

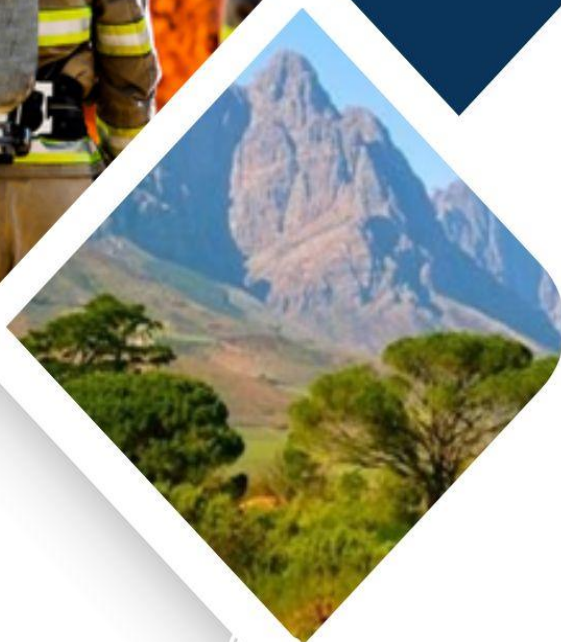


STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK
MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

2023/24

ANNUAL REPORT

*Providing our residents,
stakeholders and investors, with
information about the municipality's
operations and financial performance.*



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List of Abbreviations

Abbreviation	Description	Abbreviation	Description
ABS	Access to Basic Services	MIQ	Municipal Data and Intelligence
ACDP	African Christian Democratic Party	MM	Municipal Manager
AGSA	Auditor-General of South Africa	MMC	Member of the Mayoral Committee
AH	Agri-Hub	MMF	Municipal Managers Forum
AMEU	Association of Municipal Electricity Utilities	MOBI	Municipal Benchmarking Initiative
ANC	African National Congress	MOU	Memorandum of Understanding
ANPR	Automatic Number Plate Recognition System	MPAC	Municipal Public Accounts Committee
APAC	Audit and Performance Audit Committee	MPC	Multipurpose Centre
ATC	Adam Tas Corridor	MPI	Municipal Productivity Index
BAC	Bid Adjudication Committee	MRF	Material Recovery Facility
BBBEE	Broad-Based Black Economic Empowerment	MSA	Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)
BEC	Bid Evaluation Committee	mSCOA	Municipal Standard Chart of Accounts
BICLS	Bulk Infrastructure Development Contribution Levies	mSDF	Municipal Spatial Development Framework
BPAMS	Building Plan Approval Management System	MTAB	Metropolitan Transport Advisory Board
CAC	Civic Amenity Centre	MTECH	Medium Term Expenditure Committee
CAPEX	Capital Expenditure	MVA	Mega Volt Amp
CBD	Central Business District	NDP	National Development Plan
CBP	Community-Based Planning	NDOHS	National Department of Human Settlements
CCTV	Closed Circuit Television	NASHO	National Association of Social Housing Organisation
CDW	Community-Development Worker	NDoPW&I	National Department of Public Works and Infrastructure
CEB	Compressed Earth Block	NDPW	National Department of Public Works
CEO	Chief Executive Officer	NEMA	National Environment Management Authority
CFO	Chief Financial Officer	NPV	Net profit value
CGI	Compliance and Governance Index	NGO	Non-Governmental Organisation
CIGFARO	Chartered Institute of Government Finance, Audit and Risk Officers	NHBRC	National Housing Building Regulation Council
CITP	Comprehensive Integrated Transport Plan	NMT	Non-Motorised Transport
CoCT	City of Cape Town	NPO	Non-Profit Organisation
COGTA	Cooperative Governance and Traditional Affairs	NRTLEC	National Road Traffic Legislation Enforcement Code
COPE	Congress of the People	NT	National Treasury
CRSES	Centre for Renewable and Sustainable Energy Studies	OHS	Occupational Health and Safety
CWDM	Cape Winelands District Municipality	OPEX	Operating Expenditure
DA	Democratic Alliance	ODAs	Other Development Agency's
DAG	Development Action Group	PDO	Predetermined Objectives
DC	Development Cost	PDoHS	Provincial Department of Human Settlement
DCAS	Department of Cultural Affairs and Sport	PDoI	Provincial Department of Infrastructure
DEA and DP	Department of Environmental Affairs and Development Planning	PIE	Prevention of Illegal Evictions



Abbreviation	Description	Abbreviation	Description
DEDAT	Department of Economic Development and Tourism	PMS	Performance Management System
DEFF	Department of Environment, Forestry and Fisheries	PID	Project Initiation Document
DOE	Department of Education	PPDO	Provincial Predetermined Objectives
DORA	Division of Revenue Act	PPP	Public Private Partnership
DSD	Department of Social Development	PRASA	Passenger Rail Agency of South African
DWS	Department of Water and Sanitation	PSDF	Provincial Spatial Development Framework
ECD	Early Childhood Development	PSP	Provincial Strategic Plan
EE	Employment Equity	PT	Provincial Treasury
EHP	Emergency Housing Policy	RBIG	Regional Bulk Infrastructure Grant
EIA	Environmental Impact Assessment	REFSO	Renewable Energy Finance and Subsidy Office
EPWP	Expanded Public Works Programme	RTIA	Road Traffic Infringement Agency
ESTA	Extension of Security of Tenure Act	RFP	Request for Proposal
FBAR	Final Basic Assessment Report	RTMC	Road Traffic Management Corporation
FPSU	Farmer Production Support Unit	RTS	Refuse Transfer Station
GAMAP	Generally Accepted Municipal Accounting Practice	RUMC	Rural-Urban Market Centre
GDP-R	Gross Domestic Product - Regional	SAB	South African Breweries
GRAP	Generally Recognised Accounting Practice	SABS	South African Bureau of Standards
HCE	Housing Consumer Education	SALGA	South African Local Government Association
HDA	Housing Development Agency	SAMDI	South African Management Development Institute
HR	Human Resources	SAMRAS	South African Municipal Resource Accounting System
HSDG	Human Settlements Development Grant	SAMWU	South African Municipal Workers Union
IBR	Inverted Box Rib	SANEDI	South African National Energy Development Initiative
ICT	Information and Communication Technology	SANS	South Africa National Standards
IDP	Integrated Development Plan	SAPS	South African Police Service
IFRS	International Financial Reporting Standards	SASSA	South African Social Security Agency
iGRAP	Interpretations of Standards of Generally Recognised Accounting Practice	SCA	Stellenbosch Civic Association
IHSP	Integrated Human Settlement Plan	SCMU	Supply Chain Management Unit
IIC	Infrastructure Innovation Committee	SDBIP	Service Delivery and Budget Implementation Plan
IMATU	Independent Municipal Trade Union	SHIs	Social Housing Institutions
IMESA	Institute of Municipal Engineers of South Africa	SDF	Spatial Development Framework
IMFO	Institute for Municipal Finance Officers	SEDA	Small Enterprise Development Agency
INEP	Integrated National Electrification Programme	SITA	State Information Technology Agency
IPC	Integrated Planning Committee	SMME	Small Medium Micro Enterprises
IPPS	Independent Power Producers	SMS	Short Message Service
IRDP	Integrated Residential Development Programme	SOP	Standard Operating Procedure



Abbreviation	Description	Abbreviation	Description
ISAMAO	Institute of South African Municipal Accounting Officers	SPA	Stellenbosch People's Alliance
ISSP	Informal Settlement Support Programme	SPLUMA	Spatial Planning and Land Use Management Act
ISUPG	Informal Settlements Upgrade Partnership Grant	SPV	Special Purpose Vehicles
IUDG	Integrated Urban Development Grant	SSI	Stellenbosch Safety Initiative
IWA	International Water Association	STOD	Sustainable Transit-Oriented Development Plan
IWAA	Integrated Water Availability Assessment	SU	Stellenbosch University
IWMP	Integrated Waste Management Plan	SWWTW	Stellenbosch Wastewater Treatment Works
IZS	Integrated Zoning Scheme	TASK	Tuned Assessment of Skills and Knowledge
JPI	Joint Planning Initiative	TIATCP	Technical Innovation Agency Technical Centre Programme
JSE	Johannesburg Stock Exchange	VTs	Vehicle Testing System
KIWMF	Kraaifontein Integrated Waste Management Facility	WC	Western Cape
KPA	Key Performance Area	WCO24	Greater Stellenbosch
KPI	Key Performance Indicator	WCWDM	Water Conservation and Water Demand Management
LED	Local Economic Development	WCWSS	Western Cape Water Supply System
LETRP	Large Employer Trip Reduction Programme	WMO	Waste Management Officer
LGMTEC	Local Government Medium Term Expenditure Committee	WoF	Working on Fire
LGSETA	Local Government Sector Education and Training Authority	WRC	Water Research Commission
LM	Local Municipality	WTP	Water Treatment Plan
LR	Labour Relations	WWF	World Wildlife Fund
LUMS	Land Use Management System		
LUPA	Land Use Planning Act		
LUPO	Land Use Planning Ordinance		
MAYCO	Executive Mayoral Committee		
MERO	Municipal Economic Review Outlook		
MFMA	Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)		
MGRO	Municipal Governance Review and Outlook		
MIG	Municipal Infrastructure Grant		
MILE	Municipal Institute of Learning		



Introduction

The Stellenbosch Municipal Draft Annual Report 2023/24 addresses the performance of the Stellenbosch Municipality in the Western Cape, South Africa, concerning its core legislative obligations. Local government must create a participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the municipal council provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

The report reflects on the performance of the Stellenbosch Municipality for the period of 01 July 2023 to 30 June 2024. The layout of the annual report is prepared in terms of Section 121(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), in terms of which the municipality must prepare for each financial year.

The Annual Report comprises six chapters with the following broad overview:

-  **Chapter 1:** An overview of the municipality's overarching strategy, accountability processes, social and demographic profile, and key highlights and challenges regarding finance, institutional transformation, and key basic service delivery.
-  **Chapter 2:** Details about the governmental workings of the municipality and addressing the key aspects of good governance.
-  **Chapter 3:** Highlights the municipality's performance for the year, with a focus on service delivery and the municipality's predetermined objectives.
-  **Chapter 4:** Provides insight into the municipality's human resources and organisational management areas, focussing on organisational structure and legislation.
-  **Chapter 5:** An overview of the municipality's financial performance, reflecting on the municipality's financial position, assets, cash flow, and intergovernmental grants received by the municipality.
-  **Chapter 6:** An overview of the audit key findings as per the Auditor-General of South Africa.

The purpose is to establish a transformed and well-governed municipal environment that remains robust and will continue to stimulate the growth and well-being of the constituents of the Stellenbosch municipal area.



Vision, Mission, and Values





CHAPTER 1: EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1 COMPONENT A: EXECUTIVE MAYOR'S FOREWORD



Cllr Adv Gesie van Deventer
Executive Mayor

Reflecting on the 2023/24 financial year, I present this annual report with immense pride. It highlights the progress we have made in striving towards our vision of Stellenbosch as a Valley of Opportunity for All. Our municipality continues to work tirelessly to create an environment where small businesses, entrepreneurs, and industries can flourish. This year, we have focused on attracting investment, driving economic growth, and creating job opportunities that will benefit every resident and visitor to our region.

At the heart of our efforts is the belief that Stellenbosch should be a place where people can thrive—where innovation and hard work are rewarded, and where the foundations for long-term prosperity are continually strengthened.

Through targeted interventions, we are laying the groundwork for a future that invites economic activity, draws visitors to our beautiful region, and enhances the quality of life for all.

Key Policy Developments

Our strategic priorities are closely aligned with the Provincial Growth and Development Strategy, as well as our own Integrated Development Plan (IDP). The focus has been on achieving impactful outcomes, especially in areas like economic development, infrastructure improvements, and sustainability. The IDP strategies have guided our actions to ensure we are making tangible progress toward building a thriving and inclusive local economy.

We have made significant strides in meeting key objectives, with our policies fostering sustainable development and laying the foundation for long-term growth. By aligning with both provincial and national priorities, we ensure that our policies are not just theoretical but result in meaningful improvements for our communities.

Key Service Delivery Improvements

One of the major successes of the year has been our investment in infrastructure maintenance and development, which remains at the core of our service delivery mandate. The largest portion of our capital budget was committed to infrastructure and engineering, with a direct focus on basic services such as water provision, electricity, roads, stormwater systems, sanitation, and refuse removal.

Our focus is clear: getting the basics right. By prioritising these essential services, we are using public funds responsibly to improve the daily lives of our residents. Notable projects include the upgrade of road networks, expansion of water and sanitation facilities, and improvements in waste management and recycling. These developments not only enhance service delivery but also ensure that we are building a resilient infrastructure for future generations.



Public Participation

Our success as a municipality is rooted in the active participation of our residents. We have worked hard to ensure that the voices of our community are heard and considered in our decision-making processes. Throughout the year, we engaged with the public through various platforms, including written submissions, public meetings, Integrated Development Plan (IDP) open days, online platforms, and direct communication via email and telephone.

By embracing these methods, we have fostered greater transparency and accountability while ensuring that the diverse views of our residents are taken into account. This ongoing dialogue strengthens the relationship between the municipality and the community, ensuring that we remain responsive to the needs and aspirations of all who live here.

Conclusion

As with every year, 2023/24 brought its own challenges, but together, we have faced them head-on, making considerable progress along the way. Our collective efforts have been rewarded with another clean audit—a significant achievement that underscores our commitment to financial responsibility and good governance. A clean audit reflects not only our sound fiscal management but also the trust that our residents place in us to deliver on our promises.

This past year has been a testament to the power of collaboration and determination. By working together, we have not only overcome obstacles but also laid the groundwork for an even more prosperous future for Stellenbosch. I am deeply grateful to our dedicated municipal staff, our partners, and, most importantly, our community members for their ongoing support and engagement.

As we look ahead, I remain optimistic about what we can achieve together. The 2023/24 financial year has been one of growth, learning, and accomplishment, and I am confident that we will continue on this positive trajectory in the years to come.

ADV GESIE VAN DEVENTER
EXECUTIVE MAYOR



1.2 COMPONENT B: EXECUTIVE SUMMARY

1.2.1 MUNICIPAL MANAGER'S FOREWORD



Geraldine Mettler
Municipal Manager

As we reflect on the accomplishments and challenges of the 2023/24 financial year, I am proud to share that Stellenbosch Municipality has once again demonstrated commendable performance in service delivery, governance, and financial management.

Despite the continued trials posed by external factors such as loadshedding, economic pressure, and climate challenges, we have remained steadfast in our commitment to delivering high-quality services to our residents.

The resilience of our community, officials, management team, and stakeholders has been tested this year, and I am delighted to report that we have emerged stronger and more united.

This Annual Report offers detailed insights into the municipality's performance over the past 12 months, showcasing how we have navigated these challenges while maintaining essential services and operational efficiency.

Our municipality faced some delays in infrastructure projects due to factors beyond our control, such as supply chain disruptions and inflationary pressures. However, we ensured that basic service delivery—water, electricity, refuse removal, and emergency services—remained uninterrupted. Our proactive management and collaborative efforts with stakeholders have enabled us to minimise the impact on our residents.

I am especially proud to announce that Stellenbosch Municipality has once again received a clean audit opinion from the Auditor-General of South Africa (AGSA). This achievement underscores our commitment to sound financial management, robust internal controls, and adherence to audit standards. It is a reflection of the hard work, diligence, and dedication of our management team, officials, and the entire Council.

In 2023/24, we continued to make sizable investments in infrastructure development, maintenance, and upgrades, prioritising the needs of our growing population and businesses. With a focus on basic service delivery, we have committed significant resources to ensure the sustainability and efficiency of our water, electricity, sanitation, and road networks. Our values of innovation, integrity, accountability, and transformation have guided these efforts, as we work toward creating an environment that supports economic growth and dignified living conditions for all residents.

Public participation remains a key pillar of our governance. We have worked hard to engage with our communities through various platforms—public meetings, online forums, and written submissions—ensuring that the voices of our residents are heard and that they play an active role in shaping the future of our municipality.

Stellenbosch continues to thrive despite the economic challenges we face. Higher-than-normal inflation, supply chain disruptions, and energy security issues have created a difficult environment, yet through effective collaboration with stakeholders, we have built resilience. Our response to these challenges demonstrates the strength of our leadership and our capacity to adapt and overcome.



I would like to extend my heartfelt gratitude to the Executive Mayor, the Mayoral Committee, the entire Council, the Audit and Performance Audit Committee (APAC), and my management team for their unwavering dedication and strategic vision throughout this year. It is through their leadership and collaboration that we have been able to achieve the successes outlined in this report.

Finally, I wish to thank all municipal employees for their passion, hard work, and commitment. It is an honour to serve alongside you as we work together to realise our vision of becoming a true Valley of Opportunity and Innovation for all.

May this Annual Report for 2023/24 serve not only as a record of our achievements but as a motivation for continued excellence and progress in the years to come.

MS GERALDINE METTLER
MUNICIPAL MANAGER



1.2.2 STRATEGIC FOCUS AREAS

The strategic focus areas within a municipality are the building blocks of the Council's strategy. The focus areas, as depicted in the diagram below, illustrate the expansion of the vision statement and create structure around how the municipality will achieve its strategic goals.

Table 1: Strategic focus areas

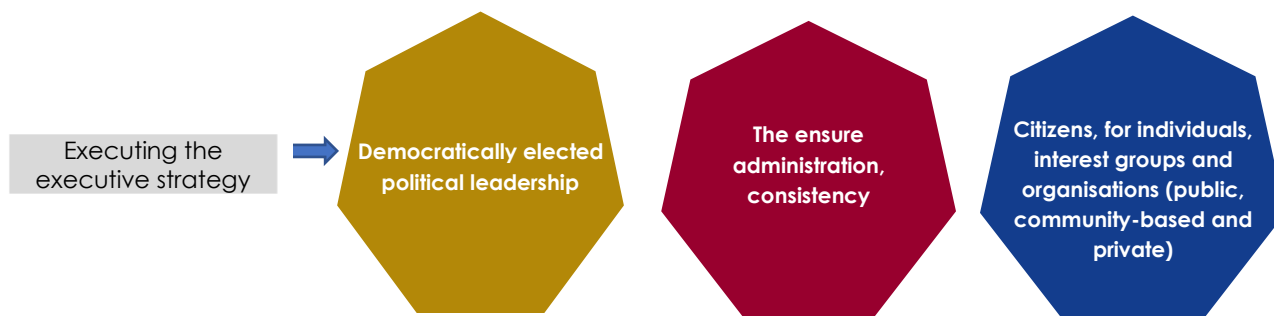
SFA 1: Valley of Possibility	Predetermined Objectives <ol style="list-style-type: none"> 1.1 Create an environment conducive to business development and job creation. 1.2 To facilitate and coordinate support for emerging entrepreneurs by utilising internal SCM processes and linking SMMs with opportunities in the market. 1.3 To provide, upgrade, and maintain an effective engineering infrastructure to support effective service delivery. 1.4 To ensure the provision of non-motorised transport routes as a functional mode of transport.
Predetermined Objectives <ol style="list-style-type: none"> 2.1 Managing human use of the biosphere and its resources. 2.2 Enhancing the integrity of the environment is imperative for long-term sustainability. 2.3 Incorporating biodiversity into the environment is an imperative for long-term sustainability 2.4 Ensuring spatial sustainability. 2.5 Facilitate the efficient use of all forms of capital available to Stellenbosch. 2.6 Building human capacity and ability. 2.7 Efficient information management. 	SFA 2: Green and Sustainable Valley
SFA 3: Safe Valley	Predetermined Objectives <ol style="list-style-type: none"> 3.1 To implement an integrated safety strategy that incorporates multi-stakeholder engagement and social crime preventions. 3.2 To develop and implement institutional crime prevention strategies, with a focus on improved law enforcement and neighbourhood watches.
Predetermined Objectives <ol style="list-style-type: none"> 4.1 To develop and maintain sustainable human settlements that will meet the diverse range of housing needs. 4.2 To develop and implement a social infrastructure master plan for the upgrading and maintenance of social facilities in all wards. 4.3 To involve and build the capacity of stakeholders in the planning and management (governance) of the areas where they live. (Promote participatory planning and integrated implementation). 4.4 To provide access to basic services for households in the WC024 area. 	SFA 4: Dignified Living
SFA 5: Good Governance and Compliance	Predetermined Objectives <ol style="list-style-type: none"> 5.1 To develop, align, and implement effective management information systems. 5.2 An effective asset management system to optimise the use of municipal assets. 5.3 To manage integrated development planning and the efficient measurement of predetermined objectives as per the regulatory framework. 5.4 To involve the community in the planning and management of programmes and projects impacting their ward(s). 5.5 To review municipal governance processes as per the Risk-Based Audit Plan 5.6 A skilled and capable workforce that supports the growth objectives of the municipal area 5.7 A responsive, accountable, effective, and efficient local government system 5.8 To implement an effective revenue management system. 5.9 To provide accurate and relevant financial information for decision-making. 5.10 To develop and implement a responsive, accountable, effective, and efficient customer care structure and system.



1.2.3 CORE PRINCIPLES IN EXECUTING THE STRATEGY

This section refers to the linkage between political leadership, the administration, and the community. The diagram below illustrates the three components a municipality should encompass:

Figure 1: Core principles for executing the strategy



For sustainable municipal management, political leadership and the administration must work together. Ultimately, democratically elected political leadership is responsible for policy direction. The administration provides advice and implements policy.

International best practice shows that the only way to carry out sustainable urban management is to engage in meaningful partnerships with communities, where communities take full responsibility for the development of their neighbourhoods. Stellenbosch Municipality is committed to ensuring that the real social and economic development of its poorest communities is realised through extensive community input and ownership.

A component of community participation focuses on ward-based planning, where the desired outcome is to have a ward-based plan for each of the 23 wards. Ward-based plans are a form of participatory planning designed to promote community action with clear linkages to the IDP. These plans mobilise communities and citizens to take responsibility for their destinies and capture what communities see as their desired outcomes. These plans also help to fast-track the implementation of the IDP. This ensures that the focus areas of the IDP become the collective responsibility of community members, ward councillors, ward committees, the business community, NGOs and CBOs, and all other stakeholders in the greater Stellenbosch.

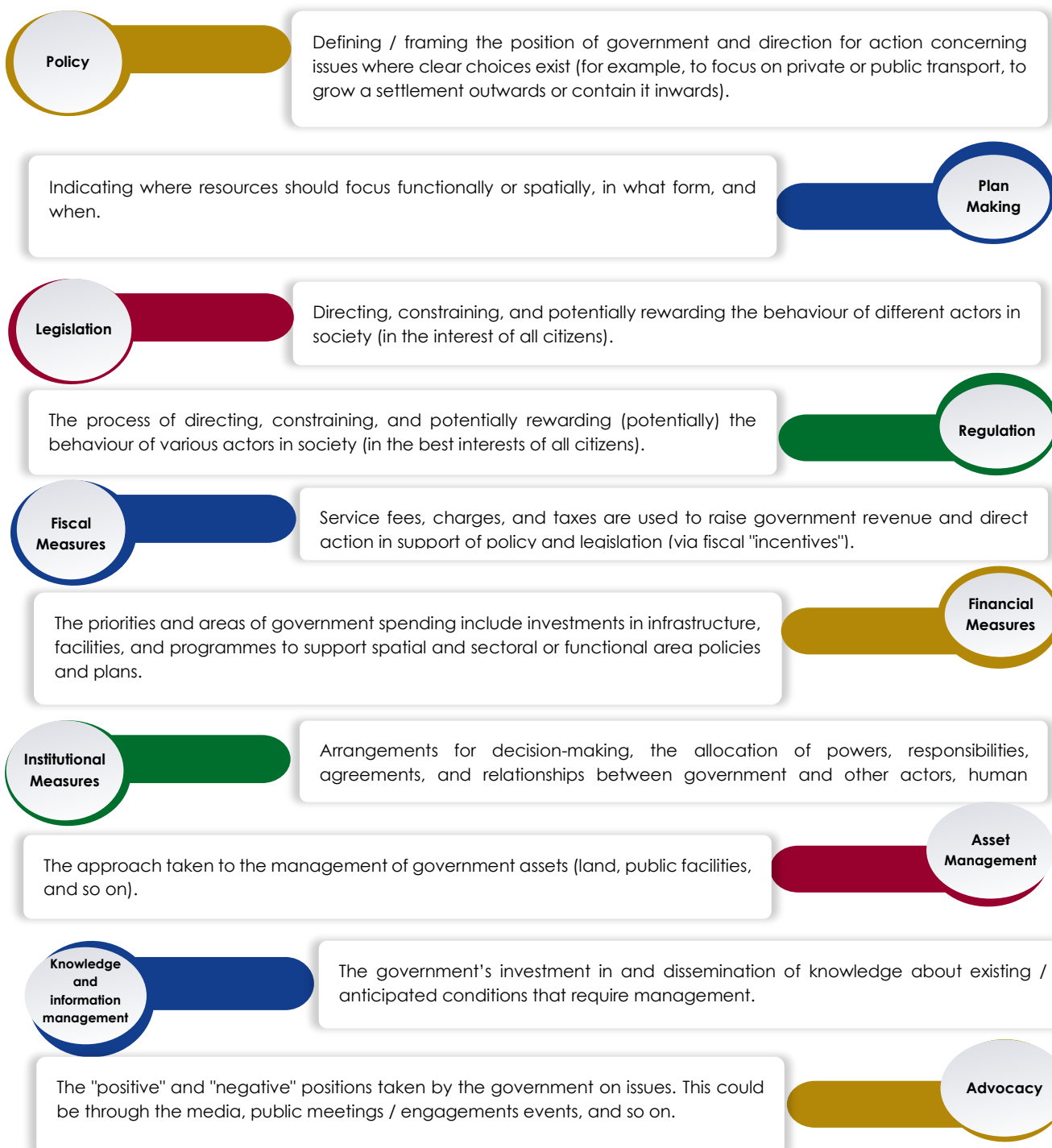
Participatory processes present an opportunity for visionary local leaders to implement a shared agenda and show tangible and measurable results through collectively addressing the ward priorities.



1.2.4 ALIGNMENT WITH INSTITUTIONAL STRUCTURES AND PROCESSES

The municipality focuses on prudent arrangements that provide internal and external alignment with its organisational strategies. This best supports the execution of the long-term goals and purposes, which require all stakeholder engagements, both external and internal, to be aligned with and committed to achieving the vision of the organisation. The administration strongly focuses on action against deliverables, which in turn creates effectiveness and efficiency in decision-making and delivering services to all citizens.

1.2.5 THE TOOLS OF GOVERNANCE



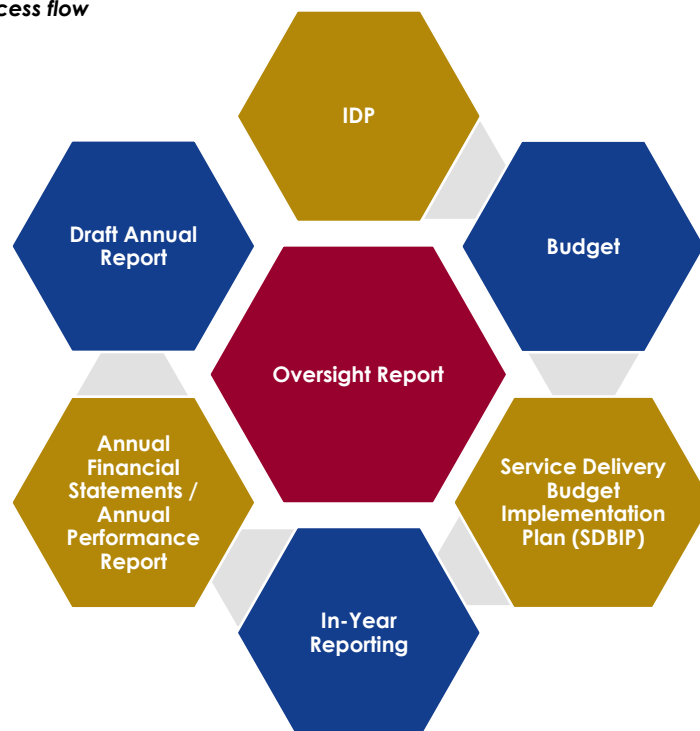


Planning techniques are used to bridge the gap between local experiential knowledge, the technical needs of strategy development, and the demand for strategic frameworks to be ready to cope with rapid decision-making to reduce the risk of unforeseen issues.

Through extensive, organised information-sharing and planning workshops, this procedure aims to establish a starting position about how to guide the development and administration of the town. The strategy becomes the overarching strategic framework, which is then built on with technical work.

To ensure that alignment between the Council's strategic processes is adhered to, the municipal accountability cycle needs to be implemented:

Figure 2: Accountability Process flow





1.2.6 DEMOGRAPHICAL OVERVIEW OF THE GREATER STELLENBOSCH AT A GLANCE

Table 2: Socio-economic summary

Population Estimates, 2022			Actual households, 2021		
	Population 175 411			Households 59 626	
Education		2022	Poverty		2022
	Matric Pass Rate	84.7%		Gini-Coefficient	0.61
	Learner Retention Rate	82.0%		Poverty Head Count Ratio (UBPL)	66.68%
	Learner-Teacher Ratio	26.7			
Health					2021/22
	Primary Health Care Facilities 8 (excl. mobile / satellite clinics)	Immunisation Rate 64.5%	Maternal Mortality Ratio (per 100 000 live births) 60.2	Teenage Pregnancies – Delivery rate to women U/18 12.5%	
Safety and Security			The annual number of reported cases in 2022/23		
	Residential Burglaries 869	DUI 251	Drug-related Crimes 1 463	Murder 77	Sexual Offences 207
Access to Basic Service Delivery		Percentage of households with access to basic services, 2022/23			
Water in dwelling 86,4% 	Refuse Removal 87,3% 	Electricity 96.9% 	Sanitation 96.8% 	Housing 87.3% 	
Road Safety 2021/22		Labour, 2023		Socio-economic Risks	
Fatal Crashes	31	Unemployment Rate	Risk 1	Job losses	
Road User Fatalities	39	(narrow definition)	Risk 2	Low learner retention	
		15,2%	Risk 3	Low skills base (Labour)	
Largest 3 sectors			Contribution to GDP, 2020		
Finance, insurance, real estate, and business services		Wholesale and retail trade, catering and accommodation		Manufacturing	
25.7%		18.1%		17.2%	

Source: Western Cape Local Government Social-Economic Profile 2022 and 2023 (Stellenbosch Municipality)
Statistics South Africa 2022



1.2.6.1 State of the Greater Stellenbosch

Stellenbosch Municipality is located at the edge of the City of Cape Town but 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 metropolitan municipality. 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 just a few kilometres from the breathtaking Boland mountain ranges.

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 CEOs and executives, which in turn means that it can sustain a comparatively high level of economic activity and consumer services for a town of its size. This results in other benefits throughout the value-add chain and for employment. The municipal area covers approximately 900 km².

The municipality's area of jurisdiction includes the towns of Stellenbosch and Franschhoek, as well as several rural communities such as Wemmershoek, La Motte, De Novo, Kylemore, Pniël, Johannesdal, Lanquedoc, Groot Drakenstein, Muldersvlei, Klappmuts, Elsenburg, Raithby, Jamestown, Koelenhof and Vloottenburg (most with a population of less than 5 000). Apart from formal settlement areas, the municipal area also includes several 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 fruits. The towns of Stellenbosch and Franschhoek are renowned for various architectural styles such as the Cape Dutch, Georgian, and Victorian, which reflect their heritage and traditions, but also divisions of the past.

The area houses excellent educational institutions, including the Stellenbosch University and several prestigious schools as well as Boland College. 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 - the area is the home of the very first Wine Route in South Africa.

A variety of sports facilities are available. Coetzenburg, with its athletics and rugby stadiums, has delivered star performances over many generations. The municipal area is enriched with arts and culture landmarks, featuring facilities like the Adam Small Theatre, Oude Libertas Amphitheatre (famed for its summer performances of music, theatre, and dance), Spier Amphitheatre, Theatre on Dorp Street, and Aan de Braak Theatre.

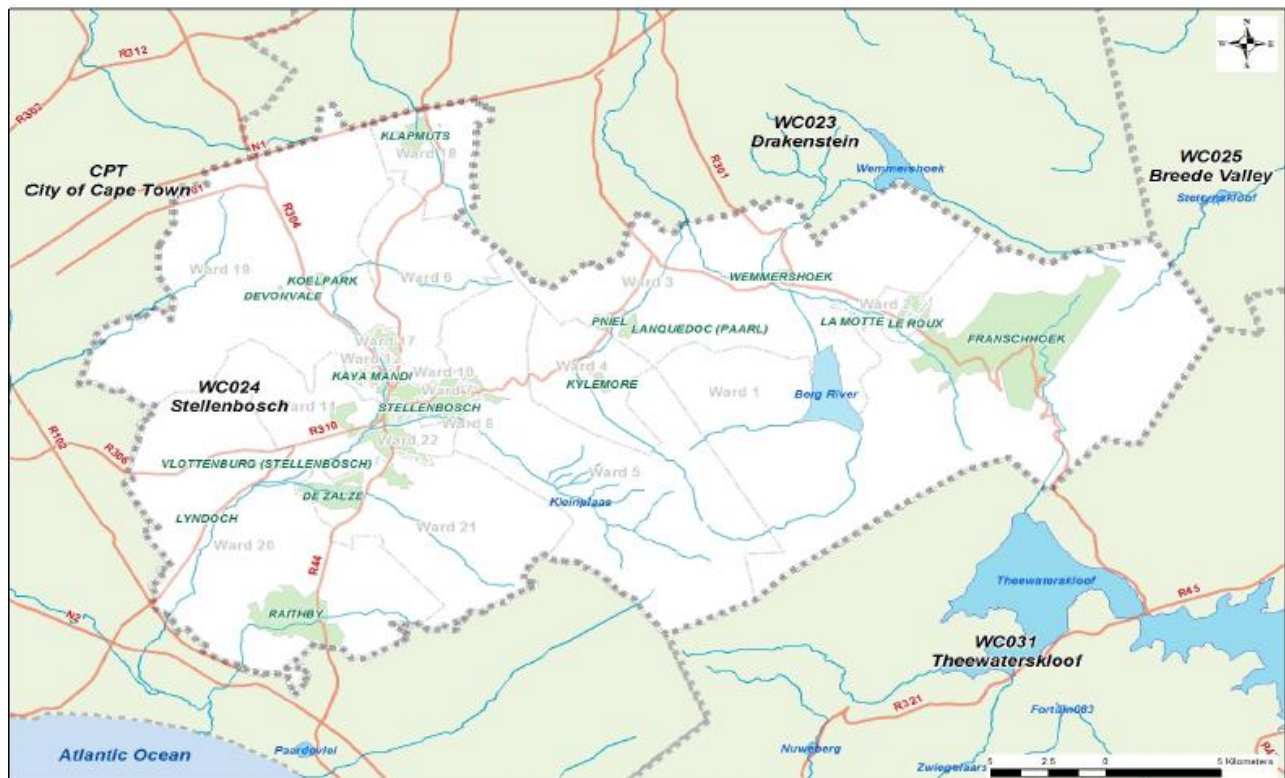


The following municipalities share their borders with Stellenbosch Municipality:

- ⚡ The City of Cape Town (South);
- ⚡ Drakenstein Municipality (North);
- ⚡ Breede Valley Municipality (North-East); and
- ⚡ The Theewaterskloof Municipality (South-West).

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

Map 1: Locality map of municipal boundaries





1.2.6.2 Ward Demarcation

The ward demarcation was structured according to the election outcomes on 01 November 2021 which increased from 22 to 23 wards for the year under review.

Table 3: Municipal Ward Demarcation

Ward	Areas
1	Mooiwater, Franschhoek Town and Surrounding Farms
2	Langrug, La Motte, Dennegeur, Groendal, Domaine des Anges
3	Lanquedoc, Meerlust, Wemmershoek to La Motte Wine Farm and Leopards Leap Wine Farm, Maasdorp
4	Kylemore, Johannesdal, Pniël and Surrounding Farms
5	Ida's Valley (Hillside Village, La Gratitude Park (Kreefgat), The Ridge, La Roche, Lindida, Bloekomlaan (Moses / Martin) Lindley)
6	The Hydro, Rustenberg and Surrounding Farms, Kelsey Farm
7	Mostersdrift, Karindal, Rozendal, Uniepark, Simanswyk and Universiteitsoord
8	Stellenbosch University campus and university residence area; Coetzenburg, (partially:) Koloniesland, Victoria Street, Bosman Street, Noordwal East, Riebeck Street
9	Stellenbosch CBD, Part of the US campus (residential areas within both these areas), the Southern border is the Eerste River, the Northern border is Merriman Street, the Eastern border is Die Laan and the Western border is Bird Street
10	Tenantville, Lakay Street, Titus Street, Langsuid Street up to Lakay Street, Tennant Street, Lapan Street, Bell Street, Bird Street, La Colline (Dr Malan Street, Dan Pienaar Street, Paul Roos Street, Tobruk Park, Irene Park, La Colline Road, Conde Street, Taylor Street, Mount Albert Street), Kromrivier Road, Jan Celliers Street, Hammanshand, Ds Botha Street, Voorplein Street, Bird Street, Langenhoven Street, Du Toit Station, Ryneveld Street, Karee Street, Oliehouthout Street, Banghoek Rd, Acedemia, Bosman Street, Smuts Rd, Joubert Street, De Beer Rd, De Villiers Rd from Ryneveld Street to Cluver Rd on the left-hand side
11	Boundaries of the ward are: Kridge Rd, Herte Street, Skone Uitsig Rd onto Alexander Street onto Du Toit Street toward Merriman Avenue towards Adam Tas Rd onto George Blake Street, Mark Street, Distillery Rd, Santhagen Rd, Swawel Avenue, Kanarie Rd, Tarentaal Rd, Bokmakierie Rd, Fisant Rd, Devon Valley Rd, Kiewiet Rd, Dagbreek Rd, Pelikaan Street, Patrys Rd, Hammerkop Rd, Loerie Rd, Muldersvlei Landgoed, and all areas in Onder Papegaaiberg and businesses
12	Kayamandi: Zone A, Chris Hani Drive, 10th and 13th Street, Snake Valley, Enkanini, Watergang, Watergang TRA 2 and Watergang Informal Settlements (Thublitsha)
13	Kayamandi: Zone J, Red Bricks, Zone K and L, Hostels, Dairy and University Hostels, Old Bricks Houses Red Roofs, Zwelitsha, Costaland
14	Kayamandi: Zone P, I, F, D and O, Costaland, Marikana, Watergang, Smarties (Mgabadel Street), Monde Crescent
15	Kayamandi: Zone M, N, O, 4 th and 5 th Avenue, 10 th , 12 th and 14 th Street, Long Street, Retreat Street, Forest Drive, School Crescent
16	The borders are Tenant Rd, Long Street, Crombi Rd to the end of Gabriels Rd. Asalea Rd, 2nd Road, Noble Rd, Bailey Rd, Eike Street, Curry Street, Hoop Rd, Pansy Rd, West Rd, Laai Rd, Anthony Rd, Carriem Rd, Archilles Rd, Bergstedt Rd, Davidse Rd, Cupido Rd, Pearce Rd, Robyn Rd, Gonzalves Rd, Hercules Rd, Chippendale Rd, Afrika Rd, Arnolds Rd, September Rd, Jakaranda Street, Short Rd, Quarry Rd, Middle Rd, 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
17	A part of Cloeterville (Lakay Rd towards Langstraat -Suid Rd, Kloof Street, Fir Street, Fontein Rd, Williams R towards Gabriels Rd towards February Rd, Valentyn Rd, Pool Rd, Raziet Rd, Ortell Rd, Rhode Rd, King Rd, Hine Rd, Hendrikse Rd, Rhode Rd), as well as Welgevonden, Green Oaks, Stellita Park, Weltevrede, Welgevonden Estate (Red Oak Rd, Belladonna Street, Wildeklawer Welgevonden Boulevard, Olive Rd, Sonnedou Rd, Mountain Silver Rd, Silver Oak Rd, Froetang Rd, Katbos Rd, Everlasting, Fynbos Street, Sourfig Street, Scarlet Cresent, Pin Oak Street, Evergreen, Autumn Close, Nenta, Cherrywood, Candelabra, Froetang, Candelabra, Kouter, Protea Street, Minaret, Gooseberry, Honeybush), Klein Welgevonden (La Belle Vie, Chablis) and the Municipal Flats in Rhode, Kloof and Long Streets, Bertha Wines and Weltevreden Estate, 15 Weltevreden Estate,) The borders of the ward are the R44 Klapmuts Road and Long Streets.
18	Klapmuts Town Centre, Bennitsville, Weltevrede Park, Klapmuts New Houses, Mandela City and La Rochelle Informal Settlement, Klapmuts Farms (The Purple Windmill, Arra Vineyards, Hidden Gems Wines, Gravel Junction Wine and Spirits Company, Wine Estate Le Bonheur, Anura Vinyard, Dalewood Farms, Blueberry Bar, Klapmuts Transfer Station, Trophy SA, DKL Transport Pty, Welgelee Estate).

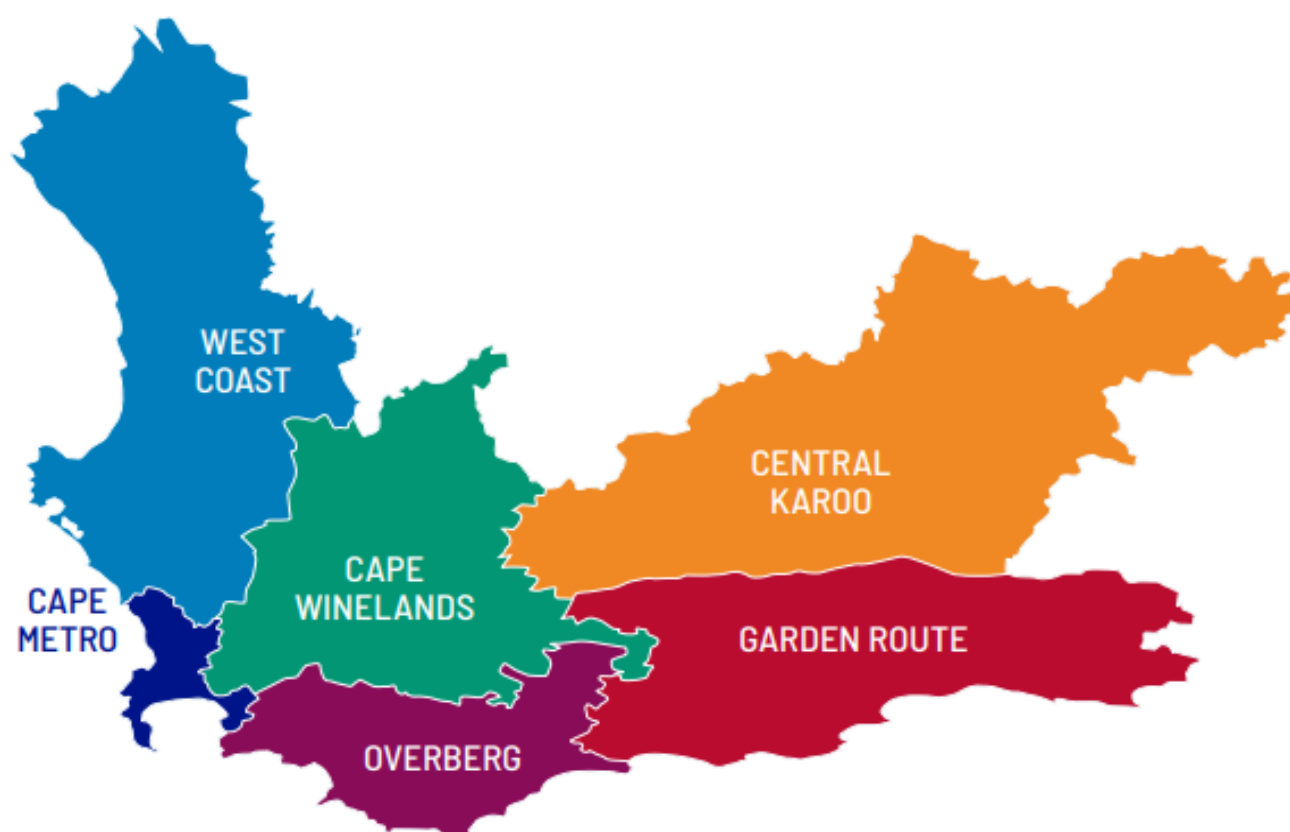


Ward	Areas
19	De Novo, Kromme Rhee, Vaaldraai, Muldersvlei, Koelenhof and surrounding Farms, Koelenhof Station, Slaley, Hunting, Koelenhof Farms, Poulter / Mariendahl, De Hoop, Nooitgedacht Village, Bottelary and Surrounding Farms, De Waalshof, Weltevrede 1, Weltevrede 2, Smartie Town.
20	Vlottenberg, Raithby, Mooiberge, Lynedoch
21	Brandwacht Aan Rivier, Paradyskloof, Stellenbosch Golf Course, Blaauwklippen / Stellenzicht Farms, De Zalze, Jamestown, Mountainview, Stellenbosch Airfield
22	Die Boord, Dalsig, Brandwacht, Krigeville, Libertas Farm
23	Dorp Street, Krige, Hamman Street, Schroder Rd, Die Braak, Bird Street from Dorp Street, Dennesig area, Muller Rd, Banghoek Road, Reyneveld Street, Plankenburg Industrial area, and Kayamandi Corridor.

Source: Statistics South Africa and IEC

Below is a map of the Cape Winelands District concerning the provincial district boundaries:

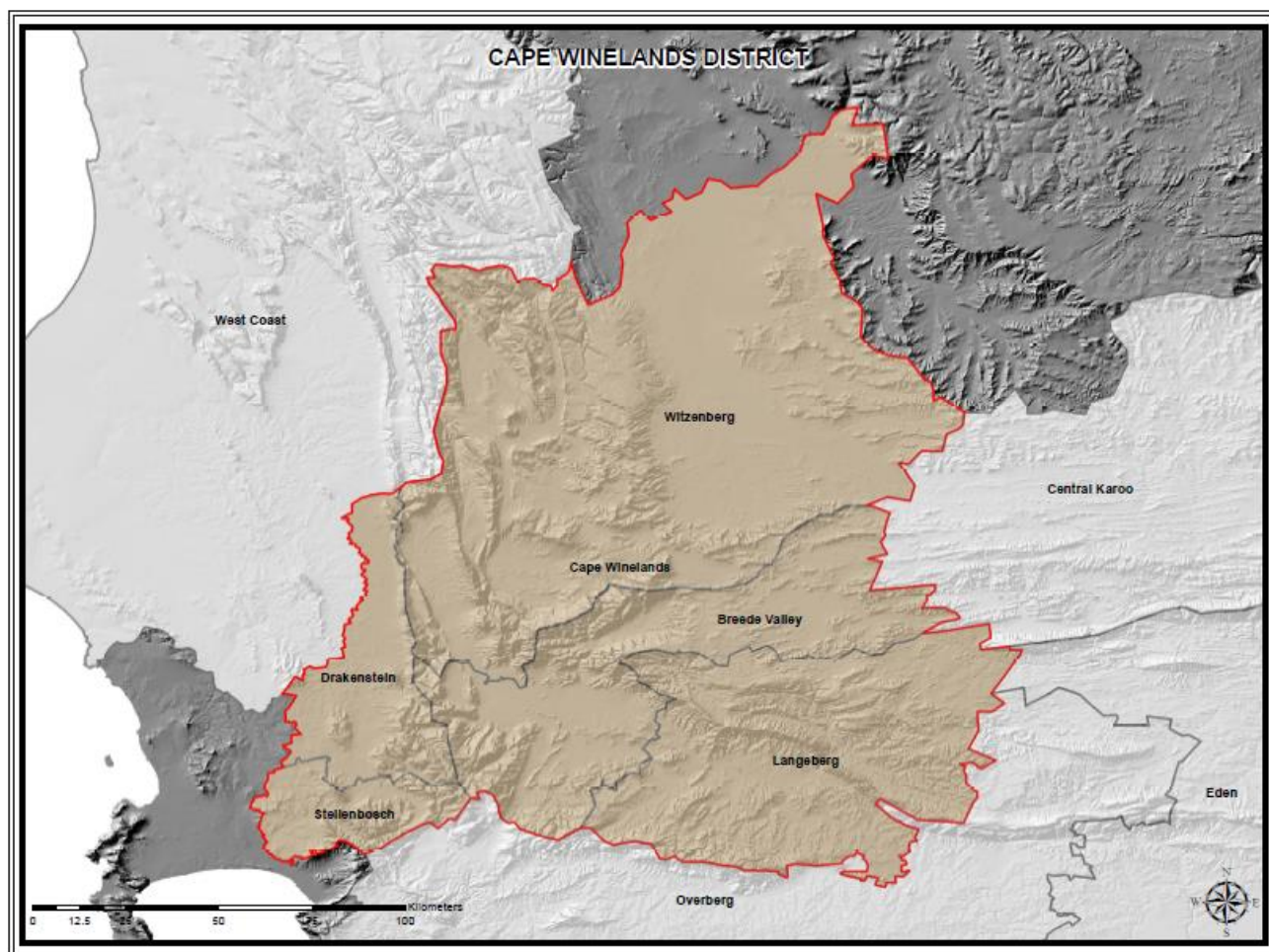
Map 2: Locality of Cape Winelands in relation to Provincial Boundaries





Below is a map of the municipalities of the Cape Winelands District:

Map 3: Locality map of Stellenbosch Municipality in relation to Cape Winelands District Boundaries



The Cape Winelands District Municipality is located close to the City of Cape Town, which offers excellent access to trade opportunities, routes, and infrastructure such as expanding broadband networks, an international airport (with direct flights to international cities), the second largest container port in the country, and a comprehensive road and rail network. This makes the Cape Winelands district ideally located as an investment destination. The Cape Winelands District municipal area incorporates Drakenstein, Stellenbosch, Breede Valley, Langeberg, and Witzenberg local municipalities.

1.2.6.3 Socio-Economic Context

The socio-economic information is primarily sourced from the census conducted by Statistics South Africa (Stats SA) for 2022, administrative data from sector departments, the Municipal Review and Outlook (MERO), Global Insight Regional Explorer and Quantec.

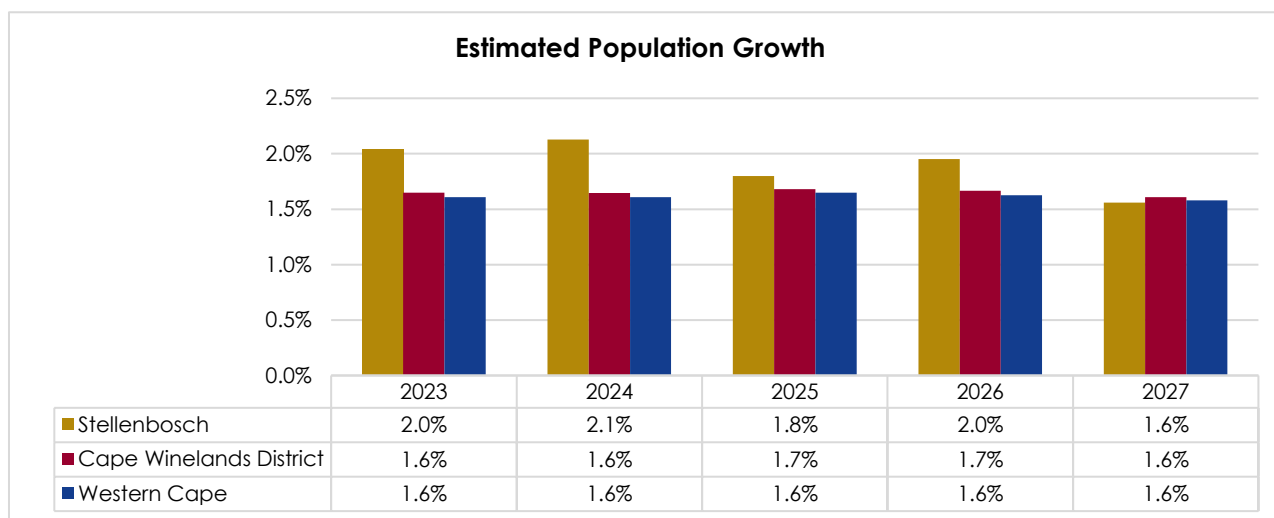
The GDPR performance, risk, and vulnerability factors can be read in detail within the Local Government Socio-economic Profile 2023 for the Stellenbosch municipal area.



1.2.6.4 Population Growth and Household

In 2022, the Stellenbosch municipal area, a prominent region within the Cape Winelands, accommodated 21 per cent of the area's population, totalling **175 411** individuals. Projections indicate a steady rise, estimating a population of **192 951** residents by 2027, marking an average annual population growth rate of 2.0 per cent during this period. This growth rate surpasses the Cape Winelands District's average annual population growth rate of 1.7 per cent by 0.3 percentage points. The socio-economic implications of this demographic shift are multifaceted, impacting various sectors including housing, employment, and education within the region.

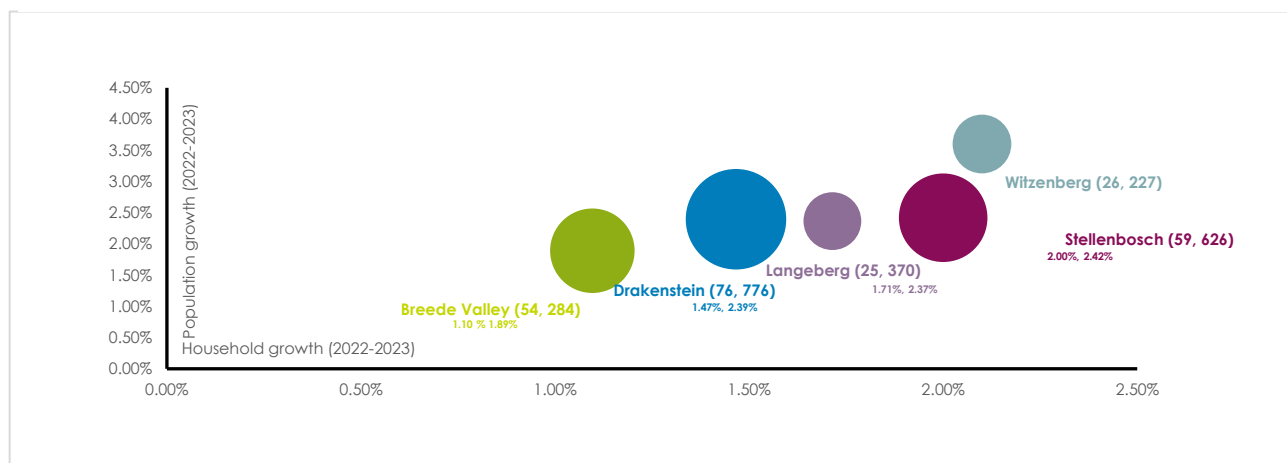
Graph 1: Estimated Population Growth



Source: Western Cape Local Government Social-Economic Profile 2022 and 2023 (Stellenbosch Municipality)
Statistics South Africa 2022

Household size refers to the number of people per household.

The average size of households is expected to remain at an average of 2.9 individuals from 2022 to 2026. The trend of average household size could be attributed to a wide range of factors, including but not limited to underlying socio-economic factors like patterns in employment opportunities, educational access, and housing market dynamics that shape this trend.

**Graph 2: Population and HH Growth**

1.2.6.5 Population and urbanisation density

Population density is a vital metric, quantifying the number of individuals residing in a specific area. It is influenced by various factors such as economic conditions, social dynamics, connectivity, and accessibility, shaping the concentration of people within a defined region.



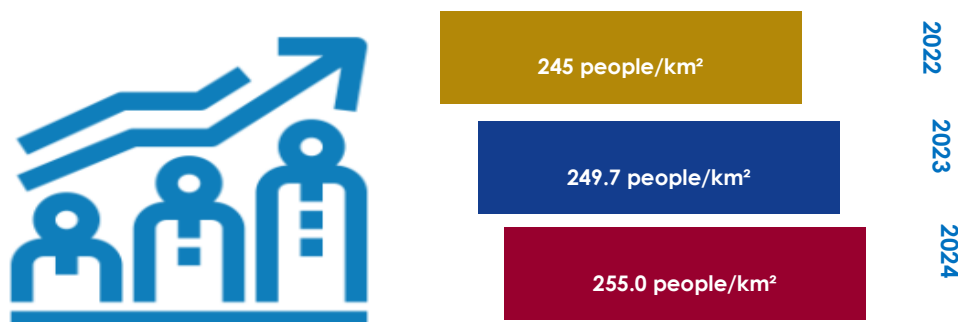
Amidst rapid urbanisation across the Western Cape, population density figures will aid public sector decision-makers in mitigating environmental, health, and service delivery risks. In 2022, the population density for WC024 was 245 recorded persons per square kilometer.

In order of highest to lowest, the table and figure depict the various local municipal areas compared as follows:

Table 4: Urbanisation Density per people/km²

Rapid Urbanisation density	Stellenbosch	Drakenstein	Breede Valley	Langeberg	Witzenberg
Population Density per people/km ²	245	194	51	27	14

Source: Western Cape Local Government Social-Economic Profile 2023 (Stellenbosch Municipality) Statistics South Africa 2022

Figure 3: Urbanisation Density within WC024

Source: Western Cape Local Government Social-Economic Profile 2023 (Stellenbosch Municipality) Statistics South Africa 2022



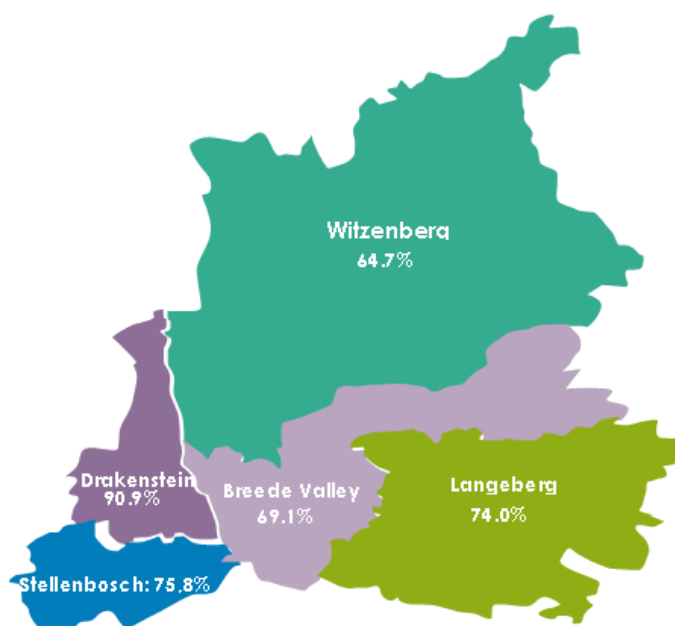
According to the above comparison, Stellenbosch has the highest density in the Cape Winelands District. This is helped a lot by the fact that the Municipal Spatial Development Framework (MSDF) says that urban development should stay within the limits of the urban edge.

The Stellenbosch Local Municipality **Map 4: Urbanisation trend**

displays a significant urbanisation trend, with approximately 75.8 per cent of its population residing in urban areas. Out of a total population of around 200 000, roughly 50 000 individuals inhabit rurally classified regions, representing a quarter of the total populace.

Within the urban landscape, the greater Stellenbosch area accommodates approximately 100 000 residents, distributed across various suburbs, including Kayamandi (40 000 inhabitants), Stellenbosch town (over 22 000 residents), Cloetesville, Ida's Valley, and others.

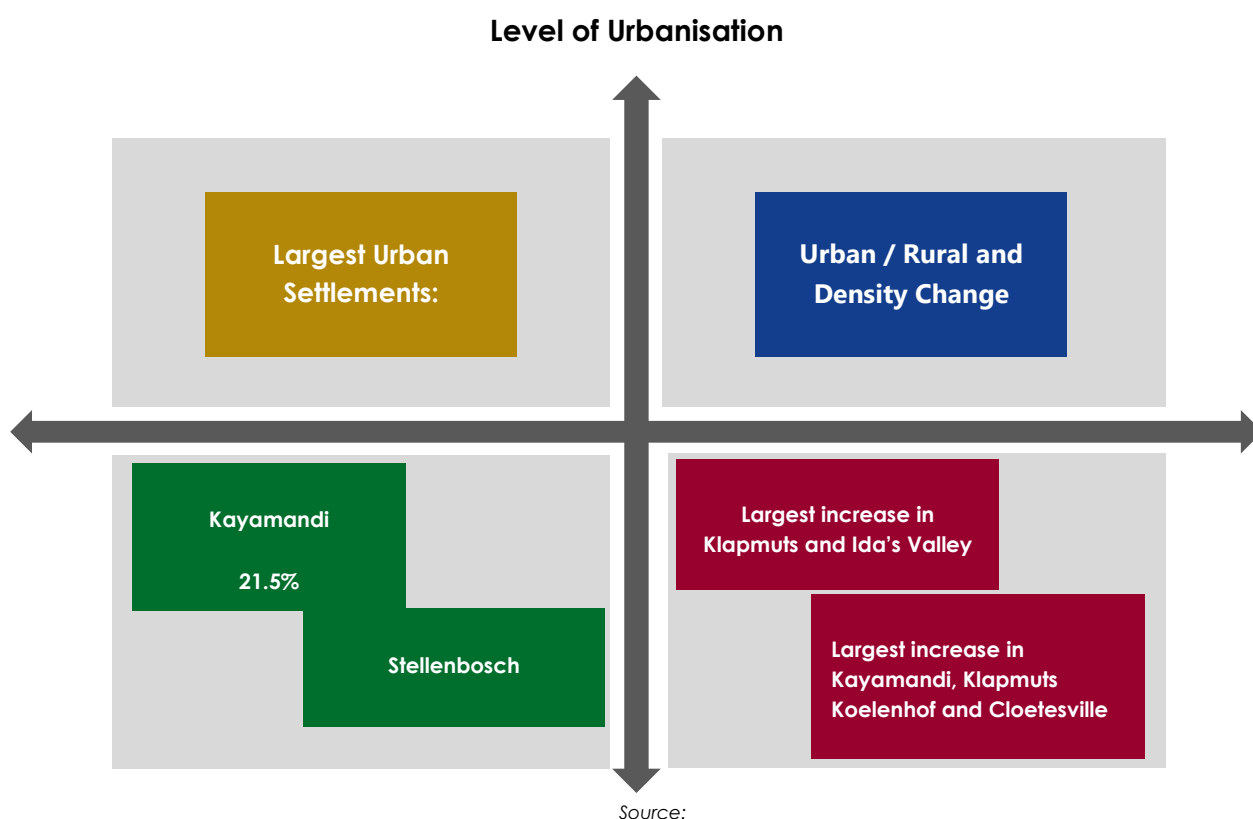
Noteworthy urbanisation growth has been observed in specific areas such as Klapmuts, Ida's Valley, Koelenhof, Cloetesville, Paradyskloof, and Franschhoek, while a population decline has been noted in Dalsig.



The relatively modest change in urbanisation percentage between 2001 and 2021 can be attributed to several factors. Despite a population increase from 30 000 to 50 000 in rural regions, the proportion it represented remained relatively stable during this period. Although Kayamandi contributes significantly to the urban population, its relative share has diminished due to the substantial growth in smaller suburbs and locations, including Klapmuts, Ida's Valley, and Paradyskloof, among others. The urban edge surrounding Kayamandi is under pressure, raising concerns about potential population overflow into rural areas and necessitating further verification and quantification. It is important to note that the demarcation of suburb boundaries in Stellenbosch complicates the comparison of urbanisation trends, requiring possible regrouping for accurate analysis. This nuanced understanding of urban and rural dynamics is crucial for informed socio-economic planning and development initiatives within the Stellenbosch municipality.



Figure 4: Level of urbanisation



Western Cape Local Government Social-Economic Profile 2023 (Stellenbosch Municipality) Statistics South Africa 2022

1.2.6.6 Racial Split

The race dynamics in the Stellenbosch municipal area present a diverse demographic landscape. The population comprises Black African individuals, accounting for 37.0 per cent of the total, and the Coloured community, constituting 37.8 per cent. White residents make up 23.3 per cent of the population, while individuals categorised as Indian / Asian represent a smaller proportion at 0.5 per cent.

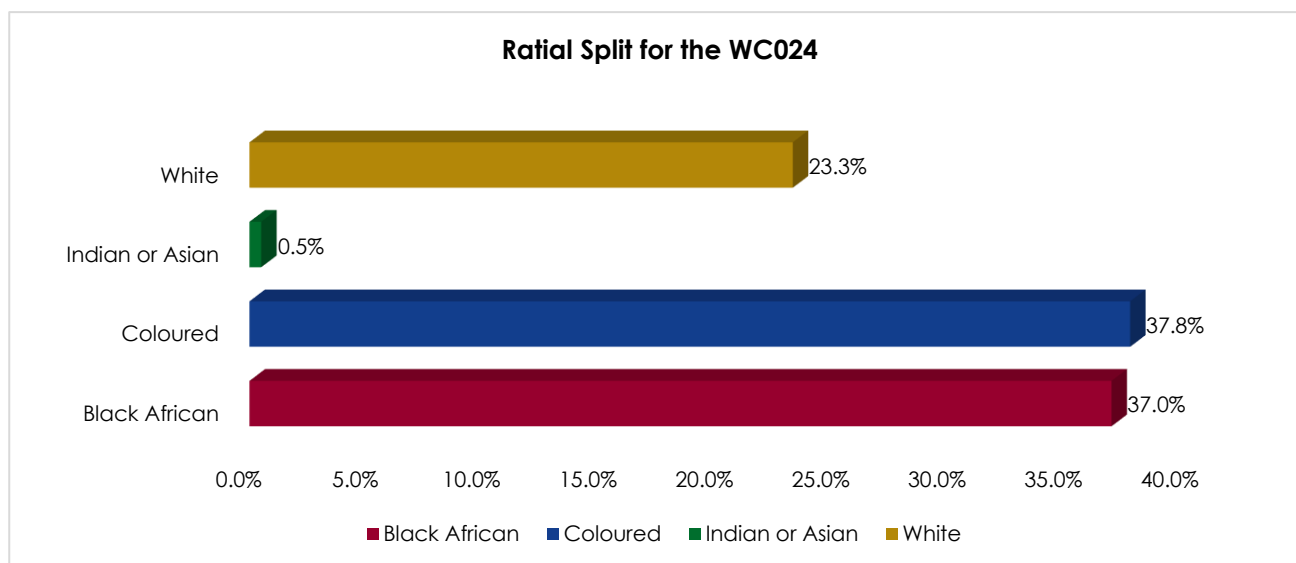
This cross-analysis highlights the intricate racial composition within the Stellenbosch community, underscoring the significance of cultural diversity and its potential impact on economic and social interactions.

The table and graph below indicate the ratio split within the Cape Winelands District.

Table 5: Racial Split

Race	Cape Winelands	Witzenberg	Drakenstein	Stellenbosch	Breede Valley	Langeberg
Black African	28.2%	30.1%	27.6%	37.0%	29.1%	19.4%
Coloured	61.8%	64.1%	61.8%	37.8%	62.3%	70.6%
Indian or Asian	0.4%	0.2%	0.4%	0.5%	0.5%	0.3%
White	9.6%	5.7%	10.2%	23.3%	8.1%	9.6%

Source: Western Cape Local Government Social-Economic Profile 2023 (Stellenbosch Municipality) Statistics South Africa 2022

**Graph 3: Racial split for the WC024**

Source: Western Cape Local Government Social-Economic Profile 2023 and Statistics South Africa 2022

1.2.6.7 Basic Service Delivery

The Constitution stipulates that every citizen has the right to adequate housing access and that the state must take reasonable legislative and other measures within its available resources to achieve the progressive realisation of this right. Access to housing also includes access to basic services such as potable water, basic sanitation, safe energy sources and refuse removal services, to ensure that households enjoy a decent standard of living.



This section considers to what extent this has been achieved by reflecting on the latest available information from Quantec Research for 2021. The latest official statistics were collected by Statistics South Africa for the 2016 Community Survey; the 2021 Census will provide the updated official statistics. The information on free basic services is obtained from Statistics South Africa's Non-Financial Census of Municipalities Survey findings.

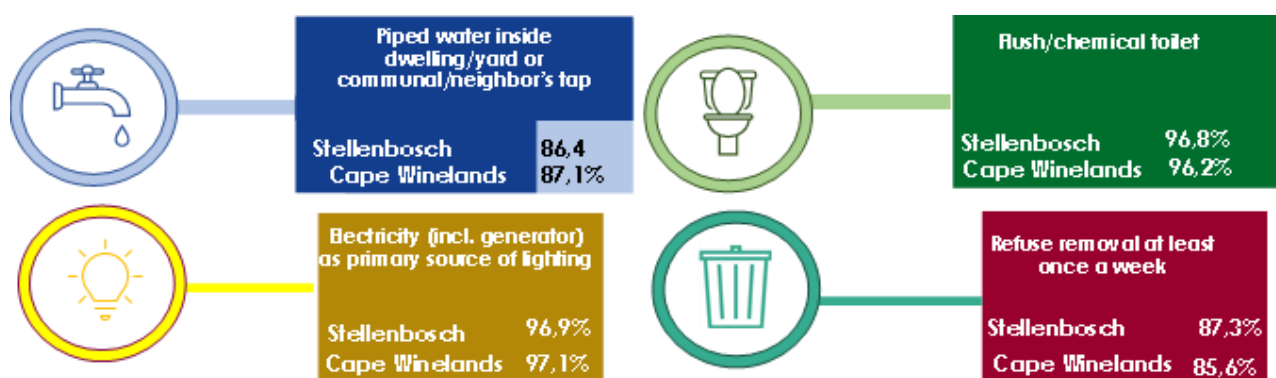
Housing and Household Services

During 2023, the Stellenbosch municipal area, which comprises 59 626 households, 87.3 per cent had access to formal housing, lower than the Cape Winelands District average of 88.8 per cent. The area also recorded a significantly higher proportion of informal dwellings, totalling 11.8 per cent, in contrast to the District's 10.3 per cent.

Service delivery access levels within the municipal area were considerably higher than the access to formal housing, with access to piped water access (86.4 per cent), flush or chemical toilet access (96.8 per cent), electricity access (including generators) for lighting (96.9 per cent), for lighting at 96.9 per cent and the removal of refuse at least weekly by the local authority at 87.3 per cent of households. These access levels were above the District figures for electricity and refuse removal services.



Figure 5: Service delivery access levels (HH)



Source: Western Cape Local Government Social-Economic Profile 2023 and Statistics South Africa 2022

Free Basic Services

The following table indicates the percentage of average 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 only indigent households claiming 100 kWh from the Stellenbosch Municipality. It also does not include the totals where the electricity distribution is conducted by ESKOM.

Per the approved Indigent Policy of the municipality, all households earning less than R7 000 per month will receive free basic services as prescribed by national policy and in terms of approved Stellenbosch Municipality's Indigent Policy.

The table below indicates the number of households receiving free basic services.

Table 6: Access to Free Basic Services

Year	Number of Households							
	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse Removal	
	Access	%	Access	%	Access	%	Access	%
2018/19	6 813	13.01	6 813	13.01	4 833	9.23	6 813	13.01
2019/20	6 666	100%	6 666	100%	4 932	100%	6 666	100%
2020/21	7 283	100%	7 283	100%	5 189	100%	7 283	100%
2021/22	4 681	100%	4 681	100%	4 982	84.25%	4 681	100%
2022/23	5 744	100%	5 744	100%	5 744	100%	5 744	100%
2023/24	5 584	100%	5 584	100%	5 584	100%	5 584	100%

Source: Municipal Indigent Register

1.2.6.8 Gender Ratio

According to Stats SA, the Stellenbosch municipal area presented a gender ratio of 94.2, indicating that there are 94.2 men for every 100 women in the population. This ratio translates to 48.5 per cent males and 51.5 per cent females.



The slight increase in the ratio observed towards 2023 suggests a potential influx of working males to the area or a rise in female mortality rates. This demographic shift carries significant socio-economic implications, as it impacts workforce dynamics and social structures within the municipal area.



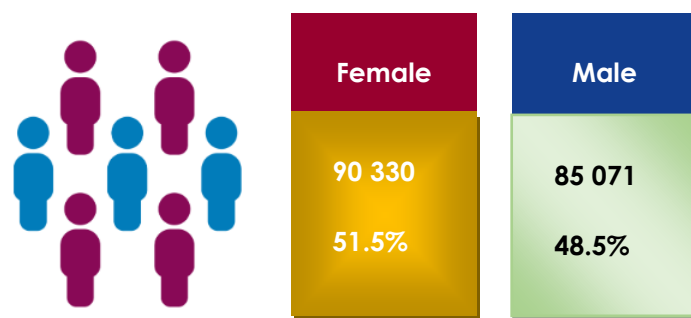
The table and figure below reflect the gender ratio within the Stellenbosch municipal area.

Table 7: Gender Ratio

Year	Cape Winelands	Witzenberg	Drakenstein	Stellenbosch	Breede Valley	Langeberg
2022	94,1	97.7	93.8	94,2	93.3	92.7
2023	98.7	110.0	98.4	96.2	94.4	96.9
2024	98.8	110.3	98.5	96.3	94.4	97.0
2025	98.9	110.6	98.6	96.3	94.3	97.1
2026	99.0	110.3	98.9	96.3	94.3	97.4

Source: Western Cape Local Government Social-Economic Profile 2023 and Statistics South Africa 2022

Figure 6: Ratio of % Females and Males

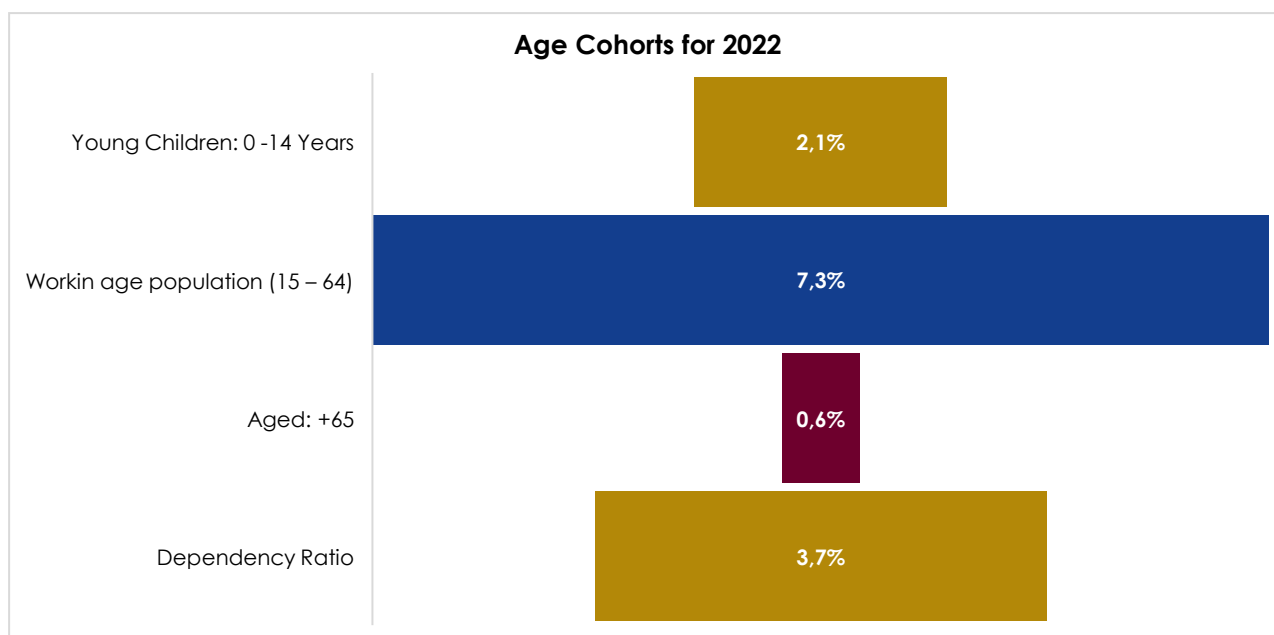


1.2.6.9 Age Cohorts

Within the Stellenbosch municipal area, a distinct age composition was apparent in 2022. The youth population was the largest, accounting for a substantial 73.1 per cent of residents.



Figure 7: Age Cohorts



Source: Western Cape Local Government Social-Economic Profile 2022 and 2023 (Stellenbosch Municipality)

Statistics South Africa 2022

1.2.6.10 Education

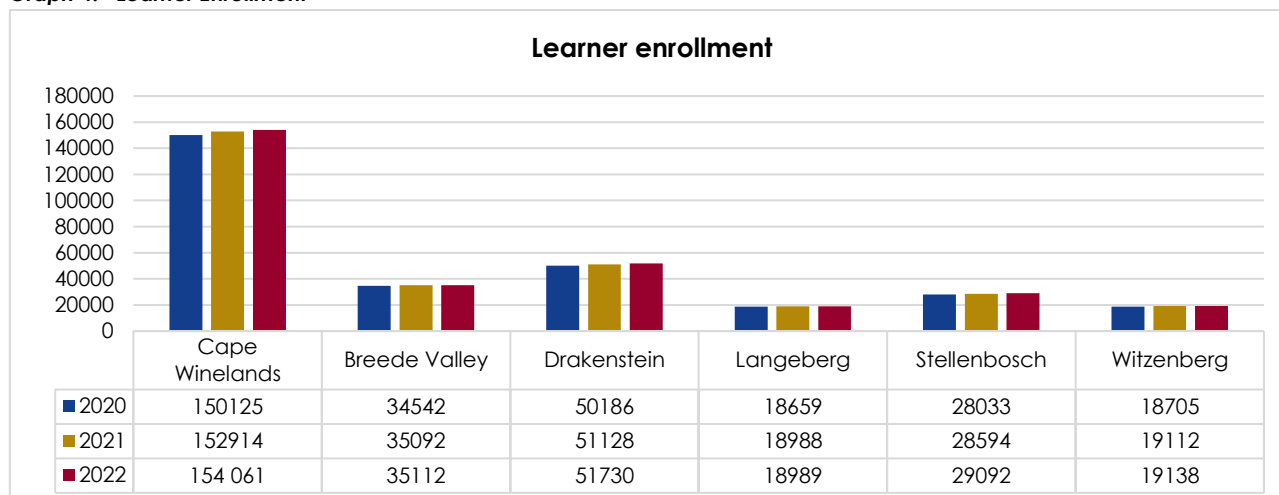
The socio-economic impact of education within municipalities is profound and complex, touching various aspects of community development and individual well-being. Quality education equips individuals with essential skills, knowledge, and critical thinking abilities, empowering them to participate meaningfully in the local economy. As the educational attainment level rises within a municipality, there is a corresponding increase in employment opportunities and higher earning potential for residents. Additionally, an educated workforce attracts investments and industries, fostering economic growth and stability. Education also plays a pivotal role in reducing poverty and promoting social equity by breaking the cycle of intergenerational poverty.

All the data below are sourced from the Local Government Socio-economic Profile 2023 for the Stellenbosch municipal area.

