



STELLENBOSCH

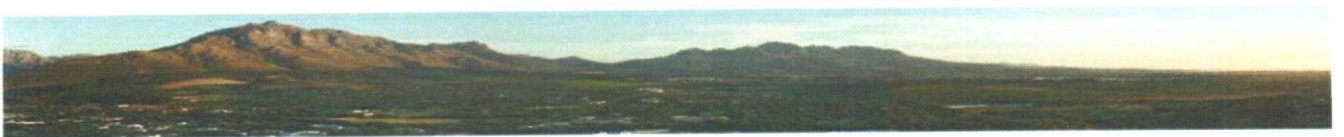
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

# Final Annual Report 16/17

MUNICIPALITY - MUNISIPALITEIT  
STELLENBOSCH

29 MAR 2013



*This Annual Report is drafted in terms of the Local Government: Municipal Finance Management Act,*

*2003 (Act 56 of 2003) and the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).*

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**LIST OF ABBREVIATIONS**

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

<b>HR</b>	Human Resources
<b>ICT</b>	Information and Communication Technology
<b>IBR</b>	Inverted Box Rib
<b>IDP</b>	Integrated Development Plan
<b>IFRS</b>	International Financial Reporting Standards
<b>IPC</b>	Integrated Planning Committee
<b>IIC</b>	Infrastructure Innovation Committee
<b>IMATU</b>	Independent Municipal Trade Union
<b>IMFO</b>	Institute for Municipal Finance Officers
<b>IMESA</b>	Institute of Municipal Engineers of South Africa
<b>IZS</b>	Integrated Zoning Scheme
<b>IRDP</b>	Integrated Residential Development Programme
<b>IWMP</b>	Integrated Waste Management Plan
<b>JPI</b>	Joint Planning Initiative
<b>JSE</b>	Johannesburg Stock Exchange
<b>KPA</b>	Key Performance Area
<b>KPI</b>	Key Performance Indicator
<b>KIWMF</b>	Kraaifontein Integrated Waste Management Facility
<b>LED</b>	Local Economic Development
<b>LETRP</b>	Large Employer Trip Reduction Programme
<b>LGMTEC</b>	Local Government Medium Term Expenditure Committee
<b>LGSETA</b>	Local Government Sector Education and Training Authority
<b>LR</b>	Labour Relations
<b>LM</b>	Limpopo
<b>LUMS</b>	Land Use Management System
<b>LUPA</b>	Land Use Planning Act
<b>LUPO</b>	Land Use Planning Ordinance
<b>MAYCO</b>	Executive Mayoral Committee
<b>MBI</b>	Municipal Benchmarking Initiative
<b>MERO</b>	Municipal Economic Review Outlook
<b>MFMA</b>	Municipal Finance Management Act (Act No. 56 of 2003)
<b>MIG</b>	Municipal Infrastructure Grant
<b>MILE</b>	Municipal Institute of Learning
<b>MINMAY</b>	Provincial Ministers, Provincial Heads of Departments, Mayors and Municipal Managers
<b>MIQ</b>	Municipal Data and Intelligence
<b>MM</b>	Municipal Manager
<b>MMC</b>	Member of the Mayoral Committee
<b>MMF</b>	Municipal Managers Forum
<b>MOU</b>	Memorandum of Understanding
<b>MPAC</b>	Municipal Public Accounts Committee
<b>MPC</b>	Multipurpose Centre
<b>MPI</b>	Municipal Productivity Index
<b>MRF</b>	Material Recovery Facility
<b>MSA</b>	Municipal Systems Act (Act No. 32 of 2000)
<b>MTAB</b>	Metropolitan Transport Advisory Board
<b>MVA</b>	Mega Volt Amp
<b>MTECH</b>	Medium Term Expenditure Committee

<b>mSCOA</b>	Municipal Standard Chart of Accounts
<b>NDP</b>	National Development Plan
<b>NEMA</b>	National Environment Management Authority
<b>NGO</b>	Non-Governmental Organisation
<b>NHBRC</b>	National Housing Building Regulation Council
<b>NMT</b>	Non-Motorised Transport
<b>NPO</b>	Non-Profit Organization
<b>NRTLEC</b>	National Road Traffic Legislation Enforcement Code
<b>NT</b>	National Treasury
<b>OPEX</b>	Operating Expenditure
<b>PDO</b>	Predetermined Objectives
<b>PDoHS</b>	Provincial Department of Human Settlement
<b>PIE</b>	Prevention of Illegal Evictions
<b>PSP</b>	Provincial Strategic Plan
<b>PPDO</b>	Provincial Predetermined Objectives
<b>PMS</b>	Performance Management System
<b>PPP</b>	Public Private Partnership
<b>PSDF</b>	Provincial Spatial Development Framework
<b>PRASA</b>	Passenger Rail Agency of South African
<b>PSDF</b>	Provincial Spatial Development Framework
<b>PT</b>	Provincial Treasury
<b>RBIG</b>	Regional Bulk Infrastructure Grant
<b>SAB</b>	South African Breweries
<b>SABS</b>	South African Bureau of Standards
<b>SALGA</b>	South African Local Government Organisation
<b>SAMDI</b>	South African Management Development Institute
<b>SAMWU</b>	South African Municipal Workers Union
<b>SANEDI</b>	South African National Energy Development Initiative
<b>SANS</b>	South Africa National Standards
<b>SASSA</b>	South African Social Security Agency
<b>SAPS</b>	South African Police Service
<b>SCA</b>	Stellenbosch Civic Association
<b>SCMU</b>	Supply Chain Management Unit
<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>SDF</b>	Spatial Development Framework
<b>SEDA</b>	Small Enterprise Development Agency
<b>SITA</b>	State Information Technology Agency
<b>SMME</b>	Small Medium Micro Enterprises
<b>SMS</b>	Short Message Service
<b>SSI</b>	Stellenbosch Safety Initiative
<b>SOP</b>	Standard Operating Procedure
<b>SPA</b>	Stellenbosch People's Alliance
<b>SPLUMA</b>	Spatial Planning and Land Use Management Act
<b>STOD</b>	Sustainable Transit Oriented Development Plan
<b>SPV</b>	Special Purpose Vehicles
<b>SWWTW</b>	Stellenbosch Waste Water Treatment Works
<b>TASK</b>	Tuned Assessment of Skills and Knowledge

<b>TIATCP</b>	Technical Innovation Agency Technical Centre Program
<b>VTS</b>	Vehicle Testing System
<b>WC</b>	Western Cape
<b>WCDM</b>	Western Cape District Municipality
<b>WCO24</b>	Greater Stellenbosch
<b>WWF</b>	World Wildlife Fund
<b>WRC</b>	Water Research Commission
<b>WoF</b>	Working on Fire

## CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: EXECUTIVE MAYOR'S FOREWORD



The present Council is now one and a half years into this term of government. It is important to note that this annual report is based on the budget 2016/17 financial year and is therefore based on the budget approved by the previous Council. The implementation of the budget and the oversight, however, was done by the present Mayor and Council since 15 August 2016.

The Auditor General has recognised our achievements in executing this budget by awarding the Municipality another clean audit for 2016/17. The new Council has passed its first own budget in May 2017.

The main focus for this Council was announced by the Mayor in her inaugural speech and will be a back to basics approach, with service delivery at the heart of everything we do. Several programs and projects have been implemented already to give effect to this vision.

The IDP –process is also conducted with extensive public participation. The process is being reviewed in an effort to increase public participation, and through that ensure that our budget truly reflects the needs of the community.

The Municipality's performance management system (PMS) is aligned with the strategic objectives in the IDP. To ensure that the strategic objectives in the IDP are achieved, performance indicators and targets in the PMS are allocated to respective directorates or departments and are monitored on a regular basis.

The Municipality continues its public accountability and transparent governance through monthly Mayoral Committee meetings and Council meetings that are open to the public. As Mayor, I am continuously referring more and more matters to Council for their consideration and action. Public participation remains critically important for our decision making process. To that effect, the Municipality has reviewed and continues to review all its policies and by-laws, providing sufficient time for public participation in the process.

The timeframe for public comment has been extended in matters where the community has indicated an especial interest. The window for public participation in these matters has been extended to 90 days in specific cases. I have also requested that matters do not go out for public comment during the summer holidays. This is done to make sure interest groups and residents have sufficient opportunity to take note of and give input into matters that affect them.

A complete assessment and staff review of a very dated Organogram was done since October 2016, resulting in a new Organogram to be implemented from January 2018. This will provide the necessary skills and staff complement to fulfil the mandate of the Municipality. It is impossible to list all that has been achieved. In order to get a broad overview, some of the most important achievements are listed below.

One of the biggest infrastructure projects in the history of the Municipality has been the upgrading of the Stellenbosch Waste Treatment Works, a project of R460 million has now been completed and will enable the Municipality to cope with a much larger waste water capacity. During the 2016/17 book year the Municipality repaired 3793 potholes, cleaned 80 768 catch pits, cleaned 71 302 meters of stormwater pipes, resealed 5000 m<sup>2</sup> of roads and the upgrading of intersections to ease traffic flow is underway. The electrification of informal settlements is also underway, starting with Enkanini in Kayamandi. The informal settlement Mandela City in Klapmuts is also in the process of being upgraded with water, sanitation and new Nutech structures. The new community hall in Klapmuts and the new Library in Groendal in Franschhoek is under construction. The new Fire station in Klapmuts has been completed, the temporary resettlement of residents in Kayamandi to upgrade Zone O has started and the mixed housing development in Idas Valley is under construction. Many other projects are in planning phase and will be rolled out during the 2017/2018 financial years.

Safety and security remains a serious concern for our residents. Although the Municipality has a limited mandate with regards to law enforcement, we are continuously working on improving the services we can provide to assist with the prevention and reduction of crime. We are currently upgrading the CCTV camera network, additional LPR-camera points will be installed at all the major entrances within the municipal area, planning for the deploying of four additional LPR response teams to provide SAPS with additional support. Extended law enforcement services for a 24/7-schedule, with the necessary powers as is provided for in the Criminals Procedures Act, is under investigation. The Municipality is also a partner in the Stellenbosch Safety Initiative (SSI), a unique model where private security companies, law enforcement, the SAPS and other security partners work together and pool resources to make ensure that the resources are utilised and deployed to maximum impact. The SSI is considered a best practice model within the province and other Municipalities are now also following our lead to deploy similar models of cooperation.

In the Traffic Department, a Traffic Services Improvement Strategy was implemented after complaints to the Mayor about service delivery. The new strategy has seen additional staff being deployed, a new more efficient queuing system being implemented, a licensing desk opened in Franschhoek and longer office hours were scheduled to assist more customers. The preliminary feedback is positive.

Economic development is critical for job creation. Our location and accessibility remain attractive features for potential investors within the tourism and industry sectors. The technology industry remains one of our niche markets and resulted in a third place in Africa for Biotec Foreign Direct Investment as determined by fDi survey, a part of Financial Times Group. The basic skills training for our youth to better equip them for the local job market was furthered this year with the fifth annual Mayor Skills programme. A total of 51 people were trained in skills including hospitality skills, general building, maintenance and plumbing. This has successfully translated into employment for most of the students. Bursaries were also available for tertiary education for local students with a focus on scarce skills. The construction of trading sites for the informal sector in Franschhoek and Idas Valley is underway.

Traffic congestion and lack of sufficient parking is also a prime concern and a wide spectrum of possibilities is being investigated. All roads are being revised in all areas and plans for upgrades are underway.

The worst drought in history has posed a unique challenge on the entire province. Stellenbosch Municipality has completed and approved a drought plan to enable us to apply scarce water

resources as best possible, should the dams run completely dry. The drought plan includes sinking several boreholes as well as linking existing ones to the system to supply water to our households. We continue to raise awareness about this issue amongst our residents and visitors, urging everyone to save water where and whenever possible.

To enable the best implementation of services and enforce compliance, all policies and By-Laws are being reviewed and new ones are added. Throughout this process we have relied on public participation to guide us in how to best address their needs, but it remains a challenge to motivate public to partake.

To be recognised by our colleagues and peers at a provincial and national government for our successes is very important as it provides a benchmark for success. We have received several awards in recognition of our achievements. Some of these include the National Arbor City award for 2017, two Provincial Govan Mbeki awards for the Jamestown Housing Project and the Watergang Project, three awards at the Provincial Greenest Municipality Awards for most improved waste management, most improved water conservation and management and innovative projects for the installation of Molok Units and the Tricycle Waste Management Project.

As Mayor, I would like to thank the Municipal Manager, all staff members, all Councillors and all residents and Interest Groups, Associations and Forums for working with us to better our Municipality and the lives of all our residents. Positive criticism remains a pillar of public participation and is always welcomed.

Although the Municipality faces many challenges, we are very optimistic that we shall successfully manage it and succeed with the Mayor's Dream to position Stellenbosch as one of the most successful municipalities in South Africa.



Gesie van Deventer

Executive Mayor of Stellenbosch Municipality

MUNICIPAL MANAGER'S OVERVIEW



It is a pleasure to present the 2016/17 Annual Report of the Municipality. The 2016/2017 financial year has been one with numerous challenges but also a lot of successes.

The main service delivery focus areas highlighted in the 2016/17 financial year included infrastructure development; minimising water losses and water conservation measures due to the current drought situation in the Western Cape.

The new Stellenbosch Waste Water Treatment Works was commissioned with the aim to clean water to a potable standard, this will enable the municipality to provide more water to the community.

Due to the increasing pressure of the drought situation in the Western Cape, the Municipality has implemented various initiatives to ensure that the community of Stellenbosch have sufficient water. These initiatives include water restrictions being put in place for all residents, water demand analysis, borehole audit and testing, designs and planning of water augmentation with Groundwater combined with plans to drill new boreholes for water provision are in progress, the implementation of water meter monitoring and water controlling devices have been introduced. All bulk water meters are now equipped with monitoring equipment and real time viewing is possible. Daily consumption monitoring is now possible. A geotechnical investigation was done to locate additional water resources. To encourage water savings, the War on Water Program and various Communications Campaigns were initiated utilising various platforms, including pamphlets, posters, loud hailing and all forms of social media.

The Electrification of Enkanini, Stellenbosch Municipality's biggest informal settlement, is well under way. Basic Service Delivery initiatives have also been implemented to ensure that services are being rendered in the best possible way, to ensure a living environment which the community can be proud of.

The biggest challenges for the municipality is still to keep water losses under the legislated norm; relocation of residents due to emergencies and capital expenditure.

During the course of the 2016/17 financial year, the Municipality experienced stability within the management environment. The Municipal Manager post was filled including two critical Directors posts, namely Director Strategic and Corporate and Director Engineering service. 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 strictly to eliminate repeat findings. A Clean Audit was achieved for the third consecutive year for the Stellenbosch Municipality. The clean audit means that the annual financial statements is free of material errors and fairly present the financial position of the municipality. Reporting on performance was also free of material errors, and there were no material findings on compliance to laws and regulations. Risk Management remains an integral part of planning processes as well as mitigation of any possible eventualities.

The top strategic risks facing the Municipality are the following: drought management; integration of IT systems; under expenditure of capital budget; service delivery infrastructure failure; economic growth and development; compliance with mSCOA; losing the historic status of Stellenbosch with regards to environment; and insufficient housing resources for emergency relocations. The Municipality is maintaining a healthy payment rate of consumers as a result of effective credit control and debt collection procedures and the enforcement of policies and by-laws. To maintain this situation it is important to keep services not only affordable, but to deliver the same service 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 financial position.

Thank you to all residents, visitors, partners and community groups for the support during 2016/17. The Directors and I look forward to improve service delivery, together with all our staff, through innovation and partnerships during 2017/18.

Geraldine Mettler  
Municipal Manager

A handwritten signature in black ink, appearing to read 'G. Mettler', is positioned to the right of the printed name and title.

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 2016/17 Annual Report reflects on the performance of the Stellenbosch Municipality for the period of 1 July 2016 to 30 June 2017. 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.

## **B) VISION, MISSION AND VALUES**

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

### **Vision:**

**“The Valley of Opportunity and Innovation”**

### **Mission:**

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

### **Values:**

**Integrity:** As servants of the public, we undertake to perform the functions and operations of the Municipality in an honest and ethical manner.

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

## C) HOUSE OF VALUES

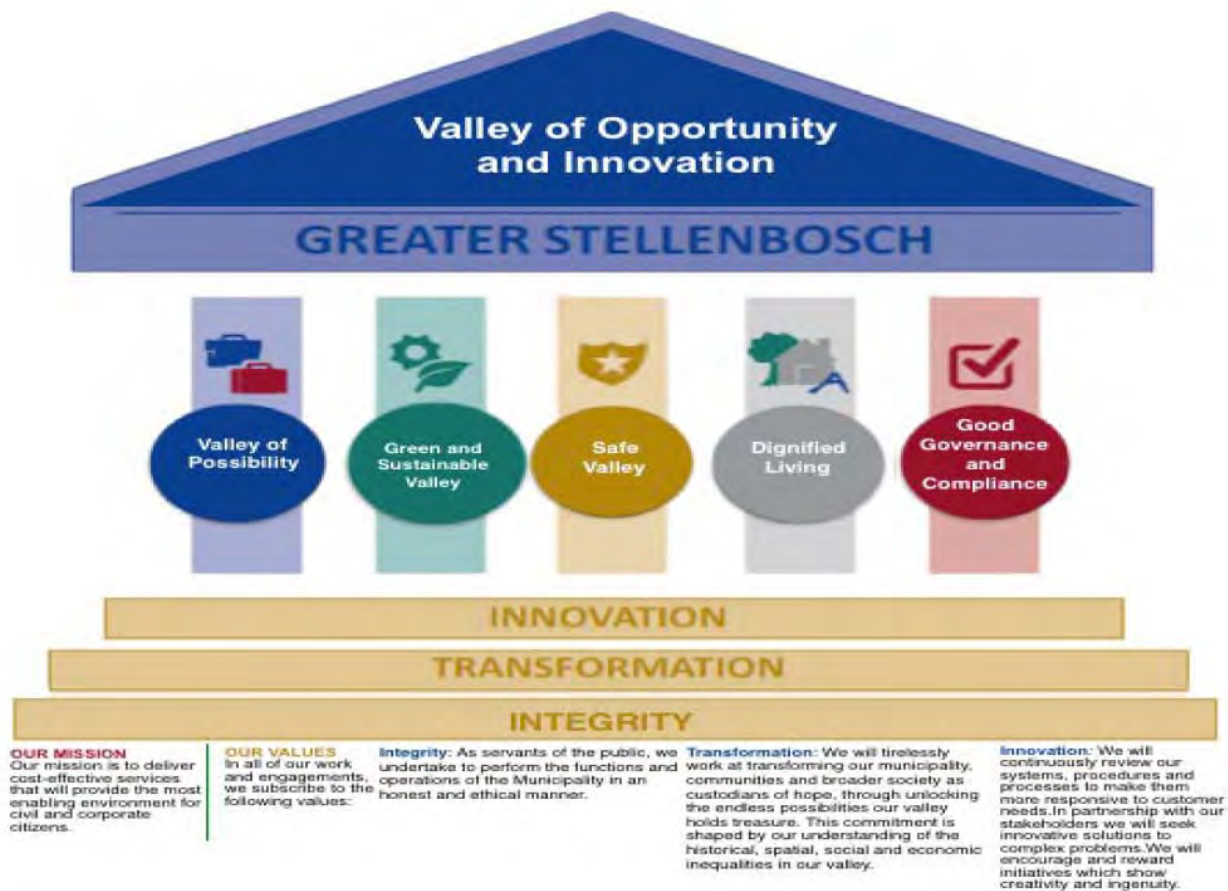


Figure 1 House of Values

## D) 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 km<sup>2</sup>. 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.

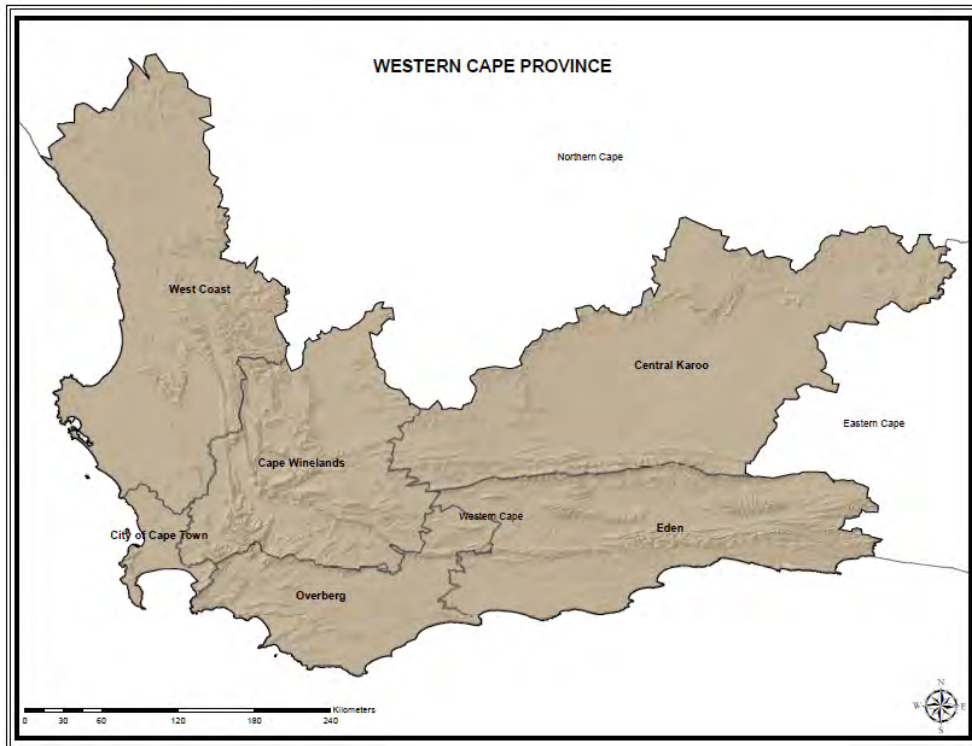
**b) Wards**

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

WARD	AREAS	Population (2011)
1	Franschhoek Town, Bo-hoek Farms, Mooiwater	12 389
2	Langrug, La Motte, Dennegeur, Groendal	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, Drostyd and Helderberg Street	822
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: Enkanini, Snake Valley, Watergang, Thubelitsha, New Watergang (106), Zone O (next to Enkanini), Chris Hani Drive, Municipal Flats(10TH and 13TH Street), School Crescent, Ekuphumleni, Siyahlala, Zone A and George Blake	8 009
13	Kayamandi: Old Location from Lamla Street to Luyolo Street, Red Bricks and Old Hostels	2 482
14	Kayamandi: Zone I Setona Street), Zone O (lower part) Mgabadeli Crescent, Monde Crescent , Costa Land, Strong Yard, Zone M (8th Avenue)	5 280
15	Kayamandi: Mjandana Street(Zone L), Mputa Close, Zone K, Ndumela Street(Zone J), Distell Hostels, Vineyard, Zone O Middle part(Fire Street), Municipal Workers Flats, Zone N, and M, Old Corrobricks Hostels, Mdala Street(Old Hostels) Eight(8) Close	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
<b>Total</b>		<b>155 733</b>

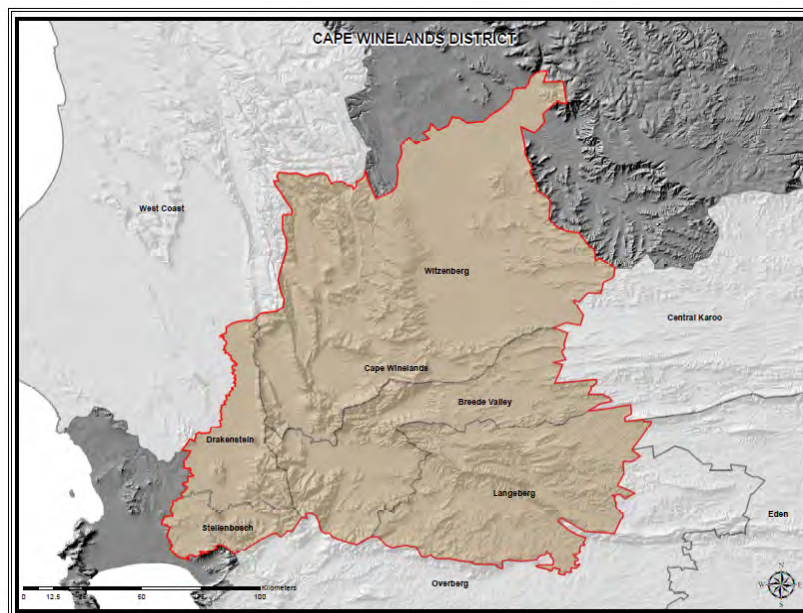
**Table 1: Municipal Wards**

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**

**c) 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 2016 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.

Stellenbosch Municipality is hard hit when it comes to residential burglaries and drug-related crime. Murders is also a challenge as the murder rate per 100 000 population, at 45, is the highest in the District.

Economic growth in Stellenbosch is the strongest within the District, with the post-recession recovery period(2010 - 2013) growth at 3.7 per cent per annum. Despite high job losses in the agriculture sector, Stellenbosch was the only municipality in the District to experience an overall net growth in employment over the 2005 - 2013 period.

Despite the progress in relation to other municipalities, 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.

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 coming years.

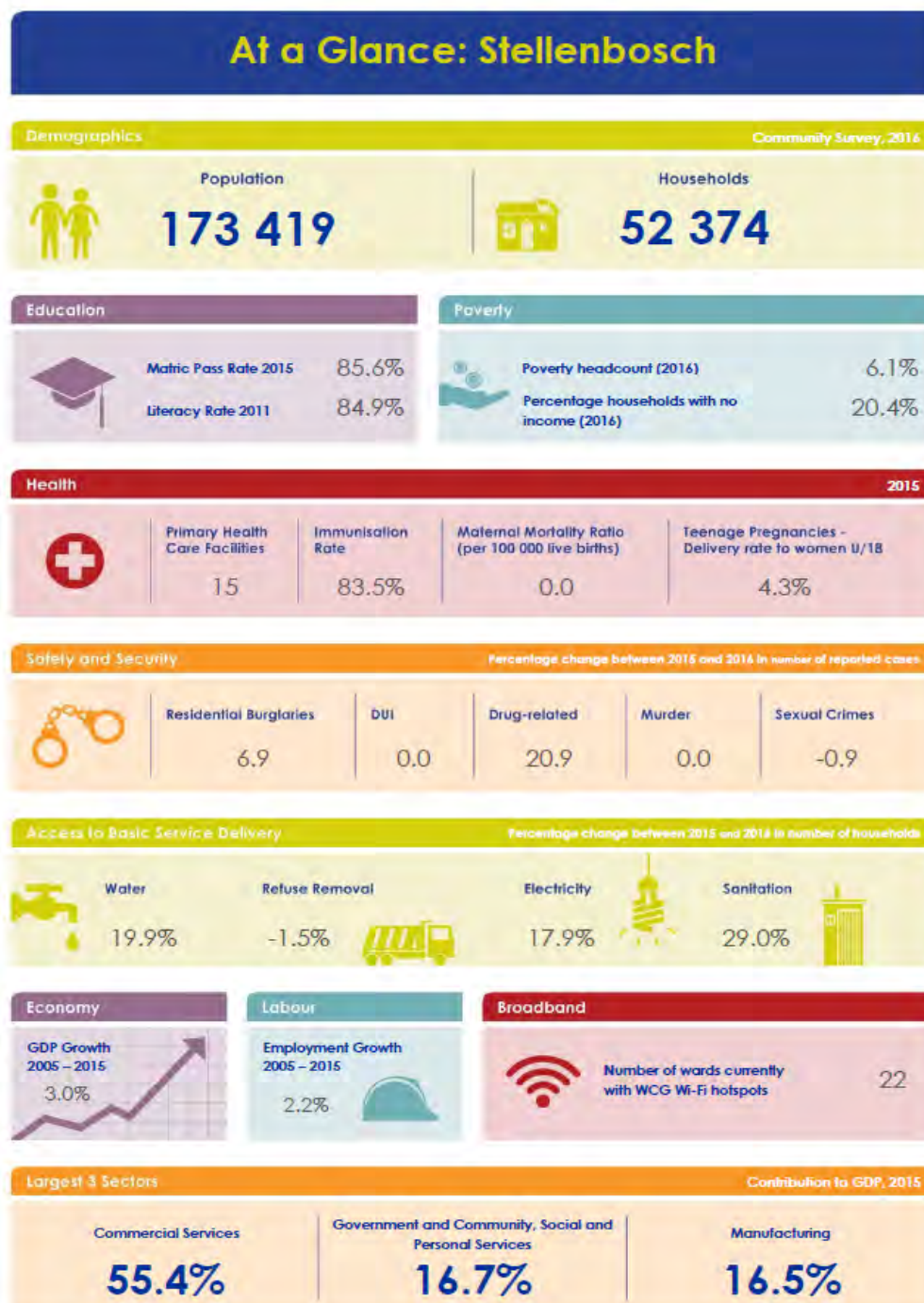


Figure 5 Stellenbosch: Summarised Statistics

Source: Western Cape Department of Social Development, 2016



d) Demographic Profile

Population Distribution, 2016

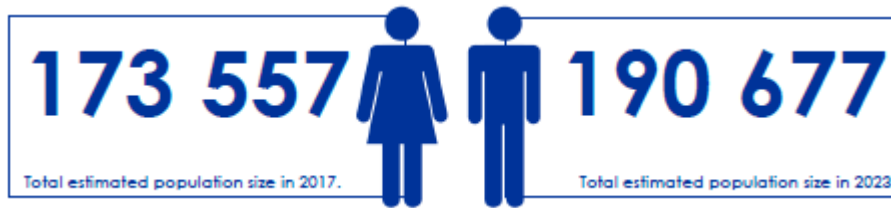


Figure 6 Population distribution by Genders

Stellenbosch has the second largest population in the Cape Winelands District which, according to the forecasts of the Western Cape Department of Social Development, is estimated to be 173 557 in 2017. This total gradually increases across the 5-year planning cycle and is expected to reach 190 677 by 2023. This equates to an approximate 9.9 per cent growth off the 2017 base estimate.

In 2017, Stellenbosch’s population gender breakdown will be relatively evenly split between male (84 849, 48.9 per cent) and female (88708, 51.1 per cent). For 2023, the split is anticipated to be 93 125 (48.8 per cent) and 97552 (51.2 per cent) for males and females respectively.

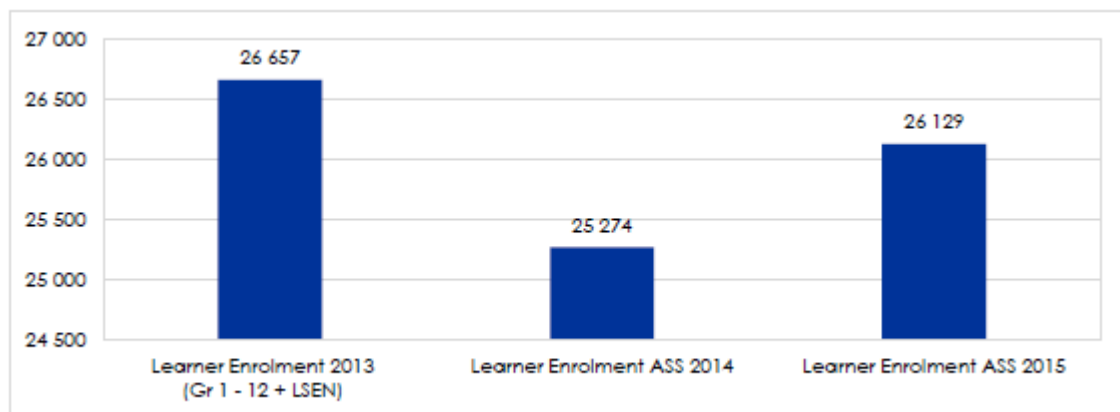
Age Distribution



Graph 1: Age Distribution

Stellenbosch’s population is expected to in 2017 be strongly concentrated within the 20–24 and 25 –29 age categories. This concentration can possibly be attributed to several factors. Firstly, as Stellenbosch is a university town, many school finishers do not leave the region, but continue their studies locally. There is also the large influx of students that temporarily migrate to Stellenbosch in order to study at the University. These students do not specifically earn an income which could potentially increase the Municipality’s dependency ratio. Stellenbosch’s economy is also driven by the agricultural sector which requires the seasonal influx of labour.

## Literacy Level



Graph 2: *Learner enrolment*

The literacy rate in Stellenbosch was recorded at 84.9 per cent in 2011 which was higher than the average literacy rates of the Cape Winelands District (81.7 per cent) and the rest of South Africa (80.9 per cent). It was however lower than that of the Western Cape (87.2 per cent). Learner enrolment in Stellenbosch dropped by 1383 learners between 2013 and 2014, which might be due to the inclusion of data on Learners with Special Education needs (LSEN) in the 2013 WCED survey. Subsequently, learner enrolment increased with 855 learners between 2014 and 2015.

## Learner-Teacher Ratio

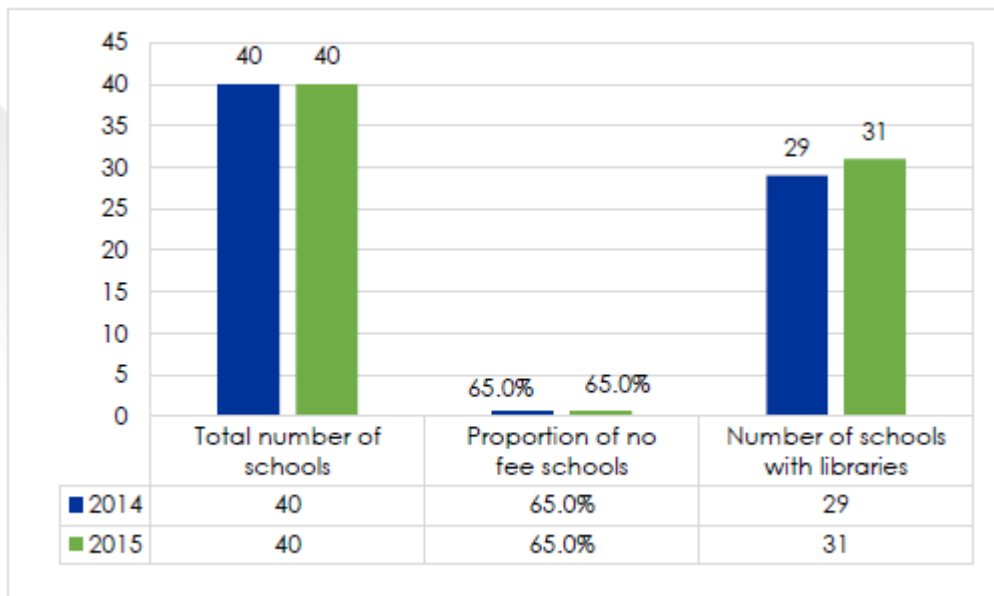
The learner-teacher ratio within Stellenbosch remained below 30 learners per teacher between 2012 and 2014 but deteriorated to 33 learners per teacher in 2015. According to the Department of Education the number of learners per teacher was 30.3 in 2010. Factors influencing the learner-teacher ratio is the ability of schools to employ more educators when needed and the ability to collect fees.

## Grade 12 Drop-out rates

The drop-out rate for learners within Stellenbosch that enrolled from Grade 10 in 2014 to Grade 12 in 2016 was recorded at 23 per cent. These high levels of high school drop-outs are influenced by a wide array of socio-economic factors including teenage pregnancies, availability of no-fee schools, indigent households and unemployment.

## 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.



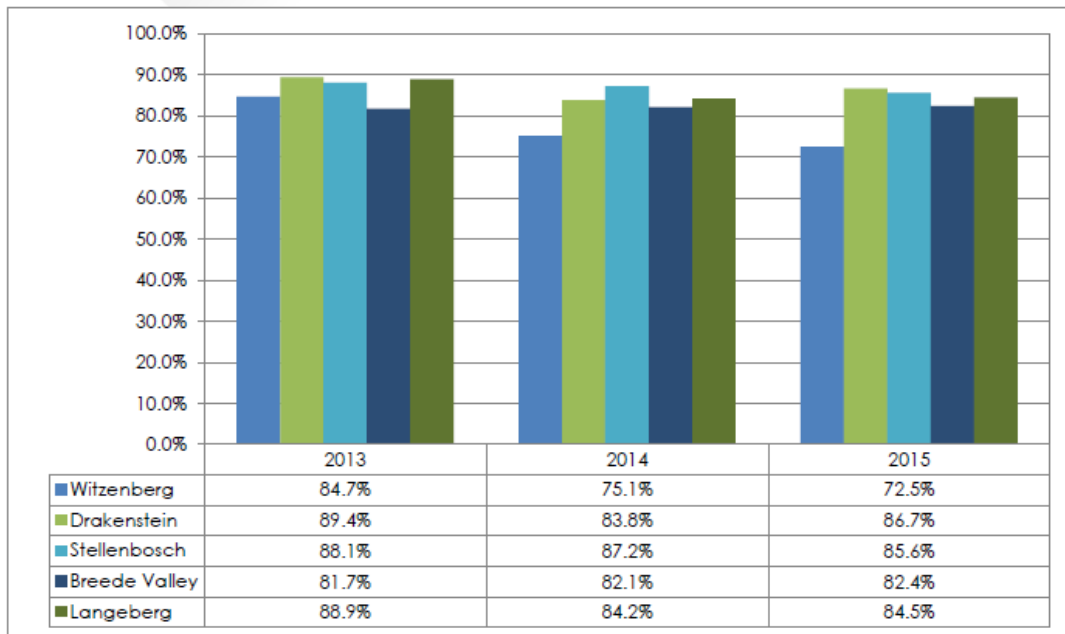
**Graph 3: Education Facilities**

Stellenbosch had 40 schools in 2015 which had to accommodate 26 129 learners at the start of 2015.

Given the tough economic climate, schools have been reporting an increase in parents being unable to pay their school fees. Despite this situation, the proportion of no-fee schools has remained at 65.0per cent between 2014 and 2015, which could in future further increase the drop-out rate. There is thus an increased need for the Western Cape Department of Education (WCED) to offer certain fee-paying schools to become no-fee schools. The number of schools equipped with libraries increased from 29 in 2014 to 31 in 2015 indicating a positive change towards improvement of educational outcomes in Stellenbosch.

### **Education outcomes**

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.



Graph 4: Education Outcomes

Stellenbosch's matric outcomes remained consistently above 85 per cent between 2013 and 2015, with the highest pass rate of 88.1 per cent recorded in 2013, but a lower rate of 85.6 per cent in 2015.

## e) Household Profile

### Households

In order to ensure basic service delivery to all, municipal budget allocations should be informed by credible and accurate assumptions regarding the number of households within a municipal area.

According to Census 2011, there were **43 420** households within the greater Stellenbosch region in 2011. As per the 2016 Community Survey estimates, the number of households increased to **52 374** in 2016 which equates to a 20.6 per cent increase off the 2011 base.

### Age Cohorts



Year	Children: 0 – 14 Years	Working Age: 15 – 65 Years	Aged: 65 +	Dependency Ratio
2011	35 545	112 533	7 654	38.4
2017	40 500	123 338	9 719	40.7
2023	44 103	134 294	12 280	42.0

Table 2: Age Cohorts

Stellenbosch is expected to experience rising dependency ratios of 38.4, 40.7 and 42.0 across 2011, 2017 and 2023 respectively. As higher dependency ratios imply greater strain on the working age to support their economic dependents (children and aged), this increase will have far reaching social, economic and labour market implications.

An increase in the dependency ratio is often associated with a relative decrease in the working age population. From a national perspective, the relative decrease in the working age population will result in lower tax revenues, pension shortfalls and overall inequality as citizens struggle to tend to the needs of their dependents amidst increased economic hardship.

At the municipal level, this decrease in the working age population will also result in a smaller base from which local authorities can collect revenue for basic services rendered and will necessitate the prioritisation of municipal spending.

### Poverty headcount and Intensity

The poverty headcount shows that the number of poor people within the Stellenbosch municipal area increased from 3.8 per cent of Stellenbosch's population in 2011 to 6.1 per cent of the population in 2016. The growing poverty headcount is a concern as it may strain municipal financial resources.

Area	Poverty Headcount (Percentage)		Poverty Intensity (Percentage)	
	2011	2016	2011	2016
<b>Stellenbosch</b>	3.8	6.1	42.1	39.8
<b>Cape Winelands District</b>	2.5	3.1	42.0	41.3
<b>Western Cape</b>	3.6	2.7	42.6	40.1

*Table 3: Poverty headcount and Intensity*

The intensity of poverty, decreased from 42.1 per cent in 2011 to 39.8 per cent in 2016 but remains high.

### Household Income

The annual income for households living within the Stellenbosch municipal area shows the proportion of people that fall within the low, middle and high income brackets. Poor households fall under the low income bracket, which ranges from no income to just over R50000 annually (R4166 per month). An increase in living standards can be evidenced by a rising number of households entering the middle and high income brackets.

Amount (2016)	Cape Winelands District	Stellenbosch	
No income	13.1	20.4	Low income
R1 – R6 327	1.9	2.0	
R6 328 – R12 653	3.5	3.5	
R12 654 – R25 306	13.4	10.6	
R25 307 – R50 613	20.1	16.6	
R50 614 – R101 225	18.4	15.5	Middle Income
R101 226 – R202 450	12.3	11.6	
R202 451 – R404 901	8.8	8.5	
R404 902 – R809 802	5.7	6.5	High income
R809 803 – R1 619 604	2.0	3.3	
R1 619 605 – R3 239 208	0.5	1.0	
R3 239 209 or more	0.4	0.7	

**Table 4: Household Income**

Approximately 53.1 per cent of households in Stellenbosch fall within the low income bracket, of which 20.4 per cent have no income. Less than fifty per cent of households fall within the middle to higher income categories, split between 35.6 per cent in middle income group and 11.5 per cent in the higher income group. A sustained increase in economic growth within the Stellenbosch municipal area is needed if the 2030 NDP income target of R110 000 per person, per annum is to be achieved.

### Indigent Households

The Non-Financial Census of Municipalities released by Statistics South Africa in 2016 indicates increases or decreases of indigent households per municipal area between 2014 and 2015.

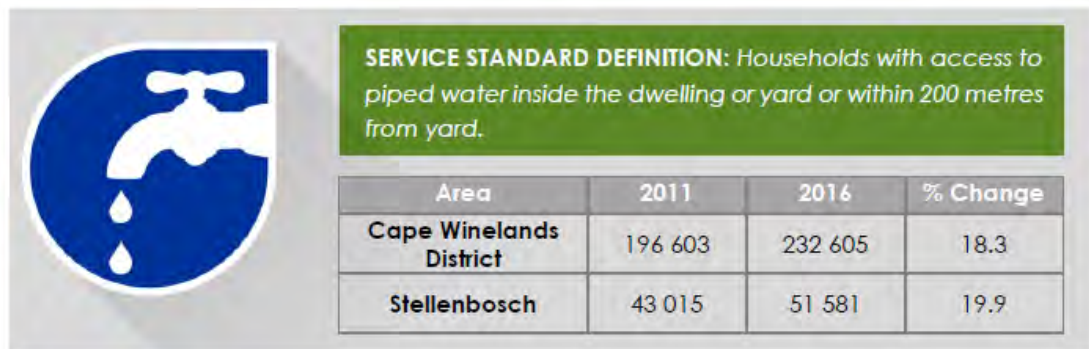
Area	2014	2015	Change
Stellenbosch	5 242	5 757	515
Cape Winelands District	39 368	38 374	-634
Western Cape	413 259	360 238	-53 021

**Table 5: Indigent Households**

The Stellenbosch municipal area experienced an increase in the number of indigents between 2014 and 2015, implying an increased burden on municipal financial resources.

## Basic Service Delivery

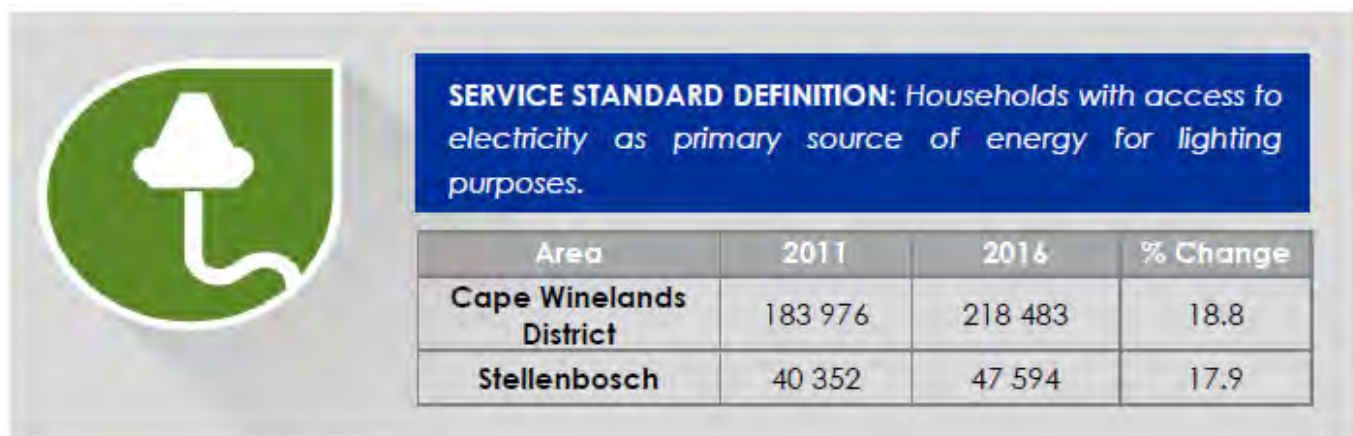
### Access to Water



**Table 6: Access to water**

Statistics South Africa estimates the number of households in the Stellenbosch municipal area increased from 43 420 in 2011 to 52 374 in 2016. The biggest source of water in Stellenbosch municipal area in 2016 was access to piped water inside their dwelling/yard/or within 200 metres. Access to piped water for these categories increased by 19.9 per cent from 43 015 households in 2011 to 51 581 households in 2016 and increased by 18.3 per cent across the District over the same period.

### Access to Electricity



**Table 7: Access to Electricity**

The biggest source of energy for lighting purposes in Stellenbosch municipal area in 2016 was electricity. However, 2.8 per cent of households make use of other sources of energy, i.e. generators, solar home systems, battery, and no access to electricity.

Access to electricity for lighting purposes improved by 17.9 per cent from 40 352 households in 2011 to 47 594 households in 2016 and increased by 18.8 per cent across the District over the same period.

## Access to Sanitation

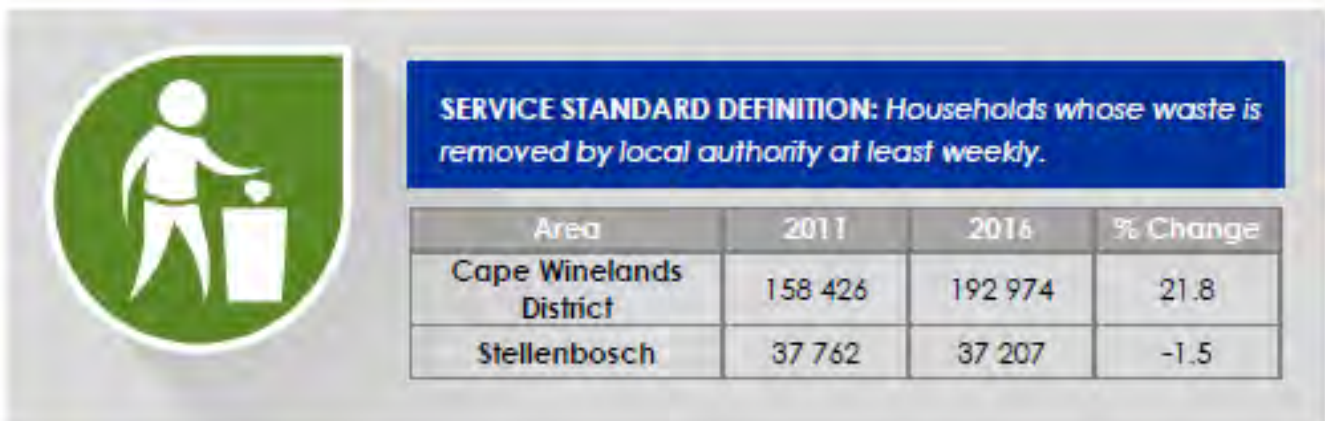


**Table 8: Access to Sanitation**

The biggest source of sanitation was access to flush toilets connected to a sewerage system/chemical toilet. Access to flush toilets connected to a sewerage system improved by 29.0 per cent from 39 834 households in 2011 to 51 386 households in 2016 and by 26.0 per cent across the District over the same period. In 2011, 91.7 per cent of the households in Stellenbosch enjoyed such level of access, while this percentage grew to 98.1 per cent in 2016 reflecting a total increase in access of 11 552 households.

Alarming, a total of 988 households (1.9 per cent of total households) within Stellenbosch still have to make use of other sanitation services i.e. to toilet facilities other than flushed and chemical (i.e. pit latrine, ecological toilets, bucket toilets or none).

## Access to Refuse Removal



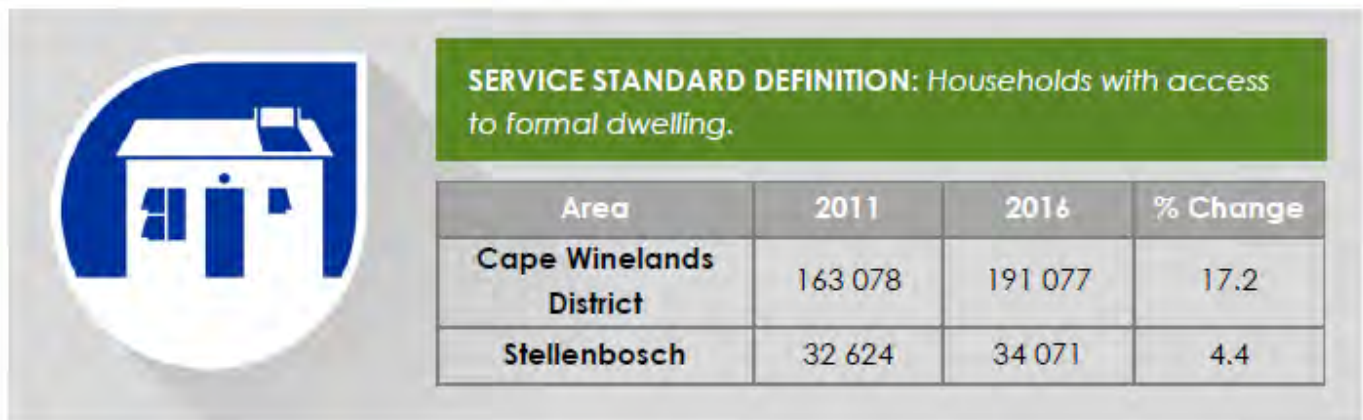
**Table 9: Access to Refuse removal**

The majority of household in Stellenbosch has their refuse removed by local authorities at least weekly (71.0 per cent) and a further 7.7 per cent of households have refuse removed by the local authorities/private company less often. This percentage is significantly below the District's average of 81.8 per cent. It is of concern to note that 10.2 per cent of households (5 358) in Stellenbosch still have to make use of communal/own refuse dumps.



Refuse removed by local authority once a week decreased by 1.5 per cent from 37 762 households in 2011 to 37 207 households in 2016 and increased by 21.8 per cent across the District over the same period.

## Access to Housing



**Table 10: Access to Housing**

The majority of households in Stellenbosch area currently reside in formal dwellings (65.1 per cent) whilst 34.9 per cent of the households reside either in informal (17 829), traditional (366) and other (107) dwellings in 2016. In comparison, the municipality's percentage for formal households was 75.1 per cent in 2011. While the absolute figures increased by 4.4 per cent from 32 624 households in 2011 to 34 071 households in 2016, the housing market in Stellenbosch could not keep up with the demand. The same goes for the District, in which 81.0 per cent (191 077) of households currently reside in formal dwellings, coming from 82.3 per cent (163 078) in 2011

## f) Economic Profile

### Primary Sector

#### Agriculture, Forestry and Fishing

This sector comprised R669.0 million (or 6.3 per cent) of the Municipality's GDP in 2015. It displayed 'placid' growth of 1.4 per cent for the period 2005 - 2015, but growth has nevertheless contracted in the post-recessionary period (the sector experienced contraction of 0.8 per cent over the period 2010 – 2015). Agriculture, forestry and fishing employed 12.4 per cent of the municipality's workforce. Employment growth over the period 2005 – 2015 has contracted by 2.4 per cent per annum on average. Employment picked up significantly after the recession and grew at a rate of 3.1 per cent per annum on average since 2010. On net employment, 2 976 jobs have been lost since 2005 - not all of the jobs lost prior to and during the recession have been recovered.

The labour force in the primary sector is characterised by a relatively large proportion of low-skilled labour. The majority (58.2 per cent or 5 432 workers) of the workforce in agriculture, forestry and fishing operate within the low-skill sector, which has experienced a contraction of 3.1 per cent since 2005, but nevertheless grew by 2.9 per cent per annum over the post-recession period (2010 – 2015). The semi-skilled sector employs 1 844 workers and the sector has contracted at a rate of 2.5 per cent per annum since 2005 but experienced a notable recovery of 3.5 per cent per annum over the post-recession period term (2010 – 2015). The skilled sector employs the smallest proportion of the industry's

workforce (5.0 per cent or 469 workers). This segment has shown robust growth post-recession (3.8 per cent per annum), but a 2.3 per cent per annum contraction over the long term (2005 – 2015). The informal sector makes up 17.0 per cent of the industry's workforce and was the only sector to experience long term growth (albeit marginal) as employment grew by 1.1 per cent per annum over the period 2005 – 2015. Informal employment within the agriculture, forestry and fishing industry furthermore experienced robust growth of 3.1 per cent per annum since 2010.

GDP		2015	Trend 2005 – 2015	Recovery 2010 – 2015
		R669.0 million	1.4%	-0.8%
Employment		9 334	-2.4%	3.1%
Skill Levels	Skilled	469	-2.3%	3.8%
	Semi-skilled	1 844	-2.5%	3.5%
	Low-skilled	5 432	-3.1%	2.9%
	Informal	1 589	1.1%	3.1%

**Table 11: Agriculture, Forestry and fishing**

Source: *Primary Sector: Municipal Economic Review and Outlook (MERO), 2016*

## Secondary Sector

### Manufacturing

The manufacturing sector comprised R1.760 billion (or 16.5 per cent) of the Municipality's GDP in 2015. The sector has experienced contraction of 0.2 per cent per annum on average over the period 2005 – 2015. GDP growth in the latter half of the decade (0.5 per cent for period 2010 – 2015) was below that of the long term trend for the industry and the overall municipal GDP growth rate (2.4 per cent) over the period under review as the sector manages to recover after the recession. The manufacturing industry employed 10.3 per cent of the Municipality's workforce.

Employment growth has shed jobs (1 128) over the past decade contracting at 0.6 per cent per annum over the period 2005 – 2015. Employment has nevertheless remained at a similar level in the post-recessionary period, contracting at 1.0 per cent per annum. A disproportionately large number of workers (employed in the manufacturing sector) are classified as semi-skilled (40.9 per cent) and low-skilled (24.2 per cent). Only 13.3 per cent of those employed in the manufacturing sector are categorised as skilled and a similar number (21.6 per cent) operate within the informal sector. This sector has experienced contraction of employment in the post-recessionary period at 0.3 per cent.

GDP		2015	Trend 2005 – 2015	Recovery 2010 – 2015
		R1.760 billion	-0.2%	0.5%
Employment		7 694	-0.6%	-1.0%
Skill Levels	Skilled	1 023	0.0%	-0.3%
	Semi-skilled	3 146	-0.3%	-0.4%
	Low-skilled	1 861	-2.2%	-2.5%
	Informal	1 664	1.2%	-0.3%

**Table 12: Manufacturing**

Source: Secondary Sector: Municipal Economic Review and Outlook (MERO), 2016

## Construction

The construction sector comprised R423.1 million (or 4.0 per cent) of the Municipality's GDP in 2015, making it the fifth largest sector in the region. Construction has nevertheless witnessed robust growth since 2005, with growth averaging 6.4 per cent per annum. GDP growth has nevertheless slowed since the recession and grew by 2.5 per cent over the period 2010 – 2015 as the sector struggles to fully recover after the recession and consequently struggles to maintain its position as fastest growing industry. The construction sector employed only 6.4 per cent of the Municipality's workforce.

Employment in the Municipality's construction sector has grown by 4.4 per cent per annum since 2005. Approximately 1 300 jobs have been created since 2005. However, subdued growth has been witnessed over the period 2010 – 2015 (where employment growth grew by 3.4 per cent per annum). The majority (49.5 per cent or 2 372) of the workers employed in the construction industry operate within the informal sector. Employment growth within this sector has been consistently high since 2005 (10.3 per cent). Low-skilled employment makes up 13.9 per cent and semi-skilled employment makes up 30.8 per cent of the workforce in the construction industry, and both sectors have been experiencing contractions after the recession. Workers employed in these sectors who have lost their jobs may have found employment in the informal sector. Skilled employment makes up only 5.8 per cent of the construction industry's workforce, and has experienced a measured growth rate over the past decade, with growth decelerating since 2010.

GDP		2015	Trend 2005 – 2015	Recovery 2010 – 2015
		R423.1 million		6.4%
Employment		4 789	4.4%	3.4%
Skill Levels	Skilled	278	3.3%	1.4%
	Semi-skilled	1 473	1.1%	-0.6%
	Low-skilled	666	-0.1%	-2.5%
	Informal	2 372	10.3%	9.8%

**Table 13: Construction**

Source: Secondary Sector: Municipal Economic Review and Outlook (MERO), 2016

## Tertiary Sector

### Commercial Services

Commercial services encompass the wholesale & retail trade, catering & accommodation, transport, storage & communication and finance, insurance, real estate & business services industries. This sector comprised R5.921 billion (or 55.4 per cent) of the Municipality's GDP in 2015 (the largest sector in the region). The industry grew steadily over the period 2005 – 2015 (4.6 per cent per annum compared to the overall municipal average of 3.0 per cent), the sector displayed sluggishness in the post-recessionary period continuing to grow at a rate of 3.7 per cent per annum on average. This sector employed 47.8 per cent of the municipality's workforce (making it the largest employer).

Employment has shown moderate growth throughout the past decade recording a 4.6 per cent growth rate per annum. Employment growth has not maintained this trajectory, tapering off (3.1 per cent) over the period 2010 – 2015 as the sector remains on par with the sluggish growth across other industries in the municipality post-recession (overall municipal employment growth averaged 2.4 per cent per annum over this period). The commercial services industry has created 12 494 jobs on net since 2005. A large proportion (32.1 per cent) of the industry's workforce are classified as semi-skilled, while 12.8 per cent are classified as low-skilled and 16.2 per cent are classified as skilled. The low-skilled/semi-skilled/skilled workforce has shown moderate growth both prior to and post-recession. Informal employment within the commercial services industry makes up 38.8 per cent of the industries workforce and has experienced robust growth of 11.9 per cent per annum since 2005, and lower but still strong growth of 5.6 per cent per annum over the last 5 years.

GDP		2015	Trend 2005 – 2015	Recovery 2010 – 2015
		R5.921 billion	4.6%	3.7%
Employment		35 846	4.6%	3.1%
Skill Levels	Skilled	5 824	1.8%	1.5%
	Semi-skilled	11 495	2.4%	2.0%
	Low-skilled	4 606	1.7%	1.3%
	Informal	13 921	11.9%	5.6%

**Table 14: Commercial Services**

Source: Tertiary Sector: Municipal Economic Review and Outlook (MERO), 2016

### Government and Community, Social and Personal Services

The general government & community, social and personal services is relatively small (comprising only 16.7 per cent or R1.79 billion of the Municipality's overall GDP in 2015). The industry experienced GDP growth of 2.4 per cent over the period 2005 – 2015 (and marginally decreased to a rate of 1.9 per cent per annum since 2010). The industry however employs a noteworthy share (22.9 per cent) of the Municipality's workforce and its employment growth over the period 2005 – 2015 averaged 3.0 per cent per annum.

Employment growth has tapered off somewhat (2.2 per cent) since the recession. The majority (31.5 per cent) of the industry's workforce are classified as low-skilled, while 23.4 per cent falls within the semi-skilled category and 24.7 per cent are classified as skilled. Employment in the skilled category grew moderately at 1.2 per cent over the period 2005 - 2015 overall, and has slowed slightly since 2010 recording a figure of 0.9 per cent. Semi-skilled employment grew at a modest rate of 2.8 per cent per annum since 2005, which persisted in the post-recessionary period at 2.5 per cent. Employment growth among the low-skilled workforce grew by 0.7 per cent for the period 2005 – 2015. The informal sector employ 20.4 per cent of the industries workforce, recording stellar growth of 16.0 per cent per annum over the period 2005 – 2015 (this growth nevertheless stemming from a small base), halving to 8.2 per cent in the post-recessionary period.

GDP		2015	Trend 2005 – 2015	Recovery 2010 – 2015
		R1.79 billion	2.4%	1.9%
Employment		17 207	3.0%	2.2%
Skills	Skilled	4 257	1.2%	0.9%
	Semi-skilled	4 033	2.8%	2.5%
	Low-skilled	5 415	0.7%	0.2%
	Informal	3 502	16.0%	8.2%

**Table 15:** Social and Personal Services

**g) Safety and Security Profile**

**Murder**



Area	2015	2016	% Change
Cape Winelands District (per 100 000)	37	34	-7.0
Stellenbosch (per 100 000)	45	45	0.0

**Table 16:** Murder rate

**Definition:** Murder is a social contact crime resulting in the loss of life of the victim, but excludes cases where the loss of life occurred as a result of a response to a crime, for example self-defence.

The murder rate within Stellenbosch remained unchanged at 45 reported cases per 100000 people between 2015 and 2016. The murder rate however decreased considerably by 7.0 per cent within the Cape Winelands District from 37 in 2015 to 34 in 2016. The murder rate nevertheless remains a major concern throughout the Cape Winelands District; especially in Stellenbosch area which experienced substantially higher cases of murder than the District.

## Sexual Offences



Area	2015	2016	% Change
Cape Winelands District (per 100 000)	137	122	-10.8
Stellenbosch (per 100 000)	124	123	-0.9

Table 17: Sexual Offences

**Definition:** Sexual offences includes rape (updated to the new definition of rape to provide for the inclusion of male rape), sex work, pornography, public indecency and human trafficking.

The cases of sexual offences in Stellenbosch decreased ever so slightly by -0.9 per cent from 124 incidences in 2015 to 123 in 2016. However, the cases of sexual offences in the Cape Winelands District dropped by 10.8 per cent from 137 in 2015 to 122 in 2016.

## Drug related Crimes




Area	2015	2016	% Change
Cape Winelands District (per 100 000)	1 412	1 456	3.1
Stellenbosch (per 100 000)	1 195	1 444	20.9

Table 18: Drug related crime

**Definition:** Drug-related crimes refers to the situation where the perpetrator is found to be in possession of, under the influence of, or selling illegal drugs. This is a crime detected through police activity rather than reports by members of the public. An increase in crimes of this nature may therefore reflect an increase in police.

Drug-related crimes has 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. Drug-related crimes within Stellenbosch increased sharply by 20.9 per cent from 1195 reported cases per 100000 people in 2015 to 1 444 cases in 2016. The Cape Winelands District is no exception, with drug-related crimes increasing by 3.1 per cent from 1 412 in 2015 to 1 456 in 2016.

## Driving under the influence




Area	2015	2016	% Change
Cape Winelands District (per 100 000)	115	110	-7.0
Stellenbosch (per 100 000)	102	102	0.0

Table 19: Driving under the influence

**Driving under the influence (DUI):** DUI refers to a situation where the driver of a vehicle is found to be over the legal blood alcohol limit. This is a crime detected through police activity rather than reports by members of the public.

The number of reported cases of driving under the influence of alcohol or drugs (per 100 000 people) in Stellenbosch remained unchanged at 102 between 2015 and 2016. However, the cases of driving under the influence of drugs and alcohol in the Cape Winelands District dropped significantly by 7.0 per cent from 115 in 2015 to 110 in 2016. Stellenbosch's cases of driving under the influence of drugs and alcohol remain below the District average.

## Residential Burglaries



Area	2015	2016	% Change
Cape Winelands District (per 100 000)	817	797	-2.5
Stellenbosch (per 100 000)	1 037	1 108	6.9

Table 20: Residential Burglaries

**Definition:** Residential burglary is defined as the unlawful entry of a residential structure with the intent to commit a crime, usually a theft.

Given its regular occurrence and the psychological impact on victims, residential burglaries are an obstinate concern in South Africa. The number of residential burglaries cases within Stellenbosch area increased by 6.9 per cent from 1 037 in 2015 to 1 108 in 2016. However, residential burglaries within the Cape Winelands District declined by 2.5 per cent from 817 in 2015 to 797 in 2016. The cases of residential burglaries crimes nevertheless remain a major concern throughout the Cape Winelands District, especially in Stellenbosch which experienced a substantially higher rate of residential burglaries than the District.



## **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 responses, 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.

### **Broadband**

All 22 wards within the Stellenbosch Municipality current have a WCG Wi-Fi hotspot. The location of these hotspots is reflected in the map attached hereto.

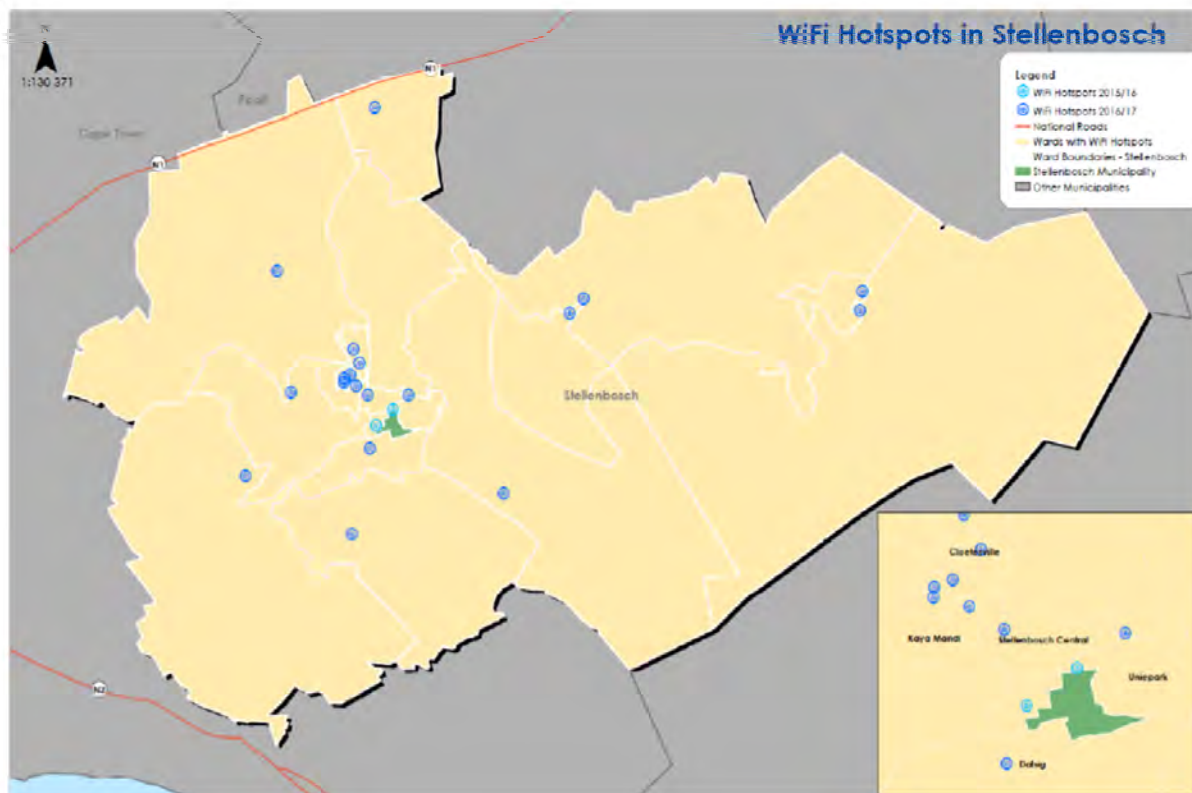
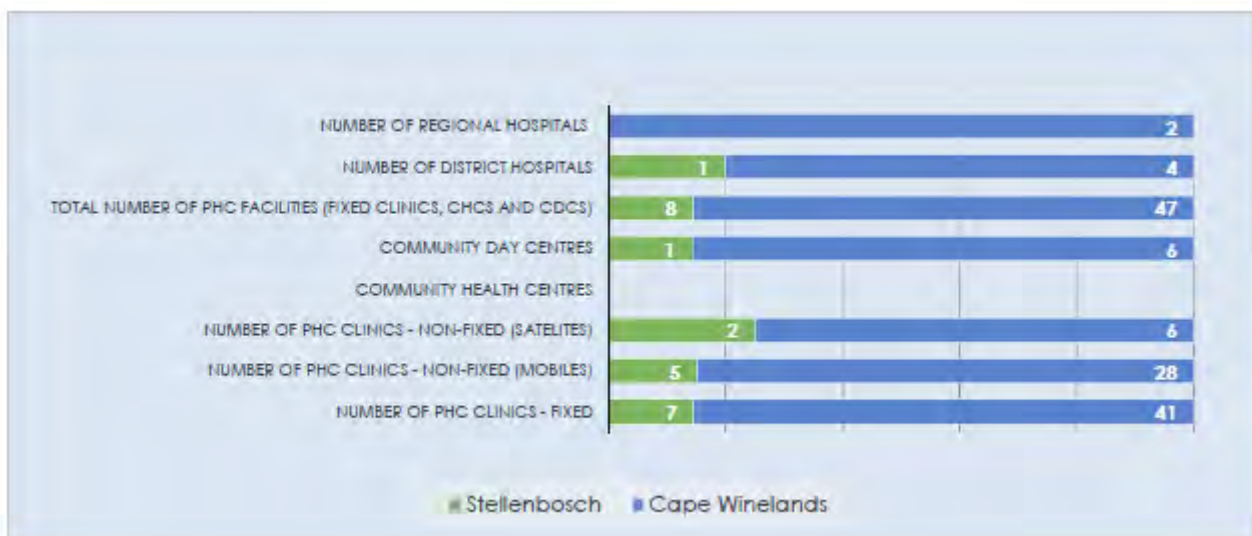


Figure 7 Wi-Fi: Department of Economic Development and Tourism, 2016

## j) Health

### Healthcare facilities


All citizens' rights to access healthcare services are directly affected by the number and spread of facilities within their geographical reach. South Africa's healthcare system is geared in such a way that people have to move from primary, with a referral system, secondary and tertiary levels.



Graph 5: *Health Care Facilities*

The Cape Winelands District has a range of primary healthcare facilities which includes 41 fixed clinics, 34 mobile/satellite clinics, 6 community day centres and 4 district hospitals. Of these facilities, 7 fixed clinics, 7 mobile/satellite clinics and 1 district hospital are situated within the Stellenbosch municipal area.

**Emergency Medical Facilities**




Health Indicator	Stellenbosch	Cape Winelands
EMS Operational Ambulances	5	36
Population (2017)	173 557	853 423
No. of operational ambulances per 10 000 people	0.29	0.42

Table 21: *Emergency Medical facilities*

Access to emergency medical services is critical for rural citizens due to rural distances between towns and health facilities being much greater than in the urban areas. Combined with the relatively lower population per square kilometre 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 0.29 ambulances per 10 000 population, lower than the district average of 0.42.

**HIV/AIDS**



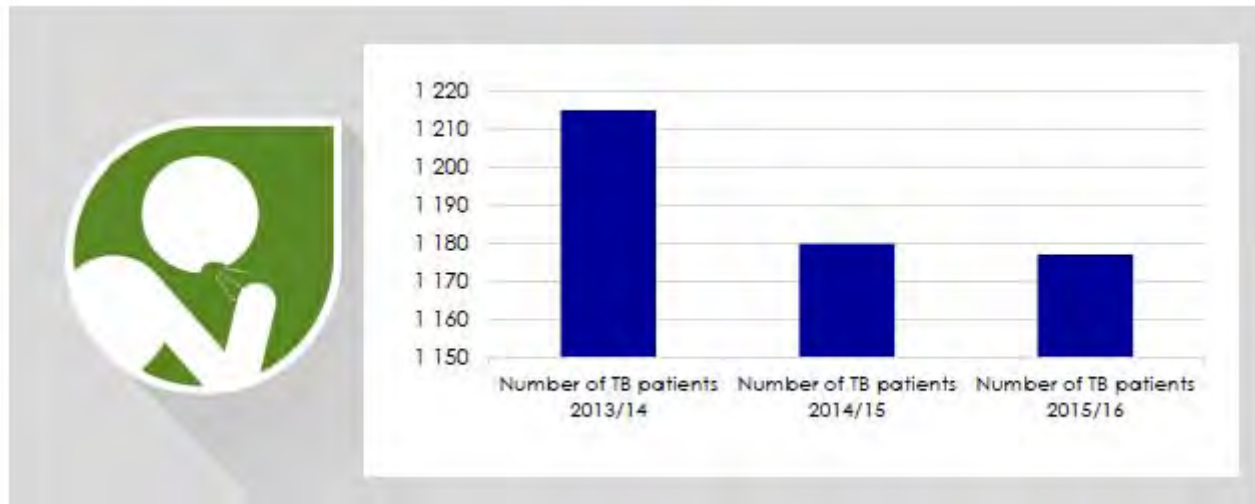
Health Indicator	Stellenbosch	Cape Winelands
Total registered patients receiving ART	4 808	23 172
No. of new ART patients	921	5 195
HIV Transmission Rate	2.6%	1.7%

Table 22: *HIV/AIDS*

At the end of March 2016, anti-retroviral treatment (ART) was provided to over 200 000 persons in the Province, 23 172 of whom were in the Cape Winelands District and 4808 in the Stellenbosch municipal area. At the end of March 2016, 921 new ART patients were being treated from 9 treatment sites in the Stellenbosch municipal area.

In addition to improving the quality of life of the patient, anti-retroviral treatment to mothers both before and at birth, also decreases the chances that infants will contract HIV from their mothers. The most recent information for Stellenbosch indicates a mother-to-child transmission rate of 2.6 per cent which is higher than the 1.7 per cent District and the 1.4 per cent Provincial rate as well as the medium term annual target for 2015/16 and 2016/17.

## Tuberculosis



Graph 6: Tuberculosis

The number of TB patients in the Cape Winelands District increased over the past few years, reaching 7 531 in 2015/16, treated at 102 clinics or treatment sites. In the Stellenbosch municipal area, the patient load had a slight decrease in 2015/16. Most recent information shows a patient load of 1 177 with treatment administered from 16 clinics or treatment sites.

## Child Health


In 2015, the full **immunisation coverage rate** for the Cape Winelands was 78.4 per cent. In Stellenbosch it was higher at 83.5 percent, showing a deterioration from the 2014 rate of 86.0 per cent.

The number of **malnourished children under five years** in the Cape Winelands in 2015 was 1.4 per 100 000 children. Stellenbosch's rate currently at 0.4 is lower than the District rate.

The District's **neonatal mortality rate** of 6.5 is higher than the Province's 2019 target of 6.0 per 1 000 live births. Stellenbosch's rate at 2.2 is lower than the District rate and the Provincial target and has improved from the 2014 rate of 4.0.

In the Cape Winelands District, 15.0 per cent of babies born were **underweight**; at 9.0 per cent, Stellenbosch's rate is lower than the District's and the Provincial average of 14.5 per cent.

## Maternal Health



Health Indicator	Stellenbosch	Cape Winelands
Maternal Mortality Ratio	0	46.5
Delivery Rate to Women under 18 years	4.3%	6.1%
Termination of Pregnancy Rate	0.4	0.7

Table 23: Maternal Health

**Maternal mortality rate:** Stellenbosch has a zero maternal mortality ratio. In comparison, the District recorded 46.5 per 100 000 live births. The Province has a maternal mortality ratio target of 65 by 2019.

**Births to teenage mothers:** In 2015, the delivery rate to women under 18 years in the District was 6.1 per cent. At 4.3 per cent Stellenbosch's rate is lower than the District rate.

**Termination of pregnancy:** Stellenbosch's termination of pregnancy rate of 0.4 per 1000 live births is lower than the District's 0.7 per cent.

Overall almost all of the indicators for child and maternal health have improved in the last year which indicates that Stellenbosch is making progress towards reaching its health targets. The only concern is with regards to its immunisation rate which has decreased in the last year.

## E) MUNICIPAL HIGHLIGHTS

The following highlights must be mentioned:

Highlight	Description
Arbor awards	This award was previously bestowed on the Town during 2014. It is focussed on the sustainable greening and beautification efforts of the town.
Green Awards	Stellenbosch Municipality collected four awards at the Western Cape's Greenest Municipality Competitions (GMC) on the 26 <sup>th</sup> of November 2017 for <ul style="list-style-type: none"> <li>- Greenest Municipality Competition 2017;</li> <li>- Innovation Projects: Installation of Molok Units; Non- Motorised Tricycle waste management project;</li> <li>- Most Improved: Waste Management; and</li> <li>- Most Improved Waste Conservation and Management</li> </ul>
Appointment of 3 critical Engineering Managerial Posts	Long vacant posts filled.
Bill and Melinda Gates Foundation.	The Plein Street and Cloetesville libraries have been identified by the South African National Library and Provincial Library Service as the recipients of the Mzansi Online Project which is funded by the <b>Bill and Melinda Gates Foundation</b> . This Project is currently being rolled out in South Africa by the South African National Library.
Risk Assessment	Appointment of a service provider to do an all ward base risk assessment.

Highlight	Description
Installation of LPR cameras	LPR cameras were installed on the R310 Road and at various other sites as a crime preventative measure to assist SAPS. These cameras identifies stolen and suspect vehicles when these vehicles enter Stellenbosch. The 1 <sup>st</sup> phase were completed and the 2 <sup>nd</sup> phase is in progress where all entrances and exits to Stellenbosch and Franschoek towns' will be equipped with these cameras.
Centralized Control Room and CCTV monitoring at Fire Station.	1 <sup>st</sup> Phase completed
Establishment of animal pound in process to be completed	Animal pound

**Table 24: Municipal Highlights**

## F) MUNICIPAL CHALLENGES

The following general challenges are experienced by the Municipality:

Challenge	Actions to address
Drought	Water Conservation Plan; Water restrictions in line with City of Cape Town.
Capex Expenditure	Implementation of Demand Management Plan and monitoring thereof.

**Table 25: Municipal Challenges**

## G) SERVICE DELIVERY OVERVIEW

### a) Basic service delivery Performance highlights

Highlight	Description
Development Services	100% MIG expenditure achieved in 2016/17. Total value of R 34 147 000. First municipality in Western Cape to achieve 100% MIG expenditure for 2016/17 (page 307)
Development Services	Development Charges are calculated by this Department and set as a development condition for new developments. Income of R 16.8m (incl. VAT) has been received by means of the payment of Development Charges.
Development Services	Development Charges policy successfully reviewed including re-calculation of the Development Charges unit costs for each service based on the current and planned capacity for each service.
Extension of services – Motor-vehicle License Renewals	Due to continued growth of population including students residing within the municipal area, vehicle population has grown to +48 000 vehicles requiring annual renewal placing strain on current infrastructure. The Traffic Department has thereafter extended the services to Franschoek to reduce travelling time and long queues in Stellenbosch office.
Appointment of staff	Due to growing demand for provision of services, the department appointed additional staff to assist with registration and licensing of vehicles.
Renovation of Driving License Centre	The first phase of extending the Driving License Testing Centre was completed. Due to 4-6% growth of student population and establishment of new schools, the demand for learners and driving license testing has enormously increased including overall growth in population, therefore a further need for license renewals and conversions.
Namola App	Security app to speed up response time on crime incidents.
Repairs on Electricity	Repairing of electricity in Informal Settlements at night with Law Enforcement officers
Jamestown	All designs for communal water borne facilities and potable water have been approved.
Enkanini (Kayamandi)	All designs for communal water borne facilities, potable water, access roads and electricity for this pilot project has been approved.
Mandela City Survey	Enumeration of Mandela City and La Rochelle – completed.
Enkanini rezoning	All specialist studies for rezoning and formalization of the area have been completed.
Enkanini Survey	Demographic survey has been completed.

