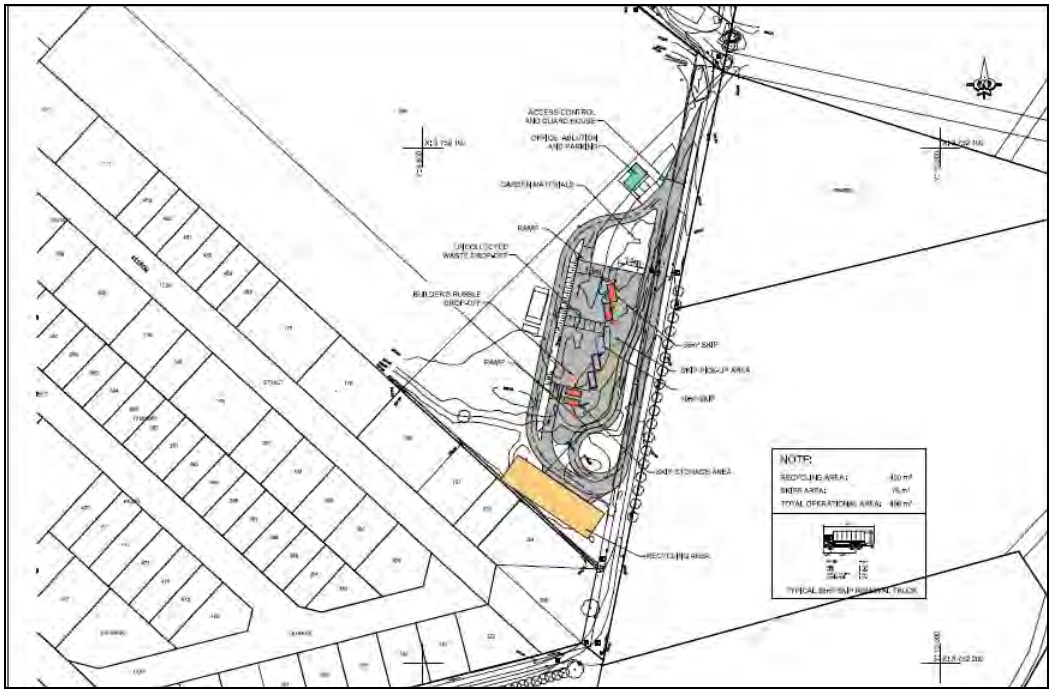


Figure 40: Proposed layout of drop-off facility

9. Pilot project for mini-MRF

A pilot project was initiated to operate a mini-MRF prior to the construction of the MRF in Stellenbosch. The objective would be to reduce transport costs to Kraaifontein and to gather sufficient information to assist with the planning and design of the fully-fledged MRF, and provide information to the MSA section 78(3) investigation where recycling should best be positioned, as the pilot will be operated by the private sector.

Thus far a 12mx10m concrete base was constructed, and 3-phase power supply installed. Due to continuous vandalism and theft of electricity cables, as well as the fact that the Rambrick's pilot project occupied the space where this project is intended, the implementation was delayed until proper security measures are in place to safeguard electrical supply, and the Rambrick's project has run its course. It is envisaged to have the pilot operational in the 2016/17 financial year.

Figure 41: Construction of paving around slab

Figure 42: Completed paving at mini-MRF

10. Compressed Earth Block (CEB) Pilot Project

The CEB pilot project was launched in February 2015, after Use-It was awarded the tender to manufacture 480 000 blocks from builders rubble and clay. The project had a number of challenges, notwithstanding the fact that the shed originally included in the tender submission was not approved by the municipality. A number of environmental issues further hampered the production of the blocks, and the interruption of water supply as a result of the upgrading at the adjacent waste water facility and theft of electrical cables and vandalism of equipment added to the challenges. The lack of uptake from the municipality in construction projects resulted in triple stacking of stockpiles, and constant rearrangement of the blockyard. Competition for the clay stockpile with the cutting and shaping contract also had a contributing role in the termination of the contract. Despite all the challenges mentioned, more than 320 000 blocks were manufactured which met construction specifications. Some had already been used in paving contracts, and the LED Department has also put a claim out for 110 000 blocks for their economic hub planned for at Idas Valley.

Stellenbosch Municipality was awarded a Certificate of Outstanding Achievement in the Innovation Project category at the 2015 Greenest Municipality Competition for the above project.

Figure 43: View of production yard for CEBs

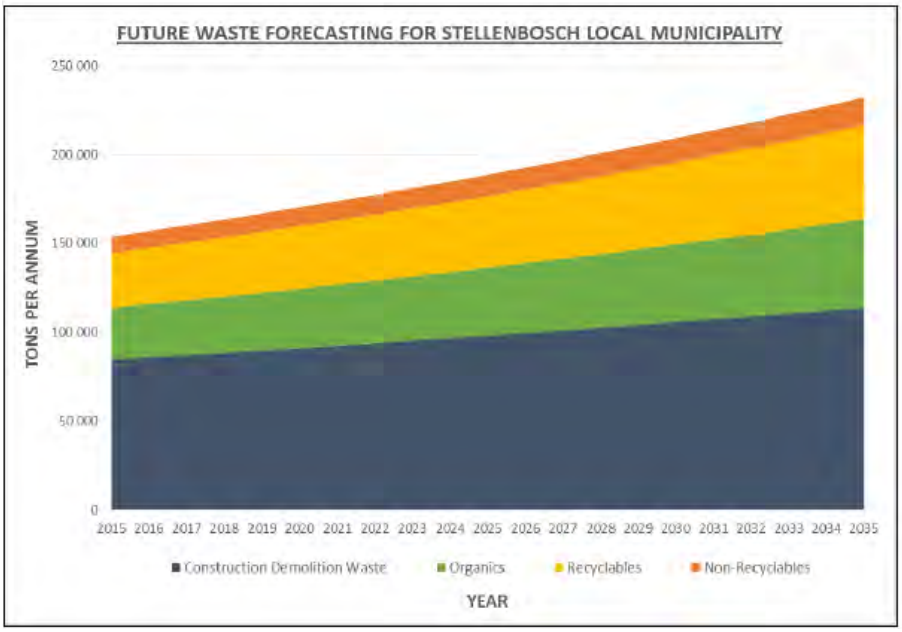
New projects undertaken in the 2015/16 financial year:

1. **The Municipal Systems Act: Section 78(3) investigation for Solid Waste Management**

   This project commenced in July 2015 and the draft report was completed by end November 2015. The primary goal of this investigation was to indicate to the Solid Waste Department which mechanisms to employ in order to render cost-effective, efficient, sustainable and equitable services. The recommendations were as follows:

   - A combined internal and external option for service delivery
   - The current organisational design should be reviewed
   - The new organisational design must be more integrated as per recommendation
   - Refuse collection routes must be reviewed regularly; a proper productivity improvement and costing programme should be undertaken; full maintenance lease should be investigated for collection fleet, but newer fleet owned by municipality retained.
   - Pay-as-you-throw incentive scheme with a pilot project should be undertaken
   - Extensive Education and Awareness programme required
   - Rolling out the Bokashi project to informal communities in Stellenbosch

   This report could only be finalised when the engagement with the Councillors and then organised labour had taken place, which had not as yet happened. Once the report is finalised it must then serve at Council to either accept or reject the recommendations.



- Total Waste Disposed:
  - 154 000 tons per annum (2015)
  - 263 000 tons per annum (2035)

Figure 44: Extract from MSA S78(3) report

2. Home Biodigester trials

Stellenbosch Municipality procured the first HomeBiodigester™ in South Africa. This unit is a small-scale biogas system that converts organic waste into clean cooking gas and a liquid fertiliser for garden use. The unit can accept up to 6 litres a day of any food waste, including meat and dairy, and up to 15 litres a day of animal manure. Theoretically these units can provide 1-3 hours of cooking and 20 litres of liquid fertiliser per day. Trials were conducted at Spier, and although good gas yields were initially obtained with good quality fertiliser, the consistency has not proven itself as yet. More trials must be undertaken as there are foodstuffs that do affect the optimum gas yields. Two more units were purchased from a different supplier (with improved specifications) in order to compare the biogas units. It is important to understand the optimum conditions and consistency before this can be rolled out on a larger scale.

Figure 45: Input of feedstock

Figure 46: Complete Biogas unit

3. Oil recycling container at Devon Valley

Stellenbosch Municipality became the first municipality other than the metropolitan council to have a used oil collection facility at the Devon Valley landfill site in the Western Cape. This unit only accepts used lubricating motor oil, and not food oils for recovery. The ROSE Foundation (Recycling Oil Saves the Environment) is a national non-profit organisation established to promote and encourage the environmentally responsible management of used oils, and to collect as much lubricating oil to add value thereto within the strictest environmental standards. Oil contamination can have detrimental environmental impacts, including unsafe drinking water, marine degradation through oxygen depletion that will harm fish, animals and plants, as well as soil degradation.

The collection facility is accessible during operating hours of the landfill site

Figure 47: Waste oil container on site

Figure 48: Receiving drum of waste oil

PRASA Waste Entrepreneurship Training Course

The Paper Recycling Association of South Africa (PRASA) held a 4 day training course on paper recycling as well as Introductory Business Training in October 2015. This training was offered at no cost to the municipality (PRASA covered all the costs estimated at R12 000 per delegate) and was held at the Small Enterprise Development Agency (SEDA) offices at Eikestad Mall. Twelve local participants responded to the invitation and attended the training sessions.

The course had a focus on education and training as a means of establishing SMMEs and promoting a culture of recycling, promoting job creation by providing attendees with the necessary skills and training to start their own paper recycling business, create efficiency in the collection, recycling and disposal of waste paper, stimulate participation in educational campaigns, ensure best practice in recycling through educational work and technical support, and to ensure that good quality paper is recovered.

This course was well received by the attendees and all participants received a Certificate of Achievement at the end of the course. This was presented by MAYCO Portfolio Councillors from Engineering Services and

Planning and Development.

A number of potential participants did not attend, citing the lack of income should they attend a course over 4 days. Although this is a reality of the situation, it must also be seen as a R12 000 free investment granted to improve and further one's own business. PRASA is prepared to repeat this training, but on condition that at least 20 participants attend future training courses.

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Stellenbosch CPF holds AGM

The annual general meeting of the Stellenbosch community policing forum (CPF) will be held on Thursday 29 October at 18:30 for 19:00 at the Stellenbosch police station conference room.

The meeting will give information to the community on the year's work and will hold elections for vacant positions on the executive committee. Members of the CPF will nominate individuals and vote on forum positions. It will be chaired by a member from the department of community safety of the Western Cape province.

The CPF is mandated by the South African constitution and legislation. Every police station in the country must have this forum. Its role is to foster good relationships between the police and the community, and to assist the police in the community's fight against crime.

One very successful project in 2015 was the CPF-sponsored lecture by Prof Rudolph Zinn, held in May. The meeting had a good turnout, load shedding aside. A former police officer and detective, Zinn informed the listeners about the ways in which criminals think, and why some people become criminals. He advised people on how to protect themselves, to prevent crime, and his main advice was to be an organised community. The theme of his talk: "Unity deters crime".

By die oorhandiging was agter (van links) Thulani Mokoena, Patrick Jacob Rool, Aldridge Frazenburg (burgemeesterskomiteelid: sosiale ontwikkeling), Sophie Louw (burgemeesterskomiteelid: plaaslike ekonomiese ontwikkeling), Mario van Niekerk, Ursula Henneberry (operasionale bestuurder van Prasa en kursusleier), Cecil Barnes (van Prasa), Malibongwe Gebhu, Donovan Joubert (burgemeesterskomiteelid: Ingenieursdienste), Charlotte Cronjé (hoof-tegnikus: afvalbestuur en -verwydering) en Judith Molutsoane. Voor van links is Sefeke Molutsoane, Maureen Mbola, Phumlani Mtabe, Vuyo Mgijima en Lindikhaya Nogwaza.
FOTO: STEPHANIE NIEUWOUDT

Van rommel tot kontant vir entrepreneurs

Daar word te veel voorwerpe weggegooi wat maklik in kontant of bruikbare voorwerpe omskep kan word.

Só het Mario van Niekerk van Cloetesville verlede week gesê nadat hy die Paper Recycling Association of South Africa (Prasa)-aanvangskursus in entrepreneurskap voltooi het. Die kursus is verlede week in samewerking met die Stellenbosch-munisipaliteit aangebied.

Van Niekerk het gesê hy het vaardighede geleer wat hom sal help om ekonomiese geleenthede uit weggooigoed te skep.

"As mense in die gemeenskap besef dat hulle geld kan kry vir herwinbare rommel sal ons woonplekke ook skoner wees," het hy bygevoeg.

Hoewel breë entrepreneurskapsvaardighede met hierdie kursus oorgedra is, was die klem onder meer ook op hoe om sakegeleenthede in rommel te identifiseer. Phumlani Mzaba (25) van Kayamandi glo doeltreffende bestuur van vullis dra by tot 'n meer volhoubare omgewing en land.

"Stortingsterreine is besig om vinnig vol te raak. Deur herwinning kan ons sorg dat daar minder vullis op hierdie terreine beland. As ons vullis goed bestuur, dra dit by tot 'n gesonder omgewing. Ek wil my eie onderneming begin en sodoende vir ander mense werk skep," het Mzaba gesê, wat ook 'n kwalifikasie in grafiese ontwerp het.

Vuyo Ngijima, ook van Kayamandi, sê daar is groot onkunde in die gemeenskap oor waarom dit belangrik is om gebiede rondom woonplekke skoon te hou.

"Ons het bewusmakingsveldtogte nodig sodat mense kan verstaan dit skep allerlei gesondheidsprobleme as vullis net sommer op enige plek gestort word. Dit is ook belangrik om te besef daar is geld te maak uit herwinbare weggooigoed."

Volgens Ursula Henneberry, operasionele direkteur van Prasa en aanbieder van die kursus, word drie kubieke meter stortingsterrein "gespaar" wanneer een ton papier herwin word.

"Herwinning is die enigste soort onderneming waaruit jy geld kan verdien sonder om eers kontant uit te gee. Jy kan eenvoudig bottels, plastiek of metaal optel en dit verruil vir kontant."

Raadsheer Conrad Sidego, uitvoerende burgemeester van Stellenbosch, sê die dorp het entrepreneurs uit alle vlakke van die samelewing nodig.

"Herwinning bied geleentheid nie net om geld te verdien nie, maar dra ook grootliks daartoe by om 'n gebied skoon en netjies te hou. Mense hoef egter nie regstreeks rommel te verruil vir kontant nie. Miljoene mense wêreldwyd verdien ook 'n inkomste deur kunswerke, juweliersware en allerlei versierings uit rommel te maak. Ek glo mense is innoverende wesens wat ook hier in Stellenbosch toenemend skeppend sal dink oor rommel en hoe dit op verskeie maniere omskep kan word in bruikbare voorwerpe."

Sidego het gesê wanneer vullis ophoop, hou dit verskeie nadele in. Dit lok rotte wat siektes kan versprei; verrottende produkte kan skadelike gasse vrystel wat tot allerlei asemhalingsprobleme kan lei, verrottende vullis kan grondwater besoedel, vullis kan in riviere eindig wat tot grootskaalse waterbesoedeling kan lei, geleenthede vir toerisme bly in die slag omdat toeriste nie graag vuil plekke wat sleg ruik wil besoek nie.

Figure 49: Gazette article on PRASA training

4. 240ℓ wheelie bin roll-out in Klapmuts

For many years the Klapmuts community were awaiting the roll-out of 240ℓ wheelie bins, which materialised in August 2015. Approximately 1850 bins were supplied to the local community, which was much appreciated. The Youth Jobs in Waste team, in addition to volunteers, were utilised to educate and make recipients aware of general waste management, taking proper care of wheelie bins and safeguarding of the bins.

Figure 50: Klapmuts bin Roll-out

Figure 51: Klapmuts resident receiving bin

5. Women in waste

The Solid Waste Management Department broke new barriers when it appointed three women in the Collections Division as refuse collectors, and one at the Franschhoek mini drop-off to control incoming waste loads. Two of the women were previously part of the Youth Jobs in Waste programme, and two from the EPWP programme. All were ecstatic to receive permanent employment in the municipality.

Figure 52: Women explaining mechanics

Figure 53: Proud team members

6. Waste Week and Swop-shop

Stellenbosch Municipality's Solid Waste Management Department, together with Youth Jobs in Waste (also known as the Green Ants) hosted a Waste Week from 09 to 13 May 2016 in Klapmuts, Langrug and Kayamandi. The Waste Week specifically focussed on education and awareness regarding waste management and minimisation.

A pop-up swop-shop formed part of the daily activities. Each day upon arrival the swop-shop was set up by the Green Ants by erecting a gazebo and laying tables with quality goods that were collected prior to Waste Week. The concept of the swop-shop was then explained to onlookers, encouraging them to bring any form of recycling to the pop-up shop in exchange for items available on the day. The news spread via word-of-mouth through the area encouraging others to participate. For education and awareness purposes, two rules regarding collection applied:

- only bags that were filled to capacity with recycling would be accepted; and
- only one type of recyclable material is allowed per bag, i.e. glass or plastic or paper/cardboard and not a combination thereof.

The success of the swop-shop differed greatly with location. In Klapmuts, the swop-shop was a roaring success on both days in the different locations. Residents bought into the idea of exchanging recyclables for goods and many were seen returning with full bags multiple times. Participants even made plans to increase the amount of recycling that they can bring to the swop-shop in one trip in innovative ways. By the time the schools came out and the children became aware of the initiative, Klapmuts was buzzing with children picking up recycling from open spaces, between houses and in storm water channels. By the end of the day, no more recycling could be seen littering the immediate vicinity. In total, 416 bags of recycling was collected over two days in Klapmuts.

Unfortunately, the same cannot be stated for Kayamandi and Langrug. In Kayamandi the concept did not appeal to the greater majority, although the children did partake. The residents did not like the idea of swopping recyclables for second hand clothes as they felt this is something that they should and/or could get for free. In total, 81 bags of recycling were collected over two days by the community in Kayamandi. In Langrug, this experiment did not produce positive results. The residents were extremely hostile towards the team and felt that the swop-shop goodies were owed to them and that they need not work for it. The well-being of the Green Ants was threatened to such an extent that they had to pack up and leave the area. However, before they left a total 50 bags of recycling were collected and swapped for goods by the community. The lessons learned from this experience is that one cannot have a single approach in reaching out to diverse communities, and greater preparation and planning is needed for those areas where it was not very successful.

In total, 1,220.5 kg of waste was collected, equating to a landfill airspace saving of 48.94 m^3. We value each m^3 of landfill airspace at R450.85, which means that R 22,064.59 worth of landfill airspace was saved during this week. This has been achieved with minimal effort and relatively low participation levels. This is a 100% diversion from landfill, as all items would otherwise have been landfilled. It is important to keep the bigger picture in mind; by implementing an informal waste separation programme, the future conversion to a formal two bag system in these communities will go so much smoother as the foundation has already been built.

Figure 54: Klapmuts resident at swop-shop

Figure 55: Kayamandi resident at pledge wall

7. Visits from international delegations

Stellenbosch Municipality had a number of international delegations visiting the town to explore waste management opportunities or to share experiences in this field. In October 2015, Joshua Palfreman, a British/American residing and working in Tanzania and Kenya in the field of waste management visited to exchange ideas on how to best involve the informal sector in turning waste into profitable enterprises.

In November 2015, Jonas Stromberg (Scania) and Jonas Rottorp visited this municipality and the Centre of Renewable and Sustainable Energy Studies (CRSES) at Stellenbosch University to explore the possibility for a Biofuels facility incorporating municipal solid waste and sewage sludge. They are keen to conduct a waste-to-fuel feasibility study at Klapmuts.

Stellenbosch Municipality and its twinning city from Belgium, Dilbeek have a City-to-City cooperation in place where the two municipalities can partner and share best practices in the fields of waste management and community involvement in job creation and entrepreneurship. Four delegates visited this municipality in November 2015 to strengthen cooperation opportunities between the Solid Waste Management Department and the Local Economic Development Department.

A Polish delegation, through the offices of WESGRO, arranged a visit in December 2015 to Stellenbosch Municipality to identify possible areas of mutual cooperation in the field of renewable sources of energy and green energy, in order to keep abreast with developments in the Green Energy sector around the Stellenbosch district, and exchanging ideas on implementation of technological solutions.

Figure 56: Dilbeek delegation in Mayor's office

Figure 57: Charlotte Nell with Polish delegation

8. DEA/GIZ project – Waste Management Near-Term Priority Climate Change Flagship Programme

The National Government of South Africa (Department of Environmental Affairs- DEA), in partnership with the German Government (via Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH), has embarked upon the Waste Management Near-Term Priority Climate Change Flagship Programme, which includes identifying areas for strategic interventions that advance the objectives of both the National Climate Change Response Policy and the National Waste Management Strategy (2011).

A key element of this Project is for the DEA and German Government to be introduced to current-day alternatives and solutions that are likely able to become business opportunities for other local municipalities elsewhere in South Africa.

Figure 58: Explanation on biodigestion

Figure 59: Representatives of 6 visiting municipalities

9. Molok Waste Collection System

Stellenbosch Municipality procured 3 Molok units in June 2016, for installation and use in the 2016/17 financial year as a pilot project. The three Molok units will be installed in Kayamandi (2) and Klapmuts (1). A fourth unit will be procured in the 2016/17 financial year to service the Langrug community.

Molok units are regarded as upgrades of skips, and are visually more aesthetic than skips. It has a volume of 5000 litres, which is the equivalent of 21 wheelie bins. 60% of the Molok unit is below ground level, and 40% above, which makes it easily accessible by all to dispose of their waste. As the waste is filled

vertically, it compacts through gravity, and emptying the Molok units takes no more than 2-3 minutes.

Should the pilot prove to be successful, it is hoped to roll these units out to the greater Stellenbosch region.

Figure 60: Molok units at Beltana depot

Figure 61: Use of Molok units

10. Solid Waste Management and Local Economic Development cooperation

The municipality's Solid Waste Department and the LED Department have collaborated on various projects, as there is a good correlation between waste opportunities and job creation. This is evident not only in terms of the Dilbeek cooperation, or the PRASA training mentioned above, but also in rolling out small entrepreneurship projects with waste as the core focus. The Klapmuts community are appealing for such opportunities, as was evident during the MSA section 78(3) stakeholder sessions, as well as during the Waste Week event as described above. The interdepartmental cooperation brings through the transversal nature of the issues, and also demonstrates integrated management in the municipality.

The Solid Waste Department procured 7 modified tricycles in June 2016 which will be utilised as non-motorised collection vehicles for recyclables and general cleaning in the 2016/17 financial year. These units are fitted with a crimping tool, which will crush glass bottles and cans in order to increase the volumes that can be transported. Each unit will require a pedalist and support at the back of the tricycle.

Figure 62: Waste tricycle with crimping tool

Figure 63: Demonstration of tricycle

11. Utter Rubbish Newsletter

The Solid Waste Management Department launched its quarterly newsletter, Utter Rubbish, on 9 March 2016 at the Katjiepiering restaurant situated in the Stellenbosch Botanical Gardens. Waste communications had always been regarded as a soft issue, but it is a core function of the department. The staff interacts with the public on a daily basis, and it is important for the public to understand the issues pertaining to waste management. It enables the department to not only communicate positive issues, but also communicate negative or difficult messages without creating conflict or destroying trust.

Two editions were printed in the 2015/16 financial year, in March and June 2015. It is not only available in print, but can be digitally accessed as well.

Figure 64: Front cover: Mar 2016

Figure 65: Front cover: Jun 2016

In summary, the Solid Waste Management Department had a fairly eventful year, and received positive media coverage in the press and on SABC 3's Afternoon Express on the CEB Block project, radio coverage on RSG for the Women in Waste initiative, and radio coverage on SAfM for the Utter Rubbish newsletter . Despite the positive feedback received, there are still lots of challenges that must be addressed in the department in the short, medium and long term. A number of projects had to be rolled over into the next financial year as a result of environmental authorisations required, which will delay physical construction of each project by 6-8 months.

3.9.1 REFUSE REMOVAL (SOLID WASTE) SERVICE DELIVERY LEVELS

The table below indicates the different refuse removal service delivery level standards **within the urban edge area** of the municipality:

Description	2012/13	2013/14	2014/15	2015/16
Household				
***Refuse Removal:* (Minimum level)**				
Removed at least once a week	29 668	30 291	38 824	40264
Minimum Service Level and Above Sub-Total	**29 668**	**30 291**	38 824	40264
Minimum Service Level and Above Percentage	**90.8**	**92.7**	**90.9**	**90.2**
***Refuse Removal:* (Below minimum level)**				
Removed less frequently than once a week	0	0	1064	1064
Using communal refuse dump	3 000	2 377	Not applicable	Not applicable
Using own refuse dump	Not applicable	Not applicable	2058	2058
Other rubbish disposal	Not applicable	Not applicable	766	766
No rubbish disposal	Not applicable	Not applicable	Not applicable	Not applicable
Below Minimum Service Level Sub-Total	**3 000**	**2 377**	**3 888**	**3888**
Below Minimum Service Level Percentage	**9.2**	**7.3**	**9.1**	**8.81**
Total Number of Households	**32 668**	**32 668**	**42 712**	**44 152**

Table 137: Refuse Removal Service Delivery Levels

3.9.2 CAPITAL EXPENDITURE – WASTE MANAGEMENT SERVICES

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Upgrade Refuse Disposal Site (Existing Cell) - Rehabilitation	5 630 000	1 212 669	-78%
Landfill Gas-to-Energy	500 000	0	-100%
Major Drop-Offs : Construction Franschhoek	3 700 000	837 465	-77%
Resource Centre: Stb Landfill Site	500 000	0	-100%
Waste-to-Food	400 000	343 734	-14%

Table 138: Capital Expenditure 2015/16 : Waste Management Services

Capital expenditure for Waste Management Services was 73.31% of the capital budget for 2015/16

3.9.3 TOTAL EMPLOYEES – WASTE MANAGEMENT

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			%
Top Management and Councillors	0	0	0	0
Senior management	1	1	**0**	**0**
Professionally qualified and experienced specialists and mid-management	2	2	**0**	**0**
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	5	5	**0**	**0**
Semi-skilled and discretionary decision making	5	5	**0**	**0**
Unskilled and defined decision making	50	47	**3**	**6**
Total	**71**	**66**	**5**	**7.04**
Information as at 30 June				

Table 139: Total Employees – Waste Management

3.10 HOUSING

3.10.1 HOUSING OVERVIEW

New Housing

1. Jamestown Housing Project

The housing project at Jamestown is consisting of ± 570 housing opportunities. The successful contractor for the installation of civil services for phase 1 (consisting of 162 sites) was appointed via an open tender process. Site establishment took place during November 2014. The tender was advertised for the top structures and closed during December 2014.

Figure 66 : Installation of civil services in process

All families residing in informal settlement on the construction site were relocated in order for the sewer line to be installed. Successful community participation meetings have been held, where the community has been informed of the progress on site as well as the proposed allocation criteria.

Council approved the allocation criteria for the project on 25 August 2015 and marketing started on 14 September 2015. The civil contractor completed civil services on 14 November 2015.

During the middle of January 2016, the building construction started with site establishment.

The building contractor experienced a delay on site during the month of May 2016, due to the platforms that were not according to the consulting engineer's design; mitigating solutions were put in place to resolve the matter in order for the contractor to start with certain foundations.

It must be noted that several beneficiaries on the waiting list did not qualify in terms of the (new) qualification criteria (Circular 10 of 2015), inter alia being 40 years and older. The amount of 101 beneficiaries has been approved to date.

Figure 67: Construction in process.

Figure 68: Utilisation of Rambrick paving.

The new construction program was approved at the site meeting of 8 March 2016 and the estimated completion date is end October 2016.

2. Kayamandi Housing Project

(a) Building of 193 houses

All civil services, as well as electrical ducts, have been installed on the 193 serviced sites during the 2014/15 financial year. The Kayamandi Housing Project site was ready for the top structures to be built since April 2014 but the implementing agent indicated that the cost to build the units in accordance with the new specifications as prescribed by Provincial Department of Human Settlements (PDoHS) would not be possible.

A tedious process followed and the PDoHS decided to assist the municipality to conduct a limited tender process. Through this process, the tender for the top structures was awarded by the Provincial Department of Human Settlements. A contractual agreement with the PDoHS, Stellenbosch Municipality and successful contractors were concluded in June 2015 and the building of the houses then commenced.

Figure 69: Construction undergoing.

Major challenges were being experienced with local labour and contractors. Special meetings with the contractors and local labour were held to resolve the problems.

The electrical contractor completed electrical reticulation. The top structure contractor is busy with the individual electrical house connections.

Figure 70 A complete unit before hand-over.

The amount of 152 beneficiaries has been approved. To date 100 units has been handed over to beneficiaries.

(b) Servicing of ±295 sites and planning of Zone O

During September 2015, a successful contractor was appointed to complete the installation of civil engineering services.

Due to steep site conditions and change in the layout, the project has been reduced from 295 sites to 277 sites. All services have been installed and the project is 99% complete.

Figure 71: Road earthworks

Community unrest and strikes on the site has been the order of the day and that delayed the project tremendously.

3. Erven 10860-11008 and remainder Erf 11330, Idas Valley

Figure 72: Layout plan of Remainder of Erf 1130.

Figure 73: Layout plan of Erf 10860-11008.

The housing project in Idas Valley is consisting of ±440 housing opportunities and the developer is currently in the process of obtaining development rights.

During a meeting between DEA&DP, Stellenbosch Municipality, the consultant and the implementing agent the matters of the land use rights was addressed. The final application by the environmental consultant will be submitted by end August 2016 for consideration by DEA&DP.

The funding application was approved by the Provincial Department of Human Settlements in support of the planning application which was submitted by the municipality for the development of Erf 11330.

The developer indicated that the project will be implemented during the 2016/17 financial year.

4. Longlands, Vlottenburg

The land-owner submitted an addendum to the original contract with certain amendments. The Acting Municipal Manager referred the addendum for a legal opinion. The Directorate: Human Settlements and Property Management awaits the outcome to determine the future process.

5. La Motte, Franschhoek

The La Motte Housing Project envisages developing 329 subsidy houses and 122 GAP housing. Additional sites have been made available for community amenities.

The consultants on behalf of Stellenbosch Municipality submitted an application for development rights to the Department of Environmental Affairs and Development Planning (DEA&DP). Furthermore, the Land Use Planning Ordinance (LUPO) process also commenced and an advertisement for the subdivision, rezoning and amendment of the development framework was advertised and no objections were received from the public.

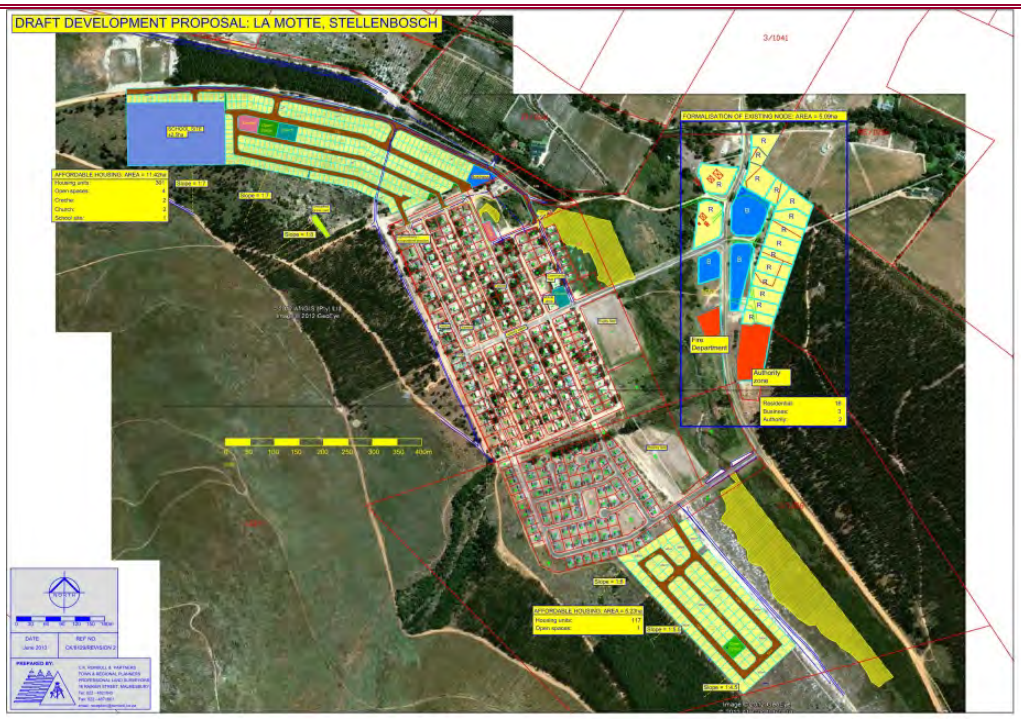

Figure 74: Draft development proposal.

Development rights are still in process. A meeting was scheduled with the environmental consultant, complainants and attorneys to discuss the issues raised by the complainants against the proposed housing development. The DEA&DP granted extension of time on the proposed development until the end of September 2016, and the Municipality is still in the process of obtaining the necessary transfer of land from the National Department of Public Works.

6. Kayamandi Hostels

After numerous complaints from the community in Kayamandi, a service provider was appointed during the 2014/15 financial year to conduct an in-depth survey on the structural conditions of the hostels.

An application was lodged to the PDoHS for pre-planning for ±1000 housing opportunities and it was approved by PDoHS on 22 June 2016.

A contract between the PDoHS and Stellenbosch Municipality will be concluded whereafter consultants will be appointed.

7. Faire Donne Estate, Franschhoek

In accordance with a Council decision, the municipality embarked on a marketing strategy for the Faire Donne Estate, Franschhoek Medium Cost Housing development. The project and its intended outcomes were explained in an advertisement which was advertised in the Franschhoek Tatler of April 2015, Paarl Post on 21 May 2015 and e-mailed to all officials in the municipality on 17 and 21 April 2015.

This lead to our department receiving an amount of 136 applications of which only 50 vacant plots are available.

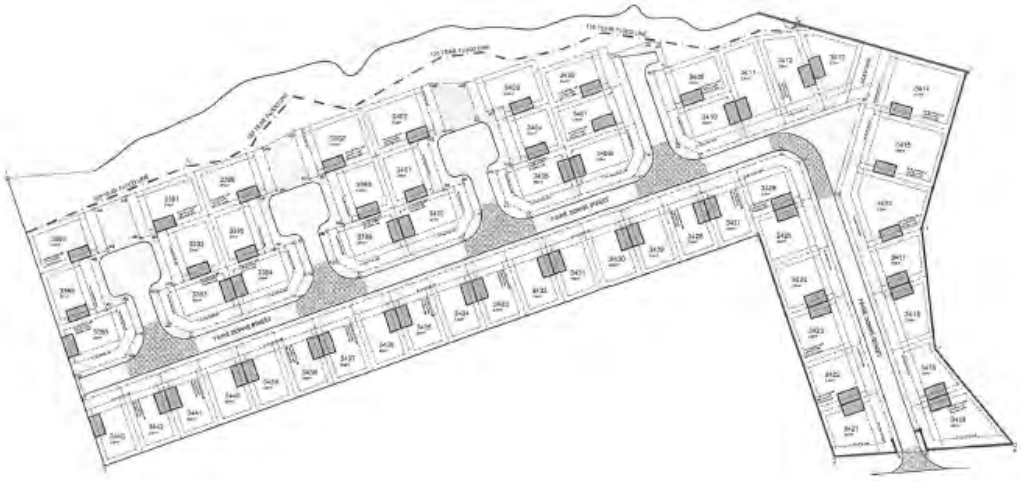

Figure 75 Approved layout plan.

During a public meeting held during June 2015 in Franschhoek Town Hall, the revised criteria as per Council Resolution dated 23 September 2014 was explained in detail to all present. Herewith below is an extract of the approved Council Resolution:

"(b) that the new proposed criteria outlined below, be approved;

(i) potential beneficiaries must reside or work in the Franschhoek Valley or be in the service of Stellenbosch Municipality for at least 3 years;

(ii) preferential treatment will be given to First Time Home Owners;

(iii) preferential treatment will begin to previously disadvantaged individuals in the allocation process, if they qualify in term of 3.3.1; and

(iv) should the need (people who qualify) outweigh the demand, then the criteria listed above will be converted into a point system in determining the final list of qualifying beneficiary;"

In order to give emphasis to the Council Resolution, the Department: New Housing conducted a property search on WinDeed to determine the ownership status of every applicant. Thereafter, first time home owners residing in Franschhoek for the longest period of time as well as the employees who have been employed at Stellenbosch Municipality for the longest period of time were grouped. The department then took the information provided on the application forms to determine the previously disadvantaged individuals and allocated the available plots to those that conformed to (i), (ii) and (iii) of the Council Resolution above.

The second round will only commence when the applicant/s in the first round does not qualify as per the condition in the Deed of Sale and/or withdraw from the project.

8. Innovative initiatives

8.1 Show house (container)

A presentation was done to the Mayoral Committee and it was recommended that space be identified for a completed housing container to be erected as a show container.

A formal quotation was drafted and a contractor was appointed for the supply of the refurbished container. The refurbished container unit was available for viewing until end June 2016. The department purchased furniture for the show container to make it habitable and dignified. Below, a few photos of the container unit:

Figure 76: A Few Photos of the Container Unit.

8.2 Innovation Housing Container Project (Pilot project)

Stellenbosch Municipality remains committed to meet the housing- and service needs of its communities in a sustainable and integrated way. Limited resources demand from us to seek innovative ways to provide these services and housing opportunities to families in emergency situations. As a result, we sought to partner with service-providers in testing and show-casing innovative solutions. One of these innovative solutions is amongst others the conversion of shipping containers into formalised housing units. In order to achieve this; Stellenbosch Municipality identified Erf 2 La Motte, as a pilot project.

A consultant was appointed and they completed the design and feasibility study for the proposed development.

Figure 77: Proposed lay-out for development.

A rezoning application on Erf 2, La Motte was advertised. The appeals received from the interested and affected parties (I&AP's) with regards to the rezoning application on Erf 2, La Motte were taken into account when the report was submitted to the Department: Land-Use Planning. The latter department will now deal with this matter and Department: New Housing awaits the final outcome by the end of August 2016.

9. Title Deeds

There was great excitement in Kayamandi on 19 July 2016 when the MEC of Human Settlements, Bonginkosi Madikizela, Executive Mayor of Stellenbosch, Conrad Sidego, Portfolio Cr. for Human Settlements, Cr. Valerie Fernandez, Cr. Nokuthula Gugushe, Cr. Phelisa Sitshoti and the Director: Human Settlements and Property Management, Tabiso Mfeya, handed over houses to housing beneficiaries.

Figure 78: Handing Over of Title Deeds in Kayamandi

The Department: New Housing is proud that transfers could be fast tracked and 33 title deeds for properties issued.

- **Erf 2124, Koelpark, Klapmuts**

  The development consisted of 99 houses that were handed over in December 2013 of which 10 units are bonded houses.

  Outstanding documents for the remaining 15 transfers are in process of submission to the transfer attorney. The process will be finalized by the end of September 2016.

- **Klapmuts Housing Project, Erf 342**

  This project consisted of 831 housing opportunities of which **323** transfers have been finalised. For the 2015/16 financial year, **142** were transferred. The department is investigating enquiries received from the transfer attorney in order to process the outstanding transfers.

  Information (happy letters for phase 2) that was required by the transfer attorney to transfer the outstanding deed of sales was submitted. The transfer process will now commence.

10. Stellenbosch Municipality: Housing Pipeline (Annual review)

It is necessary to prioritise development projects in keeping with the strategic goals of the Provincial Department of Human Settlements and to commit to the pipeline, to ensure efficient utilisation of the available resources and the continuous provision of a variety of housing types in a range of markets, spread equitably through the municipal area. Moreover, prioritisation also guides the allocation of municipal resources to projects, e.g. by leading the applications for bulk infrastructure funding and budgets. The table below indicates the proposed implementation year of the projects as identified on the Housing Pipeline.

PROJECT NAMES	TOTAL UNITS / SITES	Program	Proposed Implementation Year	Readiness
2053(1): Kayamandi Watergang (295 services) UISP	295	UISP	Roll-over 2015/16	Current project
2053(1): Kayamandi Watergang (193 Units) IRDP	193	IRDP	Roll-over 2015/16	Current project
3251.01: Stellenbosch Jamestown (162 services and units) IRDP	162	IRDP	Roll-over 2015/16	Current project
3257: Stellenbosch Ida's Valley (400 services and 400 units) IRDP / FLISP	400	IRDP/FLISP	Roll-over 2015/16	Await EIA and LUPA approval
2053(1): ZONE 0 (540 services)	540	UISP	2016/17	50% - Consultants appointed to do planning in beginning 2015.
3256: Franschhoek and Langrug Enhanced Services (1200 services) UISP	1200	UISP	2016/17	80% (LUPO and PDoHS approvals outstanding, bulk capacity still to be fully installed)
3110.01: Vlottenburg and Longlands (144 services and units) IRDP	144	IRDP	2016/17	90% (Land transfer and PDoHS approval outstanding)
2053.x Klapmuts Upgrading of informal settlement (phase 4 of 2053:15)	219	UISP	2016/17	50% - all approvals in place, but informal settlement on site.

PROJECT NAMES	TOTAL UNITS / SITES	Program	Proposed Implementation Year	Readiness
2053(20): Kylemore (171 services and 171 units) IRDP	171	IRDP	2016/20	10% (Land transfer and all planning processes outstanding)

3258: Kayamandi Town Centre Regeneration (700 Units)	700	UISP/ INSTITUTIONAL	2016/22	10% (All planning processes outstanding)
3259: Kayamandi Enkanini Enhanced Services (1300 services) UISP	1300	UISP	2017/18	5% (All planning processes outstanding)
Stellenbosch La Motte Old Forest Station (320 services and units) IRDP/FLISP and 106 services & GAP	426	IRDP	2017/18	1% (Land not obtained and all planning processes outstanding)
Northern Extension, Stellenbosch (2000 GAP and 4000 BNG)	2000 GAP 4000 BNG	IRDP/FLISP	2017/26	1% (Land not obtained and all planning processes outstanding)
xxxx : Stellenbosch Meerlust (200 services and 200 units) IRDP	200	IRDP	2018/19	1% (Land not obtained and all planning processes outstanding)
3251.03: Stellenbosch Jamestown (265 services and 265 units)	265	IRDP	2018/19	50% - LUPA and EIA outstanding
Erf 7001, Cloetesville (140 GAP and 60 BNG)	140 GAP 60 BNG	IRDP/FLISP	2018/20	1% (All approvals outstanding)
Ptn 3 Farm Idas Valley 1075	126	IRDP/FLISP	2018/21	1% (All approvals outstanding)
Social Housing: Restructuring Zones, CBD Stellenbosch	1000 rental	IRDP/FLISP	2018/26	Application for rezoning submitted to MEC of Human Settlements
3251.04: Stellenbosch Jamestown (156 services and 156 units)	156	IRDP/FLISP	2019/20	50% - LUPA and EIA outstanding
xxxx : Stellenbosch Jonkershoek (100 Services and units) IRDP	100	IRDP	2019/20	1% (Land not obtained and all planning processes outstanding)
xxxx : Stellenbosch Lanquedoc (700 Services and 700 units) IRDP	700	IRDP	2019/20	1% (Land not obtained and all planning processes outstanding)

PROJECT NAMES	TOTAL UNITS / SITES	Programme	Proposed Implementation Year	Readiness
Remainder Farm 527, Jamestown (288 services and 100 units)*	288 services 100 units	IRDP/FLISP	2019/23	1% (Land not obtained and all planning processes outstanding)
Remainder Farm 527, Jamestown **				

Remainder Ptn 2 Farm Weltevreden 744, Klapmuts (500 services & 350 units)	500 services 350 units	IRDP/FLISP	2020/24	1% (Land not obtained and all planning processes outstanding)
3260 : Stellenbosch Droë Dyke (4000 services and 4000 units) IRDP	4000	IRDP	2021/24	1% (Land not obtained and all planning processes outstanding)
Ptn 4 Farm Old Bethlehem 153, Kylemore (30 GAP & 140 BNG)	30 GAP 140 BNG	IRDP/FLISP	2021/24	1% (Land not obtained and all planning processes outstanding)
Remainder Ptn 1 Farm Old Bethlehem 153, Kylemore				
Nietvoorbij, Stellenbosch	To be determined	IRDP/FLISP/ SOCIAL HOUSING	2022 / -	1% (Land not obtained and all planning processes outstanding)

Table 140: Proposed Implementation Year of Projects Identified in the Housing Pipeline

Informal Settlements

The Informal Settlements Department consists of three sub-sections i.e. Engineering services, Planning services and Community, Facilitation and Administration services. These sections provide the following services in informal settlements:

a) Roads - Engineering;

b) Wendy Houses – Community;

c) Water and Sanitation – Engineering;

d) Enumeration – Community;

e) Settlement Planning – Planning;

f) Evictions – Community;

g) Relocations – Community.

h) Emergencies - Community;

i) Verification – Planning

1. Access to Basic Services (ABS) Project

The ABS project is a continuous programme that deals with the upgrading and installation of communal services (waterborne and chemical ablution facilities, as well as taps) in informal settlements such as Langrug, Franschhoek and Enkanini, Kayamandi, Devon Valley and La Rochelle in Klapmuts. During the initial implementation, the Department of Informal Settlements completed a total of 378 new waterborne facilities, 303 waterborne points (stand pipes and wash troughs), 0.95km of water main (110-160mm diameter), 1.6km of sewer mains (110-200mm diameter), 0.8km of water house connection pipe (25-40mm diameter), 0.4km of sewer house connection pipe (110mm diameter) and lastly 1.6 km of sewer mains were installed. During the 2015/16 financial year the number of waterborne toilets and taps increased, effectively increasing access to the facilities.

2. Toilets and Taps Installed in Informal Settlements

The Informal Settlements Department tries as far as possible to create an educational motif with the provision of ablution facilities especially where there is a crèche or an Early Childhood Development Centre nearby.

Figure 79: Ablution facilities with an educational motif.

3. Construction of the Bus Route (Langrug)

The construction of the road commenced in January 2015 and was completed in April 2016. The road construction experienced several difficulties such as unfavourable weather conditions, community unrest spurred on by construction in their midst, as well as difficult soil and topographic conditions. Due to the aforementioned challenging factors, a second phase is now being planned.

The image below depicts the construction of the bus route in Langrug (completed April 2016) :

Figure 80: Construction of the Bus Route in Langrug.

4. Submit Applications for Upgrading of Informal Settlements Projects (UISP) in Klapmuts and Enkanini, Kayamandi, Langrug and Franschhoek

Applications for planning are submitted to the Provincial Department of Human Settlements as projects arise. These applications are for planning of the Mandela City and the dam in Langrug and Enkanini.

5. Informal Settlement Upgrading Strategy

A workshop was held on the 26th of March 2015 where the second draft of this policy was discussed. Key managerial stakeholders within the Stellenbosch Municipality, as well as representatives from various NGO's gave their inputs at the workshop and the inputs were incorporated into the document. A follow-up workshop was held on the 19th of May 2016 where Councillors as well as managerial staff of Stellenbosch Municipality gave their inputs. The outcomes of the workshop will be included in the final draft of the Informal Settlement Policy for submission to the Portfolio Committee Meeting in the next financial year. The policy was submitted to the Portfolio Committee and served before Council on 26 April 2016 and it was approved.

6. Review Emergency Housing Policy (EHAP)

The current Emergency Housing Policy does not sufficiently deal with evictions in terms of ESTA (Extension of Security Tenure Act) and PIE (Prevention of Illegal Evictions). Furthermore, it does not address the pre-emptive measure that Council has introduced over the last number of months. The latter had to be included in the Emergency Housing Policy.

A workshop was held on the 19th of May 2016 where Councillors as well as managerial staff of Stellenbosch Municipality gave their inputs. The outcomes of the workshop were included in the final draft of the Informal Settlement Policy.

The item was served before Council on 26 April 2016. Council resolved that the item be referred back to the Administration.

The image below is a Wendy House provided in terms of the EHAP

Figure 81: A Wendy House Provided in terms of the EHAP

7. Emergencies (Evictions / Fires)

The Department of Informal Settlements assists during emergencies by verifying the information of affected parties.

Graph below represents the outcomes of the enumerations conducted during fire incidents at various Informal Settlements.