The learner enrollment, learner-teacher ratio, and learner retention rate

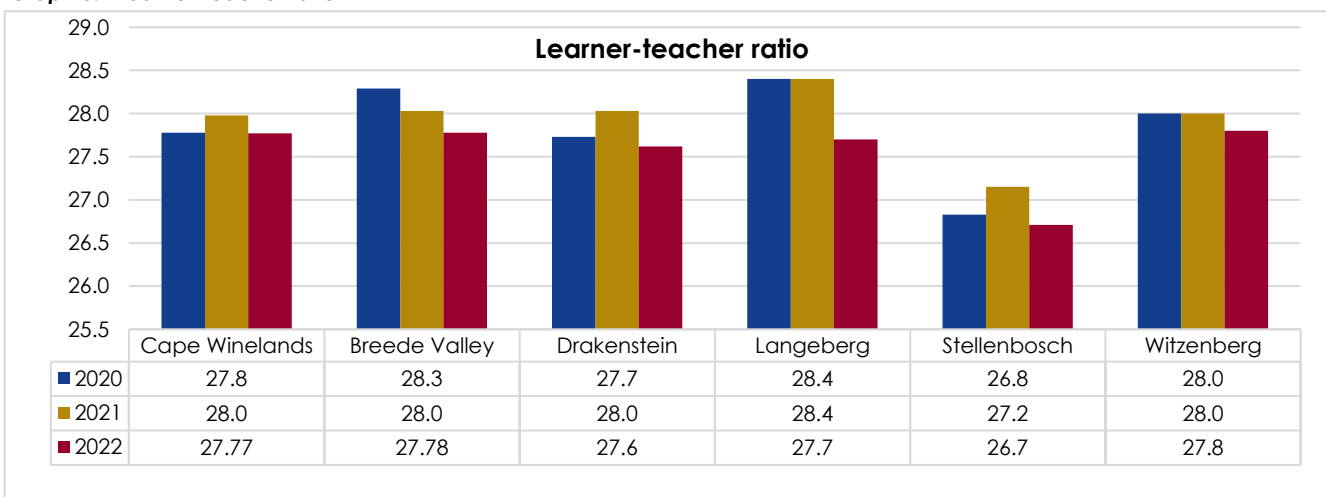
Learner enrollment in Stellenbosch experienced a notable surge from 28 033 enrolments in 2020 to 29 092 in 2022 which reflects an increase of 1 059 learners. It is evident that educational growth depicts a positive socio-economic trend within the region, presenting an enhanced emphasis on education and potentially indicating improved access to educational facilities.

The graphs below depict the learner enrollments, learner-teacher ratio, and learner retention from 2020 to 2022.

**Graph 4: Learner Enrollment**

It is crucial to establish healthy learner-teacher ratios to see the schools' capacity to accommodate the students. Lower learner-teacher ratios are associated with enhanced teacher-student interaction, fostering better-quality education. The 2022 Schools Realities Publications emphasise that government-paid teachers face high learner-teacher ratios, indicating larger class sizes. Despite a minor decrease from 26.8 students per teacher in 2020 to 26.6 in 2022, the ratio remains within the recommended range of 35:1 to 40:1.

This suggests relatively uncrowded classrooms, aligning with established standards and ensuring a conducive learning environment, ultimately impacting the socio-economic landscape positively.

Graph 5: Learner-teacher ratio

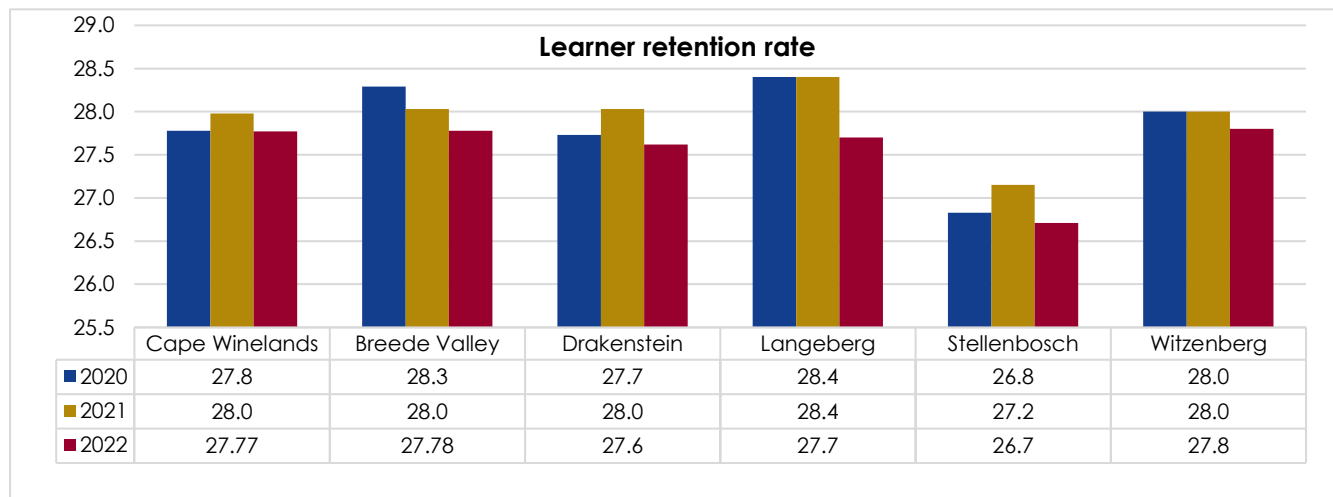
The learner retention rate measures the proportion of learners in Grade 12 who remained in Grade 10 two years prior. This can reflect essential socio-economic factors and personal circumstances that have a significant impact on education.

The inverse of the learner-retention rate is commonly referred to as the drop-out rate. The learner retention rates are influenced by a wide array of factors, including low socio-economic background, student attitudes towards education, overcrowded classrooms, critical thinking skills, study skills and other personal circumstances which can make it difficult for the learner to focus on education. Despite the learner retention rate progressing in the Stellenbosch municipal area improving from 79.1



per cent in 2021 to 82 per cent in 2022, 18 per cent of the learners did not complete their studies. Addressing these factors is necessary for encouraging a more conducive learning environment, ensuring higher retention rates, and ultimately enhancing the region's overall socio-economic landscape.

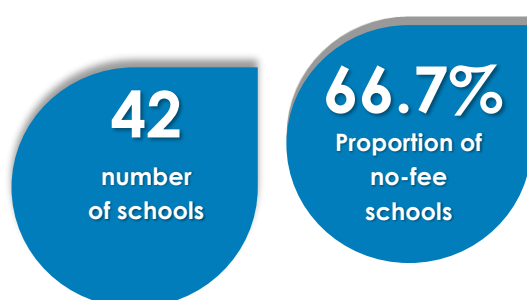
Graph 6: Learner retention rate



Education Infrastructure and Facilities

The number of schools within the Stellenbosch municipal area is recorded at 42 in 2022. Over the Medium-Term Expenditure Framework (MTEF), a substantial budget has been allocated for vital upgrades, additions, and the construction of new facilities in specific schools. This allocation is slated for use in enhancing the infrastructure of key educational institutions, including Aviation, Elsenburg Agri School, New Klapmuts Primary and High Schools, and New Stellenbosch Primary School. Such investments signify a proactive approach to bolstering the educational landscape, fostering an environment conducive to quality learning.

The proportion of no-fee schools in the Stellenbosch municipal area remains at 66.7 per cent in 2022.



The provision of library facilities within schools emerges as a crucial factor in narrowing the academic achievement gap, granting students access to valuable information and directly correlating with improved educational outcomes, whereby 71.4 per cent are equipped with libraries.

Education Outcomes

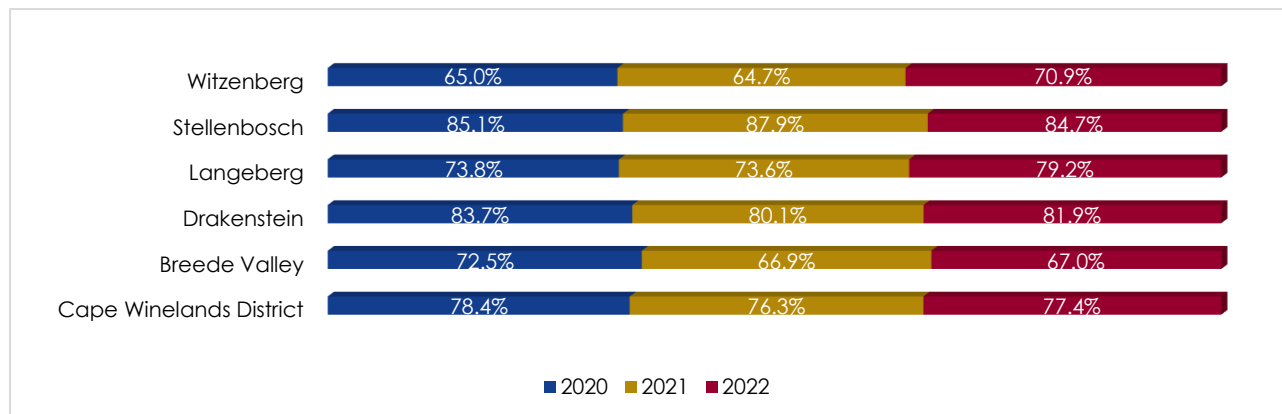
Education remains one of the key avenues through which the state is involved in the economy. In preparing individuals for future engagement in the labour market, policy choices and decisions in the sphere of education play a critical role in determining the extent to which future economic and poverty reduction plans can be realised.





The graph below depicts the Matric pass rates from 2020 to 2022.

Graph 7: Education Outcomes



1.2.6.11 Healthcare Facilities

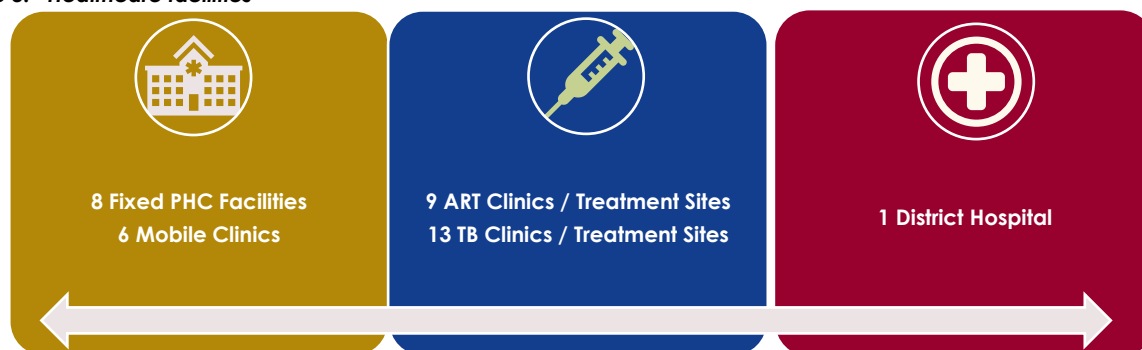
According to the LGSEP 2023, the Stellenbosch municipal area had 8 fixed primary healthcare facilities, comprising 7 fixed clinics, 1 community day centre as well as 6 mobile / satellite clinics. In addition to these primary healthcare facilities, there is one district hospital, 9 ART treatment sites and 13 TB clinics. The municipal area has 14 out of the 78 primary healthcare facilities within the Cape Winelands District.



All the data below are sourced from the Local Government Socio-economic Profile 2023 for the Stellenbosch Municipal area and Department of Health.

The figure depicts the total healthcare facilities.

Figure 8: Healthcare facilities

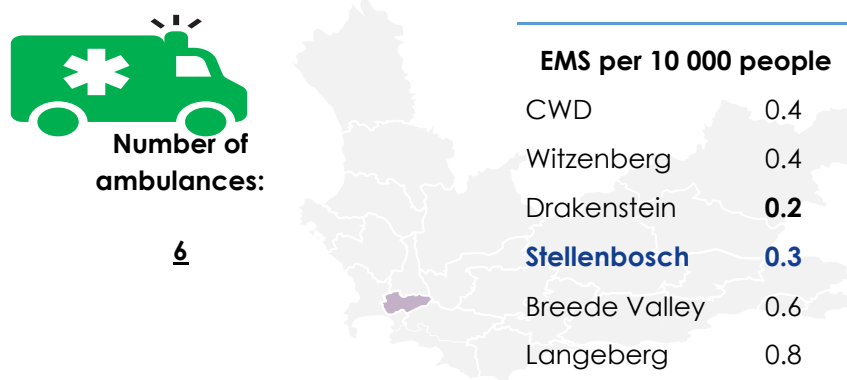


Emergency Medical Services

The provision of more operational ambulances can provide greater coverage for emergency medical services. This number below only refers to provincial ambulances and excludes all private service providers, and it remained unchanged between 2021/22 and 2022/23.



Figure 9: EMS

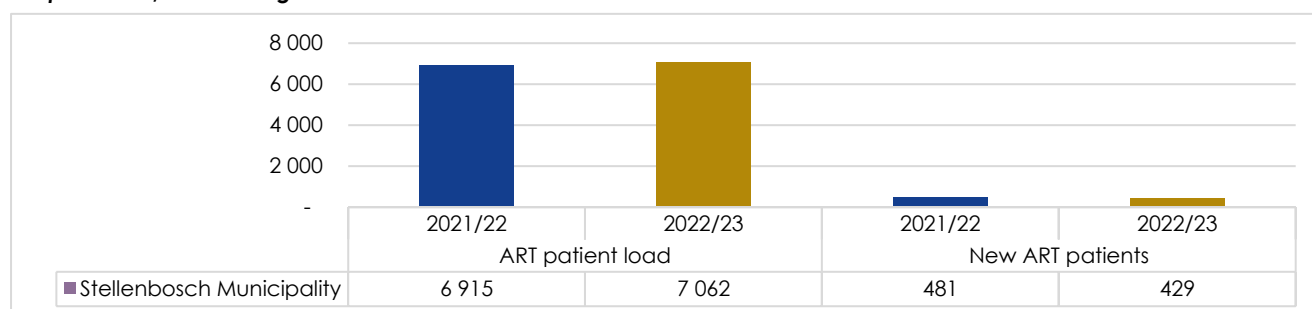


HIV / AIDS and TB

The number of patients adhering to their ART treatment plans in the municipal area showed a slight increase, from 6 915 registered patients in 2021/22 to 7 062 in 2022/23, while the number of new patients receiving ART declined from 481 to 429 during the same period. Similarly, the number of registered patients receiving TB treatment exhibited an average annual decrease of 9.7 per cent between 2021/22 and 2022/23.



Graph 8: HIV/AIDS Management



Child Health

The immunisation coverage rate for children under the age of one in the municipal area worsened from 73.3 per cent to 64.5 per cent between 2021/22 and 2022/23. The overall Child Welfare and Development (CWD) rate also showed improvement, rising from 60.6 per cent to 62.2 per cent. However, there was a notable increase in malnourished children under the age of five, with severe acute malnutrition rising from 1.5 to 1.6 per 100 000 people between 2021/22 and 2022/23.

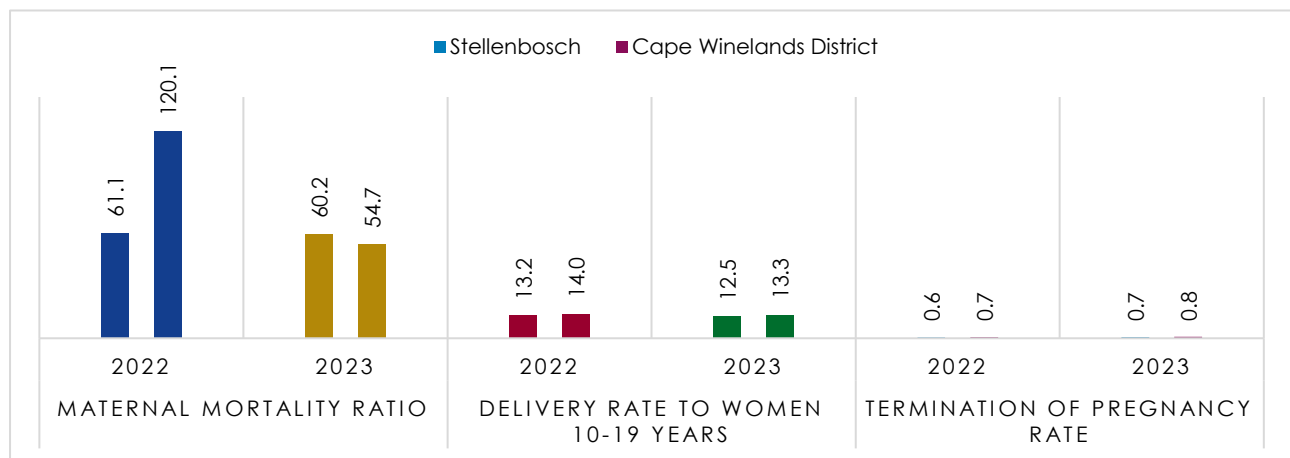


The CWD also increased from 1.8 per cent to 2.2 per cent while the provincial average changed from 0.9 to 1.3 per cent. The neonatal mortality rate (deaths per 1 000 live births before 28 days of life) for the municipal area declined from 6.3 in 2020/21 to 3.1 in 2021/22. The rate was still notably below the CWD average of 8.0. A total of 9.8 per cent of all babies born in a facility in the municipal area in 2021/22 weighed less than 2 500 grams, indicating possible challenges with long-term maternal malnutrition and poor health care during pregnancy.



Maternal Health

Graph 9: Maternal health



In 2021/22, the Stellenbosch municipal area recorded the lowest number of maternal deaths (61.1 per cent) and teenage pregnancies (13.2 per cent) in the CWD, however, this increased to 61.1 per cent (maternal deaths) and 13.2 per cent (teenage pregnancies) in 2021/22.

However, these numbers decreased to 60.2 per cent for maternal deaths and 12.5 per cent for teenage pregnancies in 2022/23. Meanwhile, the termination of pregnancy rate remained steady at 0.7 per cent during this period.



1.2.6.12 Safety and Security

All the data below are sourced from the Local Government Socio-economic Profile 2023 for the Stellenbosch Municipal area.

The dashboard below gives a snippet of the safety and security cases within the Cape Winelands Region:

Figure 10: Actual Numbers of reported crime



Government Social-Economic Profile 2022 and 2023 (Stellenbosch Municipality) and Department of Health

Drug-related Offences

Drug-related crimes refer to the situation where the perpetrator is found to have, been under the influence of, or selling illegal drugs.

Drug-related crime within the Stellenbosch area increased from 1 224 cases in 2021/22 to 1 463 cases in 2022/23. The Cape Winelands District's drug-related offences surged from 6 047 in 2021/22 to 6 783 in 2022/23. When considering the rate per 100 000 people, with 734 drug-related offences per 100 000 people in 2022/23, the Stellenbosch area's rate is above the district's rate of 700 per 100 000 population.

Murder

Murder is defined as the unlawful and intentional killing of another person.

Within the Stellenbosch area, the number of murders de-escalated from 90 cases in 2021/22, reaching 77 cases in 2022/23. The Stellenbosch municipal area's murder rate (per 100 000 people) decreased from 46 in 2021/22 to 38 in 2022/23, reflecting a similar trend in the Cape Winelands District, where the rate increased from 45 to 41 for the same period.



Sexual Offences

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

In 2022/23, there were 207 sexual offences in the Stellenbosch area, compared to 989 reported cases in the Cape Winelands District. The incidence of sexual offences (per 100 000 people) in the Stellenbosch municipal area (104) was higher than that of the district (102) in 2022/23.

Driving under the influence (DUI)

A situation where the driver of a vehicle is found to be over the legal blood alcohol limit.

The number of cases of driving under the influence of alcohol or drugs in the Stellenbosch area declined from 262 in 2021/22 to 251 in 2022/23. This translates into a rate of 126 per 100 000 people in 2022/23, which is above the district's 79 per 100 000 people.

Residential Burglaries

The unlawful entry of a residential structure with the intent to commit a crime, usually theft.

Stellenbosch's rate of 436 residential burglaries per 100 000 people, which is well below the district's rate of 453 for 2022/23, indicates that the targeted strategies that were implicated to address these crime rates improved the safety and security in the community.

Common Assault

In Stellenbosch, the crime rate per 100 000 people for common assault showed a concerning upward trend with 510 reported incidents per 100 000 people, which increased from 527 in 2021/22 to 557 in 2022/23. This escalation in common assault cases per capita suggests a challenging security environment, which could potentially have socio-economic implications. Addressing this rising trend is vital to ensuring the safety and well-being of the community and fostering a secure environment for residents, businesses, and investors. Implementing effective crime prevention measures and community outreach initiatives may be essential to reversing this trend and creating a safer atmosphere conducive to economic growth and development.

Commercial Crime

In Stellenbosch, the crime rate per 100 000 people for commercial crime showed a steady upward trend over the analysed period. In 2020/21, there were 340 reported incidents per 100 000 people, which increased slightly to 443 in 2021/22 but then increased significantly to 528 in 2022/23. This fluctuation in commercial crime rates could indicate varying challenges faced by local businesses and law enforcement in combating economic offences. Addressing this issue is crucial as it directly impacts the business environment, investor confidence, and the overall economic stability of the municipality. Implementing robust measures to combat commercial crimes, such as fraud and embezzlement, is essential for fostering a secure and trustworthy business environment, supporting economic growth, and attracting investments in the Stellenbosch municipal area.



Damage to Property

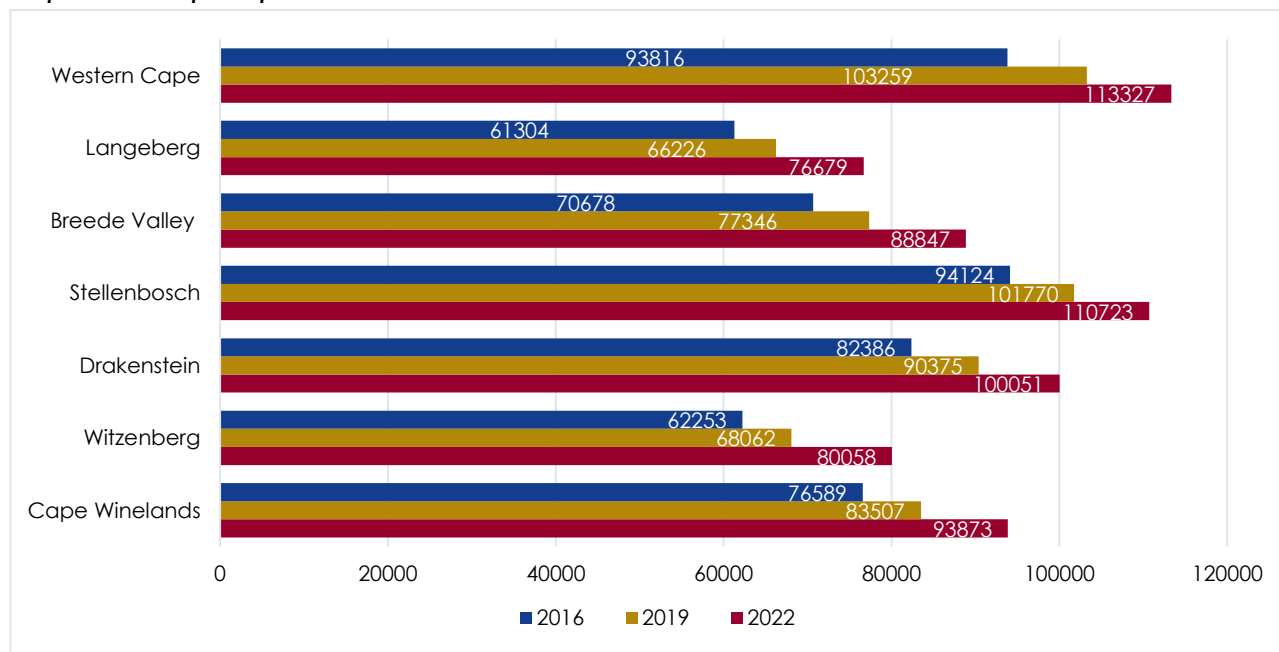
A stable atmosphere is conducive to economic growth and development in Stellenbosch. In Stellenbosch, the crime rate per 100 000 people for malicious damage to property demonstrated a consistent downward trend over the analysed period. In 2020/21, there were 434 reported incidents per 100 000 people, which decreased to 414 in 2021/22 and slightly increased to 419 in 2022/23. This fluctuation indicates a positive development in addressing property damage-related crimes in the area. Lower incidents of malicious damage to property contribute to a more secure environment, instilling confidence in residents and potential investors, which can positively impact the socio-economic landscape. This trend reflects efforts to maintain public safety, enhance security measures, and promote business confidence across the municipality.

1.2.6.13 Poverty

GDPR Per Capita

In terms of Gross Domestic Product per capita (GDPR), an increase is only witnessed when economic growth surpasses population growth. According to the LGSEP 2023, the real GDPR per capita was R93 873, indicating that the Stellenbosch municipal area has grown significantly with a per capita income of R110 7, marking the highest figure in the Cape Winelands District for 2022. All the data below are sourced from the Local Government Socio-economic Profile 2023 for the Stellenbosch Municipal area.

Graph 10: GDPR per capita



Source: Western Cape Local Government Social-Economic Profile 2022 and 2023 (Stellenbosch Municipality)

Despite a moderate regression in the period between 2016 and 2022, this highlights the municipality's robust economic potential, particularly noteworthy considering the recent economic challenges posed by the recession and the global COVID-19 pandemic, which impacted economic activities regionally and globally.

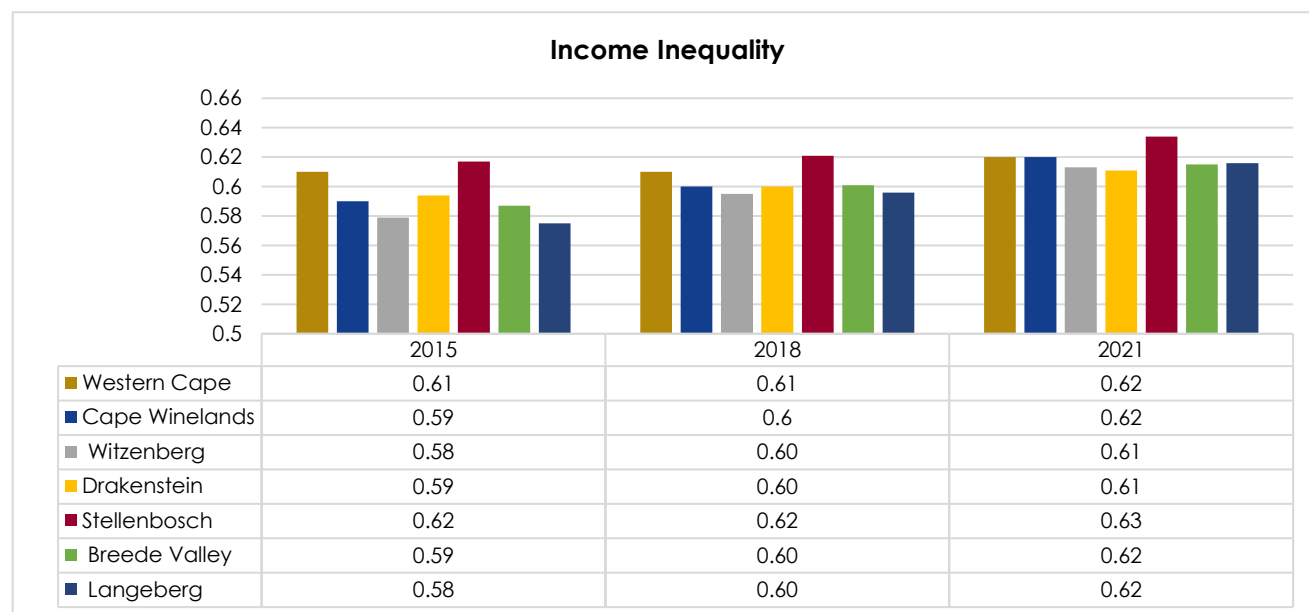


Income Inequality

South Africa suffers amongst the highest levels of inequality in the world when measured by the commonly used Gini index. Inequality manifests itself through a skewed income distribution, unequal access to opportunities, and regional disparities.

The National Development Plan (NDP) has set a target of reducing income inequality in South Africa from a Gini coefficient of 0.7 in 2010 to 0.6 by 2030. In the Cape Winelands District, income inequality worsened to 0.69 in 2022, a trend expected to exacerbate due to the potential aftermath of the COVID-19 pandemic. Stellenbosch improved its income inequality, with inequality levels declining from 0.63 in 2021 to 0.61 in 2022, aligning below the district's trajectory.

Graph 11: Income Inequality



Source: Western Cape Local Government Social-Economic Profile 2022 and 2023 (Stellenbosch Municipality)

a) Poverty Line¹

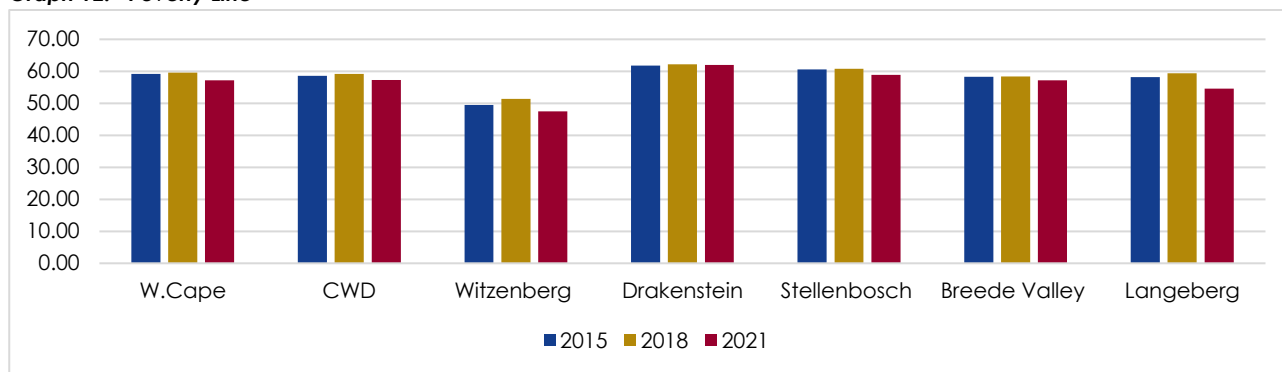
The Upper Bound Poverty Line² (UBPL) headcount ratio is the proportion of the population living below the UBPL i.e. that cannot afford to purchase adequate levels of food and non-food items.

Poverty affects the social development of communities through lower life expectancy, malnutrition and food insecurity, higher exposure to crime and substance abuse, lower educational attainment, and poor living conditions.

In 2022, 66.7 per cent of Stellenbosch's population fell below the UBPL. In 2022, 66.7 per cent of Stellenbosch's population fell below the UBPL, a slight improvement from 2016 and 2019. Stellenbosch and Drakenstein had the highest poverty rates in the Cape Winelands District, with Stellenbosch's 66.7 per cent slightly above the district's 64.8 per cent in 2022. Addressing these socio-economic challenges is essential for ensuring sustainable growth and development within the municipality.

¹ This refers to the amount of money that an individual will need to afford the minimum required daily energy intake. This is also commonly referred to as the "extreme" poverty line. Source- STATSASA, Statistical Release, 2019. P0310.1

² This refers to the food poverty line plus the average amount derived from non-food items of households whose food expenditure is equal to the food poverty line. Source- STATSASA, Statistical Release, 2019. P0310.1


Graph 12: Poverty Line


Source: Western Cape Local Government Social-Economic Profile 2022 and 2023 (Stellenbosch Municipality)

1.2.6.14 Economy Labour Market Performance

In 2022, monetary intermediation emerged as the primary driver of formal employment in the Stellenbosch municipal area, employing **14 117** individuals. Beverage manufacturing, predominantly in the wine industry, followed closely, providing jobs for 7 142 people. All the data below are sourced from the Local Government Socio-economic Profile 2023.

Table 8: Top five sectors

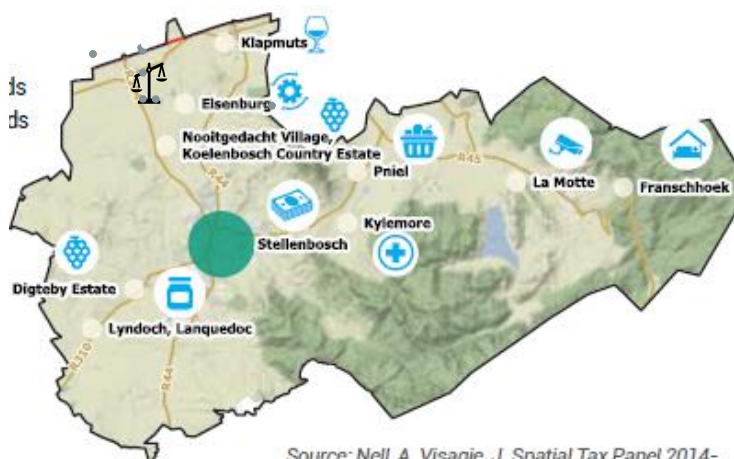
Sectors	Number of FTE Jobs
Monetary Intermediation	14 117
Manufacturing of beverages	7 142
Higher Education	5 450
Restaurants and mobile food service activities	4 864
Growing of perennial crops	4 761

5 Sectors
Jobs



The significant disparity in median monthly incomes between these sectors, with figures of R27 446 and R8 940 respectively, vividly illustrates the pervasive socioeconomic inequality within the municipality.

This inequality not only poses challenges to the well-being of residents but also carries implications for municipal revenue generation. Disparities in income levels can impact local tax revenues, potentially affecting the municipality's capacity to fund essential services and infrastructure projects.



Source: Nell, A. Visagie, J. Spatial Tax Panel 2014-

Addressing this inequality is crucial not only for social equity but also for sustaining a stable and prosperous municipal economy.

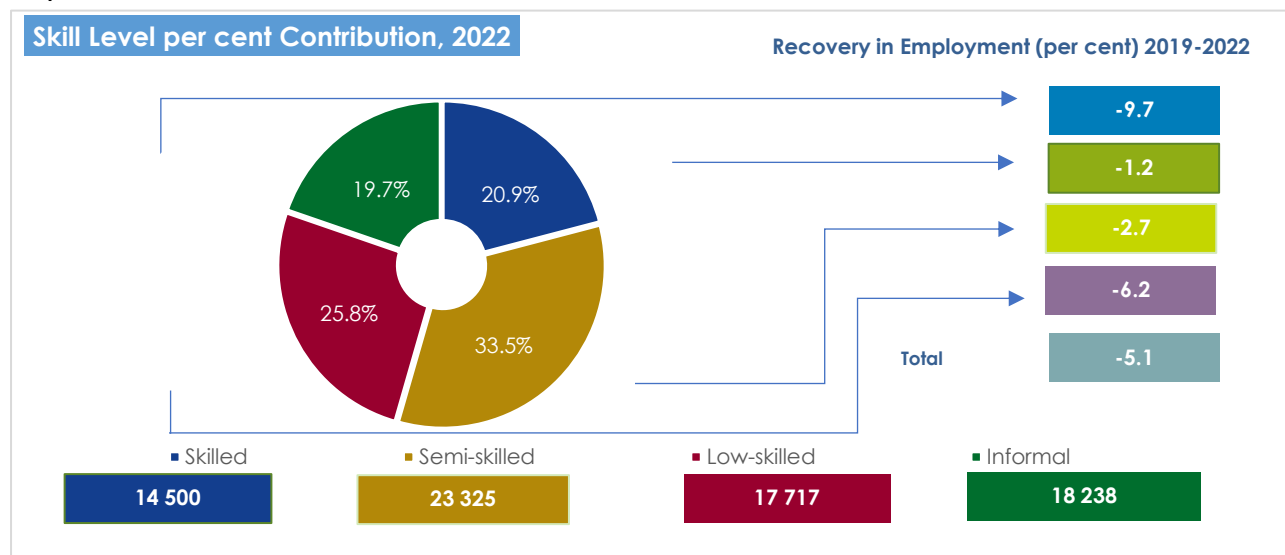
Formal and Informal Employment

The presence of Stellenbosch University and the diverse industries in the area have led to a diverse workforce composition, with 20.9 per cent classified as skilled workers and 33.5 per cent as semi-skilled workers. Informal sector activities, particularly in trade, agriculture, and personal services, contribute



significantly to employment, accounting for 19.7 per cent of the workforce in 2021. However, a notable challenge exists for low-skilled workers, constituting 25.8 per cent of the workforce, as recent job creation trends have favoured semi-skilled and skilled workers, limiting opportunities for this demographic.

Graph 13: Skill level Contribution, 2022



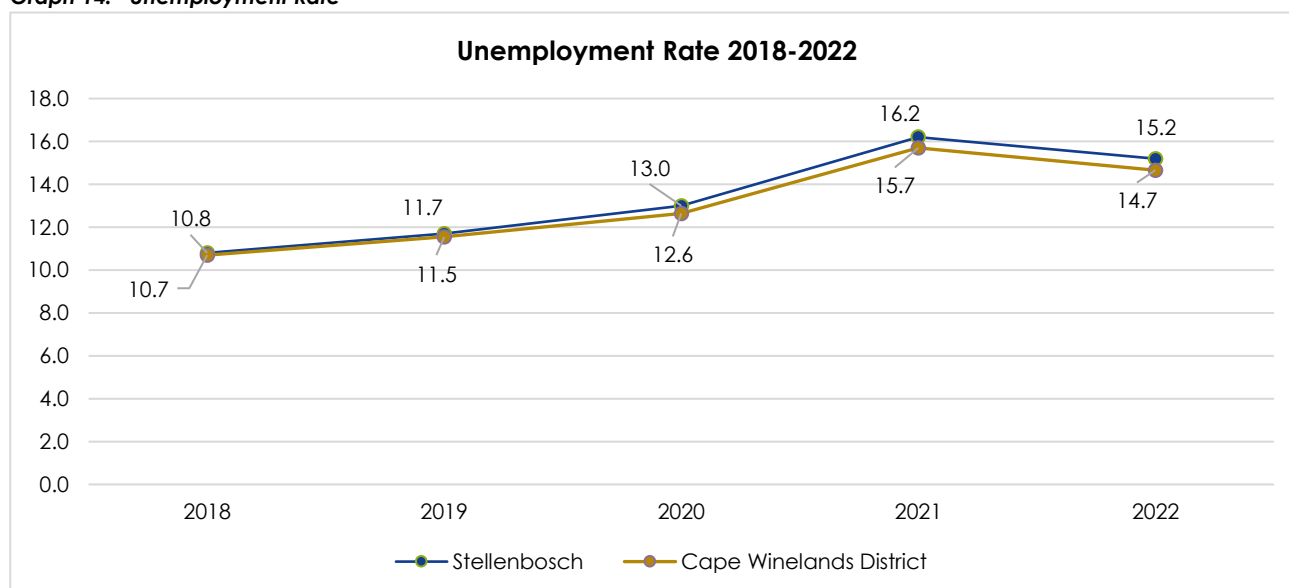
Source: Western Cape Local Government Social-Economic Profile 2023 (Stellenbosch Municipality)

Unemployment

It is crucial to facilitate access to education and skills development initiatives in communities where high unemployment rates occur. Social transformation needs to be promoted and provide enough relevant opportunities and resources for affected demographic areas.

Not only does this initiative enhance the socio-economic landscape, but it also has implications for municipal revenue. A skilled and educated workforce can contribute to a more vibrant local economy, generating higher tax revenues to support municipal projects and services.

Graph 14: Unemployment Rate



Source: Western Cape Local Government Social-Economic Profile 2022 and 2023 (Stellenbosch Municipality)



Free Basic Services per basic service

The provision of free basic services is summarised in the tables below.

Table 9: Free basic electricity to indigent HH

Electricity			
Financial year	Indigent Households		
	No. of HH	Unit per HH (kWh)	Value R'000
2017/18	6 453	100	6 216
2018/19	6 813	100	8 415
2019/20	4 932**	100	6 888
2020/21	5 198	100	7 711
2021/22	4 982	100	24 289
2022/23	5 744	100	24 822
2023/24	5 584	100	25 141
*Average for the year			
**Only Indigent consumers who claimed free units			

Table 10: Free basic water services to indigent HH

Water			
Financial year	Indigent Households		
	No. of HH	Unit per HH (kl)	Value R'000
2015/16	6 486	10	7 760
2016/17	5 686	10	7 280
2017/18	6 453	10	2 391
2018/19	6 813	6	2 634
2019/20	6 666	6	2 741
2020/21	7 283	6	3 178
2021/22	4 681	6	8 829
2022/23	5 744	6	8 385
2023/24	5 584	6	8 660
*Average for the year			

Table 11: Free basic sanitation to indigent HH

Sanitation			
Financial year	Indigent Households		
	No. of HH	Service per HH per week	Value R'000
2017/18	6 453	102.98	8 330
2018/19	6 813	112.25	9 177
2019/20	6 666	135.99	9 518
2020/21	7 283	145.73	11 075
2021/22	4 681	134.32	10 039
2022/23	5 744	143.05	9 434
2023/24	5 584		11 080
*Average for the year			

**Table 12: Free basic refuse removal services to indigent**

Refuse Removal			
Financial year	Indigent Households		
	No. of HH	Service per HH per week	Value R'000
2017/18	6 453	1	8 662
2018/19	6 813	1	9 543
2019/20	6 666	1	10 878
2020/21	7 283	1	17 926
2021/22	4 681	1	17 159
2022/23	5 744	1	13 889
2023/24	5 584	1	19 666
*Average for the year			

1.2.7 BASIC SERVICE DELIVERY HIGHLIGHTS AND CHALLENGES

1.2.7.1 Key Basic Services Delivery Highlights

It should be noted that the detailed highlights and challenges will be discussed in Chapter 3 under each respective service.

The following key basic service areas were achieved by the municipality:

Table 13: Key Basic Service Delivery Highlights

	Highlight	Description
Roads and Stormwater	National Flood Disaster	Speedy implementation of projects in response to flood events.
Water and Wastewater	Watergang, Kayamandi (20 units)	The 20 units were completed during the financial year.
	Water and Wastewater major projects	Completion of the construction of a new Reservoir and Pipeline: Vloottenburg – Phase 1 which will provide water to the Polkadraai, Digtebij, Longlands, farms along Baden Powell- and Vlaeberg road to cater for future developments
		The Department achieved a wastewater effluent quality average of > 70% for the first time since August 2022
		The Department successfully procured x1 large water tanker which will be used to provide water to residents during water outages
		To minimise the hiring of plants and machinery, the department successfully procured x2 TLBs for the department
Electricity	Completion of a new 11kV Switching substation in Franschoek	The construction of a new 11kV switching substation (La Terra Substation) has been successfully completed end of May 2024. The substation is now fully functional and contributing to the stability and reliability of the electrical supply in the Franschoek region and is designed to handle increased load demands.
Waste Management	Appointments of additional staff	2 x Supervisors 2 x Superintendents 3 x Refuse compactor Operator/Supervisor



	Highlight	Description
		1 x Area Cleaning Operator 1 x Digger loader operator 2 x General workers
	Procurement of additional fleet	2 x LDV vehicles 3 x crew cab bakkies 1 x Refuse Compactor
	Skip bins	Additional skips were procured
	Street bins	More street bins were procured

1.2.7.2 Key Basic Services Challenges

Despite the highlights, challenges were experienced by the municipality, as outlined below; however, actions were put in place to address these challenges:

Table 14: Key Basic Service Challenges

Service Area	Challenge	Actions to address
Roads and Stormwater	Future Flood Resilience	Define, compile and approve strategies for future flood resilience in Franschhoek
Water and Wastewater	Shortage of technical staff is preventing the Department from meeting implementation deadlines	Vacancies in terms of technical staff escalated to the Municipal Manager. The Municipal Manager agreed to assist with the appointment of Project Managers on contract.
	Consultants not always keep to agreed deadlines which contributes to delays in projects	Project Managers to be appointed on contract to ensure constant engagements with Consultants on projects. Formal SCM notices to Consultants that perform poorly.
Electricity	Infrastructure vandalism and cable theft	While infrastructure vandalism and cable theft continue to be a major challenge, the department has sent out a communication to the public to report suspicious activity to the municipality and spread awareness about the issue amongst their neighbours.
Waste Management	Absence of Youth Environmental Coordinator (YCOP) to assist with social engagement and awareness	The municipality must explore filling the position within the Department to do social engagement and awareness
	Increase in illegal dumping	Appointment of Youth Environmental Coordinator (YCOP) to assist with social engagement and awareness
	Staff Constraints	Effective and efficient recruitment and selection process

1.2.8 FINANCIAL VIABILITY HIGHLIGHTS

Table 15: Municipal Viability Highlights

Highlight	Description
Long-Term Financial Plan	The municipality has developed a long-term financial planning tool that can be updated regularly for strategic planning.
Current Ratio	The municipality maintained a very good current ratio of 2.03:1. This compares well with the norm of 1.5 to 2:1.
Collection Rate	The municipality maintained a good collection rate for service debtors of 96%, which is above the norm of 95%. This indicates that the municipality's creditor



Highlight	Description
	control and debt collection processes are in place and the revenue is managed effectively.
Finance Charges	Finance charges represent 2.83% of the total operational expenditure. This compares favourably with the norm of 6% to 8%.
Liability Management	Capital costs (interest paid and redemption) represent 4.65% of total operating expenditure. This indicates that the municipality can take on additional financing from borrowing to invest in infrastructure projects.
mSCOA Specimen Financial Statements	The municipality implemented the National Treasury mSCOA specimen annual financial statements preparation template, where the financial statements are compiled utilising the data strings extracted from the financial system.
Debt Management	The municipality's total debt represents 28.5% of the total operational expenditure. This compares favourably with the norm of 45% and is an indication that the municipality can take on additional financing from borrowings.

1.2.9 FINANCIAL VIABILITY CHALLENGES

Table 16: Financial Viability Challenges

Challenge	Description
Financial Viability	The traceability of all debtors poses a challenge to the debt collection process. Low economic growth, an increase in unemployment, and above-inflation increases in the cost of water impact the affordability of municipal accounts.
Revenue Leakage	An integrated revenue enhancement approach was followed to combat revenue leakages.

1.2.10 FINANCIAL OVERVIEW

Table 17: Financial Viability and Management Financial Overview (000')

Details	Original budget	Adjustment Budget	Actual
	R'000		
Income			
Grants (Operating and Capital)	344 766	360 991	342 232
Taxes, Levies and Tariffs	1 789 180	1 780 456	1 773 589
Other	254 837	314 642	348 905
Sub-Total	2 388 783	2 456 089	2 464 726
Less Expenditure	2 258 350	2 360 379	2 241 787
Net surplus / (deficit)	2 386 524	2 453 728	2 462 485

1.2.11 OPERATING RATIOS

Table 18: Operating Ratios

Detail	Expected norm	Actual	Variance
Employee Cost	35%-40%	28.18%	-(6.81%-11.82%)
Repairs and Maintenance	15%	3.99%	-11.01%
Finance Charges	15%	2.83%	-12.17%

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 the Council's assets. Finance charges are 12.71% lower than the norm of 15%, this can be attributed mainly to the municipality's ability to fund its capital programmes to some extent from its resources (CRR) and not external finance.



1.2.12 TOTAL CAPITAL EXPENDITURE

Table 19: Total Capital Expenditure (000')

Detail	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	R'000								
Original Budget	452 759	463 792	418 057	528 041	558 276	375 751	406 054	409 273	504 800
Adjustment Budget	437 183	482 580	499 855	563 550	577 905	453 880	403 508	378 709	491 726
Actual	348 861	410 562	433 682	493 303	405 931	392 941	347 610	321 506	427 158

1.2.13 MUNICIPAL STANDARD CHART OF ACCOUNTS

MFMA Circular No. 80: Municipal Financial Systems and Processes requirements in support of the Municipal Standard Chart of Accounts (mSCOA) issued in terms of the Local Government: Municipal Finance Management, 2003 (Act No. 56 of 2003) (MFMA). In the MFMA SCOA Circular 1, it was indicated that mSCOA is a business reform rather than a mere financial reform and requires a multi-dimensional relationship.

The mSCOA was implemented in Stellenbosch Municipality on 01 July 2017. The municipality is in continuous engagement with the service provider, National Treasury, and other municipalities through various working groups as well as online platforms to improve mSCOA compliance and functionality.

1.2.14 ORGANISATIONAL DEVELOPMENT OVERVIEW

Stellenbosch Municipality views the Human Resources Management component as the governance of the organisation's employees. More commonly, human resources per se refer to the people or human capital appointed or employed by the organisation whose skills are used to reduce risk and maximise return on investment.

The highlights for the Department: Human Resources Management in 2023/24 are the following:

- ✦ **195** employees were trained (17 different training programmes);
- ✦ **6** employees are participating in the Basic Traffic Officer training;
- ✦ **7** employees are attending the Municipal Minimum Competency training;
- ✦ **7** students were placed in various directorates to gain practical work experience to obtain their qualifications;
- ✦ **31** internal bursaries were awarded in the amount of **R 521 161.60**;
- ✦ **6** external bursaries (Provincial Treasury) were awarded in the amount of **R 240 766**;
- ✦ An amount of **R 4 988 791** was spent on seminars, conferences, and workshops (Training); and
- ✦ The total amount that was spent on training and development activities for the whole municipality was R 6 143 421 which is 0.95% of the payroll budget spent.

The challenges for the Department: Human Resources Management in 2023/24 are the following:

- ✦ Shortage of conducive training venues; and
- ✦ The implementation of the Municipal Staff Regulations as promulgated (excluding Chapters 2 and 4) was implemented, and due to many and various interpretations, it will become challenging as it is implemented.



1.2.15 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 MFMA. The National Treasury prescribed such financial management competencies in Government Notice 493, dated 15 June 2007.

To help the above officials get the required financial skills, the National Treasury created an outcome-based NQF Level 6 qualification in municipal finance management with the help of many stakeholders and key players in local government.

In terms of 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):

Table 20: Financial Competency Development: Progress Report

Description	A Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting Officer	1	0	1	1	1	1
Chief Financial Officer	1	0	1	1	1	1
Senior Managers	4	0	4	4	4	4
Any other financial officials	2	0	2	2	2	2
Supply Chain Management Officials						
Heads of supply chain management units	1	0	1	1	1	1
Supply chain management senior managers	2	0	2	2	2	1



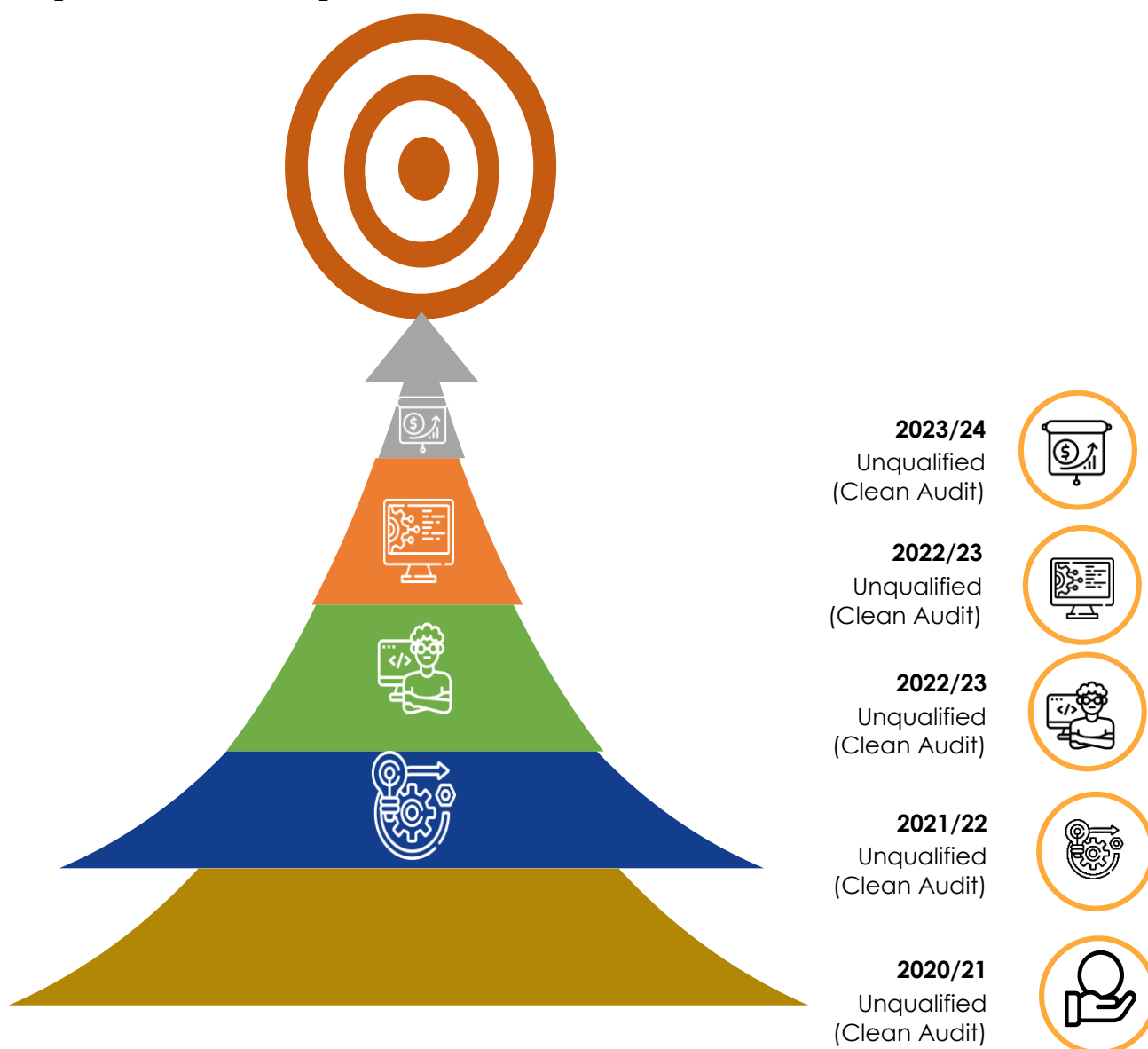
1.2.16 AUDITOR GENERAL OF SOUTH AFRICA'S REPORT

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen the country's democracy by enabling oversight, accountability, and governance in the public sector through auditing, thereby building public confidence. In short, the Auditor-General checks the spending of public money by looking at whether it has been used for the purposes intended. This process is concluded by annually checking all government spending.

The audit outcomes of a municipality are based on the fair presentation and absence of significant misstatements in financial statements, performance information for predetermined objectives that was reliable and credible, and all financial / non-financial information that complied with laws and regulations.

The diagram below indicates the audit outcome progress from 2020/21 to 2023/24.

Figure 11: Audit Outcome Progress





CHAPTER 2: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Good governance is an approach to government that is committed to creating a system founded on strengthening democracy, promoting transparency, building public administrative capacity, responding to public needs, and respecting human rights. It is measured by eight factors: **participation, rule of law, transparency, responsiveness, consensus-orientated countability, effectiveness and efficiency, equitability, and inclusivity**. Within the context of good governance, corruption is minimised, the views of minorities are considered, and 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.

2.1 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 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.

Table 21: National KPI - Good Governance and Public Participation

KPA and Indicators	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
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.	85.08%	86.5%	87.5%	70.25%	86.57%	84.29%	84.79%	85.88%



COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.2 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 as well as facilitate political debates and discussions. Apart from their functions as policymakers, councillors are also actively involved with community work and in the various social programmes in the municipal area.

Stellenbosch Municipality is represented by 45 councillors, of whom 23 were elected directly as ward councillors. The rest of the councillors were elected based on the proportion of votes cast for the different political parties. The political composition of the Council is as follows from the previous Council and the newly elected Council:

2.2.1 COUNCIL – 01 JULY 2023 TO 30 JUNE 2024

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

Table 22: Council from 01 July 2023 – 30 June 2024

No.	Name of Councillor	Capacity	Political Party	Ward Councillor and Proportional (PR)
1.	G van Deventer (Ms)	Executive Mayor	DA	PR
2.	JS Fasser (Mr)	Deputy Executive Mayor including Finance Portfolio	DA	PR
3.	Q Smit (Mr)	Speaker	DA	PR
4.	A Hanekom (Mr)	Part-time	DA	PR
5.	S Schafer (Mr)	Part-time	DA	PR
6.	X Kalipa (Mr)	MayCo Member	DA	PR
7.	P Crawley (Ms)	Chief Whip	DA	PR
8.	X Mdemka (Ms)	Part - time	DA	PR
9.	N Olayi (Mr)	Part-time	DA	PR
10.	R Pheiffer (Mr)	MayCo Member	DA	Ward Councillor: Ward 1
11.	WC Petersen (Mr)	Part-time	DA	Ward Councillor: Ward 2
12.	C Manuel (Mr)	Part-time	DA	Ward Councillor: Ward 3
13.	R Adams	Part-time	DA	Ward Councillor: Ward 4
14.	RB van Rooyen (Mr)	Part-time	DA	Ward Councillor: Ward 5
15.	NE Mcombring (Ms)	Part-time	DA	Ward Councillor: Ward 6
16.	A Ferns (Ms)	Part-time	DA	Ward Councillor: Ward 7
17.	C van Wyk (Ms)	MayCo Member	DA	Ward Councillor: Ward 8
18.	Z Dalling (Ms)	Part-time	DA	Ward Councillor: Ward 9
19.	R du Toit (Ms)	MayCo Member	DA	Ward Councillor: Ward 10
20.	J Serdyn (Ms)	Part-time	DA	Ward Councillor: Ward 11
21.	E Vermeulen (Ms)	Part-time	DA	Ward Councillor: Ward 16
22.	P Johnson (Mr)	MayCo Member	DA	Ward Councillor: Ward 17
23.	J C Anthony (Ald)	MayCo Member	DA	Ward Councillor: Ward 18
24.	J Williams (Mr)	MayCo Member	DA	Ward Councillor: Ward 19



No.	Name of Councillor	Capacity	Political Party	Ward Councillor and Proportional (PR)
25.	J Joon (Mr)	MayCo Member	DA	Ward Councillor: Ward 20
26.	M J Slabbert (Mr)	Part-time	DA	Ward Councillor: Ward 21
27.	E Groenewald (Ms)	Part-time	DA	Ward Councillor: Ward 22
28.	L Nkamisa (Mr)	MayCo Member	DA	Ward Councillor: Ward 23
29.	RS Nalumango (Ms)	Part-time	ANC	PR
30.	N Ntsunguzi (Ms)	Part-time	ANC	PR
31.	MG Rataza (Mr)	Part-time	ANC	PR
32.	N Mananga – Gugushe (Ms)	Part-time	ANC	PR
33.	A Tomose (Mr)	Part-time	ANC	Ward Councillor: Ward 12
34.	M Nkopane (Ms)	Part-time	ANC	Ward Councillor: Ward 13
35.	MM Danana (Mr)	Part-time	ANC	Ward Councillor: Ward 14
36.	EP Masiminini (Mr)	Part-time	ANC	Ward Councillor: Ward 15
37.	CD Noble (Mr)	Part-time	GOOD	PR
38.	RB Hendrikse (Ms)	Part-time	GOOD	PR
39.	M van Stade (Mr)	Part-time	GOOD	PR
40.	ZR Ndalasi (Mr)	Part-time	EFF	PR
41.	NM Mkhontwana (Ms)	Part-time	EFF	PR
42.	OL Jooste (Mr)	Part-time	ACDP	PR
43.	W Pietersen (Mr)	Full-time MPAC Chairperson	PDM	PR
44.	J Andrews (Mr)	Part-time	PA	PR
45.	I De Taillefer (Ms)	Part-time	VF Plus	PR

The table below indicates the Council meetings attendance for the 2023/24 financial year.

Table 23: Council meetings held for the 2023/24 financial year

Meeting dates	Number of items (resolutions) submitted	Percentage of Attendance of Council Meetings	Percentage Apologies for non-Attendance
26 July 2023	20	67.6	2.3
23 August 2023	20	95.5	4.5
27 September 2023	6	75.5	11.2
25 October 2023	26	93.3	6.7
29 November 2023	29	93.3	6.7
24 January 2024	16	84.4	15.6
21 February 2024	17	91.1	8.9
27 March 2024	12	84.4	15.6
25 April 2024	28	77.7	11.2
31 May 2024	5	86.6	8.9
14 June 2024	16	91.1	4.5



2.2.2 EXECUTIVE MAYORAL COMMITTEE

The Mayoral Committee assists the Executive Mayor of the municipality, who oversees the municipality's political executive branch. The Executive Mayor is at the centre of the system of governance since executive powers are vested in the executive mayor to oversee the day-to-day affairs of the municipality. This encompasses an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, in addition, delegated powers by the Council were assigned.

Although accountable for the strategic direction and performance of the municipality, the Executive Mayor operates in consultation with the Mayoral Committee.

The Executive Mayoral Committee positions were occupied as follows:

Table 24: Executive Mayoral Committee

Executive Mayoral Committee 01 July 2023 – 30 June 2024		
No.	Name of Councillor	Portfolio
1.	Alderwoman Cllr G van Deventer	Executive Mayor
2.	Cllr J Fasser	Deputy Executive Mayor, including Financial Services
3.	Cllr JC Anthony	MayCo member: Sport, Youth and Culture
4.	Cllr R Du Toit	MayCo member: Human Settlement
5.	Cllr P Johnson	MayCo member: Infrastructure (resigned, May 2024)
6.	Cllr J Joon	MayCo member: Rural Management
7.	Cllr X Kalipa	MayCo member: Community Development
8.	Cllr L Nkamisa	MayCo member: Corporate Services
9.	Cllr R Pheiffer	MayCo member: Protection Services
10.	Cllr C Van Wyk	MayCo member: Planning, LED, and Tourism

The table below indicates the dates of the Executive Mayoral Committee meetings, and the number of reports submitted to the Council for the 2023/24 financial year.

Table 25: Executive Mayoral Committee Meetings held for the 2023/24 financial year

Meeting dates	Number of items submitted
17 July 2023	11
16 August 2023	14
13 September 2023	13
11 October 2023	20
16 November 2023	23
17 January 2024	12
14 February 2024	10
20 March 2024	18
17 April 2024	28
22 May 2024	16



2.2.3 PORTFOLIO COMMITTEES

In terms of Section 80 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), if a council has an executive committee, it may, in terms of Section 79, appoint 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 the council.

2.2.3.1 Portfolio Committee: Planning, LED and Tourism

Table 26: Planning; LED and Tourism Committee

Period 01 July 2023 – 30 June 2024			
Planning, LED, and Tourism Portfolio Committee			
Name of member	Capacity	Number of meetings held	Number of Reports submitted
C Van Wyk	[Chairperson]	6	8
M Danana	Committee Member		
A Hanekom	Committee Member		
R Hendrikse	Committee Member		
M Slabbert	Committee Member		

2.2.3.2 Portfolio Committee: Human Settlements

Table 27: Human Settlements Committee

Period 01 July 2023 – 30 June 2024			
Human Settlements Portfolio Committee			
Name of member	Capacity	Number of meetings held	Number of Reports submitted
Cllr R Du Toit	[Chairperson]	6	10
Cllr E Vermeulen	Committee Member		
Cllr X Mdemka	Committee Member		
Cllr N Ntsunguzi	Committee Member		
Cllr M van Stade	Committee Member		

2.2.3.3 Portfolio Committee: Rural Management

Table 28: Rural Management Committee

Period 01 July 2023 – 30 June 2024			
Rural Management Portfolio Committee			
Name of member	Capacity	Number of meetings held	Number of Reports submitted
Cllr J Joon	[Chairperson]	3	3
Ald J Serdyn	Committee Member		
Cllr C Manuel	Committee Member		
Cllr E Masimini	Committee Member		



2.2.3.4 Portfolio Committee: Infrastructure Services

Table 29: Infrastructure Committee

Period 01 July 2023 – 30 June 2024			
Infrastructure Portfolio Committee			
Name of member	Capacity	Number of meetings held	Number of Reports submitted
Cllr P Johnson (end May 2024)	[Chairperson]	3	10
Cllr R van Rooyen	Committee Member		
Cllr N Mcombring	Committee Member		
Cllr R Nalumango (end May 2024)	Committee Member		
Cllr Z Ndalasi	Committee Member		

2.2.3.5 Portfolio Committee: Financial Services

Table 30: Financial Services Committee

Period 01 July 2023 – 30 June 2024			
Financial Services Portfolio Committee			
Name of member	Capacity	Number of meetings held	Number of Reports submitted
J Fasser	[Chairperson]	None	None
W Petersen	Committee Member		
E Groenewald	Committee Member		
A Tomose	Committee Member		
R Hendrikse	Committee Member		

2.2.3.6 Portfolio Committee: Corporate Services

Table 31: Corporate Services Committee

Period 01 July 2023 – 30 June 2024			
Corporate Services Portfolio Committee			
Name of member	Capacity	Number of meetings held	Number of Reports submitted
L Nkamisa	[Chairperson]	4	5
Z Dalling	Committee Member		
J Serdyn	Committee Member		
M Rataza	Committee Member		
I De Taillerfer	Committee Member		



2.2.3.7 Portfolio Committee: Protection Services

Table 32: Protection Services Committee

Period 01 July 2023 – 30 June 2024			
Protection Services Portfolio Committee			
Name of member	Capacity	Number of meetings held	Number of Reports submitted
Cllr R Pheiffer	[Chairperson]	6	25
C Manuel	Committee Member		
N Mkhontwana	Committee Member		
M Nkopane	Committee Member		
M Slabbert	Committee Member		

2.2.3.8 Portfolio Committee: Community Services

Table 33: Community Services Committee

Period 01 July 2023 – 30 June 2024			
Community Services Portfolio Committee			
Name of member	Capacity	Number of meetings held	Number of Reports submitted
X Kalipa	[Chairperson]	4	10
N Mcombring	Committee Member		
R Van Rooyen	Committee Member		
M Nkopane	Committee Member		
N Mkhontwana	Committee Member		

2.2.3.9 Portfolio Committee: Youth, Sport and Culture

Table 34: Youth, Sport, and Culture Portfolio Committee

Period 01 July 2023 – 30 June 2024			
Youth, Sport and Culture Portfolio Committee			
Name of member	Capacity	Number of meetings held	Number of Reports submitted
JC Anthony	[Chairperson]	7	36
J Andrews	Committee Member		
NE Mcombring	Committee Member		
R van Rooyen	Committee Member		



2.2.3.10 Portfolio Committee: Parks, Open Spaces, Environment

Table 35: Parks, Open Spaces and Environment Committee

Period 01 July 2023 – 30 June 2024			
Parks, Open Spaces and Environment Portfolio Committee			
Name of member	Capacity	Number of meetings held	Number of Reports submitted
J Williams	[Chairperson]	6	15
Z Dalling	Committee Member		
M Nkopane	Committee Member		
E Vermeulen	Committee Member		

2.2.4 SECTION 79 COMMITTEES

2.2.4.1 Municipal Public Accounts Committee (MPAC)

Table 36: MPAC Committee

Period 01 July 2023 – 30 June 2024			
Municipal Public Accounts Committee (MPAC)			
Name of member	Capacity	Number of meetings held	Number of Reports submitted
Cllr W Pietersen	[Chairperson]	3	6
Cllr A Ferns	Committee Member		
Cllr R Adams	Committee Member		
Cllr N Olayi	Committee Member		
Cllr S Schafer	Committee Member		
Cllr N Gugushe	Committee Member		
Cllr O Jooste	Committee Member		

2.2.4.2 Local Labour Forum (LLF)

Table 37: Local Labour Forum (LLF)

Period 01 July 2023 – 30 June 2024			
Local Labour Forum (LLF)			
Name of member	Capacity	Number of meetings held	Number of Reports submitted
Cllr L Nkamisa	[Chairperson]	12	20
Cllr R Pheiffer	Committee Member		
Cllr N Gugushe	Committee Member		
Cllr I de Taillfer	Committee Member		
Cllr C van Wyk	Committee Member		



2.2.4.3 Rules Portfolio Committee

Table 38: Rules Portfolio Committee

Period 01 July 2023 – 30 June 2024			
Rules Portfolio Committee			
Name of member	Capacity	Number of meetings held	Number of Reports submitted
Q Smit	[Chairperson]	1	10
J Andrews	Committee Member		
P Crawley	Committee Member		
I De Taillefer	Committee Member		
M Rataza	Committee Member		
M Van Stade	Committee Member		
W Pietersen	Committee Member		



2.3 STRATEGIC GOVERNANCE STRUCTURE

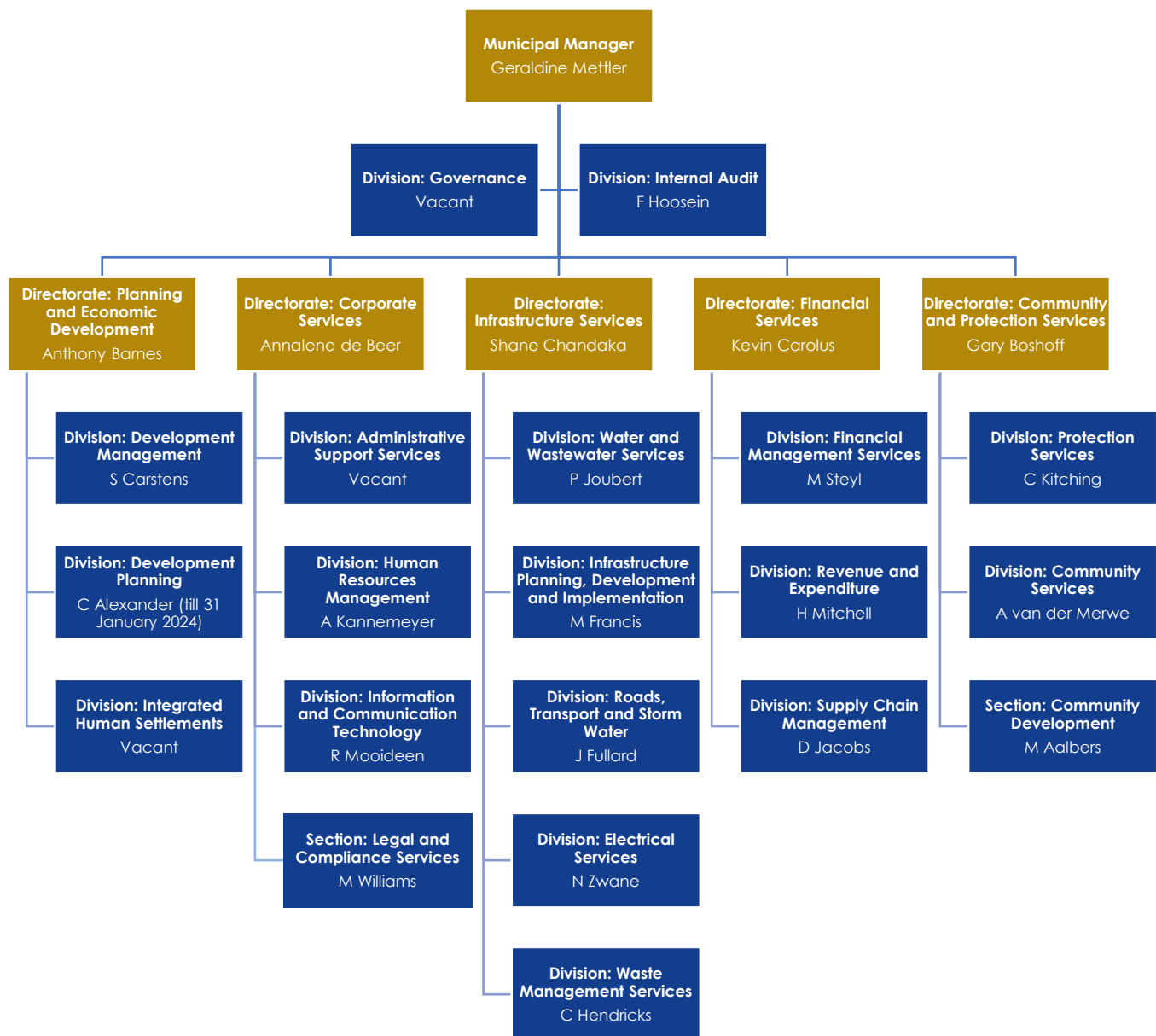
The Municipal Manager is the Chief Accounting Officer of the municipality. The Municipal Manager is the head of the administration and primarily serves as the chief custodian of service delivery. The Municipal Manager is assisted by the Management Team, which reports directly to the Municipal Manager. The structure of the management team is outlined in the diagram below:

Figure 12: Top Management Structure





Figure 13: Macro Structure



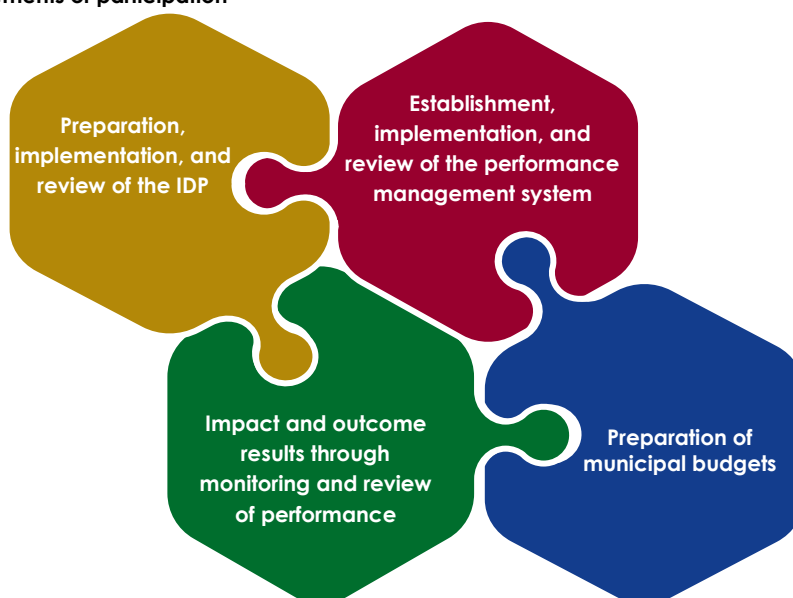


COMPONENT B: PUBLIC ACCOUNTABILITY

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:

Figure 14: Requirements of participation



2.4 INTERGOVERNMENTAL RELATIONS

To ensure effective service delivery, high levels of cooperation must exist between all three spheres of government. Effective inter-governmental relations (IGR) structures are especially important to the developmental role of municipalities. This role can only be fulfilled through the active involvement of all spheres of government in the setting of priorities, resource allocation, and development planning. The municipality engages in numerous partnerships to facilitate service delivery.

Table 39: IGR Structures

Name of Partner / Partnership	Purpose
National Municipal Manager's Forum	To ensure national alignment among municipal managers.
Premier's Co-ordinating Forum	The objective of the PCF is to promote and facilitate intergovernmental relations and cooperative government between provincial government and municipalities to ensure integrated, effective, and efficient service delivery. The PCF is the primary consultative forum for the Premier of the Western Cape and municipalities within the province to discuss and consult on matters of mutual interest. Existing provincial and municipal IGR engagements and national IGR engagements feed into the PCF and vice versa. The PCF consists of the PCF <i>plenary</i> and PCF <i>cluster</i> sessions. i.e., social, economic, and governance and administration. Resolutions or referrals from the cluster sessions feed into the PCF plenary session for final resolution and adoption.
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.



Name of Partner / Partnership	Purpose
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 to strengthen 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 of Social Development, DCAS, Cape Winelands District Municipality	Joint implementation of programmes focussing on common issues within WC024.
SALGA Municipal Benchmarking Initiative	The partnership is aimed at improving efficiency and effectiveness through comparative process benchmarking, peer-to-peer operational knowledge sharing, and iterative performance improvements.
Bergriver Improvement Programme	The partnership was formed to improve the quality of the stormwater run-off from the Langrug Informal Settlement. The project entails the implementation of biomimicry, waste recycling, and a sustainable urban drainage lab.
LTAB	The partnership was formed between political leaders to discuss land transport-related matters that affect transport in the area.
Transport Working Group	The 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 discusses 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 consists of NMT users, officials, representatives from the university, and the disabled fraternity.
Drought Steering Committee	This is a committee consisting of a panel of role players in the drought intervention plan, including consultants, to discuss, plan, manage, and act on the drought intervention strategies that culminated from various source documents, including WCWDM strategies, WSDP, audit reports, and various master plans and processes. It also oversees the SCM and construction phases of the plans.
GreenCape	The GreenCape partnership represents cooperation with the province's 110% green initiatives, focussing on alternative waste management initiatives and energy efficiency.
CSIR	The partnership is 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.
General	Municipal Partnerships.
District IGR Structures	
District Coordinating Forum	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 from this involvement by being exposed to good practices 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 uses indigenous sports to create social cohesion amongst communities in the district. Special focus and attention were given to communities in rural areas. The Stellenbosch, Drakenstein, and Breede Valley municipalities have participated in various indigenous games that were hosted by the Cape Winelands Municipality. The relationship between Stellenbosch Municipality and the district



Name of Partner / Partnership	Purpose
	<p>municipality has improved, and the Department: Community Services has managed to exceed all expectations. A targeted approach was followed, and sports were used as a catalyst to cement this relationship with the district.</p> <p>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.</p>

2.4.1 PARTNERSHIP WITH JÖNKÖPING MUNICIPALITY

Stellenbosch and Jönköping Municipality partnered on the issue of human rights, with a particular focus on gender-based violence (GBV). This partnership culminated in using the NormStorm concept of Jönköping Municipality and interpreting the principles and concepts of Normstorm in public space in Stellenbosch, i.e., the George Blake Avenue project (GBA) Normstorm was developed to deal with gender matters in schools in Jönköping.

The George Blake Avenue project shows how multi-national municipal partnerships, inter-departmental collaboration, and the use of the NORMSTORM principles can change things for the better in a community. The project received high-importance status at Stellenbosch Municipality and was / is accordingly run directly from the Municipal Manager's (MM) / Stadsdirektör office. The Informal Settlements Department at Stellenbosch Municipality was tasked as the programme managers for the partnership. In essence, the programme consisted of several projects that, amongst others, prioritised infrastructure upgrades, including the installation of safer pedestrian crossings, improved and enhanced street lighting, and re-configured and re-imagined drainage systems to reduce flooding risks. Through seamless cooperation with engineering, environmental management, and community engagement teams, we addressed critical safety, and accessibility needs while incorporating sustainable practices. NORMSTORM provided a structured framework to assess gaps and incorporate community feedback, ensuring durable, inclusive solutions. This initiative stands as a model for combining innovation, inclusivity, and collaboration to drive meaningful urban development.

2.4.2 WARD COMMITTEES

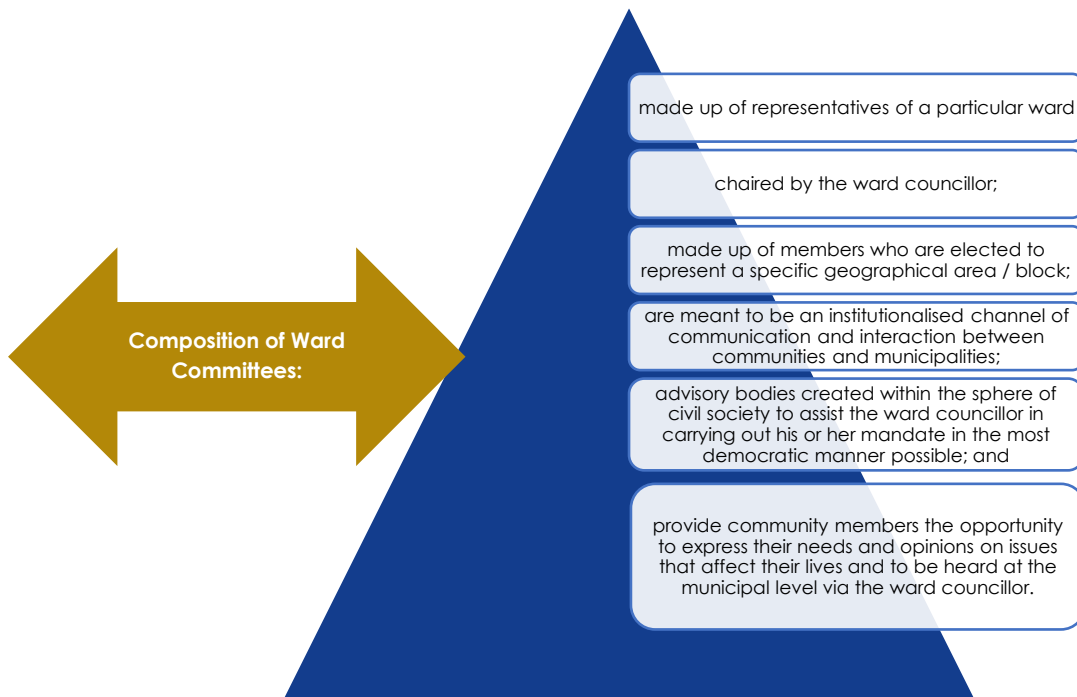
Stellenbosch Municipality has a Ward Committee system in place, which plays a crucial role in achieving the aims of local governance and democracy, as mentioned in the Constitution of 1996. A ward committee is independent of the Council and not politically aligned. The figure below depicts the main duties of the ward committees.