Highlight	Description
Langrug Survey	Final designs for completion of bus route and water borne facilities and potable water have been submitted to the relevant Departments for approval.
Emergencies	The Department verified 539 emergencies.
Kayamandi (193 top structure)	Construction of 167 houses.
Jamestown Housing project	Completion of 162 houses and hand over to beneficiaries
Klapmuts Housing project (Erf 2181)	Approval of proposed subdivision by MPT on 8 May 2017 and subsequently appointing the civil contractor to start with the installation of services in Mandela City (Erf 2181)
Idas Valley ( Erf 9445)	Appointment of civil contractor to start with the upgrading of the river as per engineering specifications
Grant-in-Aid (GiA)	<p>Alignment of Grant in Aid application and approval process with budget cycle. This also affords all applicants a month within which to appeal / correct any problems they experienced with compliance issues. Donations are now payable within the first month of the financial year. With each application cycle two workshops are held. One focuses on the application process to assist organizations to comply and apply successfully and one focuses on capacity building within small organizations to ensure sound financial management and reporting. The process is concluded with the signing of the agreements with successful applicants. Donation approvals were brought in line with needs identified in the IDP.</p> <p>The SOP for GiA has been drafted, but still requires approval.</p>
Early Childhood Development	<p>The Community Development drafted an ECD policy to align services pertaining to registration of ECD/Partial care facilities.</p> <p>Capacity Building of ECD Practitioners (initiated by the department)</p> <p>The Community Development in Partnership, Working on Fire with Department of Health and Early Years Services (EYS) capacitated ECD Practitioners. The Trainings were namely:</p> <ol style="list-style-type: none"> <li>1. EYS Foetal Alcohol Syndrome Training: 23 ECD Practitioners attended the 5 day training. (3-7 October 2016)</li> <li>2. Working with fire conducted training for 28 ECD practitioners on fire safety. (5 October 2016)</li> <li>3. Department of Health presented a 3 day workshop on Nutrition and Hygiene at ECD facility in conjunction with the first 1000 days campaign.( 18-20 October 2016)</li> </ol>
Mayoral Youth Skills Development Programme	<p>The 5<sup>th</sup> annual Mayoral Youth Skills Development Programme was concluded as part of the 2017 Youth Month activities. It originated in 2013 from the high unemployment rate among local youth and the need for access to skills development. Successful candidates received free access to an accredited skills development programme after undergoing a recruitment process. As part of the recruitment and selection process they were introduced to the different industries. All courses included a practical placements component along with a job preparedness program focussing on life-skills. The courses were as follows:</p> <ul style="list-style-type: none"> <li>• Table Attendant Skills (14 youth)</li> <li>• Cooking Skills (13 youth)</li> <li>• General Building and Maintenance (12 youth)</li> <li>• Plumbing (12 youth)</li> </ul> <p>The department is still in the process of gathering information, but are happy to announce that it achieved good success in translating the training in real employment for the youth. Out of this year's table attendant group, 4 have already obtained employment with second round interviews still in the process for the remainder of the group. The Cooking / Kitchen skill course has also over the past couple of years showed a high employment rate after the completion of the training. Due to this, the Department considers extending the hospitality component of the programme to ensure higher employment rates with local business and industries.</p>
Social Relief of Distress	For reasons not clear to the department, more incidents of disaster occurred in this financial year than the previous. The department has drafted an Emergency Relief SOP.
Policy Development	<p>This year saw the most policies being drafted / approved for the department. It includes the following:</p> <ul style="list-style-type: none"> <li>• ECD Policy (Drafted)</li> <li>• UA Policy (Approved)</li> </ul>



Highlight	Description
	<ul style="list-style-type: none"> <li>• GiA Policy (Reviewed)</li> <li>• Community Development Strategy (Reviewed)</li> <li>• Ward Allocation Policy (Drafted)</li> <li>• Street People Policy (Drafted)</li> </ul>
Acquisition of fire vehicles	Medium capacity fire vehicle and 4X4 Land cruiser was acquired
Klapmuts fire station	90 % was completed at the end of the 2016/17 the financial year
Developed a new Park, Mooiwater	The parks provides a safe place for recreation activities
Vehicles	Area Cleaning received vehicles from Western Cape Government to render much needed basic services
Teamwork & Supervision	Supervision was maintained throughout the day to improve workforce efficiency.
Franschhoek CBD Contractors	Since September 2016 Franschhoek CBD had contractors to maintain the cleanliness of the area
Winter readiness programme	Cleaning of stormwater drains prevented the occurrence of localised flooding
Installation of boreholes	The installation of boreholes was started at various sports fields in an attempt to reduce fresh water usage for irrigation purposes. This phased project will assist with the Western Cape's current drought situation. La Motte Sport Ground received a borehole.
Fencing of Netball courts	The netball court was fenced at Pniel Sport Ground.
Multi-purpose Centre: Sports	A BMX Track was constructed at Ida's Valley Sport Ground. This project was done in partnership with DCAS who contributed R60 000.
Ramp: Cloetesville	A ramp for the disabled was constructed for the Cloetesville Sport Ground Rugby Clubhouse. This form part of the Universal Access requirement as legislated.
Upgrade of Caretaker House: Jamestown and Groendal Sports	A caretaker house was upgraded and renovated at Jamestown Sport Ground to a liveable and dignified home. The occupant of the caretaker house will have duties that will assist in improving after hours and weekend operations.

**Table 26: Basic Service Delivery Highlights**

**b) Basic services - delivery challenges**

Service Area	Challenge	Actions to address
Development Services	Department has been without a permanent manager for a number of years now. The current staff shortage leads to excessive workload on remaining staff and in turn has an effect on meeting deadlines etc. Developers can suffer financial losses if Municipality doesn't respond to their applications and requests timeously. Similarly non-compliance with DoRA MIG conditions could lead to MIG funds being stopped. Therefore sufficient capacity within this Department is of critical importance.	The Director: Infrastructure Services has indicated he is in the process of appointing a permanent Manager, but could take several months. Process should be expedited if possible.
Organisational Structure WC 024	Staff – Traffic Officers, Traffic Wardens, administrative staff	Revising of the micro-structure and securing of funds
	Extension of functions such as vehicle registration and licensing, payment of fines, learner and driver testing.	Revising of the micro-structure and securing of funds. Securing of facilities in conjunction with Planning Department.

Service Area	Challenge	Actions to address
All informal settlements	Little to no space available to install new services and increase the network	Discuss re-blocking alternatives with affected communities.
All informal settlements	Access to the settlement is difficult	Access road program developed and to be implemented in the medium term.
All informal settlements	Disaster risk	Liaise with all Departments to minimize disaster risk e.g. installation of smoke detector alarms and early warning systems.
Enumerated areas	Incorrect information leads to time wasting	Re-visit of method of obtaining information and the use of E-governance systems.
Kayamandi	Quality and labour issues	Meetings between workers, community leaders were conducted.
Jamestown Phase 2 and 3	Item draft to serve before Council in order to appoint a turn-key developer	Service capacity need to be upgraded before the project can be implemented. Original Phase 2 is for 408 opportunities and capacity is available for only 100 opportunities.
Idas Valley (Erf 9445 & Erf 11330)	MPT referred Item back for further PPP	Letters were sent to all Interested and Affected Parties as well as Organ of State Departments for comments
La Motte Housing project	Comments received from Heritage Western Cape	Proposed lay-out will have to be amended in order to obtain approval from Heritage Western Cape before DEA&DP can consider the application submitted.
Grant in Aid (GiA)	The evaluation on the success rate of applications indicated that problems are experienced with completion of the Creditor Control Form.	This form has been re-designed to make it more user friendly and submitted to the Creditor Section for approval for future use.
Implementation of Ward Projects	In the absence of a policy or TOR for Ward Allocation Funds / Projects, the department developed their own TOR. It is however difficult to enforce as the process of project identification and implementation is not the same across all departments causing Councillors to be confused regarding the guidelines.	Drafted an SOP and Policy for Ward Allocations and submitted to Municipal Manager.
Social Relief of Distress	The department will finalize the SOP, dependent on other line departments input. Access to a functional reliable vehicle to deliver social relief of distress becomes problematic as the department needs to make multiple trips to the area of incident in order to transport all the support material.	The department budgeted for an all-purpose vehicle to be acquired. SOP to be approved by MM.
High rise buildings	Rescuing of lives and combatting fires in high-rise buildings would be nearly impossible	Acquiring of an hydraulic platform
Parks Franschhoek	Vandalism and theft due to lack of security in parks	More money to be budgeted to appoint security
Parks Franschhoek	Shortage of staff	To appoint more EPWP staff to assist with operations
Parks Franschhoek	Old and out dated equipment and vehicles	To get rid of all old equipment and buy new ones with the available budget
Parks Franschhoek	SCM still experience bottleneck effect	SCM to perform rapidly in order for work to be completed
Parks & Rivers Stellenbosch	Shortage of staff More staff is needed to address the cleaning of the rivers across the greater Stellenbosch	EPWP will be appointed for the cleaning of the rivers and to assist with Parks operations Place needs on 5 year budget cycle to prioritise

Service Area	Challenge	Actions to address
Parks & Rivers Stellenbosch	Shortage of equipment Old and out dated equipment.	List all equipment needed and budget accordingly.
Area Cleaning	More workers should be appointed as the workload is too much for the current employees	More EPWP will be appointed to improve work load
Area Cleaning	Not enough vehicles from Klappmuts to Dwarsrivier Valley	Need extra truck or bakkie in these areas to load refuse bags
Area Cleaning	Dumping in Mooiwater and Langrug	The first FQ for the Langrug area was very successful and we wish to continue with FQ's in that area especially over weekends
Area Cleaning	Supervision in Klappmuts can only be done twice a week	To appoint supervisor/admin in the Klappmuts area
Various Sports Facilities	No lease agreement signed with Sports Council Vandalism and theft due to lack of security of sports facilities Lack of facility management skills amongst sports councils	Submitted new draft lease agreements for Council for October 2017. Appoint suitable and qualified security service providers. Train members of the various sports councils in the 2017/18 financial year after signing lease agreements.
Various Sports Facilities	Over utilization of sport field surfaces.	Investigate better fixture compilation with Sport Councils.
Various Sports Facilities	Poor quality of sport fields maintenance due to insufficient staff.	Make use of external contractors and increase staff establishment.
Various Sports Facilities	Poor quality of sport fields due to drought.	Installing boreholes at sport fields. Annual budgets requested.

### c) 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 26: Households with minimum level of Basic Services**

Source: Statistics South Africa , 2011

**d) Financial Viability Highlights**

Highlight	Description
Third consecutive clean audit	Stellenbosch municipality achieved clean audits for the 2014/15, 2015/16 and 2016/17 financial years.
Continued Increased capital investment	The capital investment of R349 million in 2015/16 increased to R411 million during the 2016/17 financial year. The increase of 18% indicates the commitment to service delivery in terms of infrastructural developments.
Long Term Financial Plan updated and approved.	This plan fulfills 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.
Increased operating cash flow	The net cash flow from operating activities amounted to R435 million in the 2016/17 financial year compared to R317 million in 2015/16.
Increase in the cost coverage ratio	The municipality's cost coverage ratio improved from 1.4 in 15/16 financial year to 5.7 in 16/17 financial year.

*Table 27: Financial Viability Highlights*

**e) Financial Viability Challenges**

Challenge	Description
Municipal Standard Chart of Account (mSCOA)	This strategic municipal financial management business reform will have substantial operational and institutional implications for the Municipality.
Consumer Affordability	The traceability of all debtors poses a challenge to the debt collection process. Above inflation increases of cost of electricity impacts on affordability of municipal accounts
Revenue Leakage	An integrated revenue enhancement approach followed to combat leakages
Reduction in grants received.	The Regional Bulk Infrastructure Grant (RBIG) grant. No Municipal Systems Improvement Grant (MSIG) for the 2016/17 financial year.

*Table 28: Financial Viability Challenges*

**f) 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	2016/17
Debt coverage (total operating revenue - operating grants received): debt service payments due within the year	46.83	42.45	64.13	41.29
Service debtors to revenue – total outstanding service debtors: revenue received for services.	17.66%	18.22%	10.22%	18.09

KPA & Indicator	2013/14	2014/15	2015/16	2016/17
Cost coverage (available cash + investments): monthly fixed operating expenditure.	7.84	9.89	1.4	5.71

**Table 29: Financial Viability and Management (Ratios)**

**g) National KPI's for Financial Viability and Management - Financial Overview**

Details	Original budget	Adjustment Budget	Actual
	R		
<b>Income</b>			
Grants(Operating & Capital)	239 281 320	268 555 034	216 896 062
Taxes, Levies and Tariffs	1 014 520 074	1 013 995 558	1 076 061 594
Other	182 836 010	207 944 501	226 165 334
<b>Sub-Total</b>	<b>1 436 637 404</b>	<b>1 490 495 093</b>	<b>1 519 122 990</b>
<b>Less Expenditure</b>	<b>1 380 139 101</b>	<b>1 450 845 362</b>	<b>1 307 334 866</b>
<b>Net surplus/(deficit)</b>	<b>56 498 303</b>	<b>39 649 731</b>	<b>211 788 124</b>

**Table 30: Financial Overview**

**h) Operating Ratios**

Detail	Expected norm	Actual	Variance
Employee Cost	30.3%	28.62%	1.68%
Repairs & Maintenance	6.4%	4.15%	2.25%
Finance Charges	3.1%	1.21%	1.89%

**Table 31: Operating Ratios**

Employee cost is below the national norm of between 35% to 40%, representing a positive outcome, Repairs and maintenance are below the norm, 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 14% 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 (CRR) and not external finance.

**i) Total Capital Expenditure**

Detail	2012/13	2013/14	2014/15	2015/16	206/17
	R				
Original Budget	189,043,691	200,065,525	294,188,484	452,759,209	463 791 713
Adjustment Budget	197,810,899	187,940,297	251,030,778	437,183,145	482 580 383
Actual	175,739,318	174,740,852	230 350 691	348,861,006	410 562 394

**Table 32: Total Capital Expenditure**

**H) ORGANISATIONAL DEVELOPMENT OVERVIEW**

During 2016/17, Stellenbosch Municipality embarked on the first revision of its 4<sup>th</sup> generation 2017/22 Integrated Development Plan and Medium-Term Revenue and Expenditure Framework.

A process plan, paving the way for ensuring an inclusive and comprehensive IDP process and culminated in the adoption of the 2016/17 (revised) IDP on 25<sup>th</sup> of May 2016. 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. MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS**

Highlight	Description
Employment Equity	First African woman appointed as Manager Electrical Services
GIS	Developed the following GIS platforms to track and monitor implementation and development of projects: <ul style="list-style-type: none"> <li>• Linking ECD's with planning applications</li> <li>• Social Relief of Distress distribution of aid</li> <li>• Grant in Aid donations</li> </ul>
Motor-vehicle License renewals via EFT	Due to continued growth of population including students residing within the municipal area, vehicle population has grown to +48 000 vehicles requiring annual renewal placing strain on current infrastructure. The Traffic Department then further implemented the option to renew annual vehicle licenses by manner of EFT. Clients have the option to collect or have licences posted.
Disability	The Draft Disability Policy evolved into a Universal Access Policy and was unanimously approved by Council. Stellenbosch was the first municipality in the country to adopt such a policy with accountability at the level of director performance agreements. Development of a Universal Access Implementation Plan should reach Mayco in August 2017 and then be approved by Council.

**Table 33: Municipal Transformation and Organisational Performance Highlights**

**2. MUNICIPAL STANDARD CHART OF ACCOUNTS**

The Municipal Regulations on Standard Chart of Accounts (mSCOA) was effective from 1 July 2017. mSCOA is applicable to all the municipalities in South Africa. The aim of mSCOA is to standardise budget formats and recording of financial transactions across municipalities in South Africa.

While mSCOA was legislatively effective from 1 July 2017, operationally it was effective from March 2017 with the tabling of the 2017/2018 draft budget to Council. Due to the operational effective date of March 2017 for the

implementation of mSCOA, the finance department in consultation with all municipal departments commenced with budget preparations in July 2016. This collaborative process led to the tabling of an mSCOA budget within the due date of firstly the draft 2017/2018 budget at 31 March 2017 and the final 2017/18 budget at 31 May 2017.

### 3. MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES

Challenge	Actions to address
Improper planning of informal settlements resulting in a lack of access routes, lack of electrification and lack of defensible space between structures	Redesign and proper layout of structures in informal settlements, Provision of infrastructure such as access roads and electricity

**Table 34: Municipal Transformation and Organisational Development Challenges**

#### 4. EXTERNAL MUNICIPAL SURVEYS

##### Stellenbosch Cordon Traffic Counts

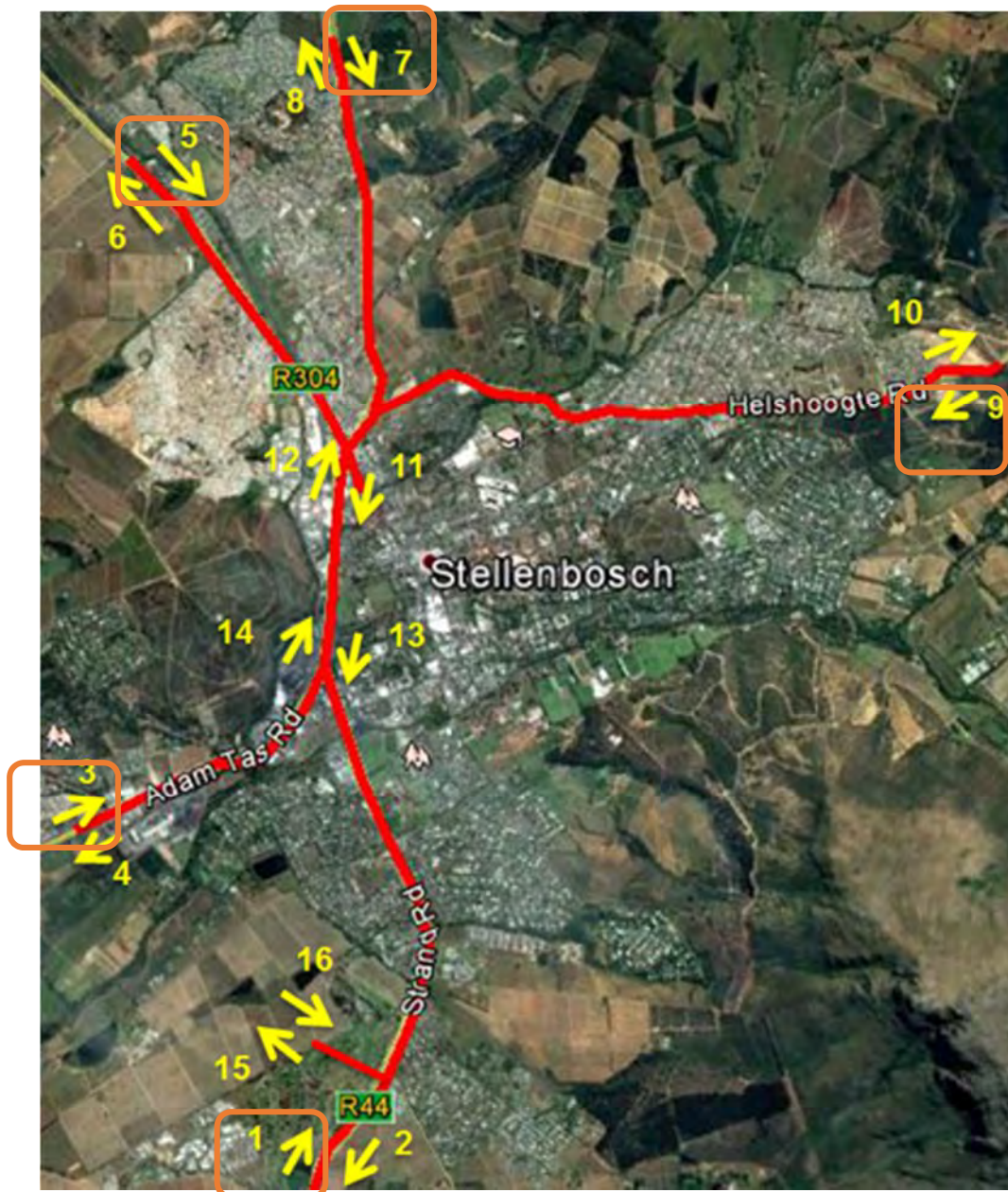


Figure 8 Cordon traffic Counts

Stellenbosch Municipality has experienced an increase in the amount of vehicles that congest traffic at various places in town. The congestion was becoming a phenomena during peak hours in the mornings, lunch time and evenings. It became imperative to establish the levels of congestions experienced during the morning peak hours.

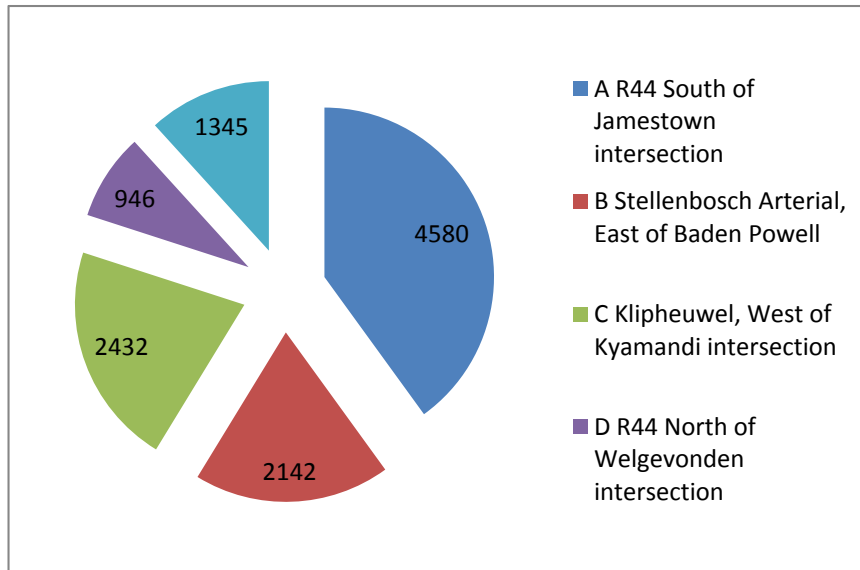
A morning peak hour survey was done on Thursday, 16 February 2017 between 07:00 and 09:30 to measure the influx of traffic into Stellenbosch by Royal Haskoning DHV. Five entrance points have been identified for monitoring. A total of 11 445 vehicles were counted during the peak morning period (two and a half hours). During the peak hour (07:00-



08:00) a total of 7236 vehicles were counted. The survey was done with number plate recognition camera technology which illuminated to amount of human interaction. This technology identified the through traffic. A total of 10% of vehicles entering Stellenbosch are actually through traffic. The approach points are identified as follows:

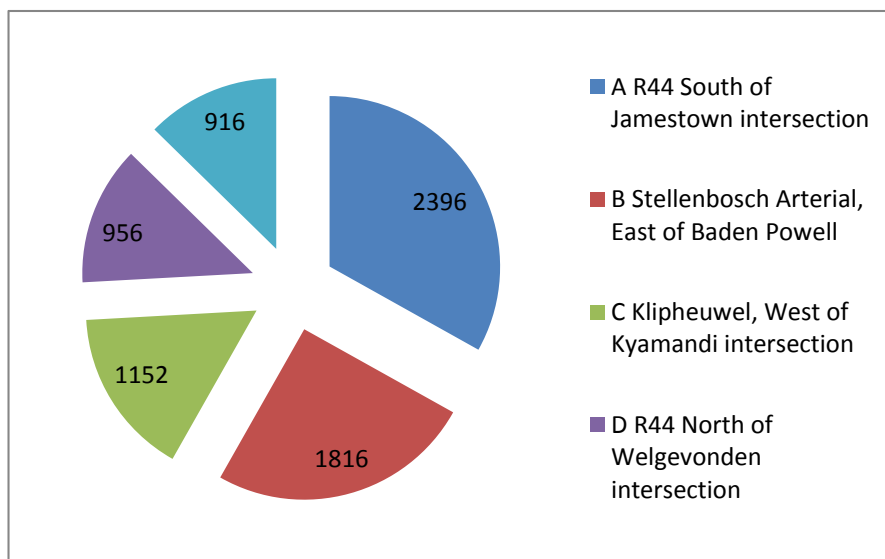
- A: R44 South of Jamestown intersection;
- B: Stellenbosch Arterial, East of Baden Powell;
- C : Klipheuwel, West of Kayamandi intersection;
- D: R44 North of Welgevonden intersection; and
- E: Helshoogte, East of Idas Valley intersection

The following totals were recorded for vehicles entering the town during the peak period (07:00 – 08:00):



Graph 7: Peak hour recorded totals between 07:00 – 08:00

The following totals were recorded for vehicles entering the town during the peak period (07:00 – 09:30):



Graph 8: Peak hour recorded totals between 07:00 – 09:30

## Recycling in Stellenbosch

Recycling became a new dilemma due to the limited of air space at the current landfill site. Municipalities has started to emphasise the importance of recycling due to the limitation of land to dump refuse. The purpose of the survey was to measure the recycling appetite within the Stellenbosch Municipal area. The survey commenced during a period from December 2016 to July 2017 via a web based system called, Survey Monkey. A total of 61 respondents completed the questionnaire. The survey was primarily based on the demographics of the participants and their responses on recycling.

### Analysis of demographics

It has become evident that access to the internet has influenced the level of responses. The importance of environment protection through recycling was confirmed by both men (46.67%) and women (53.33%) alike. The responders are found to be of all ages between 18 and 60 years old. A total of 56 (91.67%) of the responders are participating in the recycling of recycling of cardboard, glass, tins, cans, paper and plastics which is the basic household material obtained from supermarkets packaging.

A total of (6) 40% of respondents indicated that it is not easy to recycle while 26.67% say that collectors mix the black bags while it was separated at home. On the other hand 51.85% of the respondents find recycling very convenient.

### Recycling Convenience

While 56.36% are satisfied with the recycling procedures, 43.64% are not so keen. Twenty one of the respondents feel that more recycle bins are required in the municipal area while 24.49% indicated that the deployment of more refuse trucks are the answer. Incentives to promote recycling have been considered as important by 20 (40.82%) of the respondents.

The following suggestions were made towards recycling within the Stellenbosch Municipal area:

- Encourage suppliers to use less packaging;
- Encourage the composting of waste material;
- Employ and educate homeless people to sort recyclable materials from the non-recyclables;
- Incentivise blocks of flats and town-houses to separate their trash on a daily basis;
- Separate plastic bags for garden waste - this should be chipped and not included with household waste;
- The provision of compost bins will address the promotion of composting;
- Disadvantaged areas should be targeted to make recycling more worthwhile;
- Recycling awareness will increase the participation in all areas.
- Encourage the use of compost heaps/containers and the creation of community vegetable gardens (job creation and income generation);
- Education is key along with information leaflets so people are aware of how to improve the environment. I think rates rebates are great means to incentivize citizens to participate;
- Have a garden refuse collection which can then be made into compost which can then be sold back to residents;
- Incineration must be introduced to address recycling;
- Educate all communities, through the appropriate mediums/channels, on the need and benefit to recycle. Make sure the infrastructure is in place to take care of the recycle materials once collected from residents; and
- I'm not sure the public recycle bins work... possibly due to lack of knowledge, ignorance and careless attitude.
- Perhaps educating the youth and schools, with incentives for schools might change this attitude

## Statistics South Africa 2016

Community Survey (CS) 2016 is the second intercensal survey in the democratic South Africa. This household based survey is one of the few available data sources providing data at municipal level.

The key objectives of CS 2016 are:

- To provide an estimate of the population count by local municipality.
- To provide an estimate of the household count by local municipality
- The measurement of demographic factors such as fertility, mortality and migration.
- The measurement of socio-economic factors such as employment, unemployment, and the extent of poverty in households.
- The measurement of access to facilities and services, such as piped water, sanitation and electricity for lighting.

Provision of data at this level supports evidence-based decision making that has become increasingly a best practice which many countries, including South Africa, embrace. CS 2016 results are thus critical in promoting optimal resource allocation and utilisation in all spheres of government in order to reduce poverty and vulnerability among South Africa's most marginalised. Secondly, the development and implementation of policy, implementation of legislature deems it necessary to have reliable statistics that inform the social, demographic and economic standing of the country.

### Access to Sanitation Services

The percentage of households with access to an improved source of sanitation per local municipality is presented in Map 6.1. The map highlights the large variation in the percentage of households that had access to improved sources of sanitation across the country. Households in Overstrand (99, 2%), Hessequa (98, 7%), **Stellenbosch (98.0%)**, Bergriver and Camdeboo (all 98%) enjoyed almost universal access to improved sanitation. Thirty one percent of the Stellenbosch population have access to sanitation outside the dwelling or outside the yard. This can be attributed to densely populated informal settlements.

Highest access		
Municipality	Province	Percent
Overstrand	Western Cape	99,2
Hessequa	Western Cape	98,7
Stellenbosch	Western Cape	98,0
Bergriver	Western Cape	98,0
Camdeboo	Eastern Cape	98,0
Laingsburg	Western Cape	97,9
Drakenstein	Western Cape	97,8
Beaufort West	Western Cape	97,5
Swellendam	Western Cape	96,9
Kgatelopele	Northern Cape	96,7
Witzenberg	Western Cape	96,6
Swartland	Western Cape	96,2
Mossel Bay	Western Cape	96,1
Prince Albert	Western Cape	96,1
Govan Mbeki	Mpumalanga	96,0
Gariep	Eastern Cape	95,9
Emthanjeni	Northern Cape	95,7
City of Matlosana	Free State	95,7
Matzikama	Western Cape	95,3
George	Western Cape	95,1

Source: Statistics South Africa. 2016

The availability of energy is very important for a Municipality that can have extremes of wet and cold winters and dry and hot summers. A total of 6486 indigent households make use of alternative energy, namely solar energy. Stellenbosch Municipal area is currently the only area in the Western Cape where this source of energy has started a revolution in alternative heat generation (Source: Statistics South Africa. 2016).

## I) 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."

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

Description	A Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>						
Accounting Officer	1	0	1	1	1	1
Chief Financial Officer	1	0	1	1	1	1
Senior Managers	5	0	5	5	5	5
Any other financial officials	104	0	104	104	104	102

Supply Chain Management Officials						
Heads of supply chain management units	1	0	1	1	1	1
Supply chain management senior managers	0	0	0	0	0	0
<b>TOTAL</b>	<b>112</b>	<b>0</b>	<b>112</b>	<b>112</b>	<b>112</b>	<b>110</b>

**Table 35:** Financial Competency Development: Progress Report

## J) 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. Some matters of emphasis were highlighted by the Auditor-General of which the details are in Chapter 6 of this report.

### 1.9.1 Audited Outcomes

Year	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
<b>Status</b>	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified (clean audit)	Unqualified (clean audit)	Unqualified (clean audit)

**Table 36:** Audit Outcomes Source: Auditor General of South Africa, 2017

## 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	2016/17
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	85.08

*Table 37: National KPIs - Good Governance and Public Participation Performance*

### b) Performance Highlights - Good Governance and Public Participation

Highlight	Description
Newly elected Council	Smooth transition of the newly elected Council during August 2016.
Clean Audit	3rd Clean Audit in three consecutive years
Newly appointed Municipal Manager	Appointment of Ms Geraldine Mettler as Municipal Manager from 1 January 2017.
Appointment of two Directors	Appointment of Director Engineering, Mr Deon Louw, and Director Strategic and Corporate Services, Ms Annalene de Beer.
Organisational Redesign and Review	Commenced an Organisational Redesign and Review process
Review of System of Delegations	Commenced with the review of the System of Delegations
S.80 and S.79 Committees of Council	Successful establishment of S.80 and S.79 Committees of Council.
The Municipality handed over 167 houses to Kayamandi residents. The residents are first time property owners and they've been living in Informal Settlements for their entire lives.	Construction of houses in Watergang, Kayamandi.
Mediation process and adhering to the Court Order (Blaauwklippen)	Construction of 162 houses in Jamestown and the accommodation of Blaauwklippen families in the project that were evicted before December 2016.

Utilisation of rambricks	Jamestown housing project was enhanced by making use of rambricks from the Solid Waste Department for walkways in front of the houses.
First approval at the Municipal Planning Tribunal (MPT) meeting	The Klappmuts project for the subdivision of 299 sites on Erf 2181 was one of the first applications approved at the MPT meeting held on 8 May 2017.
Installation of water management devices	The Kayamandi and Jamestown project were used as pilot projects for the new devices specified by the Engineering Directorate.
Annual commemoration of world risk reduction day in Klappmuts	<p>Stellenbosch Disaster Management has embarked on several awareness campaigns/projects and intervention methods conducted at schools and early development centers etc. Risk reduction and related awareness among the general public has become imperative and has become a key event on the disaster management calendar for Stellenbosch Municipality. In response to the need, the Department identified Klappmuts as the venue to host the initiative for 2016.</p> <p>The theme of this year was “<b>LIVE TO TELL</b>”, which seeks to strengthen disaster risk governance, invest in Disaster Risk Reduction, and enhances disaster preparedness for effective response and expediting the recovery (rehabilitation and reconstruction) process. The responsibility of ensuring that all these focal points are implemented rests on local government with the cooperation of relevant role players.</p>
Events policy developed	The policy sets the strategic direction for Stellenbosch and its region, and aims to create mutually beneficial outcomes for the Greater Stellenbosch residents, businesses and visitors by using the platforms created by events to contribute to Stellenbosch’s, growth, development and inclusivity
Prevention of Public Nuisances and the Keeping of animals By-law developed	The by-law replaces all existing and outdated by-laws relating to public nuisances and the keeping of animals (The old dog By-law)
Impoundment of animals By-law developed	This By-law will deal with the impoundment of stray animals
Events policy developed	The policy sets the strategic direction for Stellenbosch and its region, and aims to create mutually beneficial outcomes for the Greater Stellenbosch residents, businesses and visitors by using the platforms created by events to contribute to Stellenbosch’s, growth, development and inclusivity
Impoundment of animals By-law developed	This By-law will deal with the impoundment of stray animals

**Table 38:** Performance Highlights - Good Governance and Public Participation

**a) Challenges - Good Governance and Public Participation**

Description	Actions to address
Labour and quality issues	Negotiations with community leaders, contractor and workers were held to resolve these matters.
Managing contractors in the subsidy housing environment and aligning all stakeholders in order to have a successful product.	Enhanced the collaboration between PDoHS and Project Managers to address challenges immediately.
Vandalism and theft on sites.	A local security service provider was appointed to assist with security issues.
To be able to render a 24/7 Law Enforcement patrol service throughout the entire WC24 area	Sufficient budget is needed to address the challenge of adequate manpower

**Table 39:** Challenges - Good Governance and Public Participation

**COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE**
**A) 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.

**a) Council – July – August 2016**

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)	Part-time	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
E Groenewald (Ms)	Part-time	DA	Ward Councillor
DA Hendrickse	Part-time	SCA	PR



Name of councillor	Capacity	Political Party	Ward representing or proportional
JK Hendriks	Part-time	DA	Ward Councillor
N Jindela	Mayco member	DA	PR
MC Johnson	Part-time	DA	Ward Councillor
CP Jooste	Speaker	DA	PR
S Jooste	Part-time	ANC	PR
DD Joubert	Part-time	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
NE McOmbring (Ms)	Part-time	DA	Ward Councillor
XL Mdemka (Ms)	Part-time	DA	PR
P Mtumni (Ms)	Part-time	ANC	Ward Councillor
C Moses (Ms)	Part-time	ANC	PR
RS Nalumango (Ms)	Part-time	ANC	PR
MM Ngcofe	Part-time	ANC	PR
N Ntsunguzi (Ms)	Part-time	ANC	Ward Councillor
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
M Wanana	Part-time	SCA	PR

**Table 40: Council 2016/17**

**b) Council – August 2016 – June 2017**

Name of councillor	Capacity	Political Party	Ward representing or proportional
F Adams	Part-time	DNCA	Proportional Representative (PR)
DS Arends	Part-time	ACDP	PR
FJ Badenhorst	Part-time	DA	Ward Councillor
G Bakubaku-Vos (Ms)	Part-time	ANC	PR
F Bangani-Menziwa (Ms)	Part-time	ANC	Ward Councillor
P Biscombe	Mayco member	DA	Ward Councillor
P Crawley (Ms)	Part-time	DA	PR
A Crombie (Ms)	Part-time	DA	Ward Councillor
J De Villiers	Mayco member	DA	PR
M De Wet	Part-time	DA	Ward Councillor

Name of councillor	Capacity	Political Party	Ward representing or proportional
R Du Toit (Ms)	Part-time	DA	Ward Councillor
A Florence	Part-time	DA	PR
A Frazenburg	Mayco member	DA	Ward Councillor
E Fredericks (Ms)	Part-time	DA	Ward Councillor
E Groenewald (Ms)	Mayco member	DA	Ward Councillor
J Hamilton	Part-time	DA	PR
A Hanekom	Part-time	DA	Ward Councillor
D Hendrickse	Part-time	EFF	PR
J Hendriks	Part-time	DA	Ward Councillor
LK Horsband (Ms)	Part-time	EFF	PR
N Jindela	Deputy Executive Mayor	DA	PR
M Johnson	Part-time	DA	Ward Councillor
DD Joubert	Speaker	DA	Ward Councillor
NS Louw	Part-time	DA	PR
N Mananga-Gugushe (Ms)	Part-time	ANC	Ward Councillor
C Manuel	Part-time	DA	Ward Councillor
LM Maqeba	Part-time	ANC	PR
N McOmbring (Ms)	Part-time	DA	Ward Councillor
XL Mdemka (Ms)	Mayco member	DA	PR
R Nalumango (Ms)	Part-time	ANC	PR
N Olayi	Part-time	DA	PR
M Oliphant	Part-time	ANC	PR
S Peters	Mayco member	DA	PR
W Petersen (Ms)	Single Whip	DA	Ward Councillor
M Pietersen	Part-time	DA	PR
WF Pietersen	Full-time Chairperson	MPAC PDM	PR
S Schafer	Part-time	DA	PR
J Serdyn (Ms)	Mayco Member	DA	Ward Councillor
N Sinkinya (Ms)	Part-time	ANC	Ward Councillor
P Sitshoti (Ms)	Part-time	ANC	Wrd Councillor
Q Smit	Mayco member	DA	Ward Councillor
G Van Deventer (Ms)	Executive Mayor	DA	PR
E Vermeulen (Ms)	Part-time	DA	Ward Councillor

The table below indicates the council meetings attendance for the 2016/17 financial year:

Meeting dates	Number of items (resolutions) submitted	Percentage Attendance of Council Meetings	Percentage Apologies for non-attendance
2016-08-15	15	100	0
2016-10-05	20	95.3	4.7
2016-10-26	16	95.3	4.7
2016-11-23	23	95.3	4.7
2016-12-12	8	76.7	23.3
2017-01-25	14	97.7	2.3
2017-02-22	4	93	7
2017-03-29	21	93	7
2017-04-26	24	95.3	4.7

Meeting dates	Number of items (resolutions) submitted	Percentage Attendance of Council Meetings	Percentage Apologies for non-attendance
2017-05-31	13	88.3	11.7
2017-06-20	4	90.6	9.4

**Table 41: Council Meetings**

### c) Executive Mayoral Committee

The Executive Mayor of the municipality heads the executive arm of the municipality and is assisted by the Mayoral Committee, The Executive Mayor is at the centre of the system of governance, since executive powers are vested in her to manage the day-to-day affairs. This means that the Executive Mayor 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 Executive Mayoral position were occupied as follows:

Executive Mayor for the period	Period
Adl. C.J Sidego	1 July 2016 – 03 August 2016
Adv. G. Van Deventer	8 August 2016 - 30 June 2017

**Table 42: Executive Mayor for the period**

Executive Mayoral Committee 1 July 2016 – 03 August 2016		Executive Mayoral Committee 8 August 2016 - 30 June 2017	
Name of member	Capacity	Name of member	Capacity
CJ Sidego	Executive Mayor	G Van Deventer (Ms)	Executive Mayor
MG Smuts	Deputy Executive Mayor	N Jindela	Deputy Executive Mayor
V Fernandez	Mayco member	P Biscombe	Mayco member
AR Frazenburg	Mayco member*	J De Villiers	Mayco member
N Jindela	Mayco member	A Frazenburg	Mayco member*
DD Joubert	Mayco member	E Groenewald (Ms)	Mayco member
SJ Louw	Mayco member	X Mdemka (Ms)	Mayco member
PJ Retief	Mayco member	S Peters	Mayco member
JP Serdyn	Mayco member	JP Serdyn (Ms)	Mayco member
Q Smit	Mayco member	Q Smit	Mayco member

**Table 43: Executive Mayor-in-Committee**

The table below indicates the dates of the Executive Mayor-in-Committee meetings and the number of reports submitted to council for the 2016/17 financial year:

Meeting dates	Number of items submitted
22 August 2016	8
21 September 2016	8
19 October 2016	13

Meeting dates	Number of items submitted
16 November 2016	21
30 November 2016	8
18 January 2017	12
15 February 2017	4
22 March 2017	20
27 March 2017	4
19 April 2017	12
17 May 2017	6
24 May 2017	5

**Table 44: Committee Meetings**

#### **d) 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 2016/17 mayoral term and their chairpersons are as in the tables below.

**i. Planning and Economic Development Portfolio Committee:**

Period 1 July 2016 – 03 August 2016		Period 8 August - 30 June 2017	
Name of member	Capacity	Name of member	Capacity
S Louw	Portfolio Chairperson till 26 August 2016	JP Serdyn (Ms)	Portfolio Chairperson
JP Serdyn	Portfolio Chairperson	F Adams	Committee member
A Frazenburg	Portfolio Chairperson from 26 August 2016	FJ Badenhorst	Committee member
F Adams	Committee member	AJ Hanekom	Committee member
DC Botha	Committee member	L Maqeba	Committee member
JA Davids	Committee member	RS Nalumango (Ms)	Committee member
S Jooste (Ms)	Committee member	S Schafer	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
06 June 2017	3

**Table 46:** *Planning and Economic Development Portfolio Committee Meeting Dates*

**ii. Engineering Services and Human Settlements Portfolio Committee:**

Period 1 July 2016 – 31 August 2016		Period 8 August - 30 June 2017	
Name of member	Capacity	Name of member	Capacity
DD Joubert	Portfolio Chairperson	J De Villiers	Portfolio Chairperson
V Fernandez (Ms)	Committee Member	GN Bakubaku-Vos (Ms)	Committee Member
DS Arends	Committee Member	F Bangani-Menziwa (Ms)	Committee Member
N Gcaza (Ms)	Committee Member	A Florence	Committee Member
JK Hendriks	Committee Member	AJ Hanekom	Committee Member
C Manuel	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
30 June 2017	5

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

**iii. Finance and Strategic and Corporate Services Portfolio Committee:**

Period 1 July 2016 – 31 August 2016		Period 8 August - 30 June 2017	
Name of member	Capacity	Name of member	Capacity
N Jindela	Portfolio Chairperson	S Peters	Portfolio Chairperson
Deputy Mayor, MG Smuts	Portfolio Chairperson	FJ Badenhorst	Committee Member
JSA Fourie	Committee Member	P Crawley (Ms)	Committee Member
M Mananga-Gugushe (Ms)	Committee Member	J Hamilton	Committee Member
A Crombie	Committee Member	RS Nalumango (Ms)	Committee Member
WC Petersen (Ms)	Committee Member	M Oliphant	Committee Member
LN Siwakamisa (Ms)	Committee Member		
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
NONE	

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

**iv. Community Services and Community Protection Portfolio Committee**

Period 1 July 2016 – 31 August 2016		Period 8 August - 30 June 2017	
Name of member	Capacity	Name of member	Capacity
PJ Retief	Portfolio Chairperson	AR Frazenburg	Portfolio Chairperson
Q Smit	Portfolio Chairperson	GN Bakubaku-Vos (Ms)	Committee Member
JSA Fourie	Committee Member	A Crombie (Ms)	Committee Member
A Crombie (Ms)	Committee Member	E Fredericks (Ms)	Committee Member
DA Hendrickse	Committee Member	MD Oliphant	Committee Member
C Moses (Ms)	Committee Member		
P Sitshoti (Ms)	Committee Member		
LL Stander	Committee Member		

Period 1 July 2016 – 31 August 2016		Period 8 August - 30 June 2017	
Name of member	Capacity	Name of member	Capacity
XL Mdemka	Committee Member		

**Table 51: Community Services and Community Protection Portfolio Committee**

Meeting dates	Number of reports
22 June 2017	7

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

#### v. Municipal Public Accounts Committee (MPAC)

Period 1 July 2016 – 31 August 2016		Period 8 August - 30 June 2017	
Name of member	Capacity	Name of member	Capacity
HC Bergstedt (Ms)	Chairperson	WF Pietersen	Chairperson
NM August	Committee Member	MC Johnson	Committee Member
R du Toit	Committee Member	NS Louw	Committee Member
E Groenewald (Ms)	Committee Member	N Mananga-Gugushe (Ms)	Committee Member
MC Johnson	Committee Member	N Olayi	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
20 February 2017	6
20 April 2017	5
11 May 2017	3
08 June 2017	7

**Table 54: MPAC Meeting Dates**

#### vi. Appeals Committee

Name of member	Capacity
DD Joubert	Portfolio Chairperson
GN Bakubaku-Vos (Ms)	Committee Member
MB De Wet	Committee Member
MD Oliphant	Committee Member

Name of member	Capacity
Q Smit	Committee Member

**Table 55:** *Appeal Committee meetings*

Meeting dates	Number of reports
26 May 2017	4

**Table 56:** *Appeals Committee Meeting dates*

**vii. Local Labour Forum (LLF)**

Name of member	Capacity
E Groenewald (Ms)	Portfolio Chairperson
R Du Toit (Ms)	Committee Member
E Fredericks (Ms)	Committee Member
LK Horsband (Ms)	Committee Member
XL Mdemka (Ms)	Committee Member
RS Nalumango (Ms)	Committee Member

**Table 57:** *Local Labour Forum Portfolio Committee*

Meeting dates	Number of reports
02 March 2017	2
08 June 2017	9
26 June 2017	1

**Table 58:** *Local Labour Forum Portfolio Committee Meeting Dates*

**viii. Employment Equity**

Name of member	Capacity
E Groenewald (Ms)	Portfolio Chairperson
J Hamilton	Committee Member
L K Horsband (Ms)	Committee Member
L Mqeba	Committee Member
X Mdemka (Ms)	Committee Member
WC Petersen (Ms)	Committee Member

**Table 59:** *Employment Equity Committee*



Meeting dates	Number of reports
NONE	

**Table 60: Employment Equity Committee Meeting dates**

**ix. Disciplinary Board**

Name of member	Capacity
MB De Wet	Portfolio Chairperson
L Mqeba	Committee Member
WC Petersen (Ms)	Committee Member
N Sinkinya (Ms)	Committee Member
Q Smit	Committee Member

**Table 61: Disciplinary Portfolio Committee**

Meeting dates	Number of reports
15 May 2017	1
19 May 2017	1

**Table 62: Disciplinary Portfolio Committee Meeting Dates**

**x. Rules Committee**

Name of member	Capacity
DD Joubert	Portfolio Chairperson
DS Arends	Committee Member
PR Crawley (Ms)	Committee Member
JG Hamilton	Committee Member
WC Petersen (Ms)	Committee Member
P Sitshoti (Ms)	Committee Member

**Table 63: Rules Committee Portfolio Committee**

Meeting dates	Number of reports
11 April 2017	1
11 May 2017	1
01 June 2017	1

**Table 64: Rules Committee Portfolio Committee Meeting Dates**

**xi. Corporate & Strategic Services**

Name of member	Capacity
E Groenewald (Ms)	Portfolio Chairperson
F Bangani-Menziwa (Ms)	Committee Member
MB De Wet	Committee Member
JG Hamilton	Committee Member
L Mageba	Committee Member

**Table 65:** *Corporate and Strategic Portfolio Committee*

Meeting dates	Number of reports
05 June 2017	1

**Table 66:** *Corporate and Strategic Portfolio Committee Meeting Dates*

**xii. Human Settlements**

Name of member	Capacity
PW Biscombe	Portfolio Chairperson
R Du Toit (Ms)	Committee Member
E Fredericks (Ms)	Committee Member
LK Horsband (Ms)	Committee Member
P Sitshoti (Ms)	Committee Member

**Table 67:** *Human Settlements Portfolio Committee*

Meeting dates	Number of reports
12 June 2017	4

**Table 68:** *Human Settlements Portfolio Committee Meeting Dates*

**xiii. Protection Services**

Name of member	Capacity
Q Smit	Portfolio Chairperson
DS Arends	Committee Member
J Hendriks	Committee Member
C Manuel	Committee Member
NE McOmbring (Ms)	Committee Member
N Sinkinya (Ms)	Committee Member

**Table 69: Protection Services Portfolio Committee**

Meeting dates	Number of reports
22 June 2017	13

**Table 70: Protection Services Portfolio Committee**

**xiv. Youth, Sport & Culture**

Name of member	Capacity
XL Mdemka (Ms)	Portfolio Chairperson
DA Hendrickse	Committee Member
MM Pietersen	Committee Member
N Sinkinya (Ms)	Committee Member
E Vermeulen (Ms)	Committee Member

**Table 71: Youth Sport & Culture Committee**

Meeting dates	Number of reports
22 June 2017	5

**Table 72: Youth Sport & Culture Committee dates**

**B) ADMINISTRATIVE GOVERNANCE STRUCTURE**

The Municipal Manager is the Chief Accounting Officer of the municipality. She is the head of the administration and primarily has to serve as chief custodian of service delivery and implementation of political priorities. She 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)
Annalene De Beer (from 1 May 2017)	Director: Strategic and Corporate Services	Yes
Dupré Lombaard	Director: Planning and Economic Development	Yes

Tabiso Mfeya	Director: Integrated Human Settlements and Property Management	Yes
Marius Wüst	Chief Financial Officer	Yes
Gerald Esau	Director: Community and Protection Services from 1 January 2016	Yes
Deon Louw (from 1 May 2017)	Director: Engineering Services	Yes

**Table 73: 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.

## A) 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.

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).

On 11 May 2017, 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 2017.

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.

The Municipal Court is in full operation and collaborates with the Department of Justice on a regular basis.

### **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.

Stellenbosch Municipality is in the process of preparing a MSDF for the municipal area and opted to make use of an Intergovernmental Steering Committee (ISC) to oversee the process. The ISC met on 17 February 2017 for the first time and met on four (4) occasions since. The ISC is well attended by all state departments and will be actively engaged until June 2018 when the MSDF must be finalised.

### **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.

The Western Cape Provincial Government has identified Stellenbosch Municipality as a priority municipality for the implementation of the Provincial Sustainable Transport Program (PSTP). To this end, the Western Cape Government through its Department of Transport and Public Works, has entered into a partnership with Stellenbosch Municipality (a Memorandum of Agreement was concluded in July 2016) to plan and implement sustainable transport initiatives. As part of this initiative, the municipality has started investigating the possibility of implementing a scheduled public transport service within Stellenbosch. Approval for the Section 78 process in terms of the Municipal Systems Act was already obtained from Council on 23 November 2017. The report evaluation report will be tabled to Council soon.

The Western Cape Government as part of the Provincial Sustainable process also made money available for small systems improvement and R4m was given for Non-motorised transport projects in Khayamandi, Cloeteville, Klapmuts and Ida's valley.

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 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 Ethekeeni 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**

Traffic Services on-going liaises with Western Cape Government: Department Transport and Public Works such as Transport Administration and Licensing, Traffic Law Administration regarding motor-vehicle licensing and issuing of learner and driving licenses.

The department further engages with RTIA, RTMC, Director Public Prosecutions, Department of Justice regarding legislative requirements and adherence.

To execute the Safely Home Program, the department interacts with various engineering entities such as provincial engineers and Cape Winelands District Council. The Western Cape Government developed the Provincial Strategic Plan (PSP) which gave rise to policies, programmes and projects therefore forming partnerships amongst government, citizens, civil society and business. Various spheres of government are being engaged with to co-create a culture of wellness and safety in the workplace and to promote wellness and safety through integrated service delivery models in order to address the social determinants of health through interaction with Department Education, Health Department and SAPS.

### **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 Informal Settlements Department also represents the Municipality at the bi-monthly Informal Settlements Support Program (ISSP) meetings of the Provincial Department of Human Settlements (PDoHS). The latter program aims to interpret National and Provincial guidelines with respect to upgrading of informal settlements. The purpose of these monthly meetings is to discuss best practices in informal settlements within the Cape Winelands region.

The Informal Settlements Department is also involved in a collaboration between various Municipal Departments and Stats SA. The collaboration is aimed at regularising the municipality's data collecting efforts into a format that is acceptable to Stats SA and that the collected data eventually will meet the standards as required by Stats SA.



The municipality engages in numerous partnerships to facilitate service delivery.

NAME OF PARTNER/ PARTNERSHIP	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 Stellenbosch University (SU)	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 Engineers South Africa)	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 Municipality	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 74: 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.

## B) REPRESENTATIVE FORUMS

### Labour Forum

The table below lists the members of the Local Labour Forum for the 2016/17 financial year:

Name representative	of Capacity	Meeting dates
E Groenewald	Councillor	23 June 2016 02 March 2017 08 June 2017 26 June 2017 31 July 2017
R Du Toit	Councillor	
E Fredericks	Councillor	
LK Horsband	Councillor	
XL Mdemka	Councillor	
RS Nalumango	Councillor	
A De Beer	Director: Strategic and Corporate Services	
D Louw	Director: Engineering Services	
G Esau	Director: Community and Protection Services	
M Wust	Chief Financial Services	
Vacant	HR Manager	
M Zimri	Head Labour Relations	
N Kwintshi	SAMWU Representatives	
T Mzili	SAMWU Representatives	
T Ncoko	SAMWU Representatives	
S Ndleleni	SAMWU Representatives	
I Nkunkumana	SAMWU Representatives	
M Zongolo(resigned)	SAMWU Representatives	
H Coffee	IMATU Representatives	
T Gilbert	IMATU Representatives	
R Louw	IMATU Representatives	
H Theart	IMATU Representatives	
E Vergotine	IMATU Representatives	
D Williams	IMATU Representatives	

**Table 75: Local Labour Forum**

## C) 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 are elected to represent a specific geographical area/block
- 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 critical 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
AH Bauer	Bo-hoek farms
H Diedericks	Beaucop De Leau to School Street
AP Kilian	Calais Street to Hugenote Road
PG Mihalopoulos	Akademie to De Villiers Street
N Ntsunguzi	Beaucop De Leau to Dalibushile School
M Nyanga	Beaucop De Leau to Dalibushile School
F Ahmed	Upper farms
R Plaatjies	Lower Farms
Elzona Morris	Ward Administrator

**Table 76: Ward 1 Committee Members**

**Ward 2: Langrug, La Motte and Dennegeur**

Name of representative	Capacity representing
Wilhelmina Petersen	Councillor
M Boonzaaier	Jaffhas to Boonzaaier Road
N Fata	Zwalitcha
A Jefthas	Jaffhas to Boonzaaier Road
J Lottering	La Motte
S Nomnqa	Ekhanini & Bodam
S Selahla	Mazaleni
M Vermeulen	Domain Des Anges
H Lackay	Berg River Dam Houses
C Van Niekerk	Dennegeur
R Pearce	Ward Administrator

**Table 77: Ward 2 Committee Members**

**Ward 3: Wemmershoek, Lynquedoc and Meerlust**

Name of representative	Capacity representing
Charles Manuel	Councillor
N Jack	Vygie, Kerk, Hoof Street - Lanquedoc
C Jacobs	Maasdorp
MP Krediet	Vygie, Kerk, to Gravel Road - Lanquedoc
L Malan	Meerlust & Farms
J Nomdoe	Angelier, Prins Afrika, Leeubekkie, Vygie Streets - Wemmershoek
C Stuurman	Hoof, Kerk, Vygie Streets - Lanquedoc
A Xola	Hoof, Kerk, Vygie Streets - Lanquedoc
W Morris	Vygie, Angelier Streets - Wemmershoek
Gregory Viljoen	Ward Administrator

**Table 78: Ward 3 Committee Members**

**Ward 4: Pniel, Kylemore and Johannesdal**

Name of representative	Capacity representing
Malcolm Johnson	Councillor
S Charles	Malva, Arum, Gousblom, Freesia, Daffodil, School streets & Farms
G Jacobs	Johannesdal
A Williams	Panorama, Simonsberg, Pine & Silvermine Streets

Name of representative	Capacity representing
D Lackay	Panorama, Simonsberg, Pine & Silvermine Streets
P van Wyk	PC Pietersen, Swart, Abrahams Streets, Capolavdoro
B November	Arcade, Santa Rosa, Starking, Helshoogte Streets
J Myburgh	Kloof, Hill, Dahlia, Oak Kleigat Streets
R van Wyk	Kerk, Brand, De Wet, Adams, Rooi, Jooste, Cupido Streets
B Lewak	Malva/ Arum/Gousblom/ Freesia/ Daffodil/ Skool Streets and Farms
Kelly November	Ward Administrator

**Table 79: 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
A Pieterse	Hydro and Surrounding Farms
RB Van Rooyen	The Ridge
L Hendricks	Bo-vlei
K Marais	Schoongezicht Farms
P Herandien	Lindida, Kreefgat, Uppervlei
W Johannes	Jonkershoek Upper
J Naude	Lindida, Kreefgat, Uppervlei
L Persensie	Lindida, Kreefgat, Uppervlei
N Rhode	Jonkershoek
Sinobia Zass	Ward Administrator

**Table 80: Ward 5 Committee Members**

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

Name of representative	Capacity representing
Nateshia Mcombring	Councillor
O Bergstedt	Tindall to Luckhoff Streets
M Hendricks	Botmaskop
M Kara	Tindall to Luckhoff Streets
Johannes Brandt	Speler to Botmaskop
Patricia Constable	Farms Areas to North
F Fortuin	Tindall to Luckhoff Street
P Gordon	Rustenburg Road to Lelie Street
D Jones	Lindley to Weber Streets
F Poole	Old Helshoogte to Lelie Streets
P Roets	Rustenburg Road to Lelie Street
Cerelmiel Van Rooyen	Ward Administrator

**Table 81: Ward 6 Committee Members**

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

Name of representative	Capacity representing
Alwyn Hanekom	Councillor
CD Cillié	Simonswyk
PE Claassen	Mostertsdrif
JD Coetzee	Rozendal
GA Giliomee	Karindal
GG Groenewald	Mostertsdrif
AB Meiring	Karindal
JP Swanepoel	Uniepark
WJ Van Aswegen	Simonswyk
Janetta Giliomee	Ward Administrator

**Table 82: Ward 7 Committee Members**

Ward 8: Stellenbosch Central

Name of representative	Capacity representing
Quintin Smit	Councillor
R De Villiers	Van Riebeeck, The Avenue, Coetzenburg Road
T Hlatswayo	Victoria, Neethling, Bosman, Van Riebeeck

Name of representative	Capacity representing
CL Macleod	Van Riebeek, Die Laan, Neethling, Eerste River
M Wannenburgh	Merriman, Marais, Hofmeyer, Bosman
E Beukman	Merriman, Marais, Hofmeyer, Bosman
D Madire	Victoria, Neethling, Bosman, Van Riebeek
K Jacobs	Hofmeyer, Marais, Bosman, Van Riebeek
Janetta Giomee	Ward Administrator

**Table 83: Ward 8 Committee Members**

#### Ward 9: Stellenbosch Central

Name of representative	Capacity representing
Marnes De Wet	Councillor
PJ Bekker	Geographic
JM Calitz	Geographic
GG Cillie	Geographic
ZJ Dalling	Geographic
JMK Meyer	Geographic
M Pauw	Geographic
J Rust	Geographic
A Louw	Geographic
H Esterhuizen	Geographic
Janetta Giliomee	Ward Administrator

**Table 84: Ward 9 Committee Member**

#### Ward 10: Tenantville and La Coline

Name of representative	Capacity representing
Rozette du Toit	Councillor
R Atson	Lapland
P Hough	Tenantville
L Nkamisa	La Colline
B Samuels	Tenantville
P Stone	Lapland
D Van de Rhee	La Colline
S Williams	Lapland
Moses Michaels	Ward Administrator

**Table 85: Ward 10 Committee Members**



**Ward 11: Onder Papegaaiberg**

Name of representative	Capacity representing
Johanna Serdyn	Councillor
P Carinus	Onderpapegaaiberg – Flamingo Street to Devon Valley Road
D Cupido	Devon Valley & Farms
I Fourie	Onderpapegaaiberg – Flamingo Street to Devon Valley Road
K Hanekom	Onderpapegaaiberg – Flamingo Street to Devon Valley Road
E Le Roux	Onderpapegaaiberg – Flamingo Street to Devon Valley Road
J Lombard	Onderpapegaaiberg – Flamingo Street to Devon Valley Road
M Snyman	Onderpapegaaiberg – Flamingo Street to Devon Valley Road
B Brand	Dorp Street
Janetta Giliomee	Ward Administrator

*Table 86: Ward 11 Committee Members*

**Ward 12: Kayamandi**

Name of representative	Capacity representing
Nokuthula Managa-Gugushe	Councillor
L Dangisa	Geographic
M Galada	Geographic
S Mgodana	Geographic
S Mdutyana	Geographic
N Ntanjana	Geographic
M Qondani	Geographic
N Sifumba	Geographic
S Siguba	Geographic
Y Makuleni	Geographic
S Mafenyang	Ward Administrator

*Table 87: Ward 12 Committee Members*

**Ward 13: Kayamandi**

Name of representative	Capacity representing
Faith Bongani-Menziwe	Councillor
N Bhayibhile	Geographic
NVV Finini	Geographic
M Gqibelo	Geographic
V Hani	Geographic
JZ Jekem	Geographic
S Magade	Geographic
PN Makasi	Geographic
S Mcako	Geographic
B Takisa	Geographic
M Zondiwe	Geographic
N Tolibisa	Ward Administrator

**Table 88: Ward 13 Committee Members**

**Ward 14: Kayamandi**

Name of representative	Capacity representing
Phelisa Sitshoti	Councillor
L Cekiso	Geographic
MH Gxilishe	Geographic
MD Masimini	Geographic
O Manthsi	Geographic
M Menziwa	Geographic
E Mgoqi	Geographic
N Mpemnyama	Geographic
NA Mthiya	Geographic
Z Ndzuzo	Geographic
T Tyhulu	Geographic
Boikabetso Lesaoana	Ward Administrator

**Table 89: Ward 14 Committee Members**

**Ward 15: Kayamandi**

Name of representative	Capacity representing
Nosibulele Sinkinya	Councillor
T Dishi	Geographic
N Dlaku	Geographic

Name of representative	Capacity representing
NJ Kepu	Geographic
G Kota	Geographic
M Kumalo	Geographic
TJ Lepheana	Geographic
EP Masimini	Geographic
P Nyakaza	Geographic
K Shubani	Geographic
L Xelenga	Geographic
Vuyelwa Maramnco	Ward Administrator

**Table 90: Ward 15 Committee Members**

### Ward 16: Cloetesville

Name of representative	Capacity representing
Elsabe Vermeulen	Councillor
J Beneke	Curry, Pine, Primrose, Silvia, Quarry
L De Klerk	Curry, Pine, Primrose, Silvia, Quarry
A Flink	Last to North End Streets
M Fredericks	Curry, Pine, Primrose, Silvia, Quarry
E Gordon	From Sports Field to last Street
A Meyer	Tennatville & Slabtown
J Williams	Long Short, Jakaranda, Eike Streets
J Henry	Laetitia Park
Yvonne Lamberts	Ward Administrator

**Table 91: Ward 16 Committee Members**

### Ward 17: Cloetesville/Welgevonden

Name of representative	Capacity representing
Paul Biscombe	Councillor
J Fasser	Soekmekaar and surrounds
J Joon	Rietenbosch
D Smith	Flats: Kloof and Long Streets
A Van der Mescht	Welgevonden
A Van der Westhuizen	Huis Ebenhaezer
M Wagner	Rhode Street Flats
H Le Riche	Welgevonden
Heidi Sauls	Ward Administrator

**Table 92: Ward 17 Committee Members**
**Ward 18: Klapmuts and surrounding farms**

Name of representative	Capacity representing
Emily Fredericks	Councillor
R Anthony	Bennetsville, Hodes, Annuara, KWV
N Chelesi	New Houses, Brickfields
J Fredericks	Koelpark
W Johannes	Sand, Bell, Merchant, Railway Houses
A Michel	Weltevrede Park1
N Mtaba	Mandela City, Lawson
J September	La Rochelle, Pinotage Village
Belinda Foster	Ward Administrator

**Table 93: Ward 18 Committee Members**
**Ward 19: Elsenburg and De Nova**

Name of representative	Capacity representing
Jan Karel Hendriks	Councillor
J Andrews	Elsenburg
H Carolus	De Novo
F Hansen	De Novo
A Kamfer	Bottelary Farms
C Martins	Bottelary Farms
J May	Koelenhof/ Koelpark
H Robyn	Weltevrede/Smartietown
James Williams	Ward Administrator

**Table 94: Ward 19 Committee Members**
**Ward 20: Vlottenburg, Raithby, Lynedoch to Meerlust, Eikendal, Mooiberge and Faure**

Name of representative	Capacity representing
Ansaaf Crombie	Councillor
AT Joon	Vlottenburg
D Fortuin	Vlottenburg
CHO Gordon	Raithby
P Taaibosch	Vlottenburg
M James	Raithby
G Pojie	Vlottenburg

Name of representative	Capacity representing
E Jacobs	Lynedoch Farms
A Malgas	Meerlust Farms
C van der Merwe	Polkadraai
Juanita February	Ward Administrator

**Table 95: Ward 20 Committee Members**

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

Name of representative	Capacity representing
Rikus Badenhorst	Councillor
V Malmnas	De Zalze
S McNaughton	Blaauwklippen
H Lemmer	Paradyskloof
D Simons	Jamestown
HC Eggers	Paradyskloof
KF Brand	Jamestown
A Ferns	Jamestown
F van der Merwe	Paradyskloof
Nelmare Williams	Ward Administrator

**Table 96: Ward 21 Committee Members**

Ward 22: Die Boord/Dalsig

Name of representative	Capacity representing
Esther Groenewald	Councillor
M Vlok	Bo-Brandwacht, Faber, Kolbe, Mazot, LeSeuer, Linne
P Kruger	Van Taak, Wege, Robbertz, De Wet, Barry
A Pelsler	Constantia, Welgevallen Alpen, Draailaan
Andy Marren	Rokewood Mairina, Saffraan, Kaneel, Blenheim
Elize Dick	Piet Retief Bult, Welgevallen, Draailaan, Lourenz, Sering, Bergh, Vlier, Pleunis, Nooitgedacht
A Coetzee	Skadu, Lower, Binnekring, Buitekring
R Lambrechts	Rhodes Noord, Van Rheede, Formosa, Sultan, Swellengrebel, Keiffer, Woltemade

Name of representative	Capacity representing
Pieter Schaafsma	Upper-Lovell, Fairways, Peeka & other, Elbertha, Lovell, Forelle, Santa Rosa
S Wilson	Dalsig, Dennerand, Coligny, Dennesig, Park
Sanet Smith	Ward Administrator

**Table 97: Ward 22 Committee Members**

## D) FUNCTIONALITY OF WARD COMMITTEES

The purpose of a ward committee is to:

- create formal communication channels between the community and Council ;
- advise the Ward Councillor in identifying the needs and concerns of the ward
- support the Ward Councillor in informing the community about their rights and responsibilities; and
- support the Ward Councillor in consulting with community members and providing of feedback.

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. This document is currently being reviewed and will be submitted to Council for consideration.

The annual budget for the reimbursement of out-of-pocket expenses for members of ward committees, in respect of their participation in ward committees, was approved by Council on 20 June 2012 and revised by Council on 28 October 2015. To qualify for reimbursement certain criteria, as contained in the policy, must be met.

The local government elections were held on 03 August 2016 and the establishment of Ward Committees took place during January and February 2017 with a further round of elections held during May 2017 in those wards where the full complement of ten members were not elected during the first round.

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 items /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	5	29 Jun	08 Feb 01 Mar 06 Apr 04 May 01 Jun	Yes
2	Yes	5	-	01 Feb 01 Mar 06 Apr 04 May 01 Jun ;	Yes
3	Yes	5	27 Mar 20 April	16 Feb 07 Mar	Yes

Ward Number	Committee established	Number of items /reports submitted to the Speakers/IDP Office	Number of Public meetings	Meeting dates of ward committees	Committee functioning effectively
	Yes / No				Yes / No
				04 Apr 02 May 06 Jun	
4	Yes	5	22 May	14 Feb 14 Mar 11 Apr 09 May 13 Jun	Yes
5	Yes	6	20 May	31 Jan 07 Feb 07 Mar 04 Apr 09 May 06 Jun	Yes
6	Yes	5	01 Mar	01 Feb 01 Mar 05 Apr 03 May 07 Jun	Yes
7	Yes	4	-	08 Mar 12 Apr 10 May 14 Jun	Yes
8	Yes	3	-	23 Mar 26 Apr 24 May	Yes
9	Yes	5	-	28 Feb 28 Mar 25 Apr 23 May 27 Jun	Yes
10	Yes	5	20 Apr	07 Feb 07 Mar 04 Apr 02 May 06 Jun	Yes
11	Yes	5	09 May	14 Feb 14 Mar 11 Apr 08 May 13 Jun	Yes
12	Yes	5	16 Mar	22 Feb 16 Mar 06 Apr 09 May 15 Jun	Yes
13	Yes	5	15 Mar	22 Feb 15 Mar 20 Apr 18 May 15 Jun	Yes
14	Yes	5	-	15 Feb	Yes

Ward Number	Committee established	Number of items /reports submitted to the Speakers/IDP Office	Number of Public meetings	Meeting dates of ward committees	Committee functioning effectively
	Yes / No				Yes / No
				15 Mar 18 Apr 03 May 07 Jun	
15	Yes	5	-	14 Feb 02 Mar 26 Apr 23 May 20 Jun	Yes
16	Yes	5	01 Jun	07 Feb 02 Mar 06 Apr 04 May 01 Jun	Yes
17	Yes	5	04 Apr	21 Feb 07 Mar 11 Apr 02 May 06 Jun	Yes
18	Yes	4	23 Mar	02 Feb 06 Apr 11 May 08 Jun	Yes
19	Yes	4	-	15 Feb 09 Mar 06 Apr 03 May	Yes
20	Yes	4	-	08 Feb 23 Mar 18 May 08 Jun	Yes
21	Yes	4	09 Jun	07 Mar 04 Apr 02 May 06 Jun	Yes
22	Yes	4	-	01 Mar 05 Apr 03 May 07 Jun	Yes

**Table 98: Functionality of Ward Committees**



## COMPONENT C: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, 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.

### A) 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 as well as Enterprise Risk Management Strategy was reviewed;
- the municipality is in process to establish a risk appetite which will be acceptable to council on a strategic level;
- emerging risks that was identified include the current water shortage in the province, implementation of mSCOA, etc.

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

#### Risk Management Grid

Moderate	
Major	
Critical	

**Strategic Risks Identified**

Risk	Risk Assessment	Mitigation
Scarcity of water	Critical	<ul style="list-style-type: none"> <li>• Constant monitoring and reporting.</li> <li>• Exploring possible sources of water and allocation of funding.</li> <li>• Proper planning for future scenarios and allocation of funds.</li> <li>• Ensure that all assets and properties are metered and reported on.</li> </ul>
Risk	Risk Assessment	Mitigation
Insufficient burial space	Major	<ul style="list-style-type: none"> <li>• Exploring possible land to use in all areas within the municipal area for burial space.</li> <li>• Rezoning of land if and when identified.</li> <li>• Keeping the community informed via public participation.</li> </ul>
Under expenditure (Capex Budget).	Major	<ul style="list-style-type: none"> <li>• Constant monitoring and reporting with regards to major projects as well as the Service Delivery and Budget Implementation plan.</li> </ul>
Proper alignment of spatial development framework to enhance economic growth and development.	Major	<ul style="list-style-type: none"> <li>• Review planning policies.</li> <li>• Review capacity of Land Invasion and Planning Departments and ensure constant communication with the various communities and their specific needs.</li> </ul>
Insufficient housing resources in case of emergencies, example fires and floods.	Major	<ul style="list-style-type: none"> <li>• Identification of possible suitable land.</li> <li>• Addressing possible environmental impact assessments.</li> <li>• Rezoning of land when identified.</li> </ul>
Ageing infrastructure and equipment.	Major	<ul style="list-style-type: none"> <li>• Improved planning for long term projects and identifying these projects.</li> <li>• Update of masterplans.</li> <li>• Monitoring and reporting with regards to ageing infrastructure and equipment also in alignment with the Service Delivery and Budget Implementation Plan.</li> </ul>
Implementation of mSCOA (standard charter on accounts).	Major	<ul style="list-style-type: none"> <li>• Constant communication with service provider to ensure compliance to mSCOA as prescribed by National Treasury as well provincial treasury to ensure implementation as required.</li> <li>• 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.</li> </ul>

**Table 99: Strategic Risks Identified**

## **B) 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. A public participation process was followed during the 2016/17 financial year for the review of the Anti-Fraud and Corruption Policy

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.

### **1. DEVELOPED STRATEGIES**

<b>Name of strategy</b>	<b>Developed Yes/No</b>	<b>Date Adopted/Reviewed</b>
Anti-Fraud and Corruption Policy	Yes	Reviewed June 2015 and in process of review
Standard Operating Procedures	Yes	Approved 2016 and in process of review

**Table 100: 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:

Name and Surname	Function within Committee
Reyhana Gani	Chairperson of the Audit and Performance Committee
Jeremy Fairbairn	Member of the Audit and Performance Committee
Geraldine Mettler	Municipal Manager
Mervin Williams	Senior Legal Advisor
Helena Priem	Chief Risk Officer

**Table 101: Members of the Fraud Response Committee**

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.

## 2. IMPLEMENTATION OF STRATEGIES

Strategies implement to	Key measures to curb corruption and fraud
Creating awareness	Awareness sessions with municipal employees through presentations. <b>On-going fraud awareness sessions conducted as part of induction of new employees.</b>
Monitoring fraud and corruption	Fraud Response Committee meetings to monitor and make recommendations. Meetings were held on: <ul style="list-style-type: none"> <li>• 12 August 2016</li> <li>• 21 October 2016</li> <li>• December 2016</li> <li>• March 2017</li> <li>• 17 March 2017</li> </ul>
Communication	<ul style="list-style-type: none"> <li>• Booklets and Branding of Fleet.</li> <li>• Posters at various places in the Municipality.</li> <li>• Access for public and officials to the fraud hotline.</li> <li>• Log-on screens on PCs.</li> </ul>

**Table 102: Implementation of Anti-Corruption and Anti-Fraud Strategies**

### C) 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

#### 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.

## 1. MEMBERS OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE

Name of representative	Capacity	Meeting dates
Reyhana Gani	Chairperson (elected 30 March 2016)	30 August 2016
Ruthaleen Davidse	Member (term expired 28 February 2017)	27 September 2016
Maryke Van Der Merwe	Member (term expired 28 February 2017)	7 December 2016
Nimrod Llewellyn Mortimer	New Member (appointed 30 March 2016)	2 March 2017
Jeremy Fairbairn	New Member (appointed 30 March 2016)	27 June 2017

*Table 103: Members of the Audit Committee*

## 2. 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.

### D) 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.

## 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. MEMBERS OF THE PERFORMANCE AUDIT COMMITTEE

Stellenbosch Municipality's Audit Committee serves a dual purpose which includes the role of the Performance Audit Committee.

Name of Member	Capacity	Meeting dates
Reyhana Gani	Chairperson (elected 30 March 2016)	30 August 2016 27 September 2016 7 December 2016 2 March 2017 27 June 2017
Ruthaleen Davidse	Member (term expired 28 February 2017)	
Maryke Van Der Merwe	Member (term expired 28 February 2017)	
Nimrod Llewellyn Mortimer	New Member (appointed 30 March 2016)	
Jeremy Fairbairn	New Member (appointed 30 March 2016)	
Reyhana Gani	Chairperson (elected 30 March 2016)	
Ruthaleen Davidse	Member (term expired 28 February 2017)	

*Table 104: Members of the Performance Audit Committee*

## E) 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 87% 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 2016 and all relevant risks were populated into a new Risk Register for the municipality. This Risk Assessment Plan forms the basis of the 2016/17 financial year's Risk-Based Audit Plan. New updates to the Stellenbosch Municipality's risk profile were captured during 2016/17 in consultation with the Risk Management Committee. 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	2014/15	2015/16	2016/17
<b>Statutory Audits</b>			
MFMA Compliance (Including other Relevant Acts)		✓	✓
Division of Revenue Act (DoRA) Compliance	✓	✓	✓
Pre-determined Objectives	✓	✓	✓
Risk Management Review	✓	✓	✓
<b>Additional Audits After Review of Risks</b>			
Supply Chain Management		✓	✓
ITGC, Applications Review and Support Services Equipment	✓	✓	✓
Governance	✓	✓	✓
Quarterly Key Control Reviews	✓	✓	✓
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	-		✓
mSCOA	-	-	✓
Contract Management	-	-	✓
Revenue – Indigent consumer verification	-	-	✓
<b>Follow-Up Reviews</b>			
AG Follow-Up Review	✓		
Fleet Management (Fire and Disaster)	✓		-
Access Control and Visual Management (Beltana)	✓		-
Disaster Management	✓	-	
Infrastructure Maintenance (Area, Cleaning, Park and Rivers)	✓	✓	✓
Leave Management	-	-	✓

**Table 105: 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 2016/17 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 2017
Governance	120	120	Continuous
Risk Management	120	0	Rolled over to 2017/18
MGRO 1 & 2 (MGAP)	80	80	Continuous
AG Follow-Up Review	720	720	Continuous
IA Follow-Up Review	720	720	Continuous
Quarterly Key Control Reviews	320	320	Finalised - quarterly
Pre-determined Objectives	720	720	Finalised - quarterly
Supply Chain Management	720	720	Part of IA follow up review
ITGC, Applications Review and Support Services Equipment	720	0	Rolled over to 2017/18
mSCOA	720	300	Continuous
Contract Management	500	720	June 2017
Revenue – Indigent consumer verification	500	720	February 2017
<b>Total</b>	<b>6160</b>	<b>5340</b>	<b>Total</b>

Table 106: 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.

## F) SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy applicable to the 2016/17 financial year was revised and adopted by Council on 31 May 2017 (as APPENDIX 29 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.