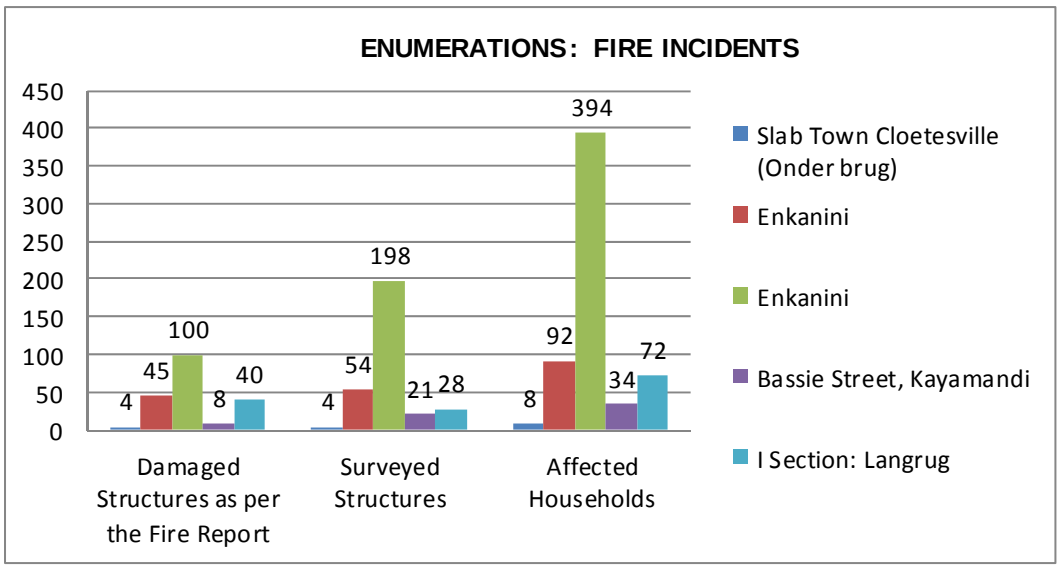

Figure 82: Outcomes of the enumerations conducted during fire incidents at various informal settlements.

The image below represents the aftermath of a fire

Figure 83: The Aftermath of a Fire.

8. **Evictions**

The number of eviction orders that are granted has significantly increased and is a strain on municipal resources. A number of cases of evictions (57) were reported to the Informal Settlement Department during the 2015/2016 financial year alone.

Image below represents the historic trend in eviction cases from 2009 – 2016

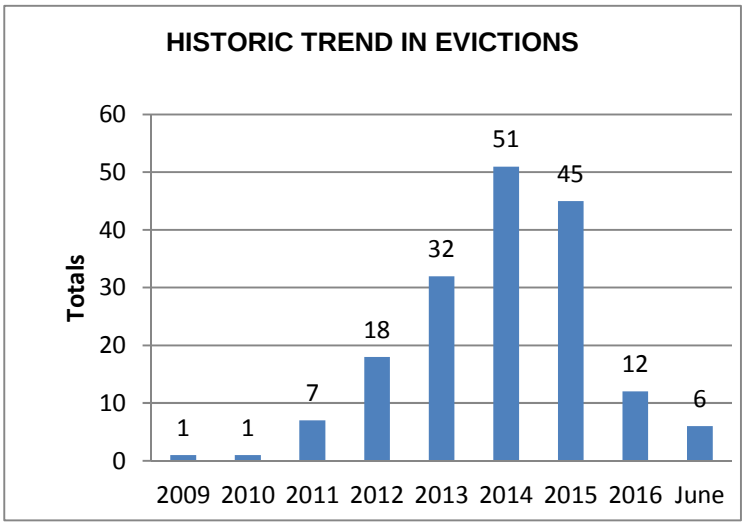

Figure 84: Historic Trend in Evictions.

9. Meaningful Engagements

One of the processes in dealing with evictions is meaningful engagements. Twenty nine meaningful engagements were held during the period July 2015 – June 2016.

Supply, delivery and installation of 41 wendy houses at La Rochelle, Klapmuts was completed:

Mediation process has been commenced to resolve the issues between the community, municipality and the proposed inhabitants of the wendy houses.

HOUSEHOLDS WITH ACCESS TO BASIC HOUSING

Year	Total households (including formal and informal settlements)	Households in informal settlements	Percentage of households in informal settlements
2010/11	38 000	5 078	15%
2011/12	39 000	6 400	20%
2012/13	43 420	2444.16	5.63%
2013/14	45 000	13 000	28 %
2014/15	46 003	15 000	32 %
2015/16	49 904*	16 112	37 %

Table 141: Percentage of Households in Informal Settlements.

**Source: Census 2011.*

A total amount of **R16 823 195** was allocated to build houses during the 2015/16 financial year under review, which includes the following:

Financial year	Allocation R 000	Amount spent R 000	% spent	Number of houses built	Number of sites serviced
2010/11	21 211	18 731	84	231	0
2011/12	26 964	22 354	83	20	556
2012/13	68 683	52 488	76	586	832
2013/14	46 851	42 324	88	831 (Klapmuts)	193 (Watergang)
2014/15	12 333	9 520	77	0	120`
2015/16	16 823 195	25 275 193	150	60 (Jamestown) 100 (Kayamandi)	162 (Jamestown) 277 (Kayamandi)

Table 142: Houses Built During each Financial Year.

Housing Administration

1. Transfer of Historical Housing Stock

During the period under review, the department continued with its drive to facilitate the transfer of properties to subsidy beneficiaries and purchasers in historical projects.

The Directorate Human Settlements and Property Management, with the assistance of the Legal Services Department were able to achieve the following:

Performance during 2015/2016

2. Properties Registered

Watergang, Kayamandi: A total of 197 properties were registered in the names of the subsidy beneficiaries.

In addition, transfer documents in respect of a further 13 properties were lodged at the Deeds Office awaiting registration

3. Transfer documents finalized

The following table indicates the number of transfer documents that were finalized by the department and submitted to transferring attorneys during the reporting period:

Area	Number
Kayamandi	242
Cloetesville	60
Franschhoek	3
Kylemore	1
TOTAL	**306**

Table 143: Number of Transfer Documents Finalized by the Department:

Figure 85: Title Deed Handover to Beneficiaries

4. Waiting list administration

The Western Cape Department of Human Settlements launched version 2 of the Western Cape Housing Demand Database. The aforementioned database contains the applications of all members of the public who have registered a need for housing with Stellenbosch Municipality. During the period under review, the department commenced with the updating of incomplete waiting list information with regard to historical entries. This process will continue during the 2016/17 financial year.

A total of 429 new applications were added to the waiting list this year.

The total for Stellenbosch Municipality's waiting list up to end of 2015/2016 financial year is 18 791.

5. Administration of public rental stock

The department completed an audit of all its rental stock, both staff and public rental units, with regard to the occupancy of the unit. Thereafter, interviews were conducted with affected households in order to enable the department to update its records where necessary and to conclude Lease Agreements with next of kin of deceased tenants. In addition, the department compared the findings of the survey with regard to legal occupancy of the rental units with existing information obtained from the records of Finance Department. Interviews were conducted with occupants of flats where there appeared to be discrepancies and detailed

questionnaires were completed in respect of every household.

This enabled the department to evaluate whether or not illegal occupants qualified for legalization in terms of the criteria as set out in the approved Policy for the Unlawful Occupation of Municipal Rental Housing.

6. Pilot project EPWP Workers

During the 2015/16 financial year the department engaged in a pilot project aimed at providing opportunities for community members who were unemployed. This involved the temporary employment of 8 community members in terms of the Expanded Public Works Programme. The individuals were responsible for the cleaning and maintenance of the grounds surrounding public rental units in Cloetesville, Kayamandi and Stellenbosch.

The pilot programme proved a success and will be rolled out in a larger scale in the 2016/2017 financial year.

7. Social Housing/Restructuring Zones

The draft Rental Housing Strategy dealing with the identification of restructuring zones for Social Housing was submitted to Council after which it was advertised for comment.

8. Review of Tariffs for Public Rental Stock

The department, in conjunction with the Finance Department, submitted an item to council recommending the review of the tariff structure for tenants who are indigent.

9. Draft Staff Rental Housing Policy

The department also completed a Draft Staff Rental Housing Policy which will be submitted to Council for approval within the ensuing financial year.

10. Housing Consumer Education

The following Housing Consumer Education workshops were held during the 2015/2016 financial year:

	DATE	LOCATION
1.	21ST July 2015	Klapmuts
2.	28th July 2015	Klapmuts
3.	23rd August 2015	Klapmuts
4.	8th October 2015	Elsenburg
5.	18th November 2015	Kayamandi
6.	6th December 2015	Klapmuts
7.	28th February 2016	Klapmuts
8.	13th March 2016	Klapmuts
9.	17th April 2016	Klapmuts
10.	21st April 2016	Kayamandi
11.	24th April 2016	Klapmuts
12.	29th May 2016	Klapmuts
13	26th June 2016	Klapmuts

Table 144: Housing Consumer Education Workshops

Figure 86: Ms Pumla Matyatya addressing attendees at a Housing Consumer Education Workshop

Property Management

The Department of Property Management consists of two sections, i.e. Contract Management and Administration and Facilities Management.

1. Contract Management/Administration

This section is responsible for the management of all Council-owned land and buildings, including the acquisition, awarding of rights and disposal thereof, excluding housing stock/projects.

A number of highlights are listed below:

- **Draft policy on the management of Council-owned immovable property**: Following the approval of the policy as a draft, it was advertised for public inputs. Various inputs/comments were received. As a result hereof, the Draft Policy was amended. When the amended Draft Policy was considered by Council, however, it was referred back for further consideration. This is a major setback, as the Draft Policy was to pave the way for a more pro-active approach to the management of Council-owned property.

- **Draft by-law: Outdoor dining**: Following the implementation of the Outdoor Dining Policy, it became evident that the law-enforcement component is not doing well, as offenders cannot be acted against. For this reason it was decided to develop a by-law, as to ensure legal compliance. A draft by-law has subsequently been developed and will hopefully be approved by Council during the 2016/17 financial year.

- **New lease agreement: Additional office space**: Having followed a public tender process for the leasing of additional office space for the Planning and Development Department, no bids were received. Negotiations with Eikestad Mall ensued and eventually an agreement was reach on a 3 year lease agreement. This will pave the way for the redevelopment of the existing office space to make it more client-friendly. This will also buy some time to make a decision on how to deal with the issue of office space in a more sustainable manner.

- **Sale of 68 erven in Mooiwater**: This department, together with New Housing, was instrumental in obtaining the necessary authority to go out on tender with 68 served sites in Mooiwater. Following a public tender process, all 68 erven were allocated to prospective buyers. Many employers, on behalf of their employees, partook in the tender process, paving the way to provide ownership to them. This project is a good example on how to foster private partnerships in solving the growing housing needs.

- **Undeveloped erven in Kayamandi**: Following inputs from various departments, as well as the broader public, this department was able to compile a final report to Council, identifying the available, undeveloped sites in Kayamandi. These properties will now be disposed of by way of a public tender process.

2. Facilities Management

This section is responsible for the maintenance of all Council-owned buildings and the construction/project management of all upgrading and/or new facilities.

A number of highlights are listed below:

- **Klapmuts multi-purpose centre:** Although a tender for the construction of the facility was awarded, the project was put on hold, as the Planning Department did not approve the building plan, due to the fact that the zoning rights have lapsed. A rezoning and subdivision application has subsequently been submitted to the Planning Department. This will result in a major delay and might result in an escalation of the construction cost.

- **Klapmuts fire station:** Although a tender for the construction of the facility was awarded, the project was put on hold, as the Planning Department did not approve the building plan, due to the fact that the current zoning does not allow for its use. A sport zoning application has subsequently been submitted to the Planning Department. This will result in a major delay and might result in an escalation of the construction cost.

- **Informal traders: Kayamandi:** Phase two of the project, which includes the upgrading/formalisation of the area across the road, was successfully completed during the financial year at a cost of R756 000.00.

- **Upgrading of Lapland Flats:** Although a tender had already been awarded in June 2015, due to delays in approving the additional cost as a result of the exchange rate, the project could not be completed in time. Delivery will now only take place in September 2016.

- **Structural upgrading/maintenance: Bellrieve and Teen die Bult flats:** The project, totalling a cost of R2.6M, was successfully completed during the year under review.

- **SAMWU offices**: The project, totalling a cost of R650 000, was successfully completed during the year under review.

- **Structural improvements: Heritage buildings**: The planning for the upgrading of the Dorp Street flats has been completed, but approval from the Provincial Heritage Office is still awaited.

  A contractor was appointed, at a cost of R1.2M, to do the landscaping at the Dorp Street flats. This is a role-over project that will be completed during September 2016.

- **Structural improvement: Beltana:** The project, totalling R400 000, was successfully completed during the year under review.

- **Upgrading of public amenities (toilets) in Kayamandi:** The project, totalling R300 000, was successfully completed during the year under review.

- **Facilities for disabled:** This project, totalling R100 000, was successfully completed during the year under review. It includes upgrading of ramps/hand railings at the Town Hall in Stellenbosch, Traffic Services and municipal offices in Franschhoek.

3. Service Statistics – Property Management

Services	2011/12	2012/13	2013/14	2014/15	2015/16
Encroachments: New Applications	36	32	23	8	18
Encroachments: Renewals	24	8	7	40	3
Lease Agreements: New	2	10	4	2	2
Lease Agreements: Renewals	5	4	-	3	3
Sales Agreements	1	2	2	2	3
Servitudes	20	21	29	18	11
Poster Applications	85	76	81	73	52

Table 145: Service Statistics - Property Management 2015/16

4. Challenges Facing the Department

The following challenges should be attended to, as it hampers service delivery on a professional basis:

- **Provision/construction of additional office space:** The current situation, where office spaces are rented at a cost of almost R1M per month, is not financially sustainable. It is also not ideal for proper service delivery. The department is in the process of finalising a T.O.R for the appointment of a service provider to advise Council on a way forward/scenario planning.

- **Finalisation/approval of Land Management Policy:** The delay in finalising/approving the Draft Policy is hampering pro-active management of Council-owned land and buildings, as all decisions are taken on an *ad hoc* basis. It also causes delays in dealing with smaller transactions, which should be done much quicker.

- **Vandalism of municipal buildings:** Vandalism of municipal buildings is a critical challenge facing the department, especially public buildings such as sports grounds, community halls and rental stock. There are, however, no short term solutions to this problem

Capital expenditure for Human Settlement and Property Management was **75.66%** for 2015/16.

A total amount of **R16 823 195** was allocated to build houses during the 2015/16 financial year under review, which includes:

Financial year	Allocation	Amount spent	% spent	Number of houses built	Number of sites serviced
2010/11	21 211 000	18 731 000	84%	231	0
2011/12	26 964 000	22 354 000	83%	20	556
2012/13	68 683 000	52 487 608	76%	586	832
2013/14	46 851 000	46 817 542	99.9%	831 (Klapmuts)	193 (Watergang)
2014/15	12 332 652 (reduced)	12 032 000	97.56%	0	120 (Jamestown)
2015/16	16 823 195	25 275 193	150%	60 (Jamestown) 100 (Kayamandi)	162 (Jamestown) 277 (Kayamandi)

Table 146: Housing Expenditure 2015/16

Capital Projects

Jamestown Housing project

Construction of the top structures is progressing well, but during the month of May 2016 certain platforms were not, according to the consulting engineer's designs. A mitigating solution was put in place to resolve the matter in order for the contractor to start with the rest of the foundations.

A new construction program was approved and the estimated completion date is during October 2016.

Kayamandi Housing Project

a) 193 top structures

The building of top structures is in progress. To date, 100 houses has been handed over to beneficiaries. Due to the change in layout, the project has been reduced from 193 top structures to 169 top structures. The estimated completion date is during October 2016.

b) 295 service sites

- The road earthworks are 100% complete for phase B.
- Sewer line is 100% complete for phase B.
- Installations of manholes are 100% complete.
- Testing to sewers is 100% complete.
- Road earthworks are 100% complete for phase C.
- Sewer line is 100% complete for phase C.
- Testing to sewers is 100% complete.
- Retaining wall construction is 100 % complete.
- Base course and lifting of manholes is 100% complete.
- Asphalting of road in progress.
- There was an 18 day delay due to squatters that were on site and several strikes that occurred on site. Both matters have been resolved.

3.10.2 HOUSING STATISTICS

Year	Total households (including formal and informal settlements)	Households in formal settlements	Percentage of households in formal settlements
2012/13	37 554	24 416	56.3%
2013/14	43 420	24 554	65.3%
2014/15	46 003	15 000	32 %
2015/16	49 904	16 112	37 %

Table 147: Households with Access to Basic Housing

The following table shows the **decrease/increase** in the number of people on the housing waiting list. There are currently approximately **18 791** applicants on the waiting list.

Year	No. of people on Housing waiting list as at end of financial year	% Housing waiting list increase
2012/13	17 600	6.9% (Decrease due to allocation in Klapmuts, as well as sanitation of list)
2013/14	18 954	7.7% (Increase based on the previous year's "sanitised" figures. This is as a result of new applications received)
2014/15	18 833	0.6% Decrease due to sanitisation of the waiting list data
2015/16	18 791	0.2% Decrease due to sanitation of the waiting list data

Table 148: Housing Waiting List

3.10.3 CAPITAL EXPENDITURE – HOUSING

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from
	R		Adjustment Budget
Farm 527, Jamestown	4 513 000	2 057 454	45%
Kayamandi (Watergang and Zone O)	17 736 805	15 992 254	90%
Kayamandi Town Centre	500 000	0	0%
Idas Valley (Erf 10860 - 11008)	550 000	0	0%
Idas Valley (Erf 11330)	550 000	0	0%
Human Settlements Innovation - Pilot Project	100 000	71 601	72%

Table 149: Capital Expenditure 2015/16: Housing

Capital expenditure for Human Settlement and Property Management was **75.66%** for 2015/16.

3.10.4 TOTAL EMPLOYEES – HOUSING (INCLUDES: NEW HOUSING, HOUSING ADMINISTRATION, INTEGRATED HUMAN SETTLEMENTS AND PROPERTY MANAGEMENT)

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			%
Top Management and Councillors	1	1	0	0
Senior management	4	4	0	0
Professionally qualified and experienced specialists and mid-management	7	7	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	17	17	0	0
Semi-skilled and discretionary decision making	20	18	2	10
Unskilled and defined decision making	9	9	0	0
Total	**58**	**56**	**2**	**3.4**

Table 150: Total Employees – Housing

3.11 FREE BASIC SERVICES AND INDIGENT SUPPORT

The following table indicates the percentage of registered indigent households that have access to free basic municipal services. The total indigent households exclude all informal households and include formal households that have been registered as indigent households.

The total i.t.o. free basic electricity includes indigent households receiving 60 kWh from the municipality and where the electricity distribution is conducted by ESKOM and the Drakenstein Municipality.

In accordance with the approved indigent policy of the municipality, all households earning less than R4000 per month will receive the free basic services as prescribed by national policy and in terms of Stellenbosch Municipality's indigent policy. The earning threshold increased from R3000 to R4000 per month for the 2015/16 financial year.

3.11.1 ACCESS TO FREE BASIC SERVICES

Year	Number of Households							
	Total no. of HH	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse Removal	
		Access	%	Access	%	Access	%	Access	%
2013/14	33 974 *	5 095*	26.20	5 117*	26.20	5 117*	12.07	5 095*	26.20
2014/15	43 420 *	5 757	13.26	5 757	13.26	5 757	13.26	5 757	13.26
2015/16	48 008 #	6 486	13.51	6 486	13.51	7 042	14.66	6 486	13.51
Average for the year # Calculations made for households earning less than R 4 000 per month during 2015/16									

Table 151: Access to Free Basic Services

The percentage is based on indigent household access compared to a total of 48,008 households.

Basic water subsidy provision increased from 6 kl to 10 kl per month to the 2015/16 financial year.

Services subsidised are:

- Water - basic charge + 10 kl (previously 6 kl)
- Electricity - basic charge + 60 kWh
- Sanitation - based on a 250m² erf
- Refuse - one removal per week

3.11.2 FREE BASIC SERVICES PER BASIC SERVICE

The access to free basic services is summarised into the different services as specified in the following table:

Electricity			
Financial year	Indigent Households		
	No. of HH	Unit per HH (kwh)	Value R'000
2013/14	5 117*	60	2 759
2014/15	5 757	60	3 218
2015/16	7 042	60	3818
Average for the year			

Table 152: Free basic Electricity Services to Indigent Households

Water			
Financial year	Indigent Households		
	No. of HH	Unit per HH (kl)	Value R'000
2013/14	5 095*	6	2 949
2014/15	5 757	6	4 783
2015/16	6 486	10	7760
Average for the year			

Table 153: Free Basic Water Services to Indigent Households

Sanitation			
Financial year	Indigent Households		
	No. of HH	R value per HH	Value R'000
2013/14	5 117*	73.36	10 016
2014/15	5 757	73.40	5 702
2015/16	6 486	87.48	6808
Average for the year			

Table 154: Free Basic Sanitation Services to Indigent Households

Refuse Removal			
Financial year	Indigent Households		
	No. of HH	Service per HH per week	Value R'000
2013/14	5 095*	1	10 147
2014/15	5 757	1	5 905
2015/16	6 486	1	7250
Average for the year			

Table 155: Free Basic Refuse Removal Services to Indigent Households per Type of Service

COMPONENT B: ROAD TRANSPORT

This component includes: roads, transport, traffic engineering and waste water (storm water drainage).

3.12 ROADS

Transport

Traffic congestion is a major issue with the traffic increasing on an annual basis. The result is very high road user costs, productivity loss through wasted time, escalating pollution and a very negative perception of the town of Stellenbosch. In order to address these challenges, the municipality embarked on various processes to alleviate this problem, but also to find long term sustainable solutions. These include travel demand strategies such as the Large Employer Trip Reduction Programme (LETRP), a Cycling plan and a Non-Motorised Transport (NMT) network plan. It also included infrastructure optimization, the development of strategies for public transport and transport infrastructure as part of the Comprehensive Integrated Transport Plan (CITP). Additional programmes were also added to particularly address traffic congestion where upgrading and improvement of intersections were possible.

A Transit Orientated Development (TOD) feasibility study was done and a further allocation of R2.3 million has been made available by Provincial Government for the further investigation into the viability of a TOD. Consultants will be appointed to prepare a TOD concept for implementation. This process is driven in close liaison between the Directorate: Planning and Development and Directorate: Engineering Services.

To facilitate communication between all spheres of the transport sector, a Transport Working Group was formed. This Working Group meets quarterly under the chairmanship of the Deputy Mayor and discusses various transport related matters. The purpose of this workgroup is to consult, plan, communicate and influence the transport developments in the municipal area. Topics that were dealt with in the past year included the following:

- Communication with external role players
- Commuter safety
- Taxi Industry
- Integrated planning
- Combined planning with the university
- The feasibility of a Transit Orientated Development
- Long term utilization of rail
- Provincial roads projects

After a thorough public participation process, a Non-Motorised Transport (NMT) Policy was adopted by Council. This policy will guide the municipality in terms of the development of NMT facilities and has the vision to create equal opportunities for all road users.

The implementation of Non-Motorized Projects and the construction of 5,7km of sidewalks/cycle paths were embarked upon. The provision of sidewalk/cycle paths is a continuous process and is budgeted for annually.

The Comprehensive Integrated Transport Plan (CITP) has been successfully completed and adopted by Council. It has also been forwarded to the MEC for final approval.

The Large Employer Trip Reduction Programme (LETRP) is an initiative to improve the management of the demand on the road network. It entails the involvement of large employers as pilot projects to implement trip reduction initiatives. The Transport User Choice Model was completed during June 2015 and the pilot projects commenced in the 2015/2016 financial year. Strategies were developed for car sharing-, public transport- and non-motorised transport solutions.

A Public Transport Interchange for Klapmuts is in a planning phase and a site was identified by relevant role players, including Councillors and taxi associations. The project will be completed in the 2016/2017 financial year.
In summary, it is important to note that the current and future transport system must be sustainable to effectively serve the needs of people and allow them to move between different areas of the town and to provide easy access to the adjacent areas. Priority is given to the individual need and not the private motor vehicle.

Roads

To ensure a well maintained road network, periodic road condition assessments are carried out. The results of these assessments are incorporated into the municipality's Pavement Management System (PMS). The latest road condition assessments were carried out in December 2015. The results of the 2015 conditional road assessments show an improvement in the overall condition of the road network when compared with the 2010 results.

Approximately 2km of gravel roads in Mooiwater near Franschhoek were upgraded to asphalt surface standards. A total of nearly 4km had been upgraded since the commencement of the project in 2014. These roads were surfaced using a labour intensive construction method, where local residents were trained and employed to carry out the work. The roads were built for the people of Mooiwater, by the people of Mooiwater. This project had a positive impact on the dignity of the residents and instilled a sense of ownership in the community. The success of this project is far reaching and proves that through ingenuity, training and willing communities, the municipality can positively impact on social needs through the provision of services. As a result of the success achieved, the project is being promoted to other governmental departments. The final completion date for the project is December 2016.

During the 2015/2016 financial year, approximately 20km of gravel roads were maintained. Through the municipality's road rehabilitation programme, 10km of asphalt (tar) roads were rehabilitated and resealed, see table below for details of roads rehabilitated:

Area	Street Name	Start Point	End Point
Plankenbrug	Planken Road	Bridge	Linton
	Linton	Planken Road	Tongaat
	Stoffel Smit Road	Inustria	40m after John Costas
Jamestown	Tiobelle	Torrey	Nared Crescent
	Earlibelle	Festival	Pajaro lane
	Webersallei	R44 Entrance	After Shell Garage
Mostertsdrift	Jonkershoek	Jannash	Van Der Stel Road Intersection
	Jannash	Jannash Dead End	After Jonkershoek Intersection
	Thibault	Du Plessis	Rowan
	Du Plessis	Jonkershoek	Thibault
	Keet	Du Plessis	15m Into Keet
Franschhoek	Van Wijk	Daniel Hugo	Bordeaux
	Van Wijk	Bordeaux	Kruger
	De La Rey	Van Wijk	Hugenote
	Reservoir West	Hugenote	150m After Union Street
	Van Riebeeck	Union	Heide
	Heide	Van Riebeeck	Paris Crescent
	Nerina	Lambrechts Road	Reservoir West
	De Wet	Hugenote	Akademie
	Akademie	De Wet	Louis Botha
Johannesdal / Pniel	Riverside	Pastorie	Pastorie
	Pastorie	Riverside	30m into Pastorie
	Santa Rosa Crescent	Starking	Starking
	Simonsberg	Pine	Silwerwyn
	Silwerwyn	Pine	22 Silwerwyn
	Protea	Simonsberg	Pine
Techno Park	Electron Rd	Quantum	Electron
	Proton	Quantum	45m Into Proton
	Techno Ave - Patch Repair	Proton	Electron
	Techno Ave - Patch Repair	Electron	Electron
	Electron Rd - Patch Repair	Techno	Electron
	Techno Ave - Patch Repair	Electron	Electron

Table 156: Rehabilitated and resealed roads

Traffic Engineering

In order to address the traffic congestion problems in Stellenbosch, the municipality has embarked on a process to redesign most of the intersections on the R44 through Stellenbosch. All designs have been completed and the intention is to increase capacity at these intersections that will reduce congestion and travel time. The upgrade of these intersections is capital intensive and will have to be incorporated into future budgets. A funding application has been sent to Department of Transport to assist with the implementation of these projects. All Traffic signals are now equipped with battery backup power supply systems to ensure continuous traffic signal operations in a case of load shedding or power failure.

One of the capacity constrained intersections is the R44/van Rheede Rd intersection. Construction has started on the left turn lane to the south and a double left into van Rheede Rd. The project will only be completed in the next financial year due to electrical cables that need to be relocated.

Speeding on the roads in WC024 has become a major concern for the community and various groups have approached the municipality for the provision of speedbumps. These requests were evaluated and a number of traffic calming measures were constructed. The conflict between mobility on roads that are already congested and the reduction of speed is and will continue to lead to conflict. A new revised Traffic Calming Policy has been adopted by Council. A traffic model has also been developed to assist the municipality in identifying major movement and corridors.

3.12.1 ROADS STATISTICS

The following tables give an overview of the total kilometres of roads maintained and new roads tarred:

3.12.1.1 TARRED (ASPHALTED) ROADS

Financial year	Total km tarred roads	Km of new tar and paved roads	Km existing tar roads re-tarred	Km existing tar roads re-sheeted	Km tar roads maintained
2012/13	328	0	9	0	319*
2013/14	328	8	11	3	322*
2014/15	336	2	18	0	320*
2015/16	337	2	10	0	325*
*Note: * Total network maintained, maintenance carried out where required*					

Table 157: Tarred (Asphalted) Roads

3.12.1.2 GRAVELLED ROADS

Financial year	Total km gravel roads	Km new gravel roads constructed	Km gravel roads upgraded to tar/block paving	Km gravel roads graded/maintained
2012/13	30	0	0	30
2013/14	30	0	0	30
2014/15	30	0	1.5	28.5
2015/16	21.5	0	1.8	20

Table 158: Gravelled Roads

3.12.2 CAPITAL EXPENDITURE: ROADS

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Traffic Management Improvement Programme	2 551 453	1 927 123	-24%
Pedestrian and Cycle Paths	1 375 791	1 059 999	-23%
Integrated Public Transport Network	1 052 631	472 248	-55%
Diggers	809 256	809 256	0%
6 Tonne Truck	702 188	702 188	0%

Table 159: Capital Expenditure 2015/16: Roads

Capital expenditure for roads was **88%** for 2015/16.

3.13 STORMWATER DRAINAGE

Flooding events that had occurred over the past 5 years had resulted in a number of river bank collapses along the Stiebeuel-, Plankenbrug-, Eerste- and Kromme Rivers. A River Bank Rehabilitation programme was previously designed and construction of gabion boxes along river banks had commenced in April 2015. During the 2015/2016 financial year, a total of 1400m^3 of gabion boxes had been packed on the Stiebeuel-, Plankenbrug- and portions of the Kromme River. The programme is currently in progress with a completion date of April 2017.

As with most rivers in urban areas, the environmental condition of the rivers in Stellenbosch is also deteriorating. Water quality, erosion, alien plants and litter is a huge concern. A group of concerned citizens and businesses have formed a River Collaborative. The purpose of the Collaborative is to share information and resources to improve the environmental condition of the rivers in Stellenbosch. Various river cleaning initiatives have been implemented. Stellenbosch Municipality, together with the Department of Water Affairs and the Department of Environmental Affairs and Development Planning, continues as an active participant in the Collaborative.

A grey water treatment project was implemented in Langrug (near Franschhoek). The aim of the project is to treat polluted grey water at its source. Residents in informal settlements can discharge grey water at points located within the informal settlement. The treatment of the grey water is based on biomimicry, where natural organisms are utilized to treat and reduce the toxic effects of the grey water before it enters the sewer or stormwater system. The project had been successfully implemented in a portion of the informal settlement and had resulted in a cleaner living environment, improving the quality of life for residents in the informal settlements.

3.13.1 STORMWATER INFRASTRUCTURE

The table below shows the total kilometres of stormwater infrastructure maintained and upgraded as well as the kilometres of new stormwater pipes installed:

Financial year	Total km stormwater infrastructure	Km new storm-water infrastructure	Km stormwater infrastructure upgraded	Km stormwater infrastructure maintained
2012/13	122	0.4	0	120
2013/14	128.1	6.1	0.01	128.1
2014/15	134.2	0	0	134.2
2015/16	134.2	2	0	136.2

Table 160: Stormwater Infrastructure

3.13.2 TOTAL EMPLOYEES – ROADS AND STORMWATER

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			%
Top Management and Councillors	0	0	0	0
Senior management	1	1	0	0
Professionally qualified and experienced specialists and mid-management	3	2	1	33.3
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	18	13	5	27.7
Semi-skilled and discretionary decision making	20	18	2	10
Unskilled and defined decision making	61	55	6	9.8
Total	**83**	**81**	**2**	**2.41**

Table 161: Total Employees – Roads and Stormwater

3.14 DEVELOPMENT SERVICES AND PROJECT MANAGEMENT

The Manager: Development Services comments on behalf of the Directorate: Engineering Services on all land-use applications, those that are still submitted to Council in terms of the Land-Use Planning Ordinance of 1985 but also the new applications in terms of the Stellenbosch Land-Use Planning Bylaw of 2015. Land-use applications include land-use changes such as rezonings, subdivisions, consent uses, increase in bulk and departures and normally leads to further development of a property.

The approval of proposed land-use changes are evaluated in terms of the availability of bulk services. Should Council be in a position to supply such services, an application is supported. If not, then an application for a land-use change will not be supported by the Directorate: Engineering Services. It is essential that any planned development be brought under the attention of Development services to determine if bulk services will be available and if not, by when the budget will allow for such bulk infrastructure to be implemented.

To give perspective to the above, the figures for the different functions for the 2015/16 financial year amounted to the following:

Activity	2015/2016												Total
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	May	Jun	
Building Plans- Received	81	80	80	100	102	48		81	122	119	144	93	132
Building Plans- Commented on	81	80	80	100	102	48		81	122	119	144	93	132
Land-use Applications - Received	30	27	16	22	22	12		29	21	18	34	21	25
Land-use Applications - Commented on	26	36	16	11	27	15		21	28	15	36	24	27
BICLS received for completed developments													R 7 174 762
Wayleave Applications - Received	38	10	22	15	13	14		9	15	18	16	22	16
Wayleave Applications - Commented on	33	11	25	11	10	2		0	15	8	22	14	20
Total of aforementioned requests received													
Total of aforementioned requests commented on													97.48%

Table 162: Land-use Applications

The project management function ensures that developer-created infrastructure is done according to engineering standards and guidelines. The department is responsible to co-ordinate and approve the final handover of a newly serviced stand to the developer through the issue of section 31 certificates. The department further ensures capital expenditure is monitored through the Project Control System software and takes responsibility for the updating and finalisation of the 15-year capital budget forecast.

The department was also involved in the registration of various Municipal Infrastructure Grant (MIG) projects for 2015/16 and beyond.

COMPONENT C: PLANNING AND DEVELOPMENT

3.15 TOWN PLANNING & SPATIAL PLANNING

The Directorate : Planning and Economic Development includes the following functions:

Local Economic Development (LED), Building Development Management, Land-Use Management, Spatial Planning, Heritage and Environment and Community Development.

The focus of the directorate for the past financial year was to implement fundamentals that would improve administrative efficiencies, service delivery and to increase growth of the local economy. Some of the actions and initiatives (for more information see highlights) embarked on:

- Promoting universal access by reaching a common understanding on what Universal Access and Universal Design is, Stellenbosch Municipality in the form of the Executive Mayor and the Municipal Manager signed a commitment towards achieving Universal Access.
- Implementation of the River Stewardship Program ,an innovative initiative that consists of a formal partnership between the municipality and private organisations in Stellenbosch in terms of which of the two parties share the responsibility for the cleaning and maintenance of all rivers in the municipal area on a permanent basis.
- Preserve the Papegaaiberg by declaring it as a nature reserve.
- The implementation of SPLUMA. The new planning dispensation has been implemented on 1 December 2015 by repealing old order legislation and replacing it with the Spatial Planning Land Use Management Act (2013), the Land Use Planning Act (2014) and the Stellenbosch Municipal Land Use Planning by-law (2015).
- Improving the competency levels of all managers in the directorate by participating in the Municipal Financial Competency programme.
- The increase in efficiencies to process building plan applications and approvals.
- The establishment of a corporate GIS in the municipality.
- GIS mapping of all local ECD's within the municipality.
- Access to municipal agricultural land by the development of a policy to manage municipal agricultural land.

The table below sets out the main elements of Stellenbosch **Planning Strategies**:

Strategy	Description
An urban pattern of interconnected nodes	Development takes place based on a model of interconnected urban nodes with high densities linked to each other by rail, road and high speed voice and date telecommunications, whilst agricultural land in between is preserved.
Car-free transport through NMT and public transport	Alleviate traffic congestion and improve movement by promoting walking, NMT, public transport and rail. Obtain settlement densities to support public transport.
Promoting inclusive economic growth	Attract skills to supply dominant economic sectors whilst ensuring demand for low-skilled labour in order to reduce unemployment.
Encouraging optimal use of land	Allow redevelopment of existing low-density areas, infill opportunities and brown field development, which are prioritised over greenfield sites. Land must be used for its most suitable and appropriate use.
Resource custodianship	Responsible sustainable use of resources is required. Sustainable policies and strategies for preserving water quality, upgrading the wastewater

Strategy	Description
	treatment works, reducing solid waste streams, implementing recycling principles and promoting alternative energy sources, such as solar water heating are required.
Food and agriculture	Include strategies to preserve agricultural land for food production and employment opportunities
Heritage	Include strategies to preserve the cultural landscape, scenic landscape and heritage resources

Table 163: Planning Strategies

The draft WC024 Spatial Development Framework was approved at the Council meeting on 28 February 2013.

Current projects undertaken include:

- Finalisation of the new integrated zoning scheme regulations
- Drafting of the Stellenbosch Town SDF
- Drafting of the air regulations is in process
- Ongoing updating of cadastral information database and electronic zoning information and updating the zoning information register
- Implementing the collaborator workflow management system to track and administer all land-use applications and building plan applications
- Finalising the integrated zoning scheme
- Finalising the Planning by-law is in progress.
- Preparing SDFs for all urban nodes as well as the rural area in line with the WC024 SDF
- Re-evaluating and capacitating the Building Control Section so as to ensure proper functioning, and proper law enforcement so as to be compliant and ready for developments to come
- Continually ensuring timeous consideration of land-use applications in order to streamline development processes
- Municipality to strengthen integrated planning, spatial planning and economic planning

Future projects

- Preparation of Spatial Development Frameworks for all urban nodes, as well as for the rural area, in line with the WC024 SDF.
- Re-evaluate and capacitate the Building Control Section to ensure proper functioning and law enforcement so as to be compliant for future development.
- Continually ensure timeous consideration of land-use applications in order to streamline development processes.Municipality to strengthen integrated development planning, spatial planning and economic planning.

3.15.1 CAPITAL EXPENDITURE – PLANNING

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Purchase of Land - Cemeteries	1 500 000	844 904	-43.67%
Establishment of Informal Trading Markets	396 749	-	-100.00%

Table 164: Capital Expenditure 2015/16: Planning

Capital expenditure for Planning and Development was **53%** for 2015/16.

3.15.2 TOTAL EMPLOYEES – PLANNING

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			%
Top Management and Councillors	1	1	0	0
Senior management	2	2	0	0
Professionally qualified and experienced specialists and mid-management	16	16	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	24	21	3	12.5
Semi-skilled and discretionary decision making	1	1	0	0
Unskilled and defined decision making	0	0	0	0
Total	**46**	**41**	**3**	**6.5**
Information as at 30 June 2016				

Table 165: Total Employees – Planning

3.16 LOCAL ECONOMIC DEVELOPMENT

3.16.1 LED ACHIEVEMENTS

Achievement/Highlight	Description
Council approval of the policy to Manage Municipal Agricultural land	The policy provides a framework for the management of the Council's capital assets with specific reference to municipal agricultural land in accordance with the municipality's Supply Chain Management Policy.
The establishment of Cape E-Excess Centre in Kayamandi and Pniel	The Cape E-Excess Centres is a programme that is rolled out in collaboration with the Provincial Government. It provides free internet excess to rural communities with a special focus on the youth.
Successful hosting of network sessions with emerging farmers	These quarterly network sessions provided a platform for farming enterprises to share information and provide a platform for these enterprises to engage with the municipality
The successful introduction of Community Markets	The aim of the Community Market concept is to utilise public open spaces to create markets for community entrepreneurs and products.
Business Outreach Programmes	The department successfully executed monthly Business Outreach programmes in the various communities of the Stellenbosch Municipality. The idea is to provide business information and assistance to emerging entrepreneurs.
Reduced times to issue a business licence	The intervention entails the successful streamlining of business and administrative processes to issue a business licence in 1 day.
Exceeded the Expanded Public Works Programme work opportunities targets	The department exceeded the targeted work opportunities by 145 work opportunities (Target 889, achieved 994)

Table 166: Achievements within Local Economic Development

3.16.2 LED CHALLENGES

The table below gives a brief description of all the challenges within local economic development during 2015/16:

Description	Actions to address
Staff capacity	Need to be addressed during organisational restructuring and related budgeting processes.
Integration and strategic function of LED	Incorporation of LED in procurement processes, different working groups and land use planning. Restructuring of department in line with organisational restructuring process and to ensure effective implementation of plans and administration of by-laws and policies.
LED hubs in communities	Establish LED hubs by utilising empty municipal buildings , to create more and better space for small businesses to be exposed to economic opportunities.
Lack of staff capacity in pro-active planning and project management is preventing implementation of economic development projects and programs	Appoint suitably skilled project managers to ensure implementation of the plans and programs.

Table 167: Challenges within Local Economic Development

Local economic and employment environment

Skills shortages, weak economic growth and electricity supply constraints are among the most significant constraints on employment growth. The NDP aims to reduce unemployment to 6% by 2030. Improvements in education and training are integral to the attainment of this goal. These issues are structural and are felt at a local government level, where high levels of unemployment puts significant strain on municipal funds.

Stellenbosch's commercial services sector is the largest employer in the municipality, employing 39% (47 054) of the municipality's working population in 2013, followed by the government and CSP sector, which employed 33% (39 815). The construction sector was among the municipalities bottom 3 employers, employing only 5% (6 033) of the municipality's working population.

Stellenbosch Municipality experienced its highest job losses in the agriculture sector where net employment stood at -5 550. Despite the high economic growth experienced in the construction sector, this sector was the only other (apart from agriculture) sector to experience net job losses of 73. The next two fastest growing sectors (government and CSP and commercial) created the most jobs in both the municipality and district overall, with 7 755 net jobs created in the government and CSP sector and 7 427 net jobs created in the commercial services sector in the municipality.

Stellenbosch experienced an increase in labour demand in all the categories of employment except the semi-skilled and unskilled sectors. The demand for highly skilled labour grew at 3.3% per annum, while demand for skilled labour grew by 1.9% per annum

Demand for labour in the semi-skilled and unskilled sectors (which make up a third of the Municipality's working population and which employs the largest portion of the district's semiskilled and unskilled workforce) contracted by 1.9% per annum. This pattern is prevalent across the district, with the majority of the job losses emanating from the semi- and unskilled sector. The job losses in this sector are congruent with the job losses experienced in the agricultural and construction sectors, and represent an increasing trend in the demand for skilled employment (and thus employment in the tertiary sector) over unskilled labour.

Stellenbosch already enjoys peer-leading growth and therefore any interventions focusing on lowering the cost side of doing business should be favored. Given the limited scope for the municipal intervention, better crime prevention and the local tax regime are important levers that may be used to increase relative local competiveness. Ensuring the best infrastructure should also include aspects from the so-called new economy such as universal broadband access at the lowest possible cost.

3.16.3 EPWP JOB CREATION 2015/16

Over the years, the EPWP (Expanded Public Works Programme) has increased its capacity to provide more jobs due to increasing awareness by the project's managers of the contribution they could make to job creation. The appointment of four contract data capturers also increased the quality of reporting to the National Department of Public Works. Below are the projects and number of jobs that have been created through EPWP.

EPWP Projects	Number of jobs created
Environmental Projects	
Municipal Area Cleaning	649
Seasonal Fire Fighters	12
Eco Centre Officer	1
Artisan Project	4
Jan Marias Park	2
Grass Cutting	3
Beautification of Cemeteries	6
Food Security	22
Erosion workers	3
Field Rangers/Monitors	15
Grounds	4
Housing Admin	8
Housing Admin Relief General Worker	5
Housing Admin Relief Worker	2
Jonkershoek 1616	3
Jonkershoek 2063	1
Operational and Monitoring - Million Trees	5
Parks Project 1	1
Parks Project 2	3
Parks and Maintenance	8
Stellenbosch Maintenance of Sport Grounds	5
Erion	4
Urban Greening	2
Million Trees	2
Parks Open Erven	1
Ward Project 12,13,14,15	28
Administration: Community Services	1
Cleaning of Halls Administration	4
Housing Admin	8
Stellenbosch Memorial Park	1
Total Projects 30	**Total Jobs** 813
Infrastructure Projects	
Filters and Reservoir	21

EPWP Projects		Number of jobs created	
Franschoek Mooiwater Project Phase 2		36	
Solid Waste Recycling		11	
Upgrade of Klapmuts Waste Water Treatment		9	
Installation of Lights on Sports Field		13	
Construction of 96 Top Structures on ERF 2183 at Klapmuts		8	
Cleaning of Kayamandi Debris		2	
Recycling		9	
Total Projects	**8**	**Total Jobs**	**109**
Social Projects			
Law Enforcement Officers		3	
LED Capacity Building		10	
Artisan Project		4	
Youth Development Workers		2	
Informal Traders / Car Guards		3	
Total Projects	**5**	**Total Jobs**	**22**
Total Projects Overall	**43**	**Total Jobs Overall**	**944**

Table 168: Job Creation Through EPWP* Projects

3.16.4 TOTAL EMPLOYEES – LED

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			**%**
Top Management and Councillors	0	**0**	0	0
Senior management	0	**0**	0	0
Professionally qualified and experienced specialists and mid-management	5	**3**	2	40
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	**0**	0	0
Semi-skilled and discretionary decision making	0	**0**	0	0
Unskilled and defined decision making	0	**0**	0	0
Total	**5**	**3**	**2**	**40**
Information as at 30 June 2016				

Table 169: Total Employees – LED

3.17 TOURISM

3.17.1 AIM AND FUNCTION OF TOURISM SECTION

The aims of tourism in the Greater Stellenbosch Municipal area are to promote and develop tourism by:

- Developing and promoting tourism skills and awareness in local communities in order to achieve maximum sustainable benefits from tourism;
- Identifying and promoting the cultural and heritage assets of the area;
- Actively participating in the promotion and transformation of the tourism sector and using tourism as a vehicle to promote entrepreneurship and the establishment of new enterprises and;
- Creating an environment that is conducive to job creation and innovation.

3.17.2 CHALLENGES: TOURISM

- To explore further growth, beneficiation, value addition and employment opportunities within the established tourism clusters within Stellenbosch;
- To lessen the seasonality of the sector to introduce additional tourism products during the off-season;
- Limited skills, experience and networks of emerging entrepreneurs;
- Well-established market and networks with tendency to restrict participation of new and emerging operators;
- To steer external and internal resources in a way that tourism development achieves the shared vision of the local population;
- The development of local communities that serves as tourist destinations;
- The creation of accountability of tourism to locally-defined development visions;
- Safety and security in the sector;
- Irregular funding through grants, rather than planned outsourced service provider budgets;
- Diverse and competing tourism bodies providing services for WC024;
- Lack of appropriate policy for the delivery of the outsourced service.

3.17.3 HIGHLIGHTS: TOURISM

The Local Tourism Organisations in the Stellenbosch Municipal area received numerous awards:

- Franschhoek Wine Valley Tourism Association:
  - **2015 Cape Winelands Mayoral Wards**: Best Local Tourism Authority Information, Franschhoek Wine Valley;
  - **Strong Board support:** FWV team committed to achieve objective awards 2015;
  - **KLINK Awards**: Most Memorable Wine Route: 2015, Franschhoek Wine Valley;

- **Trip Advisor:** No. 3 in Top 10 SA Destinations 2015 After Cape Town and Knysna;
- Franc); Chamonix Troika 2011 (Red Blends); Chamonix Reserve(Chardonnay)

- Stellenbosch Wine Routes:
  - **Best Promotional Body:** Drinks International Wine Tourism Awards 2015
- Events:
  - During the 2015/16 financial year, approximately 60 events took place in the Stellenbosch Municipal area which included festivals and sport events. These events served as a highly effective tool to market the area.

Some of the most successful festivals include the following:

- Bastille Festival:
- Franschhoek harvest Festival
- Franschhoek summer wine festival
- The winter sculpture fair in JHB
- Franschhoek literacy festival
- Cook Franschhoek
- Franschhoek uncork
- Franschhoek MC and Champagne festival
- Woordfees
- Stellenbosch Wine Festival
- Stellenbosch Festival of Lights
- Chrysanthemum show
- Stellenbosch Experience Campaign
- Jamestown Strawberry Festival

- Tourism Development:
  - **Wine festival**: The annual Stellenbosch Wine Festival presented by Pick 'n Pay is one of South Africa's most popular festivals with huge appeal for food- and wine lovers, families and those in search of a great party!
  - **"I am an ambassador" training programme**: SWR coach locals to become ambassadors for Stellenbosch.
  - **Tourism forums** in the different areas: Forums were established in the local areas i.e. Cloetesville and Idas Valley to promote tourism in those areas.
  - **Entrepreneur Centre**: Establishment of a centre to improve skills, showcase and sell emerging entrepreneurs' products, including homemade cultural experiences.
  - **Freedom route** becoming a focal point within the Valley.
  - **Franschhoek Rond en Bont Tourism Route** further expansion in Langrug and Groendal
    - **Kayamandi creative district art gallery**: Stellenbosch Municipality has identified a need to bridge the gap between the historical townships of the greater Stellenbosch by connecting and integrating it into the city, suburbs, the greater Stellenbosch district and the Cape Town surrounds.

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.18 LIBRARIES

There are nine libraries in the greater Stellenbosch area, serving a population of 155 733 residents. The main priorities are the following:

- To increase the circulation of information in electronic and hard copy;
- To increase our patron numbers and improve the literacy levels of our community;
- To extend rural library services; and
- To advocate an increase in the operating and capital contributions by the Department of Arts, Sports and Culture.

Challenge:

- ***Security of premises and staff*** is an on-going challenge which impedes on the efficient and effective management of library services in the greater Stellenbosch.