**Table 40: Duties of Ward Committees**

Participation remains a key pillar of good governance and constitutes an integral component in the policymaking process, development planning, and budgeting. Section 152 of the Constitution places the participation of communities at the centre of service delivery and other matters of local government. Correspondingly, the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and the MSA provide the legislative framework for the establishment of ward committees by municipalities.

Section 42 of the MSA stipulates that a municipality, through appropriate mechanisms, processes, and procedures established in terms of Chapter 4 of said Act, must involve the local community in the development, implementation, and review of the municipality's performance management system and allow the community to participate in the setting of appropriate key performance indicators and performance targets for the municipality.

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



Ward committees ought to be elected by the constituents of the ward. The maximum number of members for a ward committee is ten, and women ought to be adequately represented. The ward councillor is a member and functions as the chairman of the ward committee. While lacking formal authority, ward committees guide the ward councillor, who subsequently presents detailed recommendations to the council. The establishment and yearly revision of the IDP for the region are tasks that these committees perform with vital importance.

Ward committees are a legislative requirement and are established in terms of Local Government: Municipal Structures Act, 117 of 1998; Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) and 2005 DPLG Guidelines. This policy was adopted by the Council during the inauguration meeting of 2021.

- The main objective of a ward committee is to enhance participatory democracy in local government.
- A ward committee:
 - is an advisory body;
 - is a representative structure of the ward;
 - is an independent committee of the community in a ward;
 - is impartial and performs its functions without fear, favour, or prejudice;
 - is not politically orientated;
 - as a representative structure of the community, is accountable to the community; and
 - is an integrative umbrella body responsible for the coordination of ward developmental initiatives and the promotion of accountability and social cohesion.

The minutes of meetings are compiled by the ward administrator, and the primary quality check of meeting minutes is the responsibility of the ward councillor. S/he must sign off that the meeting minutes are correct. The minutes of the meeting are submitted monthly and form part of the monthly report of the ward administrator to the Office of the Speaker through the Executive Support Officer.



The ward committee supports the ward councillor, who receives reports on development, participates in development planning processes, and facilitates 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 input, and performance feedback to communities.

Stellenbosch Municipality successfully established 23 functional ward committees, and all wards have access to a ward administrator. During the review period of this annual report, the then-ward councillor for Ward 17, Peter Johnson, resigned as ward councillor on 6 June 2024.

The filling of vacancies remains a problem for ward committees. Vacancies occur for a variety of reasons, and ward councillors find it difficult to fill the vacancies. The ward committee policy allows for the option of co-opting ward committee members. Vacancies must be filled within 60 days of the vacancy being declared, and all vacancies on ward committees for the review period were filled.

The ward committee policy was also reviewed during the 2024/25 draft budget cycle. This is to ensure the ward committee policy is in line with the 2021 amendments to the Local Government: Municipal Structures Act, Act 3 of 2021. The policy was adopted by the Council at the May 2024 Council meeting when the Council approved the budget.

The amendments to the ward committee policy include the election procedures of ward committees, which are clearly stipulated in the ward committee policy, as well as the update on the role of the Speaker in relation to the functioning of ward committees. In addition, the policy was reviewed in terms of an increase in the stipend amount for ward committee members to R 500.00 per meeting, which would include the sector meetings held, and to the maximum stipend amount of R 1 500.00 per ward committee member per quarter. The quarterly payment process is also included in the ward committee policy, as ward committee members are paid every quarter.

The tables below specify the ward committees from 1 July 2023 until 30 June 2024:

Ward 1: Franschhoek town, Bo-Hoek Farms, Mooiwater

Table 41: Ward 1 Committee Members

Period 1 July 2023 – 30 June 2024				
Name of representative	Capacity representing	Number of meetings held	Number of Monthly reports submitted to the Office of the Speaker	Committee functioning effectively (Yes / No)
Cllr R Pheiffer	Chairperson	6	7	Yes
M Nyanga	Geographic Block 1			
W Jeffhas [Resigned 24 May 2024]	Geographic Block 2			
B Hendricks	Geographic Block 3			
A Bauer	Youth Sports, Culture and Community Safety			
A Killian [Resigned 22 May 2024]	Infrastructure and Community Services			
G Mihalopoulos	Town Planning and Property			
L Juries	Geographic Block 4			
K Brown	Ward Administrator			



Ward 2: Langrug, La Motte, Dennegeur, Groendal, Domaine des Anges

Table 42: Ward 2 Committee Members

Period 1 July 2023 – 30 June 2024				
Name of representative	Capacity representing	Number of meetings held	Number of Monthly reports submitted to the Office of the Speaker	Committee functioning effectively (Yes / No)
Cllr W Petersen	Chairperson	10	6	Yes
S Peters	Geographic Block 1 - Boonzaaier Rd to Jaffthas Crescent			
C Atshipara	Geographic Block 2 – La Motte Village (80 houses)			
Joseph Petersen- [Resigned May 2024]	Bosbou La Motte			
N Fata	Geographic Block 4 – Zwalitsha Sections A, B, C, R, S + t			
M Phori	Geographic Block 5- Inkanini Sections D, E, F, G, H, I, J			
J Jacobs	Geographic Block 6 – Santa Rosa Street to R 45			
J Manuel	Geographic Block 87– Skool Street to R 45			
D Malan [Resigned January 2024]	Geographic Block 8 -Le Petite and Domain des Anges			
N Joni	Geographic Block 9 – Mazaleni K, L, M, N, O, P, Q,			
E Philander	Geographic Block 10 - Dennegeur			
R Pearce	Ward Administrator			



Ward 3: Lanquedoc, Meerlust, Wemmershoek, Maasdorp and Surrounding Farms

Table 43: Ward 3 Committee Members

Period 1 July 2023 – 30 June 2024				
Name of representative	Capacity representing	Number of meetings held	Number of Monthly reports submitted to the Office of the Speaker	Committee functioning effectively (Yes / No)
Cllr C Manuel	Chairperson	9	6	Yes
M Pieterse	Geographic Block 1			
N Mkosana	Geographic Block 2			
J Williams	Geographic Block 3			
M Adams	Geographic Block 4			
L Plaatjies	Geographic Block 5			
M Krediet	Geographic Block 5			
W Moses	Geographic Block 8			
C Stuurman	Geographic Block 2			
G Moody	Geographic Block 4			
G Viljoen	Ward Administrator			

Ward 4: Pniël, Kylemore and Johannesburg

Table 44: Ward 4 Committee Members

Period 1 July 2023 – 30 June 2024				
Name of representative	Capacity representing	Number of meetings held	Number of Monthly reports submitted to the Office of the Speaker	Committee functioning effectively (Yes / No)
Cllr R Adams	Chairperson	9	8	Yes
Y Carolissen	Geographic Block 2			
S Jooste	Geographic Block 2			
A Lackay	Geographic Block 3			
K April	Geographic Block 3			
A Williams	Geographic Block 5			
S Phillips	Geographic Block 6			
K Petersen	Geographic Block 7			
D Dreyer (Co-Opted – 30 Nov 2023)	Geographic Block 1			
B La Wak (Co-opted -18 Oct 2023)	Geographic Block 4			
E Parks	Ward Administrator			



Ward 5: The Ridge, Lindida and Ida's Valley (Hydro in the direction of Ida's Valley and Omega Street to Jonkershoek)

Table 45: Ward 5 Committee Members

Period 1 July 2023 – 30 June 2024				
Name of representative	Capacity representing	Number of meetings held	Number of Monthly reports submitted to the Office of the Speaker	Committee functioning effectively (Yes / No)
Cllr R van Rooyen	Chairperson	10	8	Yes
N Rhode	Geographic Block 1			
R Arends	Geographic Block 2			
C Toutie	Geographic Block 3			
D February	Geographic Block 4			
J Meyer	Geographic Block 5			
J Naude [resigned 22.04.2024] S Slingers [co-opted 06.08.2024]	Geographic Block 6			
G Louw	Geographic Block 6			
E Hendrickse	Geographic Block 6			
A Pieterse	Geographic Block 7			
L Hendricks	Geographic Blocks 4 and 8			
S Meyer [appointed 12.09.2023]	Ward Administrator			

Ward 6: Ida's Valley and farms (Nietvoorbij, Timberlea, Morgenhof, Remhoogte, Muratie, Groenhof, Delheim, Lievland, Kanonkop, Uitkyk, Glenelly, Emerie, Laundry, Packham, L'Avenir)

Table 46: Ward 6 Committee Members

Period 1 July 2023 – 30 June 2024				
Name of representative	Capacity representing	Number of meetings held	Number of Monthly reports submitted to the Office of the Speaker	Committee functioning effectively (Yes / No)
Cllr N Mcombring	Chairperson	8	10	Yes
D Jones	Geographic Block 1			
G August	Geographic Block 2			
P Gordon	Geographic Block 4			
M Davids	Geographic Block 5			
O Bergstedt	Geographic Block 6			
M Hendricks	Geographic Block 7			
A Constable	Geographic Block 8			
P Constable	Geographic Block 8			
C Abels	Ward Administrator			



Ward 7: Mostertsdrift, Koloniesland, Karindal, Rozendal, Uniepark, Simonswyk, Universiteitsoord and De Weides

Table 47: Ward 7 Committee Members

Period 1 July 2023 – 30 June 2024				
Name of representative	Capacity representing	Number of meetings held	Number of Monthly reports submitted to the Office of the Speaker	Committee functioning effectively (Yes / No)
Cllr A Ferns	Chairperson	9	11	Yes
B Buys	Geographic Block 1			
P Carstens	Geographic Block 2			
A Marent-Hegewisch	Geographic Block 3			
B Swanepoel	Geographic Block 4			
D Botha	Geographic Block 5			
J Wiese	Environment sector			
J Turkstra	Elderly sector			
W van Aswegen	Security sector			
A Gantz	Business sector			
D Poolman	Student sector + De Weides and Univeristeitsoord			
R Loftie-Eaton	Ward Administrator			

Ward 8: University Areas: Marais, Merriman, Victoria Street, Bosman Street, Noordwal east, Riebeck Street

Table 48: Ward 8 Committee Members

Period 1 July 2023 – 30 June 2024				
Name of representative	Capacity representing	Number of meetings held	Number of Monthly reports submitted to the Office of the Speaker	Committee functioning effectively (Yes / No)
Cllr C van Wyk	Chairperson	7	4	Yes
M Khan	Geographic Block 1			
M Wiehman	Geographic Block 1			
S Van der Bank [resigned 19.12.2023]	Geographic Block 2			
L Erasmus [19.12.2023]	Geographic Block 1			
K Basson [co-opted 28 September 2023]	Geographic Block 2			
A van Wyk	Geographic Block 2			
H Claassen [co-opted 29.02.2024]	Geographic Block 3			
R Segers [contract ended 31.12.2023 - MC Swarts [appointed	Ward Administrator			



Period 1 July 2023 – 30 June 2024				
Name of representative	Capacity representing	Number of meetings held	Number of Monthly reports submitted to the Office of the Speaker	Committee functioning effectively (Yes / No)
01.05.2024]				

Ward 9: Eerste River, Krige Street, Merriman, Bosman, Victoria (lower part), Neethling, Plein Street, Church Street, Upper Dorp Street, Drostdy Street.

Table 49: Ward 9 Committee Members

Period 1 July 2023 – 30 June 2024				
Name of representative	Capacity representing	Number of meetings held	Number of Monthly reports submitted to the Office of the Speaker	Committee functioning effectively (Yes / No)
Cllr ZJ Dalling	Chairperson	7	4	Yes
A Louw	Geographic Block 1			
M Slabber (co-opted 06.06.2023)	Geographic Block 1			
M Louw [co-opted 03.07.2023]	Geographic Block 2			
W Sezoe [resigned 07.11.2023]	Geographic Block 2			
J Meyer	Geographic Block 1			
M Kotze	Geographic Block 2			
G Cillié [co-opted 07.02.2023]	Geographic Block 2			
TO Kumm	Geographic Block 2			
D Hall	Geographic Block 3			
T Hall (co-opted 06.06.2023)	Geographic Block 3			
C Van der Bank [resigned 02.05.2023]	Geographic Block 2			
D Pieterse [resigned 02.05.2023]	Geographic Block 2			
L Combrink [resigned 27.03.2024]	Geographic Block 5			
T Kumm [co-opted 02.04.2024]	Geographic Block 4			
R Segers [contract ended 31.12.2023 - MC Swarts [appointed 01.05.2024]	Ward Administrator			



Ward 10: Tennant Street, Bell Street, Lappan Street, Lackey Street, Langstraat- Suid, La Colline – Faure Street, 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

Table 50: Ward 10 Committee Members

Period 1 July 2023 – 30 June 2024				
Name of representative	Capacity representing	Number of meetings held	Number of Monthly reports submitted to the Office of the Speaker	Committee functioning effectively (Yes / No)
Cllr R du Toit	Chairperson	9	10	Yes
P Hough	Geographic Block 1			
G Lamberts	Geographic Block 1			
D Smit	Geographic Block 2			
S Adonis	Geographic Block 2			
R Hind	Geographic Block 3			
S Williams	Geographic Block 3			
J Blanckenberg	Geographic Block 3			
G Daniels	Geographic Block 3			
N Nketane	Geographic Block 3			
N Moffat	Ward Administrator			

Ward 11: Dorp Street to Herte Street, Mark Street, Alexander Street, the bottom of Bird Street to the Stellenbosch Train Station, all areas in Onder-Papegaaiberg and surrounding businesses.

Table 51: Ward 11 Committee Members

Period 1 July 2023 – 30 June 2024				
Name of representative	Capacity representing	Number of meetings held	Number of Monthly reports submitted to the Office of the Speaker	Committee functioning effectively (Yes / No)
Cllr J Serdyn	Chairperson	7	5	Yes
E Schreiber	Geographic Block 2			
R Fourie	Geographic Block 3			
P Carinus	Geographic Block 4			
C Roux	Geographic Block 4			
S Spangenberg	Geographic Block 5			
M Snyman	Geographic Block 5			
F Malan	Geographic Block 5			
I Fourie	Geographic Block 6			
M Claassen	Geographic Block 6			
F Liebenberg	Geographic Block 1			
R Segers [contract ended 31.12.2023 - MC Swarts [appointed 01.05.2024]	Ward Administrator			



Ward 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, George Blake

Table 52: Ward 12 Committee Members

Period 1 July 2023 – 30 June 2024				
Name of representative	Capacity representing	Number of meetings held	Number of Monthly reports submitted to the Office of the Speaker	Committee functioning effectively (Yes / No)
Cllr A Tomose	Chairperson	11	11	Yes
T Naku	Geographic Block 1			
P Lamla	Geographic Block 2			
P Menze	Geographic Block 3			
T Qhu [resigned 23.01.24]	Nkanini			
Z Mantshi [resigned 23.01.2024]	Municipal Flats			
A Mxokozeli [resigned February 2024]	Azania			
Z Snowball [co-opted 10 April 2024]	Zone A			
P Nkosi [co-opted 10 April 2024]	Watergang, Red Roofs			
T Gugushe	Geographic Block 6			
M Manjiya-Mboma [co-opted 10 April 2024]	Municipal Flats			
Y Makuleni	Geographic Block 8			
T Ntshinga	-			
N Ntshwanti	-			
G Zongolo	Ward Administrator			

Ward 13: Kayamandi: Old Location from Lamla Street to Luyolo Street, Red Bricks, Old Hostels

Table 53: Ward 13 Committee Members

Period 1 July 2023 – 30 June 2024				
Name of representative	Capacity representing	Number of meetings held	Number of Monthly reports submitted to the Office of the Speaker	Committee functioning effectively (Yes / No)
Cllr M Nkopane	Chairperson	12	7	Yes
M Mgingqi	Geographic Block 1			
Z Ndlovu	Geographic Block 1			
M Ndllebe	Geographic Block 2			
S Maxhavulana	Geographic Block 3			
B Beni	Geographic Block 4			
S Lobi	Geographic Block 5			
S Mngwazana	Geographic Block 6			
A Maxandeka	Geographic Block 7			



Period 1 July 2023 – 30 June 2024				
Name of representative	Capacity representing	Number of meetings held	Number of Monthly reports submitted to the Office of the Speaker	Committee functioning effectively (Yes / No)
N Bhayibhile	Geographic Block 8			
M Naku	Geographic Block 9			
Z Mithi	Ward Administrator			

Ward 14: Kayamandi: Zone I Setona Street), Zone O(lower part) Mgabadeli Crescent, Monde Crescent, Costa Land, Strong Yard, Zone M (8th Avenue), Zone P

Table 54: Ward 14 Committee Members

Period 1 July 2023 – 30 June 2024				
Name of representative	Capacity representing	Number of meetings held	Number of Monthly reports submitted to the Office of the Speaker	Committee functioning effectively (Yes / No)
Cllr M Danana	Chairperson	11	4	Yes
L Magazi	Geographic Block 1			
A Mpanyu	Geographic Block 1			
D Mdunyelwa	Geographic Block 3			
B Mbaqa	Geographic Block 4			
A Bululu	Geographic Block 4			
N Samente	Geographic Block 5			
N Madolo	Geographic Block 6			
N Boyce	Geographic Block 7			
N Mpemnyama	Geographic Block 8			
N Nojoko	Geographic Block 2			
E Mpemnyama	Ward Administrator			

Ward 15: Kayamandi: Bassi Street, Vineyard Street, Mjandana Street, Zone O, N, X, M Long Street, Retreat Road, Forest Drive road, Thubelitsha / Watergang, Zone O Middle part (Fire Street), Municipal Workers Formal houses, 4,5,6,7and 8th Avenue, 10th Avenue and 11,12, 14th Close street

Table 55: Ward 15 Committee Members

Period 1 July 2023 – 30 June 2024				
Name of representative	Capacity representing	Number of meetings held	Number of Monthly reports submitted to the Office of the Speaker	Committee functioning effectively (Yes / No)
Cllr E Masimini	Chairperson	11	8	Yes
N Sesman	Geographic Block 1			
T Lepheana	Geographic Block 3			
M Nongogo	Geographic Block 6			
N Kuni	Geographic Block 8			
M Moni	Geographic Block 6			
E Jumat	Geographic Block 5			
L Xelenga	Geographic Block 2			
L Gula	Geographic Block 4			



Period 1 July 2023 – 30 June 2024				
Name of representative	Capacity representing	Number of meetings held	Number of Monthly reports submitted to the Office of the Speaker	Committee functioning effectively (Yes / No)
N Nkopane	Geographic Block 7			
S Garhane	Geographic Block 7			
P Nyakaza	Ward Administrator			

Ward 16: Long Street, Eike Street, Jakaranda Street, Short Street, Curry Street, Quarry Street, Primrose Street, Pine Street, Hoop Street, North End Street, Vredelust Street Noord Vredelust West Street, Laai Street, Last Street, Arnolds Street, Anthony Street, Carriem Street, Davidse Street, Cupido Street, Ismael Street, Crombi Street, Chippendale Street Bergstedt Street, Achilles Street, Africa Street, Cornelson Street Cloeteville

Table 56: Ward 16 Committee Members

Period 1 July 2023 – 30 June 2024				
Name of representative	Capacity representing	Number of meetings held	Number of Monthly reports submitted to the Office of the Speaker	Committee functioning effectively (Yes / No)
Cllr E Vermeulen	Chairperson	10	1	Yes
C Williams	Geographic Block 1			
M Bailey	Geographic Block 1			
J Williams	Geographic Block 1			
N Willemse [Resigned - 23/01/2024]	Geographic Block 1			
M Fredericks	Geographic Block 2			
A Flink	Geographic Block 2			
M Johannes	Geographic Block 4			
P Appollis	Geographic Block 4			
J Isaacs	Geographic Block 4			
Y Lamberts [finished on 31.08.2023 - T Van Graan appointed 01.05.2024]	Ward Administrator			



Ward 17: Longstreet, Kloof Street, Fir Street, Williams Street, Rhode Street, Hendrickse Street, February Street, Weltevrede 2 and Welgevonden, King Street, Hine Street, Fontein Street, Wilger Street, Raziet Street, Pool Street, Valentyn Street, Ortell Street, King Street, Isaac Street, Stellita Park, Gabriel Street, Part of Lackay Street

Table 57: Ward 17 Committee Members

Period 1 July 2023 – 30 June 2024				
Name of representative	Capacity representing	Number of meetings held	Number of Monthly reports submitted to the Office of the Speaker	Committee functioning effectively (Yes / No)
Cllr P Johnson [resigned June 2024]	Chairperson	6	2	Yes
G Jacobs	Geographic Block 2			
L van der Rheede	Geographic Block 2			
B Louw	Geographic Block 4			
W Khan	Geographic Block 5			
M Burton	Geographic Block 4			
D Smith	Geographic Block 5			
C Olivier	Geographic Block 4			
B Klaasen	Ward Administrator			

Ward 18: Klapmuts and surrounding farms

Table 58: Ward 18 Committee Members

Period 1 July 2023 – 30 June 2024				
Name of representative	Capacity representing	Number of meetings held	Number of Monthly reports submitted to the Office of the Speaker	Committee functioning effectively (Yes / No)
Ald JC Anthony	Chairperson	11	5	Yes
G Wentzel	Geographic Block 1			
W Johannes	Geographic Block 2			
E Mbikwana	Geographic Block 3			
S Hector	Geographic Block 4			
N Peter	Geographic Block 5			
N Chelesi	Geographic Block 6			
P Nogwaza	Geographic Block 7			
M Everts	Sport sector			
Pastor W Cloete	Religious sector			
G du Toit	Safety sector			
M Maluqua	Ward Administrator			



Ward 19: Elsenburg, Vaaldras, Slaley, Kromme Rhee, De Novo, Bottelary and surrounding Farms, De Hoop, Simonsig and surrounding Farms, Weltevrede 1 and 2, Smartie Town.

Table 59: Ward 19 Committee Members

Period 1 July 2023 – 30 June 2024				
Name of representative	Capacity representing	Number of meetings held	Number of Monthly reports submitted to the Office of the Speaker	Committee functioning effectively (Yes / No)
Cllr J Williams	Chairperson	10	5	Yes
A Afrika	Elsenburg, Vaaldras, Muldersvlei and Surrounding Farms.			
J May	De Hoop, Koelenhof Railway Houses and Surrounding Farms.			
A Kamfer	Groenland and Surrounding Farms.			
C Pedro	Koopmanskloof, Bellvue and Surrounding Farms.			
R Kinnear	De Novo and Surrounding Farms.			
A van der Westhuizen	Weltevrede 1			
C Februarie	Smartie Town.			
A September	Weltevrede. 2			
C Wesso	Ward Administrator			

Ward 20: Vlotenburg, Raithby, Lynedoch, Mooiberge, Meerlust and Polkadraai

Table 60: Ward 20 Committee Members

Period 1 July 2023 – 30 June 2024				
Name of representative	Capacity representing	Number of meetings held	Number of Monthly reports submitted to the Office of the Speaker	Committee functioning effectively (Yes / No)
Cllr J Joon	Chairperson	8	10	Yes
C Matthys	Raithby			
D Fortuin	Stellenboschkloof pad, Vlotenburg			
R Muller	Mooiberge			
I Johnson	Lynedoch			
E Jacobs	Meerlust, Lynedoch			
H Brink	Vlotenburg			
B Moses	Polkadraai, Vlaeberg			
P Taai Bosch	Religious sector			
J Casper	Health sector			
J Fortuin	Ward Administrator			



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

Table 61: Ward 21 Committee Members

Period 1 July 2023 – 30 June 2024				
Name of representative	Capacity representing	Number of meetings held	Number of Monthly reports submitted to the Office of the Speaker	Committee functioning effectively (Yes / No)
Cllr M Slabbert	Chairperson	9	8	Yes
P de Wet	Geographic Block 1			
A Verwey	Geographic Block 2			
R Kriel	Geographic Block 2			
R Spies	Geographic Block 3			
S McNaughton	Geographic Block 4			
W Adams	-			
S de Wet	-			
A Okkers	-			
N Williams	Ward Administrator			

Ward 22: Krigeville, Dalsig, Welgelegen, Brandwacht, Die Boord and Kleingeluk

Table 62: Ward 22 Committee Members

Period 1 July 2023 – 30 June 2024				
Name of representative	Capacity representing	Number of meetings held	Number of Monthly reports submitted to the Office of the Speaker	Committee functioning effectively (Yes / No)
Cllr E Groenewald	Chairperson	10	0	Yes
P Schaafsma	Geographic Block 1			
A Blignaut [co-opted January 2024]	Geographic Block 2			
I Maree	Geographic Block 3			
C Neethling [resigned September 2023]	Geographic Block 2			
W Joubert	Geographic Block 4			
H Slabber	Geographic Block 5			
S Wilson	Geographic Block 6			
A Pelsier -resigned A Sarga [co-opted January 2024]	Geographic Block 7			
H Hill	Geographic Block 8			
Prof P Kruger	Geographic Block 9			
M Vlok	Geographic Block 10			
P Mogale [resigned 29.11.2023 - Zintle Olayi [Appointed 01.05.2024]	Ward Administrator			



Ward 23: From Eerste Rivier, Piet Retief street, Mill street, Bird Street, Merriman Avenue, Ryneveld Street, Jan Celliers Street, George Blake drive, Du Toit street, Bergzicht, Herte Street, Krige Street, Skone Uitsig

Table 63: Ward 23 Committee Members

Period 1 July 2023 – 30 June 2024				
Name of representative	Capacity representing	Number of meetings held	Number of Monthly reports submitted to the Office of the Speaker	Committee functioning effectively (Yes / No)
Cllr L Nkamisa	Chairperson	9	1	Yes
J Venter	Geographic Block 1			
M Serfontein [resigned 05.04.2023]	Geographic Block 1			
A Gouws [co-opted 05.09.2023]	Geographic Block 1			
C De Ruiter [co-opted 26.06.2023]	Geographic Block 2			
A Nompume	Geographic Block 2			
T Seyisi	Geographic Block 3			
K Morake	Religious sector			
T Dube	Education and Youth sector			
M Maleka [resigned 28.03.2023]	Geographic Block 2			
M Lokhat [resigned 18.04.2023]	Religious Sector			
L van Wyk	Education and Youth sector			
L Nicolas	-			
T Theron	-			
P Mogale [resigned 29.11.2023 - Zintle Olayi [Appointed 01.05.2024]	Ward Administrator			



COMPONENT C: CORPORATE GOVERNANCE

Corporate governance is a 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.

2.5 RISK MANAGEMENT

Section 62 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) 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 the year under review, the following was done:

- continuous awareness-raising throughout the municipality;
- the Risk and Fraud Management Committee was established to facilitate and govern the risk management process with a term of reference and has been operational since January 2013;
- the Chief Audit Executive has a seat on the Risk and Fraud Management Committee, where all risk and fraud management-related activities are reported;
- the Risk Management Committee reports to the APAC;
- risk registers have also been completed at an operational level;
- the previous year's strategic registers were revisited, and an acceptable risk appetite was determined;
- the revised risk register was adopted by the Council; and
- risks were also identified that could prevent the achievement of the predetermined objectives and were noted in the SDBIP.

Although the Chief Risk Officer is responsible for coordinating and facilitating risk management at all levels within the municipality, the municipal manager and management are the drivers of risk management and the mitigation of risk exposure in the municipality.

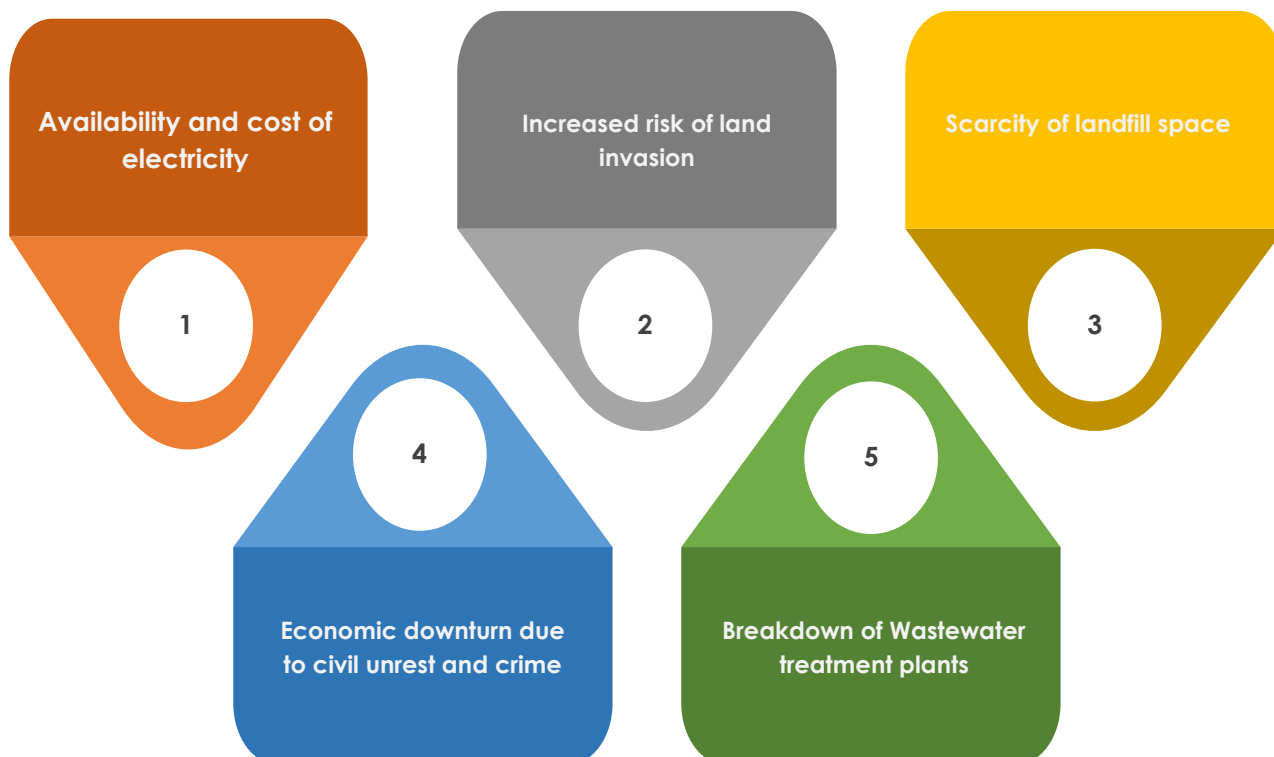
As the new financial year started, conversations and assessments turned to the impact of the ongoing electricity and energy crisis. This was necessary as the municipality started to focus on the impact of continuous and persistent loadshedding, the sustainability of the national power supply, and how to manage the availability and cost of electricity over the next decade and beyond.

All the risks, as identified as part of the bi-annual risk assessments with the Directorates, are captured on the Barn Owl system, an electronic risk management system. It is an electronic risk management system to ensure more accuracy and detail with ratings, reporting, and assessments to assist in providing information and reports to management. This is to assist and better inform managers when using risk management in the decision-making process.



The top 5 risks identified for 2023/24 are as follows:

Table 64: The top 5 risks identified for 2023/24



a) Likelihood rating scale

Table 65: Risk likelihood rating scale

Impact and Likelihood Rating		
Likelihood Grading		
10	Certain	91% - 100% chance of occurring
9	Almost Certain	81% - 90% chance of occurring
8	Expected	71% - 80% chance of occurring
7	Probable	61% - 70% chance of occurring
6	Possible	51% - 60% chance of occurring
5	Potential	41% - 50% chance of occurring
4	Occasional	31% - 40% chance of occurring
3	Remote	21% - 30% chance of occurring
2	Improbable	11% - 20% chance of occurring
1	Rare	0% - 10% chance of occurring
Impact Grading		
10	Catastrophic	A critical event resulting in the long-term cessation of the majority or all core organisational activities. Inability to achieve the municipality's strategy and objectives. Requires external support.
9	Critical	A critical event resulting in the long-term cessation of several core organisational activities. Drastically reduced ability to achieve the municipality's strategy and inability to achieve most of the objectives. Requires intervention from the Council.
8	Major	A major event resulting in the long-term cessation of a core organisational activity.



Impact and Likelihood Rating		
Likelihood Grading		
		Severely reduced ability to achieve the municipality's strategy and inability to achieve certain objectives. The material at the organisational level. Requires intervention from the Municipal Manager and Audit Committee involvement.
7	Significant	Significant long-term disruption of services. Significantly reduced ability to achieve the municipality's strategy and objectives. Requires intervention from the Director.
6	Moderate	Short / medium-term disruption of services. Reduced ability to achieve the municipality's strategy and objectives. Requires intervention from the Head of the Department.
5	Marginal	Disruption of normal operations / services. Limited effect on the achievement of the municipality's strategy and objectives. Requires intervention from the Line Manager.
4	Immaterial	Irritation in rendering or receiving services. No material impact on the achievement of the municipality's strategy and objectives. Can be dealt with by senior staff.
3	Minor	The impact will be coped with in the short term through normal operational processes performed by staff
2	Insignificant	The impact of adverse events is minimal.
1	Negligible	The impact of the adverse event has little (if any) impact on services.

The rating determines the risk exposure. Through this management gets to understand the extent to which potential events might impact their objectives on a scale from 1 as a minimum and 100 as a maximum.

b) Inherent risk exposure

Table 66: Inherent risk exposure grid

Inherent Risk Exposure: the inherent risk exposure is determined by comparing the inherent risk rating against the risk appetite		
Inherent Risk Exposure		
Inherent Risk	Magnitude	Definition
0 -25	Low Risk	Level of inherent risk is within the risk appetite – Low level of a control intervention required if any.
26 -50	Moderate Risk	Unacceptable level of risk – Moderate level of control intervention is required to achieve an acceptable level of residual risk.
51 – 75	High Risk	Unacceptable level of risk – High level of control intervention is required to achieve an acceptable level of residual risk.
76 – 100	Extreme Risk	The extreme level of risk – Immediate level of control. Intervention is required to achieve an acceptable level of residual risk.

The strategic risk register below indicates all the focus areas, risks and mitigation measures taken to address these identified risks within the organisation.



2.5.1 STRATEGIC RISKS IDENTIFIED

Table 67: Risk register

Strategic Risks							
Risk Item	Risk Description	Risk Background	Strategic Focus Areas	Impact Rating	Likelihood Ratings	Inherent Risk Exposure/Risk Appetite (1-100)	Directorate
1	Availability and cost of electricity	Continuous and persistent loadshedding; sustainability of the national power supplier	Green and Sustainable Valley, Dignified Living	10	10	100	Directorate: Infrastructure Services
2	Increased risk of a land invasion	Legal precedents are set under the disaster management declaration, limiting the municipal scope to evict. Illegal invasions and land grabs. Compromising housing development and housing opportunities.	Dignified Living, Safe Valley, Financial Sustainability, Good Governance and Compliance	9	10	90	All Directorates
3	Economic downturn due to civil unrest, crime and continuous loadshedding.	Increase in criminal activities, civil unrest, and reputational risk due to the perceived increase in the said activities. The impact of prolonged loadshedding—not sufficient light at night as streetlights, CCTV cameras, and traffic lights are not functioning—can lead to more criminal activities.	Safe Valley, Dignified Living	10	8	80	Directorate Community and Protection Services
4	Breakdown of Wastewater Treatment Plants	Breakdown of Wastewater Treatment Plants due to electricity outages.	Green and Sustainable Valley, Dignified Living	10	8	80	Infrastructure Services
5	Scarcity of landfill space	Unavailability of suitable land; costs of SLAs and alternative waste disposal; legislative requirements, i.e., EIA applications and approvals, etc.	Green and Sustainable Valley	8	8	64	Directorate: Infrastructure Services
Operational Risks							
1	Insufficient burial space in the greater Stellenbosch	"Planning and funding; land availability. Insufficient funding. Compliance and impact of COVID-19 burials after experiencing a 2nd and 3rd wave."	Dignified Living	8	8	64	Directorate: Community and Protection Services
2	Timeous Capital Spending	A steady increase in budget allocation; growing population and demand for services; demand management.	Good Governance and Compliance	10	4	40	Directorate: Financial Services



Strategic Risks							
Risk Item	Risk Description	Risk Background	Strategic Focus Areas	Impact Rating	Likelihood Ratings	Inherent Risk Exposure/Risk Appetite (1 - 100)	Directorate
3	Climate Change	Changing weather patterns, unpredictable rainfall, flash floods, droughts, natural disasters, and fires (seasonal and other).	Green and Sustainable Valley; Safe Valley	8	4	32	Office of the Municipal Manager
4	High Vacancy Rate	A skilled and capable workforce is necessary to support growth objectives, and quality and timeous service delivery need to be provided by all departments.	Good Governance and Compliance	8	4	32	Directorate: Corporate Services
6	Lack of integrated Information and Communication Technology	Disparate systems	Good Governance and Compliance	6	4	24	Directorate: Corporate Services

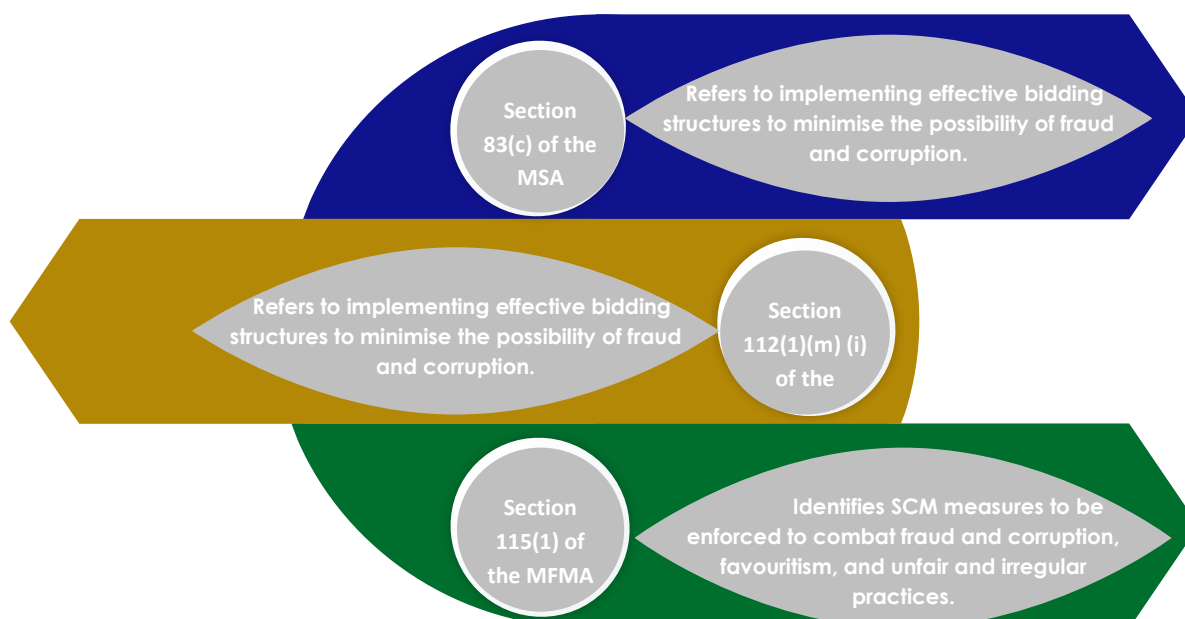
2.5.2 ANTI-CORRUPTION AND ANTI-FRAUD

Management and the Council have taken ownership of combating fraud and corruption throughout the municipality.

The Anti-Fraud and Corruption Prevention Plan intends to strengthen fraud and corruption prevention at all levels within the municipality and re-invest in managing fraud and corruption at all levels.

The fraud hotline, or tip-offline, 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.

Figure 15: Anti-Corruption and Anti-Fraud Legislation





2.6 FUNCTIONS OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE (APAC)

The Municipal Audit and Performance Audit Committee's objectives and functions are based on Section 166(2)(a-e) of the MFMA, further supplemented by the Local Government: Municipal Planning and Performance Management Regulation, as well as the approved Audit and Performance Audit Committee Charter approved on 28 March 2018 by the Council.

The objectives of the APAC of the Stellenbosch Municipality are to:

- ✦ Assist the Council in discharging its duties relating to the safeguarding of the 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 APAC is responsible for the oversight of internal controls, financial reporting, and compliance with regulatory matters and mainly makes recommendations to management.

The responsibilities of the APAC are further to review the:

- ✦ Effectiveness of the Council's system of internal control and risk management;
- ✦ Financial reporting and financial statements;
- ✦ Internal audit function;
- ✦ AGSA'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 the Council.

The APAC members are as follows:

Table 68: Members of the Audit and Performance Audit Committee

Period 01 July 2023 – 30 June 2024	
Name of representative	Capacity
LC Nene (Mr)	Chairperson
VJ Botto (Mr) (Term ended 31 September 2023)	Member
Mr TW Lesihla (Mr) (Term ended 31 September 2023)	Member
J Williams (Ms) (Resigned 07 February 2024)	Member
L Mortimer (Inception date: 29 April 2024)	Member
R Ghani (Ms) (Inception date: 27 September 2023)	Member
R Strydom (Ms) (Inception date: 27 September 2023)	Member

**Table 69: APAC meetings held from 01 July 2023 to 30 June 2024**

Period 01 July 2023 – 30 June 2024
Meeting dates
28 August 2023
28 November 2023
28 March 2024
25 June 2024

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

The APAC is also accountable for identifying major risks to which the Council is exposed and determining the extent to which those risks have been mitigated.

2.7 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 programme for each financial year; and
- b. advise the accounting officer and report to the Audit Committee on the implementation of 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 other applicable legislation.
- c. perform such other duties as may be assigned to it by the accounting officer.

Stellenbosch Municipality's internal audit function is performed by in-house staff. The main focus areas were compliance with applicable laws, regulations, policies, and procedures, which resulted in both assurances and consulting work. During the year under review, the internal audit activity was able to effectively execute 87% of the initially 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.



2.7.1 RISK REGISTER AND THREE-YEAR STRATEGIC PLAN

Table 70: ✓ Confirms audit activity completed in the financial year

Audit Activity / Audit Universe	Year 1	Year 2	Year 3	Combined Assurance Provider
	2022/23	2023/24	2024/25	
Statutory Internal Audits				
MFMA Compliance	✓	✓	✓	AGSA
MSA Compliance	✓	✓	✓	AGSA
DORA Compliance	✓	✓	✓	AGSA
Performance Management and SDBIP (Quarterly)	✓	✓	✓	IA
Risk-based audits (Auditable Areas)				
Office of the Municipal Manager: Pre-review of MM and Directors' performance evaluations	✓	✓	✓	IA
Financial Services: Supply Chain Management	✓	✓	✓	AGSA
Financial Services: Asset Management	✓	✓		IA
Financial Services: Expenditure Management (SCM)	-	-	-	AGSA
Financial Services: Expenditure Management (Creditors)	✓		✓	IA
Financial Services: Budget Process (Included in MFMA Audit)	N/A	N/A	N/A	AGSA
Financial Services: Cash Receipts, Banking, and Investments	-	-	-	AGSA
Financial Services: Accounting and Financial Reporting	-	-	-	AGSA
Financial Services: Year-end Inventory review – stores (direct assistance for the AGSA)	✓	✓	✓	IA
Corporate Services: Recruitment and Selection	✓	-	-	IA
Corporate Services: Information and Communication Technology	✓	✓	✓	AGSA / IA
Corporate Services: Archives / Records Management (Audit Conducted by Western Cape Provincial Government)	N/A	N/A	N/A	External Assurance
Corporate Services: Staff Regulations	-	✓	✓	IA- Roll over 2024/25
Planning and Economic Development: Housing Administration	-	✓	-	IA
Community and Protection Services: Traffic Services and Administration	-	-	✓	IA
Disaster and Climate Change Readiness Assessment	-	✓	-	IA
Other				
Internal Quality Assurance review	✓	✓	✓	IA
State of Records review (direct assistance for the AGSA)	✓	✓	✓	IA
AG audit action plan	✓	✓	✓	IA
AG: Asset verification (Direct assistance)	✓	✓	✓	IA



Audit Activity / Audit Universe	Year 1	Year 2	Year 3	Combined Assurance Provider
	2022/23	2023/24	2024/25	
AG: Employee verification (Direct assistance)	✓	✓	✓	IA
Governance	✓	✓	✓	IA
Risk Management	✓	✓	✓	IA
Follow up audits	✓	✓	✓	IA
Ad hoc review(s) / Special requests	✓	✓	✓	IA

Legend:

Legend					
No coverage					
High-risk (Annual audit of a business process)					
Medium risk					
Low risk					
Compliance (Statutory requirement)					

Risk assessment updates were performed during the 2023/24 financial year, and all relevant risks were populated into an updated Risk Register for the municipality. This Risk Assessment Plan forms the basis of the **2023/24** financial year's Risk-Based Audit Plan. New updates to the Stellenbosch Municipality's risk profile were captured during **2023/24** in consultation with the Risk Management Committee. This will ensure that adequate audit coverage is obtained from Internal Audit in consultation with the AGSA and management.

2.7.2 ANNUAL RISK-BASED AUDIT PLAN

The Risk-Based Audit Plan 2023/24 was implemented with the available resources. The table below provides details on audits completed.

Table 71: Annual Risk-Based Audit Plan

Audit Activity	Status
DoRA Compliance	Combined Assurance – AGSA
MGRO 1 and 2 (MGAP)	Report submitted to PT
Statutory audits	
Pre-determined Objectives	
Quarter 4	Final Report
Quarter 1	Final Report
Quarter 2	Final Report
Quarter 3	Final Report
Performance Reviews: MM and Directors (annual assessments)	Final Report
Risk-based audits	
Office of the Municipal Manager: Pre-review of Municipal Manager and Directors performance evaluations	Finalised: Results submitted to Municipal Manager
Financial Services: Asset Management	SOP finalised
Financial Services: Year-end Inventory review – stores (direct assistance for the AGSA)	Finalised



Audit Activity	Status
Corporate Services: Staff Regulations	Roll over 2024/25
Corporate Services: Information and Communication Technology	Combined Assurance - AGSA
Planning and Economic Development: Housing Administration	Final Report
Disaster and Climate Change Readiness Assessment	Final Report
Other scheduled audits	
Internal Quality Assurance Improvement Plan	Report submitted: June 2024
State of Records review (direct assistance for the AGSA)	Ongoing
AG audit action plan (2022/23)	Q1: March 2024 Q2: June 2024 Q3: August 2024
Governance Review	Ongoing
AG: Asset Verification (direct assistance for the AGSA)	Finalised
AG: Employee Verification (direct assistance for the AGSA)	Finalised
Risk Management	Final Report
Follow-up audits: Recruitment and Selection Personnel Files Registry / Archive Process Housing Allowance Unallocated Deposits	Final report: May 2024
Ad hoc requests	
Ad hoc review(s) / Management requests / Consulting Activities: Visit Stellenbosch	Finalised

2.7.3 PMS AUDITS

The actual performance was subjected to an internal audit review, and the results of their findings were submitted to the APAC. Quarterly audits were performed and reported to the APAC.

2.8 SUPPLY CHAIN MANAGEMENT

The Supply Chain Management (SCM) Policy applicable to the 2023/24 financial year was revised and adopted by the Council on 24 May 2023 (as Appendix 17 of the budget-related policies in the Council item) in terms of sections 17(1)– (3) of the MFMA.

The changes referred to above will ensure that the Department: SCM has the required legislative mandate to further streamline procedures and processes to promote more efficient and effective service delivery to all internal and external stakeholders.

2.8.1 COMPETITIVE BIDS OVER R200 000

The following table details the number of Bid Committee meetings held for the 2023/24 financial year:

Table 72: Bid Committee Meetings

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
44	264	52

The attendance figures of members of the Bid Specification Committee are as follows:

Table 73: Attendance of Members of the Bid Specification Committee

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



The attendance figures of members of the Bid Evaluation Committee are as follows:

Table 74: Attendance of Members of the Bid Evaluation Committee

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

The attendance figures of members of the Bid Adjudication Committee are as follows:

Table 75: Attendance of Members of Bid Adjudication Committee

Member	% Attendance
Chief Financial Officer (Chairperson)	100%
Director Planning and Economic Development	100%
Director: Infrastructure Services	100%
Director: Community and Protection Services	100%
Director: Corporate Services	100%

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

2.8.2 AWARDS MADE BY THE BID ADJUDICATION COMMITTEE

The Bid Adjudication Committee awarded 109 tenders, which include 25 tenders below R10 million and recommended for award of 10 tenders above R10 million and 74 rates tenders. The ten highest bids awarded by the bid adjudication committee are as follows:

Table 76: Ten Highest Bids Awarded by Bid Adjudication Committee

Bid Number	Title of bid	Directorate and Section	Successful Bidder	Value of bid awarded
BSM 98/23	UPGRADE OF BERGZICHT TAXI RANK, STELLENBOSCH PHASE 1	Infrastructure Services	R CONRAD TRADING CC T/A RC CIVILS	R7 976 066.62
BSM 101/23	OPERATION OF THE PNIËL WASTEWATER TREATMENT WORKS ENDING 30 JUNE 2026	Infrastructure Services	ZANA MANZI SERVICES (PTY)LTD	R7 719 007.23
BSM 86/23	COMPILATION OF AND MAINTENANCE OF THE VALUATION ROLL AND SUPPLEMENTARY ROLLS FOR WC024 IN COMPLIANCE WITH THE LOCAL GOVERNMENT: MUNICIPAL PROPERTY RATES ACT, 2004 (ACT 6/2004)	Financial Services	HCB VALUATIONS AND SERVICES (PTY)LTD	R5 681 375.00
BSM 94/23	SUPPLY AND DELIVERY OF A 1 X RG12 MK2 (NYALA) MULTI-PURPOSE ARMoured PERSONNEL CARRIER VEHICLE FOR COMMUNITY PROTECTION SERVICES	Community Services	OTT Solutions (Pty) Ltd	R4 804 168.24
BSM 27/24	EERSTE RIVER FLOOD REHABILITATION STRUCTURES - AGRICULTURAL HALL	Infrastructure Services	NKUTWALA CONSTRUCTION	R3 430 806.50
BSM 97/23	VEEAM AND VMWARE LICENSE RENEWAL FROM 1 AUGUST 2023 TO 30 JUNE 2026.	Corporate Services	DATA CENTRIX (PTY) LTD	R2 930 597.00
BSM 08/24	APPOINTMENT OF AN EVENT ORGANISER TO ORGANISE THE STELLENBOSCH FESTIVAL OF LIGHTS OVER A PERIOD OF ONE FINANCIAL YEAR 2023 /2024	Planning Services	Swey Designs	R2 208 000.00



Bid Number	Title of bid	Directorate and Section	Successful Bidder	Value of bid awarded
BSM 64/24	MOVEABLE STOCK TAKE FOR PERIOD ENDING 30 JUNE 2026	Financial Services	Akhile Management and Consulting (PTY)	R1 687 907.00
BSM 15/24	SUPPLY AND DELIVERY ONLY OF ICT INFRASTRUCTURE EQUIPMENT	Corporate Services	Innovo Networks	R1 469 256.64
BSM 104/23	REPAIRS OF THE GYMNASICS BUILDING AT VAN DER STEL SPORTS FACILITY	Community Services	AR Projects and Developments (Pty) Ltd	R1 405 691.16

2.8.3 AWARDS MADE BY THE ACCOUNTING OFFICER

In terms of paragraph 5.2 of the Council's SCM Policy, only the accounting officer may award a bid that is over R10 million. The accounting officer may not sub-delegate the right to make such an award.

The table below indicates the bids awarded by the accounting officer:

Table 77: Awards made by the Accounting Officer

Bid Number	Title of bid	Directorate and Section	Value of bid awarded
BSM 59/24	THE UPGRADE OF THE LANQUEDOC ACCESS ROAD AND BRIDGE	Infrastructure Services	R48 607 418.81
BSM 30/23	JAMESTOWN 5ML RESERVOIR: CONSTRUCTION OF BULK WATER AND ASSOCIATED INFRASTRUCTURE	Infrastructure Services	R29 728 296.13
BSM 57/24	OPERATION, PREVENTATIVE MAINTENANCE AND OVERALL MAINTENANCE MANAGEMENT OF THE STELLENBOSCH WWTW ENDING 30 JUNE 2026	Infrastructure Services	R25 718 751.90
BSM 60/23	INSTALLATION OF LANDFILL GAS EXTRACTION AND FLARING INFRASTRUCTURE AT THE STELLENBOSCH LANDFILL	Infrastructure Services	R22 194 929.62
BSM 14/24	THE CONSTRUCTION OF BASIC SERVICES FOR THE PROPOSED DEVELOPMENT OF THE TEMPORARY RELOCATION AREA ON ERF 3229, MOOIWATER	Planning Services	R21 329 508.95
BSM 05/24	ELECTRIFICATION OF INFORMAL HOUSES IN THE ENKANINI INFORMAL SETTLEMENT OF STELLENBOSCH FOR THE PERIOD ENDING 30 JUNE 2024: PHASE 4	Planning Services	R19 178 928.41
BSM 56/24	OPERATION, PREVENTATIVE MAINTENANCE AND OVERALL MAINTENANCE MANAGEMENT OF THE WEMMERSHOEK WASTEWATER TREATMENT WORKS FOR THE PERIOD ENDING 30 JUNE 2026	Infrastructure Services	R18 083 145.48
BSM 94/24	APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF MUNICIPAL ICT NETWORK EXPANSION WITH MAINTENANCE AND SUPPORT FOR THE PERIOD 1 JULY 2024 ENDING 30 JUNE 2027	Corporate Services	R16 376 000.00
BSM 55/23	VLOTTENBURG OUTFALL SEWER: CONSTRUCTION OF BULK SEWER AND ASSOCIATED INFRASTRUCTURE	Infrastructure Services	R15 172 146.39
BSM 92/23	KLAPMUTS BULK WATER AND ASSOCIATED WORKS: PHASE 2	Infrastructure Services	R11 138 325.99



2.8.4 OBJECTIONS LODGED

The table below indicates the total objections lodged during the year under review.

Table 78: Objections Lodged

Tender Nr	Description	Date of finalisation of the appeal
B/SM 26/22	Sindele Cleaning	2022-07-15
B/SM 53/22	Uhambo	2022-10-12
B/SM 59/22	Mailtronic	2022-11-24
B/SM 11/23	Max Amp Electrical	2023-03-29
B/SM 09/23	Grand Landscaping	2023-05-09
B/SM 59/23	Klaasen Cleaning	2023-06-30

The municipality also had six (6) appeals, which were resolved, along with one (1) objection, which was also dealt with.

2.8.5 FORMAL QUOTATIONS (ABOVE R30 000 AND BELOW R200 000) PROCUREMENT PROCESSES

The number of formal quotations approved by the Snr. Manager: SCM for the year under review follows:

Table 79: Formal Quotations (above R 30 000 and below R 200 000)

Description	Financial Years						
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Number of Awarded Formal Quotations	206	203	145	122	8	91	108
Total Formal Quotations advertised	264	249	159	139	131	124	146
Percentage awarded	78.03%	81.53%	91.19%	88%	67.94%	73.39%	74%

2.8.6 DEVIATION FROM THE NORMAL PROCUREMENT PROCESSES

Paragraph 4.36 of the Council's SCM 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.

Table 80: Deviation from Normal Procurement Process

Description	Financial Years					
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
<u>Certificate of Emergencies:</u> Approved by the Directors i.t.o. Section 4.36.4 of the SCM Policy	0	0	0	0	0	0
<u>Deviations:</u> Approved by the Accounting Officer i.t.o. Section 4.36.1 of the SCM Policy	42	32	19	12	17	19
TOTAL	42	32	19	12	17	19



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

2.8.7 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 demand otherwise;
- ✦ movable assets are sold either by way of written price quotations, a competitive bidding process, an auction, or at market-related prices, whichever is most advantageous;
- ✦ firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
- ✦ immovable property is let at market-related rates, except when the public plight of the poor demands otherwise;
- ✦ all fees, charges, rates, tariffs, scales of fees, or other charges relating to the letting of immovable property are annually reviewed;
- ✦ where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
- ✦ in the case of the free disposal of computer equipment, the Provincial Department of Education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

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

2.8.8 SUPPLY CHAIN MANAGEMENT PERFORMANCE MANAGEMENT

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

Monitoring internal processes is an ongoing process. Procedure manuals for various SCM processes have been developed, approved, and are being implemented.

2.8.9 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 AGSA'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; and
- c) A 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 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 are taken to improve performance.

2.8.10 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Section 121(3)(k) of the MFMA indicates that the annual report of a municipality should include any other information as may be prescribed. The Broad-Based Black Economic Empowerment (B-BBEE) Act (Act 53 of 2003; as amended by Act 46 of 2013) read in conjunction with the B-BEE Regulations of 2016 states in Section 13G(1) that all spheres of government, public entities, and organs of state must report on their compliance with broad-based black economic empowerment in their annual financial statements and annual reports. Under the explanatory notice (Notice 1 of 2018) issued by the B-BBEE Commission, the following table provides details on the municipality's compliance concerning broad-based black economic empowerment, which only focuses on the organisational aspect of the compliance reform: It should be noted that a consultant is currently in the process of doing an in-depth rating of BBEE compliance in terms of supply chain and socio-economic activities.

a) Management Control

Table 81: B-BBEE Compliance Performance Information - Management Control

Category	% for each category	Race Classification			Gender		Disability
		A	C	W	F	M	
Directors	4 / 6 = 66.67%	0	4	2	2	4	0
Senior Management	18 / 25 = 72%	3	15	7	4	21	0

b) Skills Development

Table 82: B-BBEE Compliance Performance Information- Skills Development

Category	% for each category	Race Classification		Gender		Disability	Total amounts spend
		Category	Total	Category	Total		
Black Employees	177	A	64	F	46	None	R3 165 300
		C	112	M	131		
		I	1				
Non-Black employees	18	W	18	F	3	None	R351 700
				M	15		
Black People on internships, apprenticeships, learnership	10	A	6	F	7	None	R367 553
		C	4	M	3		
Unemployed black people on any programme under the learning programme matrix	10	A	6	F	7	None	R367 553
		C	4	M	3		
Black people absorbed at the end of learnership, internship and apprenticeship	2	A	1	F	1	None	-
		C	1	M	1		



2.9 BYLAWS AND POLICIES

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

Bylaws and policies approved in the 2023/24 financial year are listed below.

Table 83: Bylaws and Policies approved

Bylaws and Policies Revised	Date Approved	Department
Bylaws		
Filming Bylaw	03.10.2023	Planning and Economic Development
Credit Control and Debt Collection Bylaw 2024 - 2025	31.05.2024	Financial Services
Special Rating Area Bylaw 2024 - 2025	31.05.2024	Financial Services
Rates Bylaw 2024 - 2025	31.05.2024	Financial Services
Policies (*Financial policies were approved by the Council for the 2023/24 financial year)		
Work From Home Policy	26.07.2023	Corporate Services
Early Childhood Development (ECD) Policy Update	25.10.2023	Planning and Economic Development
Work From Home Policy	26.07.2023	Corporate Services
Rates Policy 2024-2025	31.05.2024	Financial Services
Indigent Policy 2024-2025	31.05.2024	Financial Services
Credit Control and Debt Collection Policy 2024-2025	31.05.2024	Financial Services
Irrecoverable Debt Policy 2024-2025	31.05.2024	Financial Services
Tariff Policy 2024-2025	31.05.2024	Financial Services
Special Ratings Area Policy 2024-2025	31.05.2024	Financial Services
Travel and Subsistence Policy 2024-2025	31.05.2024	Financial Services
Cash Management and Investment Policy 2024-2025	31.05.2024	Financial Services
Development Charges Policy 2024-2025	31.05.2024	Financial Services
Accounting Policy 2024-2025	31.05.2024	Financial Services

2.10 MUNICIPAL 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 compliance with Section 75 of the MFMA.

Table 84: Municipal Website Checklist

Documents Published on the Stellenbosch Municipality's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	Within legislated period
All current budget-related policies	Yes	Within legislated period
Current annual and adjustment budgets and all budget-related documents	Yes	Within legislated period
All current budget-related policies	Yes	Within legislated period
The Annual Report 2023/24	-	Pending
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act for 2023/24	Yes	Within legislated period
All service delivery agreements for 2023/24	Yes	Within legislated period



Documents Published on the Stellenbosch Municipality's Website	Yes / No	Publishing Date
All long-term borrowing contracts for 2023/24	Yes	Within legislated period
All supply chain management contracts above a prescribed value for 2023/24	Yes	Within legislated period
An information statement containing a list of assets over a prescribed value that has been disposed of in terms of section 14(2) or (4) during 2023/24	Yes	Within legislated period

2.11 COMMUNICATION

As per Section 75 of the MFMA, the municipal website is essential for transparency, allowing stakeholders to access critical documents and monitor municipal activities. It also aligns with the constitutional mandate outlined in Section 152(1)(e) of the Constitution of the Republic of South Africa, which promotes community involvement in municipal governance. The Municipal Systems Act (MSA) reinforces this by advocating for community participation.

In line with Stellenbosch Municipality's Communication Policy adopted in July 2020, the municipality remains committed to transparency, accountability, and fostering participatory democracy. During the 2023/24 financial year, the municipality's communication platforms played a significant role in ensuring timely information dissemination through multiple channels, including the website, social media, and traditional media outlets. Proactive media engagements, official statements, and news releases further enhanced the municipality's corporate identity and public presence.

The municipal website remains a hub for public engagement, offering regular updates on official notices, tenders, news, and meeting agendas. Enhancements to improve user experience and satisfaction are planned for the near future. Additionally, the municipality's social media platforms—Facebook, X (Twitter), Instagram, and LinkedIn—continue to be key tools for reaching a broad audience and providing real-time updates while driving traffic to the website. During the financial year, the municipality also launched its first WhatsApp Channel that has been growing steadily since its inception.

Embracing the Digital Age:

Stellenbosch Municipality recognises the importance of engaging with residents and stakeholders through digital platforms. The website, social media channels, WhatsApp, and handheld devices enable the dissemination of information in a timely and accessible manner, ensuring broader community reach. As the municipality continues to expand its digital presence, the municipality is leveraging technology to enhance communication and better serve the evolving needs of the community.

The municipality's growing presence on Instagram and LinkedIn, alongside other platforms, reflects the municipality's ongoing commitment to digital engagement. Additionally, monthly newsletters, providing updates and insights into municipal activities, help keep the community well-informed.

Building a Strong Stellenbosch Brand and Corporate Identity:

Beyond communication, Stellenbosch Municipality is dedicated to establishing a strong, recognisable brand and corporate identity that resonates with the community and stakeholders. This focus on branding reinforces the municipality's commitment to creating a positive and impactful presence.



Leading in Social Media Presence:

The municipality is proud to announce that it now boasts the largest Facebook page of any municipality in the Western Cape, apart from the metro. This achievement reflects the municipality's commitment to effectively engaging with its community and keeping them informed through the most widely used social media platform.

Communication Checklist:

- ✦ Regular updates on the municipal website
- ✦ Active engagement across social media platforms (Facebook, X (Twitter), Instagram, LinkedIn)
- ✦ Placement of advertisements in community and regional newspapers
- ✦ Newsletters from the Executive Mayor, as well as pamphlets, posters, notice-boards, and regular IDP / Ward meetings
- ✦ An interdepartmental communication forum to enhance internal communication
- ✦ An intranet for use by all internal staff
- ✦ Internal newsletters and memorandums

This multifaceted approach ensures that Stellenbosch Municipality remains transparent, responsive, and actively engages with both the community and stakeholders.

Below is a communication checklist for compliance with the communication requirements.

Table 85: Communication Activities

Communication activities	Yes / No
Communication Unit	Yes
Communication Strategy	Yes
Communication Policy	Yes
Customer satisfaction surveys	No
Functional complaint management systems	Yes
Newsletters distributed at least quarterly	Yes



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.1 OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

This section provides an overview of the key service achievements of the municipality that came to completion during the 2023/24 financial year in terms of the deliverables achieved compared to the key performance objectives and indicators in the IDP.

To improve performance planning, implementation, measurement, and reporting, the municipality implemented the following actions:

- † Departmental operational plans were developed for monitoring and reporting operational programmes. An electronic performance management system is operational within the municipality. The same system forms the basis for performance evaluations of the directors the municipal manager; and
- † The municipality endeavoured during the development of the TL SDBIP as well as the Departmental SDBIP to adhere to the "SMART" principle in the setting of indicators and objectives. The emphasis was placed on ensuring that targets were specific and time-bound, thus making them measurable.

COMPONENT A: BASIC SERVICES

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

3.2 MUNICIPAL FUNCTIONS

3.2.1 ANALYSIS OF FUNCTIONS

The municipal functional areas are indicated below.

Table 86: Municipal Functional Areas i.f.o. the Constitution

Municipal Function	Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Childcare facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Air pollution	Yes
Building regulations	Yes
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



Municipal Function	Yes / No
Constitution Schedule 4, Part B functions:	
Pontoons, ferries, jetties, piers, and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services are limited to potable water supply systems and domestic wastewater and sewage disposal systems	Yes
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
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	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

3.3 National Key Performance Indicators – Basic Service Delivery

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.

Table 87: Basic Service Delivery

KPA and Indicators	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Basic Service National Indicators							
The percentage of households earning less than R6 500 per month with access to free basic services (In the case of Stellenbosch Municipality- several registered indigent households are being reported)	100%	100%	100%	100%	100%	100%	100%



KPA and Indicators	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Basic Service National Indicators							
Service for water, sanitation and refuse removal (Average)	6 453	6 813	6 666	7 283	4 681	4 744	5 584

Source: The data emanates from the Indigent Register of the Stellenbosch Municipality

3.4 WATER PROVISION

Water is the most fundamental and indispensable of all available natural resources—fundamental to life, the environment, food production, hygiene, and power generation.

Poverty reduction / alleviation and improved water management are closely linked. Schedule 4B of the Constitution lists water and sanitation services, limited to potable water supply systems and domestic wastewater 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. Stellenbosch Municipality had no water restrictions in place during the year under review.

The municipality responded well to the rollout of further critical water and wastewater infrastructure, the expansion of supply for future storage and growth, as well as the upgrade and maintenance of existing systems. It was also required to successfully respond to emergency scenarios such as the flooding events in June 2023, which were the highest rainfall experienced in 43 years.

The municipality also successfully agreed with the Department of Water and Sanitation to participate in the Bergriver Voëlvlei Augmentation Scheme, which would essentially secure the municipality additional water once the scheme is completed. This would be fundamental for additional water security for the future of Stellenbosch, in an increasingly water-scarce and climate-sensitive environment sensitive to climate change and “El Nina-like” possible shocks to the system.

The municipality supplies water to the consumers in their area of jurisdiction through the following six water supply systems:

- ⚙ Stellenbosch: Eerste River treated at Ida's Valley WTP (own source);
- ⚙ Stellenbosch: DWS allocation from Western Cape Water Supply Scheme (WCMSS) via the tunnel treated at Paradyskloof WTP (Theewaterskloof Dam);
- ⚙ Franschhoek: Du Toits River treated at Franschhoek WTP (own source);
- ⚙ Dwarsrivier and the rest of Franschhoek: potable water purchased from the City of Cape Town (Wemmershoek Line);
- ⚙ Raithby, Klapmuts, Koelenhof, etc.: Potable water purchased from the City of Cape Town (Blackheath WTP, Faure WTP, and Wemmershoek Line); and
- ⚙ Boreholes BH1: Die Braak, BH2: Meerlust, and BH3: Van der Stel, treated in containerised package plants. This system was only used for a short while after the June floods caused damage to the bulk water supply line from the Wemmershoek Line. The Kylemore BH and Package Plant were then used to provide water to the Dwarsriver communities. The rest of the system was not utilised in the 2022/23 financial year.

Water is also supplied to an extensive industrial area as well.

The municipality manages three water treatment works, namely Ida's Valley, Paradyskloof, and Franschhoek, which is a micro water treatment plant. The potable water supply from these works amounted to 23.76 Ml/d, and a further 10.67 Ml/d was obtained from the City of Cape Town during



The table above is the International Water Association's table to compute the water balance and is also accepted in the Department of Water and Sanitation's reporting structure. This forms the basis of the information needed and what is currently used to calculate water losses. This is combined with monitoring systems installed on all bulk water supply points to determine and ensure accurate data on the water provided. The consumption data for all water users is drawn from the financial system with a regular data download to determine the total water sold. The figure above 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 sent to the Department of Water and Sanitation on a quarterly basis to monitor and control water usage and allocations of water.

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 include a Waterpipe Replacement Programme, indigent domestic leak repair and meter replacement programme, Stellenbosch water meter audit, and Stellenbosch in-house water services operations and maintenance.

Stellenbosch Municipality is currently not implementing water restrictions. The current year has seen higher than average rainfall, and most bulk dams are full as at 30 June 2023. This, however, should not be seen as an indication that the probability of a future drought is low, and **the public should always be aware of the need to conserve water.**

The following table reflects the status of the dam levels supplying the WCWSS with water and the status of Stellenbosch's dam levels.

Table 88: Western Cape Dams

Major dams	2020	2021	2022	2023	2023/24
	(%)	(%)	(%)	(%)	(%)
Berg River	81.2	100.8	87.9	100.9	87.5
Steenbras Lower	49.9	89.9	78.6	99.8	71.5
Steenbras Upper	99.6	84.6	85.8	100.5	91.5
Theewaterskloof	55.8	101.9	76.1	100.4	63.6
Voëlvllei	54.5	88.1	63.2	95.9	59.9
Wemmershoek	43.3	97.7	65.5	100.2	100.05
Total Stored (MI)	540 023	879 173	679 794	895 018	614 677
% Storage	59.7	97.4	75.2	99.6	79.0

The table below depicts the Stellenbosch dams and overall water usage trends in the region (from the City of Cape Town Dam Levels Report, 21 August 2023):

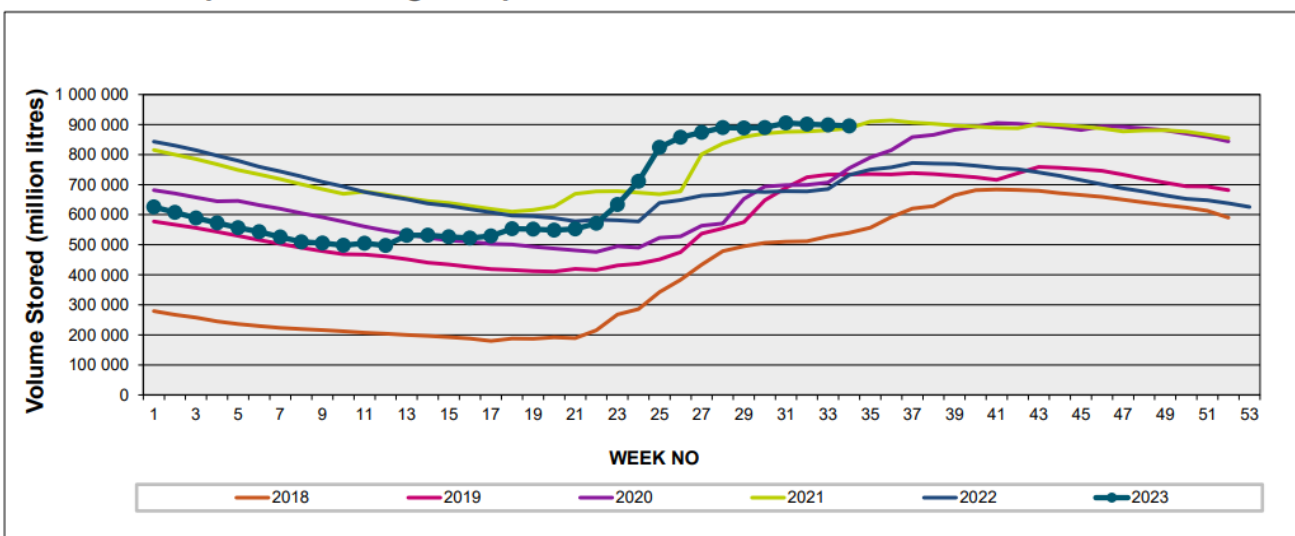
Stellenbosch's own Dams

Table 89: Stellenbosch dams

Ida's Valley 1	760 215
Ida's Valley 2	1 499 381

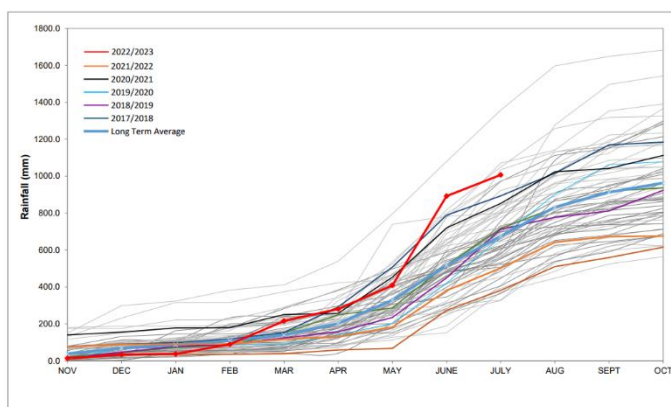


WCWSS Comparative Storage Graph

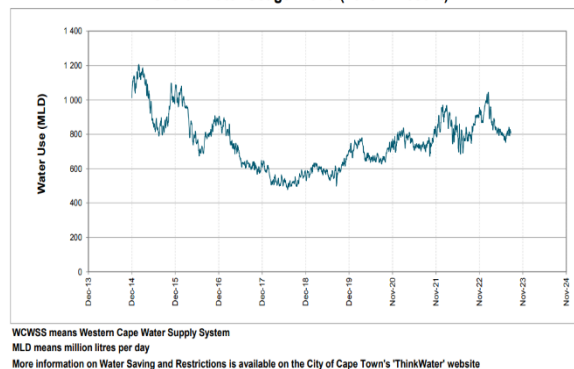


Accumulated Monthly Rainfall at Wemmershoek

Note: Wemmershoek station used due to long record and mountainous location



Overall Water Usage Trend (2010 - Present)



3.4.1 SERVICE STATISTICS – WATER SERVICES

The table below outlines water usage totals per category:

Table 90: Total Use of Water

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
2020/21	10 003	7 701	1 815	18.1%	9.9%
2021/22	10 080	8 174	1 906	18.9%	9.7%
2022/23	10 827	7 858	2 968	27.4%	15%
2023/24	12 566	8 631	3 934	31.3%	17.2%

The table below reflects the total use of water by sector in cubic meters:

Table 91: Total use of water by Sector (cubic meters)

Total use of water by Sector (cubic meters)					
Year	Agriculture	Forestry	Industrial / Commercial	Domestic	Unaccountable water losses
2022/23	0	0	2 895 329	4 963 773	2 621 624
2023/24	0	0	3 134 897	5 497 066	2 600 711



3.4.2 WATER SERVICE DELIVERY LEVELS

As a priority, it is the responsibility of Stellenbosch Municipality to ensure that adequate and appropriate investments are made to ensure the progressive realisation of the rights of all people in its area of jurisdiction to receive at least a basic level of water and sanitation service. 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) if 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 borders are linked to the municipality's Tariff Policy and Tariff Bylaws, and poor households are incorporated through the municipality's Indigent Policy. Many residents in the lowest income groups (living in informal areas) pose a major challenge to the municipality to provide suitable housing. Stellenbosch Municipality strives 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 households (higher level of service).

Communal standpipes and ablution facilities are provided in the informal areas as a temporary emergency service. The municipality is aware of the fact that communal standpipes represent, in all likelihood, the weakest part of a network's water supply services and constantly repairs and monitors the system of operation and maintenance thereof.

The table below specifies the different water service delivery levels per household:

Table 92: Water Service Delivery Levels

Description	2020/21	2021/22	2022/23	2023/24
Household				
<u>Water: (above minimum level)</u>				
Piped water inside	38 120	38 120	49 420	51 110
Piped water inside the yard (but not in a dwelling)	3 596	3 596	1443 (479 standpipes on farms + 964-yard connections)	1 443 (479 standpipes + 964 yard connections farms)
Using a public tap (within 200m of the dwelling)	10 504	10 504	11 117 (11 242-125) informal areas with communal services,	11 382 (11 452-70) informal areas with communal services
Other water supply (within 200m)	N/A	N/A	N/A	N/A
Minimum Service Level and Above Sub-Total	52 220	52 220	61 980	63 935
Minimum Service Level and Above Percentage	98%	98%	99.5%	99.6%
<u>Water: (below the minimum level)</u>				
Using a public tap (more than 200m from the dwelling)	N/A	N/A	125 (informal with no communal services)	70 (Informal with no communal services)
Other water supply (more than 200m from dwelling)	N/A	N/A	120	120
No water supply	N/A	N/A	92	92
Below the Minimum Service Level Sub-Total	1 263	1 263	337	282



Description	2020/21	2021/22	2022/23	2023/24
Below the Minimum Service Level Percentage	2%	2%	0.5%	0.4%
Total Number of Households (formal and informal)	53 483	53 483	62 317	64 217

The table below indicates the proportion of households who have access to water as at 30 June 2024.

Table 93: Access to Water

Access to water			
Year	The proportion of households with access to water points*	The proportion of households with access to piped water	The proportion of households receiving 6 kL free
2022/23	20.16% (11 117- communal taps) + 479 (standpipe farms) + 964 (yard connection farms) = 12 560	79.30% (49 420 – formal house connections and backyard dwellers)	5 744
2023/24	19.97% (11 382 communal taps informal + 479 standpipes farms + 964 yard connections farms = 12 825)	79.59% (51 110 – formal house connections and backyard dwellers)	5 584

The table below indicates the capital expenditure for the Section: Water Services at 30 June 2024.

Table 94: Capital expenditure as at 30 June 2024: Section: Water Services

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from the Adjustment Budget
	R'000		
Bulk Water Supply Klapmuts	8 553	8 965	-4,82%
Bulk Water Supply Pipeline and Reservoir - Jamestown	22 697	21 694	4%
New Reservoir and Pipeline: Vloottenburg	35 901	35 222	1,89%
Upgrade and Replace Water Meters	2 725	2 689	1%
Water Conservation and Demand Management	2 095	1 992	5%
Only the five largest capital projects are listed.			

The Section: Water Services has spent, **97%** of its capital budget for the financial year.

3.5 WASTEWATER (SANITATION) PROVISION

The main focus for the 2023/24 financial year was to implement the demands of the Stellenbosch Municipality's masterplan, fulfilling the development needs for the Stellenbosch Municipality's vision. Part of the demand was to complete the upgrade of the **Pniël Wastewater Treatment Works** and the operation and continued maintenance of the **Wemmershoek Wastewater Treatment Works**.

The table below specifies the different sanitation service delivery levels per household for the financial years 2016/17 – 2023/24.