## **G) COMPETITIVE BIDS IN EXCESS OF R200 000**

### **1. BID COMMITTEE MEETINGS**

The following table details the number of bid committee meetings held for the 2016/17 financial year:

<b>Bid Specification Committee</b>	<b>Bid Evaluation Committee</b>	<b>Bid Adjudication Committee</b>
97	66	34

*Table 107: Bid Committee Meetings*

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

<b>Member</b>	<b>% Attendance</b>
Supply Chain Management Representative	100
Relevant technical expert responsible for a function	100

*Table 108: Attendance of Members of Bid Specification Committee*

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

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

*Table 109: Attendance of Members of Bid Evaluation Committee*

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

<b>Member</b>	<b>% attendance</b>
Director Financial Services (Chairperson)	100%
Director Planning and Development	61.76%
Director Human Settlements and Property Management	88.24%
Director Engineering Services	85.29%
Director Public Safety and Community Services	97.06%
Director Strategic and Corporate Services	73.53%

*Table 110: 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. 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 81/17	Extension of the Paradyskloof water treatment works and associated pipelines (civil and building work), for a contract period ending 30 June 2020.	Engineering Services: Water	Civils 2000	R 16 026 120.00
B/SM 56/17	Construction of civil engineering services in Mandela City, Klapmuts	Humans Settlements and Property Management: New Housing	WF Construction	R 15 595 026.15
B/SM 28/17	Construction of a new library in Groendal, Franschhoek	Humans Settlements and Property Management: Property Management	Raycon Properties	R 7 653 517.45
B/SM 52/17	The Provision of Debtor Management Software and Administrative Support to Stellenbosch Municipality, for a contract period ending 30 June 2019	Financial Services: Treasury	Geodebt	R 6 462 432.00
B/SM 109/16	Services: Mimecast unified mail management software for Stellenbosch municipality: period Ending 30 June 2019	Corporate and Strategic Service: ICT	Afrovation	R 5 529 100.25
B/SM 76/17	Supply, install and commissioning of a CCTV system, for a contract period ending 30 June 2019.	Community and Protection Service: Law Enforcement	EM Hartley t/a Redhills Electronics	R 4 159 966.00
B/SM 72/17	Supply and delivery of a new 4x2 combination jet/vac truck, for a contract	Engineering Services: Roads and Storm water	South Nissan	R 2 961 184.20

Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded
	Period ending 30 June 2017			
B/SM 15/17	Provision of disaster recovery and colocation services for a period of three (3) years, ending 30 June 2019.	Corporate and Strategic Service: ICT	Avalon Technology Group	R 2 954 160.00
B/SM 43/17	Supply & installation of a vehicle tracking and monitoring system, for a contract period ending 30 June 2019	Community and Protection Service: Fleet	EWC Vehicle Communication	R 2 485 237.05
B/SM 86/16	Klapmuts: construction of new satellite fire station.	Humans Settlements and Property Management: Property Management	FZ and Z Group t/a Rekha Construction	R 2 078 600.00

**Table 111: Ten Highest Bids Awarded by Bid Adjudication Committee**

### 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 81/17	Extension of the Paradyskloof water treatment works and associated pipelines (civil and building work), for a contract period ending 30 June 2020.	Engineering Services: Water services	R 16 026 120.00
B/SM 56/17	Construction of civil engineering services in Mandela City, Klapmuts	Humans Settlements and Property Management: New Housing	R 15 595 026.15
B/SM 01/17	Supply and delivery of Electrical material and equipment for a contract period of three (3) years, ending 30 June 2019	Engineering Services: Electrical Services	Rates (Total amount estimated above R10 million)
B/SM 10/17	Provision of civil works (roads and storm water) for a period of two (2) years.	Engineering Services: Roads and Storm water	Rates (Total amount)

Bid number	Title of bid	Directorate	Value of bid awarded
	Procurement document		estimated above R10 million)
B/SM 14/17	Provision of traffic law enforcement equipment, back-office systems and related services to Stellenbosch municipality for a period of 7 years.	Community and Protection Service: Law Enforcement	Rates (Total amount estimated above R10 million)

**Table 112: Awards made by the Accounting Officer**

#### 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.

#### 5. 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 2014/15-2015/16	Increase / Decrease 2015/16 – 2016/17
	2012/2013	2013/2014	2014/2015	2015/2016	2016/17		
Number of Awarded Formal Quotations	186	239	257	246	274	-4.28%	+10.22
Total Formal Quotations Advertised	279	367	350	322	378	-8%	+14.82
Percentage awarded	66.67	65.12	73.42	76.40	72.49	-12.28%	-5.12%

**Table 113: Formal Quotations (above R 30 000 and below R 200 000)**

#### 6. 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 2014/15-2015/16	Increase / Decrease 2015/16-2016/17
	2012/2013	2013/2014	2014/2015	2015/2016	2016/17		
<u>Certificate of Emergencies:</u> Approved by the Directors i.t.o. Section 4.36.4 of the SCM Policy	109	58	0	0	0	0%	0%
<u>Deviations:</u> Approved by the Accounting Officer i.t.o. Section 4.36.1 of the SCM Policy	64	97	68	26	54	-61.76%	+107.77%
<b>TOTAL</b>	<b>173</b>	<b>155</b>	<b>68</b>	<b>26</b>	<b>54</b>	<b>-61.76%</b>	<b>+107.77%</b>

**Table 114: Deviation from Normal Procurement Process**

Deviations from the normal procurement processes have been monitored closely to mitigate the risk of abuse associated with.

## 7. 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.

## 8. 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.

## H) 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 2016/17 financial year are listed below.

Policies Revised	Date Adopted	Public Participation Conducted Prior to Adoption of Policy
		Yes/No
Inventory Management Policy	25 May 2016	Yes
Preferential Procurement Policy	25 May 2016	Yes
Property Rates Policy	25 May 2016	Yes
Supply Chain Management Policy	25 May 2016	Yes
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
Accounting Policy	25 May 2016	Yes
Cash Management and Investment Policy	25 May 2016	Yes
Tariff Policy	25 May 2016	Yes
Grants-In-Aid Policy	25 May 2016	Yes
Virementation Policy	25 May 2016	Yes



Budget Implementation and Monitoring Policy	25 May 2016	Yes
Petty Cash Policy	25 May 2016	Yes
Performance Management Policy	25 May 2016	Yes
Development Charges Policy	25 May 2016	Yes
Special Ratings Area Policy	25 May 2016	Yes
Tariff By-law	25 May 2016	Yes
Property Rates By-law	25 May 2016	Yes
Special Ratings By-law	25 May 2016	Yes
Borrowing, Funds and Reserves Policy	25 May 2016	Yes
Financing of External Bodies performing municipal functions Policy	25 May 2016	Yes
Liquidity Policy	25 May 2016	Yes
Asset Management Policy	25 May 2016	Yes

**Table 115: Budget Related Policies Reviewed**

## I) 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

Documents Published on the Stellenbosch Municipality's Website	Yes / No	Publishing Date
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 2015/16	Yes	Within legislated period
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act for 2016/17	Yes	Within legislated period
All service delivery agreements for 2016/17	Yes	Within legislated period
All long-term borrowing contracts for 2016/17	Yes	Within legislated period
All supply chain management contracts above a prescribed value for 2016/17	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 2016/17	Yes	Within legislated period

**Table 116: Website Checklist**

## J) 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 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.

## K) COMMUNITY SATISFACTION SURVEY

No community satisfaction survey were completed during the 2016/17 financial year.

## L) 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 117: Communication Activities**

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### A) 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.

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## 1. LEGISLATIVE REQUIREMENTS

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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.

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## 2. ORGANISATIONAL PERFORMANCE

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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.

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## 3. ADOPTION OF A PERFORMANCE MANAGEMENT FRAMEWORK

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The municipality adopted a Performance Management Framework during 2011. The framework was reviewed during the 2016/17 financial year.

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## 4. THE IDP AND THE BUDGET

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The draft 3<sup>rd</sup> Generation IDP (4<sup>th</sup> revision) was tabled on **30 March 2016** (item 7.1) and was advertised for public comment afterwards. At a meeting held on the **25<sup>th</sup> of May 2016**, the Stellenbosch Municipal Council adopted the 2016/17 IDP and MTREF for 2016/17, 2017/18 and 2018/19.

This IDP is the principal planning instrument that guides and informs the municipal budget and the Municipal Systems Act requires each municipality in South Africa to prepare such a strategic plan to guide all development and management within the municipal area. The IDP is developed in consultation with community stakeholders, and the district, provincial and national governments.

The focus of the IDP is varied, and includes the provision of basic municipal services, measures for building and transforming municipal capacity, measures to assist in expanded livelihood opportunities for citizens, enterprise development, building dignified and safe living environments, and, crucially, exploring new ways of working and living together. It directs and is informed by different aspects of the municipality's work, including how the municipality

is structured politically and administratively, the municipal budget, the sector plans and service delivery and budget implementation plans of different municipal services, and how the municipality manages its performance.

The IDP must guide and determine municipal planning and project implementation. Thus, the 2016/17 budget should be based on the IDP and other spheres of government and service providers. Moreover, the IDP must be reflected in the performance agreements of the relevant staff and through the budget, in the service delivery and budget implementation plan (SDBIP).

The key performance management instrument of the Municipality is the Service Delivery and Budget Implementation Plan (SDBIP). Linked to the IDP, the SDBIP forms the basis of the performance contracts of directors and quarterly, mid-year and annual performance reviews of senior management, directorates and the municipality.

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## **B) 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 **21<sup>st</sup> of June 2016** in terms of section 53(1)(c)(ii) of the Local Government: Municipal Finance Management Act of 2003. It was made public on the **24<sup>th</sup> of June 2016**.

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### **1. 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 2016/17 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.

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## **2. AMENDMENT OF THE TOP-LAYER SDBIP**

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The amendment of the Top-Layer SDBIP occurred during the 2016/17 financial year on:

- 25 January 2017 (Item 7.2.3 of the 5<sup>th</sup> Council Meeting)
- 31 May 2017 (Item 8.1 of the 9<sup>th</sup> Council Meeting)

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## **3. ACTUAL PERFORMANCE**

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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 portfolio of evidence to support actual performance results updated and provide it to the Internal Auditor and Auditor General upon request during the quarterly and annual audit testing.

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#### 4. MONITORING OF THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

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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 were submitted to the Performance Audit Committee:

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

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#### 5. MUNICIPAL MANAGER AND MANAGERS DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER

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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 2016/17 financial year were signed during July 2016 as prescribed. They include performance agreements for the:

- Chief Financial Officer
- Director: Planning and Economic Development
- Director: Human Settlements and Property Management
- Director: Community and Protection Services

The municipal manager and directors were appointed during the financial year at the mentioned dates below:

- Municipal Manager – 1 January 2017;
- Director: Engineering Services - 1 May 2017; and
- Director: Strategic and Corporate Services - 1 May 2017

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 senior managers for the 2016/17 financial year took place on **29 May 2017** (5<sup>th</sup> Council meeting) and tabled under item 7.2.2.

The final evaluation of the 2015/16 financial year (1 June 2015 to 30 June 2016) took place on 23 February 2017.

The appraisals were done by an evaluation panel in terms of Regulation 805.

The panel consisted of the following people:

- Geraldine Mettler, Municipal Manager of Stellenbosch Municipality;



- Cllr. Johanna Serdyn, Chairperson of the Portfolio Committee;
- Cllr. Salie Peters, Chairperson of the Financial Services
- Cllr. Xoliswa Mdemka, Chairperson of the Youth, Sports and Culture Portfolio Committee;
- Cllr. Aldrigde Frazenburg, Chairperson of the Community Development and Community Services Portfolio Committee;
- Cllr. Quintin Smit, Chairperson of the Community Protection Services Portfolio Committee;
- Cllr. Paul Biscombe, Integrated Human Settlements and Property Management Portfolio Committee;
- Dean O'Neil, Municipal Manager of Cape Agulhas Municipality; and
- Mrs. Reyhana Gani, Chairperson of the Audit committee.

## 6. OTHER MUNICIPAL PERSONNEL

The municipality is in the process of implementing individual performance management for employees on TASK levels 14-19 as well as temporary employees on equal salary levels.

The first annual formal performance evaluation for the 2016/17 year will be done upon the reception of the management report from the Auditor General. The individual performance assessment will be conducted in January 2018.

## C) SERVICE DELIVERY PERFORMANCE

### 1. INTRODUCTION

This chapter provides an overview of the key service achievements of the municipality that came to completion during 2016/17 in terms of the deliverables achieved compared to the key performance objectives and indicators in the IDP.

### 2. 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	Grey	KPI's with no targets or actuals in the selected period
KPI Not Met	Red	0% > = Actual/Target < 75%
KPI Almost Met	Orange	75% > = Actual/Target < 100%
KPI Met	Green	Actual/Target = 100%



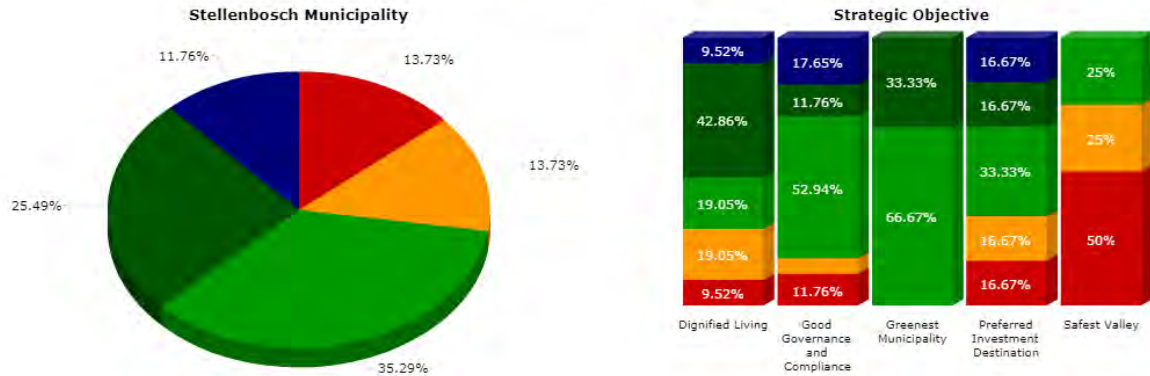
KPI Well Met		100% > Actual/Target < 150%
KPI Extremely Well Met		Actual/Target > = 150%

Table 118: 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.

### Top Layer SDBIP Report

Report drawn on 25 January 2018 at 11:11  
 for the months of September 2016 to June 2017.



Graph 9: Review of the Municipal Scorecard (Top-Layer SDBIP)

### 3. OVERALL PERFORMANCE

The graph below displays the overall performance per National KPA for 2016/17:






	Stellenbosch Municipality	Strategic Objective				
		Dignified Living	Good Governance and Compliance	Greenest Municipality	Preferred Investment Destination	Safest Valley
 KPI Not Met	7 (13.7%)	2 (9.5%)	2 (11.8%)	-	1 (16.7%)	2 (50%)
 KPI Almost Met	7 (13.7%)	4 (19%)	1 (5.9%)	-	1 (16.7%)	1 (25%)
 KPI Met	18 (35.3%)	4 (19%)	9 (52.9%)	2 (66.7%)	2 (33.3%)	1 (25%)
 KPI Well Met	13 (25.5%)	9 (42.9%)	2 (11.8%)	1 (33.3%)	1 (16.7%)	-
 KPI Extremely Well Met	6 (11.8%)	2 (9.5%)	3 (17.6%)	-	1 (16.7%)	-
<b>Total:</b>	<b>51</b>	<b>21</b>	<b>17</b>	<b>3</b>	<b>6</b>	<b>4</b>

Table 119: Overall Strategic Performance per National KPA

**4. ACTUAL PERFORMANCE FOR 2016/17**
**DIGNIFIED LIVING**

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2016/17						
					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 2017	Number of formal residential properties receiving piped water as at 30 June 2017	All	25 519	0	23,000	0	23,000	23,000	25,745	G 2
TL 2	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	25 519	0	23,000	0	23,000	23,000	20,335	O
Corrective measure		Target will be adjusted in the 2017/18 financial year									
TL 3	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	25 519	0	23,000	0	23,000	23,000	25,745	G 2
T L4	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	25 519	0	23,000	0	23,000	23,000	25,745	G 2
TL5	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 holders)	All	10	10	10	10	10	10	10	G
TL 6	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	6486	0	5,000	0	5,000	5,000	5,686	G 2

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2016/17							
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	
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	60	G
TL 8	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	7042	0	5,000	0	5,000	5,000	3,801		O
Corrective measure		The target will be achieved in the 2017/18 financial year										
TL 9	Provide free basic sanitation services to registered indigent account holders which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets) as at 30 June 2017	Number of indigent account holders connected to the sanitation/sewerage network and are billed for sewerage services as at 30 June 2017	All	6486	0	5,000	0	5,000	5,000	5,686		G 2
TL 10	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	6486	0	5,000	0	5,000	5,000	5,686		G 2
TL 11	The % of the Municipality's capital budget spent on capital projects by 30 June 2017 {(Total Actual capital Expenditure/Approved Capital Budget) x 100}	% of the Municipality's capital budget spent by 30 June 2017 {(Total Actual capital Expenditure/Approved Capital Budget) x 100}	All	92.97%	0%	10%	30%	90%	90%	85.08%		O
Corrective measure		Capital spending will be monitored with the implementation of the demand management plan during the 2017/18 financial year. Regular monitoring will be done with the assistance of the CP3 system										

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2016/17						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
TL 30	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	41	0	10	20	20	50	58	G 2
TL 31	Service sites for low cost housing development by 30 June 2017	Number of sites serviced by 30 June 2017	15; 18	439	0	0	0	190	190	0	R
Corrective measure		Zone O - The advertisement to erect 332 Temporary Relocation Area (TRA) units were advertised during June 2017 but the funding for the services of Zone O has been place on hold by PDoHS until the relocation occurs. Klapmuts - After the appeal were finalized the contractor would only do site establishment in June 2017.									
TL 32	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	33	0	0	100	100	200	188	R
Corrective measure		The target will be achieved in the 2017/18 financial year									
TL 33	Construct 105 top structures by 30 June 2017	Number of top structures constructed by 30 June 2017	15; 21	169	0	0	0	105	105	156	G 2
TL 34	Install 50 taps in informal settlements by 30 June 2017	Number of taps Installed by 30 June 2017	All	50	0	10	20	20	50	50	G
TL 35	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%	0%	0%	0%	11%	11%	6.10%	B
TL 37	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	% Average water quality achieved as per micro, chemical, operational and physical determinants	All	91.50%	90%	90%	90%	90%	90%	92.73%	G 2
TL 38	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	24.98%	0%	25%	0%	25%	25%	21.70%	B

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2016/17						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
TL 39	Review and submit the Water Services Development Plan to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	Reviewed Water Services Development Plan submitted to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	All	0	0	0	0	1	1	0	R
<b>Corrective measure</b>		After the plan was drafted, the Department of Water Services advised that there is a new format for a Water Service Development Plan. The municipality is still awaiting the new format so that the plan can be revised and submitted to council for approval.									
TL 51	Identify land for emergency housing and submit report with recommendations to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	Report with recommendations submitted to a Committee of Council/Mayco/Portfolio Chairperson by 30 June 2017	All	0	0	0	0	1	1	1	G

Table 120: Top-Layer SDBIP - Dignified Living

**GOOD GOVERNANCE AND COMPLIANCE**

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2016/17						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
TL 13	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	17	0	0	0	5	5	4	O
<b>Corrective measure</b>		The target will be achieved in the 2017/18 financial year									
TL 14	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)	% 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	0.97%	0%	0%	0%	0.80%	0.80%	0.94%	G

Corrective measure		The target will be achieved in the 2017/18 financial year									
TL 15	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	19	0	0	0	55	55	6.93	B
TL 16	Financial viability measured in terms of the outstanding service debtors as at 30 June 2017 (Total outstanding service debtors/ revenue received for services)	% of outstanding service debtors as at 30 June 2017 (Total outstanding service debtors/ revenue received for services)	All	15.70%	0%	0%	0%	20%	20%	16.90	B
TL 17	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 Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)).	Cost coverage as at 30 June 2017 ((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	9.74	0	0	0	6	6	6.53	G 2
TL 18	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	0	0	0	1	1	1	G
TL 19	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	0	0	1	0	1	1	G

TL20	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	New Key Performance indicator for 2016/17	0	0	0	1	1	1	G	
TL 21	Review the ICT Backup Disaster Recovery Plan and submit it to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	Reviewed ICT Backup Disaster Recovery Plan submitted to a Committee of Council/Mayco/Portfolio Chairperson by 30 June 2017	All		1	0	0	0	1	1	1	G
TL 22	Review the Communication Strategy and submit it to a Committee of Council/Mayco/Portfolio Chairperson by 30 June 2017	Reviewed Communication Strategy submitted to a Committee of Council/Mayco/Portfolio Chairperson by 30 June 2017	All		1	0	0	0	1	1	1	G
TL 23	Review the Strategic ICT Plan and submit it to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	Reviewed Strategic ICT Plan submitted to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	All		1	0	0	0	1	1	1	G
TL 24	Review the Rules of Order By-Law and submit to Council by 30 June 2017	Reviewed Rules of Order By-Law submitted to Council by 30 June 2017	All	Current By-Law	0	0	0	1	1	0	R	
<b>Corrective measure</b>		By-Law to be tabled in the 2017/18 financial year										
TL 25	Review the Municipal Honours By-Law and submit to Council by 30 June 2017	Reviewed Municipal Honours By-Law submitted to Council by 30 June 2017	All	Current By-Law	0	0	0	1	1	0	R	
<b>Corrective measure</b>		By-Law to be tabled in the 2017/18 financial year										
TL 26	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	New Key Performance indicator for 2016/17	0	0	1	0	1	1	G	
TL 27	Review the System of delegations and submit it to a Committee of Council/Mayco/Portfolio Chairperson by 30 June 2017	Reviewed system of delegations submitted to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	All	New Key Performance indicator for 2016/17	0	0	0	1	1	1	G	
TL 28	Review the organisational structure and submit it to a Committee of Council/Mayco/Portfolio	Reviewed organisational structure submitted to a Committee of Council/Mayco/Portfolio Chairperson by 30 June 2017	All	Current Structure	0	0	0	1	1	1	G	



	Chairperson by 30 June 2017											
TL 29	Achieve an average payment percentage of 93% by 30 June 2017 (Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100)	(Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	All	109.53%	93%	93%	93%	93%	93%	93%	100.44 %	G 2

**Table 121: Top-Layer SDBIP – Good Governance and Compliance**
**GREENEST MUNICIPALITY**

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2016/17							
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	
TL 36	50% Weighted Average effluent quality achieved in terms of requirements as regulated by the water use license for all Waste Water Treatment Works	% effluent quality	All	76%	50%	50%	50%	50%	50%	50%	72%	G 2
TL 40	Develop the Integrated Waste Management Plan and submit it to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	Integrated Waste Management Plan submitted to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	All	0	0	0	0	1	1	1	1	G
TL 41	Develop a Waste Management Bylaw and submit it to a Committee of Council/Mayco/Portfolio Chairperson by 30 June 2017	Bylaw developed and submitted to a Committee of Council/Mayco/Portfolio Chairperson by 30 June 2017	All	New Key Performance indicator for 2016/17	0	0	0	1	1	1	1	G

**Table 122: Top-Layer SDBIP – Greenest Municipality**
**PREFERRED INVESTMENT DESTINATION**

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2016/17						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
TL 12	Number of FTE's created by 30 June 2017 through in terms of Expended Public Works Programme	Number of FTE's created by 30 June 2017	All	New Key Performance indicator for 2016/17	16	40	60	84	84	747.48	B

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2016/17						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
TL 46	Quarterly reports submitted to a Committee of Council /Mayco/Portfolio Chairperson on the process of land use applications within the prescribed/legislated periods	Number of reports submitted to a Committee of Council /Mayco/Portfolio Chairperson	All	New Key Performance indicator for 2016/17	1	1	1	1	4	2	R
<b>Corrective measure</b>		Quarterly reporting on the process of land use applications within the prescribed/legislated periods will be reported to Committee of Council /Mayco/Portfolio Chairperson on a quarterly basis.									
TL 47	Quarterly reports submitted to a Committee of Council /Mayco/Portfolio Chairperson on the process of building plan applications within the prescribed/legislated periods	Number of reports submitted a Committee of Council /Mayco/Portfolio Chairperson	All	New Key Performance indicator for 2016/17	1	1	1	1	4	3	O
<b>Corrective measure</b>		Quarterly reporting on the process of building plan applications within the prescribed/legislated periods will be reported to Committee of Council /Mayco/Portfolio Chairperson on a quarterly basis.									
TL 48	Provide training to entrepreneurs and SMME's	Number of training events	All	New Key Performance indicator for 2016/17	1	1	1	1	4	5	G <sub>2</sub>
TL 49	Develop the Urban Development Strategy as the first phase of the WC024 SDF and submit it to a Committee of Council/Mayco/Portfolio Chairperson by 30 June 2017	Strategy submitted to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	All	New Key Performance indicator for 2016/17	0	0	0	1	1	1	G

**Table 123: Top-Layer SDBIP – Preferred Investment Destination**
**SAFEST VALLEY**

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2016/17						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
TL 42	Review the Disaster Management Plan and submit it to a Committee of Council /Mayco/Portfolio	Reviewed Plan submitted to a Committee of Council /Mayco/Portfolio	All	New Key Performance indicator for 2016/17	0	0	0	1	1	1	G

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2016/17							
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	
	Chairperson by 30 June 2017	Chairperson by 30 June 2017										
TL 43	Review the Safety and Security Strategy and submit it to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	Revised Safety and Security Strategy submitted to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	All	New Key Performance indicator for 2016/17	0	0	0	1	1	0		R
Corrective measure		Safety and Security Strategy to be tabled to a Committee of Council/Mayco/Portfolio Chairperson in the 2017/18 financial year										
TL 44	Review the Sport Management Plan and submit it to a Committee of Council/Mayco/Portfolio Chairperson by 30 June 2017	Reviewed plan submitted to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	All	New Key Performance indicator for 2016/17	0	0	0	1	1	0		R
Corrective measure		Sports management to be tabled to a Committee of Council/Mayco/Portfolio Chairperson in the 2017/18 financial year										
TL 45	Report quarterly to a Committee of Council /Mayco/Portfolio Chairperson on the enforcement of municipal By-Laws on public open spaces, municipal owned property and municipal owned land	Number of reports submitted to a Committee of Council /Mayco/Portfolio Chairperson	All	New Key Performance indicator for 2016/17	1	1	1	1	4	3		O
Corrective measure		The enforcement of municipal By-Laws on public open spaces, municipal owned property and municipal owned land to be tabled to a Committee of Council/Mayco/Portfolio Chairperson in the 2017/18 financial year										

**Table 124: Top-Layer SDBIP – Safest Valley**

### TOP-LAYER SDBIP 2015/16

The table below provides information on KPI's of the Top-Layer SDBIP for 2015/16. The indicators for 2015/16 were revised with the compilation of the 2016/17 Top-Layer SDBIP.

Ref	KPI	Unit of Measurement	Previous Year Performance	Q1	Q2	Q3	Q4	Target	Actual	R
TL 1	Provide clean piped water to formal residential properties which are connected to the	Number of formal residential properties	24 715	0	0	0	23,000	23,000	25,519	G2

Ref	KPI	Unit of Measurement	Previous Year Performance	Q1	Q2	Q3	Q4	Target	Actual	R
	municipal water infrastructure network as at 30 June 2016	receiving piped water as at 30 June 2016								
TL2	Provide electricity to formal residential properties connected to the municipal electrical infrastructure network for both credit and prepaid electrical metering as at 30 June 2016	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering) as at 30 June 2016	24 715	0	0	0	23,000	23,000	25,519	G2
TL3	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	24 715	0	0	0	23,000	23,000	25,519	G2
TL4	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	24 715	0	0	0	23,000	23,000	25,519	G2
TL5	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 holders)	6	10	10	10	10	10	10	G
TL6	Provide clean piped water to registered indigent account holders which are connected to the municipal water infrastructure network as at 30 June 2016	Number of indigent account holders receiving free basic water as at 30 June 2016	5757	0	0	0	4,900	4,900	6,486	G2
TL7	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)	60	60	60	60	60	60	60	G
TL8	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	5757	0	0	0	4,900	4,900	7,042	G2
TL9	Provide free basic sanitation services to registered indigent	Number of indigent account holders connected	5757	0	0	0	4,900	4,900	6,486	G2

Ref	KPI	Unit of Measurement	Previous Year Performance	Q1	Q2	Q3	Q4	Target	Actual	R
	account holders which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets) as at 30 June 2016	to the sanitation/sewerage network and are billed for sewerage services as at 30 June 2016								
TL10	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	5757	0	0	0	4,900	4,900	6,486	G2
TL11	The % of the Municipality's capital budget spent on capital projects by 30 June 2016 {(Total Actual capital Expenditure/Approved Capital Budget) x 100}	% of the Municipality's capital budget spent by 30 June 2016 {(Total Actual capital Expenditure/Approved Capital Budget) x 100}	91.59%	0%	10%	30%	90%	90%	79.74%	O
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	613	80	180	100	50	410	745	B
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	4	1	1	2	2	6	17	B
TL14	The 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)	99	0%	0%	0%	0.80%	0.80%	0.97%	G2
TL15	Financial viability measured in terms of the municipality's ability to meet it's 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	45.1	0	55	0	0	55	19	B

Ref	KPI	Unit of Measurement	Previous Year Performance	Q1	Q2	Q3	Q4	Target	Actual	R
TL16	Financial viability measured in terms of the outstanding service debtors	(Total outstanding service debtors/ revenue received for services)	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, Impairment and Loss on Disposal of Assets)).	7.8	0	6	0	0	6	9.74	B
TL18	Review the Risk based audit plan and submit to the Audit Committee by 30 June 2016	Reviewed RBAP submitted to the audit committee by 30 June 2016	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	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 submitted to Portfolio Committee by 30 June 2016	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 submitted to Portfolio Committee by 30 June 2016	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 submitted to Portfolio Committee by 30 June 2016	1	0	0	0	1	1	1	G
TL23	Achieve an average payment percentage of 96% by 30 June 2016 (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	100.05%	96%	96%	96%	96%	96%	109.53%	G2
TL24	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	1	0	0	1	0	1	1	G
TL25	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	172 toilets ----- 140 taps	0	20	20	40	80	41 toilets --	R

Ref	KPI	Unit of Measurement	Previous Year Performance	Q1	Q2	Q3	Q4	Target	Actual	R
									13 taps	
TL26	Service sites for low cost housing development by 30 June 2016	Number of sites serviced by 30 June 2016	120	0	0	0	242	242	439	B
TL27	Construct top structures for low cost housing development by 30 June 2016	Number of top structures constructed by 30 June 2016	0	0	0	0	160	160	169	G2
TL28	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	New Kpi	0	0	0	1	1	0	R
TL29	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	New Kpi	0	0	100	100	200	33	R
TL30	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}	7.43%	0%	0%	0%	11%	11%	6.06%	B
TL31	50% Weighted Average effluent quality achieved in terms of requirements as regulated by the water use license for all Waste Water Treatment Works	% effluent quality	57.81%	50%	50%	50%	50%	50%	76%	B
TL32	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	% Average water quality achieved as per micro, chemical, operational and physical determinants	94.77%	90%	90%	90%	90%	90%	91.50%	G2
TL33	Limit unaccounted for water to less than 25% by 30 June 2016	Percentage of unaccounted for water calculated in terms of standard IWA formula	22.60%	0%	0%	0%	25%	25%	24.98%	B
TL34	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	0	0	0	0	1	1	0	R
TL35	Quarterly Transport Working Group Meetings held	Number of Transport Working Group Meetings held	4	1	1	1	1	4	5	G2

Ref	KPI	Unit of Measurement	Previous Year Performance	Q1	Q2	Q3	Q4	Target	Actual	R
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	0	0	0	1	0	1	0	R
TL37	Submit quarterly progress reports to the portfolio committee on the implementation of waste to energy projects as per the approved Integrated Waste Management Plan	Number of progress reports submitted to the portfolio committee	New Kpi	1	1	1	1	4	0	R
TL38	Develop a strategic infrastructure plan and submit to the portfolio committee by 30 June 2016	Plan submitted to the portfolio committee by 30 June 2016	New Kpi	0	0	0	1	1	1	G
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]	% of the allocation spent by 30 June 2016 [(Actual amount spent/Total allocation received)x100]	New Kpi	0%	10%	30%	90%	90%	100%	G2

**Table 125: Top-Layer SDBIP 2015/16**

#### **D) 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.



**1. STRATEGIC AND CORPORATE SERVICES**

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 009 15 Siphakame Skills Development	2014-12-05	2017-06-30	Adult Education & Training: Qualification Saqa Id: 71751 Getc: ABET: 3 Year Period.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 008 15 BC Landscape Training and Consultancy CC	2014-12-05	2017-06-30	Facilitation Of Horticulture (Nqf L2); Landscaping (Nqf L3) And Gardening & Horticulture (Nqf L4): 3 Year Period	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 010 15 Nu-Law Firearms Compliance (Pty) Ltd	2014-12-05	2017-06-30	Firearms Competency & Regulations 21	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 021 15 Tjeka Training Matters (Pty) Ltd	2014-12-05	2017-06-30	Training and Trade Test for Artisan	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 028 15-1 VGV Mohohlo Attorneys	2015-01-09	2017-06-30	To provide external legal advise as and when needed, on rotation basis	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 028 15-2 September and Associates	2015-01-09	2017-06-30	To provide external legal advise as and when needed, on rotation basis	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 028 15-3 Smith Tabata Buchanan Boyes Inc (STBB)	2015-01-09	2017-06-30	To provide external legal advise as and when needed, on rotation basis	Satisfactory	Service was rendered in compliance with tender requirements	Not required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 028 15-4 A Parker and Associates	2015-01-09	2017-06-30	To provide external legal advise as and when needed, on rotation basis	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 028 15-5 Yvette Cloete and Associates	2015-01-09	2017-06-30	To provide external legal advise as and when needed, on rotation basis	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 028 15-6 Rufus Dercksen Attorneys	2015-01-09	2017-06-30	To provide external legal advise as and when needed, on rotation basis	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 028 15-8 Van der Spuy and Partners	2015-01-09	2017-06-30	To provide external legal advise as and when needed, on rotation basis	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 028 15-9 Fairbridges Attorneys	2015-01-09	2017-06-30	To provide external legal advise as and when needed, on rotation basis	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 023 15 Tourism and Business Institute of South Africa	2015-03-13	2017-06-30	Customer Care Training: period ending 30 June 2017.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 023/14 PBS	2014-01-01	2016-12-31	Multifunctional Printing Services	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 103 16 Innovo Networks	2016/08/11	2019-06-30	Supply, delivery and installation of TV screens, DC media player solution for Stellenbosch Municipality	Satisfactory	Service was rendered in compliance with tender requirements	Not required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 015 17 Avalon Technology Group (Pty) Ltd	2016/10/19	2019/06/30	Provision of disaster recovery and colocation services for a period ending 30 June 2019 for Stellenbosch municipality	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 024 17 SMS ICT Choice (Pty) Ltd	2016/11/11	2019/06/30	Supply and installation of an enterprise endpoint data protection solution for a period ending 30 June 2019	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 037 17 Grant Thornton	2017/01/09	2017/06/30	Services: Information security assessment and penetrating testing	Satisfactory	Service was rendered in compliance with tender requirements	Not required

Table 126:

Service Providers Strategic and Corporate Services

## 2. FINANCIAL SERVICES

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 017 13 ABSA	2013-07-05	2017-06-30	Provisioning of banking services to the Stellenbosch Municipality	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 047 15 The Sustainability Institute Innovation Laboratory (Pty) Ltd (SIIL)	2015-01-30	2017-06-30	Provision of off-the grid electricity and related equipment to residents of the informal settlement known as Enkanini.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 068 15 HCB Property Valuers	2015-04-24	2018-06-30	Compilation of Maintenance of the Valuation Roll and Supplementary Rolls for WC024 IN Compliance with the Local Government	Satisfactory	Service was rendered in compliance with tender requirements	Not required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
			Municipal Property Rates Act, 2004			
BSM 002 17 CAB Holdings (Pty) Ltd	2016-07-11	2019-06-30	Printing and distribution of monthly consumer accounts, newsletters and other communications until 30 June 2019.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 079/15 AON	2015-07-01	2016-12-31	Underwriting of Municipality's short to medium term insurance portfolio	Satisfactory	Service was rendered in compliance with tender requirements	Not required
T 8/2/11/27 Geodebt Solutions CC	2016-07-01	2016-12-31	The Provision of a Credit Control and Debt Management System	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 087/15 Altimax	2016-07-01	2017-03-31	Review of Grap Financial Statements	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 008 17 Novus 3(Pty) Ltd	2016/10/06	2018/06/30	Capital Budget Planning and Prioritization Tool	Satisfactory	Service was rendered in compliance with tender requirements	Not required

**Table 127: Service Providers – Financial Services**

### 3. ENGINEERING SERVICES

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 004 15 Veolia Water Solutions and Technologies SA (Pty) Ltd	2015-02-19	2017-06-30	Upgrade And Extension Of The Stellenbosch Wastewater Treatment Works To 35 M/Day: Mechanical And Electrical Installation	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 032 15 ABB South Africa	2015-01-30	2017-06-30	Supply of new scada and telemetry system: 3 year period.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 005 15 CSV Construction (Pty) Ltd	2015-02-19	2017-06-30	Upgrade And Extension Of The Stellenbosch Wastewater Treatment Works To	Satisfactory	Service was rendered in compliance with tender requirements	Not required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
			35 M/Day: Civil works			
BSM 013 14 Aurecon SA (Pty) Ltd	2013-10-19	2016-10-18	For the appointment of a consultant for services at the Stellenbosch Waste Water Treatment Works.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 073 15 Wezan Building & Civil Construction	2015-04-17	2017-04-17	Rehabilitation of river Banks in the Stellenbosch municipality.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 080 15 Veolia Water Solutions & Technologies South Africa (Pty)Ltd	2015-06-12	2017-06-30	Stellenbosch wastewater treatment works - The operation and maintenance of the dewatering facility and off- site disposal of sludge.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 004 16 E. Dreyer Trading as Dreyer Cleaning Solutions CC	2015-08-01	2017-06-30	The removal of debris from the storm water structures in Kayamandi until 30 June 2017	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 021 16 Interwaste (Pty) Ltd	2015-10-21	2016-10-31	Management of Landfill Site.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 098 15 JVZ Construction (Pty) Ltd & Vakala Construction JV	2015-10-09	2017-06-30	Construction of Plankenbrug main outfall sewer and associated works - Phase 1.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 027 16 Baseline Civil Contractors	2015-12-08	2017-06-30	Upgrading of the Klappmuts Waste Water Treatment works to 2.4ML/day.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 028 16-6 WorleyParsons	2015-01-22	2017-01-31	Consultant: New 5MI Reservoir: Cloetesville and surrounding areas.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 028 16-10 Aecom	2015-01-22	2017-01-31	Establishment of a Roster, For Professional Civil and Electrical Consulting Engineers for a Period of 2 Years;	Satisfactory	Service was rendered in compliance with tender requirements	Not required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 028 16-17 Aurecon SA (Pty) Ltd	2016-03-17	2017-01-31	Consultant: Bulk water supply pipe and 2 x 2 Ml Reservoir: Johannesdal & Kylemore (Dwarsrivier)	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 028 16-20 BMK	2016-03-17	2017-01-31	Consultant: Bulk water supply pipe and 2 x 2 Ml Reservoir: Johannesdal & Kylemore (Dwarsrivier)	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 028 16-44 GLS Consulting	2015-01-22	2017-01-31	Establishment of a Roster, For Professional Civil and Electrical Consulting Engineers for a Period of 2 Years;	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 033 16 Itron Metering Solutions (Pty) Ltd	2016-04-13	2018-06-30	Supply, install and manage a STS compliant Pre-Payment Electricity Vending System and Audit of Electrical meters until 30 June 2018.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 054 16 Jo Castro (Pty) LTD (Awarded: Section A: A1-A4 and Section B: B1-B3)	2016-01-22	2017-12-31	Design, manufacture, testing, supply and delivery and offloading of 12KV metal enclosed ring main units and switchgear	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 054 16 ABB South Africa (Pty) Ltd (Awarded: Section A: A5-A8, Section C: C1-C4 and Section D: D1-D8)	2016-01-22	2017-12-31	Design, manufacture, testing, supply and delivery and offloading of 12KV metal enclosed ring main units and switchgear	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 064 16 L H Marthinus Cape Town a division of Actom	2016-02-23	2017-06-30	Removal, refurbishment, installation and commissioning of three 7.5MVA 66/11KV oil type transformers until 30 June 2017.	Satisfactory	Service was rendered in compliance with tender requirements	Not required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 072 16 Consolidated Power (Pty) Ltd	2016-02-23	2017-06-30	Supply, delivery and installation of high voltage isolators until 30 June 2017.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 067 16 ABB South Africa (Pty) Ltd	2016-03-03	2017-06-30	Installation and commissioning of medium voltage switchgear.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 075 16 Powertech System Integrators (Pty) Ltd	2016-03-03	2017-06-30	Hot Water Load Control (HWLC) Project (2 <sup>nd</sup> Phase) – New installations & maintenance of new/ existing network & system of infrastructure until 30 June 2017.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 077 16 Livewire Engineering and Consulting	2016-07-01	2018-06-30	Provision of automatic meter reading services for a period until 30 June 2018	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 034 16 CSIR	2016-04-22	2018-06-30	Drinking water quality management (DWQM) program	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 084 16 DP Truckhire	2016-06-10	2017-06-10	Transport of containerized waste from Klappmuts and Franschhoek	Unsatisfactory - old vehicles used	Service provider used vehicles that constantly broke	Service provider were required to improve services
BSM 100 16 Powerrec (Pty) Ltd	2016-06-10	2017-06-30	Services: Installation of a medium voltage and low voltage network complete plus house connections to 500 structures at Langrug, Franschhoek.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 010 16 Aurecon SA (Pty) Ltd	2015-11-10	2018-11-30	Appointment of professional consulting civil engineers to plan and design a taxi rank in Klappmuts.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 001 17 -2 Power Process Systems	2017/01/13	2019/06/30	Supply and delivery of electrical equipment and	Satisfactory	Service was rendered in compliance with tender requirements	Not required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
			materials until 30 June 2019.			
BSM 001 17 -4 Aberdare Cables (Pty) Ltd	2017/01/13	2019/06/30	Supply and delivery of electrical equipment and materials until 30 June 2019.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 001 17 -6 Zonart Distributions (Pty) Ltd	2017/01/13	2019/06/30	Supply and delivery of electrical equipment and materials until 30 June 2019.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 001 17 -7 Conlog (Pty) Ltd	2017/01/13	2019/06/30	Supply and delivery of electrical equipment and materials until 30 June 2019.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 001 17 -8 Landis & Gyr (Pty) Ltd	2017/01/13	2019/06/30	Supply and delivery of electrical equipment and materials until 30 June 2019.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 013 17 -1 Adenco Construction	2016/10/17	2017/10/17	Annual electrical labour services for a contract period of twelve months.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 013 17 -2 Solethu Energy (Pty) Ltd	2016/10/17	2017/10/17	Annual electrical labour services for a contract period of twelve months.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 021 17 DP Truckhire	2016/12/07	2019/06/30	Kerbside collection and transportation of Municipal Solid Waste, generated in Franschhoek area, for a contract period ending 30 June 2019.	Satisfactory	Service was rendered in compliance with tender requirements	Not required

**Table 128: Service Providers – Engineering Services**



#### 4. PLANNING AND ECONOMIC DEVELOPMENT

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 081 14 Umoya Software (Pty)Ltd	2014-09-01	2017-06-30	Hosting, Licensing and support of the existing Stellenbosch Municipal unemployment database for the period ending 30 June 2017.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 102 15 Madala Consultants	2015-05-29	2017-06-30	Small farmer project support (2 years)	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 063 15 CNDV Africa (Pty)Ltd	2015-05-29	2018-06-30	Preparation of the Rural Area Plan for Stellenbosch WC024 area in terms of chapter 5 of the municipal systems act, 2000 (act no 32 of 2000).	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 017 16 CK Rumboll and Partners – Planning	2015-03-18	2018-06-30	BSM 098 15 JVZ Construction (Pty) Ltd & Vakala Construction JV	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 064 15 Cape Winelands Professional Practices in Association	2015-01-29	2017-01-31	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	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 049 16-4 VKC Projects	2016-03-07	2018-06-30	Appointment of a Panel of professional service providers for Economic Sector Development and Project Management for a period until 30 June 2018.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 049 16-7 MBB Consulting	2016-03-07	2018-06-30	Appointment of a Panel of professional service providers for Economic Sector Development and Project Management for a period until 30 June 2018.	Satisfactory	Service was rendered in compliance with tender requirements	Not required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 016 16-12 BEAL Africa	2016-07-07	2018-06-30	Professional service providers for Planning, Land Use Management, Environmental Management, Land Development, Heritage Resources Project Management, Architectural Services and Related Professionals as per specifications until 30 June 2018.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 016 16-20 Sorento	2016-07-07	2018-06-30	Professional service providers for Planning, Land Use Management, Environmental Management, Land Development, Heritage Resources Project Management, Architectural Services and Related Professionals as per specifications until 30 June 2018.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 016 16-33 Rode & Associate	2016-07-07	2018-06-30	Professional service providers for Planning, Land Use Management, Environmental Management, Land Development, Heritage Resources Project Management, Architectural Services and Related Professionals as per specifications until 30 June 2018.	Exceptional	Service was rendered in compliance with tender requirements	Not required
BSM 016 16-34 Urban Dynamics Western Cape	2016-07-07	2018-06-30	Professional service providers for Planning, Land Use Management, Environmental Management, Land Development, Heritage Resources Project Management, Architectural Services and Related Professionals as	Satisfactory	Service was rendered in compliance with tender requirements	Not required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
			per specifications until 30 June 2018.			
BSM 016 16-35 CK Rumboll and Partners – Planning	2016-07-07	2018-06-30	Professional service providers for Planning, Land Use Management, Environmental Management, Land Development, Heritage Resources Project Management, Architectural Services and Related Professionals as per specifications until 30 June 2018.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 016 16-39 JSA Architects	2016-07-07	2018-06-30	Professional service providers for Planning, Land Use Management, Environmental Management, Land Development, Heritage Resources Project Management, Architectural Services and Related Professionals as per specifications until 30 June 2018.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 016 16-59 University of Stellenbosch	2016-07-07	2018-06-30	Professional service providers for Planning, Land Use Management, Environmental Management, Land Development, Heritage Resources Project Management, Architectural Services and Related Professionals as per specifications until 30 June 2018.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 016 16-62 Umvoto Africa (Pty) Ltd	2016-07-07	2018-06-30	Professional service providers for Planning, Land Use Management, Environmental Management, Land Development, Heritage Resources Project Management, Architectural Services and	Satisfactory	Service was rendered in compliance with tender requirements	Not required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
			Related Professionals as per specifications until 30 June 2018.			
BSM 017 16 CK Rumboll and Partners – Planning	2015-03-18	2018-06-30	Services: Cemetery Land Study, Stellenbosch Municipality	Satisfactory	Service was rendered in compliance with tender requirements	Not required

**Table 129: Service Providers – Planning and Economic Development**

## 5. HUMAN SETTLEMENT AND PROPERTY MANAGEMENT

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 015 14 Hope Through Action Foundation (SA)	2014-01-24	2017-06-30	Development of ERF 290 Groendal, as a Community Sport Centre on a BOT basis	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 025 16 CSM Consulting Services (Pty) Ltd	2015-11-10	2017-11-30	Appointment of a Quantity Surveyor and Team of Specialist Consultants Erf: 412: Groendal.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 030 16 Waco Africa t/a Sanitech	2015-12-03	2018-06-30	Suitably qualified service providers for the provision, service and maintenance of chemical toilets within the Stellenbosch jurisdiction for the period until 30 June 2018.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 116 16 Tija Trading CC t/a Floor Master Stellenbosch	2016-06-23	2019-06-30	Repairs, sanding, polishing and continued maintenance of wooden floors at the Stellenbosch Town Hall.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 027 17 FK Maintenance Services	2016/12/07	2019/06/30	External repairs and painting at Beltana buildings	Satisfactory	Service was rendered in compliance with tender requirements	Not required

**Table 130: Service Providers – Human Settlements and Property Management**

## 6. COMMUNITY AND PROTECTION SERVICES

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 099 15-1 Category 1: Metro City Protection Services	2015-09-01	2018-06-30	Rendering of security services for various areas within the WC024 Municipal Jurisdiction until 30 June 2018.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 099 15-2 Category 2: Armstrong Security,	2015-09-01	2018-06-30	Rendering of security services for various areas within the WC024 Municipal Jurisdiction until 30 June 2018.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 099 15-3 Category 3: African Compass Trading 246 CC.	2015-09-01	2018-06-30	Rendering of security services for various areas within the WC024 Municipal Jurisdiction until 30 June 2018.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 006 17 E Dreyer t/a Dreyer Cleaning and Utility services	2017/01/17	2019/06/30	Cleaning of CBD area in Stellenbosch.	Satisfactory	Service was rendered in compliance with tender requirements	Not required
BSM 026 17 Marce Projects	2016/10/27	2018-06-30	Supply and delivery of fire fighting vehicle for Stellenbosch Municipality.	Satisfactory	Service was rendered in compliance with tender requirements	Not required

**Table 131: Service Providers – Community and Protection Services**

## 7. OFFICE OF THE MUNICIPAL MANAGER

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 101 15 Swey Design	2015-10-01	2018-06-30	Communication Services	Satisfactory	Service was rendered in compliance with tender requirements	Not required

**Table 132: Service Providers – Office of the Municipal Manager**

## E) MUNICIPAL FUNCTIONS

### 1. ANALYSIS OF FUNCTIONS

The municipal functional areas are as indicated below:

Municipal Function	Yes / No
<b>Constitution Schedule 4, Part B functions:</b>	
Air pollution	Yes
Building regulations	Yes
Childcare facilities	Yes
Electricity and gas reticulation	Yes
Fire fighting 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
<b>Constitution Schedule 5, Part B functions:</b>	
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
Licensing and control of undertakings that sell food to the public	No

Municipal Function	Yes / No
<b>Constitution Schedule 4, Part B functions:</b>	
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 133: Municipal Functional Areas i.t.o. the Constitution**

#### f) Development and Service Delivery Priorities and Targets Set for 2017/18

The main development and service delivery priorities for 2017/18 form part of the municipality's Top-Layer SDBIP and are indicated in the table below:

##### 1. VALLEY OF POSSIBILITY

Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
TL1	Planning & Economic Development	Number of Full Time Equivalent's created through the Expanded Public Works Programme by June 2018	Number of Full Time Equivalent's Created as a % of the possible total given the allocated budget	All	106%
TL2	Human Settlements & Property Management	Serviced erven for low cost housing development	Percentage of erven serviced	5; 6; 19	100%
TL3	Human Settlements & Property Management	Construct 270 temporary units	Number of units constructed	5; 6; 12	270
TL4	Planning & Economic Development	Process all land-use applications within the prescribed/ legislated periods	Quarterly status of land-use application submitted to the Municipal Planning Tribunal	All	4

Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
		and during a maximum of 120 days submitted to Municipal Planning Tribunal			
TL5	Planning & Economic Development	Provide training to entrepreneurs and SMME's and report quarterly to the director	Quarterly training events hosted with attendance registers as proof	All	4
TL6	Planning & Economic Development	Finalise the SDF in line with the Integrated Development Plan and submit it to Council by May annually	SDF Amendment submitted to Council by May annually	All	1
TL7	Planning & Economic Development	Develop a brochure and review annually to link Small Medium and Micro Enterprises (SMME) to Supply Chain Management and open market opportunities by June 2018	Developed information document	All	1
TL8	Engineering Services	Construct Bus and Taxi shelters by June 2018	Constructed Bus and Taxi shelters based on completion photos	All	2
TL9	Community & Protection Services	Identify and map all current and planned social infrastructures (parks, crèches) by June 2018	Updated plan with current and planned social infrastructure	All	1
TL10	Planning & Economic Development	Develop 2 informal trading sites by June 2018	Number of developed informal trading sites	16; 17; 4	2
TL11	Human Settlements & Property Management	Assess of Municipal flats, 'The Steps' in consideration of future upgrades and submit it to a Committee of Council/Mayco by June 2018	Assessment submitted to a Committee of Council/Mayco	16	1
TL12	Human Settlements & Property Management	Plan the conversion of Kayamandi Hostels into sustainable living units to promote dignify living by June 2018	Projected feasibility study submitted to a Committee of Council/Mayco	13	1
TL13	Human Settlements & Property Management	Review the housing pipeline and submit it to a Committee of Council/Mayco by March 2018	Reviewed the housing pipeline and submit it to a Committee of Council/Mayco by March 2018	All	1
TL14	Planning & Economic Development	Develop and Implement the Urban Development Strategy and submit it to Council by June 2018	Strategy submitted to Council	All	2



Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
TL15	Engineering Services	Implement the Traffic Performance Monitoring System	Progress on the implementation of Traffic Performance Monitoring System submitted quarterly to a Committee of Council/Mayco	All	4
TL16	Engineering Services	Construction of Klapmuts Taxi rank by April 2018	Constructed taxi rank by April 2018. Photographs on Ignite	19	4

**Table 134: Service Delivery Priority 2017/18: Dignified Living**

## 2. GREEN AND SUSTAINABLE VALLEY

Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
TL17	Engineering Services	External Audits of Stellenbosch Waste Disposal Facilities (Permitted Landfill/Transfer station) by August 2017	Number of Audits completed. Reports by external consultant	All	2
TL18	Engineering Services	Implementation of the 3rd Generation Integrated Waste Management Plan by December 2017	Implementation of the 3rd Generation Integrated Waste Management Plan	All	1
TL19	Engineering Services	Draft the Waste Management Bylaw and submit it to a Committee of Council/Mayco by June 2018	Drafted of the Waste Management Bylaw submitted to a Committee of Council/Mayco by June 2018	All	1
TL20	Planning & Economic Development	Process of building plan applications within the prescribed /legislated periods and submit its progress quarterly to a Committee of Council/Mayco	Number of building plan applications processed and it's status submitted to a Committee of Council/Mayco	All	4
TL21	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	% effluent quality as reported on Ignite and using reports from an external laboratory	All	50%

**Table 135: Service Delivery Priority 2016/17: Good Governance and Compliance**

## 3. SAFE VALLEY

Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
TL22	Community & Protection Services	Review the Disaster Management Plan and submit it to a Committee of Council/Mayco by June annually	Revised Plan submitted to a Committee of Council/Mayco by June annually	All	1
TL23	Community & Protection Services	Review the Safety and Security Strategy and submit it to a Committee of Council/Mayco by June annually	Revised Strategy submitted to a Committee of Council/Mayco by June annually	All	1
TL24	Community & Protection Services	Review the Sport Management Plan and submit to a Committee of Council/Mayco by June annually	Revised Plan submitted to a Committee of Council/Mayco by June annually	All	2
TL25	Community & Protection Services	Enforcement of municipal Bylaws and report it quarterly to a Committee of Council/Mayco	Quarterly status on the enforcement of municipal Bylaws submitted to a Committee of Council/Mayco	All	4
TL26	Community & Protection Services	Introduce appropriate technology and extend Close Circuit Television coverage to all wards.	Number of CCTV cameras installed within the WCO24	12; 19; 1; 6; 4; 16; 1; 7	12
TL27	Community & Protection Services	Safety Initiative projects undertaken and reported quarterly to a Committee of Council/Mayco	Number of Stellenbosch Safety Initiative projects undertaken reported to a Committee of Council/Mayco	All	4
TL28	Community & Protection Services	Improvement in the revenue collection control systems at the holiday resorts and campsites by March 2018	Implemented system for the revenue collection control systems at the holiday resorts and campsites by March 2018	All	1
TL29	Community & Protection Services	Upgrade play parks in the Municipal Area	Quarterly report on upgrades facilitated submitted to the director	All	1
TL30	Community & Protection Services	Review traffic management plan and submit it to a Committee of Council/Mayco by June 2018	Reviewed traffic management plan submitted to the a Committee of Council/Mayco	All	2
TL31	Community & Protection Services	Identify and develop a safety network database by December 2017	Developed database by December 2017	All	1
TL32	Community & Protection Services	Sign MOUs with SAPS to extent municipal law enforcement security cluster by December 2017	Signed MOU by December 2017	All	1

Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
TL33	Community & Protection Services	Perform ward based risks assessments by June 2018	Completed risk assessment result of all wards by June 2018	All	1
TL34	Planning & Economic Development	Develop, facilitate and implement youth programs in partnership with public and private institutions	Number of youth programmes implemented	All	12

**Table 136: Service Delivery Priority 2016/17: Greenest Municipality**

#### 4. DIGNIFIED LIVING

Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
TL35	Human Settlements & Property Management	Provide 50 additional waterborne toilet facilities to informal settlements by 30 June 2018	Number of waterborne toilets facilities provided by 30 June 2018	2; 12; 13; 14; 15; 18; 21	50
TL36	Human Settlements & Property Management	Compile and sign 200 transfer documents for ownership of low cost houses by 30 June 2018	Number of transfer documents compiled and signed by 30 June 2018	All	200
TL37	Human Settlements & Property Management	Install 50 taps in informal settlements by 30 June 2018	Number of taps Installed by 30 June 2018	All	50
TL38	Planning & Economic Development	Identify land for emergency housing and submit report with recommendations to a Committee of Council/Mayco by 30 June 2018	Report with recommendations submitted to a Committee of Council/Mayco by 30 June 2018	All	1
TL39	Financial Services	Provide consumer accounts iro clean piped water to formal residential properties which are connected to the municipal water infrastructure network as at 30 June 2018	Number of consumer accounts iro formal residential properties receiving piped water	All	25,000
TL40	Financial Services	Provide consumer accounts iro electricity to formal residential properties connected to the municipal electrical infrastructure network for both credit and prepaid electrical metering as at 30 June 2018	Number of consumer accounts iro formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)	All	25,000
TL41	Financial Services	Provide consumer accounts iro sanitation services to residential	Number consumer accounts iro of residential properties	All	25,000

Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
		properties which are connected to the municipal waste water (sanitation/sewerage) network as at 30 June 2018	which are billed for sewerage in accordance with the SAMRAS financial system		
TL42	Financial Services	Provide consumer accounts iro of refuse removal, refuse dumps and solid waste disposal to all residential account holders once a week until 30 June 2018	Number consumer accounts iro of formal residential properties for which refuse is removed	All	25,000
TL43	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 holders)	All	10
TL44	Financial Services	Provide clean piped water to registered indigent account holders which are connected to the municipal water infrastructure network	Number of indigent account holders receiving free basic water	All	6,000
TL45	Financial Services	Provide free basic electricity to registered indigent account holders connected to the municipal electrical infrastructure network as at 30 June 2018	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	100
TL46	Financial Services	Provide free basic electricity to registered indigent account holders connected to the municipal electrical infrastructure network	Number of indigent account holders receiving free basic electricity which are connected to the municipal electrical infrastructure network	All	6,000
TL47	Engineering Services	Limit unaccounted for electricity to less than 10% annually $\left\{ \frac{\text{Number of Electricity Units Purchased and/or Generated} - \text{Number of Electricity Units Sold (incl. Free basic electricity)}}{\text{Number of Electricity Units Purchased and/or Generated}} \times 100 \right\}$	12 Month moving average used. Losses calculated on the total consumption and purchases of current month plus 11 preceding months as reported on Ignite and using reports from SAMRAS	All	10%
TL48	Engineering Services	90% Weighted Average water quality achieved as per micro, chemical, operational and physical determinants in terms of the Blue Drop requirements	% Average water quality achieved as per micro, chemical, operational and physical determinants as reported on Ignite and using	All	90%

Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
		regulated by SANS 241 for all Water Treatment Works	reports from an external laboratory		
TL49	Engineering Services	Limit unaccounted for water to less than 25% by June 2018	Percentage of unaccounted for water calculated in terms of standard IWA formula as reported on Ignite. (Unaccounted means unbilled water plus losses)	All	25%
TL50	Planning & Economic Development	Facilitate the registration of early childhood development centres on a quarterly basis	Quarterly ECD forum/Dept of Social Development registration workshops	All	4
TL51	Planning & Economic Development	Review Grant in aid policy and submit it to Council by June annually	Policy submitted to Council	All	1
TL52	Human Settlements & Property Management	Alignment of Municipal and Provincial Government housing waiting lists by December 2017	Aligned Waiting lists submitted to the Director	All	2

**Table 137: Service Delivery Priority 2016/17: Preferred Investment Destination**

## 5. GOOD GOVERNANCE AND COMPLIANCE

Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
TL53	Financial Services	Provide free basic sanitation services to registered indigent account holders which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets) as at 30 June 2018	Number of indigent account holders connected to the sanitation/sewerage network and are billed for sewerage services as at 30 June 2018	All	6,000
TL54	Financial Services	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June annually ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts,	Cost coverage as at 30 June 2018 ((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	6

Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
		Impairment and Loss on Disposal of Assets)).	(Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)).		
TL55	Financial Services	Achieve an average payment percentage of 93% by 30 June annually (Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	All	93%
TL56	Financial Services	The % of the Municipality's capital budget spent on capital projects by 30 June annually {(Total Actual capital Expenditure/Approved Capital Budget) x 100}	% of the Municipality's capital budget spent by 30 June annually {(Total Actual capital Expenditure/Approved Capital Budget) x 100}	All	90%
TL57	Office of the Municipal Manager	The % of the Municipal Manager 's capital budget spent on capital projects by 30 June annually {(Total Actual capital Expenditure/Approved Capital Budget) x 100}	% of the Municipal Manager 's capital budget spent by 30 June annually {(Total Actual capital Expenditure/Approved Capital Budget) x 100}	All	90%
TL58	Strategic & Corporate Services	The % of the Strategic & Corporate Services capital budget spent on capital projects by 30 June annually {(Total Actual capital Expenditure/Approved Capital Budget) x 100}	% of the Strategic & Corporate Services capital budget spent by 30 June annually {(Total Actual capital Expenditure/Approved Capital Budget) x 100}	All	90%
TL59	Engineering Services	The % of the Engineering Services capital budget spent on capital projects by 30 June annually {(Total Actual capital Expenditure/Approved Capital Budget) x 100}	% of the Engineering Services capital budget spent by 30 June annually {(Total Actual capital Expenditure/Approved Capital Budget) x 100}	All	90%
TL60	Planning & Economic Development	The % of the Planning & Economic Development's capital budget spent on capital projects by 30 June annually {(Total Actual capital Expenditure/Approved Capital Budget) x 100}	% of the Planning & Economic Development's capital budget spent by 30 June annually {(Total Actual capital Expenditure/Approved Capital Budget) x 100}	All	90%
TL61	Human Settlements &	The % of the Human Settlements & Property	% of the Human Settlements& Property Management 's	All	90%

Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
	Property Management	Management 's capital budget spent on capital projects by 30 June annually $\{(Total Actual capital Expenditure/Approved Capital Budget) \times 100\}$	capital budget spent by 30 June annually $\{(Total Actual capital Expenditure/Approved Capital Budget) \times 100\}$		
TL62	Financial Services	The % of the Financial Services capital budget spent on capital projects by 30 June annually $\{(Total Actual capital Expenditure/Approved Capital Budget) \times 100\}$	% of the Financial Services capital budget spent by 30 June annually $\{(Total Actual capital Expenditure/Approved Capital Budget) \times 100\}$	All	90%
TL63	Community & Protection Services	The % of the Community Protection Services capital budget spent on capital projects by 30 June annually $\{(Total Actual capital Expenditure/Approved Capital Budget) \times 100\}$	% of the Community Protection Services capital budget spent by 30 June annually $\{(Total Actual capital Expenditure/Approved Capital Budget) \times 100\}$	All	90%
TL64	Office of the Municipal Manager	The number of people from employment equity target groups employed (to be appointed) 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 municipality's approved employment equity plan	All	2
TL65	Strategic & Corporate Services	The percentage of a municipality's payroll budget actually spent on implementing its workplace skills plan $\{(Total Actual Training Expenditure / 1\% of Total annual payroll Budget) \times 100\}$	% of municipality's payroll budget actually spent on implementing its workplace skills plan $\{(Total Actual Training Expenditure / 1\% of Total Annual payroll Budget) \times 100\}$	All	0.85%
TL66	Financial Services	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June annually $(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant$	Debt to Revenue $(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant$	All	35%
TL67	Financial Services	Financial viability measured in terms of the outstanding service debtors as at 30 June	% of outstanding service debtors (Total outstanding	All	20%

Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
		annually (Total outstanding service debtors/ revenue received for services)	service debtors/ revenue received for services)		
TL68	Office of the Municipal Manager	Review the Risk based audit plan and submit to the Audit Committee by 30 June 2018	Reviewed RBAP submitted to the Audit Committee by 30 June 2018	All	1
TL69	Office of the Municipal Manager	Approve an Audit Action Plan by 28 February annually to address the issues raised in the Audit Report for the relevant financial year	Audit action plan developed and approved by 28 February annually	All	1
TL70	Office of the Municipal Manager	Review the risk register and submit to the Risk Management Committee by 30 June 2018	Reviewed risk register submitted to the Risk Management Committee by 30 June 2018	All	1
TL71	Strategic & Corporate Services	Review the ICT Backup Disaster Recovery Plan and submit to the ICT Steering Committee by December 2017	Reviewed ICT Backup Disaster Recovery Plan submitted to the ICT Steering Committee	All	1
TL72	Strategic & Corporate Services	Backup Disaster Recovery testing before end of March annually	Certification submitted to the ICT Steering Committee by March annually	All	1
TL73	Strategic & Corporate Services	Review the Communication Strategy and submit it to a Committee of Council/Mayco by June 2018	Reviewed Communication Strategy submitted to a Committee of Council/Mayco	All	1
TL74	Strategic & Corporate Services	Review the Strategic ICT Plan submitted the ICT Steering Committee by 31 May annually	Reviewed Strategic ICT Plan submitted to the ICT Steering Committee by 31 May annually	All	1
TL75	Strategic & Corporate Services	Compile and submit the draft IDP to council by 31 March annually	Draft IDP compiled and submitted to council by 31 March annually	All	1
TL76	Strategic & Corporate Services	Submit the reviewed organisational structure to Council for approval by December 2017	Reviewed organisational structure submitted to Council	All	1
TL77	Financial Services	Update and implement the preferential procurement policy by 30 June annually	Reviewed policy submitted to Council	All	1
TL78	Strategic & Corporate Services	Assessment of current Management Information systems by June 2018	Assessment of Management Information systems	All	1
TL79	Financial Services	Review the asset management policy by 30 June annually	Updated policy submitted to the Council annually	All	1



Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
TL80	Financial Services	Report on the implementation of the asset management policy to a Committee of Council /Mayco by 30 June annually	Report submitted to a Committee of Council /Mayco	All	1
TL81	Financial Services	Establish an asset management section as part of the organisation structure by 30 June 2018	Establish asset management section	All	1
TL82	Financial Services	Implement the Municipal Standard Chart of Accounts.	Report quarterly on the implementation of MSCOA to a Committee of Council/Mayco	All	4
TL83	Strategic & Corporate Services	Develop, update a policy register and display it's status on the municipal website by December 2017	Policy register from the Municipal website	All	1
TL84	Strategic & Corporate Services	Development of a Centralised Customer Care strategy submitted to a Committee of Council/Mayco by 28 February 2018	Developed strategy submitted to a Committee of Council/Mayco by 28 February 2018	All	1
TL85	Strategic & Corporate Services	Submission of IDP/Budget/SDF time schedule (process plan) to Council by 31 August annually	IDP/Budget/SDF time schedule (process plan)	All	1
TL86	Strategic & Corporate Services	Update ward plans for all wards by June annually	Updated ward plans by June annually	All	22
TL87	Strategic & Corporate Services	Develop a public participation policy and submit it to a Committee of Council/Mayco by June 2018	Submitted public participation policy submitted to a Committee of Council/Mayco	All	1
TL88	Human Settlements & Property Management	Audit of all municipal leased properties (excluding rental stock) by March 2018	Audited outcome on leased properties	All	1
TL89	Strategic & Corporate Services	Establishment holding cells at the Municipal Court by December 2017	Established holding cells	All	1
TL90	Strategic & Corporate Services	Distribution of Council agendas 72 hours before Council meetings on a monthly basis	Distributed Council agendas 72 hours before the Council meetings	All	10
TL91	Planning & Economic Development	Develop an Integrated Zoning Scheme and submit it to Committee of Council/Mayco by 30 June 2018	Developed Integrated Zoning Scheme submitted to a Committee of Council/Mayco	All	1

**Table 138: Service Delivery Priority 2016/17: Safest Valley**

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.

## G) 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	2016/17
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	5686
Service for water, sanitation and refuse removal	5 757	7 042	5686
<b>Local Economic Development</b>			
The number of jobs created through municipality's Local Economic Development initiatives including capital projects	EPWP Job Creation 613	EPWP Job Creation 745	EPWP Job Creation 747.48 FTE's

**Table 139: National KPIs – Basic Service Delivery and Local Economic Development**

### 1. WATER PROVISION

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

- Stellenbosch (Jonkershoek and Theewaterskloof tunnel)
- 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.

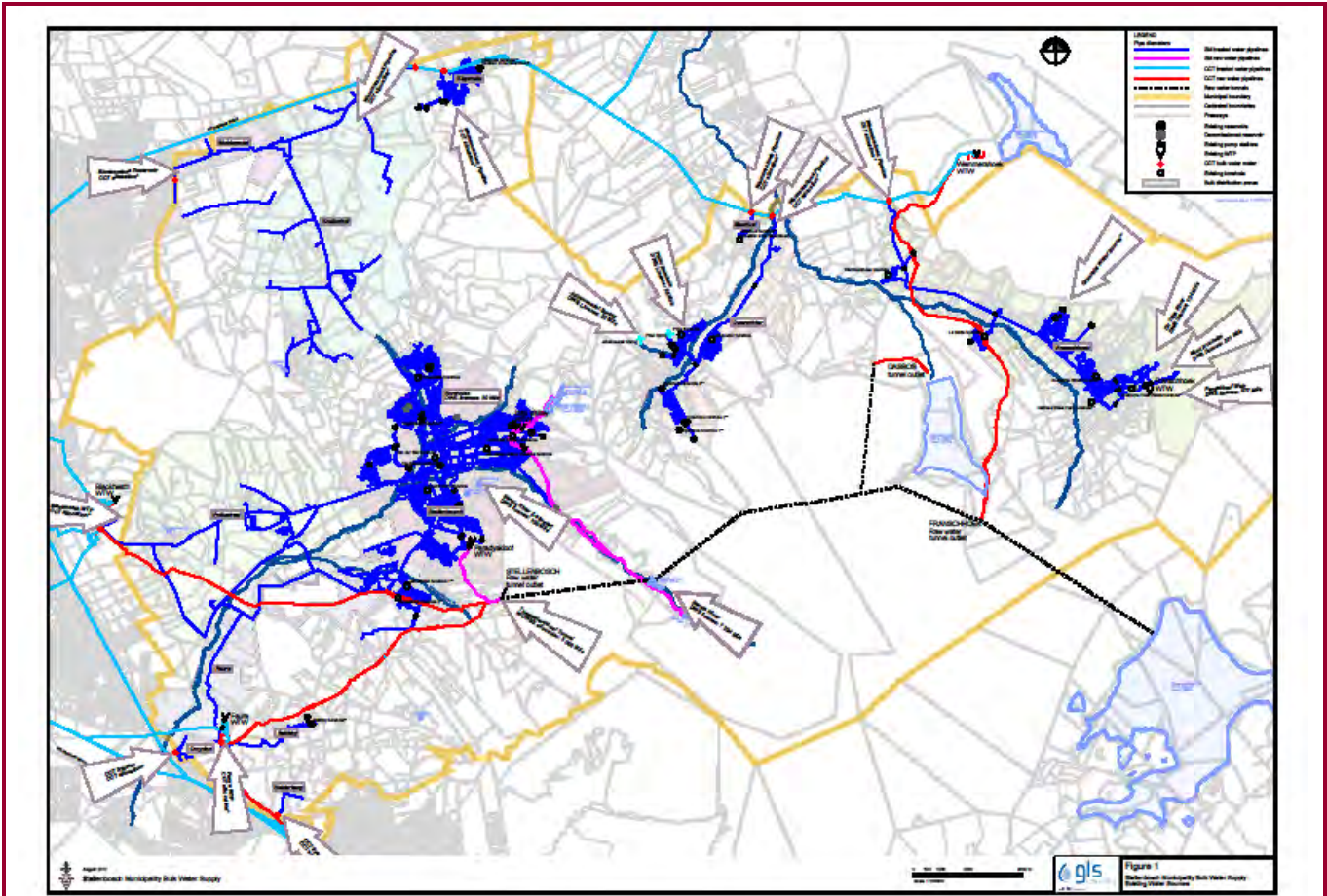
Stellenbosch Local Municipality manages three water treatment works, namely Ida's Valley, Paradyskloof and Franschhoek. The potable water supply from these works amounts to 24.43 MI/d and a further 9.78 MI/d was obtained from the City of Cape Town during the financial year, ensuring a supply of approximately 34.21 MI/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 regard 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 56 reservoirs / holding tanks and water towers, 36 water pump stations, 35 pressure reducing valve installations, 667 kilometres of pipeline and 79 water supply zones. The network is fully controlled and operated by a telemetry system.

The bulk water input into the water network for 2016/17 was 12 487 MI, with an annual average daily demand of 34 211 kl/day. 36% of the water supplied is purified from own water sources at the Ida's 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.

Ida's 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 are performed in-house and by specialist contractors.



During the 2016/17 financial year, the municipality recorded 21.8% non-revenue water.

The table below is the International Water Association table to compute the water balance and is also accepted in the DWS reporting structure. This forms the basis of the information needed and what is currently used to calculate the water loss. This is combined with a monitoring system installed on all bulk water supply points to determine and ensure accurate data of water provided. The consumptions data for all water users is drawn from the SAMRAS system with a regular data download to determine the total water sold. The table below is used as far as possible to reflect the water balance and water losses in the water systems. The water readings of all areas are also filled in on a spreadsheet that is sent to the DWS on a three monthly base to monitor and control water usage and allocations of water. The following diagrams were used to calculate the water balance

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 WC&WDM initiatives includes Water Pipe Replacement Program, Indigent Domestic Leak Repair and Meter Replacement program, Stellenbosch Water Meter Audit and Stellenbosch In-House Water Services Operation and Maintenance.

In Stellenbosch more stringent water restrictions in line with a level 3 water restrictions were imposed with effect from 1 December 2016 due to the lower than the norm dam levels. Water restrictions in line with Level 3B were implemented 1 February 2017 and the proposal evaluated to include on the spot fines for transgressions of the water restrictions.

According to Stellenbosch Municipality water savings and restrictions must be seen as necessary in the light of the decreased supply dam levels, specific for the Western Cape. Stellenbosch Municipal also implemented these water restrictions in line with City of Cape Town implemented water restrictions.

The severity of the Drought has also triggered the Municipality to embark on a comprehensive water master plan study that takes a new look at available water resources and investigate alternative water sources to augment the Municipal's existing water supply in the drought. Groundwater is now seen as a potential water source and will be investigated and evaluated after the new water resources study is completed.

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 12000 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.

The new Water Services By-Laws were also finalised and prepared to be tabled to council and promulgated. This will contribute to increase management and control of water and sanitation related aspects within the municipality.

The Stellenbosch Disaster Management Committee, of which the water services forms part of, compiled a 90 day action plan to give direction to the first steps to react to the drought situation. Sustainable water supply is one of the water services long-term goals and the reality of the drought had led to a different the approach of master planning. This led to a new look at all alternative water resources and a new water resources master plan study. Part of the action plan was an action list that was executed to a first phase until the Drought Action Plan will be implemented.

A Drought Response Plan was also drawn up with a range of influencing factors taken into consideration. The 10-Step Drought Planning Process, founded by Dr Donald A. Wilhite, has been utilised in the development the Drought Management Plan for the SM. This Plan is an organisational tool to be used for planning, decision making and guiding the implementation of a pro-active drought response as mitigation against the effects of the drought.

This Drought Management Plan is intended to provide Municipal Officials tasked with or involved in water and sanitation related services with guidance when decision and actions need to be taken to effectively reduce the impacts of drought. The Plan included preventative as well as emergency response actions and will include actions pre-/during and post-the drought event. The Plan also allows Municipal Officials to motivate for and acquire/access to emergency funding for projects and initiatives to be implemented without necessarily having to go via the conventional procurement processes in order to ensure a timeous response.

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. All projects and daily operations are done in line with the following studies and guidelines (the are continuously updated to include the latest planning:

- The Water Master Plan,
- Drought Response Plan,
- Water Services Audit Report; and  
The Pipe Replacement Study and Model

## 2. SERVICE STATISTICS – WATER SERVICES

Below are totals per category usage:

Total Use of Water (Mℓ)					
Year	Total Water into the System (Mℓ)	Total Water Sold (Mℓ)	Non-Revenue Water	% Non-Revenue Water	% Physical Water Loss
2014/15	14 876	11 556	3 320	22.3%	10.3%
2015/16	13 889	10 498	3 391	24.4%	12.4%
2016/17	12 220	9 572	2 648	21.8%	9.7%

*Table 140: Total use of water by categoryr (Mℓ)*

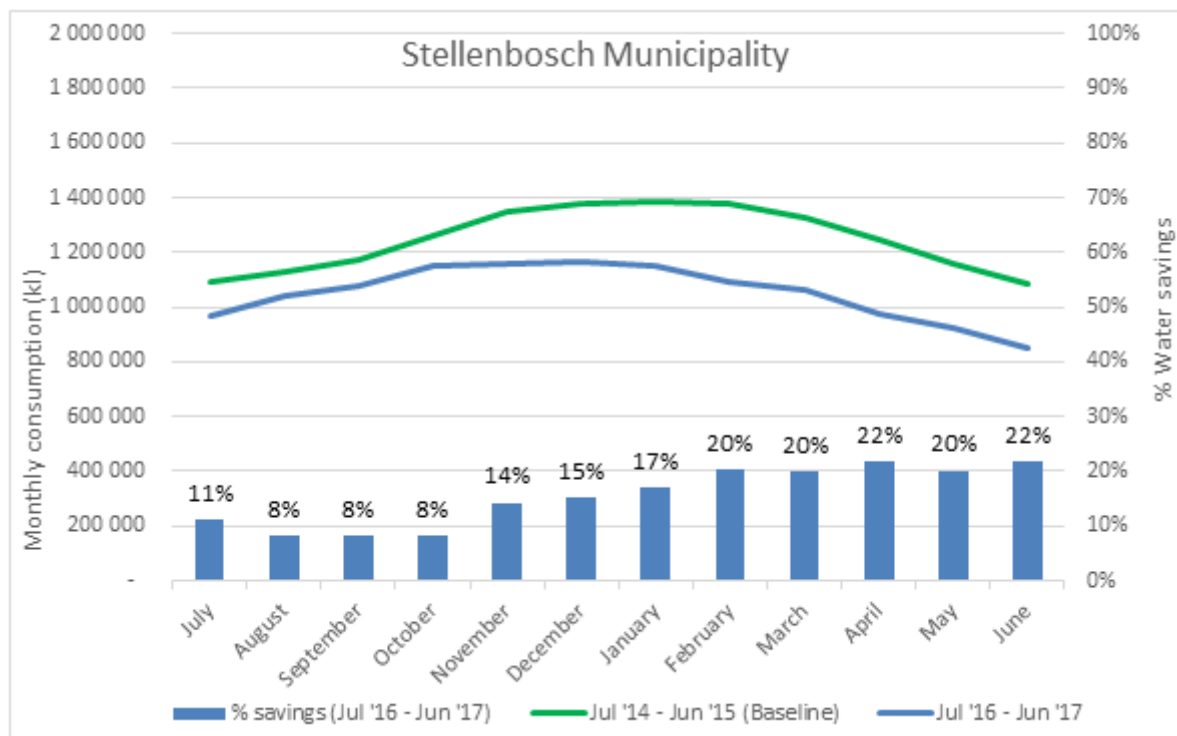
Water is probably the most fundamental and indispensable of natural resources – fundamental to life, the environment, food production, hygiene and for power generation.

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 water restrictions.

Stellenbosch Municipality implemented Level 1 water restrictions from the 1st of November 2015 to achieve a 10% water consumption decrease. This was due to low supply dam levels and low rainfall figures during the rainy season. This was followed with the implementation of Level 2 restrictions from March 2016 due to extreme heat conditions and even lower supply dam levels in Stellenbosch and City of Cape Town. The Level 2 restrictions included the increased tariffs for water consumption to achieve a 22% savings on the water consumption.