3.18.1 SERVICE STATISTICS – LIBRARIES

Type of service	2012/13	2013/14	2014/15	2015/16
Libraries				
Number of libraries	9	9	9	9
Library members	10 043	14 113	14 710	311 832
Books circulated	343 694	356 247	331 018	311 832
Exhibitions held: Adults	468	471	520	355
Exhibitions held: Children	0	0	0	269
Internet access points	32	32	32	32
Internet sessions granted to library users	0	0	0	44 892
Children programmes	72	73	108	188
Number of children attending programmes	0	0	0	1890
Visits by school groups	35	42	36	43
Book group meetings for adults – old age homes	0	0	324	410
Primary and Secondary Book Education sessions	41	35	72	?

Table 170: Service Statistics: Libraries

3.18.2 CAPITAL EXPENDITURE – LIBRARIES

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Libraries - Furniture, Tools and Equipment	80 000	74 295	-7.13%
Library Books, CD's, DVD or E-books for 8 Libraries	128 000	104 494	-18.36%

Table 171: Capital Expenditure 2015/16: Libraries

Capital expenditure for Libraries was **86%** for 2015/16.

3.18.3 TOTAL EMPLOYEES – LIBRARIES

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			%
Top Management and Councillors	0	0	0	0%
Senior management	0	0	0	0%
Professionally qualified and experienced specialists and mid- management	0	0	0	0%
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	17	16	1	5.8%
Semi-skilled and discretionary decision making	19	17	2	10%
Unskilled and defined decision making	1	1	0	0%
Total	**37**	**34**	**3**	**8.1%**

Table 172: Total Employees – Libraries

3.19 CEMETERIES

Stellenbosch Municipality is responsible for the maintenance and management of six cemeteries in the greater Stellenbosch. Currently Jamestown, Pniel and Groendal cemeteries are reaching its maximum capacity, whilst

Wemmershoek and Franschhoek South and North are fully operational. Onder Papegaaiberg Cemetery is full to capacity [only reserve graves are available]. A new cemetery at Kylemore is currently being established.

The Planning and Economic Development Directorate is currently conducting an extensive study on the availability of cemetery land as the lack of burial space in WC024 is a critical priority.

The objective of the cemeteries department is to provide adequate burial space and ensure a dignified burial service. Great emphasis was placed on the beautification, landscaping, fencing and procurement of land for burial space during 2015/16. Our challenges remain to be:

- the shortage of burial space;
- continuous vandalism, theft and cemeteries being used as soft crime hotspots;
- to convert burial records to electronic soft copies (in progress);
- to promote alternative burial methods such as cremations amongst various religious groups in WC024; and
- to improve cemetery administration and marketing.

3.19.1 SERVICE STATISTICS - CEMETERIES

Type of service	2012/13	2013/14	2014/15	2015/16
Pauper Burials	25	4	3	0

Table 173: Cemeteries Service Statistics

The Council of Stellenbosch Municipality highlighted the management and shortage of burial space as a potential risk which could be very catastrophic to the communities. A term of reference was developed for the nine proposed sites, as identified by Council, to be possible cemeteries in future. Talks have also been extended to the neighbouring municipalities to find thirty hectares of land, which could be converted into regional cemeteries. At present, Drakenstein Municipality is the leading municipality working in collaboration with Stellenbosch Municipality. Phase 2 of finding suitable and adequate land will be a submission of a funding proposal to the Municipal Infrastructure Grant (MIG). Ten (10) EPWP work opportunities were created in the process of beautifying and maintaining the service standards of the municipality. The Directorate: Planning and Economic Development has been tasked to proceed with the assessment of the best potential cemetery sites and environmental authorisation application process for the most feasible sites.

INCOME – CEMETERIES

	2014/15		2015/16	
Gravesite locations	Number of Burials	Income	Number of Burials	Income
Onder Papegaaiberg	35	R56 550	46	R72 280.00

Jamestown	421	R791 618	398	R889 572.50
Pniel	8	R7 400	20	R17 050.00
Wemmershoek	8	R5 550	6	R5 525.00
Franschhoek North	102	R95 600	116	R117 060.00
Franschhoek South	5	R5 040	2	R620.00

Table 174: Cemeteries Service - Income

3.19.2 CAPITAL EXPENDITURE – CEMETERIES

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Cemeteries: Beautification/improvement of open spaces in graveyards	600 000	522 196	-12.97%
Cemeteries: Installation of landscaping and irrigation	50 000	40 659	-18.68%
Cemeteries: Road structure	100 000	75 452	-24.55%
Cemeteries: Fencing	100 000	98 491	-1.51%
Extension of cemetery infrastructure	300 000	250 895	-16.37%

Table 175: Capital Expenditure 2015/65: Cemeteries

Capital expenditure for Cemeteries was **86%** for 2015/16.

3.19.3 TOTAL EMPLOYEES – CEMETERIES

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			%
Top Management and Councillors	0	0	0	0
Senior management	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0
Skilled technical and academically qualified workers, junior	2	1	1	50

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			%
management, supervisors, foremen and superintendents				
Semi-skilled and discretionary decision making	3	3	0	0
Unskilled and defined decision making	11	6	5	45
Total	**16**	**10**	**6**	**0**
Information as at 30 June 2016				

Table 176: Total Employees – Cemeteries

3.20 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES– COMMUNITY DEVELOPMENT

3.20.1 SERVICE STATISTICS – CHILD CARE, AGED CARE, SOCIAL PROGRAMMES

Type of service	2014/15	2015/16
Soup kitchens established or supported	• In partnership with Feeding in Action through Grant-in-Aid process: • Weekly feeding of ± 4 500 people through - 25 Soup kitchens - 8 Support to crèches - Schools - 1 Community feeding point • When surplus donations are received, food gets distributed to more schools. • The relationship is still reciprocal in that Feeding in Action supports and provides food during times of disaster. • Further support to the organization is provided by the municipality through access to municipal facilities.	In partnership with Feeding in Action through Grant-inAid process. The relationship is still reciprocal in that Feeding in Action supports and provides food during times of disaster.
Initiatives to increase awareness of child abuse	• Various talks during holiday programmes, special events by other community partners and at schools regarding human trafficking were done by our EPWP youth worker in Cloetesville. • **Grant-in-Aid Donations to 23 ECD's**. We have a problem with ECD's not being able to manage and present their organization's	GIS mapping of all local ECD's within municipal area was done. Grant-in-Aid Donations were made to 21 ECD centres. The financial workshop is still continuing, since

Type of service	2014/15	2015/16
	financial position properly and started a financial management workshop to build capacity within this sector as part of the Grant in Aid process. This workshop is however also open to other organizations. • Partnership with Rapcan continued after the signing of the MOU. • The Early Years' Service Centre conducted training on **substance abuse and FAS for ECD** centres in partnership with the municipality. • A workshop on the **National Strategy for ECD's** was held in the Eike Hall in Cloetesville where all ECD centres within the Stellenbosch area were invited. New legislation, as well as the funding process was clarified at this session. The municipality is currently assisting the ECD centres of Idas Valley and Cloetesville to establish a forum after the past initiatives were not successful. The ECD forums of Kayamandi and Franschhoek are well established. • Cape Winelands Municipality hosted a **First Aid Training** session for level 1 to 3. We assisted with the mobilisation of the centres that attended the training. • **Workshop – abilities of toddlers and children with learning disabilities:** held on 9th of February for educators of 20 ECD centres. This workshop was done in collaboration with the Department of Social Development as well as the Department of Health. The identified centres came from various areas such as Klapmuts; Cloetesville; Idas Valley; Devon Valley; Kayamandi and Franschhoek. They especially focussed on children with attention deficit disorder as well as FAS. How you need to establish their needs in terms of their ability to learn and adjusting your program to accommodate them were addressed. Different techniques were learned to stimulate them while at the same time you need to keep the other learners focussed.	there a little improvement in the capacity of the organisations and we included a business component through partnership with our LED department. The Early Years' Service Centre conducted training on substance abuse and FAS for ECD centres and parents of toddlers in partnership with the municipality. These sessions were both held in Kayamandi and Cloetesville. The Traffic Department regularly visits the ECD centres as well as primary schools to have awareness sessions regarding safety.
Young people educated and empowered	• Mobilization and recruitment support to 25 youth to follow a year-long course on the value chain of wine in partnership with **Pinotage Youth Development** Academy. Graduation of 24 successful participants of the previous year. • Continuation of **indigenous games**	This year the total youth that were recruited increased to 30 for a year-long course in partnership with Pinotage Youth Development academy. Graduation of 25 successful participants. Continuation of indigenous games and participation on provincial level. **EPWP:** 2 youth employees continued to assist with the roll out of youth programmes in Cloetesville

Type of service	2014/15	2015/16
	and participation on provincial level. • **EPWP:** 2 youth are employed to assist with the roll out of youth programmes in Cloetesville and we also extended the programme to Idas Valley. These youth are responsible for networking within their communities and rendering services on a daily basis after school and during the holidays. The services focus on life skills, sport development, homework assistance, cultural activities and cooking and baking skills. Underlying to the skills development is an entrepreneurship focus. • **Career Exhibition**: All schools within the WC024 were invited to come. 9 out of the 12 schools attended the exhibition. A total of 1693 learners attended the exhibition. This exhibition is an opportunity for those learners that do not have the privilege to source the necessary information on their own. The opportunity therefore has been created for them to get the necessary exposure with regards to the different career possibilities. The exhibitors also increased from 35 to an amount of 43. We have tried to include more exhibitors for this year, but our biggest challenge is still to get our institutions that offer bursaries to be part of this exhibition.	and we also extended the programme to Idas Valley. We have appointed **4 artisan assistants** on the EPWP programme for a one year pilot program at the municipal maintenance team. **Career Exhibition:** The 3rd annual career exhibition was held on the 17th and 18th of February 2016. All schools within the WCO24 were invited. 8 out of the 12 high schools attended the exhibition. • A total of 1065 learners attended the exhibition and a total of 42 exhibitors were present. We still have a challenge to get those institutions on board that offer bursaries. Stellenbosch municipality together with Cape Winelands hosted the final of the This is an opportunity where the youth can showcase their talent as well as receive valuable developmental workshops on the basics of writing a script as well as performing on stage. This initiative is in partnership with the Department of Cultural Affairs and Sport. **IDP and youth:** The youth were made aware regarding their role within the whole IDP process. This gave them the necessary information on the processes of local government. This initiative was held together with our public participation unit. **IEC:** A session with the IEC was also held and being a responsible and active citizen within our communities was addressed. **Job Readiness:** Young people were taught to develop constructive, affirmative and sustainable relationships while concurrently providing opportunities for them to build their competencies and needed skills to engage as partners in their own development and that of their communities. The programme focuses on the holistic skills development of young people to make them more employable, positive, healthy and prepared for adulthood. Leadership training was held in partnership with SAAYC with youth clubs, equipping the clubs for

Type of service	2014/15	2015/16
		effective leadership skills among the youth.
Initiatives to increase awareness of disability	• **Policy:** Draft Disability Policy workshopped with all directorates and the Stellenbosch Disability Network. • **Network:** Establishment of Stellenbosch Disability Network consisting of all organizations rendering services to persons with disabilities. • **Accessibility Study:** Concluded audit on status of accessibility to persons with disability for municipal buildings and facilities.	The Policy on Universal Access has been approved by Council. Derived from the status report on accessibility. The implementation plan was developed with inputs from all departments including a focus on processes and procedures. The process also made provision for training of building control officers on SANS 10400 S of the National Building Regulations, 2 Creating Common Understanding Workshops for Councillors and staff and 10 working group discussions with different departments. Stellenbosch Municipality, together with the Stellenbosch Disability Network (SDN) hosted a Talk about Disability event on 15 and 16 October 2015. The aim of the event was to bring people from different walks of life together to have conversations on six topics: employment, education, family life, wellness, sport and accessibility. Each talk was facilitated by diverse experts from academia, local service providers and community leaders. Through Talk about Disability, the SDN wants to facilitate and continue the process of raising awareness on the rights and potential of persons with disabilities, with the ultimate aim of achieving greater integration.
Special events hosted (World AIDS Day, World Arbour Day, World Disability Day, Youth Day, 16 Days of Activism Against Women and Children Abuse)	• **Youth Day/Month:** Awareness on the processes of how decisions that govern our lives were made and the roles and responsibility of youth were highlighted during a visit to Parliament by youth from Cloetesville, Idas Valley and Franschhoek. In keeping with the theme of youth as active participants in our country, 36 youth were selected after a three-phased selection process to become participants. 12 Youth received access to a carpentry course, 12 to an electrical course and 12 to a food and beverage preparation course. The winners were announced at a celebration of youth talent show on the 16th of June. • **Mandela Day:** The municipality joined hands with the university in an	Successful training of 60 youth with accredited artisan skills across 5 disciplines. The following courses were offered: plumbing; cooking; building maintenance; gardening and painting. **Mandela Day**: The municipality partnered with MFM and US again for the ***Toasties for Tummies*** project. On 22 July a team of 32 staff members volunteered to make sandwiches to be distributed to schools within our municipal area through Feeding in Action. The aim was to make 11 000 sandwiches. We succeeded to make a record number of **10'860 (2977 at Tygerberg campus and 7883 at Stellenbosch)** sandwiches. **16 Days of activism**: The municipality in partnership with Caleb Development Organisation hosted a celebration of Women on the 21st of

Type of service	2014/15	2015/16
	endeavour to make 5000 sandwiches in the Toasties for Tummies challenge. About 20 volunteers from the municipality assisted along with students to achieve this goal in two hours. We are grateful to announce that the target was exceeded (6700) and that the beneficiaries include: • Melton Primary School (950); • Rosendal Primary School (1200); • Klapmuts Primary School (1550); • Adult Basic Education Stellenbosch (50); • Tomorrowland Educare Centre (65); • Stellenbosch Youth Centre (200); • Stellenbosch Night Shelter (200); • Jamestown Youth (44); • Stellenbosch Feeding in Action (2441) • **16 Days of Activism:** On the 29th of November, an Awareness march was held in both Cloetesville and Klapmuts. Stakeholders that were part of the day's activities were the Stellenbosch Municipality, SAPS, Department of Social Development, Department of Health, Family in Focus, @heart, KCAP and the Department of Education. • **Casual Day:** Stellenbosch Municipality supported Dorothea School in 2014 through the sale of 340 stickers to staff.	November 2015 at Weber Primary School. 100 women were invited to be part of this event to celebrate and to start with the 16 days of activism campaign. **Casual Day:** Stellenbosch municipality supported Dorothea school for the second year with sticker sales.

Table 177: Community Development

Activities for the youth and children:

The following activities formed part of the youth program as part of the Dilbeek agreement and in partnership with SCORE:

- Daily after-school programmes from Mondays to Thursdays.
- Daily life skills and sport development programmes to youth. Active participation of local youth through a volunteer programme forms an integral part of the services.

- A pool tournament, soccer tournament and annual fun run. Extensive sport development through the partnership with SCORE is done on a daily basis at the Indoor Sport Centre. Sporting codes include: soccer, rugby, netball, handball, indigenous games, chess, and aerobics. The centre and volunteers that are part of the centre also reaches out to schools in the community to assist with the physical development of youth. In the process they are arranging inter school competitions and getting the youth to become actively involved.
- Holiday programmes to keep children safe over the holiday period, including camps.
- HIV testing for youth from the Youth House. A weekly health clinic in partnership with @heart. This service ended in February due to challenges regarding the office space.
- Peer support and leadership programs.
- Resource library assisting the learners with homework and school research.
- Integrating the sporting codes with the indigenous games that are part of the sporting codes presented by DCAS.

People living on the street:

Stellenbosch Municipality is the only municipality with a night shelter for people living on the street. Due to the tourist nature of Stellenbosch, we have a large influx of homeless people wanting to make use of the opportunity for income from begging. The municipal shelter has been operational for seven years and is run in partnership with the Stellenbosch Night Shelter. A total of 672 people were accommodated at the night shelter over the past year.

The department distributed 20 000 homeless fact sheets along with the monthly municipal accounts providing information on services available in Stellenbosch for homeless persons and contact details and guidelines on how citizens can support these organizations or get involved.

Elderly:

Investment and commitment into partnering with DCAS in the implementation of the Golden Games Programme has seen more interest from elderly in different communities to form groups and take part in the programme. New communities include Kylemore and Lanquedoc. The elderly also get together during the week to socialize, discuss other issues of concern to them and prepare for the Games.

Network: Establishment of an Elderly Network consisting of all organizations rendering services to elderly persons.

With the following persons from Stellenbosch included in the provincial team to take part at the National Games:

Event	Age group	Name	Ranking
500m Brisk walk	70 years +	Katy Botes	1st Place
800 m Run	60-69 years	Doreen Williams	1st Place

Table 178: Selected Golden Games Participants from Stellenbosch

Grant-in-Aid:

The process was run twice in the 2014/15 financial year for preparations for the 2015/16 financial year. 157 applications were received and 66 were successful for payment at the start of the financial year.

Women:

A women's day in partnership with Cape Winelands Municipality was held in August, focussing on the self-image of women and their role within the community.

Women from the various areas were mobilised to attend the open days held by the Clothing Bank. This is an opportunity for unemployed mothers to become financially independent.

COMPONENT E: ENVIRONMENTAL PROTECTION

3.21 POLLUTION CONTROL, BIO-DIVERSITY, LANDSCAPE, OPEN SPACES, PARKS

Stellenbosch Municipality has completed its first draft environmental policy in the form of the Stellenbosch Environmental Management Framework. This plan will be revised to be compliant in terms of the relevant planning legislation, with specific reference to the Land Use Planning Act, and put before Council for adoption. Stellenbosch Municipality also developed an Air Quality Management Plan and appointed an Air Quality Officer, as per the National Environmental Management: Air Quality Act, 39 of 2004. These documents have been made part of Stellenbosch Municipality's Integrated Development Plan and its Spatial Development Frameworks to ensure its status and the integration of environmental matters and its protection into the long term vision and management of the municipality as a whole.

In terms of current projects, Stellenbosch Municipality has initiated the Stellenbosch River Stewardship Action, whereby sections of the Plankenbrug-, Kromme-, Eerste- and Blaauwklippen Rivers were taken up by businesses and private entities for assisted long term maintenance and rehabilitation. Through this initiative, Stellenbosch Municipality has entered into an innovative and exemplary partnership with the local business fraternity and communities to enhance the health of our rivers in the long-term. In terms of this initiative, each member ''adopts" a defined river section and undertakes to rehabilitate and conserve the relevant section in accordance with a set of best-practice methodologies. The initiative constitutes the restoration and ongoing management of the various river sections by means of the eradication of invasive alien plants, clearing general waste (cleared by the relevant stewards on a weekly basis and collected by the municipality at strategic points), promoting the establishment of indigenous aquatic and riparian vegetation, and stabilising banks that are susceptible to erosion. The activities will be subject to on-going monitoring and auditing so as to measure outcomes and enable continual improvement of operations. The initiative has commenced with the rivers directly associated with Stellenbosch town. The Municipal Council approved this innovative partnership to help save the vitally important rivers of Stellenbosch. The River Stewardship Action is a voluntary initiative which builds on the goodwill and commitment of the people and institutions involved.

Apart from partnerships, the municipality conducts the following actions: eradication of invasive alien plants (AIP's), beautification of the landscape, habitat restoration, litter picking, removal of illegal dumping and biomass reduction. River eco-warriors have been appointed to assist with the daily monitoring and management of the river course in specifically Franschhoek.

POLLUTION CONTROL

Waste management is an integrated process within the municipality. The Community Services Department is responsible for the area cleaning function and annually employs on average of 400 employees on the Expanded Public Works Programme (EPWP).

COMPONENT F: SECURITY AND SAFETY

3.22 LAW ENFORCEMENT

The Law Enforcement Department together with its safety partners i.e. SAPS, the Security Cluster of WC024 and the community committed itself in striving for a safer environment for all the citizens of the greater Stellenbosch and its visitors, where respect for law and order is maintained. The core function of the department is the enforcement of Council's by-laws, and the protection and safeguarding of Council's assets. A Safety and Security Stakeholder Forum has been established in 2010 and a Safety Plan adopted for the greater Stellenbosch. The Safety Plan is reviewed on a regular basis and a Special Operations Unit consisting of SAPS and Law Enforcement members has been established and work as a team in the fight against crime.

An Anti-Land Invasion Unit monitors and demolishes illegal structures throughout the WC024 area and works in close collaboration with the Housing Department. The department polices informal traders for compliance and prosecutes those trading without a permit. Closed Circuit Television (CCTV) monitoring of crime hotspots is done on a 24/7 basis, and a Control Room is in place where complaints or emergencies can be reported on a 24/7 basis.

Objective:

- Through multi-disciplinary, integrated planning and co-operative governance, maintain a zero tolerance approach towards achieving a safer environment for all residents of and visitors to the greater Stellenbosch Municipal area through;
- By-law enforcement;
- Visible policing;
- 24/7 CCTV monitoring and Control Room, and
- Anti-Land Invasion.

Highlights:

- Approved Safety Plan and Safety Stakeholders Forum.
- Safety Plan reviewed every 4-5 months.
- Special Operations Unit established in terms of Safety Plan.
- MOU signed between University of Stellenbosch and municipality on the grounds of CCTV.
- MOU signed between the Security Cluster, Campus Control and municipality on the grounds of Safety and Security matters.
- Special Safety Task Team established.
- Appointment of 20 temporary learner law enforcement officers.
- Safety Kiosk donated by Provincial Department of Community Safety to Stellenbosch Municipality as a crime preventative tool and reporting of crime/complaints.
- Tender awarded for the installation of ANPR (Automatic Number Plate Recognition) cameras.

Challenges:

- Establish law enforcement staff presence in every part of the municipality through a 24/7 law enforcement service.
- Provide appropriate security of assets and facilities.

- Increase and maintain surveillance of key places.
- Prevent land invasion.
- Dedicated Copper Theft Unit.
- Dedicated Liquor Unit.
- Dedicated Informal Traders Unit.
- Sufficient staff to be able to meet challenges.
- Additional vehicle fleet to fulfil its mandate for a safer environment.
- Centralized offices to accommodate the entire department.
- Revamped multi-functional control room/CCTV.

3.22.1 CAPITAL EXPENDITURE – LAW ENFORCEMENT

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Install computerized access security systems and CCTV cameras at municipal buildings in the greater Stellenbosch	430 000	261 775	-39.12%
Install and upgrade CCTV in the WC024	336 000	141 600	-57.86%
Install CCTV and ANPR cameras in the WC024	5 610 128	349 460	-93.77%
Mobile communication equipment	758 500	760 211	0.23%
Security upgrades	400 000	271 006	-32.25%

Table 179: Capital Expenditure 2015/16 Law Enforcement

Capital expenditure for Law Enforcement was **28%** for 2015/16.

3.23 TRAFFIC LAW ENFORCEMENT

The primary function of Stellenbosch Traffic Services is to promote road safety by implementing the international best practises, namely, to educate, enforce, evaluate and provide engineering input. Road safety initiatives focus on educating and enforcing any means of road transport modes. The department further offers roadworthy testing for all classes of vehicles, the issue of learner- and driver licenses, as well as the registration and licensing of vehicles. In driving these objectives, the department is compelled to form partnerships with other stakeholders such as private entities holding a similar objective. In pursuing these goals, the department engages in Public and Private Partnerships where service providers will provide administrative assistance, as well as supply of updated technology. Joint operations are done between local SAPS, Provincial Traffic Services, neighbourhood watches and other law enforcement entities to ensure road safety and combat crime in greater Stellenbosch Municipal Area. Various functions performed, such as registration and licensing of vehicles, are done under the auspice of Western Cape Government, which acts as agent for the collection of license fees. To ensure good governance and compliance, the department annually archives records of court section, motor-vehicle registration, driving license division and accident

reports. Dignified living: The department purchased LED screens (Variable Message Signs) utilised for displaying road safety messages. Further upgrading was done to Traffic Services parking area and entrance road.

3.23.1 SERVICE STATISTICS – TRAFFIC SERVICES

Details	2011/12	2012/13	2013/14	2014/15	2015/16
Number of Traffic Officers in the field on an average day	25	22	24	22	21
Number of Traffic Officers on duty on an average day	31	27	32	27	28
Motor vehicle licenses processed	31 778	41 049	65 496	66816	150 040
Learner driver licenses processed	2 834	4 264	8 288	3900	5212
R-value of fines collected	14 025 207	19 215 035	21 337 940	19 158 488	21 638 767
Operational call-outs	Not registered	Not registered	Not registered	Not registered	Not registered
Roadblocks held	112	213	33	34	22
Complaints attended to by Traffic Officers	269	319	389	1219	730
Special Functions – Escorts	154	188	275	108	113
Awareness initiatives on public safety	378	457	90	64	192

Table 180: ***Service Data for Traffic Services***

Description	Total 2013/14	Total 2014/15	July to Sep 2014	Oct to Dec 2014	Jan to March 2015	April to Jun 2015	Total 2015/16
Accidents							
Fatal	**11**	**13**	3	6	4	0	21
Serious injuries	**49**	**36**	8	9	12	7	76
Slight injuries	**299**	**319**	80	109	73	57	517
No injuries	**2291**	**2650**	703	948	554	445	2551
Reckless/careless: case dockets	**21**	**11**	4	3	4	0	48
Culpable homicide: case dockets	**12**	**4**	0	2	2	0	17
Pedestrians: fatal	**7**	**7**	1	2	0	4	10
Pedestrians: serious injuries	**29**	**15**	6	2	2	5	29
Pedestrians: slight injuries	**109**	**73**	40	13	11	9	106
Learner's licences							

Description	Total 2013/14	Total 2014/15	July to Sep 2014	Oct to Dec 2014	Jan to March 2015	April to Jun 2015	Total 2015/16
Appointments	**5285**	**5923**	1722	1201	1707	1293	5212
Applications passed	**3003**	**3098**	958	861	638	641	3015
Duplicate request	**125**	**117**	31	24	35	27	127
Applicants tested	**2793**	**4512**	1232	991	1125	1164	4580
Applicants failed	**1900**	**2094**	548	536	487	523	1855
Applicant absent	**569**	**541**	179	112	104	146	628
Drivers licences							
Appointments	**2144**	**2520**	898	522	614	486	2216
Conversions	**8976**	**9307**	2361	2368	2369	2709	8228
Applicants tested	**1876**	**2049**	572	537	501	439	1896
Driving licenses issued (temp)	**4647**	**4357**	1106	1224	1020	1007	4357
Applicants passed	**720**	**802**	221	228	185	168	817
Applicants failed	**1510**	**1247**	351	309	316	271	1079
Applicants absent	**275**	**379**	92	78	124	85	287
Applications instructors	**21**	**3**	2	1	0	0	9
Issued instructors	**10**	**1**	0	1	0	0	6
Application/issued PRDP	**1505**	**1815**	373	578	398	466	1602
Testing centre: roadworthy certificates							
Motor vehicles	**374**	**577**	22	255	216	84	628
Light delivery vehicles	**53**	**87**	3	34	37	13	121
Heavy delivery vehicles (trucks)	**42**	**19**	3	14	0	2	52
Trailers	**76**	**67**	9	26	23	9	39
Taxis	**18**	**15**	0	10	3	2	32
Busses	**6**	**4**	1	2	0	1	7
Motorbikes	**126**	**134**	29	31	43	31	114
Motor vehicle registration							
Duplicate registrations cert.	**1558**	**28913**	415	27668	442	388	1573
Registration only	**14588**	**122631**	3836	111516	3857	3422	15 345
Licence fees (12%) (renew)	**65496**	**66816**	16176	16537	17748	16355	83 466
Temporary permits	**236**	**14061**	57	13896	63	45	358
Special permits	**275**	**1890**	106	1607	93	84	432
Specific registration number	**743**	**739**	173	187	200	179	815

Description	Total 2013/14	Total 2014/15	July to Sep 2014	Oct to Dec 2014	Jan to March 2015	April to Jun 2015	Total 2015/16
RTMC	**44001**	**216044**	11652	180738	12420	11234	48 051
Traffic offences							
Vehicle defective/faulty	**822**	**972**	277	177	211	307	834
Moving violations	**2026**	**2154**	585	499	645	425	19 994
Parking offences/violations/mobile	**8144**	**9258**	3261	2642	2125	1230	7 055
Speed camera/mobile traffic - TMT	**65823**	**7228**	1374	1906	2950	998	233 711
Speed camera digital, fix and rvl (TMT)	**254203**	**62413**	17696	16158	13434	15135	58 458
General	**10637**	**9493**	2413	2180	2878	2022	8 789

Table 181: Additional Service Data of Traffic Services

3.23.2 CAPITAL EXPENDITURE – TRAFFIC SERVICES

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Replacement of patrol vehicles	527 500	527 370	-0.02%
Upgrading: Traffic parking area (staff parking area)	520 000	498 807	-4.08%
Upgrading: Traffic building	250 000	216 409	-13.44%
Upgrade foyer: Motor-vehicle registration section	80 000	73 476	-8.16%
Mobile radios	100 000	85 589	-14.41%

Table 182: Capital Expenditure 2015/16 Traffic Services

Capital expenditure for Traffic Services was **95%** for 2015/16.

3.23.3 TOTAL EMPLOYEES – TRAFFIC AND LAW ENFORCEMENT SERVICES

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			%
Top Management and Councillors	0	0	0	0
Senior management	1	1	0	0

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				**%**
Professionally qualified and experienced specialists and mid-management	5	5	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	88	84	4	5.4
Semi-skilled and discretionary decision making	31	30	1	3.2
Unskilled and defined decision making	0	0	0	0
Total	**125**	**120**	**5**	**4**
Information as at 30 June 2016				

Table 183: ***Total Employees – Traffic and Law Enforcement***

3.24 FIRE AND DISASTER MANAGEMENT

The Stellenbosch Fire, Rescue and Disaster Management Services Department, which has the main focus of saving lives and protecting properties, forms part of the service delivery chain of the municipality in an endeavour to continuously serve the Stellenbosch Municipal inhabitants effectively.

Complementary to the strategic objectives of Council:

Objectives: Fire Services

- Preventing the outbreak or spread of a fire;
- Fighting or extinguishing a fire;
- The protection of life or property against a fire or other threatening danger;
- The rescue of life or property from a fire or other danger;
- Subject to the provisions of the Health Act, 1977 (Act No. 63 of 1977), the rendering of an ambulance service as an integral part of the fire brigade service; and
- The performance of any other function connected with any of the matters referred to above

Objectives: Disaster management

To maintain a highly functional disaster management unit by initiating the following:

- Promoting institutional capacity within Stellenbosch Municipality;
- Promoting a culture of prevention, preparedness and resilience at all levels through knowledge, innovation and education;
- Ensuring implementation of disaster risk reduction initiatives, community safety programs and campaigns to promote safe resilient sustainable communities;
- Establishing efficient early warning systems backed by responsive and fail-safe communication with information technology support;
- Ensuring efficient mechanism for identification, assessment and monitoring of disaster risks;
- Improving emergency preparedness in vulnerable communities;
- Ensuring appropriate response by relevant services to emergencies and disasters; and
- Mainstreaming disaster management into the developmental planning process;

Highlights:

- Stellenbosch Disaster Risk Reduction Open Day on 9 October 2015

A very successful Disaster Risk Reduction Day was commemorated in Franschhoek with the theme "knowledge for life", with the aim of:

- raising awareness;
- introducing methods in reducing risks; and
- engaging with the locals i.e. the use of traditional, indigenous and local knowledge.

Approximately 500 people attended.

- Appointment of 11 temporary fire fighters in a permanent capacity.
- Awareness initiatives:
  Approximately 6588 were reached through our asserted fire and life safety and fire and flood awareness campaigns.
- Capacitating disaster management function with six EPWP officials on an annual basis.

Challenges:

- Anticipated satellite fire station in Klapmuts not materializing yet.
- Ageing vehicle fleet.
- Lack of capital investment in Fire Services.

3.24.1 SERVICE STATISTICS – FIRE AND DISASTER MANAGEMENT

Details	2011/12	2012/13	2013/14	2014/15	2015/16
Total fires attended in the year	1 492	564	425	817	794
Total of other incidents attended in the year	1 492	860	866	1953	555
Average turnout time - urban areas (minutes)	11,5	7,5	8.25	8.25	8.25
Average turnout time - rural areas (minutes)	24,6	21	20.5	22.75	22.75
Firefighters in post at year end	43	43	42	43	56
Total fire appliances at year	11	12	9	11	9

Details	2011/12	2012/13	2013/14	2014/15	2015/16
end					
Average number of appliance off the road during the year	4	4	4	2	2
Total operational call-outs	1 492	1 424	1 291	2770	1349
Immediate relief to victims	256	2 015	Not available	552	1021
Emergency flood kits	253	470	567	116	411
Emergency housing kits	56	1 650	53	299	341
Meals (food parcels)	-	-	-	215	349
Blankets	-	-	-	297	699

Table 184: Service Data for Fire and Disaster Management

3.24.2 CAPITAL EXPENDITURE – FIRE AND DISASTER MANAGEMENT

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Fire hoses	100 000	99 725	-0.28%
Rescue tools and equipment	100 000	98 638	-1.36%

Table 185: Capital Expenditure 2015/16: Fire Services

Capital expenditure for Fire Services was **101%** for 2015/16.

3.24.3 TOTAL EMPLOYEES – FIRE SERVICES

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			%
Top Management and Councillors	0	0	0	0
Senior management	1	1	0	0
Professionally qualified and experienced specialists and mid-management	4	4	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and	39	36	3	7.6

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
superintendents				
Semi-skilled and discretionary decision making	17	13	4	23
Unskilled and defined decision making	0	0	0	0
Total	**61**	**54**	**7**	**11**
Information as at 30 June 2016				

Table 186: Total Employees – Fire Services

COMPONENT G: SPORT AND RECREATION

3.25 HOLIDAY RESORTS AND CAMPSITES

The Stellenbosch Municipality is responsible for the management and maintenance of one picnic site. The Jonkershoek Picnic Site is situated in the Jonkershoek Valley on the banks of the Eerste River. The picnic site attracts 16 000 visitors per annum due to its natural beauty and tranquillity set at the foothills of the Jonkershoek mountains. The site provides outdoor leisure for visitors, catering for braai and picnics alongside the river course.

3.25.1 SERVICE STATISTICS – HOLIDAY RESORTS AND CAMPSITES

Type of service	2012/13	2013/14	2014/15	2015/16
Number of resorts	1	1	1	1
% Occupation for the year for Jonkershoek picnic site (open from 1 September to 30 April)	PAX: 16 000 CARS: 4100	PAX: 17 127 CARS: 4 827	PAX: 17 248 CARS: 5 234 Income: R462 790	PAX:16 256 CARS:4687 Income: R459 197.00

Table 187: Service Statistics –Holiday Resorts and Campsites

3.26 SPORT GROUNDS AND SWIMMING POOLS

The Stellenbosch Municipality is responsible for the management and maintenance of seventeen sports grounds in its municipal area. These grounds are surrounded by the scenic beauty of the Stellenbosch mountains – ten are located in the urban areas and seven in the rural areas.

It is the municipality's goal to create active, healthy communities and to provide a sporting hub for all its residents and visitors by offering a wide range of well-maintained and well-managed sporting facilities.

This year, these facilities hosted various national, provincial and local tournaments, for e.g. Cubs Cricket Week (national), Indigenous Games 2016 (provincial) and Blakes Easter Sports Tournament 2016 (local).

The Department of Community Services aligned its strategic focus with the National Sports and Recreation Plan and the National Development Plan, which encourages mass sports participation through recreation. The department had its Sport Facilities Management Plan adopted by Council in June 2016 wherein the Sports and Recreation Plan is supported and emphasised as a development component.

La Motte, Lanquedoc and Wemmershoek stadiums received floodlights, which will extend the operating hours of playing games and practice sessions. The floodlight project was funded by the Municipal Infrastructural Grant.

Stellenbosch Municipality manages and maintains one swimming pool in the greater Stellenbosch area. The swimming pool is situated in Cloetesville and can accommodate two hundred and seventy-five (275) people at any time per day. The existing facility can host swimming galas and aims to further sports development and recreation.

3.26.1 SERVICE STATISTICS SPORT - GROUNDS AND SWIMMING POOLS

Type of service	2011/12	2012/13	2013/14	2014/15	2015/16
Number of sport grounds/fields	17	17	17	17	17
Number of swimming pools	1	1	1	1	1
Number of stadiums	10	10	10	10	10

Table 188: Service Statistics Sport Grounds and Swimming Pools

3.26.2 CAPITAL EXPENDITURE – SPORT GROUNDS AND SWIMMING POOLS

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Sport: Community Services special equipment	528 346	500 173	-5.33%
Borehole: Rural sport grounds	238 000	207 034	-13.01%
Upgrade of sport fields	1 814 109	2 497 061	37.65%
Upgrade of sport facilities	1 263 661	1 184 430	-6.27%
Re-surface of netball/tennis courts	316 000	315 838	-0.05%

Table 189: Capital Expenditure 2015/16: Sport Grounds and Swimming Pools

Capital expenditure for sport grounds was **78%** for 2015/16.

3.26.3 TOTAL EMPLOYEES – SPORT GROUNDS AND SWIMMING POOLS

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			%
Top Management and Councillors	0	0	0	0
Senior management	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	5	4	1	20
Semi-skilled and discretionary decision making	20	16	4	20
Unskilled and defined decision making	15	9	6	40
Total	**40**	**29**	**13**	**32.5**
Information as at 30 June				

Table 190: Total Employees – Sport Grounds and Swimming Pools

3.27 COMMUNITY HALLS, FACILITIES AND THUSONG CENTRES

Stellenbosch is the proud owner of two top-class town halls and nine community facilities that cater for local residents and national and international visitors.

The facilities are available throughout the year (365 days per annum) and can be booked for events such as meetings, weddings, training sessions, conferences and community and social events.

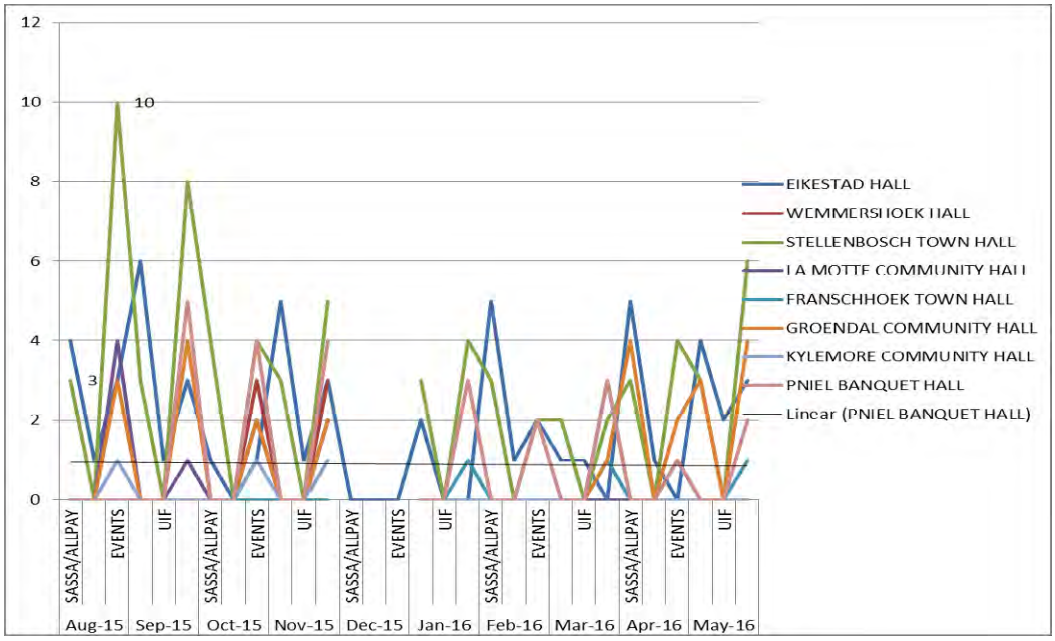

FIGURE 87 Use of Different Facilities between Aug 2015 and May 2016

3.27.1 CAPITAL EXPENDITURE – COMMUNITY HALLS

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Halls: General upgrade	1 000 000	702 065	-29.79%

Table 191: Capital Expenditure 2015/16: Community Halls

Capital expenditure for community halls was **99.4%** for 2015/16.

3.27.2 TOTAL EMPLOYEES – COMMUNITY HALLS

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			%
Top Management and Councillors	0	0	0	0
Senior management	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	3	3	0	0
Semi-skilled and discretionary decision making	9	9	0	0
Unskilled and defined decision making	1	1	0	0
Total	**14**	**14**	**0**	**0**
Information as at 30 June 2016				

Table 192: Total Employees – Community Halls

COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services and property services.

3.28 FINANCIAL SERVICES

3.28.1 SERVICE STATISTICS

Details of the types of account raised and recovered	2015/16		
	Billed in Year	Actual for accounts billed in year	Proportion of value of accounts billed that were collected
	R		%
Property Rates	272 342 253	274 274 151	100
Electricity	357 648 520	352 419 292	98.5
Water	150 566 997	131 269 405	87
Sanitation	52 685 360	50 056 794	95
Refuse	40 593 832	37 483 752	92

Table 193: Service Statistics for Financial Services

3.28.2 TOTAL EMPLOYEES – FINANCE

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			%
Top Management and Councillors	1	1	0	0
Senior management	3	3	0	0
Professionally qualified and experienced specialists and mid-management	13	11	2	15
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	56	56	0	3
Semi-skilled and discretionary decision making	33	31	2	6
Unskilled and defined decision making	0	0	0	0
Total	**106**	**102**	**4**	**3.7**
Information as at 30 June				

Table 194: Total Employees – Finance

3.29 HUMAN RESOURCE SERVICES

Stellenbosch Municipality views the Human Resources Management component as the governance of the organisation's employees. More commonly, human resources *per se* refers to the people or human capital appointed or employed by the organisation whose skills are used to reduce risk and maximize return on investment. The vision of the Human Resources Department is undoubtedly to build partnerships with management at all levels of the organisation, to create a culture or working environment where employees are valued or appreciated and to ensure a diverse, qualified, healthy and highly motivated workforce focused on achieving the critical outcomes, through the development and administration of cost-effective and results-oriented human resources. Accordingly, the mission of the Human Resources Management Department is to address and achieve the goals and challenges of Stellenbosch Municipality by providing services that promote a work environment that is characterized by fair treatment of staff, open communications, personal accountability, trust and mutual respect. We will seek and provide solutions to workplace issues that support and optimize the operating principles of the organization.

The Human Resources Management Department Objectives for Stellenbosch Municipality include but are not limited to:

- Helping the organization achieve its goals.

- Ensuring effective utilization and maximum development of human resources.
- Ensuring respect for human beings.
- Identifying and satisfying the needs of individuals.
- Ensuring reconciliation of individual goals with those of the organization.
- Achieving and maintaining high morale among employees.
- Providing the organization with well-trained and well-motivated employees.
- Increasing to the fullest the employee's job satisfaction and self- actualization.
- Developing and maintaining quality of work life.
- Being ethically and socially responsive to the needs of the community.
- Developing overall personality of each employee in its multidimensional aspect.
- Enhancing employee's capabilities to perform the present job.
- Ensuring service excellence for the broader Stellenbosch community.

The Human Resources services include:

- Strategic Human Resources Management,
- Labour Relations;
- Recruitment and Selection;
- Training and Development;
- Employee Assistance;
- Occupational Health and Safety;
- Employment Equity; and
- All Human Resources Administration.

Each director, manager, departmental head, superintendent, assistant superintendent and foreman are responsible for setting objectives, delegating responsibilities and tasks, motivating staff, disciplining staff, developing skills and career paths, measuring performance and generally guiding their staff. In these endeavours, management and line management are assisted by the Human Resource Department, who provides policies, guidelines, support, systems and specialised inputs.

Main focus priorities for HR Services in 2015/16 were:

- Implementation of the biometric time and attendance system;
- Finalization of Human Resources management policies;
- Implementation of the TASK Job Evaluation System; and
- Finalization of historical human resources issues.

The highlights for the Human Resources Department in 2015/16 were the following:

- The appointment of a service provider for the Minimum Competency Training as prescribed by legislation;
- 8 employees completed the Minimum Competency Training,
- The appointment of a service provider to assist in the placement of advertisements;
- The finalization of historical resources issues;
- The finalization of the Human Resources and Development Framework and standards;
- The introduction of a new induction program;
- 99% of the Training Budget was spent; and
- A positive report from the Audit General regarding Human Resources.

The challenges for the Human Resources Department in 2015/16 were the following:

- Rolling out/implementation of biometric system to all user departments;
- Data cleansing process on mSCOA; and
- Outstanding Human Resources Policies and Standard Operating Procedures

3.29.1 TOTAL EMPLOYEES – HR

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			%
Top Management and Councillors	0	0	0	0
Senior management	1	1	0	0
Professionally qualified and experienced specialists and mid-management	5	4	1	20
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	8	8	0	0
Semi-skilled and discretionary decision making	1	1	0	0
Unskilled and defined decision making	0	0	0	0

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
Total	**15**	**14**	**1**	**6.6**
Information as at 30 June 2016				

Table 195: Total Employees – HR

3.30 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The ICT department committed its time in the 2015/16 financial year to purchasing and replacing computer software and hardware to improve the efficiency of the various municipal business units. Capital Projects in the form of a Voice and Data Tender were completed as well as the renewal of the Network Infrastructure Support Contract. The ICT department achieved a total spend of 45.99% of the Capital Budget. The department successfully procured the services of SITA to assist with the drawing up of the Disaster Recovery Plan and the ICT Strategy plan as our focus moved toward a strategic enabling department. The establishment of the ICT Steering Committee further took place with the aim of aligning ICT with the municipal goals.

Highlights:

- 17 new hotspots were rolled out in the previously disadvantaged Stellenbosch areas.
- The upgrade of the Backup Infrastructure to accommodate and include all critical systems to ensure sustainability of the ICT services.
- The ICT department successfully procured the services of State Information Technology Agency (SITA) to assist in reviewing the Disaster Recovery Plan for the municipality, which is in line with Local Government and Treasury guidelines.
- The ICT Strategy Plan of the Stellenbosch Municipality was also reviewed by SITA to align ICT to business strategic goals.
- The ICT department achieved an overall spend of 51% on its Capital Expenditure due to the funds being set aside for the implementation of the Biometrics (Time and Attendance) solution.

Challenges:

- ICT structure does not align to best practices and thus cannot be agile enough to support the municipality.
- Lack of system integration.
- Lack of server capacity to accommodate system needs of various directorates and functions.
- After hours system maintenance resources to ensure continued service provision, especially after load shedding/power failures.

UPS back-up power at Matopie High site will ensure that ICT is able to keep the power running to our critical services for up to 8 hours on battery power. We will thus be immune to possible Eskom scheduled outages in the coming years.

Figure 88:UPS Back-up Power at Matopie High Site

Installed new microwave links and back-up power to ensure that the Chlorine station mast provides sufficient redundancy link between the head office and Pniel.

Figure 89:New Microwave Links and Back-up Power

3.30.1 SERVICE STATISTICS – INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Details	2012/13	2013/14	2014/15	2015/16
	%			
Ensure the availability of the network to ensure effective ICT systems for municipal processes	96	98	98	98
Provide ICT support to all municipal departments by attending to requests within 4 working days	95	97	97	98
Connecting all municipal sites to the ICT network	100	100	100	100

Table 196: Service Data for Information and Communication Technology (ICT) Services

3.30.2 CAPITAL EXPENDITURE – INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Biometrics System	400 000	231 708	-42.07%
Upgrade and Expansion of IT Infrastructure Platforms	2 865 000	1 068 839	-62.69%
Purchasing and Replacement Computer/Software and Peripheral devices	950 000	946 943	-0.32%
Public Wi-Fi Network	1 600 000	727 594	-54.53%

Table 197: Capital Expenditure 2015/16: Information and Communication Technology (ICT) Services

Capital expenditure for community ICT was **51.0%** for 2015/16.

3.30.3 TOTAL EMPLOYEES – INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			%
Top Management and Councillors	0	0	0	0
Senior management	1	1	0	0
Professionally qualified and experienced specialists and mid-management	5	5	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	4	4	0	0
Semi-skilled and discretionary decision making	0	0	0	0
Unskilled and defined decision making	0	0	0	0
Total	**10**	**10**	**0**	**0**
Information as at 30 June 2016				

Table 198: Total Employees – ICT

3.31 LEGAL SERVICES

The Legal Services Department in conjunction with user departments ensures and manages the implementation, monitoring, evaluation and reporting on sequences of outcomes associated with programmes designed to accomplish key service delivery objectives with respect to Legal Services.

The main objectives are the following:

- All new legislation and proclamations for comment;
- Advising Council on items submitted to meetings;
- To ensure by-laws are promulgated after consultation with user departments and Council; and
- To provide legal opinions and input on policies, contracts, agreements, legislation, by-laws and authorities.

Highlights:

- Appointment of a legal panel to deal with the legal issues of the municipality.