Table 95: Sanitation service delivery levels

Description	2020/21	2021/22	2022/23	2023/24
Sanitation / sewerage: (above the minimum level)				
Household				
Flush toilet (connected to sewerage)	44 909	38 749	40 709	42 214
Flush toilet (with septic tank)	1 079	8 669	8 931	9 086
Chemical toilet	184	388	(279 farms + 322 informal households)	845 (279 farms + 566 informal households)



Description	2020/21	2021/22	2022/23	2023/24
Pit toilet (ventilated)	0	165	165 (Farms)	165 (Farms)
Other toilet provisions (above the minimum service level)	2 386	11 144	10 876 (informal communal toilets)	10 661 (informal communal toilets)
Minimum Service Level and Above Sub-Total	48 609	59 115	61 282	62 971
Minimum Service Level and Above Percentage	95.2%	98%	98.34%	98.06%
<u>Sanitation / sewerage: (below the minimum level)</u>				
Bucket toilet	N/A	278	278 (Farms)	278 (Farms)
Other toilet provisions (below the minimum service level)	N/A	210	358 (148 pit toilets) + 210 (other farms)	358 (148 pit toilets) + 210 (other farms)
No toilet provisions	N/A	471	399 (44 informal areas + 355 no toilets)	610 (225 informal areas + 355 no toilets farms)
Below the Minimum Service Level Sub-Total	1 263	1 107	1 035	1 246
Below the Minimum Service Level Percentage	2.49%	2%	1.66%	1.94%
Total Number of Households (formal and informal)	61 351	61 351	60 222	64 217

The table below indicates the capital expenditure for the Section: Sanitation Services at 30 June 2024.

Table 96: Capital expenditure as at 30 June 2024: Section: Sanitation Services

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from the Adjustment Budget
	R'000		
Upgrade of WWTW: Pniël and Decommissioning Of Franschoek	1 562	1 562	0%
Upgrade of WWTW Wemmershoek	8 784	7 790	11,31%
Upgrade of WWTW: Klipmuts	2 040	519	74,54%
Sewerpipe Replacement	8 117	3 250	59,96%
Vehicles: Sanitation	4 999	4 645	7,07%
Only the five largest capital projects are listed.			

Only the five largest capital projects are listed.

The Section: Sanitation Services has spent 72% of its capital budget for the financial year.

The table below indicates the total number of employees in the Department: Water and Wastewater Services as at 30 June 2024

Table 97: Number of employees in the Department: Water and Wastewater Services

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0
14 – 17	46	41	5	10.9
9 – 13	42	31	11	26
4 – 8	59	55	4	6.8
3 – 0	67	64	3	4.5
Total	215	192	23	10.7



3.6 ELECTRICITY

The municipality's Electro-Technical Services Department continued to respond well to the challenges facing the electricity sector at present, with the rollout of bulk electrical infrastructure, the upgrading of informal settlements, and the upgrading and maintenance of current infrastructure.

a) Alternative Energy

Under previous circumstances, the Constitution did not allow local government to enter into the generation of electricity, and the Electricity Regulation Act did not allow municipalities to purchase electricity from any company other than Eskom. Through the promulgation of the Electricity Regulation Act Regulations on 16 October 2020, this changed, and municipalities are now allowed to generate electricity and purchase electricity from electricity generators other than Eskom.

Stellenbosch Municipality is investigating several initiatives to reduce the impact of loadshedding, namely:

- ✦ The initial application was submitted to Eskom to be considered for loadshedding mitigation;
- ✦ The successful appointment of a lead consulting project management firm and an in-house project manager;
- ✦ The award of the supervisory control and data acquisition (SCADA) telemetry system contract in 2023;
- ✦ The Council's approval was obtained, and an advertisement for public participation was made for three land parcels to possibly be used for the construction of alternative energy plants;
- ✦ Investigation of solar photovoltaic and battery storage to ensure business continuation at critical municipal buildings and critical water and wastewater treatment plants;
- ✦ The municipality's participation in the Western Cape Government Municipal Energy Resilience projects; and
- ✦ Preparation for the issuing of a Request for Proposals (RFP) for independent power producers (IPPs).

Thus, the municipality is taking a measured, incremental approach towards loadshedding mitigation within available budgets and simultaneously ensuring that the municipality's infrastructure is ultimately ready to absorb the future scenario of mitigation.

The Electricity department initiated the process of refreshing the SCADA system as part of the Alternative Energy programme. This initiative aimed to expand the system's capabilities and offer more precise monitoring and control options. The monitoring and control capabilities of the legacy SCADA system were restricted. The Electricity department and ICT jointly provided a shared network and communication infrastructure for this antiquated system. The Electricity department concentrated on the provision of network and communication infrastructure at the end points / substations, up to the nearest ICT infrastructure point. ICT utilises the existing ICT infrastructure to facilitate the transmission of communication to the data centre for central viewing by the various operators within the municipality. At the following locations: the main substation, the university substation, the Markotter substation, and the Jan Marais substation, a communication infrastructure enhancement was implemented and cost approximately R10 million. The SCADA, which was implemented in the following substations as Phase 1 of the programme, was valued at approximately R8 million: Main substation 11kV, university substation 11kV, and Markotter 11kV substation. The following substations were included in the SCADA: Golf substation, Cloeteville substation, Franschhoek substation, Pappegaaiberg, Highsite Matoppie, Highsite Fire Station, and Highsite. Jan Marais substation, Golf substation, Cloeteville substation, and Franschhoek substation are all 11kV.



The following substations will be the focus of Phase 2, which is scheduled to commence in the 2024/25 financial year: Franshoek main substation, main substation 66kV, Jan Marais 66kV, University 66kV, Markotter 66kV, Tegno Park, Paradys Kloof, SS Boord, Stone, Tindal, Tennant, Curry, Watergang, La Terra, and Monument in Hugene.

b) Electrification of Informal Settlements

Since the inception of the electrification project in **Enkanini** in 2021, the Department has implemented the project in a phased approach as indicated below:

Table 98: Electrification of Informal Settlements

Financial year	Phase	Project Description	Total number of connections	Value of connections	Value of bulk infrastructure
2021/22	Phase 2	Enkanini Ph2 and Bulk Infrastructure	800	R14 300 000	-
2022/23	Phase 3	Enkanini Electrification Ph3 and Bulk (Enkanini to Watergang)	1 300	R24 400 000	R4 300 000
2023/24	Phase 4	Enkanini Electrification Ph4 (1000 Connections)	950	R17 600 000	-

c) Pniël take-over

The table below indicates the progress and value of the Pniël take-over project to date.

Table 99: Electricity network upgrades

Financial Year	Project Description	Actual amounts spend on Pniël upgrade
2020/21	General upgrade of Pniël / Johannesburg 11kV and 400V networks. The work included the replacement of minisubs. Constructing the first 11 kV ring in Johannesburg.	R3 231 988
2021/22	General upgrade of Pniël / Johannesburg 11kV and 400V networks. Work included the building of a new 1 km, 11 kV overhead line, the replacement of the mini-substation, and the installation of metering units.	R3 500 000
2022/23	General upgrade of Pniël / Johannesburg 11kV and 400V networks. Work included the refurbishment of an 11 kV switching substation, the procurement of switchgear, and installation.	R3 491 923.98
2023/24	General upgrade of Pniël / Johannesburg 11kV and 400V networks. Work included the installing of a new cable from Meerlust and RFG offices and to the RMU to the newly refurbished 11kV switching station. This included the supply of material and labour associated with each work. Therefore, all feeders have been re-routed to the new switching substation.	R 3 539 780

Each financial year, the municipality prioritises projects identified from the network assessment report by starting / addressing the critical infrastructure first.

The appointed electrical contractor finished the upgrading of the 11kV network at the end of June 2024.

As part of the network upgrades, an 11kV switching substation has been refurbished and commissioned as of the end of June 2024 and is fully operational. Therefore, feeder cables to Pniël / Johannesburg, Solms Delta, and RFG offices have been re-routed to the newly refurbished 11kV substation.



The table below indicates the total number of meters to be reset:

Table 100: Total electricity meters to be reset

Status of the project	Number of Meters
Stellenbosch Municipality's total number of prepaid meters	33 265
Total number of meters visited and reset	30 280
Total number of meters outstanding	2 985

d) Completion of the Construction of the New 11kV La Terra Switching Substation

The construction of a new 11kV La Terra Switching Substation in the Franschhoek area has been successfully completed. As of the end of May 2024, the substation is operational and integrated into the existing electrical network of Franschhoek.

(i) Project Overview

The La Terra Switching Substation project was initiated to enhance the reliability and capacity of the local electrical distribution network. The substation is designed to handle increased load demands and improve the overall stability of the electricity supply in the surrounding area.

(ii) Construction Details

The project involved the construction of a modern 11kV switching substation equipped with state-of-the-art technology. Key components include:

- **Brick Building:** Construction of a brick building to house all 11kV switchgears and auxiliary equipment;
- **11kV Switchgear:** Installation of high-quality switchgear to manage and distribute power efficiently;
- **Miniature Substations:** Installation of local miniature substations integrated with a transformer to step down high-voltage electricity for local distribution;
- **Auxiliary Equipment:** Implementation of advanced Supervisory Control and Data Acquisition (SCADA) control systems for monitoring and managing the substation's operations. Installation of electrical protection equipment and
- **Cables:** Termination and installation of medium voltage cables.

(iii) Completion and Commissioning

The construction phase of the project was completed at the end of May 2024. Following rigorous testing and commissioning procedures, the substation was officially declared operational. The substation is now fully functional and contributing to the stability and reliability of the electrical supply in the Franschhoek region.

The successful completion and commissioning of the La Terra Switching Substation marks a significant milestone in the municipality's ongoing efforts to modernise and strengthen the municipality's electrical infrastructure as it was outlined in the electrical masterplan. The municipality anticipates that the new substation will provide reliable service for many years to come, meeting the growing energy demands of the community.



3.6.1 THE ELECTRICITY SERVICE DELIVERY STATISTICS

Stellenbosch Municipality has four intake points, as indicated in the table below.

Table 101: Stellenbosch Municipality notified demand per intake point

Major Towns	Notified Maximum Demand (NMD in MVA)	Maximum Demand Growth (NMG in MVA)	Maximum Demand Peak (MD in MVA)
Stellenbosch	60 MVA	5.39 MVA	60.37 MVA
Franschhoek	12 MVA	-0.073 MVA	11.529 MVA
Cloetesville	16 MVA	-2.93 MVA	12.24 MVA
Pniël	9 MVA	-0.83 MVA	6.13 MVA

3.6.2 ELECTRICITY LOSSES

The electricity losses as of 30 June 2024 were 5.65%.

The table below specifies the different electricity service delivery levels per household.

Table 102: Access to basic electricity

Description	2020/21	2021/22	2022/23	2023/24
Household				
<u>Energy: (above the minimum level)</u>				
Electricity (at least the minimum service level) (No. of conventional meters)	4 429	4 326	4 701	4 111
Electricity: prepaid (minimum service level) (No. of prepaid meters)	29 279	31 076	31 717	33 265
Below the Minimum Service Level Sub-Total	33 708	35 402	36 418	37 376
Below the Minimum Service Level Percentage	86.86	87.78	87.09	89
<u>Energy: (below the minimum level)</u>				
Electricity (< minimum service level)	0	0	0	0
Electricity: prepaid (< min. service level)	4 429	0	0	0
Other energy sources	N/A	N/A	N/A	N/A
Below the Minimum Service Level Sub-Total	4 429	0	0	0
Below the Minimum Service Level Percentage	0	0	0	0
Total Number of Households	33 708	35 402	36 418	37 376



The table below indicates the capital expenditure for the Department: Electricity Services at 30 June 2024.

Table 103: Capital expenditure as at 30 June 2024: Department: Electricity Services

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from the Adjustment Budget
	R'000		
Lattera Substation	22 967	22 454	2.23%
Electrification INEP	16 279	16 104	1.07%
General System Improvements -Franschhoek	7 166	7 166	0.01%
Alternative Energy	15 922	15 436	3.05%
System Control Centre and Upgrade Telemetry	4 913	4 913	0%
Only the five largest capital projects are listed.			

The Department: Electricity Services has spent 98% of its capital budget for the financial year.

The table below indicates the total number of employees in the Department: Electricity Services as at 30 June 2024.

Table 104: Total number of employees in the Department: Electricity Services

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0
14 – 17	4	3	1	25
9 – 13	27	26	1	3.8
4 – 8	47	39	8	17
3 – 0	9	8	1	11.1
Total	88	77	11	12.7

3.7 WASTE MANAGEMENT, REFUSE COLLECTIONS, WASTE DISPOSAL AND RECYCLING

3.7.1 WASTE MANAGEMENT

The Department: Waste Management's key responsibility is to keep the municipal area waste-free by removing illegal dumping and providing a refuse collection and waste disposal service for all residents. The department also encourages waste minimisation through waste treatment, recovery, and recycling solutions.

Stellenbosch Municipality's Waste Management Department achieved second place in the municipal Recognition Programme for Waste Management hosted by the Western Cape Government's Department of Environmental Affairs and Development Planning.

The municipality experienced a few resignations and new appointments throughout the financial year. Newly funded vacancies were filled during the year, which were: 1x Superintendent: Area Cleaning, 2x Senior Technicians, and 2x Area Cleaning: Area Inspectors. The municipality established its footprint in the Franschhoek and Dwars River Area by renovating a building in La Motte that was previously leased and became vacant. Illegal dumping remains a challenge, but the municipality is busy embarking on initiatives such as a swap shop to create awareness around recycling and littering.



a) Development of additional waste disposal cells project

The Stellenbosch Landfill reached capacity in August 2019. All Stellenbosch waste is now being transferred to the private Vissershok Landfill. This represents a huge additional expense for the municipality. The project to design and construct the new cells is an important, high-priority project.

In the financial year under review, the project was completed with the construction of 2 of 3 cells (Cell 4A and 4C) and associated infrastructure (weighbridge and landfill administration offices) being completed. The completion report was submitted to the Department of Water and Sanitation to approve the commissioning of the cells. The last remaining cell (Cell 4B) will be completed once Eskom has removed their infrastructure that transverses the property.

b) Projects continued in the 2023/24 financial year but initiated in the previous financial year(s):

i) Landfill gas extraction, flaring, and electricity generation

Several investigations into the use of the landfill for harvesting and the beneficial utilisation of landfill gas have been undertaken. The most recent study document in a report recommended that an active landfill gas extraction and flaring system could still be considered for the Stellenbosch Landfill, mainly to reduce anthropogenic emissions from the landfill site. The municipality has appointed Ingerop (Pty) Ltd. to design landfill gas extraction and management infrastructure. The municipality has also appointed Fountain Greens Civil (Pty) Ltd as the contractor to install the infrastructure.

Compliance

For disposal facilities (landfills and transfer stations) to be operated in compliance with the relevant legislation, all landfills must be licensed and managed according to the conditions in the license. Internal audits form part of these legal requirements. Audits were conducted quarterly by internal staff. Audits were conducted at the Stellenbosch Landfill Site, Klappmuts Transfer Station, and the Materials Recovery Facility.

The Department of Environmental Affairs and Development Planning did a compliance audit at the Stellenbosch Landfill on 06 November 2023. The Department found that the site was compliant and scored 94.23%.

The table below indicates the compliance rating for the year under review by the Department of Environmental Affairs and Development Planning:

Table 105: Compliance Ratings

Average Previous Compliance Rating						
Environmentally Weighted Previous Compliance Rating						
Category	No. of Conditions Audited	Score	Compliance (Average)	Weight (Average)	Weight (Adjusted)	Weighted score (%)
Administration (A)	35	70	100%	27.34%	10%	10%
Operations	52	97	93.27%	40.63%	50%	46.66%
General Operations (O)	29	54	93.10%	22.66%	20%	18.62%
Special Operations (SO)	23	43	93.43%	17.97%	30%	28.04%
Monitoring (M)	41	77	93.90%	32.03%	40%	37.56%
Average Current Compliance Rating						95.31%
Environmentally Weighted Current Compliance Rating (X)						94.23%



(ii) External audits

Management practices at all sites must also be compliant with the norms and standards in terms of the National Environmental Management Waste Act (NEMWA), as well as with certain sections of the Minimum Requirements for Waste Disposal by Landfill (DWAF, 1998) and other relevant regulations.

To be able to assess whether waste management practices are according to all stated conditions, landfill owners must regularly (at least once per annum) obtain the services of an external auditor to do an independent landfill compliance audit.

To ensure compliance, external audits have been undertaken by an independent specialist external audit at the Stellenbosch landfill, Stellenbosch Material Recovery Facility, and the Klapmuts Transfer Station. A review of the audit findings to ascertain improvements was carried out after six months.

(iii) Monitoring Committee

All landfills are established and operated in terms of a Waste Management Licence (WML) issued by either the National or Provincial Department of Environmental Affairs and Planning. In terms of the waste management license, landfills are required to establish a monitoring committee. The objective of the Monitoring Committee is to provide a forum to enable the community to effectively participate in and monitor the operation, rehabilitation, closure, and ongoing monitoring of a landfill.

The Stellenbosch landfill has an active monitoring committee. Monitoring Committee meetings are attended by Department of Environmental Affairs and Department Planning officials, as well as officials of various municipal departments as and when required. The independent external auditor also attends the meeting as and when required to report on the findings of the annual external audit and the review audit. Meetings were held in a hybrid format, which implies that attendees are present either in person or via the online platform.

c) Waste Managers Officers Forum

The Waste Management Officer (WMO) for the Stellenbosch Municipality is the Senior Manager: Waste Management. Quarterly meetings of the Provincial Waste Managers Officers Forum take place at various venues across the province. The Waste Management Officer attends the meeting and reports on activities within the municipality; this also provides a forum to receive information from provincial officials and further networking with Waste Management Officers from other municipalities within the province.

These forums are also held on a district level, where municipal representatives from the Cape Winelands discuss waste-related matters within the district.



3.7.2 AREA CLEANING

Area cleaning within the municipal area is provided by means of a contractor that is responsible for cleaning of the Stellenbosch CBD and the use of EPWP personnel. Area cleaning is an essential service. This section employed temporary employees from local communities that were sourced from the municipal unemployment database to perform cleaning services in the streets, open spaces, and around waste removal skips.

Area cleaning service is provided by means of blue bags and black bags. Where the municipality faces severe illegal dumping, it provides its plant machinery (digger loaders and tipper trucks) to clean and clear such areas.

The municipality faces damage or misuse of waste infrastructure provided, which then sees the municipality removing this useful infrastructure as it no longer serves its intended use.

The area cleaning section has seen an increase in the illegal dumping of builders' rubble and green waste within the hotspot area.

The services rendered by the Section: Area Cleansing include but are not limited to street cleaning and emptying of litter bins.

Additional street and skip bins were procured and delivered in the 2023/24 financial year. The specifications of these bins were amended to render a more robust bin with a small opening on top, making it difficult for people to scratch the bin and litter / mess around.





Area Cleansing functions

The images below illustrate how operational the municipality is with street sweeping in areas.



Illegal dumping clearing

The images below illustrate how the municipality is operational in clearing up illegal dumping areas.



EPWP Employment Opportunities created in the 2023/24 financial year

The table below indicates the EPWP employment opportunities created in the 2023/24 financial year

Table 106: EPWP employment opportunities

July 23	Aug 23	Sept 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24	May 24	June 24
372	394	394	418	426	431	208	250	283	282	366	406



3.7.3 REFUSE COLLECTION

Refuse collection is completed according to a weekly schedule for formal households, commercial properties, and industries. The municipality supplies 240 wheelie bins to all service points, but that excludes informal settlements where communal skips are provided and collected. This is a service that is provided 7 days a week.

Wheelie 240-litre bins

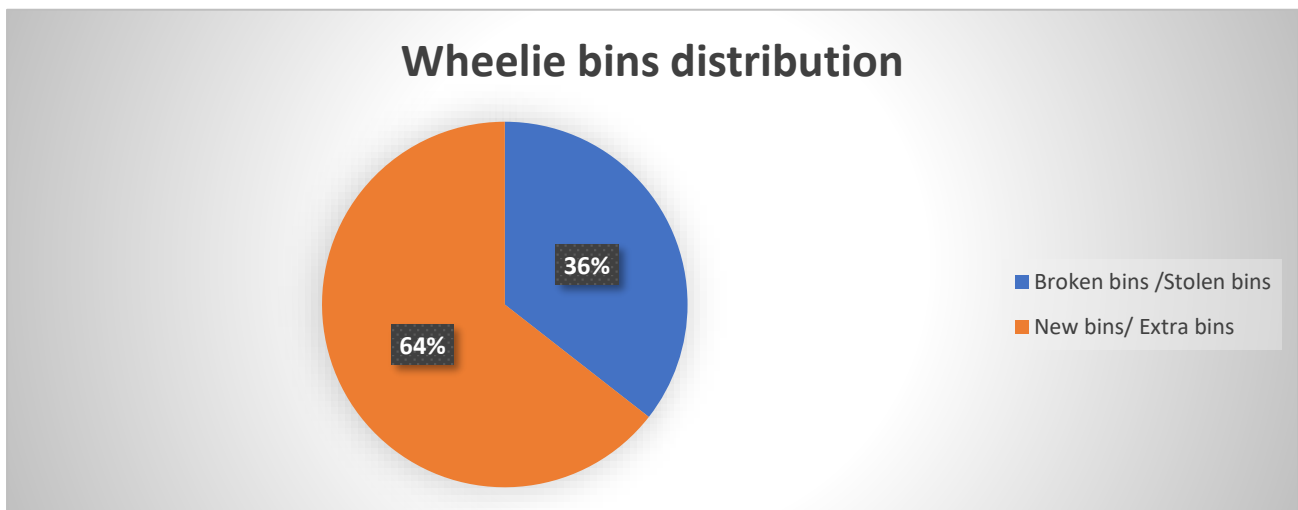
The following information is drawn from the available data regarding wheelie bin distribution for the 2023/24 financial year:

Table 107: Refuse bins distribution

Bins	Total
Broken bins	321
New bins	582
Total	903

The graph below illustrates the wheelie bin distribution in the 2023/24 financial year:

Graph 15: Wheelie Bins Distribution





3.7.4 WASTE DISPOSAL AND WASTE

Waste Minimisation and Disposal

Recycling: Material Recovery Facility

The Stellenbosch Municipality Integrated Waste Management Facility (IWMF), located next to the landfill, commenced operations on the 1st of April 2021. The amount of recyclable waste managed and processed at the municipality's Material Recovery Facility (MRF) has ranged from 108 to 136 tonnes monthly. Accepted recyclable materials include paper, cardboard, glass, plastic bottles and containers, and metal packaging.

Figure 16: Material Recovery Facility (MRF)



Within the Material Recovery Facility (MRF), a variety of recyclable waste is received from residential collections, recycling drop-off locations, and commercial / industrial collections. This waste is then fed onto a conveyor belt where workers meticulously sort through the materials, separating them into different waste streams such as plastic, tins, and paper. Any remaining tailings and non-recyclable general waste will fall off the end of the conveyor belt into a skip. This waste is then disposed of in a landfill by the designated service provider.



The recyclable waste that has been successfully sorted is then compacted or baled at the MRF before being collected or transported by recycling companies for further processing.

Figure 17: Operations underway inside the MRF



The fencing and paving around the MRF have been successfully completed. A service provider has been appointed to carry out upgrades to the MRF, with work scheduled to begin in the new financial year of 2024/2025.

3.7.5 DISPOSAL FACILITIES

Stellenbosch Landfill site

The Stellenbosch Landfill, located on Devon Valley Road, consists of four cells. Cells 1 and 2 have reached their maximum capacity and are no longer accepting waste but are in the process of being capped. Cell 3 is currently active and is designated to receive all incoming waste after it has been through the recycling process. The waste in Cell 3 is covered and compacted daily to ensure the site remains efficient and compliant with regulatory standards. As for Cell 4, sections A and C have been completed, and the municipality is currently awaiting approval from the Department of Water and Sanitation.



Due to the limited airspace available at the Stellenbosch Landfill, all general waste has been redirected to a private landfill located in the City of Cape Town area at Vissershok Waste Management since 2019. This transfer process is still ongoing. All waste collected by Stellenbosch municipal-owned vehicles, contractors working for Stellenbosch Municipality, and private users is now being transported from the Klapmuts Transfer Station to the Vissershok Waste Management Facility for proper disposal. Only waste from area cleaning is sent to the landfill, while all other types of waste are either recycled, stored for future use, or repurposed on-site. For example, soil is used as cover material, and builders' rubble is used to construct roads on the premises.



Green Waste

The municipality is currently implementing a waste diversion programme to reduce organic waste going to landfills. This programme involves chipping and composting garden waste collected at the Stellenbosch Landfill Site. Residents and businesses can drop off their garden waste at the landfill, while Franschhoek residents have the option to use the Franschhoek drop-off facility. The collected waste is then transported to the Stellenbosch Landfill Site for chipping and shredding. The municipality managed to divert approximately 20% of organic waste from the landfill site during the 2023/24 financial year.



Garden waste Area where chipping takes place.

Builders Rubble

The builder's rubble is crushed, stockpiled, and transported off-site once it is sold and collected by contractors. Crushing of materials is included in the contract awarded to the current contractor responsible for operating and overseeing the landfill site. Brick reclamation is closely monitored by the site supervisor, who regulates the process, maintains records, and ensures that all individuals entering the landfill wear protective gear and are registered in the site's database.



Crushing of builder's rubble



Reclaiming of bricks at the site

Drop-off Area

On-site, there are general waste storage containers that are utilised by the local community for temporary waste drop-off. Once these containers are full, they are transported to Vissershok Landfill by a private waste contractor. Additionally, there are lockable 30m³ hazardous waste containers available for the storage of household hazardous waste that is dropped off by the public. The service provider removes the waste once the container is full.



Public Drop-off Area

Completed Projects

The Waste Management Administration Offices have been successfully constructed and will be fully operational. This facility will serve as the headquarters for waste management (waste minimisation and disposal officials) and will also function as a convenient location for the sale of coupons. This initiative aims to streamline the process for landfill users by providing them with easy access to purchase coupons on-site, ultimately enhancing their overall experience.



Waste Management Administration Office

The newly constructed weighbridge is an integral component of the landfill site project, designed to accurately measure incoming and outgoing waste. A system is currently being implemented to ensure precise billing through the use of coupons.



Weigh Bridge at the Landfill Site

Klapmuts Transfer Station (KTS)

The KTS, a general waste transfer station, was established in 2000. It serves as a hub for all general waste collected in the Stellenbosch Municipal Area. The facility includes an open-sided, roofed structure where waste is deposited, transferred, and stored before disposal. The process of filling the bins is carried out using two TLB machines and a hook-lift truck, which replaces the filled bins with empty ones in the bays. Once the containers reach capacity, they are transported by the contractor to the privately owned Vissershok Landfill Site in Cape Town for disposal. Currently, the KTS is operating at full capacity, with around 120 x 30m³ containers transported to Vissershok weekly, totaling approximately 3 600 tons per month. Skips are available on-site for public waste disposal. A service provider has been appointed for the upgrade of the Klapmuts Transfer Station.

Franschhoek Drop-off Facility

The Franschhoek Drop-off Facility is dedicated to offering a complimentary service to the residents of Franschhoek and its neighbouring areas for the disposal of garden waste and bulky items. A contractor has been assigned to transport garden waste to Stellenbosch Landfill and bulky items to Vissershok Private Landfill.

Compliance

For disposal facilities such as landfills and transfer stations to operate in accordance with relevant legislation, it is imperative that all landfills are licensed and managed in strict adherence to the conditions outlined in the license. Internal audits are a crucial component of these legal obligations.



Internal audits of the Material Recovery Facility (MRF), Klapmuts Transfer Station, and Stellenbosch Landfill Site were carried out quarterly by municipal officials in compliance with waste management legislation and industry standards. The municipality's commitment to conducting regular audits demonstrates its dedication to upholding these standards and continuously improving its waste management practices.

Landfill gas migration and air quality monitoring are conducted quarterly at the landfill site by a service provider appointed by the municipality. Surface and groundwater are sampled and analysed biannually by a service provider also appointed by Stellenbosch Municipality to prevent contamination by leachate.

External Audit

In accordance with the norms and standards outlined in the National Environmental Management Waste Act (NEMWA), it is imperative that management practices at all sites are compliant with the regulations. This includes adhering to specific sections of the Minimum Requirements for Waste Disposal by Landfill (DWAF, 1998) and other relevant guidelines. To ensure that waste management practices meet the necessary conditions, landfill owners are required to engage the services of an external auditor on a regular basis, at least once per year, to conduct an independent landfill compliance audit.

To maintain compliance, independent audits have been conducted by a specialist consultant at both the Stellenbosch landfill, the MRF, and the Klapmuts Transfer Station, as stipulated in the waste management license conditions and norms and standards. A thorough review of the audit findings is conducted after six months to identify areas for improvement.

Education and awareness

The Request for Quotation (RFQ) for the Waste Awareness Strategy has been advertised, and a service provider has been appointed to develop the strategy in the upcoming financial year, 2024/2025. This strategy will play a crucial role in the development plan for future awareness campaigns.

The primary goal of these education and awareness campaigns is to educate and empower communities on the importance of waste minimisation and recycling. By doing so, the municipality aims to reduce the amount of waste sent to landfills and maintain a clean environment. Surveys are conducted to identify issues such as illegal dumping and to determine how the municipality can best support communities in improving the environment and delivering services effectively.

During the financial year, 2023/24, several awareness campaigns were planned and successfully implemented. These included the following:

- Swop shops in Klapmuts and Franschhoek;
- Klapmuts door-to-door survey; and
- George Blake door-to-door survey.



Swap shop event in Klapmuts on the 29th of February 2024

The Swap Shop event was held on 29 February 2024 at the Klapmuts Multipurpose Centre by the Waste Management Team.



Swap shop event in Groendal Sport Ground in Franschhoek on the 13th of June 2024

The Swap Shop event took place on 13 June 2024 at the Groendal Sport Ground in Mooiwater. The Waste Management team organised the event with the assistance of the Law Enforcement team. The event was successful, with a large turnout from the residents of Mooiwater, who brought their recyclables to exchange. The event also saw significant support from the youth, including school learners and children. In total, 5 400kg of recyclables were collected during the Mooiwater Swap Shop event. This demonstrates the community's commitment to recycling and sustainability. The event not only helped reduce waste but also raised awareness about the importance of recycling.



On the 20th of June 2024, Waste Minimisation Section and The Area Cleaning Team (EPWP) conducted a door-to-door environmental awareness campaign and distributed recycling bags in Ward 18 of Mandela City at Klapmuts. The purpose of this initiative was to address community concerns and assess the extent of the issues identified by residents. During the campaign, about fifty households in the area were visited to promote waste recycling and reduce the amount of waste being disposed of in water streams. The purpose was also to raise awareness about municipal services and discourage illegal dumping practices. Recycling bags were distributed to households as part of the effort to encourage proper waste disposal. This initiative is not only aimed to improve the environment but also to empower residents to take an active role in preserving their community.



During George Blake Survey with informal traders on the 28 June 2024

On the 28th of June 2024, the Waste Management team conducted a door-to-door environmental awareness campaign in the Plankenbrug Industrial area on George Blake Road, including the shops at Kayamandi mall and informal street vendors. A questionnaire was used during visits to fifteen shops and ten informal traders in the area. The primary goal of the campaign was to promote waste recycling to reduce the amount of waste being disposed of in the water stream. Additionally, the team aimed to inform residents about municipal services and educate them on the negative effects of illegal dumping.



The table below indicates the service levels of refuse removal as at 30 June 2024.

Table 108: Refuse removal service delivery levels

Description	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Household							
Refuse Removal: (Minimum level)							
Removed at least once a week	37 207	49 072	48 988	37 926	49 300	50 792	50 792
Minimum Service Level and Above Sub-Total	37 207	49 072	52 374	37 926	49 300	50 792	50 792
Minimum Service Level and Above Percentage	78.7	93.7	93.5	100%	100%	100%	100%
Refuse Removal: (Below the minimum level)							
Removed less frequently than once a week	1 064	1 064	1 064	1 064	N/A	N/A	N/A
Using communal refuse collection	N/A	N/A	N/A	N/A	N/A	12 161	12 346
Using own refuse dump	5 358	6 453	2 323	N/A	N/A	N/A	N/A
Other rubbish disposal	766	N/A	N/A	N/A	N/A	N/A	N/A
No rubbish disposal	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Below the Minimum Service Level Sub-Total	7 188	7 517	3 387	N/A	N/A	N/A	N/A
Below the Minimum Service Level Percentage	8.80	11.66	6.5	N/A	N/A	N/A	N/A
Total Number of Households	44 395	56 589	5 5761	38 990	49 300	62 953	63 138

The table below indicates the capital expenditure for the Department: Waste Management Services as at 30 June 2024.

Table 109: Capital expenditure as at 30 June 2024: Department: Waste Management Services

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from the Adjustment Budget
	R'000		
Expansion of the landfill site (New cells)	67 281	65 366	2.85%
Landfill Gas To Energy	9 907	3 276	66.94%
Vehicles: Solid Waste	7 713	5 040	34.66%
Upgrade Material Recovery Facility	1 022	1 022	0%
Street Refuse Bins	843	843	0%
<i>Only the five largest capital projects are listed.</i>			

The Department: Waste Management Services has spent 85% of its capital budget for the financial year.

The table below indicates the total number of employees in the Department: Waste Management Services.

Table 110: Total number of employees in the Department: Waste Management Services

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0
14 – 17	3	3	0	0
9 – 13	7	6	1	14.2
4 – 8	24	23	1	4.1
3 – 0	40	39	1	2.5
Total	74	71	3	4.1



3.8 INTEGRATED HUMAN SETTLEMENTS

3.8.1 HOUSING DEVELOPMENT

The municipality has an important responsibility to plan for integrated human settlements by ensuring that all its citizens reside in developable, formalised, safe, and sustainable human settlements. This is accomplished by providing dignified living through national and provincial funding within closer proximity to employment opportunities, thereby improving the quality of life for all citizens.

The Section: Housing Development managed a capital expenditure budget of R2 579 958, which includes grant funding by the Provincial Department of Infrastructure (PDol) as well as municipal funds on future housing projects. An amount of 94.22% of the budget allocated to the Section: Housing Development was spent on projects in the financial year under review.

Communication from the PDol on 17 November 2023 indicated the adjusted targets and funding allocation of the approved 2023/24 Human Settlement Development Grant (HSDG) and Informal Settlements Upgrade Partnership (ISUP) Grant Business Plans.

The list of projects, targets, and budgets for the Stellenbosch Municipality for the 2023/24 financial year is stipulated in the tables below, as extracted from the said letter.

3.8.1.1 Housing Development Capital Budget

Table 111: Department: Housing Development capital budget

Sites	2023/24 Adjustment Budget	
	Funding Source	Budget
Erf 64, Kylemore	HSDG	1 167 000
Erf 7001 Cloeteville (380) FLISP	HSDG/CRR	340 502
Erven 81/2 and 82/9, Stellenbosch	CRR	204 431
Housing Projects (Social housing planning)	CRR	9 066
Jamestown: Housing	HSDG / CRR	579 959
Northern Extension: Feasibility	HSDG / CRR	279 000
Total		2 579 958

3.8.1.2 Human Settlement Development Grant (HSDG)

Stellenbosch received an overall allocation on the Provincial Business Plan for human settlements, which includes planned projects, upgrading of informal settlements, and implementation of projects (services and top structures) that are depicted in the tables below:

Table 112: Human Settlement Development Grant (HSDG)

Stellenbosch Municipality	2023/24 Planned		
	Sites	Units	Funding R'000
Vloftenburg Longlands (106 increased to 144) IRDP	0	0	2 400 000
Stellenbosch Jamestown Phase 2 - 4 (1016) IRDP	0	0	1 223 000
Cloeteville (380) FLISP	0	0	1 400 000
Kylemore (600)	0	0	1 167 000
Ida's Valley	0	0	350 000
Total	0	0	6 540 000



3.8.1.3 Informal Settlements Upgrade Partnership Grant (ISUPG)

Table 113: Informal Settlements Upgrade Partnership (ISUPG)

Stellenbosch Municipality	2023/24 Adjusted Budget		
	Sites	Units	Funding R'000
ISSP Kayamandi Zone O (711) UISP	178	0	13 350 000
Langrug Franschhoek Mooiwater (236)	0	0	1 000 000
Total	178	0	14 350 000

3.8.2 HOUSING MULTI-YEAR PROJECTS

The South African Constitution, of 1996, enshrines the right of everyone to have access to adequate housing and makes it incumbent upon the state to take reasonable legislative and other measures within its available resources to achieve the progressive realisation of this right. This is accomplished by providing dignified living through national and provincial funding within closer proximity to employment opportunities, thereby improving the quality of life of all citizens.

The Section: Housing Development, whose main function is to apply for funding to initiate and obtain development rights for future housing developments, resorts to the Housing Pipeline, which, amongst other things, focuses on the following multi-year projects:

a) Erven 412, 217, and 284 Groendal, Franschhoek

Erven 412, 217, and 284 Groendal are located along Santa Rose Street in Groendal, a suburb of Franschhoek, next to the R45. The site falls within an area characterised by medium- to high-density residential, non-residential, and light industrial uses.

Various studies have been undertaken over the years regarding the development of Erf 412. Most of the studies included extensive public participation processes. The outcome of these studies was that the property should be developed for high-density residential units but also include business (light industrial) opportunities. 2016 saw the rezoning of Erf 412 to a subdivisional area, allowing for general residential, local authority, and general business uses. The initial plans for Erf 284 were to develop an old age home or retirement village; due to financial constraints, this never materialised.

The Section: Housing Development undertook a process to formulate a Call for Proposals in line with the approved Council agenda item.



A service provider was appointed to draft different site development options for the Council to consider for approval, after which the procurement process will continue.

Discussions with the ward councillors have been concluded as an enquiry was raised during the discussions on Erf 284. We have received comments from both PDol and Directorate: Corporate Services. After a legalities investigation, an agenda item will be referred to the Council during the first quarter of the 2024/25 financial year to select the best option to develop the said properties.

b) Farms 81/2 and 81/9, Stellenbosch

In terms of the implementation of social housing programmes, the Stellenbosch Municipality has identified Portions 2 and 9 of Farm No. 81 Stellenbosch. This site is located between the Cloetesville and Kayamandi settlements.

The R304 to the west and the railway line to the east serve as its boundaries. The Plankenburg River traverses the site along its eastern boundary. The southern boundary of the property includes portions of the Kayamandi Tourism Centre as well as a bridge over the railway line. The Mount Simon residential development frames the northern boundary.



The user section compiled a Request for Proposal (RFP) to invite delivery agents that can access SHRA Capital grants (Social Housing Institutions (SHIs) and/or Other Development Agency's (ODAs)) to submit a concept proposal to develop social housing on Farm 81/2 and Farm 81/9, Stellenbosch.

For the tender to be further evaluated, a registered and accredited service provider assisted the Stellenbosch Municipality with the verification of the NPV, which has been appointed by the National



Association of Social Housing Organisations (NASHO). NASHO to further assist the municipality to follow a procurement process and appointed a registered and accredited auditing firm on 22 May 2023. The final report was received in May 2023, and the tender was awarded subject to the approval of a Land Availability Agreement (LAA) by the Council, and no appeals were received.

The service provider received the draft LAA and submitted amendments to the municipality's attorneys on 27 May 2024 for scrutinising. The conclusion of the LAA will be finalised during the first half of the 2024/25 financial year.

c) Erf 7001, Cloetesville

The goal of this development is the delivery of medium- to upper-GAP housing, which is not aimed at BNG-housing units (free houses). There is an urgent need for the property to be developed to create an integrated urban development (Cloetesville), providing housing.

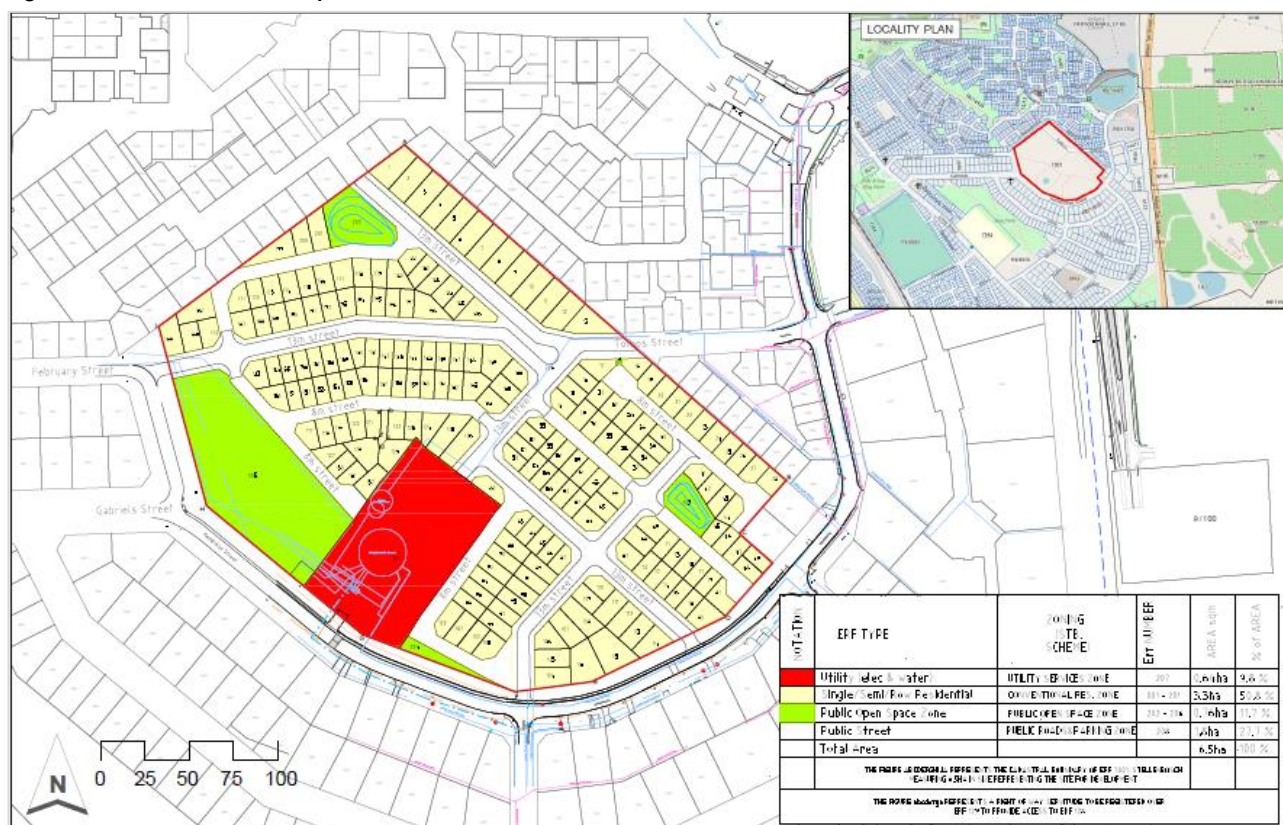
Stellenbosch Municipality is essentially making the land available (via the ATR processes) to a developer to develop housing opportunities in the GAP market.

The PDol approved the funding for the outer years after the business plan was gazetted in March 2022. Therefore, the user department could only appoint a service provider in May 2022, and the Service Level Agreement was concluded in July 2022.

The service provider finalised the different conceptual urban designs, and three layout concepts were presented during December 2022. Thereafter, the amended urban design and layout plan has been finalised and submitted to the Section: Land Use Planning to obtain development rights.

The normal planning process will continue, whereby it will be referred to the Municipal Planning Tribunal (MPT) during the next financial year.

Figure 18: Erf 700, Site Development Plan





d) Farm 527, Jamestown (Phases 2 and 3)

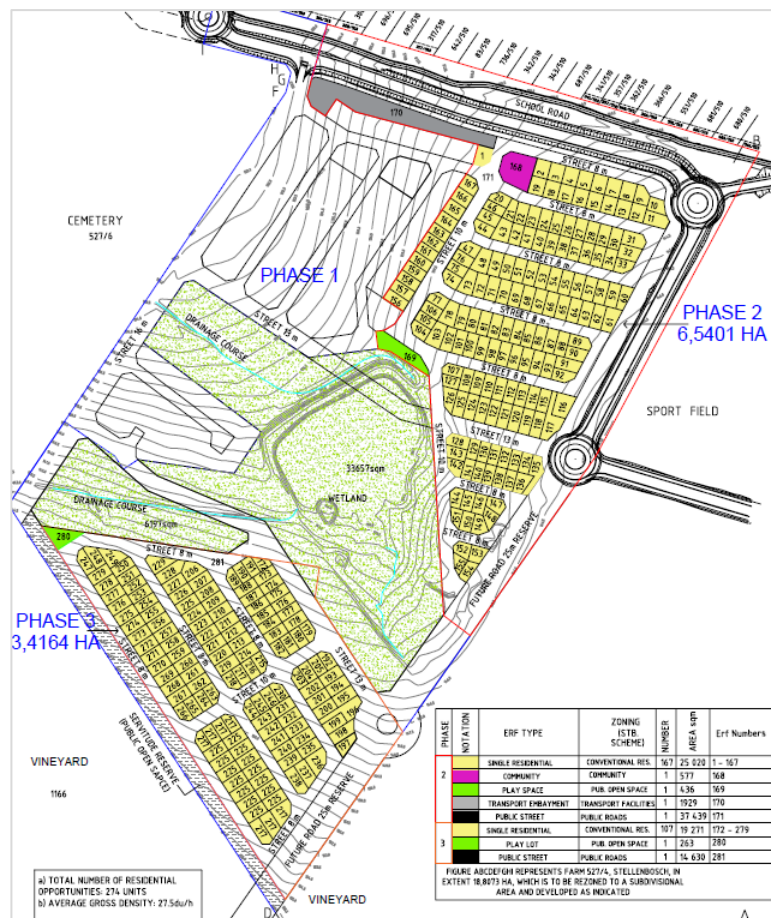
The subject property is located on the southern edge of the suburb of Jamestown, east of the R44 between Stellenbosch and Somerset West. It is flanked by an existing cemetery on its western boundary and a sports field located centrally on its northern edge.

The site falls within an area characterised by medium- to high-density residential as well as non-residential uses that serve the local community of Jamestown.

Phase 1 of the development, consisting of 162 subsidised housing opportunities, was concluded in November 2016.

It is therefore proposed that Phases 2 and 3 of Portion 7 of Farm 527 (site and service, 2-story walk-ups, GAP housing, high-income housing, and public open space) be made available simultaneously for development in the short to medium term.

Figure 19: Farm 527, Jamestown (Phases 2 and 3)



The municipality went out on a procurement process seeking the services of a multi-disciplinary team of professionals to undertake a broad conceptual urban design framework and to obtain town planning and development rights.

The PDol gazetted the business plan in March 2022 and approved the funding for the outer years. Therefore, the appointment of a service provider could only be concluded during June 2022 and the Service Level Agreement during September 2022.

The rezoning and subdivision application was submitted on 9 December 2022 to the Section: Land Use Planning, and the public participation process for the town planning application was concluded on 15 May 2023. Approval of the Land Use Planning application is anticipated in the next financial year for Phases 2 and 3.

e) Adam Tas Corridor Precinct 10 (Northern Extension), Stellenbosch

The project is situated north of Kayamandi, adjacent to Cloetesville and the Welgevonden Estate. The sites are located on the western side of the R304 (the main arterial from the north) to Stellenbosch.

The specific site has been earmarked to provide a mixed-use development that could yield ±4 000 – 4 400 residential opportunities to address the housing need experienced in Stellenbosch.



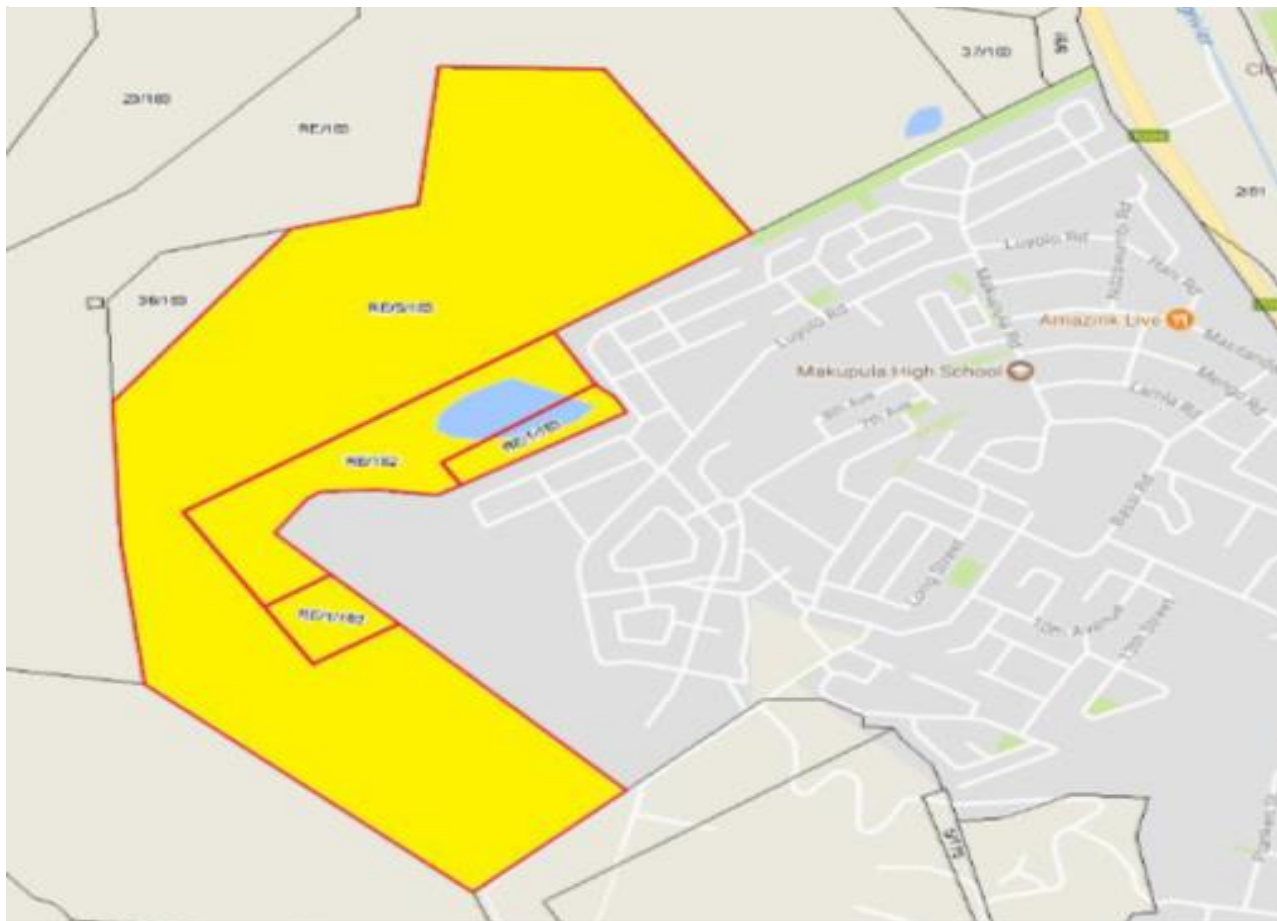
It should be noted that a portion of the development has been identified as a possible relocation area for the redevelopment of the Kayamandi Town Centre and other related projects.

A tender was advertised, and a service provider was appointed to undertake a Broad Conceptual Urban Design framework for the Adam Tas Corridor Precinct 10 (Northern Extension) and to obtain town planning and development rights. All specialist studies have been completed. The different conceptual design layout options were workshopped with various internal departments during June and August 2022, and Heritage Western Cape comments were received in September 2022.

A Notice of Intent was submitted to Heritage Western Cape, and the service provider was informed that two additional specialist studies are required, namely an archaeological impact assessment and a visual impact assessment on the cultural landscape.

The service provider submitted the land use application in terms of Section 15(2) of the Stellenbosch Municipality Land Use Management Bylaws, 2015, to obtain development rights; thereafter, the application will serve at the Municipal Planning Tribunal for decision-making. It is anticipated that the development rights could be obtained during the 2024/25 financial year.

Map 5: Location of the proposed development of the Northern Extension





f) Erf 64, Kylemore

The identified property is 15.5 ha, of which the municipality requires ± 8 ha for residential purposes. A special power of attorney was provided in November 2021 by the National Department of Public Works and Infrastructure (NDoPW&I) to HDA.

It should be noted that pre-feasibility studies were conducted more than 10 years ago and need to be reviewed and amended where necessary.

The Housing Development Agency (HDA) has been appointed to assist with the transfer of land from the NDoPW&I to the Stellenbosch Municipality. Furthermore, the required applications to obtain land use rights, the registration of diagrams / general plans with the Surveyor General, and the relevant funding applications to the PDol were attended to.

Figure 20: Erf 64, Kylemore



A Project Steering Committee (PSC) was elected, and a PSC Social Compact workshop was held on 16 November 2022 in Kylemore.

A site inspection took place with the PDol on January 27, 2023, to assess the property against the funding application that was submitted to the PDol.

The HDA appointed a service provider in December 2022 to assist the HDA with the township establishment application. The environmental consultant commenced with the Basic Environmental Study process in May 2023 and has erected site notices for interested and affected parties to register for any comments.

Notice was given in terms of the Environmental Impact Assessment (EIA) Regulations, 2014, published under Section 24 of the National Environmental Management Act (NEMA; Act No. 107 of 1998), as amended, of a public meeting held with Interested and Affected Parties (I&APs) for the proposed development of Sustainable and Integrated Human Settlements.

An open day was held on 15 August 2023 with interested parties to discuss the proposed project and give further project details. The amended draft concept layout has been completed, and the Land Use Application has been submitted to Section: Land Use Management before the end of March 2024; however, the Directorate: Infrastructure Services requested that a GLS study (a study that analyses the capacity of the bulk water and sewer services) must be undertaken. This study is required to determine whether the current bulk services can accommodate the proposed development.

These additional specialist studies have increased the scope of work that the sub-consultant was originally appointed for. Further studies are currently ongoing.



3.8.3 STRATEGIC DOCUMENT: INTEGRATED HUMAN SETTLEMENT PLAN FOR THE PERIOD 2022 – 2027 FOR STELLENBOSCH MUNICIPALITY

All municipalities are required to have an approved Integrated Human Settlements Plan (IHSP). Stellenbosch Municipality drafted an Integrated Human Settlement Plan (IHSP) in line with the Western Cape Government: Department of Human Settlements.

The guidelines require that the Housing Pipeline be informed by an IHSP aligned with the Master Spatial Development Framework (MSDF) and the Integrated Development Plan (IDP).

A service provider was appointed to compile an Integrated Human Settlement Plan for Stellenbosch Municipality.

The draft Integrated Human Settlement Plan was submitted to the Council for approval, and the draft IHSP was advertised for soliciting public inputs / comments. The official notice was published in the newspaper (Eikestadnuus) on 3 August 2023 and on the municipal website on 4 August 2023. The closing date for inputs / comments was 6 October 2023.

One comment was received from a coalition that included the Stellenbosch Interest Group, Kylemore Community Development Forum, Raithby Ratepayers Association, and Jamestown Heritage. In collaboration with the service provider, feedback on the inputs / comments was submitted to the Council for approval on 27 June 2023. The IHSP was then formally approved by the Council.

3.8.4 INFORMAL SETTLEMENTS

The Section: Informal Settlements is responsible for managing twenty-nine informal settlements within the Stellenbosch Municipality district (WC024). Recent surveys conducted by the Section and independent service providers indicate that the number of informal structures stands at approximately 21 202 (Section: Informal Settlements Matrix, 2024). This number highlights the significant challenges residents face, including limited access to basic services.

As a result, the Section: Informal Settlements plays a crucial role in addressing the demand for basic services within these informal settlement areas. It collaborates with other departments and sections to implement upgrading projects and provide essential services to residents living in these areas.

One notable initiative is the Zone O relocation project, which involved relocating 55 households to a decanting site and providing beneficiaries with Temporary Relocation Accommodation (TRA) and access to basic services. This project facilitated the municipality's ability to begin the construction of civil infrastructure for the planned housing project in Zone O, Kayamandi. Additionally, the provision of 22 toilets and 8 water taps in Mandela City, Klapmuts, reflects the Stellenbosch Municipality's commitment to dignified living and adherence to national standards and norms for water and sanitation provision. These successes are attributed to the dedication and collaboration with the community.

The Section: Informal Settlements is also actively engaged in monitoring and reporting on the growth of informal settlements within Stellenbosch Municipality (WC024) and ensuring the delivery of adequate basic services.



3.8.4.1 Upgrading of Informal Settlements Project

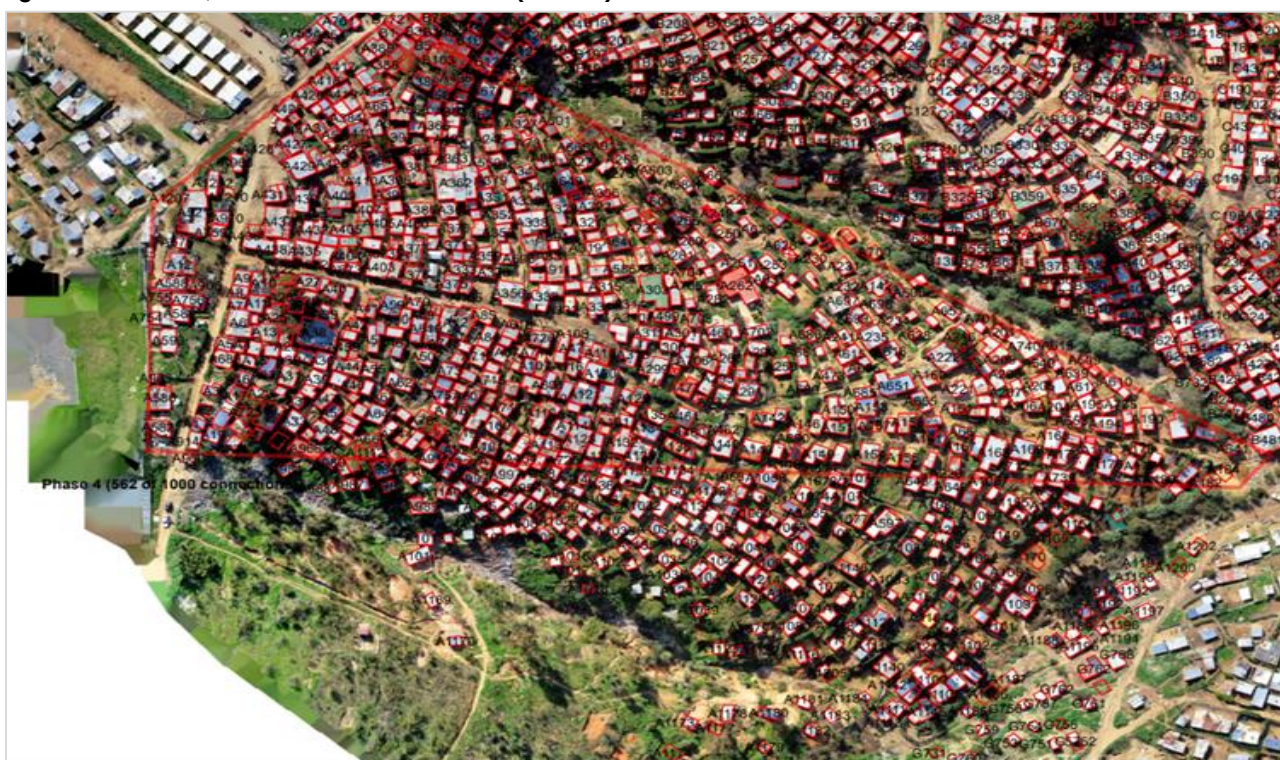
To make sure that planned brownfield projects go smoothly, this section oversees coordinating with the community and involving stakeholders in several upgrading projects in WC024.



Enkanini, Kayamandi

The beneficiary verification and administration for the electrification of 3 300 households in Enkanini, Kayamandi, have been completed, with 1 000 structures verified in the last financial year (2023/24). All households in Enkanini now have active electricity connections.

Figure 21: Enkanini, Section A 1 000 connections (Phase 4)



The tables below reflect the verification of households and subsequent electrical connection completed at Enkanini, Kayamandi, over a period of three financial years.

Table 114: Verification of households

Phase 2	Phase 3	Phase 4
2021/22	2022/23	2023/24
1 000	1 300	1 000

Zone O, Kayamandi

The relocation of 55 households from Zone O, Kayamandi, to a decanting site in Watgang TRA 2 was successfully managed and completed. This relocation enabled the Section: Project Management Unit within the Directorate: Infrastructure Services to proceed with the implementation of the housing development.



Langrug and Mooiwater, Franschhoek

Project Assistance Committees (PACs) were successfully established in Mooiwater and Langrug to assist with the management and implementation of relocations from Langrug Dam to Erf 3229, addressing the Langrug Dam emergency.



Replacements of emergency housing units (wendy houses)

As part of maintaining emergency housing units, the Section: Informal Settlements has replaced approximately 30 dilapidated wendy houses, thereby restoring dignified living conditions for the residents.

The provision of basic services

The Department: Informal Settlements facilitated the provision of new ablution services to residents at informal settlements.

Table 115: Number of ablution services

Watergang TRA 2	Mandela City	Watergang Informal Settlements	Longlands	Total
10 toilets 2 taps	10 toilets 4 taps	36 Toilets 21 taps	76 Toilets 76 taps	132 toilets and 103 taps

Survey of backyard dwellers in Franschhoek

The Section: Informal Settlements is responsible for the identification and facilitation of the provision of essential services in informal settlements. This is accomplished by collaborating closely with other departments and sections to guarantee a successful project implementation.



During the financial year under review, the following projects were successfully implemented:

Water and sanitation

- 30 Kyloos toilets and 12 taps that were dilapidated and vandalised were replaced with new concrete toilets and taps at Enkanini, Kayamandi.
- 15 new concrete toilets and 8 taps were constructed in Mandela City, Klapmuts.
- new toilets and 6 taps were constructed at the decanting site on Luyolo Street, Kayamandi.
- 16 new taps were installed in Mountain View, Jamestown.
- 16 new taps were installed on municipal property in Covid Camp, Lanquedoc.
- 6 new taps were installed on municipal property in Langrug, Franschhoek.

Electricity

- 1 000 households were connected to the grid and meters activated for use in Enkanini, Kayamandi.
- 1 000 households were connected to the grid, and meters were activated for use in Enkanini, Kayamandi.
- 28 households were connected to the grid, and meters were activated at the decanting site on Luyolo Street, Kayamandi.
- Mountain View electrification: engagements are at advanced stages with Eskom to provide electricity to households.

Informal Settlements – provision of basic service requirements

The Department: Informal Settlements continues to monitor and report on the provision of basic services in informal settlements. The table below summarises the basic services in informal settlements in WC024.

Table 116: Provision of basic services

Item	Luyolo Street	Mandela City	Mountain View	Enkanini	Covid Camp	Langrug	Total
Water and Sanitation	5 toilets 6 taps	15 toilets 8 taps	22 taps	30 toilets 12 taps	8 taps	6 taps	50 toilets and 62 taps
Electricity	28 connections	224 connections	In process	1 000 connections	-	-	1 252 connections

3.8.4.2 Survey of backyard dwellers in Franschhoek

A tender will be advertised to appoint a suitably qualified service provider to undertake a demographic survey of backyard dwellers in Groendal and Mooiwater in the 2024/25 financial year.

Standard Operating Procedures (SOP)

In accordance with the Manager: Informal Settlements KPI linked to the SDBIP, Section: Informal Settlements has completed two SOPs (standard operating procedures) for effective and efficient service delivery in emergencies, such as fires, high winds, and floods:

- Verification response to backyard structures; and
- Verification for issuing flood kits.



Informal settlements matrix—basic service provision and requirement

Continues monitoring and reporting on the provision of basic services in the informal settlements that are depicted in the table below, which provides summative statistics to meet the national norms and standards for access to basic services.

Table 117: Informal Settlements matrix – basic service provision and requirement

Item	Number of ablution facilities provided by Council	Number of taps and tanks provided by Council	Informal settlements with grid electricity	Number of informal settlements recognised by Council	Performance comment
The number of informal settlements recognised by the Council	0	0	0	29	n/a
The number of informal settlements not recognised by the Council	0	0	0	2 - Klapmuts Farm, Klapmuts and Covid Camp informal settlement, Lanquedoc	Klapmuts farm-Settlement not recognised, land initially used for live-stock farming with 32 structures. Over time, more households erected structures. (2018 in-house survey) Covid IS- an illegal invasion of private property (2020)
The number of structures	0	0	0	21 202	n/a
The number of households	0	0	0	24 377	n/a
The number of toilets provided	1203	0	0	0	n/a
The number of toilets required	2149	0	0	0	Shortfall of 946
The number of chemical toilets	119	0	0	0	n/a
The number of water taps provided	0	760	0	0	n/a
The number of water taps required	0	416	0	0	Surplus of 194
Water tanks	0	28	0	0	n/a
Electricity supplied	0		22	0	n/a
Electricity not supplied	0	0	7	0	Watergang IS, Slabtown, Ghiff Pniël, Meerlust Simondium, Covid Camp, La Rochelle, Klappmuts farm

3.8.4.3 Disaster and Emergencies

The Section: Informal Settlements assists the Section: Disaster Management in emergencies by verifying data collected from disaster victims. These emergencies often involve fire incidents in



informal settlements and backyarders of formal structures, as well as flooding and intense winds that are verified, and a report is used within 24 hours for an effective and efficient response.

Additionally, the National Department of Human Settlement (NHoDS) has played an integral part in providing aid with respect to emergency relief assistance (building material) to destitute households in the Stellenbosch Municipality area, notably the Zone O, Kayamandi fire incident where 241 households were left destitute.

Table 118: Total number of structures impacted by incidents in all areas. All verifications completed within 48 hours

Incidents reported during the period July 2022 – June 2023	Number of fires verified	Number of structures affected by fire	Number of people affected by fire	Number of structures affected by floods or Wind
Formal settlements (Backyard structures)	25	21	92	0
Informal settlements	39	627	1773	15
Total number of fires and structures impacted by incidents in all areas	64	648	1 865	15

3.8.4.4 Evictions

The municipality conducts weekly meaningful engagements with families facing eviction through court proceedings. This process includes meetings with the applicant, respondent(s), Chief Legal Advisor of the Municipality, Manager: Informal Settlements, and Administrative Officer of emergency housing. The goal is to find an amicable solution while considering the municipality's constitutional obligations.

The table below indicates the number of eviction matters as of 1 June 2023 to 30 July 2024.

Table 119: Number of evictions matters

Notices of evictions received	Number of meaningful engagements held	Court orders issued	Settlement agreements	Evictions completed	Refused /Rejected alternative accommodation
71	70	30	30	8	20

3.8.4.5 Development proposals / strategy

The Section: Informal Settlements has outlined a development strategy for each informal settlement within the municipal area. These strategies are categorised into Clusters 1 to 5 of the matrix (Department: Informal Settlements Matrix, 2024) and are based on three pillars:

- ✦ A synopsis of existing basic services, including an analysis of service provision shortfalls.
- ✦ Demographic information of household heads and a desktop risk analysis of the settlement.
- ✦ Development proposals aligned with three strategic documents: Integrated Development Plan (IDP), Spatial Development Framework (SDF), and the Stellenbosch Municipality Housing Pipeline.

These proposals are also aligned with the municipality's budget cycle as well as the provincial budget cycle.



3.8.5 Housing Administration

3.8.5.1 Transfer of housing stock

During the period under review, the municipality continued with the process of dealing with the historic backlog and transfer of properties to beneficiaries of state-subsidised houses. A process action plan was devised in terms of which administrative procedures would be streamlined. A panel of attorneys was appointed to assist with the transfer of the identified properties. A total of 97 title deeds were transferred for the 2023/24 financial year. The transfers were completed in the following areas:

Table 120: Transfer of housing stock

Area	Total
Cloetesville	15
Kayamandi	44
Klapmuts	17
Franschhoek	4
Pniël	1
Longlands	16
Total	97

Table 121: Total properties registered at the deeds office (during 2023/24)

Total properties registered at deeds office (during 2023/24)	
Historical project title deeds registered	50
New project title deeds registered*	47
TOTAL ERVEN	97

* Funding for the title deeds was provided through the Title Deed Restoration Programme. It is only given for houses of subsidies approved.

The Section: Housing Administration is conducting continuous Housing Consumer Education (HCE) programmes with affected beneficiaries and addressing issues around title deeds. The municipality also appointed temporary field workers to assist with beneficiary administration, which includes tracing beneficiaries and conducting occupation surveys to ensure that title deeds are registered correctly.

Stellenbosch Municipality has entered into a partnership with an NGO named Khaya Lam, which assists municipalities across the country to transfer houses still in municipal ownership but originally intended for transfer to the beneficiaries. They have assisted the municipality with 2 324 transfers to date. The NGO provides funding for the temporary appointment of staff to enhance capacity and provides funding to the municipality per the title deed registered. The donation is used to appoint field workers to assist with the beneficiary's administration of the transfer processes.

Historic Township Establishment Rectifications

This backing by the NGO (Khaya Lam) has been extended with their assistance to cover the costs of the registration of the General Plans and the related transfers in respect of the Township Establishment rectifications done on the Historic Kayamandi projects (Project 4B, Project 5A, and Project 8), after obtaining the land use rights on these projects that were built between 1998 and 2008, in terms of the Municipal Planning Tribunal (MPT) approval in February 2023.

These projects are listed in the table below and contain a combined total of 280 transferrable properties. The signing of Deeds of Sales in respect of these properties commenced in April 2023, and



a total of 165 Deeds of Sales had been concluded with the beneficiaries of the transferrable properties by 30 June 2024. These deeds of sale are ready for lodgement with simultaneous registration of the general plans.

Table 122: Old Kayamandi Projects built between 1998 and 2008 for which underwent rectifications (2023/24)

Project	Original Mother Erf	New Mother Erf	General Plan No	Land Use Right Obtained	Total Transferable Properties	Total Deeds Of Sale Signed
Project 4B Red Bricks (56 Erven)	Erf 1070, Kayamandi (GP3343/1993)	Erf 5107, Kayamandi	GP2720/23	To consolidate and subdivide into 56 erven and registration of General Plan at the Office of the Surveyor General	51	23
Project 5A Snake Valley (184 Erven)	Erf 707 and Erf 5107, Kayamandi (GP7988/1991) and Erf 1070, Erf 5107, Kayamandi (GP3343/1993)	Erf 1980, Kayamandi – (SG 48/2024)	GP50/2024	Closure of public open space, consolidate and subdivide Erf 1980 into 130 erven (124 erven and 6 PPS) and registration of General Plan at the Office of the Surveyor General	124	77
	Erf 707 and Erf 5107, Kayamandi (GP7988/1991) and Erf 1070 and Erf 5107, Kayamandi (GP3343/1993)	Erf 1981, Kayamandi – (SG 49/2024)	GP50/2024	Closure of public open space, consolidate and subdivide Erf 1981 to 54 erven (51 erven and 3 PPS) and registration of General Plan at the Office of the Surveyor General	51	29
Project 8 - Mpelazwe (55 Erven)	Remainder of Erf 288, Kayamandi (GP149/1987)	Erf 5106, Kayamandi (SG39/2024)	GP40/2024	Formal rezoning and subdivision completed, closure of public roads and registration of General Plan at the Office of the Surveyor General	54	36
TOTAL					280	165



In addition to the above township establishment rectifications, the Section: Housing Administration has identified another three housing projects of which the subdivision approvals have lapsed in terms of Section 27(7) of LUPA, as no properties were transferred within the prescribed legal period of 5 years from approval. The projects all date to the early 2000s.

These projects being:

- Unregistered Erf 2046, Klappmuts—a portion of Remainder Erf 812, Klappmuts (better known as Project 52, Klappmuts);
- Unregistered Erf 15095, Stellenbosch - Remainder Erf 6846, Stellenbosch (better known as The Steps; and
- Unregistered Erf 14599, Stellenbosch, comprising a portion of Erf 8937, Stellenbosch; Remainder Erf 6852, Stellenbosch; a portion of Erf 6851, Stellenbosch; and Erf 6667, Stellenbosch (better known as Orlean Lounge).

The aforesaid NGO has extended further assistance through the appointment of a Land Use Planner and professional team, funded by Khaya Lam, to reapply for the subdivision of these three properties. This is necessary to enable the Municipality to finalise the formal registration of these properties with the Surveyor-General and the Deeds Office so that the title deeds of the properties can be transferred to the intended beneficiaries.

Land Use Applications (LUAs) were drafted and submitted to the Section: Land Use Planning in April 2024. Exemption from advertising has already been obtained, and all three applications are being prepared for submission to the Municipal Planning Tribunal for a final decision. These 3 projects have a combined total of 211 transferrable even.

Table 123: Three projects for which new Land Use Applications have been lodged (2023/24)

Project	Original Mother Erf	New Mother Erf	General Plan No	Land Use Planning Application Submitted	Total Transferable Properties
Project 52 "red roofs" Klappmuts 52 erven)	Erf 812, Klappmuts (GP3685/1999) Farm 744 of Portion 3	Unregistered Erf 2046, Klappmuts	To be established	April 2024	49
The Steps Cloeteville (74 erven)	Unregistered Erf 5095, Stellenbosch (GP4720/2006) Remainder Erf 6846, Stellenbosch	Unregistered Erf 15095, Stellenbosch	To be established	April 2024	72
Orlean Lounge (91 erven)	Unregistered Erf 14599, Stellenbosch (GP4717/2006) comprising of a Portion of Erf 8937, Stellenbosch Remainder of Erf 6852, Stellenbosch, Portion of Erf 6851 SB and Erf 6667 SB	Unregistered Erf 14599 SB	To be established	April 2024	90
TOTAL					211



Title Deed handovers

A total of 151 title deeds were handed over in the 2023/24 financial year. The Longlands low-income housing development has been one of the developments that benefitted in the 2023/24 financial year. A total of 91 title deeds were handed over to their approved beneficiaries.

The Executive Mayor, Adv Gesie van Deventer, personally handed over 80 of the original title deeds to their respective beneficiaries in the Longlands Development during the formal handover event held on 28 September 2023 in the Methodist Church hall, Vlottenburg.

On 24 May 2024, the Executive Mayor handed over 4 title deeds in the Kylemore, Mooiwater, and Franschhoek areas in a walk-about / door-to-door fashion to the most elderly beneficiaries and an additional 11 title deeds reaching their rightful beneficiaries through this event.

The transfer of these titles deeds is a testament to the municipality's commitment to improving the lives of its residents and fostering a community where everyone has the opportunity to own their home and participate fully in the economy.

Figure 22: Title deed handover in Longlands on 28 September 2023





Figure 23: Title deeds handed over in Kylemore, Mooiwater and Franschhoek



3.8.5.2 Housing Demand Database (housing waiting list) administration

The Section: Housing Administration continues with the “data-cleaning” process of applications that appear on the housing waiting list where vital information is outstanding. An area-based approach was used where staff members went out to the various areas and invited applicants to workshops during which the applicant's information was updated. The entire Stellenbosch municipal area was covered during this programme.

The agreement with the Provincial Department of Infrastructure (PDol) to assist with the data clean-up of the Stellenbosch municipal waiting list continues. The waiting list is updated and verified regularly



by the PDol to ensure that the number of people deemed to be on a “waiting status” is a true reflection of those persons who still require housing assistance within the greater Stellenbosch area.

The Western Cape Housing Demand Database has undergone an upgrade allowing online applications, as well as the additional functions of adding documentary proof. Stellenbosch Municipality has aligned itself with this software in the capturing of all housing demand data applications. The Housing Demand Database System is being updated regularly to ensure that the Council has credible data for planning future housing projects to be implemented.

The Section: Housing Administration also continues with its outreach programme to update the Housing Demand Database, reaching various areas within WC024. The outreach programme aims to bring services closer to the people, mainly the elderly, disabled, and unemployed community members who have limited resources to reach municipal offices. The programme reaches the communities in their respective areas to assist them with applying or updating their application on the Housing Demand Database.

Table 146: A total of 2803 people were assisted during 2023/24 through the outreach programme

Housing Demand Database		
Areas	Dates	Nr of People Assisted
La Motte	5, 6 and 8 July 2023	194
Groendal	12, 13 and 15 July 2023	427
Total		621

3.8.5.3 Administration of Public Rental Stock

On 25 June 2014, the Council adopted a policy for the Administration of Public Rental Stock. This document was the culmination of a collaboration between stakeholder departments within the municipality. The purpose of the policy is to ensure effective management and well-maintained assets that will improve the quality of life for residents. The Section: Housing Administration is busy with the review of the Human Settlements Administration and Allocation Policy, which will include the allocation and management of the public rental stock. This policy will be referred to the Council for adoption after due public participation processes have been completed.

A caretaker programme was implemented in all public rental stock to deal with the increase in anti-social behavioural problems. This programme was implemented to ensure that communities “take” their neighbourhoods back into their own hands and to improve communication between the municipality and the tenants. The total number of caretakers appointed for all the public rental flats was eleven (11).

Anti-social behaviour and breach of contract complaints involving tenants of rental units are referred to the Section: Legal Services for action.

The Section: Housing Administration completed an audit of all its rental stock, both staff and public rental units, concerning the occupancy of the units. For the section to update its records where necessary, interviews were conducted with affected households, resulting in the conclusion of lease agreements with the next of kin of deceased tenants. The Section: Housing Administration compared the findings of the surveys with regards to the legal occupancy of the rental units with existing information obtained from the records of the Directorate: Financial Services. Interviews were conducted with occupants of flats where there appeared to be discrepancies, and detailed questionnaires were completed for every household. This enabled the section to evaluate whether the illegal occupants qualified for legalisation in terms of the criteria set out in the approved policy



on the Unlawful Occupation of Municipal Rental Stock.

3.8.5.4 Housing Consumer Education (HCE)

The Housing Consumer Education programmes were held for beneficiaries of houses that were built between 1994 and 2014. These are housing that form part of the Title Deeds Restoration Programme. These beneficiaries are advised about the security of tenure, issues of inheritance, and the drafting of a will.

A total of five (5) HCE workshops were held during the 2023/24 financial year, inclusive of those held before formal Title Deed handovers, outreaches for the signing of deeds of sale, and anti-social behaviour for tenants. This total excludes those HCE sessions held with individual recipients of Title Deeds and the day-to-day walk-ins.

Table 147: Consumer Education Events undertaken: 2023/24

Consumer Education Events Undertaken: 2023/24			
Date	Area	Type of Consumer Education	Total Attended
28 September 2023	Longlands, Vloottenburg	Housing consumer education was conducted with the Longlands beneficiaries in preparation for their title deed handover.	110 (Title Deeds)
15 May 2024	Kylemore, Mooiwater, and Franschhoek	Door-to-door Housing Consumer Education sessions were conducted in the areas of Kylemore and Franschhoek with the elderly people and people with disabilities.	8 (Housing Consumer Education)
18 May 2024	Franschhoek Library (for Kylemore, Mooiwater, and Franschhoek)	Housing Consumer Education and a Title Deed Handover were conducted. Fifteen (15) beneficiaries received HCE, and 5 families received their Title Deeds.	15 (Housing Consumer Education) 5 (Title deeds)
24 May 2024	Kylemore, Mooiwater, Franschhoek	Housing consumer education and a title deed handover were conducted in the areas of Kylemore and Franschhoek. This event took place in the form of a drive-through with the Executive Mayor handing over title deeds to the elderly people and people with disabilities. Housing Consumer Education was conducted with 3 beneficiaries, and 7 families received their Title Deeds.	3 (Housing Consumer Education) 7 (Title Deeds)
31 January 2024	Kloof Street Flats Block A-D	Housing consumer education was conducted with tenants of these blocks of flats around anti-social behaviour. Thirty (30) people attended this information session, and officials from the Section: Housing Administration explained the roles and responsibilities of tenant(s) versus the municipality in respect to rental stock maintenance.	30 (Housing Consumer Education)



Table 148: HCE and Public Participation

Photos Of Consumer Education Events Undertaken : 2023/24			
Date	Event	Photos	Total Attended
28 September 2023	Housing Consumer Education for the handover of title deeds to the beneficiaries of the Longlands housing development in Vlothenburg.		110 (Title Deeds)
18 May 2024	Housing consumer education for the handover of title deeds for the Kylemore, Mooiwater, and Franschoek areas was held in the Mooiwater Library.		15 (Housing Consumer Education) 5 (Title Deeds)

3.8.5.5 Maintenance of Rental Stock

The Section: Housing Administration integrated the complaints system of the Council, and all complaints about rental stock can now be monitored. The section is responsible for all maintenance of municipal rental stock, which comprises 750 rental units, 1 070 Temporary Residential Areas (TRAs), and 26 plywood hostels situated in Kayamandi that were built in 1976 for migrant labourers.