Graph 10: Age Annual Water consumption



### 3. 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	2013/14	2014/15	2015/16	2016/17
<b>Household</b>				
<b>Water: (above minimum level)</b>				
Piped water inside dwelling	18 946	31437	37902	37989**
Piped water inside yard (but not in dwelling)	Not applicable	3517	3596	3596
Using public tap (within 200m from dwelling )	14 903	6231	8491	9238
Other water supply (within 200m)	Not applicable	Not Applicable	Not applicable	Not applicable
<b>Minimum Service Level and Above Sub-Total</b>	<b>33 849</b>	<b>41185</b>	<b>49989</b>	<b>50823</b>
<b>Minimum Service Level and Above Percentage</b>	<b>99.63</b>	<b>94.85</b>	<b>99.75</b>	<b>99.75</b>
<b>Water: (below minimum level)</b>				
Using public tap (more than 200m from dwelling)	Not applicable	Not applicable	Not applicable	Not applicable

Description	2013/14	2014/15	2015/16	2016/17
Other water supply (more than 200m from dwelling)	125	1830	125	Not applicable
No water supply	Not applicable	405	405	Not applicable
<b>Below Minimum Service Level Sub-Total</b>	<b>125</b>	<b>2235</b>	<b>530</b>	<b>530</b>
<b>Below Minimum Service Level Percentage</b>	<b>0.37</b>	<b>5.15</b>	<b>1.06</b>	<b>1.06</b>
<b>Total Number Of Households (formal and informal)</b>	<b>33 974</b>	<b>43420</b>	<b>48002</b>	<b>48002</b>

Table 141: Water Service Delivery Levels

\* Metered Properties

\*\* Households

#### 4. CAPITAL EXPENDITURE – WATER SERVICES

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Bulk Sewerpipe Replacement	1 700 000	1 535 820	164 180
Bulk Water Supply Pipe Reservoir: Johannesdal / Kylemore / Pniel	2 128 055	1 910 216	217 839
Bulk Water Supply Pipeline & Reservoir - Jamestown	14 976 187	12 827 697	2 148 490
New 5 MI Reservoir: Kayamandi	3 030 000	3 008 343	21 657
Vehicles	4 215 000	810 164	3 404 836

*Only the 5 largest capital projects are listed*

Table 142: Capital Expenditure 2016/17: Water Services

In the 2016/17 financial year, **82.58%** of the capital budget for water was spent.

#### 5. TOTAL EMPLOYEES – WATER AND SANITATION

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	1	1	0	9%
15 – 13	21	0	0	5%
12 – 10	52	11	2	6%
9 – 7	12	33	3	25%
6 – 4	9	6	0	33%

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
3 – 0	2	28	37	0%
Total	197	79	42	10%
<i>Information as at 30 June</i>				

**Table 143: Total Employees – Water Services**

## 6. WASTE WATER (SANITATION) PROVISION

The main focus for the 2016/17 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 20MI/day to a 35MI/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 1200 mm 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.

## 7. SANITATION SERVICE DELIVERY LEVELS

The table below specifies the different sanitation service delivery levels per households for the financial years 2013/14, 2014/15, 2015/16 and 2016/17:

Description	2013/14	2014/15	2015/16	2016/17
<b>Household</b>				
<b><u>Sanitation/sewerage: (above minimum level)</u></b>				
Flush toilet (connected to sewerage)	18 408*	37 804**	37 902**	37 939**
Flush toilet (with septic tank)	+/-1100	1709	1079	1079
Chemical toilet	138	321	321	114
Pit toilet (ventilated)	0	209	209	0
<b>Other toilet provisions (above minimum service level)</b>	<b>0</b>	<b>1038</b>	<b>1038</b>	<b>0</b>
<b>Minimum Service Level and Above Sub-Total</b>	<b>19 646</b>	<b>41 081</b>	<b>40 549</b>	<b>39 132</b>
<b>Minimum Service Level and Above Percentage</b>	<b>99.58</b>	<b>92.75</b>	<b>94.86</b>	<b>97.51</b>
<b><u>Sanitation/sewerage: (below minimum level)</u></b>				
Bucket toilet	100	1137	125	0
Other toilet provisions (below minimum service level)	0	1038	1038	0
No toilet provisions	0	1035	1035	0
<b>Below Minimum Service Level Sub-Total</b>	<b>100</b>	<b>3210</b>	<b>2198</b>	<b>1193</b>
<b>Below Minimum Service Level Percentage</b>	<b>0.43</b>	<b>7.25</b>	<b>5.14</b>	<b>2.49</b>
<b>Total Number Of Households</b>	<b>18 946</b>	<b>44 291</b>	<b>42 747</b>	<b>40 325</b>

Table 144: Sanitation Service Delivery Levels

## 8. CAPITAL EXPENDITURE – SANITATION SERVICES

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Extension Of WWTW: Stellenbosch	150 240 000	149 218 449	1 021 551
Upgrade of WWTW: Klapmuts	27 579 090	25 215 050	2 364 040
New Plankenburg Main Outfall Sewer	17 500 000	17 068 512	431 488
Upgrade of WWTW Wemmershoek	6 480 000	4 815 823	1 664 177
Bulk Sewer Outfall: Jamestown	800 000	850 406	-50 406
<i>Only the 5 largest capital projects are listed</i>			

Table 145: Capital Expenditure 2016/17: Sanitation Services

Capital expenditure for sanitation was **97.11** % for 2016/17.

**9. MAJOR PROJECTS IMPLEMENTED**

Project Name	Scope	Project Cost	Benefit, Impacts and Goals achieved	Other Comments
<b>WATER CONSERVATION AND WATER DEMAND MANAGEMENT (WC/WDM) INITIATIVES</b>				
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 average 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
Stellenbosch Water Meter Audit (Phase 1)	The audit of all water meters in the Klappmuts area is in progress.	R 3.5M	Implementation of WC/WDM strategies Improve accuracy of billing and revenue collection Reduce water losses	This multi-year program. The completion of study in certain areas in Stellenbosch is complete and the study in other areas will commence soon.
Stellenbosch In-House Water Services Operation and Maintenance	On-going operation and maintenance work to the existing water networks	R 2.5M /annum on-going	Replacement of water meters Repaired burst mains, Repaired house connection and other leaks Repaired and replaced hydrants and valves. Replaced 100m deteriorating water mains	Significant reduction from 4 leak repairs/day to average 1/day over the past 5 years
Planning of New Cloeteville Reservoir	A consultant was appointed for the design of a new reservoir in Cloeteville to address the current and future demand requirements in this area.	R 500 000	Eradicate previous problems with insufficient water supply and storage capacity in Cloeteville. Increased capacity for future demand.	This project is in design phase. The project is expected to be completed in 2019.
Planning of Bulk Water Supply Lines, Pump stations and Reservoir for Dwarsriver Area	A consultant was appointed for the design of a new supply pipelines, pump stations and reservoir in Dwarsriver Area to address the current and future demand requirements in this area.	R 1.9M	Eradicate previous problems with insufficient water supply and storage capacity in Dwarsriver area. Increased capacity for future demand.	This project is currently in tender phase. A Contractor will be appointed in 2017/18 FY to commence with construction.

Project Name	Scope	Project Cost	Benefit, Impacts and Goals achieved	Other Comments
Bulk Water Supply Pipeline Jamestown	The construction of a new bulk water pipeline from Paradyskloof water treatment works to Jamestown	R15.4M	Eradicate previous problems with insufficient water supply and storage capacity in Jamestown area. Increased capacity for future demand.	A Contractor was appointed in 2016 and construction to be completed in 217/18 FY
Water Treatment Works Paradyskloof	Upgrading of the existing works to increase the current treatment capacity.	R42.2	Various upgrades and modifications to treatment works to be made to increase treatment capacity.	Contractor was appointed and the project is currently underway.
Update Water and Sewer Master Plan and IMQS	Updating of the existing water and sewer master plan to incorporate changes since the last update. These changes and updates is also updated on IMQS	R2.3M	Various updates and modifications to the existing Water and Sewer Masterplan	
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 MI/day Resolves the critical need for present and future WWT demand in the area. Enable economic development in the area Support 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 consist of constructing new 27MI/day MBR lane. Phase 2 the existing plant will be upgraded to BNR (Biological Nutrient Removal) system with capacity of 8MI/day. Project has reached 50% completion.
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 is constantly trained to operate this plant which is highly technical.

Project Name	Scope	Project Cost	Benefit, Impacts and Goals achieved	Other Comments
Upgrade of Klappmuts WWTW	The Phase 1 upgrade of existing WWTW was completed in Jan 2014 and Phase 2 is in 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
New Plankenburg Outfall Sewer	The contract is in construction stage of Phase 1 of the new Plankenburg main sewer outfall. A new 1.2m concrete HDPE lined pipeline is being installed for approximately 1.9kms.	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 146: Water Conservation and Water Demand Management (WC/WDM) Initiatives**

## 10. ELECTRICITY

The generation capacity of electricity supply by Eskom has improved to such an extent that no load shedding was experienced and according to Eskom no load shedding will be necessary in 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 R8 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 conditionally approved by Council.

Electricity supply 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, illegal connections are made from houses or shacks already equipped

with electrical supply, which give rise to unsafe situations. Prohibiting such unsafe connections are difficult to avoid since removing illegal connections are being replaced almost instantly.

Free basic electricity (60 kWh) is supplied to all qualifying indigents and residents in informal structures.

The networks were well maintained and unplanned power outages were kept to a minimum.

Copper and metal theft increased during the 2016/17 financial year. Forced entries resulted in substation vandalism and excessive damages occurred. Substation vandalism results in power failures causing financial loss to many consumers. Illegal connections contribute to power outages that put stress to the network. The safety of staff is also in jeopardy when working in high risk areas and special arrangements must be made to ensure their safety. Access to the network is restrained due to structures being erected haphazardly. Efforts to disconnect illegal connections did not materialize due to unforeseen circumstances beyond this department's control.

Performance achieved in relation to electricity supply is an estimated availability rate of  $\pm 95\%$  with minimum unforeseen failures during the year.

## 11. ELECTRICITY SERVICE DELIVERY STATISTICS

Major Towns	Notified Demand (NMD)	Maximum Demand	Maximum Growth (NMD)	Demand	Maximum Demand Peak (NMD)
Stellenbosch	60		0		60.6
Franschhoek	10		0.1		9
Cloetesville	16		0		10.66

*Table 147: 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 6.10% 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.

## 12. ELECTRICITY SERVICE DELIVERY LEVELS

Description	2013/14	2014/15	2015/16	2016/17
<b>Household</b>				
<i>Energy: (above minimum level)</i>				



Description	2013/14	2014/15	2015/16	2016/17
Electricity (at least minimum service level)	4 121	5576	6486	6486
Electricity - prepaid (minimum service level)	23 416	20711	17504	17504
<b>Minimum Service Level and Above Sub-Total</b>	<b>27 537</b>	<b>26287</b>	<b>29142</b>	<b>29142</b>
<b>Minimum Service Level and Above Percentage</b>	<b>85.68</b>	<b>87.25</b>	<b>79.67</b>	<b>86.7</b>
<b>Energy: (below minimum level)</b>				
Electricity (< minimum service level)	0	0	0	0
Electricity - prepaid (< min. service level)	4 021	5757	4460	4460
Other energy sources	Not applicable	N/A	N/A	N/A
<b>Below Minimum Service Level Sub-Total</b>	<b>4 021</b>	<b>6707</b>	<b>4460</b>	<b>4460</b>
<b>Below Minimum Service Level Percentage</b>	<b>12.75</b>	<b>20.33</b>	<b>13.27</b>	<b>13.27</b>
<b>Total Number Of Households</b>	<b>31 558</b>	<b>32994</b>	<b>48 002</b>	<b>48 002</b>

**Table 148: Electricity Service Delivery Levels**

During the 2016/17 financial year the Electrical Department concentrated on the renewal and upgrading of old equipment. In Ida's 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 satisfactory completed in the 2016/17 financial year. Unfortunately due to a delay in the delivery of a switchgear order of approximately R 10 million from a factory in Germany, a 100% capital expenditure could not be achieved.

### 13. CAPITAL EXPENDITURE – ELECTRICITY SERVICES

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Tenant- Switchgear (11kV)	8 665 078	6 983 525	1 681 553
Energy Efficiency and Demand Side Management	8 450 000	7 984 789	465 211
General Systems Improvements - Stellenbosch	8 230 689	7 640 390	590 299
Integrated National Electrification Programme	4 524 000	4 110 823	413 177
Markotter - 66/11Kv, 7.5Mva Transformers	2 344 292	2 342 819	1 474
<i>Only the 5 largest capital projects are listed</i>			

**Table 1: Capital Expenditure 2016/17: Electricity Services**

Capital expenditure of the budget for electricity was **91.38%** for 2016/17.

## 14. TOTAL EMPLOYEES – ELECTRICITY

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	9	2	0	0%
15 – 13	19	2	0	5%
12 – 10	9	13	2	22%
9 – 7	15	6	1	7%
6 – 4	9	18	1	0%
3 – 0	1	0	0	100%
Total	62	41	4	8%
<i>Information as at 30 June</i>				

**Table 2: Total Employees – Electricity**

## H) WASTE MANAGEMENT REFUSE COLLECTIONS WASTE DISPOSAL & RECYCLING

### 1. SOLID WASTE MANAGEMENT

The Solid Waste Management Department was able to initiate a number of projects, particularly in the waste minimisation component. The most successful was the acceptance of the Swop Shops at the lower socio- economic income areas, and communities in Enkanini and Kayamandi are now also participating in the event. What was initially a monthly, then bi-weekly event only in Klapmuts has now become a weekly event in both Klapmuts (Thursdays) and Enkanini/Kayamandi (Wednesdays). Other highlights included the procurement of three new refuse compactors for the collections fleet. One of the major capital projects undertaken was the Planning and Design for Landfill Gas Extraction (above ground) and the due diligence study undertaken to confirm the findings of the TerrAdvies report of 2014. The content of this report was the final component of the Draft Basic Assessment Report which must be submitted to Department: Environmental Affairs & Development Planning in order to be granted a Closure Licence for the closed landfill cells, which will enable the municipality to proceed with the rehabilitation and capping of Cells 1 and 2.

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 appointment of a service provider to not only collect the separated recyclables, but also process same at the mini Materials Recovery Facility, the Swopshops in some areas, a household hazardous waste collection day in Franschoek, and the procurement of household hazardous waste containers. This was necessitated with the pressure of the Devon Valley Landfill, as the site only has 2 years of airspace remaining for disposal.

The National Government Youth Jobs in Waste programme officially ended in December 2016, but Stellenbosch Municipality offered all eight employees a six month contract to continue with Education and Awareness programmes within the WCO24 region, from January 2017 to June 2017. Fleet management received a major boost with the acquisition of three new refuse compactors, whilst four were written off in the process. The acquisition of a Mahindra Bolero double-cab LDV and a MST Digger Loader for the removal of illegal dumping will ensure that better services are rendered within the WCO24.

**2. REFUSE COLLECTION:**

The Refuse Compactors have on average lifted 76 000 wheelie bins a month in 2016/17 financial year. These lifts equated to an average of 2700 tons of waste/ month removed from households.

	Monday	Tuesday	Wednesday	Thursday	Friday
CL 64272	565	391	720	660	534
CL 45835	505	801	628	471	527
CL 31479	778	628	722	850	391
CL 64779	435	578	744	545	564
CL 71677	133	753	844	563	258

**Table 3: SWM Refuse Compactors weekly lifts**

The Department has also removed, on average, 280 tons of waste per month from informal areas.



**Figure 9 Waste dumped in informal areas**

**Figure 10 Area cleaned with skip in background**

Black Bag Distribution:

R600 000 was spent on black bags which was distributed to all informal areas to improve refuse collection. The black bag distribution is scheduled and rolled out in Kayamandi, which include Enkanini, Taxi Rank and Zone O; and Klapmuts, which include RDP and New Houses where distribution time is normally a week to complete the entire area. Scheduled distribution also occurs in the informal settlements of Jamestown, Vlotenburg and Langrug, where it takes approximately three days per area to complete the distribution.

**Skips:**

R100 000 was spent on new skips to increase the refuse collection footprint where no formal collection exists.



**Figure 11 Off-loading of skip in informal area**

**Figure 12 Old skip replaced by new skip**

**3. WHEELIE BIN ROLL-OUT:**

The Department has issued on average 66 new wheelie bins per month to recipients in the 2016/17 financial year.

**Preventative Maintenance:**

The Department has also spent R 109 553 on preventative maintenance of the first 6 months of the financial year increasing the life span of its fleet.

**Disposal of assets:**

The table below reflects all assets auctioned off in the past year:

Nissan Refuse Compactor	CL 24247
Nissan Refuse Compactor	CL 40824
Nissan Refuse Compactor	CL 37160
Isuzu Refuse Compactor	CL 27920
Corsa Bakkie	CL 36560

**Table 4:** Assets disposed of at auction

**Acquisition of new assets:**

3 new refuse compactors, 1 LDV and a digger loader were procured and added to the SWM fleet. The table below reflects the year model, asset procured and cost of asset:

2017	MST Digger Loader	R 946 215.36
2017	Isuzu FXZ 28-360 Compactor	R 2 524 074.00
2017	Mahindra Bolero	R 207 683.21
2017	Isuzu FXZ 28-360 Compactor	R 2 524 074.00
2017	Isuzu FXZ 28-360 Compactor	R 2 524 074.00

**Table 5:** *New assets procured*



**Figure 13 Digger loader**

**Figure 14 Mahindra LDV**

**Figure 15: Refuse Compactors**

**4. HUMAN RESOURCES MANAGEMENT:**

During the 2016/17 financial year, two employees were dismissed, and three resigned. No new employees were recruited.

- Improved communications between operational staff and depot:
- R134 000 was spent with the procurement of two-way radios which were fitted to all refuse compactors. This will enable the driver and crew to immediately respond and report incidents to the Foreman or Superintendent at the depot.

- Upgrade of Beltana Solid Waste Depot facilities
- R132 000 was spent on improving the ablution facilities at the SWM Depot at Beltana Depot.
- Revenue generated from refuse collection equal to R 48 651 616 refuse collection levies.

## 5. WASTE DISPOSAL AND WASTE MINIMISATION:

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

	Jul 16	Aug16	Sep16	Oct 16	Nov16	Dec16	Jan17	Feb17	Mar17	Apr 17	May7	Jun 17
Industrial Refuse (Ton)	603	678	559	573	825	500	472	525	545	435	585	516
Domestic Refuse (Ton)	3102	3476	3192	3225	3371	3038	3107	2865	3367	3048	3336	3018
Green Refuse (Ton)	562	624	585	609	626	511	707	674	811	631	614	755
Builders Rubble (Ton)	2984	4619	5460	3163	4723	2123	3503	4951	5618	1928	1794	792
Clean cover/Soil (Ton)	2099	4818	16822	2173	751	231	36	1253	910	3203	3478	321
Area Cleaning (Ton)	N/R	360	459	344	491	225	295	275	327	332	183	290
Illegal Dumping (Ton)	50	103	59	103	21	215	409	278	283	42	323	158
Tailings from MRF	0	0	0	0	0	0	9	11	8	14	26	23
Cover to Waste (Ton)	0	0	3	2055	2750	1236	2271	2618	3404	2716	2918	3102
Green Jobs (Tons)	0	0	0	0	0	0	32	32	35	26	41	27
Miscellaneous (Ton)	0	0	0	0	0	0	0	3	10	3	1606*	654*
<b>TOTAL</b>	<b>9400</b>	<b>14678</b>	<b>27139</b>	<b>12245</b>	<b>13558</b>	<b>8079</b>	<b>10841</b>	<b>13485</b>	<b>15318</b>	<b>12378</b>	<b>14904</b>	<b>9656</b>

**Table 6:** Landfill statistics for incoming waste for 2016/17 financial year (\*higher values due to berm construction)

The table above refers to more categories than previous years, as a result of different initiatives implemented. “Green Jobs” refer to the tons cleared from Moloks stationed in Kayamandi and Langrug, which commenced in January 2017. The “Tailings from MRF” are the non-recyclables found in the separation-at-source clear bags collected and processed by Resource Innovations, who officially commenced in December 2016. The “Area Cleaning” and “Illegal Dumping” reflects only that which is collected in Kayamandi and Enkanini, but would constitute more than 90% of the town’s total. The “Cover-to-Waste” is the amount of soil utilised as waste cover, whilst the rest is stockpiled as clean cover/soil. The reason for creating the above as a separate category was due to a change in the contract conditions of the service provider that bills the municipality for waste handled and not stockpiled.

The total waste received at the landfill site was 161 681t in the 2016/17 financial year. This is a 3.98% increase when compared to the corresponding period a year ago. This increase is higher than the 2.43% increase experienced in the 2015/16 financial year, and much lower than the 15.8% increase in the 2014/15 financial year. This is primarily due to the fact that the tariff makes cross-boundary movement of waste prohibitive, and strict controls are in place ensuring

that only waste generated from within the WC024 is accepted at the site. 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 a large component of builder's rubble was stockpiled. The majority of soil and builder's rubble received are stockpiled for input material for a service provider that will be appointed in the 2017/18 financial year to beneficiate the product. Domestic and business refuse decreased by 2.73%, builders' rubble and soil (in combination) increased by 2.84% and garden refuse increased by 10.38%, 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 shredded and removed off site for composting or mulch. This waste was previously illegally dumped, burnt, 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 40 056 in the 2015/16 year to 46 993. The total revenue generated in the 2016/17 financial year was R3 158 596, which increased by 10.52% from the previous financial year.

## 6. PROJECTS CONTINUED IN THE 2016/17 FINANCIAL YEAR BUT INITIATED IN PREVIOUS FINANCIAL YEAR(S):

### The crushing of builders' rubble

The crushing tender came to an end, and it was decided to test the market for expressions of interest from service providers to receive the incoming loads of rubble and soil, ensure quality control checks and beneficiate final material after it has been screened and crushed. Three companies forwarded their expression of interest, and it was decided to go out on an open bidding process in the 2017/18 financial year. Material had been stockpiled to ensure a good start-up volume for the successful bidder when the bids are finalised and awarded.



**Figure 16** *Uncrushed rubble stockpiled on site*

**Figure 17** *Soil stockpile*

### The chipping and removal of green waste

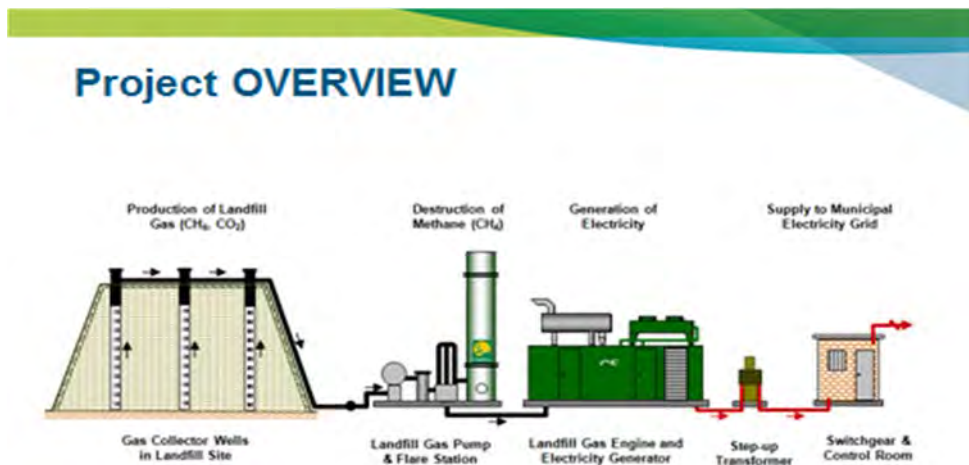
The chipping and removal tender for green waste was awarded in November 2015, and came to an end in November 2016. Reliance Group Trading was awarded the initial contract, and shredded greens were either taken to their compost facility in Olyphantsfontein, or utilised by the municipality for own use. No tender was in place between December 2016 and February 2017, until Landfill Consult was appointed through a Formal Quotation process, and shredded the green material from February – June 2017. The bulk of this material were utilised by the municipality, either at the Wastewater Treatment plant or for small-scale farmers under the auspices of the LED Department.



*Figure 18 Shredded greens & Shark shredder used on site*

## 7. 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 again extended, and was due 31 May 2017. The reason for the extension was in order to finalise the gas extraction planning and design which must also be submitted to the authorities as the final component of the FBAR. The bid was advertised, and the successful bidder was Royal Haskoning DHV. Their brief was extended to also include a due diligence study in terms of the feasibility of the landfill gas to energy report. This report was completed in May 2017 and forwarded to Aurecon for inclusion in the FBAR. As this had to go through another round of public participation, DEA&DP gave a final extension date of November 2017 in order to include all final comments. The 30-day public review period was in June 2017.



*Figure 19 Schematic of landfill gas extraction system*

## 8. DESIGN/PLANNING OF A MATERIALS RECOVERY FACILITY FOR STELLENBOSCH

Aurecon was appointed for the design and planning of the Materials Recovery Facility (MRF) for Stellenbosch Municipality. This process was completed in this financial year. The construction of the MRF is the next step to follow and planned for the 2017/18 and 2018/19 financial years.



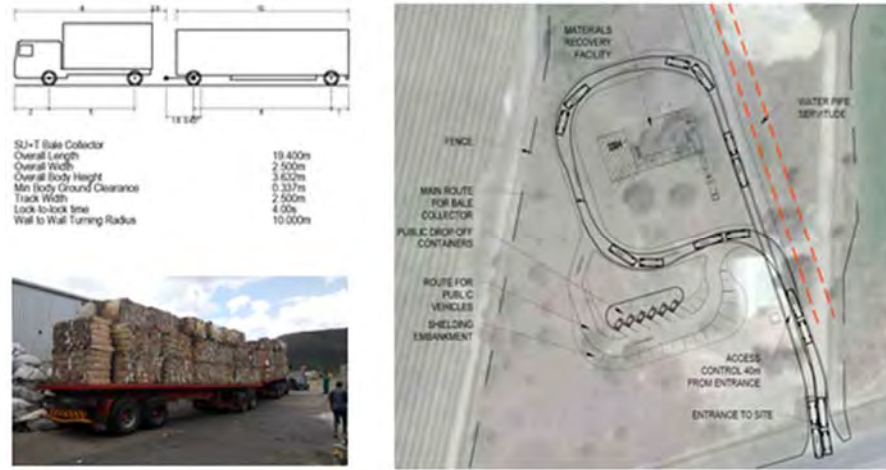


Figure 20 Proposed layout of MRF and Drop-off

## 9. DESIGN, PLANNING/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. 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 site as first option, with the La Motte site as the second best option.

Due to the fact that waste minimisation activities is intended to be undertaken at the preferred site, the Department: Environmental Affairs & Development Planning insisted that a Waste Management License 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. Sharples Environmental Services (SES) were appointed to do the environmental authorisation process, and identified that a Noise Impact Assessment and a Traffic Impact Assessment must be undertaken for the proposed two layout plans for each of the two candidate sites. Specialists were appointed off the annual roster, and despite informing DNA Land Use Consultants in September 2016 to prepare for appointment in order to conduct the Noise Impact Assessment, the company failed to meet all administrative requirements prior to end of financial year deadline. The Traffic Impact Assessment was conducted by Sorento Packaging, T/A Sturgeon Consulting. The findings of this study indicated that the La Motte depot is a better option than Groendal, and although not tested as yet, there is a good likelihood that the Noise Impact Assessment would also be more favourable for La Motte as compared to Groendal. The difficulty with this is the fact that the favoured is not a Solid Waste Management facility, but a depot utilised by Water Services and Transport, Roads & Stormwater. This project has now been placed on a temporary hold until all internal dynamics and impacts can be satisfactorily resolved.



Figure 21 Proposed Access La Motte



Figure 22 Proposed Access Groendal

**10. NEW PROJECTS UNDERTAKEN IN THE 2016/17 FINANCIAL YEAR:**

Pilot project – mini Materials Recovery Facility (MRF)

This project commenced in December 2016, and Resource Innovations (Africa) were appointed to collect, process and sell off all recyclables from the separation-at-source programme operational in Stellenbosch. Their brief is to extend this to the entire WC024, and in order to achieve this target, it is expected of the service provider to provide education and awareness to all communities.

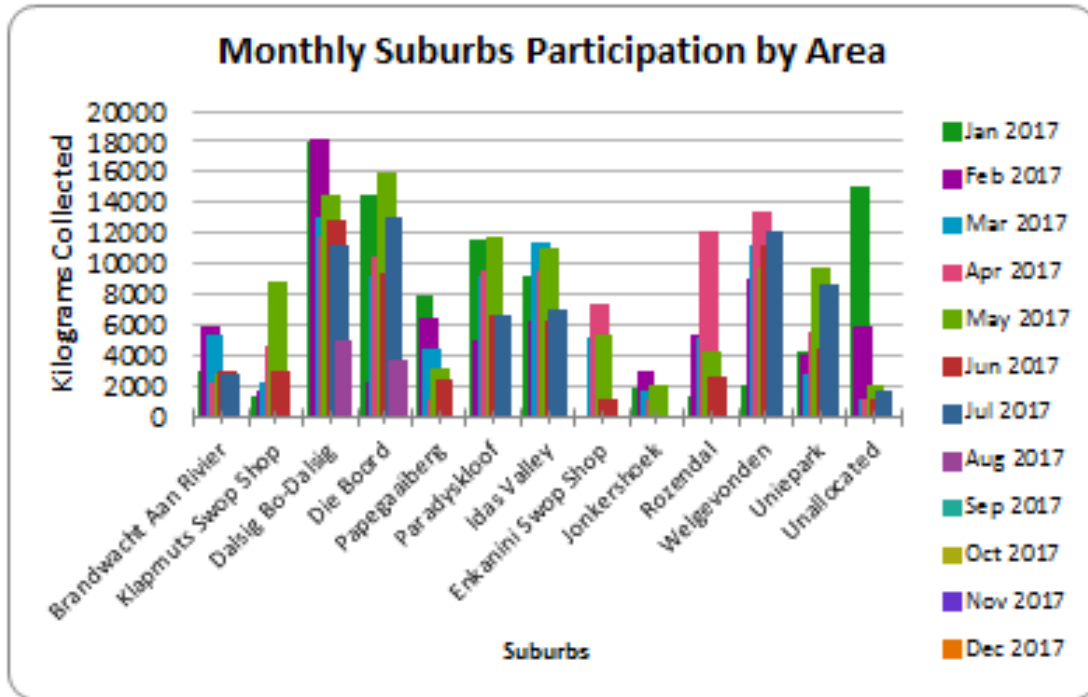


Figure 23 RMC and Municipal Manager visit MRF



Figure 24 Mini MRF in operation

Casting of second slab at the mini-MRF

Due to the underestimation of actual material processed at the mini-MRF, and the fact that Stellenbosch University may want the municipality to assist with their waste programmes, a second slab was cast to alleviate the pressure and get double the throughput at the facility. JHC Painters was appointed for the project at a total cost of R165 000.



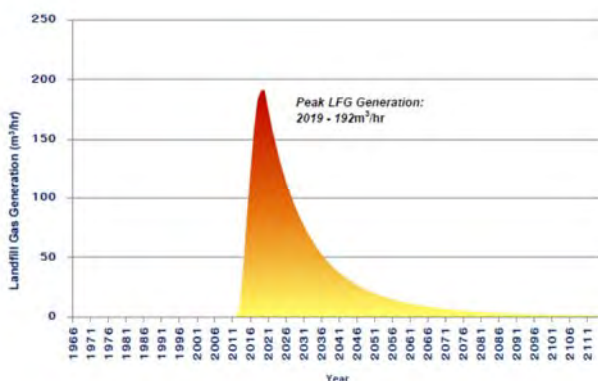
*Figure 25 Preparation work for second slab*

*Figure 26 Completion of second slab with shade-port*

Planning and Design of Landfill Gas Extraction

The Devon Valley Landfill site is currently awaiting a closure license prior to commencement of the rehabilitation and capping of the closed Cells 1 and 2. One of the end use options was extracting the methane gas and utilising this gas for energy at the Wastewater Treatment Works. Royal Haskoning DHV was appointed for the planning and design, and at the same time undertook a due diligence study of the quantity of gas that will be generated over the next 10 years, and what type of energy outputs it would yield.

The simulated GasSim peak landfill gas generation rate was established as 515 Nm<sup>3</sup>/hr in 2017, which indicates that a 0.5MWe landfill gas to electricity project would be viable at the Stellenbosch Landfill for a considered 10 year project period. Landfill gas generation would peak at 567 Nm<sup>3</sup>/hr for Cell 3 and 723 Nm<sup>3</sup>/hr for the site as a whole by 2028. A LFG flowrate of 550 Nm<sup>3</sup>/hr at a gas quality of approximately 50% methane is sufficient to generate 1.0 MW electrical power.



*Figure 27 Simulated Landfill gas generation for Cell 3 & Gas Test Well monitoring*

### Feasibility study for utilising organic waste for Biofuels/bioenergy

Stellenbosch Municipality probed at the potential for diverting organic waste and converting same material into biofuels. EEE Green Industries was the successful bidder to investigate this possibility. The findings were sufficient to suggest that a pilot project be launched to test such feasibility, but one of the major challenges was the fact that not all organic waste materials are available for the municipality, as some are used in composting by the private sector, and others not reported on. The only reliable organic waste fractions are sewage sludge and domestic refuse.

The initial findings suggest that a co-digestion option could be explored and trialled at the Klappmuts Transfer Station to establish its viability given the thinking that exists around a shared facility. The primary waste streams to be targeted for an initial trial is primary sludge from the wastewater treatment plant adjacent to the Devon Valley Landfill site, together with food waste sourced from the domestic and industrial (restaurant) waste stream. Collection data indicates that in the CBD these two streams are intertwined.

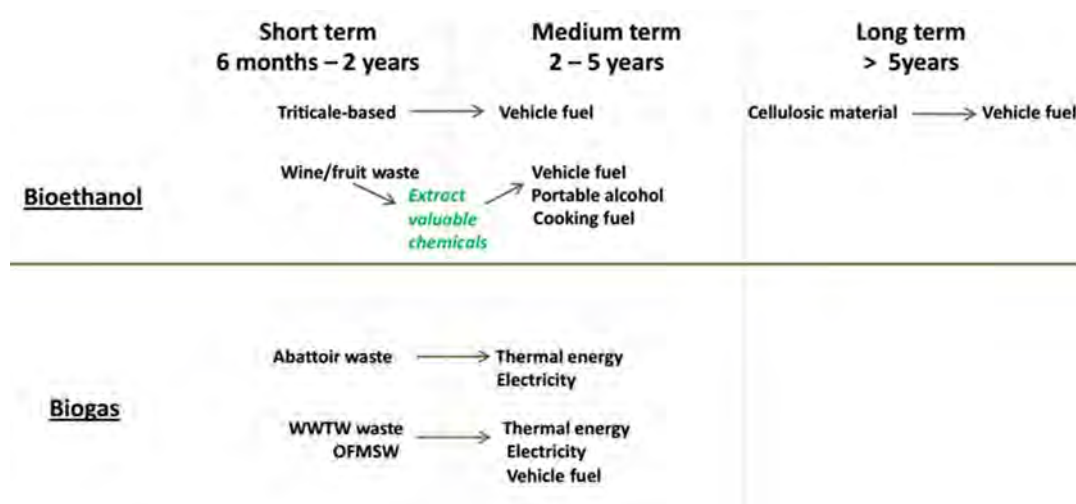


Figure 28 Extract from report: Biogas opportunity Snapshot with Timelines

### Pre-feasibility study to investigate the Waste-to-Food project

It is a national goal to reduce the amount of organic waste landfilled by 50% by the year 2022. Stellenbosch Municipality would like to proceed with this initiative, but it would mean that the salvagers picking on the landfill would have a loss of income, as their main resource viz black bag waste would be diverted. A pre-feasibility study was launched to assess whether it would be advisable to proceed with a waste-to-food programme, where salvagers could be trained to become small-scale farmers for own food security needs, as well as potentially selling all excess produce on a local farmers market as a means of supplementing an income.

Bergstan SA was the successful bidder for this project to indicate if the original concept was likely to develop into a meaningful project or programme which could justify the commissioning of a full Feasibility Assessment and subsequent implementation arrangement.

The outcome of the pre-feasibility study was that it was not completely feasible, as there are distinct advantages supporting the project (reasonable size free land, irrigation sources, start-up funding available, product options available that may be cultivated with quick turnaround time, commitment from municipality) but also disadvantages (untrained waste pickers, land can only support a maximum of 10 pickers, suitability of treated effluent unclear at this stage, expected profit low, strong oversight management required, support to pickers during growing phase of project).

However, there is a justification to proceed with full feasibility to mitigate disadvantages as long as the framework is well defined.



**Figure 29** Aerial view of proposed site

**Figure 30** Photograph of the area under consideration

#### PRASA Waste Entrepreneurship Training Course

The Paper Recycling Association of South Africa (PRASA) held another 4 day training course on paper recycling and Introductory Business Training from 15-18 November 2016. 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 Kayamandi Corridor. This round of training was primarily focused on the Youth Jobs in Waste (YJiW) staff, whose contracts were about to be terminated as the project had come to an end. 40 YJiW staff attended from the Cape Winelands and Overberg District municipalities, and two private individuals, who plan to be budding entrepreneurs, attended as well.

The “Youth Jobs in Waste” project is an initiative of Department of Environmental Affairs and adopted by the municipalities throughout the country (including Stellenbosch Municipality) and aimed at employing youth to become actively involved in waste projects in their bid to reduce unemployment, minimise litter and decrease the crime rate in the area.

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.

The course content covered the following topics, viz, paper collection and recycling, milk and juice cartons recycling, PET recycling, Entrepreneurship and Small Business basics, business communication, SWOT analysis, Business Research and Planning the Business Venture, the business environment, basic business finance and writing a business plan.

This course was once again 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 Councillor from Engineering Services, Cllr Jan de Villiers.

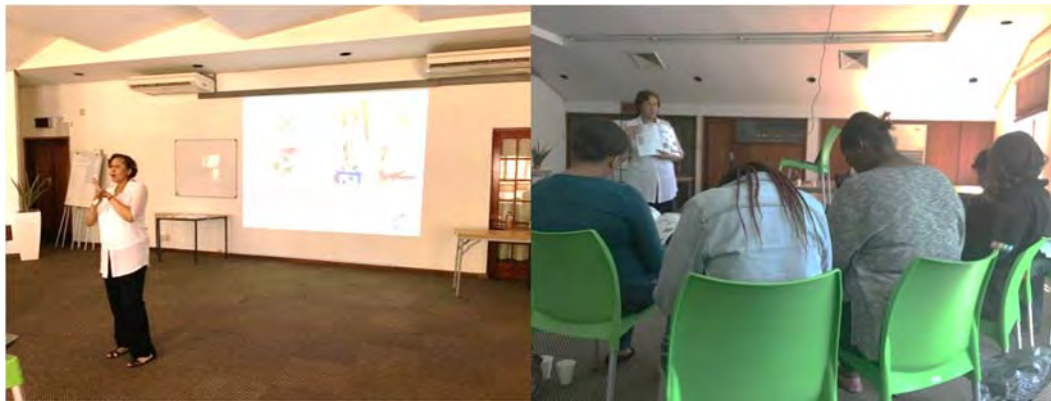


**Figure 31** Attendees with PRASA training certificates

**Figure 32** Cllr de Villiers addressing trainees

### PRASA Schools Recycling Presentation Training

As a follow-up to the training given in November 2016, PRASA again visited Stellenbosch on 16 February 2017 to provide the former YJiW staff (who are currently on contract with Stellenbosch Municipality for Education and Awareness) free presentation skills on presenting material at schools. Once again there was no cost to the municipality, and the training was comprehensive and most useful. This training was conducted in the Stellenbosch library hall.



**Figure 33** Schools presentation training

**Figure 34** Environmental curriculum explained

### Fencing contracts at Devon Valley Landfill Site and Klappmuts Transfer Station

The Solid Waste Management Department appointed two separate contractors to fence the Devon Valley Landfill Site and the Klappmuts Transfer Station. Gateway Metalworks (Pty) Ltd was appointed for the landfill site, and required the installation of Betafence and concrete palisade fencing at a cost of approximately R850 000. Trade Avail 406 T/A CAF Contractors, was appointed for the transfer station and this contract only required Betafence to enclose the entire facility. The cost of this project was approximately R1.650m.



**Figure 35** Fence installation at DVLS (ASARA)

**Figure 36** Fence installation at Klapmuts Transfer station

**Swop Shops in Klapmuts and Enkanini/Kayamandi**

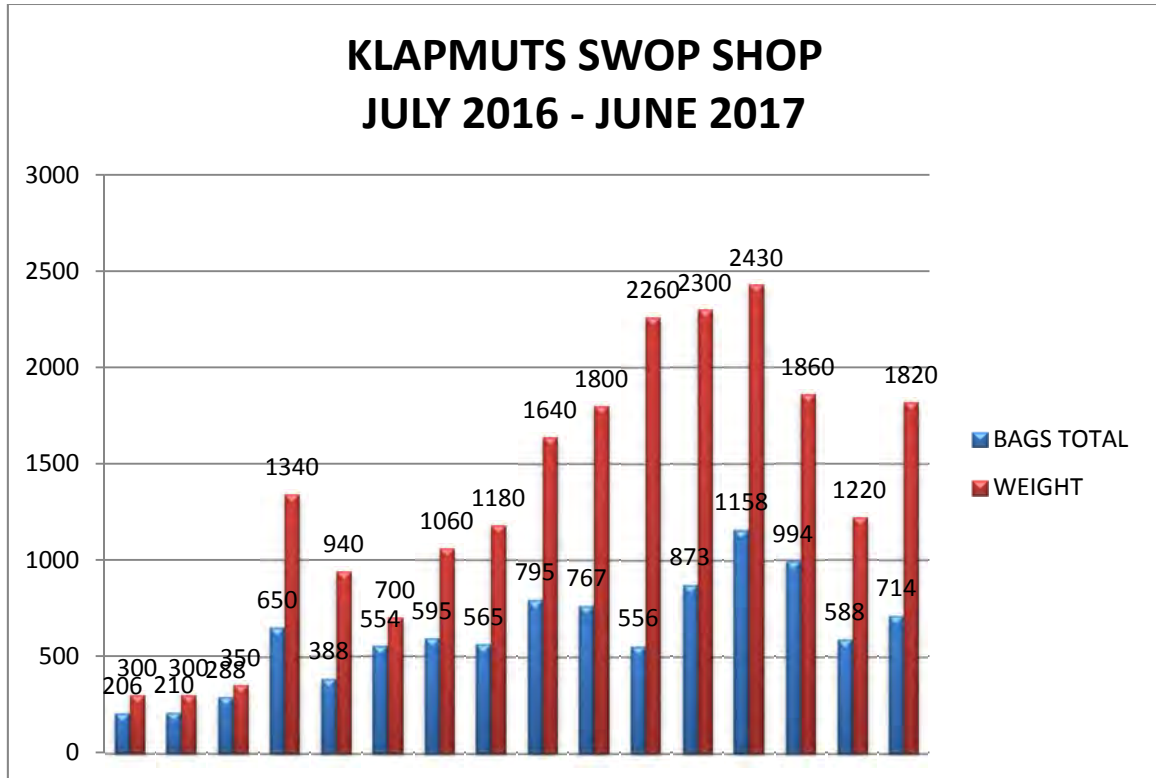
Swop Shops are held weekly in Klapmuts and Kayamandi in an effort to get communities involved in keeping their environment clean. It is evident that the communities bought into the concept, approved of it and are excited in the days leading up to the event. The increase in recyclables collected from the initial event to date had increased by nearly tenfold, and instead of monthly (until March 2017), then bi-weekly (April 2017) had become weekly events (May 2017 onwards). Whilst Swop Shops were only initially operational in Klapmuts, the councillor and community of Kayamandi and Enkanini requested same to be rolled out in their area, and this officially commenced on 15 March 2017.

The Solid Waste Management department has a budget for most of the items traded, such as teas, coffee, milk, sugar, toiletries, stationery, and other daily non-perishable essentials. Items such as clothes, blankets, shoes, books and bags are generally donated by the public.

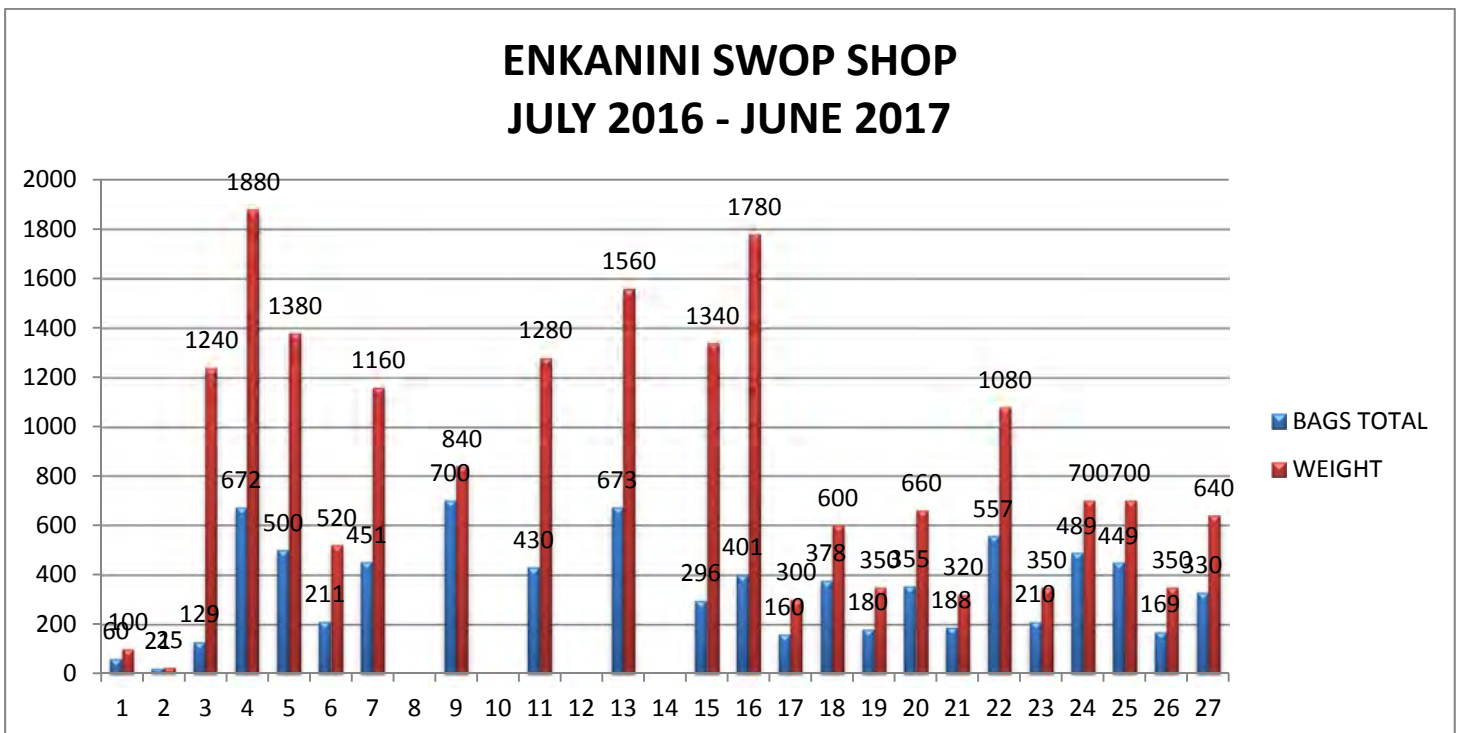
LOCATIO N	Bags of plastics	Bags of card- board	Bags of Glass	Bags of Cans	Bags of Paper	Bags of Poly- styrene	Bags with Mixed recyclables	BAGS TOTAL	WEIGH T (kg)
Klapmuts	9,627	5,454	1,305	979	213	42	178	19,098	42,893
Enkanini	4,375	2,281	405	449	25	1	262	7,798	19,945
TOTAL	14,002	7,735	1,710	1,428	238	43	440	26,896	62,838

**Table 7:** Swop shop statistics for 2016/17 financial year





Klapmuts Swop shops



Enkanini Swop shop



**Figure 37** Klapmuts community waiting to trade

**Figure 38** Coupons exchanged for items on display

### Events Management

Stellenbosch Municipality are host to numerous events in the WC024 region, and it is now mandatory that event organisers must have a waste management plan in place prior to hosting events in order to minimise any waste generated from the event unnecessarily being landfilled. The municipality encourages events to be green in terms of the environmental footprint, which is also advantageous for the event organisers as a positive marketing mechanism. Event meetings are held weekly on Wednesday mornings at the Law Enforcement offices, and although the primary focus for such meeting was on safety and security, that has now evolved to include traffic, noise, logistics and environmental issues.

In February 2016, Stellenbosch Municipality’s Events Management By-Law was passed. The By-law requests the following:

- That a waste management plan be completed, submitted and adhered to for each event
- Waste Management Plan— for any Medium or Large/ Major events (>500 people in attendance) the event organiser is to appoint a suitably qualified and registered waste management service provider. The aim of said service provider should be zero waste to landfill.

A waste management plan was received for all 238 events that took place during the 2016/2017 financial year. Post-event inspections were conducted at a large quantity of events to ensure that the facility was clean and neat. The Solid Waste Management team was intricately involved with the Bastille Festival in July 2016, the Woordfees in March 2017 as well as various inter-schools and university sporting events. Many events managed to divert up to 90% of waste from landfill by means of proper planning and special effort put in by all involved. The Varsity Cup held on 6 and 13 February 2017 managed diversion rates of 97.3% and 96.0% respectively, which ranks as one of the most successful greening event.

MONTH	EVENTS	MONTH	EVENTS
July 2016	12	January 2017	20
August 2016	11	February 2017	26
September 2016	23	March 2017	31
October 2016	29	April 2017	18
November 2016	26	May 2017	16

December 2016	17	June 2017	09
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**Table 8:** Monthly statistics of events held in 2016/17



**Figure 39** Bastille Festival July 2016

**Figure 40** Sorting area for Woodfees

Schools Recycling

Eikestad Primary school was the first to enlist on the municipal database to get involved with recycling. On 10 February 2017, Grade 2 teacher Ms Christi Terblanche launched the school’s recycling programme at the school assembly. Resource Innovations collects the co-mingled recyclables on Wednesdays, where it is then further processed at the mini-MRF. In April 2017 the total recyclables collected was 52.5kg, May 2017 327.7kg and June 2017 110.0 kg.

There are a total of 62 schools in the WC024 region, and it is hoped that all will partake in waste minimisation activities. Two more schools have since come on board, viz Somerset College and Rhenish Girls High.



**Figure 41** Eikestad Primary with their recycle team and champion, Ms Christi Terblanche

**Molok Waste Collection System**

Stellenbosch Municipality procured three Molok units in June 2016, for installation and use in the 2016/17 financial year as a pilot project. Two Molok units were installed in Kayamandi and one unit in Klapmuts. A fourth unit was procured in July 2016 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.

The Molok trials unfortunately did not work well. The unit in Klapmuts was completely destroyed within a week of installation. It was set alight to make room for more informal dwellings which now occupies the space where the Molok previously stood. In Kayamandi two Moloks were placed at dumping hotspots. Once again both Moloks were damaged/vandalised. At the one station the Molok was partially set alight, causing damage to the value of R18 000, and at the other the aesthetic trimming was completely removed/stolen, and the metal support on the inside of the lid was stolen. The latter action compromises the waste removal, and the service provider is not prepared to service the Moloks manually in the absence of the metal support structure. Littering around the Molok is also prevalent in Kayamandi, similar to that of a skip. The only Molok that is still working as it should is at Langrug, mainly due to being under the supervision of the Genius of SPACE project team.

Other municipalities in the Western Cape would like to learn from the Stellenbosch experience, and it is clear that the Molok system is not a solution to replace skips in the informal area, unless it is closely supervised. It is a product that would work better in a disciplined, formal area where vandalism of the unit is minimal to non-existent.



**Figure 42** Molok installed in Mandela City, Klapmuts

**Figure 43** Molok burnt and destroyed



**Figure 44** Waste around Molok in Kayamandi



**Figure 45** Use of Moloks in formal areas where it works (abroad)

**Solid Waste Management and Local Economic Development (LED) cooperation**

The municipality’s Solid Waste Management Department and the LED Department have collaborated on various projects throughout the year, which included the PRASA training initiative as well as the waste entrepreneurship programmes.

The Solid Waste Management Department procured seven modified tricycles in June 2016 which are currently utilised as non-motorised collection vehicles for collection of recyclables as a pilot entrepreneurship initiative. Two recipients who received PRASA training are engaged with this project.

All data from this pilot project is with the LED Department, and was not submitted to this department for inclusion in this report.




**Figure 46** Recycle in action

**Figure 47** Benefits of PRASA training explained

### Miscellaneous Waste Minimisation Projects

A number of waste minimisation and related items were procured either in preparation or enhancing projects due in the next financial year. The list below gives a brief overview of all such items procured and received in the 2016/17 financial year.

			
Project:	Swop shop trailer	Wheelie bins trailer	20 x Bokkies for waste minimisation
Service Provider:	Trailers Tow-it	Rhode Steel Bros	Massbuild
Date Completed	June 2017	June 2017	June 2017
Cost (incl VAT)	R 160 000	R 25 000	R 3 580
			
Project:	5 x 770 litre wheelie bins for HHHW	4 x 1100 litre wheelie bins for HHHW	5 x Shipping containers for household hazardous waste (HHHW) with whirly bird
Service Provider:	Mpact	Mpact	Container Consumables
Date Completed	June 2017	June 2017	June 2017
Cost (incl VAT)	R 26 790	R 25 080	R 192 000
			

Project:	Civil works for and installation of 7m weighbridge (Klapmuts Transfer Station)	10 x Steel lamp containers	Calibration and servicing of 5 x platform scales
Service Provider:	Massamatic	Reclite	Massamatic
Date Completed	June 2017	May 2017	February 2017
Cost (incl VAT)	R 121 635	R 35 000	R 8 044
			
Project:	2 x Solid Waste Management Gazebos	2 x 3m Telescopic Banners (Swop Shop)	2 x A1 Swop Shop Sandwich Boards
Service Provider:	Boland Promotions	Boland Promotions	Boland Promotions
Date Completed	February 2017	February 2017	June 2017
Cost (incl VAT)	R 10 000	R 3 000	R 3 000

**Table 9:** Collage of waste minimisation items procured in 2016/17

**Household Hazardous Waste (HHHW) Collection Day**

A Household Hazardous Waste Collection Day was held in Franschoek on 31 March 2017. Spearheaded by Cllr Siegfried Schafer, and with the assistance of Solid Waste Management staff, the objective of this project was to allow all residence of Franschoek the opportunity to bring their household hazardous waste items such as electronic equipment (e-waste), paints, insecticides, batteries, asbestos waste, and any other waste item which requires special waste treatment to be disposed, at no cost, in the receptacles provided at the Franschoek High School. The items were then either disposed of at a hazardous facility or recovered through a registered E-waste collector.

The number of items which was collected on the day was much less than anticipated, and the poor turnout can be contributed it to the fact that it was scheduled on a Friday (most people are at work), and it was a rainy day. Future HHHW collection days will be scheduled on Saturdays.



*Figure 48 Welcome stand*

*Figure 49 E-waste contents inside container*

Utter Rubbish Newsletter

The third issue of the Solid Waste Management Department's newsletter, Utter Rubbish, was published on 24 June 2017. The June 2017 issue focused mainly on recycling, as a number of waste minimisation and recycling initiatives were carried out in Stellenbosch Municipality over the past year.



*Figure 50 Utter Rubbish External Recycling Newspaper June 2017*

In conclusion, the Solid Waste Management Department had a very productive year, and is constantly striving for service excellence, whilst at the same time ensuring legal compliance in rendering the services. Many new initiatives were tested, some with great success and others not. Waste minimisation initiatives remains high on the priority list in order to meet national waste management objectives, particularly where landfill airspace remains a scarce commodity. Challenges do remain, particularly in effective servicing of informal communities, where the equipment such as compactor vehicles battle to access the affected areas. Despite the challenges out there, waste must be removed and the areas kept clean to meet our constitutional obligation to the public.



## 11. 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	2013/14	2014/15	2015/16	2016/17
Household				
<b>Refuse Removal: (Minimum level)</b>				
Removed at least once a week	30 291	38 824	40264	37 207
Minimum Service Level and Above Sub-Total	30 291	38 824	40264	37 207
Minimum Service Level and Above Percentage	92.7	90.9	90.2	78.7
<b>Refuse Removal: (Below minimum level)</b>				
Removed less frequently than once a week	1064	1064	1064	1064
Using communal refuse dump	2 377	N/A	N/A	N/A
Using own refuse dump	N/A	2058	2058	5 358
Other rubbish disposal	N/A	766	766	766
No rubbish disposal	N/A	N/A	N/A	N/A
Below Minimum Service Level Sub-Total	2 377	3 888	3888	7188
Below Minimum Service Level Percentage	7.3	9.1	8.81	8.80
Total Number of Households	32 668	42 712	44 152	44 493

**Table 10:** Refuse removal service delivery levels

## 12. CAPITAL EXPENDITURE – WASTE MANAGEMENT SERVICES

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Vehicles	10 655 529	9 790 467	865 062
Upgrade Refuse disposal site (Existing Cell)- Rehab	1 543 331	1 534 213	9 118
Landfill Gas To Energy	617 000	616 868	132
Major Drop-Offs : Construction - Franschhoek	451 826	287 332	164 494
Furniture, Tools and Equipment : Solid Waste	404 448	197 737	206 711
Only the 5 largest capital projects are listed			

**Table 11:** Capital Expenditure 2016/17: Waste Management Services

Capital expenditure for Waste Management Services was **89.68%** of the capital budget for 2016/17

### 13. TOTAL EMPLOYEES – WASTE MANAGEMENT

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	43	1	0	2%
15 – 13	1	1	1	0%
12 – 10	10	1	0	10%
9 – 7	2	8	0	0%
6 – 4	2	0	0	50%
3 – 0	1	0	0	0%
Total	59	11	1	5%
<i>Information as at 30 June</i>				

**Table 12:** Total Employees – Waste Management

## I) HOUSING

### 1. NEW HOUSING

#### JAMESTOWN HOUSING PROJECT

The Jamestown Housing project is a mixed-used housing project that will consist of different housing typologies, of which the first phase is subsidized housing. The subsidized housing phase was linked to the possible reduction of the informal settlements and backyarders by providing houses to the qualifying beneficiaries on the waiting list.



**Figure 51** Construction in process

The first phase of the project made provision for 162 service sites and 51 top structures were completed in the 2016/17 year. The project has been approved by the Department of Human Settlements for implementation. However, a few delays occurred on site that hampered the final hand over date e.g. the re-location of informal structures on the building site.

It must be noted that the Jamestown community received houses of great value with the extra enhancements to their houses that was built. Every house received a fence, paving in front of their houses and aluminium windows of a high standard.

Utilisation of rambrick paving. The marketing has been completed during the 1<sup>st</sup> quarter of the 2016/17 financial year. The first houses were handed over to the eldest beneficiaries in the project on 30 November 2016.



**Figure 52** Families from the Blaauwklippen community re-located to the new development

In the picture from left is Mr Elie September (Chief Accountant: Consumer Accounts & Valuations), Ms Hester Bowers, Mr. Gert Bowers and Ms Tilla Koegeleberg (Assistant Accountant Consumer Accounts). Mr Gert Bowers is 94 years old and the first resident in the Jamestown development.



**Figure 53** First resident in the Jamestown development

### Phase 2 and 3 Jamestown

The Departments New Housing and Property Management are in the process to compile an item to serve before Mayco and Council during the new financial year. The item will inform Council of the future development of Jamestown. The main purpose of this item is for Council to consider:

- The disposal of municipal land, a portion of Portion 4 of Farm No 527 and a portion of the Remainder of Farm No 527, located at Jamestown, Stellenbosch through a Land Availability Agreement (LAA); and
- Allowing the Municipal Manager to commence the process of appointing a Turn-key Developer to facilitate the delivery of a range of housing option; on the land adjacent to the current housing development that is owned by Council.

### Kayamandi Housing Project

#### 193 top structures

The Kayamandi housing project consisted of 193 top structures. Due to topography of the area the project was reduced from 193 to 187 top structures. The project was financed by the Provincial Department of Human Settlements (PDoHS). The PDoHS contributed R24, 801430 towards construction of 187 top structures. The Department: New Housing is exploring different procurement options to build these outstanding 20 units. The different tendering options are done in conjunction with the PDoHS from their databases.

The Project Manager together with the Provincial building inspectors made sure the units comply with building regulations and standards. While monitoring the building standards and regulations it became evident that plumbing was a huge challenge on site and a plumbing specialist was requested to fix all plumbing related problems.

To date 167 units has been completed and handed over to beneficiaries. The remainder of the units i.e. 20 units will be built in the new financial year.

The contractor was given in terms of the contract a timeframe to complete the 20 outstanding units but informed the Municipality in writing that he will not be able to complete the project.

#### 295 service site / Zone O, Kayamandi

During the 2015/16 financial year, the project has been reduced from 295 sites to 277 sites. All 277 sites have been serviced and completed. Given the steepness of the site two retaining walls were erected and completed to the value of R4, 171,347. The Department: New Housing received the densification options from the consultants with regards to Zone O. The draft layout has been finalized by the consultants, the model which will be used to implement the project was discussed with both the PDoHS and Municipality. Given the topography of the area the preliminary cost of the services might be higher than the current subsidy quantum.

The application for 277 enhanced sites has been approved by PDoHS and the funding will be utilized for the construction of 277 prefabricated units with internal ablution facilities.

The consultants for the construction of these units have been appointed and they are busy drafting the specification and Bill of quantities for tendering purpose.



**Figure 54** River rehabilitation in process



**Figure 55** Serviced sites completed

Ida's Valley Housing project - Erf 10866-11008 (submitted known as Erf 9445)

The Development rights application are still in process.

The Environmental Authorisation was issued for Erf 9945 during February 2017. LUPA was submitted and the application was advertised in the Eikestadnuus. Once the LUPA and NEMA applications are approved, the final Engineering plans will be submitted to the Municipality for approval. A Project Implementation Readiness Report was submitted to secure funding for the installation of the internal engineering services. Various discussions with the Municipality's technical department have taken place since the planning stage of the project in order to adhere to the required regulations of the engineers prior to the submission of the drawings.

During the Municipal Planning Tribunal (MPT) meeting of 8 May 2017, the proposed development proposal was referred back for further public participation. The Department is in the process to issue letters to all the Interested and Affected Parties (I&AP) as per the MPT's proposal. Letters will also be sent to the various State Departments.

Erf 11330

The Environmental Authorisation was issued for Erf 11330 on 25 November 2016. Once the LUPA and NEMA applications are approved, the final Engineering plans will be submitted to the Municipality for approval. A Project Implementation Readiness Report was submitted to secure funding for the installation of the internal engineering services. Various discussions with the Municipality's technical department have taken place since the planning stage of the project in order to adhere to the required regulations of the engineers prior to the submission of the drawings.

During the MPT meeting of 8 May 2017, the proposed development proposal was referred back for further public participation. The Department is in the process of issuing letters to I&AP as per the MPT's proposal. Letters will also be sent to the various State Departments.

La Motte Housing project

Development rights are still in process. The Department: New Housing received the first planning claim from PDoHS during December 2016. CK Rumboll was appointed to finalise the outstanding requirements by Heritage Western Cape in order to obtain approval from DEA&DP.

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 November 2017, and the Municipality is still in the process to obtain the necessary transfer of land from the National Department of Public Works.

Kayamandi Town Centre (Kayamandi Hostels)

The Municipality intends to redevelop the current Kayamandi Town Centre to establish a mixed-use development. The area consists of informal and semi-formal housing structures and hostels in dire need of redevelopment.



**Figure 56** Development of Kayamandi Town Centre

The appointed consultant prepared a draft Site Development Plan which indicates a densification model with the following uses:

- Institutional housing;
- Community Rental Units;
- Sectional title apartments; and
- High density subsidy housing (due to funding constraints an alternative will be prepared for subsidy housing if feasible).

The work plan for the development was as follows:

- Clarify brief;
- Establishment of a Project Steering Committee;
- Evaluate current facilities and land uses including site visit;
- Site evaluation by professionals inclusive of:
  - a) Locality;
  - b) Zoning;
  - c) Topography;
  - d) Geology;
  - e) Land Use Management controls; and
  - f) existing infrastructure;
- Preparation of 3D site model to guide typologies:
  - a) Preparation of house/building typologies to guide Site Development Plans (SDP); and
  - b) Compile status report on opportunities and constraints.
- Compile draft site development plan:
  - a) Final report inclusive of cost estimates, relocation strategy and implementation program.

Programme performed by the consultants:

1. Project inception	<ul style="list-style-type: none"> <li>• Meet with all stakeholders to clarify brief.</li> </ul>
2. Project site information	<ul style="list-style-type: none"> <li>• Conveyancer certificate depicting:                             <ol style="list-style-type: none"> <li>a) Encumbrances, servitudes and interdicts;</li> <li>b) Copies of title deeds;</li> <li>c) Encroachments; and</li> <li>d) Suitability for development.</li> </ol> </li> <li>• Site visit to evaluate current facilities including meeting with stakeholders. <span style="float: right;">on-site</span></li> </ul>
3. Cadastral and site survey	<ul style="list-style-type: none"> <li>• Base map with Cadastral information:                             <ol style="list-style-type: none"> <li>a) Confirm outside figure; and</li> <li>b) Base map with 1m contours.</li> </ol> </li> </ul>
4. Environmental assessment	<ul style="list-style-type: none"> <li>• Environmental scan assessment report clearly showing “developable” &amp; “non-developable” and “develop-but” areas from an environmental scan perspective.</li> </ul>

**Table 13:** *Programme performed by the consultants*

Timeframe: 3 to 6 months. The consultants completed the draft feasibility report within 3 months and the implementation report will be finalised in the first quarter of the new financial year.

Erf 2181, Klapmuts (Upgrading of Mandela City, Klapmuts)



**Figure 57** Aerial photo of Erf 2181, Mandela City, Klapmuts.

The project was initiated to develop the remainder of the 219 sites that was approved by the Provincial Department of Human Settlements during 2012. The Department: Informal Settlements appointed consultants for the densification of the existing sites to 295 sites. The application for the subdivision was submitted to Directorate: Planning and Economic Development.

The subdivision was advertised in terms of the By-law on 22 September 2016 and the public had thirty (30) days to comment (closed 22 October 2016). During the MPT meeting of 8 May 2017 the application was considered for approval after the site inspection that was conducted by the MPT members.



**Figure 58** Approved sub-divisional plan for Erf 2181, Mandela City, Klapmuts



The Department: New Housing advertised the tender for the installation of civil engineering services and was approved by the Bid Adjudication Committee (BAC) to the successful bidder during May 2017. A site hand over meeting was held on 7 June 2017. Site establishment took place and the installation of services is in progress. Several meetings were held in Klapmuts to keep the residents of Mandela City and Ward Committee updated of the process of re-location and the various construction phases.

A housing committee was also elected to represent the community and to keep them abreast of any challenges. The rephrasing of the project and the required funding is approved by PDoHS.

### **Faire Donne Estate, Franschhoek**

In accordance with a Council decision, the municipality embarked on a marketing strategy for the Medium Cost Housing development.

Herewith below 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 for 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/s. Thereafter, first time home owners residing longest in Franschhoek as well as the employees which are the longest employed at Stellenbosch Municipality were group. The department then took the information provided on the application forms to determine the previously disadvantage individuals and allocated the available plots to these that conformed to (i), (ii) and (iii) of the Council resolution above.

Thereafter our department received an amount of 136 applications of which only 50 vacant plots are available.

In accordance with the Sales Agreements, the potential beneficiary has two (2) months to secure the necessary funding.

The status as at the end June 2017:

Total erven re-allocated (round 2)	31
Outstanding amount of beneficiaries to confirm financial compliance w.r.t Sales Agreement	8
Title deed/s in the process to be registered	6
Total properties registered at deeds office	28
Total erven	56

**Table 14:** Sales agreement status as at June 2017

### The Govan Mbeki Awards

The Govan Mbeki Awards demonstrate and showcase excellence, best practice and healthy competition amongst Provinces in their quest to improve the quality of lives for millions of South Africans. The Department of Human Settlements in partnership with its institutions encourages all stakeholders at Provincial and National levels to participate in the Govan Mbeki Awards 2017. Stellenbosch Municipality at Provincial Level entered two housing projects whereby in both categories Stellenbosch Municipality came first, namely

1. Integrated Residential Development Programme (IRDP)  
Jamestown Project – Stellenbosch – Winner
2. Best Upgrading of Informal Settlements Programme (UISP)  
Watergang – Stellenbosch – co- winners with Rosevalley - Oudtshoorn

Stellenbosch Municipality competed at the National level in both categories and achieved the 1st Runner-up (Integrated Residential Development Programme (IRDP)) for the Jamestown Housing project. In essence it means that in South Africa, Stellenbosch has the 2nd best IRPD project that was developed in Jamestown, for 2017.

Criteria used:

- Innovative: Is a practice or project new or exceptional?
- Effectiveness: How deep and wide is the impact of this practice or project?
- Efficiency: Is the practice cost and time effective? Does it require a lot of resources (human, time, finances) or not?
- Replicability: Is it possible to replicate this practice in its entirety or partly elsewhere?
- Sustainability: The extent to which the practice can be maintained or sustained?
- Context: The extent to which the innovation is exceptional considering the political, environmental, social, technological, legal and economic circumstances of the municipality or project. These are factors over which the municipality or province does not have substantial control

## 2. CAPITAL EXPENDITURE – NEW HOUSING

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Kayamandi: Watergang/Zone O	12 274 493	2 250 230	10 024 263
Ida's Valley (440) IRDP / FLISP	9 374 026	4 374 026	5 000 000
Klapmuts: Erf 342	5 850 000	1 118 612	4 731 388
Kayamandi Town Centre	-	1 285 819	-1 285 819
Housing Projects: General (NEW)	576 754	534 273	42 481
<i>Only the 5 largest capital projects are listed</i>			

**Table 15:** Capital Expenditure 2016/17: New Housing

## 3. HOUSING STATISTICS

Year	Total households (including formal and informal settlements)	Households in formal settlements	Percentage of households in formal settlements
------	--	----------------------------------	--

2012/13	43 420	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 %
2016/17	37 554	24 554	65.3%

**Table 16: 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 **18 953** applicants on the waiting list.

Year	Nr of people on Housing waiting list	% 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
2016/17	18 953	7.7% (Increase based on the previous year's "sanitised" figures. This is as a result of new applications received)

**Table 17: Housing waiting list**

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## 4. HOUSING ADMINISTRATION

---

### Transfer of housing stock

During the period under review the Department embarked on a process to transfer housing stock to the existing beneficiaries. A process action plan was devised in terms of which administrative procedures would be streamlined. An attorney was appointed to transfer the properties identified. Although 505 Sales Agreements were finalized, only 219 sales agreements together with the requisite supporting documents could be handed over to the attorneys. This was largely due to the fact that beneficiaries no longer resided in Kayamandi or did not respond to requests from the Department to come and sign their documents. To date 93 Transfer Documents (Power of Attorney) has been signed by the Department.

### Waiting list administration

The department commenced with the “data-cleaning” process pertaining to applications that appear on the waiting list where vital information was outstanding. An area- based approach was used whereby staff members went out to the various areas and invited applicants to workshops during the course of which the applicant’s information was updated. Areas completed during this period are Kylemore and Franschoek

There are a total of 28 506 unsanitised entries on the waiting list. However, this figure includes the names of 3 559 persons where records indicate they have already been assisted with subsidized housing, and 5 993 historical records dating back over 30 years where applicants have since died and/ or where the applicant’s status needs to be verified.

On 14<sup>th</sup> February 2017 the Municipal Manager signed a Memorandum of Agreement that would enable the Western Cape Department of Human Settlements to assist with the data clean-up of the Stellenbosch Municipal Waiting list. Once the Western Cape Department of Human Settlements have completed their data clean-up, the department will embark on a process to update and verify applicants’ details to ensure that the end product will be a true reflection of those persons who still require housing assistance within the Greater Stellenbosch Area.

### Administration of public rental stock

On 25<sup>th</sup> June 2014, Council adopted a Policy for the Administration of Public Rental Stock. This document was the culmination of collaboration between stakeholder departments within the municipality. The purpose of the policy is to ensure effective management of well-maintained assets that will improve the quality of life for residents.

### Housing consumer education

A total of fourteen workshops were held with beneficiaries who had recently acquired homes within the Kayamandi and Klappmuts areas as well as tenants of public rental stock (LAP flats) to advise them of their rights and responsibilities and the role of the municipality.



## PROGRESS WITH EVICTIONS

During July 2016 the department conducted the first of the evictions with the removal of 112 Lavanda by the Sheriff of the Court.

The Department was also successful in recovering rental premises at 2 Reservoir Street, Franschhoek and 22 Bellerive Flats, Stellenbosch.

The Department is involved with meaningful engagements in respect of

- 74 Tomasko, Ida's Valley;
- A11 Kloof Street, Cloeteville;
- 11 Mountview Flats. Cloeteville;
- 17 Monterey Flats Cloeteville and
- 312 Phyllaria, Stellenbosch.

A settlement has already been reached in respect of flat number 407 Phyllaria, Stellenbosch.

## POLICY DOCUMENTS / ITEMS TO PORTFOLIO CHAIRPERSON: 2017

During the quarter under review the following draft Policy was submitted to the Municipal Manager: Draft Staff Rental Housing Policy.

## JOB CREATION

Housing Administration started the roll out of a job creation program via the EPWP project. The purpose of the project is:

- Creation of job opportunities
- Reduction of unemployment statistics at Rental units, as most of the beneficiaries of this project, is the dependents of Tenants at Municipal rental stock.
- The decrease in complaints received from tenants as our grounds is in a neater state.

## CONSUMER EDUCATION

The following Housing Consumer Education Courses were held:

Quarter 1		Quarter 2		Quarter 3		Quarter 4	
Venue	Date	Venue	Date	Venue	Date	Venue	Date
Klapmuts	21 Sep 2016	Klapmuts	20 Oct 2016	Klapmuts	22 Feb 2017	Pniel	06 Apr 2017
Cloeteville	15 Sep 2016	Elsenburg	03 Nov 2016	Franschhoek	10 Feb 2017	Klapmuts	20 Apr 2017
Kylemore	27 Sep 2016	Klapmuts	22 Nov 2016	Klapmuts	16 Feb 2017	Klapmuts	26 Apr 2017
Franschhoek	28 Sep 2016	Klapmuts	24 Nov 2016	Cloeteville	21 Feb 2017	Klapmuts	25 May 2017
		Klapmuts	20 Dec 2016	Groendal	22 Feb 2017	Klapmuts	28 May 2017

Quarter 1		Quarter 2		Quarter 3		Quarter 4	
Venue	Date	Venue	Date	Venue	Date	Venue	Date
				Franschhoek	07 Mar 2017	Pniel	30 May 2017
				Kayamandi	15 Mar 2017	Kylemore	20 Jun 2017

## 5. INFORMAL SETTLEMENTS

### Background

The Informal Settlements Department was established in 2011 as a direct result of the burgeoning and rampant growth in the volume and size of the informal settlements in the Stellenbosch Municipal area. From the onset it was realised to give effect to: *“improve informal settlements incrementally and to create a better-quality living environment, rather than merely providing shelter”* a clear and concise strategy had to be developed that is implementable, but more importantly acceptable to all stakeholders. In essence the strategy needed to address the informal settlement value chain (included hereunder).

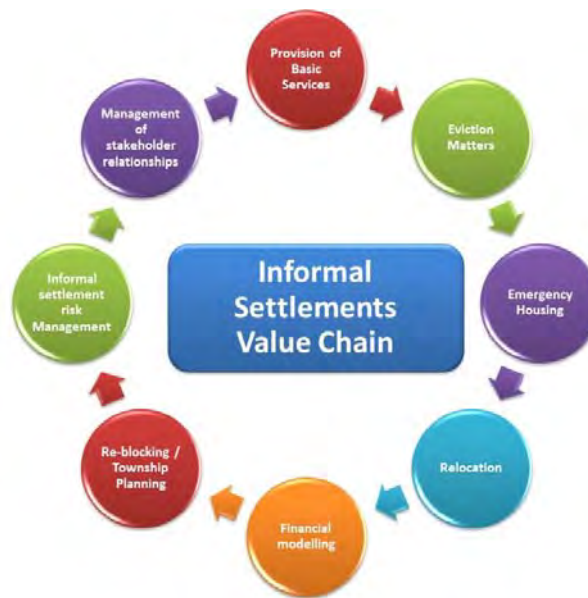


Figure 59 Informal Settlements Value Chain

### **Informal Settlement Upgrading Strategy**

Consequently an Informal Settlement Strategy was developed to address the general upgrading and management of informal settlements (hereunder extract).

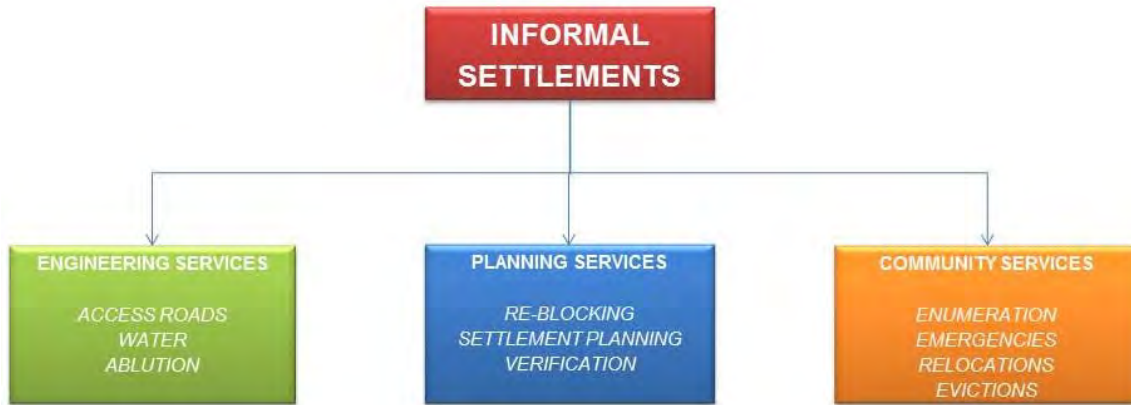
<b>Cluster</b>	<b>Category and Priority</b>	<b>Intervention</b>	<b>Priority actions</b>	<b>Integrated Development Plan</b>	<b>Spatial Development Plan</b>	<b>Housing Pipeline</b>	<b>Urban Edge</b>
Enkanini (3307 units)	B1	<ul style="list-style-type: none"> <li>• Enkanini</li> <li>- Earmarked for in Situ Incremental</li> <li>- Upgrading for Formal Layout Plan with Township Establishment.</li> <li>- Western Cape DoHS earmarked the area for formal layout planning for 2016/17.</li> <li>- 1800 Top structures: Requires decanting site for 1100 structures.</li> <li>- Remainder part comprises three farm portions: Grootvlei 183 and 181; and Kromme Rivier 175.</li> <li>- Stellenbosch north expansion area could be utilised for decanting during upgrading process.</li> </ul>	Upgrading plan alternatives for Enkanini informal settlement has been compiled	<ul style="list-style-type: none"> <li>- Enkanini (Planning) Informal Settlements</li> <li>- Enkanini (Services) Informal Settlements</li> </ul>	<ul style="list-style-type: none"> <li>• The town is to conceptualised as 5 interdependent mixed-use, mixed-income urban villages focusing on:</li> <li>- (1) North: interception of Bassi Street /R304 / Cloetesville Steps</li> <li>- (2) Center: existing town centre,</li> <li>- (3) East: Idasvalley/ Unie park on intersection Helshoogte/ Cluver.</li> <li>- (4) West: Onderpapegaai berg /SFW on intersection of Devon Valley / Adam Tas / Oude Libertas,</li> <li>(5) South: Paradyskloof on intersection of Blaauwklippen / Strand Roads</li> </ul>	Planning application submitted to PDoHS	Yes
Zone O Kayamandi (1700 units)	B1 & C	<ul style="list-style-type: none"> <li>• Zone O Decanting area at Watergang – 193 houses and 295 services erven to be provided.</li> <li>- Existing remaining Zone O (±1200 units): Earmarked for enhanced services sites.</li> </ul>	<ul style="list-style-type: none"> <li>• Layout plan has been compiled</li> <li>Install Full Services</li> </ul>	New Housing: Kayamandi (Watergang & Zone O)		Project has funding approval for planning services / Top-structures	x

Cluster	Category and Priority	Intervention	Priority actions	Integrated Development Plan	Spatial Development Plan	Housing Pipeline	Urban Edge
		- UISP Phase 3 upgrading (possible).					
Kayamandi Town Centre (1228 Units) - Zone J (East) (523 Units) - Hostels Area (West) (705 Units)	B1	<ul style="list-style-type: none"> <li>• Kayamandi Town Centre</li> <li>- Eastern Precinct (Zone J): To be incrementally upgraded (B1) with decanting.</li> <li>- Hostel Precinct Redevelopment Plan: Request for Proposals Advertised (Redevelop entire area in site).</li> </ul>	<ul style="list-style-type: none"> <li>• Compile Upgrading Plan and Strategy</li> <li>Hostel Precinct Plan</li> </ul>	New Housing: Kayamandi Town Centre		Planning application to PDoHS  PDoHS appointed consultants to apply on behalf of Stellenbosch Municipality for Restructuring the Town and Zones	x
Slabtown Cloetesville (35 Units)	C	Slabtown: To be relocated and formalised somewhere in Cloetesville (site to be confirmed)	Greenfields relocation Cloetesville				x

### **Structure**

The Informal Settlements department consists of three (3) distinctly integrated sub-sections i.e. engineering services, Planning services and Community, Facilitation and Administration services. These sections provide the following services:





**Figure 60** Informal Settlement department sub- sections

**Access to Basic Services (ABS) Project**

The ABS project is a continuous programme which deals with the upgrading and installation of communal services (waterborne and chemical abluion facilities as well as taps) in informal settlements.