Challenges:

- To deal with urgent requests for legal input to Portfolio and Council Committees.
- To deal with disciplinary matters for Councillors and Section 56 Managers.
- Attending to 200 transfers which had been outstanding for more than 20 years.
- Lack of skilled administrative support to senior legal advisors.
- Availability of well-maintained legal library and reference resources.

3.31.1 TOTAL EMPLOYEES – LEGAL SERVICES

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			%
Top Management and Councillors	0	0	0	0
Senior management	4	2	2	50
Professionally qualified and experienced specialists and mid-management	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0
Unskilled and defined decision making	0	0	0	0
Total	**4**	**2**	**2**	**50**
Information as at 30 June 2016				

Table 199: Total Employees – Legal Services

3.32 MUNICIPAL COURT

On 1 June 2015the National Minister of Justice proclaimed the establishment of a Municipal Court by Stellenbosch Municipality.

The court will be used to adjudicate municipal related offences such as transgression of the National Road Traffic Act, No. 93 of 1986, National Building Regulations Standard Act, No. 103 of 1977, the Land Use Planning Ordinance and its Scheme Regulations, No. 15 of 1985, the Business Act, No. 71 of 1991 and the various by-laws of the Stellenbosch Municipality.

The Municipal Court was established to:

- Support and secure good governance;
- Ease the burden on regular courts;
- Increase the speed of services;
- Allow for more successful prosecutions by applying specialist knowledge;
- Improve communications between the by-law prosecutors and enforcers;
- Support by-law enforcement;
- Ensure a user friendly court; and
- Keeps members of the public who committed a minor crime (such as a traffic offence) away from

hardened criminals

STATISTICAL REPORT

	CASES ON ROLE	WITHDRAWN	STRUCK OFF ROLE	WARRANTS AUTHORISED	DEFERMENT	PAYMENTS
December 2015	487	0	361	103	0	23
January 2016	667	0	342	241	0	84
February 2016	1 015	5	755	212	0	43
March 2016	390	0	282	91	0	17
April 2016	609	0	246	353	0	10
May 2016	945	0	381	503	0	61
June 2016	533	19	167	291	10	46
Total	**4 646**	**24**	**2 534**	**1 794**	**10**	**284**

Table 200: Statistical Report of the Municipal Court

FINANCIAL Report

	December 2016	January 2016	February 2016	March 2016	April 2016	May 2016	June 2016
TRAFFIC FINES	131 800.00	149 350.00	185 650.00	206 400.00	226 450.00	344 850.00	375 330.00
SAPS FINES	-	4 840.00	900.00	1 040.00	1 300.00	1 950.00	800.00
PROVINCIAL FINES	-	-	900.00	1 150.00	4 000.00	-	
LAW ENFORCEMENT	-	2 500.00	700.00	750.00	150.00	650.00	-
CONTEMPT	-	-	1 200.00	18 600.00	4 300.00	1 100.00	1 500.00
TOTAL AMOUNT	131 800.00	158 090.00	189 350.00	227 940.00	236 200.00	348 550.00	377 630.00

Table 201: Financial Report of the Municipal Court

3.32.1 TOTAL EMPLOYEES – MUNICIPAL COURT

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			%
Top Management and Councillors	0	0	0	0
Senior management	0	0	0	0
Professionally qualified and experienced specialists and mid-management	1	1	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0
Unskilled and defined decision making	0	0	0	0
Total	**1**	**1**	**0**	**0**
Information as at 30 June 2016				

***Table 202: Total Employees* – Municipal Court**

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

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

KPA and INDICATORS	2012/13	2013/14	2014/15	2015/16
The number of people from **employment equity** target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	2	1	4	13
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	0.009%*	0.006%*	0,83%	0.97%
Percentage was calculated using the total personnel budget as in terms of the Skills Development Act. The aforementioned percentage for the 2015/2016 financial year is based on the Total Annual Payroll as depicted in the SDBIP.				

Table 203: National KPIs – Municipal Transformation and Organisational Development

4.2 INTRODUCTION TO THE MUNICIPAL WORKFORCE

Stellenbosch Municipality currently employs **1151** officials (incl. Councillors) (**excluding non-permanent positions**), who individually and collectively contribute to the achievement of the municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

4.3 EMPLOYMENT EQUITY

The Employment Equity Act (1998), Chapter 3, section 15 (1), states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to the "number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan".

4.3.1 EMPLOYMENT EQUITY

	African			Coloured			Indian			White		
	Target June	Actual June	Target reached	Target June	Actual June	Target reached	Target June	Actual June	Target reached	Target June	Actual June	Target reached
2014/15	358	324	**90,50%**	533	650	**121,95%**	29	3	**10,34%**	172	115	**66,86%**
2015/16	334	361	**92.52%**	497	676	**136%**	28	3	**9.33%**	83	111	**74.77%**

Table 204: 2015/16 EE Targets/Actual by Racial Classification

	Male			Female			Disability		
	Target June	Actual June	Target reached	Target June	Actual June	Target reached	Target June	Actual June	Target reached
2014/15	536	744	**138,43%**	556	348	**62.58%**	0	0	n/a
2015/16	425	783	**54.27%**	518	368	**71.04%**	0	0	n/a

Table 205: 2015/16 EE Targets/Actual by Gender Classification

4.3.2 OCCUPATIONAL LEVELS - RACE

The table below categorises the number of employees by race within the occupational levels:

Occupational	Male				Female				Total
Levels	A	C	I	W	A	C	I	W	
Top Management and Councillors	6	14	0	8	6	8	0	4	46
Senior management	3	14	1	10	1	5	0	3	37
Professionally qualified and experienced specialists and mid-management	9	29	2	13	12	16	0	10	91
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	56	157	0	34	61	113	0	26	447
Semi-skilled and discretionary decision making	71	117	0	2	16	38	0	1	245
Unskilled and defined decision making	99	138	0		21	27	0	0	258
Total permanent	**244**	**469**	**3**	**67**	**117**	**207**	**0**	**44**	**1 151**
Non- permanent employees (incl. EPWP, Conditional Grants, Provincial Grants)	143	244		2	208	200		1	**798**
Grand total	**387**	**713**	**3**	**69**	**325**	**407**	**0**	**45**	**1949**

Table 206: Occupational Levels

4.3.3 DEPARTMENTS - RACE

The following table categorises the number of employees by race within the different departments:

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Mayor	5	12		6	6	8	0	4	41

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Municipal Manager	0	1	0	0	1	0	0	3	5
Financial Services	9	30	1	3	14	37	0	7	101
Planning	3	9	0	8	9	6	0	7	42
Human Settlements and Property Management	7	23	0	1	8	15	0	0	54
Strategic and Corporate Services	7	24	1	3	17	29	0	4	85
Community and Protection Services	82	118	0	24	43	84	0	15	366
Engineering services	131	252	1	22	19	28	0	4	457
Total permanent	**244**	**469**	**3**	**67**	**117**	**207**	0	**44**	**1151**
Non-permanent (incl. EPWP, Conditional Grants, Provincial Grants)	39	89	0	8	62	75	0	2	**275**
Grand total	**250**	**551**	**3**	**74**	**174**	**266**	**0**	**49**	**1 367**

Table 207: Department – Race

4.4 VACANCY RATE

The approved organogram for the Municipality had **1135** (funded) posts for the 2015/16 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. A total of **86** posts were vacant at the end of 2015/16, resulting in a vacancy rate of **7,58%.**

Below is a table that indicates the vacancies within the municipality:

PER POST LEVEL		
Post level	**Filled**	**Vacant**
MM & MSA section 57 Managers	5	2
Middle management	37	4
Professionals	91	5
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	665	21
Unskilled and defined decision making	251	54
Total	**1049 (EXCLUDING COUNCILLORS)**	**86**
PER FUNCTIONAL LEVEL		
Functional area	**Filled**	**Vacant**
Office of the Mayor	43	0
Office of the Municipal Manager	7	2

PER POST LEVEL		
Post level	**Filled**	**Vacant**
Financial Services	100	7
Planning and Economic Development	43	3
Human Settlements and Property Management	48	1
Strategic and Corporate	86	6
Community and Protection Services	349	17
Engineering Services	416	50
Total	**1092**	**86**

Table 208: Vacancy rate per post and functional level

4.5 TURNOVER RATE

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organisational knowledge. Below is a table that shows the turnover rate in the Municipality.

The table below indicates the turn-over rate over the last four years:

Financial year	Total no appointments at the end of each Financial Year	New appointments	Number Terminations during the year	Turn-over Rate
2011/12	1 073	49	61	5.68 %
2012/13	1 059	40	52	4.91%
2013/14	1066	77	53	4.64%
2014/15	1092	86 (excl. promotions)	63	5,76%
2015/16	1110	136	71	6.4%

Table 209: Turn-over Rate

4.6 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

4.6.1 INJURIES

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. An occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The injury rate shows an **increase** for the 2015/16 financial year from 114 **employees** injured in 2014/15 to **136 employees** in the 2015/16 financial year.

The table below indicates the total number of injuries within the different directorates:

Directorates	2011/12	2012/13	2013/14	2014/15	2015/16
Office of the Municipal Manager	0	1	2	0	2
Financial Services	1	2	1	3	2
Planning and Economic Development Services	2	3	1	1	0
Strategic and Corporate Services	3	2	4	1	2
Community and Protection Services	10	38	36	42	40
Engineering Services	17	49	68	63	86
Human Settlements and Property Management	0	3	0	4	4
Total	**33**	**98**	**112**	**114**	**136**

Table 210: Injuries

Injuries in the Operational Services are normally higher due to the nature of work and the constant handling of equipment and machinery.

4.6.2 SICK LEAVE

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

The total number of employees that have taken sick leave during the 2015/16 financial year shows an increase of 3640.43 working days when comparing it with the 2014/15 financial year.

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

Department	2012/13	2013/14	2014/15	2015/16
Office of the Municipal Manager	135	137	35	342
Financial Services	790	666	592	1339.5
Planning and Economic Development	907	783	427	1244.5
Strategic and Corporate Services	630	444	653	808.43
Community and Protection Services	1 329	1 458	2867.50	3758.5
Engineering Services	33 64	3 373	4042	5230
Human Settlements and Property Management	1 888	1 434	474	8
Total	**9 043**	**8 295**	**9090.50**	**12 730.93**

Table 211: Sick Leave

4.6.3 HUMAN RESOURCES POLICIES AND PLANS

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the status of the Human Resources policies and plans:

Approved policies

Name of policy	Date approved/ revised
Work Related Functions Policy	25 February 2015 (approved)
Whistle Blowing Policy	25 February 2015 (approved)
Unpaid Leave Policy	25 February 2015 (approved)
Succession Planning Policy	25 February 2015 (approved)
Substance Abuse Policy	25 February 2015 (approved)
Occupational Health and Safety Policy	25 February 2015 (approved)
Nepotism Policy	25 February 2015 (approved)
External Bursary Aid Policy	25 February 2015 (approved)
Evaluation of Probationary Periods Policy	25 February 2015 (approved)
Employee Assistance Policy	25 February 2015 (approved)
Education, Training and Development Policy	25 February 2015 (approved)
Attendance and Punctuality Policy	25 February 2015 (approved)
Leave Policy and Procedure Guidelines	Initially approved in August 2008, reviewed and approved by Council on 29 November 2012
Overtime and Standby Policy Guidelines	Initially approved in August 2008, reviewed and approved by Council on 29 November 2012
MSLA: Essential Services	August 2008 (to be reviewed)
HIV/AIDS Policy	August 2008 (to be reviewed)
Recruitment and Selection	August 2008 (to be reviewed) – was reviewed in November 2012 but not

Name of policy	Date approved/ revised
	approved
Staff Attraction and Retention Policy	August 2008 (to be reviewed)
Smoking Policy	August 2008 (to be reviewed)
Guidelines for Official Parking	August 2008 (to be reviewed)
Skills Development Policy	August 2008 reviewed/replaced and approved by Council on 25 February 2015
Occupational Health and Safety Policy	August 2008 reviewed/replaced and approved by Council on 25 February 2015

Policies still to be developed	
Name of policy	**Proposed date of approval**
Induction Policy	Proposed time for approval – June 2017
Policy on Memorial Services	Proposed time for approval – June 2017
Proposed Scarce Skills Policy	Proposed time for approval – June 2017
Redeployment Policy	Proposed time for approval – June 2017
Student and Intern Policy	Proposed time for approval – June 2017
Student Assistance Policy	Proposed time for approval – June 2017
Termination of Services Policy	Proposed time for approval – June 2017
Travel and Removal Expense Policy	Proposed time for approval – June 2017
Uniform and Protective Clothing Policy	Proposed time for approval – June 2017
Use of Official Vehicles Policy	Proposed time for approval – June 2017
Structured Overtime Policy	Proposed time for approval – June 2017
Proposed Policy on Imprisoned Employees	Proposed time for approval – June 2017
Policy on Employment on a 5/8 Basis	Proposed time for approval – June 2017

Table 212: HR Policies and Plans

The Human Resources department submits policies to the Local Labour Forum on a regular basis for review purposes.

4.7 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the Municipal Systems Act (MSA) states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 1999 (Act No. 28 of 1999).

4.7.1 SKILLS MATRIX

The table below indicates the number of employees that received training in the year under review:

Management level	Gender	Number of employees identified for training at start of the year	Number of employees that received training
MM and S57	Female	0	0
	Male	0	1
Legislators, senior officials and managers	Female	2	1
	Male	8	2
Associate professionals and Technicians	Female	28	4
	Male	326	77
Professionals	Female	15	13
	Male	35	12
Clerks	Female	96	62
	Male	30	13
Service and sales workers	Female	81	31
	Male	133	66
Craft and related trade workers	Female	Included in associate professionals and technicians	
	Male		
Plant and machine operators and assemblers	Female	1	1
	Male	111	25
Elementary occupations	Female	38	24
	Male	372	264
Sub-total	**Female**	**261**	**136**
	Male	**1015**	**460**
Total		**1563**	**1276**

Table 213: Skills Matrix

4.7.2 SKILLS DEVELOPMENT – TRAINING PROVIDED

The Skills Development Act (1998) and the Municipal Systems Act (2000), require that employers supply employees with the necessary training in order to develop its human resource capacity. Section 55(1)(f) states that as head of administration, the Municipal Manager is responsible for the management, utilization and training of staff.

Occupational categories	Gender	Learnerships		Skills programmes and other short courses		Total	
		Actual	Target	Actual	Target	Actual	Target
MM and S57	Female	0	0	0	0	0	0
	Male	0	0	1	0	1	0
Legislators, senior officials and managers	Female	0	0	1	2	1	2
	Male	0	0	2	8	2	8
Professionals	Female	0	0	13	15	13	15
	Male	0	0	12	35	12	35
Technicians and associate professionals	Female	3	1	1	27	4	28
	Male	14	22	63	304	77	326
Clerks	Female	1	1	61	95	62	96
	Male	1	1	12	29	13	30
Service and sales workers	Female	0	0	31	81	31	81
	Male	0	0	66	133	66	133
Plant and machine operators and assemblers	Female	1	1	0	0	1	1
	Male	3	2	22	109	25	111
Elementary occupations	Female	6	7	18	31	24	38
	Male	25	25	239	347	264	372
Sub-total	**Female**	**11**	**10**	**125**	**251**	**136**	**261**
	Male	**43**	**50**	**417**	**965**	**460**	**1015**
Total		**11**	**54**	**60**	**542**	**1216**	**596**

Table 214: Skills Development

4.7.3 SKILLS DEVELOPMENT - BUDGET ALLOCATION

The table below indicates that a total amount of **R 2 743 370.00** allocated to the workplace skills plan and that **99%** of the total amount was spent in the 2015/16 financial year:

Year	Total personnel budget	Total Allocated	Total Spend	% Spent
	R	R	R	

Year	Total personnel budget	Total Allocated	Total Spend	% Spent
	R	R	R	
2012/13	260 883 962	3 242 848	2 371 911	73
2013/14	280 637 485	2 450 170	1 776 397	73
2014/15	324 832 04	2 743 370	2 716 719	99
2015/16	416 062 658	3 420 000	3 406 325	99

Table 215: Budget allocated and spent for skills development

4.8 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

4.8.1 PERSONNEL EXPENDITURE

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

Financial year	Total expenditure salary and allowances	Total operating expenditure	Percentage
	R'000		%
2013/14	282 932	1 047 586	27
2014/15	313 819	1 150 240	27
2015/16	367 463	1 254 937	29

Table 216: Personnel Expenditure as % of Total Operating Expenditure

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

Financial year	2014/15	2015/16		
Description	**Actual**	**Original Budget**	**Adjusted Budget**	**Actual**
Councillors (Political Office Bearers plus Other)				
Salary	9,627,523	10,667,755	10,667,755	10,717,817
Pension Contributions	256,551	910,820	910,820	287,985
Medical Aid Contributions	244,026	121,730	121,730	263,762
Motor Vehicle Allowance	3,407,922	3,600,514	3,600,514	3 614,712
Cell Phone and Other Allowances	894 744	762,213	762,213	959,970
Sub-Total - Councillors	**14,430,766**	**16,063,032**	**16,063,032**	**15,844,246**
% Increase/(Decrease) on Actual	**-**	10%	10%	10%
Other Municipal Staff				
Basic Salaries and Wages	205,480,545	234,226,556	234,226,556	243,074,977
Contribution to Pension	31,445,706	38,075,259	38,075,259	36,169,156
Contribution to Medical	15 303 307	18,280,426	18,280,426	16,742,720
Group Insurance	3,753,250	3,770,350	3,770,350	4,126,249
Motor Vehicle and Cell Phone Allowance	10,872,713	10,956,871	10,956,871	11.347,011
Housing Allowance	1,384,237	1,869,985	1,869,985	1,921,420
Overtime	15,992,602	12,674,323	12,674,323	19,400,914
Performance Bonus	-	0	0	0
Standby allowance	7,135,861	5,963,451	5,963,451	8,444,306
Night Shift Allowance	2,242,774	2,586,231	2,586,231	2,511,580
Leave Bonus	14,156,028	17,995,146	17,995,146	16,873,934
Allowance: Sundry	1,961,739	872,688	872,688	2,257,426
Relieve and Temporary	16,586,557	6,567,788	14,479,672	19,344,185

Financial year	2014/15	2015/16		
Description	**Actual**	**Original Budget**	**Adjusted Budget**	**Actual**
Employment				
Uniforms	574 718	720,961	720,961	626,901
Other Benefits or Allowances	2,806,995	2,849,272	2,849,272	3,966,372
Sub-Total - Other Municipal Staff	313,819,007	350,841,519	350,841,519	367,462,966
% Increase/(Decrease)	**11**	**10%**	**10%**	**20%**
Total Municipality	**328,249,773**	**366,904,551**	**366,904,551**	**383,307,212**
% Increase/(Decrease)	**11**	**10%**	**10%**	**20%**

Table 217: Personnel Expenditure

CHAPTER 5: FINANCIAL PERFORMANCE

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Statement of financial performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

5.1 FINANCIAL SUMMARY

The table below indicates the summary of the financial performance for the 2015/16 financial year:

Description	2014/15	2015/16			2015/16 Variance	
	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Financial Performance						
Property rates	245 787	270 257	271 807	270 379	0.05%	-0.53%
Service charges	624 507	667 968	664 921	705 714	5.65%	6.14%
Investment revenue	40 566	29 124	43 528	49 713	70.69%	14.21%
Transfers recognised - operational	82 300	122 945	115 759	158 013	28.52%	36.50%
Other own revenue	144 986	129 014	133 738	135 652	-72.37%	-73.34%
Total revenue (excluding capital transfers and contributions)	**1 138 147**	**1 219 309**	**1 229 753**	**1 307 728**	**7.25%**	**6.34%**
Employee costs	314 320	350 842	350 842	367 463	4.74%	4.74%
Remuneration of councillors	13 930	16 063	16 063	15 844	-1.36%	-1.36%
Depreciation and asset impairment	156 670	149 053	149 053	152 440	2.27%	2.27%
Finance charges	13 409	23 714	22 714	20 391	-14.01%	-10.23%
Materials and bulk purchases	287 344	327 369	323 734	324 777	-0.79%	0.32%
Transfers and grants	6 644	8 175	8 175	6 216	-23.96%	-23.96%
Other expenditure	1 764 688	399 012	414 019	374 286	-6.20%	-9.60%
Total Expenditure	**2 557 005**	**1 274 227**	**1 284 671**	**1 261 417**	**-1.01%**	**-1.81%**
Surplus/(Deficit)	**(1 418 859)**	**(54 918)**	**(54 918)**	**46 311**	**-184.33%**	**-184.33%**

Description	2014/15	2015/16			2015/16 Variance	
	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Transfers recognised - capital	57 302	112 256	120 192	103 360	-7.92%	-14.00%
Contributions recognised - capital and contributed assets	–	❖ -	❖ -	-	-	-
Surplus/(Deficit) after capital transfers and contributions	❖ (1 361 557)	❖ 57 338	❖ 65 274	**149 671**	**161.03%**	**129.30%**
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - capital	57 302	112 256	120 192	103 360	-7.92%	-14.00%
Public contributions and donations	82	12 000	12 000	12 000	0.00%	0.00%
Borrowing	57 433	88 000	92 567	50 000	-43.18%	-45.99%
Internally generated funds	115 191	240 504	212 424	183 501	-23.70%	-13.62%
Total sources of capital funds	**230 008**	**452 760**	**437 183**	**348 861**	**-22.95%**	**-20.20%**
Financial position						
Total current assets	828 643	644 464	645 327	880 752	36.66%	36.48%
Total non-current assets	4 419 492	4 946 492	4 913 179	4 606 246	-6.88%	-0.0624714
Total current liabilities	325 510	165 426	304 360	323 738	95.70%	6.37%
Total non-current liabilities	379 531	460 003	437 165	470 495	2.28%	7.62%
Community wealth/equity	4 543 765	4 965 182	4 816 981	4 692 765	-5.49%	7.62%
Cash flows						
Net cash from (used) operating	297 711	218 780	226 716	305 374	39.58%	34.69%
Net cash from (used) investing	(232 207)	-452 759	-437 183	-825 473	82.32%	88.82%
Net cash from (used) financing	-38 997	81 025	81 025	38 855	-52.05%	-52.05%
Cash/cash equivalents at the year end	258 714	-152 954	-129 442	-481 244	**214.63%**	**271.78%**
Asset management						
Asset register summary (WDV)	4 415 316	4 944 345	4 911 377	4 604 058	-6.88%	-6.26%
Depreciation and asset impairment	156 538	149 053	149 053	152 440	2.27%	2.27%
Renewal of existing assets	117 986	331 337	332 980	292 259	-11.79%	-12.23%
Repairs and maintenance	58 453	81 404	81 404	54 658	-32.86%	-32.86%

Table 218: Financial Performance 2015/16

The table below shows a summary of performance against budgets:

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000				R'000			
2013/14	1 165 349	1 200 732	35 383	3.04%	1 009 108	1 047 587	38 479	3.81%
2014/15	1 179 649	1 154 899	-24 750	-2.10%	1 159 839	1 132 013	-27 826	-2.40%
2015/16	1 340 295	1 411 088	70 793	5.28%	1 284 663	1 254 937	-29 734	2.31%

Table 219: Performance Against Budgets

5.1.1 REVENUE COLLECTION BY VOTE

The table below indicates the revenue collection performance by vote:

Vote Description	2014/15	2015/16			2015/16 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Municipal Manager	–	–	250	250	0	0
Planning and Development	5 817	5 815	6 895	6 423	10%	-7%
Human Settlements and Property Mananagement	51 096	69 395	69 253	56 965	-18%	-18%
Engineering Services	748 428	833 924	834 660	883 729	6%	6%
Community and Protection Services	83 768	97 785	99 113	115 581	18%	17%
Corporate Services	2 172	1 154	1 154	1 540	33%	33%
Financial Services	304 167	323 492	338 621	346 600	7%	2%
Total Revenue by Vote	**1 195 448**	**1 331 565**	**1 342 009**	**1 411 088**	**6%**	**5%**

Table 220: Revenue by Vote: Personnel Expenditure

5.1.2 REVENUE COLLECTION BY SOURCE

The table below indicates the Revenue collection performance by source for the 2015/16 financial year:

Description	2014/15	2015/16			2015/16 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Property rates	249519	265 709	265 709	268 311	0.98%	0.98%
Property rates - penalties and collection charges	2850	4 548	6 098	2 067	-54.55%	-66.10%
Service charges	627780	667 968	664 921	705 714	5.65%	6.14%
Rentals of facilities and equipment	16809	17 408	18 110	16 791	-3.54%	-7.28%
Interest earned - external investments	0	29 124	43 528	0	-100.00%	-100.00%
Interest earned - outstanding debtors	6314	2937	4 444	5 714	94.55%	28.58%
Dividends received		–	–	-	-	-
Fines	38752	71 134	71 259	90 713	27.52%	27.30%
Licences and permits	7120	7 504	7 362	7 239	-3.53%	-1.67%
Agency services	2018	2 100	2 100	1 907	-9.19%	-9.19%
Transfers recognised - operational	82289	122 945	115 759	123 909	0.78%	7.04%
Other revenue	40186	27 931	34 411	49 713	77.99%	44.47%
Gains on disposal of PPE	1256	–	–	-934	100%	100%
Total Revenue (excluding capital transfers and contributions)	**1074893**	**1 219 309**	**1 229 753**	**1 271 144**	**4.25%**	**3.37%**

Table 221: Revenue by Source

5.1.3 OPERATIONAL SERVICES PERFORMANCE

The table below indicates the operational services performance for the 2015/16 financial year:

Description	2014/15	2015/16			2015/16 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000					%
Operating Cost						
Water	111 214	112 380	112 230	-62 272	-14 637	-155.49%
Waste Water (Sanitation)	76 117	111 746	115 801	-21 893	-66 137	-118.91%

Description	2014/15	2015/16			2015/16 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000					%
Electricity	393 396	455 272	450 637	-113 515	-66 708	-125.19%
Waste Management	61 354	112 380	112 230	-17 623	16 834	-125.55%
Housing	29 515	111 746	115 801	-216	-1 319	-100.48%
Component A: sub-total	**671 595**	**455 272**	**450 637**	**-215 519**	**-131 967**	**-127.17%**
Roads and Stormwater	76 877	61 851	68 964	54 646	58 419	-18.94%
Component B: sub-total	**76 877**	**53 400**	**45 463**	**54 646**	**58 419**	**-18.94%**
Planning (Strategic and Regulatory)	24 542	**794 649**	**793 095**	7 083	6 343	-78.76%
Component C: sub-total	**24 542**	**66 717**	**67 417**	**7 083**	**6 343**	**-78.76%**
Libraries	11 404	**66 717**	**67 417**	8 408	9 668	-31.15%
Cemeteries	3 175	32 901	33 351			
Community development	3 842	**32 901**	**33 351**	4 530	-18 570	-41.86%
Component D: sub-total	**18 420**	**12 212**	**12 212**	**12 938**	**-8 902**	**-43.90%**
Environmental Protection (Part of Planning)	0	3 059	3 059	3 030	3 537	-3.23%
Component E: sub-total	**0**	**7 542**	**7 792**	**3030**	**3 537**	**-3.23%**
Traffic Services	31 705	**22 813**	**23 063**	5 430	6 121	-90.48%
Fire Services and Disaster Management	22 569	3 131	3 131	29 419	26 105	19.65%
Other Public Safety	0	**3 131**	**3 131**			
Component F: sub-total	**54 274**	**54 724**	**57 024**	**34 849**	**32 226**	**-63.72%**
Forestry and Markets	210	24 587	24 587			
Sport Grounds, Parks, Swimming Pools	49 103	9 435	14 435	10 394	9 764	-66.85%
Community Halls, Facilities and Thusong Centres	3 122	**88 746**	**96 046**	3 039	2 877	-8.30%
Other Community Facilities	0	7 732	7 732	16 734	21 965	76.95%
Component G: sub-total	**52 435**	**31 303**	**31 353**	**30 167**	**34 606**	**-41.83%**
Executive and Council	48 253	3 314	3 314	16 888	18 078	-69.72%
Financial Services	59 708	9 457	9 457	-249 591	-231 289	-466.29%

Description	2014/15	2015/16			2015/16 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000					%
Corporate Services	144 137	**51 806**	**51 856**	14 286	10 048	-86.03%
Component H: sub-total	**252 098**	**56 214**	**55 764**	**-218 417**	**-203 163**	**-196.58%**
Total Expenditure	**1 150 241**	**68 541**	**68 141**	**-291 223**	**-208 901**	**-122.50%**

Table 222: Operational Services Performance: Personnel Expenditure

5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

5.2.1 WATER SERVICES

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**(160 977)**	**(145 512)**	**(148 268)**	**(175 134)**	**18.12%**
Expenditure:					
Employees	25 670	26 893	26 733	28 942	8.26%
Repairs and Maintenance	11 797	14 374	13 622	9 498	-30.27%
Other	88 014	89 608	91 815	73 422	-20.03%
Total Operational Expenditure	**125 481**	**130 875**	**132 170**	**111 862**	**-15.37%**
Net Operational (Service)	**(35 496)**	**(14 637)**	**(16 098)**	**(62 272)**	**286.83%**

Table 223: Financial Performance: Water Services

5.2.2 SANITATION SERVICES

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**(150 071)**	**(149 103)**	**(150 900)**	**(99 184)**	**-34.27%**
Expenditure:					
Employees	24 920	26 972	26 972	27 715	2.75%

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Repairs and Maintenance	5 843	12 819	13 770	8 183	-40.57%
Other	37 103	43 175	52 174	41 393	-20.66%
Total Operational Expenditure	67 866	82 966	92 916	77 291	-16.82%
Net Operational (Service)	-82 205	-66 137	-57 984	-21 893	-62.24%

Table 224: Financial Performance: Sanitation Services

5.2.3 ELECTRICITY SERVICES

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**(436 608)**	**(486 663)**	**(480 723)**	**(501 100)**	**4.24%**
Expenditure:					
Employees	18 902	20 008	20 008	20 299	1.45%
Repairs and Maintenance	11 442	12 863	12 509	11 184	-10.59%
Other	320 739	387 084	375 296	356 102	-5.11%
Total Operational Expenditure	**351 083**	**419 955**	**407 813**	**387 585**	-4.96%
Net Operational (Service)	**(85 525)**	**(66 708)**	**(72 910)**	**(113 515)**	55.69%

Table 225: Financial Performance: Electricity Services

5.2.4 WASTE MANAGEMENT SERVICES (REFUSE COLLECTIONS, WASTE DISPOSAL AND RECYCLING)

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**(54 982)**	**(56 254)**	**(58 418)**	**(59 316)**	**1.54%**
Expenditure:					
Employees	9 402	10 560	10 560	11 046	4.60%
Repairs and Maintenance	2 291	3 017	2 711	1 362	-49.76%
Other	40 492	25 843	33 262	29 285	-11.96%
Total Operational Expenditure	**52 185**	**39 420**	**46 533**	**41 693**	-10.40%
Net Operational (Service)	**(2 797)**	**(16 834)**	**(11 885)**	**(17 623)**	48.28%

Table 226: Financial Performance: Waste Management Services (Refuse Collections, Waste Disposal, and Recycling)

5.2.5 HOUSING

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**(23 652)**	**(45 337)**	**(37 401)**	**(47 152)**	**26.07%**
Expenditure:					
Employees	11 810	12 437	12 581	15 917	26.52%
Repairs and Maintenance	338	985	420	381	-9.29%
Other	13 228	30 596	22 652	30 638	35.26%
Total Operational Expenditure	**25 376**	**44 018**	**35 653**	**46 936**	31.65%
Net Operational (Service)	**1 724**	**(1 319)**	**(1 748)**	**(216)**	**-87.64%**

Table 227: Financial Performance: Housing Personnel Expenditure

5.2.6 ROADS AND STORMWATER

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**(5 021)**	**(5 843)**	**(5 851)**	**(5 826)**	**-0.43%**
Expenditure:					
Employees	11 861	13 684	13 684	13 534	-1.10%
Repairs and Maintenance	6 920	7 971	8 551	6 049	-29.26%
Other	38 380	42 607	42 906	40 889	-4.70%
Total Operational Expenditure	**57 161**	**64 262**	**65 141**	**60 472**	-7.17%
Net Operational (Service)	**52 140**	**58 419**	**59 290**	**54 646**	**-7.83%**

Table 228: Financial Performance: Roads and Stormwater

5.2.7 TOWN PLANNING AND SPATIAL PLANNING

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**(141)**	**(246)**	**(746)**	**(345)**	**-53.75%**
Expenditure:					
Employees	5 600	6 280	6 280	7 126	13.47%
Repairs and Maintenance	0	10	10	1	-90.00%
Other	316	299	799	301	-62.33%
Total Operational Expenditure	**5 916**	**6 589**	**7 089**	**7 428**	**4.78%**
Net Operational (Service)	**5 775**	**6 343**	**6 343**	**7 083**	**11.67%**

Table 229: Financial Performance: Town Planning and Spatial planning

5.2.8 LED

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**0**	**(1 075)**	**(1 075)**	**(1 075)**	**0.00%**
Expenditure:					
Employees	2 862	3 033	2 887	3 269	13.23%
Repairs and Maintenance	0	11	0	0	0.00%
Other	855	1568	1 761	836	-52.53%
Total Operational Expenditure	**3 717**	**4 612**	**4 648**	**4 105**	**-11.68%**
Net Operational (Service)		**3 537**	**3 573**	**3 030**	**-15.20%**

Table 230: Financial Performance: LED

5.2.9 LIBRARIES

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**(106)**	**(75)**	**(83)**	**(445)**	**436.14%**
Expenditure:					
Employees	7 316	8 242	8 242	7 484	-9.20%
Repairs and Maintenance	114	147	145	72	-50.34%
Other	1 109	1354	1 392	1 297	-6.82%
Total Operational Expenditure	**8 539**	**9 743**	**9 779**	**8 853**	**-9.47%**
Net Operational (Service)	**8 433**	**9 668**	**9 696**	**8 408**	**-13.28%**

Table 231: Financial Performance: Libraries

5.2.10 COMMUNITY DEVELOPMENT

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**(46 792)**	**(78 790)**	**(78 923)**	**(97 637)**	**23.71%**
Expenditure:					
Employees	21 783	24 005	24 005	24 413	1.70%
Repairs and Maintenance	609	787	712	581	-18.40%
Other	29 301	35 428	37 440	77 173	106.12%
Total Operational Expenditure	**51 693**	**60 220**	**62 157**	**102 167**	**64.37%**
Net Operational (Service)	**4 901**	**(18 570)**	**(16 766)**	**4530**	**-127.02%**

Table 232: Financial Performance: Community Development

5.2.11 TRAFFIC SERVICES

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**0**	**0**	**0**	**0**	**0.00%**
Expenditure:					
Employees	3 115	4 562	4 162	4 016	-3.51%
Repairs and Maintenance	7	10	10	4	-60.00%
Other	117	1 549	1 928	1 410	-26.87%
Total Operational Expenditure	**3 239**	**6 121**	**6 100**	**5 430**	**-10.98%**
Net Operational (Service)	**3 239**	**6 121**	**6 100**	**5 430**	**-10.98%**

Table 233: Financial Performance: Traffic Services

5.2.12 FIRE SERVICES AND DISASTER MANAGEMENT

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**(473)**	**(220)**	**(222)**	**(465)**	**109.46%**
Expenditure:					
Employees	19 804	22 697	22 697	24 243	6.81%
Repairs and Maintenance	813	822	1 121	1 023	-8.74%
Other	3 334	2 806	3 171	4 618	45.63%
Total Operational Expenditure	**23 951**	**26 325**	**26 989**	**29 884**	**10.73%**
Net Operational (Service)	**23 478**	**26 105**	**26 767**	**29 419**	**9.91%**

Table 234: Financial Performance: Fire Services and Disaster Management Personnel Expenditure

5.2.13 HOLIDAY RESORTS AND CAMPSITES

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**(0)**	**(110)**	**(110)**	**(0)**	**-100.00%**
Expenditure:					
Employees	11 021	11 814	11 974	11 518	-3.81%
Repairs and Maintenance	2 394	6 136	3 540	2 244	-36.61%
Other	2 418	4 125	2 511	2 972	18.36%
Total Operational Expenditure	**15 833**	**22 075**	**18 025**	**16 734**	**-7.16%**
Net Operational (Service)	**15 833**	**21 965**	**17 915**	**16 734**	**-6.59%**

Table 235: Financial Performance: Holiday Resorts and Campsites

5.2.14 SPORT GROUNDS, PARKS AND SWIMMING POOLS

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**(1 470)**	**(2 343)**	**(2 343)**	**(1 274)**	**-45.63%**
Expenditure:					
Employees	3 941	6 651	6 501	6 501	0.00%
Repairs and Maintenance	1 788	2 104	2 096	1 696	-19.08%
Other	3 180	3 352	3 422	3 471	1.43%
Total Operational Expenditure	**8 909**	**12 107**	**12 019**	**11 668**	**-2.92%**
Net Operational (Service)	**7 439**	**9 764**	**9 676**	**10 394**	**7.42%**

Table 236: Financial Performance: Sport Grounds, Parks and Swimming Pools

5.2.15 COMMUNITY HALLS AND THUSONG CENTRES

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**(448)**	**(558)**	**(532)**	**(392)**	**-26.32%**
Expenditure:					
Employees	2 318	2 710	2 710	2 870	5.90%
Repairs and Maintenance	101	107	107	31	-71.03%
Other	551	618	618	530	-14.24%
Total Operational Expenditure	**2 970**	**3 435**	**3 435**	**3 431**	**-0.12%**
Net Operational (Service)	**2 522**	**2 877**	**2 903**	**3 039**	**4.68%**

Table 237: Financial Performance: Community Halls and Thusong Centres

5.2.16 OFFICE OF THE MUNICIPAL MANAGER

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**(0)**	**(0)**	**(0)**	**(0)**	**0.00%**
Expenditure:					
Employees	8 994	10 554	10 554	10 532	-0.21%
Repairs and Maintenance	1	13	13	0	-100.00%
Other	6 136	7 511	7 511	6 356	-15.38%
Total Operational Expenditure	**15 131**	**18 078**	**18 078**	**16 888**	**-6.58%**
Net Operational (Service)	**15 131**	**18 078**	**18 078**	**16 888**	**-6.58%**

Table 238: Financial Performance: Office of the Municipal Manager

5.2.18 HUMAN RESOURCE SERVICES

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**(14)**	**(3)**	**(3)**	**0**	**-100%**
Expenditure:					
Employees	6 046	6 234	6 428	8 423	**31.03%**
Repairs and Maintenance	1	4	4	0	**-100%**
Other	6 387	8 486	8 538	9 113	**6.73%**
Total Operational Expenditure	**12 434**	**14 724**	**14 970**	**17 536**	**17.14%**
Net Operational (Service)	**12 420**	**14 721**	**14 967**	**17 536**	**17.16%**

Table 239: Financial Performance: Human Resource Services

5.2.19 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**0**	**0**	**0**	**0**	**0%**
Expenditure:					
Employees	3 627	4731	4 611	6 361	**37.95%**
Repairs and Maintenance	323	423	423	39	**-90.78%**
Other	7 105	8 820	11 715	8 600	**-26.60%**
Total Operational Expenditure	**11 055**	**13 974**	**16 749**	**15 000**	**-10.44%**
Net Operational (Service)	**11 055**	**13 974**	**16 749**	**15 000**	**-10.44%**

Table 240: Financial Performance: Information and Communication Technology (ICT) Services

5.2.21 LEGAL SERVICES

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**(2)**	**(2)**	**(2)**	**(2)**	**0%**
Expenditure:					
Employees	1 608	2 005	1 905	2 786	46.25%
Repairs and Maintenance	0	5	5	0	-100%
Other	6 696	8 043	9 533	11 502	20.66%
Total Operational Expenditure	**8 304**	**10 048**	**11 443**	**14 288**	**24.86%**
Net Operational (Service)	**8 302**	**10 046**	**11 441**	**14 286**	**24.87%**

Table 241: Financial Performance: Legal Services

5.2.22 PROPERTY MANAGEMENT

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**(4 274)**	**(4 621)**	**(4 479)**	**(3 671)**	**-18.04%**
Expenditure:					
Employees	1 632	1 625	1 625	1 913	17.72%
Repairs and Maintenance	148	21	7	5	-28.57%
Other	6 240	10 421	10 513	7 581	-27.89%
Total Operational Expenditure	**8 020**	**12 067**	**12 145**	**9 499**	**-21.79%**
Net Operational (Service)	**3 746**	**7 446**	**7 666**	**5 828**	**-23.98%**

Table 242: Financial Performance: Property and Contract Management

5.2.23 FINANCIAL SERVICES

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**(299 349)**	**(302 256)**	**(317 385)**	**(323 904)**	**2.05%**
Expenditure:					
Employees	31 854	37 210	37 244	38 200	2.57%
Repairs and Maintenance	51	146	146	70	-52.05%
Other	22 516	33 611	33 141	36 043	8.76%
Total Operational Expenditure	**54 421**	**70 967**	**70 531**	**74 313**	**5.36%**
Net Operational (Service)	**(244 928)**	**(231 289)**	**(246 854)**	**(249 591)**	**1.11%**

Table 243: Financial Performance: Financial Services

5.2.24 MUNICIPAL COURT

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**0**	**0**	**0**	**0**	**0.00%**
Expenditure:					
Employees	0	0	540	543	0.56%
Repairs and Maintenance	0	19	19	4	-78.95%
Other	4	1 970	472	151	-68.01%
Total Operational Expenditure	**4**	**1 989**	**1 031**	**698**	**-32.30%**
Net Operational (Service)	**4**	**1 989**	**1 031**	**698**	**-32.30%**

Table 244: Financial Performance: Financial Services

5.3 GRANTS

5.3.1 GRANT PERFORMANCE

The Municipality had a total amount of R 123.909 million for operational expenditure available that was received in the form of grants from the National and Provincial Governments during the 2015/16 financial year. The performance in the spending of these grants are summarised as follows:

Description	2014/15	2015/16			2015/16 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
National Government:	**69 334**	**88 417**	**88 417**	**88 417**	**0%**	**0%**
Equitable Share	65 606	84 962	84 962	84 962	**0%**	**0%**
Financial Management Grant	1 250	1 450	1 450	1 450	**0%**	**0%**
Municipal Systems Improvement	934	930	930	930	**0%**	**0%**
EPWP	1 544	1 075	1 075	1 075	**0%**	**0%**
Energy Efficiency and Demand Side Management	0	0	0	226	**0%**	**0%**
Provincial Government:	**8 368**	**33 420**	**29 834**	**34 567**	**3%**	**16%**
Provincial Government PHP Top Structure	2 871	24 759	20 423	25 073	**1%**	**23%**
Library Services Support	5 413	8 607	8 607	8 607	**0%**	**0%**
CDW Support	84	54	54	37	**-31%**	**-31%**
LG FMG	0	0	250	250	**0%**	**0%**
Integrated Transport Plan	0	0	0	600	**0%**	**0%**
Environmental Affairs and Development Planning	0	0	500	0	**0%**	**-100%**
Other Grant Providers:		**800**	**800**	**669**	**-16%**	**-16%**

Description	2014/15	2015/16			2015/16 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
	4 287					
Public contributions and donations	4 585	800	800	699	**-13%**	**-13%**
Total Operating Transfers and Grants	**82 289**	**122 945**	**115 759**	**123 909**	**1%**	**7%**

Table 245: ***Grant Performance for 2015/2016***

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5.3.2 CAPITAL GRANTS: EXCLUDING MIG

Description	2014/15	2015/16			2015/16 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
National Government:	**18 362**	**52 128**	**52 378**	**57 902**	**11%**	**11%**
Regional Bulk Infrastructure	18 025	48 128	48 128	48 128	**0%**	**0%**
Integrated National Electrification Programme (Municipal) Grant	–	4 000	4 000	4 000	**0%**	**0%**
Energy Efficiency and Demand Side Management		6 000	6 000	5 774	**-4%**	**-4%**
Financial Management Grant	192	0	0	0	**0%**	**0%**
Provincial Government:	**9 780**	**19 779**	**27 715**	**16 348**	**-17%**	**-41%**
Human Settlements Development Grant	8 916	15 791	23 727	15 992	**1%**	**-33%**
Maintenance and Construction of Transport Infrastructure	264	308	308	–	**-100%**	**-100%**
Libraries Services Support		3 080	3 080	356	**-88%**	**-88%**

Description	2014/15	2015/16			2015/16 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Integrated Transport Planning	600	600	600	0	-100%	-100%
Other Grant Providers:	**–**	_	**50**	**34**	**0%**	**-32%**
Other	382	0	50	34	0%	-32%
Total Operating Transfers and Grants	**28 380**	**77 599**	**85 535**	**74 250**	**-4%**	**-13%**

Table 246: Capital Grants (excl. MIG)

5.3.3 LEVEL OF RELIANCE ON GRANTS AND SUBSIDIES

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000		%
2013/14	153 617	1 200 732	12.79
2014/15	139 590	1 175 909	11.87
2015/16	227 268	1 411 274	16.10

Table 247: Reliance on Grants

5.4 ASSET MANAGEMENT

Asset management is practised within the organisation based on a comprehensive Asset Management Policy. The Asset Management Policy provides direction for the management, accounting and control of property, plant and equipment (assets) owned or controlled by the municipality to ensure the following:

- Implementation of the approved Asset Management Policy as required in terms of section 63 of the Municipal Finance Management Act (MFMA).
- Verify assets in possession of the Council annually, during the course of the financial year.

- Keep a complete and balanced record of all assets in possession of the Council.
- Report in writing all asset losses, where applicable, to Council.
- Those assets are valued and accounted for in accordance with a statement of GRAP.