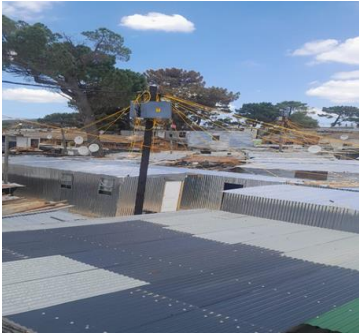
Budgetary constraints were often the main reason why maintenance issues of municipal rental stock could not be resolved. It should be noted that provision has been made for the 2024/25 financial year, which will address the backlog on maintenance work reported.

Two artisans were appointed to attend to the day-to-day plumbing and carpentry complaints as well as those on an ad-hoc and / or emergency basis.

Some of the rental stocks are very old and need major maintenance to improve the living conditions and safety of the tenants. Therefore, various service providers were appointed to address these maintenance repairs and installations at various rental stocks.



Table 149: Projects concluded at municipal rental stocks.

Area	Description of Project	Photos	
Lamla Street, Kayamandi	Demolishing a hostel that was affected by fire. This project involves the safe removal and disposal of asbestos. The hostel was demolished, and tenants were provided with emergency kits to build new structures.		
Lang / Kloof Street Cloeteville Flats	Erecting new fencing and gates to improve security on the boundaries and parking areas of blocks A-J. This project was conducted to protect tenants against crime that is happening in the area.		
Units 13 and 14 Monteray Flat, Rhode Street	The project involved the safe removal and disposal of the asbestos roof, followed by the installation of a new roof. The units were severely leaking when it rained, and the roof had to be removed and replaced with new roofing.		
Units 607 and 611 Lavanda Flats and units 611 and 612 Phyllaria Flats	Removal of damaged waterproofing layer and installation of a new layer. The units were leaking during rainy days.		



Area	Description of Project	Photos
Phyllaria Flats, Jan Celliers Street	Fixing blocked and damaged sewer pipe at Phyllaria flats. The pipes were broken and blocked, and the area had a bad odour due to wastewater.	 

3.8.5.6 Cleaning of Rental Stock

The rental stock was cleaned with the assistance of appointed Expanded Public Works Programme (EPWP) workers, and the rental units are in pristine condition. Grass-cutting teams are deployed in public rental areas monthly to revitalise and beautify the areas, specifically Jan Cilliers Street (Lavanda, Aurora, and Phyllaria flats), Longstreet blocks F-J, Kloof Street blocks A-D, Rhode Street (Melody, Monteray Mountview, and Monte Christo), and Maisonettes (Eike Street, Primrose Street, Pine Street, and Jakaranda Street).

Figure 24: Cleaning services rendered at Rental Stock





3.8.5.7 TRA Management

The municipality is mandated, in respect of various pieces of legislation, to administer all matters relating effectively and professionally to informal settlement areas.

The Section: Housing Administration, in conjunction with the Section: Informal Settlements, effectively manages and controls 10 TRAs in the Stellenbosch municipal area (WC024) to furnish every informal settler with a potential home. The number of households in TRAs is reflected in the table below:

The number of households in TRAs:

Table 124: TRA Statistics

Area	Number of households
Mandela City, Klipmuts	243
La Rochelle, Klipmuts	35
Devon Valley	30
Longlands, Vloottenburg	81
Mountainview, Jamestown	196
Watergang TRA 1, Kayamandi	262
Watergang TRA 2, Kayamandi	180
Meerlust Bosbou, Franschhoek	33
Curry Street TRAs, Cloeteville	5
Kloof Street TRAs, Cloeteville	3

The section facilitates evictions, surveys, all levies, and service assistance by channelling complaints to the correct user departments and all types of assistance until relocation to a project. Currently, service providers have been appointed to assist the municipality with the relocation of families and fire victims in these TRAs.

Figure 25: TRAs raised in fires



3.8.5.8 Job Creation

A job creation programme was initiated via the EPWP, and as a result, 66 job opportunities were created, listed below:

- ⚙️ Twenty-one (31) EPWP workers were appointed to assist with the cleaning of municipal rental stocks, and this resulted in a decrease in complaints received from tenants as properties were in a neater state;
- ⚙️ Four (9) temporary field workers were also appointed to assist with the surveys of rental stock, Temporary residential areas, and emergency housing. This was to ensure that the correct tenants occupied the flats and to identify issues like sub-letting or illegal activities;



- ✦ Eight (11) Title Deeds Restoration Programmes were also initiated to assist with the transfer of state-subsidised houses and to eradicate the historic backlog in terms of the transfer of these houses;
- ✦ Two (5) administrative assistants were appointed to deal with complaints and document management;
- ✦ Two (4) team leaders were appointed to assist with task assignments and leadership with the general workers; and
- ✦ Four (6) artisan assistants were appointed to assist the artisan carpenter and artisan plumber in the execution of their respective duties.

The table below indicates the capital expenditure for the Sections: Housing Administration and Housing Development as at 30 June 2024.

Table 125: Capital Expenditure as at 30 June 2024: Section: Housing Development

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from the Adjustment Budget
	R'000		
Langrug UISP (1899) Subdivisional area	240	234	2.63%
Northern Extension: Feasibility	279	279	0.04%
Erf 64, Kylemore	1 167	1 167	0%
Erf 7001 Cloetesville (380) FLISP	341	331	2.91%
Jamestown: Housing	580	437	24.58%
Only the five largest capital projects are listed.			

The Section: Housing Development has spent 94% of its capital budget for the financial year.

The tables below indicate the total number of employees in the Department: Integrated Human Settlements (Sections: Housing Administration and Housing Development) as at 30 June 2023.

Table 126: Total employees in the Department: Integrated Human Settlements (Sections: Housing Administration and Housing Development)

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	2	2	0	0
14 – 17	2	2	0	0
9 – 13	15	11	4	26.6
4 – 8	21	18	3	14.2
3 – 0	0	0	0	0
Total	40	33	7	17.5

3.9 PROPERTY MANAGEMENT

This section is also responsible for the contract management (leasing) and maintenance of all council-owned administrative 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:

- ✦ Various fencing projects were successfully implemented and completed on Tender B/SM 13/22 Supply and Erection of Fencing on an 'As and When Required' Basis: Term Tender for Period



Ending 30 June 2025. The maximum allowable project threshold was reached earlier than expected; therefore, the service providers' contracts had to be terminated, and a new tender had to be advertised in July / August 2024;

- ✦ Various installations of new air conditioners and repair and maintenance of air conditioners were done under Tender B/SM 20/22;
- ✦ Upgrading of Dorp Street Flats was successfully completed (B/SM 27/22);
- ✦ Structural maintenance / upgrade of the Stellenbosch Townhall Complex was successfully completed (B/SM 66/23);
- ✦ Installation of Handrails at Lapland Flats Ramps was successfully completed (FQ 122/24);
- ✦ The quantity surveyor for the renovation and structural maintenance of the Jamestown Ward Office and Library was successfully awarded, and a service provider was appointed (B/SM 22/24 – Professional Services);
- ✦ Professional Architect to draft building plans on Erf RE 194 Hoffman Street Stellenbosch was successfully awarded, and a service provider was appointed (B/SM 36/24 – Professional Services);
- ✦ The appointment of an architectural professional / principal agent for Millenium Hall on Farm 14/1674 Pniël–Stellenbosch was successfully awarded, and a service provider was appointed (BSM–40–24 – Professional Services);
- ✦ The renovations of the Municipal Court Strong Room were successfully completed;
- ✦ The appointment of a structural engineer for an assessment on the waterproofing and rainwater runoff at the NPK Building, Stellenbosch, was successfully awarded, and a service provider was appointed (B/SM 50.23. SE.5 – Professional Services);
- ✦ Tender for Phase 1 Structural, Electrical, Fire, Compliance, and Roof Replacement for the Upgrade of the Beltana Depot to appoint a Construction Contractor was advertised (B/SM 113/24 – Construction Work);
- ✦ As-Built Building Plans for Beltana Depot were successfully completed (FQ 79/22);
- ✦ As-Built Building Plans for Rhenish Complex were successfully completed (FQ 89/22);
- ✦ Remedial repairs at Klappmuts Multi– Purpose Centre Treatment Works were successfully completed (FQ 103/24); and
- ✦ Renovations of a La Motte Fire Station were successfully completed (FQ 114/24).

The planning phase of the following projects started or was finalised:

- ✦ Appointment of a Structural Engineer for the Makupula Hall Renovations (Professional Services);
- ✦ Waterproofing Remedial Construction Work to the NPK Building (Construction Work);
- ✦ Renovation and Structural Maintenance of Jamestown Ward Office and Library (Construction Work);
- ✦ Maintenance and Upgrades of the Millennium (Construction Work);
- ✦ Phase 1 and 2: Upgrade, Alterations, Extensions, and Additions on Erf RE/194, Hofman Street, Stellenbosch (Construction Work); and
- ✦ Installation of Above Counter Geysers at the NPK Building.

The following projects are in ongoing phases:

- ✦ Upgrade / Maintenance of Heritage Buildings Voorgelegen Rhenish and Bergzicht (B/SM 24/22);
- ✦ Eerste River Flood Rehabilitation Structures Agricultural Hall (Tender B/SM 27/24);
- ✦ Professional Architect Monitoring and Overseeing Heritage Building Works / Alterations / Upgrades (B/SM 31/23);
- ✦ Drafting of 'as built' building plans for the Municipal Townhall Complex (FQ 130/24);
- ✦ Lift Service for the Lift at the Klappmuts Multi–Purpose Centre (B/SM 76/23);
- ✦ Lift Service for the Plein Street Lift (B/SM 28/22);



- ✦ Hygienic Services for the Municipal Buildings (B/SM 13/24);
- ✦ Office furniture acquisitions (B/SM 91/23);
- ✦ Plumbing materials and equipment acquisitions (B/SM 51/23); and
- ✦ Installations of new air conditioners and repairs and maintenance (B/SM 20/22).

Various projects / acquisitions were processed under the following term tenders:

- ✦ Furniture, tools, and equipment; and
- ✦ Plumbing materials and equipment.

The following term tenders / quotations were awarded:

- ✦ Supply, delivery, and fitting of office furniture for Stellenbosch Municipality ending 30 June 2026 was successfully awarded and service providers were appointed (B/SM 95/23);
- ✦ Service provider for the installation of handrails at Lapland Flats Ramps was successfully appointed (FQ 122/24);
- ✦ Hygienic Services Provider for Municipal Buildings was successfully appointed (B/SM 13/24);
- ✦ Supply, delivery, and offloading plumbing materials, plumbing tools, and irrigation items service providers were appointed (BSM 51/23); and
- ✦ Registered Air Conditioner Service Provider for Call Out and Diagnostic Services was successfully appointed (FQ 116.24).

The table below indicates the capital expenditure for the Section: Property Management and Building Maintenance as at 30 June 2024.

Table 127: Capital Expenditure as at 30 June 2024: Section: Property Management and Building Maintenance

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from the Adjustment Budget
	R'000		
Langrug UISP (1899) Subdivisional area	240	234	2.63%
Northern Extension: Feasibility	279	279	0.04%
Erf 64, Kylemore	1 167	1 167	0%
Erf 7001 Cloetesville (380) FLISP	341	331	2.91%
Jamestown: Housing	580	437	24.58%
Only the five largest capital projects are listed.			

The Section: Property Management and Building Maintenance has spent 104% of its capital budget for the financial year.

The table below indicates the total number of employees in the Section: Property Management and Building Maintenance.

Table 128: Total number of employees in the Section: Property Management and Building Maintenance

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0
14 – 17	1	0	1	0
9 – 13	9	3	6	66.6
4 – 8	11	8	3	27.2
3 – 0	0	0	0	0
Total	21	11	10	47.6



COMPONENT B: ROADS, TRANSPORT AND STORMWATER

3.10 Roads

To facilitate effective mobility throughout the municipal area, a range of interventions are undertaken to reduce congestion and improve access for residents, the underprivileged sector, tourists, students, as well as the business and industrial sectors. This component serves as a strategic level for accelerated economic growth; roads also enable safety aspects such as access to fire, emergency, and disaster services; mobility for public transport and freight; and a safe environment for those who are using non-motorised means of transport or walking. The WC024 area is going through growth shifts and projects that will make it easier for people to live there. Because of this, the municipality's transportation plans include building a sustainable road network, which means adding new roads to connect existing ones and improving intersections, among other things.

The team also responded well to the flood-hit regions and damage to transport infrastructure during the June and September 2023 floods. The following damages were incurred: riverbanks were eroded, building foundations were exposed and at risk, bridges were damaged and washed away, roads and river protection structures were undermined, and stormwater structures were damaged. The damage estimated by the flood-hit areas is more than R100 million, but the municipality moved quickly to stabilise and repair what needed to be urgently attended to, while the longer-term rehabilitation and upgrading of the stormwater systems are scheduled to follow.

3.10.1 STRATEGIC PLANNING

3.10.1.1 Comprehensive Integrated Transport Plan (CITP)

The CITP presents the municipality's long-term transport vision and objectives, as well as the annual action plans and projects that would enable the municipality to realise its transport vision. The CITP will be synchronised with the annual updating of the IDP.

A current review (2023-2028) of the CITP represents the 5-yearly overhaul of the plan and requires, inter alia, that:

- † Every aspect of the previous CITP must be re-examined to see if it is still up-to-date;
- † The previous CITP is revised and updated where necessary, and relevant new aspects are added;
- † An update of the Transport Register be prepared;
- † It reflects revisions of the municipality's SDF, Roads Master Plan, and NMT Master Plan;
- † It provides a revised Public Transport Plan dealing with the restructuring of the public transport network of services; and
- † It provides an update on progress made with previously proposed action plans and projects and proposes additional plans and projects.

The 2023-2028 review of the CITP has been finalised and has been approved by the Council in 2023.



3.10.2 Transport Studies

The municipality commissioned and recently concluded the following transport studies:

A Freight Strategy Study has also been concluded. This study assesses routes typically utilised by freight vehicles in, around, and through the Stellenbosch Municipal Area to develop a strategic freight network.

The municipality has concluded studies towards the development of a business model for an inclusive public transport service for people with disabilities in Stellenbosch.

3.10.2.1 Park Ride Studies

Concept planning studies have been undertaken for proposed park-and-ride facilities located on the outskirts of the urban area; the following studies are earmarked for the near future:

- ✦ Confirm feasibility and further design processes;
- ✦ Determine the most appropriate transport system model that would be associated with the park and ride facilities; and
- ✦ Determine the possible long-term phased implementation programme.

ATC Transport Studies are currently underway to ascertain the required levels of accessibility within the corridor, as well as the mobility requirements surrounding main roads. The ATC Transport Studies align with the approved ATC MSDF and guidelines by, among other things, promoting public transport and non-motorised transport (NMT) within the corridor; the compilation of a Public Transport Plan that sets out the incremental measures required to improve public transport services within the municipal area is currently underway. In line with the municipality's Transport Strategy and council resolution previously taken.

3.10.3 PLANNING

The municipality has approved its Non-Motorised Transport (NMT) Master Plan and Policy in 2022. The NMT Master Plan and Policy is a review, consolidation, and update of the NMT policy and NMT network and cycle plans, which were compiled in 2015.

The NMT Master Plan and Policy strive to promote and encourage alternative modes of transport, such as walking and cycling. They also aim to analyse the capacity of the current network, identify current and future NMT needs, and recommend improvements that will ensure an effective NMT network.

The NMT Master Plan and Policy further strives to position NMT as a consistent long-term municipal priority. The strategic objective of the NMT Master Plan is the implementation of a coherent, logical, and integrated NMT network for Stellenbosch.

The municipality has approved its Sidewalk Accessibility Policy (2023), which aims to improve sidewalk management and strive towards a safe environment for all users. The policy puts procedures in place that would improve safety and make sidewalks more accessible and user-friendly for pedestrians.

The main road networks through Stellenbosch currently operate at capacity and at times beyond capacity, resulting in traffic congestion. Analysis of the road networks and assessments of the public transport operations and facilities are periodically carried out to identify shortcomings and opportunities for improvements. The municipality has approved its Road Master Plan (RMP) in 2022,



which analyses the capacity of the current network and current and future needs and recommends infrastructure improvements that will aid in establishing an effective road network.

The municipality has compiled its Road Transport Safety Master Plan (RTSMP). The Road Transport Safety Master Plan is a review, consolidation, and update of the Transport Safety Master Plan (TSMP), which was compiled in 2015. The TSMP includes an audit of traffic safety interventions and identifies priority projects with low- to medium-cost engineering measures such as traffic calming, speed monitoring, roundabouts, etc. for implementation.

Extensive investigations, assessments, and analyses are undertaken when compiling master plans. The outputs of master planning are used to inform strategic plans, such as the CITP. Outputs from master plans also aid other municipal decision-making processes.

3.10.4 ROAD CONSTRUCTION AND INTERSECTION UPGRADES

To reduce the effects of congestion, improve traffic flow, and increase traffic safety at intersections within Stellenbosch, various intersections were upgraded by the municipality through the Intersection Improvement Programme that commenced about 10 years ago.

The following has been completed in the 2023/24 financial year:

✚ Construction of R304 / Newinbosch Intersection.

The following intersection and road upgrades are currently in various stages of planning and design:

✚ Lower Dorp Street and its intersection with Strand Road (R44) and Adam Tas (R310);
 ✚ Adam Tas and R44 / Alexander;
 ✚ Adam Tas and R44 / Merriman;
 ✚ Phase 2: R44 / Helshoogte;
 ✚ Dualling Bird Street between R44 and Kayamandi;
 ✚ R45 / Le Roux Street Intersection;
 ✚ Extension of Wildebosch Road to Trumali;
 ✚ Techno-Park and Adam Tas Link Road;
 ✚ Minor Road Improvement Klappmuts; and
 ✚ Road development at the Jamestown Schools precinct.

3.10.4.1 Road Reseal

During the 2023/24 financial year, the municipality resealed portions of the following roads in WC024:

Table 129: Road Rehabilitation

	Name	Length (m)	Width (m)	Area (m2)
Franschhoek	R45 Main Road	1 450	6.5	9 425
	Heide Street	248	5.5	1 364
	Freesia Street	90	5.5	495
	Erika-Disa Street	500	6	3 000
	Lillie Street	67	5	335
	De Wet Street	106	5.6	593.6
	Oaklodge Street	79	5.6	442.4
		2 540		15 655
Stellenbosch	Van Riebeeck	400	6.1	2 440



	Name	Length (m)	Width (m)	Area (m2)
	Merriman Ave	355	8.2	2 911
	Herold Street	222	5.6	12 43.2
	Mark Street	96	14.5	1 392
		73	9	657
		73	9	657
	Soeteweide	277	6.8	1 883.6
	Vereweide Road	52.8	6.8	359.04
	Unie Road	952.6	7.8	7 430.28
	Rattray Avenue	210	5.2	1 092
	Ryneveld Street	52	6.9	358.8
		27	2.6	70.2
		2 790.4		20 494.12
Groendal	Arend	161	5.5	885.5
	Davids	220	5.5	1210
		381		2 095.5
Klapmuts	Merchant Street	550	6.8	3740
		550		3 740
Ida's Valley	Juffernbruch Street	244	6.8	1 659.2
	Talana Road	47	6.2	291.4
	Talana Link	50	5	250
		341		2 200.6
Total L(m)=		6 602.4m	Total Area(m2)=	44 185.22

3.10.5 NON-MOTORISED TRANSPORT (NMT)

In line with the municipality's NMT Master Plan, NMT infrastructure was rolled out and implemented to ensure continuous expansion of the NMT network.

During the 2023/24 financial year, sidewalks were constructed along portions of the following roads:

Stellenbosch CBD and Surrounding:

- ✚ Ryneveld Street;
- ✚ Bosman Street;
- ✚ Van Riebeeck Street; and
- ✚ Stellenbosch – Strand (R44).

Cloetesville:

- ✚ Tennant Street;
- ✚ Ortell Street;
- ✚ Toefy Street;
- ✚ Lang Road; and
- ✚ Asalea Road.

Ida's Valley:

- ✚ Hahn Street;
- ✚ Moffat Street; and
- ✚ Oak Tree Village.

**Pniël:**

- ✚ Panorama Street;
- ✚ Simonsberg Street;
- ✚ Jamboes Street; and
- ✚ Kastaiing Street.

Paradyskloof:

- ✚ Rhodes-Noord Road.

Klapmuts:

- ✚ Skool Street.

La Motte:

- ✚ Stinkhout Street;
- ✚ Ysterhout Street;
- ✚ Geelhout Street;
- ✚ Akkerhout Street;
- ✚ Kershout Street;
- ✚ Olienhout Street; and
- ✚ Bergendal Street.

3.10.5.1 Parking

The municipality embarked upon several interventions to improve the provision of parking in Stellenbosch CBD and Franschhoek. These interventions comprise the following:

- ✚ Reviewing and improving the parking management model and the leasing of parking areas for improved management of these facilities;
- ✚ The upgrading of identified parking areas in Franschhoek; and
- ✚ Feasibility studies and associated works for the establishment of a possible public-private partnership (PPP) project to implement and manage a bulk parking facility in Stellenbosch.

3.10.5.2 Traffic Signals

Stellenbosch Municipality, in collaboration with Stellenbosch University, continues with research and development to establish a real-time traffic signal control system for Stellenbosch. This research project will assist in addressing everyday congestion through the application of Smart Transportation Technology namely Traffic-Adaptive-Signal-Control (TASC). TASC refers to the real-time control of signalised intersections and enables the real-time adjustment of traffic signal timing to increase vehicle flows through the intersection, thereby reducing congestion.

During the 2023/24 financial year, traffic signal systems were upgraded, and devices were installed that would improve vehicle detection at the following intersections:

- ✚ R310 and Alexander;
- ✚ R44, R304, and Bird Street;
- ✚ R44 and Welgevonden;
- ✚ R304 and Newinbosch (new installation); and



✚ R304 and Sokuqala (new installation).

During the 2023/24 financial year, the maintenance traffic signals at the following listed sites have been transferred from the Western Cape Government, Department of Infrastructure, to Stellenbosch Municipality:

✚ R44 and R101 (Klapmuts);
 ✚ R304 and Bottellary Road;
 ✚ R310 and M12 Polkadraai;
 ✚ R310 and Annandale;
 ✚ R310 and Vloffenburg; and
 ✚ R44 and Annandale Road.

3.10.5.3 Pedestrian Crossing

During the 2023/24 financial year, pedestrian crossings were implemented.

✚ Akademie Street	1x raised pedestrian crossing
✚ Mark Street	1x raised pedestrian crossing
✚ Curry Road	1x convert speedhump to raised pedestrian crossing
✚ Groenefontein Road	3x raised pedestrian crossing

3.10.5.4 Traffic Calming Implementation

During the 2023/24 financial year, traffic calming interventions were implemented along the following roads:

Franschhoek

✚ Reservoir-East	1x speedhump
✚ Akademie and Oaklodge	1x 4way Stop

Wemmershoek

✚ Prins Africa Drive	1x speedhump
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Pniël

✚ Protea Street	1x speedhump
✚ Silwermyl	1x speedhump rebuild and 1x speedhump removed
✚ Simonsberg Street	1x speedhump
✚ Panorama Street	1x speedhump

Johannesdal

✚ Morgenster Street	1x speedhump
✚ Sonstraal Street	2x speedhump
✚ Lumley Avenue	2x speedhump
✚ Greenway Street	1x speedhump

Kylemore

✚ Skool Street	1x speedhump
✚ Blarney Street	2x speedhump

Ida's Valley

✚ Merton Street	2x speedhump
✚ Helderberg Street	1x speedhump



🚦 Oaktree Village 4x speedhump

Kayamandi

🚦 Tata Mandela Drive 2x speedhump

Stellenbosch

🚦 Papegaaï Street 2x speedhump

🚦 Hofmeyr Street 2x speedhump and 2x painted pedestrian crossing

Cloetesville

🚦 Kloof Street 2x speedhump

🚦 Hoek Street 1x speedhump

🚦 Essenhout Street 1x speedhump

🚦 Waaierpalm Street 1x speedhump rebuild

Jamestown

🚦 Mountain View Rd 3x speedhump

Longlands

🚦 Roos Crescent 6x speedhump

3.10.5.5 Bridges

The Distillery Road Bridge crosses the Plankenbrug River and is located on the western edge of Stellenbosch, near the point where Adam Tas Road / R310 crosses the railway line that was completed in 2023.

The construction of a new bridge on the Lanquedoc Access Road over the Dwars River would better serve the needs of the Lanquedoc community; included as part of the project is the upgrading of the bridge and access road and the implementation of improved NMT facilities.

Two culvert bridges over the La Cotte River on Akademie and Dirkie Uys Streets, Franschhoek, that have incurred damages during the September 2023 flood, are currently being reinstated. Planning and designs are underway for the construction of three pedestrian bridges over the Stiebeuel River in Mooiwater, Langrug, and Groendal that incurred damages during the September 2023 flood.

3.10.6 ROADS STATISTICS

The following graphs provide an overview of the total kilometres of road infrastructure and non-motorised transport from 2018/19 until 2023/24.



Figure 36: Asphalt Road Infrastructure

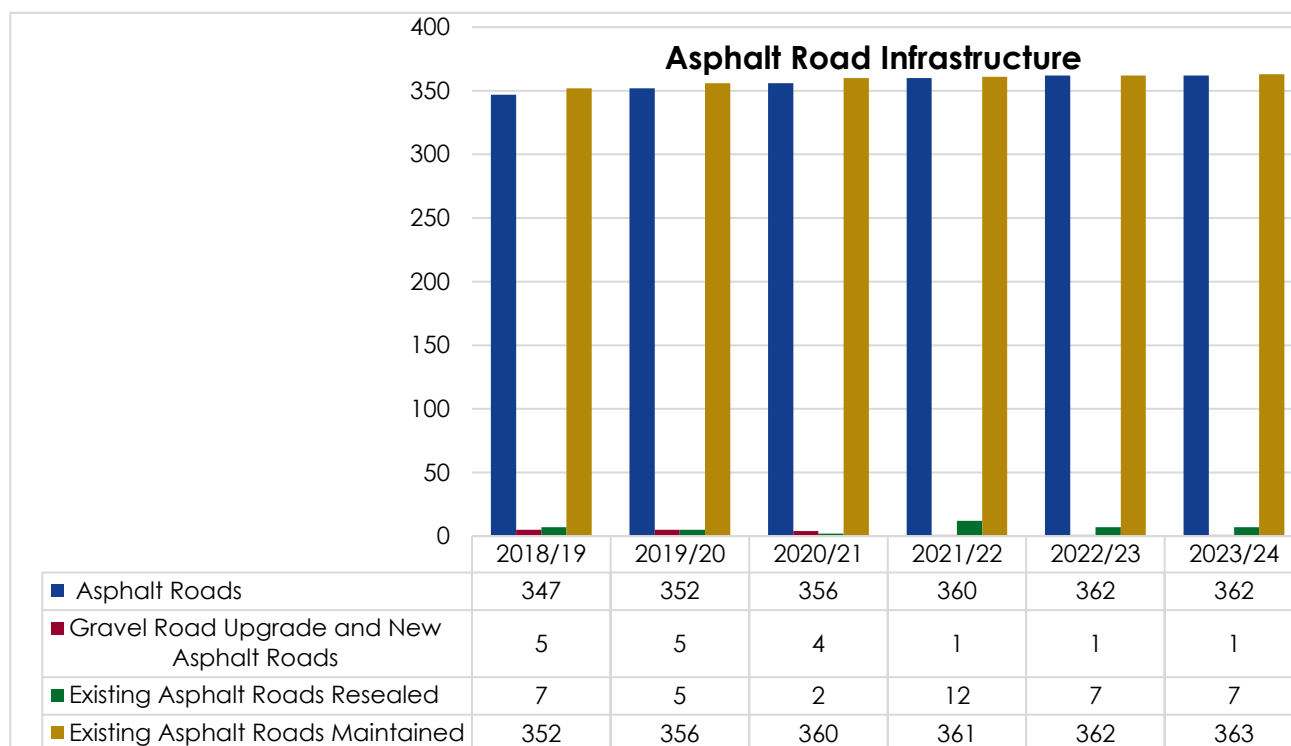
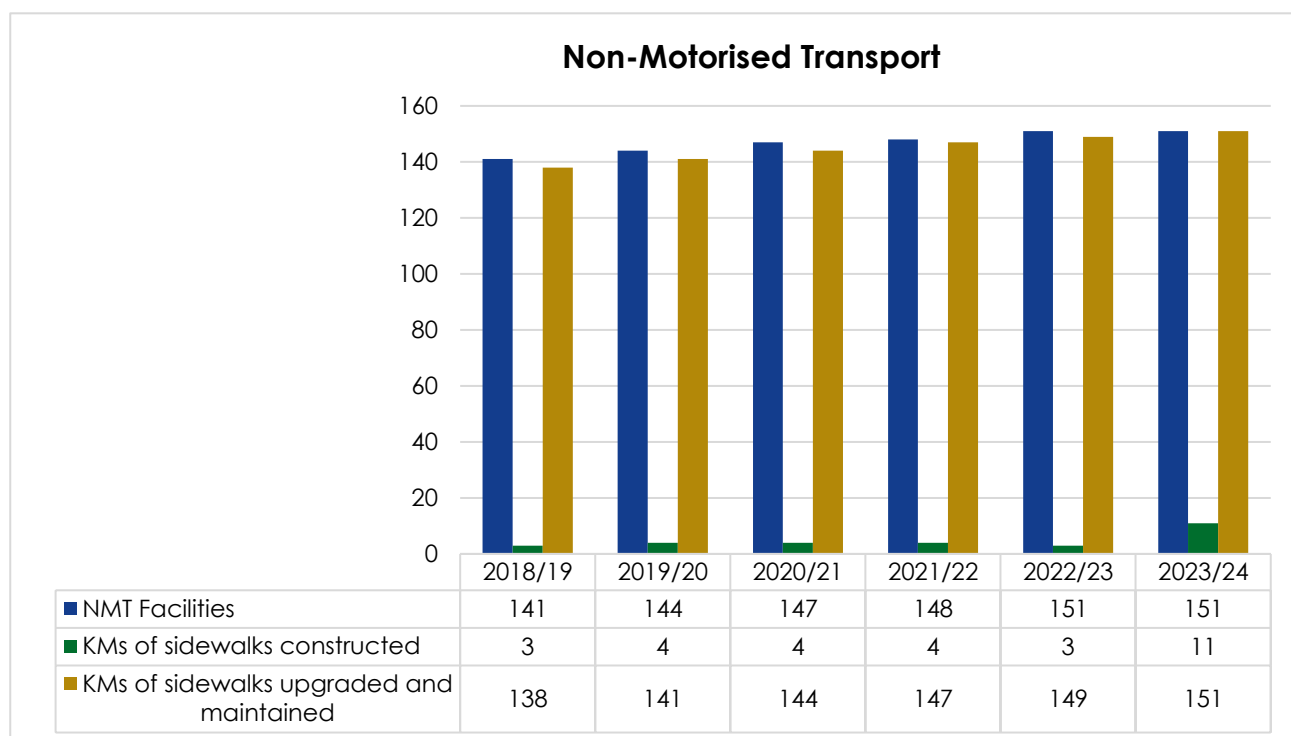


Figure 37: Non-Motorised Transport



Stellenbosch and Franschhoek were severely impacted by the June and September floods of 2023. A national disaster was declared for the September 2023 floods in the Franschhoek area, where the banks of the Steibeuel River were washed away, and the Lacotte River burst its banks, causing significant flooding and damage to roads, bridges, and private property in the central area.



The municipality had submitted applications and successfully received funding for twelve (12) short- and medium-term projects where municipal infrastructure had incurred flood damage. Extensive hydrological studies and assessments were carried out to investigate and propose interventions required to respond to flood damages and propose interventions that would increase future flood resilience. The short- and medium-term flood response projects comprise the reconstruction of damaged bridges, riverbanks, and roadways. Most short- and medium-term repair and rehabilitation projects are complete or currently under construction. To date, projects that are at the construction stage are progressing well.

The National Flood Disaster declared in September 2023 led to the commissioning of an extensive hydrological study and assessment. These assessments also proposed interventions that would increase future flood resilience in the Franschhoek area. Strategies for future flood resilience for the Franschhoek area are in the process of being defined and compiled and may comprise the following:

- ✦ Upgrading infrastructure to increase the capacity of the river system running through the centre of town; and
- ✦ Widening portions of the river, formalising berms to prevent overtopping / breaches.

The table below indicates the capital expenditure for the Section: Roads, Transport, and Stormwater Services as at 30 June 2024.

Table 130: Capital Expenditure as at 30 June 2024: Roads, Transport and Stormwater Services

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from the Adjustment Budget
	R'000		
Bridge Construction	10 470	6 356	39.30%
Adhoc Reconstruction Of Roads (WC024)	21 105	11 055	47.62%
Non-Motorised Transport Implementation	6 748	6 747	0.01%
River Rehabilitation Implementation	5 723	2 373	58.53%
Provision of Bulk Parking Planning and Development	7 239	7 085	2.12%
Only the five largest capital projects are listed.			

The Section: Roads and Stormwater has spent 75% of its capital budget for the financial year.

The table below indicates the total number of employees in the Department: Roads, Stormwater, Transport, and Traffic Engineering as at 30 June 2024.

Table 131: Total number of employees in the Department: Roads, Stormwater, Transport and Traffic Engineering

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0
14 – 17	2	1	1	50
9 – 13	19	18	1	5.2
4 – 8	35	31	4	11.4
3 – 0	53	44	9	16.9
Total	110	95	15	13.6



3.11 DEVELOPMENT SERVICES AND PROJECT MANAGEMENT DEVELOPMENT SERVICES, ASSET MANAGEMENT AND SYSTEMS AND PROJECT MANAGEMENT UNIT (PMU)

The Department: Asset Management and Systems, Development Services and Project Management Unit (PMU) are responsible for technical information management, asset management, wayleave management, development services, and project / programme management in the Directorate: Infrastructure Services. The department continued to provide operational services in terms of wayleave applications, building plan assessments, land use applications, and project management.

The PMU Section spent over R13.4 million of its capital budget in the 2023/24 financial year on various ongoing projects aimed at providing basic services to informal settlement areas and serviced sites to qualifying beneficiaries.

During the 2023/24 financial year, the Section: Development Services facilitated the approval of land use applications and building plans, which led to a development contribution revenue of R28 million excl. VAT (cash payments). This revenue can be used on bulk infrastructure engineering projects to create capacity to accommodate further development and broaden the municipal income base in terms of property rates and taxes. The section also managed over and above the DCs generated in terms of cash payments; infrastructure upgrades in lieu of DCs to the value of R14 million excl. VAT has been completed in 2023/24, and infrastructure upgrades in lieu of DCs to the value of R197 million excl. VAT is currently ongoing.

In the same financial year, the Wayleave Management Sub-section of the Asset Management and Systems Section generated a total revenue of R529 244.30 through the facilitation and management of over 100 wayleave applications from external clients. The sub-section continues to monitor safety and ensure the protection of municipal infrastructure services.

3.11.1 PROJECT MANAGEMENT UNIT (PMU)

The Project Management Unit (PMU) is a unit within the municipality that is dedicated to managing capital infrastructure projects. The unit is responsible for providing support to municipal departments to manage capital projects throughout the various stages of the project's life cycle, namely, initiation, planning, execution, monitoring, and closure. These projects included the construction of new services and houses, provision of basic services to informal settlements, bulk infrastructure projects, and municipal facilities projects.

In addition to the management of the above-mentioned function, the PMU is also responsible for function that include:

- ✦ Development, maintenance, and improvement of project management systems, procedures, and processes for the life cycle of implementing infrastructure projects;
- ✦ Rendering specialised lifecycle project management services for all types of infrastructure projects;
- ✦ Management of cross-functional projects in conjunction with relevant departments;
- ✦ Engagement with departments in the medium- to long-term planning and budgeting of capital projects;
- ✦ Assisting with the compilation of the long-term budget for the Directorate;
- ✦ Management and reporting on infrastructure implementation projects; and
- ✦ Management of Grant Funding programmes (CAPEX / RSEP / IUDG).



During the 2023/24 financial year, the Project Management Unit managed a capital expenditure budget of R21 801 117. 71% of the budget came from the ISUP grant, 3% from the IUDG, and 26% from the CRR funds. The Project Management Unit achieved a capital expenditure of R 13 439 518 (61.65%) at the end of this 2023/24 financial year.

In addition to the Project Management Section's own projects of the capital budget and expenditure discussed above, the section also managed various project stages of other major projects from the Infrastructure Directorate and from other Directorates within the Municipality.

The PMU managed the following major projects for external directorates during the 2023/24 financial year:

- ✚ Rehabilitation of Erf 3229, Franschhoek;
- ✚ Kayamandi: Zone O, Housing Development;
- ✚ Vloottenburg New Reservoir and Pipeline;
- ✚ Construction of the Stellenbosch 10ml Reservoir, Bulk Water Supply, and Associated Works;
- ✚ Vloottenburg Outfall Sewer: Construction of Bulk Sewer and Associated Infrastructure;
- ✚ Construction of The La Terra 11kv Switching Station, Franschhoek (Directorate: Electrical Services);
- ✚ Construction of New Cells and Associated Infrastructure at Stellenbosch Landfill;
- ✚ Installation of Landfill Gas Extraction and Flaring Infrastructure at the Stellenbosch Landfill;
- ✚ Upgrading of Municipal ECD Facilities;
- ✚ Calcatta Memorial Park (Directorate: Community and Protection Services);
- ✚ Ida's Valley Housing Project, Erf 9445 Oak Tree Village (Gap Housing Project); and
- ✚ Upgrading of 146 Municipal Rental Flats in Kayamandi.

Herewith is a brief overview of the highlights of major multi-year projects that were managed by PMU during the 2023/24 financial year:

Rehabilitation of Erf 3229, Franschhoek

The project aims to establish a temporary relocation site for families affected by the planned rehabilitation of the dam at Langrug Informal Settlement. The selected location, Erf 3229, currently used for illegal dumping, has been deemed feasible by recent municipal studies for the development of a decanting site. The project involves servicing approximately 236 sites with essential utilities, including water, sanitation, and electrification. Currently in the construction phase, the project was awarded and is valued at R21 million.





711 Service sites in Zone 0 Kayamandi

This project is designed to provide 711 service sites in Zone 0 Kayamandi. The project is split into three (3) phases of construction. The first phase has commenced construction, and a contractor is nearly complete with the construction engineering services for 178 sites, which will service the future affordable double-storey row housing units.

The work carried out includes bulk earthworks for preparation of the top structures, construction of urban roads and stormwater management, water and wastewater reticulation services, electrical services ducts, and related ancillary services. The next phase of the project is for construction of the top structures (house units), with procurement of the contractor scheduled to commence in November 2024 for 170 structures.

Infrastructure Directorate's Major Projects

Vlottenburg New Reservoir and Pipeline

Phase one of this project is now 100% complete. This phase involved the demolition of the existing 200-kiloliter Skoonheid circular reservoir and the construction of a new 3-megaliter (ML) reinforced concrete rectangular reservoir, complete with concrete chambers, pipework, and specialised fittings. Additionally, a new 200-kilolitre reinforced concrete sump with a pump station and pump rooms was constructed, along with two new water mains. The project also included the removal of an existing asbestos cement pipeline along Polkadraai Road, the construction of a new 10-megalitre reinforced concrete reservoir, and the installation of renewable energy sources, electrical, and control cabling. Further works included the installation of stormwater management systems, as well as the construction of new access roads, parking areas, and high-security perimeter fences around the reservoirs.



Voltenburg New Reservoir, Pipeline and Associated Works

Phase two of the project is currently in the design stage. This phase will involve connecting a new water main to the Phase 1 infrastructure, extending the network to a new pump station that will be built at Onder-Papegaaiberg, adjacent to the existing reservoir. The construction tender for Phase 2 is expected to be advertised within the current financial year.

Construction of the Stellenbosch 10ml Reservoir, Bulk Water Supply, and Associated Works

The project was initiated through a masterplan study that considered the observed considerable growth of the northern suburb of the Stellenbosch town. With this project, the municipality is allowing for further expansion of this area towards the north, and to accommodate this growing population, the municipality needs to upgrade its bulk water supply network. The 10 Ml Stellenbosch Reservoir and Bulk Water Supply project will provide infrastructure to convey water from the Papegaaiberg Reservoir to the new Stellenbosch Reservoir that will be constructed above the Kayamandi area to supply water services to this growing area.



Stellenbosch 10ml Reservoir and Associated Works Project Overview Image

The project is currently on the procurement stage of the contractor who will carry out construction works. The project's estimated duration is eighteen (18) and it is a multi-year project planned to commence in the 2024/25 FY. The figure below provides the locality and overview extent of the project crossing the Baden Powell Rd from the Vloffenburg Rd site towards the east.

Vloffenburg Outfall Sewer: Construction Of Bulk Sewer And Associated Infrastructure

The municipality's objective for this project is to provide bulk sewer services to augment the capacity of the existing municipal infrastructure and meet the needs of current and future development in the Vloffenburg area.

The masterplan studies of the municipality identified a need for new bulk sewer infrastructure to support the growing Digtebij / Vloffenburg area. The project involves the construction of a 1.2 km, 315 mm diameter bulk sewer main, along with related ancillary works. The scope includes civil works, mainly new bulk sewer pipeline, microtunneling, and connecting the new infrastructure to the existing sewer system.



Vlottenburg Outfall Sewer Project Overview Image

The project is currently in the procurement stage of the contractor who will carry out construction works. The estimated duration of the project is eighteen (18) months, with a multi-year plan to commence in the 2024/25 financial year. The figure below provides the locality and overview extent of the project crossing the Baden Powell Rd from the Vlottenburg Rd site towards the east.

Construction of the La Terra 11kV Switching Station, Franschhoek

The Franschhoek distribution network has been identified for expansion and strengthening to meet growing demand, enhance reliability, and alleviate the load on the existing electrical infrastructure. The network, fed by the Franschhoek 66/11 kV substation, serves the Franschhoek area. A new switching substation has been constructed to establish a new bulk supply point in the area, reducing the load on existing substations, increasing network capacity, and providing a redundant supply for feeders during outages. The construction of the new La Terra 11kV switching station was completed and handed over to the Electrical Department in May 2024.



La Terra 11kv Switching Station



Construction of new cells and associated infrastructure at Stellenbosch Landfill

The Waste Management Department's objective was to deliver a new landfill cell along with all related civil works and containment systems for Stellenbosch Municipality. The scope of work included constructing a shared office facility for monitoring meetings, access roads, a container staging area, and a new landfill cell.



Stellenbosch Landfill New Cells and Associated Infrastructure

Additionally, the project involved the installation of a leachate management system, a contaminated water management system, a contaminated water dam, stormwater drainage, water reticulation, sewer systems, and the relocation of the existing weighbridge. An additional weighbridge with a weighbridge office was also installed. The project was completed in July 2024 and has since been handed over to the Waste Management Department.

Installation of Landfill Gas Extraction and Flaring Infrastructure at the Stellenbosch Landfill

As part of the closure of the existing landfill cells and the operation of the new cell, the municipality intends to implement a gas extraction system. The primary objective of this project is to recover and utilise landfill gas. In the initial phase, the gas will be flared, with plans to potentially generate power in a subsequent phase, depending on viability.



Landfill Gas Extraction and Flaring Infrastructure

The scope of this contract includes the civil, mechanical, and electrical works required for the installation of the landfill gas collection and flaring system. This encompasses the installation of landfill gas wells, a network of buried HDPE gas collection pipes, condensate traps, condensate pumping chambers, and a flaring compound.

Upgrading of municipal ECD facilities

The Municipal Manager has identified the upgrading of municipal facilities used by private Early Childhood Development (ECD) centres as a priority project, with funding allocated accordingly.



Upgrading of Municipal ECD facilities.

The project is financed through the Capital Replacement Reserve (CRR) and the Integrated Urban Development Grant (IUDG). Initially estimated at R22 million for the improvement of five facilities, the scope of work was later reduced due to funding constraints. This adjustment was made to focus on addressing high-priority risks identified during the condition assessment stage.



Calcutta Memorial Park

The project is in the tender and implementation stage. The project output will be 40 000 grave sites. The cost to implement the project is estimated at R196 million.

The consultants are busy with detailed designs and statutory approvals. The project below is funded through the IUDG funding.



Ida's Valley Housing Project, Erf 9445 Oak Tree Village (Gap Housing Project)



Before the project, no development in Ida's Valley had occurred, which led to a massive need in the community for housing opportunities.

The Stellenbosch Council made the land available for the development of a turnkey developer.

The housing project was approved by the Department of Human Settlements as a second phase of the Ida's Valley housing project in terms of the Integrated Residential Development Programme (IRDP) for the installation of civil

engineering services for the development of 166 sites.

The final completion of the second access road was accomplished. The construction of 166 GAP houses was completed, with the last phase ending in February 2024.



Upgrading of 146 Municipal Rental Flats on Kayamandi

The purpose of this project is to upgrade the 146 municipal rental flats located in Kayamandi. The condition assessment was undertaken. The project cost was estimated to be R5 million. The project is currently at the procurement stage.



Despite only having three (3) project managers in the department, the PMU department has received numerous requests to assist directorates in managing various CAPEX projects. The current structure makes provision for assistant project managers, and the request was submitted to fill these vacancies in the new financial year. It is evident from the new CAPEX budget that the positions must be filled to spend the CAPEX budget, especially the IUDG allocated to the municipality.

Despite all the highlights, some of the challenges were identified in the department.

Table 132: PMU Challenges

Service Area	Challenge	Actions to address
PMU	Dependence on other departments to meet CAPEX budget allocated to PMU.	Planning of projects to be aligned to meet final project objectives – community and external stakeholder engagement.
PMU	Criteria of Grant reporting to Provincial and National department.	Appointment of additional staff to assist on grant reporting.
PMU	Response time of internal departments to meet project outputs that causes delays on active projects.	Internal departments to remain project owners of CAPEX projects.



3.11.2 ASSET MANAGEMENT AND SYSTEMS

The Asset Management and Systems Unit is a dual-function unit within the Infrastructure Directorate, and its functions are concerned with the financial and physical accountability of all infrastructure assets (Asset Management). The other function (Wayleave Management) seeks to ensure protection (from damage, loss, etc.) of all existing infrastructure assets / services through regular inspections and monitoring of all works conducted on and around the municipality's assets. Additionally, this function aids in the documentation of internal (municipal-owned) and external services or assets that are located within the road reserve of the municipal land.

This unit seeks to maximise municipal infrastructure management to support the current Strategic Focus Area 5: Good Governance and Compliance. As one of the largest economies nationally, the greater Stellenbosch area and municipality are significant providers of services. Deciding what to do, when, where, and for whose benefit is the difficult task that Infrastructure Asset Management addresses. Enhanced infrastructure capabilities also augment the achievement of the other four Strategic Focus Areas, i.e., 1: Valley of Possibility, 2: Green and Sustainable Valley, 3: Safe Valley, and 4: Dignified Living.

Municipalities are not only responsible for the provision of essential engineering services that include potable water supply, sanitation, electricity reticulation, the provision of roads and stormwater, and solid waste collection and disposal but also for housing and shared community assets like cemeteries, parks, sports grounds, libraries, etc. While municipalities also have obligations towards governance, community safety and health, and development services, the success or failure of a municipality is substantially measured by the availability and quality of infrastructure services. As such, a municipality is an asset-intensive business.

The unit strives to comply with the recently introduced Generally Recognised Accounting Practice (GRAP) standard for local governments, which focuses attention on asset management. Additionally, this unit ensures compliance with the issued National Treasury asset management practices and reporting requirements. These requirements include identifying, componentising, valuing, and tracking the health of the municipal-owned assets; establishing programmes; providing resources to care for those assets; and reporting the status recorded of existing and new assets for sustainable development.

The collective value of the municipality's infrastructure assets, installed mainly in the public road reserve and on other municipal land, amounts to a considerable value. Without the collective support and coordination by the Asset Management and Systems' (Asset and Wayleaves Management) Unit, the financial and physical accountability and protection of the existing municipal infrastructure assets would be difficult, if not practically impossible, to manage by the individual infrastructure department.

This unit strives to continuously improve its functions and systems to provide better and more efficient support to the internal departments and the public. Through these continuous improvement goals, this unit has improved its overall efficiency in Wayleave Management to over 90% in the financial year 2023/24.



The table below provides a summary of the functional statistics of the Wayleave applications.

Table 133: Wayleave Applications

Wayleave (WL) Activity	2023/24												FY Totals and Rates (%)	Average per month
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June		
Number of Standard WL Applications Received	21	49	26	22	35	1	18	27	27	38	19	22	305	25
Number of Emergency WL Applications Received	6	16	8	24	16	5	14	25	9	1	9	6	139	12
Number of Standard Wayleave Applications Finalised (Approved / Refused / Cancelled)	21	49	26	22	33	1	17	25	26	36	19	19	294	25
Number of Wayleave Finalised Within 30 Days from Date of Application	19	34	16	15	29	1	16	22	23	29	18	14	236	20
Number of Wayleave Finalised Beyond 30 Days from Date of Application	2	15	10	7	4	0	1	3	3	7	1	5	58	5
Number of Standard Wayleave Not Finalised Yet	0	0	0	0	2	0	1	2	1	2	0	3	11	1
% Finalised Standard Wayleaves	100%	100%	100%	100%	94%	100%	94%	93%	96%	95%	100%	86%	96%	96%
% Cancelled and Refused Wayleaves	0%	4%	12%	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%	2%
% Standard Wayleave Not Finalised (Target = 00%)	0%	0%	0%	0%	6%	0%	6%	7%	4%	5%	0%	14%	4%	4%
% Standard Wayleave Finalised Within 30 Days of Application (Target = 80%)	90%	69%	62%	68%	83%	100%	89%	81%	85%	76%	95%	64%	77%	77%

3.11.3 DEVELOPMENT SERVICES

The Section: Development Services is a section within the municipality that is responsible for managing the approval of engineering services and the implementation stages of all new developments in the municipality to ensure that the impact on municipal services and the environment is adequately and responsibly mitigated. Additionally, this section is required to facilitate development to promote economic growth, stimulate job creation, expand the municipal revenue stream (Development Contributions (DCs) and new property rates), and ensure development contributes to the achievement of the strategic goals of the municipality, using the following activities:

- ✚ The approval of new developments and monitoring and control of engineering projects implemented by developers;
- ✚ Provides ongoing technical support and guidance to ensure responsible and successful development;
- ✚ Plan, organise, coordinate, and control the activities, procedures, and outcomes associated with the evaluation and approval of land use and building plan applications, as well as the calculation and coordination of bulk infrastructure development charges;



- ✦ Plan, organise, coordinate, and control the activities, procedures, and outcomes associated with the engineering side of the rate clearance applications;
- ✦ Manages the implementation of specific developments and development contribution-linked infrastructure projects to ensure capacity for new developments; and
- ✦ Develops and provides input into strategic documents, policies, and guidelines related to the engineering aspects of development.

During the 2023/24 financial year, the Section: Development facilitated the approval of land-use applications and building plans, which led to a DC revenue of R28 million excl. VAT (cash payments). This revenue can be used on bulk infrastructure engineering projects to create capacity to accommodate further development and broaden the municipal income base in terms of property rates and taxes.

Over and above the DCs generated in terms of cash payments, infrastructure upgrades in lieu of DCs to the value of R14 million excl. VAT have been completed in 2023/24, and infrastructure upgrades in lieu of DCs to the value of R197 million excl. VAT are currently ongoing.

The images below depict some of the projects for the 2023/24 financial year, some of which are still ongoing. All amounts stated are excluding VAT.

Upgrading of R44 / Hendrickse Street with Voiliere's DCs





Klapmuts R44 NMT and intersection upgrade – with Mount Vernon's DCs



Klapmuts Bulk Infrastructure – with Stellenbosch Bridge's DCs



Schuilplaats Road Extension and Traffic Calming; With Welgegund's DCs



R44 / Paradyskloof Road Butterfly intersection With Welgegund's DCs



Dennesig NMT and Transport upgrades – with Dennesig's DCs





Botmanskop Reservoir - with Botmanskop Village's DCs



To provide more perspective on the above, the monthly and annual applications are summarised in the table below:

Table 134: Building Plans and Land Use Applications

Activity	2023/24												Total
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Building Plans: Received	123	106	130	110	135	55	50	109	126	96	121	104	1 265
Building Plans: Commented on within 14 days	57	41	67	26	76	28	33	69	100	72	94	87	750
% within the deadline (target = 50%)	46%	39%	52%	24%	56%	51%	66%	63%	79%	75%	78%	84%	59%
Land-use Applications: Received	23	15	17	21	19	22	3	12	20	21	13	16	202
Land-use Applications: Commented on within 30 days	8	13	11	12	11	14	2	5	16	13	7	15	127
% within the deadline (target = 35%)	35%	87%	65%	57%	58%	64%	67%	42%	80%	62%	54%	94%	63%

All the previously vacant posts have been filled from December 2023. It is evident from the statistics above the positive impact that this has had on productivity and service delivery.

Despite all the highlights some of the challenges were identified in the department:

Table 135: DC Challenges

Service Area	Challenge	Actions to address
Development	Dependence on other service departments to meet service delivery targets.	Vacancies in other service departments have a negative effect on response times to development.



Service Area	Challenge	Actions to address
Development	Developers often face challenges in DC calculations, particularly when it comes to the use of DC on Provincial Roads.	Problematic areas in the DC Policy need to be addressed. The consultant's tender expires in June 2023, and a new tender needs to be awarded. Collaboration with the Section: Land Use Planning is required. Inconsistencies regarding DCs between the DC Policy and the Land Use Planning Bylaw must also be addressed.
Development	Shortfalls on DC projects funded by developers.	The mechanism of dealing with this scenario must be thoroughly investigated and formulated to ensure compliance with all relevant legislation. Newly appointed DC consultants to assist with this project in 2024/25.
Development	DCs payable by schools, ECDs, churches, and other social institutions are problematic for the developers of these facilities, frequently stating that they render the school, etc., unfeasible. This has a domino effect if the school / social facility is not built because the underlying social issue cannot be addressed.	The Council considers if an automatic DC exemption will apply to these types of land uses. This can be addressed in the next revision of the DC Policy (2025/26).
Development	Opportunity: Compare road upgrades vs. NMT upgrades in terms of impact and return on investment.	The outcomes of the Dennesig NMT upgrade project need to be scientifically measured once the project is completed to ascertain the value created by spending DCs on NMT upgrades vs. traditional road upgrades.

The table below indicates the capital expenditure for the Section: IPDI as at 30 June 2024.

Table 136: Capital Expenditure as at 30 June 2024: Development Services and Project Management Development Services, Asset Management and Systems and Project Management Unit (PMU)

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from the Adjustment Budget
	R'000		
Upgrading Ad hoc Housing Projects	2 603	2 603	0%
Franschhoek Mooiwater 236	1 000	206	79.39%
Franschhoek Mooiwater 236	3 015	–	100%
Kayamandi: Zone O (±711 services)	13 350	8 798	34.09%
Franschhoek Mooiwater Basic Services	1 233	1 233	0%
Only the five largest capital projects are listed.			

The Section: IPDI has spent 62% of its capital budget for the financial year.

The table below indicates the total number of employees in the Department: Development Services and Project Management Development Services, Asset Management and Systems, and Project Management Unit (PMU) as at 30 June 2024.

Table 137: Total number of employees in the Department: Development Services and Project Management Development Services, Asset Management and Systems and Project Management Unit (PMU)

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0
14 – 17	5	5	0	0
9 – 13	6	5	1	16.7



Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
4 – 8	2	2	0	0
3 – 0	0	0	0	0
Total	14	13	1	7.1



COMPONENT C: PLANNING AND ECONOMIC DEVELOPMENT

3.12 SPATIAL AND INFRASTRUCTURE PLANNING

a) Integrative Spatial Planning Approach

Spatial planning is critical for delivering economic, social, and environmental benefits by creating more stable and predictable conditions for investment and development, securing community benefits from development, and promoting prudent use of land and natural resources for development. Spatial planning is therefore an important lever for promoting sustainable development and improving the quality of life.

Integrative spatial planning is informed by universal planning approaches and concepts, normative and developmental planning principles, norms, and standards. These informants provide clarity on the scope and focus for achieving spatial planning outcomes / benefits for creating positively performing areas that are generally regarded as successful and liveable settlements.

The characteristics of a desirable and successful settlement tend to be:

Figure 26: Characteristics of a settlement





To achieve these positively performing, successful, liveable settlements the following requirements are required of the planning system, namely:

- ✦ To achieve a greater mix of land uses and densities in the urban structure that provides a full range of urban functions—housing, employment, and services—in a pattern that minimises the need to travel great distances to work, shop, or conduct business. The efficient use of land needs to be compatible with social well-being and healthy environmental objectives;
- ✦ to initiate urban regeneration in inner-city areas and main streets with high-density concentrations of mixed employment, residential, and other uses. These areas, with adequate investment in modernisation and renovation of the existing stock and infrastructure, can provide housing closer to services and a wider range of lifestyle opportunities;
- ✦ to enhance and support the regeneration of housing estates through innovative financing, technological and regulatory initiatives, and demonstration projects. Focusing on the elimination of barriers to investment will facilitate small-scale urban renewal through cooperative efforts and self-help;
- ✦ to enhance broad participation, improve community involvement, and build support for sustainable planning policies and programmes; to promote community identity through the creation of meeting places, public spaces, pedestrian networks, and the preservation of historic buildings and attractive streetscapes;
- ✦ to provide a range of cultural and recreational opportunities that correspond to diverse needs through efficient use of natural areas for passive recreation and cultural purposes; to maintain a system of integrated and interconnected open spaces, parks, and river valleys; and to protect the natural habitat and resources in the areas;
- ✦ to provide water and sewerage infrastructure that accommodates the needs of the local community while meeting the objectives of a healthy environment; to undertake considerable improvement of existing infrastructure to reduce the amount of untreated urban runoff wastewater discharge; and to increase the capacity of the existing infrastructure to accommodate urban growth and intensification; and
- ✦ to improve and expand the transport system to meet the challenges of readjustment in the urban economy and to sustain the competitiveness of public transport. To maximise efficiency, supplement conventional public transit with specialised services directed at specific market segments and promote energy efficiency and alternative modes of transport.

b) The system of Integrative Spatial Planning

One of the legislated spatial planning system tools available to urban and regional planners is Spatial Development Frameworks (SDFs), a strategic and integrated spatial planning policy that must outline specific arrangements for prioritising, mobilising, sequencing, and implementing public and private infrastructural and land development investment in the priority spatial structuring areas as identified in these SDFs to give effect to the vision, goals, and objectives of the municipal IDP or related business plans of the government.

The Master Spatial Development Framework (MSDF) covers the jurisdictional area of the municipality. In the case of the Stellenbosch Municipality, the MSDF 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, where will it take place, and who will be responsible for what aspect of the development? What are the non-negotiables and fixes necessary to achieve the proposed development path, and which areas require more detailed studies / precinct plans?” all while maintaining the best and most sustainable use of resources.



With the reform in planning law, a shift in focus to an integrative spatial planning approach was facilitated. This shift results in:

- ✦ More effective coordination of sectoral actions that have a cross-sectional spatial dimension;
- ✦ Greater responsibility for operating the system for authorities at regional and local levels, while ensuring conformity and adequate support;
- ✦ More effective participation by local communities and other stakeholders;
- ✦ The ability of planning authorities to recoup a proportion of the financial gain from the allocation of development rights to private developers to provide or pay for externality effects and provide local community benefits; and
- ✦ The responsible consideration of environmental impacts of development so that any adverse impacts are mitigated and / or compensated for.

c) The local spatial strategy informs the MSDF, its review, and amendments (2023/24)

The MSDF was amended and approved in June 2023. The approved MSDF for 2023 was informed by various specialists and spatial strategies, namely:

- ✦ The development of scenarios of land demand to inform the development of a preferred 20-year growth strategy, development path, and nodal development concepts for Stellenbosch Municipality. This work culminated in the status quo and Urban Development Strategy (UDS) documents in 2017;
- ✦ A request for a development proposal was received from external parties;
- ✦ Area-based planning investigations for parts of the municipality, notably Stellenbosch town, Klipmuts, and the area north of Kayamandi;
- ✦ The Capital Expenditure Framework (CEF), 2023. An updated CEF was commissioned in 2023 due to the approval of the Adam Tas Corridor Local Area Spatial Development Framework (ATC LASDF), 2022, and the ATC Development Guidelines. The updated CEF for 2023 has been adopted simultaneously with the amended MSDF process for 2023/24;
- ✦ The completion and approval of the Adam Tas Corridor Local Area Spatial Development Framework, which was done in partnership with the Western Cape Government (WCG): Department of Environmental Affairs and Development Planning (DEA&DP);
- ✦ In parallel, the Adam Tas Corridor Overlay Zone was developed, finalised, and adopted in May 2023;
- ✦ The Inclusionary Zoning Policy identified in the MSDF implementation framework was completed and approved by Council in 2023. This was done in partnership with the WCG, DEA&DP, Development Action Group (DAG), City of Cape Town, and other metropolitan municipalities considering the development of the policy;
- ✦ The local area plan for the redevelopment of the Rhenish complex for economic development opportunities has been concluded and approved by the Council in 2023. This is linked to the proposed urban revitalisation of Mill Square and its surrounds, as initiated by the Council in 2022. The latter plan is prepared by Checkers and is currently being peer-reviewed by an external urban designer. The revised Stellenbosch Municipality Housing Pipeline was approved during March 2023;
- ✦ The Comprehensive Integrated Transport Plan was approved in 2023; and
- ✦ The "Innovation Precinct" or "Smart City District," directly west of and adjacent to Klipmuts South, was approved in 2023. A land agreement with the University of Stellenbosch (US) to possibly establish university-related activities in this area was concluded successfully.



Since the approval of the MSDF (2019), related work has focused on:

- ✦ To assist with the implementation of the ATC LASDF, SM and the ATC's collective landowners signed a Memorandum of Understanding (MoU) in 2022. The Council approved the MoU in August 2022 and appointed the Economic Development Partnership (EDP) to draft the terms of reference for the project manager to appoint a person in the Municipality on a temporary basis to facilitate the development of the ATC. The EDP was also tasked to facilitate and assist the municipality to appoint the Steering Committee for the ATC, consisting of senior municipal officials and an equal number of representatives of the landowners collective;
- ✦ The CEF was updated to align with the municipal spatial vision, functional areas (FAs), and Priority Development Areas (PDAs) for the municipality. Following this, a socio-economic and developmental profile was prepared for the municipality as well as for each of the FAs and PDAs. This input enabled extensive spatial demand quantification, and the setting of programmatic long-term infrastructure investment targets required to realise the spatial vision of the municipality; and
- ✦ Continuous support was given for the creation of an intergovernmental initiative for the development of Klapmuts by the Greater Cape Metropolitan Regional Spatial Implementation Framework (GCMRSIF) Intergovernmental Steering Committee. The National Department of Rural Development and Land Reform, Stellenbosch, City of Cape Town and Drakenstein Municipalities, and the Provincial Department of Environmental Affairs and Development Planning agreed to conduct a study to better understand current regional infrastructure systems. Following this analysis, three spatial scenarios will be developed to accommodate growth within a specified area along the N1 between the City of Cape Town and Paarl, considering factors such as population growth, household demographics, and land use.

The table below indicates the capital expenditure for the Department: Planning and Development Services as at 30 June 2023.

Table 138: Capital Expenditure as at 30 June 2024: Department: Planning and Development

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from the Adjustment Budget
	R'000		
Furniture, Tools, and Equipment: Spatial Planning	16 318	16 318	0%

The Departments: Planning and Development have spent 100% of their capital budget for the financial year.

The table below indicates the total number of employees in the Department: Development Planning as at 30 June 2023.

Table 139: Total number of employees in the Department: Development Planning

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0
14 – 17	2	2	0	0
9 – 13	6	6	0	0
4 – 8	5	5	0	0
3 – 0	0	0	0	0
Total	14	14	0	0



The table below indicates the highlights experienced within the department as at 30 June 2023.

Table 140: Performance Highlights- Department: Development Planning

Highlight	Description
Local Spatial Development Framework for the Adam Tas Corridor	The local spatial development and development guidelines for the Adam Tas Corridor (ATC LSDF), which is a catalytic project listed in the MSDF, have been finalised and adopted by the Council in 2022.
Adam Tas Overlay Zone	The preparation of the ATC LSDF included drafting a concept overlay zone. The Council approved the overlay zone, and its promulgation is currently underway.
Review and amendments to the MSDF and CEF	The department embarked on a process to ensure a better alignment of the strategic and higher-order plans of the municipality with the approved MSDF, which required the review and amendment of the MSDF (including the Capital Expenditure Framework CEF). The Council approved the final amended MSDF and CEF on 27 June 2023.
Inclusionary Zoning (Housing) Policy	The MSDF proposed that an Inclusionary Zoning (Housing) policy be drafted through which the delivery of more affordable housing within new developments and / or targeted areas can be achieved. The Inclusionary Zoning Policy was adopted by the Council on 27 June 2023. Stellenbosch Municipality is the first intermediate city to adopt a policy of this nature.
Feasibility studies for land / building acquisition	Four studies for properties that could potentially be obtained by the Council, three of which are in the Adam Tas Corridor, were completed and submitted to management for consideration.
A precinct plan for the Rhenish complex	An urban design study and precinct plan for the Rhenish Complex in Stellenbosch, setting out the potential measures to preserve, develop, and activate the Rhenish Complex, was drafted, and published for public participation. The comments are currently being reviewed, and the amended policy will be transmitted to the Council for approval during the latter part of 2023.
Intergovernmental relations	DEA&DP took the initiative to arrange for quarterly intergovernmental relations meetings for municipalities falling within the Greater Cape Metropole. The meetings are mandated to discuss common issues and cross-boundary matters. All the department's senior staff attend the meetings.

The table below indicates the challenges experienced within the department as at 30 June 2023.

Table 141: Performance Challenges- Department: Development Planning

Challenge	Actions to address
Approval of the Inclusionary Housing Zoning Policy	Stellenbosch is the first municipality (except the City of Johannesburg) to approve an Inclusionary Zoning Policy. The policy will require that developers contribute a certain percentage of the housing delivery to a specific income band (affordable) in exchange for offset incentives (i.e., up-zoning, density bonuses, etc.). There is a real risk that developers will view this requirement as a penalty, and considerable opposition can be expected from some developments. The process of implementing the policy will be challenging and may be challenged in a court of law.
Capacity	The total staff component of the Section: Spatial Planning amounts to four (4) officials, consisting of a manager, a senior planner, and a spatial and administrative officer. With the increase in projects undertaken in-house, as well as the need to develop LSDFs for each smaller town, as well as for the "Bosdorpe," and to facilitate and lead the implementation of the MSDF. Catalytic projects and the LSDF are currently placing the department under severe pressure. The Department: Development Planning notes that the organogram approved in 2017 does not meet the requirements to successfully fulfil the functions and mandate required by the Section and must be urgently reviewed and amended.

3.12.1 LOCAL ECONOMIC DEVELOPMENT (LED)

The table below indicates the highlights within the Section: LED and Tourism.

Table 142: LED Achievements

Achievement / Highlight	Description	Financial years					
		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Business Interventions	Business registrations	37	37	29	n/a	n/a	n/a



Achievement / Highlight	Description	Financial years					
		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	Municipal Jobseekers Database Registrations	27	n/a	181	1 767	7 903	11 244
	Advice to walk-ins	1 795	n/a	334	19	24	48
	Workshops	12	15	1	0	n/a	n/a
	Business Licences	13	2	22	19	24	14
Informal Trading	<p>The Section: Economic Development and Tourism has several informal trading sites:</p> <ul style="list-style-type: none"> • Cloetesville; • Kayamandi; • Klapmuts; and • Ida's Valley. <p>The only site not operational yet is Groendal, but this will be operational within the 2024/25 financial year.</p>	n/a	n/a	n/a	3	4	4
Enterprise Development and Support	<p>Training for Stellenbosch-based entrepreneurs did exceptionally well in the 2023/24 financial year.</p> <p>The types of training and mentoring workshops delivered during the financial year were as follows:</p> <ul style="list-style-type: none"> • SEDA Co - operative training. • SEDA Networking Event for Woman's Day; • "The Art of Pitching for Funding" Masterclass; • Entrepreneur Awareness: Emerging Farmers; • Co-operative Training; and • Start – up Tribe (22 training courses with over 200 participants in total). <p>The unit has also been very active with the processing of informal trading permits, ensuring active microbusiness trading in Stellenbosch.</p>	n/a	n/a	3	11	22	27
Vacant Agricultural Property	Four portions of land were awarded in the 2023/24 financial year.	n/a	n/a	2	n/a	n/a	4



The table below gives a brief description of all the challenges within the Section: Economic Development and Tourism during 2023/24.

Table 143: LED Challenges

Description	Actions to address
Human resources are insufficient to drive an effective economic development and tourism programme.	<p>The Directorate: Planning and Economic Development has since filled two critical positions within the unit, namely the Senior Economic Development Officer: Rural Development and Agricultural Support position and the Senior Economic Development Officer: Business Development position.</p> <p>The only concern now is that the current salary offering does not retain the required experienced, qualified, and well-trained staff to enable the section to perform its functions for a substantial period.</p>

3.12.2 EPWP JOB CREATION 2023/24

The Expanded Public Works Programme (EPWP) met the expected target of **1 100** as planned for the year 2023/24 with an actual of **1 695** job opportunities created.

The table below illustrates job creation through the EPWP for the 2023/24 financial year.

Table 144: Job Creation through EPWP Projects

EPWP Projects	Number of jobs created
External EPWP Projects Projects: 4	
Newinbosch 2023/24	12
Ibhunga Cleaning Franschhoek 2023/24	17
Ibhunga Cleaning Kayamandi 2023/24	43
MRF	4
IG-funded EPWP Projects Projects: 14	
EDT	27
IPDI Support Warriors	5
Supply Chain Management	5
Cleaning of Libraries	1
Complaints and Documents Administration	6
Artisan Assistants	8
EPWP Fire Assistants	16
EPWP Disaster Assistant	13
EPWP Sport Facility Assistants	5
Community Dev Office Assistant	3
Cleaning of Rental Stock	55
Ward Office Management	24
Stellenbosch Park Wardens	22
Roads and Stormwater	26
Municipal Funded Projects: Total Projects: 17	
Parking / Que Marshall and Scholar Safety	331
Stepping Stone-Violence and Crime Project	8
EPWP Sport Admin	1
Firebreak Maintenance	21
Rental Stock and Tra Survey	15
Title Deeds Restoration Programme	13



EPWP Projects	Number of jobs created
Area Cleaning WC024	833
Waste Water Treatment and Network Sites	52
Parks FHK Maintenance and Cleaning	14
Maintenance and Cleaning Of Alien Species (Cemetries)	11
Ornamental Horticulture	21
Jonkershoek Picnic Site	13
Visible Policing Operations	30
Cleaning Services	5
Service Patrol	19
Cleaning The River	14
Area Cleaning WC024 / Waste Recycling Project	2
Total Jobs	1 695

Table 145: Jobs created per area

Jobs created per area					
Stellenbosch and Surrounds	Kayamandi	Franschhoek and surrounds	Dwarsriver Valley	Klapmuts	Rural areas
548	732	178	99	130	8

3.12.3 TOURISM

The strategic goal of tourism promotion should be contextualised to support sustainable growth. This includes regularising the operational functioning of external bodies appointed or supported by the municipality to fulfil its constitutional mandate towards tourism and economic development.

It is essential to ensure coordination of activities among funded entities and maintain efficient oversight of both funding and outcomes. Acknowledging and leveraging private sector and independent initiatives will strengthen tourism efforts, while developing sustainable tourism events and brands will help create long-term value. Sponsorship opportunities should be enabled for the commercialisation of events and brands, while cyclical tourism numbers can be smoothed by establishing and implementing off-peak tourism products and initiatives.

Additionally, opportunities and venues for business tourism should be developed and packaged to attract a broader range of visitors. Enabling local businesses to participate in the market, alongside creating training, mentorship, and employment opportunities for local citizens, will further stimulate economic growth.

Finally, it is crucial to quantify the return on investment in events and funded entities to ensure resources are being utilised effectively.

Agricultural Support and Rural Development

Executive Mayor, Adv Gesie van Deventer, joined by Western Cape Minister of Agriculture Mr Ivan Meyer, once again handed over contracts to four additional emerging farmers, signalling the municipality's continued commitment to sustainable agricultural practices, economic growth, and job creation in its region.

The ongoing effort to lease municipal agricultural land to local farmers underscores the municipality's dedication to creating lasting opportunities and fostering inclusivity within the community. This multi-round approach demonstrates a forward-looking strategy, ensuring the ongoing empowerment of



emerging farmers and the fruitful utilisation of previously underutilised land.

The contracts, ranging between 9 to 11-year leases with the option of renewal based on productive land use, were handed over with a commitment to optimise every available patch of agricultural land in the Stellenbosch municipal area.

The Executive Mayor emphasised the Municipality's strategic objective to create a business-friendly environment and promote job creation. The administration's dedication to providing opportunities for emerging farmers is evident in the selection process, considering farming experience, business plans, and financial readiness. The municipality will also ensure essential infrastructure like electricity and water supply, facilitating connections with agricultural groups and government departments.

Its municipal policy for the Management of Agricultural Land creates the framework for openness, transparency, accountability, and predictability. More importantly, it provides the basis for small-scale farmers who possess the required knowledge, expertise, passion, and commitment to apply to lease parcels of municipal agricultural land and develop their farming businesses into sound commercial enterprises. Doing so brings hope to these farmers and the role they play in securing food security and jobs in the sector.

This initiative aligns with the Stellenbosch Municipal Council's 2016 Policy on the Management of Municipal Agricultural Land, allowing effective utilisation of previously unused land to empower emerging and historically disadvantaged farmers. As a caring and responsible government, Stellenbosch Municipality continues to pioneer practices that boost the local agricultural sector, demonstrating the crucial role local governments play in creating opportunities and supporting residents' economic empowerment.

StartUp Tribe

The Stellenbosch Entrepreneurship Academy is an initiative to bring know - how to thousands of people to empower them with tools and skills to achieve what they want to achieve in business. Partnership between Stellenbosch Municipality and the StartUp Tribe to contribute positively towards Small Medium Micro Enterprise Development ("SMME") in the Stellenbosch Municipality.

The StartUp Tribe is an online entrepreneurship academy that focuses on providing learning material such as short practical courses to help people start and grow their local businesses. The courses are all free and designed to be used on a mobile phone in low-bandwidth environments.

The StartUp Tribe is a valuable resource for small business owners based in Stellenbosch Municipality as it provides them with the knowledge, skills, and support needed to navigate the challenges of entrepreneurship and increase the chances of building a successful business. The courses are designed to help you in a practical, hands-on way to start and grow your business, whether you are a student, start-up, small business, or a professional (lawyer, doctor, accountant, engineer, artisan, farmer, etc.).

Alternative Energy Support Programme

On 2 February 2024, Executive Mayor Adv Gesie van Deventer, accompanied by the Municipal Manager and colleagues from the Western Cape Department of Economic Opportunities, visited Huguenot Fine Chocolates in Franschhoek. This local business received support from the municipality and the department through its Alternative Energy Support Programme.

The Alternative Energy Support Programme was established to assist small, medium, and micro



enterprises (SMMEs) in adopting alternative energy solutions, ensuring their operational continuity during instances of load shedding. The department initiated a pilot project, installing 12 solar back-up systems at municipal SMME trading hubs across seven municipalities, of which two SMMEs in Stellenbosch have benefitted from the project.

Small businesses play a pivotal role in fostering job creation and driving local economic development. These enterprises serve as the backbone of communities, contributing significantly to employment opportunities and economic vitality. Unlike large corporations, small businesses are often deeply rooted in their local environments, generating a sense of community and providing personalised goods and services. Job creation within small businesses not only addresses unemployment but also nurtures a diverse and resilient local economy. As these enterprises grow, they stimulate additional economic activities, creating a ripple effect that benefits suppliers, service providers, and the overall community. Furthermore, small businesses often prioritise local hiring, contributing to the development of a skilled and engaged workforce.

Job Seekers Database Outreach Programme

Several Job Seekers Outreach Programmes were run during the financial year. The Economic Development and Tourism Unit conducted 27 outreach sessions to register more members of the community on the database between 28 February and 26 April 2023.

The table below indicates the capital expenditure for the Section: Economic Development Tourism as at 30 June 2024.

Table 146: Capital Expenditure as at 30 June 2024: Section: Economic Development and Tourism

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from the Adjustment Budget
	R'000		
Establishment of the Kayamandi Informal Trading Area	1 000	866	13.36%
Furniture, Tools and Equipment: LED	88	85	2384%
Only the five largest capital projects are listed.			

The Section: Local Economic Development and Tourism has spent 87% of its capital budget for the financial year.

3.12.4 HERITAGE AND RESOURCE MANAGEMENT

The Section: Heritage Resources Management is mandated to enable, facilitate, and manage cultural heritage development within the Stellenbosch municipal area through the formulation and implementation of long-term cultural heritage plans, strategies, policies, and guidelines that are appropriately integrated with the applicable sectoral plans of the municipality and aligned with the requirements of the National Heritage Resources Act, Act 25 of 1999.

Part of this work was updating the Stellenbosch Municipality Heritage Inventory, which was done in partnership with the Stellenbosch Heritage Foundation. The municipality intends to expand on this partnership to ensure that the heritage inventory is continually updated.

The municipality has also undertaken a process to review and amend the Stellenbosch Municipality Outdoor Advertising and Signage Bylaw, and this bylaw is currently being advertised for public participation with the intention that it will be adopted and promulgated during the 2024/25 financial year.



3.12.5 GEOGRAPHIC INFORMATION SYSTEMS (GIS)

The GIS Section is responsible for managing, coordinating, and controlling the professional and technical processes associated with Geographic Information Systems (GIS) in respect of the municipality, Management of Information Systems (MIS) through research and evaluation of best practices and cost-effective approaches, and providing guidance and advice on the functionalities to internal departments to ensure that broader goals and service delivery objectives are accomplished and quality and professional standards maintained per agreed timeframes, budgets, and appropriate legislation.

The Section has assisted the Directorate: Planning and Economic Development with the development of electronic and online submissions of building plans and land use applications. Through this process, the Section has developed the Building Plan Application Management System ("BPAMS") and the Town Planning Application Management System ("TPAMS"). These systems will allow residents and potential developers to submit their development applications online and monitor the progress of their respective applications.

Currently, BPAMS is fully operational and will be launched with TPAMS during the next financial year.

The table below indicates the total number of employees in the Department: Development Planning as at 30 June 2024.

Table 147: Total number of employees in the Department: Development Planning (Entire department)

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	2	2	0	0
14 – 17	5	5	0	0
9 – 13	8	8	0	0
4 – 8	2	2	0	0
3 – 0	0	0	0	0
Total	17	17	0	0



COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.13 LIBRARIES

Renowned author Eric Klinenberg, in one of his speeches at a library in the United States, referred to libraries as:

"...an irreplaceable part of our "social infrastructure." Libraries make democracy possible by bringing people together, ensuring open access to information, and fostering strong communities".