All informal settlements have access to basic services such as toilets (chemical or waterborne) and potable water. One of the biggest challenges that the Informal Settlements Department faces is space within a settlement where these services can be installed. The provision of basic services is made significantly more difficult due to the lack of sufficient and appropriate space for this infrastructure and associated amenities.

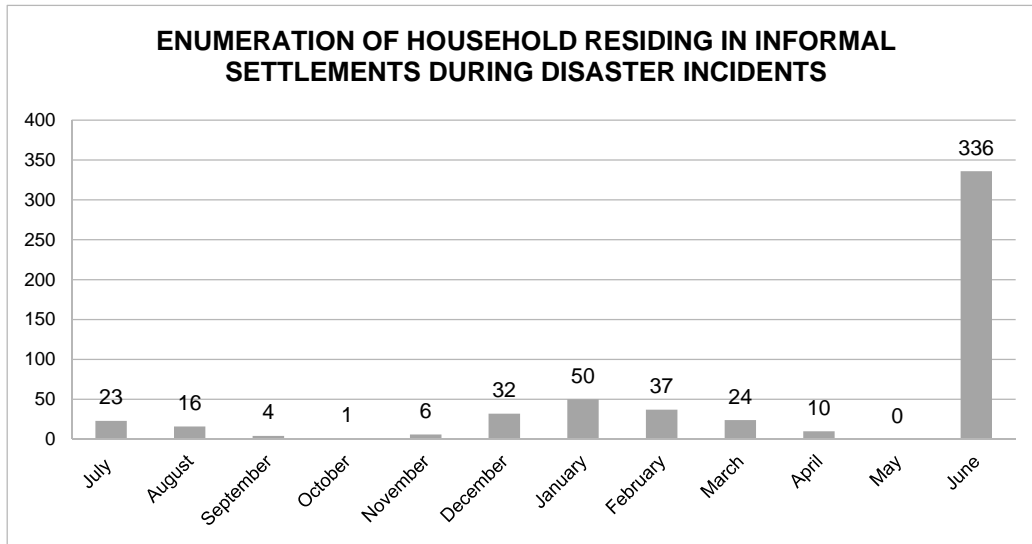


**Figure 61** Aerial of density in Enkanini

**Emergencies (Evictions / Fires)**

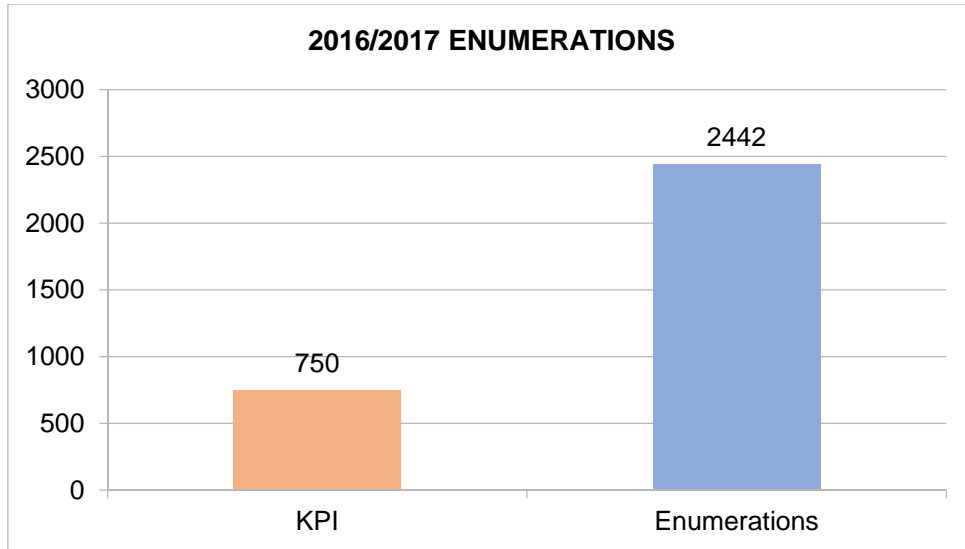
The Department of Informal Settlements assists during emergencies by verifying the information of affected parties. There were about 539 emergency incidents which the Informal Settlements Department verified.

**Enumerations during fire and flood incidents at various Informal Settlements**



**Graph 11: Enumeration of informal settlements per month**

A Total of 2442 households residing in informal settlements have been enduring floods which have been enumerated. The annual target to enumerate 750 households in informal settlements in the 16/17 financial year has been reached. An additional 1692 households have been enumerated in the 16/17 financial year.

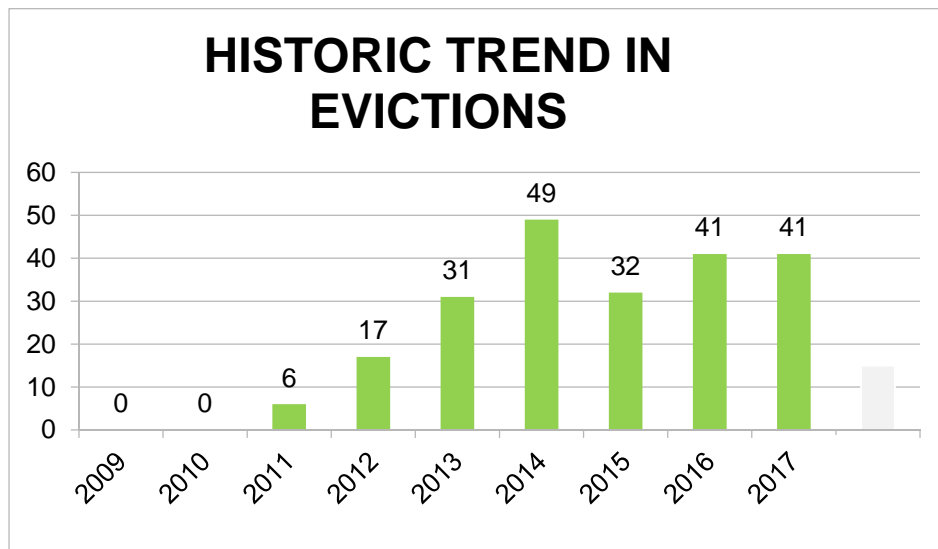


Graph 12: Total enumerations conducted

**Eviction**

The number of eviction orders that are granted by the courts has initially increased, but have plateaued over the years. The granted evictions are a strain on Municipal resources. A number of cases of evictions (41) were reported to the Informal Settlement Department during the 2016/2017 financial year alone.

Graph below represents the historic trend in evictions cases from 2009 – 2017



Graph 13: *Historic trend of evictions*

**Meaningful Engagements**

One of the processes in dealing with evictions is meaningful engagements. Twenty nine (29) meaningful engagements were held during the period July 2015 – June 2016.

Supply, delivery and installation 41 Wendy houses at La Rochelle, Klapmuts:

Mediation process has been commenced with to resolve the issues between the community, municipality and the proposed inhabitants of the Wendy houses.

**Projects 2016 / 2017**

**Enkanini Electricity**

The electrification of a portion of Enkanini informal settlement has been approved for implementation during the 2017/18 financial year. This project also includes the upgrading of access roads, water and sanitation.

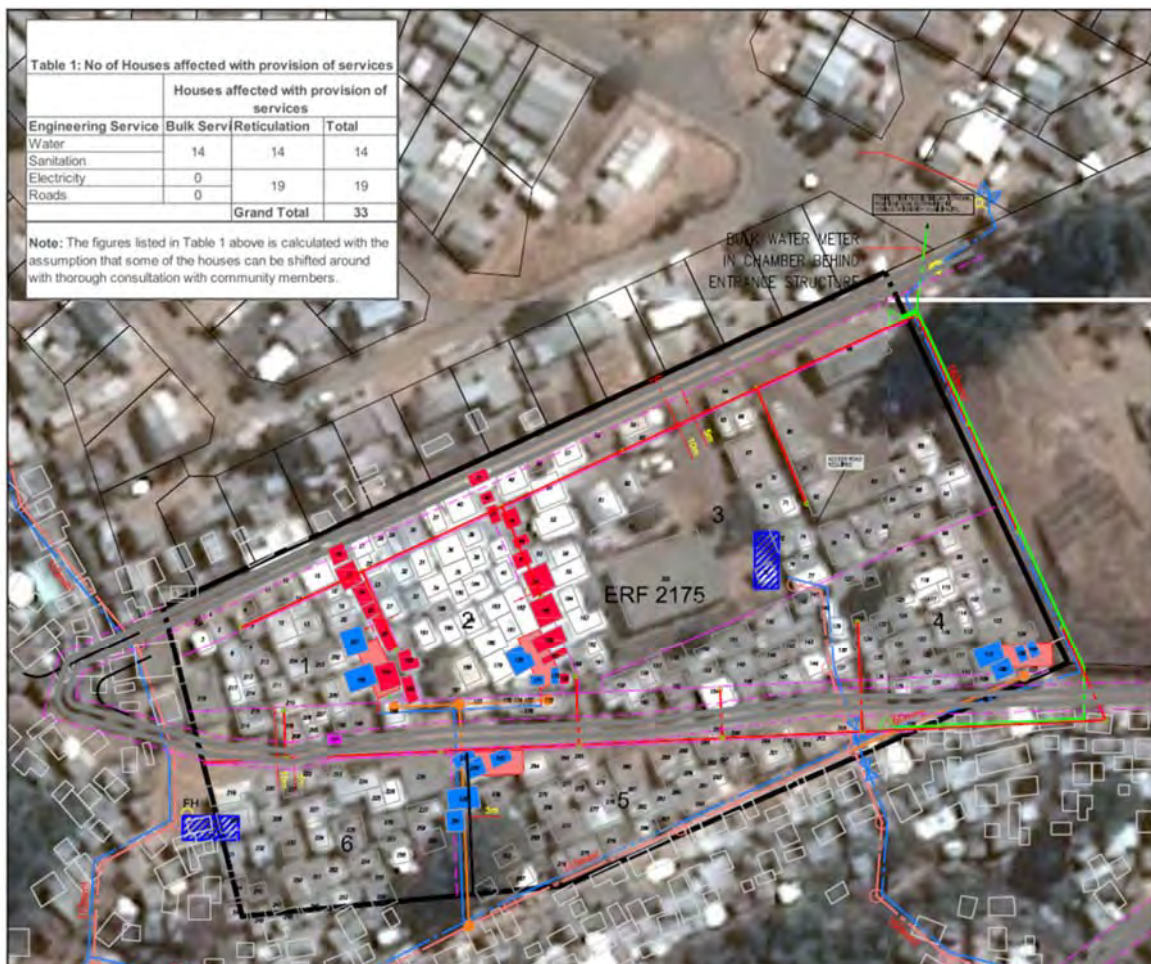


Figure 62 Future electrification approved for 2017/18 financial year

**Zone O Enumeration and Relocation**

The Zone O development is dependent comprises of various components. The role of the Informal Settlement Department is to enumerate inhabitants and the development of a relocation strategy.

The image below is an illustration of the proposed temporary relocation of Zone O and the movement back to Zone O once it has been developed.



**Figure 63** Zone O relocation process

**Socio Economic Profile: Stellenbosch Municipality**

Year	Total households (including formal and informal settlements)	Households in informal settlements	Percentage of households in informal settlements
2013/14	45 000	13 000	28 %
2014/15	46 003	15 000	32 %
2015/16	49 904*	16 112	37 %
2016/17	52 374*	17 829	34.9%

**Table 18: Socio Economic Profile: Stellenbosch Municipality**

**Langrug Dam Study**

A feasibility study was undertaken to repurpose the area of an unused dam as a possible relocation site. According to this study this can be done.

**LANGRUG INFORMAL SETTLEMENT**



**SOIL AND WATER CONTAMINATION ASSESSMENT**

Prepared for:



Prepared by:

Draft



December 2016

**Jamestown waterborne services**

The provision of communal basic services (water and water borne sanitation) has been approved. Forty ablution facilities will be provided.



**STELLENBOSCH MUNICIPALITY  
Feasibility Report**

Design And Implementation Of Water, Sanitation And  
Stormwater Services At Farm 527 Jamestown

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SERVICES:  
INFRASTRUCTURE ASSET MANAGEMENT | TRANSPORTATION | STORMWATER DESIGN & MANAGEMENT  
CIVIL & STRUCTURAL ENGINEERING | HUMAN SETTLEMENTS | WATER & SANITATION  
PROGRAMME & PROJECT MANAGEMENT

## 6. CAPITAL EXPENDITURE – INFORMAL SETTLEMENTS

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Upgrading of Informal Settlements: General	2 687 093	2 102 276	584 817
Access to Basic Services (ABS) - All Wards	1 514 819	1 257 492	257 327
Enkanini (Planning)	1 491 229	1 700 000	-208 771
Basic Improvements: Langrug	511 796	519 974	-8 178
<i>Only the largest capital projects are listed</i>			

**Table 19: Capital Expenditure 2016/17: Informal Settlements**

Capital expenditure for Informal Settlements was **89.92%** for 2016/17.

## 7. PROPERTY AND CONTRACT MANAGEMENT

This Section is responsible for the Management of Municipal-owned land and buildings, i.e. acquisition, awarding of rights and disposal thereof, excluding any housing rental stock and housing projects. The management of office accommodation is also done by this section. On a policy level, the following highlights can be mentioned:

- a) Approval (second time) of Draft Policy on the Management of the Municipality's Immovable Property;
- b) Development of Draft By-law dealing with Outdoor Dining. Once approved, this will replace the existing Policy on Outdoor Dining. This will enable the municipality to act against those businesses not complying with the rules; and
- c) Development of Draft Policy on Posters

This section was also instrumental in finalising the following land transactions:

- a) Disposal of 68 erven in Mooiwater, Franschhoek;
- b) Disposal of 3 church sites in Klappmuts;
- c) Disposal of church and crèche sites in Kayamandi;
- d) Disposal of 16 residential sites in Kayamandi; and
- e) Disposal of a small portion of Techopark land for almost R10M

## 8. FACILITIES MANAGEMENT – PROPERTY 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. Some of the highlights of the past financial year include the following:

- a) Renovations to Municipal Buildings in Plein Street;
- b) Conversion of old building in Paradyskloof into a Training Facility;

- c) Upgrading of Ward offices in Cloeteville;
- d) Construction of satellite fire station in Klappmuts;
- e) Construction of new Multi-purpose Centre and Klappmuts (role-over project); and
- f) Construction of new Library in Groendal, Franschhoek (role-over project).

Two of the biggest challenges facing the Department are the fact that no decision has yet been taken on the long term acquisition or construction of additional office buildings and the fact that the Maintenance Budget dealing with historic buildings is insufficient.

## 9. SERVICE STATISTICS – PROPERTY MANAGEMENT

Details	2013/14	2014/15	2015/16	2016/17
Encroachment Agreements: New	36	32	23	22
Encroachment Agreements: Renewals	24	8	7	5
Lease Agreements: New	2	10	4	1
Lease Agreements: Renewals	5	4	-	2
Sales Agreements	1	2	2	3
Servitudes	20	21	29	-
Poster applications	85	6	81	30

**Table 20:** Service Data for Property Management

## 10. CAPITAL EXPENDITURE – PROPERTY MANAGEMENT

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
New Community Hall Klappmuts	13 241 843	12 887 410	354 433
Groendal Library: Completion Of Building	4 723 714	2 788 543	1 935 171
Upgrading Fencing	3 057 015	2 637 659	419 356
Replacement of Lifts: Lapland	2 292 201	1 950 277	341 924
Fire Department-Complex	2 104 067	2 035 950	68 117
Only the 5 largest capital projects are listed			

**Table 21:** Capital Expenditure 2016/17: Property Management

Capital expenditure for property management was **88.12%** for 2016/17.



## 11. TOTAL EMPLOYEES – HOUSING (INCLUDES: NEW HOUSING, HOUSING ADMINISTRATION, INTEGRATED HUMAN SETTLEMENTS AND PROPERTY MANAGEMENT)

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	11	3	0	9%
15 – 13	10	1	0	0%
12 – 10	14	3	0	0%
9 – 7	6	11	0	0%
6 – 4	7	5	0	0%
3 – 0	6	0	0	17%
Total	54	23	0	4%

*Information as at 30 June*

**Table 22: Housing Employee Totals 2016/17**

## J) 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.

### 1. ACCESS TO FREE BASIC SERVICES

Year	Number of Households								
	Total no. of HH	Free Basic Water		Free Sanitation Basic		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
2016/17	48 008 #	5 686	11.84	5 686	11.84	3 801	7.92	5 686	11.84

*Average for the year*  
 # Calculations made for households earning less than R 4 000 per month during 2016/17

**Table 23: Access to Free Basic Services**

The percentage is based on indigent household access compared to a total of 48,008 households.

Services subsidised are:

- Water - basic charge + 10 kl (previously 6 kl)
- Electricity - basic charge + 60 kWh
- Sanitation - based on a 250m<sup>2</sup> erf
- Refuse - one removal per week

## 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	3 818
2016/17	7,537	60	4 740
<i>Average for the year</i>			

**Table 24: 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	7 760
2016/17	5 686	10	7 280
<i>Average for the year</i>			

**Table 25: 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	6 808
2016/17	5 686	94.48	6 447
<i>Average for the year</i>			

**Table 26: 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	7 250
2016/17	5 686	1	6 704
<i>Average for the year</i>			

**Table 27: Free Basic Refuse Removal Services to Indigent Households**

## COMPONENT A: ROAD TRANSPORT

This component includes: roads, transport, traffic engineering and waste water (storm water drainage).

### A) 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 have completed a TOD concept for implementation. This process has been driven in close liaison between the Directorate: Planning and Development and Directorate: Engineering Services. The TOD concept will be considered by Council and a decision on the implementation of the TOD will soon be taken. One of the major projects proposed in the TOD is the construction of at level interchanges at Alexander Street and Merriman Street along the R44. A further project is the relocation of the Stellenbosch station to approximately in the centre of these to interchanges.

The activities of the Transport Working Group (TWG) has almost ceased, due to a review of the format and structure of the committee. There was also a Non-Motorised Transport (NMT) working group that was very active during the 2016/2017 financial year. The NMT working group is a forum that meets on a bimonthly basis to discuss ways to improve and encourage non-motorised transport within Stellenbosch.

Stellenbosch Municipality has been identified as a priority town for the implementation of the Provincial Sustainable Transport Program (PSTP). This program aims to address transport problems in a sustainable manner, whereby it first explore transport demand management strategies to address transport problems. Strategies to increase the current vehicle occupancy rate from 1.1 to 2.2 would for instance halve the number of vehicles entering Stellenbosch during the morning peak hour period. A comprehensive status quo report has been developed as the first step of the PSTP. The formulation of a Vision for Transport in Stellenbosch has also been finalised. The next step comprise the development of detail strategies for the improvement of transport.

As part of the PSTP, province has granted Stellenbosch R4m for the development of NMT facilities. This money was used to top up the municipality's own amount of budgeted amount of R1m to construct pedestrian facilities in Stellenbosch and Klipmuts.

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 Stellenbosch University joined the LETRP. The consultants presented software developed to improve ride-sharing and Capitec considers embarking on a public transport system for their employees. 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. The software was developed for ride-sharing and Capitec considers the implementation of their own public transport system for their employees commuting from outside of Stellenbosch

Strategies were developed for car sharing-, public transport- and non-motorised transport solutions. The software was developed for ride-sharing and Capitec considers the implementation of their own public transport system for their employees commuting from outside of Stellenbosch

Construction on the Klappmuts Taxi rank has commenced. The project will be completed in the 2017/2018 financial year. The upgrade of the Bergzicht taxi rank also commenced and will be completed in the 2017/2018 financial year.

## 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

During the 2016/17 financial year 1.2km of gravel roads in Mooiwater near Franschoek were upgraded to permanent asphalt surface standards. A total of 5km 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.

During the 2016/17 financial year, approximately 20km of gravel roads were maintained. Through the Municipality's road rehabilitation programme, 10km's of asphalt (tar) roads were rehabilitated and resealed, see table below for details of roads rehabilitated:

The following tables give an overview of the total kilometres of roads maintained and new roads tarred:

<b>Street Name</b>	<b>Start Point</b>	<b>End Point</b>
<b>Onderpapergaai</b>	<b>From</b>	<b>To</b>
Distillery Road	Distillery Intersection	Distillery Road
Loerie Rd	Fisant Rd	Kiewiet Rd
Tarentaal	Jan Fiskaal	Devon Vallei
Jan Fiskaal	Tarentaal	Cul-de-sac
Intersection 1	Flamingo St	Kokkewiet Rd
Intersection 2	Fisant St	Jan Fredrik
Intersection 3	Tortelduif Ave	Tarentaal Ave
<b>Paradyskloof</b>	<b>From</b>	<b>To</b>
Species Rd	Species Close	Species Place
Nitride	Terraria	Cull De Sac
Blaauwklippen	Serruria	Wildebosch
Paradyskloof Rd	Schuilplaats Rd	Speed Hump
<b>Stellenbosch CBD</b>	<b>From</b>	<b>To</b>
Hoffman Rd	Dennesig Rd	Molteno Rd
Martinson	Merriman	Circle
Louw St	Dorp St	Noordwal St
Dorp St	Andringa St	Louw
Faure St	Mt Albert Rd	Kromrivier Rd
Merriman Ave	Martinson St	Jannasch St
Jannasch Rd	Merriman Ave	Endler Rd
<b>Idasvallei</b>	<b>From</b>	<b>To</b>

Street Name	Start Point	End Point
Rustenburg Rd	Ou Helshoogte	Protea
Adendorff St	Bloekom Ave	Gorridon
Gorridon	Bloekom	Speedhump
Hector	Adendorff	Packham
Davy St	Van Dyk	Langeveld
Indicia Drive	Packham	Van Dyk
Packham Rd	Lindida Rd	Lindida Rd
Van Dyk	Lindida Rd	Davy St
Langeveldt	Davy St	Gorridon
Lindida Rd	Packham	Bartlett
Barlett	Lindida Rd	Comice
Lindley	Ou Helshoogte	Bloekom
Ou Helshoogte	Lindley Rd	Assegai
Ou Helshoogte	Rustenburg Rd	Luckhoff Rd
Lindida Rd - Remainder	Bartlet	Packham Rd
<b>Cloetesville</b>	<b>From</b>	<b>To</b>
Eike Rd	Speedhump	Jakaranda
Jakaranda Rd	Eike	Eike
Kloof St	Lang	Cul-de-sac
Kloof St	Cal-de-sac	Kloof St
Kloof St	Kloof St	Cul-de-sac
Last St	Lang	Curry
Hoek St	Bergsipres	Echo
Curry	Speedhump (N.End)	Speedhump
Bergsipres Rd	Lang Rd	Hoek
Rhode	Lang Rd	Toefy
Raziet St	Williams St	Rhode
Waterboom	Bergsipres Rd	Lang Rd
Williams	Lang Rd	Pool Rd
Pool Rd	Williams Rd	Toefy Rd
Lang Straat	Tenant Rd	Titus Rd
<b>Kylemore</b>	<b>From</b>	<b>To</b>
Erasmus	Skool St	Blarney St
Blarney St	Erasmus	Farao St
Erasmus	Blarney	Blarney
Erasmus	Blarney	Skool
Blarney	Erasmus	Cul De Sac
Blarney	Farao St	Erasmus
Farao St	Skool St	Blarney
Gousblom	Skool St	Cul-de-sac
Violet	Gousblom	Daffidil St
Orchid	Gousblom	Daffidil St
Freesia St	Violet St	Arum St
Daffidil St	Skool St	Arum St
Aristea St	Arum St	Malva St

Street Name	Start Point	End Point
Klapmuts	From	To
Brounger	Old Paarl Rd (R101)	Etlinger Rd
Etlinger Rd	Factory	Last House
Brounger	Old Main Rd	CDS (Station)
<b>Gravel Roads Upgraded to Permanent Asphalt Surface- Mooiwater Franschhoek:</b>		
Sapphire Crescent		
Forrelle Crescent		
Souvenir Street		
Minneola Crescent		
Sungold Street		
Packman Crescent		
Clementine		
Crescent		

**Table 28:** *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 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 signals operations in a case of load shedding or power failure

One of the capacity constrained intersections is the R44/van Rhee de Rd intersection. Construction has started on the left turn lane to the south and a double left into van Rhee de 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 speed bumps. 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.

## **1. ROADS STATISTICS**

The following tables give an overview of the total kilometres of roads maintained and new roads tarred:

### **2. 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*

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
2014/15	336	2	18	0	320*
2015/16	337	2	10	0	325*
2016/17	341	3	10	0	328*

*Note: \* Total network maintained, maintenance carried out where required*

**Table 29: Tarred (Asphalted) Roads**

### 3. 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
2016/17	19.7	0	1.2	18.5

**Table 30: Gravelled Roads**

### 4. CAPITAL EXPENDITURE: ROADS

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Reconstruction Of Roads - WC024	7 588 461	9 029 728	-1 441 267
Jet Machine for Blockages	2 606 846	2 606 846	0
Upgrade Stormwater	5 638 340	5 239 558	398 782
Reseal Roads - Cloetesville & Surrounding	2 000 000	2 000 804	-804
Reseal Roads - Onderpapegaai & Surrounding	2 000 000	2 000 000	-

*Only the 5 largest capital projects are listed*

**Table 31: Capital Expenditure 2016/17 Roads**

Capital expenditure for Roads was **105.26%** for 2016/17.

### B) STORMWATER DRAINAGE

Flooding events that had occurred over the past 6 years had resulted in a number of river bank collapses along the Stiebeuel-, Plankenburg-, Eerste- and Krom Rivers. The River Bank Rehabilitation programme was implemented to stabilize and construct gabion boxes along affected river banks. During the 2015/2016 financial year, a total of 1400m<sup>3</sup>



of gabion boxes had been packed on the Stiebeuel-, Plankenburg-and portions of the Krom Rivers. During the 2016-2017 financial year approximately 2000m<sup>3</sup> of gabion boxes were packed along the Eerste River. The River Bank Rehabilitation Programme was completed in May 2017.

## 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 stormwater 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
2016/17	136.2	1	0	136.2

**Table 32: Stormwater Infrastructure**

## 2. TOTAL EMPLOYEES – ROADS AND STORMWATER

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	49	1	0	4%
15 – 13	14	1	0	0%
12 – 10	15	12	0	0%
9 – 7	7	3	0	14%
6 – 4	2	22	0	0%
3 – 0	4	2	2	0%
Total	91	41	2	3%

**Table 33: Total Employees – Roads and Stormwater**

## C) DEVELOPMENT SERVICES AND PROJECT MANAGEMENT

The Manager: Development Services comments on behalf of the Directorate: Engineering Services on all land-use applications, submitted to Council 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 2016/17 financial year amounted to the following:

Activity	2015/2016												Total
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	May	Jun	
<b>Building Plans- Received</b>	91	196	50	81	67	50	88	89	30	76	133	175	<b>1752</b>
<b>Building Plans- Commented on</b>	91	196	50	81	67	50	88	89	30	76	133	175	<b>1752</b>
<b>Land-use Applications Received</b> -	23	14	18	22	23	9	8	16	11	10	21	20	<b>334</b>
<b>Land-use Applications Commented on</b> -	20	15	31	14	24	20	8	19	14	11	19	20	<b>349</b>
<b>BICLS received for completed developments</b>													<b>16 869 184.</b> <b>43</b>
<b>Wayleave Applications Received</b> -	21	20	17	18	25	8	2	34	24	24	22	35	<b>335</b>
<b>Wayleave Applications Commented on</b> -	14	9	14	12	19	9	3	12	17	16	15	10	<b>239</b>
<b>Total of aforementioned requests received</b>													<b>2421</b>
<b>Total of aforementioned requests commented on</b>													<b>2340</b>
<b>% completion to date:</b>													<b>97%</b>

**Table 34: Land-use Applications**

The Department is responsible to co-ordinate and approve the final handover of newly serviced stands through the approval of engineering services clearance certificates.

The project management function ensures that developer created infrastructure is done according to Engineering standards and guidelines. The MIG programme management is also falls under the project management function.

## COMPONENT B: PLANNING AND DEVELOPMENT

### A) 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, Customer Interface and Administration and Community Development.

The focus of the directorate for the past financial year was to develop new policies and bylaws, 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, amongst others through the use of the EPWP.
- Preserve the Papegaaiberg by declaring it as a nature reserve.
- The implementation of SPLUMA. The new planning dispensation was 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.
- Coordinating the different GIS layers to create one usable layer linked to the financial system.
- 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.

#### **Creation of a new Integrated Zoning Scheme Bylaw, Air Quality Management Bylaw and Noise Control Bylaw**

The paragraphs below set out the main elements of Stellenbosch Planning Strategies:

The public participation process around the finalisation of the new generation municipal SDF is ongoing and will be finalised in May 2018. The current Stellenbosch Municipal SDF (2013) was amended in May 2017 and to ensure its alignment with the IDP and Budget. The Spatial Development Framework (SDF) forms a key component of the IDP as it indicates the spatial location and opportunities to achieve the various objectives and meet the demands of the local communities. The SDF is further translated into the Integrated Zoning Scheme Bylaw (IZS), through which the municipality intends to proactively create development opportunities in keeping with the spatial development policies approved by Council when approving of the spatial development framework or its amendment from time to time.

The Stellenbosch Municipality SDF addresses a rapidly transforming environment, primarily due to the influx of job seekers, residents and investors from other centres and major changes in the means of production and wealth creation. It is acknowledged that growth, expansion and innovation have to date taken place within the spatial layout of Stellenbosch's unique ecological and built environment. However, this spatial layout is partly the result of historical patterns of race- and class-based development; partly the result of specific planning frameworks that have been

implemented over the decades; and partly the result of ad hoc decisions driven by property developers or desperate homeless households that have invaded land. It therefore begs transformative change.

Future growth, expansion and innovation cannot be allowed to unfold in haphazard ways as this is likely to result in expensive outward low density sprawl and the related destruction of valuable eco-system and agricultural resources. The purpose of the SDF is to provide maximum certainty to everyone. The SDF is being developed and integrated with other policies to provide everyone with a strategic vision of the future development of a given urban area.

The SDF must answer the following questions:

*“How is Stellenbosch going to develop over the next ten to thirty years?”*

*“What kind of development will take place and where will it take place?”*

Specific issues addressed in the current SDF:

- Amendment of the urban edges
- Adjustments to include the northern extension to Stellenbosch as per Council decision;
- Adjustments to include the Jamestown housing development to the south of Jamestown.
- Infill and development areas
- Major transport infrastructure
- Institutional development and facilities

Traffic congestion is one of the main concerns in the municipal area, together with the indicated lack of economic growth to counter the effects of the significant population growth in the predominantly lower income categories. The Municipality is revising its Roads Master Plan (RMP) to be aligned with the SDF. The RMP is integrated with various other strategic plans, such as the Comprehensive Integrated Transport Plan (CITP), Non-Motorised Transport Plan (NMT) and Integrated Public Transport Networks (IPTN). It is essential to plan, manage and implement transportation infrastructure to ensure sustainable, economic and socially acceptable transport services to those living in the Stellenbosch Municipal area.

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.

## 1. CAPITAL EXPENDITURE – PLANNING

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Purchase of Land - Cemeteries	1 555 096	655 000	900 096
Informal Traders	500 000	-	500 000
Establishment of informal trading markets	396 749	-	396 749
Establishment of informal trading markets	396 749	-	396 749
Offices: Relocation Costs	250 000	183 758	66 242
<i>Only the 5 largest capital projects are listed</i>			

**Table 35: Capital Expenditure 2016/17 Planning**

Capital expenditure for Planning and Development was **31.77%** for 2016/17.

## 2. TOTAL EMPLOYEES – PLANNING

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	1	4	1	100%
15 – 13	5	11	0	40%
12 – 10	1	7	0	0%
9 – 7	17	3	1	12%
6 – 4	16	0	0	0%
3 – 0	4	0	0	25%
Total	44	25	2	14%
<i>Information as at 30 June</i>				

**Table 36: Total Employees – Planning**

## B) LOCAL ECONOMIC DEVELOPMENT

### 1. LED ACHIEVEMENTS

Achievement/Highlight	Description
Mayor Meets Business Initiative	Ongoing engagements with various groupings during which the Mayor and Municipal Manager interact with different sector groups.
Local Economic Development Hubs	Council approved the establishment of Local Economic Development Hubs. The concept is to utilise empty municipal buildings to create affordable rental space and support services for small businesses.
Establishment of Community Markets.	The aims of the markets are to create a marketing platform for local produce food and art & craft products.
Expanded Public Works Programme	Stellenbosch Municipality created 1439 EPWP work opportunities. This was 493 more work opportunities than the target of 946 work opportunities.
Open Day on Business Information for small businesses. (22 March 2017)	The purpose of the event was to create a platform for entrepreneurs and municipality to discuss issues of concern to small businesses.
Construction Skills Training	Five emerging contracts from Stellenbosch Municipality successfully completed five week training with a Corporate Mentoring Service. They were trained in Construction Skills. This was in partnership between Stellenbosch Municipality, Small Enterprise Development Agency (SEDA) and the lead stakeholder is Department of Transport and Public Works.

**Table 37: Achievements within Local Economic Development**

## 2. LED CHALLENGES

The table below gives a brief description of all the challenges within local economic development during 2016/17:

Description	Actions to address
More prominence of Local Economic Development in the Municipality	Better communication of LED Strategy to ensure senior administrative and political support. Better articulation of economic development strategies and outcomes in Integrated Development Plan to improve funding outcomes.
Better interaction with from private sector to participate in Local Economic Development initiatives.	Through the Participatory Appraisal for Competitive Advantage (PACA) process, the LED Department has started to build relationships with key role players in the private sector.
The unfavourable Economic Conditions: Global, National and Local	Slow growth globally, and a troubled political and policy environment nationally have a negative impact on local business prospect. However, a responsive and effective Municipal administration can be a catalyst for investment at a town level, and openness to business must be communicated to investors.
A lack of understanding of Local Economic Development stakeholders	Develop a common understanding that Local Economic Development encompasses a spectrum- from informal, small medium and micro enterprises, through to infrastructure and catalytic developments, and that the input required from the Municipality to enable is very different in each area.
Audit findings on the Expanded Public Works Programme	<ul style="list-style-type: none"> <li>• User department to familiarise themselves with the EPWP regulations.</li> <li>• The Local Economic Development will have regular meetings with user department to ensure they properly manage compliance in terms of EPWP requirements.               <ul style="list-style-type: none"> <li>• Improve enforcement when it comes to compliant issues</li> </ul> </li> </ul> Improved supervision by departments on projects registered as EPWP projects.
Insufficient Local Economic Development funding to execute project plans and capital expenditure sector specific studies and/or feasibility studies.	Once the reviewed Local Economic Development Strategy is approved by Council, it will assist in sourcing funding from key government departments and private sector bodies.
Conflicting views regarding social paradigms, planning and economic development paradigms	Key departments and role-players within the municipality would assist in understanding these paradigms.

**Table 38: Challenges within Local Economic Development**

### Local job opportunities

Within the Expanded Public Works Programme Stellenbosch Municipality managed to create about 1439 work opportunities for local people. It is valuable experience and exposure for people who were never formally employed and in many cases also the first time that such a person open an a bank account These workers were able to provide and support their families. They now have gained experience which could be useful for them to get employment elsewhere. In addition, they received on-site training, adding to their skills

### 3. EPWP JOB CREATION 2016/17

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
<b>Environmental Projects</b>	
Area Cleaning	678
River Stewardship	20
Eco Warriors	9
Invasive Alien Clearing	57
Fencing and Security	12
Biomass to job	5
Erosion worker	8
High Altitude	0
Cemeteries	9
Million Trees	15
Free to Grow	24
River Rehabilitation	6
Area Cleaning CBD	58
Area Cleaning Klapmuts	71
CBD	33
Grass Cutting Stellenbosch	8
Grass Cutting Franschoek	0
Grounds/Parks	18
Cleaning of open Erven	6
Sport Field 1 (Idas Valley, Van der Stel)	3
Sport Field 2 (Pniel, Klapmuts, Kylemore, Lanquedoc)	6
Sport Field 3 (Jamestown)	1
Sport Field 4 (Raithby)	10
Sport Field 5 (Kayamandi)	1
Integrated fire management	20
Integrated fire management	20
Stellenbosch Alien Clearing	11
Cleaning of streets ward 14	10



EPWP Projects		Number of jobs created	
Cleaning of streets ward 6		3	
Cleaning of Smartie Town		28	
River Econ Warrior		5	
Play Park controllers		2	
Invasive Alien Clearing		12	
Environmental Education Officer		2	
<b>Total Projects</b>	<b>33</b>	<b>Total Jobs</b>	<b>1151</b>
<b>Social Projects</b>			
Mooiwater phase 3- gravel to permanent asphalt surfaced road upgrading		28	
Storm water		5	
Upgrade water treatment		22	
Jamestown Bulk Sewer		6	
Idas Valley Filters		22	
Recycling		0	
Stell Mun recycling		6	
Waste minimisation		9	
collection of recyclables		12	
<b>Total Projects</b>	<b>9</b>	<b>Total Jobs</b>	<b>110</b>
<b>Social Projects</b>			
LED EPWP		28	
Fire and Disaster		8	
LED EPWP		28	
Fire and Disaster		8	
Law Enforcement		6	
Law Enforcement		102	
KETC Gardening Services		3	
Housing Admin Cloetesville		4	
Housing Admin Lapland		7	
Housing Admin Kayamandi		4	
Cleaning services KETC		5	
Cleaning of fire services		1	
Hard and soft landscaping		6	
Stellenbosch halls		7	
<b>Total Projects</b>	<b>13</b>	<b>Total Jobs</b>	<b>178</b>

EPWP Projects		Number of jobs created	
Total Projects Overall	33	Total Projects Overall	1 439

**Table 39:** Job Creation Through EPWP\* Projects

#### 4. TOTAL EMPLOYEES – LED

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	0	1	0	0
15 – 13	0	1	0	0
12 – 10	0	1	0	0
9 – 7	0	0	0	0
6 – 4	3	2	0	0
3 – 0	1	1	0	0
Total	4	0	0	0

*Information as at 30 June*

**Table 40:** Total Employees – LED

## C) TOURISM

### 1. AIM AND FUNCTION OF TOURISM SECTION

- Contextualize the strategic goals of tourism promotion and development funding.
- Regularize the operational functioning of external bodies appointed or supported by the Municipality in its Constitutional mandate toward both tourism, and economic and social development.
- Ensure co-ordination of the activities of the funded entities.
- Ensure efficient oversight of funding and outcomes.
- Acknowledge and leverage private sector and independent initiatives.
- Develop and own of sustainable tourism events and brands.
- Enable sponsorship opportunities for commercialization of events, brands and other opportunities.
- Smooth cyclical tourism numbers by establishing developing & implementing off-peak tourism products and initiatives.
- Develop and package opportunities and venues for business tourism.
- Enable market participation for local business.
- Enable training and mentorship & employment opportunities for local citizens.
- A transparent ability to quantify return on investment into events and funded entities

### 2. CHALLENGES: TOURISM

- **Fostering and enabling market access for emerging businesses in the sector.**
- **Countering seasonal nature of the tourism sector**

### 3. HIGHLIGHTS: TOURISM

- Stellenbosch Municipality was invited to do a presentation at April 2017 Local Government Tourism Conference at Emperors Palace, at the invitation of the National Department of Tourism.

## COMPONENT C: COMMUNITY AND SOCIAL SERVICES

### A) LIBRARIES

The service provided by the Stellenbosch Public Libraries within the Municipality is the result of a partnership between the Stellenbosch Municipality and the Western Cape Provincial Library Service.

There are currently nine Public Library Service points within the Stellenbosch Municipality. These are located at Stellenbosch Town, Kayamandi, Cloeteville, Ida's Valley, Franschhoek, Jamestown, Klipmuts, Pniel and Groendal.

Together with Provincial Library Services, all the libraries within Stellenbosch provide a wide range of resources and facilities to the public. These include books, Magazines, newspapers, CD's and DVD's. Other services include a housebound service, inter-library loans, free internet and computer access, photocopying and printing facility and activity room.

Libraries have changed and will continue to evolve as new formats develop. We know it is important for a community to be educated and have the necessary skills for future employment and decision making. The majority of our community continues to enjoy reading print materials as evidenced by the large numbers of these types of materials being checked out.

Some Challenges Stellenbosch libraries faces are:

- Safety and security: Library staff is exposed to various threats in the community for example gang fights and robberies.
- Distances to libraries are too far from homes for children to visit unaccompanied.
- Promotion of Indigenous Languages. Members are reluctant to read in these languages.
- Reluctance of school libraries to collaborate with public libraries.
- Outreach campaigns: funding needed for execution of literacy projects successfully.
- Study space/ Children section: Libraries need upgrading to cater for increased study space/ children's ECD section.
- Funding need to provide both educational and academic e-resource material. The challenges faced by libraries to execute these services effectively are:
  - Currently transport three vehicles are shared between nine libraries. Availability of transport for the libraries to perform their numerous outreach programs is a challenge.
  - Insufficient budgets to acquire resources and effectively execute outreach activities.
  - Lack of Skilled staff. All two-year contract staff, does not have any formal library qualifications or training. This has impacted greatly on the delivery of an effective and efficient library service and the promotion of literacy.

Transformation Highlights

- The Reference Department provides guidance to patrons for information; teaches them how to find information; selects materials for the Library; and they connect patrons with internet resources that they're interested in. Even in the age of Google, people still need on-on-one guidance to information.

- The Plein Street Library Houses a very valuable Africana Collection with a total value of R1, 5 million.
- The challenge faced with this collection is the restoration, preservation as well as the security of the collection.
- Digital Services in the Library is dedicated to bridging the digital divide and expanding online access for its members. Provincial Library Service has assisted us with the first steps by making available to our members the Britannica Online and the Mzansi online Project which includes a variety of Soft and hardware.
- The Plein Street and Cloetesville libraries have been identified by the South African National Library and Provincial Library Service as the recipients of the Mzansi Online Project which is funded by the Bill and Melinda Gates Foundation. This Project is currently being rolled out in South Africa by the South African National Library.

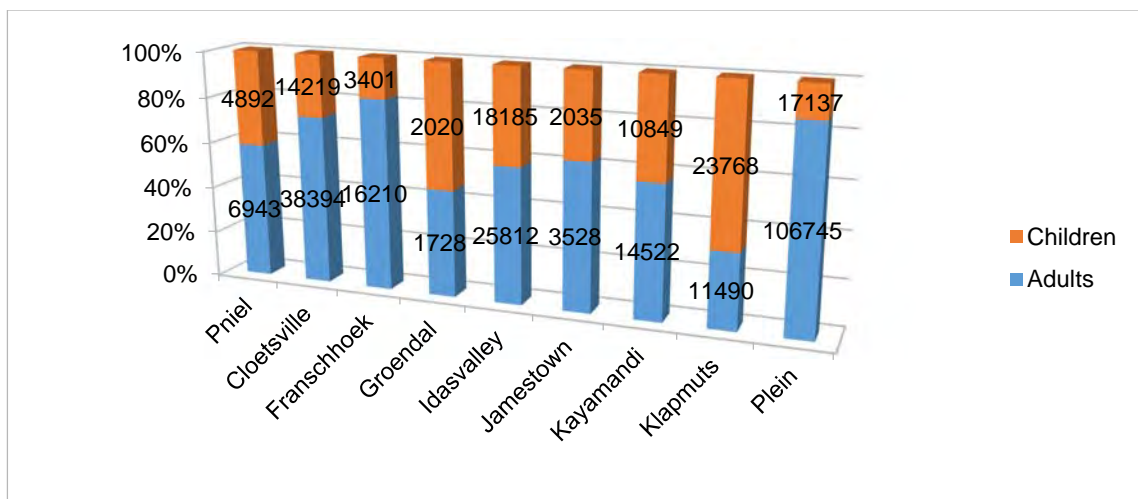
The libraries in the Stellenbosch area participated in outreach programs like youth day, Arbor Day and Mandela day. Class visits, storytelling sessions, reading and craft programmes and housebound services.

- Libraries partnered with the Parks Department to celebrate Arbor Day.
- Franschhoek and Pniel Libraries collaborated with the Pniel Museum during the P. Adam Small festival and the with community organisations to celebrate the Wordfees.

Our goals:

- To increase Library usage, promotion and development of literacy as well as Early Childhood Development by working with the different departments within the municipality and local communities.
- With the move towards e-resources, our next step is to take our patrons into the realm of e-books for recreational and academic reading.
- To increase the circulation of information in audio, digital and printed word formats.
- To extend rural and community library outreach programs and services.

The following graph are registered users per library



Graph 14: Users per library

**1. SERVICE STATISTICS – LIBRARIES**

Type of service	2012/13	2013/14	2014/15	2015/16	2016/17
<b>Libraries</b>					
Number of libraries	9	9	9	9	9
Library members	10 043	14 113	14 710	311 832	547 250
Books circulated	343 694	356 247	331 018	311 832	336 864
Exhibitions held: Adults	468	471	520	355	341
Exhibitions held: Children	0	0	0	269	799
Internet access points	32	32	32	32	32
Internet sessions granted to library users	0	0	0	44 892	52 413
Children programmes	72	73	108	188	212
Number of children attending programmes	0	0	0	1890	4 813
Visits by school groups	35	42	36	43	51
Book group meetings for adults – old age homes	0	0	324	410	745
Primary and Secondary Book Education sessions	41	35	72	49	341
Patrons visits @ Library	N/A	N/A	N/A	N/A	590 985
Library Hall usage	N/A	N/A	N/A	N/A	425

**Table 41: Service Statistics: Libraries**

**2. CAPITAL EXPENDITURE – LIBRARIES**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Upgrading: Cloetesville Library	170 175	111 429	58 746
Upgrading: Franschoek Library	185 000	-	185 000
Jamestown: Book Detection System	170 000	104 820	65 180
Libraries: Book Detection Systems	114 000	111 420	2 580
Library Books	136 000	131 653	4 348
<i>Only the 5 largest capital projects are listed</i>			

**Table 42: Capital Expenditure 2016/17: Libraries**

Capital expenditure for Libraries was **67.94%** for 2016/17.

### 3. TOTAL EMPLOYEES – LIBRARIES

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	1	0	0	0%
15 – 13	12	0	0	8%
12 – 10	14	5	0	7%
9 – 7	6	0	0	0%
6 – 4	0	7	0	0%
3 – 0	0	1	1	0%
Total	33	13	1	6%

**Table 43: Total Employees – Libraries**

### B) 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 Franschoek 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.

CK Rumboll & Associates were appointed (3-year project) during 2016 to assist Stellenbosch Municipality with the identification and planning of one or more regional cemetery sites to address the critical need for burial space within the municipality.

The objective of the cemeteries department is to provide adequate burial space and ensure a dignified burial service. A Notice of Intent to Develop has been lodged with the Department of Environmental Affairs and Development Planning during October 2017 with the pre-application public participation process to commence December 2017 / January 2018.

Our challenges remain to be:

- the shortage of burial space;
- to convert burial records to electronic soft copies (in progress as per the five plan);
- to promote alternative burial methods such as cremations amongst various religious groups

## 1. SERVICE STATISTICS - CEMETERIES

Type of service	2012/13	2013/14	2014/15	2015/16	2016/17
Pauper Burials	25	4	3	0	2

*Table 44: Cemeteries Service Statistics*

## 2. 3.19.2 INCOME – CEMETERIES

Gravesite locations	2015/16		2016/17	
	Number of Burials	Income	Number of Burials	Income
Onder Papegaaiberg	46	R72 280.00	36	R 577 197.50
Jamestown	398	R889 572.50	42	R 55 830.00
Pniel	20	R17 050.00	7	R 5 960.00
Wemmershoek	6	R5 525.00	5	R 1 895.00
Franschhoek North	116	R117 060.00	85	R 44 642.50
Franschhoek South	2	R620.00	6	R 6 475.00

*Table 45: Cemeteries Service - Income*

## 3. CAPITAL EXPENDITURE – CEMETERIES

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Cemeteries: Beautification/improvement of open spaces in graveyards	103 201	89 995	13 206
Cemeteries: Purchase of Specialised Equipment	70 000	52 080	17 920
Extension of Cemetery Infrastructure	297 881	160 622	137 259

*Table 46: Capital Expenditure 2016/17: Cemeteries*

Capital expenditure for Cemeteries was **64.26%** for 2016/17.



#### 4. TOTAL EMPLOYEES – CEMETERIES

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	14	0	0	14%
15 – 13	0	0	0	0%
12 – 10	1	0	0	0%
9 – 7	1	1	0	0%
6 – 4	0	2	0	0%
3 – 0	0	0	0	0%
Total	16	3	0	13%

*Information as at 30 June*

**Table 47: Total Employees – Cemeteries**

### C) CHILD CARE; AGED CARE; SOCIAL PROGRAMMES– COMMUNITY DEVELOPMENT

#### 1. SERVICE STATISTICS – CHILD CARE, AGED CARE, SOCIAL PROGRAMMES

Type of service	
Early Childhood Development Services/ Children	<p><u>ECD Policy Draft</u></p> <p>The Community Development drafted their ECD policy to align services pertaining to registration of ECD/Partial care facilities.</p> <p><u>Capacity Building of ECD Practitioners (initiated by the department)</u></p> <p>The Community Development in Partnership, WOFIRE with Department of Health and Early Years Services (EYS) capacitated ECD Practitioners. The Trainings were namely:</p> <ol style="list-style-type: none"> <li>1. EYS FAS Training: 23 ECD Practitioners attended the 5 day training. (3-7 October 2016)</li> <li>2. Working with fire conducted a training 28 ECD practitioners on fire safety. (5 October 2016)</li> <li>3. Department of Health presented a 3 day workshop on Nutrition and Hygiene at ECD facility in conjunction with the first 1000 days campaign.( 18-20 October 2016)</li> </ol> <p><u>Awareness programmes for ECD's</u></p> <ul style="list-style-type: none"> <li>• The community development department in collaboration with internal departments, ECD forums and Department of Social Development hosted two Children's Day events, namely Klapmuts and Kayamandi. About 280 children attended both programmes and awareness was in line with 16 Days of Activism and Child safety. (2<sup>nd</sup> , 9<sup>th</sup> November and 3<sup>rd</sup> of December 2016)</li> <li>• The community development held a child protection week in collaboration with internal departments (disaster management, Fire Department, Traffic, Eco Centre, Law enforcement) and Department of Social Development. The focus was on raising awareness on child safety and</li> </ul>

Type of service

		<p>introducing the role-players that are playing a vital role in safety of children.</p> <ul style="list-style-type: none"> <li>• Back to school programme initiated by department in Franschhoek in partnership with SCORE, ACVV, local primary schools and Chill Beverages.</li> </ul> <p><u>ECD Registration Compliance Workshop/ Programmes</u></p> <ul style="list-style-type: none"> <li>• The community development in partnership with DSD identified facilities and organizations working with ECD. The department has done 3 workshops pertaining registration through local ECD Forums.</li> <li>• The department is in the process of enhancing their already mapped ECD's by creating a link between the ECD map and applications for rezoning or temporary departures to register ECD's. This will allow the department to monitor applications and assist where problems may arise.</li> </ul> <p><u>Strengthening and Establishing ECD Forums</u></p> <ul style="list-style-type: none"> <li>• The community development department has supported the 3 ECD forums namely (Kayamandi, Franschhoek and Stellenbosch). The department has established a fourth ECD forum for Klappmuts and surrounding farming areas.</li> <li>• The department has also established the Greater Stellenbosch ECD Forum which comprises of the 4 ECD forums, NGO's that work with ECD's and governmental departments. This forum is a platform whereby ECD's can voice their concerns and also receive capacity building.</li> </ul> <p><u>Transversal /Adhoc programmes</u></p> <ul style="list-style-type: none"> <li>• The community development department in partnership with Agrimark SA transported 11 ECD centres to the Agri-Expo which is an educational farming experience and hands on. (13-14 October 2016)</li> <li>• ECD Strategic Planning session with ECD NGO's and this organized by the Franschhoek ECD Forum and Franschhoek Charter.</li> <li>• The community development department in collaboration with Mr. Carel Goosen of Anglican Church, JAM Foundation and Cabrico are in the process of acquiring the left wing of the Wemmershoek community hall to revamp into an ECD facility for Little Rainbows Educare. The JAM Foundation has organized with German sponsors for a temporary structure and they are making use of that building. A mini makeover was done and handover was on the 3<sup>rd</sup> of March 2017.</li> </ul> <p><u>Grant in Aid 2017/2018</u></p> <p>14 ECD's were approved for GIA funding</p>
<p>Persons with Disabilities</p>	<p>Awareness programmes</p> <ul style="list-style-type: none"> <li>• Universal Access</li> </ul>	<p><u>International Day of Persons with Disabilities: 3 December 2016</u></p> <ul style="list-style-type: none"> <li>• Theme: WALK WITH DISABILITY</li> <li>• Focus was social inclusion and emphasis for everyone to walk with people with disabilities.</li> <li>• A march was organized by Disability Network with supporting organizations and the municipality.</li> </ul>

Type of service

		<ul style="list-style-type: none"> <li>250 participants took part and a memorandum was presented to Cllr Frazenburg on behalf of the persons with disability</li> <li>Memorandum was about the universal access for persons with disabilities.</li> </ul> <p><u>Universal Access</u></p> <ul style="list-style-type: none"> <li>Implementation Plan for accessibility was developed and will serve before council in the 2017/2018 financial year.</li> </ul> <p><u>Grant in aid Donations</u></p> <p>Non-profit organisations servicing people with disabilities were approved for grant in aid donations. They vary from sports to career skills.</p>
Older Persons	<p>Transversal Committees/ Adhoc programmes</p> <ul style="list-style-type: none"> <li>Older Persons Forums</li> </ul>	<p><u>Golden Games</u></p> <ul style="list-style-type: none"> <li>In collaboration with Cape Winelands Municipality and DCAS</li> <li>8-10 older people's clubs in the Stellenbosch Municipal Area participated in the District Golden Games Event in Worcester on the 26<sup>th</sup> of April 2017.</li> <li>An award ceremony was held at the Stellenbosch Main Hall for all contestants.</li> </ul> <p><u>Older Persons Forums</u></p> <p>Establishing of Stellenbosch Older Persons Forum (still at initiating phase)</p>
Gender	<ul style="list-style-type: none"> <li>Special Events</li> </ul>	<p><u>Women's Day</u></p> <ul style="list-style-type: none"> <li>The Community Development Department in partnership with University of Stellenbosch students Kayamandi DSD, Local SAPS and Sechaba Youth Awareness hosted a Women Day Event in Kayamandi. The theme was "Thinking Well, Living Well".</li> </ul> <p>The community Development Department in collaboration with Cape Winelands, SAPS, Dwarsrivier Tourism, Department of Social Development and SWEAT (Sex Workers Education and Advocacy Task Force) to raise awareness on domestic violence to women (survivors) that have been abused.(18 April 2017)</p>
Youth	<p>Youth Empowerment programmes Youth Capacity Building Transversal committees/ Adhoc programmes Grant in aid Donations</p>	<p><u>JPI 27</u></p> <ul style="list-style-type: none"> <li>In collaboration with Department of Education and DCAS</li> <li>Two schools were chosen to pilot programme</li> <li>P and C Indexes were agreed upon for determining and prioritizing needs</li> <li>8 local unemployed youth employed to conduct focus groups.</li> <li>Skills Development and access <b>to opportunities.</b></li> </ul> <p><u>Youth Capacity Building</u></p> <p>The Mayoral Youth Skills Development programme originated from the high unemployment rate among local youth and the need for access to skills development. Stellenbosch also has employment opportunities for artisan trained persons in a number of local industries as evident in the research report produced by a Belgian student as part of her internship at the municipality. Successful candidates received free access to an</p>

Type of service		
		<p>accredited skills development programme after undergoing a recruitment process. As part of the recruitment and selection process they were introduced to the different industries. All courses included a practical placements component along with a job preparedness program focussing on life-skills. The courses were as follows:</p> <ul style="list-style-type: none"> <li>• Table Attendant Skills</li> <li>• Cooking Skills</li> <li>• General Building and Maintenance</li> <li>• Plumbing</li> </ul> <p>(see monthly reports for detailed information)</p> <p><b><u>Transversal committees/ Adhoc programmes</u></b></p> <p>Mr. and Miss Kayamandi</p> <ul style="list-style-type: none"> <li>• In partnership with Lokxion Foundation</li> <li>• Mission is dissemination of knowledge for empowerment, upliftment and development to youth.</li> <li>• Build confidence in order to face the outside world</li> <li>• Contestants are younger than 21 years.</li> <li>• Almost 300 people attended.</li> </ul> <p>(18 March 2017)</p> <p>Youth Forums (Franschhoek)</p> <ul style="list-style-type: none"> <li>• The department is providing continuous support to the forum and also its initiatives in their areas.</li> </ul> <p><b><u>Grant in aid Donations</u></b></p> <p>Non-profit organizations were approved for youth grant in aid donations. They vary from sports to career skills.</p>
Other awareness programmes	Substance Abuse	<p><b><u>Capacity building</u></b></p> <ul style="list-style-type: none"> <li>• In Collaboration with ABBA and Hesketh King</li> </ul> <p>10 persons participated which were relatives of persons addicted to substance</p>
Special events	World Aids Day	<p><b><u>Roses on the River</u></b></p> <p>Annual @ heart commemoration vent that took place at Eerste River at Landbou Hall. This is the day we remember all those who have lost their battle to HIV/AIDS.</p>

Table 48: Community Development

## COMPONENT D: ENVIRONMENTAL PROTECTION

### A) POLLUTION CONTROL, BIO-DIVERSITY, LANDSCAPE, OPEN SPACES, PARKS

Stellenbosch Municipality is continually developing its capacity to protect the environment within its boundaries and to strive towards a municipality and communities that recognise the vital importance of their rich natural capital and manage these in a manner that ensures sustainability and fulfils the needs of all concerned.

To this effect, in the last financial year, Stellenbosch Municipality has developed the Stellenbosch Environmental Management Framework, a municipal strategic environmental management policy that responds to and complies with the relevant statutes and directives. An Air Quality Control By-Law and Noise Control Policy has been developed, to be brought before Council for approval, and an Air Quality / Noise Control Officer appointed and designated for the implementation and regulation the above. Stellenbosch Municipality are one of a handful of municipalities nationally that has completed an Invasive Alien Plant Management Plan in the last year, as required in terms of the National Environmental Management: Biodiversity Act, 10 of 2004.

Stellenbosch Municipality has competed in the national Greenest Municipality Competition for the last four years running, receiving recognition for various exemplary projects in environmental protection and rehabilitation. One such project is the Stellenbosch River Stewardship Action, an initiative that responds to the stated objective of Stellenbosch Municipality River Business Plan, 2011, namely...to extend/transfer 'ownership' of the natural resource by forming sustainable partnerships with business, interested and affected groups and jointly taking care of river health. The rationale of the Stellenbosch River Stewardship Action is that defined sections of the river system be designated to, or be adopted by the various partners in terms of a set of stewardship undertakings and commitments. This is a voluntary initiative which builds on the goodwill and commitment of the various 'partners'. Since the implementation of the initiative various business and private organizations have committed themselves to the initiative.

Stellenbosch Municipality works closely with the Department of Environmental Affairs & Development Planning in reporting on illegal activities, as well as administering the rehabilitation action of Section 30 (National Environmental Management Act, 107 of 1998) Emergency Incidents. Four such incidents have been dealt with this past year.

## COMPONENT E: SECURITY AND SAFETY

### A) LAW ENFORCEMENT

Stellenbosch Municipality has an approved comprehensive safety plan that is reviewed annually and addresses all the aspects of safety, from road safety and crime to dealing with disasters and fires. This safety plan was compiled with the input of all relevant stakeholders from the community and safety disciplines. Safety is the responsibility of all residents of Stellenbosch and all citizens of South Africa. The socio-economic challenges of inequality, poverty and unemployment is a major contributor to unsafe situations.

With this Comprehensive Safety plan the Stellenbosch Municipality and all the relevant role-players and the residents of the Greater Stellenbosch, commit themselves to maintain and promote a zero tolerance approach to crime and safety.

Safety needs to be approached from different angles as no entity on its own will be able to successfully ensure the safety of the communities of the Greater Stellenbosch). Therefore instead of working in silos, a combined strategy has been implemented to increase the capacity of manpower in order to assist SAPS in combatting crime. The safety initiative known as the Stellenbosch Safety Initiative (SSI) has been established during 2014. The successful implementation of the SSI establishes more co-operation and trust amongst the different stakeholders and opens opportunities in attracting more resources from the public and private sectors including the community.

#### Highlights:

- Approved Safety Plan and Safety Stakeholders Forum
- Established Stellenbosch Safety Initiative (SSI) in place
- SSI task team which meets bi-weekly to plan and execute joint operations with SAPS as key role-player
- Special Operations Unit established in terms of Safety Plan
- Safety Plan reviewed annually.
- MOU signed between University of Stellenbosch and Stellenbosch 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.
- Centralized Control Room and CCTV monitoring at Fire Station (1st Phase completed)
- Appointment of 100 temporary learner law enforcement officers to assist with visible patrols, safeguarding of municipal premises/ assets and control room operators.
- Phase 1 completed of LPR camera installation.
- Phase 2 of LPR cameras in process to equip all entrances/ exits to Stellenbosch and Franschoek towns.

#### Challenges:

- To render a 24/7 Law Enforcement patrol service.
- Provide appropriate security of assets and facilities.
- Increase and maintain surveillance of key places.
- Prevent land invasion.
- 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.

## 1. CAPITAL EXPENDITURE – LAW ENFORCEMENT

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Install CCTV and ANPR cameras in the WC024	4 492 760	1 322 670	3 170 090
Law Enforcement Tools and Equipment	775 000	398 621	376 379
Install and Upgrade CCTV Cameras In WC024	694 400	-	694 400
Install Computerized Access Security Systems and CCTV Cameras At Municipal Buildings	512 015	491 712	20 303
Upgrade of Law Enforcement Offices Hoffman Street	388 198	384 852	3 346
<i>Only the 5 largest capital projects are listed</i>			

**Table 49: Capital Expenditure 2016/17 Law Enforcement**

Capital expenditure for Law Enforcement was **45.14%** for 2016/17.

## B) TRAFFIC LAW ENFORCEMENT

Local Traffic Services has implemented the National Road Safety Strategy which provides an all year round road safety initiatives. The department has increased educational safety programs and campaigns in collaboration with stakeholders and affected parties, Automatic Number-plate Recognition actions to ensure compliance in an attempt to reduce lawlessness.

On-going objectives are to improve road user behaviour, reduce the incidence of traffic offences; including speeding, drunk-driving and drug-driving; dangerous overtaking; the removal of unfit road users from traffic; roadworthiness of vehicles; public transport compliance wrt vehicles and drivers; provide sufficient and coordinated regulation of traffic on strategic roads; pedestrian education and compliance, eradication of corruption; administrative compliance and overall improvement of enforcement systems.

In the past financial year, the department commenced with the first phase of renovation to establish a more user-friendly environment to clients and ensure safety to staff and public. Alcohol Screeners, mobile radios, replacement of patrol vehicles were acquired to improve performance/response and ensure accuracy to prosecutions.

**1. SERVICE STATISTICS – TRAFFIC SERVICES**

Details	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of Traffic Officers in the field on an average day	25	22	24	22	21	21
Number of Traffic Officers on duty on an average day	31	27	32	27	28	28
Motor vehicle licenses processed	31 778	41 049	65 496	66816	150 040	153 119
Learner driver licenses processed	2 834	4 264	8 288	3900	5212	5 200
R-value of fines collected	14 025 207	19 215 035	21 337 940	19 158 488	21 638 767	28 652 120
Operational call-outs	Not registered	Not registered	Not registered	Not registered	Not registered	Not registered
Roadblocks held	112	213	33	34	22	25
Complaints attended to by Traffic Officers	269	319	389	1219	730	6000
Special Functions – Escorts	154	188	275	108	113	144
Awareness initiatives on public safety	378	457	90	64	192	120

**Table 50: Service Data for Traffic Services**

Description	Total 2014/15	Total 2015/16	July to Sep 2016	Oct to Dec 2016	Jan to March 2017	April to Jun 2017	Total 2016/17
<b>Accidents</b>							
Fatal	13	21	4	6	3	1	21
Serious injuries	36	76	15	20	15	19	76
Slight injuries	319	517	80	101	97	83	517
No injuries	2650	2551	688	683	757	592	2551
Reckless/careless: case dockets	11	48	4	3	4	0	48
Culpable homicide: case dockets	4	17	0	2	2	0	17
Pedestrians: fatal	7	10	3	4	1	1	10
Pedestrians: serious injuries	15	29	6	3	5	11	29
Pedestrians: slight injuries	73	106	7	6	9	18	106
<b>Learner's licences</b>							
Appointments	5923	5212	1 509	995	1508	1188	5200
Applications passed	3098	3015	746	697	655	860	2958
Duplicate request	117	127	22	24	28	38	112
Applicants tested	4512	4580	1282	1 150	722	1308	4462



Description	Total 2014/15	Total 2015/16	July to Sep 2016	Oct to Dec 2016	Jan to March 2017	April to Jun 2017	Total 2016/17
Applicants failed	2094	1855	536	453	453	448	1890
Applicant absent	541	628	188	145	132	179	644
<b>Drivers licences</b>							
Appointments	2520	2216	630	691	519	542	2382
Conversions	9307	8228	2318	2409	2084	2207	9018
Applicants tested	2049	1896	509	411	682	463	1615
Driving licenses issued (temp)	4357	4357	1241	648	1194	1409	4492
Applicants passed	802	817	217	179	214	214	824
Applicants failed	1247	1079	294	234	211	249	988
Applicants absent	379	287	77	53	65	179	374
Applications instructors	3	9	2	2	0	2	6
Issued instructors	1	6	2	1	0	2	5
Application/issued PRDP	1815	1602	418	445	458	365	1686
<b>Testing centre: roadworthy certificates</b>							
Motor vehicles	577	628	189	173	79	196	637
Light delivery vehicles	87	121	41	26	15	42	124
Heavy delivery vehicles (trucks)	19	52	25	23	7	23	78
Trailers	67	39	14	25	10	28	77
Taxis	15	32	19	21	4	21	65
Busses	4	7	0	2	7	1	10
Motorbikes	134	114	24	34	8	24	90
<b>Motor vehicle registration</b>							
Duplicate registrations cert.	1558	28913	369	372	385	352	1478
Registration only	14588	122631	3689	3 440	3865	3597	14 591
Licence fees (12%) (renew)	65496	66816	21 800	19718	20680	21021	83 219
Temporary permits	236	14061	56	62	63	55	236
Special permits	275	1890	106	106	94	74	380
Specific registration number	743	739	174	183	171	174	702
RTMC	44001	216044	12 709	12 518	13 106	12 750	51083
<b>Traffic offences</b>							
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

Description	Total 2014/15	Total 2015/16	July to Sep 2016	Oct to Dec 2016	Jan to March 2017	April to Jun 2017	Total 2016/17
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 51: Additional Service Data of Traffic Services

## 2. CAPITAL EXPENDITURE – TRAFFIC SERVICES

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Alcohol Screeners	26 200	26 475	-275
Furniture, Tools & Equipment	112 527	211 937	-99 410
Mobile Radios	92 798	76 402	16 396
Replacement of Patrol Vehicles	742 615	713 099	29 516
Upgrading Driver's License Testing Centre	88 085	88 085	-
<i>Only the 5 largest capital projects are listed</i>			

Table 52: Capital Expenditure 2016/17 Traffic Services

Capital expenditure for Traffic Services was **105.06%** for 2016/17.

## 3. TOTAL EMPLOYEES – TRAFFIC AND LAW ENFORCEMENT SERVICES

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	0	2	0	0%
15 – 13	4	4	0	0%
12 – 10	67	37	0	1%
9 – 7	35	24	0	3%
6 – 4	4	4	4	0%
3 – 0	2	0	0	0%
Total	112	71	4	2%
<i>Information as at 30 June</i>				

Table 53: Total Employees – Traffic and Law Enforcement

## C) FIRE AND DISASTER MANAGEMENT

A municipality has the executive authority and right to administer the provision of fire fighting services as stated in Schedule 4B to the Constitution. In relation to a local municipality, “fire fighting” means the following in terms of the Local Government Powers and Functions – Definitions and Norms and Standards as published by the Municipal Demarcation Board:

“Any function not included in the definition applicable to a district municipality, including fighting and extinguishing of all fires; the rescue and protection of any person, animal or property in emergency situations not covered by other legislation or powers and functions.

This may include the following:

- (a) preventing the outbreak or spread of a fire;
- (b) fighting or extinguishing a fire;
- (c) the protection of life or property against a fire or other threatening danger;
- (d) the rescue of life or property from a fire or other danger;
- (e) subject to the provisions of the Health Act, the rendering of an ambulance service as an integral part of the fire brigade service; or

The sub-division of the fire fighting services function and powers in terms of Schedule 4B to the Constitution, by the MSA, has in effect led to a “shared fire fighting service function” between district – and local municipalities. Within this realm we operate cohesively to render an unbiased effective and efficient service to the community.

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: International Risk Reduction Day Commemoration

Stellenbosch Disaster Management has embarked on several awareness campaigns/projects and intervention methods conducted at schools and early development centres etc. Risk reduction and related awareness among the general public has become imperative and has become a key event on the disaster management calendar for Stellenbosch Municipality.

In response to the need, the Department identified Klappmuts as the venue to host the initiative for 2016.

The theme of this year was “LIVE TO TELL”, which seeks to strengthen disaster risk governance, invest in Disaster Risk Reduction, and enhances disaster preparedness for effective response and expediting the recovery (rehabilitation and reconstruction) process. The responsibility of ensuring that all these focal points are implemented rests on local government with the cooperation of relevant role players

#### D) SERVICE STATISTICS – FIRE AND DISASTER MANAGEMENT

Details	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Total fires attended in the year	1 492	564	425	817	794	647
Total of other incidents attended in the year	1 492	860	866	1953	555	1952
Average turnout time - urban areas (minutes)	11,5	7,5	8.25	8.25	8.25	8.25
Average turnout time - rural areas (minutes)	24,6	21	20.5	22.75	22.75	22.75
Fire fighters in post at year end	43	43	42	43	56	52
Total fire appliances at year end	11	12	9	11	9	10
Average number of appliance off the road during the year	4	4	4	2	2	3
Total operational call-outs	1 492	1 424	1 291	2770	1349	2704
Immediate relief to victims	256	2 015	Not available	552	1021	831
Emergency flood kits	253	470	567	116	411	300
Emergency housing kits	56	1 650	53	299	341	277
Meals (food parcels)	-	-	-	215	349	327
Blankets	-	-	-	297	699	315

Table 54: Service Data for Fire and Disaster Management

#### 1. CAPITAL EXPENDITURE – FIRE AND DISASTER MANAGEMENT

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Furniture Tools and Equipment	441 983	454 306	-12 323
Rapid Response Vehicle	1 824 541	1 812 949	11 592
Rescue Equipment	118 300	118 300	0
Safeguarding of Premises	193 980	193 980	-
Upgrading of Swimming Pool	139 000	143 565	-4 565
<i>Only the 5 largest capital projects are listed</i>			

Table 55: Capital Expenditure 2016/17: Fire Services

Capital expenditure for Fire Services was **100.19%** for 2016/17.

## 2. TOTAL EMPLOYEES – FIRE SERVICES

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	0	1	0	0%
15 – 13	0	3	0	0%
12 – 10	5	6	0	0%
9 – 7	34	0	1	3%
6 – 4	5	1	0	0%
3 – 0	1	0	0	100%
Total	45	11	1	4%

*Information as at 30 June*

**Table 56: Total Employees – Fire Services**

## COMPONENT F: SPORT AND RECREATION

### A) 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 up to 15 840 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.

### 1. SERVICE STATISTICS – HOLIDAY RESORTS AND CAMPSITES

Type of service	2012/13	2013/14	2014/15	2015/16	2016/17
Number of resorts	1	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	PAX:15840 CARS:3372 Income: R448 701

**Table 57: Service Statistics –Holiday Resorts and Campsites**

## **B) 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 Cubs Cricket Week (national), Netball Tournament 2017 (internal), Olympic Day (Cape Winelands Sport Council and DCAS) and Blakes Easter Sports Tournament 2017 (local sporting codes).

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, lease agreements was prepared for each Sports Council and the category it resided in. Lease agreements to be adopted by Council in the second quarter of 2017.

A borehole was installed at Lanquedoc Sports Ground to assist with the drought conditions of the Western Cape as an alternative water source for irrigation. Annually boreholes for Sports Grounds will be budgeted for.

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.

## 1. SERVICE STATISTICS SPORT - GROUNDS AND SWIMMING POOLS

Type of service	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of sport grounds/fields	17	17	17	17	17	17
Number of swimming pools	1	1	1	1	1	1
Number of stadiums	10	10	10	10	10	10

**Table 58:** Service Statistics Sport Grounds and Swimming Pools

## 2. CAPITAL EXPENDITURE – SPORT GROUNDS AND SWIMMING POOLS

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Upgrading of Tennis Courts: Ida's Valley & Cloeteville	1 022 000	606 629	415 371
Upgrade of Sport Facilities	7 874 370	1 492 447	6 381 923
Vehicle Fleet	1 073 313	817 935	255 378
Building of Clubhouse & Ablution Facilities: Lanquedoc Sports grounds	500 000	-	500 000
Borehole: Rural Sports grounds	396 400	331 226	65 174
<i>Only the 5 largest capital projects are listed</i>			

**Table 59:** Capital Expenditure 2016/17: Sport Grounds and Swimming Pools

Capital expenditure for sport grounds was **38.15%** for 2016/17.

## 3. TOTAL EMPLOYEES – SPORT GROUNDS AND SWIMMING POOLS

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
<b>Number</b>				<b>%</b>
18 – 16	9	0	0	0%
15 – 13	17	0	0	6%
12 – 10	5	1	0	0%
9 – 7	0	0	0	0%
6 – 4	2	2	0	0%
Total	33	3	0	3%

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
<i>Information as at 30 June</i>				

**Table 60: Total Employees – Sport Grounds and Swimming Pools**

### C) 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.

**Table 61: Use of Different Facilities 2016/17**

#### 1. CAPITAL EXPENDITURE – COMMUNITY HALLS

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Upgrading: Halls	922 945	702 065	-29.79%

**Table 62: Capital Expenditure 2016/17: Community Halls**

Capital expenditure for community halls was **68.66%** for 2016/17.

#### 2. TOTAL EMPLOYEES – COMMUNITY HALLS

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	10	0	0	10%
15 – 13	0	0	0	0%
12 – 10	2	0	0	0%
9 – 7	1	1	0	0%
6 – 4	0	1	0	0%
3 – 0	0	2	0	0%
Total	13	4	0	8%
<i>Information as at 30 June</i>				



**COMPONENT G: CORPORATE POLICY OFFICES AND OTHER SERVICES**

This component includes: corporate policy offices, financial services, human resource services, ICT services and property services.

**A) FINANCIAL SERVICES**
**1. SERVICE STATISTICS**

Details of the types of account raised and recovered	2016/17		
	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 63: Service Statistics for Financial Services*

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	0	6	0	0%
15 – 13	13	5	0	0%
12 – 10	48	9	2	4%
9 – 7	19	8	2	0%
6 – 4	12	3	3	25%
3 – 0	8	0	0	0%
Total	100	31	7	5%
<i>Information as at 30 June</i>				

*Table 64: Total Employees – Finance*

## B) 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 2016/17 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 2016/17 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;
- 79% of the Training Budget was spent;

The challenges for the Human Resources Department in 2016/17 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

## 1. TOTAL EMPLOYEES – HR

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
<b>Number</b>				<b>%</b>
18 – 16	0	1	0	0%
15 – 13	1	4	0	0%
12 – 10	5	4	1	0%

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
<b>Number</b>				<b>%</b>
9 – 7	5	1	0	40%
6 – 4	5	0	0	0%
3 – 0	1	0	0	0%
Total	17	10	1	12%
<i>Information as at 30 June</i>				

**Table 65: Total Employees – HR**

### C) INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The ICT department committed its time in the 2016/17 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 Firewall Hardware and Data Storage Tender were completed as well as the renewal of the Network Infrastructure Support Contract. The ICT department achieved a total spend of **92.99%** 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:

- Firewall Project was successfully completed via a tender process for the Supply and Installation of a Next Generation Firewall Cluster Solution with Unified threat Management, reporting and Licensing.
- The Municipality's Data Storage for ICT systems was aligned with our business needs by way of procuring the 2x Tintri VMstore T850 hybrid-flash solution. Tintri's VM-aware storage speeds performance 6x to save us time and packs storage 10x more densely to save us money.
- Matopie High site is one of the Municipality's key ICT service centres feeding the Pniel and Franschoek offices. It was with this in mind that we embarked on securing the site with the installation of Uninterruptable Power Supply securing uptime of ICT services.
- The upgrade of the Backup Infrastructure to accommodate and include all critical systems to ensure sustainability of the ICT services.
- The upgrade of our data and internet link from 30mbps to 100mbps for both the corporate internet and the free Wi-Fi project.
- 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.
- Disaster Recovery Centre project was successfully completed by Avalon Technology Group and the current DR centre is at TERACO in Claremont and meets all the AG requirements.
- The ICT Strategy Plan of the Stellenbosch Municipality was also reviewed by SITA to align ICT to business strategic goals.

- A turnkey solution comprising network equipment, hardware and software for the municipalities GIS systems has been implemented.
- Biometric project was revived and a process to register all employees has been initiated.

**Challenges:**

- ICT structure does not align to best practices and thus cannot be agile enough to support the municipality.
- Lack of system integration.
- After hours system maintenance resources to ensure continued service provision, especially after load shedding/power failure

**1. SERVICE STATISTICS – INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES**

Details	2013/14	2014/15	2015/16	2016/17
	%			
Ensure the availability of the network to ensure effective ICT systems for municipal processes	98	98	98	99.9
Provide ICT support to all municipal departments by attending to requests within 4 working days	97	97	98	98
Connecting all municipal sites to the ICT network	100	100	100	100

**Table 66:** Service Data for Information and Communication Technology (ICT) Services

**2. CAPITAL EXPENDITURE – INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Biometrics	342 492	277 957	64 535
Upgrade and Expansion of IT Infrastructure Platforms	7 674 622	7 647 399	27 223
Purchase and Replacement of Computer/software and Peripheral devices	1 634 295	1 624 358	9 937
Public WI-FI Network	1 159 406	504 115	655 291

**Table 67:** Capital Expenditure 2016/17: Information and Communication Technology (ICT) Services

Capital expenditure for community ICT was **93.00%** for 2016/17.