5.4.1 REPAIRS AND MAINTENANCE

Description	2014/15	2015/16			2015/16 Variance
	Actual	Original Budget	Adjustment Budget	Actual	Budget variance
	R'000				%
Repairs and Maintenance Expenditure	58 453	81 404	79 117	54 657	-31%

Table 248: Repairs and Maintenance Expenditure

5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

5.5.1 LIQUIDITY RATIO

Description	Basis of calculation	2013/14	2014/15	2015/16
Current Ratio	Current assets/current liabilities	2.99	2.54	2.72
Current Ratio adjusted for aged debtors	Current assets - debtors > 90 days/current liabilities	2.16	1.92	2.6
Liquidity Ratio	Monetary Assets/Current Liabilities	2.93	2.50	2.61

Table 249: Liquidity Ratio

5.5.2 IDP REGULATION FINANCIAL VIABILITY INDICATORS

Description	Basis of calculation	2013/14	2014/15	2015/16
Cost Coverage	(Available cash + investments)/monthly fixed operational expenditure	7.84	9.89	1.4
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	17.66%	18.22%	10.22%
Debt Coverage	(Total operating revenue - operating grants)/debt service payments due within financial year)	46.83	42.45	64.13%

Table 250: Financial Viability of National KPAs

5.5.3 BORROWING MANAGEMENT

Description	Basis of calculation	2013/14	2014/15	2015/16
Capital Charges to Operating Expenditure	Interest and Principal Paid /Operating Expenditure	2.14%	2.36%	1.6%

Table 251: Borrowing Management

5.5.4 EMPLOYEE COSTS

Description	Basis of calculation	2013/14	2014/15	2015/16
Employee costs	Employee costs/(total revenue - capital revenue)	27.01%	28.60%	28.10%

Table 252: Employee Costs

5.5.5 REPAIRS & MAINTENANCE

Description	Basis of calculation	2013/14	2014/15	2015/16
Repairs and Maintenance	R&M/(total revenue excluding capital revenue)	4.81%	5.16%	4.36%

Table 253: Repairs and Maintenance

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.6 CAPITAL EXPENDITURE

5.6.1 CAPITAL EXPENDITURE BY ASSETS PROGRAMME

Description	2015/16		
	Original Budget	Adjustment Budget	Actual Expenditure
	R'000		
Capital Expenditure by Asset Class			
Infrastructure - Total			
Infrastructure: Road transport - Total	**32 610**	**29 880**	**22 732**
Roads, Pavements, Bridges and Stormwater	32 610	29 880	22 732
Infrastructure: Electricity - Total	**43280**	**44680**	**37100**
Transmission and Reticulation	40 930	42 330	34 939
Street Lighting	2 350	2 350	2 161
Infrastructure: Water - Total	**62 618**	**62 347**	**58 722**
Dams and Reservoirs	4 137	4 537	3 425
Water Reticulation	58 481	53 581	53 650
Water Purification	0	4 229	1 647
Infrastructure: Sanitation - Total	**195 556**	**172 838**	**162 265**
Sewerage Reticulation	195 556	172 838	162 265
Infrastructure: Other - Total	**6030**	**5961**	**4957**
Transportation	550	0	0
Other	5 480	5 961	4 957
Community - Total	**42 582**	**39 927**	**17 225**
Parks and Gardens	1 465	3 558	2 182
Sport Fields and Stadia	4 817	5 177	4 944
Community Halls	12 000	10 082	1 302
Libraries	4 300	4 300	276

Description	2015/16		
	Original Budget	Adjustment Budget	Actual Expenditure
	R'000		
Recreational Facilities	1 550	1 750	
Fire, Safety and Emergency	500	700	302
Cemeteries	1 950	1 950	1 833
Social Rental Housing	2 650	9 298	5 769
Other	13 350	3 112	617
Capital Expenditure by Asset Class			
Heritage Assets - Total	**500**	**1500**	**0**
Buildings	500	**1 500**	**0**
Other Assets	**65 634**	**75 566**	**43 288**
General Vehicles	8 880	8 930	5 411
Specialised Vehicles	5 500	700	2 722
Plant and Equipment	8 425	5 675	1 578
Computers - Hardware/Equipment	2 550	4 635	2 975
Furniture and other Office Equipment	10 332	12 066	4 812
Other Buildings	28 528	26 737	20 895
Other	1 419	16 823	4 895
Intangibles	**3 950**	**3 950**	**2 572**
Other (List Sub-Class)	3 950	3 950	2 572
Total Capital Expenditure on New Assets	**452 760**	**437 183**	**348 861**

Table 254: Capital Expenditure

5.7 SOURCES OF FINANCE

The table below indicates the capital expenditure by funding source for the 2015/16 financial year:

Details	2015/16				
	Original Budget (OB)	Adjustment Budget	Actual	Adjustment Budget Variance	Adjustment Budget Variance
	R'000				%
Source of finance					
External Loans	88 000	92 567	92 567	5.19%	0.00%
Public Contributions and Donations	12 000	12 000	0	-100%	-100%
Grants and Subsidies	112 256	112 256	103 360	-7.92%	-7.92%
Other	240 504	255 028	152 934	-36.41%	-40.03%
Total	**452 759**	**437 183**	**348 861**	**-22.95%**	**-20.20%**
Percentage of Finance					
External Loans	19%	21%	27%	42.11%	28.57%
Public Contributions and Donations	3%	3%	0%	-100.00%	-100.00%
Grants and Subsidies	25%	26%	20%	-20.00%	-23.08%
Own Funding	53%	58%	43%	-18.87%	-25.86%
Capital Expenditure					
Water and Sanitation	263 924	238 019	222 808	-15.58%	-6.39%
Electricity	48 430	50 311	38 047	-21.44%	-24.38%
Housing	17 391	31 734	22 114	27.16%	-30.31%
Roads and Stormwater	41 260	38 730	23 241	-43.67%	-39.99%
Other	81 754	78 389	42 651	-47.83%	-45.59%
Total	**452 759**	**437 183**	**348 861**	**-22.95%**	**-20.20%**
Percentage of Expenditure					
Water and Sanitation	58%	54%	64%	10.34%	18.52%
Electricity	11%	12%	11%	0.00%	-8.33%
Housing	4%	7%	6%	50.00%	-14.29%

Roads and Stormwater	9%	9%	7%	-22.22%	-22.22%
Other	18%	18%	12%	-33.33%	-33.33%

Table 255: Capital Expenditure by Funding Source

5.8 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Projects with the highest capital expenditure in 2015/16:

Name of Project	2015/16			Variance 2015/16	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment Variance
	R			%	
Extension of WWTW Stellenbosch	175 000	156 400	151 863	-13.22%	-2.90%
New Stellenbosch Main Sewer Outfall	35 000	30 300	29 744	-15.02%	-1.83%
Water-Pipe Replacement	9 000	13 758	13 276	47.51%	-3.50%
New Community Centre: Klapmuts	10 000	10 365	583	-94.17%	-94.38%
New Housing: Kayamandi	9 801	17 737	15 992	63.17%	-9.84%

Table 256: Capital Expenditure on the 5 Largest Projects

5.9 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

Out of the various Master Plans revised, various infrastructure backlogs and upgrades were identified which will be required to meet current and future development needs. Budgetary provision will be made accordingly.

The service level above minimum standard can be interpreted as the backlogs to upgrade current households above minimum standard to households supplied with water inside dwelling.

In terms of the definition for backlogs for the minimum standard water supply, Stellenbosch Municipality has zero (0) backlogs. Major backlogs exist in terms of delapidated infrastructure and the bulk services to provide for future development and current provision of water and sanitation.

5.9.1 MUNICIPAL INFRASTRUCTURE GRANT (MIG)

Details	Budget	Adjustment Budget	Actual	Variance
				Budgets
	R'000			%
Bulk Water Supply Pipeline and Reservoir - Jamestown	3 881 000	3 881 000	388 714	-91%
New Stellenbosch Main Sewer Outfall	8 564 019	12 300 983	11 104 170	-21%
Upgrade of WWTW: Klapmuts	11 825 017	11 825 017	9 751 019	-28%
Upgrade Gravel Roads - Mooiwater: Section 2	4 500 000	4 500 000	5 637 208	10%
Street Lighting: Wemmershoek	750 000	750 000	706 728	-17%
Street Lighting: La Motte	750 000	750 000	832 149	-3%
Bulk water supply Pipe Line and Pump Stations: Franschhoek	-	-	1 544 851	100%
Bulk Water Supply Pipe: Cloetesville/Idas Valley	-	-	1 641 272	100%
Bulk Sewer Outfall: Jamestown	-	-	407 036	100%
Upgrade Refuse Disposal Site (Existing Cell) - Rehab	-	-	1 126 071	100%
Klapmuts Public Transport Interchange	350 000	350 000	205 739	-48%
Upgrade of Sport Facilities	1 754 386	300 000	1 312 043	100%
Total Municipal Infrastructure Grant	**34 657 000**	**34 657 000**	**34 657 000**	**0**

Table 257: Municipal Infrastructure Grant (MIG)

5.10 CASH FLOW

Description	2014/15	2015/16		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
Cash Flow from Operating Activities				
Receipts				
Ratepayers and Other	926 329	986 555	989 782	1 019 121
Government Grants	142 929	235 201	235 951	237 009
Interest	40 186	31 944	46 347	49 713
Payments				
Employee Costs	(341 659)	(366 905)	(366 905)	(392 495)
Suppliers	(456 665)	(644 301)	(655 745)	(587 583)
Finance Costs	(13 409)	(23 714)	(22 714)	(20 391)
Net Cash from/(Used) Operating Activities	**297 711**	**218 780**	**226 716**	**305 374**
Cash Flow from Investing Activities				
Receipts				
Proceeds on Disposal of PPE	1 744	0	0	0
Proceeds on Disposal of Biological Assets	558	0	0	353
Movement in Non-Current Receivables	0	0	0	2 142
Payments				
Purchase of PPE	(230 351)	(452 759)	(437 183)	(347 967)
Movement in Non-Current Receivables	(4 158)	0	0	0
Movement in Investments	0	0	0	(480 000)
Net Cash from/(Used) Investing Activities	**(233 950)**	**(452 759)**	**(437 183)**	**(349 282)**
Cash Flow from Financing Activities				
Receipts				
Proceeds from Other Financial Liabilities	50 000	88 000	88 000	50 000
Payments				
Repayment of Borrowing	(11 003)	(6 975)	(6 975)	(11 145)

Description	2014/15	2015/16		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
Net Cash from/(Used) Financing Activities	38 997	81 025	81 025	38 855
Net Increase/(Decrease) in Cash Held	104 502	(152 954)	(129 442)	(481 243)
Cash/Cash Equivalents at the Year-Begin:	504 928	558 186	609 430	609 430
Cash/Cash Equivalents at the Year-End:	609 430	405 232	479 989	128 187

Table 258: Cash Flow

5.11 GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services (Electricity and Water)	Trading services (Sanitation and Refuse)	Housing rentals	Other	Total
	(R'000)					
2013/14	36 588	74 698	31 936	17 036	137 149	297 409
2014/15	35 461	74 284	32 599	14 116	110 990	267 450
Difference	-1 127	- 414	663	-2 920	-26 159	-29 959
% growth year on year	**-3%**	**-1%**	**2%**	**-17%**	**-19%**	**-10%**
2015/16	32 546	79 347	31 768	11 989	135 506	291 156
Difference	-2 915	5 063	- 831	-2 127	24 516	23 706
% growth year on year	**-8%**	**7%**	**-3%**	**-15%**	**22%**	**9%**

Table 259: Gross Outstanding Debtors per Service

Note: Figures exclude provision for bad debt.

5.12 DEBTORS AGE ANALYSIS

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	Between 90-120 days	More than 120 days	Total
	(R'000)					
2013/14	67 826	16 455	10 282	9 144	193 702	297 409
2014/15	62 707	10 964	10 945	8 495	174 340	267 451
Difference	-5 118	-5 491	663	- 649	-19 363	-29 958
% growth year on year	**-8%**	**-33%**	**6%**	**-7%**	**-10%**	**-10%**
2015/16	69 604	11 168	10 664	9 044	190 677	291 157
Difference	6 897	205	- 281	549	16 337	23 707
% growth year on year	**11%**	**2%**	**-3%**	**6%**	**9%**	**9%**

Table 260: Gross Outstanding Debtors per Service

Note: Figures exclude provision for bad debt.

5.13 BORROWING AND INVESTMENTS

The municipality's cash position is monitored on a daily basis and any cash not required immediately to meet cash flow requirements is invested on a monthly basis at approved institutions, strictly in accordance with Council's approved Cash and Investment Policy.

5.13.1 ACTUAL BORROWINGS

Instrument	2013/14	2014/15	2015/16
	R'000		
Long-Term Loans	116 742	159 439	198 294

Table 261: Actual Borrowings

5.13.2 MUNICIPAL INVESTMENTS

Investment type	2013/14	2014/15	2015/16
	R'000		
Deposits - Bank	490 648	592 648	600 239

Table 262: Municipal Investments

6.1 AUDITOR GENERAL REPORTS 2015/16

2015/16	
Audit Report Status:	**Unqualified**
2015/16	
Issue Raised	**Corrective Measures Required**
Emphasis of Matter:	
Significant Uncertainties	
With reference to note 51 to the financial statements, the municipality is at risk regarding the payment of claims relating to contractual disputes from third parties. The amounts in this regard were uncertain at year-end and no provision for any liability that may result has been made in the financial statements.	N/A
Changes in Accounting Policy	
As disclosed in note 59 to the financial statements, the municipality changed its accounting policy with respect to the treatment of land and buildings and investment property by applying Directive 11, changes in measurement bases following the initial adoption of Standards of GRAP as issued by the Accounting Standards Board. Land and buildings and investment properties were initially measured on the revaluation model and fair value model, respectively. The cost model was applied retrospectively on these assets during the 2015-16 financial year.	N/A
Restatement of Corresponding Figures	
As disclosed in note 60 to the financial statements, the corresponding figures for 30 June 2014 have been restated as a result of errors discovered during 2015 in the financial statements of the municipality at, and for the year ended, 30 June 2014.	N/A
Material Impairments	
As disclosed in note 4 and 7 to the financial statements, the allowance for impairment of receivables from exchange and non-exchange transactions amounted to R52 million (2014/15: R63 million) and R94 million (2014/15: R73 million) respectively.	N/A

Table 263: 2015/16 - Detail on Audit Outcomes

ANNEXURE B: REPORT OF THE AUDITOR GENERAL

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

Report on the financial statements

Introduction

1. I have audited the financial statements of the Stellenbosch Municipality set out on pages 5 to 126, which comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Stellenbosch Municipality as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

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

Significant uncertainties

8. With reference to note 51 to the financial statements, the municipality is at risk regarding the payment of claims relating to contractual disputes from third parties. The amounts in this regard were uncertain at year-end and no provision for any liability that may result has been made in the financial statements.

Changes in accounting policy

9. As disclosed in note 59 to the financial statements, the municipality changed its accounting policy with respect to the treatment of land and buildings and investment property by applying Directive 11, *Changes in measurement bases following the initial adoption of Standards of GRAP* as issued by the Accounting Standards Board. Land and buildings and investment properties were initially measured on the revaluation model and fair value model, respectively. The cost model was applied retrospectively on these assets during the 2015-16 financial year.

Restatement of corresponding figures

10. As disclosed in note 60 to the financial statements, the corresponding figures for 30 June 2015 have been restated as a result of errors discovered during the 2015-16 financial year in the financial statements of the municipality at, and for the year ended, 30 June 2015.

Material impairments

11. As disclosed in notes 4 and 7 to the financial statements, respectively, the municipality has provided for the impairment of receivables from exchange transactions amounting to R51,8 million (2014-15: R62,9 million) and the impairment of receivables from non-exchange transactions amounting to R94,4 million (2014-15: R72,9 million).

Additional matter

12. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

13. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form

part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

Report on other legal and regulatory requirements

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

15. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected objective presented in the annual performance report of the municipality for the year ended 30 June 2016:

    - Objective 4: dignified living, on pages 149 to 154

16. I evaluated the usefulness of the reported performance information to determine whether it was consistent with the planned objective. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for Managing Programme Performance Information.

17. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

18. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected objective.

Additional matters

19. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected objective, I draw attention to the following matters:

Achievement of planned targets

20. Refer to the annual performance report on page 147 for information on the achievement of the planned targets for the year.

Adjustment of material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of objective 4: dignified living. As management subsequently corrected the misstatements, I did not identify material findings on the usefulness and reliability of the reported performance information.

Compliance with legislation

22. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

23. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

Other reports

24. I draw attention to the following engagements that could potentially have an impact on the municipality's financial, performance and compliance related matters. My opinion is not modified in respect of these engagements.

Investigations

25. Various investigations in respect of allegations relating to procurement irregularities, the misconduct of employees and fraudulent activities were conducted by the municipality. At the date of the audit report, these matters were still in progress.

Auditor-General

Cape Town

30 November 2016

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

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Audited Annual Financial Statements for the period ended 30 June 2016

2015/2016

General Information

Mayoral committee	
Executive Mayor	CJ Sidego
Deputy Executive Mayor	MG Smuts
Speaker	C Jooste
Executive Councillors	A Frazenburg
	V Fernandez
	N Jindela
	SJ Louw
	PJ Retief
	JP Serdyn
	Q Smit
	DC Botha
	F Adams
Councillors	DS Arends
	NM August
	HC Bergstedt
	A Crombie
	JA Davids
	E Groenewald
	R Du Toit
	JSA Fourie
	N Gcaza
	DA Hendrickse
	JK Hendriks
	MC Johnson
	S Jooste
	CP Jooste
	DD Joubert
	SJ Louw
	N Mananga-Gugushe
	EL Maree
	NE McOmbring
	LX Mdemka
	C Moses
	RS Nalumango
	N Ntsunguzi
	MM Ngcofe
	KE Qotywa
	WJ Pretorius
	L Ronoti
	P Sitshoti
	LN Siwakamisa
	LL Stander
	PJ Venter
	M Wanana
Grading of local authority	Councillors Grade 4
	Personnel Grade 10
Acting Accounting Officer	R Bosman
	Tel: 021 808 8025

General Information

	Fax: 021 808 8200
Chief Finance Officer (CFO)	M Wust Tel: 021 808 8528 Fax: 021 886 7318
Registered office	Plein Street Stellenbosch 7600
Business address	Plein Street Stellenbosch 7600
Postal address	P O Box 17 Stellenbosch 7599
Bankers	ABSA
Auditors	Auditor-General of South Africa

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The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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Abbreviations

CRR	Capital Replacement Reserve
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act

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 annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the 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 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.

I acknowledge that I am ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable me to meet these responsibilities, I 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 municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

I am 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.

I am responsible for the preparation of these financial statements in terms of Section 126(1) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) and signed the Annual Financial Statements on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 33 and 34 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements have been prepared on the going concern basis, is hereby certified.

Richard Bosman
Acting Accounting Officer

31 August 2016

Statement of Financial Position as at 30 June 2016

Figures in Rand	Note(s)	2016	2015 Restated*
Assets			
Current Assets			
Cash and cash equivalents	3	128 186 992	609 430 081
Receivables from exchange transactions	4	84 833 702	69 830 863
Other receivables from exchange transactions	5	59 372 543	51 767 465
Inventories	6	34 658 109	21 632 300
Receivables from non-exchange transactions	7	60 051 157	61 740 911
VAT receivable	8	32 262 026	13 335 673
Short term investments	9	480 000 000	-
Long term receivables	15	1 387 174	906 108
		880 751 703	**828 643 401**
Non-Current Assets			
Biological assets that form part of an agricultural activity	10	8 907 000	10 659 185
Investment property	11	413 958 231	414 210 819
Property, plant and equipment	12	4 173 691 900	3 984 394 335
Intangible assets	13	6 777 133	5 328 494
Heritage assets	14	724 002	724 002
Long term receivables	15	2 188 000	4 175 128
		4 606 246 266	**4 419 491 963**
Total Assets		**5 486 997 969**	**5 248 135 364**
Liabilities			
Current Liabilities			
Consumer deposits	16	13 191 374	12 488 198
Employee benefit obligations	17	39 327 768	36 506 212
Operating lease liability	18	2 074 649	2 412 120
Other financial liabilities	19	11 908 295	9 105 127
Provisions	20	6 812 128	45 230 959
Payables from exchange transactions	21	203 602 923	182 687 513
Unspent conditional grants and receipts	22	46 820 691	37 079 744
		323 737 828	**325 509 873**
Non-Current Liabilities			
Other financial liabilities	19	186 386 067	150 333 877
Employee benefit obligations	17	207 825 478	188 703 048
Provisions	20	76 283 251	40 494 090
		470 494 796	**379 531 015**
Total Liabilities		**794 232 624**	**705 040 888**
Net Assets		**4 692 765 345**	**4 543 094 476**
Net Assets			
Accumulated surplus	23	4 692 765 345	4 543 094 476

*** See Note 59 & 60**

Statement of Financial Performance

Figures in Rand	Note(s)	2016	2015 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	24	705 713 720	625 779 854
Rental of facilities and equipment	25	16 790 832	16 808 776
Interest earned - outstanding receivables	26	5 713 800	6 313 897
Agency services	27	1 906 917	2 018 435
Licences and permits		7 238 690	7 119 738
Other income	28	35 651 984	25 961 837
Investment revenue	29	49 713 124	40 186 078
Total revenue from exchange transactions		**822 729 067**	**724 188 615**
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	30	268 311 283	249 518 660
Property rates - penalties imposed	30	2 067 379	2 850 333
Transfer revenue			
Government grants & subsidies	31	227 268 132	139 590 198
Fines, penalties and forfeits	32	90 712 510	38 751 567
Total revenue from non-exchange transactions		**588 359 304**	**430 710 758**
Total revenue		**1 411 088 371**	**1 154 899 373**
Expenditure			
Employee related costs	33	(367 462 966)	(313 819 007)
Remuneration of councillors	34	(15 844 246)	(14 430 766)
Contribution to/from provisions	35	(7 857 299)	(13 357 507)
Contribution to allowance for doubtful debt	36	(1 241 549)	(20 142 252)
Depreciation and amortisation	37	(152 439 477)	(146 611 141)
Impairment of non cash generating assets		-	(9 927 321)
Finance costs	38	(20 390 548)	(13 409 012)
Contribution to employee benefits	39	(31 607 439)	(63 213 526)
Debt impairment	40	(69 067 236)	(39 991 446)
Collection costs		(1 849 167)	(1 495 790)
Repairs and maintenance		(54 657 830)	(58 453 374)
Bulk purchases	41	(324 776 672)	(287 344 031)
Contracted services	42	(49 914 569)	(38 671 967)
Transfers and subsidies	43	(6 215 883)	(5 555 047)
General Expenses	44	(151 612 364)	(105 591 142)
Total expenditure		**(1 254 937 245)**	**(1 132 013 329)**
Operating surplus		**156 151 126**	**22 886 044**
(Loss) gain on disposal of assets and liabilities		(933 659)	1 255 730
Fair value adjustments	45	(5 624 621)	325 021
Gain on sale biological assets and agricultural produce		43 295	83 896
Inventories (losses/write-downs)/ reversal of write downs		34 728	(39 084)
		(6 480 257)	**1 625 563**
Surplus for the year		**149 670 869**	**24 511 607**

*** See Note 59 & 60**

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	3 855 555 346	3 855 555 346
Adjustments		
Prior year adjustments	663 027 523	663 027 523
Balance at 01 July 2014 as restated*	**4 518 582 869**	**4 518 582 869**
Changes in net assets		
Surplus for the year	24 511 607	24 511 607
Total changes	24 511 607	24 511 607
Restated* Balance at 01 July 2015	**4 543 094 476**	**4 543 094 476**
Changes in net assets		
Surplus for the year	149 670 869	149 670 869
Total changes	149 670 869	149 670 869
Balance at 30 June 2016	**4 692 765 345**	**4 692 765 345**
Note(s)	23	

The comparative amount for the accumulated surplus has been restated. Refer to prior period error note .

*** See Note 59 & 60**

Cash Flow Statement

Figures in Rand	Note(s)	2016	2015 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		1 019 120 867	926 329 411
Grants		237 009 079	142 929 335
Interest income		49 713 124	40 186 078
		1 305 843 070	1 109 444 824
Payments			
Employee costs		(392 495 097)	(341 658 997)
Suppliers		(587 583 306)	(456 665 448)
Finance costs		(20 390 548)	(13 409 012)
		(1 000 468 951)	(811 733 457)
Net cash flows from operating activities	46	**305 374 119**	**297 711 367**
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(345 394 644)	(227 787 047)
Proceeds from sale of property, plant and equipment	12	-	1 743 594
Purchase of other intangible assets	13	(2 572 412)	(2 563 644)
Movement in investments (incl. Controlled entities, JVs & Assoc)		(480 000 000)	-
Movement in non-current receivables		2 141 944	(4 157 506)
Proceeds from sale of biological assets that form part of an agricultural activity	10	352 546	557 838
Net cash flows from investing activities		**(825 472 566)**	**(232 206 765)**
Cash flows from financing activities			
Proceeds from other financial liabilities		50 000 000	50 000 000
Repayment of other financial liabilities		(11 144 642)	(11 002 587)
Net cash flows from financing activities		**38 855 358**	**38 997 413**
Net increase/(decrease) in cash and cash equivalents		**(481 243 089)**	**104 502 015**
Cash and cash equivalents at the beginning of the year		609 430 081	504 928 066
Cash and cash equivalents at the end of the year	3	**128 186 992**	**609 430 081**

*** See Note 59 & 60**

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Virements	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	664 920 920	(986 260)	**663 934 660**	705 713 720	**41 779 060**	
Rental of facilities and equipment	18 110 200	-	**18 110 200**	16 790 832	**(1 319 368)**	
Interest earned - outstanding debtors	496 255	-	**496 255**	5 713 800	**5 217 545**	BD 1
Agency services	2 100 000	-	**2 100 000**	1 906 917	**(193 083)**	
Licences and permits	7 361 789	-	**7 361 789**	7 238 690	**(123 099)**	
Other income	24 761 292	986 260	**25 747 552**	35 651 984	**9 904 432**	BD 2
Interest received - investment	43 527 635	-	**43 527 635**	49 713 124	**6 185 489**	BD 3
Total revenue from exchange transactions	**761 278 091**	**-**	**761 278 091**	**822 729 067**	**61 450 976**	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	265 709 366	-	**265 709 366**	268 311 283	**2 601 917**	
Property rates - penalties imposed	6 097 940	-	**6 097 940**	2 067 379	**(4 030 561)**	BD 4
Transfer revenue						
Government grants & subsidies	235 951 000	-	**235 951 000**	227 268 132	**(8 682 868)**	
Fines, penalties and forfeits	71 258 589	-	**71 258 589**	90 712 510	**19 453 921**	BD 5
Total revenue from non-exchange transactions	**579 016 895**	**-**	**579 016 895**	**588 359 304**	**9 342 409**	
Total revenue	**1 340 294 986**	**-**	**1 340 294 986**	**1 411 088 371**	**70 793 385**	
Expenditure						
Employee related costs	(350 841 519)	-	**(350 841 519)**	(367 462 966)	**(16 621 447)**	
Remuneration of councillors	(16 063 032)	-	**(16 063 032)**	(15 844 246)	**218 786**	
Contribution to/from provisions	(3 438 730)	-	**(3 438 730)**	(7 857 299)	**(4 418 569)**	BD 6
Depreciation and amortisation	(149 052 990)	-	**(149 052 990)**	(152 439 477)	**(3 386 487)**	
Finance costs	(22 713 525)	500 000	**(22 213 525)**	(20 390 548)	**1 822 977**	
Contribution to from provisions	(25 741 888)	-	**(25 741 888)**	(31 607 439)	**(5 865 551)**	BD 6
Debt impairment	(20 727 592)	-	**(20 727 592)**	(69 067 236)	**(48 339 644)**	BD 7
Collection costs	(2 500 000)	300 000	**(2 200 000)**	(1 849 167)	**350 833**	BD 8
Repairs and maintenance	(84 762 015)	5 645 264	**(79 116 751)**	(54 657 830)	**24 458 921**	BD 9
Bulk purchases	(323 733 997)	(2 700 000)	**(326 433 997)**	(324 776 672)	**1 657 325**	
Contracted services	(15 111 835)	-	**(15 111 835)**	(49 914 569)	**(34 802 734)**	BD 10
Transfers and subsidies	(8 175 230)	-	**(8 175 230)**	(6 215 883)	**1 959 347**	BD 11
Other expenses	(261 801 067)	(3 745 264)	**(265 546 331)**	(152 853 913)	**112 692 418**	BD 12
Total expenditure	**(1 284 663 420)**	**-**	**(1 284 663 420)**	**(1 254 937 245)**	**29 726 175**	
Operating surplus	**55 631 566**	**-**	**55 631 566**	**156 151 126**	**100 519 560**	
Loss on disposal of assets and liabilities	-	-	**-**	(933 659)	**(933 659)**	BD 13
Fair value adjustments	9 250 000	-	**9 250 000**	(5 624 621)	**(14 874 621)**	BD 18

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Virements	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Gain on biological assets and agricultural produce	400 000	-	**400 000**	43 295	**(356 705)**	BD 14
Inventories (losses/write-downs) / reversal of write downs	(7 740)	-	**(7 740)**	34 728	**42 468**	BD 15
	9 642 260	**-**	**9 642 260**	**(6 480 257)**	**(16 122 517)**	
Surplus for the year	**65 273 826**	**-**	**65 273 826**	**149 670 869**	**84 397 043**	
Appropriation below the line	98 334 070	-	**98 334 070**	-	**(98 334 070)**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**163 607 896**	**-**	**163 607 896**	**149 670 869**	**(13 937 027)**	

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Virements	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Current Assets						
Inventories	6 837 800	-	**6 837 800**	34 658 109	**27 820 309**	BD 16
Long term receivables	25 237	-	**25 237**	1 387 174	**1 361 937**	BD 17
Other debtors	69 226 400	-	**69 226 400**	124 325 371	**55 098 971**	BD 18
Consumer debtors	90 949 411	-	**90 949 411**	112 194 058	**21 244 647**	BD 19
Short term investments	432 754 672	-	**432 754 672**	480 000 000	**47 245 328**	BD 20
Cash and cash equivalents	45 533 829	-	**45 533 829**	128 186 992	**82 653 163**	BD 20
	645 327 349	**-**	**645 327 349**	**880 751 704**	**235 424 355**	
Non-Current Assets						
Biological assets that form part of an agricultural activity	11 545 138	-	**11 545 138**	8 907 000	**(2 638 138)**	BD 21
Investment property	555 042 825	-	**555 042 825**	413 958 231	**(141 084 594)**	BD 22
Property, plant and equipment	4 332 036 345	-	**4 332 036 345**	4 173 691 900	**(158 344 445)**	
Intangible assets	12 028 228	-	**12 028 228**	6 777 133	**(5 251 095)**	BD 23
Heritage assets	724 002	-	**724 002**	724 002	**-**	
Long term receivables	1 802 399	-	**1 802 399**	2 188 000	**385 601**	BD 17
	4 913 178 937	**-**	**4 913 178 937**	**4 606 246 266**	**(306 932 671)**	
Total Assets	**5 558 506 286**	**-**	**5 558 506 286**	**5 486 997 970**	**(71 508 316)**	
Liabilities						
Current Liabilities						
Other financial liabilities	11 957 516	-	**11 957 516**	11 908 295	**(49 221)**	
Operating lease liability	1 969 369	-	**1 969 369**	2 074 649	**105 280**	
Payables from exchange transactions	217 473 119	-	**217 473 119**	203 602 924	**(13 870 195)**	
Consumer deposits	11 589 632	-	**11 589 632**	13 191 374	**1 601 742**	BD 24
Employee benefit obligations	61 370 632	-	**61 370 632**	39 327 768	**(22 042 864)**	BD 6
Unspent conditional grants and receipts	-	-	**-**	46 820 691	**46 820 691**	BD 25
Provisions	-	-	**-**	6 812 128	**6 812 128**	BD 26
	304 360 268	**-**	**304 360 268**	**323 737 829**	**19 377 561**	
Non-Current Liabilities						
Other financial liabilities	200 299 439	-	**200 299 439**	186 386 067	**(13 913 372)**	
Employee benefit obligations	200 025 231	-	**200 025 231**	207 825 478	**7 800 247**	BD 6
Provisions	36 840 062	-	**36 840 062**	76 283 251	**39 443 189**	BD 26
	437 164 732	**-**	**437 164 732**	**470 494 796**	**33 330 064**	
Total Liabilities	**741 525 000**	**-**	**741 525 000**	**794 232 625**	**52 707 625**	
Net Assets	**4 816 981 286**	**-**	**4 816 981 286**	**4 692 765 345**	**(124 215 941)**	

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Virements	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	4 816 981 286	-	**4 816 981 286**	4 692 765 345	**(124 215 941)**	

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Virements	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Sale of goods and services	989 781 737	-	**989 781 737**	1 019 120 867	**29 339 130**	CF 1
Grants-operation	115 759 195	-	**115 759 195**	123 287 401	**7 528 206**	
Interest income	46 347 291	-	**46 347 291**	49 713 124	**3 365 833**	CF 2
Grant- capital	120 191 805	-	**120 191 805**	113 721 678	**(6 470 127)**	
	1 272 080 028	**-**	**1 272 080 028**	**1 305 843 070**	**33 763 042**	
Payments						
Suppliers and employee costs	(1 014 475 163)	-	**(1 014 475 163)**	(973 862 520)	**40 612 643**	CF 3
Finance costs	(22 713 525)	-	**(22 713 525)**	(20 390 548)	**2 322 977**	CF 4
Transfers and Grants	(8 175 230)	-	**(8 175 230)**	(6 215 883)	**1 959 347**	CF 5
	(1 045 363 918)	**-**	**(1 045 363 918)**	**(1 000 468 951)**	**44 894 967**	
Net cash flows from operating activities	**226 716 110**	**-**	**226 716 110**	**305 374 119**	**78 658 009**	
Cash flows from investing activities						
Capital assets	(433 233 145)	-	**(433 233 145)**	(345 394 644)	**87 838 501**	CF 6
Purchase of other intangible assets	(3 950 000)	-	**(3 950 000)**	(2 572 413)	**1 377 587**	CF 6
Movement in investments (incl. Controlled entities, JVs & Assoc)	-	-	**-**	(480 000 000)	**(480 000 000)**	CF 7
Proceeds from sale of biological assets that form part of an agricultural activity	-	-	**-**	352 547	**352 547**	CF 8
Proceeds from long term receivables	-	-	**-**	2 141 944	**2 141 944**	CF 9
Net cash flows from investing activities	**(437 183 145)**	**-**	**(437 183 145)**	**(825 472 566)**	**(388 289 421)**	
Cash flows from financing activities						
Proceeds from other financial liabilities	88 000 000	-	**88 000 000**	50 000 000	**(38 000 000)**	CF 4
Borrowing long term/refinancing	(6 974 539)	-	**(6 974 539)**	(11 144 642)	**(4 170 103)**	CF 4
Net cash flows from financing activities	**81 025 455**	**-**	**81 025 455**	**38 855 358**	**(42 170 103)**	
Net increase/(decrease) in cash and cash equivalents	(129 441 580)	-	**(129 441 580)**	(481 243 089)	**(351 801 515)**	
Cash and cash equivalents at the end of the year	**(129 441 580)**	**-**	**(129 441 580)**	**(481 243 089)**	**(351 801 515)**	

1. Basis of Preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives, issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 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. All figures are rounded to the nearest Rand.

Accounting policies for material transactions, events or conditions not covered by the GRAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

These accounting policies are consistent with the previous period, except for the changes set out in note 59 Changes in accounting policy.

1.1 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.2 Internal reserves

Capital replacement reserve (CRR)

In order to finance the acquisition of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR in terms of the Annual Budget. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

Self insurance reserve

The municipality has a Self-insurance reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short-term investments.

Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

Accumulated surplus

The accumulated surplus/deficit represent the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.

1.3 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are insignificant to the annual financial statements are set out below:

1.3 Significant judgements and sources of estimation uncertainty (continued)

Revenue recognition

Accounting Policy 1.16 on Revenue from Exchange Transactions and Accounting Policy 1.17 on Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In concluding judgement, management considered the detailed criteria for recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

Sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Impairment of financial assets

Accounting Policy 1.9: Financial Instruments, referring to the paragraph on impairment of financial assets, describes the process followed to determine the value with which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in GRAP 104: Financial Instruments - Recognition and Measurement. The management of the municipality is satisfied that impairment of financial assets recorded during the year is appropriate. Details of the impairment loss calculation are provided in the applicable notes to the annual financial statements.

Useful lives of property, plant and equipment and intangible assets

As described in Accounting Policy 1.6 and 1.7 the municipality depreciates its property, plant and equipment and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful life, which is determined when the assets are brought into use. The useful life and residual values of the assets are based on industry knowledge and are reassessed annually.

Employee benefit obligations

The municipality obtains actuarial valuations of its employee benefit obligations. The employee benefit obligations of the municipality that were identified are post-retirement health benefit obligations and long-service awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the applicable notes to the annual Financial Statements.

Impairment of non-financial assets

The recoverable (service) amounts of cash-generating units and individual assets have been determined based in 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 tangible assets.

1.3 Significant judgements and sources of estimation uncertainty (continued)

Value in use of cash generating assets

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 tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as inflation and interest.

Value in use of non-cash generating assets.

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. If there are indications that the impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

Provisions

Provisions are raised and management determines an estimate based on the information available. Additional disclosures of these estimates of provisions are included in note 20 - Provisions.

Allowance for slow moving, damaged and obsolete stock

An allowance for inventory to write inventory 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 surplus/deficit.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

Effective interest rate

The municipality uses the best estimate of the costs at the reporting date with reference to the inflation rate.

Allowance for doubtful debts

On receivables 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 receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.4 Biological assets that form part of an agricultural activity

The municipality recognises a biological assets that form part of an agricultural activity or agricultural produce when, and only when:

- the municipality controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the municipality; and
- the fair value or cost of the asset can be measured reliably.

Biological assets that form part of an agricultural activity are measured at their fair value less costs to sell.

1.4 Biological assets that form part of an agricultural activity (continued)

A gain or loss arising on initial recognition of biological assets that form part of an agricultural activity or agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological assets that form part of an agricultural activity, is included in surplus or deficit for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined pre-tax rate where applicable, is used to determine fair value.

Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Item	Useful life
Trees in a plantation forest	indefinite

1.5 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.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that is associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially 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.

Cost model

Investment property is, subsequent to initial measurement, carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is as follows:

Item	Useful life
Property - buildings	30-99 years
Property - land	indefinite

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.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.6 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.

1.6 Property, plant and equipment (continued)

Property, plant and equipment is recognised as an asset when:

- it is probable that the future economic benefits or service potential that are associated with the property, plant and equipment will flow to the municipality; and
- the cost or fair value of the item can be determined reliably.

Measurement

Property, plant and equipment are 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 the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary cost of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired through a non-exchange transaction, 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.

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.

Subsequent to initial measurement property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Incomplete construction work

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is ready to be used.

Impairment

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable service amount, it is written down immediately to its recoverable service amount and an impairment loss is charged to the statement of financial performance.

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:

1.6 Property, plant and equipment (continued)

Item	Average useful life
Land and Buildings	
• Land	indefinite
• Buildings	30-99
Infrastructure assets	
• Roads and paving	10-100
• Electricity	10-50
• Water	10-100
• Sewerage	10-100
• Housing	30
Community assets	
• Improvements	30
• Recreational facilities	20-30
• Security	5
Capital restoration asset	
• Landfill site	5-30
Other property, plant and equipment	
• Watercraft	15
• Specialised plant and equipment	10-15
• Other plant and equipment	2-5
• Specialised vehicles	10
• Office equipment	1-7
• Bins and containers	5

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 municipality 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.

Compensation from third parties for an item of property, plant and equipment that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

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.

1.7 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the municipality 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 municipality or from other rights and obligations.

1.7 Intangible assets (continued)

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 municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality 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; and
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are initially measured at cost.

Subsequent to initial measurement 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.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	3 years
Databases	30 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 an intangible asset is the difference between the net disposal proceeds and the carrying amount and is included in surplus or deficit when the asset is derecognised.

1.8 Heritage assets

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.

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.

Where the municipality holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information on such a heritage asset is disclosed in note 14 Heritage assets.

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

Subsequent to initial measurement classes of heritage assets are carried at cost less any accumulated impairment losses.

Impairment

The municipality assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service 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 municipality 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 included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.9 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.

1.9 Financial instruments (continued)

Classification

The municipality 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
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Other 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 or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost
Other financial liabilities	Financial liability measured at amortised cost
Operating lease liability	Financial liability measured at amortised cost

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.

The municipality recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus, in the case of a financial asset or a liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The municipality first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the municipality analyses a concessionary loan into its component parts and accounts for each component separately. The municipality 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 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.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

1.9 Financial instruments (continued)

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 municipality uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on municipality-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..

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

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 municipality assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

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 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.

The calculation in respect of the impairment of fines receivable (receivables from non-exchange transactions) is based on an assessment of the past history of fines per category.

1.9 Financial instruments (continued)

Derecognition

Financial assets

The municipality derecognises financial assets using trade date accounting.

The municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, 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 municipality:
  - 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.

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.

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 — 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 municipality 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).

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 municipality assesses the classification of each element separately.

Housing rental and instalments

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

Operating leases - lessor

Operating lease revenue is recognised as revenue 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.

1.10 Leases (continued)

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.

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.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Any contingent rent are expensed in the period in which they are incurred.

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 municipality 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 weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

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.

1.12 Landfill site

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 'decommissioning, restoration and similar liabilities'. 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;
- changes in the measurement of an existing decommissioning, restoration and similar liability that result from change in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in discount rate; and
- the obligation the municipality incurs for having used the items during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:
(a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
(b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
(c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

1.13 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also test a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

1.13 Impairment of cash-generating assets (continued)

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Reversal of impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable 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 cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.13 Impairment of cash-generating assets (continued)

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.14 Employee benefits

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.

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.

When an employee has rendered service to the municipality during a reporting period, the entity recognise 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 municipality recognise 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 municipality measure 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 municipality recognise the expected cost of bonus, incentive and performance related payments when the municipality 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.

Accrued leave pay

Liabilities for annual leave are recognised as they accrue to employees. Liability is based on the total accrued leave days owing to employees and is reviewed annually.

1.14 Employee benefits (continued)

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 a municipality provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Multi-employer plans

The municipality classifies a multi-employer plan as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined contribution plan, the municipality accounts for it the same way as for any other defined contribution plan.

Where a plan is a defined benefit plan, the municipality accounts for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

When sufficient information is not available to use defined benefit accounting for a plan, that is a defined benefit plan, the municipality accounts for the plan as if it was a defined contribution plan.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the municipality during a reporting period, the municipality recognise 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, the municipality recognise 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.

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the municipality recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

1.14 Employee benefits (continued)

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the municipality recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

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.

The return on plan assets is interest, dividends and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The amount recognised as a defined benefit liability is the net total of the following amounts:
- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement.

The amount determined as a defined benefit liability may be negative (an asset). The municipality measure the resulting asset at the lower of:
- the amount determined above; and
- 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 these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The municipality determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The municipality 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:
- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The municipality 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. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the municipality shall attribute 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 municipality attributes benefit on a straight-line basis from:
- 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

1.14 Employee benefits (continued)

- 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 valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the municipality re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The municipality offsets an asset relating to one plan against a liability relating to another plan when the municipality has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and 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.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect 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.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- 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:
  - those changes were enacted before the reporting date; or
  - past history, 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 take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

1.14 Employee benefits (continued)

Other long term employee benefits

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:
- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:
- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost; and
- the effect of any curtailments or settlements.

Termination benefits

The municipality recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:
- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The municipality is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:
- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than twelve months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit 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 benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.15 Provisions and contingencies

Provisions are recognised when:
- the municipality 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 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 municipality 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 deficits.

If the municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Provision for the rehabilitation of landfill sites

At year end a provision is raised for the rehabilitation of landfill sites. The provision is the net present value of the future cash flows to rehabilitate damaged land at year end.

As the related asset is measured using the cost model:
- changes in the liability is added to, or deducted from, the cost of the related asset in the current period;
- the amount deducted from the cost of the asset does not exceed it carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit;
- if the adjustments results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may be fully recoverable. If there is such an indication, the municipality tests the asset for the impairment by estimating its recoverable amount or recoverable service amount, and accounts for any impairment loss, in accordance with the accounting policy on impairment of assets as described in the accounting policy on impairment of cash-generating assets and/ or impairment of non-cash generating assets.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur.t

Provisions and contigencies (continued)

Provision for constructive obligations

A constructive obligation to restructure arises only when the municipality:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of a 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 municipality.

No obligation arises as a consequence of the sale or transfer of an operation until the municipality 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.

Contingencies

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability is a:

- possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality;
- present obligation that arises from past events but is not recognised because: it is not probable than an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 51.

Grant-in-aid contributions

Provision is made for any constructive obligations of the municipality. A constructive obligation arises through an established pattern of past practice, published policies or a sufficiently specific current standard, whereby the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

1.16 Revenue from exchange transactions

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.

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

1.16 Revenue from exchange transactions (continued)

Service charges

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

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 municipality;
- 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 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.

Pre-paid electricity

Revenue from the sale of electricity prepaid units is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality 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 municipality.
- The costs incurred or to be incurred in respect of the transaction can be measure reliably.

Interest earned

Interest earned on investments is recognised in the statement of financial performance on the time proportionate basis that takes into account the effective yield on the investment.

Dividends

Dividends are recognised on the date that the municipality becomes entitled to receive the dividend in accordance with the substance of the relevant agreement, where applicable.

Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant approved tariff. This includes the issuing of licences and permits.

1.16 Revenue from exchange transactions (continued)

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality 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 municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income from agency services

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

1.17 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the 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.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the 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.

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 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.

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. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in the statement of financial performance in the period in which they become receivable.

1.17 Revenue from non-exchange transactions (continued)

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.

Property rates

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources.

Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

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 recognises revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting municipality.

1.17 Revenue from non-exchange transactions (continued)

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.

Services in-kind

Services in-kind that are significant to the municipality's operations and/or service delivery objectives are recognised as assets and the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality discloses the nature and type of services in-kind received during the reporting period.

Collection charges and penalties

Collection charges and penalty interest is recognised when:
- it is probable that the economic benefits or service potential associated with the transactions will flow to the municipality; and
- the amount of revenue can be measured reliably; and
  to the extent that there has been compliance with the relevant legal requirements (if applicable).

1.18 Value Added Tax

The municipality accounts for Value Added Tax on the cash (receipt) basis.

1.19 Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with a maturity period of between three and twelve months and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried in the balance sheet at amortised cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash with bank, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

1.20 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.

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 purposes of the Standard of GRAP on Statutory Receivables) means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

1.20 Statutory receivables (continued)

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the accounting policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the accounting policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the accounting 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 municipality and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is 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 municipality 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 accounting policy on Revenue from exchange transactions or the accounting policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the municipality is required or entitled to levy additional charges in terms of legislation, supporting regulations, by-laws or similar means on overdue or unpaid amounts, these charges are accounted for in terms of the municipality's accounting policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (taxes and transfers).

Impairment losses

The municipality 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 municipality considers, as a minimum, the following indicators:

- significant financial difficulty of the receivable, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- it is probable that the receivable 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 municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced through the use of an allowance account. The amount of the losses are recognised in surplus or deficit.

1.20 Statutory receivables (continued)

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted by adjusting the allowance account. The 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 municipality 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 municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, 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 municipality:
  - derecognises the receivable; and
  - recognises 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 municipality 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.

1.21 Borrowing costs

Borrowing costs are interest and other expenses incurred by the municipality in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.22 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 59 and 60 for detail.

1.23 Unauthorised expenditure

Unauthorised expenditure means:
- 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.

1.24 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that 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. 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 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 economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

All expenditure relating to irregular 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.

1.26 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality 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 municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

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 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 municipality 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.

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.

1.26 Impairment of non-cash-generating assets (continued)

Reversal of an impairment loss

The municipality assess 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 municipality 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.

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.

1.27 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.

Key management as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manger or as designated by Municipal Manager.

Management are those persons responsible for planning, directing and controlling the activities of the municipality including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.28 Changes in accounting policies, estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

1.29 Commitments

Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- approved and contracted commitments;
- where the expenditure has been approved and the contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.

1.30 Budget information

The approved budget is prepared on the accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2015/07/01 to 2016/06/30.

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.

1.31 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 municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality 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.

Figures in Rand	2016	2015 Restated*

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

GRAP 21 (as amended 2015): Impairment of Non-cash-generating Assets

The following amendments were made to the standard:

- editorial and other changes to the original text have been made to ensure consistency with other Standards of GRAP;
- general definitions have been deleted as these definitions are not essential to the understanding of the Standard. A paragraph has been included to explain that terms defined in other Standards of GRAP are used with the same meaning as in those other Standards of GRAP;
- additional commentary has been added to clarify the objective of cash-generating assets and non-cash generating assets, and consequential amendments made to the definition of cash-generating assets;
- the indicators of internal sources of information were amended to include obsolescence as an indication that an asset may be impaired. In line with the amendments made to IPSAS 21 on Impairment of Non-cash-generating Assets (IPSAS 21) in 2011, an amendment has been made to include another indicator of impairment i.e., where an asset's useful life has been reassessed as finite rather than indefinite;
- where the recoverable service amount is value in use, disclosure requirements have been added about whether an independent valuer is used to determine value in use together with the methods and significant assumptions applied in determining the value in use have been added to the disclosure requirements; and
- appendices with illustrative examples of indications of impairment and measurement of impairment losses have been deleted from the Standard as the National Treasury has issued complete examples as part of its implementation guidance.

The effective date of the standard is for years beginning on or after 01 April 2015.

The municipality has adopted the standard for the first time in the 2016 annual financial statements.

The impact of the standard is not material.

GRAP 26 (as amended 2015): Impairment of Cash-generating Assets

The following amendments were made to the standard:

- editorial and other changes to the original text have been made to ensure consistency with other Standards of GRAP;
- general definitions have been deleted as these definitions are not essential to the understanding of the Standard. A paragraph has been included to explain that terms defined in other Standards of GRAP are used with the same meaning as in those other Standards of GRAP;
- additional commentary has been added to clarify the objective of cash-generating assets and non-cash generating assets, and consequential amendments made to the definition of cash-generating assets and cash generating unit;
- in line with the amendments made to IPSAS 26 on Impairment of Cash-generating Assets (IPSAS 26) in 2010, an amendment has been made to include another indicator of impairment in relation to the internal sources of information;
- where the recoverable amount is value in use, disclosure requirements have been added about whether an independent valuer is used to determine value in use together with the methods and significant assumptions applied in determining the value in use have been added to the disclosure requirements; and
- appendices with illustrative examples on using present value techniques to measure value in use and illustrative guidance have been deleted from the Standard as the National Treasury has issued complete examples as part of its implementation guidance.

The effective date of the standard is for years beginning on or after 01 April 2015.

The municipality has adopted the standard for the first time in the 2016 annual financial statements.

The impact of the standard is not material.

2. New standards and interpretations (continued)

Improvements to the Standards of GRAP (2013)

Amendments were made to the following standards of GRAP:
- GRAP 1 - Presentation of Financial Statements;
- GRAP 2 - Cash Flow Statements;
- GRAP 3 - Accounting Policies, Changes in Accounting Estimates and Errors;
- GRAP 7 - Investments in Associates;
- GRAP 10 - Financial Reporting in Hyperinflationary Economies;
- GRAP 11 - Construction Contracts;
- GRAP 13 - Leases;
- GRAP 17 - Property, Plant and Equipment;
- GRAP 19 - Provisions, Contingent Liabilities and Contingent Assets;
- GRAP 21 - Impairment of Non-cash-generating Assets (refer to separate note);
- GRAP 24 - Presentation of Budget Information in Financial Statements;
- GRAP 25 - Employee Benefits;
- GRAP 26 - Impairment of Cash-generating Assets (refer to separate note);
- GRAP 31 - Intangible Assets;
- GRAP 103 - Heritage Assets; and
- GRAP 104 - Financial Instruments

The amendments relate mainly to editorial and other changes to the original text to ensure consistency with other Standards of GRAP and deletion of the appendices with illustrative guidance and examples from the standards, as the National Treasury has issued complete examples as part of its implementation guidance.

The effective date of the improvements is for years beginning on or after 01 April 2015.

The municipality has adopted the improvements for the first time in the 2016 annual financial statements.