The Stellenbosch Municipality Public Libraries Section is proud to support and strengthen the communities, bring people together, and create spaces where everyone feels welcome. The year under review was full of remarkable accomplishments and meaningful impact on the communities. The municipality focused on the following service areas:

Empowering Individuals

Providing individuals with free access to information and opportunity is one of the greatest ways to empower and engage them. The Public Libraries Section's core function is to provide education and access to information for all it serves, irrespective of whether they are career-ready, teaching them computer skills, language, literacy, and numeracy skills, or just connecting them to other critical skills. The municipality has introduced visits to the homebound patrons and welcomed and assisted many homeless citizens to find employment and parents needing assistance with filling in online school application forms. The Public Library connects individuals of all backgrounds to important resources and services such as wellness lectures, career expos for scholars, SARS visits for those needing assistance with filing tax forms, bursaries, and university applications.

Building Community

Throughout the year, the municipality works to inspire members of the community to become civically engaged.

Voter Awareness Displays were put up in libraries, a vital step in supporting democracy. Municipal libraries are vital for connecting their patrons with the important resources and information they need to support and strengthen their local communities.

Literacy

Since its inception, the Stellenbosch Public Libraries Section has been a leader in the promotion of reading and literacy. The municipality dedicates itself to fostering a love of reading throughout the municipality, whether it is assisting its youngest learners or older adults in discovering the transformative power of books. The public library has focused its efforts on reintroducing patrons to the library following the devastating effects of the COVID-19 pandemic. Additionally, the municipality is resolute in its dedication to the communities it supports. The municipality is aware that libraries and literacy are essential for achieving equality. Consequently, the municipality has dedicated a significant portion of its efforts to the promotion and dissemination of the benefits of reading and the numerous services that libraries can provide to communities during the year under review.

Engaging new patrons also means strengthening connections with local communities through expanded outreach and increased awareness. Therefore, librarians have developed and delivered school outreach programmes to kids and teens to ensure all students have access to the library's resources.



Another new initiative designed to attract new users to the library is the “ADOPT A SCHOOL” programme which brings together young children and their caregivers to learn how the library can support children's early learning and development. Lastly, adult patrons can be part of the regular library book launches and events of renowned authors.

Despite the various challenges this year, which included severe budget cuts and staff shortages, Stellenbosch Public Libraries have proved to be a section full of innovative thinkers who are steadfast in their dedication to breaking down barriers and serving those most in need. Despite these challenges and with the municipality's response to the pandemic and 4IR, the municipality was encouraged to adapt and expand its services. The municipality's library champions jumped into action quickly to reinvent traditional library services in creative ways. The municipality's aim continues to be that of strengthening the community by creating an inclusive sense of place and environment for learning.

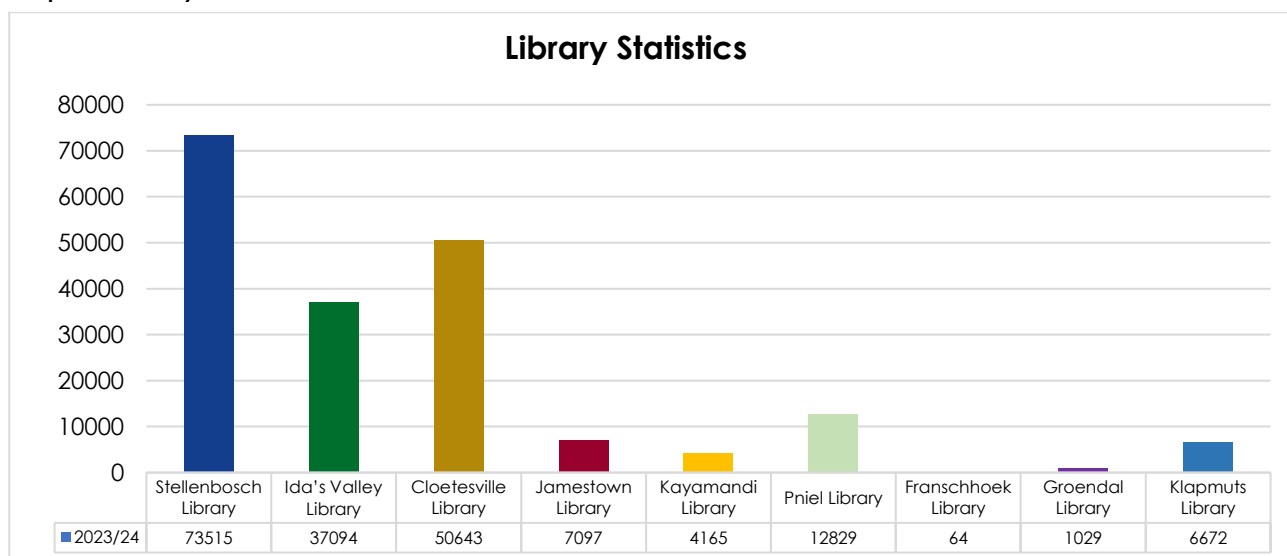
Libraries have over the last year endeavoured to strengthen the existing public and private partnerships with the communities within the WCO24 Area.

Table 148: Libraries partnerships

Organisation	Type of partnership	Current Activities
Khula Development Group	Informal	Facilitated talk on Father's Day Programme
Right to Care	Informal	LGBTQIA awareness programme
Usiko	Informal	Yeboneers assist with holiday programme
Right to Care	Informal	Weekly health awareness programmes and testing – every Monday
Rietenbosch Primary School	Informal	Africa Day programme
SAPS (Klapmuts)	Informal	Road Safety
Ebrahim Samsodien	Informal	Author's launch
SARS	Informal	SARS pop-up office

Table 149: Library Services

Item	Description	Total number
Libraries in the WCO24 Area	Public Libraries: Kayamandī, Cloetesville, Ida's Valley, Jamestown, Stellenbosch, Pniël, Groendal, and Franschhoek	8
	School / public libraries Koelenhof and Klapmuts	2
Library staff (permanent)	Library Manager	1
	Senior Librarians	4
	Senior Library Assistant	1
	Library Assistants	19
	Library Aid / Cleaner	5
	IT Cadet	0
	Admin Assistant	0
	Library Attendant	1
Vacancies (including conditional grant-funded vacancies)	Senior Librarians	3
	Senior Library Assistant	3
	Library Assistants	5
	Library Aid / Cleaner	3
	IT Cadet	1
	Admin Assistant	1

**Graph 16: Library Statistics**

The table below indicates the capital expenditure for the Section: Library Services as at 30 June 2024.

Table 150: Capital Expenditure as at 30 June 2024: Section: Library Services

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from the Adjustment Budget
	R'000		
Upgrade Stellenbosch Library	4 339	203	95,31%
Upgrading: Cloetesville Library	200	105	47,26%
Library Books	217	51	76,46%
Cloetesville: Furniture, Tools and Equipment	555	260	53,19%
Only the five largest capital projects are listed.			

Only the five largest capital projects are listed.

The Section: Libraries has spent 12% of its capital budget for the financial year.

3.14 CEMETERIES

Stellenbosch Municipality is responsible for the maintenance and management of six cemeteries in greater Stellenbosch. Pniël and Groendal have reached their capacity, while Franschhoek South and North are fully operational. Space has been created at Onder Pappegaaï cemetery. A new cemetery in Kylemore is currently being established. The Jamestown cemetery suffered harm because of high underground water levels during this year's storms. It became practically impossible for new graves to be dug in the area. Simultaneously, the municipality could not do any reopening of graves due to the underlying high-water levels. The municipality is in the process of investigating possibilities to reduce the amount of water after rains.

Consultants were appointed (3 years + project) to assist Stellenbosch Municipality with the plan and construction of a new cemetery. This will address the critical need for burial space within the municipality. This project is at an advanced stage of acquiring the required environmental, water, and land use approvals. All licenses have been received for the commencement of the new Stellenbosch Memorial Park, situated alongside the R304, planned at the site known as the Calcutta.



The objective of the Section: Cemeteries is to provide adequate burial space and ensure a dignified burial.

The table below indicates the availability of burial space within the WC024 as at 30 June 2024:

Table 151: Cemetery space availability

Cemetery	Airspace	Status		
		Open	Full	Closed
Jamestown	Open	✓		
Onderpapegaaiberg	Open	✓		
Pniël	Reopening		✓	
Groendal	Reopening		✓	
Franschhoek South	Open	✓		
Kylemore	Not open yet			✓
Calcutta	Not open yet			✓

3.14.1 INCOME – CEMETERIES

The table below indicates the income generated from the financial years of 2018/19 – 2023/24.

Table 152: Cemeteries Income

Gravesite locations	2022/23		2023/24	
	Number of Burials	Income	Number of Burials	Income
Onder-Papegaaiberg	65	R612 431.84	452	R1 292 061.44
Jamestown	554	R1 355 202.05	1	R2 139.90
Pniël	22	R12 993.95	10	R4 972.94
Wemmershoek	5	R7 728.48	0	R0
Franschhoek North Groendal	71	R44 597.62	9	R0
Franschhoek South	41	R78 505.95	65	R77 171.31

The table below indicates the capital expenditure for the Section: Cemetery and Parks Services as at 30 June 2024.

Table 153: Capital Expenditure as at 30 June 2024: Cemetery and Parks Services

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from the Adjustment Budget
	R'000		
Calcutta Memorial Park	9 500	9 386	1.20%
Only the five largest capital projects are listed.			

The Section: Cemeteries has spent 99% of its capital budget for the financial year.



The table below indicates the total number of employees in the Department: Community Services as at 30 June 2024.

Table 154: Total number of employees in the Department: Community Services (Entire Department)

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0
14 – 17	10	10	0	0
9 – 13	37	36	1	2,7
4 – 8	94	87	7	7,4
3 – 0	60	59	1	1,6
Total	201	192	9	4,4

3.15 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES–COMMUNITY DEVELOPMENT

The Department: Community Development is thankful to the municipal council for not cutting the departmental budget, which makes serving vulnerable communities still possible. The impact of the economic situation in the country is visible in local households and on the local streets. This is evident in the increased expectations from local government to deliver services not received from other spheres of government and the number of people trying to make a living being homeless.

Table 155: Service Statistics – Childcare, Aged Care, Social Programmes

Focus area	Description	Ward	Activity
Children	<ul style="list-style-type: none"> Capacity building of ECD practitioners; Initiatives in awareness programmes (ECD children); ECD Registration Compliance; Strengthening and establishing ECD forums; Transversal committees / ad hoc committees; and Awareness Programmes. 	All	154 ECD practitioners attended the annual appreciation event.
		All	130 ECD practitioners were assisted with information and access to officials relating to the registration of ECD facilities.
		1-4, 12-15, 18-19	First Aid training was provided to 38 ECD practitioners.
		ALL	The registration status of 120 ECD facilities was plotted on the GIS system.
		All	Holiday programmes reached 2 000 children.
		4, 12-15, 20	Back to School programme reaching 5 000 children.
		All	100 foster parents and children participated in the parenting training session with DSD.
		All	3 000 children participated in the Child Protection Week activities.
People with Disabilities	Awareness and Wellness programmes Universal Access	All	90 people with disabilities participated in the disability sports day.
		All	The municipality updated the published link to the local Disability Organisations Information Portal on the municipal website.
		All	355 people and various organisations participated in the Walk with Disability Awareness programme on World Disability Day.
		All	181 people attended general prevention and awareness sessions.



Focus area	Description	Ward	Activity
		All	<p>✚ Nine training sessions have been completed with the internal UA Champions, and two information sessions were done with internal departments, and the process of policy alignment started.</p>
Older Persons	Special Events, Awareness programmes and Capacity Building	1-6, 10, 12-17, 20	<p>✚ 400 elderly people participated in the Golden Games programme.</p>
		2-4, 6, 13, 20	<p>✚ 7 elderly received technical official training for Golden Games.</p>
		18	<p>✚ 10 elderly received capacity-building training to form a club.</p>
		19	<p>✚ 17 elderly were introduced to issues affecting them and the availability of services through an awareness programme.</p>
		3-6, 12-15, 18, 20	<p>✚ 130 members of elderly clubs benefitted from the CWDM Adult Diaper Relief Programme.</p>
		1-6, 13, 16-18, 20	<p>✚ 37 elderly people participated in the Elderly Month programme</p>
		1-6, 13, 16-18, 20	<p>✚ 63 elderly people participated in the Elderly Abuse Awareness Day.</p>
Gender	Special Events and Awareness programmes	2	<p>✚ Women's Day with 100 women.</p>
		4, 12-15	<p>✚ Fatherhood Programme with 70 men</p>
		2, 12-15	<p>✚ 120 widows participated in an empowerment programme.</p>
		All	<p>✚ The local VEP Forum was launched by DSD and was attended by 50 persons.</p>
		12-15, 18	<p>✚ 1 000 girls were reached through the Help a Girl campaign.</p>
		All	<p>✚ 2 000 persons were reached through the 16 Days of Activism campaign, where all service providers in the sector developed a key ring with service information on it to be introduced to the communities.</p>
		All	<p>✚ Officials attended Roses on the River, the World AIDS Day commemoration of @heart.</p>
		All	<p>✚ 100 women participated in general GBV and SUD awareness programmes.</p>
		12-15, 16	<p>✚ 22 unemployed youth were trained in the SSCF programme</p>
Youth	Youth Empowerment programmes Youth Capacity Building Transversal committees / Ad hoc programmes	3-6, 16-18, 20, 21	<p>✚ 98 youth were reached through a career expo.</p>
		12-15, 20	<p>✚ 39 youth received business development training over two days.</p>
		19	<p>✚ 9 youth were trained at the e-Centre in basic MS applications.</p>
		12-15, 20	<p>✚ 25 youth participated in an entrepreneurship training.</p>
		1, 2, 12-15, 20	<p>✚ 41 youth participated in the DCAS Cape Winelands Drama Festival.</p>



Focus area	Description	Ward	Activity
		2-4, 10, 12-20	Accredited skills training was completed in the following fields: <ul style="list-style-type: none"> ✦ Learner Licence: 10; ✦ Assistant Cheff: 13; ✦ Table Attendant: 25; ✦ General Building Maintenance: 13; and ✦ Lifeguard Training: 8
		18	✦ 33 youth participated in the Community Capacity Enhancement Programme of DSD.
		1-2, 16-20	✦ 129 youth participated in the job-readiness programme in partnership with DSD.
		6, 12, 13, 16-18	✦ 20 youth were trained as Emergency First Aid Responders.
		12-16	✦ 30 youth participated in general awareness programme.
		2	✦ 33 youth were trained in substance abuse prevention.
		12-16	✦ 30 youth participated in the Chrysalis and IEC awareness programme.
Grant in Aid	Donations to community organisations serving among others: youth, gender, ECDs, Old Age Homes, Health Organisations, and sports clubs	All	<ul style="list-style-type: none"> ✦ 1 financial management workshop with 17 organisations. ✦ 3 compulsory clarification workshops with 157 organisations. ✦ 97 GiA applications were assessed. ✦ 29 organisations attended the MOA signing workshop. ✦ See the table below regarding the approved donations. ✦ GiA Policy and SOP reviewed. ✦ 720 persons were trained through a GiA Food Garden Project, and 602 gardens were established.
People on the Street	Development, awareness raising through collaboration and services rendered	All	✦ 285 homeless persons were reached with general prevention and awareness information.
		All	✦ 460 persons were reached through the Winter Readiness Street Store.
		All	<ul style="list-style-type: none"> ✦ The Homelessness Forum continued with the conversations around homelessness and developed a service directory. ✦ SU recognised the work of the forum and awarded the interim chairperson with the Award for Social Impact.
		All	<ul style="list-style-type: none"> ✦ Give Responsibly marketing via Facebook and during the festive season safety campaign. ✦ The campaign was extended to include 2 000 license disc stickers and posters distributed. ✦ 427 first-year students were reached with the Give Responsibly Campaign during orientation week. ✦ 18 shops participate in the programmes through the sale of coupons. ✦ One mini-site on Give Responsibly was updated on the Visit Stellenbosch website to make the information on Give Responsibly available to tourists through a QR code. ✦ Give Responsibly Coupons sold: 5 240. ✦ Give Responsibly Coupons redeemed: 4 957.



Focus area	Description	Ward	Activity
		All	<ul style="list-style-type: none"> 585 work opportunities were provided to people on the street through the Animal Welfare Walk a Dog project and the Stellenbosch Night Shelter Cleaning project.
		All	<ul style="list-style-type: none"> 9 439 beds were taken up by homeless persons at the Stellenbosch Night Shelter through the GiA Donation.
		All	<ul style="list-style-type: none"> 74 homeless persons participated in the celebration of World Homeless Day.
Social Relief of Distress	Provision of food parcels, blankets, mattresses, vanity packs and warm food according to the need due to disaster incidences	ALL	<ul style="list-style-type: none"> 1 512 individuals were assisted.
Stellenbosch Local Drug Action Committee	Networking, Development of Service Directory, Collective programme implementation	All	<ul style="list-style-type: none"> The executive committee continued to meet monthly with quarterly, bigger engagements and was attended in total by 121 persons. 64 people participated in the International Day Against Drug Abuse and Illicit Trafficking. General Awareness programmes was implemented reaching 240 persons. Collaboration between role-players led to the establishment of an AA group in Kayamandi.
Mobile Thusong Centre	Inter-governmental Cooperation, taking services to the communities	1, 2	<ul style="list-style-type: none"> The event served 612 persons over the two days.



Pictorial view of the focus areas:





The table below indicates the number of Grant in Aid applications recommended and approved for the year under review:

Table 156: Number of Grant in Aid applications recommended and approved

Subcategory	Applications Recommended and approved	Recommended Amount R
2023/24		
General Soc Dev	4	160 000
Partial Care	12	470 000
Disability	3	120 000
Youth	2	80 000
Substance Abuse	1	40 000
Food Security	1	2 979 890.40
People who are homeless	2	2 568 331.78
Skills Development	1	40 000
Physical and Psychological Health	2	80 000
Sport Clubs	1	40 000
Art and Culture	2	80 000
Total	31	6 698 222.18

The table below indicates the total number of employees in the Section: Community Development as at 30 June 2024.

Table 157: Total number of employees in the Section: Community Development

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0
14 – 17	1	1	0	0
9 – 13	4	4	0	0
4 – 8	6	5	1	16.6
3 – 0	0	0	0	0
Total	11	10	1	9.1



COMPONENT E: ENVIRONMENTAL PROTECTION

3.16 POLLUTION CONTROL, BIO-DIVERSITY, BEAUTIFICATION, OPEN SPACES AND PARKS

Stellenbosch Municipality is continuously 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, Stellenbosch Municipality developed the Stellenbosch Environmental Management Framework in 2018, administered by the Department: Community Services.

Stellenbosch Municipality is compiling dedicated Environmental Management Plans (EMPs) for all its declared nature reserves as well as nature areas. In this regard Council has adopted the Ida's Valley Dam / Botmaskop EMP during 2023 and the Mont Rochelle Nature Reserve EMP in 2022. Papegaaiberg Nature Reserve and Paradyskloof Nature Area has approved EMPs, both currently under review. Stellenbosch Municipality has also completed an Invasive Alien Plant Management Plan, as required in terms of the National Environmental Management: Biodiversity Act (10 of 2004), and an Integrated Fire Management Plan to assist in the management of large vacant nature areas under the management of the Council.

An Air Quality Control Bylaw as well as a Noise Control Policy have been developed and adopted by the Council. The latter is implemented by a dedicated Air Quality / Noise Control Officer appointed within the Department: Community Services.

Air quality and noise complaints are captured in a central database and dealt with within the required timeframes. The following statistics included both air quality-related matters and noise complaints. All noise complaints are investigated in terms of the Western Cape Noise Control Regulations PN200/2013.

Table 158: Air Quality Complaints 2018

2018 Complaints	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Fumes	2	2	3	3
Smoke	2	0	3	2
Dust	3	4	3	3
Burning of waste / tyres	0	0	0	0
Farmland burning	0	0	0	0
Crop spraying	0	0	0	0
Offensive odours	0	2	3	2
Unlicensed facilities	0	0	0	0
Noise	34	45	47	40
Other	1	0	0	0
Total	42	53	59	50

Table 159: Air Quality Complaints 2019

2019 Complaints	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Fumes	3	4	2	4
Smoke	2	3	4	4
Dust	5	4	3	5
Burning of waste / tyres	0	0	0	2
Farmland burning	2	2	3	3



2019 Complaints	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Crop spraying	0	0	0	2
Offensive odors	2	2	3	3
Unlicensed facilities	0	0	0	0
Noise	40	45	48	45
Other	2	0	0	1
Total	56	60	63	69

Table 160: Air Quality Complaints 2020

2020 Complaints	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Fumes	16	2	6	7
Smoke	2	2	0	3
Dust	3	2	3	6
Burning of waste / tyres	0	1	1	1
Farmland burning	0	0	2	1
Crop spraying	1	0	2	1
Offensive odors	7	0	2	4
Unlicensed facilities	0	0	0	0
Noise	64	23	44	53
Other	0	0	0	0
Total	93	30	60	76

Table 161: Air Quality Complaints 2022

2022 Complaints	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Fumes	15	15	7 (July. 21 only)	29
Smoke	5	3	0 (July. 21 only)	5
Dust	4	3	0 (July. 21 only)	6
Burning of waste / tyres	2	0	0 (July. 21 only)	2
Farmland burning	3	0	0 (July. 21 only)	0
Crop spraying	6	2	2 (July. 21 only)	0
Offensive odours	5	0	1 (July. 21 only)	3
Unlicensed facilities	0	0	0 (July. 21 only)	0
Noise	35	31	6 (July. 21 only)	41
Other	2	0	0 (July. 21 only)	0
Total	77	54	16 (July. 21 only)	86

Table 162: Air Quality Complaints 2023

2023 Complaints	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Fumes	8	11	21	19
Smoke	3	4	3	4
Dust	5	5	4	6
Burning of waste / tyres	1	2	3	2
Farmland burning	2	2	3	3
Crop spraying	1	0	2	4
Offensive odors	3	3	5	2
Unlicensed facilities	0	0	1	0
Noise	66	53	38	40
Other	0	0	0	1
Total	88	80	80	82

**Table 188: Air Quality Complaints 2024**

2024 Complaints	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Fumes	20	11	17	12
Smoke	2	1	5	4
Dust	6	5	2	3
Burning of waste / tyres	1	2	3	2
Farmland burning	0	1	2	2
Crop spraying	1	1	1	3
Offensive odors	3	3	4	2
Unlicensed facilities	0	2	0	2
Noise	66	56	51	49
Other	1	1	2	1
Total	100	83	87	80

Total noise complaints for 2018 = **166**

Total noise complaints for 2019 = **178**

Total noise complaints for 2020 = **184**

Total noise complaints for 2021 = **72**

Total noise complaints for 2022 = **122**

Total noise complaints for 2023 = **197**

Total noise complaints for 2024 = **222**

3.16.1 ENVIRONMENTAL IMPLEMENTATION

Stellenbosch Municipality works closely with the Department of Environmental Affairs and Development Planning with regards local government compliance and adherence to legislation. Implementation of operational plans in relation to management plans are executed within the area of responsibility.

3.16.2 URBAN FORESTRY

Maintenance of the Urban Forestry within the CBD is guided by the Tree Management Policy and applicable Standard Operating Procedures that facilitates the planting, protection, felling, maintenance, and long-term management of all trees located on municipal property through tree management (arboricultural) practices, thus promoting a sustainable development approach. This approach is geared towards making the areas within Stellenbosch Municipality green through advancing sustainable urban forestry practices, with the aim to guide investors towards eco development.

Below are the highlights and challenges:

Table 163: Environmental Management Highlights

Highlight	Description
Phase 2 completed of the Tree Application Management System	This is a three-year capital project that is focused on managing the maintenance of trees on a computerised application system.

**Table 164: Environmental Management Challenges**

Challenge	Actions to address
Load shedding	Noise nuisance and an increase in air pollution were also encountered as many businesses and households switch to backup generators, which run on fossil fuels such as diesel or petrol. The increased use of these generators leads to higher emissions of greenhouse gases such as carbon dioxide and nitrous oxide, as well as particulate matter. These pollutants can contribute to climate change, harm human health, and need to be managed in accordance with relevant legislation. The Noise Control officer is mandated to investigate complaints and implement the necessary corrective measures, and at the same time try to increase awareness and education among the public and help develop an environment that takes cognisance of everyone's rights
Severe weather Conditions	The adverse weather conditions caused destructive damage in nature reserves and areas that affected infrastructure and flora. These conditions have resulted in negative effects on both natural and built environment. Repair work to the effected environments is gradually underway



COMPONENT E: SECURITY AND SAFETY

3.17 Law Enforcement

The primary role of Law Enforcement is bylaw enforcement and the protection of municipal assets and staff. The function includes the monitoring and prevention of invasions of municipal land, for which the responsibility is shared between Community and Protection Services and the Section: Informal Settlements.

A 24/7 control room is in place, as is the monitoring of crime-hotspot areas through CCTV cameras. License Plate Recognition Cameras (LPR) have been installed at all entrances / exits to Stellenbosch and Franschhoek towns, with several LPR cameras installed on minor roads that are used regularly by thoroughfare traffic to avoid congested areas during peak times. This has proven to be successful in the combatting of crime and crime prevention initiatives.

Highlights:

- ✦ Weekly operational planning with key stakeholders (SAPS and other safety partners);
- ✦ 24/7 operational control room to ensure more efficient service delivery and open to other role-players; and
- ✦ Procurement of a multi-purpose armoured vehicle to effectively deal with land invasions and assist SAPS in crime prevention initiatives.

Challenges:

- ✦ To render a 24/7 law enforcement patrol service;
- ✦ Increase and maintain surveillance of key places;
- ✦ Functionality of some CCTV and LPR cameras;
- ✦ Prevention of land invasions;
- ✦ Increase of homeless people, which results in an increase in criminal and bylaw offences;
- ✦ There is insufficient staff to fulfil operational requirements;
- ✦ There is insufficient office space to accommodate departmental staff; and
- ✦ The reduction of temporary law enforcement officers for the last financial year, evidence can be seen in the number of fines issued between the two financial years.

Law Enforcement attended to the following from 2022/23 until 2023/24:

Table 165: Law Enforcement highlights

Type of activity	2022/23	2023/24
Fines issued Section 56's and 341's	5 196	2 078
Liquor Compliance Inspections	51	95
Scrap metal / Bucket Shop Inspections	67	83
Law Enforcement Awareness sessions	33	64

3.17.1 TRAFFIC SERVICES

Traffic Services is performing its functions as guided by the National Road Safety Strategy, with its main objective being to achieve traffic safety on municipal roads, including the functions as defined in the municipality's IDP.

The National Road Safety Strategy provides all-year-round road safety initiatives. The municipality has increased its enforcement strategy in collaboration with stakeholders and affected parties.



Operations like automatic number-plate recognition are conducted to improve compliance with and payment of traffic fines.

Ongoing objectives are to improve road user behaviour; reduce the incidence of traffic offences; speeding; drunk driving and driving under the influence of narcotics; dangerous overtaking; remove unfit road users from traffic; roadworthiness of vehicles; public transport compliance concerning vehicles and drivers; provide sufficient and coordinated regulation of traffic on strategic roads; provide pedestrian education and compliance; eradicate corruption; ensure administrative compliance; and overall improve enforcement systems. This includes additional hours and Saturday operations at the Admin Section and a new approach to law enforcement strategies.

Highlights:

Traffic Service strategies have managed to yield favourable results.

In the 2023/24 financial year, Traffic Service continued with the delivery of its Traffic and Pedestrian Safety Programme, which entails a team of two traffic officers who focus on the education of learners and farm workers regarding road safety issues. Lectures were presented at schools, and training was provided in respect of correct bicycle etiquette and the registration, training, and monitoring of scholar patrols throughout the municipality. Eighty-Two (82) awareness initiatives on public safety were held at targeted schools in the municipal area.

The special operations unit with Traffic Law Enforcement has yielded great results in the enforcement of public transport infringements as well as focussing on drag racing, driving under the influence, and moving violations, which include reckless and negligent driving.

The temporary traffic parking project is continuing successfully within limits and is beneficial to both the contractual staff who are earning an income (job creation) and the municipality, which is managing parking within the municipal area internally.

The OUTsurance points man project is another intervention that is supporting traffic operations by assisting in peak hour traffic, both early and late peaks. This project allows operational staff to focus on transgressions during peak hours, while the OUTsurance pointsmen are focussing on problematic intersections controlling traffic.

The appointment of six internally trained traffic wardens as officers has yielded positive results and boosted the operational efficiency of the enforcement teams.

Challenges:

- ⚠ Inadequate Human Resources: Limited Staff;
- ⚠ To render a 24/7 traffic service;
- ⚠ The capacity of the Drivers Licence Testing Centre limits the number of tests that can be performed in a day; and
- ⚠ Vehicle Testing Station infrastructure challenges and staff shortages.

Stellenbosch is continuing to be a preferred business and employment hub. The resources required to provide a quality service to the residents and business sector are inadequate and pose a significant challenge for the future. This limitation has a negative impact on service delivery.



Service Statistics – Traffic Services

Table 166: Service Data for Traffic Services

Details	2021/22	2022/23	2023/24
Drivers License Tests	2 2 11	2 095	1 189
Learner Driver License Tests	3 118	4 471	3 363
Number of Section 56 Notices Issued	34 400	43 504	55 506
Number of Section 341 Issued	28 062	29 867	35 823
Traffic Awareness Sessions	86	54	82
Number of camera speeding fines issued	357 144	372 420	353 279
Number of ANPR interventions	97	100	118
Number of public transport operations	258	261	320
Number of drunken driving operations	275	223	208

The tables below indicate the capital expenditure for the Section: Law Enforcement and Traffic Services as at 30 June 2024:

Table 167: Capital Expenditure as at 30 June 2024: Section: Traffic and Law Enforcement

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from the Adjustment Budget
	R'000		
Vehicle Fleet: Law Enforcement	7 094	7 064	0.42%
Furniture, Tools and Equipment: Traffic Services	93	91	1.66%
Vehicle Fleet: Traffic	1 099	1 099	0%
Install Computerised Access Security Systems and CCTV Cameras At Municipal Buildings	261	25	90.53%
Furniture, Tools and Equipment: Law Enforcement	153	147	4.13%
Only the five largest capital projects are listed.			

The Section: Traffic and Law Enforcement has spent 100% of its capital budget for the financial year.

The tables below indicate the total number of employees in the Department: Protection Services as at 30 June 2024.

Table 168: Total number of employees in the office of the Senior Manager: Protection Services

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0
14 – 17	0	0	0	0
9 – 13	0	0	0	0
4 – 8	2	1	1	50
3 – 0	0	0	0	0
Total	3	2	1	33.3

Table 169: Total number of employees in the office of the Manager: Traffic Law Enforcement

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0
14 – 17	1	1	0	0



Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
9 – 13	0	0	0	0
4 – 8	0	0	0	0
3 – 0	0	0	0	0
Total	1	1	0	0

Table 170: Total number of employees in the office of the Chief Traffic Services

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0
14 – 17	1	1	0	0
9 – 13	1	1	0	0
4 – 8	1	1	0	0
3 – 0	1	1	0	0
Total	4	4	4	100

Table 171: Total number of employees in Traffic Law Enforcement Services

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0
14 – 17	3	1	2	66.6
9 – 13	39	33	6	15.3
4 – 8	13	4	9	69.2
3 – 0	0	0	0	0
Total	55	38	17	31

Table 172: Total number of employees in Traffic Admin Services

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0
14 – 17	1	1	0	0
9 – 13	7	7	0	0
4 – 8	13	10	3	23.1
3 – 0	0	0	0	0
Total	21	18	3	14.2

Table 173: Total number of employees in Law Enforcement Services

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0
14 – 17	3	2	1	33.3
9 – 13	30	27	3	10
4 – 8	34	30	4	11.7
3 – 0	0	0	0	0
Total	67	59	8	11.9



3.18 FIRE AND DISASTER MANAGEMENT

The Republic of South Africa's 1996 Constitution imposes legal obligations on the government to protect the health and safety of its citizens. Section 41(1)(b) determines that all spheres of government are required to "secure the well-being of the people of the Republic," while Section 152(1)(d) requires that local government "ensures a safe and healthy environment."

Fire service strives to be proactive in preventing fires and other risks rather than simply reacting to fires through –

- a. Acting in support of the wider developmental agenda as outlined in the NDP;
- b. Establishing sound institutional and administrative capabilities that support its roles and purpose;
- c. Demonstrating good governance and administration;
- d. Adopting community-based approaches;
- e. Putting people and their concerns first; and
- f. Professionalisation of the function.

Schedule 4, Part A of the Constitution, determines that disaster management is a functional area of concurrent national and provincial legislative competence, meaning that both national and provincial governments have a legal imperative to implement disaster management according to the requirements of the Constitution and the Disaster Management Act. This does not mean that municipalities (the local sphere of government) are exempt from disaster management responsibilities. Section 156 (4) of the Constitution determines that national and provincial governments must assign to a municipality, by agreement and subject to any conditions, the administration of a matter listed in Part A, Schedule 4 (e.g., disaster management), which necessarily relates to local government, if that matter would most effectively be administered locally and if the municipality has the capacity to administer it.

The impact of disasters has been part of human history. Disasters have influenced, shaped, and modified human behaviour and the way humans live and respond to the environment. Despite the municipality's best efforts in rolling out risk reduction programmes, disasters still result in enormous tangible and intangible losses. Disaster risk is intimately connected to human development. Disasters can put this development at risk while, at the same time, development choices made by people, communities, and nations can generate new risks. This, however, is not inevitable, as human development can also contribute to a reduction in disaster risk.



Highlights:

- Conversion of the panel van into a mobile incident command vehicle.



Challenges:

- The manifestation of climate change – seen in excessive rains and flooding, as well as in more frequent and ferocious veld fires.

a) Service Statistics – Fire and Disaster Management

Table 174: Service Data for Fire and Disaster Management

Details	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Total fires attended in the year	647	1 011	1 043	947	944	1 022	893	1 209
Total of other incidents attended in the year	1 952	1 655	1 511	1 740	3416	2 515	1 948	1 615
Average turnout time - urban areas (minutes)	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25
Average turnout time - rural areas (minutes)	22.75	20.5	20	15	15	15	15	15
Firefighters in post at year-end	52	57	57	58	61	61	64	64
Total fire appliances at year-end	10	11	13	15	17	17	17	17
The average number of appliances off the road during the year	3	2	2	2	2	2	2	2
Total operational callouts	2 704	2 666	2 556	2 687	4 360	3 537	2 841	2 824
Immediate relief to victims	831	849	437	573	555	775	1 478	1 986
Emergency flood kits	300	184	118	372	37	0	82	1
Emergency housing kits	277	190	149	262	156	208	568	307
Meals (food parcels)	327	180	158	138	155	213	8 651 Meals / 328 Food Parcels	36 360 Meals / 534 Food Parcels
Blankets	315	526	473	479	497	601	984	1 512



The table below indicates the capital expenditure for the Section: Fire and Disaster Management as at 30 June 2024.

Table 175: Capital Expenditure as at 30 June 2024: Section: Fire and Disaster Management Services

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R'000		
Furniture, Tools and Equipment: Fire	350	349	0.38%
Specialised Vehicles: Disaster Management	1 115	1 115	0%
Only the 5 largest capital projects are listed			

The Section: Fire and Disaster Management has spent 100% of its capital budget for the financial year.

The table below indicates the number of employees in the Section: Fire and Disaster Management as at 30 June 2024.

Table 176: Total number of employees in the Section: Fire and Disaster Management

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0
14 – 17	5	5	0	0
9 – 13	37	37	0	0
4 – 8	27	27	0	0
3 – 0	0	0	0	0
Total	70	70	0	0



COMPONENT F: SPORT AND RECREATION

3.19 HOLIDAY RESORTS AND CAMPSITES

The Stellenbosch Municipality is responsible for the management and maintenance of one picnic site, the Jonkershoek Picnic Site. This 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, and provides outdoor leisure for visitors, catering for braai and picnics along the river course.

3.19.1 SPORTS FACILITIES AND SWIMMING POOLS

Table 177: Service Statistics – Holiday Resorts and Campsites

Type of service	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Number of resorts	1	1	1	1	1	1	1	1
% Occupation for the year for Jonkershoek picnic site (open from 1 September to 30 April)	PAX:15840 CARS:3372 Income: R448 701	PAX:13636 CARS:2434 Income: R403 579.74	PAX:20690 CARS:5246 Income: R648 115	PAX:12993 CARS:2063 Income: R462 832.73	PAX:0 CARS:0 Income: R0	PAX:10 585 CARS: 1757 Income: R380 269	PAX:5710 CARS: 1309 Income: R205 134.50	PAX:0 CARS:0 Income: R0 Flood damage

The Stellenbosch Municipality is responsible for the management and maintenance of seventeen (17) sports grounds in its municipal area. The picturesque beauty of the Stellenbosch Mountains surrounds these grounds. Ten (10) are in urban areas, and seven are in 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.

Stellenbosch Municipality manages and maintains one swimming pool in the greater Stellenbosch area. The swimming pool is situated in Cloetesville and can accommodate two hundred and seventy-five (275) people at any time per day. The existing facility can host swimming galas and aims to further sports development and recreation.

3.19.2 SERVICE STATISTICS SPORT - GROUNDS AND SWIMMING POOLS

Table 178: Service Statistics Sports Grounds and Swimming Pool

Type of service	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Number of sport grounds / fields	17	17	17	17	17	14	15	15
Number of swimming pools	1	1	1	1	1	1	1	1
Number of stadiums	10	10	10	10	10	14	10	10

3.20 COMMUNITY HALLS AND FACILITIES

Stellenbosch Municipality is the proud owner of two top-class town halls and nine community facilities that cater to residents and both 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 179: Total functions: Community Halls and Facilities**

Type of service	2019/20	2020/21	2021/22	2022/23	2023/24
Total functions at municipal halls					
Stellenbosch Town Hall	65	0	10	40	40
Klapmuts Centre	59	28	80	81	80
Eikestad Hall	142	17	74	80	68
Wemmershoek Hall	31	7	37	27	29
La Motte Community Hall	12	14	59	47	52
Franschhoek Town Hall	11	1	2	2	9
Groendal Community Hall	76	18	69	66	21
Kylemore Community Hall	20	19	36	35	38
Pniël Banquet Hall	44	15	34	50	50
Kayamandi Community Hall	N/A	N/A	27	152	147
Cloetesville Banquet Hall	N/A	N/A	5	65	51
Total	460	119	433	645	585

The table below indicates the total revenue for Community Halls and Facilities.

Table 180: Total Revenue / Income: Community Halls and Facilities

Type of service	2019/20	2020/21	2021/22	2022/23	2023/24
Stellenbosch Town Hall	R1 047 814.66	R0	R 100 935.38	R 384 455.10	R492 919.30
Klapmuts Centre	R47 356	R23 475.60	R 62 892.64	R 50 824	R73 125.70
Eikestad Hall	R93 475	R9 407.60	R 51 675.42	R 50 362.60	R108 729.30
Wemmershoek Hall	R35 526	R3 662.63	R 18 385.53	R 10 926	R13 924.90
La Motte Community Hall	R23 731	R7 068.61	R 30 293.54	R 18 379	R21 298.60
Franschhoek Town Hall	R66 260.90	R9 403	R10 565.22	R 16 120	R74 706.50
Groendal Community Hall	R61 394.10	R13 488.50	R 42 818.74	R 39 732	R26 898.00
Kylemore Community Hall	R11 260.70	R10 855.72	R 25 718.23	R 23 001.48	R25 869.50
Pniël Banquet Hall	R36 706.20	R8 522.12	R 30 556.39	R 30 347	R52 978.00
Kayamandi Community Hall	-	-	R 5 214.69	R 24 996	R33 369.00
Cloetesville Banquet Hall	-	-	R 815	R 17 130	R27 405.00
Total		R 85 883.78	R 379 870.78	R 666 273.18	R951 223.80



The table below indicates the capital expenditure for the Section: Sport, Recreation and Halls as at 20 June 2024.

Table 181: Capital Expenditure: Section: Sport, Recreation and Halls

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget (%)
	R'000		
Upgrade of Sport Facilities	4 239	3 307	21.98%
Upgrading of Parks	2 296	1 881	18.06%
Fencing :Parks and Gardens	700	678	3.14%
Furniture, Tools and Equipment: Environmental Management	958	755	21.18%
Jonkershoek Picnic Site upgrades	569	569	0%
Only the 5 largest capital projects are listed			

The Section: Sport, Recreation and Halls has spent 72% of its capital budget for the financial year.



COMPONENT G: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes corporate policy offices, financial services, human resource services, ICT services, and property services.

3.21 FINANCIAL SERVICES

3.21.1 SERVICE STATISTICS

Table 182: Financial service statistics

Details of the types of accounts raised and recovered	2023/24		
	Billed in Year	Actual for accounts billed in a year	The proportion of value of accounts billed that were collected
	R		%
Property Rates	484 454 441	476 145 135	98.28%
Electricity	874 585 643	849 400 451	97.12%
Water	203 270 709	156 034 673	76.76%
Sanitation	114 951 742	104 456 373	90.87%
Refuse	96 326 521	84 249 108	87.46%

3.22 HUMAN RESOURCES SERVICES

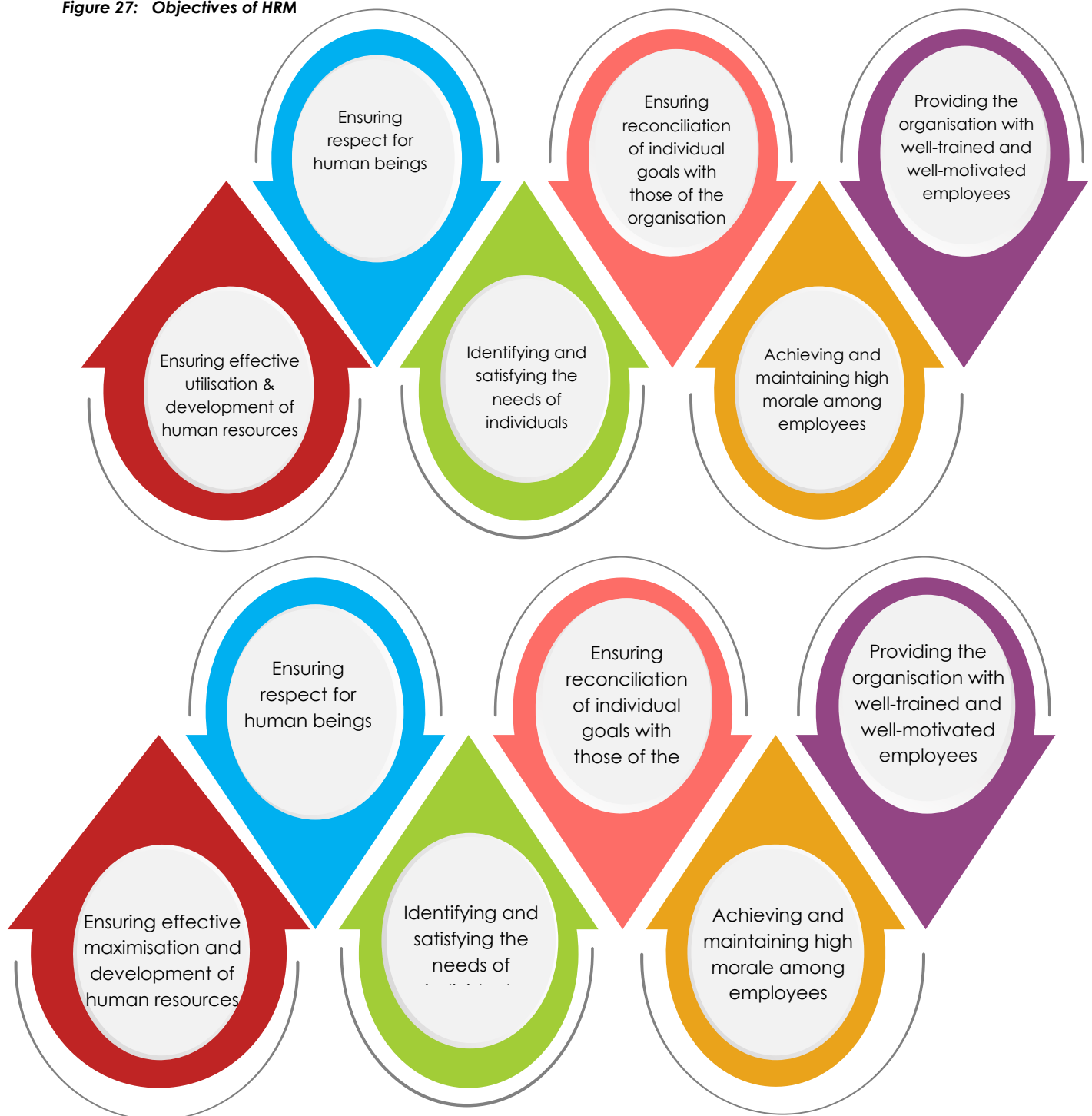
The vision of the Department: Human Resources Management is undoubtedly to build partnerships with management at all levels of the organisation, to create a culture or working environment where employees are valued or appreciated, and to ensure a diverse, qualified, healthy, and highly motivated workforce focused on achieving critical outcomes through the development and administration of cost-effective and results-oriented human resources.

Accordingly, the mission of the Department: Human Resources Management is to address and achieve the goals and challenges of Stellenbosch Municipality by **providing services that promote a work environment that is characterised by fair treatment of staff, open communications, personal accountability, trust, and mutual respect**. The municipality will seek and provide solutions to workplace issues that support and optimise the operating principles of the organisation.



The Department: Human Resources Management objectives depicted for Stellenbosch Municipality include, but are not limited to.

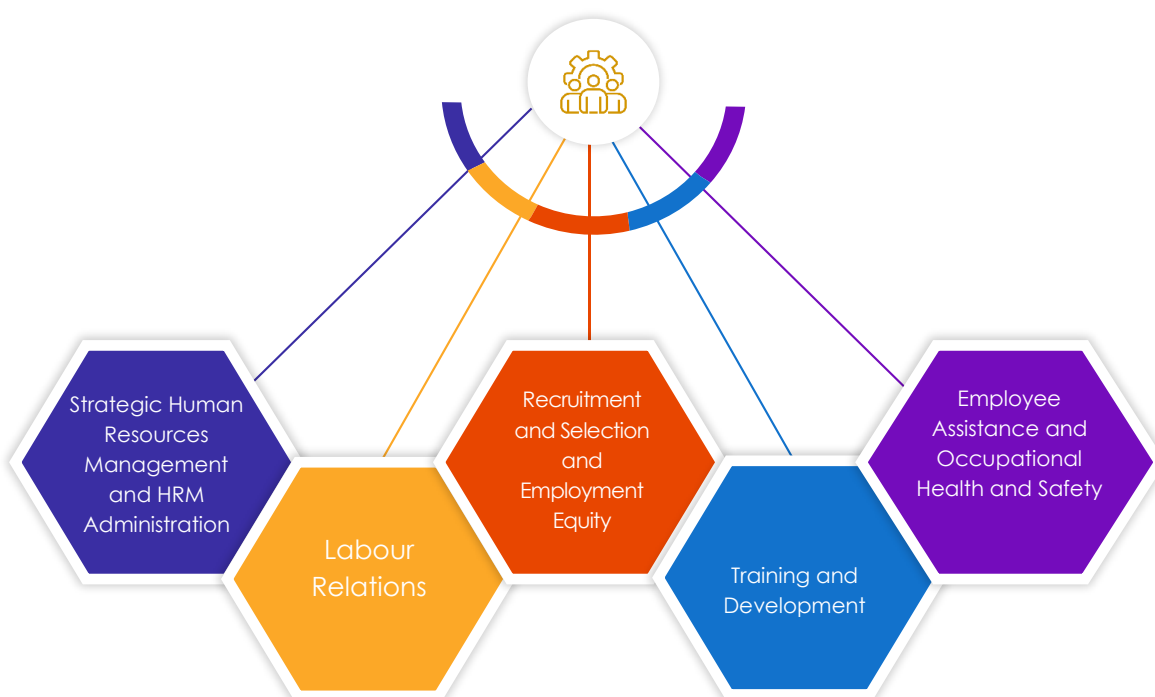
Figure 27: Objectives of HRM





Human resources services include:

Figure 28: HRM elements



Each director, manager, departmental head, superintendent, assistant superintendent, and foreman is 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 Department: Human Resources Management, which provides policies, guidelines, support, systems, and specialised inputs.

The table below indicates the total number of employees in the Department: Human Resource Management as at 20 June 2024:

Table 183: Total number of employees in the Department: Human Resources Management

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0
14 – 17	2	2	0	0
9 – 13	11	11	0	0
4 – 8	4	3	1	25
3 – 0	0	0	0	0
Total	18	17	1	5.5

3.23 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The Department of ICT committed its time in the 2023/24 financial year to reviewing ICT contracts and the purchase and replacement of computer software and hardware to further enable the various municipal business units.



a) Highlights

- High-site wireless hardware links were procured and delivered during this time, with the plan to upgrade the municipal network to the outer-lying areas under the WC024 area. A rate tender for WAN infrastructure was approved to assist in shortening the municipality's turnaround time in commissioning new sites and improving current location services.
- Successfully drafted and awarded a tender for the upgrade of the Council Chambers' audio and conferencing electronic system.
- Enhanced security levels against malware attacks and the like by implementing and successfully commissioning the supply and installation of next-generation firewalls with unified threat management and licensing.
- Successfully rolled out fibre connectivity to office buildings to ensure solid / stable connectivity and increased capacity for needed communications to service ICT, CCTV, and electricity specialised services.
- Implemented and successfully commissioned the network and communication network across all 4 floors of the newly acquired NPK building. This required that all data and voice communications be configured to be available and secured at all times and further enable communications from the building to the data centre for needed system / server access.
- Successfully extended the services of the municipality's e-mail protection and injection system, Mimecast, by introducing DMARC (Domain-based Message Authentication, Reporting, and Conformance), which is a standard that prevents spammers from using the municipality's domain to send email without its permission—also known as spoofing.
- Introduced and successfully rolled out security awareness training using Mimecast for all computer-enabled staff by way of guided security video clips to help harden the municipality's security posture against malware attacks.
- The Global Information System ESRI GIS, in its 2nd year, developed a customer care module and revived the **Tree Application Management System** (TRAMS). ESRI GIS continued with the upgrade of the BPAMS and TPAMS and began the development of incorporating the SAMRAS electronic signature to improve turnaround times in approval across all stages with the submission of plans.
- ICT continued streamlining and securing the Microsoft Office 365 and Windows 10 migration to improve collaboration within and between directorates by introducing added functionality within Teams and OneDrive.
- Went out to the market to procure storage, which consisted of two hosts and one Tintri vmstore storage. This has been successfully installed and is currently online and will be the replacement for multiple hosts and Tintri vmstore storage that will reach End of Service Life (EOSL) in 2025.
- Procured an additional HP core switch, which was installed in the DC room and will be used to connect various devices that require network access in the server room. This will drastically reduce the strain on the current HP core.
- ICT, in conjunction with the Collaborator service provider, successfully upgraded Collaborator to the latest version.
- Replaced faulty UPS in ICT offices that had multiple battery failures with new upgraded UPS.
- Assisted the Electrical Engineering Department and service provider with the SCADA project, which included the installation and implementation of 2 SCADA servers at the ITC DC server room on the ground floor.
- Successfully relocated the DR site from Teraco Rondebosch to Teraco Brackenfell with the new service provider.



3.23.1 SERVICE STATISTICS – INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

Table 184: Service Statistics – ICT

Details	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	%						
Ensure the availability of the network to ensure effective ICT systems for municipal processes.	99.9	99	99	99	99	99	99
Provide ICT support to all municipal departments by attending to requests within 4 working days.	98	98	98	98	98	98	98
Connecting all municipal sites to the ICT network.	100	100	100	100	100	100	100

The table below indicates the capital expenditure for the Department: ICT as at 30 June 2024.

Table 185: Capital expenditure - ICT services as at 30 June 2024

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from the Adjustment Budget %
	R'000		
Purchase and Replacement of Computer / software and Peripheral devices	1 286	1 286	0%
Upgrading Communication Network	1 300	1 300	0%
Upgrade and Expansion of IT Infrastructure Platforms	5 714	5 264	7.88%
Server Storage expansion and upgrades	4 645	4 645	0%
Fibre Optic Implementation	1 909	1 908	0.05%

The Department: ICT has spent 97% of its capital budget for the financial year.

The table below indicates the number of employees in the Department: ICT as at 30 June 2024.

Table 186: Total number of employees in the Department: ICT

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0
14 – 17	2	1	1	50
9 – 13	8	7	1	12.5
4 – 8	0	0	0	0
3 – 0	0	0	0	0
Total	11	9	2	18.2

3.24 LEGAL SERVICES

The Section: Legal Services, in conjunction with user departments, ensures and manages the implementation, monitoring, evaluation, and reporting of key service delivery objectives concerning Legal Services. During the year under review, 45 cases were registered at the High Court, Labour Court, and Magistrate's Court.



a) The main objectives are the following:

- ✦ Advise and manage litigations instituted by the municipality and against it;
- ✦ Provide legal advice, opinions, and input on policies, contracts, agreements, memorandums, legislation, bylaws, and regulations;
- ✦ Advising the Municipal Council, Mayco, and Portfolio Committees on items submitted to meetings;
- ✦ Ensuring bylaws are promulgated after consultation with user departments and approved by the Council; and
- ✦ Attend to new legislation and proclamations for comment as and when required.

b) Challenges:

- ✦ To deal with urgent requests for legal input to the Sections 79 and 80 committees;
- ✦ Lack of skilled administrative support for the Chief Legal Advisor; and
- ✦ Availability of a well-maintained legal library and reference resources.

The table below indicates the total number of employees in the Section: Legal Services as at 30 June 2024.

Table 187: Total number of employees in the Section: Legal Services

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0
14 – 17	0	0	0	0
9 – 13	0	0	0	0
4 – 8	1	0	1	100
3 – 0	0	0	0	0
Total	2	1	1	50

3.25 MUNICIPAL COURT – ADDITIONAL COURT - STELLENBOSCH

The Municipal Court is responsible for the following prosecutions:

- ✦ Traffic bylaws;
- ✦ Provincial traffic bylaws;
- ✦ SAPS bylaws;
- ✦ Law enforcement bylaws;
- ✦ Fire bylaws;
- ✦ Building and Land Use Regulations, and all other bylaw contraventions;
- ✦ Electrical Bylaws; and
- ✦ Noise pollution.

a) Mission Statement of the Municipal Court

The Municipal Court aims to: -

- ✦ promote justice and service delivery;
- ✦ enhance revenue to invest in the community;
- ✦ “Let Justice be seen to be done”; and
- ✦ minimise crime and have a safer Stellenbosch.



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 bylaw prosecutors and enforcers;
- ✦ Support bylaw 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.

The municipality is also looking into having an ad hoc court in Franschhoek / Klipmuts in the near future. This could be another boost for the Municipal Court's service to the community. Prosecuting some of the cases in the Paarl Magistrate's Court is also currently being considered.

The introduction of the Municipal Court has been an essential, strategic implementation that will benefit the whole community of Stellenbosch.

3.25.1 STATISTICAL REPORT – CASE LOAD

Table 188: Statistical Report Caseload 2023/24

Months:	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Cases on the roll	1 018	1 698	1 312	1 946	1 470	725	1 171	2 046	1 921	2 863	2 699	1 985
Withdrawn	9	3	1	1	0	2	2	2	3	1	31	0
Struck off the role	187	266	198	320	257	82	137	290	269	577	262	198
Warrants authorised	835	1 414	1 084	1 581	1 188	725	982	2 030	1 424	1 679	2 356	1 738
Deferment	0	0	0	0	0	0	0	0	0	0	0	0
Payments	5	17	13	30	15	11	29	22	46	31	225	39
Postponed	8	14	13	23	10	18	27	60	102	61	9	28
Mediations	0	0	0	0	0	0	0	0	0	0	0	0

3.25.2 FINANCIAL REPORT OF THE MUNICIPAL COURT 2023/24

Table 189: Financial Report of the Municipal Court 2023/24

Month	Traffic Fines	SAPS Fines	Law Enforcement Fines	Contempt of Court Fines	Provincial Fines	Electricity	Building	Total Amount
Jul	R413 900	R0	R3 950	R70 500	R900	R0	R12 000	R501 250
Aug	R560 610	R0	R1 800	R110 100	R6 550	R0	R13 000	R692 060
Sep	R545 260	R180	R1 000	R101 700	R750	R900	R4 000	R653 790
Oct	R656 930	R400	R1 400	R137 000	R500	R0	R2 500	R798 730
Nov	R746 480	R250	R1 150	R130 800	R1 300	R0	R4 500	R884 480
Dec	R714 110	R0	R3 000	R121 800	R4 850	R0	R2 500	R846 260
Jan	R559 950	R500	R950	R111 250	R4 500	R0	R3 000	R680 150
Feb	R758 800	R1 850	R1 450	R162 700	R5 600	R3 500	R7 500	R929 800
Mar	R939 800	R1 250	R1 750	R150 300	R1 000	R0	R4 000	R1 098 100
Apr	R641 560	R0	R650	R95 800	R3 350	R0	R16 500	R757 860
May	R782 960	R0	R970	R119 100	R5 800	R0	R9 200	R918 030
June	R682 430	R0	R850	R120 150	R2 000	R1 000	R10 500	R816 930



Month	Traffic Fines	SAPS Fines	Law Enforcement Fines	Contempt of Court Fines	Provincial Fines	Electricity	Building	Total Amount
Total	R8 002 970	R4 430	R18920	R1 431 200	R37 100	R5 400	R89 200	R9 577 440

The table below indicates the total number of employees in the Section: Municipal Court as at 30 June 2024.

Table 190: Total number of employees in the Section: Municipal Court

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0
14 – 17	0	0	0	0
9 – 13	0	0	0	0
4 – 8	5	3	2	40
3 – 0	0	0	0	0
Total	6	4	2	33.3



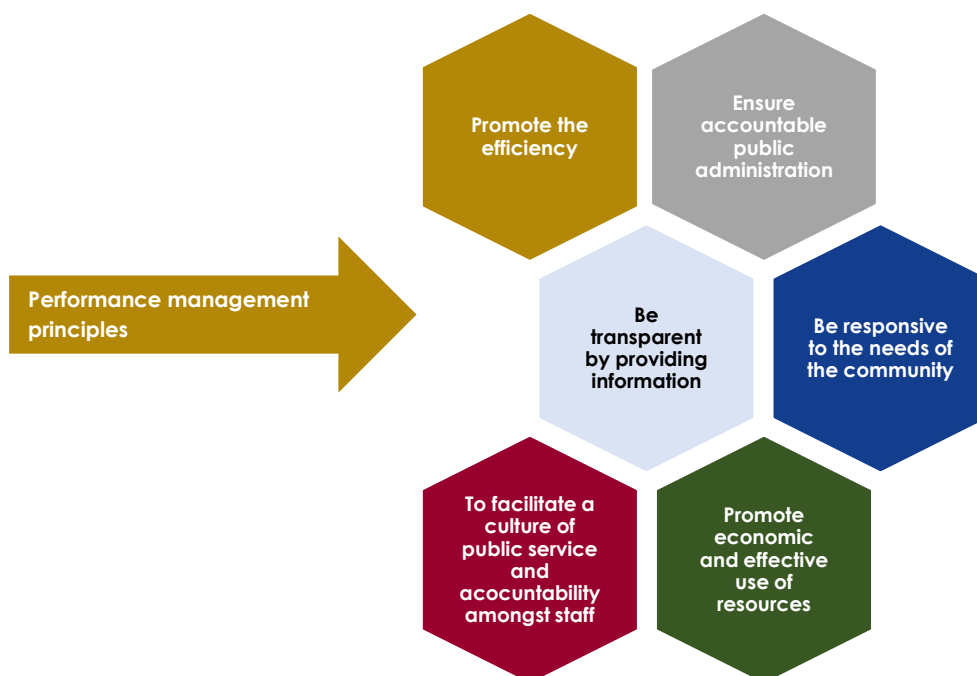
COMPONENT H: ORGANISATIONAL PERFORMANCE SCORECARD

3.26 PERFORMANCE MANAGEMENT

Performance management is defined as a management mechanism through which a municipality can plan, manage, monitor, and review the performance of the municipality and its employees to measure the progress made in achieving the objectives set out in the Integrated Development Plans (IDPs) and further measure the efficiency, effectiveness, and impact of its service delivery.

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) of the Constitution are also linked with the concept of performance management, concerning the principles of the following, among others:

Figure 29: Performance Management Principles



It is a statutory requirement, according to the MSA, to establish a performance management system and an IDP that must be aligned with the municipal budget. The monitoring of the organisational performance of the budget must be done against the IDP every quarter 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 but also to the individuals employed in the organisation, as well as the external service providers and municipal entities. This framework, inter alia, reflects the linkage between the IDP, the Budget, and the SDBIP.



3.26.1 LEGISLATIVE REQUIREMENTS

In terms of Section 46(1)(a) of the MSA, 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, the performance targets set by the municipality for the following financial year, and measures that were or are to be taken to improve performance.

3.26.2 ORGANISATIONAL PERFORMANCE

A 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 to various role players during the financial year to enable them to implement corrective measures when and 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 MSA.

3.26.3 GOVERNANCE FRAMEWORK FOR THE IDP, BUDGET, AND PERFORMANCE MANAGEMENT

The draft review of the 5th Generation IDP was tabled in March 2023 and advertised for public comment thereafter. Stellenbosch Municipal Council adopted the 5th Generation IDP (2022 / 2027) together with the 2023/24 MTREF Budget on 31 May 2023.

The IDP is the principal planning instrument that guides and informs the municipal budget. The MSA requires each municipality in South Africa to prepare a strategic plan to guide all development and management within the municipal area. The IDP sets out the development priorities of Stellenbosch Municipality over the next five years. The IDP must guide and determine municipal planning and project implementation. The 2023/24 budget was based on the IDP and other spheres of government and service providers.

The IDP is a strategic tool that guides all the activities of local government in consultation with residents and stakeholders. In keeping with the more evolved and strategic approach to this IDP, the implementation plan focuses on only the key strategic programmes, projects, and initiatives that will support the achievement of the priorities during the five-year term of office. Its focus is on development in a broader sense, and it is a structured plan that informs budget priorities, decision-making, and the allocation of resources.

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 three-year budget sets out the revenue-raising and expenditure plan of the municipality for approval by the Council under the MFMA. The allocation of funds needs to be aligned with the priorities in the IDP.

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 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.

3.26.4 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

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

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

The purpose of performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview of the achievements 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).

The organisational performance is evaluated using a Municipal Scorecard (TL SDBIP) at an organisational level and through the Service Delivery and Budget Implementation Plan (SDBIP) at departmental levels.

The SDBIP is a plan that converts the IDP and Budget into measurable indicators of how, where, and when the strategies, objectives, and normal business processes of the municipality are implemented. It also allocates responsibilities to directorates to deliver the services in terms of the IDP and Budget.

MFMA Circular No. 13 is a clarification of the Municipal Budget and Reporting Regulations, Schedule A 1, GenN 393 in GG32141 of 2009, and prescribes that the:

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

3.26.4.1 The Municipal Scorecard (Top-layer SDBIP)

The municipal scorecard (Top-layer SDBIP) consolidates service delivery targets set by the Council as advised by senior management and provides an overall picture of the performance of the municipality, reflecting performance in its strategic priorities for the 2023/24 financial year. The scorecard is the performance evaluation tool and is used during informal and formal performance reviews.



Components of the Top-layer SDBIP include:

A one-year detailed plan with the following components:

- ✦ Monthly projections of revenue to be collected from each source;
- ✦ Monthly projections of expenditure (operating and capital) and revenue for each vote;
- ✦ Quarterly projections of service delivery targets and performance indicators for each vote;
- ✦ Ward information for expenditure and service delivery; and
- ✦ A detailed capital works plan broken down by ward over three years.

Top-layer KPIs were prepared based on the following:

- ✦ Key performance indicators (KPIs) for the programmes / activities identified to address the strategic objectives as documented in the IDP in cooperation with the community, which identify developmental priorities;
- ✦ KPIs identified during the IDP and KPIs that need to be reported to key municipal stakeholders; and
- ✦ KPIs to address the required national minimum reporting requirements.

3.26.4.2 Amendment of the Top-layer SDBIP

The TL SDBIP 2023/24 was reviewed once during the financial year under review and submitted to the Council for approval on 20 June 2023 and revised on 25 January 2024.

The municipality utilises a web-based, real-time, performance-based system on which KPI owners update actual performance monthly. 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; and
- ✦ Actions to improve performance include the submission of corrective measures to meet the set target for the reporting interval in question if the target is not achieved.

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results that are updated and provided to the internal auditor and AGSA upon request during the quarterly and annual audit testing.

3.26.4.3 Monitoring of the Service Delivery and Budget Implementation Plan (SDBIP)

Municipal performance is measured as follows:

In terms of section 72(1)(a) of the MFMA:

- ✦ The accounting officer must, by 25 January of each year, assess the performance of the municipality during the first half of the financial year;
- ✦ A report on such an assessment must, in terms of Section 72(1)(b) of the MFMA, be submitted to the Mayor, Provincial, and National Treasury; and
- ✦ Once the Mayor has considered the report, it must be submitted to the Council by 31 January in terms of Section 54 of the MFMA.

Quarterly assessment in terms of Section 52(d) of the MFMA:

- ✦ Assess the performance of the municipality during the first half of the financial year.



The Executive Mayor, who must provide general political guidance over the fiscal and financial affairs of the municipality, is required by Section 52(d) of the MFMA to submit a report on the implementation of the budget and the financial situation of the municipality to the Council within 30 days after the end of each quarter.

The actual performance was audited by the Department: Internal Audit (IA), and the results of their findings were submitted to the APAC:

- ✦ Quarter 1 (July to September);
- ✦ Quarter 2 (October to December);
- ✦ Quarter 3 (January to March); and
- ✦ Quarter 4 (April to June).

Other municipal personnel

The municipality has implemented individual performance management for employees at the three highest levels of management.

Municipal Manager and Managers Directly Accountable to the Municipal Manager

The MSA prescribes that the municipality must enter into performance-based agreements with the municipal manager and managers directly reporting to the municipal manager, i.e., MSA Section 56 managers. Performance agreements must be reviewed annually and published in the public interest. This process and the format are further regulated by Regulation 805 (August 2006), MSA.

The revised (latest) performance plans for the municipal manager and MSA Section 56 appointments for the 2023/24 financial year were signed on 26 February 2024 as prescribed. They include performance agreements for the:

- ✦ Municipal Manager;
- ✦ Chief Financial Officer;
- ✦ Director: Corporate Services;
- ✦ Director: Planning and Local Economic Development;
- ✦ Director: Community and Protection Services; and
- ✦ Director: Infrastructure Services.

Table 191: Performance Management Governance

	Performance Management Policy	All MSA s57/56 Performance contracts signed	Audit Committee	Municipal Public Accounts Committee (MPAC)	Quarterly Performance Reporting to the Council	Annual Performance Reporting to the Council
In place?	√	√	√	√	√	√

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 (KPIs) of the SDBIP is measured:

Table 192: Performance Assessment Criteria

Colour	Category	Explanation
	KPI Not Yet Measured	KPIs with no targets or actual results for the selected period
	KPI Not Met	Actual vs. target less than 75%
	KPI Almost Met	Actual vs. target between 75% and 100%

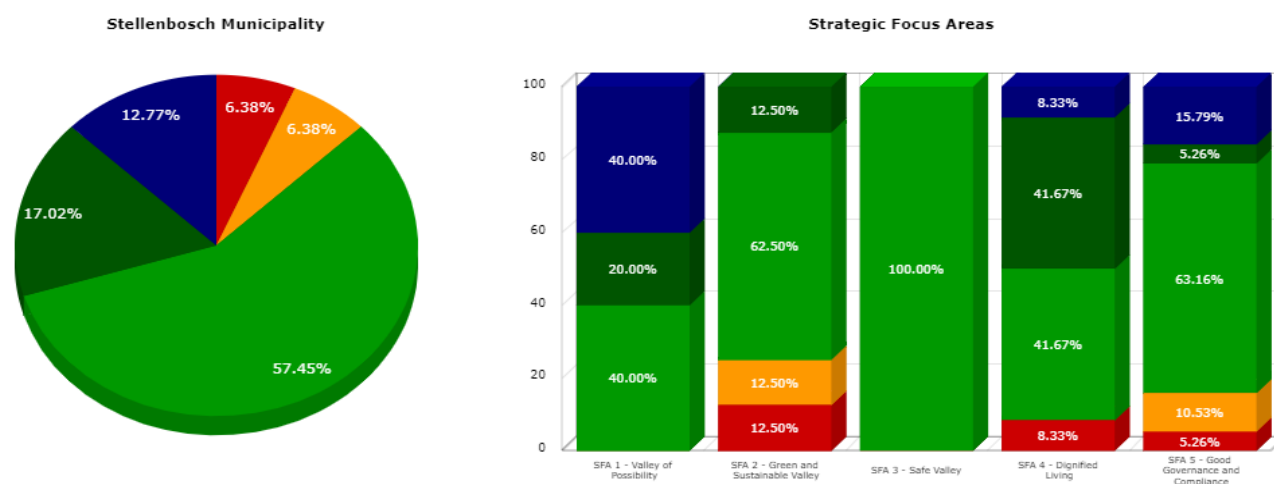


	KPI Met	Actual vs. target 100% achieved
	KPI Well Met	Actual vs. target more than 100% and less than 150% achieved
	KPI Extremely Well Met	Actual vs. target of more than 150% achieved

The TL SDBIP (the Municipal Scorecard) consolidates service delivery targets set by the Council / Senior Management and provides an overall picture of performance for the municipality, reflecting performance on its strategic priorities.

3.26.4.4 Overall Performance per Municipal Strategic Focus Area

The following graph and table illustrate the municipality's overall performance per Municipal Strategic Focus Area (SFA).



Stellenbosch Municipality		Municipal Strategic Focus Areas (SFAs)				
		SFA 1 - Valley of Possibility	SFA 2 - Green and Sustainable Valley	SFA 3 - Safe Valley	SFA 4 - Dignified Living	SFA 5 - Good Governance and Compliance
KPI Not Yet Measured	-	-	-	-	-	-
KPI Not Met	3 (6.38%)	-	1 (12.50%)	-	1 (8.33%)	1 (5.26%)
KPI Almost Met	3 (6.38%)	-	1 (12.50%)	-	-	2 (10.53%)
KPI Met	27 (57.45%)	2 (40%)	5 (62.50%)	3 (100%)	5 (41.67%)	12 (63.16%)
KPI Well Met	8 (17.02%)	1 (20%)	1 (12.50%)	-	5 (41.67%)	1 (5.26%)
KPI Extremely Well Met	6 (12.77%)	2 (40%)	-	-	1 (8.33%)	3 (15.79%)
Total:	47	5	8	3	12	19
	100%	10.64%	17.02%	6.38%	25.53%	40.43%

Table and Graph 193: Overall performance per SFA- 01 July 2023 – 30 June 2024



CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 INTRODUCTION TO THE MUNICIPAL WORKFORCE

Stellenbosch Municipality, as of 30 June 2024, employed **1 151** officials (excluding councillors and non-permanent positions) who individually and collectively contributed to the achievement of the municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

4.1.1 EMPLOYMENT EQUITY

The Employment Equity Act (1998), Chapter 3, Section 15(1), states that affirmative action measures are measures designed to ensure that suitably 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." The following table provides clarity on the employment equity status.

Table 194: EE Targets / Actual by Racial Classification

Financial Year	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
2018/19	334	372	111.4%	497	651	131%	23	4	17%	75	94	125.3%
2019/20	334	383	111.4%	497	680	137%	23	4	17%	75	96	128%
2020/21	334	395	118.3%	497	660	132.8%	23	4	17%	75	83	110.67%
2021/22	334	387	115.9%	497	671	135.01%	23	4	17%	75	79	105.3%
2022/23	334	391	117%	497	674	135.6%	23	4	17.4%	75	78	104%
2023/24	334	409	122%	497	665	133%	23	5	21.7%	75	72	96%

Table 195: Targets / Actual by Gender Classification

Financial Year	Male			Female			Disability		
	Target June	Actual June	Target reached	Target June	Actual June	Target reached	Target June	Actual June	Target reached
2018/19	681	750	110.1%	670	371	55.3%	10	10	100%
2019/20	681	760	111.6%	670	398	59.4%	10	10	100%
2020/21	681	737	108.22%	670	405	60.45%	10	10	100%
2021/22	681	735	107.9%	670	406	60.6%	10	10	100%
2022/23	681	727	106.7%	670	420	62.5%	10	6	60%
2023/24	681	715	104.9%	670	437	65.2%	10	4	40%



4.1.2 OCCUPATIONAL CATEGORIES - RACE

The table below categorises the number of employees by race within the occupational levels.

Table 196: Occupational Categories – Race

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management and Councillors	12	14	1	3	6	2	0	11	49
Senior management	0	6	0	4	1	2	0	0	13
Professionally qualified and experienced specialists and mid-management	8	26	1	10	11	14	1	10	81
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	53	11	2	26	64	93	0	15	368
Semi-skilled and discretionary decision-making	79	158	0	4	66	94	0	2	403
Unskilled and defined decision-making	98	121	0	0	29	32	0	0	280
Total permanent	250	440	4	54	170	237	1	38	1 194
Non-permanent employees (incl. EPWP, conditional grants, and provincial grants)	18	9	0	2	31	44	0	2	106
Grand total	268	449	4	56	201	281	1	40	1 300

4.1.3 DIRECTORATES BY RACE

The table below categorises the number of employees by race within the different Directorates:

Table 197: Directorates by Race

Directorate	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Mayor	12	11	0	3	6	1	0	10	43
Office of the Municipal Manager	0	2	0	1	4	5	0	2	14
Financial Services	10	36	1	2	23	49	0	4	124
Planning and Economic Development	7	21	0	7	20	27	0	8	90
Corporate Services	6	21	0	1	14	21	0	5	68
Community and Protection Services	73	132	1	20	65	95	1	6	393
Infrastructure Services	142	217	2	20	44	40	0	3	462
Total permanent	250	440	4	54	170	237	1	38	1 194
Non-permanent employees (incl. EPWP, conditional grants, and provincial grants)	18	9	0	2	31	44	0	2	106
Grand total	268	449	4	56	201	281	1	40	1 300



4.1.4 VACANCY RATE

The approved organogram (2017/2019) has a total of **1996** posts. The actual positions filled in the 2023/24 financial year are indicated in the tables below by post-level and functional level.

A total of **115** posts were vacant and funded at the end of 2023/24, resulting in a vacancy rate of **9.16%**.

The table below indicates the vacancies within the municipality:

Table 198: Vacancy rate per post and functional level

Per Post Level		
Post Level	Filled	Vacant
Top Management (MM and MSA section 57 Managers)	6	0
Senior Management	13	0
Middle management	81	12
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	368	44
Semi-skilled	403	46
Unskilled and defined decision-making	280	13
Total	1 151	115
Per Functional Level		
Functional area	Filled	Vacant
Office of the Mayor	43	0
Office of the Municipal Manager	14	2
Financial Services	124	14
Planning and Economic Development	90	10
Corporate	68	20
Community and Protection Services	393	29
Infrastructure Services	462	40
Total	1 194	115

4.1.5 TURNOVER RATE

A high turnover rate 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 turnover rate over the last four financial years.

Table 199: Turn-over Rate

Financial year	Total no appointments at the end of each Financial Year	New appointments	Number of terminations during the year	Turn-over Rate
2018/19	1 121	55	39	3.47%
2019/20	1 158	60	51	4.40%
2020/21	1 142	48	61	5.34%



Financial year	Total no appointments at the end of each Financial Year	New appointments	Number of terminations during the year	Turn-over Rate
2021/22	1 140	82	82	7.19%
2022/23	1 137	96 (incl promotion)	71	62%
2023/24	1 148	72 (New) 39 (Promotions)	70	6.1%

4.1.6 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

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.

Table 200: Injuries per Directorate

Directorates	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Office of the Municipal Manager	1	0	0	0	0	0	1
Financial Services	0	0	2	4	0	0	6
Planning and Economic Development Services	3	3	2	10	12	10	2
Corporate Services	1	1	7	9	5	7	5
Community and Protection Services	73	49	36	21	35	64	59
Infrastructure Services	42	32	42	77	57	69	56
Total	125	86	92	121	109	150	129

Injuries in operational services are normally higher due to the nature of work and the constant handling of equipment and machinery.

4.1.7 SICK LEAVE

The number of sick days taken by employees has an impact on costs and service delivery. The monitoring of sick leave identifies certain patterns or trends. Once patterns of concern are identified, corrective actions are taken.

The total number of employees that have taken sick leave during the **2023/24** financial year shows a decrease of **733.43** working days when compared to the **2022/23** financial year.

The table below indicates the total number of sick leave days taken within the different directorates.

Table 201: Table 185: Sick Leave as at 30 June 2024

Directorate	2022/23	2022/23 (%)	2023/24	2023/24 (%)
Office of the Municipal Manager	83	19.45	106	28.39
Financial Services	667	21.75	660.62	19.98
Planning and Economic Development	449	21.59	391.22	16.30
Corporate Services	480.79	25.76	391.5	21.59
Community and Protection Services	1 915.93	19.21	1 792.28	17.10
Infrastructure Services	2 181.51	19.20	2 093.68	16.99
Total	5 777.23	21.16	5 043.80	20.06



4.1.8 HUMAN RESOURCES POLICIES AND PLANS

Policies and plans guide fair and consistent staff treatment and a consistent approach to the management of staff.

The table below shows the status of the Human Resources policies and plans:

Table 202: Approved Policies for the year under review

Name of policy	Date approved / revised
Leave Policy	16 February 2024
Acting Policy	16 February 2024
Cellphone Policy	16 February 2024
Attendance and Punctuality	16 February 2024
Motor Vehicle Allowance	April 2024
Housing Policy	May 2024
Incapacity	16 February 2024
Work-related functions	16 February 2024
Sexual Harassment	April 2024
Internal Bursaries	16 February 2024
External Bursaries	16 February 2024
Student Assistance	April 2024
Occupational Health and Safety	16 February 2024
Employee Assistance	16 February 2024
Substance Abuse	April 2024
Smoking Policy	May 2024
Diversity	April 2024
Performance Management	November 2023

The Department: Human Resources Management submits policies to the Local Labour Forum regularly for review purposes.

4.1.9 CAPACITY BUILDING OF THE MUNICIPAL WORKFORCE

The Skills Development Act, 1998 (Act No. 97 of 1998) and the MSA require that employers supply employees with the necessary training to develop their human resource capacity. Section 55(1)(f) states that, as head of administration, the Municipal Manager is responsible for the management, utilisation, and training of staff.

4.1.10 SKILLS MATRIX

The table below indicates the number of employees who received training in the year under review.

Table 203: Number of employees that received training

Management level	Gender	Number of employees identified for training at the start of the year	Number of employees that received training
MM and S57	Female	0	0
	Male	1	1
Legislators, senior officials, and managers	Female	12	1
	Male	10	6
Professionals	Female	4	6



Management level	Gender	Number of employees identified for training at the start of the year	Number of employees that received training
	Male	2	2
Associate professionals and Technicians	Female	16	8
	Male	36	10
Community and Personal Services	Female	0	0
	Male	0	0
Clerks	Female	31	9
	Male	19	11
Service and sales workers	Female	50	16
	Male	84	44
Skilled, Agricultural, Fishery, Craft, and Related Trades Workers	Female	3	3
	Male	39	22
Plant and machine operators and assemblers	Female	0	0
	Male	29	12
Elementary occupations	Female	19	6
	Male	176	38
Sub-total	Female	135	49
	Male	396	146
Total		531	195

4.1.11 SKILLS DEVELOPMENT – TRAINING PROVIDED AND BUDGET ALLOCATION

The table below indicates that a total of **R 6 143 421** was spent on the workplace skills plan. This represents **95%** when compared to the total salary budget of the municipality in the 2023/24 financial year.