### 3. TOTAL EMPLOYEES – INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Number				%
18 – 16	0	2	1	0%
15 – 13	0	2	0	0%
12 – 10	2	1	0	0%
9 – 7	3	0	0	0%
6 – 4	4	0	0	0%
3 – 0	1	0	0	100%
Total	10	5	1	10%
Information as at 30 June				

*Table 68: Total Employees – ICT*

### D) 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.

#### 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.

## 1. TOTAL EMPLOYEES – LEGAL SERVICES

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
<b>Number</b>				<b>%</b>
18 – 16	0	2	0	0%
15 – 13	0	0	0	0%
12 – 10	0	0	0	0%
9 – 7	0	0	0	0%
6 – 4	1	0	0	0%
3 – 0	1	0	0	100%
Total	2	2	1	50%
<i>Information as at 30 June</i>				

**Table 69: Total Employees – Legal Services**

## E) MUNICIPAL COURT

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

## 1. STATISTICAL REPORT

Months:	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
<b>Cases on the role</b>	526	811	1218	1278	1049	587	678	528	1150	510	723	91
<b>Withdrawn</b>	19	0	0	0	12	0	8	1	1	0	71	0
<b>Struck of the role</b>	167	300	542	504	226	189	260	115	520	130	23	0
<b>Warrants authorised</b>	291	449	613	660	699	293	384	382	571	345	497	77

<b>Deferment</b>	10	0	2	0	0	0	0	0	0	0	0	0
<b>Payments</b>	39	60	63	94	99	105	22	27	42	28	45	10
<b>Mediations</b>	0	2	2	20	13	0	4	3	16	7	0	4

Table 70: Statistical Report of the Municipal Court

## 2. FINANCIAL REPORT

	TRAFFIC FINES	SAPS FINES	LAW ENFOCEMENT FINES	CONTEMPT OF COURT FINES	PROVINCIAL FINES	TOTAL AMOUNT
<b>Jul</b>	295 830	1 000	0	2 400	2500	299 230
<b>Aug</b>	334 950	4650	500	4 200	500	346 800
<b>Sep</b>	312400	1300	300	3300	1500	317 800
<b>Oct</b>	385 000	0	0	3 600		390 000
<b>Nov</b>	380630	2700	0	5100	4700	393130
<b>Dec</b>	203 840	0	0	2 100	0	205 940
<b>Jan</b>	223 550	600	0	300	1700	226 150
<b>Feb</b>	273 300	0	700	900	5500	280 400
<b>Mar</b>	332 500	0	0	3600	1 000	337 100
<b>Apr</b>	201 050	550	800	1 800	0	204 200
<b>May</b>	253 700	0	350	600	500	255 150
<b>June</b>	250 450	0	0	1800	0	252 250

Table 71: Financial Report of the Municipal Court

## 3. TOTAL EMPLOYEES – MUNICIPAL COURT

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
<b>Number</b>				<b>%</b>
18 – 16	0	0	0	0%
15 – 13	0	1	0	0%
12 – 10	0	0	0	0%
9 – 7	0	0	0	0%
6 – 4	0	0	0	0%
3 – 0	0	0	0	0%
Total	0	1	0	0%

*Information as at 30 June*

Table 72: Total Employees – Municipal Court



## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

### A) 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	2016/17
The number of people from <b>employment equity</b> target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	2	1	4	13	4
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	0.009%*	0.006%*	0,83%	0.97%	0.94%
<i>Percentage was calculated using the total personnel budget as in terms of the Skills Development Act. The aforementioned percentage for the 2016/17 financial year is based on the Total Annual Payroll as depicted in the SDBIP.</i>					

**Table 73: National KPIs – Municipal Transformation and Organisational Development**

### B) INTRODUCTION TO THE MUNICIPAL WORKFORCE

Stellenbosch Municipality currently employs **1144** officials (excl. 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.

### C) 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	<b>90,50%</b>	533	650	<b>121,95%</b>	29	3	<b>10,34%</b>	172	115	<b>66,86%</b>
2015/16	334	361	<b>92.52%</b>	497	676	<b>73.52%%</b>	28	3	<b>9.33%</b>	83	111	<b>74.77%</b>
2016/17	334	368	<b>90.76%</b>	497	671	<b>74.06%</b>	23	5	<b>4.60%</b>	75	103	<b>72.81%</b>

**Table 74: 2016/17 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	<b>138,43%</b>	556	348	<b>62.58%</b>	0	0	n/a
2015/16	425	783	<b>54.27%</b>	518	368	<b>71.04%</b>	0	0	n/a
2016/17	681	782	<b>78.87%</b>	670	363	<b>54.18%</b>	0	10	n/a

**Table 75: 2016/17 EE Targets/Actual by Gender Classification**

## 1. OCCUPATIONAL CATEGORIES - RACE

The table below categorises the number of employees by race within the occupational levels:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management and Councillors	7	19	1	17	8	8	1	9	<b>70</b>
Senior management	6	24	2	6	8	19	0	9	<b>74</b>
Professionally qualified and experienced specialists and mid-management	25	82	1	16	8	7	0	1	<b>140</b>
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	12	34	0	6	42	103	0	21	<b>218</b>
Semi-skilled and discretionary decision making	0	2	0	0	5	7	0	0	<b>14</b>
Unskilled and defined decision making	25	55	0	22	18	32	0	6	<b>158</b>
<b>Total permanent</b>	<b>75</b>	<b>216</b>	<b>0 4</b>	<b>67</b>	<b>89</b>	<b>176</b>	<b>0</b>	<b>46</b>	<b>673</b>
Non- permanent employees (incl. EPWP, Conditional Grants, Provincial Grants)	97	134	0	9	91	98	0	6	<b>435</b>
<b>Grand total</b>	<b>387</b>	<b>713</b>	<b>3</b>	<b>69</b>	<b>325</b>	<b>407</b>	<b>0</b>	<b>45</b>	<b>1108</b>

**Table 76: Occupational Categories – Race**

## 2. 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	0	6	6	8	0	4	41
Office of the Municipal Manager	0	1	0	0	1	2	0	3	7
Financial Services	9	29	1	4	15	37	0	7	102
Planning	4	10	0	9	9	8	0	7	47
Human Settlements and Property Management	7	25	0	1	8	14	0	1	56
Strategic and Corporate Services	7	18	1	2	13	21	0	6	65
Community and Protection Services	82	124	1	26	51	96	1	13	394
Engineering services	144	255	1	20	17	29	0	4	470
<b>Total permanent</b>	<b>258</b>	<b>474</b>	<b>4</b>	<b>68</b>	<b>120</b>	<b>215</b>	<b>1</b>	<b>45</b>	<b>1 182</b>
Non-permanent (incl. EPWP, Conditional Grants, Provincial Grants)	97	134	0	9	91	98	0	6	435
<b>Grand total</b>	<b>355</b>	<b>608</b>	<b>4</b>	<b>77</b>	<b>211</b>	<b>313</b>	<b>1</b>	<b>51</b>	<b>1 617</b>

**Table 77: Department – Race**

## D) VACANCY RATE

The approved organogram for the Municipality had **1144** (funded) posts for the 2016/17 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. A total of **106** posts were vacant at the end of 2016/17, resulting in a vacancy rate of 8.48%. Below is a table that indicates the vacancies within the municipality:

PER POST LEVEL		
Post level	Filled	Vacant
Top Management (MM & MSA section 57 Managers)	7	0
Senior Management	25	0

PER POST LEVEL		
Post level	Filled	Vacant
Middle management	88	10
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	374	27
Semi-skilled	424	41
Unskilled and defined decision making	226	28
<b>Total</b>	<b>1 049 (EXCLUDING COUNCILLORS)</b>	<b>86</b>
PER FUNCTIONAL LEVEL		
Functional area	Filled	Vacant
Office of the Mayor	43	0
Office of the Municipal Manager	7	0
Financial Services	102	3
Planning and Economic Development	47	5
Human Settlements and Property Management	56	5
Strategic and Corporate	68	10
Community and Protection Services	394	31
Engineering Services	470	52
<b>Total</b>	<b>1 144</b>	<b>106</b>

**Table 78:** Vacancy rate per post and functional level

## E) 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
2013/14	1066	77	53	4.64%
2014/15	1092	86 (excl. promotions)	63	5,76%
2015/16	1110	136	71	6.4%
2016/17	1 144	100	36	3.14%

**Table 79:** Turn-over Rate

## F) MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

### 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 a **decrease** for the 2015/16 financial year from 136 **employees** to **130 employees** in the 2016/17 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	2016/17
Office of the Municipal Manager	0	1	2	0	2	1
Financial Services	1	2	1	3	2	3
Planning and Economic Development Services	2	3	1	1	0	0
Strategic and Corporate Services	3	2	4	1	2	1
Community and Protection Services	10	38	36	42	40	54
Engineering Services	17	49	68	63	86	64
Human Settlements and Property Management	0	3	0	4	4	7
<b>Total</b>	<b>33</b>	<b>98</b>	<b>112</b>	<b>114</b>	<b>136</b>	<b>130</b>

*Table 80: Injuries*

Injuries in the Operational Services are normally higher due to the nature of work and the constant handling of equipment and machinery.

### 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 2016/17 financial year shows a decrease of 3684.43 working days when comparing it with the 2015/16 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	2016/17
Office of the Municipal Manager	135	137	35	342	96
Financial Services	790	666	592	1339.5	908.50
Planning and Economic Development	907	783	427	1244.5	501
Strategic and Corporate Services	630	444	653	808.43	727
Community and Protection Services	1 329	1 458	2867.50	3758.5	2726
Engineering Services	33 64	3 373	4042	5230	3633
Human Settlements and Property Management	1 888	1 434	474	8	455
<b>Total</b>	<b>9 043</b>	<b>8 295</b>	<b>9090.50</b>	<b>12 730.93</b>	<b>9046.50</b>

*Table 81: Sick Leave*

### 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
Recruitment and Selection	29 November 2012
Leave Policy Guideline and Procedures	29 November 2012
Overtime and Standby Policy Guidelines and Procedures	29 November 2012
Occupational Health and Safety Policy	29 November 2012
HIV AIDS Policy	29 November 2012
Guidelines for Official Parking	August 2008

Name of policy	Date approved/ revised
Staff Attraction and Retention Policy	August 2008
Smoking Policy	August 2008
Skills Development Policy	August 2008
Minimum Service Level Agreement on Essential Services	August 2008
Recruitment and Selection	29 November 2012
Employee Assistance Programme	25 February 2015
Education, Training, Development Policy	25 February 2015
Attendance and Punctuality Policy	25 February 2015
Evaluation of Probationary Periods Policy	25 February 2015
Whistleblowing Policy	25 February 2015
New Occupational Health and Safety Policy	25 February 2015
Substance Abuse Policy	25 February 2015
Succession Planning and Career Patching Policy	25 February 2015
Unpaid leave policy	25 February 2015
Work Related Functions Policy	25 February 2015
Nepotism Policy	25 February 2015
External Bursary Aid Policy	25 February 2015

**Table 82: Approved Policies**

Policies still to be developed	
Name of policy	Proposed date of approval
HIV AIDS Policy (Review)	31 December 2017
Smoking Policy (Review)	31 December 2017

**Table 83: HR Policies and Plans**

The Human Resources department submits policies to the Local Labour Forum on a regular basis for review purposes.

## **G) 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).

## 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	1	3
Legislators, senior officials and managers	Female	1	1
	Male	1	2
Professionals	Female	7	13
	Male	6	14
Associate professionals and Technicians	Female	5	24
	Male	78	60
Community & Personal Services	Female	1	4
	Male	0	1
Clerks	Female	39	32
	Male	7	5
Service and sales workers	Female	25	
	Male	55	
Plant and machine operators and assemblers	Female	0	0
	Male	20	0
Elementary occupations	Female	11	24
	Male	148	178
<b>Sub-total</b>	<b>Female</b>	<b>89</b>	<b>124</b>
	<b>Male</b>	<b>316</b>	<b>329</b>
<b>Total</b>		<b>405</b>	<b>453</b>

Table 84: Skills Matrix

## 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
	Female	3	1	1	27	4	28



Occupational categories	Gender	Learnerships		Skills programmes and other short courses		Total	
		Actual	Target	Actual	Target	Actual	Target
Technicians and associate professionals	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
<b>Sub-total</b>	<b>Female</b>	<b>11</b>	<b>10</b>	<b>125</b>	<b>251</b>	<b>136</b>	<b>261</b>
	<b>Male</b>	<b>43</b>	<b>50</b>	<b>417</b>	<b>965</b>	<b>460</b>	<b>1015</b>
<b>Total</b>		<b>11</b>	<b>54</b>	<b>60</b>	<b>542</b>	<b>1216</b>	<b>596</b>

Table 85: Skills Development Training provided

### 3. SKILLS DEVELOPMENT - BUDGET ALLOCATION

The table below indicates that a total amount of **R 4 919 000.00** allocated to the workplace skills plan and that **98%** of the total amount was spent in the 2016/2017 financial year:

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
2016/17	407 801 472	3 400 000	3 204 069	94

Table 86: Budget allocated and spent for skills development

## H) MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

### 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	R	%
2013/14	282 932	1 047 586	27
2014/15	313 819	1 150 240	27
2015/16	367 463	1 254 937	29

Financial year	Total expenditure salary and allowances	Total operating expenditure	Percentage
	R		%
2016/17	407 801	1 307 335	31

**Table 87: Personnel Expenditure as % of Total Operating Expenditure**

Below is a summary of Councillor and staff benefits for the year under review:

Financial year	2015/16		2016/17	
	Actual	Original Budget	Adjusted Budget	Actual
<b>Description</b>				
<b>Councillors (Political Office Bearers plus Other)</b>				
Salary	10 717 817.00	11 307 821	11 307 821	10 746 503
Pension Contributions	287 985.00	965 470	965 470	384 908.00
Medical Aid Contributions	263 762.00	129 034	129 034	201 945.00
Motor Vehicle Allowance	3 614 712.00	3 816 545	3 816 545	3 703 826.00
Cell Phone and Other Allowances	959 970.00	807 946	807 946	1 057 267.00
<b>Sub-Total - Councillors</b>	<b>15 844 246.00</b>	<b>17 026 816</b>	<b>17 026 816</b>	<b>16 094 449.00</b>
<b>% Increase/(Decrease) on Actual</b>	<b>2%</b>	<b>7%</b>	<b>7%</b>	<b>2%</b>
<b>Other Municipal Staff</b>				
Basic Salaries and Wages	223 730 792.36	249 475 190	241 426 401	240 811 640
Contribution to Pension	36 169 156.00	44 008 030	44 008 030	39 036 154
Contribution to Medical	16 742 720.00	22 338 260	22 238 260	18 811 926
Group Insurance	4 126 249.00	5 753 190	5 753 190	3 608 100
Motor Vehicle and Cell Phone Allowance	11 347 011.00	16 865 790	16 365 790	11 814 901
Housing Allowance	1 921 420.00	2 773 760	2 773 760	2 143 385
Overtime	19 400 914.00	13 054 560	18 178 560	22 551 545
Performance Bonus	-			-
Standby allowance	8 444 306.00	6 142 350	6 142 350	10 433 301
Night Shift Allowance	2 511 580.00	2 715 530	2 715 530	2 812 631
Leave Bonus	16 873 934.00	20 015 070	20 015 070	18 538 863
Allowance: Sundry	2 257 426.00	1 756 590	1 756 590	2 453 823
Relieve and Temporary Employment	19 344 184.64	7 862 230	25 756 883	29 794 230
Uniforms	626 901.00	738 600	738 600	610 790
Other Benefits or Allowances	3 966 372.00	3 814 720	3 844 720	4 380 183
<b>Sub-Total - Other Municipal Staff</b>	<b>367 462 966.00</b>	<b>397 313 870.00</b>	<b>411 713 734.00</b>	<b>407 801 472</b>
<b>% Increase/(Decrease)</b>	<b>11%</b>	<b>8%</b>	<b>12%</b>	<b>11%</b>
<b>Total Municipality</b>	<b>383 307 212.00</b>	<b>414 340 686.00</b>	<b>428 740 550.00</b>	<b>423 895 921.00</b>
<b>% Increase/(Decrease)</b>	<b>11%</b>	<b>8%</b>	<b>12%</b>	<b>11%</b>

**Table 88: Councillor and staff benefits**

**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.

**A) FINANCIAL SUMMARY**

The table below indicates the summary of the financial performance for the 2016/17 financial year:

Description	2015/16	2016/17			2016/17 Variance	
	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
<b>Financial Performance</b>						
Property rates	270 379	286 997	288 275	290 028	1.05	0.60
Service charges	705 714	727 523	725 721	788 397	7.72	7.95
Investment revenue	49 713	36 877	45 377	56 219	34.40	19.28
Transfers recognised - operational	124 849	112 721	140 154	122 568	8.03	-14.35
Other own revenue	162 688	145 959	162 567	169 257	13.76	3.95
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>1 313 343</b>	<b>1 310 077</b>	<b>1 362 094</b>	<b>1 426 469</b>	<b>8.16</b>	<b>4.51</b>
Employee costs	367 463	397 314	406 478	407 801	2.57	0.32
Remuneration of councillors	15 844	17 027	17 027	16 094	-5.79	-5.79
Depreciation and asset impairment	149 552	165 200	165 200	149 139	-10.77	-10.77
Finance charges	20 391	31 472	20 222	19 627	-60.35	-3.03
Materials and bulk purchases	324 777	351 285	344 317	347 828	-0.99	1.01
Transfers and grants	6 216	8 703	8 375	6 933	-25.53	-20.80
Other expenditure	381 325	409 139	489 228	360 061	-13.63	-35.87
<b>Total Expenditure</b>	<b>1 265 567</b>	<b>1 380 139</b>	<b>1 450 845</b>	<b>1 307 484</b>	<b>-5.56</b>	<b>-10.96</b>
<b>Surplus/(Deficit)</b>	<b>47 776</b>	<b>(70 062)</b>	<b>(88 752)</b>	<b>118 985</b>	<b>158.88</b>	<b>174.59</b>
Transfers recognised - capital	103 360	126 560	128 401	94 329	-34.17	-36.12
Contributions recognised - capital and contributed assets	-	-	-	-	0	0
<b>Surplus/(Deficit) after capital transfers and contributions</b>	<b>151 136</b>	<b>56 498</b>	<b>39 650</b>	<b>213 313</b>	<b>73.51</b>	<b>81.41</b>
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>						
Transfers recognised - capital	103 359	116 536	118 377	94 329	-23.54	-25.49
Public contributions and donations	-	11 024	13 174	-	0	0
Borrowing	92 567	161 000	-	-	0!	0

Description	2015/16	2016/17			2016/17 Variance	
	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Internally generated funds	152 934	175 231	351 029	316 234	44.59	-11.00
<b>Total sources of capital funds</b>	<b>348 861</b>	<b>463 792</b>	<b>482 580</b>	<b>410 562</b>	<b>-12.96</b>	<b>-17.54</b>
Financial position						
Total current assets	882 514	563 137	621 548	946 772	40.52	34.35
Total non-current assets	4 620 154	5 208 328	5 227 116	4 874 276	-6.85	-7.24
Total current liabilities	321 227	256 237	256 237	445 838	42.53	42.53
Total non-current liabilities	491 238	590 501	563 776	471 694	-25.19	-19.52
Community wealth/equity	4 690 202	4 924 727	5 028 651	4 903 515	-0.43	-2.55
Cash flows						
Net cash from (used) operating	316 813	223 401	241 453	434 752	48.61	44.46
Net cash from (used) investing	(244 647)	(458 093)	(472 882)	(251 599)	-82.07	-87.95
Net cash from (used) financing	38 855	150 429	(10 571)	(11 908)	1363.23	11.23
<b>Cash/cash equivalents at the year end</b>	<b>128 187</b>	<b>395 726</b>	<b>371 808</b>	<b>299 431</b>	<b>-32.16</b>	<b>-24.17</b>
Cash backing/surplus reconciliation						
Cash and investments available	608 187	395 726	454 137	621 906	36.37	26.98
Application of cash and investments	473 606	370 553	356 016	423 972	12.60	16.03
<b>Balance - surplus (shortfall)</b>	<b>134 581</b>	<b>25 173</b>	<b>98 121</b>	<b>197 934</b>	<b>87.28</b>	<b>50.43</b>
Asset management						
Asset register summary (WDV)	4 617 966	5 206 322	5 225 111	4 870 763	-6.89	-7.27
Depreciation and asset impairment	149 552	165 200	169 803	149 139	-10.77	-13.86
Renewal of existing assets	292 259	399 924	384 282	274 367	-45.76	-40.06
Repairs and maintenance	54 648	83 499	87 876	59 140	-41.19	-48.59
Free Services						
Cost of Free Basic Services provided	58	58	58	58	0.00	0.00
Revenue cost of free services provided	60 915	60 915	60 915	60 915	0.00	0.00
Households below minimum service level						
Water:	2	2	2	2	0.00	0.00
Sanitation/sewerage:	2	2	2	2	0.00	0.00
Energy:	3	3	3	3	0.00	0.00
Refuse:	6	5	5	5	0.00	0.00
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned						

**Table 89: Financial Performance 2016/17**

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	1 349 945	1 416 703	66 758	5	1 284 671	1 265 567	19 104	1%
2016/17	1 490 495	1 520 797	30 302	2	1 450 845	1 307 484	143 361	10%

Table 90: Performance Against Budgets

## 1. REVENUE COLLECTION BY VOTE

The table below indicates the revenue collection performance by vote:

Vote Description	2015/16	2016/17			2016/17 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Municipal Manager	-	-	-	-	-	-
Planning and Development	6 423	8 015	8 415	10 267	21.93	18.04
Human Settlements and Property Management	59 714	63 582	83 574	38 679	-64.38	-116.07
Engineering Services	883 729	903 929	906 126	967 695	6.59	6.36
Community and Protection Services	117 022	107 030	128 240	128 157	16.49	-0.07
Corporate Services	1 540	1 377	1 437	2 090	34.13	31.26
Financial Services	348 274	352 705	362 703	373 909	5.67	3.00
<b>Total Revenue by Vote</b>	<b>1 416 703</b>	<b>1 436 637</b>	<b>1 490 495</b>	<b>1 520 797</b>	<b>5.53</b>	<b>1.99</b>

Table 91: Revenue by Vote: Personnel Expenditure

## 2. REVENUE COLLECTION BY SOURCE

The table below indicates the Revenue collection performance by source for the 2016/17 financial year:

Description	2015/16	2016/17			2016/17 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Property rates	270 379	286 997	288 275	290 028	1.05	0.60
Service Charges	705 714	727 523	725 721	788 397	7.72	7.95
Rentals of facilities and equipment	18 599	19 488	14 886	16 906	-15.28	11.95
Interest earned - external investments	49 713	36 877	45 377	56 219	34.40	19.28
Interest earned - outstanding debtors	5 714	7 284	7 284	6 451	-12.91	-12.91
Dividends received	–	–	–	–	–	–
Fines	92 604	70 821	92 031	100 442	29.49	8.37
Licences and permits	4 210	8 100	8 100	4 697	-72.45	-72.45
Agency services	5 576	2 268	2 268	6 400	64.57	64.57
Transfers recognised - operational	124 849	112 721	140 154	122 568	8.03	-14.35
Transfers recognised - capital	103 360	126 560	128 401	94 329	-34.17	-36.12
Other revenue	35 986	36 628	36 628	33 631	-8.91	-8.91
Gains on disposal of PPE	–	1 370	1 370	729	-87.90	-87.90
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 416 703</b>	<b>1 436 637</b>	<b>1 490 495</b>	<b>1 520 797</b>	<b>5.53</b>	<b>1.99</b>

Table 92: Revenue by Source

## 3. OPERATIONAL SERVICES PERFORMANCE

The table below indicates the operational services performance for the 2016/17 financial year:

Description	2015/16	2016/17			2016/17 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000					%
<b>Operating Cost</b>						
Water	106 209	116 795	118 207	97 703	-19.54	-20.99
Waste Water (Sanitation)	83 231	102 192	99 703	77 637	-31.63	-28.42
Electricity	454 990	484 464	472 944	410 592	-17.99	-15.19
Waste Management	55 536	75 245	75 222	46 318	-62.45	-62.40
Housing	51 256	35 061	61 779	35 693	1.77	-73.08
<b>Component A: sub-total</b>	<b>751 221</b>	<b>813 756</b>	<b>827 855</b>	<b>667 943</b>	<b>-21.83</b>	<b>-23.94</b>

Description	2015/16		2016/17		2016/17 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000					%
Roads and Stormwater	79 193	83 009	83 779	79 085	-4.96	-5.93
<b>Component B: sub-total</b>	<b>79 193</b>	<b>83 009</b>	<b>83 779</b>	<b>79 085</b>	<b>-4.96</b>	<b>-5.93</b>
Town Planning and Spatial Planning	25 550	32 082	36 404	37 083	13.49	1.83
Local Economic Development	4 447	8 563	7 006	6 162	-38.97	-13.70
<b>Component C: sub-total</b>	<b>29 997</b>	<b>40 645</b>	<b>43 410</b>	<b>43 245</b>	<b>6.01</b>	<b>-0.38</b>
Libraries	11 027	13 209	13 202	12 392	-6.60	-6.54
Cemeteries	3 101	4 261	4 376	3 285	-29.69	-33.19
Community development	5 423	13 190	13 501	12 982	-1.60	-4.00
<b>Component D: sub-total</b>	<b>19 551</b>	<b>30 660</b>	<b>31 078</b>	<b>28 660</b>	<b>-6.98</b>	<b>-8.44</b>
Environmental Protection	–	–	–	–	–	–
<b>Component E: sub-total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Traffic services	108 850	75 061	104 456	103 193	27.26	-1.22
Fire Services and Disaster Management	26 181	27 221	27 203	30 575	10.97	11.03
<b>Component F: sub-total</b>	<b>135 031</b>	<b>102 283</b>	<b>131 659</b>	<b>133 768</b>	<b>23.54</b>	<b>1.58</b>
Holiday Resorts and Campsites	245	211	211	252	16.40	16.40
Sport grounds, parks, swimming pools	55 584	52 013	59 921	62 469	16.74	4.08
Community Halls, Facilities and thusong Centres	3 559	3 679	3 750	3 886	5.33	3.51
<b>Component G: sub-total</b>	<b>59 387</b>	<b>55 903</b>	<b>63 882</b>	<b>66 607</b>	<b>16.07</b>	<b>4.09</b>
Office of the MM	6 258	6 612	6 612	7 112	7.03	7.03
Financial Services	36 298	45 558	46 778	95 903	52.50	51.22
Administration	95 520	106 089	110 352	88 244	-20.22	-25.05
Property and contract management	24 567	34 200	35 150	27 556	-24.11	-27.56
HR	5 089	10 109	12 041	21 016	51.90	42.71
IT	4 696	10 265	12 994	19 056	46.13	31.81
Internal Audit	1 981	7 679	7 679	10 142	24.29	24.29
Legal Services	14 980	13 867	17 867	18 510	25.08	3.47
Free Basic Services	1 799	19 504	19 504	636	-2965.34	-2965.34
<b>Component H: sub-total</b>	<b>191 186</b>	<b>253 884</b>	<b>268 978</b>	<b>288 175</b>	<b>11.90</b>	<b>6.66</b>
<b>Total Expenditure</b>	<b>1 265 567</b>	<b>1 380 139</b>	<b>1 450 640</b>	<b>1 307 484</b>	<b>-5.56</b>	<b>-10.95</b>

In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

Table 93: Operational Services Performance: Personnel Expenditure

**B) FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION**
**1. WATER SERVICES**

Description	2015/16	2016/17			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	(168 948)	(157 708)	(160 433)	(205 388)	<b>23.21</b>
<b>Expenditure:</b>					
Employees	22 612	24 028	24 574	23 649	<b>-1.60</b>
Repairs and Maintenance	6 353	11 115	11 735	5 393	<b>-106.09</b>
Other	6 353	81 651	81 897	68 660	<b>-18.92</b>
<b>Total Operational Expenditure</b>	<b>35 317</b>	<b>116 795</b>	<b>118 207</b>	<b>97 703</b>	<b>-19.54</b>
<b>Net Operational (Service)</b>	<b>(133 630)</b>	<b>(40 913)</b>	<b>(42 226)</b>	<b>(107 685)</b>	<b>62.01</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual.

Table 94:

Financial Performance: Water Services

**2. SANITATION SERVICES**

Description	2015/16	2016/17			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>(144 000)</b>	<b>(144 657)</b>	<b>(150 582)</b>	<b>(143 512)</b>	<b>-0.80</b>
<b>Expenditure:</b>					
Employees	27 715	31 330	34 050	31 313	<b>-0.06</b>
Repairs and Maintenance	8 183	14 125	13 213	7 265	<b>-94.42</b>
Other	47 333	56 737	52 440	39 059	<b>-45.26</b>
<b>Total Operational Expenditure</b>	<b>83 231</b>	<b>102 192</b>	<b>99 703</b>	<b>77 637</b>	<b>-31.63</b>
<b>Net Operational (Service)</b>	<b>(60 769)</b>	<b>(42 465)</b>	<b>(50 878)</b>	<b>(65 875)</b>	<b>35.54</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual.

Table 95:

Financial Performance: Sanitation Services

**3. ELECTRICITY SERVICES**

Description	2015/16	2016/17			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>(501 100)</b>	<b>(521 683)</b>	<b>(511 230)</b>	<b>(546 211)</b>	<b>4.49</b>
<b>Expenditure:</b>					
Employees	20 299	24 801	24 021	23 029	<b>-7.69</b>
Repairs and Maintenance	11 184	13 593	14 693	11 766	<b>-15.52</b>
Other	423 506	446 070	434 231	375 796	<b>-18.70</b>
<b>Total Operational Expenditure</b>	<b>454 990</b>	<b>484 464</b>	<b>472 944</b>	<b>410 592</b>	<b>-17.99</b>
<b>Net Operational (Service)</b>	<b>(46 110)</b>	<b>(37 220)</b>	<b>(38 286)</b>	<b>(135 619)</b>	<b>72.56</b>



Description	2015/16	2016/17			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

**Table 96: Financial Performance: Electricity Services**

#### 4. WASTE MANAGEMENT SERVICES (REFUSE COLLECTIONS, WASTE DISPOSAL AND RECYCLING)

Description	2015/16	2016/17			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>(63 853)</b>	<b>(69 519)</b>	<b>(69 519)</b>	<b>(68 725)</b>	<b>-1.15</b>
<b>Expenditure:</b>					
Employees	13 620	15 845	15 975	14 514	-9.17
Repairs and Maintenance	1 523	3 521	3 861	1 724	-104.27
Other	40 394	55 879	55 386	30 081	-85.76
<b>Total Operational Expenditure</b>	<b>55 536</b>	<b>75 245</b>	<b>75 222</b>	<b>46 318</b>	<b>-62.45</b>
<b>Net Operational (Service)</b>	<b>(8 317)</b>	<b>5 726</b>	<b>5 703</b>	<b>(22 407)</b>	<b>125.56</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

**Table 97: Financial Performance: Waste Management Services (Refuse Collections, Waste Disposal, and Recycling)**

#### 5. HOUSING

Description	2015/16	2016/17			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>(56 043)</b>	<b>(47 329)</b>	<b>(70 062)</b>	<b>(28 695)</b>	<b>-64.94</b>
<b>Expenditure:</b>					
Employees	15 917	18 045	18 260	16 914	-6.69
Repairs and Maintenance	756	1 234	924	858	-43.90
Other	34 582	15 782	42 595	17 922	11.94
<b>Total Operational Expenditure</b>	<b>51 256</b>	<b>35 061</b>	<b>61 779</b>	<b>35 693</b>	<b>1.77</b>
<b>Net Operational (Service)</b>	<b>(4 787)</b>	<b>(12 268)</b>	<b>(8 283)</b>	<b>6 998</b>	<b>275.31</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

**Table 98: Financial Performance: Housing Personnel Expenditure**

## 6. ROADS AND STORMWATER

Description	2015/16	2016/17			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>(5 826)</b>	<b>(10 357)</b>	<b>(10 357)</b>	<b>(4 205)</b>	<b>-146.31</b>
<b>Expenditure:</b>					
Employees	20 020	24 907	25 167	20 988	<b>-18.67</b>
Repairs and Maintenance	9 195	12 345	12 660	7 829	<b>-57.67</b>
Other	49 978	45 758	45 952	50 268	<b>8.97</b>
<b>Total Operational Expenditure</b>	<b>79 193</b>	<b>83 009</b>	<b>83 779</b>	<b>79 085</b>	<b>-4.96</b>
<b>Net Operational (Service)</b>	<b>73 367</b>	<b>72 652</b>	<b>73 421</b>	<b>74 880</b>	<b>2.98</b>

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Table 99: Financial Performance: Roads and Stormwater

## 7. TOWN PLANNING AND SPATIAL PLANNING

Description	2015/16	2016/17			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>(5 372)</b>	<b>(5 834)</b>	<b>(6 334)</b>	<b>(8 285)</b>	<b>29.59</b>
<b>Expenditure:</b>					
Employees	21 638	26 186	26 742	25 329	<b>-3.38</b>
Repairs and Maintenance	20	36	36	17	<b>-113.47</b>
Other	3 892	5 861	9 626	11 737	<b>50.07</b>
<b>Total Operational Expenditure</b>	<b>25 550</b>	<b>32 082</b>	<b>36 404</b>	<b>37 083</b>	<b>13.49</b>
<b>Net Operational (Service)</b>	<b>20 178</b>	<b>26 249</b>	<b>30 070</b>	<b>28 798</b>	<b>8.85</b>

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Table 100: Financial Performance: Town Planning and Spatial planning

## 8. LED

Description	2015/16	2016/17			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>(1 051)</b>	<b>(2 081)</b>	<b>(1 981)</b>	<b>(1 981)</b>	<b>-5.04</b>
<b>Expenditure:</b>					
Employees	3 269	3 492	3 492	4 048	<b>13.74</b>
Repairs and Maintenance	117	245	265	262	<b>6.39</b>
Other	1 061	4 826	3 249	1 852	<b>-160.64</b>
<b>Total Operational Expenditure</b>	<b>4 447</b>	<b>8 563</b>	<b>7 006</b>	<b>6 162</b>	<b>-38.97</b>

Description	2015/16	2016/17			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Net Operational (Service)</b>	<b>3 396</b>	<b>6 482</b>	<b>5 025</b>	<b>4 180</b>	<b>-55.06</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual.

**Table 101: Financial Performance: LED**

## 9. LIBRARIES

Description	2015/16	2016/17			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>(9 055)</b>	<b>(10 408)</b>	<b>(10 408)</b>	<b>(10 601)</b>	<b>1.82</b>
<b>Expenditure:</b>					
Employees	9 714	8 267	8 267	10 416	<b>20.63</b>
Repairs and Maintenance	72	156	164	494	<b>68.47</b>
Other	1 241	4 787	4 772	1 482	<b>-222.90</b>
<b>Total Operational Expenditure</b>	<b>11 027</b>	<b>13 209</b>	<b>13 202</b>	<b>12 392</b>	<b>-6.60</b>
<b>Net Operational (Service)</b>	<b>1 971</b>	<b>2 801</b>	<b>2 794</b>	<b>1 791</b>	<b>-56.41</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual.

**Table 102: Financial Performance: Libraries**

## 10. COMMUNITY DEVELOPMENT

Description	2015/16	2016/17			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>-</b>	<b>(100)</b>	<b>(100)</b>	<b>-</b>	<b>0</b>
<b>Expenditure:</b>					
Employees	4 016	4 281	4 281	4 305	<b>0.56</b>
Repairs and Maintenance	4	11	11	6	<b>-88.39</b>
Other	1 403	8 898	9 209	8 671	<b>-2.62</b>
<b>Total Operational Expenditure</b>	<b>5 423</b>	<b>13 190</b>	<b>13 501</b>	<b>12 982</b>	<b>-1.60</b>
<b>Net Operational (Service)</b>	<b>5 423</b>	<b>13 090</b>	<b>13 401</b>	<b>12 982</b>	<b>-0.83</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual.

**Table 103: Financial Performance: Community Development**

## 11. TRAFFIC SERVICES

Description	2015/16	2016/17			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>(104 635)</b>	<b>(83 790)</b>	<b>(105 000)</b>	<b>(112 002)</b>	<b>25.19</b>
<b>Expenditure:</b>					
Employees	24 651	26 441	26 976	26 467	0.10
Repairs and Maintenance	581	797	847	572	-39.34
Other	83 618	47 823	76 633	76 154	37.20
<b>Total Operational Expenditure</b>	<b>108 850</b>	<b>75 061</b>	<b>104 456</b>	<b>103 193</b>	<b>27.26</b>
<b>Net Operational (Service)</b>	<b>4 215</b>	<b>(8 728)</b>	<b>(544)</b>	<b>(8 809)</b>	<b>0.91</b>

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Table 104: Financial Performance: Traffic Services

## 12. FIRE SERVICES AND DISASTER MANAGEMENT

Description	2015/16	2016/17			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>(465)</b>	<b>(513)</b>	<b>(513)</b>	<b>(265)</b>	<b>-93.88</b>
<b>Expenditure:</b>					
Employees	24 243	24 395	24 045	27 061	9.85
Repairs and Maintenance	651	874	959	834	-4.86
Other	1 288	1 952	2 199	2 680	27.16
<b>Total Operational Expenditure</b>	<b>26 181</b>	<b>27 221</b>	<b>27 203</b>	<b>30 575</b>	<b>10.97</b>
<b>Net Operational (Service)</b>	<b>25 717</b>	<b>26 708</b>	<b>26 690</b>	<b>30 310</b>	<b>11.88</b>

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Table 105: Financial Performance: Fire Services and Disaster Management Personnel Expenditure

## 13. HOLIDAY RESORTS AND CAMPSITES

Description	2015/16	2016/17			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>(403)</b>	<b>(453)</b>	<b>(453)</b>	<b>(494)</b>	<b>8.41</b>
<b>Expenditure:</b>					
Employees	139	145	145	142	-2.19
Repairs and Maintenance	4	21	21	13	-59.20

Description	2015/16	2016/17			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Other	101	45	45	97	53.99
<b>Total Operational Expenditure</b>	<b>245</b>	<b>211</b>	<b>211</b>	<b>252</b>	<b>16.40</b>
<b>Net Operational (Service)</b>	<b>(159)</b>	<b>(242)</b>	<b>(242)</b>	<b>(242)</b>	<b>0.07</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual

**Table 106: Financial Performance: Holiday Resorts and Campsites**

#### 14. SPORT GROUNDS, PARKS AND SWIMMING POOLS

Description	2015/16	2016/17			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>(936)</b>	<b>(10 327)</b>	<b>(10 327)</b>	<b>(1 827)</b>	<b>-465.18</b>
<b>Expenditure:</b>					
Employees	34 179	28 811	29 273	36 854	21.82
Repairs and Maintenance	9 579	19 522	25 957	14 573	-33.96
Other	11 826	3 680	4 691	11 042	66.68
<b>Total Operational Expenditure</b>	<b>55 584</b>	<b>52 013</b>	<b>59 921</b>	<b>62 469</b>	<b>16.74</b>
<b>Net Operational (Service)</b>	<b>54 648</b>	<b>41 686</b>	<b>49 594</b>	<b>60 642</b>	<b>31.26</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual

**Table 107: Financial Performance: Sport Grounds, Parks and Swimming Pools**

#### 15. COMMUNITY HALLS AND THUSONG CENTRES

Description	2015/16	2016/17			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>(453)</b>	<b>(567)</b>	<b>(567)</b>	<b>(497)</b>	<b>-14.10</b>
<b>Expenditure:</b>					
Employees	2 870	2 911	2 911	3 094	5.91
Repairs and Maintenance	72	174	268	74	-133.79
Other	617	594	570	717	17.25
<b>Total Operational Expenditure</b>	<b>3 559</b>	<b>3 679</b>	<b>3 750</b>	<b>3 886</b>	<b>5.33</b>
<b>Net Operational (Service)</b>	<b>3 106</b>	<b>3 112</b>	<b>3 182</b>	<b>3 389</b>	<b>8.18</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual

**Table 108: Financial Performance: Community Halls and Thusong Centres**

**16. OFFICE OF THE MUNICIPAL MANAGER**

Description	2015/16	2016/17			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	-	-	-	-	-
<b>Expenditure:</b>					
Employees	7 397	7 806	7 806	6 495	-20.18
Repairs and Maintenance	0	11	11	-	-
Other	(1 140)	(1 205)	(1 205)	617	295.22
<b>Total Operational Expenditure</b>	<b>6 258</b>	<b>6 612</b>	<b>6 612</b>	<b>7 112</b>	<b>7.03</b>
<b>Net Operational (Service)</b>	<b>6 258</b>	<b>6 612</b>	<b>6 612</b>	<b>7 112</b>	<b>7.03</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 109: Financial Performance: Office of the Municipal Manager

**17. HUMAN RESOURCE SERVICES**

Description	2015/16	2016/17			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	(699)	(815)	(875)	(809)	-0.84
<b>Expenditure:</b>					
Employees	9 122	9 223	9 555	8 982	-2.69
Repairs and Maintenance	28	43	43	10	-346.34
Other	(4 062)	843	2 443	12 025	92.99
<b>Total Operational Expenditure</b>	<b>5 089</b>	<b>10 109</b>	<b>12 041</b>	<b>21 016</b>	<b>51.90</b>
<b>Net Operational (Service)</b>	<b>4 390</b>	<b>9 294</b>	<b>11 165</b>	<b>20 208</b>	<b>54.01</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 110: Financial Performance: Human Resource Services

**18. INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES**

Description	2015/16	2016/17			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	-	-	-	-	-
<b>Expenditure:</b>					
Employees	6 361	5 454	5 454	6 467	15.66
Repairs and Maintenance	39	431	181	183	-135.29
Other	(1 704)	4 380	7 359	12 405	64.69
<b>Total Operational Expenditure</b>	<b>4 696</b>	<b>10 265</b>	<b>12 994</b>	<b>19 056</b>	<b>46.13</b>

Description	2015/16	2016/17			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
<b>Net Operational (Service)</b>	<b>4 696</b>	<b>10 265</b>	<b>12 994</b>	<b>19 056</b>	<b>46.13</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual

**Table 111: Financial Performance: Information and Communication Technology (ICT) Services**

## 19. LEGAL SERVICES

Description	2015/16	2016/17			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(3)</b>	<b>34.63</b>
<b>Expenditure:</b>					
Employees	3 330	4 323	4 723	4 868	11.19
Repairs and Maintenance	4	22	18	–	0
Other	11 646	9 522	13 126	13 642	30.20
<b>Total Operational Expenditure</b>	<b>14 980</b>	<b>13 867</b>	<b>17 867</b>	<b>18 510</b>	<b>25.08</b>
<b>Net Operational (Service)</b>	<b>14 978</b>	<b>13 865</b>	<b>17 865</b>	<b>18 507</b>	<b>25.08</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual

**Table 112: Financial Performance: Legal Services**

## 20. PROPERTY MANAGEMENT

Description	2015/16	2016/17			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>(3 671)</b>	<b>(16 253)</b>	<b>(16 253)</b>	<b>(7 792)</b>	<b>-108.60</b>
<b>Expenditure:</b>					
Employees	6 210	8 340	8 340	6 781	-22.99
Repairs and Maintenance	7 981	7 340	8 284	8 525	13.89
Other	10 376	18 520	18 525	12 250	-51.18
<b>Total Operational Expenditure</b>	<b>24 567</b>	<b>34 200</b>	<b>35 150</b>	<b>27 556</b>	<b>-24.11</b>
<b>Net Operational (Service)</b>	<b>20 896</b>	<b>17 948</b>	<b>18 897</b>	<b>19 764</b>	<b>9.19</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual

**Table 113: Financial Performance: Property and Contract Management**

**21. FINANCIAL SERVICES**

Description	2015/16		2016/17		Variance to Budget
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	
	R'000				
<b>Total Operational Revenue</b>	<b>(330 848)</b>	<b>(333 669)</b>	<b>(343 447)</b>	<b>(388 187)</b>	<b>14.04</b>
<b>Expenditure:</b>					
Employees	39 445	40 079	41 159	42 978	<b>6.74</b>
Repairs and Maintenance	520	154	371	688	<b>77.58</b>
Other	(3 667)	5 325	5 248	52 237	<b>89.81</b>
<b>Total Operational Expenditure</b>	<b>36 298</b>	<b>45 558</b>	<b>46 778</b>	<b>95 903</b>	<b>52.50</b>
<b>Net Operational (Service)</b>	<b>(294 550)</b>	<b>(288 110)</b>	<b>(296 668)</b>	<b>(292 284)</b>	<b>1.43</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual					

**Table 114: Financial Performance: Financial Services**



**C) GRANTS**
**1. GRANT PERFORMANCE**

The Municipality had a total amount of R 122.6 million for operational expenditure available that was received in the form of grants from the National and Provincial Governments during the 2016/17 financial year. The performance in the spending of these grants are summarised as follows:

Description	2015/16	2016/17			2016/17 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
<b>National Government:</b>	88 643	99 065	99 065	99 065	100%	100%
Equitable Share	84 962	95 982	95 982	95 982	100%	100%
Financial Management Grant	1 450	1 325	1 325	1 325	100%	100%
Municipal Systems Improvement	930	-	-	-	-	-
EPWP	1 075	1 758	1 758	1 758	100%	100%
Energy Efficiency and Demand Side Management	226	-	-	-		
<b>Provincial Government:</b>	35 507	12 756	36 269	20 145	158%	56%
Provincial Government PHP Top Structure	26 013	-	22 733	8 943		39%
Library Services Support	8 607	10 009	10 009	10 009	100%	100%
CDW Support	37	56	56	73	130%	130%
LG FMG	250	-	220	220		
Integrated Transport Plan	600	-	-	-		
Financial Management Capacity Building Grant		120	120			
LG Graduate Internship		-	60			
Maintenance and Construction of Transport Infrastructure		2 171	2 171			
Spatial development framework grant	-	400	900	900	225%	100%
<b>District Municipality:</b>		300	300	300	100%	100%
Hosting of Cultural events	-	300	300	300	100%	100%
<b>Other Grant Providers:</b>	699	600	600	3 057	510%	510%
Public contributions and donations	699	600	600	3 057	510%	510%
<b>Total Operating Transfers and Grants</b>	124 849	112 721	136 234	122 567		

Table 115: Grant Performance for 2016/17

## 2. CAPITAL GRANTS: EXCLUDING MIG

Description	2015/16	2016/17			2016/17 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
National Government:	57 902	45 959	45 959	44 888	100%	100%
Regional Bulk Infrastructure	48 128	32 809	32 809	32 809	100%	100%
Integrated National Electrification Programme (Municipal) Grant	4 000	5 000	5 000	3 946	100%	79%
Energy Efficiency and Demand Side Management	5 774	8 000	8 000	7 983	100%	100%
Financial Management Grant	-	150	150	150	100%	100%
Provincial Government:	16 348	36 370	38 211	11 963	44%	42%
Human Settlements Development Grant	15 992	34 150	29 267	9 042	0.26	31%
Maintenance and Construction of Transport Infrastructure	-	-	4 000		-	100%
Libraries Services Support	356	2 220	4 944	2 921	1.32	59%
Integrated Transport Planning	-	-	-	-	--	-
Development of Sport and Recreational Facilities		60	60		1.00	100%
Other Grant Providers:	34	11 024	11 024	607	6%	6%
Other	34	11 024	11 024	607	0.06	6%
<b>Total Operating Transfers and Grants</b>	<b>74 284</b>	<b>93 353</b>	<b>95 194</b>	<b>57 458</b>	<b>67%</b>	<b>66%</b>

Table 116: Capital Grants (excl. MIG)

## 3. LEVEL OF RELIANCE ON GRANTS AND SUBSIDIES

Financial year	Total grants and subsidies received	Total Revenue Operating	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
2016/17	115 44	1 519 12	8

Table 117: Reliance on Grants

## D) 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.

## E) REPAIRS AND MAINTENANCE

Description	2015/16	2016/17			2016/17 Variance
	Actual	Original Budget	Adjustment Budget	Actual	Budget variance
	R'000				%
Repairs and Maintenance Expenditure	58 453	91 422	96 170	59 139	39%

Table 118:

*Repairs and Maintenance Expenditure*

## F) FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

### 1. LIQUIDITY RATIO

Description	Basis of calculation	2013/14	2014/15	2015/16	2016/17
Current Ratio	Current assets/current liabilities	2.99	2.54	2.72	2.12
Current Ratio adjusted for aged debtors	Current assets - debtors > 90 days/current liabilities	2.16	1.92	2.6	1.83
Liquidity Ratio	Monetary Assets/Current Liabilities	2.93	2.50	2.61	1.39

Table 119:

*Liquidity Ratio*

## 2. IDP REGULATION FINANCIAL VIABILITY INDICATORS

Description	Basis of calculation	2013/14	2014/15	2015/16	2016/17
Cost Coverage	(Available cash + investments)/monthly operational expenditure fixed	7.84	9.89	1.4	5.71
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	17.66	18.22	10.22	18.09
Debt Coverage	(Total operating revenue - operating grants)/debt service payments due within financial year)	46.83	42.45	64.13	4.95

**Table 120: Financial Viability of Indicators**

## 3. BORROWING MANAGEMENT

Description	Basis of calculation	2013/14	2014/15	2015/16	2016/17
Capital Charges to Operating Expenditure	Interest and Principal Paid /Operating Expenditure	2.14%	2.36%	1.6%	1.21%

**Table 121: Borrowing Management**

## 4. EMPLOYEE COSTS

Description	Basis of calculation	2013/14	2014/15	2015/16	2016/17
Employee costs	Employee costs/(total revenue - capital revenue)	27.01%	28.60%	28.10%	26.84%

**Table 122: Employee Costs**

## 5. REPAIRS & MAINTENANCE

Description	Basis of calculation	2013/14	2014/15	2015/16	2016/17
Repairs and Maintenance	R&M/(total revenue excluding capital revenue)	4.81%	5.16%	4.36%	4.15%

**Table 123: Repairs and Maintenance**

**COMPONENT B: SPENDING AGAINST CAPITAL BUDGET**
**A) CAPITAL EXPENDITURE**
**1. CAPITAL EXPENDITURE BY ASSETS PROGRAMME**

Description	2016/17		
	Original Budget	Adjustment Budget	Actual Expenditure
	R'000		
<b>Capital Expenditure by Asset Class</b>			
<b>Infrastructure - Total</b>	<b>342 402</b>	<b>368 978</b>	<b>311 628</b>
<b>Infrastructure: Road transport - Total</b>	<b>40 426</b>	<b>47 838</b>	<b>48 288</b>
<i>Roads, Pavements, Bridges and Stormwater</i>	40 426	47 838	48 288
<i>Storm water</i>	–	–	–
<b>Infrastructure: Electricity - Total</b>	<b>39 090</b>	<b>46 538</b>	<b>45 122</b>
<i>Generation</i>	35 940	43 388	41 011
<i>Transmission and Reticulation</i>	3 150	3 150	4 111
<i>Street Lighting</i>	–	–	–
<b>Infrastructure: Water - Total</b>	<b>54 419</b>	<b>52 691</b>	<b>32 471</b>
<i>Dams and Reservoirs</i>	–	–	–
<i>Water purification</i>	–	–	–
<i>Reticulation</i>	54 419	52 691	32 471
<b>Infrastructure: Sanitation - Total</b>	<b>203 217</b>	<b>190 024</b>	<b>183 853</b>
<i>Reticulation</i>	202 967	189 774	183 735
<i>Sewerage purification</i>	250	250	118
<b>Infrastructure: Other - Total</b>	<b>5 250</b>	<b>31 887</b>	<b>1 894</b>
<i>Waste Management</i>	4 600	30 288	–
<i>Transportation</i>	–	–	–
<i>Gas</i>	–	–	–
<i>Other</i>	650	1 599	1 894
<b>Community - Total</b>	<b>34 835</b>	<b>45 267</b>	<b>-</b>
<i>Parks &amp; gardens</i>	1 880	3 092	1 722
<i>Sports fields&amp; stadia</i>	11 713	11 713	4 780
<i>Swimming pools</i>	–	–	–
<i>Community halls</i>	9 360	9 656	-
<i>Libraries</i>	2 050	4 774	2 816
<i>Recreational facilities</i>	–	–	–
<i>Fire, safety &amp; emergency</i>	700	6 717	-
<i>Security and policing</i>	–	–	–
<i>Buses</i>	–	–	–
<i>Clinics</i>	–	–	–
<i>Museums &amp; Art Galleries</i>	–	–	–
<i>Cemeteries</i>	2 350	1 450	906
<i>Social rental housing</i>	6 782	7 469	5 319

Description	2016/17		
	Original Budget	Adjustment Budget	Actual Expenditure
	R'000		
Other	–	397	2 424
<b>Capital Expenditure by Asset Class</b>	<b>86 555</b>	<b>68 335</b>	<b>61 430</b>
<b>Heritage Assets - Total</b>	<b>600</b>	<b>600</b>	<b>1 745</b>
<i>Buildings</i>	600	600	1 745
<b>Other Assets</b>	–	–	–
<b><u>Investment properties - Total</u></b>	<b>–</b>	<b>–</b>	<b>–</b>
Housing development	–	–	–
Other	–	–	–
<b><u>Other assets</u></b>	<b>83 005</b>	<b>63 040</b>	<b>56 029</b>
General vehicles	10 576	19 447	17 503
Specialised vehicles			–
Plant & equipment	9 778	3 328	2 083
Computers - hardware/equipment	6 100	7 300	9 847
Furniture and other office equipment	5 559	5 669	7 278
Abattoirs			–
Markets			–
Civic Land and Buildings	35 042	16 119	16 566
Other Buildings			–
Other Land			–
Surplus Assets - (Investment or Inventory)			–
Other	15 950	11 177	2 752
<b><u>Agricultural assets</u></b>	<b>–</b>	<b>–</b>	<b>–</b>
<i>List sub-class</i>	–	–	–
<b><u>Biological assets</u></b>	<b>–</b>	<b>–</b>	<b>–</b>
<i>List sub-class</i>	–	–	–
<b><u>Intangibles</u></b>	<b>2 950</b>	<b>4 695</b>	<b>3 656</b>
Computers - software & programming	–	–	–
Other (list sub-class)	2 950	4 695	3 656
<b>Total Capital Expenditure on new assets</b>	<b>463 792</b>	<b>482 580</b>	<b>-</b>
<b><u>Specialised vehicles</u></b>	<b>–</b>	<b>–</b>	<b>–</b>
Refuse	–	–	–
Fire	–	–	–
Conservancy	–	–	–
Ambulances	–	–	–

Table 124: Capital Expenditure by asset programme

## 2. SOURCES OF FINANCE

The table below indicates the capital expenditure by funding source for the 2016/17 financial year:

Details	2016/17				
	Original Budget (OB)	Adjustment Budget	Actual	Adjustment Budget Variance	Adjustment Budget Variance
	R'000				%
<b>Source of finance</b>					
External Loans	161 000	–	–	-100.00	0.00
Public Contributions and Donations	11 024	11 024	-	0.00	-100.00
Grants and Subsidies	116 536	118 377	94 329	1.58	-20.64
Other	175 231	353 179	316 234	101.55	-21.08
<b>Total</b>	<b>463 792</b>	<b>482 580</b>	<b>410 562</b>	<b>4.05</b>	<b>-15.53</b>
<b>Percentage of Finance</b>					
External Loans	35	0	0	-100.00	0.00
Public Contributions and Donations	2	2	0	-3.89	-96.11
Grants and Subsidies	25	25	23	-2.38	-6.19
Own Funding	38	73	77	93.70	10.16
<b>Capital Expenditure</b>					
Water and Sanitation	259 086	245 387	232 443	-5.29	-5.00
Electricity	49 590	47 997	43 859	-3.21	-8.34
Housing	37 390	34 320	15 176	-8.21	-51.20
Roads and Stormwater	25 736	28 525	30 024	10.84	5.82
Other	91 989	126 351	89 060	37.35	-40.54
<b>Total</b>	<b>463 792</b>	<b>482 580</b>	<b>410 562</b>	<b>4.05</b>	<b>-15.53</b>
<b>Percentage of Expenditure</b>					
Water and Sanitation	56	51	57	-8.97	10.32
Electricity	11	10	11	-6.98	6.89
Housing	8	7	4	-11.78	-42.36
Roads and Stormwater	6	6	7	6.52	25.27
Other	20	26	22	32.01	-22.64

Table 125: Capital Expenditure by Funding Source

## B) CAPITAL SPENDING ON 5 LARGEST PROJECTS

Projects with the highest capital expenditure in 2016/17:

Name of Project	2016/17			Variance 2016/17	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment Variance
	R			%	
Extension of WWTW Stellenbosch	178 017	150 240	149 218	16	-1
New Plankenburg Main Outfall Sewer	23 500	17 500	17 069	27	-2
Upgrade of WWTW: Klapmuts	20 500	27 579	25 215	-23	-9
Bulk Water Supply Pipeline & Reservoir - Jamestown	10 619	14 976	12 828	-21	-14
New Community Hall Klapmuts	9 300	13 242	12 887	-39	-3

Table 126: Capital Expenditure on the 5 Largest Projects

## C) 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 dilapidated infrastructure and the bulk services to provide for future development and current provision of water and sanitation.

### 1. MUNICIPAL INFRASTRUCTURE GRANT (MIG)

Details	Budget	Adjustment Budget	Actual	Variance Budgets
	R'000			%
Jamestown New Bulk Water Infrastructure	6 253	6 253	6 253	-
Klapmuts: Upgrade WWTP	15 000	15 000	15 000	-
Plankenburg New Main Sewer Outfall (Budget Maintenance)	877	6 331	6 331	-
Plankenburg New Main Sewer Outfall	3 760	3 760	3 760	-
Ida's valley: Upgrade Hockey Field with synthetic grass	5 122	488	488	-
Klapmuts: New Public Transport Interchange	3 135	2 315	2 315	-

Table 127: Municipal Infrastructure Grant (MIG)



**D) CASH FLOW**

Description	2015/16	2016/17		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
R'000				
<b>Cash Flow from Operating Activities</b>				
<b>Receipts</b>				
Ratepayers and Other	1 049 821	1 081 328	1 081 328	1 087 345
Government Grants	237 009	264 635	264 635	259 436
Interest	49 713	51 933	51 933	56 219
<b>Payments</b>				
Employee Costs	-392 495	-1 136 221	-1 136 221	-394 633
Suppliers	-606 845	-	-	-553 989
Finance Costs	-20 391	-20 222	-20 222	-19 627
<b>Net Cash from/(Used) Operating Activities</b>	<b>316 813</b>	<b>241 453</b>	<b>241 453</b>	<b>434 752</b>
<b>Cash Flow from Investing Activities</b>				
<b>Receipts</b>				
Proceeds on Disposal of PPE	-	5 698	5 698	2 198
Proceeds on Disposal of Biological Assets	353	-	-	45
Movement in Non-Current Receivables	-	-	-	-
<b>Payments</b>				
Purchase of PPE	-348 019	-478 580	-478 580	-410 203
Movement in Non-Current Receivables	-9 245	-	-	-1 164
Movement in Investments	112 265	-	-	157 525
<b>Net Cash from/(Used) Investing Activities</b>	<b>-244 647</b>	<b>-472 882</b>	<b>-472 882</b>	<b>-251 599</b>
<b>Cash Flow from Financing Activities</b>				
<b>Receipts</b>				
Proceeds from Other Financial Liabilities	38 855	161 000	161 000	-
Increase in consumer deposits	-	1 387	1 387	-
<b>Payments</b>				
Repayment of Borrowing	-	-11 958	-11 958	-11 908
<b>Net Cash from/(Used) Financing Activities</b>	<b>38 855</b>	<b>150 429</b>	<b>150 429</b>	<b>-11 908</b>
<b>Net Increase/(Decrease) in Cash Held</b>	<b>111 022</b>	<b>-81 000</b>	<b>-81 000</b>	<b>171 244</b>
<b>Cash/Cash Equivalents at the Year-Begin:</b>	<b>17 165</b>	<b>613 808</b>	<b>613 808</b>	<b>128 187</b>
<b>Cash/Cash Equivalents at the Year-End:</b>	<b>128 187</b>	<b>532 808</b>	<b>532 808</b>	<b>299 431</b>

Table 128: Cash Flow

**E) GROSS OUTSTANDING DEBTORS PER SERVICE**

Financial year	Rates	Trading services	Trading services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
(R'000)						
2014/15	35 461	74 284	32 599	14 116	110 990	267 450
2015/16	32 546	79 347	31 768	24 049	135 506	303 216
Difference	-2 915	5 063	-831	9 933	24 516	35 766
% growth year on year	-8%	7%	-3%	70%	22%	13%
2016/17	33 365	83 766	33 090	23 150	12 434	185 806
Difference	819	4 419	1 322	-899	-123 072	-117 410
% growth year on year	2%	5%	4%	-4%	-990%	-63%

Table 129: Gross Outstanding Debtors per Service

Note: Figures exclude provision for bad debt.

**F) 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)					
2014/15	62 707	10 964	10 945	8 495	174 340	267 451
2015/16	69 604	11 168	10 664	9 044	190 677	291 157
Difference	6 897	204	-281	549	16 337	23 706
% growth year on year	11%	2%	-3%	6%	9%	9%
2016/17	57 981	5 205	3 249	3 545	125 115	195 095
Difference	-11 623	-5 963	-7 415	-5 499	-65 562	-96 062
% growth year on year	-17%	-53%	-70%	-61%	-34%	-33%

Table 130: Debtors Age Analysis

Note: Figures exclude provision for bad debt.

## G) 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.

### 1. ACTUAL BORROWINGS

Instrument	2013/14	2014/15	2015/16	2016/17
	R'000			
Long-Term Loans	116 742	159 439	198 294	186 386

*Table 131: Actual Borrowings*

### 2. MUNICIPAL INVESTMENTS

Investment type	2013/14	2014/15	2015/16	2016/17
	R'000			
Deposits - Bank	490 648	592 648	600 239	322 476

*Table 132: Municipal Investments*

**Report of the  
auditor-general to  
the Western Cape  
Provincial  
Parliament and the  
council on the  
Stellenbosch  
Municipality**

# Report of the auditor-general to the Western Cape Provincial Parliament and the council on the Stellenbosch Municipality

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Stellenbosch Municipality set out on pages 5 to 134, which comprise the statement of financial position as at 30 June 2017, and the statement of financial performance, statement of changes in net assets, and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Stellenbosch Municipality as at 30 June 2017 and its financial performance and cash flows for the year then ended in accordance with the 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, 2016 (Act No. 3 of 2016) (DoRA).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Emphasis of matters**

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### Restatement of corresponding figures

7. As disclosed in note 58 to the financial statements, the corresponding figures for 30 June 2016 have been restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2017.

### Uncertainty relating to the future outcome of exceptional litigation

8. With reference to note 50 to the financial statements, the municipality is at risk regarding the payment of claims relating to contractual disputes from third parties. The ultimate outcomes of these matters cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

### Material impairments

9. As disclosed in note 39 to the financial statements, the impairment of debt to the amount of R82,1 million (2015-16: R83,2 million) was expensed as a result of the expectation that trade and other debtors may prove to be irrecoverable.

### Material underspending of the budget

10. As disclosed in the statement of comparison of budget and actual amounts: statement of financial performance, the municipality materially underspent its operating budget on a comparable basis by R142,9 million.

## **Other matter**

11. I draw attention to the matter below. My opinion is not modified in respect of this matter.

### Unaudited disclosure notes

12. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

## **Responsibilities of the accounting officer**

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA 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.
14. In preparing the financial statements, the accounting officer is responsible for assessing the Stellenbosch Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

## **Auditor-general's responsibilities for the audit of the financial statements**

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

## **Report on the audit of the annual performance report**

### **Introduction and scope**

17. 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 material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to raise findings but not to gather evidence to express assurance.
18. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

19. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objective presented in the annual performance report of the municipality for the year ended 30 June 2017:

Objectives	Pages in the annual performance report
Objective 4: dignified living	116 – 119

20. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
21. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following objective:
- Objective 4: dignified living

#### Other matters

22. I draw attention to the matters below.

#### Achievement of planned targets

23. Refer to the annual performance report on pages 116 to 119 for information on the achievement of planned targets for the year and explanations provided for the overachievement of a significant number of targets.

#### Adjustment of material misstatements

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of dignified living. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.



## Report on the audit of compliance with legislation

### Introduction and scope

25. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to raise findings but not to gather evidence to express assurance.
26. I did not raise material findings on compliance with the specific matters in key legislation as set out in the general notice issued in terms of the PAA.

### Other information

27. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and the selected objective presented in the annual performance report that have been specifically reported on in the auditor's report.
28. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
29. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
30. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.
31. I have nothing to report in this regard.

### Internal control deficiencies

32. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

33. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

### Investigations

34. Various investigations in respect of allegations relating to procurement irregularities, the misconduct of employees and fraudulent activities were conducted by the municipality's chief risk officer in conjunction with its human resource manager and its attorneys. All 30 of the cases brought forward from the previous year were completed. Allegations reported during the year under review resulted in two investigations into alleged misconduct by a supply chain management official, which is still in progress; and one matter regarding misconduct and gross negligence, which led to the dismissal of an official.

*Auditor-General.*

Cape Town

30 November 2017



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected objectives and on the municipality's compliance with respect to the selected subject matters.

### **Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in the auditor's report, I also:
  - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control.
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
  - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Stellenbosch Municipality's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause a municipality to cease to continue as a going concern.
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

**Financial  
statements of  
Stellenbosch  
Municipality  
for the  
2016/17  
financial year**

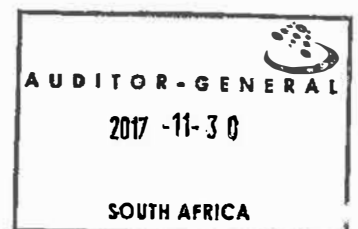


**STELLENBOSCH**  
STADT • BOUTIKA • KENNEDY • FRANSCH • BOES

**MUNICIPALITY • PRINCIPALIA • MUNISIPALITEIT**

**Stellenbosch Municipality  
Annual financial statements  
for the year ended 30 June 2017**

**Auditor-General of South Africa**



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## General Information

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### Mayoral committee

Executive Mayor	G Van Deventer
	CJ Sidego (Terminated 09/08/2016)
Deputy Executive Mayor	N Jindela
	MG Smuts (Terminated 09/08/2016)
Speaker	D Joubert
	CP Jooste (Terminated 09/08/2016)
Executive Councillors	P Biscombe
	J De Villiers
	AR Frazenburg
	E Groenewald
	X Mdemka
	W Peterson
	A Salie
	J Serdyn
	V Fernandez (Terminated 30/07/2016)
	Q Smit (Terminated 09/08/2016)
	SJ Louw (Terminated 09/08/2016)
	PJ Retief (Terminated 09/08/2016)
Councillors	F Adams
	DS Arends
	F Badenhorst
	N Bakubaku-Vos
	F Bangani-Menziwa
	P Crawley
	A Crombie
	M De Wet
	R Du Toit
	A Florence
	A Hanekom
	E Fredericks
	E Fredericks
	A Hanekom
	J Hamilton
	L Horsband
	MC Johnson
	N Louw
	N Mananga-Gugushe
	C Manuel
	L Maqeba
	NE Mc Ombring
	RC Nalumango
	N Olayi
	M Oliphant
	M Pietersen
	W Pietersen
	S Schafer
	N Sinkinya
	P Sitshoti
	E Vermeulen

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## General Information

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	NM August (Terminated 09/08/2016) HC Bergstedt (Terminated 09/08/2016) DC Botha (Terminated 09/08/2016) JA Davids (Terminated 09/08/2016) JSA Fourie (Terminated 09/08/2016) S Jooste (Terminated 09/08/2016) EL Maree (Terminated 09/08/2016) M Mntumni (Gcaza) (Terminated 09/08/2016) C Moses (Terminated 09/08/2016) MM Ngcofe (Terminated 09/08/2016) N Ntsunguzi (Terminated 09/08/2016) L Ronoti (Terminated 09/08/2016) LN Siwakamisa (Terminated 09/08/2016) LL Stander (Terminated 09/08/2016) M Wanana (Terminated 09/08/2016)
<b>Grading of local authority</b>	Councillors Grade 4 Personnel Grade 10
<b>Chief Finance Officer (CFO)</b>	M Wüst Tel: 021 808 8528 Fax: 021 886 7318
<b>Registered office</b>	Plein Street Stellenbosch 7600
<b>Business address</b>	Plein Street Stellenbosch 7600
<b>Postal address</b>	P O Box 17 Stellenbosch 7599
<b>Bankers</b>	ABSA
<b>Auditors</b>	Auditor-General of South Africa



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Index

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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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Statement of Financial Position	5
Statement of Financial Performance	6
Statement of Changes in Net Assets	7
Cash Flow Statement	8
Statement of Comparison of Budget and Actual Amounts	9 - 13
Accounting Policies	14 - 42
Notes to the Annual Financial Statements	43 - 134

## 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

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## 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 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 32 and 33 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.

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Accounting Officer  
G Mettler

30 November 2017



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Statement of Financial Position as at 30 June 2017

Figures in Rand	Note(s)	2017	2016
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	299 430 733	128 186 991
Receivables from exchange transactions	4	91 535 970	85 656 660
Other receivables from exchange transactions	5	83 979 200	62 184 972
Inventories	6	40 658 710	34 658 109
Receivables from non-exchange transactions	7	66 430 628	58 419 570
VAT receivable	8	40 139 579	32 020 078
Short term investments	9	322 475 480	480 000 000
Long term receivable	15	2 121 452	1 387 174
		<u>946 771 752</u>	<u>882 513 554</u>
<b>Non-Current Assets</b>			
Biological assets that form part of an agricultural activity	10	8 808 121	8 907 000
Investment property	11	423 622 558	424 265 953
Property, plant and equipment	12	4 428 174 058	4 177 220 937
Intangible assets	13	9 434 575	6 847 644
Heritage assets	14	724 002	724 002
Long term receivable	15	3 512 953	2 188 000
		<u>4 874 276 267</u>	<u>4 620 153 536</u>
<b>Total Assets</b>		<u><b>5 821 048 019</b></u>	<u><b>5 502 667 090</b></u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Consumer deposits	16	14 577 025	13 191 374
Employee benefit obligation	17	46 157 331	39 327 768
Operating lease liability	18	1 439 270	2 073 729
Other financial liabilities	19	13 083 928	11 908 295
Provisions	20		6 812 128
Payables from exchange transactions	21	282 087 477	201 960 281
Unspent conditional grants and receipts	22	88 493 433	45 953 244
		<u>445 838 464</u>	<u>321 226 819</u>
<b>Non-Current Liabilities</b>			
Other financial liabilities	19	173 302 139	186 386 067
Employee benefit obligation	17	220 222 839	228 568 781
Provisions	20	78 169 144	76 283 251
		<u>471 694 122</u>	<u>491 238 099</u>
<b>Total Liabilities</b>		<u><b>917 532 586</b></u>	<u><b>812 464 918</b></u>
<b>Net Assets</b>		<u><b>4 903 515 433</b></u>	<u><b>4 690 202 172</b></u>
Accumulated surplus		<u>4 903 515 436</u>	<u>4 690 202 173</u>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Statement of Financial Performance

Figures in Rand	Note(s)	2017	2016
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Service charges	23	788 397 454	705 713 720
Rental of facilities and equipment	24	16 905 749	18 598 556
Interest earned - outstanding receivables	25	6 451 330	5 713 800
Agency services	26	6 400 483	5 576 048
Licences and permits		4 696 952	4 209 654
Other income	27	32 686 226	35 907 794
Investment revenue	28	56 218 546	49 713 156
<b>Total revenue from exchange transactions</b>		<b>911 756 740</b>	<b>825 432 728</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Property rates	29	287 664 140	268 311 283
Property rates - penalties imposed	29	2 364 103	2 067 379
<b>Transfer revenue</b>			
Government grants & subsidies	30	216 896 062	228 208 920
Fines, penalties and forfeits	31	100 441 945	92 604 453
<b>Total revenue from non-exchange transactions</b>		<b>607 366 250</b>	<b>591 192 035</b>
<b>Total revenue</b>		<b>1 519 122 990</b>	<b>1 416 624 763</b>
<b>Expenditure</b>			
Employee related costs	32	(407 801 472)	(367 462 966)
Remuneration of councillors	33	(16 094 449)	(15 844 246)
Contribution to/from provisions	34	(1 536 603)	(7 857 300)
Depreciation and amortisation	36	(149 139 445)	(149 552 206)
Impairment of non cash generating assets		(419 479)	-
Finance costs	37	(19 626 895)	(20 390 548)
Contribution to employee benefits	38	(6 953 305)	(31 508 079)
Contribution to allowance for doubtful debt	35	(1 154 212)	6 734 582
Debt impairment	39	(82 169 287)	(83 277 487)
Collection costs		(1 921 904)	(1 849 167)
Repairs and maintenance		(59 139 800)	(54 648 388)
Bulk purchases	40	(347 827 570)	(324 776 672)
Contracted services	41	(49 381 226)	(49 620 959)
Transfers and Subsidies	42	(6 932 896)	(6 215 883)
General Expenses	43	(157 236 323)	(152 739 605)
<b>Total expenditure</b>		<b>(1 307 334 866)</b>	<b>(1 259 008 924)</b>
<b>Operating surplus</b>		<b>211 788 124</b>	<b>157 615 839</b>
Gain (loss) on disposal of assets and liabilities		729 011	(933 659)
Fair value adjustments	44	945 220	(5 624 621)
Gain on sale biological assets and agricultural produce	62	(104 086)	43 295
Inventories (losses/write-downs)/ reversal of write downs		(45 009)	34 728
		<b>1 525 136</b>	<b>(6 480 257)</b>
<b>Surplus for the year</b>		<b>213 313 260</b>	<b>151 135 582</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Statement of Changes In Net Assets

<b>Figures in Rand</b>	<b>Accumulated surplus</b>	<b>Total net assets</b>
Opening balance as previously reported	4 543 094 476	4 543 094 476
Adjustments		
Prior year adjustments	(4 027 885)	(4 027 885)
<b>Balance at 01 July 2015 as restated*</b>	<b>4 539 066 591</b>	<b>4 539 066 591</b>
Changes in net assets		
Surplus for the year	151 135 582	151 135 582
Total changes	151 135 582	151 135 582
<b>Balance at 01 July 2016</b>	<b>4 690 202 176</b>	<b>4 690 202 176</b>
Changes in net assets		
Surplus for the year	213 313 260	213 313 260
Total changes	213 313 260	213 313 260
<b>Balance at 30 June 2017</b>	<b>4 903 515 436</b>	<b>4 903 515 436</b>

Note(s)

The comparative amount for the accumulated surplus has been restated. Refer to prior period error note 58.12.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Cash Flow Statement

Figures in Rand	Note(s)	2017	2016
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Sale of goods and services		1 087 345 205	1 045 977 673
Grants		259 436 251	237 082 400
Interest income		56 218 546	49 713 156
		<u>1 403 000 002</u>	<u>1 332 773 229</u>
<b>Payments</b>			
Employee costs		(394 632 867)	(392 495 097)
Suppliers		(553 988 719)	(603 074 215)
Finance costs		(19 626 895)	(20 390 548)
		<u>(968 248 481)</u>	<u>(1 015 959 860)</u>
<b>Net cash flows from operating activities</b>	45	<u><b>434 751 521</b></u>	<u><b>316 813 369</b></u>
<b>Cash flows from Investing activities</b>			
Purchase of property, plant and equipment	12	(406 171 832)	(345 447 084)
Proceeds from sale of property, plant and equipment	12	2 198 413	-
Purchase of other intangible assets	13	(4 031 366)	(2 572 412)
Movement in non-current receivables		(1 164 340)	(9 244 867)
Proceeds from sale of biological assets that form part of an agricultural activity	10	45 122	352 546
Movement in investments		157 524 520	112 264 879
		<u>(251 599 483)</u>	<u>(244 646 938)</u>
<b>Net cash flows from investing activities</b>		<u><b>(251 599 483)</b></u>	<u><b>(244 646 938)</b></u>
<b>Cash flows from financing activities</b>			
Movement in other financial liabilities		(11 908 295)	38 855 358
<b>Net cash flows from financing activities</b>		<u><b>(11 908 295)</b></u>	<u><b>38 855 358</b></u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>171 243 743</b>	<b>111 021 789</b>
Cash and cash equivalents at the beginning of the year		128 186 991	17 165 202
<b>Cash and cash equivalents at the end of the year</b>	3	<u><b>299 430 734</b></u>	<u><b>128 186 991</b></u>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

### Statement of Financial Performance

#### Revenue

##### Revenue from exchange transactions

Service charges	725 720 525	-	725 720 525	788 397 454	62 676 929	
Rental of facilities and equipment	14 886 249	-	14 886 249	16 905 749	2 019 500	BD1
Interest earned - outstanding receivables	7 284 370	-	7 284 370	6 451 330	(833 040)	BD2
Agency services	2 267 910	-	2 267 910	6 400 483	4 132 573	BD3
Licences and permits	8 099 750	-	8 099 750	4 696 952	(3 402 798)	BD4
Other income	26 545 990	-	26 545 990	32 686 226	6 140 236	BD5
Investment revenue	45 377 070	-	45 377 070	56 218 546	10 841 476	BD6
<b>Total revenue from exchange transactions</b>	<b>830 181 864</b>	<b>-</b>	<b>830 181 864</b>	<b>911 756 740</b>	<b>81 574 876</b>	

##### Revenue from non-exchange transactions

##### Taxation revenue

Property rates	288 275 033	-	288 275 033	287 664 140	(610 893)	
Property rates - penalties imposed	-	-	-	2 364 103	2 364 103	BD7

##### Transfer revenue

Government grants & subsidies	268 555 034	-	268 555 034	216 896 062	(51 658 972)	BD8
Fines, Penalties and Forfeits	92 030 972	-	92 030 972	100 441 945	8 410 973	

##### Total revenue from non-exchange transactions

<b>Total revenue from non-exchange transactions</b>	<b>648 861 039</b>	<b>-</b>	<b>648 861 039</b>	<b>607 366 250</b>	<b>(41 494 789)</b>	
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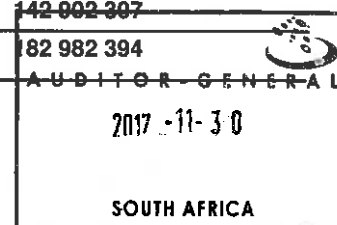
<b>Total revenue</b>	<b>1 479 042 903</b>	<b>-</b>	<b>1 479 042 903</b>	<b>1 519 122 990</b>	<b>40 080 087</b>	
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#### Expenditure

Employee related costs	(406 477 815)	(5 235 919)	(411 713 734)	(407 801 472)	3 912 262	
Remuneration of councillors	(17 026 816)	-	(17 026 816)	(16 094 449)	932 367	
Contribution to/from provisions	(3 623 610)	-	(3 623 610)	(1 536 603)	2 087 007	BD9
Depreciation and amortisation	(156 655 100)	-	(156 655 100)	(149 139 445)	7 515 655	
Impairment loss/ Reversal of impairments	(8 544 710)	-	(8 544 710)	(419 479)	8 125 231	BD10
Finance costs	(20 221 544)	-	(20 221 544)	(19 626 895)	594 649	
Contribution to employee benefits	(28 047 742)	-	(28 047 742)	(6 953 305)	21 094 437	BD11
Debt impairment	(63 495 874)	-	(63 495 874)	(82 169 287)	(18 673 413)	BD12
Contribution to allowance for doubtful debt	(18 503 142)	-	(18 503 142)	(1 154 212)	17 348 930	BD13
Collection costs	(2 650 000)	-	(2 650 000)	(1 921 904)	728 096	BD14
Repairs and maintenance	(91 422 859)	(4 747 596)	(96 170 455)	(59 139 800)	37 030 655	BD15
Bulk purchases	(344 316 751)	2 829 999	(341 486 752)	(347 827 570)	(6 340 818)	
Contracted Services	(17 384 476)	(2 954 903)	(20 339 379)	(49 381 226)	(29 041 847)	BD16
Transfers and Subsidies	(8 374 841)	1 396	(8 373 445)	(6 932 896)	1 440 549	BD17
General Expenses	(263 491 893)	10 107 023	(253 384 870)	(157 236 323)	96 148 547	BD18

<b>Total expenditure</b>	<b>(1 450 237 173)</b>	<b>-(1 450 237 173)</b>	<b>(1 450 237 173)</b>	<b>(1 307 334 866)</b>	<b>142 902 307</b>	
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<b>Operating surplus</b>	<b>28 805 730</b>	<b>-</b>	<b>28 805 730</b>	<b>211 788 124</b>	<b>182 982 394</b>	
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# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Gain on disposal of assets and liabilities	1 369 780	-	<b>1 369 780</b>	729 011	<b>(640 769)</b>	
Fair value adjustments	9 467 390	-	<b>9 467 390</b>	945 220	<b>(8 522 170)</b>	
Loss on biological assets and agricultural produce	15 020	-	<b>15 020</b>	(104 086)	<b>(119 106)</b>	
Inventories (losses/write-downs) / reversal of write downs	(8 205)	-	<b>(8 205)</b>	(45 009)	<b>(36 804)</b>	
	<b>10 843 985</b>	-	<b>10 843 985</b>	<b>1 525 136</b>	<b>(9 318 849)</b>	
<b>Surplus before taxation</b>	<b>39 649 715</b>	-	<b>39 649 715</b>	<b>213 313 260</b>	<b>173 663 545</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>39 649 715</b>	-	<b>39 649 715</b>	<b>213 313 260</b>	<b>173 663 545</b>	



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

### Statement of Financial Position

#### Assets

##### Current Assets

Cash and cash equivalents	88 827 378	-	88 827 378	299 430 733	210 603 355	BD19
Receivables from non exchange transactions	96 733 715	-	96 733 715	91 535 970	(5 197 745)	
Other receivables from exchange transactions	55 876 968	-	55 876 968	83 979 200	28 102 232	BD20
Inventories	14 760 644	-	14 760 644	40 658 710	25 898 066	BD21
Long term receivable	40 115	-	40 115	2 121 452	2 081 337	BD22
Receivables from non-exchange transactions	-	-	-	66 430 628	66 430 628	BD23
VAT receivable	-	-	-	40 139 579	40 139 579	BD24
Short term investments	365 309 582	-	365 309 582	322 475 480	(42 834 102)	BD25
	<b>621 548 402</b>	-	<b>621 548 402</b>	<b>946 771 752</b>	<b>325 223 350</b>	

##### Non-Current Assets

Biological assets that form part of an agricultural activity	11 545 138	-	11 545 138	8 808 121	(2 737 017)	BD26
Investment property	551 396 352	-	551 396 352	423 622 558	(127 773 794)	BD27
Property, plant and equipment	4 643 956 769	-	4 643 956 769	4 428 174 058	(215 782 711)	
Intangible assets	15 388 375	-	15 388 375	9 434 575	(5 953 800)	BD28
Heritage assets	2 824 002	-	2 824 002	724 002	(2 100 000)	BD29
Long term receivable	2 005 735	-	2 005 735	3 512 953	1 507 218	
	<b>5 227 116 371</b>	-	<b>5 227 116 371</b>	<b>4 874 276 267</b>	<b>(352 840 104)</b>	

**Total Assets** **5 848 664 773** - **5 848 664 773** **5 821 048 019** **(27 616 754)**

#### Liabilities

##### Current Liabilities

Other financial liabilities	10 039 131	-	10 039 131	13 083 928	3 044 797	BD30
Operating lease liability	-	-	-	1 439 270	1 439 270	BD31
Payables from exchange transactions	190 546 837	-	190 546 837	282 087 477	91 540 640	BD32
Consumer deposits	12 976 467	-	12 976 467	14 577 025	1 600 558	BD33
Employee benefit obligation	35 509 114	-	35 509 114	46 157 331	10 648 217	BD34
Unspent conditional grants and receipts	7 165 722	-	7 165 722	88 493 433	81 327 711	BD35
	<b>256 237 271</b>	-	<b>256 237 271</b>	<b>445 838 464</b>	<b>189 601 193</b>	

##### Non-Current Liabilities

Other financial liabilities	322 617 180	-	322 617 180	173 302 139	(149 315 041)	BD30
Employee benefit obligation	200 664 936	-	200 664 936	220 222 839	19 557 903	BD34
Provisions	40 494 090	-	40 494 090	78 169 144	37 675 054	BD 36
	<b>563 776 206</b>	-	<b>563 776 206</b>	<b>471 694 122</b>	<b>(92 082 084)</b>	

**Total Liabilities** **820 013 477** - **820 013 477** **917 532 586** **97 519 109**

**Net Assets** **5 028 651 296** - **5 028 651 296** **4 903 515 433** **(125 135 863)**

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Net Assets</b>						
<b>Net Assets Attributable to Owners of Controlling Entity</b>						
<b>Reserves</b>						
Accumulated surplus	5 028 651 296		5 028 651 296	4 903 515 433	(125 135 863)	

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Cash Flow Statement</b>						
<b>Cash flows from operating activities</b>						
<b>Receipts</b>						
Sale of goods and services	1 081 327 629	-	1 081 327 629	1 154 929 918	73 602 289	CF 1
Grants-operation	134 062 714	-	134 062 714	159 158 978	25 096 264	CF 2
Interest income	51 933 003	-	51 933 003	56 218 546	4 285 543	CF 3
Grant- capital	130 572 320	-	130 572 320	94 328 516	(36 243 804)	CF 4
	<b>1 397 895 666</b>	-	<b>1 397 895 666</b>	<b>1 464 635 958</b>	<b>66 740 292</b>	
<b>Payments</b>						
Suppliers and employee costs	(1 128 657 812)	-	(1 128 657 812)	(1 003 324 649)	125 333 163	CF 5
Finance costs	(20 221 544)	-	(20 221 544)	(19 626 895)	594 649	
Transfers and Grants	(7 563 444)	-	(7 563 444)	(6 932 896)	630 548	CF 6
	<b>(1 156 442 800)</b>	-	<b>(1 156 442 800)</b>	<b>(1 029 884 440)</b>	<b>126 558 360</b>	
<b>Net cash flows from operating activities</b>	<b>241 452 866</b>	-	<b>241 452 866</b>	<b>434 751 518</b>	<b>193 298 652</b>	
<b>Cash flows from investing activities</b>						
Capital assets	(473 885 569)	-	(473 885 569)	(406 171 832)	67 713 737	CF 7
Proceeds from sale of property, plant and equipment	5 698 254	-	5 698 254	2 198 413	(3 499 841)	CF 8
Purchase of other intangible assets	(4 694 812)	-	(4 694 812)	(4 031 366)	663 446	CF 7
Movement in investments	-	-	-	157 524 520	157 524 520	CF 9
Proceeds from sale of biological assets that form part of an agricultural activity	-	-	-	45 122	45 122	CF 10
Proceeds from long term receivables	-	-	-	(1 164 339)	(1 164 339)	CF 11
<b>Net cash flows from investing activities</b>	<b>(472 882 127)</b>	-	<b>(472 882 127)</b>	<b>(251 599 482)</b>	<b>221 282 645</b>	
<b>Cash flows from financing activities</b>						
Proceeds from other financial liabilities	161 000 000	-	161 000 000	-	(161 000 000)	CF 12
Borrowing long term /refinancing	(11 957 516)	-	(11 957 516)	(11 908 295)	49 221	
Increase (decrease) in consumer deposits	1 386 835	-	1 386 835	-	(1 386 835)	CF 13
<b>Net cash flows from financing activities</b>	<b>150 429 319</b>	-	<b>150 429 319</b>	<b>(11 908 295)</b>	<b>162 336 614</b>	
Net increase/(decrease) in cash and cash equivalents	(80 999 942)	-	(80 999 942)	171 243 741	252 243 584	
Cash and cash equivalents at the beginning of the year	613 807 934	-	613 807 934	128 186 991	(485 620 943)	
<b>Cash and cash equivalents at the end of the year</b>	<b>532 807 992</b>	-	<b>532 807 992</b>	<b>299 430 732</b>	<b>(233 377 359)</b>	

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 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 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.