The impact of the improvements is not material.

GRAP 23 (as amended 2015): Revenue From Non-exchange Transactions

The following amendments were made to the standard:
- editorial and other changes to the original text have been made to ensure consistency with other Standards of GRAP;
- the scope paragraph has been amended to exclude non-exchange revenue from construction contracts from this Standard;
- commentary has been added to clarify that discounts, volume rebates or other reductions in the quoted price of assets are exchange transactions that should be treated in accordance with the Standard of GRAP on Revenue from Exchange Transactions;
- the Standard was amended to make it mandatory for entities to recognise services in-kind to the extent that the services in-kind are significant to an entity's operations and/or service delivery objectives and to the extent that the recognition criteria have been met;
- commentary has been added to clarify that services in-kind are not limited to the provision of services by individuals but also include the right to use assets. Examples have been added to illustrate this amendment; and
- the appendix with illustrative examples has been deleted from the Standard as the National Treasury has issued complete examples as part of its implementation guidance.

The effective date of the standard is for years beginning on or after 01 April 2015.

The municipality has adopted the standard for the first time in the 2016 annual financial statements.

The impact of the standard is not material.

2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2016 or later periods:

2. New standards and interpretations (continued)

GRAP 18: Segment Reporting

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the municipality. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the municipality's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region.

This Standard has been approved by the Accounting Standards Board, but its effective date has not yet been determined by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

The adoption of this standard is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the annual financial statements.

GRAP 20: Related parties

The objective of this standard is to ensure that a reporting municipality's annual financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting municipality) shall apply this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual annual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that 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. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person:
  - has control or joint control over the reporting entity;
  - has significant influence over the reporting entity;
  - is a member of the management of the entity or its controlling entity.

2. New standards and interpretations (continued)

- An entity is related to the reporting entity if any of the following conditions apply:
  - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
  - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
  - both entities are joint ventures of the same third party;
  - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
  - the entity is controlled or jointly controlled by a person identified in (a); and
  - a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that 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.

The standard elaborates on the definitions and identification of:

- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:

- Control;
- Related party transactions; and
- Remuneration of management

Only transactions with related parties where the transactions are not concluded within normal operating procedures or on terms that are not no more or no less favourable than the terms it would use to conclude transactions with another entity or person are disclosed.

The standard requires that remuneration of management must be disclosed per person and in aggregate.

The standard has been approved by the Accounting Standards Board, but the effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard, but has already formulated an accounting policy for this reporting period based on the Standard.

The adoption of this standard is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the annual financial statements.

GRAP 32: Service Concession Arrangements: Grantor

The standard applies to a contractual arrangement between a grantor and an operator in which the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time. The operator providing the mandated function on behalf of the grantor can either be a private party or another public sector entity. The standard applies to the grantor only.

Public Private Partnership agreements that are governed and regulated in terms of the MFMA, are some of the arrangements that fall within the scope of GRAP 32. For any other arrangements that meet the control criteria as set out in paragraph .07 of GRAP 32 the principles in the standard on accounting for such arrangements will apply.

An asset provided by the operator, or an upgrade to an existing asset, is recognised as a service concession asset with a corresponding liability, being the performance obligation, if certain criteria and conditions are met.

The standard has been approved by the Accounting Standards Board, but the effective date of the standard is not yet set by the Minister of Finance.

2. New standards and interpretations (continued)

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 108: Statutory Receivables

GRAP 108 only deals with those receivables that arise from legislation or an equivalent means, such as regulations, bylaws or other documents issued in terms of legislation, such as ministerial orders and cabinet or municipal council decisions. Therefore in order to be statutory in nature specific legislation should require the municipality to undertake the transactions, such as outlining who should be taxed and at what rates and amounts.

Statutory receivables are not contractual receivables, the latter of which would normally meet the definition of a financial asset and will be within the scope of the Standard of GRAP on Financial Instruments. Statutory receivables are not voluntarily entered into as with contractual receivables, because they arise as a result of specific legislative requirements.

Statutory receivables are initially measured at their transaction amount and subsequently 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.

The standard has been approved by the Accounting Standards Board, but the effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard, but has already formulated an accounting policy for this reporting period based on the Standard.

The adoption of this standard is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the annual financial statements.

IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset

This Interpretation of the Standards of GRAP provides guidance to the grantor where it has entered into a service concession arrangement, but only controls, through ownership, beneficial entitlement or otherwise, a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease.

A service concession arrangement is a contractual arrangement between a grantor and an operator in which the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time. The operator is compensated for its services over the period of the service concession arrangement, either through payments, or through receiving a right to earn revenue from third party users of the service concession asset, or the operator is given access to another revenue-generating asset of the grantor for its use.

Before the grantor can recognise a service concession asset in accordance with the Standard of GRAP on Service Concession Arrangements: Grantor, both the criteria as noted in paragraph .01 of this Interpretation of the Standards of GRAP need to be met. In some service concession arrangements, the grantor only controls the residual interest in the service concession asset at the end of the arrangement, and can therefore not recognise the service concession asset in terms of the Standard of GRAP on Service Concession Arrangements: Grantor.

This interpretation concludes on the recognition of the performance obligation and the right to receive a significant interest in a service concession asset.

The interpretation has been approved by the Accounting Standards Board, but the effective date of the standard is not yet set by the Minister of Finance.

2. New standards and interpretations (continued)

The municipality expects to adopt the interpretation for the first time when the Minister sets the effective date for the standard.

It is unlikely that the interpretation will have a material impact on the municipality's annual financial statements.

GRAP 16 (as amended 2015): Investment Property

Amendments made to the standard are:
- the principles and explanations related to the distinction between investment property and property, plant and equipment were reviewed;
- an indicator-based assessment of useful lives of assets was introduced;
- clarify the wording related to the use of external valuers;
- introduce more specific presentation and disclosure requirements for capital work-in-progress;
- the encouraged disclosures were deleted; and
- separate presentation of expenditure incurred on repairs and maintenance in the financial statements is now required.

The effective date of the standard is for years beginning on or after 01 April 2016.

The municipality expects to adopt the standard for the first time in the 2017 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 17 (as amended 2015): Property, Plant and Equipment

Amendments made to the standard are:
- the principles and explanations related to the distinction between investment property and property, plant and equipment were reviewed;
- an indicator-based assessment of useful lives of assets was introduced;
- clarify the wording related to the use of external valuers;
- introduce more specific presentation and disclosure requirements for capital work-in-progress;
- encouraged disclosures were deleted; and
- separate presentation of expenditure incurred on repairs and maintenance in the financial statements are now required.

The effective date of the standard is for years beginning on or after 01 April 2016.

The municipality expects to adopt the standard for the first time in the 2017 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 109: Accounting by Principals and Agents

The objective of this Standard is to outline principles to be used by the municipality to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement.

The Standard does not introduce new recognition or measurement requirements for revenue, expenses, assets and/or liabilities that result from principal-agent arrangements. The Standard does however provide guidance on whether revenue, expenses, assets and/or liabilities should be recognised by an agent or a principal, as well as prescribe what information should be disclosed when the municipality is a principal or an agent.

The standard has been approved by the Accounting Standards Board, but the effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

The impact of this standard is currently being assessed.

Figures in Rand	2016	2015 Restated*

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	8 210	14 210
Bank balances	7 939 387	16 767 937
Current investment deposits	120 239 395	592 647 934
	128 186 992	**609 430 081**

Call deposits are investments with a maturity period between 3 and 12 months and earn interest varying from 6.9% to 8.25% per annum.

Included under current investment deposit is an investment with the New Republic Bank that is currently under curatorship amounting to R 170 839.

Current investment deposits

New Republic Bank	170 839	170 839
Short-term investments	120 068 556	592 477 095
	120 239 395	**592 647 934**

Short-term investments consist of:

Investec - investment		
Opening balance	-	-
Movement for the year	40 000 000	-
	40 000 000	**-**
Sanlam - investment		
Opening balance	592 477 095	490 911 571
Movement for the year	(592 408 539)	101 565 524
	68 556	**592 477 095**
Standard Bank - investment		
Opening balance	-	-
Movement for the year	80 000 000	-
	80 000 000	**-**

3. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2016	30 June 2015	30 June 2014	30 June 2016	30 June 2015	30 June 2014
ABSA BANK - Stellenbosch Branch - Primary Bank Account - 410 188 031	7 116 052	15 895 995	13 149 135	7 939 387	16 767 936	14 258 940
ABSA BANK - Stellenbosch Branch - Municipal Service Account - 407 007 5635	-	-	-	-	-	-
ABSA BANK - Stellenbosch Branch - Municipal Services Account - 407 007 5635	-	-	-	-	-	-
ABSA Bank - Stellenbosch Branch - Traffic Account - 407 157 9787	-	-	-	-	-	-
Total	**7 116 052**	**15 895 995**	**13 149 135**	**7 939 387**	**16 767 936**	**14 258 940**

Included in cash and cash equivalents, an amount of R 100 000 is held as guarantee at the Post Office.

The management of the municipality is of the opinion that the carrying value of bank balances, cash and cash equivalents recorded at amortised cost in the annual financial statements approximate their fair values.

Notes to the Annual Financial Statements

Figures in Rand	2016	2015 Restated*
4. Receivables from exchange transactions		
Gross balances		
Electricity	31 265 212	26 082 117
Water	48 081 583	48 202 259
Sewerage	15 616 792	16 082 769
Refuse	16 151 428	16 516 295
Housing rental	11 989 464	14 116 340
Sundry	13 593 265	11 757 009
	136 697 744	**132 756 789**
Less: Allowance for impairment		
Electricity	(2 225 237)	(2 303 357)
Water	(21 021 546)	(25 949 989)
Sewerage	(7 292 877)	(9 144 451)
Refuse	(8 426 828)	(10 417 711)
Housing rental	(9 270 281)	(12 941 443)
Sundry	(3 627 273)	(2 168 975)
	(51 864 042)	**(62 925 926)**
Net balance		
Electricity	29 039 975	23 778 760
Water	27 060 037	22 252 270
Sewerage	8 323 915	6 938 318
Refuse	7 724 600	6 098 584
Housing rental	2 719 183	1 174 897
Sundry	9 965 992	9 588 034
	84 833 702	**69 830 863**
Electricity		
Current (0 -30 days)	26 396 974	21 450 880
31 - 60 days	174 479	149 351
61 - 90 days	112 084	130 649
91 - 120 days	201 485	118 708
121 - 365 days	614 090	1 137 130
> 365 days	3 766 100	3 095 399
	31 265 212	**26 082 117**
Water		
Current (0 -30 days)	12 821 051	11 397 158
31 - 60 days	1 284 646	2 073 287
61 - 90 days	1 421 850	2 177 620
91 - 120 days	1 292 884	1 698 570
121 - 365 days	5 336 658	8 857 631
> 365 days	25 924 494	21 997 993
	48 081 583	**48 202 259**
Sewerage		
Current (0 -30 days)	3 725 170	3 386 398
31 - 60 days	280 807	519 976
61 - 90 days	278 915	504 871
91 - 120 days	487 546	453 671
121 - 365 days	2 030 889	3 179 922
> 365 days	8 813 465	8 037 931
	15 616 792	**16 082 769**

Figures in Rand	2016	2015 Restated*

4. Receivables from exchange transactions (continued)

Refuse		
Current (0 -30 days)	2 853 651	2 779 224
31 - 60 days	325 513	538 308
61 - 90 days	306 894	523 627
91 - 120 days	352 631	464 935
121 - 365 days	2 329 786	3 386 469
> 365 days	9 982 953	8 823 732
	16 151 428	**16 516 295**
Housing rental		
Current (0 -30 days)	941 176	490 013
31 - 60 days	384 675	479 233
61 - 90 days	371 054	472 240
91 - 120 days	354 241	470 792
121 - 365 days	1 469 105	3 408 767
> 365 days	8 469 213	8 795 295
	11 989 464	**14 116 340**
Sundry		
Current (0 -30 days)	3 936 587	3 046 249
31 - 60 days	184 589	196 940
61 - 90 days	677 089	1 133 335
91 - 120 days	327 261	249 534
121 - 365 days	1 688 332	1 403 746
> 365 days	6 779 407	5 727 205
	13 593 265	**11 757 009**
Reconciliation of allowance for impairment		
Balance at beginning of the year	(62 925 926)	(43 520 278)
Contributions to allowance	11 061 884	(19 405 648)
	(51 864 042)	**(62 925 926)**

Receivables from exchange transactions past due but not impaired

The Council regards receivables from exchange transactions to be due for outstanding amounts more than 30 days to be past due.

As at 30 June 2016, receivables from exchange transactions of R 39 717 452 (2015: R 38 181 848) were past due not impaired.

Credit quality of consumer debtors

The credit quality of receivables from exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Debtors to the amount of R16 million have been ceded to the Development Bank of Southern Africa in providing security for a loan raised from them.

Figures in Rand	2016	2015 Restated*

4. Receivables from exchange transactions (continued)

Government debt as at 30 June 2016

Department responsible for debt	Services	Penalties	Sundry	Total
Nat. dept of Public Works	204 976	723	696 037	901 736
Prov. dept of Transport and Public Works	951 694	4 678	14 037	970 409
Western Cape education department	362 498	20 884	190	383 572
Health	348	-	-	348
Dept of local government and housing	81 951	530	7 995	90 476
Other government departments	887 981	1 775	8 410	898 166
	2 489 448	**28 590**	**726 669**	**3 244 707**

5. Other receivables from exchange transactions

Accrued income	51 664 934	46 801 439
Deposits	343 938	338 472
Insurance debtor	93 763	449 223
Interest receivable	3 973 354	-
Other receivables	205 756	1 238 209
Prepayments	2 730 036	2 834 197
Public safety account	360 762	105 925
	59 372 543	**51 767 465**

6. Inventories

Consumable stores	13 844 210	8 528 706
Land inventory	20 379 844	12 719 844
Water	434 055	383 750
	34 658 109	**21 632 300**

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost or net realisable value. The total carrying amount relating to inventories amount to R 34 658 109 (2015 : R 21 632 300).

The amount of inventory reversed / (written down) is R 34 728 (2015: R (39 084)) and is recognised as an income / expense and an increase / reduction in the carrying value of inventories. The circumstances relating to the reversal / write down is as a result of stock adjustments and shortages on general stock items as reported and approved accordingly.

The net transfer of GRAP 12 inventory to property, plant and equipment amounted R 3 058 456 (2015: R 6 295 142). Refer to note 12.

Inventory expensed for the year is R 33 730 404 (2015: R 31 461 595).

No inventories were pledged as security for liabilities.

7. Receivables from non-exchange transactions

Capital receivables represent funding that Council is awaiting from external institutions for capital expenditure incurred and claimed, but not yet received at year-end.

The average credit period for capital receivables is dependent on the government department involved and the nature of the claim. No interest is charged on outstanding capital receivables. The subsidies are payable to the municipality resulting from allocations made in the DORA or based on agreements between the municipality and the relevant departments.

Notes to the Annual Financial Statements

Figures in Rand	2016	2015 Restated*

7. Receivables from non-exchange transactions (continued)

Gross balances		
Capital receivables	6 902 795	7 060 414
Fines	114 358 769	91 618 554
Other receivables	651 825	553 548
Property rates	32 546 104	35 461 285
	154 459 493	**134 693 801**
Less: Allowance for impairment		
Fines	(89 222 588)	(66 443 265)
Property rates	(5 185 748)	(6 509 625)
	(94 408 336)	**(72 952 890)**
Net balances		
Capital receivables	6 902 795	7 060 414
Fines	25 136 181	25 175 289
Other receivables	651 825	553 548
Property rates	27 360 356	28 951 660
	60 051 157	**61 740 911**
Fines		
Current (0 -30 days)	5 717 938	4 580 928
31 - 60 days	8 005 114	6 413 299
61 - 90 days	6 861 526	5 497 113
91 - 120 days	5 717 938	4 580 928
121 - 365 days	36 594 806	29 317 937
> 365 days	51 461 447	41 228 349
	114 358 769	**91 618 554**
Capital receivables		
Current (0 -30 days)	-	3 702 703
> 365 days	6 902 795	3 357 711
	6 902 795	**7 060 414**
Property rates		
Current (0 -30 days)	13 211 560	11 522 715
31 - 60 days	528 642	593 212
61 - 90 days	634 097	505 261
91 - 120 days	310 345	458 332
121 - 365 days	3 379 388	6 003 580
> 365 days	14 482 072	16 378 185
	32 546 104	**35 461 285**
Other receivables from non-exchange revenue		
Current (0 -30 days)	-	350 987
> 365 days	651 825	202 561
	651 825	**553 548**

Figures in Rand	2016	2015 Restated*

7. Receivables from non-exchange transactions (continued)

Reconciliation of allowance for impairment for receivables from non-exchange transactions

Reconciliation of allowance for impairment: Fines		
Opening balance	(66 443 265)	(68 095 365)
Contributions to allowance	(22 779 324)	1 652 100
	(89 222 589)	**(66 443 265)**
Reconciliation of allowance for impairment: Rates		
Opening balance	(6 509 625)	(3 593 612)
Contributions to allowance	1 323 876	(2 916 013)
	(5 185 749)	**(6 509 625)**

Government debt as at 30 June 2016	**Rates**	**Penalties**	**Total**
Nat. dept of Public Works	245 012	44 154	289 166
Prov. dept of Transport and Public Works	42 593	6 631	49 224
Western Cape education department	-	-	-
Health	-	-	-
Dept of local government and housing	134 776	6 119	140 895
Other government departments	-	-	-
	422 381	**56 904**	**479 285**

The Council regards receivables from non-exchange transactions to be due for outstanding amounts more than 30 days to be past due.

As at 30 June 2016, receivables from exchange transactions of R 14 760 785 (2015: R 19 910 958) were past due not impaired.

8. VAT receivable

South African Revenue Services	32 262 026	13 335 673

9. Short term investments

Loans and receivables		
Other fixed deposits	480 000 000	-
Non-current assets		
Investments	-	-
Current assets		
Short-term portion of Investments	480 000 000	-

Short term fixed deposits are made with various banks for a period from 1 - 12 months. The interest rates earned equals 8.25%.

Short term investments consists of the following:

Figures in Rand	2016	2015 Restated*

9. Short term investments (continued)

ABSA - Investments		
Other fixed deposits	120 000 000	-
FNB - Investments		
Other fixed deposits	120 000 000	-
Nedbank - Investments		
Other fixed deposits	120 000 000	-
Standard Bank - Investments		
Other fixed deposits	120 000 000	-

10. Biological assets that form part of an agricultural activity

	2016			2015		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Trees in a plantation forest	8 907 000	-	8 907 000	10 659 185	-	10 659 185

Reconciliation of biological assets that form part of an agricultural activity - 2016

	Opening balance	Decreases due to harvest	Fair value (decrease) /increase	Total
Trees in a plantation forest	10 659 185	(309 251)	(1 442 934)	8 907 000

Reconciliation of biological assets that form part of an agricultural activity - 2015

	Opening balance	Decreases due to harvest	Fair value (decrease) /increase	Total
Trees in a plantation forest	10 808 106	(473 942)	325 021	10 659 185

Non - Financial information

2016 **Nature and quantities of each biological asset**	Opening Balance	Decrease due to Harvest	Fair value (decrease) /increase	Closing balance
Botmanskop Plantation	4 548 068	-	(634 068)	3 914 000
Paradyskloof Plantation	6 111 117	(309 251)	(808 866)	4 993 000
	10 659 185	**(309 251)**	**(1 442 934)**	**8 907 000**

2015 **Nature and quantities of each biological asset**	Opening balance	Decrease due to harvest	Fair value (decrease) /increase	Closing balance
Botmanskop Plantation	3 984 452	-	563 616	4 548 068
Paradyskloof Plantation	6 823 654	(473 942)	(238 595)	6 111 117
	10 808 106	**(473 942)**	**325 021**	**10 659 185**

10. Biological assets that form part of an agricultural activity (continued)
The determination of fair value was as follow:

Principle:

Price determination: was done on the basis of current sale value of the tender for the current year i.e. R500/m3 excluding 14% VAT. This value was given to all trees as the estimated yield takes into consideration the age of the trees. The harvestable age starts from 20 years old where the minimum estimated yield would be 100m3/ha.

It must also be noted that this yield is based on optimum growing conditions and the existing microclimates, and thus the yield might vary per compartment. Refer to the Forestry Handbook p204 which can be obtained at the municipal offices.

Description of the Biological Assets

1. Botmanskop plantation (Block E)	Some compartments remain which can be harvested at a later stage due to the age of the trees.
2. Paradyskloof plantation (Block G)	Some compartments remain which can be harvested at a later stage due to the age of the trees.

Strategy to mitigate risks

The strategy to mitigate risks attached to this category of assets is to prevent the spread of runaway veld fires by maintaining fire breaks.

11. Investment property

	2016			2015		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	424 977 732	(11 019 501)	413 958 231	424 977 732	(10 766 913)	414 210 819

Reconciliation of investment property - 2016

	Opening balance	Impairments	Depreciation	Total
Investment property	414 210 819	-	(252 588)	413 958 231

Reconciliation of investment property - 2015

	Opening balance	Impairments	Depreciation	Total
Investment property	416 747 715	(2 285 000)	(251 896)	414 210 819

Pledged as security

None of the above investment property have been pledged as security.

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.

12. Property, plant and equipment

	2016			2015		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land and buildings	731 853 534	(55 749 485)	676 104 049	733 757 168	(51 535 825)	682 221 343
Infrastructure	4 150 595 954	(824 641 443)	3 325 954 511	3 842 037 051	(706 174 433)	3 135 862 618
Community assets	73 461 618	(12 265 123)	61 196 495	59 593 748	(9 770 964)	49 822 784
Capital restoration asset	14 758 547	(8 345 133)	6 413 414	14 257 304	(5 980 263)	8 277 041
Other property, plant and equipment	241 917 455	(137 894 024)	104 023 431	229 536 567	(121 326 018)	108 210 549
Total	**5 212 587 108**	**(1 038 895 208)**	**4 173 691 900**	**4 879 181 838**	**(894 787 503)**	**3 984 394 335**

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Transfers	Changes in existing restoration costs	Depreciation	Impairment loss	Total
Land and buildings	682 221 343	5 756 367	-	(7 660 000)	-	(4 213 661)	-	676 104 049
Infrastructure	3 135 862 618	305 500 447	-	3 058 456	-	(118 467 010)	-	3 325 954 511
Community assets	49 822 784	13 867 870	-	-	-	(2 494 159)	-	61 196 495
Capital restoration asset	8 277 040	-	-	-	501 243	(2 364 869)	-	6 413 414
Other property, plant and equipment	108 210 549	20 269 960	(933 659)	-	-	(23 523 419)	-	104 023 431
	3 984 394 334	**345 394 644**	**(933 659)**	**(4 601 544)**	**501 243**	**(151 063 118)**	**-**	**4 173 691 900**

12. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Transfers	Changes in existing restoration costs	Depreciation	Impairment loss	Total
Land and buildings	688 288 101	6 446 293	-	(5 704 477)	-	(3 850 059)	(2 958 515)	682 221 343
Infrastructure	3 074 056 769	176 378 849	-	6 295 142	-	(116 178 326)	(4 689 816)	3 135 862 618
Community assets	42 692 211	9 413 504	-	-	-	(2 282 931)	-	49 822 784
Capital restoration asset	11 100 962	-	-	-	(48 681)	(2 775 240)	-	8 277 041
Other property, plant and equipment	93 953 022	35 548 401	(487 865)	-	-	(20 809 019)	6 010	108 210 549
	3 910 091 065	**227 787 047**	**(487 865)**	**590 665**	**(48 681)**	**(145 895 575)**	**(7 642 321)**	**3 984 394 335**

Pledged as security

None of the above property, plant and equipment have been pledged as security.

The net transfer of GRAP 12 inventory to property, plant and equipment amounted to R 3 058 456 (2015: R 6 295 142).

Land to the value of R 7 660 000 (2015: R 5 704 477) was transferred to inventory. Refer to note 6.

Work in progress

The work in progress balances included in property plant and equipment is as follow:		
Land and buildings	124 115	-
Infrastructure	439 391 170	226 858 151
Community assets	7 017 295	3 719 402
Other property, plant and equipment	3 753 932	3 621 783
	450 286 512	**234 199 336**

12. Property, plant and equipment (continued)
Change in Accounting Estimate

A review of useful lives was done on assets. During the review certain infrastructure and other property plant and equipment with Rnil book values and nil remaining lives were identified. The municipality's management considered how to account for the change in the estimated useful lives. The effect of a change in accounting estimate is required to be recognised prospectively by including it in surplus or deficit in the period of the change, if the change effects that period only; or the period of the change in future periods, if the change effects both. Management concluded that it should apply the change in estimate prospectively from the start of 2016 and therefore the depreciation charge was applied prospectively from 1 July 2015 over the remaining useful life of these assets.

Prior period error

A review of useful lives was done on assets. During the review of useful lives certain infrastructure and other property plant and equipment inappropriate useful lives were identified resulting in these assets being fully depreciated over a shorter useful life but still in use. This constitutes a prior period error and was corrected retrospectively in accordance with GRAP 3.

The comparative figures were restated. Refer to the change in estimate and prior period error note 60.

13. Intangible assets

	2016			2015		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	8 686 153	(1 909 020)	6 777 133	6 113 740	(785 246)	5 328 494

Reconciliation of intangible assets - 2016

	Opening balance	Additions	Amortisation	Total
Computer software, other	5 328 494	2 572 412	(1 123 773)	6 777 133

Reconciliation of intangible assets - 2015

	Opening balance	Additions	Amortisation	Total
Computer software, other	3 228 519	2 563 644	(463 669)	5 328 494

Figures in Rand	2016	2015 Restated*

14. Heritage assets

	2016			2015		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art Collections, antiquities and exhibits	724 002	-	724 002	724 002	-	724 002

Reconciliation of heritage assets 2016

	Opening balance	Additions	Total
Art Collections, antiquities and exhibits	724 002	-	724 002

Reconciliation of heritage assets 2015

	Opening balance	Additions	Total
Art Collections, antiquities and exhibits	724 002	-	724 002

Heritage assets used for more than one purpose

The following heritage assets are used by the municipality for more than one purpose:		
Neethlinghuis and De Witthuis	64 843 949	65 202 656
58 - 60 Andringa Street	1 929 238	1 939 366
35B Mark Street	3 185 606	3 194 823
127 Dorp Street, Transvalia, Alma & Bosmanshuis flats	12 834 175	12 865 067
116 - 118 Dorp Street, Voorgelegen - offices	5 658 475	5 678 733
4 Reservoir West, Mooiwater	2 113 390	2 121 493
34 Mark Street, Rynse Komplex: Toy Museum, Tourism, Youth Trust & PMU Building	8 334 175	8 365 067
Alexander Street, Burger Huis	1 604 004	1 610 588
Merriman, Bergzicht Training Centre, Oude Libertas Theatre & Restaurant	63 001 269	63 194 321
Die Laan, Landbou Saal	4 377 235	4 384 072
	167 881 516	**168 556 186**

15. Long term receivables

At amortised cost		
Officials: Erven Loans	17 102	22 442
Farmers: Water Schemes	272 412	292 755
Housing Selling Scheme Loans	-	1 457 439
Arrangements	5 354 423	10 115 047
	5 643 937	11 887 683
Impairments	(2 068 763)	(6 806 447)
	3 575 174	**5 081 236**

Figures in Rand	2016	2015 Restated*

15. Long term receivables (continued)

Non-current assets		
At amortised cost	2 188 000	4 175 128
Current assets		
At amortised cost	1 387 174	906 108
Reconciliation of allowance for impairment		
Balance at beginning of the year	(6 806 447)	(5 190 892)
Contributions to allowance	4 737 684	(1 615 555)
	(2 068 763)	**(6 806 447)**

Arrangements

The arrangements consist of consumer receivables with whom the council has negotiated repayment terms. Starting 01 July 2015 these arrangements attract no interest.

As at 30 June 2016, long term receivables of R 3 399 531 (2015: R 4 635 532) were past due not impaired.

16. Consumer deposits

Water	4 530 373	4 305 678
Electricity	8 144 603	7 683 428
Housing rental	516 398	499 092
	13 191 374	**12 488 198**

17. Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

Carrying value		
Salary control	3 773 824	4 203 869
Leave gratuity	17 160 196	15 037 823
Bonus accrual	9 631 619	8 327 109
Long services award	27 719 640	25 716 595
Post - retirement care benefits liability	188 867 967	171 923 864
Net liability	**247 153 246**	**225 209 260**
Non-current liabilities	207 825 478	188 703 048
Current liabilities	39 327 768	36 506 212
	247 153 246	**225 209 260**

17.1 Post- retirement healthcare benefit liability

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. The plan is treated as a defined benefit plan under GRAP 25. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 30 June 2016 by C Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Figures in Rand	2016	2015 Restated*

17. Employee benefit obligations (continued)

The members of the Post-employment Health Care Benefit Plan are made up as follows:

The members of the post-employment health care benefit plan are made up as follows:		
In-service members (Employees)	621	574
Continuation members (Retirees, widow(ers) and orphans)	183	188
Total members	**804**	**762**
The liability in respect of past service has been estimated as follows:		
In-service members	91 617 878	78 131 558
Continuation members	97 250 089	93 792 306
Total liability	**188 867 967**	**171 923 864**

The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:

The principal assumptions used for the purposes of the actuarial valuations were as follows:		
i) Rates of Interest		
Discount rate	9,40 %	8,87 %
Health care cost inflation rate	8,46 %	7,95 %
Net effective discount rate	0,86 %	0,85 %
ii) Normal retirement age		
Expected retirement age - females	63	63
Expected retirement age - males	63	63

The PA (90) ultimate mortality table was used by the actuaries
Pre-retirement: The SA 85-90 ultimate table, adjusted for female lives, was used.

Movements in the present value of the Defined Benefit Obligation were as follows:		
Balance at the beginning of the year	171 923 864	124 717 000
Current service costs	6 292 391	4 043 000
Interest cost	14 961 844	11 059 000
Actual employee benefits payments	(7 297 166)	(6 753 581)
Actuarial (losses) / gains	2 987 034	38 858 445
Present Value of Fund Obligation at the end of the Year	**188 867 967**	**171 923 864**

The amounts recognised in the Statement of Financial Position are as follows		
Present value of fund obligations	188 867 967	171 923 864

The amounts recognised in the Statement of Financial Performance are as follows:		
Current service cost	6 292 391	4 043 000
Interest cost	14 961 844	11 059 000
Actuarial (gain)/ loss recognised in profit and loss	2 987 034	38 858 445
	24 241 269	**53 960 445**

Figures in Rand	2016	2015 Restated*

17. Employee benefit obligations (continued)
Amounts for the current and previous four periods are as follows:

Present Value of Unfunded Defined Benefit	
2016	188 867 967
2015	171 923 864
2014	124 717 000
2013	164 915 026
2012	151 108 687

Sensitivity analysis on the Accrued Liability (R Millions)

Assumption	Change	In-service	Continuation	Total	% change
Central assumptions		91,618	97,250	188,868	
Health care inflation	1 %	98,432	101,091	199,504	6 %
	(1)%	81,310	92,092	173,402	(8)%
Discount rate	1 %	74,998	88,765	163,763	(13)%
	(1)%	113,306	107,274	220,580	17 %
Post-retirement mortality	-1 year	94,436	100,678	195,114	3 %
Average retirement age	-1 year	100,173	97,250	197,423	5 %
Continuation of membership at retirement	(10)%	83,051	97,250	180,301	(5)%

Sensitivity analysis on Current-service and Interest Costs

Assumption	Change	Current-service Cost	Interest cost	Total	% change
Central assumptions		6 292 400	14 961 800	21 254 200	
Health care inflation	1 %	7 373 000	17 047 500	24 420 500	15 %
	(1)%	5 328 700	13 155 400	18 484 100	(13)%
Discount rate	1 %	5 096 700	14 395 900	19 492 600	(8)%
	(1)%	7 878 500	15 548 200	23 426 700	10 %
Post-retirement mortality	-1 year	6 507 600	15 532 700	22 040 300	4 %
Average retirement age	-1 year	6 926 200	15 601 200	22 527 400	6 %
Continuation of membership at retirement	(10)%	5 747 400	14 340 100	20 087 500	(5)%

Mortality Rates

Post retirement: PA (90) ultimate Mortality table was used.
Pre-retirement: The SA 85-90 ultimate table adjusted for female lives, was used.

Continuation of Membership

With the appointment of ARCH Actuarial Consulting for the year ending 30 June 2016.

Figures in Rand	2016	2015 Restated*

17. Employee benefit obligations (continued)

The municipality expects to make a contribution of R 7 681 100 to the Defined Benefit Plan during the next financial year.

17.2 Long Service Awards

Non-Current Liability		
Opening balance	25 716 595	25 036 000
Additions	4 218 425	2 113 840
Utilised during the year	(2 215 380)	(1 433 245)
	27 719 640	**25 716 595**
Current Liability		
	2 145 449	2 298 123

Movement in the present value of Long Service Awards were as follows:

Opening balance	25 716 595	25 036 000
Current service cost	2 189 747	2 118 000
Interest cost	2 028 678	2 017 000
Actuarial (gains) losses	(475 568)	(2 021 160)
Benefits paid	(1 739 812)	(1 433 245)
Total included in employee related costs	**27 719 640**	**25 716 595**

The amount recognised in the Statement of Financial Position are as follows:

Present value of long service awards	27 719 640	25 716 595

The amount recognised in the Statement of Financial Performance are as follows:

Current service cost	2 189 747	2 118 000
Interest cost	2 028 678	2 017 000
Actuarial gains (losses)	(475 568)	(2 021 160)
Closing balance	**3 742 857**	**2 113 840**

Under the plan, a Long-service Award is payable after 10 years of continuous service and every 5 years thereafter to employees. Additional to this employees shall be entitled to a 14th cheque for continuous employment on their 30th and every 5th year onward. Furthermore a retirement gift is payable on retirement to employees with 10 years or more service. The provision is an estimate of the long service award based on historical staff turnover. No other long service benefits are provided to employees.

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	8,71 %	8,25 %
Expected rate of return on assets	7,35 %	7,20 %
Expected rate of return on reimbursement rights	1,27 %	0,98 %

Figures in Rand	2016	2015 Restated*

17. Employee benefit obligations (continued)

Other assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

Amounts for the current and previous four years are as follows:

	2016 R	2015 R	2014 R	2013 R	2012 R
Accrued liabilities	27 719 640	25 716 595	25 036 000	23 963 762	21 813 825

Sensitivity analysis on the Unfunded Accrued Liability (in R Millions)

Assumption	Change	Liability	% change
Central assumptions		27,720	
General salary inflation	1 %	30,047	8 %
	(1)%	25,652	(7)%
Discount rate	1 %	25,853	(8)%
	(1)%	30,171	9 %
Average retirement age	- 2 years	23,890	(14)%
	+ 2 years	31,475	14 %
Withdrawal rates	(50)%	29,776	7 %

Sensitivity analysis on Current-service and Interest Costs

Assumption	Change	Current-service Cost	Interest Cost	Total	% change
Central assumptions		2 189 700	2 028 700	4 218 400	
General salary inflation	1 %	2 426 600	2 208 900	4 635 500	10 %
	(1)%	1 983 900	1 868 900	3 852 800	(9)%
Discount rate	1 %	1 996 200	2 088 700	4 084 900	(3)%
	(1)%	2 415 800	1 950 400	4 366 200	4 %
Average retirement age	-2 years	2 092 100	1 989 000	4 081 100	(13)%
	2 years	2 667 100	2 649 600	5 316 700	13 %
Withdrawal rates	(50)%	2 738 700	2 501 600	5 240 300	11 %

Figures in Rand	2016	2015 Restated*

18. Operating lease liability

Operating Leases are recognised on the straight-line basis as per the requirement of GRAP 13. In respect of Non-cancellable Operating Leases the following liabilities have been recognised:

Balance at beginning of year	2 412 120	3 445 058
Operating lease expenses recorded	6 589 740	5 398 198
Operating lease revenue realised	(723 360)	(723 360)
Operating lease payments effected	(6 203 851)	(5 707 776)
	2 074 649	**2 412 120**

Leasing Arrangements

The Municipality as Lessee:

Operating Leases relate to Property, Plant and Equipment with lease terms not longer than 5 years, with an option to extend for a further period. All operating lease contracts contain market review clauses in the event that the municipality exercises its option to renew. The municipality does not have an option to purchase the leased asset at the expiry of the lease period.

The Municipality as Lessor:

Operating Leases relate to Property, Plant and Equipment with lease terms not longer than 5 years, with an option to extend for a further period.

The total amount in terms of the lease agreement was received at the inception of the lease.

Amounts Payable under Operating Leases

At the reporting date, the municipality had outstanding commitments under Operating Leases for Property, Plant and Equipment, which fall due as follows:

Land and Buildings:		
Up to 1 year	5 101 313	-
2 to 5 years	5 492 987	-
	10 594 300	**-**
Vehicles and Other Equipment		
Up to 1 year	-	1 435 783
2 to 5 years	-	874 399
	-	**2 310 182**

The following payments have been recognised as an expense in the Statement of Financial Performance:

Total operating lease expenses		
Minimum lease payments	6 589 740	5 398 198

The following amounts have been recognised as revenue in the Statement of Financial Performance:

Total operating lease income		
Minimum lease income	(723 360)	(723 360)

No restrictions have been imposed on the municipality in terms of the operating lease agreements.

Notes to the Annual Financial Statements

Figures in Rand	2016	2015 Restated*

19. Other financial liabilities

At amortised cost		
Annuity Loans	198 294 362	159 439 004
Development Bank of South Africa		

Annuity loans from the Development Bank of South Africa have settlement periods of 14 to 15 years with fixed interest rates varying from 9.25% to 11.10% per annum.

Non-current liabilities		
At amortised cost	186 386 067	150 333 877
Current liabilities		
At amortised cost	11 908 295	9 105 127

20. Provisions

Reconciliation of provisions - 2016

	Opening Balance	Additions	Utilised during the year	Change in estimate	Change in discount factor	Unwinding of interest	Total	Current liabilities
Rehabilitation of landfill sites	76 356 382	-	(7 720 781)	501 243	1 180 551	5 972 660	76 290 055	15 871
Constructive Obligations	329 330	-	(329 330)	-	-	-	-	-
Clearing of alien vegetation	9 039 337	713 786	(2 947 799)	-	-	-	6 805 324	6 796 257
	85 725 049	**713 786**	**(10 997 910)**	**501 243**	**1 180 551**	**5 972 660**	**83 095 379**	**6 812 128**

Reconciliation of provisions - 2015

	Opening Balance	Additions	Utilised during the year	Change in estimate	Change in discount factor	Unwinding of interest	Total	Current liabilities
Rehabilitation of landfill sites	67 921 136	-	(4 578 287)	(48 681)	13 062 214	-	76 356 382	35 862 292
Constructive obligations	316 303	295 291	(282 264)	-	-	-	329 330	329 330
Clearing of alien vegetation	9 679 958	-	(640 621)	-	-	-	9 039 337	9 039 337
	77 917 397	**295 291**	**(5 501 172)**	**(48 681)**	**13 062 214**	**-**	**85 725 049**	**45 230 959**

Non-current liabilities	76 283 251	40 494 090
Current liabilities	6 812 128	45 230 959
	83 095 379	**85 725 049**

20. Provisions (continued)

Clearing of Alien Vegetation

The provision for clearing of alien vegetation relates to the estimated cost for the clearing of alien vegetation from the areas under the jurisdiction of the municipality.

In terms of the Conservation of Agricultural Resources Act, (Act 43 of 1983) the provision for the clearing of alien vegetation was established in 2005/06 as a start to address the backlogs that existed.

Rehabilitation of Landfill Sites

In terms of the licensing of the landfill refuse sites, the municipality will incur licensing and rehabilitation costs of
R 76 290 055 (2015: R 76 356 382) to restore the site at the end of its useful life, estimated to be in the 2017/2018 financial year. Provision has been made for the best estimate of costs at the reporting date with reference to the inflation rate.

The unwinding of the provision for landfill site for the current year was R 5 972 660 (2015: R 0) was included in the contribution to provision figure in the statement of financial performance.

The municipality expects an expenditure outflow of R 58 728 611 in the 2017/2018 financial year.

Constructive obligations

Constructive obligations related to Grants in Aid: Rental exist due to expectations created on the part of other parties that the municipality will discharge certain responsibilities.

Figures in Rand	2016	2015 Restated*

21. Payables from exchange transactions

Trade payables	717 475	83 132
Payments received in advance	7 746 023	6 517 472
Retention	37 374 210	19 754 950
Other creditors	109 727 478	110 996 057
Sundry deposits	1 784 968	4 110 597
Impounded vehicles	58 450	58 450
Accruals at year end	46 194 319	41 166 855
	203 602 923	**182 687 513**

22. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

National Government Grants	-	-
Provincial Government Grants	8 656 342	6 532 628
Other Sources	5 295 950	5 295 950
Developers Contribution - Sewerage	3 481 660	3 255 177
Developers Contribution - Roads	5 696 472	3 481 985
Developers Contribution - Electricity	10 872 337	6 666 167
Developers Contribution - Water	3 163 953	2 777 004
Developers Contribution - Open Areas	165 928	165 928
Developers Contribution - Parking.	1 511 442	1 511 442
Developers Contribution - General	117 753	117 753
Developers Contribution - La Clemence	1 071 598	1 003 615
Frandevco: Development Rights	3 347 553	3 347 553
Franschhoek: low cost housing (phase 2)	301 300	301 300
Developers contribution - refuse	384 029	351 721
Developers contribution - stormwater	1 186 424	1 078 055
Top structures	323 000	-
LGWSETA training	659 530	725 455
Dilbeeck	1	1
LG Financial management support grant	-	400 000
Spatial Development framework	500 000	-
Housing consumer education	68 010	68 010
CDW support grant	17 409	-
	46 820 691	**37 079 744**

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

Other sources consist of grants made by external donors.

These amounts are invested in a ring-fenced investment until utilised.

Figures in Rand	2016	2015 Restated*

23. Accumulated surplus

Total Accumulated Surplus

The **Capital Replacement Reserve** is a reserve to finance future capital expenditure and is fully invested in ring-fenced Financial Instrument Investments.

The **Capitalisation Reserve** equals the carrying value of the items of property, plant and equipment from the former legislated funds. The Capitalisation Reserve ensures consumer equity and is not backed by cash.

The **Donations and Public Contributions Reserve** equals the carrying value of the items of property, plant and equipment financed from public contributions and donations. The Donations and Public Contributions Reserve ensures consumer equity and is not backed by cash.

The **Government Grants Reserve** equals the carrying value of the items of property, plant and equipment financed from government grants. The Government Grants Reserve ensures consumer equity and is not backed by cash.

Refer to Statement of Changes in Net Assets for more detail and the movement on Accumulated Surplus.

The comparative figures were restated. Refer to the prior period error note 60.

24. Service charges

Sale of electricity	466 637 278	415 476 863
Sale of water	141 997 594	122 012 717
Sewerage and sanitation charges	77 121 275	65 556 048
Refuse removal	44 718 654	40 024 834
Free basic services	(24 761 081)	(17 290 608)
	705 713 720	**625 779 854**

The amounts disclosed above for revenue from Service Charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

25. Rental of facilities and equipment

Premises		
Rental Revenue from other facilities	12 477 234	11 883 907
Rental Revenue from buildings	28 785	25 732
	12 506 019	**11 909 639**
Facilities and equipment		
Rental Revenue from Land	4 284 749	4 899 009
Rental of equipment	64	128
	4 284 813	**4 899 137**
	16 790 832	**16 808 776**

26. Interest earned- outstanding receivables

Interest earned - outstanding receivables	5 713 800	6 313 897

27. Agency services

Licence fees	1 906 917	2 018 435

The municipality collects licence fees on behalf of the provincial government western cape and receives a 12.5% agency fee.

Figures in Rand	2016	2015 Restated*

28. Other income

Actuarial gain	475 568	2 021 160
Applications fees	775 032	687 209
Building clause	614 199	570 749
Building plan fees	4 276 916	3 724 643
Cemetery plots	376 836	288 390
Contributions from reserves and operational grants	3 173 620	54 324
Entrance fees	503 023	497 507
Land sales	-	754 794
Other revenue VAT	5 582 061	4 099 070
Parking revenue	4 239 613	3 582 904
Quoted services	2 475 078	2 098 511
Reconnection fees	1 502 456	1 355 632
Special rating area	3 740 817	-
Sundry	7 063 894	5 188 848
Testing of drivers	852 871	1 038 096
	35 651 984	**25 961 837**

The amounts disclosed above for Other Income are in respect of services, other than described in Notes 24 and 25 rendered which are billed to or paid for by the users as the services are reclaimed according to approved tariffs or offers received in terms of supply chain procedures, i.e. wood sales.

29. Investment revenue

Interest revenue		
Bank	5 396 251	2 331 568
Investment deposits	44 316 873	37 854 510
	49 713 124	**40 186 078**

30. Property rates

Rates received

Residential	159 772 483	147 230 208
Commercial	128 904 339	121 140 786
Agricultural	14 309 893	13 494 220
Less: Income forgone	(34 675 432)	(32 346 554)
	268 311 283	249 518 660
Property rates - penalties imposed	2 067 379	2 850 333
	270 378 662	**252 368 993**

Assessment Rates are levied on the value of land and improvements, which valuation is performed every four years. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.
The last valuation came into effect on 1 July 2013. Two interim valuations were performed during the financial year and implemented accordingly.

The following assessment rates were charged for the period ending June 2016:
R 0.01133 - Non Residential (2015: R 0.01067)
R 0.00566 - Residential (2015: R 0.00533)
R 0.00141 - Agricultural (2015: R 0.00133)

Rates are levied monthly on property owners and are payable the 7th of each month. Property owners can request that the full amount for the year be raised in July in which case the amount has to be paid by 7 October. Interest is levied as per council's Credit Control and Debt Collection Policy on outstanding rates amounts.

Figures in Rand	2016	2015 Restated*

31. Government grants and subsidies

Operating grants		
Equitable share	84 962 000	65 606 000
Integrated transport plan	600 000	-
Financial management grant	1 450 000	1 250 000
CDW support grant	36 591	83 817
LGWSETA training	699 007	1 605 547
Provincial government PHP top structures	25 073 005	2 870 853
Library services support grant	8 607 000	5 413 489
Municipal systems improvement grant	930 000	934 000
Other grants and subsidies operating	-	2 680 921
LG Financial management support grant	250 000	-
EPWP support grant	1 075 000	1 544 000
Arbor city awards	-	300 000
EEDSM (Project Administration)	225 904	-
	123 908 507	82 288 627
Capital grants		
National government grants	86 977 035	47 439 178
Provincial government grants	16 382 590	9 780 466
Developers contribution - la clemence	-	81 927
	103 359 625	57 301 571
	227 268 132	**139 590 198**

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy of R 332 (2015: R 284), which is funded from the grant. Bulk basic services are also provided free of charge to informal settlements to ensure that these communities have access to basic services.

National government grants- Capital

Current-year receipts	86 977 035	47 439 178
Conditions met - transferred to revenue	(86 977 035)	(47 439 178)
	-	**-**

The National Government grant includes all the grants that was gazetted in the DORA in 2015/2016. It includes the following grant: Municipal infrastructure grant, Energy Efficiency Demand Side Management, Energy Efficiency Demand Side Management and Regional bulk infrastructure grant.

Capital grant income recognised as revenue represents capital expenditure not reflected throuhg the Statement of FInancial Performance.

Municipal infrastructure grant

To provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities.

Regional bulk infrastructure grant

To develop new and refurbish, upgrade and replace ageing infrastructure that connects water resources to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality; to develop new and refurbish, upgrade and replace ageing waste water infrastructure of regional significance.

Energy Efficiency Demand Side Management

Figures in Rand	2016	2015 Restated*

31. Government grants and subsidies (continued)

To develop infrastructure that connects water resources to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality. In the case of sanitation, to supplement regional bulk collection as well as regional waste water treatment works.

Integrated National Electrification Programme

To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings, and the installation of bulk infrastructure.

Provincial government grants- Capital

Balance unspent at beginning of year	6 532 628	6 604 988
Current-year receipts	19 072 254	9 708 106
Conditions met - transferred to revenue	(16 348 540)	(9 780 466)
Transferred capital to operational	(600 000)	-
	8 656 342	**6 532 628**

The Provincial government grant includes all the grants that was gazetted in the Provincial allocations in 2015/2016. It includes the following grants: Human settlement development grant and Library services support grant.

Capital grant income recognised as revenue represents capital expenditure not reflected throuhg the Statement of FInancial Performance.

Human settlements development grant

To provide funding for the creation of sustainable human settlements. The facilitation and provision of basic infrastructure, top structures and basic social and economic amenities that contribute to the establishment of sustainable human settlements.

Provincial Library Services Conditional Grant

To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through recapitalised programme at provincial level in support of local government and national initiatives.

Conditions still to be met - remain liabilities. Refer to note 22.