Table 204: Budget allocated and spent for skills development

Year	Total personnel budget	Total Allocated	Total Spend	% Spent
	R	R	R	
2020/21	R 532 497 021	R 532 497 021	R 3 300 217	0.62%
2021/22	R 598 305 199	R 5 838 508	R 3 267 622	0.55%
2022/23	R 588 075 877	R 4 500 000	R 4 805 444	0.82%
2023/24	R 622 332 797	R 4 590 000	R 5 186 870	1.13%

4.1.12 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

4.1.12.1 Personnel Expenditure

The percentage of personnel expenditure is essential in the budgeting process as it reflects current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowances for the past five financial years, and the municipality is well below the national norm of between 35 to 40%.

**Table 205: Personnel Expenditure as % of Total Operating Expenditure**

Financial year	Total expenditure salary and allowances	Total operating expenditure	Percentage
	R		%
2017/18	407 801	1 307 335	31%
2018/19	444 711	1 508 629	29%
2019/20	481 583	1 661 441	29%
2020/21	544 391	1 809 977	30%
2021/22	550 719	1 925 898	29%
2022/23	542 779	1 947 880	28%
2023/24	631 802	2 241 787	28%

Below is a summary of councillor and staff benefits for the year under review.

Table 206: Councillor and staff benefits

Financial year	2022/23	2023/24		2023/24
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
Councillors (Political Office Bearers Plus Other)				
Salary	19 152	18 759	18 759	18 816
Pension Contributions	511	495	495	518
Medical Aid Contributions	115	133	133	102
Motor Vehicle Allowance	985	763	763	961
Cell Phone and Other Allowances	2 002	1 946	1 946	2 223
Sub-Total - Councillors	22 765	22 096	22 096	22 620
% Increase / (Decrease) on Actual	12.96%	10.32%	10.32%	12.40%
Other Municipal Staff				
Basic Salaries and Wages	347 682	371 655	362 287	369 228
Pension and UIF Contributions	59 000	63 933	68 013	63 117
Medical Aid Contributions	27 108	28 434	30 528	29 853
Overtime	40 403	38 107	40 740	44 954
Performance Bonus	1 249	1 472	1 658	1 088
Motor Vehicle Allowance	8 857	12 006	12 959	9 837
Cellphone Allowance	2 172	2 746	2 990	2 274
Housing Allowances	2 716	3 057	3 232	2 744
Other benefits and allowances	46 349	60 903	63 977	71 958
Payments instead of leave	-42	7 523	7 523	5 751
Other Municipal staff				
Long service awards	5 150	2 402	2 402	5 375
Post-retirement benefit obligations	2 136	25 456	26 022	25 623
Sub-Total - Other Municipal Staff	542 779	617 694	622 331	631 802
% Increase / (Decrease)	-1.46%	10.84%	11.51%	12.83%
Total municipality	565 544	639 790	644 427	654 422
% Increase / (Decrease)	-088%	10.82%	11.47%	12.82%



CHAPTER 5: FINANCIAL PERFORMANCE

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Statement of Financial Performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

5.1 FINANCIAL SUMMARY

The table below indicates a summary of the financial performance for the 2023/24 financial year.

Table 207: Financial Performance

Description	2022/23	2023/24			2023/24 Variance	
	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Financial Performance						
Property rates	444 035	473 589	473 589	484 454	-2.29%	-2.29%
Service charges	1 138 698	1 315 591	1 306 867	1 289 135	2.01%	1.36%
Investment revenue	42 250	41 193	44 168	57 312	-39.13%	-29.76%
Transfers recognised - operational	211 107	240 911	225 163	230 231	4.43%	-2.25%
Other own revenue	264698	213 644	270 474	291 594	-36.49%	-7.81%
Total revenue (excluding capital transfers and contributions)	2 100 788	2 284 928	2 320 261	2 352 726	-2.97%	-1.40%
Employee costs	542 779	617 694	623 836	631 802	-2.28%	-1.28%
Remuneration of councillors	22 765	22 097	22 097	22 620	-2.37%	-2.37%
Depreciation and asset impairment	231 679	220 283	239 799	204 290	7.26%	14.81%
Finance charges	59 928	59 688	68 935	63 411	-6.24%	8.01%
Materials and bulk purchases	544 002	636 393	636 393	658 227	-3.43%	-3.43%
Transfers and grants	17 758	20 636	20 199	21 324	-3.33%	-5.57%
Other expenditure	528 968	681 559	749 120	640 112	6.08%	14.55%
Total Expenditure	1 947 880	2 258 350	2 360 379	2 241 786	0.73%	5.02%
Surplus / (Deficit)	152 908					
Transfers recognised - capital	100 335	103 856	135 828	106 864	-2.9%	21.3%
Contributions recognised - capital and contributed assets	0	—	—	5 136	#DIV/0!	0%
Surplus / (Deficit) after capital transfers and contributions	253 243	130 434	95 710	222 939	-71%	-133%
Capital expenditure and funds sources						
Capital expenditure						
Transfers recognised - capital	8 3467	103 856	135 828	106 533	-2.58%	21.57%
Public contributions and donations	0				0%	0%
Borrowing	100 335	200 000	146 884	137 739	31.13%	6.23%
Internally generated funds	137 704	200 944	209 014	182 886	8.99%	12.50%
Total sources of capital funds	321 506	504 800	491 726	427 158	15.38%	13.13%
Financial position						
Total current assets	955 338	812 698	962 448	1 053 537	-29.63%	-9.46%
Total non-current assets	6 076 313	6 443 332	6 330 437	6 291 559	2.36%	0.61%
Total current liabilities	498 795	448 318	493 183	517 751	-15.49%	-4.98%



Description	2022/23	2023/24			2023/24 Variance	
	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Total non-current liabilities	733 525	1 059 662	906 942	827 907	21.87%	8.71%
Community wealth / equity	5 799 331	5 748 050	5 892 760	5 999 439	-4.37%	-1.81%
Net cash from (used) operating	433 938	428 518	459 629	368 809	13.93%	19.76%
Net cash from (used) investing	-346 495	-576 970	-562 824	-547 475	5.11%	2.73%
Net cash from (used) financing	23 213	144 368	144 368	82 399	42.92%	42.92%
Cash / cash equivalents at the year-end	248 533					
Cash backing / surplus reconciliation						
Cash and investments available	580 301	428 557	621 473	606 395	-41%	2%
Application of cash and investments	361 775	284 588	284 588	358 511	-26%	-26%
Balance - surplus (shortfall)	218 526	143 969	336 886	247 884	-72%	26%
Asset management						
Asset register summary (WDV)	5 634 083	6 004 827	5 887 144	5 853 785	2.52%	0.57%
Depreciation	231 679	220 283	239 799	204 290	7.26%	14.81%
Renewal of Existing Assets	20 533	33 634	52 027	31 809	5.43%	38.86%
Repairs and Maintenance	55 115	113 859	122 953	92 713	18.57%	24.59%
Free Services						
Cost of Free Basic Services provided	4 519	3 608	3 608	3 466	3.92%	3.92%
The revenue cost of free services provided	52 011	111 495	112 071	64 549	42.11%	42.40%
Households below the minimum service level						
Water:	1	-	-	-	-	-
Sanitation / sewerage:	1	-	-	-	-	-
Energy:	2	-	-	-	-	-
Refuse:	4	-	-	-	-	-
Variances are calculated by dividing the difference between the actual and original / adjustments budget by the budget. This table is aligned.						

The table below shows a summary of performance against budgets.

Table 208: Performance against Budgets

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000				R'000			
2016/17	1 490 495	1 534 354	43 859	2.94%	1 450 845	1 316 387	134 458	9.27%
2017/18	1 778 647	1 609 729	-168 918	-9.50%	1 575 255	1 363 953	211 302	13.41%
2018/19	1 738 394	1 629 667	-108 727	-6.25%	1 719 105	1 508 629	210 476	12.24%
2019/20	1 834 539	1 742 596	-91 943	-5.01%	1 778 284	1 661 441	116 843	6.57%
2020/21	1 930 252	1 805 680	-124 572	-6.45%	1 830 891	1 812 392	18 499	1.01%
2021/22	2 116 591	2 042 353	-74 238	-3.51%	1 977 679	1 925 898	51 781	2.62%
2022/23	2 209 698	2 201 123	8 575	0.39%	2 119 665	1 947 880	171 785	8.10%
2023/24	2 456 089	2 464 726	-8 637	-0.35%	2 359 977	2 241 787	118 190	5.01%



5.2 REVENUE COLLECTION BY VOTE

The table below indicates the Revenue collection performance by vote for the 2023/24 financial year.

Table 209: Revenue collection performance by vote

Vote Description	2022/23	2023/24			2023/24 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Municipal Manager	550	–	–	–	0%	0%
Planning and Development	20 807	26 357	24 009	23 002	12.73%	4.19%
Infrastructure Services	1 405 955	1 589 956	1 626 185	1 593 728	-0.24%	2%
Community and Protection Services	188 870	164 777	196 160	184 153	-11.76%	6.12%
Corporate Services	11 557	10 179	12 553	12 196	-19.82%	2.84%
Financial Services	573 384	597 514	597 183	651 647	-9.06%	-9.12%

5.3 REVENUE COLLECTION BY SOURCE

The table below indicates the Revenue collection performance by source for the 2023/24 financial year.

Table 210: Revenue Collection by Source

Description	2022/23	2023/24			2023/24 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Property rates	444 035	473 589	473 589	484 454	-2.29%	-2.29%
Service Charges	1 138 698	1 315 591	1 306 867	1 289 135	2.01%	1%
Rentals of facilities and equipment	12 373	10 604	13 014	11 056	-4.26%	15%
Interest earned - external investments	42 250	41 193	44 168	57 312	-39.13%	-30%
Interest earned - outstanding debtors	19 886	15 413	17 324	23 505	-52.50%	-36%
Interest	0	3 293	3 293	4 239	0%	0%
Sale of Goods and Rendering of Services	21 698	22 190	22 124	25 260	-13.84%	-14%
Fines	146 658	131 570	155 565	166 868	-26.83%	-7%
Licences and permits	8 408	7 872	7 994	8 149	-3.53%	-2%
Agency services	3 438	3 358	3 617	3 697	-10.11%	-2%
Transfers recognised - operational	211 107	240 911	225 163	230 231	4.43%	-2%
Transfers recognised - capital	100 335	103 856	135 828	112 001	-7.84%	18%
Other revenue	44 608	19 346	47 544	48 819	-152.35%	-3%
Gains on the disposal of PPE	0	–	–	–	0%	0%
Total Revenue (excluding capital transfers and contributions)	2 201 123	2 388 783	2 456 089	2 464 726	-3.18%	-0.35%



5.4 OPERATIONAL SERVICES PERFORMANCE

The table below indicates the operational services performance for the 2023/24 financial year.

Table 211: Operational Services Performance: Expenditure

Description	2022/23	2023/24			2023/24 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000					%
Operating Cost						
Water	159 960	148 236	156 544	184 225	-24.28%	-17.68%
Wastewater (Sanitation)	143 425	153 124	204 058	162 910	-6.39%	20.17%
Electricity	851 029	758 726	737 990	958 343	-26.31%	-29.86%
Waste Management	117 588	147 466	167 006	123 558	16.21%	26.02%
Housing	18 389	31 614	35 757	17 358	45.09%	51.46%
Component A: sub-total	1 290 390	1 239 166	1 301 355	1 446 394	-16.72%	-11.15%
Roads and Stormwater	8 728	114 164	123 652	22 530	80.26%	81.78%
Component B: sub-total	8 728	114 164	123 652	22 530	80.26%	81.78%
Town Planning and Spatial Planning	-	12 784	10 596	58	99.54%	99.45%
Local Economic Development	1 928	16 428	14 441	2 563	84.40%	82.25%
Component C: sub-total	1 928	29 212	25 037	2 621	91.03%	89.53%
Libraries	10 798	14 026	13 536	10 277	26.73%	24.08%
Cemeteries	4 979	6 306	6 126	1 271	79.85%	79.25%
Community development	179	17 271	17 882	800	95.37%	95.53%
Component D: sub-total	15 956	37 603	37 544	12 348	67.16%	67.11%
Environmental Protection	-	-	-	-	0%	0%
Component E: sub-total	0	0	0	0	0%	0%
Traffic services	121 920	214 927	259 639	175 649	18.28%	32.35%
Fire Services and Disaster Management	941	58 878	51 237	1 132	98.08%	97.79%
Component F: sub-total	122 861	273 805	310 876	194 266	29.05%	37.51%
Holiday Resorts and Campsites	427	602	616	12	97.97%	98.02%
Sports grounds, parks, swimming pools	1 249	86 056	78 848	1 819	97.89%	97.69%
Community Halls, Facilities and Thusong Centres	579	5 421	5 448	819	84.89%	84.97%
Component G: sub-total	2 256	92 080	84 913	2 650	97.12%	96.88%



Description	2022/23	2023/24			2023/24 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000					%
Office of the MM	-0	17 089	16 787	5	99.97%	99.97%
Financial Services	572 686	251 424	214 734	648 642	-157.99%	-202.07%
Administration	100 885	117 566	82 011	95 795	18.52%	-16.81%
Property and contract management	9 406	48 010	40 740	7 136	85.14%	82.48%
HR	1 278	70 652	68 649	1 939	97.26%	97.18%
IT	-2	52 531	48 568	-	100%	100%
Internal Audit	550	4 234	4 065	-	100%	100%
Legal Services	2	8 048	6 996	23	99.71%	99.67%
Component H: sub-total	684 805	569 554	482 550	753 541	-32.30%	-35.96%
Total Expenditure	2 126 923	2 355 584	2 365 926	2 416 865	-2.60%	-2.11%

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 the actual and original / adjustments budget by the budget.

5.5 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

The tables below indicate the financial performance per municipal function for the 2023/24 financial year.

5.5.1 WATER SERVICES

Table 212: Financial Performance: Water Services

Description	2022/23	2023/24			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(174 333)	(196 564)	(202 740)	(219 898)	-8%
Expenditure:					
Employees	30 863	35 413	37 601	41 525	-10%
Repairs and Maintenance	5 541	7 834	6 888	5 639	18%
Other	122 726	104 989	112 055	137 061	-22%
Total Operational Expenditure	159 130	148 236	156 544	184 225	-18%
Net Operational (Service)	(15 203)	(48 329)	(46 196)	(35 673)	-26%

Variances are calculated by dividing the difference between the actual and original budget by the actual.



5.5.2 SANITATION SERVICES

Table 213: Financial Performance: Sanitation Services

Description	2022/23	2023/24			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(149 486)	(159 082)	(154 425)	(169 300)	-10%
Expenditure:					
Employees	39 837	46 221	48 292	39 825	18%
Repairs and Maintenance	6 219	8 782	34 638	36 550	-6%
Other	95 114	98 122	121 128	86 535	29%
Total Operational Expenditure	141 171	153 124	204 058	162 910	20%
Net Operational (Service)	(8 315)	(5 958)	49 633	(6 390)	113%

Variances are calculated by dividing the difference between the actual and original budget by the actual.

5.5.3 ELECTRICITY SERVICES

Table 214: Financial Performance: Electricity Services

Description	2022/23	2023/24			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(850 173)	(979 174)	(1 022 632)	(957 392)	6%
Expenditure:					
Employees	33 196	34 399	29 707	35 288	-19%
Repairs and Maintenance	8 881	11 215	11 280	10 623	6%
Other	808 925	713 112	697 003	912 433	-31%
Total Operational Expenditure	851 001	758 726	737 990	958 343	-30%
Net Operational (Service)	828	(220 448)	(284 642)	951	100%

Variances are calculated by dividing the difference between the actual and original budget by the actual.



5.5.4 WASTE MANAGEMENT SERVICES (REFUSE COLLECTIONS, WASTE DISPOSAL AND RECYCLING)

Table 215: Financial Performance: Waste Management Services (Refuse Collections, Waste Disposal, and Recycling)

Description	2022/23	2023/24			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(130 737)	(151 336)	(134 130)	(142 012)	-6%
Expenditure:					
Employees	32 039	32 817	33 300	49 759	-49%
Repairs and Maintenance	4 732	4 013	5 703	5 902	-3%
Other	77 870	110 636	128 003	67 897	47%
Total Operational Expenditure	114 641	147 466	167 006	123 558	26%
Net Operational (Service)	(16 096)	(3 870)	32 877	(18 453)	156%

Variances are calculated by dividing the difference between the actual and original budget by the actual.

5.5.5 INTEGRATED HUMAN DEVELOPMENT

Table 216: Financial Performance: Integrated Human Settlement

Description	2022/23	2023/24			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(20 879)	(17 411)	(17 303)	(19 033)	-10%
Expenditure:					
Employees	18 089	22 475	21 672	18 624	14%
Repairs and Maintenance	(76)	174	1 168	1 137	3%
Other	645	8 964	12 916	(2 404)	119%
Total Operational Expenditure	18 659	31 614	35 757	17 358	51%
Net Operational (Service)	(2 221)	14 202	18 454	(1 675)	109%

Variances are calculated by dividing the difference between the actual and original budget by the actual.



5.5.6 ROADS AND STORMWATER

Table 217: Financial Performance: Roads and Stormwater

Description	2022/23	2023/24			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(9 426)	(7 966)	(33 012)	(22 466)	32%
Expenditure:					
Employees	33 109	38 011	39 134	34 909	11%
Repairs and Maintenance	16 114	16 998	17 723	17 420	2%
Other	(42 159)	59 155	66 795	(29 799)	145%
Total Operational Expenditure	7 064	114 164	123 652	22 530	82%
Net Operational (Service)	(2 361)	106 198	90 640	64	100%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.7 TOWN AND SPATIAL PLANNING

Table 218: Financial Performance: Town and Spatial Planning

Description	2022/23	2023/24			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	-				
Expenditure:					
Employees	10 584	11 993	9 771	11 431	-17%
Repairs and Maintenance	-	-	15	12	22%
Other	-10 584	792	810	(11 385)	1 506%
Total Operational Expenditure	-	12 784	10 596	58	99%
Net Operational (Service)	-	12 784	10 596	58	99%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					



5.5.8 LOCAL ECONOMIC DEVELOPMENT (LED)

Table 219: Financial Performance: Local Economic Development (LED)

Description	2022/23	2023/24			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(1 928)	(2 069)	(2 238)	(2 272)	-2%
Expenditure:					
Employees	4 310	3 310	3 461	4 467	-29%
Repairs and Maintenance	–	–	–	–	0%
Other	(2 403)	13 118	10 981	(1 904)	117%
Total Operational Expenditure	1 906	16 428	14 441	2 563	82%
Net Operational (Service)	(22)	14 359	12 203	291	98%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.9 LIBRARIES

Table 220: Financial Performance: Libraries

Description	2022/23	2023/24			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	-179	(81)	(281)	(81)	71%
Expenditure:					
Employees	4 894	5 362	5 742	5 395	6%
Repairs and Maintenance	20	33	52	49	6%
Other	-4 736	11 875	12 089	(4 644)	138%
Total Operational Expenditure	179	17 271	17 882	800	96%
Net Operational (Service)	-0	17 190	17 602	719	96%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					



5.5.10 COMMUNITY DEVELOPMENT

Table 221: Financial Performance: Community Development

Description	2022/23	2023/24			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	-179	(81)	(281)	(81)	71%
Expenditure:					
Employees	4 894	5 362	5 742	5 395	6%
Repairs and Maintenance	20	33	52	49	6%
Other	-4 736	11 875	12 089	(4 644)	138%
Total Operational Expenditure	179	17 271	17 882	800	96%
Net Operational (Service)	-0	17 190	17 602	719	96%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.11 CEMETERIES

Table 222: Financial Performance: Cemeteries

Description	2022/23	2023/24			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	-1 362	(1 140)	(1 163)	(1 271)	-9%
Expenditure:					
Employees	3 344	3 979	4 514	3 737	17%
Repairs and Maintenance	273	290	387	280	27%
Other	(2 255)	2 036	1 225	(2 747)	324%
Total Operational Expenditure	1 362	6 306	6 126	1 271	79%
Net Operational (Service)	-	5 166	4 963	-	100%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					



5.5.12 TRAFFIC SERVICES AND LAW ENFORCEMENT

Table 223: Financial Performance: Traffic Services

Description	2022/23	2023/24			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	-163 167	(147 228)	(171 490)	(160 461)	6%
Expenditure:					
Employees	70 929	66 449	69 797	73 217	-5%
Repairs and Maintenance	1 946	4 090	2 213	1 921	13%
Other	48 934	144 388	187 629	117 997	37%
Total Operational Expenditure	121 809	214 927	259 639	193 135	26%
Net Operational (Service)	(41 357)	67 699	88 149	32 674	63%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.13 FIRE SERVICES AND DISASTER MANAGEMENT

Table 224: Financial Performance: Fire Services and Disaster Management Personnel Expenditure

Description	2022/23	2023/24			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(931)	(983)	(1 045)	(1 100)	-5%
Expenditure:					
Employees	44 086	47 397	38 273	47 670	-25%
Repairs and Maintenance	1 779	3 199	3 059	3 732	-22%
Other	(44 925)	8 282	9 905	(50 269)	608%
Total Operational Expenditure	940	58 878	51 237	1 132	98%
Net Operational (Service)	9	57 895	50 192	32	100%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					



5.5.14 HOLIDAY RESORTS AND CAMPSITES

Table 225: Financial Performance: Holiday Resorts and Campsites

Description	2022/23	2023/24			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	-427	(415)	(66)	(12)	82%
Expenditure:					
Employees	124	488	517	101	80%
Repairs and Maintenance	-	-	-	-	0%
Other	303	115	98	(89)	190%
Total Operational Expenditure	427	602	616	12	98%
Net Operational (Service)	-	187	550	-	100%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.15 SPORTS GROUNDS, PARKS, AND SWIMMING POOLS

Table 226: Financial Performance: Sport Grounds, Parks, and Swimming Pools

Description	2022/23	2023/24			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(1 759)	(1 552)	(1 337)	(1 656)	-24%
Expenditure:					
Employees	40 460	47 489	51 123	43 184	16%
Repairs and Maintenance	1 699	1 496	2 184	1 655	24%
Other	(31 872)	37 070	25 541	(43 019)	268%
Total Operational Expenditure	10 286	86 056	78 848	1 819	98%
Net Operational (Service)	8 527	84 504	77 511	163	100%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					



5.5.16 OFFICE OF THE MUNICIPAL MANAGER

Table 227: Financial Performance: Office of the Municipal Manager

Description	2022/23	2023/24			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	-				
Expenditure:					
Employees	15 282	12 860	13 265	9 631	27%
Repairs and Maintenance	24	81	20	-	100%
Other	-15 306	4 148	3 502	(9 626)	375%
Total Operational Expenditure	-	17 089	16 787	5	100%
Net Operational (Service)	-	17 089	16 787	5	100%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.17 HUMAN RESOURCE SERVICES

Table 228: Financial Performance: Human Resource Services

Description	2022/23	2023/24			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	-1 278	(625)	(1 250)	(1 265)	-1%
Expenditure:					
Employees	11 008	47 510	48 320	27 108	44%
Repairs and Maintenance	-	53	-	-	0%
Other	(9 730)	23 089	20 329	(25 169)	224%
Total Operational Expenditure	1 278	70 652	68 649	1 939	97%
Net Operational (Service)	(0)	70 027	67 399	674	99%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					



5.5.18 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Table 229: Financial Performance: Information and Communication Technology (ICT) Services

Description	2022/23	2023/24			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	–	–	–	–	0%
Expenditure:					
Employees	8 323	9 897	10 590	9 072	14%
Repairs and Maintenance	599	1 007	679	621	9%
Other	(8 936)	41 627	37 299	(9 693)	126%
Total Operational Expenditure	(15)	52 531	48 568	–	100%
Net Operational (Service)	(15)	52 531	48 568	–	100%

Variances are calculated by dividing the difference between the actual and original budget by the actual.

5.5.19 LEGAL SERVICES

Table 230: Financial Performance: Legal Services

Description	2022/23	2023/24			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	-2	(1)	(2)	(23)	-9.83%
Expenditure:					
Employees	2 112	1 791	1 910	1 705	11%
Repairs and Maintenance	-	–	–	–	0%
Other	-2 110	6 257	5 086	(1 682)	133%
Total Operational Expenditure	2	8 048	6 996	23	100%
Net Operational (Service)	-0	8 046	6 994	0	100%

Variances are calculated by dividing the difference between the actual and original budget by the actual.



5.5.20 PROPERTY MANAGEMENT

Table 231: Financial Performance: Property and Contract Management

Description	2022/23	2023/24			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	-9 570	(8 320)	(10 238)	(10 062)	2%
Expenditure:					
Employees	7 470	9 431	10 418	6 453	38%
Repairs and Maintenance	7 146	16 273	9 274	6 830	26%
Other	(5 724)	22 306	21 048	(6 147)	129%
Total Operational Expenditure	8 892	48 010	40 740	7 136	82%
Net Operational (Service)	(678)	39 689	30 502	(2 926)	110%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.21 FINANCIAL SERVICES

Table 232: Financial Performance: Financial Services

Description	2022/23	2023/24			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	-573 084	(597 514)	(597 183)	(652 046)	-9%
Expenditure:					
Employees	57 665	63 703	65 036	81 886	-26%
Repairs and Maintenance	91	381	678	196	71%
Other	517 551	187 341	149 020	566 560	-280%
Total Operational Expenditure	575 308	251 424	214 734	648 642	-202%
Net Operational (Service)	2 223	(346 090)	(382 449)	(3 404)	99%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					



5.5.22 INTERNAL AUDIT

Table 233: Financial Performance: Internal Audit

Description	2022/23	2023/24			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	-550	–	–	–	0%
Expenditure:					
Employees	3 884	3 217	3 217	4 368	-36%
Repairs and Maintenance	-	–	–	–	0%
Other	-3 334	1 017	847	(4 368)	616%
Total Operational Expenditure	550	4 234	4 065	–	100%
Net Operational (Service)	0	4 234	4 065	–	100%

Variances are calculated by dividing the difference between the actual and original budget by the actual.

5.5.23 ADMINISTRATION

Table 234: Financial Performance: Administration

Description	2022/23	2023/24			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	-101 012	(105 538)	(88 969)	(95 490)	-7%
Expenditure:					
Employees	45 189	41 673	43 791	54 403	-24%
Repairs and Maintenance	47	631	86	46	47%
Other	56 892	75 262	38 133	41 347	-8%
Total Operational Expenditure	102 129	117 566	82 011	95 795	-17%
Net Operational (Service)	1 117	12 028	(6 958)	306	104%

Variances are calculated by dividing the difference between the actual and original budget by the actual.



5.6 GRANTS

5.6.1 GRANT PERFORMANCE

The municipality had a total amount of **R225 million** for operational expenditure available that was received in the form of grants from the national and provincial governments during the 2023/24 financial year. The performance in the spending of these grants is summarised as follows:

Table 235: Grant Performance

Description	2022/23	2023/24			2023/24 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
National Government:	188 219	210 148	209 881	210 606	-12%	-19%
Equitable Share	179 634	200 841	200 841	200 488	0%	0%
Financial Management Grant	1 550	1 550	1 550	1 448	7%	7%
EPWP	3 748	4 786	4 519	5 699	-19%	-26%
Integrated Urban Development Grant	3 287	2 971	2 971	2 971	0%	0%
Provincial Government:	24 946	30 963	14 583	14 314	54%	2%
Community Development Workers Operational Support Grant	38	38	38	38	0%	0%
Library Services: Conditional Grant	10 628	11 252	11 252	12 704	-13%	-13%
Municipal Library Support Grant	3 102	-	-	-	0%	0%
Library Services: Replacement Funding for most vulnerable B3 Municipalities	550	-	180	180	0%	0%
Municipal Accreditation and Capacity Building Grant	669	245	245	245	0%	0%
Financial Management Capability Building Grant	319	200	241	241	-21%	0%
Human Settlements Development Grant	6 954	17 380	535	-	100%	100%
Maintenance and Construction of Transport Infrastructure	495	345	345	345	0%	0%
Title Deeds Restoration Grant	940	1 503	1 503	317	79%	79%
Western Cape Municipal Energy Resilience Grant (WC MER Grant)	1 184	-	244	244	0%	0%
Housing consumer education	68	-	-	-	0%	0%
Community Development Workers Operational Support Grant	38	38	38	38	0%	0%
District Municipality:	599	0	200	120	0%	40%
Cape Winelands District Grant Long-Term Financial Plan	484	0	0	0	0%	0%
Cape Winelands Disaster Grant COMMUNITY SAFETY	115	0	200	120	0%	40%
Other Grant Providers:	0					
LG SETA Discretionary	0	-	-	-	-	0%
DBSA Grant	0	-	-	-	-	0%
Total Operating Transfers and Grants	213 764	241 111	224 664	225 040	6.67%	-0.17%



5.6.2 LEVEL OF RELIANCE ON GRANTS AND SUBSIDIES

Table 236: Reliance on Grants

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000		%
2016/17	227 752	1 534 354	14.84
2017/18	211 190	1 609 728	13.12
2018/19	233 433	1 541 685	15.14
2019/20	285 026	1 742 596	16.36
2020/21	264 637	1 805 680	14.66
2021/22	289 061	2 028 289	14.25
2022/23	311 629	2 201 123	14.16
2023/24	342 323	2 464 726	13.89

Developers' contributions have been excluded from the grant item to express only allocations and not policy-related revenue, which NT allocates to capital revenue. It would distort the reliance on grant calculation if excluded from the above ratio.

5.7 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 MFMA;
- ✦ Verify assets in the possession of the Council annually, during the financial year;
- ✦ Keep a complete and balanced record of all assets in the possession of the Council;
- ✦ Report in writing all asset losses, where applicable, to the Council; and
- ✦ Those assets are valued and accounted for under a statement of GRAP.

5.8 REPAIRS AND MAINTENANCE

Table 237: Repairs and Maintenance Expenditure

Description	2022/23	2023/24			2023/24 Variance
	Actual	Original Budget	Adjustment Budget	Actual	Budget variance
	R'000				%
Repairs and Maintenance Expenditure	55 115	113 859	122 953	92 713	24.60%



5.9 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Table 238: Liquidity Ratio

Description	Basis of calculation	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Current Ratio	Current assets / current liabilities	2.18	2.02	2.09	1.82	1.48	1.68	1.90	2.03

5.10 IDP REGULATION FINANCIAL VIABILITY INDICATORS

Table 239: IDP Regulation Financial Viability of Indicators

Description	Basis of calculation	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Cost Coverage	(Available cash + investments) / monthly fixed operational expenditure	5.71	4.59	4.70	2.21	1.83	2.26	3.10	2.98
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors / annual revenue received for services	10.22	18.09	28.05	22.02	21.64	30.47	25.95	28.51
Debt Coverage	(Total operating revenue - operating grants) / debt service payments due within the financial year	47.16	46.81	43.81	-0.64	29.27	26.86	22.65	22.64

5.11 BORROWING MANAGEMENT

Table 240: Borrowing Management

Description	Basis of calculation	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Capital Charges to Operating Expenditure	Interest and Principal Paid / Operating Expenditure	1.21%	2.31%	2.09%	3.44%	3.04%	3.37%	4.76%	4.65%

5.12 EMPLOYEE COSTS

Table 241: Employee Costs

Description	Basis of calculation	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Employee costs	Employee costs / (total revenue - capital revenue)	26.84	28.80%	29.09%	29.99%	32.45%	28.70	25.84%	27.21%



COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.13 CAPITAL EXPENDITURE

5.13.1 CAPITAL EXPENDITURE BY ASSETS PROGRAMME

Table 242: Capital Expenditure by Asset Programme

Description	2023/24		
	Original Budget	Adjustment Budget	Actual Expenditure
	R'000		
Capital Expenditure by Asset Class			
Infrastructure	437 507	415 609	348 574
Roads Infrastructure	70 100	92 684	60 797
Roads	41 700	57 667	44 763
Road Structures	21 200	22 726	9 169
Road Furniture	4 600	5 090	3 014
Stormwater Infrastructure	500	300	300
Stormwater Conveyance	2 100	6 900	3 550
Electrical Infrastructure	112 113	99 465	97 726
Power Plants	5 018	16 634	27 945
HV Substations	34 365	8 765	37 302
MV Switching Stations	–	–	–
MV Networks	36 572	38 353	3 175
MV Substations	29 708	29 209	20 975
LV Networks	6 200	6 253	2 500
Capital Spares	250	250	5 829
Water Supply Infrastructure	138 954	97 899	89 431
Dams and Weirs	–	–	1 992
Boreholes	500	500	–
Reservoirs	82 000	56 359	56 833
Water Treatment Works	7 000	–	3 549
Bulk Mains	12 021	17 014	13 615
Distribution	37 433	24 026	13 443
Capital Spares	–	–	–
Sanitation Infrastructure	46 340	29 868	16 032
Pump Station	500	600	–
Reticulation	1 800	300	–
Wastewater Treatment Works	37 040	15 351	28 168
Outfall Sewers	7 000	13 617	(12 136)
Toilet Facilities	–	–	–
Capital Spares	–	–	–
Solid Waste Infrastructure	62 000	87 694	70 506
Landfill Sites	46 000	69 630	65 366
Waste Transfer Stations	2 500	5 000	374
Waste Drop-off Points	2 500	2 367	470
Waste Separation Facilities		90	4 297
Capital Spares	1 000	700	–
Information and Communication Infrastructure	8 000	8 000	14 081



Description	2023/24		
	Original Budget	Adjustment Budget	Actual Expenditure
	R'000		
Data Centres	2 000	4 700	4 645
Distribution Layers	6 000	3 300	4 203
Capital Spares	–	–	5 233
Community Assets			
Community Facilities	15 380	18 656	24 780
Halls	2 400	400	115
Centres	200	249	–
Fire / Ambulance Stations	–	–	–
Markets	–	–	225
Abattoirs	–	–	95
Libraries	3 080	4 339	149
Cemeteries / Crematoria	5 500	9 000	9 389
Crèches	1 000	–	–
Police	–	–	7
Public Open Space	300	800	8 068
Nature Reserves	1 000	788	1 343
Public Ablution Facilities	–	–	143
Stalls	1 000	1 000	–
Taxi Ranks / Bus Terminals	–	–	2 324
Parks	900	2 080	2 921
Capital Spares	–	–	–
Sport and Recreation Facilities	8 211	7 002	4 831
Outdoor Facilities	8 211	7 002	4 831
Heritage assets	–	–	2 323 741
Heritage assets	5 781	7 483	–
Historic Buildings	5 781	7 483	–
Conservation Areas	–	–	–
Investment Properties			
Revenue Generating	–	–	–
Improved Property	–	–	–
Unimproved Property	–	–	–
Non-revenue Generating	–	–	–
Improved Property	–	–	–
Unimproved Property	–	–	–
Other assets	5 800	9 719	12 971
Operational Buildings	3 500	9 569	4 158
Municipal Offices	–	–	3 503
Yards	2 000	–	–
Stores	–	–	–
Training Centres	–	–	–
Manufacturing Plant	300	150	–
Depots	–	–	5 310



Description	2023/24		
	Original Budget	Adjustment Budget	Actual Expenditure
	R'000		
Capital Spares	–	–	–
Housing	1 000	1 320	1 016
Social Housing	1 000	1 320	1 016
Biological or Cultivated Assets	250	350	–
Biological or Cultivated Assets	250	350	
Intangible Assets	–	–	–
Licences and Rights	–	–	
Computer Software and Applications	–	–	
Computer Equipment	6 770	8 486	2 476
Computer Equipment	6 770	8 486	2 476
Furniture and Office Equipment	770	2 838	1 624
Furniture and Office Equipment	770	2 838	1 624
Machinery and Equipment	13 165	10 416	2 533
Machinery and Equipment	13 165	10 416	2 533
Transport Assets	10 166	9 847	23 291
Transport Assets	10 166	9 847	23 291
Land			5 063
Land	–	–	5 063
Total Capital Expenditure	504 800	491 726	427 158

5.13.2 SOURCES OF FINANCE

The table below indicates the capital expenditure by funding source for the 2023/24 financial year.

Table 243: Capital Expenditure by Funding Source

Details	2023/24			
	Original Budget (OB)	Adjustment Budget	Actual	Adjustment Budget Variance
	R'000			%
Source of finance				
External Loans	200 000	146 884	137 739	6.23%
Public Contributions and Donations	–	–	–	0%
Grants and Subsidies	103 856	135 828	106 533	21.57%
Other	200 944	209 014	182 886	12.50%
Total	504 800	491 726	427 158	13.13%
External Loans	40%	30%	32.23%	-7.89%
Public Contributions and Donations	0%	0%	0%	0%
Grants and Subsidies	21%	28%	24.93%	9.76%
Own Funding	40%	43%	42.84%	-0.79%
Water and Sanitation	170 290	104 407	94 140	9.83%
Electricity	113 113	100 352	98 375	1.97%



Details	2023/24			
	Original Budget (OB)	Adjustment Budget	Actual	Adjustment Budget Variance
	R'000			%
Housing	7 894	3 457	3 262	5.65%
Roads and Stormwater	71 750	97 699	73 507	24.76%
Other	141 753	185 811	158 091	14.92%
Total	504 800	491 726	427 374	13.09%
Water and Sanitation	34%	21%	22.03%	-3.74%
Electricity	22%	20%	23.02%	-12.79%
Housing	2%	1%	0.76%	-8.56%
Roads and Stormwater	14%	20%	17.20%	13.43%
Other	28%	38%	36.99%	2.11%

5.13.3 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Projects with the highest capital expenditure in 2023/24.

Table 244: Capital Expenditure on the 5 Largest Projects

Name of Project	2023/24			Variance 2023/24	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment Variance
				%	
Expansion of the landfill site (New cells)	46 000	67 281	65 366	-42%	2.85%
New Reservoir and Pipeline: Vlottenburg	46 000	35 901	35 222	23%	1.89%
Lattera Substation	23 108	22 967	22 454	3%	2.23%
Bulk Water Supply Pipeline and Reservoir - Jamestown	32 500	22 697	21 694	33%	4.42%
Electrification INEP	18 450	16 279	16 104	13%	1.07%

5.13.4 INTEGRATED URBAN DEVELOPMENT GRANT (IUDG)

Table 245: Integrated Urban Development Grant (IUDG)

Details	Budget	Adjustment Budget	Actual	Variance Budgets
	R'000			%
New Development Bulk Sewer Supply WC024	1 000 000	-	-	0%
Cloetesville Bulk Sewer upgrade	1 000 000	-	-	0%
Fencing: Parks and Gardens	200 000	700 000	700 000	0%
Upgrading Ad hoc Housing Projects	-	550 096	550 096	0%
Beautification of Parks and Cemeteries	300 000	300 000	300 000	0%
Calcatta Memorial Park	5 500 000	9 500 000	9 500 000	0%
Non-Motorised Transport Implementation	-	3 450 135	3 450 135	0%
Adhoc Reconstruction of Roads (WC024)	3 000 000	3 904 372	3 904 372	0%
Kayamandi Pedestrian Bridge (R304, River, and Railway Line)	11 000 000	549 865	549 865	0%
Languedoc access road and bridge	-	1 595 628	1 595 628	0%



Details	Budget	Adjustment Budget	Actual	Variance Budgets
	R'000			%
Expansion of the landfill site (New cells)	-	2 189 569	2 189 569	0%
Northern Extension: Feasibility	-	-	-	0%
New Reservoir and Pipeline: Vlothenburg	31 939 500	33 699 835	33 699 835	0%
New Developments Bulk Water Supply WC024	1 500 000	-	-	0%
Upgrading: Early Childhood Development Centres on Municipal Land	1 000 000	-	-	0%
Basic Salary and Wages	2 970 500	2 970 500	2 970 500	0%
Total	59 410	59 410	59 410	0%

5.14 CASH FLOW

Table 246: Cash flow

Description	2022/23	2023/24		
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual
R'000				
Cash Flow from Operating Activities				
Receipts				
Ratepayers and Other	1 630 359	2 106 841	2 142 527	1 824 843
Government Grants	314 394	344 766	348 270	333 123
Interest	42 250	41 193	44 168	57 312
Payments				
Employee Costs	-579 747	-	-	-
Suppliers	-932 884	-2 000 844	-2 011 898	-1 797 283
Finance Costs	-46 712	-42 802	-42 802	-49 186
Transfers and Grants	-17 758	-20 636	-20 636	-
Net Cash from / (Used) Operating Activities	409 902	428 518	459 629	368 808
Cash Flow from Investing Activities				
Receipts				
Proceeds on Disposal of PPE	1 738	-	-	724
Proceeds on Disposal of Biological Assets	-	-	-	0
Movement in Non-Current Receivables	-	-	-	0
Payments				
Purchase of PPE	0	-	-	-
Movement in Non-Current Receivables	0	-	-	-
Movement in Investments	-26 245	-	-	-123 949
Capital assets	-297 952	-576 970	-562 824	-424 249
Net Cash from / (Used) Investing Activities	-344 219			
Cash Flow from Financing Activities				
Receipts				
Proceeds from other Financial Liabilities	69 244	200 000	200 000	137 446
Increase in consumer deposits	0	-	-	-
Payments				



Description	2022/23	2023/24		
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual
	R'000			
Repayment of Borrowing	-46 031	-55 632	-55 632	-55 047
Prior period error	-	-	-	-
Net Cash from / (Used) Financing Activities	23 213	144 368	144 368	82 399
Net Increase / (Decrease) in Cash Held	110 656	-4 084	41 173	-96 265
Cash / Cash Equivalents at the Year-Begin:	139 312	432 641	580 301	249 945
Cash / Cash Equivalents at the Year-End:	249 968	428 557	621 474	153 680

5.15 GROSS OUTSTANDING DEBTORS PER SERVICE

Table 247: Gross Outstanding Debtors per Service

Financial year	Rates	Trading services	Trading services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
	(R'000)					
2021/22	49 872	262 980	69 220	29 192	216 025	627 289
2022/23	56 526	323 873	86 820	31 363	252 067	750 649
Difference	6 654	60 893	17 600	2171	36 042	123 360
% growth year on year	12%	19%	20%	7%	14%	16%
2023/24	66 235	395 050	110 550	33 114	252 711	857 660
Difference	9 709	71 177	23 730	1 751	644	107 011
% growth year on year	15%	18%	21%	5%	0%	12%

Note: Figures exclude provision for bad debt.

5.16 DEBTORS AGE ANALYSIS

Table 248: 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)					
2021/22	224 149	16 533	16 880	17 537	352 191	627 289
2022/23	278 937	14 865	16 267	13 531	427 049	750 649
Difference	54 788	-1 668	-613	-4006	74 858	123 360
% growth year on year	20%	-11%	-4%	-30%	18%	16%
2023/24	235 655	20 202	20 517	10 759	570 527	857 660
Difference	-43 282	5 337	4 250	-2 772	143 478	107 011
% growth year on year	-18%	26%	21%	-26%	25%	12%

Note: Figures exclude provision for bad debt.

5.17 BORROWING AND INVESTMENTS

The municipality's cash position is monitored daily, and any cash not required immediately to meet cash flow requirements is invested every month at approved institutions, strictly in accordance with the Council's approved Cash and Investment Policy.



5.18 ACTUAL BORROWINGS

Table 249: Actual Borrowings

Instrument	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	R'000							
Long-Term Loans	186 386	173 302	318 800	292 930	368 997	478 736	501 950	584 049

5.19 MUNICIPAL INVESTMENTS

Table 250: Municipal Investments

Investment type	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	R'000							
Deposits - Bank	575 418	505 618	398 164	306 637	222 434	305 522	331 767	455 717



CHAPTER 6: AUDITOR GENERAL OF SOUTH AFRICA AUDIT FINDINGS

6.1 INTRODUCTION

This chapter provides allowances details on the audit outcomes for the past two financial years with the corrective steps implemented.

COMPONENT A: AUDITOR-GENERAL OF SOUTH AFRICA OPINION 2022/23

6.2 AUDITOR GENERAL OF SOUTH AFRICA REPORT 2022/23

Table 251: Auditor General of South Africa Report 2022/23

2022/23	
Audit Report Status:	Finalised (unqualified with no findings)
2022/23	
Issue raised	Corrective step implemented
Emphasis of matter:	
Restatement of corresponding figures	
As disclosed in note 64 to the financial statements, the corresponding figures for 30 June 2022 were restated as a result of errors in the financial statements of the municipality, and for the year ended 30 June 2023.	None required
Material Impairments	
As disclosed in note 5 to the financial statements, the municipality provided for the impairment of trade and other receivables from exchange transactions of R238,8 million (2021/22: R204,3 million).	None required
As disclosed in note 6 to the financial statements, the municipality provided for the impairment of trade and other receivables from non-exchange transactions of R230,1 million (2021/22: R187,6 million).	None required
Material losses	
None	
Material Non-Compliance	
None	
Annual financial statements	
I have audited the financial statements of the Stellenbosch Municipality set out on pages 6 to 130, which comprise the statement of financial position as at 30 June 2023, statement of financial performance, statement of changes in net assets, cash flow statement, and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.	None required
In my opinion, the financial statements present fairly, in all material respects, the financial position of the Stellenbosch Municipality as at 30 June 2023, and its financial performance and cash flows for the year ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (Dora).	None required



COMPONENT B: AUDITOR-GENERAL OPINION 2023/24

6.3 AUDITOR GENERAL OF SOUTH AFRICA REPORT 2023/24

Table 252: Auditor General of South Africa Report 2023/24

2023/24	
Audit Report Status:	
2023/24	
Issue raised	Corrective step implemented
Emphasis of matter:	
Restatement of corresponding figures	
As disclosed in note 62 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2024	None Required
Material Impairments	
As disclosed in note 4 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions of R268,7 million (2022-23: R208 million).	None Required
As disclosed in note 5 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions of R217,9 million (2022-23: R225,8 million).	None Required
Material losses	
None	
Material Non-Compliance	
None	
Annual financial statements	
I have audited the financial statements of the Stellenbosch Municipality set out on pages 7 to 135, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.	None Required
In my opinion, the financial statements present fairly, in all material respects, the financial position of the Stellenbosch Municipality as at 30 June 2024 and its financial performance and cash flows for the year that ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (Dora).	None Required



ANNEXURE A: ANNUAL FINANCIAL STATEMENTS 2023/24



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Annual Financial Statements

30 JUNE 2024



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence
30 November 2024

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

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The reports and statements set out below comprise the audited annual financial statements presented to the provincial legislature:

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Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

General Information

Legal form of entity

Municipality in terms of section 1 of the Local Government: Municipal Structures Act (Act 117 of 1998) read with section 155 (1) of the Constitution of the republic of South Africa (Act 108 of 1996)

Legislation governing the municipality's operations

Constitution of the Republic of south Africa (Act 108 of 1998)
Municipal Finance Management Act (Act 56 of 2003)
Local Government: Municipal Systems Act (Act 32 of 2000)
Local Government: Municipal Structures Act (Act 117 of 1998)
Municipal Property Rates Act (act of 6 2004)
Division of Revenue Act (Act 1 of 2007)

Nature of business and principal activities

The provision of services (electricity, water, sanitation and refuse) to communities in a sustainable manner, to promote social and economic development; and to promote a safe and healthy environment

Mayoral committee

Portfolio

Executive mayor and chairperson of mayoral committee
Deputy executive mayor
Speaker
Council Whip
MMC Human settlements
MMC Youth, sport and culture
MMC Planning, Local Economic Development and Tourism
MMC Environmental Management, Parks, Open Spaces, Cemeteries
MMC Community development
MMC Corporate services
MMC Financial services
MMC Protection services
MMC Infrastructure
MMC Rural Development

Councillor

G van Deventer
J Fasser
Q Smit
P Crawley
R Du Toit
JC Anthony
C van Wyk
J Williams

X Kalipa
L Nkamisa
J Fasser
R Pheiffer
P Johnson (Resigned: 12/06/2024)
J Joon

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

General Information

Council Members

Nr	Surname	Initials	Nr	Surname	Initials
1	Jooste	O	18	Pietersen	W
2	Rataza	M	19	De Taillefer	I
3	Mananga-Gugushe	N	20	Slabbert	M
4	Ntsunguzi	N	21	Petersen	W
5	Nalumango (Resigned: 10/06/2024)	R	22	Manuel	C
6	Schafer	S	23	Van Rooyen	R
7	Adams	R	24	Mcombring	N
8	Mdemka	X	25	Ferns	N
9	Hanekom	A	26	Vermeulen	E
10	Petersen	G	27	Serdyn	J
11	Olayi	N	28	Tomose	A
12	Mkhontwana	N	29	Nkopane	M
13	Ndalasi	Z	30	Danana	M
14	Noble (Resigned: 05/04/2024)	C	31	Masimini	E
15	Van Stade	M	32	Dalling	Z
16	Hendrikse	R	33	Groenewald	E
17	Andrews	J			

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

General Information

Executive management

Position

Municipal Manager
Chief Financial Officer (CFO)
Director: Infrastructure
Director: Corporate Services
Director: Planning and Economic Development
Director: Community and Protection Services

Name

Geraldine Mettler
Kevin Carolus
Preshane Chandaka
Annalene de Beer
Anthony Barnes
Gary Boshoff

Members of the Audit Committee

Chairperson:

Members:

Linda Cecil Nene
Reyhana Gani
Ruthaleen Lucinda Colette Strydom
Nimrod Llewellyn Mortimer

Registered head office

Plein Street
Stellenbosch
7600

Physical address

Plein Street
Stellenbosch
7600

Postal address

P O Box 17
Stellenbosch
7600

Bankers

First National Bank

Auditors

Auditor-General of South Africa (AGSA)

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Abbreviations

ASB	Accounting Standards Board
CIGFARO	Chartered institute of Government, Finance, Audit and Risk Officers
COID	Compensation for Occupational Injuries and Diseases
DBSA	Development Bank of South Africa
DORA	Division of Revenue Act
DSACR	Department of Sport, Arts, Culture and Recreation
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
LGSETA	Local Government Services Sector Education and Training Authority
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MPAC	Municipal Public Accounts Committee
MPRA	Municipal Property Rates Act
MSIG	Municipal System Improvement Grant
MSCOA	Municipal standard chart of accounts
SALGA	South African Local Government Association
SAPS	South African Police Services
SCM	Supply Chain Management
SRAC	Sports, Recreation, Arts and Culture

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Accounting Officer's Responsibilities and Approval

The Accounting Officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the audited annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Officer to ensure that the audited annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the audited annual financial statements and was given unrestricted access to all financial records and related data.

The audited annual financial statements were prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) as well as relevant interpretations, guidelines and directives issued by the Accounting Standards Board.

The audited annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

I, as the Accounting Officer acknowledges 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 have set standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

I am of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the audited annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

Although, I am primarily responsible for the financial affairs of the municipality, this is supported by the municipality's external auditors.

I would like to bring the following material matters to your attention:

I certify that the salaries, allowances and benefits of councillors as disclosed in note 34 to these audited annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act, Act 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with the Act.

The external auditors, being the Auditor-General of South Africa (AGSA), are responsible for independently reviewing and reporting on the municipality's audited annual financial statements.

The audited annual financial statements set out in terms of Section 126(1) of the Municipal Finance Management Act (Act 56 of 2003), which have been prepared on the going concern basis, I have signed on behalf of the municipality on 31 August 2024:



Accounting Officer
Geraldine Mettler

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Position as at 30 June 2024

	Note(s)	2024	2023
Assets			
Current Assets			
Cash and cash equivalents	2	150 678 869	246 945 413
Receivables from exchange transactions	4	251 987 494	217 120 693
Receivables from non-exchange transactions	5	86 667 444	70 092 489
Inventories	6	23 268 245	22 151 767
Value-added-tax	8	30 829 208	11 979 052
Other receivables from exchange transactions	7	54 389 107	38 652 229
Short term investments	3	455 716 603	331 767 247
Total Current Assets		1 053 536 970	938 708 890
Non-Current Assets			
Investment property	9	422 930 670	425 076 488
Property, plant and equipment	10	5 853 784 635	5 624 551 933
Biological assets	12	2 925 054	5 142 777
Heritage assets	13	1 312 810	1 312 810
Intangible assets	11	4 097 725	4 260 776
Trade and other receivables from exchange transactions	14	6 508 597	4 598 731
Total Non-Current Assets		6 291 559 491	6 064 943 515
Total Assets		7 345 096 461	7 003 652 405
Liabilities			
Current Liabilities			
Borrowings	18	69 853 210	55 046 811
Lease liabilities	17	-	694 514
Employee benefits	16	65 195 966	58 283 915
Consumer deposits	15	24 190 439	22 347 626
Trade and other payables from exchange transactions	19	320 683 582	324 793 769
Payables from non-exchange transactions	20	37 827 435	32 460 665
Total Current Liabilities		517 750 632	493 627 300
Non-Current Liabilities			
Borrowings	18	514 496 032	446 903 149
Employee benefits	16	206 670 001	191 200 001
Provision	21	106 740 477	95 421 976
Total Non-Current Liabilities		827 906 510	733 525 126
Total Liabilities		1 345 657 142	1 227 152 426
Net Assets		5 999 439 319	5 776 499 979
Community Wealth / Equity			
Accumulated surplus		5 727 759 087	5 589 788 223
Reserves and funds		271 680 259	186 711 771
Total Community Wealth / Equity		5 999 439 346	5 776 499 994

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Performance

	Note(s)	2024	2023
Revenue			
Exchange Revenue			
Services charges – Electricity	22	874 585 643	779 983 813
Services charges – Water	22	203 270 709	162 138 204
Services charges – Waste water management	22	114 951 742	106 739 375
Services charges – Waste Management	22	96 326 521	89 836 854
Rental from fixed assets	23	11 055 806	12 373 336
Interest earned from receivables	24	23 504 654	16 467 413
Interests earned from current and non-current assets	25	57 311 807	42 250 158
Licences or permits	26	8 149 482	8 407 621
Agency services	27	3 697 082	3 438 321
Operational revenue	28	48 819 184	44 608 302
Sales of goods and rendering of services	29	25 260 049	21 697 627
Total Exchange Revenue		1 466 932 679	1 287 941 024
Non-Exchange Revenue			
Property rates	30	484 454 441	452 019 022
Fines, penalties and forfeits	31	166 867 895	146 657 768
Transfers and subsidies	32	342 231 985	311 629 905
Interest earned from receivables	24	4 239 407	3 418 263
Total Non-Exchange Revenue		997 793 728	913 724 958
Total Revenue		2 464 726 407	2 201 665 982
Expenditure			
Employee related cost	33	631 801 689	542 779 491
Remuneration of councillors	34	22 619 919	22 764 755
Bulk purchases	35	658 227 496	544 002 101
Inventory consumed	36	66 371 383	64 172 062
Debt impairment	37	49 123 660	70 722 081
Depreciation and amortisation	38	204 290 393	231 676 940
Impairment loss /(reversal) of impairment	39	2 756 436	1 572 668
Finance costs	40	63 411 228	59 928 458
Contracted services	41	278 249 405	229 356 127
Transfers and subsidies	42	21 324 136	17 758 255
Irrecoverable debts written off	43	101 629 854	91 945 701
Contribution to/(from) Landfill provision	44	583 529	(69 693 846)
Operating leases	45	6 145 742	9 292 497
Operational cost	46	132 062 028	132 292 422
Gain/(Loss) on disposals and fair value adjustments	47	3 480 147	834 920
Inventory adjustments to net realisable value	48	(290 008)	389 307
Total Expenditure		2 241 787 037	1 949 793 939
Surplus for the year		222 939 370	251 872 043

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Statement of Changes in Net Assets

	Self insurance reserve	Capital replacement reserve	Total reserves	Accumulated surplus	Total net assets
Opening balance as previously reported	9 885 492	152 605 135	162 490 627	5 383 597 051	5 546 087 678
Adjustments					
Correction of errors	-	-	-	(18 436 426)	(18 436 426)
Balance at 01 July 2022 as restated*	9 885 492	152 605 135	162 490 627	5 362 137 323	5 524 627 950
Surplus for the year	-	-	-	251 872 043	251 872 043
Transfers to / from accumulated surplus for the year	-	161 293 889	161 293 889	(161 293 889)	-
Property, plant and equipment purchased	-	(137 072 745)	(137 072 745)	137 072 745	-
Total changes	-	24 221 144	24 221 144	227 650 899	251 872 043
Balance at 01 July 2023	9 885 492	176 826 279	186 711 771	5 589 788 203	5 776 499 974
Surplus for the year	-	-	-	222 939 370	222 939 370
Transfers to / from accumulated surplus for the year	-	262 985 070	262 985 070	(262 985 070)	-
Property, plant and equipment purchased	-	(178 016 582)	(178 016 582)	178 016 584	-
Total changes	-	84 968 488	84 968 488	137 970 884	222 939 372
Balance at 30 June 2024	9 885 492	261 794 767	271 680 259	5 727 759 087	5 999 439 346

We draw to your attention amounts restated for net assets as depicted in note 62

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Cash Flow Statement

	Note(s)	2024	2023
Cash flows from operating activities			
Receipts			
Sale of goods and services		1 824 843 027	1 630 358 920
Grants received		333 123 650	314 394 297
Interest		57 311 807	42 250 158
Payments			
Cash paid to employees		(632 039 518)	(579 747 395)
Cash paid to suppliers		(1 149 677 354)	(932 883 954)
Grants paid		(15 566 458)	(17 758 255)
Finance costs		(49 186 011)	(46 712 396)
Net cash from(used) operating activities	49	368 809 143	409 901 375
Cash flows from investing activities			
Receipts			
Capital asset sales		723 740	1 738 223
Payments			
Capital assets additions		(424 249 313)	(297 952 022)
Short term investments		(123 949 356)	(26 244 801)
Net cash flows from investing activities		(547 474 929)	(322 458 600)
Cash flows from financing activities			
Receipts			
Net movement in borrowings		82 399 282	23 213 468
Net cash flows from financing activities		82 399 282	23 213 468
Net increase/(decrease) in cash		(96 266 504)	110 656 243
Cash and cash equivalents at year begin		246 945 413	136 289 170
		150 678 909	246 945 413

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Comparison of Budget and Actual Amounts for the year ended 30 June 2024

	Approved budget	*Budget adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reason for the material variance
2024						
Financial performance						
Revenue by source						
Exchange revenue						
Service charges - Electricity	913 669 187	-	913 669 187	874 585 643	(39 083 544)	The under performance is due to consumers making use of alternative energy sources.
Service charges - Water	171 866 497	-	171 866 497	203 270 709	31 404 212	The municipality has billed more water charges than initially anticipated due to an increase in water consumption.
Service charges - Waste Water Management	113 677 435	-	113 677 435	114 951 742	1 274 307	
Service charges - Waste Management	107 653 574	-	107 653 574	96 326 521	(11 327 053)	
Sale of goods and rendering of services	22 123 608	-	22 123 608	25 260 049	3 136 441	
Agency services	3 617 114	-	3 617 114	3 697 082	79 968	
Interest earned from receivables	17 323 717	-	17 323 717	23 504 654	6 180 937	
Interest earned from current and non current assets	44 167 518	-	44 167 518	57 311 807	13 144 289	
Rental from fixed assets	13 013 749	-	13 013 749	11 055 806	(1 957 943)	
Licence and permits	7 993 809	-	7 993 809	8 149 482	155 673	
Operational revenue	47 544 383	-	47 544 383	48 819 184	1 274 801	
	1 462 650 591	-	1 462 650 591	1 466 932 679	4 282 088	

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Comparison of Budget and Actual Amounts for the year ended 30 June 2024

	Approved budget	*Budget adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reason for the material variance
Non-exchange revenue						
Property rates	473 588 918	-	473 588 918	484 454 441	10 865 523	
Fines, penalties and forfeits	155 565 187	-	155 565 187	166 867 895	11 302 708	The municipality recognised unclaimed deposits in the current financial year.
Transfer and subsidies - Operational	225 163 265	-	225 163 265	230 231 110	5 067 845	
Interest	3 292 796	-	3 292 796	4 239 407	946 611	
	857 610 166	-	857 610 166	885 792 853	28 182 687	
Total Revenue by source (excl. capital transfers and contributions)	2 320 260 757	-	2 320 260 757	2 352 725 532	32 464 775	

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Comparison of Budget and Actual Amounts for the year ended 30 June 2024

	Approved budget	*Budget adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reason for the material variance
Expenditure						
Employee costs	(623 835 797)	1 503 000	(622 332 797)	(631 801 689)	(9 468 892)	
Remuneration of councillors	(22 096 514)	-	(22 096 514)	(22 619 919)	(523 405)	
Bulk purchases - Electricity	(636 392 814)	9 682 987	(626 709 827)	(626 175 769)	534 058	
Inventory consumed	(97 491 474)	(4 877 555)	(102 369 029)	(98 423 110)	3 945 919	
Debt impairment	(71 053 115)	-	(71 053 115)	(49 123 660)	21 929 455	
Depreciation and amortisation	(239 798 581)	-	(239 798 581)	(204 290 393)	35 508 188	
Interest	(68 934 733)	3 771 400	(65 163 333)	(63 411 228)	1 752 105	
Contracted services	(289 033 616)	(11 367 066)	(300 400 682)	(278 249 405)	22 151 277	
Transfers and subsidies	(20 198 529)	(5 620 529)	(25 819 058)	(21 324 136)	4 494 922	
Irrecoverable debts written off	(115 712 979)	-	(115 712 979)	(101 629 854)	14 083 125	
Operational costs	(175 829 278)	6 921 963	(168 907 315)	(138 791 299)	30 116 016	
Losses on disposal of Assets	-	-	-	(3 480 147)	(3 480 147)	
Other Losses	-	-	-	(2 466 428)	(2 466 428)	
Total Expenditure	(2 360 377 430)	14 200	(2 360 363 230)	(2 241 787 037)	118 576 193	
Surplus	(40 116 673)	14 200	(40 102 473)	110 938 495	151 040 968	
Transfers and subsidies - capital (monetary allocations)	135 828 072	-	135 828 072	106 864 062	(28 964 010)	Revenue recognition of grants was not done due to non-spending of conditional grants on capital expenditure projects.
Transfers and subsidies - capital (in-kind)	-	-	-	5 136 813	5 136 813	
Surplus for the year	95 711 399	14 200	95 725 599	222 939 370	127 213 771	

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Reconciliation of total revenue

Reconciliation items

Revenue as per Budget statement - before capital transfers and subsidies

2 352 725 532

Add reconciling items:

Transfers and subsidies - Capital (Monetary allocations)

-
106 864 062

Transfers and subsidies - Capital (In-kind)

5 136 813

Total Revenue

2 464 726 407

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Comparison of Budget and Actual Amounts for the year ended 30 June 2024

	Approved budget	*Budget adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reason for the material variance
Financial position						
Assets						
Current assets						
Cash and cash equivalents	621 473 443	-	621 473 443	609 418 774	(12 054 669)	
Trade and other receivables from exchange transactions	248 105 399	-	248 105 399	251 987 494	3 882 095	
Receivables from non-exchange transactions	37 785 443	-	37 785 443	86 667 444	48 882 001	The variance is mainly due to the outstanding traffic fines issued.
Inventory	37 108 629	(4 777 555)	32 331 074	23 268 245	(9 062 829)	
VAT	12 014 179	-	12 014 179	33 106 172	21 091 993	
Other current assets	5 961 272	-	5 961 272	54 389 107	48 427 835	
Total current assets	962 448 365	(4 777 555)	957 670 810	1 058 837 236	101 166 426	
Non-current assets						
Investment property	426 892 921	-	426 892 921	422 930 670	(3 962 251)	
Property, plant and equipment	5 887 143 725	-	5 887 143 725	5 853 784 635	(33 359 090)	The variance is due to capital spending targets that were not reached as well as decrease in depreciation due to targets not achieved.
Biological assets	5 492 777	-	5 492 777	2 925 054	(2 567 723)	
Heritage assets	1 312 677	-	1 312 677	1 312 810	133	
Intangible assets	4 996 551	-	4 996 551	4 097 725	(898 826)	
Trade and other receivables from exchange transactions	4 581 571	-	4 581 571	6 491 436	1 909 865	
Non-current receivables from non-exchange transactions	17 161	-	17 161	17 161	-	
Total non-current assets	6 330 437 383	-	6 330 437 383	6 291 559 491	(38 877 892)	
Total assets	7 292 885 748	(4 777 555)	7 288 108 193	7 350 396 727	62 288 534	

Comparison of Budget and Actual Amounts for the year ended 30 June 2024

	Approved budget	*Budget adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reason for the material variance
Liabilities						
Current liabilities						
Financial liabilities	62 456 896	-	62 456 896	69 853 210	7 396 314	
Consumer deposits	23 688 825	-	23 688 825	24 190 439	501 614	
Trade and other payables from exchange transactions	322 478 941	(1 020 355)	321 458 586	320 683 582	(775 004)	
Trade and other payables from non-exchange transactions	21 331 570	-	21 331 570	37 827 435	16 495 865	The variance is due to unspent conditional grants.
Provision	58 198 189	(3 771 400)	54 426 789	65 195 966	10 769 177	
VAT	5 028 816	-	5 028 816	-	(5 028 816)	
Total current liabilities	493 183 237	(4 791 755)	488 391 482	517 750 632	29 359 150	
Non-current liabilities						
Financial liabilities	584 555 129	-	584 555 129	514 496 032	(70 059 097)	The external loan amount to be taken up was reduced due to the slow capital spending.
Provision	322 387 252	-	322 387 252	313 410 478	(8 976 774)	
Total non-current liabilities	906 942 381	-	906 942 381	827 906 510	(79 035 871)	
Total liabilities	1 400 125 618	(4 791 755)	1 395 333 863	1 345 657 142	(49 676 721)	
Net assets	5 892 760 130	14 200	5 892 774 330	6 004 739 585	111 965 255	

Comparison of Budget and Actual Amounts for the year ended 30 June 2024

	Approved budget	*Budget adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reason for the material variance
Community wealth/ Equity						
Accumulated Surplus/(Deficit)	5 573 258 327	14 200	5 573 272 527	5 733 059 354	159 786 827	An increase in the surplus for the current financial year has contributed to this variance.
Reserves	319 501 803	-	319 501 803	271 680 259	(47 821 544)	
Total current community wealth/ equity	5 892 760 130	14 200	5 892 774 330	6 004 739 613	111 965 283	

Comparison of Budget and Actual Amounts for the year ended 30 June 2024

	Approved budget	*Budget adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reason for the material variance
Cash flow						
Cash flow from operating activities						
Receipts						
Property rates	481 303 031	-	481 303 031	484 454 441	3 151 410	
Service charges	1 481 790 190	-	1 481 790 190	1 286 848 344	(194 941 846)	The municipality under collected in terms of the service charges
Other revenue	179 433 659	-	179 433 659	53 539 981	(125 893 678)	Over estimation during the forecasting of other revenue
Transfers and Subsidies - Operational	224 378 500	-	224 378 500	221 122 775	(3 255 725)	
Transfers and Subsidies - Capital	123 891 103	-	123 891 103	112 000 875	(11 890 228)	
Interest	44 167 518	-	44 167 518	57 311 807	13 144 289	
	2 534 964 001	-	2 534 964 001	2 215 278 223	(319 685 778)	
Payments						
Suppliers and employees	(2 011 898 374)	-	(2 011 898 374)	(1 781 716 651)	230 181 723	The municipality paid less than anticipated.
Finance charges	(42 801 802)	-	(42 801 802)	(49 186 011)	(6 384 209)	
Transfers and subsidies	(20 635 518)	-	(20 635 518)	(15 566 458)	5 069 060	
	(2 075 335 694)	-	(2 075 335 694)	(1 846 469 120)	228 866 574	
Net cash from/(used) operating activities	459 628 307	-	459 628 307	368 809 103	(90 819 204)	

Comparison of Budget and Actual Amounts for the year ended 30 June 2024

	Approved budget	*Budget adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reason for the material variance
Cash flow from investing activities						
Receipts						
Proceeds on disposal of PPE	-	-	-	723 740	723 740	The municipality took advantage of the increased interest rates and invested excess funds
Decrease (increase) in short term investments	-	-	-	(123 949 356)	(123 949 356)	
	-	-	-	(123 225 616)	(123 225 616)	
Payments						
Capital assets	(562 823 611)	-	(562 823 611)	(424 249 313)	138 574 298	The municipality had an under spending on its capital expenditure budget.
Net cash from/(used) investing activities	(562 823 611)	-	(562 823 611)	(547 474 929)	15 348 682	
Cash flow from financing activities						
Receipts						
Borrowing long term/refinancing	200 000 000	-	200 000 000	137 446 093	(62 553 907)	The municipality required less funding from borrowings than anticipated.
Payments						
Repayment of borrowing	(55 632 448)	-	(55 632 448)	(55 046 810)	585 638	The municipality required less funding from borrowings than anticipated.
Net cash from/(used) financing activities	144 367 552	-	144 367 552	82 399 283	(61 968 269)	
Net Increase/ (Decrease) in cash held	41 172 248	-	41 172 248	(96 266 543)	(137 438 791)	
Cash/cash equivalents at the year begin:	580 301 195	-	580 301 195	246 945 413	(333 355 782)	The amount budgeted includes investments as cash and cash equivalents, however these investments are taken into account in the Investing activities for the actual amount on the comparative basis.
Cash/cash equivalents at the year end:	621 473 443	-	621 473 443	150 678 869	(470 794 574)	

Comparison of Budget and Actual Amounts for the year ended 30 June 2024

	Approved budget	*Budget adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reason for the material variance

Commentary

Budget adjustments are done in terms of section 28 and section 31 of the MFMA.

All budget adjustments above relate to virements in terms of Council Approved Virement Policy.

Accounting Policies

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.

The annual financial statements have been prepared in accordance with the Finance Management Act (MFMA) and effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003)

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

1. Summary of significant accounting policies

1.1 Going concern assumption

These audited annual financial statements were prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.2 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.

1.3 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.

1.4 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.

1.5 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

Materiality utilised for the statement of budget comparison (GRAP 24) comprises of the following components:

Accounting Policies

1.5 Materiality (continued)

Statement of financial Performance

Revenue: 1% of Total Revenue
Expenditure: 2% of Total expenditure

Statement of financial position

Assets: 1% of total assets
Liabilities: 2% of total liabilities
Net assets: 5% of accumulated surplus

Cash flow statement

The receipt items follow a revenue base as per the statement of financial performance and the payments follow an expenditure base as per the statement of financial performance.

1.6 Significant judgements and estimates

In the application of the municipality's accounting policies, which are described below, management is required to make judgement, estimates and assumption that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and associated assumptions are based on historical experiences and other factors that are considered too reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.7 Biological assets that form part of an agricultural activity

The municipality recognises 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.

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.t

Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

The municipality classifies biological assets as consumables which consist of timber in the form of pine trees. All biological assets are held for sale.

Agricultural produce harvested from an entity's biological assets shall be measured at its fair value less costs to sell at the point of harvest. Such measurement is the cost at that date when applying GRAP 12 or another applicable Standard of GRAP.

Item	Useful life
Trees in plantation forest	Indefinite

Accounting Policies

1.8 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 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.

Subsequent measurement – 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-Land	Indefinite
Property-buildings	30-99 years

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

The nature OR type of properties classified as held for strategic purposes are as follows:

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note 9).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the annual financial statements (see note 9).

When classification is difficult, the criteria used to distinguish investment property from owner -occupied property and from property held for sale in the ordinary course of operations, are as follows:

All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes, and that will not be sold within the next 12 months are classified as Investment Properties

A building owned by the municipality (or held by the municipality under a finance lease) and leased out under one or more operating leases

Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:

(a) commencement of owner-occupation, for a transfer from investment property to owner-occupied property;

Accounting Policies

1.8 Investment property (continued)

(b) commencement of development with a view to sale, for a transfer from investment property to inventories;

(c) end of owner-occupation, for a transfer from owner-occupied property to investment property; or

(d) commencement of an operating lease (on a commercial basis) to another party, for a transfer from inventories to investment property.

1.9 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period. The municipality elected the cost model for Property, plant and equipment.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if

- if it is probable that future economic benefits or service potential associated with the item will flow to the municipality, and
- the cost or fair value of the item can be measured reliably.

Initial recognition and measurement

Property, plant and equipment are initially recognised at cost on its acquisition date. 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 costs 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, its 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.

Major spare parts and standby equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and standby equipment which can only be used in connection with an item of property, plant and equipment are accounted for as 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 available for use.

Impairment

Stellenbosch Municipality

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Accounting Policies

1.9 Property, plant and equipment (continued)

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.

Depreciation

Property, plant and equipment are depreciated on the straightline basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Straight-line	indefinite
Machinery and equipment	Straight-line	1-66
Furniture and office equipment	Straight-line	2-24
Transport assets	Straight-line	4-21
Computer equipment	Straight-line	5-23
Community assets	Straight-line	4-50
Other property, plant and equipment	Straight-line	6-99
Capital restoration asset	Straight-line	5-30
Electrical infrastructure	Straight-line	10-100
Water supply infrastructure	Straight-line	10-100
Solid waste infrastructure	Straight-line	10-50
Roads infrastructure	Straight-line	10-100
Information and communication infrastructure	Straight-line	3-15
Waste water network	Straight-line	10-100
Stormwater infrastructure	Straight-line	10-50

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.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 10).

Accounting Policies

1.10 Intangible assets

Initial recognition and measurement

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.

If the expected useful life of the asset is different from previous estimates, the amortisation period shall be changed accordingly. If there has been a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the amortisation method shall be changed to reflect the changed pattern. Such changes shall be accounted for as changes in accounting estimates in accordance with GRAP 3.

Subsequent measurement

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 goodwill, brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

If the expected useful life of the asset is different from previous estimates, the amortisation period shall be changed accordingly. If there has been a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the amortisation method shall be changed to reflect the changed pattern. Such changes shall be accounted for as changes in accounting estimates in accordance with GRAP 3.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Internally generated: Capital development	Straight-line	5 - 7 years
Computer software	Straight-line	3 - 30 years
Service operating and land rights	Straight-line	5 - 30 years

Accounting Policies

1.10 Intangible assets (continued)

Derecognition

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 shall be included in surplus or deficit when the asset is derecognised.

1.11 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.

Initial recognition and measurement

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 13 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.

Reference to impairment paragraphs can be made to note 1.16, 1.17 and 1.18.

Compensation from third parties for heritage assets that have been impaired, lost or given up, shall be included in surplus or deficit when the compensation becomes receivable.

Dererecognition

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).

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.

Accounting Policies

1.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity. Financial instruments are classified into three categories namely, financial instruments at fair value, financial instruments at amortised cost or financial instruments at cost. The municipality determines the classification of its financial instruments at initial recognition.

1.12.1 Classification of financial instruments

Financial assets

A financial asset is any asset that is a cash or contractual right to receive cash. In accordance with GRAP 104 the Financial Assets of the municipality are classified as follows into the three categories allowed by this standard:

Financial asset at amortised cost being a non-derivative financial asset with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months, which are classified as non-current assets.

Financial assets measured at fair value being financial assets that meet either of the following conditions:

- Derivatives;
- Combined instruments that are designated at fair value;
- Instruments held for trading;
- Non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; or
- Financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Financial assets measured at cost being investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

The municipality has the following types of financial assets as reflected on the face of the Statement of financial position or in the notes thereto:

Type of financial asset	Classification in terms of GRAP 104
Long-term receivables	Financial assets at amortised cost
Consumer debtors	Financial assets at amortised cost
Other debtors	Financial assets at amortised cost
Short-term investment deposit - Call	Financial assets at amortised cost
Bank balances and cash	Financial assets at amortised cost

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the Cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets at amortised cost.

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity.

The following main categories of financial liabilities and the classification determining how they are measured exist:

- Financial liabilities measured at amortised cost; or
- Financial liabilities measured at fair value.

The municipality has the following types of financial liabilities as reflected on the face of the Statement of financial position or in the notes thereto:

Type of financial liability	Classification in terms of GRAP 104
Long-term liabilities	Financial liability at amortised cost
Current portion of long-term liabilities	Financial liability at amortised cost
Other creditors	Financial liability at amortised cost

Accounting Policies

1.12 Financial instruments (continued)

1.12.2 Initial and subsequent measurement

Initial recognition and measurement

A financial instrument is recognised, when the municipality becomes a party to the contractual provisions of the instrument, and are initially measured at fair value. In the case of a financial instrument not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial instrument are added or deducted from the fair value, as appropriate on initial recognition.

Subsequent measurement – Financial assets

Financial assets consist of cash and cash equivalents, deposits, receivables and investments.

Receivables are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

A provision for impairment of receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Changes in the carrying amount of the provision is recognised in the Statement of financial performance. When a receivable is considered uncollectible, it is written off against the provision. Any gains or losses arising from the change in fair value of investments measured at fair value are recognised in the Statement of financial performance.

Trade and other receivables (excluding Value Added Taxation, prepayments and operating lease receivables), loans to municipal entities and loans that have fixed and determinable payments that are not quoted in an active market are classified as financial assets at amortised cost.

Financial assets measured at fair value are initially measured at fair value plus directly attributable transaction costs. They are subsequently measured at fair value with unrealised gains or losses recognised directly in equity until the investment is derecognised, at which time the cumulative gain or loss recorded in equity is recognised in the Statement of financial performance, or determined to be impaired, at which time the cumulative loss recorded in equity is recognised in the Statement of financial performance.

Subsequent measurement – Financial Liabilities

Financial liabilities consist of payables, interest bearing loans and bank overdrafts. These liabilities are subsequently measured at amortised cost, using the effective interest rate method. Finance costs are expensed in the Statement of financial performance in the period in which they are incurred except where stated otherwise (see accounting policy on borrowing costs).

Bank borrowings, consisting of interest-bearing short-term bank loans, repayable on demand and overdrafts are recorded at the proceeds received. Finance costs are accounted for using the accrual basis and are added to the carrying amount of the bank borrowing to the extent that they are not settled in the period that they arise.

Prepayments are carried at cost less any accumulated impairment losses.

Accounting Policies

1.12 Financial instruments (continued)

1.12.3 Derecognition

Financial assets

The municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expires or it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of financial assets due to non-recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial assets, the municipality continues to recognise the financial assets and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The municipality derecognises financial liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

An exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as having extinguished the original financial liability, and a new financial liability recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be 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, shall be recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a nonexchange transaction, are accounted for in accordance with GRAP 23.

1.12.4 Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instruments is not active, the municipality establishes fair value using a valuation technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on municipality-specific inputs.

1.13 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

Entity as lessee - operating leases

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 is expensed in the period in which they are incurred.

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Accounting Policies

1.14 Inventory

Initial measurement:

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.

Inventories shall be recognised as an asset if, and only if:

- (a) it is probable that future economic benefits or service potential associated with the item will flow to the entity;
- (b) and the cost of the inventories can be measured reliably.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for:

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs. The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.15 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

Accounting Policies

1.16 Impairment of property, plant and equipment, investment property, intangible assets and heritage assets

The municipality classifies all assets held with the primary objective of generating a commercial return as cash-generating assets. A commercial return means that the return charged by the entity is commensurate with the risk associated with holding the asset and the asset is intended to generate positive cash inflows. All other assets are classified as non-cash-generating assets.

1.17 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

Cash generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Management has judged all assets as non cash generating assets.

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.

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.

Accounting Policies

1.17 Impairment of cash-generating assets (continued)

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.

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.

Accounting Policies

1.17 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The municipality assesses 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.

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.

In assessing whether there is any indication that an asset may be impaired, the municipality will consider, as a minimum, the following indications:

External sources:

- (a) During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use.
- (b) Significant changes with an adverse effect on the entity have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the entity operates or in the market to which an asset is dedicated.
- (c) Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially

Internal sources:

- (d) Evidence is available of obsolescence or physical damage of an asset.
- (e) Significant changes with an adverse effect on the entity have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite.
- (f) A decision to halt the construction of the asset before it is complete or in a usable condition.
- (g) Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

Accounting Policies

1.18 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 tests 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.