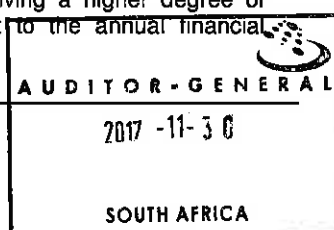
Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

##### 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:



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

---

### 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. The review of useful life and residual values of assets are only reviewed if one of the indicators of potential review is triggered.

#### 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.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

---

### 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.



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 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.

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note 11).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the annual financial statements (see note 11).

### 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.

Property, plant and equipment is recognised as an asset when:

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

### 1.6 Property, plant and equipment (continued)

- 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:

Item	Average useful life
	18





# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

### 1.6 Property, plant and equipment (continued)

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 depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

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. 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 cash flow statement.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 12).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 12).

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

### 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.

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
Other intangible assets	5 years

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1.7 Intangible assets (continued)

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 13).

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.

The municipality separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (see note 14).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 14).

#### 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).

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1.9 Financial instruments

A financial instrument can broadly be defined as those contracts that results in a financial asset in one entity and a financial liability or residual interest in another entity. A key distinguishing factor between financial assets and financial liabilities and other assets and liabilities, is that they are settled in cash or by exchanging financial instruments rather than through the provision of goods or services..

#### 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:

<b>Class</b>	<b>Category</b>
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:

<b>Class</b>	<b>Category</b>
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 amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 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.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 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.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 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.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 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.



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 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.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 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.

#### 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.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1.14 Employee benefits (continued)

#### 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.

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.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1.14 Employee benefits (continued)

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
- 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).

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1.14 Employee benefits (continued)

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.

#### 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.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1.14 Employee benefits (continued)

#### 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.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 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 its 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.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1.15 Provisions and contingencies (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 50.

#### 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.



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 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 measured 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.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 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.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 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.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 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

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1.20 Statutory receivables (continued)

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable surplus will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

#### 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 an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.22 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 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.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1.24 Fruitless and wasteful expenditure (continued)

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 oversized or overcapacity asset. Oversized 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.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1.26 Impairment of non-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 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.

#### 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 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an municipality after deducting all of its liabilities.

### 1.28 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

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.

### 1.29 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.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1.29 Changes in accounting policies, estimates and errors (continued)

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.

### 1.30 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.

### 1.31 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 2016/07/01 to 2017/06/30.

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.

### 1.32 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The 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.



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand

2017

2016

### 2. New standards and Interpretations

#### GRAP 32: Service Concession Arrangements: Grantor

The objective of this Standard is: to prescribe the accounting for service concession arrangements by the grantor, a public sector entity.

It furthermore covers: Definitions, recognition and measurement of a service concession asset, recognition and measurement of liabilities, other liabilities, contingent liabilities, and contingent assets, other revenues, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality has adopted the standard for the first time when the Minister sets the effective date for the standard.

The impact of the standard is not material.

#### GRAP 108: Statutory Receivables

The objective of this Standard is: to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

It furthermore covers: Definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality has adopted the standard for the first time when the Minister sets the effective date for the standard.

The impact of the standard is not material.

#### 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. This Interpretation of the Standards of GRAP shall not be applied by analogy to other types of transactions or arrangements.

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.

A consensus is reached, in this Interpretation of the Standards of GRAP, on the recognition of the performance obligation and the right to receive a significant interest in a service concession asset.

The effective date of the interpretation is not yet set by the Minister of Finance.

The municipality has adopted the interpretation for the first time when the Minister sets the effective date for the interpretation.

The impact of the interpretation is not material.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 2. New standards and Interpretations (continued)

#### **GRAP 34: Separate Financial Statements**

The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when an entity prepares separate financial statements.

It furthermore covers Definitions, Preparation of separate financial statements, Disclosure, Transitional provisions and Effective date.

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.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

#### **GRAP 35: Consolidated Financial Statements**

The objective of this Standard is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

To meet this objective, the Standard:

- requires an entity (the controlling entity) that controls one or more other entities (controlled entities) to present consolidated financial statements;
- defines the principle of control, and establishes control as the basis for consolidation;
- sets out how to apply the principle of control to identify whether an entity controls another entity and therefore must consolidate that entity;
- sets out the accounting requirements for the preparation of consolidated financial statements; and
- defines an investment entity and sets out an exception to consolidating particular controlled entities of an investment entity.

It furthermore covers Definitions, Control, Accounting requirements, Investment entities: Fair value requirement, Transitional provisions and Effective date.

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.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

#### **GRAP 37: Joint Arrangements**

The objective of this Standard is to establish principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e. joint arrangements).

To meet this objective, the Standard defines joint control and requires an entity that is a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and to account for those rights and obligations in accordance with that type of joint arrangement.

It furthermore covers Definitions, Joint arrangements, Financial statements and parties to a joint arrangement, Separate financial statements, Transitional provisions and Effective date.

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.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations (continued)

#### **GRAP 38: Disclosure of Interests in Other Entities**

The objective of this Standard is to require an entity to disclose information that enables users of its financial statements to evaluate:

- the nature of, and risks associated with, its interests in controlled entities, unconsolidated controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and
- the effects of those interests on its financial position, financial performance and cash flows.

It furthermore covers Definitions, Disclosing information about interests in other entities, Significant judgements and assumptions, Investment entity status, Interests in controlled entities, Interests in joint arrangements and associates, Interests in structured entities that are not consolidated, Non-qualitative ownership interests, Controlling interests acquired with the intention of disposal, Transitional provisions and Effective date.

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.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

#### **GRAP 110: Living and Non-living Resources**

The objective of this Standard is to prescribe the:

- recognition, measurement, presentation and disclosure requirements for living resources; and
- disclosure requirements for non-living resources

It furthermore covers Definitions, Recognition, Measurement, Depreciation, Impairment, Compensation for impairment, Transfers, Derecognition, Disclosure, Transitional provisions and Effective date.

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.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

#### **IGRAP 18: Interpretation of the Standard of GRAP on Recognition and Derecognition of Land**

This Interpretation of the Standards of GRAP applies to the initial recognition and derecognition of land in an entity's financial statements. It also considers joint control of land by more than one entity.

When an entity concludes that it controls the land after applying the principles in this Interpretation of the Standards of GRAP, it applies the applicable Standard of GRAP, i.e. the Standard of GRAP on Inventories, Investment Property (GRAP 16), Property, Plant and Equipment (GRAP 17) or Heritage Assets. As this Interpretation of the Standards of GRAP does not apply to the classification, initial and subsequent measurement, presentation and disclosure requirements of land, the entity applies the applicable Standard of GRAP to account for the land once control of the land has been determined. An entity also applies the applicable Standards of GRAP to the derecognition of land when it concludes that it does not control the land after applying the principles in this Interpretation of the Standards of GRAP.

In accordance with the principles in the Standards of GRAP, buildings and other structures on the land are accounted for separately. These assets are accounted for separately as the future economic benefits or service potential embodied in the land differs from those included in buildings and other structures. The recognition and derecognition of buildings and other structures are not addressed in this Interpretation of the Standards of GRAP.

The effective date of the interpretation is for years beginning on or after 01 April 2019.

The municipality expects to adopt the interpretation for the first time in the 2019 annual financial statements.

The impact of this interpretation is currently being assessed.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations (continued)

#### **GRAP 12 (as amended 2016): Inventories**

Amendments to the Standard of GRAP on Inventories resulted from inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 12 on Inventories (IPSAS 12) as a result of the IPSASB's Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- General improvements: To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12)
- IPSASB amendments: To align terminology in GRAP 12 with that in IPSAS 12. The term "ammunition" in IPSAS 12 was replaced with the term "military inventories" and provides a description of what it comprises in accordance with Government Finance Statistics terminology

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

#### **GRAP 16 (as amended 2016): Investment Property**

Based on the feedback received as part of the post-implementation review, the Board agreed to reconsider certain principles in GRAP 16 and GRAP 17. In particular, the Board agreed to:

The most significant changes to the Standard are:

- Review the principles and explanations related to the distinction between investment property and property, plant and equipment.
- Consider whether an indicator-based assessment of useful lives of assets could be introduced.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

#### **GRAP 17 (as amended 2016): Property, Plant and Equipment**

Based on the feedback received as part of the post-implementation review, the Board agreed to reconsider certain principles in GRAP 16 and GRAP 17. In particular, the Board agreed to:

The most significant changes to the Standard are:

- Review the principles and explanations related to the distinction between investment property and property, plant and equipment.
- Consider whether an indicator-based assessment of useful lives of assets could be introduced.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations (continued)

#### **GRAP 18 (as amended 2016): 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.

The most significant changes to the Standard are:

- General improvements: An appendix with illustrative segment disclosures 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 amendment is not yet set by the Minister of Finance.

The municipality expects to adopt the amendment for the first time when the Minister sets the effective date for the amendment.

The adoption of this amendment 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 27 (as amended 2016): Agriculture**

Amendments to the Standard of GRAP on Agriculture resulted from changes made to IPSAS 27 on Agriculture (IPSAS 27) as a result of the IPSASB's Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- IPSASB amendments: To define a bearer plant and include bearer plants within the scope of GRAP 17, while the produce growing on bearer plants will remain within the scope of GRAP 27. In addition to the changes made by the IPSASB, a consequential amendment has been made to GRAP 103 on Heritage Assets. The IPSASB currently does not have a pronouncement on this topic.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

#### **GRAP 21 (as amended 2016): Impairment of non-cash-generating assets**

The Board agreed to include a research project on its work programme to review GRAP 21 and GRAP 26 to assess whether the principles in these Standards could be simplified and streamlined. As part of its research project, the Board considered the following aspects which led to the proposed amendments included in this Exposure Draft:

The most significant changes to the Standard are:

- IPSASB amendments: To update the Basis of conclusions and Comparison with IPSASs to reflect the IPSASB's recent decision on the impairment of revalued assets.

The effective date of the amendment is for years beginning on or after 30 June 2018.

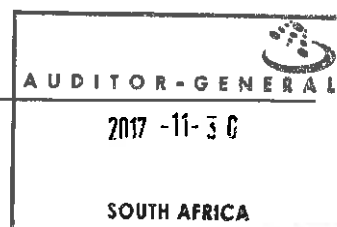
The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

#### **GRAP 26 (as amended 2016): Impairment of cash-generating assets**

The Board agreed to include a research project on its work programme to review GRAP 21 and GRAP 26 to assess whether the principles in these Standards could be simplified and streamlined. As part of its research project, the Board considered the following aspects which led to the proposed amendments included in this Exposure Draft:

The most significant changes to the Standard are:



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 2. New standards and Interpretations (continued)

- IPSASB amendments: To update the Basis of conclusions and Comparison with IPSASs to reflect the IPSASB's recent decision on the impairment of revalued assets.

The effective date of the amendment is for years beginning on or after 30 June 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

#### GRAP 31 (as amended 2016): Intangible Assets

Amendments to the Standard of GRAP on Intangible Assets resulted from inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 31 on Intangible Assets (IPSAS 31) as a result of the IPSASB's Improvements to IPSASs 2014 issued in January 2015.

The most significant changes to the Standard are:

- General improvements: To add the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12); and To clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets
- IPSASB amendments: To clarify the revaluation methodology of the carrying amount and accumulated depreciation when an item of intangible assets is revalued; and To clarify acceptable methods of depreciating assets

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

#### GRAP 103 (as amended 2016): Heritage Assets

Amendments to the Standard of GRAP on Heritage Assets resulted from inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from editorial changes to the original text.

The most significant changes to the Standard are:

- General improvements: To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12); and To clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

#### GRAP 106 (as amended 2016): Transfers of functions between entities not under common control

The objective of this Standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control. It requires an entity that prepares and presents financial statements under the accrual basis of accounting to apply this Standard to a transaction or other event that meets the definition of a transfer of functions. It includes a diagram and requires that entities consider the diagram in determining whether this Standard should be applied in accounting for a transaction or event that involves a transfer of functions or merger.

The most significant changes to the Standard are:

- IASB amendments: To require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting period.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations (continued)

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

#### **GRAP 110 (as amended 2016): Living and Non-living Resources**

Amendments to the Standard of GRAP on Living and Non-living Resources resulted from editorial changes to the original text and inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 17 on Property, Plant and Equipment (IPSAS 17) as a result of the IPSASB's Improvements to IPSASs 2014 issued in January 2015 and Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- General improvements: To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23; and To clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets
- IPSASB amendments: To clarify the revaluation methodology of the carrying amount and accumulated depreciation when a living resource is revalued; To clarify acceptable methods of depreciating assets; and To define a bearer plant and include bearer plants within the scope of GRAP 17 or GRAP 110, while the produce growing on bearer plants will remain within the scope of GRAP 27

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

#### **Directive 12: The Selection of an Appropriate Reporting Framework by Public Entities**

Historically, public entities have prepared financial statements in accordance with generally recognised accounting practice, unless the Accounting Standards Board (the Board) approved the application of generally accepted accounting practice for that entity. "Generally accepted accounting practice" has been taken to mean Statements of Generally Accepted Accounting Practice (Statements of GAAP), or for certain entities, International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board. Since Statements of GAAP have been withdrawn from 1 December 2012, public entities will be required to apply another reporting framework in the future.

The purpose of this Directive is to prescribe the criteria to be applied by public entities in selecting and applying an appropriate reporting framework.

The effective date of the standard is for years beginning on or after 01 April 2018.

The municipality expects to adopt the standard for the first time in the 2018 annual financial statements.

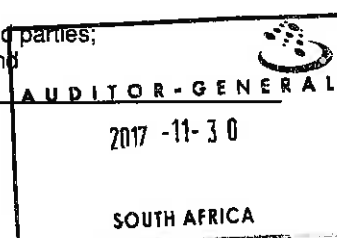
It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

#### **GRAP 20: Related parties**

The objective of this standard is to ensure that a reporting entity'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 entity) 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



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 2. New standards and Interpretations (continued)

- 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.
- 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

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 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.



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations (continued)

#### **GRAP 109: Accounting by Principals and Agents**

The objective of this Standard is to outline principles to be used by an entity 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 an entity is a principal or an agent.

It furthermore covers Definitions, Identifying whether an entity is a principal or agent, Accounting by a principal or agent, Presentation, Disclosure, Transitional provisions and Effective date.

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.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand 2017 2016

### 3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	14 150	8 210
Bank balances	16 606 566	7 939 387
Short-term deposits	282 794 827	120 239 394
Trust and charitable bank	15 190	-
	<u>299 430 733</u>	<u>128 186 991</u>

Short term deposits include call accounts and investments that mature within 3 months after the initial investment.

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	<u>282 623 988</u>	<u>120 068 556</u>
	<u>282 794 827</u>	<u>120 239 395</u>

Short-term investments consist of:

#### Investec - Investment

Opening balance	40 000 000	-
Movement for the year	<u>(31 648 509)</u>	<u>40 000 000</u>
	<u>8 351 491</u>	<u>40 000 000</u>

#### Sanlam - Investment

Opening balance	68 556	592 477 095
Movement for the year	<u>(68 556)</u>	<u>(592 408 539)</u>
	<u>-</u>	<u>68 556</u>

#### Standard Bank - Investment

Opening balance	80 000 000	-
Movement for the year	<u>(18 341 900)</u>	<u>80 000 000</u>
	<u>61 658 100</u>	<u>80 000 000</u>

#### ABSA - Investment

Movement for the year	<u>50 041 616</u>	<u>-</u>
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#### FNB

Movement for the year	<u>102 083 164</u>	<u>-</u>
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#### Nedbank

Movement for the year	<u>60 489 616</u>	<u>-</u>
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# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

### 3. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2017	30 June 2016	30 June 2015	30 June 2017	30 June 2016	30 June 2015
ABSA BANK - Stellenbosch Branch - Primary Bank Account - 410 188 031	15 888 554	7 116 052	15 895 995	16 606 566	7 939 387	16 767 936
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	-	-	-	-	-	-
<b>Total</b>	<b><u>15 888 554</u></b>	<b><u>7 116 052</u></b>	<b><u>15 895 995</u></b>	<b><u>16 606 566</u></b>	<b><u>7 939 387</u></b>	<b><u>16 767 936</u></b>

Included in cash and cash equivalents, an amount of R 200 000 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.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>4. Receivables from exchange transactions</b>		
<b>Gross balances</b>		
Electricity	31 781 967	31 265 212
Water	51 984 319	48 081 583
Sewerage	16 363 723	15 616 792
Refuse	16 726 055	16 151 428
Housing rental	23 150 442	24 048 632
Sundry	12 434 476	13 593 265
	<b>152 440 982</b>	<b>148 756 912</b>
<b>Less: Allowance for impairment</b>		
Electricity	(1 848 904)	(2 225 237)
Water	(21 764 159)	(21 021 546)
Sewerage	(7 195 366)	(7 292 877)
Refuse	(8 312 054)	(8 426 828)
Housing rental	(17 871 941)	(20 506 491)
Sundry	(3 912 588)	(3 627 273)
	<b>(60 905 012)</b>	<b>(63 100 252)</b>
<b>Net balance</b>		
Electricity	29 933 063	29 039 975
Water	30 220 160	27 060 037
Sewerage	9 168 357	8 323 915
Refuse	8 414 001	7 724 600
Housing rental	5 278 501	3 542 141
Sundry	8 521 888	9 965 992
	<b>91 535 970</b>	<b>85 656 660</b>
<b>Electricity</b>		
Current (0 -30 days)	27 468 068	26 396 974
31 - 60 days	268 438	174 479
61 - 90 days	231 240	112 084
91 - 120 days	74 328	201 485
121 - 365 days	970 809	614 090
> 365 days	2 769 084	3 766 100
	<b>31 781 967</b>	<b>31 265 212</b>
<b>Water</b>		
Current (0 -30 days)	12 143 035	12 821 051
31 - 60 days	1 609 025	1 284 646
61 - 90 days	1 259 783	1 421 850
91 - 120 days	1 404 020	1 292 884
121 - 365 days	7 939 541	5 336 658
> 365 days	27 628 915	25 924 494
	<b>51 984 319</b>	<b>48 081 583</b>
<b>Sewerage</b>		
Current (0 -30 days)	4 066 450	3 725 170
31 - 60 days	237 989	280 807
61 - 90 days	227 655	278 915
91 - 120 days	217 655	487 546
121 - 365 days	1 820 852	2 030 889
> 365 days	9 793 122	8 813 465
	<b>16 363 723</b>	<b>15 616 792</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>4. Receivables from exchange transactions (continued)</b>		
<b>Refuse</b>		
Current (0 -30 days)	2 884 016	2 853 651
31 - 60 days	267 753	325 513
61 - 90 days	262 281	306 894
91 - 120 days	250 759	352 631
121 - 365 days	2 164 523	2 329 786
> 365 days	10 896 723	9 982 953
	<b>16 726 055</b>	<b>16 151 428</b>
<b>Housing rental</b>		
Current (0 -30 days)	588 147	941 176
31 - 60 days	181 215	384 675
61 - 90 days	168 987	371 054
91 - 120 days	164 226	354 241
121 - 365 days	982 186	1 469 105
> 365 days	21 065 681	20 528 381
	<b>23 150 442</b>	<b>24 048 632</b>
<b>Sundry</b>		
Current (0 -30 days)	2 736 862	3 936 587
31 - 60 days	126 595	184 589
61 - 90 days	802 579	677 089
91 - 120 days	157 506	327 261
121 - 365 days	1 141 619	1 688 332
> 365 days	7 469 315	6 779 407
	<b>12 434 476</b>	<b>13 593 265</b>
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	(63 100 252)	(62 925 926)
Contributions to allowance	2 195 240	(174 326)
	<b>(60 905 012)</b>	<b>(63 100 252)</b>

### 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 2017, receivables from exchange transactions of R42 097 491 (2016: R 41 968 417) 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.

The comparative figures were restated. Refer to note 58.1

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand

2017

2016

### 4. Receivables from exchange transactions (continued)

#### Government debt as at 30 June 2017

Department responsible for debt	Services	Interest	Sundry	Total
Nat. dept of Public Works	908 468	65 097	446 201	1 419 766
Prov. dept of Transport and Public Works	325 522	17 527	2 415	345 464
Western Cape education department	1 667 330	39 328	343	1 707 001
Dept of local government and housing	22 861	3 401	1 800	28 062
Other government departments	1 027 361	77	45	1 027 483
	<u>3 951 542</u>	<u>125 430</u>	<u>450 804</u>	<u>4 527 776</u>

### 5. Other receivables from exchange transactions

Prepayments	3 082 270	2 710 749
Deposits	958 653	597 413
Accrued income	76 369 291	51 664 934
Insurance debtor	-	381 061
Interest receivable	-	3 973 354
Public safety account	949 296	360 762
Special rating area debtor	217 788	-
Other receivable	2 303 192	2 303 192
Parking debtor	98 710	193 507
	<u>83 979 200</u>	<u>62 184 972</u>

The comparative figures were restated. Refer to note 58.2.

### 6. Inventories

Consumable stores	23 670 476	13 844 210
Water	489 639	434 055
Land inventory	16 498 595	20 379 844
	<u>40 658 710</u>	<u>34 658 109</u>

The amount of inventory reversed / (written down) is R (45 009) (2016: R 34 728) 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 6 340 857 (2016: R 3 058 456). Refer to note 12.

Inventory expensed for the year is R 39 836 374 (2016: 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.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>7. Receivables from non-exchange transactions (continued)</b>		
<b>Gross balances</b>		
Government grants and subsidies	7 531 063	7 064 713
Fines	114 568 530	107 107 914
Other receivables	493 315	651 825
Property rates	33 364 438	32 546 104
	<u>155 957 346</u>	<u>147 370 556</u>
<b>Less: Allowance for impairment</b>		
Property rates	(4 842 457)	(5 185 748)
Fines	(84 684 261)	(83 765 238)
	<u>(89 526 718)</u>	<u>(88 950 986)</u>
<b>Net balances</b>		
Government grants and subsidies	7 531 063	7 064 713
Fines	29 884 269	23 342 676
Other receivables	493 315	651 825
Property rates	28 521 981	27 360 356
	<u>66 430 628</u>	<u>58 419 570</u>
<b>Fines</b>		
Current (0 -30 days)	5 728 427	5 717 938
31 - 60 days	8 019 797	8 005 114
61 - 90 days	6 874 112	6 861 526
91 - 120 days	5 728 427	5 717 938
121 - 365 days	36 661 930	36 594 806
> 365 days	51 555 837	44 210 592
	<u>114 568 530</u>	<u>107 107 914</u>
<b>Capital receivables</b>		
Current (0 -30 days)	3 792 235	-
> 365 days	3 738 828	7 064 713
	<u>7 531 063</u>	<u>7 064 713</u>
<b>Property rates</b>		
Current (0 -30 days)	13 252 525	13 211 560
31 - 60 days	448 101	528 642
61 - 90 days	377 964	634 097
91 - 120 days	352 595	310 345
121 - 365 days	3 462 360	3 379 388
> 365 days	15 470 893	14 482 072
	<u>33 364 438</u>	<u>32 546 104</u>
<b>Other receivables from non-exchange revenue</b>		
> 365 days	493 315	651 825

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016	
<b>7. Receivables from non-exchange transactions (continued)</b>			
<b>Reconciliation of allowance for impairment for receivables from non-exchange transactions</b>			
<b>Reconciliation of allowance for impairment: Fines</b>			
Opening balance	(83 765 238)	(70 774 510)	
Contributions to allowance	(919 023)	(12 990 728)	
	<u>(84 684 261)</u>	<u>(83 765 238)</u>	
<b>Reconciliation of allowance for impairment: Property rates</b>			
Opening balance	(5 185 748)	(6 509 625)	
Contributions to allowance	343 291	1 323 876	
	<u>(4 842 457)</u>	<u>(5 185 749)</u>	
<b>Government debt as at 30 June 2017</b>			
	<b>Rates</b>	<b>Interest</b>	<b>Total</b>
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	-	-	-
	<u>422 381</u>	<u>56 904</u>	<u>479 285</u>

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 2017, consumer debtors of R 14 821 355 (2016: R14 760 785) were past due but not impaired

The comparative figures were restated. Refer to note 58.3.

## 8. VAT receivable

VAT	<u>40 139 579</u>	<u>32 020 078</u>
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# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures In Rand 2017 2016

### 9. Short term investments

#### Short term investments

Fixed deposits 322 475 480 480 000 000

Short term investments include all other investments for a period of 1-12 months that are not included in cash and cash equivalents. The interest rates for these investments range between 8.2% and 8.75%

Short term investments consists of the following:

#### ABSA - Investments

Opening Balance	120 000 000	-
Movement for the year	(17 733 014)	120 000 000
	<b>102 266 986</b>	<b>120 000 000</b>

#### FNB - Investments

Opening Balance	120 000 000	-
Movement for the year	(120 000 000)	120 000 000
	-	<b>120 000 000</b>

#### Nedbank - Investments

Opening Balance	120 000 000	-
Movement for the year	115 068	120 000 000
	<b>120 115 068</b>	<b>120 000 000</b>

#### Standard Bank - Investments

Opening Balance	120 000 000	-
Movement for the year	(19 906 575)	120 000 000
	<b>100 093 425</b>	<b>120 000 000</b>

### 10. Biological assets that form part of an agricultural activity

	2017			2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Trees in a plantation forest	8 808 121	-	8 808 121	8 907 000	-	8 907 000

#### Reconciliation of biological assets that form part of an agricultural activity - 2017

	Opening balance	Decreases due to harvest / sales	Fair value (decrease)/ increase	Total
Trees in a plantation forest	8 907 000	(149 208)	50 329	8 808 121

#### Reconciliation of biological assets that form part of an agricultural activity - 2016

	Opening balance	Decreases due to harvest / sales	Fair value (decrease)/ increase	Total
Trees in a plantation forest	10 659 185	(309 251)	(1 442 934)	8 907 000

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand 2017 2016

### 10. Biological assets that form part of an agricultural activity (continued)

#### Non - Financial information

2017 Nature and quantities of each biological asset	Opening Balance	Decrease due to Harvest	Fair value (decrease) /increase	Closing balance
Botmanskop Plantation	3 914 000	(149 208)	(416 514)	3 348 278
Paradyskloof Plantation	4 993 000	-	466 843	5 459 843
	<u>8 907 000</u>	<u>(149 208)</u>	<u>50 329</u>	<u>8 808 121</u>

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
	<u>10 659 185</u>	<u>(309 251)</u>	<u>(1 442 934)</u>	<u>8 907 000</u>

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.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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### 11. Investment property

	2017			2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	439 696 767	(16 074 209)	423 622 558	439 696 767	(15 430 814)	424 265 953

#### Reconciliation of investment property - 2017

	Opening balance	Depreciation	Total
Investment property	424 265 953	(643 395)	423 622 558

#### Reconciliation of investment property - 2016

	Opening balance	Depreciation	Total
Investment property	424 865 997	(600 044)	424 265 953

#### 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.

The comparative figures were restated. Refer to note 58.7

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand

## 12. Property, plant and equipment

	2017		2016			
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land and buildings	735 820 280	(60 068 308)	675 751 972	733 307 534	(55 749 485)	677 558 049
Infrastructure	4 519 532 318	(975 175 276)	3 544 357 042	4 149 951 849	(826 140 920)	3 323 810 929
Community assets	96 167 920	(17 035 429)	79 132 491	73 461 618	(12 267 265)	61 194 353
Capital restoration asset	14 821 186	(10 910 498)	3 910 688	14 758 547	(8 345 133)	6 413 414
Other property, plant and equipment	242 432 757	(117 410 892)	125 021 865	243 978 379	(135 734 187)	108 244 192
<b>Total</b>	<b>5 608 774 461</b>	<b>(1 180 600 403)</b>	<b>4 428 174 058</b>	<b>5 215 457 927</b>	<b>(1 038 236 990)</b>	<b>4 177 220 937</b>

## Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Transfers	Changes in existing restoration costs	Depreciation	Impairment loss	Total
Land and buildings	677 558 049	2 512 745	-	-	-	(4 318 822)	-	675 751 972
Infrastructure	3 323 810 929	336 723 696	-	8 679 298	-	(124 757 864)	(99 017)	3 544 357 042
Community assets	61 194 353	21 917 799	-	(239 599)	-	(3 740 062)	-	79 132 491
Capital restoration asset	6 413 414	-	-	-	62 640	(2 565 366)	-	3 910 688
Other property, plant and equipment	108 244 192	45 017 592	(1 469 402)	(14 780 555)	-	(11 669 499)	(320 463)	125 021 865
<b>Total</b>	<b>4 177 220 937</b>	<b>406 171 832</b>	<b>(1 469 402)</b>	<b>(6 340 856)</b>	<b>62 640</b>	<b>(147 051 613)</b>	<b>(419 480)</b>	<b>4 428 174 058</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

### Figures in Rand

#### 12. Property, plant and equipment (continued)

##### Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Transfers	Changes in existing restoration costs	Depreciation	Total
Land and buildings	683 675 343	5 756 367	-	(7 660 000)	-	(4 213 661)	677 558 049
Infrastructure	3 134 090 329	305 553 234	-	3 058 456	-	(1 188 910 090)	3 323 810 929
Community assets	49 822 784	13 867 870	-	-	-	(2 496 301)	61 194 353
Capital restoration asset	8 277 041	-	-	-	501 242	(2 364 869)	6 413 414
Other property, plant and equipment	108 841 217	20 269 613	(933 659)	-	-	(19 932 979)	108 244 192
	<b>3 984 706 714</b>	<b>345 447 084</b>	<b>(933 659)</b>	<b>(4 601 544)</b>	<b>501 242</b>	<b>(147 898 900)</b>	<b>4 177 220 937</b>

#### Pledged as security

Carrying value of assets 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 6 340 856 (2016: R 3 058 456).

Land to the value of R0 (2016: 7 660 000 ) was transferred to inventory. Refer to note 6.

#### Work in progress

The work in progress balances included in property plant and

equipment is as follows:

Land and buildings	352 304	124 115
Infrastructure	15 665 473	439 391 170
Community assets	13 773 415	7 017 295
Other property plant and equipment	1 128 001	3 753 932
	<b>30 919 193</b>	<b>450 286 512</b>

2017 -11-30

SOUTH AFRICA

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# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand 2017 2016

### 12. Property, plant and equipment (continued)

#### Expenditure incurred to repair and maintain property, plant and equipment

#### Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Land and buildings	9 551 503	12 036 982
Infrastructure	25 651 205	24 663 447
Community assets	14 002 582	9 201 397
Other property plant and equipment	9 054 382	8 033 261
	<b>58 259 672</b>	<b>53 935 087</b>

#### 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 note 58.5.

### 13. Intangible assets

	2017			2016		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	12 717 518	(3 282 943)	9 434 575	8 686 153	(1 838 509)	6 847 644

#### Reconciliation of intangible assets - 2017

	Opening balance	Additions	Amortisation	Total
Computer software, other	6 847 644	4 031 366	(1 444 435)	9 434 575

#### Reconciliation of intangible assets - 2016

	Opening balance	Additions	Amortisation	Total
Computer software, other	5 328 494	2 572 412	(1 053 262)	6 847 644

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand

2017

2016

### 14. Heritage assets

	2017			2016		
	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 2017

	Opening balance	Total
Art Collections, antiquities and exhibits	724 002	724 002

#### Reconciliation of heritage assets 2016

	Opening balance	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:

Neethlingshuis and De Withuis	64 486 222	64 843 949
58 - 60 Andringa Street	1 919 137	1 929 238
35B Mark Street	3 176 414	3 185 606
127 Dorp Street, Transvalia, Alma & Bosmanshuis flats	12 803 367	12 834 175
116 - 118 Dorp Street, Voorgelegen - offices	5 638 273	5 658 475
4 Reservoir West, Mooiwater	2 105 309	2 113 390
34 Mark Street, Rynse Komplex : Toy Museum, Tourism	8 303 367	8 334 175
PMU Building, Alexander Street, Burger Huis	1 597 439	1 604 004
Merriman, Bergzicht Training Centre, Oude Libertas Theatre & Restaurant	62 808 743	63 001 269
Die Laan, Landbou Saal	4 370 417	4 377 235
	<b>167 208 688</b>	<b>167 881 516</b>

### 15. Long term receivable

#### At amortised cost

Officials: Erven loans	11 433	17 102
Farmers: Water Schemes Arrangements	249 109	272 412
	5 373 863	5 354 423
	5 634 405	5 643 937
Impairments	-	(2 068 763)
	<b>5 634 405</b>	<b>3 575 174</b>

#### Non-current assets

At amortised cost	3 512 953	2 188 000
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#### Current assets

At amortised cost	2 121 452	1 387 174
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# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>16. Consumer deposits</b>		
Water	4 950 961	4 530 373
Electricity	9 101 220	8 144 603
Housing rental	524 844	516 398
	<u>14 577 025</u>	<u>13 191 374</u>
<b>17. Employee benefit obligations</b>		
<b>The amounts recognised in the statement of financial position are as follows:</b>		
<b>Carrying value</b>		
Bonus accrual	10 546 790	9 631 619
Leave gratuity	20 825 560	17 160 196
Long service awards	28 469 818	27 719 640
Post employment medical aid benefit	201 981 567	209 611 270
Salary Control	4 556 435	3 773 824
<b>Net liability</b>	<u>266 380 170</u>	<u>267 896 549</u>
Non-current liabilities	220 222 839	228 568 781
Current liabilities	46 157 331	39 327 768
	<u>266 380 170</u>	<u>267 896 549</u>

### 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 2017 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.



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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### 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)	628	621
Continuation members (Retirees, widow(ers) and orphans)	171	183
<b>Total members</b>	<b>799</b>	<b>804</b>

**The liability in respect of past service has been estimated as follows:**

In-service members	104 555 306	105 670 798
Continuation members	97 426 261	103 940 472
<b>Total liability</b>	<b>201 981 567</b>	<b>209 611 270</b>

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	9.61 %	9.54 %
Health care cost inflation rate	7.89 %	8.58 %
Net effective discount rate	1.59 %	0.88 %

#### 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	209 611 270	192 290 959
Current service costs	8 940 124	7 594 353
Interest cost	19 634 924	17 174 971
Actual employee benefits payments	(7 553 317)	(7 297 166)
Actuarial (losses) / gains	(28 651 434)	(151 847)
<b>Present Value of Fund Obligation at the end of the Year</b>	<b>201 981 567</b>	<b>209 611 270</b>

**The amounts recognised in the Statement of Financial Position are as follows**

Net Liability	201 981 567	209 611 270
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**The amounts recognised in the Statement of Financial Performance are as follows:**

Current service cost	8 940 124	7 594 353
Interest cost	19 634 924	17 174 971
Actuarial (gain)/ loss recognised in profit and loss	(28 651 434)	(151 847)
	<b>(76 386)</b>	<b>24 617 477</b>

Amounts for the current and previous four periods are as follows:



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand 2017 2016

### 17. Employee benefit obligations (continued)

#### Present Value of Unfunded Defined Benefit

2017	201 981 567
2016	209 611 270
2015	192 290 959
2014	124 717 000
2013	164 915 026

#### Sensitivity analysis on the Accrued Liability (R Millions)

Assumption	Change	In-service	Continuation	Total	% change
Central assumptions		104.555	97.426	201.982	
Health care inflation	1 %	128.569	107.113	235.682	17 %
	(1)%	85.794	89.045	174.838	(13)%
Discount rate	1 %	86.202	89.237	175.438	(13)%
	(1)%	128.391	107.045	235.435	17 %
Post-retirement mortality	-1 year	108.045	101.204	209.248	4 %
Average retirement age	-1 year	113.667	97.426	211.094	5 %
Continuation of membership at retirement	(10)%	94.861	97.426	192.288	(5)%

#### Sensitivity analysis on Current-service and Interest Costs

Assumption	Change	Current-service Cost	Interest cost	Total	% change
Central assumptions		8 940 100	19 634 900	28 575 000	
Health care inflation	1 %	11 395 300	23 147 100	35 542 400	21 %
	(1)%	7 084 000	16 828 600	23 912 600	(16)%
Discount rate	1 %	7 177 600	18 641 200	25 818 800	(10)%
	(1)%	11 292 300	20 722 500	32 014 800	12 %
Post-retirement mortality	-1 year	9 260 200	20 394 600	29 654 800	4 %
Average retirement age	-1 year	9 658 900	20 463 700	30 122 600	5 %
Continuation of membership at retirement	(10)%	8 128 400	18 704 200	26 832 600	(6)%

#### 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 2017.

The municipality expects to make a contribution of R19 735 013 to the Defined Benefit Plan during the next financial year.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>17. Employee benefit obligations (continued)</b>		
<b>17.2 Long Service Awards</b>		
<b>Non-Current Liability</b>		
Opening Balance	27 719 640	25 716 595
Additions	4 706 038	4 218 425
Utilised during the year	(3 955 860)	(2 215 380)
	<b>28 469 818</b>	<b>27 719 640</b>
<b>Current Liability</b>	<b>2 302 420</b>	<b>2 145 449</b>

### Movement in the present value of Long Service Awards were as follows:

Opening balance	27 719 640	25 716 595
Current service cost	2 383 546	2 189 747
Interest cost	2 322 492	2 028 678
Actuarial (gains) losses	(2 127 999)	(475 568)
Benefits paid	(1 827 861)	(1 739 812)
<b>Total included in employee related costs</b>	<b>28 469 818</b>	<b>27 719 640</b>

### The amount recognised in the Statement of Financial Position are as follows:

Present value of long service awards	28 469 818	27 719 640
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### The amount recognised in the Statement of Financial Performance are as follows:

Current service cost	2 383 546	2 189 747
Interest cost	2 322 492	2 028 678
Actuarial gains (losses)	(2 127 999)	(475 568)
<b>Closing balance</b>	<b>2 578 039</b>	<b>3 742 857</b>

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	8.63 %	8.71 %
General salary inflation	6.45 %	7.35 %
Net effective discount rate	2.05 %	1.27 %

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand 2017 2016

### 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:

	2017	2016	2015	2014	2013
Accrued liabilities	28 469 818	27 719 640	25 716 595	25 036 000	23 963 762

#### Sensitivity analysis on the Unfunded Accrued Liability (In R Millions)

Assumption	Change	Liability	% change
Central assumptions		28 470.000	
General salary inflation	1 % (1)%	30.739 26.446	8 % (7)%
Discount rate	1 % (1)%	26.389 30.847	(7)% 8 %
Average retirement age	- 2 years + 2 years	24.522 32.239	(14)% 13 %
Withdrawal rates	(50)%	30.603	7 %

#### Sensitivity analysis on Current-service and Interest Costs

Assumption	Change	Current-service Cost	Interest Cost	Total	% change
Central assumptions		2 362 600	2 359 500	4 722 100	
General salary inflation	1 % (1)%	2 606 600 2 149 300	2 555 300 2 184 900	5 161 900 4 334 200	9 % (8)%
Discount rate	1 % (1)%	2 164 900 2 592 000	2 432 800 2 267 200	4 597 700 4 859 200	(3)% 3 %
Average retirement age	-2 years 2 years	2 077 900 2 635 700	2 029 300 2 684 700	4 107 200 5 320 400	(13)% 13 %
Withdrawal rates	(50)%	2 712 000	2 543 600	5 255 600	11 %

The comparative figures were restated. Refer to note 58.11

### 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	2 073 729	2 412 120
Operating lease expenses recorded	6 143 569	6 588 820
Operating lease revenue realised	(723 360)	(723 360)
Operating lease payments effected	(6 054 668)	(6 203 851)
	<u>1 439 270</u>	<u>2 073 729</u>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand

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### 18. Operating lease liability (continued)

#### 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.

#### Amounts Payable under Operating Leases

At the reporting date, the municipality had outstanding commitments under Non-cancellable Operating Leases for Property, Plant and Equipment, which fall due as follows:

#### Buildings:

Up to 1 year	6 143 569	5 101 313
2 to 5 years	8 255 136	5 492 987
	<u>14 398 705</u>	<u>10 594 300</u>

#### Total operating lease expenses

Minimum lease payments	<u>6 143 569</u>	<u>6 588 820</u>
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The following amounts have been recognised as revenue in the Statement of Financial Performance:

#### Total operating lease income

<u>(723 360)</u>	<u>(723 360)</u>
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No restrictions have been imposed on the municipality in terms of the operating lease agreements.

The comparative figures were restated. Refer to note 58.10

### 19. Other financial liabilities

#### At amortised cost

Annuity Loans Development Bank of South Africa	<u>186 386 067</u>	<u>198 294 362</u>
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Annuity loans from the Development Bank of South Africa have settlement periods of 14 to 15 years with fixed interest varying from 9.25% to 11.10% per annum.

#### Non-current liabilities

At amortised cost	<u>173 302 139</u>	<u>186 386 067</u>
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#### Current liabilities

At amortised cost	<u>13 083 928</u>	<u>11 908 295</u>
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### 20. Provisions

#### Reconciliation of provisions - 2017

	Opening Balance	Additions	Utilised during the year	Total
Rehabilitation of landfill sites	76 290 055	1 585 417	-	77 875 472
Clearing of alien vegetation	6 805 324	-	(6 511 652)	293 672
	<u>83 095 379</u>	<u>1 585 417</u>	<u>(6 511 652)</u>	<u>78 169 144</u>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand 2017 2016

### 20. Provisions (continued)

#### Reconciliation of provisions - 2016

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Change in discount factor	Reduction due to re-measurement or settlement without cost to entity	Total
Rehabilitation of landfill sites	76 356 382	-	(7 720 781)	501 243	1 180 551	5 972 660	76 290 055
Constructive obligations	329 330	-	(329 330)	-	-	-	-
Clearing of alien vegetation	9 039 337	713 786	(2 947 799)	-	-	-	6 805 324
	<b>85 725 049</b>	<b>713 786</b>	<b>(10 997 910)</b>	<b>501 243</b>	<b>1 180 551</b>	<b>5 972 660</b>	<b>83 095 379</b>
Non-current liabilities					78 169 144	76 283 251	
Current liabilities					-	6 812 128	
					<b>78 169 144</b>	<b>83 095 379</b>	

#### 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 R77 875 472 (2016: R76 290 055) to restore the site at the end of its useful life, estimated to be in the 2018/2019 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 0 (2016: R5 972 660) was included in the contribution to provision figure in the statement of financial performance.

The municipality expects an expenditure outflow of R 0 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.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>21. Payables from exchange transactions</b>		
Accruals at year end	51 267 917	45 926 339
Accruals at year end (Contracts)	146 655 746	88 018 337
Charitable trust and donations	15 190	-
Contempt of court	526 200	69 300
Deposits received	1 297 302	1 282 475
Impounded vehicles	6 508	-
Other creditors	25 273 037	15 091 278
Other receivables	194 147	157 214
Payments received in advance	9 514 270	7 746 023
Prepaid electricity	5 521 954	5 010 388
Retention	40 366 804	36 237 614
Sundry deposits	1 437 879	1 784 968
Trade payables	10 523	636 345
	<b>282 087 477</b>	<b>201 960 281</b>

The comparative figures were restated. Refer to note 58.8.

## 22. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Provincial government grants	31 521 885	8 656 342
Other sources	3 971 488	4 428 504
Developers contribution - sewerage	6 671 199	3 481 660
Developers contribution - roads	7 469 667	5 696 472
Developers contribution - electricity	15 915 173	10 872 337
Developers contribution - water	4 675 957	3 163 953
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	1 170 940	1 071 598
Fransdevco development rights	3 347 553	3 347 553
Franschhoek: low cost housing ( phase 2)	301 300	301 300
Developers contribution - refuse	705 093	384 029
Developers contribution - stormwater	1 976 853	1 186 424
Top structures	7 471 715	323 000
LGWSETA training	576 143	659 530
Tirelo bosha	675 334	-
WCLG Internship and capacity building grant	180 000	-
Housing consumer education	68 010	68 010
CDW support grant	-	17 409
Spatial development framework	-	500 000
	<b>88 493 433</b>	<b>45 953 244</b>

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 30 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

The comparative figures were restated. Refer to note 58.9

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>23. Service charges</b>		
Sale of electricity	513 231 105	466 637 278
Sale of water	166 791 082	141 997 594
Sewerage and sanitation charges	88 583 404	77 121 275
Refuse removal	48 651 616	44 718 654
Free basic services	(28 859 753)	(24 761 081)
	<u>788 397 454</u>	<u>705 713 720</u>

The amounts disclosed above for service charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

## 24. Rental of facilities and equipment

### Premises

Rental Revenue from other facilities	11 397 565	14 284 958
Rental Revenue from buildings	34 910	28 785
	<u>11 432 475</u>	<u>14 313 743</u>

### Facilities and equipment

Rental Revenue from Land	5 473 183	4 284 749
Rental of equipment	91	64
	<u>5 473 274</u>	<u>4 284 813</u>
	<u>16 905 749</u>	<u>18 598 556</u>

The comparative figures were restated. Refer to note 58.13

## 25. Interest earned- outstanding receivables

Interest received	<u>6 451 330</u>	<u>5 713 800</u>
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## 26. Agency services

Lisence fees	4 070 714	3 431 055
Other agency fees	2 329 769	2 144 993
	<u>6 400 483</u>	<u>5 576 048</u>

The municipality collects lisence fees on behalf of the provincial government western cape and receives a 12.5% agency fee.

The comparative figures were restated. Refer to note 58.14.



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>27. Other income</b>		
Application fees	1 078 146	775 032
Building clause	280 800	614 199
Building plan fees	6 264 573	4 276 916
Cemetery plots	213 727	376 836
Contributions from reserves and operational grants	7 734	3 173 620
Entrance fees	721 073	503 023
Other Revenue - VAT	5 208 128	5 582 061
Insurance	36 638	672 928
Parking revenue	3 487 307	4 239 613
Quoted services	1 973 741	2 475 078
Reconnection fees	1 244 989	1 502 456
Special rating area	4 510 786	3 740 817
Sundry	6 620 422	7 122 344
Testing of drivers	1 038 162	852 871
	<b>32 686 226</b>	<b>35 907 794</b>

The amounts disclosed above are in respect of services, other than described in notes 23 and 24 rendered which are billed to or paid for by users as the services are reclaimed according to approved tariffs or offers received in terms of supply chain procedures, i.e woodsales.

The comparative figures were restated. Refer to note 58.16.

## 28. Investment revenue

<b>Interest revenue</b>		
Bank	6 245 579	5 396 283
Investment deposits	49 972 967	44 316 873
	<b>56 218 546</b>	<b>49 713 156</b>

## 29. Property rates

### Rates received

Residential	171 674 829	159 772 483
Commercial	137 483 192	128 904 339
Agricultural	14 878 981	14 309 893
Less: Income forgone	(36 372 862)	(34 675 432)
	<b>287 664 140</b>	<b>268 311 283</b>
Property rates - penalties imposed	2 364 103	2 067 379
	<b>290 028 243</b>	<b>270 378 662</b>

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 2017:

R 0.01200 - Non Residential (2016: R 0.01133)

R 0.00599 - Residential (2016: R 0.00566)

R 0.00149 - Agricultural (2016: R 0.00141)

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.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures In Rand	2017	2016
<b>30. Government grants and subsidies</b>		
<b>Operating grants</b>		
Equitable share	95 982 000	84 962 000
Integrated transport plan	-	600 000
Financial management grant	1 325 000	1 450 000
Community development workers	73 409	36 591
LGWSETA training	795 382	699 007
Provincial government PHP top structures	8 943 128	26 013 793
Other grants and subsidies operating	68 852	-
Hosting of cultural events	300 000	-
Library services support grant	10 009 000	8 607 000
Municipal systems improvement grant	-	930 000
LG Financial management support grant	220 000	250 000
EPWP support grant	1 758 000	1 075 000
Spatial development framework grant	900 000	-
EEDSM (Project Administration)	-	225 904
Blaauklippen funding	2 192 775	-
	<u>122 567 546</u>	<u>124 849 295</u>
<b>Capital grants</b>		
National government grants	74 882 694	85 826 120
Provincial government grants	11 963 019	16 348 540
Other sources	7 482 803	1 184 965
	<u>94 328 516</u>	<u>103 359 625</u>
	<u><b>216 896 062</b></u>	<u><b>228 208 920</b></u>

### 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 401 (2016: R 332), 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	74 882 694	86 977 035
Conditions met - transferred to revenue	(74 882 694)	(86 977 035)
	<u>-</u>	<u>-</u>

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 through 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.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand 2017 2016

### 30. Government grants and subsidies (continued)

#### Energy Efficiency Demand Side Management

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	8 656 342	6 532 628
Current-year receipts	34 828 562	19 072 254
Conditions met - transferred to revenue	(11 963 019)	(16 348 540)
Other	-	(600 000)
	<b>31 521 885</b>	<b>8 656 342</b>

The Provincial government grant includes all the grants that was gazetted in the Provincial allocations in 2016/2017. 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 through 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

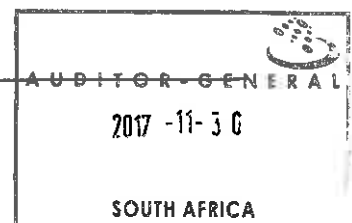
Balance unspent at beginning of year	4 428 504	4 428 504
Conditions met - transferred to revenue	(457 016)	-
	<b>3 971 488</b>	<b>4 428 504</b>

Conditions still to be met - remain liabilities. Refer to note 22.

#### Developers contributions- Sewerage

Balance unspent at beginning of year	3 481 660	3 255 177
Current-year receipts	3 189 539	226 483
	<b>6 671 199</b>	<b>3 481 660</b>

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.



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures In Rand

	2017	2016
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### 30. Government grants and subsidies (continued)

#### Developers contributions- Roads

Balance unspent at beginning of year	5 696 472	3 481 985
Current-year receipts	5 673 195	2 214 487
Conditions met - transferred to revenue	(3 900 000)	-
	<u>7 469 667</u>	<u>5 696 472</u>

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	10 872 337	6 666 167
Current-year receipts	6 042 837	4 206 170
Conditions met - transferred to revenue	(1 000 001)	-
	<u>15 915 173</u>	<u>10 872 337</u>

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	3 163 953	2 777 004
Current-year receipts	3 012 004	386 949
Conditions met - transferred to revenue	(1 500 000)	-
	<u>4 675 957</u>	<u>3 163 953</u>

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	<u>165 928</u>	<u>165 928</u>
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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- Parking

Balance unspent at beginning of year	<u>1 511 442</u>	<u>1 511 442</u>
--------------------------------------	------------------	------------------

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	<u>117 753</u>	<u>117 753</u>
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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.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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### 30. Government grants and subsidies (continued)

#### Developers contributions- La Clemence

Balance unspent at beginning of year	1 071 598	1 003 615
Current-year receipts	99 342	67 983
	<u>1 170 940</u>	<u>1 071 598</u>

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	<u>3 347 553</u>	<u>3 347 553</u>
--------------------------------------	------------------	------------------

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	<u>301 300</u>	<u>301 300</u>
--------------------------------------	----------------	----------------

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	384 029	351 721
Current-year receipts	321 064	32 308
	<u>705 093</u>	<u>384 029</u>

Conditions still to be met - remain liabilities (see note 22).

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.

#### Developers contributions- Stormwater

Balance unspent at beginning of year	1 186 424	1 078 055
Current-year receipts	790 429	108 369
	<u>1 976 853</u>	<u>1 186 424</u>

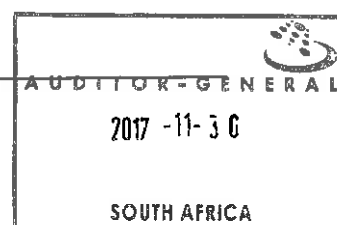
Conditions still to be met - remain liabilities (see note 22).

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.

#### EEDSM (Project administration)

Current-year receipts	-	225 904
Conditions met - transferred to revenue	-	(225 904)
	<u>-</u>	<u>-</u>

To provide subsidies to implement Energy Efficiency and Demand Side Management initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency.



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures In Rand 2017 2016

### 30. Government grants and subsidies (continued)

#### Integrated transport plan

Current-year receipts	-	600 000
Conditions met - transferred to revenue	-	(600 000)
	<u>-</u>	<u>-</u>

To review and update municipal integrated transport plans in terms of the National Land Transport Act, 2009 (Act No. 5 of 2009).

#### Top structures

Balance unspent at beginning of year	323 000	-
Current-year receipts	16 121 135	25 557 923
Conditions met - transferred to revenue	(8 972 420)	(25 234 923)
	<u>7 471 715</u>	<u>323 000</u>

Conditions still to be met - remain liabilities (see note 22).

To provide funding for the creation of sustainable human settlements

#### LGW Seta training

Balance unspent at beginning of year	659 530	725 455
Current-year receipts	711 995	633 082
Conditions met - transferred to revenue	(795 382)	(699 007)
	<u>576 143</u>	<u>659 530</u>

Conditions still to be met - remain liabilities (see note 22).

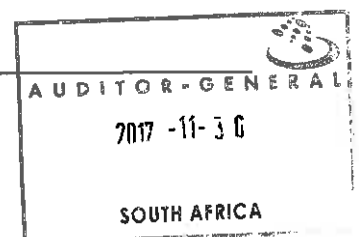
#### WCLG Internship grant and capacity building grant

Current-year receipts	<u>180 000</u>	-
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Conditions still to be met - remain liabilities (see note 22).

#### LG financial management support grant

Balance unspent at beginning of year	-	400 000
Current-year receipts	220 000	250 000
Conditions met - transferred to revenue	(220 000)	(250 000)
Other	-	(400 000)
	<u>-</u>	<u>-</u>



# Stellenbosch Municipality

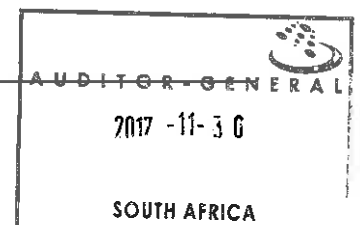
Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

### Figures in Rand

	2017	2016
<b>30. Government grants and subsidies (continued)</b>		
<b>EPWP</b>		
Current-year receipts	1 758 000	1 075 000
Conditions met - transferred to revenue	(1 758 000)	(1 075 000)
	<u>-</u>	<u>-</u>
<p>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:</p> <ul style="list-style-type: none"> <li>- road maintenance and the maintenance of buildings</li> <li>- low traffic volume roads and rural roads</li> <li>- basic services infrastructure, including water and sewer reticulation, sanitation, pipelines and dams (excluding bulk infrastructure)</li> <li>- other economic and social infrastructure</li> <li>- tourism and cultural industries</li> <li>- waste management</li> <li>- parks and beautification</li> <li>- sustainable land-based livelihoods.</li> </ul>		
<b>Library grant</b>		
Current-year receipts	10 009 000	8 607 000
Conditions met - transferred to revenue	(10 009 000)	(8 607 000)
	<u>-</u>	<u>-</u>
Conditions still to be met - remain liabilities (see note 22).		
<b>Housing consumer education</b>		
Balance unspent at beginning of year	68 010	68 010
	<u>68 010</u>	<u>68 010</u>
Conditions still to be met - remain liabilities (see note 22).		
<b>Community development support grant</b>		
Balance unspent at beginning of year	17 409	-
Current-year receipts	56 000	54 000
Conditions met - transferred to revenue	(73 409)	(36 591)
	<u>-</u>	<u>17 409</u>
<b>Municipal System Improvement Grant</b>		
Current-year receipts	-	930 000
Conditions met - transferred to revenue	-	(930 000)
	<u>-</u>	<u>-</u>
<b>Spatial Development Framework</b>		
Balance unspent at beginning of year	500 000	-
Current-year receipts	400 000	500 000
Conditions met - transferred to revenue	(900 000)	-
	<u>-</u>	<u>500 000</u>

To update the Human Settlements HSP as part of the Built.



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>31. Fines, penalties and forfeits</b>		
Other fines	38 041	41 993
Traffic fines	100 385 376	92 403 131
Industrial effluent penalty	18 528	159 329
	<u>100 441 945</u>	<u>92 604 453</u>

The comparative figures were restated. Refer to note 58.18.

## 32. Employee related costs

Acting allowances	1 351 868	1 548 612
Basic	270 605 870	243 074 977
Bonus	18 538 863	16 873 934
Car allowance	11 064 776	10 643 323
Cellphone allowance	750 125	703 688
Group insurance	3 608 100	4 126 249
Housing benefits and allowances	2 143 385	1 921 420
Long-term benefits - incentive scheme	-	21 141
Medical aid - company contributions	18 811 926	16 742 720
Night shift allowance	2 812 631	2 511 580
Cashiers allowance	-	2 283
Overtime payments	22 551 545	19 400 914
Pension fund contribution	39 036 154	36 169 156
Severance package	562 709	-
Standby allowance	10 433 301	8 444 306
Sundry allowance	2 453 823	2 257 426
Termination benefits	173 628	147 915
Travel, motor car, accommodation, subsistence and other allowances	491 942	575 955
UIF	1 796 846	1 667 276
Uniforms	610 790	626 901
WCA	3 190	3 190
	<u>407 801 472</u>	<u>367 462 966</u>

### Remuneration of municipal manager

Annual Remuneration	569 390	642 839
Car Allowance	60 000	36 000
Contributions to UIF, Medical and Pension Funds	131 492	134 085
Leave	-	75 176
Telephone allowances	11 400	9 000
	<u>772 282</u>	<u>897 100</u>

Acting allowance paid to acting municipal manager

837 650      780 237

### Remuneration of Chief Financial Officer

Annual Remuneration	1 432 739	1 322 064
Car Allowance	127 318	134 342
Contributions to UIF, Medical and Pension Funds	15 218	13 223
	<u>1 575 275</u>	<u>1 469 629</u>



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>32. Employee related costs (continued)</b>		
<b>Remuneration of the Director Human Settlements</b>		
Annual Remuneration	914 282	863 874
Car Allowance	130 031	125 517
Performance Bonuses	-	63 934
Contributions to UIF, Medical and Pension Funds	207 751	182 998
Telephone Allowance	15 900	21 000
	<u>1 267 964</u>	<u>1 257 323</u>
<b>Remuneration of the Director Community &amp; Protection Services</b>		
Annual Remuneration	923 844	423 843
Car Allowance	132 000	66 000
Contributions to UIF, Medical and Pension Funds	188 195	86 968
Bonus	29 341	-
Telephone Allowance	15 900	4 500
	<u>1 289 280</u>	<u>581 311</u>
<b>Remuneration of the Director Engineering Services</b>		
Annual Remuneration	184 979	-
Car Allowance	3 800	-
Contributions to UIF, Medical and Pension Funds	2 361	-
Housing Allowance	20 000	-
	<u>211 140</u>	<u>-</u>
Acting allowance paid to Acting Director(s) Engineering Services	<u>77 696</u>	<u>132 376</u>
<b>Remuneration of the Director Strategic &amp; Corporate Services</b>		
Annual Remuneration	327 249	561 183
Car Allowance	51 200	104 718
Contributions to UIF, Medical and Pension Funds	36 230	133 688
Leave	-	44 263
Telephone allowances	5 300	6 000
	<u>419 979</u>	<u>849 852</u>
Acting allowance paid to Acting Director(s) Strategic & Corporate Services	<u>122 193</u>	<u>95 395</u>
<b>Remuneration of the Director Planning &amp; Economic Development</b>		
Annual Remuneration	1 085 991	1 047 519
Car Allowance	159 891	141 387
Contributions to UIF, Medical and Pension Funds	14 048	13 900
Performance bonus	-	116 244
Telephone allowances	15 900	20 703
	<u>1 275 830</u>	<u>1 339 753</u>



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>33. Remuneration of Councillors</b>		
Executive Mayor	581 639	591 091
Councillors	15 512 810	15 253 155
	<u>16 094 449</u>	<u>15 844 246</u>
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	581 639	591 091
Deputy Mayor	440 352	473 269
Speaker	460 825	441 349
Chief whip	414 244	356 770
MPAC chair	209 147	399 671
S79 Chair	85 710	-
Mayoral committee	3 242 655	3 428 643
Councillors	5 311 931	5 027 024
Medical aid contributions	201 945	263 762
Pension fund contributions	384 908	287 985
Travelling allowances	3 703 826	3 614 712
Telephone allowances	902 950	895 743
Data cards	154 317	64 227
	<u>16 094 449</u>	<u>15 844 246</u>
<b>34. Contribution to/from provision</b>		
Landfill site	1 536 603	7 857 300
<b>35. Contribution to allowance to/from provision</b>		
Receivable from exchange allowance contribution	1 729 944	(27 601 541)
Receivable from non-exchange allowance contribution	(575 732)	24 412 764
Long term receivables	-	(3 545 805)
	<u>1 154 212</u>	<u>(6 734 582)</u>
<b>36. Depreciation and amortisation</b>		
Property, plant and equipment	147 051 613	147 898 900
Investment property	643 396	600 044
Intangible assets	1 444 436	1 053 262
	<u>149 139 445</u>	<u>149 552 206</u>
The comparative figures were restated. Refer to note 58.20.		
<b>37. Finance costs</b>		
Current borrowings	19 626 895	20 390 548
<b>38. Contribution to employee benefit obligation</b>		
Post-retirement healthcare benefit liability	(2 204 385)	24 141 909
Long service award	4 706 038	4 218 425
Leave gratuity	4 451 652	3 147 745
	<u>6 953 305</u>	<u>31 508 079</u>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>39. Debt Impairment</b>		
Electricity	922 864	414 395
Water	6 996 557	10 021 468
Sewerage	2 112 056	2 973 538
Refuse	2 490 523	3 408 434
Housing Rental	3 909 170	6 032 540
Housing selling schemes	-	1 282 808
Sundries	1 390 989	593 519
Rates	892 488	1 068 315
Traffic fines	63 454 640	57 482 470
	<u>82 169 287</u>	<u>83 277 487</u>

The comparative figures were restated. Refer to note 58.21.

## 40. Bulk purchases

Electricity	323 673 053	304 375 751
Water	24 154 517	20 400 921
	<u>347 827 570</u>	<u>324 776 672</u>

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.

## 41. Contracted services

Operating Leases: Buildings and Equipment	13 205 279	9 812 096
Specialist Services	7 024 653	8 474 048
Other Contractors	29 151 294	31 334 815
	<u>49 381 226</u>	<u>49 620 959</u>

## 42. Grants and subsidies paid

Grant-in-aid tourism	3 829 500	3 700 000
Grant-in-aid animal welfare	931 500	700 000
Grant-in-aid sundries	2 171 896	1 815 883
	<u>6 932 896</u>	<u>6 215 883</u>

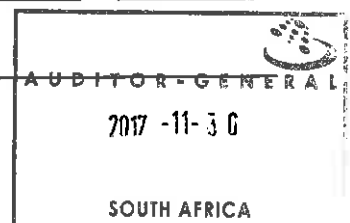
# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>43. General expenses</b>		
3G fixed cost		1 440
Advertising	2 360 379	3 623 557
Ammunition	4 325	2 393
Auditors committee	174 353	228 858
Auditors remuneration	4 501 398	4 404 494
Bank charges	3 482 526	3 106 678
Sanitation	4 426 604	4 551 984
Bursaries	409 249	314 746
Cellphone cost	118 941	139 809
Chemicals	2 080 304	868 111
Cleaning services	1 736 280	1 686 105
Corporate expenses	596 755	633 450
Disaster incidents/ relief aid	2 732 232	2 474 252
Electricity consumption	8 343 000	7 571 904
Entertainment	116 861	110 884
Fuel and oil	10 309 993	9 623 449
Fumigation of buildings	187 845	151 904
Dewatering plant	2 404 474	2 671 955
Hosting of events	953 030	733 676
Housing top structure	11 027 651	26 013 793
Insurance	3 435 732	2 729 340
Internal Investigations	1 373 045	285 895
Internal audit fees	717 277	639 434
Internal consumption expenses	148 656	484 951
Investment administration	101 435	438 791
Legal cost	14 909 175	12 980 112
Licenses fees	7 884 618	5 530 448
Local economic development	883 448	193 995
Magazines, books and periodicals	281 490	193 177
Marketing	49 805	86 508
Membership fees	3 896 716	3 602 879
Nightshelter	515 202	504 315
Office refreshments	903 867	704 205
Other expenses	11 683 834	11 247 839
Postage and courier	1 408 898	1 316 928
Printing and stationery	3 469 926	3 134 268
Professional fees	20 167 383	12 932 543
Property only	3 123 011	2 189 089
Protective clothing	2 417 257	2 483 339
Radio operational cost	1 691 268	1 609 627
Recoverable cost	1 236 705	1 349 258
Recruiting and selecting	60 376	54 679
Refuse bins	154 800	82 000
Registration fees	11 490	518
Remove alien vegetation	33 163	-
Souvenirs	28 015	10 927
Special rating area	4 014 201	3 761 052
Staff welfare	2 390 563	958 104
Stores and materials	1 580 275	1 479 335
Telephone cost	2 314 511	2 383 539
Training	8 569 553	7 550 377
Transfer and survey cost	102 581	166 889
Ward expenses	1 948 877	1 738 449
Workshops, functions and capacity	795 645	1 067 824
Worksmans compensation	2 384 414	2 528 633
Administration costs	(3 417 089)	(2 593 104)
	<b>157 236 323</b>	<b>152 739 605</b>

The comparative figures were restated. Refer to note 58.25



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>44. Fair value adjustments</b>		
Gain arising from changes in fair value less costs to sell on biological assets	50 329	(1 442 934)
Other financial assets		
• Discounting of long term receivables	894 891	(4 181 687)
	<u>945 220</u>	<u>(5 624 621)</u>
<b>Movement in discounting of long term receivables</b>		
Opening balance	(4 181 687)	-
Discounting	894 891	(4 181 687)
	<u>(3 286 796)</u>	<u>(4 181 687)</u>
<b>45. Cash generated from operations</b>		
Surplus	213 313 260	151 135 582
<b>Adjustments for:</b>		
Depreciation and amortisation	149 139 445	149 552 206
(Loss) gain on sale of assets and liabilities	(624 925)	890 364
Fair value adjustments	(945 220)	5 624 621
Inventories losses/write-downs	45 009	(34 728)
Impairment deficit	419 479	-
Contribution to allowance for impairment	1 154 212	(6 734 582)
Bad debts written off	82 169 287	83 277 487
Movements in operating lease assets and accruals	(634 459)	(338 391)
Movements in retirement benefit assets and liabilities	(1 516 379)	42 687 289
Movements in provisions	(4 926 235)	(2 629 670)
GRAP 12 infrastructure inventory	6 340 856	4 601 546
Change in restoration	(62 639)	(501 243)
Other non-cash items	-	(18 696 208)
<b>Changes in working capital:</b>		
Inventories	(6 045 610)	(12 991 081)
Other receivables from exchange transactions	(21 794 228)	(9 198 478)
Consumer debtors	(25 431 413)	(2 251 980)
Other receivables from non-exchange transactions	(71 782 454)	(78 010 621)
Payables from exchange transactions	80 127 196	19 538 985
VAT	(8 119 501)	(18 684 405)
Unspent conditional grants and receipts	42 540 189	8 873 500
Consumer deposits	1 385 651	703 176
	<u>434 751 521</u>	<u>316 813 369</u>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand

2017

2016

### 46. Financial assets by category

The financial assets of the municipality are classified as follows:

2017

	Amortised cost	Total
Cash and cash equivalents	299 430 733	299 430 733
Receivables from exchange transactions	91 535 970	91 535 970
Other receivables from exchange transactions	83 979 200	83 979 200
Receivables from non-exchange transactions	66 430 628	66 430 628
Investments	322 475 480	322 475 480
Long term receivables	5 634 405	5 634 405
	<b>869 486 416</b>	<b>869 486 416</b>

2016

	Amortised Cost	Total
Cash and cash equivalents	128 186 991	128 186 991
Receivables from exchange transactions	85 656 660	85 656 660
Other receivables from exchange transactions	62 184 972	62 184 972
Receivables from non-exchange transactions	58 419 570	58 419 570
Investments	480 000 000	480 000 000
Long term receivable	3 575 174	3 575 174
	<b>818 023 367</b>	<b>818 023 367</b>

### 47. Financial liabilities by category

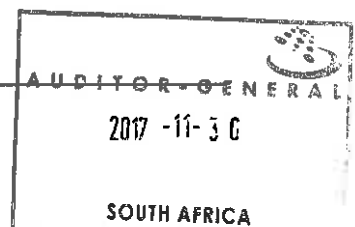
The financial liabilities of the municipality are classified as follows:

2017

	Amortised cost	Total
Consumer deposits	14 577 025	14 577 025
Operating lease liability	1 439 270	1 439 270
Other financial liabilities	186 386 067	186 386 067
Unspent conditional grants and receipts	88 493 433	88 493 433
Payables from exchange transactions	282 087 477	282 087 477
	<b>572 983 272</b>	<b>572 983 272</b>

2016

	Amortised cost	Total
Consumer deposits	13 191 374	13 191 374
Operating lease liability	2 073 729	2 073 729
Other financial liabilities	198 294 362	198 294 362
Unspent conditional grants and receipts	45 953 244	45 953 244
Payables from exchange transactions	201 960 281	201 960 281
	<b>461 472 990</b>	<b>461 472 990</b>



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

Company Secretary's Certification

## 48. 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 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Consumer deposits	14 577 025	-	-	-
Operating lease liability	1 439 270	-	-	-
Other financial liabilities	13 083 928	14 501 990	47 184 493	111 615 655
Payables from exchange transactions	282 087 477	-	-	-
Unspent conditional grants and receipts	88 493 433	-	-	-
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	2 073 729	-	-	-
Other financial liabilities	11 908 295	13 083 929	46 116 749	127 185 389
Payables from exchange transactions	201 960 281	-	-	-
Unspent conditional grants and receipts	45 953 244	-	-	-

### Risk from biological assets

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures In Rand	2017	2016
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### 48. 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.

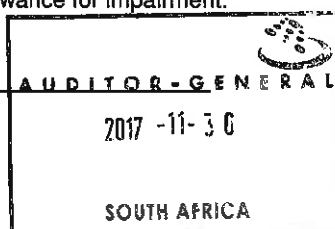
#### Credit risk

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.

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.





# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand

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### 48. Risk management (continued)

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 deposit	299 430 733	128 186 991
Short term investments	322 475 480	480 000 000
Receivables from exchange transactions	91 535 970	85 656 660
Other receivables from exchange transactions	83 979 200	62 184 972
Receivables from non exchange transactions	66 430 628	58 419 570
	<u>863 852 011</u>	<u>814 448 193</u>

#### 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.

### 49. Commitments

#### Authorised capital expenditure

##### Already contracted for but not provided for

• Property, plant and equipment	100 717 109	276 935 974
• Other assets	40 156 665	10 186 626
	<u>140 873 774</u>	<u>287 122 600</u>

##### Total capital commitments

Already contracted for but not provided for	<u>140 873 774</u>	<u>287 122 600</u>
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This committed expenditure relates to property and will be financed by available bank facilities, retained surpluses, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 50. Contingencies

**Stellenbosch Municipality / Mr & Mrs Pikoko (Erf 2221, Klapmuts)**

Instruction 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. Reference: G Potgieter/ A Ras

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Gregory & Belinda Boyd Family Trust (Erf 830 Franschoek) Case Nr: 2897/2016**

Instruction 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. Reference: G Potgieter/ A Ras

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Francols Jansen**

Instruction to proceed with Eviction application. LOD drafted and forwarded to Sheriff for Urgent service. G Potgieter/ A Ras

Management's estimate of the financial exposure R 45 000.

**Stellenbosch Municipality / Christian Goff**

Instruction to proceed with Demolition & Eviction application. LOD drafted and forwarded to Sheriff for Urgent service. G Potgieter/ A Ras

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Morris**

Instruction to proceed with Eviction application. G Potgieter/ A Ras

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Vynal Investment**

Instruction to stop illegal building works and eviction application. G Potgieter/ A Ras

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / T Wasmuth**

Instruction to institute eviction application. G Potgieter/ A Ras

Management's estimate of the financial exposure R50 000.

Stellenbosch Municipality / Erf 114 Demolition application  
Application for court order to have illegal building demolish.

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / A11 Kloof Street Eviction**

Application for eviction of unlawful occupants from municipal property served 22/5/2017. Respondents filed Answering Affidavits on 11/7/2017. Settlement negotiations pending. Reference: KVDBERG/S589

Management's estimate of the financial exposure R80 000.

**Stellenbosch Municipality / Erf 3043 Demolition Application**

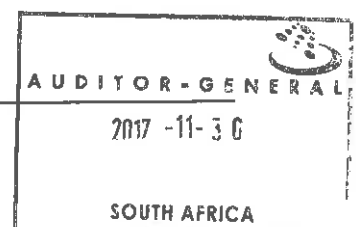
Notice of illegal building served on 23/05/2016 and application for court order to have illegal building demolished to be finalised. Reference: KVDBERG/S598

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Erf 3085 Demolition Application**

Notice of illegal building served on 23/05/2016. Application for court order to have illegal building demolished to be finalised. Reference: KVDBERG/S599

Management's estimate of the financial exposure R50 000.



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 50. Contingencies (continued)

#### **Stellenbosch Municipality / Erf 3082 Demolition Application**

Notice of illegal building served on 23/05/2016. Application for court order to have illegal building demolished to be finalised. Reference: KVDBERG/S600

Management's estimate of the financial exposure R50 000.