Other sources- Capital

Balance unspent at beginning of year	5 295 950	3 656 553
Current-year receipts	-	1 639 397
	5 295 950	**5 295 950**

Conditions still to be met - remain liabilities. Refer to note 22.

Developers contributions- Sewerage

Balance unspent at beginning of year	3 255 177	2 080 762
Current-year receipts	226 483	1 174 415
	3 481 660	**3 255 177**

Developer contributions are received in respect of the additional impact that their development have on the bulk service. The funds will be utilised when services are developed. The unspent funds will remain a liability. Refer to note 22.

Figures in Rand	2016	2015 Restated*

31. Government grants and subsidies (continued)

Developers contributions- Roads

Balance unspent at beginning of year	3 481 985	1 626 984
Current-year receipts	2 214 487	1 855 001
	5 696 472	**3 481 985**

Developer contributions are received in respect of the additional impact that their development have on the bulk service. The funds will be utilised when services are developed. The unspent funds will remain a liability. Refer to note 22.

Developers contributions- Electricity

Balance unspent at beginning of year	6 666 167	4 206 902
Current-year receipts	4 206 170	2 459 265
	10 872 337	**6 666 167**

Developer contributions are received in respect of the additional impact that their development have on the bulk service. The funds will be utilised when services are developed. The unspent funds will remain a liability. Refer to note 22.

Developers contributions- Water

Balance unspent at beginning of year	2 777 004	1 409 455
Current-year receipts	386 949	1 367 549
	3 163 953	**2 777 004**

Developer contributions are received in respect of the additional impact that their development have on the bulk service. The funds will be utilised when services are developed. The unspent funds will remain a liability. Refer to note 22.

Developers contributions- Open areas

Balance unspent at beginning of year	165 928	165 928

Developer contributions are received in respect of the additional impact that their development have on the bulk service. The funds will be utilised when services are developed. The unspent funds will remain a liability. Refer to note 22.

Provide explanations of conditions still to be met and other relevant information.

Developers contributions- Parking

Balance unspent at beginning of year	1 511 442	1 511 442

Developer contributions are received in respect of the additional impact that their development have on the bulk service. The funds will be utilised when services are developed. The unspent funds will remain a liability. Refer to note 22.

Developers contributions- General

Balance unspent at beginning of year	117 753	117 753

Developer contributions are received in respect of the additional impact that their development have on the bulk service. The funds will be utilised when services are developed. The unspent funds will remain a liability. Refer to note 22.

Figures in Rand	2016	2015 Restated*

31. Government grants and subsidies (continued)

Developers contributions- La Clemence

Balance unspent at beginning of year	1 003 615	967 626
Current-year receipts	67 983	117 917
Conditions met - transferred to revenue	-	(81 928)
	1 071 598	**1 003 615**

Developer contributions are received in respect of the additional impact that their development have on the bulk service. The funds will be utilised when services are developed. The unspent funds will remain a liability. Refer to note 22.

Frandevco development

Balance unspent at beginning of year	3 347 553	3 347 553

Developer contributions are received in respect of the additional impact that their development have on the bulk service. The funds will be utilised when services are developed. The unspent funds will remain a liability. Refer to note 22.

FHK Low cost housing

Balance unspent at beginning of year	301 300	301 300

Developer contributions are received in respect of the additional impact that their development have on the bulk service. The funds will be utilised when services are developed. The unspent funds will remain a liability. Refer to note 22.

Developers contributions- Refuse

Balance unspent at beginning of year	351 721	232 736
Current-year receipts	32 308	118 985
	384 029	**351 721**

Developer contributions are received in respect of the additional impact that their development have on the bulk service. The funds will be utilised when services are developed. The unspent funds will remain a liability. Refer to note 22.

Developers contributions- Stormwater

Balance unspent at beginning of year	1 078 055	700 653
Current-year receipts	108 369	377 402
	1 186 424	**1 078 055**

Developer contributions are received in respect of the additional impact that their development have on the bulk service. The funds will be utilised when services are developed. The unspent funds will remain a liability. Refer to note 22.

Figures in Rand	2016	2015 Restated*

31. Government grants and subsidies (continued)

EEDSM (Project administratioin)

Current-year receipts	225 904	-
Conditions met - transferred to revenue	(225 904)	-
	-	**-**

To provide subsidies to municipalities to implement Energy Efficiency and Demand Side Management initiatives within municipal infrastructure, in order to reduce electricity consumption and improve energy efficiency.

Integrated transport plan

Current-year receipts	600 000	-
Conditions met - transferred to revenue	(600 000)	-
	-	**-**

To review and update municipal integrated transport plans in terms of the National Land Transport Act, 2009 (Act No. 5 of 2009).

Top structures

Current-year receipts	25 557 923	2 870 853
Conditions met - transferred to revenue	(25 234 923)	(2 870 853)
	323 000	**-**

To provide funding for the creation of sustainable human settlements. The facilitation and provision of basic infrastructure, top structures and basic social and economic amenities that contribute to the establishment of sustainable human settlements.

Emergency housing

Balance unspent at beginning of year	-	2 928 036
Conditions met - transferred to revenue	-	(2 928 036)
	-	**-**

Reimbursement of fire disaster expenditure was ring-fenced for emergency housing.

LGW Seta training

Balance unspent at beginning of year	725 455	1 443 204
Current-year receipts	633 082	887 798
Conditions met - transferred to revenue	(699 007)	(1 605 547)
	659 530	**725 455**

According to the Skills Development Act and the Skills Development Levies Act, an organisation can claim back some of the levies paid to be used on training of its employees.

Arbor city awards

Current-year receipts	-	300 000
Conditions met - transferred to revenue	-	(300 000)
	-	**-**

Conditions still to be met - remain liabilities. Refer to note 22.

Figures in Rand	2016	2015 Restated*

31. Government grants and subsidies (continued)

Dilbeeck youth development

Balance unspent at beginning of year	1	601 340
Conditions met - transferred to revenue	-	(601 339)
	1	**1**

Municipality of Dilbeeck, Belgium agreement to assist the with youth development, prevention services and environment development.

LG financial management support grant

Balance unspent at beginning of year	400 000	400 000
Current-year receipts	250 000	-
Conditions met - transferred to revenue	(250 000)	-
Unutilised- Transferred to Provincial department	(400 000)	-
	-	**400 000**

To provide financial assistance to municipalities to improve overall financial governance within municipalities inclusive of optimising and administration of revenue, improving credibility and responsiveness of municipal budgets, improving of municipal audit outcomes and addressing institutional challenges.

Spatial development framework

Current-year receipts	500 000	-

Conditions still to be met - remain liabilities (see note 22).

To update the Human Settlement Plan (HSP) as part of the Built.

Library grant

Balance unspent at beginning of year	-	582 489
Current-year receipts	8 607 000	4 831 000
Conditions met - transferred to revenue	(8 607 000)	(5 413 489)
	-	**-**

To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through recapitalised programme at provincial level in support of local government and national initiatives.

Housing consumer education

Balance unspent at beginning of year	68 010	68 010

Conditions still to be met - remain liabilities. Refer to note 22.

Figures in Rand	2016	2015 Restated*

31. Government grants and subsidies (continued)

Community development support grant

Balance unspent at beginning of year	-	31 354
Current-year receipts	54 000	52 463
Conditions met - transferred to revenue	(36 591)	(83 817)
	17 409	**-**

To provide financial assistance to municipalities to cover the operational costs pertaining to the line functions of the community development workers including regional coordinators,

Municipal systems improvement grant

Balance unspent at beginning of year	-	755 539
Current-year receipts	930 000	934 000
Conditions met - transferred to revenue	(930 000)	(934 000)
Unutilised- Transferred to National department	-	(755 539)
	-	**-**

To assist municipalities to build in-house capacity to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act (MSA) and related legislation, policies and the local government turnaround strategy.

Financial Management Grant

Current-year receipts	1 450 000	1 250 000
Conditions met - transferred to revenue	(1 450 000)	(1 250 000)
	-	**-**

To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).

EPWP grant

Current-year receipts	1 075 000	1 544 000
Conditions met - transferred to revenue	(1 075 000)	(1 544 000)
	-	**-**

To incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the EPWP Guidelines:
- road maintenance and the maintenance of buildings
- low traffic volume roads and rural roads
- basic services infrastructure, including water and sewer reticulation, sanitation, pipelines and dams (excluding bulk infrastructure)
- other economic and social infrastructure
- tourism and cultural industries
- waste management
- parks and beautification
- sustainable land-based livelihoods

Figures in Rand	2016	2015 Restated*
32. Fines, penalties and forfeits		
Traffic fines	90 511 188	38 669 147
Industrial affluent penalty	159 329	925
Other fines	41 993	81 495
	90 712 510	**38 751 567**
33. Employee related costs		
Basic salaries	243 074 977	205 573 807
Pension fund contribution	36 169 156	31 445 706
Bonus	16 873 934	14 156 028
Medical aid - company contributions	16 742 720	15 303 307
UIF	1 667 276	1 572 591
Salary allowance	3 190	3 190
Cashiers allowance	2 283	6 228
Sundry allowance	2 257 426	1 961 739
Cellphone allowance	703 688	648 440
Severance packages	-	112 105
Travel, motor car, accommodation, subsistence and other allowances	575 955	348 955
Overtime payments	19 400 914	15 992 602
Uniforms	626 901	574 718
Acting allowances	1 548 612	1 252 322
Group insurance	4 126 249	3 753 250
Car allowance	10 643 323	10 224 273
Housing benefits and allowances	1 921 420	1 384 237
Standby allowance	8 444 306	7 135 861
Night shift allowance	2 511 580	2 242 774
Long-term benefits - incentive scheme	21 141	-
Bargaining council	147 915	126 874
	367 462 966	**313 819 007**
Remuneration of Municipal Manager		
Annual remuneration	642 839	1 123 387
Car allowance	36 000	72 000
Contributions to UIF, medical and pension funds	134 085	254 003
Leave	75 176	-
Telephone allowances	9 000	18 000
	897 100	**1 467 390**
Acting Allowance paid to Acting Municipal Manager	780 237	-
Remuneration of Chief Finance Officer		
Annual remuneration	1 322 064	1 200 048
Car allowance	134 342	130 556
Contributions to UIF, medical and pension funds	13 223	14 826
	1 469 629	**1 345 430**
Remuneration of the Director Human Settlements		
Annual remuneration	863 874	393 142
Car allowance	125 517	70 000
Contributions to UIF, medical and pension funds	182 998	95 330
Telephone allowance	21 000	5 250

Figures in Rand	2016	2015 Restated*
33. Employee related costs (continued)		
Performance bonus	63 934	-
	1 257 323	**563 722**
Acting allowances paid to Acting Director Human Settlements	27 449	41 445

The Director of Human Settlements started working on the 1st of December 2014.

Figures in Rand	2016	2015 Restated*

33. Employee related costs (continued)

Remuneration of the Director Community & Protection Services

Annual remuneration	423 843	843 812
Car allowance	66 000	66 000
Contributions to UIF, medical and pension funds	86 968	213 482
Leave	-	18 774
Telephone allowances	4 500	9 000
	581 311	**1 151 068**
Acting Allowances paid to the Acting Director Community & Protection Services	91 904	-

Remuneration of the Director Strategic and Corporate Services

Annual remuneration	561 183	871 121
Car allowance	104 718	121 774
Contributions to UIF, medical and pension funds	133 688	214 286
Leave	44 263	-
Telephone allowances	6 000	9 000
	849 852	**1 216 181**
Acting Allowances paid to the Acting Director(s) Corporate Services	95 395	-

Remuneration of the Director Engineering Services

Annual remuneration	-	959 159
Car allowance	-	48 975
Contributions to UIF, medical and pension funds	-	198 248
Leave payout	-	112 118
Telephone allowances	-	9 000
	-	**1 327 500**
Acting Allowances paid to Acting Director(s) Engineering Services	132 376	-

The Director Engineering Services' position was vacant for the 2015/2016 financial year.

Remuneration of the Director Planning and Development Services

Annual remuneration	1 047 519	741 035
Car allowance	141 387	79 526
Contributions to UIF, medical and pension funds	13 900	9 612
Telephone allowances	20 703	4 670
Performance bonus	116 244	-
	1 339 753	**834 843**
Acting Allowances paid to Acting Director(s) Planning and Development	-	35 903

The Director Planning and Development started working on the 1st of September 2014.

Notes to the Annual Financial Statements

Figures in Rand	2016	2015 Restated*

34. Remuneration of Councillors

Executive Mayor	591 091	552 637
Councillors	15 253 155	13 878 129
	15 844 246	**14 430 766**

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the council.

Executive Mayor	591 091	552 637
Deputy Mayor	473 269	442 088
Speaker	441 349	413 098
Chief whip	356 770	385 047
MPAC chair	399 671	-
Mayoral committee	3 428 643	2 915 144
Councillors	5 027 024	4 919 509
Medical aid contributions	263 762	244 026
Pension fund contributions	287 985	256 551
Travelling allowances	3 614 712	3 407 922
Telephone allowances	895 743	894 744
Data cards	64 227	-
	15 844 246	**14 430 766**

35. Contribution to/from provision

Landfill site	7 153 210	13 062 215
Constructive obligations	704 089	295 292
	7 857 299	**13 357 507**

36. Contribution to allowance for doubtful debt

Receivables from exchange allowance contribution	(19 625 410)	2 094 645
Receivables from non-exchange allowance contribution	24 412 764	18 119 253
Long term receivables	(3 545 805)	(71 646)
	1 241 549	**20 142 252**

37. Depreciation and amortisation

Property, plant and equipment	151 315 704	146 149 066
Intangible assets	1 123 773	462 075
	152 439 477	**146 611 141**

38. Finance costs

Current borrowings	20 390 548	13 409 012

39. Contribution to employee benefit obligation

Post-retirement healthcare benefit liability	24 241 269	53 960 445
Long service award	4 218 425	4 135 000
Leave gratuity	3 147 745	5 118 081
	31 607 439	**63 213 526**

Notes to the Annual Financial Statements

Figures in Rand	2016	2015 Restated*

39. Contribution to employee benefit obligation (continued)

An actuarial gain on employee benefits of R 475 568 (2015: R 2 021 160) was disclosed in other income.

40. Debt impairment

Electricity	414 395	51 264
Water	10 021 468	5 917 170
Sewerage	2 973 538	1 792 547
Refuse	3 408 434	2 175 049
Housing Rental	6 032 540	4 804 171
Housing selling schemes	1 282 808	-
Sundries	593 519	253 896
Rates	1 068 314	678 123
Traffic fines	43 272 220	24 319 226
	69 067 236	**39 991 446**

41. Bulk purchases

Electricity	304 375 751	268 063 791
Water	20 400 921	19 280 240
	324 776 672	**287 344 031**

Bulk purchases are the cost of commodities not generated by the municipality, which the municipality distributes in the municipal area for resale to the consumers. Electricity is purchased from Eskom whilst water is purchased from the City of Cape Town and Department of Water and Forestry.

42. Contracted services

Operating Leases: Buildings and Equipment	9 813 016	10 053 965
Specialist Services	8 733 138	6 498 907
Other Contractors	31 368 415	22 119 095
	49 914 569	**38 671 967**

43. Grants and subsidies paid

Grant-in-aid tourism	3 700 000	2 840 768
Grant-in-aid animal welfare	700 000	568 500
Grant-in-aid sundries	1 815 883	2 145 779
	6 215 883	**5 555 047**

Figures in Rand	2016	2015 Restated*
44. General expenses		
3G fixed cost	1 440	1 199
Advertising	3 609 227	3 125 319
Ammunition	2 393	-
Audit committee	228 858	212 101
Auditors remuneration	4 404 494	4 330 770
Bank charges	3 106 650	2 829 661
Membership fees	3 602 879	4 258 058
Bursaries	314 746	157 491
Cellphone cost	139 809	119 360
Professional fees	13 697 240	9 350 969
Corporate expenses	633 450	568 404
Land sales	-	362 071
Cleaning services	1 686 105	1 276 501
Disaster incidents/ relieve aid	2 474 554	3 385 148
Electricity consumption	7 588 366	7 050 977
Entertainment	110 884	94 558
Fuel and oil	9 623 449	10 844 551
Fumigation of buildings	151 904	148 204
Free basic services - informal settlements	4 026 378	2 739 382
Grant expenditure	-	1 975
Hosting of events	733 676	551 031
Housing top structure	25 234 923	2 863 699
Insurance	2 729 340	2 653 371
Internal audit fees	639 434	579 292
Internal consumption expenses	485 339	700 801
Internal Investigations	285 895	48 924
Investment administration	438 791	902 218
Legal cost	12 986 969	6 658 749
Licenses fees	5 573 494	4 554 459
Local economic development	193 995	869 085
Magazines, books and periodicals	193 177	240 459
Marketing	86 508	76 133
Nightshelter	504 315	490 729
Office refreshments	704 205	605 318
Other expenses	14 224 360	8 500 080
Postage and courier	1 316 928	1 314 019
Printing and stationery	3 134 268	3 014 917
Property only	2 194 241	1 095 836
Protective clothing	2 483 339	2 548 991
Radio operational cost	1 609 627	1 668 796
Recoverable cost	1 349 258	929 240
Recruiting and selecting	54 679	91 992
Refuse bins	82 000	3 165 621
Registration fees	518	14 850
Souvenirs	10 927	22 714
Staff wellness	958 104	1 103 473
Stores & material	1 479 335	1 975 590
Special rating area	3 761 052	-
Telephone cost	2 383 539	3 446 922
Training	7 550 377	6 124 605
Transfer & survey cost	166 889	58 728
Ward expenses	1 738 449	1 399 681
Workmans compensation	2 446 867	1 955 667
Workshops, functions & capacity	1 067 824	1 140 953
General expenses	154 205 468	111 467 795
Administration costs	(2 593 104)	(6 632 500)
	151 612 364	**105 591 142**

Figures in Rand	2016	2015 Restated*

44. General expenses (continued)

The comparative figures were restated. Refer to the prior period error note 60.

45. Fair value adjustments

Gain arising from changes in fair value less costs to sell on biological assets	(1 442 934)	325 021
Other financial assets		
• Discounting of long term receivables	(4 181 687)	-
	(5 624 621)	**325 021**
Movement in discounting of long term receivables		
Opening balance	-	-
Closing balance	(4 181 687)	-
	(4 181 687)	**-**

46. Cash generated from operations

Surplus	149 670 869	24 511 607
Adjustments for:		
Depreciation and amortisation	152 439 477	146 611 141
Loss/(profit) on sale of assets and liabilities	890 364	(1 339 626)
Fair value adjustments	1 442 934	(325 021)
Impairment of non-cash generating assets	-	9 927 321
Inventories losses/write-downs	(34 728)	39 084
Debt impairment	69 067 236	39 991 446
Movements in operating lease assets and accruals	(337 471)	(1 032 939)
Movements in provisions	(2 629 670)	7 807 652
Contribution to allowance for doubtful debt	1 241 549	20 142 252
Employee benefit provision contributions	31 607 439	63 213 526
Actuarial gain	(475 568)	(2 021 160)
Change in restoration	(501 243)	48 681
Changes in working capital:		
Inventories	(8 389 535)	(5 890 940)
Other receivables from exchange transactions	(7 605 078)	(2 535 886)
Consumer debtors	(20 104 130)	577 983
Other receivables from non-exchange transactions	(64 059 137)	(32 277 465)
Payables from exchange transactions	20 820 926	51 838 017
VAT	(18 926 353)	(12 549 648)
Employee benefit obligation	(9 187 885)	(13 409 224)
Unspent conditional grants and receipts	9 740 947	3 339 137
Consumer deposits	703 176	1 045 429
	305 374 119	**297 711 367**

Figures in Rand	2016	2015 Restated*

47. Financial assets by category

The financial assets of the municipality are classified as follows:

2016

	Amortised cost	Total
Cash and cash equivalents	128 186 992	128 186 992
Receivables from exchange transactions	84 833 702	84 833 702
Other receivables from exchange transactions	59 372 543	59 372 543
Receivables from non-exchange transactions	7 554 620	7 554 620
Current investment deposits	480 000 000	480 000 000
Long term receivables	3 575 174	3 575 174
	763 523 031	**763 523 031**

2015

	Amortised Cost	Total
Cash and cash equivalents	609 430 081	609 430 081
Receivables from exchange transactions	69 830 863	69 830 863
Other receivables from exchange transactions	51 767 465	51 767 465
Receivables from non-exchange transactions	7 613 962	7 613 962
Long term receivables	5 081 236	5 081 236
	743 723 607	**743 723 607**

48. Financial liabilities by category

The financial liabilities of the municipality are classified as follows:

2016

	Amortised cost	Total
Consumer deposits	13 191 374	13 191 374
Operating lease accrual	2 074 649	2 074 649
Other financial liabilities	198 294 362	198 294 362
Unspent conditional grants and receipts	46 820 691	46 820 691
Payables from exchange transactions	203 602 923	203 602 923
	463 983 999	**463 983 999**

2015

	Amortised cost	Total
Consumer deposits	12 488 198	12 488 198
Operating lease liability	2 412 120	2 412 120
Other financial liabilities	159 439 004	159 439 004
Unspent conditional grants and receipts	37 079 744	37 079 744
Payables from exchange transactions	182 687 512	182 687 512
	394 106 578	**394 106 578**

49. Risk management

Capital risk management

The municipality manages its capital to ensure that the municipality will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and equity balance. The municipality's overall strategy remains unchanged from 2008.

The capital structure of the municipality consists of debt, which includes the Other financial liabilities disclosed in Note 19, Bank, Cash and Cash Equivalents and Equity in Note 3, comprising Funds, Reserves and Accumulated Surplus as disclosed in the Statement of Changes in Net Assets.

Financial risk management objectives

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Directorate: Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amount 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.

At 30 June 2016	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Consumer deposits	13 191 374	-	-	-
Operating lease liability	2 074 649	-	-	-
Other financial liabilities	11 908 295	13 083 929	46 116 749	127 185 389
Payables from exchange transactions	203 602 923	-	-	-
Unspent conditional grants and receipts	46 820 691	-	-	-

At 30 June 2015	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Consumer deposits	12 488 198	-	-	-
Operating lease liability	2 412 120	-	-	-
Other financial liabilities	9 105 127	10 074 287	36 865 485	103 394 107
Payables from exchange transactions	182 687 513	-	-	-
Unspent conditional grants and receipts	37 079 744	-	-	-

Risk from biological assets

Figures in Rand	2016	2015 Restated*

49. Risk management (continued)

The municipality is exposed to financial risks arising from changes in wood prices. The municipality does not anticipate that wood prices will decline significantly in the foreseeable future. The municipality has not entered into derivative contracts to manage the risk of a decline in wood prices. The municipality reviews its outlook for wood prices regularly in considering the need for active financial risk management.

Interest rate risk management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made without consultation with the councillor responsible for financial matters.

Consumer receivables comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these receivables. Receivables from exchange transactions are presented net of an allowance for impairment.

In the case of receivables whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term receivables and other debtors are individually evaluated annually at the reporting date for impairment or discounting. A report on the various categories of receivables are drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality is not exposed to interest rate risk as the municipality borrows funds at fixed interest rates.

The municipality’s exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

Interest Rate Sensitivity Analysis

The municipality had no variable rate long-term financial instruments at year-end requiring an Interest Rate Sensitivity Analysis.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses other publicly available financial information and its own trading records to assess its major customers. The municipality’s exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its investment operations (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the Chief Financial Officer and authorised by the Council.

Figures in Rand	2016	2015 Restated*

49. Risk management (continued)

Receivables from exchange transactions comprise of a large number of ratepayers, dispersed across different industries and geographical areas within the jurisdiction of the municipality. Ongoing credit evaluations are performed on the financial condition of these receivables. Receivables from exchange transactions are presented net of the allowance for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:		
Current investment deposits	120 239 395	592 647 934
Short term investments	480 000 000	-
Receivables from exchange transactions	84 833 702	69 830 863
Other receivables from exchange transactions	59 372 543	51 767 465
Receivables from non exchange transactions	7 554 620	7 613 962
	752 000 260	**721 860 224**

Foreign currency risk management

The municipality's activities do not expose it to the financial risks of foreign currency and therefore has no formal policy to hedge volatilities in the interest rate market.

Other price risks

The municipality is not exposed to equity price risks arising from equity investments as the municipality does not trade these investments.

50. Commitments

Authorised capital expenditure

Approved and Contracted for:		
• Infrastructure	276 935 974	422 176 308
• Other assets	10 186 626	14 183 810
	287 122 600	436 360 118

Total capital commitments		
Already contracted for	287 122 600	436 360 118

This committed expenditure relates to property, plant and equipment and will be financed by available bank facilities, retained surpluses, mortgage facilities, existing cash resources, funds internally generated, etc.

51. Contingencies

Stellenbosch Municipality / Bergsig Trust – Erf 334/2
An application interdicting and restraining the Trust from utilizing land in a manner other than prescribed by zoning scheme. Reference: STB1/0002

Management's estimate of the financial exposure R250 000

The following litigations and claims management estimated the financial exposure to be R58 000

Stellenbosch Municipality / Nu Bar, Entourage, Drunken Springbok, Stellenbosch club, The Boulevard, Tollies
Criminal proceedings to cause the cessation of illegal activity with regards to contravention of noise control regulations. Erven 7311, 5357, 2084, 1251 and 740. STB1/0004, STB1/0007, STB1/0008, STB1/0010, STB1/0011

Stellenbosch Municipality / CA & TD Pedro : Erf 8851
Owner build illegal building over boundary line without approved building plan – criminal proceedings instituted. STB1/0012

Stellenbosch Municipality / Vinyl Investments (Pty) Ltd : Erf 3292 Franschhoek
Owner erected a building without prior approved building plan – criminal proceedings instituted. STB1/0013

Stellenbosch Municipality / MJ & C Abrahams : Erf 5263
Owner erected illegal wendy house without approved building plan - criminal proceedings instituted. STB1/0015

Stellenbosch Municipality / LR Brochetto : Erf 12479
Owner deviated from approved building plan – criminal proceedings instituted against owner of property. STB1/0016

Stellenbosch Municipality / S Mumba : Flat 8
Application to evict S Mumba from property which is being unlawfully occupied. STB1/0017

Stellenbosch Municipality / AM Oosthuisen : Erf 6604
Owner erected an illegal boundary wall without the necessary structural strength and stability without an approved building plan – instituted criminal proceedings. STB1/0018

Stellenbosch Municipality / K Macopoza : Erf 1902
Owner build an illegal building without prior approved building plan – instituted criminal proceedings. STB1/0021

Stellenbosch Municipality / SZ & R Fourie : Erf 4558
Owner erected a third storey, deviating from the approved building plans and in contravention with the zoning scheme - criminal instituted proceedings. STB1/0026

Stellenbosch Municipality / Faan & Retha Jordaan Family Trust : Erf 7737
Owner erected illegal wendy house without approved building plans – criminal proceedings instituted. STB1/0027

Stellenbosch Municipality / RJ Baartman : Erf 6938
Owner build an illegal building without prior approved building plan – instituted criminal proceedings. STB1/0028

Stellenbosch Municipality / L V/D Vyver : Erf 14544
Owner erected building without prior approved building plan – instituted criminal proceedings. STB1/0029

Stellenbosch Municipality / F & R Moffat : Erf 8852
Owner erected a lean to roof and vibro-crete wall without prior approved building plans - instituted criminal proceedings. STB1/0030

Stellenbosch Municipality / WJA Hendricks : Erf 2924 Klapmuts
Owner placed a container on the Property without prior approved buildings plans - instituted criminal proceedings. STB1/0031

Stellenbosch Municipality / CC & MS Julies : Erf 1978 Klapmuts
Owner build a lean roof, braai and swimming pool without prior approved building plans – criminal proceedings instituted. STB1/0032

51. Contingencies (continued)

Stellenbosch Municipality / JJ Anthony : Flat C2
Application to evict JJ Anthony and all other occupiers residing there and dealing drugs. STB1/0036

Stellenbosch Municipality / occupiers of the landfill site
An urgent eviction application was instituted by Stellenbosch Municipality to have the occupiers of the Landfill site evicted due to an underground fire. The urgent eviction order was granted and a substantial eviction application was submitted pursuant thereto. The substantial eviction application is still pending. Smith Tabata Buchanan Boyes

Management's estimate of the financial exposure	R 100 000

The following litigations and claims management estimated the financial exposure to be R50 000. (This amount represents the legal costs and disbursements that the Municipality may be liable in order to obtain the Final Court Order).

Stellenbosch Municipality / Lindoor
Letter of Demand drafted and served on the tenant of 407 Phyllaria, Stellenbosch. Subsequently the lease agreement was cancelled. Deed of Settlement is currently on the table for the parties to sign. Matter still pending.
Smith Tabata Buchanan Boyes
Reference: G Potgieter/ A Ras

Stellenbosch Municipality / Gone
Instruction received to proceed with court order to stop illegal building structure erected on a residential property.
Letter of demand drafted and served. Proceeded with drafting of pleading to get court order
Smith Tabata Buchanan Boyes_Reference: G Potgieter/ A Ras

Stellenbosch Municipality / Sarah Pietersen
Instruction received to proceed with court order to stop illegal building structure erected on a residential property.
Letter of demand drafted and served. Proceeded with drafting of pleading to get court order.
Smith Tabata Buchanan Boyes_Reference: G Potgieter/ A Ras

Stellenbosch Municipality / Mr & Mrs Pikoko
Instruction received to proceed with court order to stop illegal building structure erected on the residential property.
Letter of demand drafted and served. Proceeded with drafting of pleading to get court order.
Smith Tabata Buchanan Boyes_Reference: G Potgieter/ A Ras

Stellenbosch Municipality / Gregory & Belinda Boyd Family Trust
Instruction received to proceed with court order to stop illegal building structure erected on a residential property.
Letter of demand drafted and served. Proceeded with drafting of pleading to get court order.
Smith Tabata Buchanan Boyes_Reference: G Potgieter/ A Ras

Stellenbosch Municipality / Mr & Mrs Ewerts
Instruction received to proceed with court order to stop illegal building structure erected on a residential property.
Letter of demand drafted and served. Proceeded with drafting of pleading to get court order

Stellenbosch Municipality / Mr & Mrs Julies
Instruction received to proceed with court order to stop illegal building structure erected on a residential property.
Letter of demand drafted and served. Proceeded with drafting of pleading to get court order

Stellenbosch Municipality / Sarah Pietersen
Instruction received to proceed with court order to stop illegal building structure erected on a residential property.
Letter of demand drafted and served. Proceeded with drafting of pleading to get court order.

Stellenbosch Municipality / Nolwandle Boniswa
Instruction received to proceed with court order to stop illegal building structure erected on a residential property.
Letter of demand drafted and served. Proceeded with drafting of pleading to get court order.

Stellenbosch Municipality / Lenie Daniels
Instruction received to proceed with court order to stop illegal building structure erected on a residential property.
Letter of demand drafted and served. Proceeded with drafting of pleading to get court order.

51. Contingencies (continued)

La Motte - Forensic Report
Review Application. This matter is still pending. The application to have allocation of property declared unlawful is being finalized. STE10/0017

Management's estimate of the financial exposure R200 000

Stellenbosch Municipality / Herman Pheiffer
Monetary claim against the Municipality by the former Speaker. This matter is still pending and the attorneys was in the process of obtaining a court date. STE10/0035

Management's estimate of the financial exposure R5 000

Stellenbosch Municipality / Agillis Petrus Davids
High Court application for the provision of alternative accommodation. This matter was recently settled. STE10/0041

Management's estimate of the financial exposure R5 000

Stellenbosch Municipality / TFD Trust
Application interdicting and restraining the Trust from accommodating additional persons or operating an accommodation establishment, more specifically student accommodation, in contravention of the Stellenbosch Zoning Scheme Regulations on residential property .

Management's estimate of the financial exposure R 150 000

Stellenbosch Municipality / Awarding Trading 4 (Pty) Ltd
Application interdicting and restraining the Trust from accommodation additional persons or operating an accommodation establishment, more specifically student accommodation, in contravention of the Stellenbosch Zoning Scheme Regulations on residential property.

Management's estimate of the financial exposure R 150 000

Stellenbosch Municipality / P. Van De Rheede
Application to demolish part of the illegal building erected over the municipal sewer pipeline and make good the land on which she built.

Management's estimate of the financial exposure R40 000

Stellenbosch Municipality / Mervin Hoffman & Marinda Kellerman
Application to demolish structure/ additions/ wooden balcony built illegally to the existing building and which encroaches onto the street and over the property's building line.

Management's estimate of the financial exposure R150 000

Stellenbosch Municipality / Brendal Property Developers
Defending a claim for damages suffered due to the construction of a sewer line over claimant's property and compensation for the servitude registered over the property.

Management's estimate of the financial exposure R300 000

The following litigations and claims management estimated the financial exposure to be R40 000. (This amount represents the legal costs and disbursements that the Municipality may be liable in order to obtain the Final Court Order)

Stellenbosch Municipality / Dillon Carelse
Application to evict Dillon Carelse from property which is being illegally utilised for storage and dealing drugs.

Stellenbosch Municipality / Elizabeth Carelse
Application to evict Elizabeth Carelse from property which is unlawfully being occupied by her grandsons one of whom is a known drug addict.

51. Contingencies (continued)

Stellenbosch Municipality / Illegal Occupiers of Erf 412 Franschhoek
Application to evict certain occupiers of the property due to the building being unsafe.

Stellenbosch Municipality / Pauline van Niekerk
Application to evict Pauline van Niekerk and those holding title under her from the property on which she is unlawfully accommodating her family and extended family without the Municipality's consent

Stellenbosch Municipality / Lavandra Orey
Application to evict whose holding title under Lavandra Orey from the property as she is not residing there and does not have the Municipality's consent to accommodate other people.

Stellenbosch Municipality and Others / Fredericksburg Landgoed (Pty) Ltd and Others
This matter, an application in terms of the National Environmental Management Act 107 of 1998 to have a directive issued against the Municipality, has now been partly concluded and only legal costs and disbursements for which the Municipality may be liable for have to be taxed. This has not been done for the past 6 years. This matter does not involve ant amounts claimed.
Webber Wentzel
Reference: RB Africa / AE Esterhuizen / 1901064 / 1988215

Management's estimate of the financial exposure R 200 000

Stellenbosch Municipality and Others / Independent Schools Association of Southern Africa / Ethekwini Municipality
This matter involves an application on behalf of the Municipality to be joined as co-applicant together with eThekwini Municipality in an application for the review and setting aside of the Amended Municipal Property Rates Regulations promulgated on 12 March 2010. The Municipality has been joined successfully as co-applicant and the parties are in the process of exchanging pleadings.

An interlocutory application brought by the National Minister of Finance and National Minister of Co-operative Governance and Traditional Affairs for the variation and/or rescission of court order regarding the provision of the record and for certain documents to be excluded from the record was set down and heard on 4 August 2014. Judgement has been delivered and the parties are now in the process of preparing and exchanging supplementary papers. This matter does not involve any amounts claimed.
Webber Wentzel
Reference: RB Africa / AE Esterhuizen / 2083835

Management's estimate of the financial exposure R 250 000

Stellenbosch Municipality / John Collin Februarie t/a JC Solutions
This matter involves 3 claims against the Municipality for payment for services rendered.

This amounts claimed are as follow:
Invoice 544: R187 193.70;
Invoice 547: R132 553.50;
Invoice 553: R139 273.30;
Plus interest on the amounts claimed at 15.5% per annum a tempore morae.
Summons was served on 13 August 2013 and the Municipality opposed the matter. The Plaintiff brought an Application for Summary Judgement which application has been successfully opposed by the Municipality. Pleadings have now closed.
Webber Wentzel
Reference: AE Esterhuizen / M Sabley / 2411282

Management's estimate of the financial exposure R 150 000

51. Contingencies (continued)

Stellenbosch Municipality / Fusion Properties 233 CC
This matter involves a summons issued against the Municipality for alleged damages pursuant to the sale of certain immovable property belonging to the Municipality.
The amount claimed is R 32 111 000 together with interest calculated at the rate of 9% per annum from 28 July 2015.
This Municipality is defending the action. Pleadings have now closed.
Webber Wentzel
Reference: RB Africa / M Sabley / 3006430

Management's estimate of the financial exposure R 500 000

Stellenbosch Municipality / Klapmuts Mediation
Municipality under obligation to provide emergency housing to evictees of various eviction orders in Klapmuts; Klapmuts community has threatened violence against evicted and destruction of property should municipality proceed to utilise Klapmuts housing facilities for evictees rather than their own. Independent expert mediator appointed to facilitate mediation which is currently pending.
Reference: KVDBERG/S613

Management's estimate of the financial exposure R 250 000

Stellenbosch Municipality / Erf 114 demolition application
Application for court order to have illegal building demolished to be issued shortly.
Reference: KVDBERG/S586

Management's estimate of the financial exposure R 50 000

Stellenbosch Municipality / Erf 3043 demolition application
Application for court order to have illegal building demolished to be issued shortly.
Reference: KVDBERG/S598

Management's estimate of the financial exposure R 50 000

Stellenbosch Municipality / Erf 3085 demolition application
Application for court order to have illegal building demolished to be issued shortly.
Reference: KVDBERG/S599

Management's estimate of the financial exposure R 50 000

Stellenbosch Municipality / Erf 3082 demolition application
Application for court order to have illegal building demolished to be issued shortly.
Reference: KVDBERG/S600

Management's estimate of the financial exposure R 50 000

Stellenbosch Municipality / Erf 1162 demolition application
Application for court order to have illegal building demolished to be issued shortly.
Reference: KVDBERG/S601

Management's estimate of the financial exposure R 50 000

Stellenbosch Municipality / Erf 3039 demolition application
Application for court order to have illegal building demolished to be issued shortly.
Reference: KVDBERG/S602

Management's estimate of the financial exposure R 50 000

Stellenbosch Municipality / Erf 1469 demolition application
Application for court order to have illegal building demolished to be issued shortly.
Reference: KVDBERG/S603

Management's estimate of the financial exposure R 50 000

51. Contingencies (continued)

Stellenbosch Municipality / Erf 299 demolition application
Application for court order to have illegal building demolished to be issued shortly.
Reference: KVDBERG/S604

Management's estimate of the financial exposure R 50 000

Stellenbosch Municipality / Erf 3073 demolition application
Application for court order to have illegal building demolished to be issued shortly.
Reference: KVDBERG/S605

Management's estimate of the financial exposure R 50 000

Stellenbosch Municipality / Erf 2514 demolition application
Application for court order to have illegal building demolished to be issued shortly.
Reference: KVDBERG/S606

Management's estimate of the financial exposure R 50 000

Stellenbosch Municipality / Erf 298 demolition application
Application for court order to have illegal building demolished to be issued shortly.
Reference: KVDBERG/S607

Management's estimate of the financial exposure R 50 000

Stellenbosch Municipality / M Lekeur eviction
Application for eviction of unlawful occupants from municipal property. Pre-litigation mediation pending.
Reference: KVDBERG/S617

Management's estimate of the financial exposure R 80 000

Stellenbosch Municipality / I Du Toit eviction
Application for eviction of unlawful occupants from municipal property to be instituted once obligation in respect of emergency housing is determined in Lekeur test-case.
Reference: KVDBERG/S580

Management's estimate of the financial exposure R 80 000

Stellenbosch Municipality / A11 Kloof str eviction
Application for eviction of unlawful occupants from municipal property to be instituted once obligation in respect of emergency housing is determined in Lekeur test-case.
Reference: KVDBERG/S589

Management's estimate of the financial exposure R 80 000

Stellenbosch Municipality / E Manuel eviction
Application for eviction of unlawful occupants from municipal property to be instituted once obligation in respect of emergency housing is determined in Lekeur test-case.
Reference: KVDBERG/S590

Management's estimate of the financial exposure R 80 000

An amount of R160 073.43 was levied for interest and penalties by the Compensation Fund for periods before 2012. The amount represents interest and penalties levied for late payments. The municipality did not pay the interest and penalties because based on the available information; the municipality received the return of earnings late from the Compensation Fund. The municipality has requested the remittance of the interest and penalties in January 2015, but as at reporting date, the municipality did not receive a response from the Compensation Fund. It is the municipality's view that if we did not receive the return of earnings late, the payments would not have been affected after the due dates and no interest and penalties would have been charged. As we have not received a response from the Compensation Fund, we are unable to determine the amount of interest and penalties payable, if any.

51. Contingencies (continued)

The municipality has concluded a comprehensive job evaluation process during the 2015/16 financial year. A maintenance process has commenced and it is envisaged that the process will be completed by December 2016. It is impossible to quantify the financial effect.

52. Related parties

Loans granted to related parties

In terms of the MFMA, the municipality may not grant loans to its councillors, management, staff and public with effect from 1 July 2004. Loans, together with the conditions thereof, granted prior to this date are disclosed in a note to the annual financial statements.

Compensation of related parties

Compensation of key management personnel and councillors is set out in notes 33 and 34 respectively, to the annual financial statements.

Awards to close family members of persons in the service of the state:

Jacko's Cleaning and Projects

Services to the value of R15 999.

Spouses, Child or Parent	State Departmen
Ntombentsha I Jack	Stellenbosch Municipality

AMLN General Trading cc

Services, to the value of R 138 140.

Spouses, Child or Parent	State Department
Nelda Samuels	Stellenbosch Municipality

Aurecon South Africa (Pty) Ltd

The appointment of consulting engineers for professional civil engineering services for various projects, to the value of R 11 890 261

Spouses, Child or Parent	State Department
JJ Saaiman	Armscor: Quality Manager; Parent
G Saaiman	Auditor-General Kimberley: Junior Manager; Son
RG Madikizela	Auditor-General South Africa: Assistant Manager; Brother
D Ntsebeza	Buffalo City Metropolitan Municipality, Spouse
WZ Erasmus	Cape Nature: Program Manager; Spouse
Cr BJ Kriegler	Cape Winelands District Municipality & Breede Valley Municipality: Western Cape - Councillor; Parent
N Grobbelaar	Central University of Technology: Department Civil Engineer - Programme Manager; Spouse

52. Related parties (continued)

S Seegers	City of Cape Town: Head of Security Architecture; Sister
PC Vermeulen	City of Cape Town: Superintendent - Building Maintenance; Parent
CJ Barry	City of Cape Town: Transport Department - Transport, Roads and Stormwater: Head - Finance; Parent
J Wilkens	Correctional Service: Vice Director - Provincial; Parent
B Alheit	Denel Dynamics: Executive Manager - Business Development; Parent
J Scheepers	Council for Medical Schemes: Chief Financial Analyst; Spouse
A Hougaard	Department of Correctional Services: Principle Network Controller; Spouse
M Marques	Department of Home Affairs: Deputy Director; Spouse
D Mayekiso	Department of Local Government and Traditional Affairs, Uncle
N Towers	Department of Mineral Resources: Inspectorate of Mines - Health and Safety Western Cape Region; Parent
J Blackmore	Department of Public Works: Project Manager; Parent
AJ Moore	Department of Water Affairs: Chief Engineer; Parent
J Tredoux	Department of Water Affairs: Deputy Director - Accounts Payable; Spouse
Cr CP Herbst	Dr Ruth S Mompati District Municipality: North West - Councillor; Parent
RT Mehlala	Eastern Cape Arts and Culture Council: Chief Audit Executive Officer; Parent
J Jacobs	Eastern Cape Department of Education; Personal Assistant to Chief Director; Spouse
ZC Venter	Eastern Cape Department of Health: Deputy Director - Employment Relations; Spouse
NH Ntsebeza	Eastern Cape Department of Health, Parent
R Tebane	Ekurhuleni Metropolitan Municipality: Executive Manager; Parent
JM Robertson	Ekurhuleni Metropolitan Municipality: Roads Engineer; Parent
ZE Khosa	Ekurhuleni Metropolitan Municipality: Technician; Brother
M van Rensburg	Eskom: Executive at Transmission Department; Father-in-Law
R Nair	eThekwini Municipality: Building Inspector; Parent
CMM Barnard	Gauteng Department of Education: Deputy Principal; Spouse
B Kleynhans	Hessequa Municipality: Accountant; Parent
NS Wolmarens	IDC: Senior Accounts Manager; Spouse
M Ntsebeza	Intsika Yethu Municipality, Cousin

52. Related parties (continued)

N Ntsebeza	Intsika Yethu Municipality, Cousin
SW Zulu	KwaZulu Natal Department of Health: Human Resource Manager; Parent
L Pillay	KwaZulu Natal Department of Transport: Deputy Director - Mechanical Maintenance Division; Parent
E Herlodt	Limpopo Dept of Economic Development Environment & Tourism, Manager Investigation Services
T Kholoanyane	Naledi Local Municipality: Free State - Tourism Manager; Parent
K Nadasen	National Department of Public Works: Director - Key Account Management
J Theron	Nelson Mandela Bay Metropolitan University: Head - Graduate School Relations; Spouse
Dr M Skeed	Nelson Mandela Bay Metropolitan University: Senior Manager - Staff Development; Spouse
Dr Y Goga	Nkosi Albert Luthuli Hospital: Senior Specialist - Paediatric Haematology; Sister
F Tialang	North West Department of Education: Quality Assurance; Sister
GJ Tong	North West Department of Finance: Deputy Director; Parent
EM Schon	Northern Cape Department of Cooperative Governance: Human Settlements and Traditional Affairs - Assistant Manager; Spouse
SM Grobbelaar	Northern Cape Department of Cooperative Governance: Human Settlements and Traditional Affairs - Town and Regional Planner; Parent
JF Phillips	Northern Cape Department of Economic Development and Tourism: Manager - Township Revitalisation; Spouse
T Botha	Oudtshoorn Municipality: Technical Manager; Parent
JH Riekert	SA Reserve Bank; Engineering ; Spouse
JH Higgs	SARS: Regional Manager; Spouse
PS Pretorius	Sol Plaatjie Municipality: Chief Officer - Community Services; Parent
SM O'Connell	Sol Plaatjie Municipality: Librarian; Spouse
K Thamaga	South African Defence Force: State Accountant; Brother
MC Dunga	South African Navy: Engineer in Training; Spouse
HC Ahlschlager	Special Investigating Unit: Legal Representative; Spouse
A Heyns	Stellenbosch Municipality: Assistant Superintendent - Workshop Engineering Department; Parent
AN Van Taak	Stellenbosch Municipality, Director- Water and Sewerage, Father
R Meyer	Telkom SA: Project Manager; Parent

52. Related parties (continued)

N Geldenhuys	Transnet Port Terminals: Mechatronic Engineer; Son
Cr B Groenewald	Twaing Municipality: North West - Councillor; Parent
T Govender	Umgeni Water: Fleet Maintenance Administrator - Asset Management; Daughter
A Treurnich	Umjindi Municipality: Community Services - Assistant Director; Spouse
Prof CJG Bender	University of Johannesburg: Professor; Spouse
Cr JJJ Daniels	West Coast District Municipality: Deputy Mayor; Parent
HG Esterhuysen	West Coast District Municipality: Senior Manager - Roads; Parent

Ithuba Industries

The supply and delivery of goods and material under annual tenders (water services department), to the value of R 437 691.

Spouses, Child or Parent	State Department
Ms. De Morney	Western Cape Department of Education

ARB Electrical Wholesalers (Pty) Ltd

The supply and delivery of goods and material under the Annual Tender: Electrical, to the value of R 4 389 795.

Spouses, Child or Parent	State Department
Jacob Modise	ESKOM Holdings: Non Executive Director and Road Accident Fund (RAF): CEO

Bergstan South Africa

Services, to the value of R 1 472 864.16

Spouses, Child or Parent	State Department
C Beukus	Department of Social Development

Kemanzi (Pty) Ltd

Supply of water treatment chemicals and application expertise to the value of R 504 173.

Spouses, Child or Parent	State Department
J N Du Toit	Department of local government

Clints Chaffeur Drive

Transport services to the value of R 1 995.

Spouses, Child or Parent	State Department
Ms. V Swartz	Stellenbosch Municipality: LED Official

CSM Consulting Services

Services, to the value of R 370 874

Spouses, Child or Parent	State Department
Andre Vancoillie	Department of Environmental Affairs and Development Planning

52. Related parties (continued)

Exeo Khokela Civil

Civil Engineering construction services to the value of R 15 428 120.

Spouses, Child or Parent	State Department
T Meyer	Education department

Angra Tours

Transportation services to the value of R 9 750.

Spouses, Child or Parent	State Department
Zelda Louise Cloete	Stellenbosch Municipality _Clerk : Enquiry and Client liason

Red Hills Electronics

Services, to the value of R 467 666.

Spouses, Child or Parent	State Department
Mr E Hartley	Department of Education

Milhon HVAC

Repairs and replacements on air conditioners, to the value of R 151 789.

Spouses, Child or Parent	State Department
Ms J Sampson	Stellenbosch Municipality: SCM Practioner

Maverick Trading 1088 (Pty) Ltd

Services, to the value of R 198 843

Spouses, Child or Parent	State Department
Colleen Adams	Department of Agriculture

Mott Macdonald Africa (Pty) Ltd

Services, to the value of R 370 874

Spouses, Child or Parent	State Department
Emma Liesl Silberagl	Other Government Department

NCC Environmental Services (Pty) Ltd

Services, to the value of R 13 224

Spouses, Child or Parent	State Department
Chandre Rhode	Department of Local Government (City of Cape Town)

GVG Buildings

The rendering of civil works: annual tender to the value of R 39 980.