#### **Stellenbosch Municipality / Erf 1162 Demolition Application**

Notice of illegal building served on 23/05/2016. Application for court order to have illegal building demolished to be finalised. Reference: KVDBERG/S601

Management's estimate of the financial exposure R50 000.

#### **Stellenbosch Municipality / Erf 3069 Demolition Application**

Application for court order to have illegal building demolished served on 8/2/2017. Owner/Occupier applied for approval. Matter pend. Reference: KVDBERG/S602

Management's estimate of the financial exposure R50 000.

#### **Stellenbosch Municipality / Erf 1496 Demolition Application**

Notice of illegal building served on 21/05/2016. Application for court order to have illegal building demolished to be finalised. Reference: KVDBERG/S603

Management's estimate of the financial exposure R50 000.

#### **Stellenbosch Municipality / Erf 299 Demolition Application**

Notice of illegal building served on 20/05/2016. Application for court order to have illegal building demolished to be finalised. Reference: KVDBERG/S604

Management's estimate of the financial exposure R50 000.

#### **Stellenbosch Municipality / Erf 3073 Demolition Application**

Notice of illegal building served on 23/05/2016. Owner/Occupier applied for approval. Matter pend. Reference: KVDBERG/S605

Management's estimate of the financial exposure R50 000.

#### **Stellenbosch Municipality / Klappmuts Mediation**

Municipality under obligation to provide emergency housing to evictees of various eviction orders in Klappmuts. Klappmuts community has threatened violence against evictees and destruction of property should municipality proceed to utilise Klappmuts housing facilities for evictees rather than for members of the Klappmuts community. Independent expert mediator appointed to facilitate mediation which is currently pending. Proposal to go to Klappmuts community shortly. Reference: KVDBERG/S613

Management's estimate of the financial exposure R250 000.

#### **Stellenbosch Municipality / Erf 393/7 Vlottenburg**

Demolition Application. Notice of illegal building served on 1/11/2016. Owner/Occupier applied for approval. Matter pend. Reference: KVDBERG/S628

Management's estimate of the financial exposure R50 000.

#### **Stellenbosch Municipality / Erf 223**

Demolition Application. Notice of illegal building served on 12/12/2016. Owner/Occupier applied for approval. Matter pend. Reference: KVDBERG/S633

Management's estimate of the financial exposure R50 000.

#### **Stellenbosch Municipality / Erf 872 Krigeville**

Demolition Application. High Court Application for demolition of illegal building served on 2/8/2017. Respondent filed opposition on 17/8/2017. Next step: Answering Affidavit. Reference: KVDBERG/S638

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 50. Contingencies (continued)

Management's estimate of the financial exposure is between R45 000 and R100 000 in respect of costs and disbursements.

**Stellenbosch Municipality / Torrey Avenue Jamestown**

Mediation. Application for eviction of unlawful occupants from road reserve. Mediation will be finalised shortly. Reference: KVDBERG/S652

Management's estimate of the financial exposure is between R60 000 to R100 000 in respect of costs and disbursements.

**Stellenbosch Municipality / Erf 510/538 Stellenbosch**

Demolition Application. Notice of illegal building served on 25/11/2016. Founding Affidavit delivered for signature on 21/07/2017. Reference: KVDBERG/S653

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Erf 8462 Cloeteville**

Demolition Application Municipality's own notice of illegal building served on 17/01/2016. Application for court order to have illegal building demolished to be finalised. Reference: KVDBERG/S657

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / A & C Michels**

Illegal structure erected without approved building plan.

Management's estimate of the financial exposure R55 000.

**Stellenbosch Municipality / Lc & F Mcdilling**

Illegal structure erected without approved building plan.

Management's estimate of the financial exposure R55 000.

**Stellenbosch Municipality / E Baron**

Illegal structure erected without approved building plan.

Management's estimate of the financial exposure R55 000.

**Stellenbosch Municipality / M Abrahams**

Illegal structure erected without approved building plan.

Management's estimate of the financial exposure R55 000.

**Stellenbosch Municipality / Mahall Vineyards**

Illegal structure erected without approved building plan.

Management's estimate of the financial exposure R55 000.

**Stellenbosch Municipality / Orey**

Eviction application.

Management's estimate of the financial exposure R40 000.

**Stellenbosch Municipality / Visagie & Tromp**

Eviction of illegal occupiers on municipal land.

Management's estimate of the financial exposure R55 000.

**Stellenbosch Municipality / Erf 510**

Illegal structure erected without approved building plan.

Management's estimate of the financial exposure R40 000.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 50. Contingencies (continued)

**Stellenbosch Municipality / S Momoza**

Illegal structure erected without approved building plan.

Management's estimate of the financial exposure R40 000.

**Stellenbosch Municipality / Dillon Carelse**

Eviction application of illegal occupier/s from municipal land.

Management's estimate of the financial exposure R40 000.

**Brendel Property Developers / Stellenbosch Municipality**

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.

**Stellenbosch Municipality/ Surita and Margaret Layman**

Application to set the sale of property aside.

Management's estimate of the financial exposure R130 000.

**Ste10/0017 - La Motte - Forensic**

**Forensic Report - Review Application. This matter is still pending.**

Management's estimate of the financial exposure R200 000.

**Ste10/0035 – Herman Phelffer**

Monetary claim against the Municipality by the former Speaker. This matter is still pending and the attorneys were in the process of obtaining a court date.

Management's estimate of the financial exposure R10 000.

**Stellenbosch Municipality / Antic Capital Pty Ltd C/O Jessie Irvin Van Der Merwe**

Illegal structure erected. Application for the eviction of the illegal occupiers and demolition of the illegal structure erected.

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / De Hollandsche Molen Share Block Ltd C/O Nicolaas Johannes Du Plooy - (Erven 1431/142 Wemmerhoek)**

Illegal structures erected without approved building plans. Instruction to demolish the illegal structures.

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Frost, Cornelia Malgaretha (Owner/Occupier Of Erven 13599 Stellenbosch)**

Illegal structure erected without approved building plan. Instruction to apply for a demolition order to have the illegal structure removed.

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Urian Groenewaldt & Jacques Francois Swart**

Motor vehicle collision in which the municipal traffic lights were damaged.

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Mr. G.M. Mrwebi & Mrs. N.V. Mrwebi ( Illegal Wall Erected On Erf 795 Kayamandi)**

Illegal structure erected without approved building plans. Application for the demolition of the illegal structure.

Management's estimate of the financial exposure R50 000.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 50. Contingencibles (continued)

**Stellenbosch Municipality / Mr & Mrs. Xolimbila (Illegal Building Works To Existing House On Erf 1250 Kayamandi)**  
Illegal building works to existing house on Erf 1250 Kayamandi. Application to demolish the illegal structure.

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Andre Adams & Olivia Wilna Adams ( Illegal Building Works On Erf 3435 Idas Valley)**  
Illegal building works on Erf 3435 Idas Valley without approved building plan. Application to demolish the illegal structure.

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Amy Family Trust**  
Illegal deviation from approved building plan for a boundary wall on Erf 6251 Stellenbosch

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Francols Patric Stephanus & Hillary Ronell Stephanus**  
Illegal wooden structure erected on Erf 5225 Stellenbosch without approved building plan.

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Donnewin Christo Lindoor & Ellarise Kayser & Celeste Jolene Williams**  
Illegal wendy house erected on Erf 7025 Stellenbosch and eviction of illegal occupiers.

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / John Valentyn Isaacs & Esmeralda Isaacs**  
Illegal wendy house erected on Erf 7237 Stellenbosch without approved building plan. Illegal occupiers need to be evicted.

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Melanie Petuela Meyer & Keith Aubrey Meyer**  
Illegal carport erected on Erf 9714 without approved building plan.

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Arjoon Singh & Christina Rhona Joan Singh**  
Illegal building works on Erf 9776 Stellenbosch without approved building plan. Illegal occupiers of the illegal structure need to be evicted as well.

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Mr & Mrs Harmse**  
Illegal wendy house erected on Erf 11711 Stellenbosch without approved building plan. Illegal occupiers need to be evicted as well.

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Mr & Mrs Maria Wagner**  
Illegal wendy house erected on Erf 11723 Cloeteville without approved building plan. The illegal occupiers need to be evicted as well.

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Hendrick Charles**  
Illegal structure erected on Erf 11754 without approved building plan. The illegal occupiers also need to be evicted.

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Mr. & Mrs. Cupido**  
Illegal wendy house erected on Erf 11795 without approved building plan. The illegal occupiers also need to be evicted.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 50. Contingencials (continued)

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Moses Almos Williams & Sara Williams**

Illegal wendy house erected on Erf 12848 Stellenbosch without approved building plan. Illegal occupiers need to be evicted.

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Mr. Jerome Williams**

Illegal building works erected on Erf 13936 Cloetesville without approved building plan. The illegal additions need to be demolish and the illegal occupiers need to be evicted.

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Mandisi Parscal Jejane**

Illegal structure was erected without approved building plan and the illegal occupiers need to be evicted.

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Solomon Mattyse & Anna Mattyse (Erven 510/505 Jamestown)**

Illegal wendy house erected without approved building plan. The illegal structure needs to be demolished and the illegal occupiers need to be evicted.

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Magdelene Petersen**

Eviction of illegal occupiers of municipal property.

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Van Rhyn / Paraffin**

Motor vehicle collision and damage to traffic lights of the Municipality.

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Kirkland Anna Gabrielle – Erf 654 Franschoek**

Illegal structure erected without approved building plan and illegal occupiers need to be evicted.

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Owners/ Occupiers Of Erf 510/764 Jamestown**

Illegal structure was erected without approved building plan. The illegal occupiers need to be evicted as well.

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / Slyazama Co Construction (Pty) Ltd**

Contractor illegally occupied the property leased to a crèche and need to be evicted.

Management's estimate of the financial exposure R50 000.

**Stellenbosch Municipality / E Ross & Others**

Stellenbosch Municipality have to institute eviction proceedings against the Respondents of the property at 609 Lavanda Flats, Jan Cillier Street, Stellenbosch, due to the Respondents actions. The eviction application is still pending

Management's estimate of the financial exposure R200 000.

**Stellenbosch Municipality / Various Residents Encroaching Erf 1771, The Millstream**

Encroaching on erf 1771, Millstream, by various residence alongside Heritage site and the Millstream

Management's estimate of the financial exposure R200 000.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 50. Contingencies (continued)

#### **Stellenbosch Municipality / L Bailey & Another**

Stellenbosch Municipality have to institute eviction proceedings against the Respondents of the property at 108 Aurora Flats, Jan Cillier Street, Stellenbosch, due to the Respondents actions. The eviction application is still pending

Management's estimate of the financial exposure R200 000.

#### **Stellenbosch Municipality / J Morgan & Others**

Stellenbosch Municipality have to institute eviction proceedings against the Respondents of the property at 12 Weber Street, Idas Valley, Stellenbosch, due to the Respondents actions. The eviction application is still pending.

Management's estimate of the financial exposure R200 000.

#### **Stellenbosch Municipality / Phumlomo & Others**

Stellenbosch Municipality have to institute eviction proceedings against the Respondents of the property at 03 Mjandana Street, Kayamandi, Stellenbosch, due to the Respondents actions. The eviction application is still pending

Management's estimate of the financial exposure R200 000.

#### **Stellenbosch Municipality / Johnny & Alice Scheepers**

sA demolition application was instituted by Stellenbosch Municipality to have the Respondents, demolish the illegal erected structures on Erf 186 Lanquedoc

Management's estimate of the financial exposure R100 000.

#### **Stellenbosch Municipality / Lesten & Ann Sampson**

A demolition application was instituted by Stellenbosch Municipality to have the Respondents, demolish the illegal erected structures on Erf 510/339 Jamestown

Management's estimate of the financial exposure R100 000.

#### **Stellenbosch Municipality / Peter & Benita Cyster**

A demolition application was instituted by Stellenbosch Municipality to have the Respondents, demolish the illegal erected structures on Erf 1201/31 Johannesdal

Management's estimate of the financial exposure R100 000.

#### **Stellenbosch Municipality / Magdelene Parsons & Others**

Illegal structures erected without approved building plans and the eviction of the illegal occupiers of these structures on Erf 579 Klapmuts.

Management's estimate of the financial exposure R100 000.

#### **Stellenbosch Municipality / Verno & Wendy Gordon**

A demolition application was instituted by Stellenbosch Municipality to have the Respondents, demolish the illegal erected structures on Erf 2770 Idasvalley

Management's estimate of the financial exposure R100 000.

#### **Stellenbosch Municipality / F & L Erasmus & Others**

An eviction application was instituted by Stellenbosch Municipality to have the Respondents, evicted from the property, Erf 4323 Idasvalley, due to the Respondents actions. The eviction application is still pending

Management's estimate of the financial exposure R100 000.

#### **Stellenbosch Municipality // D Lindoor, Gideons & Others**

An eviction application was instituted by Stellenbosch Municipality to have the Respondents, evicted from the property, Erf 5281 Idas Valley, due to the Respondents actions. The eviction application is still pending.

Management's estimate of the financial exposure R100 000.



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 50. Contingencies (continued)

#### **Stellenbosch Municipality / Montzinger Trust**

A demolition application was instituted by Stellenbosch Municipality to have the Respondents, demolish the illegal erected structures on Erf 15539 /34 Welgevonden

Management's estimate of the financial exposure R100 000.

#### **Stellenbosch Municipality // A De Ruiter & Others**

An eviction application was instituted by Stellenbosch Municipality to have the Respondents, evicted from the property, Erf 5281 Idas Valley, due to the Respondents actions. The eviction application is still pending

Management's estimate of the financial exposure R200 000.

#### **PHP Building Supplies / Stellenbosch Municipality**

Arbitration – pending. Ref: Marcello Ross/AM7844

Management's estimate of the financial exposure R193 696.20.

#### **Fredericksburg Landgoed (Pty) Ltd & Others / Stellenbosch Municipality & 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 7 years.

This matter does not involve any amounts claimed. Reference: RB Africa / AE Esterhuizen / 1901064 / 1988215

Management's estimate of the financial exposure R200 000.

#### **Independent Schools Association Of Southern Africa / Ethekwini Municipality / Stellenbosch Municipality & Others**

This matter involves an application on behalf of the Municipality to be joined as co-applicant together with eThekweni 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 a 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.

Judgment 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. Reference: RB Africa / AE Esterhuizen / 2083835

Management's estimate of the financial exposure R250 000.

John Collin Februarie T/A Jc Solutions / Stellenbosch Municipality This matter involves 3 claims against the Municipality for payment for services rendered.

The amounts claimed are the following:

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 Judgment which application has been successfully opposed by the Municipality. Pleadings have now closed. Reference: AE Esterhuizen / S Kgomo / 2411282

Management's estimate of the financial exposure R150 000.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 50. Contingencies (continued)

#### **Fusion Properties 233 Cc / The Municipality Of Stellenbosch**

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 are R32 115 000.00 together with interest calculated at the rate of 9% per annum from 28 July 2015. The Municipality is defending the action. Pleadings have now closed. Reference: RB Africa / S Kgomo / 3006430

Management's estimate of the financial exposure R500 000.

#### **Stellenbosch Municipality / Entourage Erf 1251**

The owner of Erf 1251 Stellenbosch allows the property to be utilised in contravention of the noise control regulations. Motion Application was filed at Court, waiting for return of service. Court date 14 September 2017. STB1/0002

Management's estimate of the financial exposure R58 000.

#### **Stellenbosch Municipality/ Contravention of noise regulations: Entourage**

Cause the cessation of illegal activity. Interdict application filed, round table discussions during November 2017 STB1/0010.

Management's estimate of the financial exposure R58 000.

#### **Stellenbosch Municipality / Owners Of Erf 8851 Stellenbosch**

Illegal structure erected on the property without approved building plan. Departure application was approved, but no building plans received by Building Department. Will commence with demolition application. STB1/0012

Management's estimate of the financial exposure R58 000.

#### **Stellenbosch Municipality / Owners Of Erf 8852 Stellenbosch**

The illegal structure was erected on Erf 8852 Stellenbosch without approved building plan. STB1/0030

Management's estimate of the financial exposure R58 000.

#### **Stellenbosch Municipality / Owners Of Erf 12479 Stellenbosch**

Admission of guilt was paid at illegal structure erected without approved building plan. STB1/0016

Management's estimate of the financial exposure R58 000.

#### **Stellenbosch Municipality / Owners Of Erf 109 Klapmuts**

Illegal structure erected without approved building plan. STB1/0106

Management's estimate of the financial exposure R58 000.

#### **Stellenbosch Municipality / Owners Of Erf 4691**

Illegal structure erected on Erf 4691 without approved building plan. STB1/0097

Management's estimate of the financial exposure R58 000.

#### **Stellenbosch Municipality / Owners Of Erf 4558**

Illegal structure erected without approved building plan. STB1/0026

Management's estimate of the financial exposure R58 000.

#### **Stellenbosch Municipality / Owners Of Erf 5263**

Illegal structure erected without approved building plan. STB1/0015

Management's estimate of the financial exposure R58 000.

#### **Stellenbosch Municipality / Owners Of Erf 2924**

Illegal structure erected without approved building plan. STB1/0031

Management's estimate of the financial exposure R58 000.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 50. Contingencies (continued)

**Stellenbosch Municipality / Owners Of Erf 3292**

Illegal structure erected on Erf 3292 without approved building plan. STB1/0013

Management's estimate of the financial exposure R58 000.

**Stellenbosch Municipality / Owners Of Erf 428 Klapmuts**

Illegal structure erected without approved building plan. STB1/0109

Management's estimate of the financial exposure R58 000.

**Stellenbosch Municipality / Owners Of Erf 638 Klapmuts**

Illegal structure erected without approved building plan. STB1/0108

Management's estimate of the financial exposure R58 000.

**Stellenbosch Municipality / Erf 962 Klapmuts**

Illegal structure erected without approved building plan. STB1/0105

**Stellenbosch Municipality / Owners Of Erf 424 Klapmuts**

Illegal structure erected without approved building plan. STB1/0107

Management's estimate of the financial exposure R58 000.

**GD Wallace No / Stellenbosch Municipality**

Filed notice of intention to defend and Notice of Bar to file their declaration. Haven't received anything from Plaintiff's attorneys so far. Not requesting that matter be placed on roll, as Stellenbosch Municipality is Defendant. STB1/0110

Management's estimate of the financial exposure R58 000.

**Stellenbosch Municipality / Owners Of Erf 13711 Welgevonden**

Illegal structures erected without approved building plan. STB1/0098

Management's estimate of the financial exposure R58 000.

**Stellenbosch Municipality / Owners Of Erf 1876 Kayamandi**

Illegal structure erected without approved building plan. STB1/0086

Management's estimate of the financial exposure R58 000.

**Stellenbosch Municipality / Owners Of Erf 90/52**

Illegal structure erected without approved building plan. STB1/0068

Management's estimate of the financial exposure R58 000.

**Stellenbosch Municipality / Owners Erf 6604 & 6605**

Illegal structure erected without approved building plan. STB1/0018

Management's estimate of the financial exposure R58 000.

**Stellenbosch Municipality / Owners Erf 1902**

Illegal structure erected without approved building plan. STB1/0021

Management's estimate of the financial exposure R58 000.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

### 50. Contingencies (continued)

#### IMATU VS SALGA/SAMWU

The South African Local Government Bargaining Council issued an arbitration award to the effect that municipalities must implement an additional 3% medical aid employer contribution towards their employees medical aid premiums. The arbitration award is applicable for the 12 months ending June 2017. The South African Local Government Association has confirmed that they will take the arbitration award on review to the Labour Court on behalf municipalities. Given that the Labour Court may only hear the matter in 2018, it is impossible to ascertain the potential outcome of the matter at year end. Given the outcome uncertainty, our potential exposure is R745,000.00 approx.

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. 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 32 and 33 respectively, to the annual financial statements.

#### Awards to close family members of persons in the service of the state:

##### Jacko's Cleaning and Projects

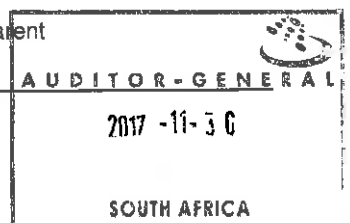
Services to the value of R2 000

<u>Spouse</u>	<u>State Department</u>
SW Jack	Department of Local Government (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 7 299 908.28

<u>Spouses, Child or Parent</u>	<u>State Department</u>
HC Ahlschlager	Special Investigating Unit, Legal Representative; Spouse
B Alheit	Denel Dynamics; Executive Manager - Business Development; Parent
CMM Barnard	Gauteng Department of Education; Deputy Principal; Spouse
CJ Barry	City of Cape Town; Transport Department; Directorate: Transport, Roads and Stormwater; Head:Finance: Parent.
Prof CJG Bender	University of Johannesburg; Professor; Spouse
J Blackmore	Department of Public Works; Project Manager; Parent



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

### 51. Related parties (continued)

T Botha	Oudtshoorn Municipality; Technical Manager; Parent
Councillor JJJ Daniels	West Coast District Municipality; Deputy Mayor; Parent
MC Dunga	South African Navy; Engineer in Training; Spouse
WZ Erasmus	Cape Nature; Program Manger; Spouse
HG Esterhuysen	West Coast District Municipality; Senior Manager - Roads, Parent
N Geldenhuys	Transnet Port Terminals, Mechatronic Engineer, Son
Dr Y Goga	Nkosi Albert Luthuli Hospital; Senior Specialist - Paediatric Haematology; Sister
T Govender	Umgeni Water: Fleet Maintenance Administrator - Asset Management; Daughter
N Grobbelaar	Central University of Technology; Department Civil Engineer; Programme Manager; Spouse
SM Grobbelaar	Northern Cape Department of Cooperative Governance; Human Settlements and Traditional Affairs; Town and Regional Planner; Parent
Cr B Groenewald	Twaing Municipality; North West: Councillor; Parent
Cr CP Herbst	Dr Ruth S Mompoti District Municipality; North West; Councillor; Parent
E Herloldt	Manager Investigation Services, Limpopo Dept of Economic Development Environment & Tourism
A Heyns	Stellenbosch Municipality; Assistant Superintendent - Workshop Engineering Department; Parent
JH Higgs	SARS; Regional Manager; Spouse
A Hougaard	Department of Correctional Services; Principle Network Controller; Spouse
J Jacobs	Eastern Cape Department of Education; Personal Assistant to Chief Director; Spouse
T Kholoanyane	Naledi Local Municipality; Free State; Tourism Manager; Spouse
J Jacobs	Eastern Cape Department of Education; Personal Assistant to Chief Director; Spouse
ZE Khosa	Ekurhuleni Metropolitan Municipality; Technician; Brother
B Kleynhans	Hessequa Municipality; Accountant; Parent
Cr BJ Kriegler	Cape Winelands District Municipality & Breede Valley Municipality; Western Cape; Councillor; Parent
RG Madikizela	Auditor General South Africa; Assistant Manager; Brother
M Marques	Department of Home Affairs; Deputy Director; Spouse
RT Mehlala	Eastern Cape Arts and Culture Council; Chief Executive Officer; Parent

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

---

### 51. Related parties (continued)

R Meyer	Telkom SA; Project Manager; Parent
AJ Moore	Department of Water Affairs; Chief Engineer; Parent
K Nadasen	National Department of Public Works; Director: Key Account Management;
R Nair	eThekweni Municipality; Building Inspector; Parent
D Ntsebeza	Buffalo City Metropolitan Municipality, Spouse
M Ntsebeza	Intsika Yethu Municipality, Cousin
N Ntsebeza	Intsika Yethu Municipality, Cousin
NH Ntsebeza	Eastern Cape Department of Health, Parent
SM O 'Connell	Sol Plaatje Municipality; Librarian; Spouse
JF Phillips	Northern Cape Department of Economic Development and Tourism; Manager - Township Revitalisation; Spouse
K Nadasen	National Department of Public Works: Director - Key Account Management
PS Pretorius	Sol Plaatje Municipality; Chief Officer - Community Services; Parent
JH Riekert	SA Reserve Bank; Engineering ; Spouse
JM Robertson	Ekurhuleni Metropolitan Municipality; Roads Engineer; Parent
G Saaiman	Auditor General Kimberley; Junior Manager; Son
JJ Saaiman	Armcor; Quality Manager; Parent
J Scheepers	Council for Medical Schemes; Chief Financial Analyst; Spouse
EM Schon	Northern Cape Department of Cooperative Governance; Human Settlements and Traditional Affairs; Assistant Manager; Spouse
S Seegers	City of Cape Town; Head of Security Architecture; Sister
Dr M Skead	Nelson Mandela Bay Metropolitan University; Senior Manager - Staff Development; Wife
R Tebane	Ekurhuleni Metropolitan Municipality; Executive Manager; Parent
K Thamaga	South African Defence Force; State Accountant; Brother
J Theron	Nelson Mandela Bay Metropolitan University; Head: Graduate School Relations; Spouse
F Tialang	North West Department of Education; Quality Assurance; Sister
GJ Tong	North West Department of Finance; Deputy Director; Parent
N Towers	Department of Mineral Resources; Inspectorate of Mines - Health and Safety; Western Cape Region; Parent

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

---

### 51. Related parties (continued)

J Tredoux	Department of Water Affairs; Deputy Director - Accounts Payable; Spouse
A Treurnich	Umjindi Municipality; Community Services; Assistant Director; Parent
M Van Rensburg	Eskom; Executive at Transmission Department; Father-in-Law
AN Van Taak	Stellenbosch Municipality, Director- Water and Sewerage, Father
ZC Venter	Eastern Cape Department of Health; Deputy Director - Employment Relations; Spouse
PC Vermeulen	City of Cape Town; Superintendent - Building Maintenance; Parent
J Wilkins	Correctional Service; Vice Director - Provincial; Parent
NS Wolmarans	IDC; Senior Accounts Manager; Spouse
NS Wolmarans	University of Johannesburg; Professor; Spouse
SW Zulu	KwaZulu Natal Department of Health; Human Resource Manager; Parent

#### ARB Electrical Wholesalers (Pty) Ltd

The supply and delivery of goods and material under the Annual Tender: Electrical, to the value of R 62 065.46

<u>Spouse</u>	<u>State Department</u>
Jacob Modise	ESKOM Holdings: Non Executive Director and Road Accident Fund (RAF); CEO

#### Bergstan South Africa

Services, to the value of R 459842.24

<u>Spouse</u>	<u>State Department</u>
C Beukus	Department of Social Development

#### Kemanzi (Pty) Ltd

Supply of water treatment chemicals and application expertise to the value of R 724 400.57.

<u>Spouse</u>	<u>State Department</u>
J N Du Toit	City of Cape Town

#### CSM Consulting Services

Services, to the value of R 214 087.44

<u>Child</u>	<u>State Department</u>
Andre Vancoillie	Department of Environmental Affairs and Development Planning

#### Exeo Khokela Civil

Civil Engineering construction services to the value of R 14 223 699.96

<u>Child</u>	<u>State Department</u>
T Meyer	Education department

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

---

### 51. Related parties (continued)

#### Angra Tours

Transportation services to the value of R 4000

<u>Spouse</u>	<u>State Department</u>
Zelda Louise Cloete	Stellenbosch Municipality

#### Red Hills Electronics

Services, to the value of R1 751 603.1.

<u>Spouse</u>	<u>State Department</u>
Lizelle Hartley	Department of Education

#### Milhon HVAC

Repairs and replacements on air conditioners, to the value of R 241 906.27

#### NCC Environmental Services (Pty) Ltd

Services, to the value of R 11897.04

<u>Spouse</u>	<u>State Department</u>
Chandre Rhode	Department of Local Government (City of Cape Town)

#### Helderberg Business

IT related services, to the value of R 13 444.

<u>Spouse</u>	<u>State Department</u>
Nicoli Hichert	Department of Agriculture

#### Rhode Bros Steel Pro

Steel manufacturing services to the value of R 400 958.

<u>Child</u>	<u>State Department</u>
Dan Rhode	SAPS

#### Flowers in the Foyer

Services, to the value of R 8 600

<u>Spouse</u>	<u>State Department</u>
E Gunter	Other Government Department

#### Silver Solutions 1765

Accounting and business consultants to the value of R 25 000

<u>Spouse</u>	<u>State Department</u>
Dorothy Simpson	Education department

#### Element Consulting

Engineering services to the value of R 127 695.75

<u>Spouse</u>	<u>State Department</u>
Mrs S Pienaar	Department of Local Government



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 51. Related parties (continued)

#### Payless Fitment Centre

Services, to the value of R 36 982

<u>Spouse</u>	<u>State Department</u>
R Olivier	Department of Social Development

#### Idas Valley Cleaning Solutions

Services, to the value of R 288 570

<u>Child</u>	<u>State Department</u>
Gaylene Jonkers	Department of Local Government (Stellenbosch Municipality)
Cherilene Jonkers	Department of Local Government

#### Idas Valley Service Centre

Services, to the value of R 120 108.13

<u>Spouse</u>	<u>State Department</u>
Jene Bergstedt	Department of Local Government (Stellenbosch Municipality)

#### iKapa Reticulation and flow

Services, to the value of R 1 601 233.90

<u>Child</u>	<u>State Department</u>
Sophia Davids	Department of Education

#### Isuzu Truck Centre (Pty) Ltd

Services, to the value of R 46 182.19

<u>Spouses</u>	<u>State Department</u>
Errol Jacobs	Department of Local Government

#### Smec South Africa (PTY) Ltd

Consulting services to the value of R174 648

<u>Spouses, Child or Parent</u>	<u>State Department</u>
Yvonne Phosa	Department of the premier

#### Altimax (Pty) Ltd

Consultants and advisors to the value of R 531 468

<u>Spouses, Child or Parent</u>	<u>State Department</u>
Isak Dirk Joubert (Spouse)	Education department
Agnes Muller (Spouse)	Department of Social Development
Julyan Muller (Parent)	Department of Social Development

#### AECOM SA (PTY) LTD

Professional services to the value of R 4 130 270.51

<u>Spouses, Child or Parent</u>	<u>State Department</u>
Sandra	Bloem water; Mother
Lida Mudde	Department of Education; Sister



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

---

### 51. Related parties (continued)

Allison Powell	Department of Education; Wife
Lynette Wolff	Department of Education; Wife
Mareli Els	Department of Education; Niece
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	eThekweni Municipality; 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 Waal	University of Pretoria; Wife
Anele de Wet	UNISA; Wife
Nico Botha	UNISA; Brother

#### Conlog (PTY) LTD

Services, to the value of R 1 806 441.38

<u>Spouse</u>	<u>State Department</u>
N Moodley	Department of Health

#### Rhotec

Services, to the value of R 166 413.78

<u>Spouses, Child or Parent</u>	<u>State Department</u>
Patricia Rhode	Education Department

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

---

### 51. Related parties (continued)

#### EM and EN Caterers

Services, to the value of R 780

<u>Child</u>	<u>State Department</u>
Kieran Davids	Stellenbosch Municipality

#### CJV Toilet Paper

Services, to the value of R 3 863

<u>Spouses, Child or Parent</u>	<u>State Department</u>
Director	Department of Local Government

#### Steven Happie

Services, to the value of R 372 890

<u>Spouses, Child or Parent</u>	<u>State Department</u>
Franciska Happie	Department of Local Government (City of Cape Town)

#### G and G Maintenance

Services to the value of R 332 820

<u>Parent</u>	<u>State Department</u>
Gaiwan Bradford Gabriels	Department of Local Government

#### Novus3 (Pty) Ltd

Services, to the value of R 1 870 740

<u>Spouses, Child or Parent</u>	<u>State Department</u>
M De Vries	Education Department
J Scheepers	Council for Medical Schemes

#### Landfill Consult (Pty) Ltd

Consulting Services, to the value of R 688 660.78

<u>Spouse, Child or Parent</u>	<u>State Department</u>
MM Dube	DICRO

#### Man 4 Trading (Pty) Ltd

Services, to the value of R 93 370

<u>Spouse</u>	<u>State Department</u>
MS Samuels	Education Department

#### Blue Planet Trading

Services, to the value of R 61 382.08

<u>Parent</u>	<u>State Department</u>
W De Kock	Stellenbosch Municipality

#### ARCUS GIBB

Services to the value of R 173 149.13



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 51. Related parties (continued)

<u>Spouse</u>	<u>State Department</u>
Britt September	City of Cape Town

#### ELT B Construction

Services to the value of R 66 670

<u>Spouse</u>	<u>State Department</u>
Lorelley Adams	Department of Local Government

#### ME Grow Mega Construction

Services to the value of R 87 390

<u>Aunt</u>	<u>State Department</u>
J Sampson	Stellenbosch Municipality

#### Stellenbosch Hospice

Services to the value of R 40 000

<u>Spouse</u>	<u>State Department</u>
L Esau	Department of Local Government

#### Massamatic (Pty) Ltd

Services to the value of R 245 709.66

<u>Brother In law</u>	<u>State Department</u>
Mr Barnard	Department of Health

#### Mpumamanzi Group CC

Services to the value of R 228 527.55

<u>Parent</u>	<u>State Department</u>
Erna Bouwers	Department of Health

#### Appolis Rashaad

Services to the value of R 760

<u>Spouse</u>	<u>State Department</u>
J Sampson	Stellenbosch Municipality

#### EAM 73 Enterprises

Services to the value of 217 710

<u>Spouse</u>	<u>State Department</u>
Ms Meyer	Education Department

#### MA Johnson T/A TC Events

Services to the value of R 40 000

<u>Child</u>	<u>State Departments</u>
Lincoln Johnson	Other Government Departments

#### MZR Electrical and Building (PTY) LTD



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

---

### 51. Related parties (continued)

Services to the value of R 337 600

<u>Spouse</u>	<u>State Department</u>
Judith Delicia Rosenberg	Department of Local Government

#### Sowerby Engineering

Services to the value of R 484 623.12

<u>Spouse</u>	<u>State Department</u>
J Scheepers	Education Department

#### SMS ICT CHOCE (PTY) LTD

Services to the value of R 1 533 216.44

<u>Spouse</u>	<u>State Department</u>
Mrs Maqula	Department of Health

#### Mindspring Computing

Services to the value of R 73 645.94

<u>Spouse</u>	<u>State Department</u>
Rahima Loghdey	Other Government Departments

#### Dennis Moss Vennoots

Services to the value of R 4 987.50

<u>Spouse</u>	<u>State Department</u>
SW van der Merwe	Stellenbosch Municipality

#### HJ Productions

Services to the value of R 23 850

Spouse	State Department
Director	Department of Agriculture

#### Sipakhame Skills Development

Services to the value of R 414 480

<u>Spouse</u>	<u>State Department</u>
Ntobeko Vacu Drake	Department of Local Government (Drakenstein Municipality)

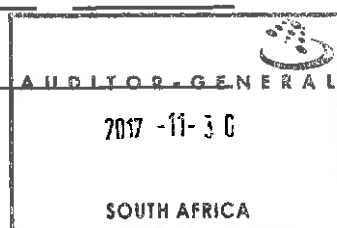
### 52. Events after the reporting date

Management is not aware of any material event which occurred after the reporting date and up to the date of this report.

### 53. Unauthorised expenditure

Human settlements and property management  
Municipal manager

	41 991
2 175	-
<u>2 175</u>	<u>41 991</u>



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand

### 53. Other Income (continued)

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.

### 54. Fruitless and wasteful expenditure

No fruitless and wasteful expenditure for the year under review.

### 55. Irregular expenditure

Opening balance	17 057 014	4 984 608
Add: Irregular Expenditure - current year	1 268 704	12 072 406
Less: Amounts condoned	(2 813 237)	-
	<u>15 512 481</u>	<u>17 057 014</u>

### 56. Additional disclosure in terms of Municipal Finance Management Act

#### Contributions to organised local government - SALGA

Opening balance	-	315 317
Council subscriptions	4 325 993	3 804 560
Amount paid - current year	(4 109 693)	(3 800 235)
Early settlement discount	(216 300)	(319 642)
<b>Balance Unpaid (included in Creditors)</b>	<u>-</u>	<u>-</u>

#### Audit fees

Opening balance	11 200	8 769
Current year Audit Fee	4 501 398	4 977 757
Amount paid - current year	(4 385 224)	(4 966 557)
Amount paid - previous year	(11 200)	(8 769)
<b>Balance Unpaid (Included in Creditors)</b>	<u>116 174</u>	<u>11 200</u>

#### VAT

VAT receivable	<u>40 139 579</u>	<u>32 020 078</u>
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All VAT returns have been submitted by the due date throughout the year.

The total VAT paid for the year amounts to R 10 028 919 (2016: R 7 740 234).

The comparative figures were restated. Refer to note 58.4.

#### PAYE and UIF

Current year Payroll Deductions	(61 103 642)	(56 905 764)
Amount paid - current year	61 103 642	56 905 764
<b>Balance Unpaid (included in Creditors)</b>	<u>-</u>	<u>-</u>

#### Pension and Medical Aid Deductions

Current year Payroll Deductions and Council Contributions	92 657 686	94 882 879
Amount paid - current year	(92 657 686)	(94 882 879)
<b>Balance Unpaid (Included in Creditors)</b>	<u>-</u>	<u>-</u>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

### Figures In Rand

#### 56. Additional disclosure in terms of Municipal Finance Management Act (continued)

##### 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	385 849 824	12 220 307
Sales	(362 319 081)	(9 571 924)
<b>Distribution loss</b>	<b>23 530 743</b>	<b>2 648 383</b>

Electricity losses are calculated as 6.10% . Electricity losses are within the industry norms.  
Water losses are calculated as 21.7%. Water losses are within the industry norm.

#### 57. 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 6.9 million** (2016: **R 31.5 million**) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.

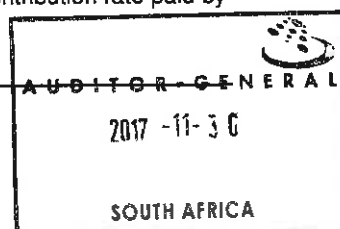
The Retirement funds have been valued by making use of the discounted cash flow method of valuation.

##### 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 2015 revealed that the assets of the fund amounted to R 13 231 200 000 (30 June 2014 : R 12 658 200 000), with funding levels of 100% (30 June 2014: 100%). The highest contribution rate paid by the members was 7.92% and by Council 20.78%.



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

---

### 57. Multi-employer retirement benefit information (continued)

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.

#### LA retirement Fund (Previously 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% (period 1 February 2012 - 30 June 2014) and 26.77% ( period 1 July 2014 - 30 June 2015) by their Councils. The actuarial valuation report at 30 June 2016 disclosed and actuarial valuation amounting to R 2 037 843 000 000 (30 June 2015: R 2 136 012 000), with a nett accumulated surplus of R 67 791 000 (2015: R28 015 000), with a funding level of 103.5% (30 June 2015: 101.4%)



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

---

### 57. Multi-employer retirement benefit information (continued)

#### DEFINED CONTRIBUTION SCHEMES

##### LA Retirement Fund (Previously Cape Joint Pension Fund)

The actuarial valuation report at 30 June 2016 indicated that the defined contribution scheme of the fund is in a sound financial position, with an assets amounting to R 1 960 970 000 (30 June 2015 : R 01 932 720 000), net investment reserve of R 0 (30 June 2015 : R 0) and a funding level of 100% (2015 : 100%).

The actuary concluded that:

- The Pensioner account has a funding level of 103.5% with a surplus of R67.8 million and is in a sound financial condition as at the valuation date.
- There is a surplus of R49.1 million in The DB Section excluding The surplus in The Pensioner Account. The surplus has been allocated to The Pensioner Account.
- The overall funding level in respect of the DB Section including the Pensioner Account is 106.1% with a surplus of R116.9 million.

The DC Section has a funding level of 100.0% and is in sound financial position.

Overall the fund is in a sound financial condition with a surplus of R116.9 million and the overall funding level of 103.0%.

The Trustees awarded a 4% pension increase effective 1 January 2017.

It is to be noted that:

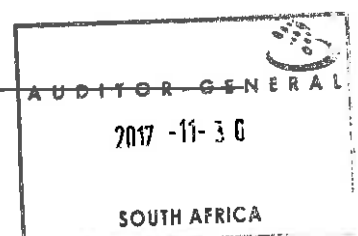
- All the active members have now all been converted to the DC Section.
- There is no longer any contribution rate shortfall as this only applied to 29 residual DB Section active members, that have now also converted to the DC Section and
- Both the DC Section and the DB Section were fully funded as at the valuation date.

The actuary certified The Pensioner Account was 103.5% funded with a surplus of R68 million and is in a sound financial condition. The funding level in respect of the DB active members was 0% with a surplus of R49 million. The DB Section is in a sound financial condition and the DC Section has a funding level of 100% and is in a sound financial condition. Overall the Fund is in a sound financial condition with a surplus of R117 million and an overall funding level of 106.1%. The nature of the assets is suitable for the Fund, except that the proportion of direct property underlying the pensioner liabilities may represent an over-concentration of assets in this class. The assets are appropriately matched relative to the term and nature of the active member liabilities. The Fund's investment strategy is suitable. Finally the risk benefits are partially 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 2016 revealed that the assets of the fund amounted to R 20 075 000 000 (30 June 2015 : R 18 322 177 000), with funding levels of 118% and 100% (30 June 2015 112.1% and 100%) 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 2016 & 2015. 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.

##### Municipal Councillors Pension Fund



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 57. Multi-employer retirement benefit information (continued)

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The statutory valuation performed as at 30 June 2015 revealed that the assets of the fund amounted to R 2 551 861 000 (30 June 2014 : R 2 229 410 000), with funding levels of 101%.08 (30 June 2014 : 98.83%). 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 was in a sound financial condition as at 30 June 2015, in that the assets of the fund were sufficient to cover the accrued service liabilities including the recommended contingency reserves in full.

#### 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 2014 revealed that the assets of the fund amounted to R 6 574 775 000 (30 June 2011 : R 4 021 622 000), with funding levels of 111.7% (30 June 2011: 111.1%). The investment smoothing reserve has remained unchanged at 4.6% of the market value of assets (or 5.5% of members' Fund Credits and the data reserve). The actuary certified that based on the 2014 valuation the Fund's assets are sufficient to cover the members' Fund Credits, Risk Benefits Reserve and the Data Reserve and to provide for an investment smoothing reserve of 5.55% of members' Fund Credits as at 30 June 2014. In addition, there is a substantial surplus of some R689.1 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 2015 revealed that the assets of the fund amounted to R 10 050 029 000 (30 June 2011 : R 9 031 759 000), with funding levels of 100.42% (30 June 2014: 100.10%). The actuary certified that the assets of the fund are sufficient to cover 100.42% 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.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

### 58. 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
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	128 186 992	(1)	-	128 186 991
Receivables from exchange transactions	84 833 702	822 958	-	85 656 660
Other receivables from exchange transactions	59 372 543	2 461 708	350 721	62 184 972
Inventories	34 658 109	-	-	34 658 109
Receivables from non-exchange transactions	60 051 157	(1 631 587)	-	58 419 570
VAT receivable	32 262 026	(241 948)	-	32 020 078
Long term receivable	1 387 174	-	-	1 387 174
Short term investments	480 000 000	-	-	480 000 000
	<u>880 751 703</u>	<u>1 411 130</u>	<u>350 721</u>	<u>882 513 554</u>
<b>Non-Current Assets</b>				
Biological assets that form part of an agricultural activity	8 907 000	-	-	8 907 000
Investment property	413 958 231	10 307 722	-	424 265 953
Property, plant and equipment	4 173 691 900	3 529 037	-	4 177 220 937
Intangible assets	6 777 133	70 511	-	6 847 644
Heritage assets	724 002	-	-	724 002
Long term receivable	2 188 000	-	-	2 188 000
	<u>4 606 246 266</u>	<u>13 907 270</u>	<u>-</u>	<u>4 620 153 536</u>
<b>Total Assets</b>	<u>5 486 997 969</u>	<u>15 318 400</u>	<u>350 721</u>	<u>5 502 667 090</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Consumer deposits	13 191 374	-	-	13 191 374
Employee benefit obligation	39 327 768	-	-	39 327 768
Operating lease liability	2 074 649	(920)	-	2 073 729
Other financial liabilities	11 908 295	-	-	11 908 295
Provisions	6 812 128	-	-	6 812 128
Payables from exchange transactions	203 602 923	(1 993 363)	350 721	201 960 281
Unspent conditional grants and receipts	46 820 691	(867 447)	-	45 953 244
	<u>323 737 828</u>	<u>(2 861 730)</u>	<u>350 721</u>	<u>321 226 819</u>
<b>Non-Current Liabilities</b>				
Other financial liabilities	186 386 067	-	-	186 386 067
Employee benefit obligation	207 825 478	20 743 303	-	228 568 781
Provisions	76 283 251	-	-	76 283 251
	<u>470 494 796</u>	<u>20 743 303</u>	<u>-</u>	<u>491 238 099</u>
<b>Total Liabilities</b>	<u>794 232 624</u>	<u>17 881 573</u>	<u>350 721</u>	<u>812 464 918</u>
<b>Net Assets</b>	<u>4 692 765 345</u>	<u>(2 563 173)</u>	<u>-</u>	<u>4 690 202 172</u>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

### 58. Prior period errors (continued)

#### Net Assets

Accumulated surplus	4 692 765 345	(2 563 172)	4 690 202 173
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#### 58.1 Receivables from exchange transactions

Balance previously reported	84 833 702
Housing rental	822 958
	<u>85 656 660</u>

The municipality signed an agreement in 2008 for the transfer of 80 housing selling scheme / rental units to the municipality. The transaction was to recognise the rental debts, bad debt provisions and all other accounts affected by the transaction.

#### 58.2 Other receivables from exchange transactions

Balance previously reported	59 372 543
Deposits	253 476
Insurance debtor	287 298
Prepayments clearing of suspense account	(19 288)
Parking debtor - reclassified from payables from exchange transactions	193 507
Legal fees payable - reclassified to payables from exchange transactions	157 214
Other receivables clearing of suspense accounts	(359 748)
General expenses	(3 222)
Other receivable - housing rental	2 303 192
	<u>62 184 972</u>

The payment to the supplier was accounted for in the correct accounting period in terms of the accrual basis of accounting.

Eskom deposits were increased with the interest amounts as per the IT3B forms received.

Insurance debtor were corrected, as the excess payments made reduced the debtor. Recognition of an insurance debtor for the amount claimed relating to a claim submitted to the insurance company in the 2015/16 financial year.

Parking debtor had a debit balance in payables from exchange transactions and was reclassified correctly. the same applies to legal fees payable that had a credit balance which formed part of other receivables from exchange transactions.

A data cleansing exercise was done, for the clearing of all suspense accounts due to the mSCOA implementation.

The municipality signed an agreement in 2008 for the transfer of 80 housing selling scheme / rental units to the municipality. The transaction was to recognise the rental debts, bad debt provisions and all other accounts affected by the transaction.

#### 58.3 Receivables from non-exchange transactions

Balance previously reported	60 051 157
Government grant and subsidies	161 918
Traffic fines	(1 793 505)
	<u>58 419 570</u>

The accounting transaction for the government grants and subsidies were incorrectly processed in the prior year on the financial system.

The municipality uses TMT as the service provider for the administration of traffic fines. When the municipality requested the 2016/17 traffic fine information, it came to our attention that the prior years information changed and therefore we had to process a journal in the financial system to reflect the amendments.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 58. Prior period errors (continued)

#### 58.4 VAT receivable

Balance previously reported	32 262 026
Payables from exchange transactions	(241 948)
	<u>32 020 078</u>

A data cleansing exercise was done for the clearing of all suspense accounts due to the mSCOA implementation.

#### 58.5 Property, plant and equipment

Balance previously reported	4 173 691 900
Payables from exchange transaction - retention correction	(644 105)
Depreciation	3 164 218
Accumulated surplus - depreciation	(445 076)
Accumulated surplus - take on assets	1 454 000
	<u>4 177 220 937</u>

Retention correction was done to reduce the asset in line with the reduction in the retention provision amount.

Assets with zero book value identified were corrected retrospectively.

Vacant land for future development was not accounted for in the fixed asset register.

#### 58.6 Intangible assets

Balance previously reported	6 777 133
Depreciation	70 511
	<u>6 847 644</u>

Assets with zero book value identified were corrected retrospectively.

#### 58.7 Investment property

Balance previously reported	413 958 231
Recognition of housing rental units	10 655 180
Depreciation	(347 458)
	<u>424 265 953</u>

The municipality signed an agreement in 2008 for the transfer of 80 housing selling scheme / rental units to the municipality. The transaction was to recognise the investment property relating to the rental units.

Depreciation had to be accounted for on the recognition of the investment property on the cost model.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

### 58. Prior period errors (continued)

#### 58.8 Payables from exchange transactions

Balance previously reported	203 602 923
Property plant and equipment - retention	(645 021)
Other income - impounded vehicles	(58 450)
Agency services - correction of unallocated funds	(640 095)
Other receivables from exchange transactions - parking debtor reclassified	193 507
Other receivables from exchange transactions - legal fees payables reclassified	157 214
Contracted services	(292 690)
Repairs and maintenance	(10 000)
VAT receivable	(241 629)
Accumulated surplus - clearing of suspense accounts	(916)
General expenses - clearing of suspense accounts	(104 562)
	<u>201 960 281</u>

Retention correction was done to reduce the asset in line with the reduction in the retention provision amount.

Recognition of revenue as no claim was established within one year from the date of the sale of impounded vehicles. In accordance with the rules of the road, such balance shall be forfeited to the authority concerned.

Correct allocation of receipts relating to agency services.

Parking debtor had a debit balance in payables from exchange transactions and was reclassified correctly. the same applies to legal fees payable that had a credit balance which formed part of other receiveables from exchange transactions.

A data cleansing exercise was done for the clearing of all suspense accounts due to the mSCOA implementation.

#### 58.9 Unspent conditional grants and receipts

Balance previously reported	46 820 691
Accumulated surplus- recognition of conditional grant	(867 447)
	<u>45 953 244</u>

The conditional grant was utilised in the 2013/14 financial year but the related funding was not correctly allocated.

#### 58.10 Operating lease liability

Balance previously reported	2 074 649
Straight lining of operating leases	(920)
	<u>2 073 729</u>

Accounting for the straightlining of operating leases.

#### 58.11 Employee benefit obligation

Balance previously reported	207 825 478
Post employment health benefits	20 743 303
	<u>228 568 781</u>

In the previous financial years the post employment medical aid (PEMA) subsidies were valued with the assumption that it was subject to a capped amount.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 58. Prior period errors (continued)

#### 58.12 Accumulated surplus

Balance previously reported	4 692 765 345
Employee benefit obligations - Post employment health benefits	(20 367 095)
Investment properties	10 655 855
Property plant and equipment	1 009 158
Receivables from exchange transactions	3 134 326
Other receivables from exchange transactions - Insurance debtor	(64 698)
Receivables from non-exchange transactions	736 207
Unspent conditional grant	867 446
Payables from exchange transactions	916
Decrease in operating surplus	1 464 713
	<u>4 690 202 173</u>

Refer to the nature of the adjustments in the financial statement line items as indicated above.



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

### 58. Prior period errors (continued) Statement of Financial Performance

	Audited	Prior year adjustments	Reclassifying adjustments	Restated
<b>Revenue</b>				
<b>Revenue from exchange transactions</b>				
Service charges	705 713 720	-	-	705 713 720
Rental of facilities and equipment	16 790 832	-1 807 724	-	18 598 556
Interest received (trading)	5 713 800	-	-	5 713 800
Agency services	1 906 917	640 095	3 029 036	5 576 048
Licences and permits	7 238 690	-	(3 029 036)	4 209 654
Other income	35 651 984	731 378	(475 568)	35 907 794
Investment revenue	49 713 124	32	-	49 713 156
<b>Total revenue from exchange transactions</b>	<b>822 729 067</b>	<b>3 179 229</b>	<b>(475 568)</b>	<b>825 432 728</b>
<b>Revenue from non-exchange transactions</b>				
<b>Taxation revenue</b>				
Property rates	268 311 283	-	-	268 311 283
Property rates - penalties imposed	2 067 379	-	-	2 067 379
<b>Transfer revenue</b>				
Government grants & subsidies	227 268 132	940 788	-	228 208 920
Fines, Penalties and Forfeits	90 712 510	1 891 943	-	92 604 453
<b>Total revenue from non-exchange transactions</b>	<b>588 359 304</b>	<b>2 832 731</b>	<b>-</b>	<b>591 192 035</b>
<b>Total revenue</b>	<b>1 411 088 371</b>	<b>6 011 960</b>	<b>(475 568)</b>	<b>1 416 624 763</b>
<b>Expenditure</b>				
Employee related costs	(367 462 966)	-	-	(367 462 966)
Remuneration of councillors	(15 844 246)	-	-	(15 844 246)
Contribution to/from provisions	(7 857 299)	1	-	(7 857 300)
Contribution to allowance for doubtful debt	(1 241 549)	7 976 131	-	6 734 582
Depreciation and amortisation	(152 439 477)	2 887 271	-	(149 552 206)
Finance costs	(20 390 548)	-	-	(20 390 548)
Debt impairment	(69 067 236)	(14 210 251)	-	(83 277 487)
Collection costs	(1 849 167)	-	-	(1 849 167)
Repairs and maintenance	(54 657 830)	9 442	-	(54 648 388)
Bulk purchases	(324 776 672)	-	-	(324 776 672)
Contracted services	(49 914 569)	293 610	-	(49 620 959)
Transfers and subsidies	(6 215 883)	-	-	(6 215 883)
Contribution to employee benefits	(31 607 439)	(376 208)	475 568	(31 508 079)
General Expenses	(151 612 364)	(1 127 241)	-	(152 739 605)
<b>Total expenditure</b>	<b>(1 254 937 245)</b>	<b>(4 547 247)</b>	<b>475 568</b>	<b>(1 259 008 924)</b>
<b>Operating surplus</b>				
Gain on disposal of assets and liabilities	(933 659)	-	-	(933 659)
Fair value adjustments	(5 624 621)	-	-	(5 624 621)
Gain on biological assets and agricultural produce	43 295	-	-	43 295
Inventories (losses/write-downs)/ reversal of write downs	34 728	-	-	34 728
	(6 480 257)	-	-	(6 480 257)
<b>Surplus for the year</b>	<b>149 670 869</b>	<b>1 464 713</b>	<b>-</b>	<b>151 135 582</b>



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 58. Prior period errors (continued)

#### 58.13 Rental of facilities and equipment

Balance previously reported	16 790 832
Receivable from exchange transactions- Housing rental	1 807 724
	<u>18 598 556</u>

The municipality signed an agreement in 2008 for the transfer of 80 housing selling scheme / rental units to the municipality. The transaction was to recognise the rental receipts relating to the housing units.

#### 58.14 Agency services

Balance previously reported	1 906 917
Reclassification of agency fees incorrectly classified as licences and permits	3 029 036
Payables from exchange transactions correction of unallocated funds	640 095
	<u>5 576 048</u>

The agency fees receivable from licence renewals were incorrectly classified as licences and permits.

Correct allocation of receipts relating to agency services.

#### 58.15 Licences and permits

Balance previously reported	7 238 690
Reclassification of agency fees incorrectly classified as licences and permits	(3 029 036)
	<u>4 209 654</u>

The agency fees receivable from licence renewals were incorrectly classified as licences and permits.

#### 58.16 Other Income

Balance previously reported	35 651 984
Actuarial gain reclassified to contribution to employee benefits	(475 568)
Other receivables from exchange - Insurance debtor	672 928
Payables from exchange transactions - Impounded vehicles	58 450
	<u>35 907 794</u>

The actuarial gain was disclosed as part of the contribution to employee benefits in accordance with GRAP 25.74.

Recognition of an insurance debtor for the amount claimed relating to a claim submitted to the insurance company in the 2015/16 financial year.

Recognition of revenue as no claim was established within one year from the date of sale of impounded vehicles. In accordance with the rules of the road, such balance shall be forfeited to the authority concerned.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 58. Prior period errors (continued)

#### 58.17 Government grants & subsidies

Balance previously reported	227 268 132
General expenses - Top structure	778 870
Receivables from non-exchange transactions	161 918
	<u>228 208 920</u>

The Department of Human Settlements honored claims for top structure from the municipality due to the contractor. The invoice date related to the 2015/16 financial year. Recognition of revenue and expenditure relating to the transaction, as the requirements for the conditional grant was met.

The accounting transaction for the government grants and subsidies were incorrectly processed in the prior year on the financial system.

#### 58.18 Fine, Penalties and Forfeits

Balance previously reported	90 712 510
Traffic fines	1 891 943
	<u>92 604 453</u>

The municipality uses TMT as the service provider for the administration of traffic fines. When the municipality requested the 2016/17 traffic fine information, it came to our attention that the prior years information changed and therefore we had to process a journal in the financial system to reflect the amendments.

#### 58.19 Contribution allowance for doubtful debt

Balance previously reported	(1 241 549)
Receivables from exchange transactions - Housing rental	7 976 131
	<u>6 734 582</u>

The municipality signed an agreement in 2008 for the transfer of 80 housing selling scheme / rental units to the municipality. The transaction was to recognise the allowance for impairment based on the payment rate of the debtors.

#### 58.20 Depreciation and amortisation

Balance previously reported	(152 439 477)
Property, plant and equipment	3 164 218
Intangible assets	70 511
Investment property	(347 458)
	<u>(149 552 206)</u>

Assets were zero book value identified were corrected retrospectively for Property, plant and equipment and Intangible assets.

The municipality signed an agreement in 2008 for the transfer of 80 housing selling scheme / rental units to the municipality. The transaction was to recognise the depreciation relating to the Investment property.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 58. Prior period errors (continued)

#### 58.21 Debt impairment

Balance previously reported	(69 067 236)
Traffic fines	(14 210 251)
	<u>(83 277 487)</u>

The municipality uses TMT as the service provider for the administration of traffic fines. When the municipality requested the 2016/17 traffic fine information, it came to our attention that the prior years information changed and therefore we had to process a journal in the financial system to reflect the amendments.

#### 58.22 Repairs and maintenance

Balance previously reported	(54 657 830)
Payables from exchange transactions -Trees pruning	10 000
Pumps - expenditure correctly allocated	(558)
	<u>(54 648 388)</u>

A data cleansing exercise was done for the clearing of all suspense accounts due to the mSCOA implementation.

#### 58.23 Contracted services

Balance previously reported	(49 914 569)
Straight lining of operating leases	920
Accrual corrections	292 690
	<u>(49 620 959)</u>

Accounting for the straight lining of operating leases.

A data cleansing exercise was done for the clearing of all suspense accounts due to the mSCOA implementation.

#### 58.24 Contribution to employee benefits

Balance previously reported	(31 607 439)
Actuarial gain reclassified from other income	475 568
Post employment medical aid	151 847
Liability increased of post employment medical aid	(3 515 089)
Actuarial gain error	2 987 034
	<u>(31 508 079)</u>

The actuarial gain was disclosed as part of the contribution to employee benefits in accordance with GRAP 25.74.

In the previous financial years the post employment medical aid (PEMA) subsidies were valued with the assumption that it was subject to a capped amount.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 58. Prior period errors (continued)

#### 58.25 General Expenses

Balance previously reported	(151 612 364)
Other receivables from exchange transactions - Insurance debtor	(449 713)
Payables from exchange transactions	104 564
Government grants and subsidies - Top structure	(778 870)
Receivables from exchange transactions	(3 222)
	<u>(152 739 605)</u>

Excess payments relating to the insurance was erroneously reducing the insurance debtor in other receivables from exchange transactions.

The Department of Human Settlements honored top structure claims from the municipality due to the contractor. The invoice date related to the 2015/16 financial year. Recognition of revenue and expenditure relating to the transaction, as the requirements for the conditional grant was met.

A data cleansing exercise was done for the clearing of all suspense accounts due to the mSCOA implementation.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 59. 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

##### Rental of facilities and equipment (BD 1)

The revenue for rental of facilities and equipment was better than expected, which is beneficial to the municipality.

##### Interest earned - outstanding receivables (BD 2)

The budget projection increase was based on the prior period's position of debtors.

##### Agency services (BD 3)

The projected collection was conservative due to historic performance.

##### Licences and permits (BD 4)

The projection was based on the prior period's collection.

##### Other Income (BD5)

The increase is mainly due to the actuarial gain that was recognised in the statement of financial performance.

##### Investment revenue (BD 6)

More funds than anticipated were invested during the financial year due to delays in commencement in projects

##### Property rates - penalties imposed (BD 7)

Penalties imposed for property rates are included in the property rates budget, which is an immaterial difference (0%) when taking both amounts into account.

##### Government grants & subsidies (BD 8)

Some conditional grants have not yet met conditions and not yet recorded as revenue, hence the significant .

##### Expenditure

##### Contribution to / from provisions (BD 9)

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.

##### Impairment loss/ Reversal of impairments (BD 10)

No assets were impaired/ reversed for impairment during the year.

##### Contribution to employee benefits (BD 11)

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.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 59. Budget differences (continued)

#### Debt Impairment (BD 12)

The projection was based on historical data but debtors unexpectedly increased. Refer to notes 4,5 and 7

#### Contribution to allowance for doubtful debt (BD 13)

The projection was based on historic performance of debtors'accounts

#### Collection costs (BD 14)

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 15)

Much provision was made for unplanned repairs of assets.

#### Contracted Services (BD 16)

Re-classification of other general expenses resulted in the actual amount increasing

#### Transfers and Subsidies (BD 17)

Less applications for the grant in aid were received than projected.

#### General Expenses (BD 18)

Implementation of cost-cutting measures and re-classifying some general expenses as contracted services and external loan not being taken

### Statement of Financial Position

#### Assets

#### Cash and cash equivalents (BD 19)

Due to unspent conditional grants, there was more cash to invest on a short-term basis.

#### Other receivables from exchange transactions (BD 20)

During the financial year the municipality implemented higher water tariffs resulting in an increase in the estimate for water.

#### Inventories (BD 21)

Significant bulk inventory items were procured during the year which were still unused at year end, hence also the decrease in repairs and maintenance spending

#### Long term receivable (BD 22)

Arrangement debtors reclassified as long term receivables

#### Receivables from non-exchange transactions (BD 23)

The actual collection rate on fine debtors was better than expected. This resulted in a decrease in the allowance for impairment.

#### VAT receivable (BD 24)

Management did not anticipate a VAT receivable at year end.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 59. Budget differences (continued)

#### Short term investments (BD 25)

Due to cash flows, some short term investments were converted into cash & cash equivalents

#### Biological assets that form part of an agricultural activity (BD 26)

The budgeted amount is based on the previous fair value model which has since been changed to cost model

#### Investment property (BD 27)

The budgeted amount is based on the previous fair value model which has since been changed to cost model

#### Intangible assets (BD 28)

The municipality had planned to procure more software systems.

#### Heritage assets (BD 29)

The budgeted amount is based on the previous fair value model which has since been changed to cost model.

#### Liabilities

#### Other financial liabilities (BD 30)

The municipality had calculated that an additional loan would be taken and the consolidated short-term portion thereof paid off quicker.

#### Operating lease liability (BD 31)

#### Operating lease liability is included in other financial liabilities

#### Payables from exchange transactions (BD 32)

This was mainly due to late contractor appointments, delays in projects which led to more invoices not being paid at year end.

#### Consumer deposits (BD 33)

Growth in our community/ client base resulting in increase deposits.

#### Employee benefit obligation (BD 34)

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.

#### Unspent conditional grants and receipts (BD35)

Due to unforeseen circumstances, late contractor appointments, delays in projects, etc, conditions of some grants could not be met at year end.

#### Other financial liabilities (BD30)

Due to the financial position of the municipality, it was decided by management not to take an external loan

#### Provisions (BD36)

Provisions are based on experts' work as at the end of the financial year using information that is not available during the budget. The budget is based on historic amounts.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 59. Budget differences (continued)

#### Cash Flow Statement

##### Receipts

##### Sale of goods and services (CF 1)

The actual sale of goods and services were less than what was expected.

##### Grants -operational (CF 2)

The municipality received additional grant funding from the Department of Human Settlements for the construction of Top Structures.

##### Interest income (CF 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.

##### Grant -capital (CF 4)

The grant funding from sources other than national and provincial government were less than what was expected.

##### Payments

##### Suppliers and employee costs (CF 5)

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.

##### Transfers and grants (CF 6)

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 7)

The variance relates to the underspending on the capital budget.

##### Proceeds from sale PPE (CF 8)

The proceeds from sale of property, plant and equipment were better than expected, which is beneficial to the municipality.

##### Movement in Investments (CF 9)

The municipality invested excess funds for periods more than 3 months but up to 12 months, these investments are classified as short term investments in the statement of financial position.

##### Proceeds from biological assets (CF 10)

Management did not anticipate to sell biological assets during the financial year.

##### Proceeds from long term receivables (CF 11)

Arrangement debtors classified as long term receivables



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 59. Budget differences (continued) Cash flow from financing activities

#### Proceeds from other financial liabilities (CF 12)

Due to the financial position of the municipality, it was decided not to take up an external loan

#### Increase in consumer deposits (CF 13)

The budget projection for consumer deposits was based on previous year's performance.

### 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.

### 60. Going concern

We draw attention to the fact that at 30 June 2017, the municipality had an accumulated surplus of R 4 903 515 436 and that the municipality's total assets exceed its total liabilities by R 4 903 515 436.

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.

# Stellenbosch Municipality

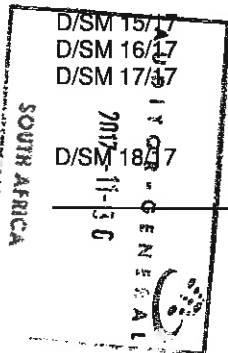
Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

### 61. 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 1/17	04/07/2016	Atterbury Holdings	Office Space	Total D/SM amount	5 971 818
D/SM 2/17	14/07/2016	Roy Steel and Associates	Recruitment and selection process - Municipal Manager	Total D/SM amount	51 300
D/SM 3/17	14/07/2016	Total SA	The provision of Fuel for the municipal fleet, for a contract period of 6 months ending 31 December 2016	Rates	-
D/SM 4/17	29/07/2016	Fair Build CC Rhotec CBI Electric Fair Build CC	Repairs to building and equipment following attempt of theft and vandalism at Kayamandi substation	Total D/SM amount	67 860
D/SM 5/17	05/07/2016	Blue Civils	Motivation for appointment of service provider for the demolishing of the existing building in erf 62, Kayamandi	Total D/SM amount	113 145
D/SM: 6/17	02/08/2016	Sowerby Engineering Company HSM Amanzi	Urgent repairs and service of Wemmershoek wastewater treatment plant blowers	Total D/SM amount	734 363
D/SM 7/17	08/09/2016	JR Wendys CC	Emergency relocation, Zone K	Total D/SM amount	83 300
D/SM 8/17	08/09/2016	Jubelle Projects	Planning of zone O and projects management for servicing of 295 sites in Watregang, Kayamandi	Total D/SM amount	113 097
D/SM 9/17	08/09/2016	Country Building Supplies	Emergency procurement of fire kits	Total D/SM amount	410 252
D/SM 10/17	16/09/2016	Rhotec	Repairs and installation of outdoor detection at the Main substation, Vredenburg Stree	Total D/SM amount	57 205
D/SM 11/17	21/09/2016	Grace Construction	Repairs and replacement of medium voltage cables at Le Seur Street, Brandwacht following extensive damage to cables during excavation works for burst water pipes	Total D/SM amount	113 110
D/SM 12/17	26/09/2016	HUBER Technology	Repairs/refurbishment of the damaged HUBER Ro2 1000/3 fine screen at Pniel WWTW	Total D/SM amount	191 788
D/SM 13/17	21/09/2016	Exeo Khokela	Construction of the Paradyskloof to Jamestown water supply	Total D/SM amount	14 617 112
D/SM 14/17	17/10/2016	Kaltron EOH	Wemmershoek WWTW- Communication Ring Link	Total D/SM amount	14 688 72300
D/SM 15/17	07/10/2016	JR Wendys CC	Emergency relocation erf 412, Franshoek	Total D/SM amount	41 800
D/SM 16/17	09/11/2016	Various artists	Special work of Art (Artists performances)	Total D/SM amount	77 500
D/SM 17/17	16/11/2016	Ibhunga Cleaning and Brick Paving & Painting	Appointment of service providers to maintain and clean the public ablution facilities in designated informal settlements in the WC024 area	Rates	-
D/SM 18/17	16/11/2016	Impolo Trading Solutions Conlog	To buy from sole supplier	Total D/SM amount	15 220



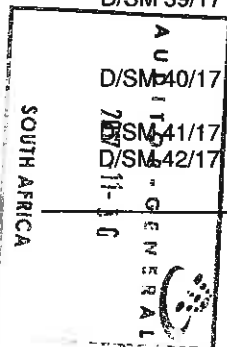
# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

### 61. Deviations from, and ratification of minor breaches of procurement process (continued)

D/SM 19/17	16/11/2016	Ian Dickie & Co	Certificate of emergency: Hiring of a pump to prevent sewage spilling along the R44, Stellenbosch	Total D/SM amount	67 559
D/SM 20/17	16/11/2016	CBI Electric	Repair and replace medium voltage cable sat Jan Marais Substation	Total D/SM amount	870 562
D/SM 21/17	N/A	N/A	Deviation number accidentally skipped	N/A	-
D/SM 22/17	06/12/2016	KOOLTRON (Pty) Ltd	Urgent installation of ventilation system on blower-house at Wemmershoek Waste Water Treatment Plant	Total D/SM amount	208 962
D/SM 23/17	09/12/2016	Country Building Supplies	Emergency procurement of fire kits	Total D/SM amount	269 124
D/SM 24/17	09/12/2016	CSX Customer Services	Procurement from a selected provider	Total D/SM amount	306 000
D/SM 25/17	09/12/2016	JR Wendys CC	Wendy houses in Jamestown	Total D/SM amount	184 500
D/SM 26/17	14/12/2016	Geodebt	Debtor Management	Rates	-
	05/01/2016	Prentec	Rental mobile belt press	Total D/SM amount	1 145 244
D/SM 28/17	21/12/2016	Total SA	Fuel	Rates	-
D/SM 29/17	12/10/2016	Arbor Care	Tree damage urgent measures: Kayamandi Zone 108	Total D/SM amount	19 950
D/SM 30/17	06/12/2016	Genadendal Jackies Bazaar	Hiring 3 refuse compactors daily	Rates	-
D/SM 31/17	25/01/2017	Three Go Konstruksie	Emergency roof repair at Unie Park reservoir, Stellenbosch	Total D/SM amount	23 150
D/SM 32/17	16/02/2017	Angel Shack	Office relocation to Eikestad mall	Total D/SM amount	586 695
D/SM 33/17	14/12/2016	Webber Wentzel	Broader targeted investigation re the abuse and theft of municipal assets (RCAL/12)	Rates	87455
D/SM 34/17	03/03/2017	Red Ant Security Relocation and Eviction	Demolishing, monitoring and prevention of illegal informal structures within Informal Settlement areas within the WCO24 area of Stellenbosch Municipality	Rates	-
D/SM 35/17	02/03/2017	Bradley Conradie	Appointment service providers to act as presiding officer and employer Representative in diciplinary hearing	Rates	-
D/SM 36/17	06/03/2017	Cliffe Dekker	Dredging and sludge removal from Wemershoek Maturation	Total D/SM amount	662 340
D/SM 37/17	14/03/2017	Guerrini Marine Construction CC	Appointment of service providers to maintain and clean the public ablation facilities in designated informal settlements in the WC024 area	Total D/SM amount	408 622
D/SM 38/17	13/03/2017	Impolo Trading Solutions	Request for urgent sale due to potential loss of income due to forest fire (Botmanskop Plantation)	Rates	-
D/SM 39/17	15/03/2017	Ibunga Cleaning and Brick Paving	Appointment service providers to assist with the Backlog of disciplinary hearing as presiding officer and employer representative	Rates	-
D/SM 40/17	30/03/2017	C Ntamo Holdings	Operation and management of Landfill Site-Interwaste 01 April 2017 – 30 Sepetember 2017	Rates	-
D/SM 41/17	07/04/2017	Bradley Conradie	Procurement from a selected supplier	Total D/SM amount	115 751
D/SM 42/17	10/04/2017	Cliffe dekker	Slabtown Fire 31 March 2017	Total D/SM amount	29 400
		Etienne Vermaak			
		Inter Waste (Pty) Ltd			
		CSX Customer Services			
		Nokhala Cleanaing Services			



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2017

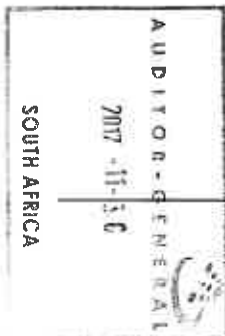
## Notes to the Annual Financial Statements

### 61. Deviations from, and ratification of minor breaches of procurement process (continued)

D/SM 43/17	13/04/2017	JR Wendys CC Sanitech	Relocation of Slabtown (Cloetesville) to Jamestown	Total D/SM amount	369 000
D/SM 44/17	03/05/2017	Nokhala Cleanaing Services	Slabtown Fire 31 March 2017	Total D/SM amount	117 600
D/SM 45/17	28/04/2017	ZTANDIS (Pty) Ltd and CBI Electrical	Repairs to medium voltage cable feeder to Nuutgevonden development following an incident of theft and vandalism of the overhead line and cable	Total D/SM amount	572 314
D/SM 46/17	05/05/2017	DVC General Trading CC	Emergency work: Townhall Toilets	Total D/SM amount	18 753
D/SM 47/17	28/04/2017	Estate Fencing	Beta fencing at Beltana	Total D/SM amount	1 670 241
D/SM 48/17	12/05/2017	Parone Trading	Motivation for appointment of service provider for the immediate repair of the roof at the Van Der Stel sports facilities	Total D/SM amount	73 712
D/SM 49/17	15/06/2017	Exeo Khokela	Preperation and implementation of drought disaster action plan for Stellenbosch, WC024	Total D/SM amount	2 923 422
D/SM 50/17	22/06/2017	Avalon Technology Group	Matopie highsite failure	Total D/SM amount	101 728
D/SM 51/17	19/06/2017	Polormama Nokhal Cleaning Services	Langrug storm disaster 07 June 2017	Total D/SM amount	145 510
D/SM 52/17	30/06/2017	ABSA	Banking services	Rates	-
D/SM 53/17	30/06/2017	Leelyn Management	Parking Management	Rates	-
D/SM 54/17	30/06/2017	Liquid Telecommunications SA	Telephone system limitations (voice services)	Total D/SM amount	600 000

### 62. Gains or losses on biological assets

Gains or losses arising from a change in fair value less point of sale costs (104 086)      43 295



**Report of the**

**Audit & Performance**

**Audit Committee**



## Report of the Audit & Performance Audit Committee

We are pleased to present our report for the financial year ended 30 June 2017. This report is provided by the Audit & Performance Audit Committee in respect of the 2016/2017 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), Len Mortimer, Jeremy Fairbairn , Ruth Strydom and Maryke van der Merwe. 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.

### 1. 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:

#### 1.1 In respect of the External Auditors and the External Audit

- i. Approved the External Auditors' (Auditor-General of RSA) terms of engagement, the audit plan and budgeted audit fees payable;
- ii. Reviewed and discussed the External Auditors' report and management letter;
- iii. Engaged the Auditor General on the External Audit Management Report and management letter;

- iv. Reviewed the audit and evaluated the effectiveness of the audit;
- v. Obtained assurance from the auditors that their independence was not impaired;
- vi. Considered the nature and extent of all non-audit services provided by the external auditors; and
- vii. Obtained assurances from the external auditors that adequate accounting records were being maintained.

### **1.2 In respect of the Annual Financial Statements (AFS)**

- i. Confirmed the going concern as the basis of preparation of the Interim and Annual Financial Statements;
- ii. Examined and reviewed the Annual Financial Statements, performance report as well as financial information disclosed to the public prior to submission and approval by Council;
- iii. Reviewed reports on the adequacy of the portfolio and specific impairments and impairment of other assets;
- iv. Ensured that the Annual Financial Statements fairly represented 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;
- v. Considered the appropriateness of accounting treatments, significant unusual transactions and management accounting judgements;
- vi. Considered the appropriateness of the accounting policies adopted by Management and changes thereto;
- vii. 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 RSA);
- viii. Reviewed any significant legal and tax matters that could have a material impact on the financial statements; and
- ix. 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.

### **1.3 In respect of Internal Control and Internal Audit**

- i. Reviewed and approved the Internal Audit mandate, yearly and three year rolling audit plans and evaluated the independence, effectiveness and performance of the Internal Audit Department and compliance with its mandate;
- ii. 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;
- iii. Reviewed significant issues raised by the internal audit process and the adequacy of corrective action in response to such findings;
- iv. 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;

- v. Assessed the adequacy of the performance of the Internal Audit function and found it to be satisfactory;
- vi. 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, external audit and the audit universe;
- vii. Received assurance that proper and adequate accounting records were maintained and that systems safeguarded the assets against unauthorised use or disposal thereof; and
- viii. 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 :
  - ix. ICT Management;
  - x. Supply Chain Management;
  - xi. Monthly or regular reconciliations of assets, debtors, creditors and VAT;
  - xii. Compilation of mid-year or interim AFS
- xiii. The absence of standard operating procedures (SOP's) as a significant finding permeating across all internal audit project reviews; and
- xiv. In addition the Committee noted Management's 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.

#### **1.4 In respect of Legal and Compliance with Laws and Regulations**

- i. Reviewed with management matters that could have a material impact on Council;
- ii. Monitored compliance with the MFMA and other 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;
- iii. Reviewed reports from the Internal and External Auditors detailing the extent of compliance; and
- iv. Noted that a number of complaints were received via the Deloitte hosted fraud and corruption hotline, which provides for anonymous reporting and which is independent of Stellenbosch Municipality and that due process was followed in terms of the Fraud and Corruption Policy.

#### **1.5 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 :

- i. 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;
- ii. In respect of the coordination of assurance activities, the Committee reviewed the plans and work outcomes of the external and internal auditors and concluded



- that these were adequate to address all significant financial, operational and compliance risks facing the Municipality;
- iii. 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; and
  - iv. The Audit & Performance Audit Committee in respect of compliance notes an emerging risk and expresses concern with non-compliance with the ICT Governance Framework

### **1.6 In respect of Pre-Determined Objectives (PDO's)**

The Audit & Performance Audit Committee:

- i. Noted management's progress and achievement made with PDO's and the reporting on the top-layer SDBIP; and
- ii. 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.

### **1.7 In respect of the Finance Function**

The Audit & Performance Audit Committee:

- i. Considered the appropriateness of the experience and expertise of the Chief Financial Officer and concluded that this was appropriate; and
- ii. Considered the expertise, resources and experience of finance function and concluded that these are not adequate due the non-adherence to interim AFS preparation as well as regular reconciliations and that very few people within finance are involved in the AFS preparation resulting in errors in the AFS submitted to the Auditor General as noted in the management report.
- iii. The Chief Financial Officer should ensure appropriate measures are in place for the timeous submission of information to the office of the Auditor General.

### **1.8 Independence of the External Auditors**

The Audit & Performance Audit Committee is satisfied that the Audit General of RSA (AG) were independent of the Council. This conclusion was arrived at, inter alia, after taking into account the following factors:

- i. The presentations made by the Auditor General to the Audit & Performance Audit Committee;
- ii. The Auditors' independence was not impaired by any consultancy, advisory or other work undertaken by the auditors; and
- iii. The Audit and Performance Committee met with the External Auditors independently of management.

## 1.9 General

- i. The Audit & Performance Audit Committee has 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 and Performance Committee has raised its concern around the repeat findings and has communicated this to Municipal Manager and to the CFO, who have given assurance that this will be addressed as urgent.
- ii. 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.
- iii. Stellenbosch Municipality has progressively been stable over a three 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 and 2016/17 consecutive Clean Audit Outcomes, bear testament to the good leadership, oversight effectiveness and management of the organisation.
- iv. The Audit & Performance Audit Committee has previously expressed concern regarding the lack of continuity in leadership prevailing in the Municipality, with specific reference to the senior management level, however currently this appears to be stable.

## 1.10 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:

- i. The internal controls of the Municipality were effective in all material aspects throughout the year under review;
- ii. These controls safeguarded the Municipality's assets;
- iii. Proper accounting records were maintained;
- iv. Resources were utilised efficiently; and
- v. 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 2017, 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**  
**16 January 2018**