Spouses, Child or Parent	State Department
M M Gertse	Department: Rural development and land reform

Blue Vidas (Pty) Ltd

Cleaning and hygiene services to the value of R 28 000.

52. Related parties (continued)

Spouses, Child or Parent	State Department
Harold Richard Davids	Stellenbosch Municipality_Technician Development: Services and Project Management

Helderberg Business

IT related services, to the value of R 15 298.

Spouses, Child or Parent	State Department
Nicoli Hichert	Department of Agriculture

HJ Productions (Pty) Ltd

Services, to the value of R 62 270

Spouses, Child or Parent	State Department
Director	Department of Agriculture

Adenco Construction

Electrical engineering construction services to the value of R 4 653 628.

Spouses, Child or Parent	State Department
DCC Jackson Adelle Kassner	Department of Health

Rhonde bros steel pro

Steel manufacturing services to the value of R 439 414.

Spouses, Child or Parent	State Department
Dan Rhode	Other government departments

FGA Van Den Heever

Installation of cupboards to the value of R 27 090.

Spouses, Child or Parent	State Department
Pamela van den Heever	Education department

Flowers in the Foyer

Services, to the value of R 2 800

Spouses, Child or Parent	State Department
E Gunter	Other Government Department

Silversolutions 1765

Accounting and business consultants to the value of R 7 600.

Spouses, Child or Parent	State Department
Dorothy Simpson	Education department

Element Consulting

Engineering services to the value of R 644 050.

Spouses, Child or Parent	State Department
Mrs S Pienaar	Department of local government

52. Related parties (continued)

Payless Fitment Centre

Services, to the value of R 11 697.94

Spouses, Child or Parent	State Department
R Olivier	Department of Social Development

PD Naidoo and Associates

Engineering services to the value of R 211 549.

Spouses, Child or Parent	State Department
Emma Liesl Siberagl	Other government departments

Sipakhame Skills Development

Services, to the value of R 352 350.

Spouses, Child or Parent	State Department
Ntobeko Vacu Drake	Department of Local Government(Drakenstein Municipality

KPMG Pty (Ltd)

Professional financial services to the value of R 180 118.

Spouses, Child or Parent	State Department
	Other government departments.

Idas Valley Cleaning Solutions

Services, to the value of R 249 220.

Spouses, Child or Parent	State Department
Gaylene Jonkers	Department of Local Government

Idas Valley Service Centre

Services, to the value of R 94 652.06

Spouses, Child or Parent	State Department
Jene Bergstedt	Department of Local Government (Stellenbosch Municipality)

iKapa Reticulation and flow

Services, to the value of R 107 770

Spouses, Child or Parent	State Department
Sophia Davids	Department of Education

Isuzu Truck Centre (Pty) Ltd

Services, to the value of R 28 945,

Spouses, Child or Parent	State Department
Errol Jacobs	Department of Local Government

Procore Protection

Security services to the value of R 85 930.

52. Related parties (continued)

Spouses, Child or Parent	State Department
M De Vries	Department of local government

Smec South Africa (PTY) Ltd

Consulting services to the value of R 247 080.

Spouses, Child or Parent	State Department
Yvonne Phosa	Department of the premier

Purple rose distributors

Distribution services, to the value of R 147 119.

Spouses, Child or Parent	State Department
Charlotte Hector	Education department

WAM Technology cc

Services, to the value of R 22 800

Spouses, Child or Parent	State Department
Edith Botha	Education Department

World Outdoor Fitness SA

Services, to the value of R 352 796

Spouses, Child or Parent	State Department
Sarit Qwabe	SABC

Chipit (Pty) Ltd

Procurement services, to the value of R 25 800.

Spouses, Child or Parent	State Department
Charles Ford	Other government departments

Altimax (Pty) Ltd

Consultants and advisors to the value of R 602 961.

Spouses, Child or Parent	State Department
Isak Dirk Joubert	Education department

AECOM SA (PTY) LTD

Prefessional services to the value of R 3 900 222.

Spouses, Child or Parent	State Department
Sandra Meyer	Bloem water; Mother
Lida Mudde	Department of Education; Sister
Allison Powell	Department of Education; Wife
Lynette Wolff	Department of Education; Wife
Mareli Els	Department of Education; Niece

52. Related parties (continued)

Christoff Marais	Department of Health; Brother
Marietjie Breytenbach	Eendracht Primary School; Wife
Andre Rossouw	ESKOM; Son
Rowan Seath	ESKOM; Brother
JHS Viljoen	ESKOM; Brother-in-Law
Alison Mahomed	eThekwini Minicipality; Wife
Roelof Meyer	Grey College; Father
Elmarie Venter	Gauteng Education Department; Wife
Carol Van der Merwe	Protea Park Primary School; Wife
JHS Viljoen	SA Air Force- Waterkloof; Husband
Toy Le Grange	SA Defence Force- Medical Services; Nephew
JC Van der Walt	SANRAL; Father
Timothy Liversage	Transnet; Husband
Frikkie Koekelenberg	Transnet; Nephew
Gary Powell	University of Cape Town; Brother
Marius M Lund	University of Cape Town; Brother
Rona Newark	University of Stellenbosch; Sister
Pamela de Waalt	University of Pretoria; Wife
Anele de Wet	UNISA; Wife
Nico Botha	UNISA; Brother

53. Events after the reporting date

Management is not aware of any material event which occurred after the reporting date and up to the date of this report.

54. Unauthorised expenditure

Civil Engineering Services	-	48 732 832
Human Settlements and Property Management	41 991	-
	41 991	**48 732 832**

Overspending on non-cash items namely Depreciation, Debt Impairment and Contributions to Provisions contributed to the overspending per vote for the year under review. These line items were budgeted for but expenditure was more than anticipated, this does not constitute physical outflows of cash but is deemed unauthorised in terms of National Treasury MFMA Circular no 68: Unauthorised, Irregular, Fruitless and Wasteful Expenditure dated 10 May 2013.

Unauthorised expenditure was restated in the comparative year due the implementation of directive 11.

Figures in Rand	2016	2015 Restated*

55. Fruitless and wasteful expenditure

No fruitless and wasteful expenditure for the year under review.

56. Irregular expenditure

Opening balance	462 542	14 729 997
Non-compliance with SCM Regulation S36(1)(a)(i)	11 708 103	278 224
Less: Amounts written off in terms of the MFMA S32(2)(b)	-	(14 545 679)
	12 170 645	**462 542**

57. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government - SALGA

Opening balance	315 317	-
Council subscriptions	3 804 560	4 165 018
Amount paid - current year	(3 800 235)	(3 849 701)
Early settlement discount	(319 642)	-
Balance Unpaid (included in Creditors)	**-**	**315 317**

Audit fees

Current year Audit Fee	4 977 757	4 330 770
Amount paid - current year	(4 977 757)	(4 330 770)
Balance Unpaid (included in Creditors)	**-**	**-**

VAT

VAT receivable	32 262 026	13 335 673

All VAT returns have been submitted by the due date throughout the year.

The total VAT paid for the year amounts to R 13 329 317 (2015: R 18 640 424).

The comparative figures were restated. Refer to the prior period error Note .

PAYE and UIF

Current year Payroll Deductions	(56 905 764)	(45 227 894)
Amount paid - current year	56 905 764	45 227 894
Balance Unpaid (included in Creditors)	**-**	**-**

Pension and Medical Aid Deductions

Current year Payroll Deductions and Council Contributions	94 882 879	83 909 793
Amount paid - current year	(94 882 879)	(83 909 793)
Balance Unpaid (included in Creditors)	**-**	**-**

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2016:

Figures in Rand	2016	2015 Restated*

57. Additional disclosure in terms of Municipal Finance Management Act (continued)

30 June 2016	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Arends DS	7	-	7
Maree EL	10	4 222	4 232

The following councillors had arrear accounts for more than 90 days during the year:

Gugushe KM

Maree EL

Ngcofe MM

Peterson A&WC

Sidego CJ

30 June 2015	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Maree EL	30	4 092	4 122

Distribution Losses

In terms of section 125(2)(d)(i) of the Municipal Finance Management Act, the municipality experienced the following distribution losses for the year under review:

Distribution Losses	Electricity (KWH)	Water (KL)
Purchases	389 771 694	14 009 112
Sales	(366 149 055)	(10 509 331)
Distribution loss	**23 622 639**	**3 499 781**

Electricity losses are calculated as 6.06% . Electricity losses are within the industry norms.
Water losses are calculated as 24.98%. Water losses are within the industry norm.

58. Multi-employer retirement benefit information

All councillors belong to the Pension Fund for Municipal Councillors.

Employees belong to a variety of approved Pension and Provident Funds as described below.

These schemes are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

The Municipal Councillors Pension Fund and the South African Municipal Workers Union National Provident Fund are defined contribution plans, whereas the other funds are defined benefit plans. All of these afore-mentioned funds are multi-employer plans. Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:-

(i) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers.

(ii) One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.

(iii) The same rate of contribution applies to all participating employers and no regard is paid to differences in the membership distribution of the participating employers.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance of **R 31.6 million** (2014: **R 29.1 million**) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.

The Retirement funds have been valued by making use of the discounted cash flow method of valuation.

DEFINED BENEFIT SCHEMES

SALA Pension Fund

The SALA Pension Fund operates both as a defined benefit and defined contribution scheme.

The statutory valuation performed as at 1 July 2014 revealed that the assets of the fund amounted to R 12 658 200 000 (30 June 2013 : R 10 439 200 000), with funding levels of 100% (30 June 201 3: 100%). The highest contribution rate paid by the members was 9% and by Council 19.18%.

It is the actuary's opinion that:
- They are satisfied with the investment strategy of the Fund;
- the nature of the assets is, in their opinion, suitable for the nature of the liabilities of the Fund as defined in the rules of the Fund;
- the matching of assets with the liabilities of the Fund is adequate; and
- the insurance arrangements are appropriate compared to the cover provided can be regarded as financially sound at the valuation date.

58. Multi-employer retirement benefit information (continued)
Cape Joint Pension Fund

The Cape Joint Pension Fund is a multi employer plan and the contribution rate payable is 27%, 9% by the members and 23.06% by Council, effective from 01 February 2012. The actuarial valuation report at 30 June 2014 disclosed an actuarial valuation amounting to R3 631 518 000 (30 June 2013: R 3 226 863 000), with a nett accumulated surplus of R23 343 000 (2013: R10 030 000(deficit)), with a funding level of 104.4% (30 June 2013: 99.7%) The current contribution rate of the Council is sufficient to meet the current cost of earning benefits. The rate is said to be reviewed after the next actuarial valuation as at 30 June 2015.

DEFINED CONTRIBUTION SCHEMES

Cape Joint Pension Fund

This scheme was established to accommodate the unique characteristics of contract employees and "cost to company" employees. All existing members were given the option to transfer to the defined contribution plan before 1 July 2003. The actuary report certified that the structure of the assets is appropriate relative to the nature of the liabilities, assuming a smoothed bonus philosophy, and given normal circumstances.

The actuarial valuation report at 30 June 2014 indicated that the defined contribution scheme of the fund is in a sound financial position, with an assets amounting to R 566 689 000 (30 June 2013 : R 483 618 000), net investment reserve of R 0 (30 June 2013 : R 787 000) and a funding level of 100% (2012 : 99.8%).

The actuary concluded that:

The Pensioner Account has a surplus of R 127.3 million and a funding level of 106.2%. The surplus in the Pensioner Account at the valuation date is sufficient to increase the pension increase target from 60% to 70% of price inflation. However, caution is advisable given lower investment returns after the valuation date.

The balance of the DB Section for DB active members has a surplus of R 23.3 million and a funding level of 101.7%.

The DC Section has a funding level of 100.0% and no surplus.

There is a future service contribution rate shortfall of 8.98% of salary in respect of 32 remaining DB active members after the transfer of DB active members to the DC Section.

The Trustees granted a pension increase of 5% effective 1 January 2015 and a bonus of 50% of monthly pension payable in December 2014. Pro-rata pension increases and bonus apply for pensions in payment for less than one year. The pension increase and bonus are affordable given the healthy funding level of the Pensioner Account and the excellent investment returns achieved over the last three years.

The actuary certified that the Fund is in a sound financial condition as at 30 June 2014, the nature of the assets is suitable for the Fund and the Fund's investment strategy is suitable, except that the proportion of direct property underlying the pensioner liabilities may represent an over-concentration of assets in this asset class. Furthermore the assets are appropriately matched relative to the term and nature of the liabilities and the risk benefits for the remaining active members of the DB Section are partially re-insured. This may result in volatile death benefit experience for the Fund. It would be more appropriate to re-insure the full value of these death benefits. Finally the risk benefits of the DC Section are fully re-insured and this is appropriate for the size and nature of the Fund.

Cape Joint Retirement Fund

The statutory valuation performed as at 30 June 2014 revealed that the assets of the fund amounted to R 17 172 854 000 (30 June 2013 : R 13 607 813 000), with funding levels of 112.6% and 99.9% (30 June 2013 100.2% and 105.1%) for the Share Account and the Pensions Account respectively. The Preservation Pension Account showed a surplus of R 0 and was 100% funded for both 2014 & 2013. The contribution rate paid by the members (7,50%/9%) and the municipalities (19,50%/18%) is sufficient to fund the benefits accruing from the fund in the future. The actuary certified that the structure of the assets is appropriate relative to the nature of the liabilities, given normal circumstances and that the Fund is in a sound financial condition as at the valuation date.

58. Multi-employer retirement benefit information (continued)
Municipal Councillors Pension Fund

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The statutory valuation performed as at 30 June 2012 revealed that the assets of the fund amounted to R 1 183 539 452 (30 June 2009 : R 1 123 672 020), with funding levels of 100% (30 June 2009 : 100%). The contribution rate paid by the members (13,75 %) and council (15 %) is sufficient to fund the benefits accruing from the fund in the future. The actuary certified that the Fund has a funding level of 99.5% as at the 30 June 2012 and is therefore technically not financially sound. However they regarded the deficit of R 6 407 706 made as relatively insignificant in the context of the Fund.

South African Municipal Workers Union National Provident Fund

The SAMWU National Provident Fund is a defined contribution scheme. Members contribute at a rate of not less than 7.5% of salaries, as required by the Rules. The employers contribute at a total rate of not less than 18%. The statutory valuation performed as at 30 June 2008 revealed that the assets of the fund amounted to R 2 455 947 000 (30 June 2005 : R 1 511 461 000), with funding levels of 100% (30 June 2005: 100%). The investment smoothing reserve has increased from 1.2% of the market value of assets (or 1.25% of members' Fund Credits) at the previous valuation date to 4.6% of the market value of assets (or 5.5% of members' Fund Credits) at the current valuation date. The actuary certified that based on the 2011 valuation the Fund's assets are sufficient to cover the members' Fund Credits and Risk Benefits Reserve and to provide for an investment smoothing reserve of 5.5% of members' Fund Credits as at 30 June 2011. In addition, there is a substantial surplus of some R 413 million. The Fund is therefore in a very sound financial position.

National Fund for Municipal Workers

The fund operates as a defined contribution fund and in terms of the rules of the fund category A and category C members contribute at a rate as agreed upon by the Local Authority and the member, subject to an absolute minimum contribution of 2% and 5% of their remuneration respectively.

The Local Authority must contribute in respect of category A and category C members such an amount as agreed between the Local Authority and the fund, subject to a minimum contribution rate of 2% and 5% of their remuneration respectively. Category B members are members who belong to both category A and C and the Local Authority must, on behalf of such members, not contribute less than 7% of their remuneration. The contribution rates stipulated above include the amount payable towards the insured risk benefits policy.

The statutory valuation performed as at 30 June 2014 revealed that the assets of the fund amounted to R 9 031 759 000 (30 June 2013 : R 6 981 450 000), with funding levels of 100.10% (30 June 2013: 99.97%). The actuary certified that the assets of the fund are sufficient to cover 100.10% of the members' liabilities, also that it can be expected that the funding level of a fund of this nature will fluctuate around 100%, for example due to timing differences in investment and receipt of monies, slight mismatching of assets and liabilities and processing errors.

59. Changes in accounting policy

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of the following directive.

- Directive 11 - Changes in measurement bases following the initial adoption of standards of GRAP.

Change in measurement base

During the year, the municipality changed its accounting policy with respect to the treatment of land and buildings and investment property. In order to conform with the treatment of GRAP 16 – 17 cost base. The municipality applied Directive 11 which permits a municipality to change its measurement base following the initial adoption of Standards of GRAP. The change is based on the principles in the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

Land and buildings and investment properties were initially measured on the revaluation model and fair value model respectively. On application of Directive 11 the cost model will be applied retrospectively on land and buildings and investment property.

The aggregate effect of the changes in accounting policy on the annual financial statements for the year ended 30 June 2015 is summarised as follow:

Notes to the Annual Financial Statements

59. Changes in accounting policy (continued)

Statement of financial position

Property, plant and equipment	
Previously stated	4 221 016 420
Change in measurement base	(234 750 484)
	3 986 265 936
Investment property	
Previously stated	555 933 900
Change in measurement base	(141 723 081)
	414 210 819
Revaluation reserve	
Previously stated	(1 031 711 893)
Change in measurement base	1 031 711 893
	-
Accumulated surplus	
Previously stated	(3 840 804 655)
Adjustment	(670 215 931)
	(4 511 020 586)

Statement of Financial Performance

Depreciation and amortisation	
Previously stated	149 029 118
Adjustment	(2 220 868)
	146 808 250
Impairment of non-cash generating assets	
Previously stated	9 344 922
Adjustment	672 727
	10 017 649
Fair value adjustments	
Previously stated	(16 606 845)
Adjustment	16 591 075
	(15 770)

Notes to the Annual Financial Statements

60. Prior period errors

The prior year has been amended to account for prior period errors.

Below is a summary of the total effect that the prior period errors, changes in accounting policies and reclassifications had on the amount previously disclosed in the annual financial statements, followed by a description of each individual prior period error with the amount involved.

Statement of Financial Position

	Audited	Prior year adjustments	Reclassifying adjustments	Restated
Assets				
Current Assets				
Cash and cash equivalents	609 430 080	1	-	609 430 081
Receivables from exchange transactions	73 321 307	(1)	(3 490 443)	69 830 863
Other receivables from exchange transactions	52 362 390	(594 925)	-	51 767 465
Inventories	15 927 823	-	5 704 477	21 632 300
Receivables from non-exchange transactions	62 479 687	406 313	(1 145 089)	61 740 911
VAT receivable	13 329 317	6 356	-	13 335 673
Long term receivables	38 408	-	867 700	906 108
	826 889 012	**(182 256)**	**1 936 645**	**828 643 401**
Non-Current Assets				
Biological assets that form part of an agricultural activity	10 349 934	309 251	-	10 659 185
Investment property	555 933 900	(141 723 081)	-	414 210 819
Property, plant and equipment	4 221 016 420	(230 917 608)	(5 704 477)	3 984 394 335
Intangible assets	5 329 783	(1 289)	-	5 328 494
Heritage assets	724 002	-	-	724 002
Long term receivables	407 296	-	3 767 832	4 175 128
	4 793 761 335	**(372 332 727)**	**(1 936 645)**	**4 419 491 963**
Total Assets	**5 620 650 347**	**(372 514 983)**	**-**	**5 248 135 364**
Liabilities				
Current Liabilities				
Consumer deposits	12 488 198	-	-	12 488 198
Employee benefit obligations	36 506 213	(1)	-	36 506 212
Operating lease liability	2 412 120	-	-	2 412 120
Other financial liabilities	9 105 127	-	-	9 105 127
Provisions	45 230 959	-	-	45 230 959
Payables from exchange transactions	182 204 658	482 855	-	182 687 513
Unspent conditional grants and receipts	37 079 744	-	-	37 079 744
	325 027 019	**482 854**	**-**	**325 509 873**
Non-Current Liabilities				
Other financial liabilities	150 333 877	-	-	150 333 877
Employee benefit obligations	188 703 048	-	-	188 703 048
Provisions	40 494 090	-	-	40 494 090
	379 531 015	**-**	**-**	**379 531 015**
Total Liabilities	**704 558 034**	**482 854**	**-**	**705 040 888**
Net Assets	**4 916 092 313**	**(372 997 837)**	**-**	**4 543 094 476**

Notes to the Annual Financial Statements

Net Assets				
Reserves				
Revaluation reserve	1 031 711 893	(1 031 711 893)	-	-
Accumulated surplus	3 884 380 420	658 714 056	-	4 543 094 476
Total Net Assets	**4 916 092 313**	**(372 997 837)**	**-**	**4 543 094 476**

60.1 Receivables from exchange transactions

Balance previously reported	73 321 307
Arrangement debtors reclassified to long term receivables	(8 712 490)
Allowance for doubtful debt reclassified to long term receivables	5 222 047
Rounding error	(1)
	69 830 863

60.2 Other receivables from exchange transactions

Balance previously reported	52 362 390
Public safety account	105 925
Capital debtor erroneously captured	(700 850)
	51 767 465

The payment to the supplier was accounted for in the correct accounting period in terms of the accrual basis of accounting.

60.3 Receivables from non-exchange transactions

Balance previously reported	62 479 687
Arrangement debtors reclassified to long term receivables	(1 145 089)
Fines	406 313
	61 740 911

60.4 Inventories

Balance previosly reported	15 927 823
Land reclassified as inventory	5 704 477
	21 632 300

60.5 VAT receivable

Balance previously reported	13 329 317
VAT receivable increased due to adjustments of prior period accrued expenditure	41 845
VAT receivable decreased due to adjustments of prior period accrued expenditure	(35 489)
	13 335 673

60.6 Long term receivables

Balance previously reported	38 408
Arrangement debtors reclassified to the current portion of long term receivables	867 700
	906 108

60.7 Property, plant and equipment

Balance previously reported	4 221 016 420
Change in measurement base	(234 750 484)
Change in useful life	1 145 140
Land reclassified as inventory	(5 704 477)
Change in useful lives	2 687 736
	3 984 394 335

Refer to note 59, Change in accounting policy for detail on the change in measurement base.

60.8 Intangible assets

Balance previously reported	5 329 783
Change in useful life	(1 289)
	5 328 494

Asset id 117685 depreciation was corrected for the 2012/13 financial year.

60.9 Long term receivables

Balance previously reported	407 296
Arrangement debtors reclassified to long term receivables	3 767 832
	4 175 128

60.10 Biological assets that form part of an agricultural activity

Balance previosly reported	10 349 934
Tree harvest incorrectly disposed in prior year	309 251
	10 659 185

60.11 Investment property

Balance previously reported	555 933 900
Change in measurement base	(141 723 081)
	414 210 819

Refer to note 59, Change in accounting policy for detail on the change in measurement base.

60.12 Payables from exchange transactions

Balance previously reported	182 204 658
Prior period accruals erroneously not captured	1 304 373
Reversal of duplication	(48 750)
Correction of prior period accruals erroneously captured	(772 768)
	182 687 513

60.13 Employee benefit obligations

Balance previously reported	36 506 213
Rounding error	(1)
	36 506 212

Notes to the Annual Financial Statements

60.14 Revaluation reserve

Balance previously reported	1 031 711 893
Change in measurement base	(1 031 711 893)
	-

Refer to note 59, Change in accounting policy for detail on the change in measurement base.

60.15 Accumulated surplus

Balance previously reported	3 868 686 618
Change in measurement base for land and buildings and investment property	670 224 214
Correction of expenditure and accruals	473 135
Change in useful life	3 710 509
	4 543 094 476

Refer to note 59, Change in accounting policy for detail on the change in measurement base.

Notes to the Annual Financial Statements

Statement of Financial Performance

	Audited	Prior year adjustments	Reclassifying adjustments	Restated
Revenue				
Revenue from exchange transactions				
Service charges	625 167 994	611 860	-	625 779 854
Rental of facilities and equipment	16 808 776	-	-	16 808 776
Interest earned - outstanding debtors	6 313 897	-	-	6 313 897
Agency services	2 018 435	-	-	2 018 435
Licences and permits	7 119 738	-	-	7 119 738
Other income	26 473 983	(512 146)	-	25 961 837
Investment revenue	40 186 078	-	-	40 186 078
Total revenue from exchange transactions	**724 088 901**	**99 714**	**-**	**724 188 615**
Revenue from non-exchange transactions				
Taxation revenue				
Property rates	249 518 660	-	-	249 518 660
Property rates - penalties imposed	2 850 333	-	-	2 850 333
Transfer revenue				
Government grants & subsidies	139 590 198	-	-	139 590 198
Fines, penalties and forfeits	59 860 887	(21 109 320)	-	38 751 567
Total revenue from non-exchange transactions	**451 820 078**	**(21 109 320)**	**-**	**430 710 758**
Total revenue	**1 175 908 979**	**(21 009 606)**	**-**	**1 154 899 373**
Expenditure				
Employee related costs	(313 819 007)	-	-	(313 819 007)
Remuneration of councillors	(14 430 766)	-	-	(14 430 766)
Contribution to/from provisions	(13 357 507)	-	-	(13 357 507)
Contribution to allowance for doubtful debt	(72 780 462)	(9 749 250)	62 387 460	(20 142 252)
Depreciation and amortisation	(149 029 118)	2 417 977	-	(146 611 141)
Impairment of non cash generating assets	(9 344 922)	(582 399)	-	(9 927 321)
Finance costs	(13 409 012)	-	-	(13 409 012)
Debt impairment	(4 270 870)	26 666 884	(62 387 460)	(39 991 446)
Collection costs	(1 495 790)	-	-	(1 495 790)
Repairs and maintenance	(58 457 618)	4 244	-	(58 453 374)
Bulk purchases	(287 344 031)	-	-	(287 344 031)
Contracted services	(38 897 630)	225 663	-	(38 671 967)
Transfers and subsidies	(5 555 047)	-	-	(5 555 047)
Contribution to employee benefits	(63 213 526)	-	-	(63 213 526)
General Expenses	(104 835 295)	(755 847)	-	(105 591 142)
Total expenditure	**(1 150 240 601)**	**18 227 272**	**-**	**(1 132 013 329)**
Operating surplus	**25 668 378**	**(2 782 334)**	**-**	**22 886 044**
Gain on disposal of assets and liabilities	1 255 730	-	-	1 255 730
Fair value adjustments	16 606 845	(16 281 824)	-	325 021
Gain on biological assets and agricultural produce	83 896	-	-	83 896
Inventories (losses/write-downs)/ reversal of write downs	(39 084)	-	-	(39 084)
	17 907 387	**(16 281 824)**	**-**	**1 625 563**
Surplus for the year	**43 575 765**	**(19 064 158)**	**-**	**24 511 607**

Notes to the Annual Financial Statements

60.16 Service charges

Balance previosly reported	625 167 994
Correction of prior period transactions	99 714
Reclassification of other income incorrectly classified as service charges	512 146
	625 779 854

60.17 Other Income

Balance previosly reported	26 473 983
Reclassification of other income incorrectly classified as service charges	(512 146)
	25 961 837

60.18 Fine, Penalties and Forfeits

Balance previosly reported	59 860 887
Fines	(21 109 320)
	38 751 567

60.19 Allowance for doubtful debt

Balance previously reported	(72 780 462)
Reclassification of debt impairment incorrectly processed to allowance for doubtful debt	62 387 460
Fines	(9 749 250)
	(20 142 252)

60.20 Depreciation and amortisation

Balance previously reported	(149 029 118)
Change in measurement base	2 220 868
Change in useful life	197 109
	(146 611 141)

Refer to note 59, Change in accounting policy for detail on the change in measurement base.

60.21 Impairment of non cash generating assets

Balance previously reported	(9 344 922)
Change in measurement base	(582 399)
	(9 927 321)

Refer to note 59, Change in accounting policy for detail on the change in measurement base.

60.22 Debt impairment

Balance previously reported	(4 270 870)
Reclassification of debt impairment incorrectly processed to allowance for doubtful debt	(62 387 460)
Fines	26 666 884
	(39 991 446)

60.23 Repairs and maintenance

Balance previously reported	(58 457 618)
Repairs and maintenance expenditure erroneously processed in prior period	4 244
	(58 453 374)

60.24 Contracted services

Balance previously reported	(38 897 630)
Contracted service expenditure erroneously processed in prior period	47 198
Correction of prior period transactions	178 465
	(38 671 967)

60.25 General Expenses

Balance previously reported	(104 835 295)
Prior period expenditure erroneously not captured	(1 279 472)
Correction of prior period expenditure erroneously captured	474 875
Reversal of duplication	48 750
	(105 591 142)

60.26 Fair value adjustments

Balance previously reported	16 606 845
Change in measurement base on investment property	(16 591 075)
Biological assets erroneously disposed in prior period	309 251
	325 021

Refer to note 59, Change in accounting policy for detail on the change in measurement base.

Cash flow statement

Cash flow from operating activities		
Balance previously reported	-	292 925 066
Cash flow from investing activities		
Balance previously reported	-	(227 420 465)
Cash flow from financing activities		
Balance previously reported	-	38 997 413

61. Budget differences

Material differences between budget and actual amounts

All variances greater than 10% as depicted in the Statement of Comparison of Budget and Actual Amounts are explained below.

Statement of Financial Performance

Revenue

Interest earned - outstanding debtors (BD 1)

The budget was based on projected consumer debtors that was lower than the actual balance for the year.

Other revenue (BD 2)

61. Budget differences (continued)

This was caused mainly by the implementation of the Special Ratings Areas from 01 July 2015 that resulted in the additonal revenue for the year.

Interest earned - external investments (BD 3)

The budget projection for interest earned was made based on previous performances and the revenue collected exceeded the projection, which is beneficial to the municipality.

Property rates - penalties & collection charges (BD 4)

Receivables from property rates decreased by 8%, indicating that collection rate has improved, therefore no necessity to impose penalties and fines.

Fines (BD 5)

The budget projection for Fines was based on previous performance.

Expenditure

Contribution to / from provisions (BD 6)

The difference emanates from the post-retirement benefits and long service awards which is calculated based on information as at year end and subject to certain unpredictable assumptions ie. discount rate, expected rate of return, retirement age, etc. This information is not available when the budget is drafted.

Debt impairment (BD 7)

Management projected the debt impairment based on historic data. However, the impairment was incorrectly accounted for which lead to a miscalculation in forecast. Refer to note 60.

Collection costs (BD 8)

Improved debtors payment resulted in less expences,due to a decline in operations such as issue of summmances/ first notice/ registered mail / sms's / Legal correspondance

Repairs and maintenance (BD 9)

Reclasification of employee related cost. Depency on availability of technical experts.

Contracted services (BD 10)

Management's projected contracted services are based on historic data. However expenses were reclassified as contracted services which led to a miscalculation in the forecast.

Transfer and subsidies (BD 11)

Management anticipated to spend the allocated funds, but due to unforeseen circumstances it did not materialise as planned.

Other expenses (BD 12)

Variances occurred due to reclassification of employee related expenses and savings on general expenditure line items, eg. telephone costs.

Loss on disposal of assets and liabilities (BD 13)

Management did not anticipate any loss on disposal of assets or liabilities.

Gain on biological assets and agricultural produce (BD 14)

61. Budget differences (continued)

Management anticipated a gain from the sale of biological assets, however this did not materialise as planned.

Inventories (losses/write downs)/reversal of write downs (BD 15)

Management did not expect any reversal of inventories write downs.

Statement of Financial Position

Assets

Inventory (BD 16

The variance relates to Land Inventory that was previously classified as Land and Buildings under Property, plant and equipment.

Long term receivables (BD 17

Arrangement debtors reclassified to long term receivables

Other debtors (BD 18

This was due to correction of prior period errors and reclassifications in VAT receivable, consumer debtors and other debtors. Please refer to note 60 for details.

Consumer debtors (BD 19
Due to the decrease in our provision for bad debt as well as growth in our service delevery client base**.**

Cash and Cash equivalents (BD 20

Towards the end of the financial year, the municipality had an excessive cash balance and, considering cash flows of the following year, a financially sound decision was taken by management to invest the cash in call account investments.

Biological Assets (BD 21)

Management anticipated that the value of biological assets will increase during the financial year.

Investment Property (BD 22

The variance relates to the change in measurement basis from the fair value model to the cost model, in line with directive 11.

Intangible (BD 23

The system/programmes and software were more than anticipated.

Liabilities

Consumer deposits (BD 24

Growth in our community/ client base resulting in increase deposit**s**

Unspent conditional grants and receipts (BD 25

Developers contribution were more than anticipated. It is also important to note that it is very difficult to determine the actual developments that will take place during a year.

Provisions (BD 26

61. Budget differences (continued)

Provisions are based on experts' work as at the end of the financial year. The experts' work is based on legislation such as the National Environmental Management Waste Act (No. 59 of 2008).

Cash Flow Statement

Receipts

Sale of goods and services (CF 1)

The actual sale of goods and services were less than what was expected.

Interest income (CF 2)

The budget projection for interest earned was made based on previous performances and the revenue collected exceeded the projection, which is beneficial to the municipality.

Payments

Suppliers and employee costs (CF 3)

Bulk Purchases decrease is due to a decline in consumption, negative impact of load shedding and the utilization of alternative energy sources by consumers.

Employee related cost decrease due to vacancies not filled and posts becoming vacant during the financial year.

Finance costs and Other Liabilities (CF 4)

Management re-assessed its financial position during the year and resolved not to undertake the borrowing as projected.

Transfers and grants (CF 5)

Management anticipated to spend the allocated funds, but due to unforeseen circumstances it did not materialise as planned.

Cash flow from investing activities

Capital Assets and Purchase of intangible assets (CF 6)

The variance relates to the underspending on the capital budget. .

Movement in investments (CF 7)

From 1 December the municipality performed the investment management function internally due to cost savings.The municipality also invested their excess funds for periods more than 3 months but up to 6 months, whereas previously all our funds were invested in the money market

Proceeds from biological assets (CF 8)

Management did not anticipate to sell biological assets during the financial year.

Proceeds from long term receivables (CF 9)

Arrangement debtors classified as long term receivalbles

61. Budget differences (continued)

Changes from the approved budget to the final budget

The changes between the approved and final approved adjustments budget are a consequence of reallocations within the approved budget parameters allowed for by Section 6 of the Budget Implementation and Monitoring Policy as approved by Council.

62. Going concern

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.

63. Deviations from, and ratification of minor breaches of procurement process

In accordance with paragraph 4.36 (a) of Supply Chain Management Policy the deviations from, and ratifications of minor breaches of procurement per directive are listed below:

Deviation no:	Date of adjudication	Supplier	Contract/ order description	Rate of recurrence	Contract/ Order Amount
D/SM:01/16	29/07/2015	Traffic Management Technologies	Un-finalised infringements in legacy system - BID no. B/SM: 59/12 - TMT collection of fines	Per legacy fine (as specified)	91
D/SM:02/16	29/07/2015	Various service Providers	Deviation from procurement process for various areas within the WC024 municipal jurisdiction from 1 to 31 August 2015 - Security services	Total D/SM amount	580 376
D/SM:03/16.	02/09/2015	Siyazama Cleaning Impolo Trading Solutions	Appointment of service providers to maintain and clean the public ablution facilities in Kayamandi and Langrug	Total D/SM value	140 267
D/SM:04/16	02/09/2015	Interwaste	Operation and maintenance of landfill site-interwaste	Total D/SM amount	402 142
D/SM: 05/16	30/09/2015	Teeja's B&B	Emergency procurement: emergency councillor accomodation	Total D/SM amount	1 400
D/SM: 06/16	03/07/2015	TMT	Extension contract for provisioning of traffic law enforcement equipment and related services - Bid no. B/SM: 59/12	Per infringement (as specified)	112
D/SM: 07/16	19/02/2015	Cliffe Dekker Hofmeyr Inc	Investigate four cases of possible misconduct (Deviation overlooked Feb 2015)	Per hour	2 400
D/SM: 08/16	13/10/2015	Bytes Universal Systems	Phase 2 of the fata cleansing operation	Total D/SM amount	776 260
D/SM: 09/16	21/10/2015	Livewire	Appointment of B/SM: 6/16 automatic meter reading service provider. (1 August 2015 until 30 June2016)	Total D/SM amount	420 831
D/SM: 10/16	27/11/2015	Sanitech	Provision, maintenance of chemical toilets	Total D/SM amount	62 130
D/SM: 11/16	02/12/2015	Country Building Suppliers	Acquisition of temporary structure kits and covering materials for damaged structures	Total D/SM amount	225 500
D/SM: 12/16	02/12/2015	Various artists	Special works of art (artists performances)	Total D/SM amount	42 400
D/SM: 13/16	30/11/2015	Damien Burger Professoinal Land Surveyor	Democrate the properties boundaries, to allow a visual assesment of the existing situation and to determine the position of the fencing and any structures which have been erected by the adjoining property owners on erf 1771, Stellenbosch	Total D/SM amount	51 300
D/SM: 14/16	17/12/2015	Itron Metering Solutions SA	Supply installation of a STS compliant prepayment electrical vending system and audit of electrical meters - B/SM: 33/16	Total D/SM amount	644 100
D/SM: 15/16	29/01/2016	AECOM	FQ/SM: 282/15 - Further planning and application to roads authority	Total D/SM amount	258 575

Notes to the Annual Financial Statements

Figures in Rand

D/SM: 16/16	06/01/2016	Trees unlimited Johnson Crane Hire	Urgent tree felling: Ryneveldt Street	Total D/SM amount	74 100
D/SM: 17/16	08/03/2016	TMT	Extension contract - Provision of traffic law enforcement equipment - extention till 30 June 2017	Various rates	-
D/SM: 18/16	16/03/2016	Country Building Supplies	Procurement of emergency fire kits	Total D/SM amount	1 230 000
D/SM: 19/16	30/03/2016	Inqubela Cleaning Services	Fire Enkanini	Total D/SM amount	55 000
D/SM: 20/16	29/04/2016	Peninsula Water Treatment and Engineering cc	Refurbishment of vandalised chlorine equipment WWTW	Total D/SM amount	304 414
D/SM: 21/16	18/04/2016	Nokhala Cleaning Services	Fires: Enkanini and Kayamandi	Total D/SM amount	11 985
D/SM:22/16	12/05/2016	Trees unlimited	Tree damage urgent measures: Van Riebeeck Stree	Total D/SM amount	9 918
D/SM:23/16	01/06/2016	Mrs Jean Jeffrey	Implementation of the Berg River dam tourism attraction plan	Total D/SM amount	360 000
D/SM:24/16	13/06/2016	CK Rumboll	B/SM: 303/10 - Rendering professional town planning services to assist in the planning and designing of a development strategy and township establishment for the upper Jonkershoek area	Total D/SM amount	109 440
D/SM:25/16	17/06/2016	AMLN General Trading	Repair fencing at La Motte pumpstation	Total D/SM amount	10 850
D/SM 26/16	17/06/2016	Leelyn Management	Extension of contract - management of off street parking for the greater Stellenbosch Municipal area (WC024) - B/SM: 8/14 and B/SM: 9/14 for kerbside parking	Total D/SM amount	2 127 360

ANNEXURE C: REPORT OF THE PERFORMANCE AUDIT COMMITTEE

Report of the Audit & Performance Audit Committee

We are pleased to present our report for the financial year ended 30 June 2016. This report is provided by the Audit & Performance Audit Committee in respect of the 2015/2016 financial year of Stellenbosch Municipality. The Audit & Performance Audit Committee has complied with its responsibilities in terms of Section 166 of the MFMA and applicable Treasury Regulations. The Committee has also regulated its affairs and discharged its responsibilities in consonant with the approved Audit Committee Charter. The Committee's operation is guided by the International Institute of Internal Auditor's Standards and the King III report on Corporate Governance.

The Committee consists of five independent members, elected by the Council: Reyhana Gani (Chairperson), Ruth Strydom, Maryke van der Merwe, Len Mortimer and Jeremy Fairbairn. The Council appointed the Chairperson of the Committee, an independent member. The Municipal Manager, Chief Financial Officer, Chief Audit Executive, Chief Risk Officer, MPAC Chairperson and External Auditors are permanent invitees to the Committee meetings.

Execution of Functions

The Audit & Performance Audit Committee has executed its duties and responsibilities during the financial year in accordance with its terms of reference as they relate to Council's accounting, internal auditing, internal control, governance, risk management and financial reporting practices.

During the year under review the Committee, amongst other matters, considered the following:

In respect of the External Auditors and the External Audit

- Approved the External Auditors' (Auditor-General of SA) terms of engagement, the audit plan and budgeted audit fees payable;
- Reviewed the audit and evaluated the effectiveness of the audit;
- Obtained assurance from the auditors that their independence was not impaired;

- Considered the nature and extent of all non-audit services provided by the external auditors; and
- Obtained assurances from the external auditors that adequate accounting records were being maintained.

In respect of the Annual Financial Statements (AFS)

- Confirmed the going concern as the basis of preparation of the Interim and Annual Financial Statements;
- Examined and reviewed the Interim and Annual Financial Statements as well as financial information disclosed to the public prior to submission and approval by Council;
- Reviewed reports on the adequacy of the portfolio and specific impairments and impairment of other assets;
- Ensured that the Annual Financial Statements fairly present the financial position of the Stellenbosch Municipality as at the end of the financial year in accordance with SA Standards of GRAP and in the manner required by the MFMA and DORA;
- Considered the appropriateness of accounting treatments, significant unusual transactions and management accounting judgements;
- Considered the appropriateness of the accounting policies adopted by Management and changes thereto;
- Reviewed and discussed the External Auditors' report and management letter;
- Through the Chairperson, met separately over the course of the year with the Chief Audit Executive, CFO, Chief Risk Officer, Management and the External Auditors (Auditor-General of SA);
- Reviewed any significant legal and tax matters that could have a material impact on the financial statements; and
- Noted that there were no material reports or complaints received concerning accounting practices, internal audit, internal financial controls, content of Annual Financial Statements, internal controls and related matters.

In respect of Internal Control and Internal Audit

- Reviewed and approved the Internal Audit mandate, yearly and 3 year rolling audit plans and evaluated the independence, effectiveness and performance of the Internal Audit Department and compliance with its mandate;
- Considered reports of the Internal and External Auditors on Council's system of internal control, including internal financial controls and maintenance of effective internal control systems;
- Reviewed significant issues raised by the internal audit process and the adequacy of corrective action in response to such findings;
- Reviewed significant differences of opinion between the Internal Audit function and Management and noted that all material issues of difference raised were addressed and resolved;
- Assessed the adequacy of the performance of the Internal Audit function and found it to be satisfactory;
- Assessed the adequacy and sufficiency of available Internal Audit resources and

found it to be very limited as more resources are required to evaluate the control weaknesses and high risk areas identified in both the corporate strategic risk and the audit universe;

- Received assurance that proper and adequate accounting records were maintained and that systems safeguarded the assets against unauthorised use or disposal thereof; and
- Based on the above, the Committee formed the opinion that at the date of this report there were breakdowns in internal control, including internal financial controls, for the year under review in the following areas :
  - ICT Management;
  - Supply Chain Management;
  - Infrastructure Maintenance;
  - Disaster Management;
  - Monthly or regular reconciliations of assets, debtors, creditors and VAT;
  - The absence of standard operating procedures (SOP's) as a significant finding permeating across all internal audit project reviews; and
  - Noted Management improved responses to conclude on internal and external audit findings from prior and current year as reported in the internal audit follow up reports and the Quarterly Key Controls Reviews done by Internal Audit Department.

In respect of Legal and Compliance with Laws and Regulations

- Reviewed with management matters that could have a material impact on Council;
- Monitored compliance with the MFMA, PRECCA, key legislation applicable to the Municipality, requirements of National and Provincial Treasury, Council's policies, and all other applicable legislation and codes of good governance;
- Reviewed reports from the Internal and External Auditors detailing the extent of compliance; and
- Noted that a number of complaints were received via the Deloitte hosted fraud and corruption hotline, which provides for anonymous reporting and is independent of Stellenbosch Municipality. All matters reported anonymously through the fraud and corruption hotline were dealt with by the Fraud Response Committee. The Fraud Response Committee is a sub-committee of the Audit & Performance Audit Committee solely designed to address fraud and corruption matters within the Stellenbosch Municipality. It derives its independence and autonomy from the Audit & Performance Audit Committee. The Committee is led by the Chairperson of the Audit & Performance Audit Committee with the EXCO being represented by the Municipal Manager. A formal report is submitted to the Audit & Performance Audit Committee on a quarterly basis on progress and outcomes on all allegations received and investigated.

The Audit & Performance Audit Committee in respect of compliance notes an emerging risk and expresses concern with non-compliance with the ICT Governance Framework.

In respect of Risk Management, Combined Assurance and Information Technology

During the period under review Management presented Strategic and Operational Risk profiles for the Municipality to Audit & Performance Audit Committee who :

- Considered and reviewed reports from management on risk management, including fraud risks and information technology risks as they pertain to financial reporting and the going concern assessment;
- In respect of the coordination of assurance activities, the Committee reviewed the plans and work outputs of the external and internal auditors and concluded that these were adequate to address all significant financial, operational and compliance risks facing the Municipality; and
- Noted the progress made in terms of Combined Assurance and the co-ordination between assurance providers to mitigate the top 10 strategic risks facing the Municipality as well as the emerging risks.

In respect of Pre-Determined Objectives (PDO's)

The Audit & Performance Audit Committee :

- Noted management's progress made with PDO's and the reporting on the top-layer SDBIP; and
- Continues to recommend that performance management be rolled out to all levels of staff within the organisation and consequence management for non-performance, dereliction of duty negligence etc. be fully instituted.

In respect of the Finance Function

The Audit & Performance Audit Committee:

- Considered the appropriateness of the experience and expertise of the Chief Financial Officer and concluded that this was appropriate; and
- Considered the expertise, resources and experience of finance function and concluded that these were appropriate.

Independence of the External Auditors

The Audit & Performance Audit Committee is satisfied that the Audit General of SA (AG) were independent of the Council. This conclusion was arrived at, inter alia, after taking into account the following factors :

- The presentations made by the AG to the Audit & Performance Audit Committee;
- The Auditors' independence was not impaired by any consultancy, advisory or other work undertaken by the auditors; and
- The Committee Chairperson met with the External Auditors independently of management.

The Audit & Performance Audit Committee have reviewed the Municipality's implementation plan for audit issues raised in the prior year and are satisfied that the matters have been adequately resolved, except for some repeat findings raised by the Auditor General which has been brought to the attention of management.

The Audit & Performance Audit Committee concurs and accepts the conclusions of the External Auditor on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the Auditor General.

General

Stellenbosch Municipality has progressively been stable over the three (3) year period in adhering to the principles of good governance and the Audit & Performance Audit Committee pay tribute to the leadership of the Executive Mayor and Councillors who have been providing oversight to this strategic Municipality. The 2013/2014 unqualified Audit Report, the 2014/2015 first ever Clean Audit Outcome of Stellenbosch Municipality and 2015/2016 consecutive Clean Audit Outcome, bear testament to the good leadership, oversight effectiveness and management of the organisation.

The Audit & Performance Audit Committee however expresses concern regarding the lack of continuity in leadership prevailing in the Municipality, with specific reference to the senior management level. This is highlighted by the number of Municipal Manager changes that occurred at the Municipality over the past few years. The absence of continued leadership inevitably will inhibit the growth and future development of the Municipality.

Conclusion

It has been a privilege to witness the genesis and growth of the Municipality during the tenure of the Audit & Performance Audit Committee. Significant strides and milestones were attained during this period; the bar indeed has been raised, and the Municipality can only but rest for a moment as much more work awaits to change the lives of many ordinary people of Stellenbosch. I in my capacity as Chairperson, personally would like to extend my sincere thanks and appreciation to the members of the Audit & Performance Audit Committee for their continued diligence and outstanding professional etiquette. The Committee is endowed with diverse skills and expertise to progress this Municipality from one level of governance to another. It would be amiss not to convey on behalf of the Committee our appreciation to the entire Council and its Committees for the leadership, support and oversight they have provided during the year.

Finally, the Audit & Performance Audit Committee would like to express its appreciation to Management, Internal Audit, Risk Management and the Auditor General

for the support and co-operation extended during the financial year and for providing the relevant information to enable the Audit & Performance Audit Committee to compile this report.

Having considered, analysed, reviewed and debated information provided by management, internal audit and external audit, the Committee confirmed that:

- The internal controls of the Municipality were effective in all material aspects throughout the year under review;
- These controls safeguarded the Municipality's assets;
- Proper accounting records were maintained;
- Resources were utilised efficiently; and
- The skills, independence, audit plan, reporting and overall performance of the external auditors were acceptable.

Following our review of the financial statements for the year ended 30 June 2016, we are of the opinion that they comply with the relevant provisions of the MFMA and International Financial Reporting Standards and fairly present the results of the operations, cash flow and financial position of Stellenbosch Municipality. The Committee is satisfied that it has complied with its legal, regulatory and other responsibilities, in all material respects.

We hereby recommend the Annual Report to the Council for approval.

On behalf of the Audit & Performance Audit Committee.

Reyhana Gani
Chairperson
Audit & Performance Audit Committee
January 2017