In assessing whether there is any indication that an asset may be impaired, an entity shall consider, as a minimum, the following indications:

External sources of information

- (a) Cessation, or near cessation, of the demand or need for services provided by the asset.
- (b) Significant long-term changes with an adverse effect on the entity have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the entity operates.

Internal sources of information

- (c) Evidence is available of obsolescence or physical damage of an asset.
- (d) Significant long-term changes with an adverse effect on the entity have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date and reassessing the useful life of an asset as finite rather than indefinite.
- (e) A decision to halt the construction of the asset before it is complete or in a usable condition.
- (f) Evidence is available from internal reporting that indicates that the service performance of an asset is, or will be, significantly worse than expected.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Accounting Policies

1.18 Impairment of non-cash-generating assets (continued)

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the 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.

1.19 Employee benefits

Employee benefits are all forms of consideration given by a municipality in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party of the reporting municipality, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting municipality's own creditors (even in liquidation) and cannot be paid to the reporting municipality, unless either:

the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or

the proceeds are returned to the reporting municipality to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

a municipality's decision to terminate an employee's employment before the normal retirement date; or

an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide postemployment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

Accounting Policies

1.19 Employee benefits (continued)

A constructive obligation is an obligation that derives from a municipality's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, 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.

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 recognises 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.

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service.

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year-end is based on the bonus accrued at year-end for each employee.

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrues to Section 57 employees. Municipal entities' performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

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.

Accounting Policies

1.19 Employee benefits (continued)

Post-employment benefits: Defined contribution plans

A defined contribution plan is a plan under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans. In this aspect defined contribution plans can be considered as the pension fund.

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 entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions 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 entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

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 entity measures 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

Accounting Policies

1.19 Employee benefits (continued)

The entity determines 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 audited annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- 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 entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. 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, a entity 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, a entity shall attribute 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 entity 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 entity re-measure the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity 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.

Accounting Policies

1.19 Employee benefits (continued)

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 benefit

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

Long term service awards is payable after 10 years of continuous service and after 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 based on historical staff turnover. No other long service benefits are provided to employees.

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.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are recognised in the Statement of financial performance in the period that it occurs. Interest cost on employee benefit obligation is recognised as part of employee related cost.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

the present value of the defined benefit obligation at the reporting date;

minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

current service cost;

interest cost;

the expected return on any plan assets and on any reimbursement right recognised as an asset;

actuarial gains and losses, which shall all be recognised immediately;

past service cost; and

the effect of any curtailments or settlements.

Termination benefits

The municipality recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

terminate the employment of an employee or group of employees before the normal retirement date; or

provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Accounting Policies

1.19 Employee benefits (continued)

The municipality is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

the location, function, and approximate number of employees whose services are to be terminated;

the termination benefits for each job classification or function; and

the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than twelve months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.20 Provisions

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.

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.

Accounting Policies

1.20 Provisions (continued)

Environmental rehabilitation provisions

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 result 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 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 are recognised in surplus or deficit as they occur.

1.21 Contingent assets and contingent liabilities

Contingent liabilities represent a possible obligation that arises from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability can also arise as a result of a present obligation that arises from past events but which is not recognised as a liability either because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the municipality.

Accounting Policies

1.22 Revenue

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction

Recognition and measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

1.22.1 Revenue from exchange transactions

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 billings done during July and August. The billing and invoiced amounts done in July are recognized in total as an accrual as all billing in July pertains to services rendered prior 30 June. An estimate is then made based on August billing pertaining to services rendered up until 30 June.

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.

The municipality accounts for availability charges as an exchange transaction.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be 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:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits or service potential associated with the transaction will flow to the entity
- (c) the stage of completion of the transaction at the reporting date can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

interest is levied on outstanding debtors using the effective interest rate method.

Rentals on facilities and equipment are recognised on the straight-line basis over the term of the lease agreement

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.

Stellenbosch Municipality

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Accounting Policies

1.22 Revenue (continued)

The costs incurred or to be incurred in respect of the transaction can be measure reliably.

Interest earned and rentals received

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.

Traffic charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

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.

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; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue recognition of unclaimed deposits

Unclaimed deposits older than three (3) years are recognised as revenue.

1.22.2 Revenue from non-exchange transactions

Rates and taxes

Other than services in-kind not recognised in terms of paragraph .99, an inflow of resources from a non-exchange transaction that meets the definition of an asset shall be recognised as an asset when, and only when:

- (a) it is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and
- (b) the fair value of the asset can be measured reliably.

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.

Rebates and discounts are offset against the revenue. As per iGRAP 1, there is no intention to collect this revenue

Stellenbosch Municipality

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Accounting Policies

1.22 Revenue (continued)

Fines

Fines constitute both spot fines and camera fines. Fines are recognised when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. It is measured at the best estimate, based on past experience, of the amount of revenue the municipality is entitled to collect.

Subsequent to initial recognition and measurement, the municipality assess the collectability of the revenue and recognises a separate impairment loss where appropriate.

Donations and contributions

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. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Transfers and subsidies

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.

Unconditional grants

Equitable share allocations are recognised in revenue at the start of the financial year.

Conditional grants

Conditional grants recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Interest earned on grants received and invested is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the municipality's interest it is recognised as interest earned in the Statement of financial performance.

Interest earned on unspent grants and receipts

Interest earned on unspent grants and receipts is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the municipality's interest it is recognised as interest earned in the Statement of financial performance in accordance with GRAP 9.

Services received in-kind

Services in-kind that are significant to the municipality's operations and/or service delivery objectives are recognised as assets or expenditure 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.

Accounting Policies

1.23 Statutory receivables

1.23.1 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 a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

In estimating the future cash flows, an entity considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, an entity discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

1.23.2 Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

1.23.3 Measurement

The municipality initially measures statutory receivables at their transaction amount.

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the accounting policy on Revenue from exchange transactions or the accounting policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the municipality is required or entitled to levy additional charges in terms of legislation, supporting regulations, by-laws or similar means on overdue or unpaid amounts, these charges are accounted for in terms of the municipality's accounting policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (taxes and transfers).

1.23.4 Impairment

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

Accounting Policies

1.23 Statutory receivables (continued)

significant financial difficulty of the receivable, which may be evidenced by an application for debt counselling, business rescue or an equivalent.

it is probable that the receivable will enter sequestration, liquidation or other financial re-organisation.

a breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).

adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable, or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

1.23.5 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 control of the statutory receivable and substantially all the risks and rewards of ownership of the asset to another entity; 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 entity:
 - derecognise the receivable; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.24 Principal-agent arrangements

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Accounting Policies

1.24 Principal-agent arrangements (continued)

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.25 Borrowing costs

Borrowing costs are interest and other expenses incurred by an municipality in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the Statement of financial performance in the period in which they are incurred.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised to the cost of the asset. All other borrowing costs are recognised as an expense in the period in which it is incurred. The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is disclosed in the notes below.

Accounting Policies

1.26 Comparative of actual information to budgeted information

The annual budget figures have been prepared in accordance with the Municipal Budget and Reporting Regulations, 2009. A comparative of actual to budgeted amounts are reported in a separate additional financial statement, called the Statement of comparison of budget and actual amounts. Explanatory comment is provided in the notes to the statement giving motivations for over- or under spending on line items where it is found to be material. The budgeted figures are those approved by the Council at the beginning and during the year following a period of consultation with the public as part of the Integrated Development Plan. The budget is prepared and approved on an accrual basis by nature classification. The approved budget covers the period from 01 July 2023 to 30 June 2024.

In general, a difference of 10% or more is considered material, although the surrounding circumstances are taken into account if it could influence the decisions or assessments of the users of the audited annual financial statements in determining whether a difference between the budgeted and actual amount is material.

1.27 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.

1.28 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the Statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of financial performance.

1.29 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.

1.30 Related parties and related party transactions

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Accounting Policies

1.30 Related parties and related party transactions (continued)

An entity is related to the Municipality 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 Municipality or an entity related to the Municipality. 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).
- a person identified in (a) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

A person is considered to be a close member of the family of another person if they:

- are married or live together in a relationship similar to a marriage or are separated by no more than two degrees of natural or legal consanguinity or affinity.

Management (formerly known as "Key Management") includes all persons having the authority and responsibility for planning, directing and controlling the activities of the Municipality, including:

- all members of the governing body of the Municipality;
- a member of the governing body of an economic entity who has the authority and responsibility for planning, directing and controlling the activities of the Municipality;
- any key advisors of a member, or sub-committees, of the governing body who has the authority and responsibility for planning, directing and controlling the activities of the Municipality; and
- the senior management team of the Municipality, including the chief executive officer or permanent head of the Municipality, unless already included in (a).

Management personnel include:

- All directors or members of the governing body of the Municipality, being the Executive Mayor, Deputy Mayor, Speaker and members of the Mayoral Committee. Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting Municipality being the Municipal Manager, Chief Financial Officer, and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

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.

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.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

Accounting Policies

1.31 Change 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.

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.

Details of changes in accounting policies, changes in estimates and correction of errors are disclosed in the notes to the audited annual financial statements where applicable.

1.32 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments 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.

1.33 Value Added Tax

The municipality accounts for Value Added Tax on the cash (receipt) basis.

1.34 Budget information

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2022/07/01 to 2023/06/30.

The audited 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.

Material variances are determined in accordance with the municipalities materiality framework. These material differences will be explained in the financial statements under note for budget differences referenced to the statement of budget comparison.

1.35 Events after reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the audited annual financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the audited annual financial statements.

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.

Accounting Policies

1.35 Events after reporting date (continued)

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.

1.36 Presentation currency

These audited annual financial statements are presented in South African Rand, which is the functional currency of the municipality and all values are rounded to the nearest hundred.

1.37 Construction contracts and receivables

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of subcontractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

1.38 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Segmental information was based and identified on the MFMA S71 monthly budget statement/reports that are reviewed by senior management and council to make strategic decisions and in monitoring segment performance. The disclosure of information about segments in these reports is organised around the type of service delivered, in a standardised format, namely the C2 schedule.

The municipality manages its assets and liability as a whole and is not reviewed on a segregated basis for each town. Segment reporting per geographical area is not deemed relevant.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

Accounting Policies

1.39 Offsetting

Financial assets and liabilities are offset and the net amount reported on the Statement of financial position only when there is a legally enforceable right to set off the recognised amount, and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.40 Current year comparatives

When the presentation or classification of items in the audited annual financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a Standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

The presentation and classification of items in the current year is consistent with prior periods.

1.41 Cash and cash equivalents

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried at amortised cost. Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are carried at amortised cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts.

1.42 Housing arrangements

The Accounting Standards Board issued the guideline on Accounting for Arrangements Undertaken in terms of the National Housing Programme.

Where the municipality acts as a project manager in a housing arrangement, it is regarded as an agent in terms of the principles of GRAP 109 - Accounting by Principals and Agents.

Where the municipality is regarded as an agent, costs related to the construction of top structures and the related recovery thereof (revenue) is not be recognised in the Statement of financial performance of the municipality.

Where the municipality is identified as a project developer, the construction of the houses is performed by the municipality or by the appointment of a sub-contractor to undertake the construction on the municipality's behalf. The municipality applies the GRAP 11, Construction Contracts to account for these construction activities.

Where the municipality is regarded as the project developer and if the outcome of the construction contract can be estimated reliably, then contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed with reference to surveys of work performed. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. Contract revenue will be in the form of a grant from the Department of Human settlements and presented and disclosed under transfers and subsidies in the Statement of financial performance.

Contract costs are recognised as an expense in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue shall comprise: (a) the initial amount of revenue agreed in the contract; and (b) variations in contract work, claims and incentive payments to the extent that: (i) it is probable that they will result in revenue; and (ii) they are capable of being reliably measured.

Contract costs shall comprise: (a) costs that relate directly to the specific contract; (b) costs that are attributable to contract activity in general and can be allocated to the contract on a systematic and rational basis; and (c) such other costs as are specifically chargeable to the customer under the terms of the contract.

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.42 Housing arrangements (continued)

An expected deficit on a construction contract to which paragraph .49 applies shall be recognised as an expense immediately in accordance with paragraph .49.

1.43 Grants-in-aid

The municipality transfers money to individuals, organizations 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.

These transfers are recognised in the audited annual financial statements as expenses in the period that the events giving rise to the transfer occurred.

1.44 Consumer deposits

The municipality recognises consumer deposits as a current liability when the municipality becomes a party to the contract i.e. when the deposit is made. The consumer deposit is recognised as a liability as the municipality has an obligation to pay the money back to the consumer once the consumer account is closed. As the timing of when a consumer will close their account is unknown, the consumer deposits are classified as a current liability.

1.45 Unspent conditional grants

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 where the obligations have not been met, a liability is recognised.

1.46 New standards and interpretations

1.46.1 Standards, amendments to standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:

	Effective date: Years beginning on or after	Expected impact:
• iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	The impact of the interpretation is not material. The impact of the amendment is not material. The impact of the interpretation is not material. The impact of the improvements are not material. The impact of the standard is not material. The impact of the amendments are not material.
• GRAP 25 (as revised): Employee Benefits	01 April 2023	
• iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	01 April 2023	
• GRAP 2020: Improvements to the Standards of GRAP 2020	01 April 2023	
• Guideline: Guideline on Accounting for Landfill Sites	01 April 2023	
• GRAP 1 (amended): Presentation of Financial Statements (Materiality)	01 April 2023	

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

	2024	2023
2. Cash and cash equivalents		
2.1 Cash and cash equivalents		
Cash and cash equivalents consist of the following:		
Call deposits and investments		
Deposit taking institutions (Call account)	56 294 377	97 732 060
Cash at bank		
Bank account	94 369 773	149 198 634
Cash on hand	14 719	14 719
Total cash and cash equivalents	150 678 869	246 945 413
The municipality had the following bank statement account balances		
FNB - Primary (62869253684)	85 135 796	140 578 930
FNB - Lamotte Trust (62869255169)	3 868 587	3 291 277
FNB - Charitable Trust (62869253733)	189 850	74 216
FNB - Longlands Trust (63010520062)	2 203 995	2 056 639
	91 398 228	146 001 062
Cash book reconciliation		
Grand cash book total	94 369 773	149 198 634
Less Lamotte trust cash book	(3 048 030)	(2 890 140)
Less Charitable trust cash book	(166 225)	(64 216)
Less Longlands cash book	(2 040 770)	(2 056 639)
	89 114 748	144 187 639
Reconciling the bank accounts to the cash book		
Primary Bank statement balance at the end of the year	85 135 796	140 578 930
Net movement/reconciling items	3 978 952	3 608 709
Cash book balance at the end of the year	89 114 748	144 187 639

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

	2024	2023
3. Short term investments		
Short term investments	455 716 603	331 767 247
FNB Investments		
Opening Balance	-	-
Deposits	120 000 000	-
Interest accrued	2 663 014	-
Withdrawals	(122 663 014)	-
	-	-
Nedbank Investments		
Opening balance	209 268 026	183 783 985
Deposits	175 481 647	200 000 000
Interest accrued	21 847 389	13 160 966
Withdrawals	(218 590 000)	(187 676 925)
	188 007 062	209 268 026
Standard Bank Investments		
Opening balance	-	81 126 949
Deposits	200 000 000	210 000 000
Interest accrued	1 967 671	9 194 172
Withdrawals	(101 541 507)	(300 321 121)
	100 426 164	-
ABSA Investments		
Opening balance	122 499 219	40 611 507
Deposits	354 518 353	270 000 000
Interest accrued	15 383 731	8 511 548
Withdrawals	(325 117 928)	(196 623 836)
	167 283 375	122 499 219



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	2024	2023
4. Receivables from exchange transactions		
4.1 Consumer receivables from exchange transactions		
Electricity	181 083 506	154 999 597
Waste management	8 849 764	8 386 476
Waste water management	12 164 769	9 518 712
Water	48 080 590	42 050 232
Service charges	1 063 430	1 381 361
	251 242 059	216 336 378
4.2 Other consumer receivables from exchange transactions		
Property rental debtors	745 435	784 315
Total receivables from exchange transactions	251 987 494	217 120 693

The amount disclosed in this note is net of impairment. Refer to note 4.1 & 4.2 for the amount before the provision (gross) and the actual value of the provision.

4.1 Consumer receivables

The average credit period for consumer receivables is 30 days. No interest is charged on trade receivables for the first 30 days from the date of the invoice. Thereafter interest is charged at the prime rate per annum on the outstanding balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of consumer receivables.

The management of the municipality is of the opinion that the carrying value of consumer receivables approximate their fair values.

The fair value of consumer receivables was determined after considering the standard terms and conditions of agreements entered into between the municipality and consumer receivables as well as the current payment ratio's of the municipality's consumer receivables.

	2024			2023		
	Gross	Impairment	Total	Gross	Impairment	Total
Consumer receivables from exchange transactions						
Electricity	193 853 518	(12 770 012)	181 083 506	168 668 326	(13 668 729)	154 999 597
Waste management	59 730 963	(50 881 199)	8 849 764	47 653 550	(39 267 074)	8 386 476
Waste water management	50 818 824	(38 654 055)	12 164 769	40 323 455	(30 804 743)	9 518 712
Water	201 196 856	(153 116 266)	48 080 590	153 960 820	(111 910 588)	42 050 232
Service charges	14 333 531	(13 270 101)	1 063 430	13 769 316	(12 387 955)	1 381 361
Total consumer receivables from exchange transactions	519 933 692	(268 691 633)	251 242 059	424 375 467	(208 039 089)	216 336 378

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Notes to the Audited Annual Financial Statements

4. Receivables from exchange transactions (continued)

4.1.1 Ageing of consumer receivables

2024

	Not due				Past due		
	Total	Current (0-30 days)	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	365+ days
Consumer receivables from exchange transactions							
Total by debt type							
Electricity	193 853 518	134 687 886	3 441 006	3 105 393	3 228 342	29 343 905	20 046 986
Waste management	59 730 963	7 187 615	943 191	844 837	859 804	7 979 630	41 915 886
Waste water management	50 818 824	11 184 061	756 999	641 734	689 836	5 345 409	32 200 785
Water	201 196 856	45 399 921	3 350 002	3 798 016	5 102 933	20 818 138	122 727 846
Service charges	14 333 531	919 970	65 931	49 620	32 793	491 660	12 773 557
Total by debt type	519 933 692	199 379 453	8 557 129	8 439 600	9 913 708	63 978 742	229 665 060



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4. Receivables from exchange transactions (continued)

2023

	Not due				Past due		
	Total	Current (0-30 days)	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	365+ days
Consumer receivables from exchange transactions							
Total by debt type							
Electricity	168 668 326	114 529 574	402 841	322 645	276 106	42 950 590	10 186 570
Waste management	47 653 550	6 565 621	909 712	829 378	842 814	7 545 965	30 960 060
Waste water management	40 323 455	8 450 127	634 612	591 810	581 043	4 878 344	25 187 519
Water	153 960 820	31 466 117	2 685 373	2 899 798	3 297 217	15 548 336	98 063 979
Service charges	13 769 316	1 117 784	293 812	161 997	169 090	1 651 860	10 374 773
Total by debt type	424 375 467	162 129 223	4 926 350	4 805 628	5 166 270	72 575 095	174 772 901



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4. Receivables from exchange transactions (continued)

4.1.2 Impairment reconciliation of consumer receivables

	2024				2023			
	Opening balance	Impairment raised	Impairment reversed	Closing balance	Opening balance	Impairment raised	Impairment reversed	Closing balance
Consumer receivables from exchange transactions								
Electricity	13 668 729	-	(898 717)	12 770 012	14 737 421	-	(1 068 692)	13 668 729
Waste management	39 267 074	11 614 125	-	50 881 199	29 359 118	9 907 956	-	39 267 074
Waste water management	30 804 743	7 849 312	-	38 654 055	24 146 043	6 658 700	-	30 804 743
Water	111 910 588	41 205 678	-	153 116 266	96 374 437	15 536 151	-	111 910 588
Service charges	12 387 955	882 146	-	13 270 101	11 211 915	1 176 040	-	12 387 955
Total consumer receivables	208 039 089	61 551 261	(898 717)	268 691 633	175 828 934	33 278 847	(1 068 692)	208 039 089



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2024 2023

4. Receivables from exchange transactions (continued)

4.1.3 Consumer debt past due not impaired

2024

	Total	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	365+ days
Consumer receivables from exchange transactions						
Electricity	41 986 563	3 028 791	2 786 197	3 018 528	26 753 214	6 399 833
Waste management	768 667	102 162	69 752	51 212	253 488	292 053
Waste water management	702 334	96 321	73 851	86 332	175 210	270 620
Water	2 136 338	348 266	378 724	301 836	459 261	648 251
Service charges	159 359	9 943	11 728	9 448	63 438	64 802
Total consumer receivables	45 753 261	3 585 483	3 320 252	3 467 356	27 704 611	7 675 559

2023

	Total	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	365+ days
Consumer receivables from exchange transactions						
Electricity	42 596 126	167 806	114 382	100 460	41 614 869	598 609
Waste management	2 305 092	138 864	100 678	85 806	497 097	1 482 647
Waste water management	1 751 004	96 168	71 042	55 132	334 974	1 193 688
Water	11 748 805	436 972	404 096	332 473	1 220 927	9 354 337
Service charges	396 004	47 391	15 686	12 824	89 775	230 328
Total consumer receivables	58 797 031	887 201	705 884	586 695	43 757 642	12 859 609

The Council regards receivables from exchange transactions to be due for outstanding amounts more than 30 days to be past due.

The water and electricity accrual is in respect of consumption between the last meter reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers. The estimate of the consumption are being recorded as revenue without being invoiced.

4.2 Other receivables from exchange transactions

	2024			2023		
	Gross	Impairment	Total	Gross	Impairment	Total
Property rental debtors	33 113 953	(32 368 518)	745 435	31 500 615	(30 716 300)	784 315

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Notes to the Audited Annual Financial Statements

4. Receivables from exchange transactions (continued)

4.2.1 Ageing of other receivables from exchange transactions

2024

	Not due			Past due			
	Total	Current (0 - 30 days)	31 - 60 days	61 - 90 days	91 - 120 days	120 - 365 days	365+ days
Property rental debtors	33 113 953	587 568	179 982	398 518	183 873	1 584 409	30 179 603

2023

	Not due			Past due			
	Total	Current (0 - 30 days)	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	365+ days
Property rental debtors	31 500 615	537 829	200 891	620 592	342 711	1 538 555	28 260 037

4.2.2 Impairment reconciliation of other receivables from exchange transactions

	2024			2023		
	Opening balance	Impairment raised	Closing balance	Opening balance	Impairment raised	Closing balance
Property rental debtors	30 716 300	1 652 218	32 368 518	28 463 410	2 252 890	30 716 300



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2024 2023

4. Receivables from exchange transactions (continued)

4.2.3 Other receivables from exchange transactions past due not impaired

2024

	Past due					
	Total	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	365+ days
Property rental debtors	158 724	7 671	55 029	4 324	29 259	62 441

2023

	Past due					
	Total	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	365+ days
Property rental debtors	308 358	12 717	117 523	13 791	79 166	85 161

The impairment provision calculation is calculated by assessing each individual debtor and assessing the probability of future payment using a formula considering historical trends in relation to the individual debtors payment history.

	Rates	Services	Interest	Sundry	Total
Government debt as at 30 June 2023					
Nat. dept of Public Works	135 040	919 892	6 145	15 418	1 076 495
Prov. dept of Transport and Public Works	117 379	25 485	8 757	11 250	162 871
Western Cape Education department	906	1 619 815	1 281	128	1 622 130
Department of Health	-	532 340	242	204	532 786
Dept of local government and housing	8 163	21 836	2 932	3 277	36 208
Other government departments	236	168 359	84	1 016	169 695
	261 724	3 287 727	19 441	31 293	3 600 185

	Rates	Services	Interest	Sundry	Total
Government debt as at 30 June 2024					
Nat. dept of Public Works	807 082	6 647 761	1 064 193	13 123	8 532 159
Prov. dept of Transport and Public Works	152 865	109 226	23 166	-	285 257
Western Cape Education department	1 024	2 414 221	16 529	52	2 431 826
Department of Health	-	669 869	-	-	669 869
Dept of local government and housing	157 950	453 161	61 248	3 662	676 021
Other government departments	832	170	147	1 007	2 156
	1 119 753	10 294 408	1 165 283	17 844	12 597 288

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	2024	2023
5. Receivables from non-exchange transactions		
	5.1	
Consumer receivables		
Property rates	29 072 921	28 204 232
Other receivables		
Accrued income	5 298 358	10 648 502
Fines	52 296 165	31 239 755
	57 594 523	41 888 257
Total receivables	86 667 444	70 092 489

5.1 Receivables from non-exchange transactions

	2024			2023		
	Gross	Impairment	Total	Gross	Impairment	Total
Consumer receivables						
Property rates	66 235 109	(37 162 188)	29 072 921	57 925 803	(29 721 571)	28 204 232
Other receivables						
Accrued income	5 298 358	-	5 298 358	10 648 850	-	10 648 850
Fines	233 078 454	(180 782 289)	52 296 165	227 276 286	(196 036 531)	31 239 755
	238 376 812	(180 782 289)	57 594 523	237 925 136	(196 036 531)	41 888 605
Total	304 611 921	(217 944 477)	86 667 444	295 850 939	(225 758 102)	70 092 837

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Notes to the Audited Annual Financial Statements

5. Receivables from non-exchange transactions (continued)

5.1.1 Ageing of receivables from non-exchange transactions

2024

	Not due			Past due			
	Total	Current (0-30 days)	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	365+ days
Consumer receivables							
Property rates	66 235 109	24 692 898	1 118 891	1 233 366	844 862	9 234 885	29 110 207
Other receivables							
Accrued income	5 298 358	912 284	-	-	-	-	4 386 074
Fines	233 078 454	10 082 954	10 345 650	10 445 974	12 562 199	67 658 106	121 983 571
	238 376 812	10 995 238	10 345 650	10 445 974	12 562 199	67 658 106	126 369 645
	304 611 921	35 688 136	11 464 541	11 679 340	13 407 061	76 892 991	155 479 852

2023

	Not due			Past due			
	Total	Current (0-30 days)	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	365+ days
Consumer receivables							
Property rates	57 925 803	24 203 822	990 992	1 056 224	767 734	7 219 197	23 687 834
Other receivables							
Accrued income	10 648 850	3 552 665	-	-	-	-	7 096 185
Fines	227 276 286	9 831 956	10 088 110	10 185 936	12 249 480	65 973 850	118 946 954
	237 925 136	13 384 621	10 088 110	10 185 936	12 249 480	65 973 850	126 043 139
	295 850 939	37 588 443	11 079 102	11 242 160	13 017 214	73 193 047	149 730 973

No debtors were pledged as security.

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Notes to the Audited Annual Financial Statements

	2024	2023
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5. Receivables from non-exchange transactions (continued)

Statutory receivables included in receivables from non-exchange transactions above are as follows:

Property rates	29 072 921	28 204 232
Fines	52 296 165	31 239 755
	81 369 086	59 443 987

Financial asset receivables included in receivables from non-exchange transactions above

Accrued Income	5 298 358	10 648 502
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Notes to the Audited Annual Financial Statements

5. Receivables from non-exchange transactions (continued)

5.1.2 Impairment reconciliation of receivables from non-exchange transactions

	2024			2023		
	Opening balance	Impairment movement	Closing balance	Opening balance	Impairment movement	Closing balance
Consumer receivables						
Property rates	29 697 191	7 464 997	37 162 188	32 151 675	(2 430 104)	29 721 571
Other receivables						
Fines	196 036 531	(15 254 242)	180 782 289	155 516 346	40 520 185	196 036 531
Total	225 733 722	(7 789 245)	217 944 477	187 668 021	38 090 081	225 758 102



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5. Receivables from non-exchange transactions (continued)

5.1.3 Ageing of impaired receivables from non-exchange transactions past due not impaired

2024

	Past due					
	Total	31-60 days	61 - 90 days	91 - 120 days	121 - 365 days	365+ days
Consumer receivables						
Property rates	3 121 467	399 541	281 084	210 465	1 732 941	497 436
Other receivables						
Fines	42 213 208	1 873 717	1 891 887	2 275 159	12 253 667	23 918 778
	45 334 675	2 273 258	2 172 971	2 485 624	13 986 608	24 416 214

2023

	Past due					
	Total	31 - 60 days	61 - 90 days	91 - 120 days	121- 365 days	365+ days
Consumer receivables						
Property rates	3 240 103	340 214	282 168	203 168	1 250 253	1 164 300
Other receivables						
Fines	21 407 799	950 227	959 442	1 153 813	6 214 265	12 130 052
	24 647 902	1 290 441	1 241 610	1 356 981	7 464 518	13 294 352

Statutory receivables general information

Transaction(s) arising from statute

Property rates related transactions arise in terms of the Municipal Property Rates Act, 6 of 2004, Municipal Finance Management Act, 56 of 2003, as well as the Property Rates Policy of the municipality approved by Council as part of the Budget Process.

Traffic fines arise from the National Road Traffic Act 93 of 1996, National Road Traffic Regulations 2000, National Land Transport Act 5 of 2009 and Criminal Procedure Act 51 of 1971. Prosecutor performs prosecutorial functions in terms of a general delegation awarded by the National Prosecuting Authority and is subject to the control of the Control Prosecutor at the Magistrate's Court in Stellenbosch.

VAT transactions arise from the Value Added Tax Act 89 of 1991. VAT is an indirect tax on the consumption of goods and services in the economy. VAT is levied on all goods and services subject to certain exemptions, exceptions, deductions and adjustments provided for in the Value Added Tax Act 89 of 1991.

Determination of transaction amount

Property rates transaction amounts are determined in line with the Annual Tariff List of the municipality approved by Council as part of the Budget Process in terms of the Municipal Finance Management Act, 56 of 2003.

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.

VAT transactions amounts are determined in line with the Value Added Tax Act 89 of 1991. VAT increased from 14% to 15% from 1 April 2018.

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2024

2023

5. Receivables from non-exchange transactions (continued)

Interest or other charges levied/charged

Interest or other charges levied on Property rates balances are in line with the Annual Tariff List of the municipality approved by council as part of the Budget Process in terms of the Municipal Finance Management Act, 56 of 2003. "Interest" means a charge levied, on all arrear accounts calculated at an interest rate which is one percent higher than the prime interest rate.

Traffic fines: Additional charges includes contempt of court fees / warrant of arrest fee determined in terms of the Criminal Procedure Act.

The rates and interest charges are determined by the Value Added Tax Act 89 of 1991.

Basis used to assess and test whether a statutory receivable is impaired

The basis used to assess Property Rates receivables is to look at the extent to which debtors on an individual basis defaulted on payments already due and an assessment of their ability to make payments based on their historical collection trend.

The basis used to assess Traffic fine receivables is to look at the extent to which debtors per group of fines (Municipal fines, Provincial fines) defaulted on payments already due and an assessment of their ability to make payments based on their historical collection trend.

No impairment on VAT Receivable, balance expected to be fully recoverable

Discount rate applied to the estimated future cash flows

Interest is calculated using the nominal interest rate as stipulated in the municipal by-laws (Prime plus 1%). This rate is also considered an appropriate discount rate.

Main events and circumstances that led to the recognition or reversal of impairment losses on statutory receivables

Significant impairment losses recognised or reversed

Traffic Fines: Impairment Recognised: Annually the outstanding receivables are assessed in terms of the value of fines issued in comparison to the receipts generated from such fines. The remaining balance is considered recoverable based on this payment percentage.

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Notes to the Audited Annual Financial Statements

	2024	2023
6. Inventories		
Consumables	2 241 649	551 893
Materials and supplies	10 110 877	9 937 091
Water	2 865 719	2 562 783
Housing stock	8 050 000	9 100 000
Total Inventories	23 268 245	22 151 767

R66 371 383 (2023: R64 172 062) of total inventory was recognised as an expense in the current year.

The amount of write-down of inventories recognised as an expense and a reduction in inventory carrying value is R(290 008) (2023: R389 807).

No inventories were pledged as securities.

7. Other receivables from exchange transactions

Deposits	13 882 018	1 895 810
Goods received/Invoice received	-	113 356
Other receivable	6 039 523	2 769 459
Licensing and registration	3 673 272	3 290 273
Prepayments and advances	30 794 294	30 583 331
Total	54 389 107	38 652 229

8. Value-added-tax

VAT Receivable / (Payable)	30 829 208	11 979 052
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The municipality is registered for VAT on the payment/ cash basis.

VAT meets the definition of a statutory receivable as per the accounting policy. For statutory receivable information regarding VAT refer to note 5. The statutory receivable amounts are as follows R8 270 605 (2023:R8 315 239)

VAT Breakdown

Net VAT control (As per VAT 201)	8 270 605	8 315 239
VAT Accrual (Payable)	(22 962 600)	(17 210 862)
VAT Accrual Receivable	45 521 203	20 874 675
	30 829 208	11 979 052

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		2024	2023
9. Investment property			
9.1 Reconciliation of carrying value			
Opening carrying value			
Cost		438 586 232	438 586 232
Accumulated depreciation and impairment losses		(13 509 744)	(13 086 177)
		425 076 488	425 500 055
Depreciation	38	(420 818)	(423 567)
Impairment loss / reversal of impairment loss	38	(1 725 000)	-
Closing carrying value		422 930 670	425 076 488
 Cost		438 586 232	438 586 232
Accumulated depreciation and impairment losses		(15 655 562)	(13 509 744)
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.			
There were no restrictions placed on any investment properties.			
Maintenance of investment property			
There were no repairs and maintenance expensed on rental properties. This is mainly due to the fact that rental agreements as entered into with the lessee states maintenance of these properties will be for the lessee's expense.			
Amounts recognised in surplus or deficit			
Rental revenue from Investment Property		11 055 806	12 373 336

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Notes to the Audited Annual Financial Statements

10. Property, plant and equipment

10.1 Summary

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	492 959 498	(27 052 477)	465 907 021	488 646 498	(27 052 477)	461 594 021
Transport Assets	199 932 779	(90 295 252)	109 637 527	177 457 548	(84 644 016)	92 813 532
Electrical Infrastructure	1 598 481 834	(539 261 554)	1 059 220 280	1 491 911 258	(498 647 037)	993 264 221
Water Supply Infrastructure	2 022 399 746	(574 086 113)	1 448 313 633	1 933 229 910	(525 367 418)	1 407 862 492
Sanitation Infrastructure	1 331 799 109	(296 860 182)	1 034 938 927	1 315 767 046	(268 037 759)	1 047 729 287
Solid Waste Infrastructure	141 404 397	(18 255 242)	123 149 155	70 897 949	(16 268 130)	54 629 819
Other Infrastructure	33 785 570	-	33 785 570	33 785 570	-	33 785 570
Machinery and Equipment	84 580 317	(64 613 352)	19 966 965	82 863 210	(61 025 913)	21 837 297
Furniture and Office Equipment	56 384 977	(43 195 187)	13 189 790	55 196 043	(39 674 267)	15 521 776
Computer Equipment	79 849 067	(55 175 873)	24 673 194	78 382 896	(49 748 173)	28 634 723
Information and Communication Infrastructure	18 791 151	(3 860 402)	14 930 749	4 710 223	(3 581 375)	1 128 848
Roads Infrastructure	1 440 095 335	(573 118 428)	866 976 907	1 383 148 215	(527 228 051)	855 920 164
Storm water Infrastructure	87 559 967	(49 644 575)	37 915 392	83 709 964	(48 596 116)	35 113 848
Community Assets	201 143 486	(36 968 466)	164 175 020	171 532 955	(31 326 030)	140 206 925
Other assets	559 180 959	(122 176 454)	437 004 505	546 051 098	(111 541 688)	434 509 410
- Operational Buildings	359 450 388	(81 983 885)	277 466 503	357 952 843	(74 653 091)	283 299 752
- Housing Selling Schemes	199 730 571	(40 192 569)	159 538 002	188 098 255	(36 888 597)	151 209 658
Total	8 348 348 192	(2 494 563 557)	5 853 784 635	7 917 290 383	(2 292 738 450)	5 624 551 933

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Notes to the Audited Annual Financial Statements

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment – 2024

	Opening balance	Additions	Disposals	Transfers received	Transfers made	Depreciation	Impairment loss/ reversal	Total
Land	461 594 021	5 063 000	(750 000)	-	-	-	-	465 907 021
Transport Assets	92 813 533	23 290 517	(344 380)	-	-	(6 122 142)	-	109 637 527
Electrical Infrastructure	993 264 216	97 726 158	-	-	8 844 419	(40 614 513)	-	1 059 220 280
Water Supply Infrastructure	1 407 862 484	89 431 389	-	(261 552)	-	(48 718 688)	-	1 448 313 633
Sanitation Infrastructure	1 047 729 289	16 032 063	-	-	-	(28 822 425)	-	1 034 938 927
Solid Waste Infrastructure	54 629 820	70 506 448	-	-	-	(1 987 113)	-	123 149 155
Other Infrastructure	33 785 570	-	-	-	-	-	-	33 785 570
Machinery and Equipment	21 837 301	2 506 158	(128 404)	-	-	(4 248 090)	-	19 966 965
Furniture and Office Equipment	15 521 781	1 650 402	(87 203)	-	-	(3 895 191)	-	13 189 790
Computer Equipment	28 634 713	2 475 540	(207 429)	-	-	(6 229 630)	-	24 673 194
Information and Communication Infrastructure	1 128 844	14 080 929	-	-	-	(279 024)	-	14 930 749
Roads Infrastructure	855 920 166	56 947 121	-	-	-	(45 890 380)	-	866 976 907
Storm water Infrastructure	35 113 847	3 850 003	-	-	-	(1 048 458)	-	37 915 392
Community Assets	140 206 920	29 610 536	-	-	-	(5 642 435)	-	164 175 020
Other assets	434 509 406	13 987 714	(468 753)	-	-	(9 992 426)	(1 031 436)	437 004 505
- Operational Buildings	279 135 576	7 660 930	-	-	-	(8 298 567)	(1 031 436)	277 466 503
- Housing Selling Schemes	155 373 830	6 326 784	(468 753)	-	-	(1 693 859)	-	159 538 002
Total	5 624 551 911	427 157 978	(1 986 169)	(261 552)	8 844 419	(203 490 515)	(1 031 436)	5 853 784 635

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Notes to the Audited Annual Financial Statements

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment – 2023

	Opening balance	Additions	Disposals	Transfers made	Depreciation	Impairment loss/ reversal	Total
Land	461 617 521	-	(23 500)	-	-	-	461 594 021
Transport Assets	100 800 738	1 785 330	(800 349)	-	(7 399 519)	(1 572 668)	92 813 532
Electrical Infrastructure	992 044 730	65 825 855	-	(19 658 509)	(44 947 855)	-	993 264 221
Water Supply Infrastructure	1 388 821 188	72 409 987	(315 773)	(399 106)	(52 653 804)	-	1 407 862 492
Sanitation Infrastructure	1 049 114 057	35 586 649	(44 321)	-	(36 927 098)	-	1 047 729 287
Solid Waste Infrastructure	58 802 151	5 459 983	(7 504 068)	-	(2 128 247)	-	54 629 819
Other Infrastructure	27 534 497	6 251 073	-	-	-	-	33 785 570
Machinery and Equipment	26 696 562	2 685 751	(14 282)	-	(7 530 735)	-	21 837 297
Furniture and Office Equipment	18 734 827	2 125 114	(6 624)	-	(5 331 541)	-	15 521 776
Computer Equipment	29 095 628	6 955 475	(4 429)	-	(7 411 951)	-	28 634 723
Information and Communication Infrastructure	1 413 468	211 635	(151)	-	(496 104)	-	1 128 848
Roads Infrastructure	834 247 304	70 470 099	(640 602)	-	(48 156 636)	-	855 920 164
Storm water Infrastructure	35 910 480	290 596	(3 170)	-	(1 084 058)	-	35 113 848
Community Assets	131 667 701	14 409 056	(509 732)	-	(5 360 100)	-	140 206 925
Other assets	411 726 217	33 598 392	(163 400)	-	(10 651 799)	-	434 509 410
- Operational Buildings	272 112 571	20 185 053	-	-	(8 997 872)	-	283 299 752
- Housing Selling Schemes	139 613 646	13 413 339	(163 400)	-	(1 653 927)	-	151 209 658
Total	5 568 227 069	318 064 995	(10 030 401)	(20 057 615)	(230 079 447)	(1 572 668)	5 624 551 933

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Notes to the Audited Annual Financial Statements

	2024	2023
10. Property, plant and equipment (continued)		
10.2 Construction work-in-progress		
Work in Progress		
The following assets were still in the process of being constructed at year end:		
Community Assets	23 568 298	8 711 629
Electrical Infrastructure	255 721 590	157 995 431
Other infrastructure	33 578 152	33 578 152
Information and Communication Infrastructure	12 780 606	-
Roads Infrastructure	114 504 564	68 286 049
Sanitation infrastructure	182 498 512	259 668 367
Solid waste infrastructure	81 437 349	11 304 522
Storm Water Infrastructure	7 217 748	3 367 743
Water Supply Infrastructure	169 366 173	159 325 356
Internally Generated Intangible Assets	1 742 452	1 526 451
Other Assets	34 300 233	20 381 396
Total	916 715 677	724 145 096

There were no projects that were significantly delayed or halted during the current financial year. Significant delays are regarded as projects which has not seen any progress for a period exceeding 12 months.

10.3 Property, plant and equipment pledged as security

No assets have been pledged as security during the current financial year.

10.4 Maintenance of property, plant and equipment

10.4.1 Maintenance of property, plant and equipment by nature and type of expenditure

Expenditure incurred to repair and maintain property, plant and equipment included in the Statement of Financial Performance

Property, plant and equipment	92 712 588	55 115 009
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Notes to the Audited Annual Financial Statements

		2024	2023
11. Intangible assets			
11.1 Reconciliation of carrying value			
2024			
		Computer software	Total
Opening carrying value as at 01 July 2023			
Cost		16 033 795	16 033 795
Accumulated depreciation and impairment		(11 773 018)	(11 773 018)
		4 260 777	4 260 777
Additions from acquisitions		216 001	216 001
Amortisation	38	(379 053)	(379 053)
		(163 052)	(163 052)
Closing carrying value as at 30 June 2024		4 097 725	4 097 725
Cost		16 249 796	16 249 796
Accumulated amortisation and impairment		(12 152 071)	(12 152 071)
		4 097 725	4 097 725
2023			
		Computer software	Total
Opening carrying value as at 01 July 2022			
Cost		20 500 151	20 500 151
Accumulated depreciation and impairment		(15 271 026)	(15 271 026)
		5 229 125	5 229 125
Additions		207 100	207 100
Amortisation	38	(1 175 449)	(1 175 449)
		(968 349)	(968 349)
Carrying value of disposals / transfers			
Cost		(4 673 456)	(4 673 456)
Accumulated depreciation and impairment		4 673 456	4 673 456
		-	-
Closing carrying value as at 30 June 2023		4 260 776	4 260 776
Cost		16 033 795	16 033 795
Accumulated amortisation and impairment		(11 773 019)	(11 773 019)
		4 260 776	4 260 776
Pledged as security			
There were no items of intangible assets that were pledged as security in the current financial year.			
Restricted title			
There were no items of intangible assets that that a restricted title in the current financial year.			

Stellenbosch Municipality

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Notes to the Audited Annual Financial Statements

	2024		2023	
12. Biological assets				
12.1 Reconciliation of carrying value				
	2024		2023	
	Biological assets measured at fair value	Total	Biological assets measured at fair value	Total
Opening carrying value	5 142 777	5 142 777	5 142 777	5 142 777
Additions from acquisitions	-	-	-	-
Disposals through sales	-	-	-	-
Gains / Losses on disposals	-	-	-	-
Harvests	(723 740)	(723 740)	-	-
	4 419 037	4 419 037	5 142 777	5 142 777
Fair value less costs to sell adjustments				
Consumable assets	(1 493 983)	(1 493 983)	-	-
Closing carrying value	2 925 054	2 925 054	5 142 777	5 142 777



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2024 2023

12. Biological assets (continued)

	Opening Balance	Decrease due to harvest	Fair value movement	Total
2024 - Nature and quantities of each biological asset				
Botmanskop Plantation	293 463	(109 324)	(56 159)	127 980
Paradyskloof Plantation	4 849 313	(614 416)	(1 437 823)	2 797 074
	5 142 776	(723 740)	(1 493 982)	2 925 054
	Opening Balance	Decrease due to harvest	Fair value movement	Total
2023 - Nature and quantities of each biological asset				
Botmanskop plantation	293 463	-	-	293 463
Paradyskloof Plantation	4 849 313	-	-	4 849 313
	5 142 776	-	-	5 142 776

The determination of fair value was as follows:

Principle:

Price determination was done on the basis of current sale value of the tender for the current year i.e. R602.10/m³ excluding 15% 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

Botmanskop plantation (Block E)

Some compartments remain which can be harvested at a later stage due to the age of the trees.

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.

Pledged as security

There were no items of biological assets pledged as security in the current financial year.

Non-Financial Information

Quantities of each biological asset (In hectars)

Botmanskop Plantation	4	10
Paradyskloof Plantation	16	32
	20	42

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Notes to the Audited Annual Financial Statements

2024 2023

13. Heritage assets

13.1 Reconciliation of carrying value

2024

	Land and buildings	Monuments and parks	Other assets	Total
Opening carrying value as at 01 July 2023				
Cost	275 982	892 883	143 945	1 312 810
Cost	275 982	892 883	143 945	1 312 810

2023

	Land and buildings	Monuments and parks	Other assets	Total
Opening carrying value as at 01 July 2022				
Cost	-	892 883	143 945	1 036 828
Additions from acquisitions	275 982	-	-	275 982
	275 982	892 883	143 945	1 312 810
Cost	-	892 883	143 945	1 036 828
Additions from acquisitions	275 982	-	-	275 982
	275 982	892 883	143 945	1 312 810



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2024 2023

13. Heritage assets (continued)

13.2 Heritage assets pledged as security

There were no heritage assets pledged as security during the current financial year.

Heritage assets used for more than one purpose

A significant portion of the following heritage assets are used for office accommodation and is therefore included in the balance of property, plant and equipment:

The following heritage assets are used by the municipality for more than one purpose

Neethlingshuis and De Withuis	61 981 836	62 337 914
58 - 60 Andringa Street	1 848 421	1 858 476
35B Mark Street	3 112 063	3 121 213
127 Dorp Street, Transvalia, Alma & Bosmanshuis flats	12 587 685	12 618 351
116 - 118 Dorp Street, Voorgelegen - offices	5 496 842	5 516 951
4 Reservoir West, Mooiwater	2 048 737	2 056 781
34 Mark Street, Rynse Komplex; Toy Museum, Tourism	8 087 685	8 118 351
PMU Building, Alexander Street, Burger Huis	1 551 474	1 558 009
Merriman, Bergzicht Training Centre, Oude Libertas Theatre & Restaurant	61 460 908	61 652 545
Die Laan, Landbou Saal	4 322 684	4 329 471
	162 498 335	163 168 062

Expenditure incurred to repair and maintain heritage assets

The expenditure relating to repairs and maintenance of these buildings is included in the statement of financial performance and disclosed under note 10 to the financial statements.

There was no repairs and maintenance expenditure incurred on other remaining heritage assets.

14. Non-current receivables

Trading services debtors

4.1

Electricity	493 864	554 827
Waste management	847 721	534 875
Waste water management	685 293	417 415
Water	3 344 996	2 139 941
Property rental debtors	503 839	369 630
Service charges	615 723	564 882
Total	6 491 436	4 581 570

Other receivables

Public organisation	17 161	71 703
Transferred to current receivables	-	(54 542)
Total non-current other receivables	17 161	17 161

15. Consumer deposits

Electricity	13 509 055	12 362 360
Sundry	171 511	204 420
Rental properties	752 824	769 496
Water	9 198 636	8 452 937
Wayleave	558 413	558 413
Total	24 190 439	22 347 626

Deposits are released on termination of the contract or when the contractual services are delivered.

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		2024	2023
16. Employee benefits			
Non-current employee benefits			
Post employment health care benefits	16.1	180 536 001	166 384 001
Long-service awards benefits	16.4	26 134 000	24 816 000
		206 670 001	191 200 001
Current employee benefits			
Post employment health care benefits	16.1	11 259 000	9 772 000
Bonus	16.2	15 545 103	14 629 565
Staff leave	16.3	34 417 842	30 740 330
Long-service awards benefits	16.4	3 974 021	3 142 020
		65 195 966	58 283 915
Total		271 865 967	249 483 916

16.1 Post employment health care benefits

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 plan assets and the present value of the defined benefit obligation were carried out at 30 June 2023 by C Weiss 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.

The members of the Post-employment Health Care Benefit Plan are made up as follows:

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Notes to the Audited Annual Financial Statements

2024 2023

16. Employee benefits (continued)

	Number	Number
In-service members (eligible employees on medical aid)	723	673
In-service non-members (eligible employees w/o medical aid)	427	454
Continuation members (retirees and surviving dependants)	174	175
Total members	1 324	1 302

Characteristics and risks of defined benefit plans [GRAP 25.143(a)]

The Municipality administers a defined benefit pension plan that provides retirement, disability, and death benefits to eligible employees. The plan is funded by both the entity and the employees through mandatory contributions based on a percentage of the employees' salaries.

Eligible employees appointed before 1 July 2003 will receive a post-employment subsidy of 70% of the contribution payable should they be a member of a medical scheme at retirement, and provided that they have not been promoted since then and do not receive a promotion in future. Promotions result in new employment contracts, and new contracts contain a 60% post-employment subsidy benefit. Hence, all other eligible employees will receive a 60% post-employment subsidy, should they be a member of a medical scheme at retirement.

The eligible employees' post-employment subsidy rates were provided, and it was assumed that all employees appointed before 1 July 2003 and who have not been promoted since then, will not receive a promotion in future.

Continuation members and their eligible dependants receive either a 60% or 70% subsidy, as described above. However, there are three members with special arrangements, whereby they are in receipt of a 50% subsidy.

Risks associated with the defined benefit plan [GRAP 25.143(a)]

Longevity Risk: There is a risk that eligible individuals live longer than expected, potentially increasing the liability of the plan as their benefits are payable for longer than expected.

Inflation Risk: There is a risk that future CPI inflation and medical aid contribution inflation are higher than assumed and present in an uncontrolled manner.

Volatility of open ended Defined Benefit Obligation:

The risk that the DBO may be volatile which is exacerbated by its long-term nature.

Regulatory Risk

The risk that changes in post-employment medical aid benefit may increase the defined benefit obligation for Stellenbosch Municipality.

Plan amendments, curtailments, and settlements [GRAP 25.147(c)]

During the reporting period, there were no amendments, curtailments, or settlements that had a significant effect on the plan's obligations Stellenbosch municipality.

The liability in respect of past service has been estimated as follows:

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Notes to the Audited Annual Financial Statements

	2024	2023
16. Employee benefits (continued)		
In-service members (eligible employees on medical aid)	71 149 001	67 805 000
In-service non-members (eligible employees w/o medical aid)	8 034 000	7 341 000
Continuation members (retirees and surviving dependants)	112 612 000	101 010 001
Total liability	191 795 001	176 156 001

Maturity Profile

The defined benefit obligation of the municipality's health care plan has a weighted average duration of approximately 14 years. This duration reflects the estimated time period over which the accrued benefits are expected to be settled.

Maturity profile of the defined benefit obligation [GRAP 25.154(c)]

The following table provides a maturity analysis of the present value of the defined benefit obligations, showing the undiscounted cash flows to be paid in respect of benefits to be provided under the plan:

Future year intervals	Projected Benefit Payments
Within 1 year	11 259 000
Between 1 - 2 years	12 469 000
Between 2 - 3 years	13 486 000
Between 3 - 4 years	14 837 000
Between 4 - 5 years	16 315 000
6 to 10 years	107 361 000
11 to 15 years	165 322 000
16 to 20 years	240 230 000
21 to 25 years	333 471 000
26 to 30 years	432 527 000
31 to 40 years	1 112 025 000
41 to 50 years	1 184 921 000
51 to 60 years	915 484 000
61 to 70 years	464 345 000
71 to 80 years	126 925 000
	5 150 977 000

The benefits payments are scheduled based on the expected retirement ages of current employees and the provisions of the plan that determine the timing of benefits payments. The distribution of these payments is subject to changes in demographic factors such as retirements, mortality rates, and changes in employment within the Municipality.

The estimated current service cost for the upcoming year has been determined to be R 5 603 000, while the interest cost for the same period is projected to be R 22 676 000. For comparison, in 2023/2024, the current service cost and interest cost were R 5 165 000 and R 21 118 000, respectively.

Non-current	180 536 001	166 384 001
Current	11 259 000	9 772 000
Total liability	191 795 001	176 156 001

The municipality contributes to the following medical aids:

- Bonitas
- Key Health
- LA Health
- Samwumed
- Sizwe-Hosmed

The principal assumptions used for the purposes of the actuarial valuations were as follow:



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2024 2023

16. Employee benefits (continued)

Rates of interest

Discount rate	12.17%	11.74%
CPI inflation rate	6.17%	8.37%
Medical aid contribution inflation rate	7.67%	3.11%

General:

It is assumed that the municipality's health care arrangements and subsidy policy would remain as outlined in the accounting policy, and that the level of benefits receivable and the contributions payable would remain unchanged, with the exception of allowing for inflationary adjustments. Implicit in this approach is the assumption that current levels of cross-subsidy from in-service members to continuation members within the medical scheme are sustainable, and will continue.

Basis for determining the discount rate [GRAP 25.147(d)]

The discount rate used to calculate the defined benefit obligation was determined based on the yield curve of current market rates of appropriate term that are denominated in the currency in which the benefits will be paid and that have maturities approximating the terms of the plan's obligations. The corresponding index-linked yield at this term is 5.18%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 28 June 2024.

Actuarial assumptions of defined benefit obligation [GRAP 25.151]

The following are the significant actuarial assumptions used to calculate the present value of the defined benefit obligations for the Municipality's pension plan as of 31 June 2024. The assumptions are expressed in absolute terms to provide clarity on their impact:

Mortality rate

Assumption: SA 85 - 90

This mortality table is used to estimate the life expectancy of plan participants, based on current trends and historical data within the sector.

Discount rate:

Assumption: 12.17%

The discount rate is based on the yield curve of current market rates available and expected to be available during the estimated period of the obligations.

Medical aid contribution inflation rate

Assumption: 7.67%

This assumption is required to reflect estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs

CPI Inflation rate:

Assumption: 6.17%

Inflation is considered in the projection of salary increases and the adjustment of retirement benefits.

Proportion of Eligible In-Service Non-Members Joining a Scheme by Retirement

It has been assumed that 15% of eligible in-service non-members will be on a medical scheme by retirement (should they not exit employment before then) and continue with the subsidy at and after retirement.

Family Profile

It has been assumed that female spouses will be five years younger than their male counterparts. Furthermore, we've assumed that 60% of eligible employees on a health care arrangement at retirement will have a subsidised spouse dependant. For current retiree members, actual subsidised spouse dependants were used and the potential for remarriage was ignored.

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2024 2023

16. Employee benefits (continued)

Continuation of Membership:

It has been assumed that 75% of in-service members will remain on the Municipality's health care arrangement should they stay until retirement.

Normal retirement age

The average retirement age for all active employees was assumed to be 62 years.

Amounts recognised in the statement of financial position

The amounts recognised in the statement of financial position is as follows:

Present value of unfunded obligations	191 795 001	176 156 001
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Amounts recognised in the statement of financial performance

The amounts recognised in the statement of financial performance is as follows:

Service cost: Current service cost	5 165 000	5 820 000
Net interest expense: Interest cost	21 118 000	21 656 000
Remeasurements: Actuarial (gains)/ losses	(660 010)	(30 656 325)
Total post-retirement benefit included in employee related costs	33 25 622 990	(3 180 325)

Movements in the present value of the defined benefit obligation

Opening balance	176 156 001	189 158 001
Current service cost	5 165 000	5 820 000
Interest cost	21 118 000	21 656 000
Actual employer benefit payments	(9 983 990)	(9 821 675)
Actuarial loss/ (gain) recognised in the year	(660 010)	(30 656 325)
Present value of fund obligation at the end of the year	191 795 001	176 156 001

Sensitivity analysis on the Accrued Liability (R Millions)

Assumption	Change	In-service	Continuation	Total	% change
Central assumptions		79.183	112.612	191.795	
Health care inflation	1%	94.299	122.556	216.855	13%
	-1%	67.047	103.909	170.956	-11%
Discount rate	1%	67.579	104.306	171.885	-10%
	-1%	93.772	122.221	215.993	13%
Post-employment mortality	1 yr	77.311	108.973	176.284	-3%
	(1)	81	106	181	3
Average retirement age	- 1 year	86.652	112.612	199.264	4%
Continuation of membership at retirement	-10%	69.304	112.612	181.916	-5%

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Notes to the Audited Annual Financial Statements

2024 2023

16. Employee benefits (continued)

Sensitivity analysis on Current-service and Interest Costs

Assumption	Change	Current-service cost	Interest cost	Total	% Change
Central assumptions		5 165 000	21 118 000	26 283 000	
Health care inflation	1%	6 309 000	23 970 000	30 279 000	15%
	-1%	4 268 000	18 750 000	23 018 000	-12%
Discount rate	1%	4 346 000	20 382 000	24 728 000	-6%
	-1%	6 214 000	21 938 000	28 152 000	7%
Post-retirement mortality	+1 yr	5 046 000	20 487 000	25 533 000	-3%
	-1 yr	5 290 000	21 746 000	27 036 000	3%
Average retirement age	-1 yr	5 586 000	21 947 000	27 533 000	5%
Membership continuation	-10%	4 539 000	19 986 000	24 525 000	-7%

Methods and assumptions used in sensitivity analysis [GRAP 25.152(b)]

The sensitivity analyses were prepared using the projected unit credit method, which is consistent with the method used to value the DBO in the financial statements. The analyses assume a parallel shift in the respective actuarial assumptions while holding all other assumptions constant. It is important to recognize that the use of this method does not imply that the impact of changes in actuarial assumptions is linear or follows any predictable pattern.

Expected contributions for the next reporting period [GRAP 25.154(b)]

For the financial year ended 30 June 2024, Stellenbosch Municipality expects to contribute approximately R 5 603 000 (2023: R 5 165 000) to the defined benefit plan. This estimated contribution takes into account current salary levels, the number of participating employees, and actuarial assumptions regarding demographic and financial factors. These contributions are designed to secure sufficient assets to meet the plan's future benefits obligations as they become due.

16.2 Bonus

Provision for bonus	16.2.1	15 545 103	14 629 565
Less: Transfer to current portion		(15 545 103)	(14 629 565)
Total non-current benefit		-	-
Current		15 545 103	14 629 565

Amounts recognised in the statement of financial position

The amounts recognised in the statement of financial position are as follow:

Present value of unfunded obligations	15 545 103	14 629 565
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Amounts recognised in the statement of financial performance

The amounts recognised in the statement of financial performance are as follow:

16.2.1 Provision for bonus

Movements in the present value of the defined benefit obligation

Opening Balance	14 629 565	13 928 763
Increases	915 538	700 802
Closing balance	15 545 103	14 629 565

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Notes to the Audited Annual Financial Statements

	2024	2023
16. Employee benefits (continued)		
16.3 Staff leave		
Provision for staff leave	16.3.1 34 417 842	30 740 330
Less: Transfer to current portion	(34 417 842)	(30 740 330)
Total non-current benefit	-	-
Current	34 417 842	30 740 330
Amounts recognised in the statement of financial position		
The amounts recognised in the statement of financial position are as follow:		
Present value of unfunded obligations	34 417 842	30 740 330
16.3.1 Provision for staff leave		
Movements in the present value of the defined benefit obligation		
Opening Balance	30 740 330	32 871 279
Increases/(Decreases)	5 751 360	(42 432)
Reductions (Payments, remeasurement etc.)	(2 073 848)	(2 088 517)
Closing balance	34 417 842	30 740 330
16.4 Long-service awards benefits		
Provision for long-service awards	16.4.1 30 108 021	27 958 020
Less: Transfer to current portion	(3 974 021)	(3 142 020)
Total non-current benefit	26 134 000	24 816 000
Non-current	26 134 000	24 816 000
Current	3 974 021	3 142 020
Total liability	30 108 021	27 958 020



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2024 2023

16. Employee benefits (continued)

Long-service awards

The municipality operates a funded defined benefit plan for all its employees. Under the plan, a Long Service Award is payable after 10 years of continuous service and every 5 years thereafter to employees. The provision is an estimate of the long-service based on historical staff turnover. No other long-service benefits are provided to employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2024 by Arch consulting. 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.

At year end 1142 (2023: 1145) employees were eligible for Long Services Awards.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount rate	11.38%	11.12%
General Salary inflation	6.62%	7.3%
Net effective discount rate	4.47%	3.56%

Characteristics and risks of defined benefit plans

The Municipality offers employees LSA for every five years of service completed, from ten years of service to 45 years of service, inclusive. In the month that each "completed service" milestone is reached, the employee is granted an LSA. Working days are valued at 1/249th of annual earnings per day.

Risks associated with the defined benefit plan

Termination of service risk: There is a risk that fewer eligible employees terminate their service at the Municipality i.e. more long service awards vest than expected

Inflation Risk: There is a risk that future CPI inflation and earnings inflation are higher than assumed and present in an uncontrolled manner.

Regulatory Risk

There is a risk that changes to legislation with respect to long service awards may increase the defined benefit obligation for Stellenbosch Municipality.

Enforcement of eligibility criteria and rules

The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.

GRAP 25 defines the determination of the Discount Rate Assumption to be used as follows:

The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

Volatility of open ended Defined Benefit Obligation:

The risk that the long service award DBO may be volatile which is exacerbated by its long-term nature.

Amounts recognised in the statement of financial position

The amounts recognised in the statement of financial position are as follow:

Present value of unfunded obligations	30 108 021	27 958 020
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Stellenbosch Municipality

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Notes to the Audited Annual Financial Statements

		2024	2023
16. Employee benefits (continued)			
Amounts recognised in the statement of financial performance			
The amounts recognised in the statement of financial performance are as follow:			
Current service cost		2 185 000	2 224 000
Interest cost		3 008 000	2 926 000
Actuarial losses / (gains) recognised		182 442	(2 139 584)
Total expense included in employee related costs	33	5 375 442	3 010 416

16.4.1 Provision for long service awards

Movements in the present value of the defined benefit obligation

Opening Balance	27 958 020	27 729 020
Increases	5 375 443	5 150 000
Reductions (Payments, remeasurement etc.)	(3 225 442)	(4 921 000)
Closing balance	30 108 021	27 958 020

The following table provides a maturity analysis of the present value of the defined benefit obligations, showing the undiscounted cash flows to be paid in respect of benefits to be provided under the plan:

Future year intervals	Projected Benefit Payments
Within 1 year	3 974 000
Between 1 - 2 years	4 616 000
Between 2 - 3 years	4 777 000
Between 3 - 4 years	3 734 000
Between 4 - 5 years	4 467 000
6 to 10 years	28 508 000
11 to 15 years	33 429 000
16 to 20 years	30 676 000
21 to 30 years	43 911 000
31 to 40 years	5 912 000
	164 004 000

The benefits payments are scheduled based on the expected long service terms of current employees and the provisions of the plan that determine the timing of benefits payments. The distribution of these payments is subject to changes in demographic factors such as normal salary cost inflation and withdrawal rates.

The estimated current service cost for the upcoming year has been determined to be R 2 304 000, while the interest cost for the same period is projected to be R 3 158 000. For comparison, in 2023/2024, the current service cost and interest cost are R 2 185 000 and R 3 008 000, respectively.

Sensitivity Analysis

Methods and assumptions used in sensitivity analysis

The sensitivity analyses were prepared using the projected unit credit method, which is consistent with the method used to value the DBO in the financial statements. The analyses assume a parallel shift in the respective actuarial assumptions while holding all other assumptions constant. It is important to recognize that the use of this method does not imply that the impact of changes in actuarial assumptions is linear or follows any predictable pattern.



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2024 2023

16. Employee benefits (continued)

Expected contributions for the next reporting period

For the financial year ended 30 June 2024, Stellenbosch Municipality expects to contribute approximately R 2 304 000 (2023: R 2 185 000) to the defined benefit plan. This estimated contribution takes into account current salary levels, the number of participating employees, and actuarial assumptions regarding demographic and financial factors. These contributions are designed to secure sufficient assets to meet the plan's future benefits obligations as they become due.

Sensitivity analysis on Current-service and Interest Costs

Assumption	Change	Current service cost	Interest cost	Total	% change
Central assumptions		2185000	3008000	5193000	
General earnings inflation rate	1%	2357000	3199000	5556000	7%
	-1%	2032000	2834000	4866000	-6%
Discount rate	1%	2049000	3391000	5129000	-1%
	-1%	2340000	2469000	5264000	1%
Average retirement age	2 yr	2406000	3391000	5797000	12%
	(2)	1 888 000	2 469 000	4 357 000	(16)
Rates of termination of service	x2	1643000	2462000	4105000	-21%
	x0.5	2581000	3373000	5954000	15%

Sensitivity analysis on the defined benefit obligation

Assumption	Change	DBO	% Change
Central assumptions		30 108 000	
General earnings inflation	1%	31 852 000	6%
	-1%	28 518 000	-5%
Discount rate	1%	28 485 000	-5%
	-1%	31 915 000	6%
Average retirement age	+2 yr	33 623 000	12%
	-2 yr	24 931 000	-17%
Rates of termination of service	x2	25 145 000	-16%
	-x0.5	33 418 000	11%

Basis for determining the discount rate

The discount rate used to calculate the Long service award defined benefit obligation was determined based on the yield curve of current market rates of appropriate term that are denominated in the currency in which the benefits will be paid and that have maturities approximating the terms of the plan's obligations. The corresponding index-linked yield at this term is 5.09%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 28 June 2024.

Actuarial assumptions of defined benefit obligation

The following are the significant actuarial assumptions used to calculate the present value of the long service award for the Municipality as of 31 June 2024. The assumptions are expressed in absolute terms to provide clarity on their impact:

Discount rate:

Assumption: 11.21%

The discount rate is based on the yield curve of current market rates available and expected to be available during the estimated period of the obligations.



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Notes to the Audited Annual Financial Statements

	2024	2023
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16. Employee benefits (continued)

General earnings inflation rate

Assumption: 11.21%
The discount rate is based on the yield curve of current market rates available and expected to be available during the estimated period of the obligations.

Promotional earnings scale

As per the Valuation report for LSA, an additional promotional earnings scale is taken into account in the escalation in addition to the above General earnings inflation rate based on the age band of qualifying employees.

Mortality rate

Assumption: SA 85 - 90
This mortality table is used to estimate the life expectancy of long service award participants, based on current trends and historical data within the sector and adjusted for female lives.

Stellenbosch Municipality

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Notes to the Audited Annual Financial Statements

	2024	2023
17. Lease liabilities		
Operating lease liabilities	-	694 514
Less: Transferred to current liabilities	-	(694 514)
Total non-current liabilities	-	-
18. Borrowings		
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.		
Annuity loans from Nedbank Limited have settlement periods of 10 years with fixed interest rates varying from 10.71% to 8.8% per annum.		
Annuity loan from Standard Bank has a settlement period of 10 years with fixed interest rate of 11% per annum.		
Total borrowings		
Annuity and bullet loans	584 349 242	501 949 960
Less: Current portion transferred to current liabilities	(69 853 210)	(55 046 811)
Total non-current borrowings	514 496 032	446 903 149

Stellenbosch Municipality

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Notes to the Audited Annual Financial Statements

		2024	2023
19. Trade and other payables from exchange transactions			
Bulk purchases	19.1	91 950 423	73 788 181
Contractors	19.2	34 900 579	35 605 791
Control and clearing accounts	19.3	10 768 550	6 080 751
Other payables	19.4	183 064 027	209 319 046
Total		320 683 579	324 793 769
Current		320 683 582	324 793 769
19.1 Bulk purchases			
Bulk water		8 742 225	308 973
Bulk electricity		83 208 198	73 479 208
Total		91 950 423	73 788 181
19.2 Contractors			
Retentions		34 900 579	35 605 791
19.3 Control and clearing accounts			
Cash and bank		2 471 629	2 018 791
Goods received/invoice received		108 488	-
Group life control		807 652	899 695
Salary Control - Employee Related Costs		7 380 781	3 162 265
Total		10 768 550	6 080 751
19.4 Other payables			
Payables and accruals		140 056 109	149 092 498
Unallocated deposits		14 326 424	34 786 092
Advance payments		28 681 494	25 440 456
Total		183 064 027	209 319 046

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

20. Payables from non-exchange transactions

		2024					2023				
		Opening balance	Funds received	Transfer to revenue	Repayment unspent grants	Closing balance	Opening balance	Funds received	Transfer to revenue	Repayment unspent grants	Closing balance
Capital											
Monetary Allocations	20.1	21 186 045	120 455 201	(106 296 778)	(8 030 315)	27 314 153	18 529 953	101 704 298	(98 811 831)	(771 499)	20 650 921
Operational											
Monetary Allocations	20.2	11 874 620	22 942 167	(20 156 336)	(4 147 169)	10 513 282	11 252 018	36 125 199	(31 044 532)	(4 522 941)	11 809 744
Total		33 060 665	143 397 368	(126 453 114)	(12 177 484)	37 827 435	29 781 971	137 829 497	(129 856 363)	(5 294 440)	32 460 665

For **2024** the Department of Cultural Affairs and Sport approved a roll-over of unspent operational funds for the Library Community Library Services Grant to be transferred and be utilised for Capital purposes. This resulted in a reclassification of the opening balance from operating conditional grants to the amount of R535 124.

For **2023** The Department of Cultural Affairs and Sport approved a roll-over of unspent operational funds for the Library Community Library Services Grant to be transferred and be utilised for Capital purposes. This resulted in a reclassification of the opening balance from operating conditional grants to the amount of R1 808 460. The Department of Human Settlements (now Department of Infrastructure, due to completion of projects allowed the municipality to shift unspent operational funds from the Idas Valley project to Capital funds for the same project. This resulted in a reclassification of the opening balance from operating conditional grants to the amount of R2 319 792

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

20. Payables from non-exchange transactions (continued)

20.1 Unspent capital monetary allocations

	2024					2023				
	Opening balance	Funds received	Transfer to revenue	Repayment unspent grants	Closing balance	Opening balance	Funds received	Transfer to revenue	Repayment unspent grants	Closing balance
District Municipalities										
Western Cape	146 959	-	-	-	146 959	146 959	-	-	-	146 959
National Government										
Integrated National Electrification Programme Grant	8 030 315	20 000 000	(20 000 000)	(8 030 315)	-	8 382 170	28 350 000	(28 701 855)	-	8 030 315
Integrated Urban Development Grant	-	56 439 500	(56 439 500)	-	-	-	62 459 650	(62 459 650)	-	-
Municipal Disaster Relief Grant	-	30 132 000	(10 718 878)	-	19 413 122	-	-	-	-	-
Total	8 030 315	106 571 500	(87 158 378)	(8 030 315)	19 413 122	8 382 170	90 809 650	(91 161 505)	-	8 030 315
Private Enterprises										
Other transfers private enterprises	440 392	-	-	-	440 392	440 392	-	-	-	440 392
Provincial Government										
Western Cape	12 568 379	13 883 701	(19 138 400)	-	7 313 680	9 560 432	10 894 648	(7 650 326)	(771 499)	12 033 255
Total unspent capital monetary allocations	21 186 045	120 455 201	(106 296 778)	(8 030 315)	27 314 153	18 529 953	101 704 298	(98 811 831)	(771 499)	20 650 921

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

20. Payables from non-exchange transactions (continued)

20.2 Unspent operational monetary allocations

	2024					2023				
	Opening balance	Funds received	Transfer to revenue	Repayment unspent grants	Closing balance	Opening balance	Funds received	Transfer to revenue	Repayment unspent grants	Closing balance
District Municipalities										
Western Cape	500 000	378 000	(119 700)	-	758 300	484 000	615 000	(599 000)	-	500 000
Households										
Other transfers (cash)	340 000	-	-	-	340 000	-	340 000	-	-	340 000
National Government										
Expanded Public Works Programme Integrated Grant	1 180 159	4 519 000	(4 518 999)	(1 180 158)	2	-	4 928 000	(3 747 841)	-	1 180 159
Integrated Urban Development Grant	-	2 970 500	(2 970 500)	-	-	-	3 287 350	(3 287 350)	-	-
Local Government Financial Management Grant	-	1 550 000	(1 448 412)	-	101 588	-	1 550 000	(1 550 000)	-	-
Total	1 180 159	9 039 500	(8 937 911)	(1 180 158)	101 590	-	9 765 350	(8 585 191)	-	1 180 159
Non-profit Institutions										
National Research Foundation	102 000	258 000	-	-	360 000	102 000	-	-	-	102 000
Private Enterprises										
Other transfers private enterprises	6 264 108	990 604	(96 991)	-	7 157 721	5 334 735	2 365 413	(1 436 040)	-	6 264 108

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

20. Payables from non-exchange transactions (continued)

Provincial Government

Western Cape

3 249 778	12 276 063	(11 001 734)	(2 967 011)	1 557 096	5 092 708	23 039 436	(20 424 301)	(4 522 941)	3 184 902
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Public Corporations

Other transfers public corporations

238 575	-	-	-	238 575	238 575	-	-	-	238 575
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Total unspent operational monetary allocations

11 874 620	22 942 167	(20 156 336)	(4 147 169)	10 513 282	11 252 018	36 125 199	(31 044 532)	(4 522 941)	11 809 744
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The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited and unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

These amounts are invested in a ring-fenced investment until utilised.

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

		2024	2023
21. Provision			
Landfill Sites	21.1	106 740 477	95 421 976
Non-current		106 740 477	95 421 976
21.1 Landfill Sites			
Opening Balance		95 421 976	160 533 093
Additional provisions raised/(Reversed)		583 529	(77 151 099)
Increases (Passage of Time/Discounted Rate)		10 734 972	12 039 982
Closing balance		106 740 477	95 421 976
Non-current		106 740 477	95 421 976

Landfill site provision

The municipality has a present obligation to rehabilitate the landfill site which stems from licensing agreements 19/2/5/1/B4/45/WL0182/22 issued in terms of the Environmental Conservation Act, 1989 (Act 73 of 1989)

In terms of the licensing of the landfill refuse sites, the municipality will incur licensing and rehabilitation costs of R106 740 477 (2023: R95 421 976) to restore the site at the end of its useful life.

The unwinding of the provision for landfill site for the current year was R10 734 972 (2023: R12 039 982) was included in the finance cost in the statement of financial performance.

Cells 1 and 2 have reached full capacity and must be rehabilitated. The expected future cash outflows for cells 1 and 2 should commence in the 2025/2026 financial year. Cell 3 has come into use at the end of 30 June 2013 financial year and is the current landfill site in use. The expected future cash outflows is between July 2044 and July 2048 for cell 3.

The provision has been determined based on an independent valuation performed by a firm of consulting engineers as at 30 June 2024

Key cost parameters:

- Inflation rate 5.4% (2023: 5.6%)
- Discount rate 11.75% (2023: 11.25%)

Refer to note 44 for contribution to the provision.

Stellenbosch Municipality

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Notes to the Audited Annual Financial Statements

	2024	2023
22. Services charges		
Electricity		
Exchange – Consumption	874 585 643	779 983 813
Waste management		
Exchange – Consumption	96 326 521	89 836 854
Waste water management		
Exchange – Consumption	114 951 742	106 739 375
Water		
Exchange – Consumption	203 270 709	162 138 204
Total	1 289 134 615	1 138 698 246

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.

23. Rental from fixed assets

Market related	6 359 726	7 590 891
Non-market related	4 696 080	4 782 445
Total	11 055 806	12 373 336

24. Interest earned from receivables

Exchange receivables	24.1	23 504 654	16 467 413
Non-exchange receivables	24.2	4 239 407	3 418 263
Total		27 744 061	19 885 676

24.1 Interest earned from exchange receivables

Consumer receivables		
Electricity	3 776 833	1 870 939
Water	11 555 709	8 514 053
Waste water management	3 027 593	2 231 528
Waste management	3 992 025	2 806 309
Service charges	1 152 494	1 044 584
	23 504 654	16 467 413

24.2 Interest earned from non-exchange receivables

Consumer receivables		
Property rates	4 239 407	3 418 263

25. Interests earned from current and non-current assets

Bank accounts	8 848 063	5 423 264
Short-term investments and call accounts	48 463 744	36 826 894
Total	57 311 807	42 250 158

26. Licences or permits

Exchange revenue	26.1	8 149 482	8 407 621
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Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

	2024	2023
26. Licences or permits (continued)		
26.1 Licenses and permits - Exchange revenue		
Market porters	206 910	164 642
Road and transport	7 942 115	8 240 238
Trading	457	2 741
Total	8 149 482	8 407 621
27. Agency services		
Provincial	3 697 082	3 438 321
The municipality collects license fees on behalf of the Provincial Government Western Cape and receives a 12% agency fee.		
The municipality, as an agent, recognises only the portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.		
No resources are held by the municipality on behalf of the principle.		
28. Operational revenue		
Administrative Handling Fees	256 661	284 601
Breakages and Losses Recovered	3 011	2 691
Collection Charges	55 573	2 727 349
Incidental Cash Surpluses	1 982	5 657
Inspection fees	8 309	29 644
Insurance Refund	2 818 339	1 065 491
Merchandising, Jobbing and Contracts	4 917 486	4 860 840
Recovery Maintenance	534 756	614 166
Request for information	60 470	58 649
Sale of Property	1 618 109	-
Skills Development Levy Refund	931 782	864 945
Staff and Councillors Recoveries	420 158	629 244
Development Charges	37 192 548	33 465 025
Total	48 819 184	44 608 302
29. Sales of goods and rendering of services		
Application Fees for Land Usage	1 188 087	1 138 591
Building Plan Approval	8 719 636	6 783 438
Cemetery and Burial	1 270 896	1 106 042
Clearance Certificates	589 505	464 612
Computer Services	-	13 800
Encroachment Fees	6 487 688	5 533 562
Entrance Fees	261 922	1 037 941
Fire Services	246 318	182 325
Housing (Boarding Services)	-	351 907
Library Fees	678	917
Parking Fees	5 722 596	4 422 045
Photo copies, Faxes and Telephone charges	79 116	65 744
Removal of Restrictions	58 391	131 196
Sale of Goods	604 146	460 209
Scrap, Waste & Other Goods	29 970	-
Re-allocation Fees	1 100	5 298
Total	25 260 049	21 697 627

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Notes to the Audited Annual Financial Statements

	2024	2023
30. Property rates		
Agricultural property	20 789 622	19 435 922
Business and commercial properties	169 353 450	160 005 178
Public benefit organisations	41 684	38 949
Public service purposes properties	10 225 108	9 564 881
Residential properties	267 044 169	248 858 631
Vacant land	17 000 408	14 115 461
Total	484 454 441	452 019 022

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 consider any changes in individual property values, due to amendments. The current Valuation Roll came into effect on 01 July 2021. With reference to Section 78 of the Local Government: Municipal Property Rates Act, No. 6,2004, five reviews have been finalised and one supplementary valuation has been performed during the financial year and implemented accordingly.

The following assessment rates were charged for the period ending June 2024:

Residential Property – R 0.005068

Business and Commercial Property – R 0.010643

Agricultural Property – R 0.001267

Public Service Purposes – R 0.010643

Public Service Infrastructure – R 0.001267

Public Benefit Organization – R 0.001267

Vacant Residential – R 0.010136

Vacant other – R 0.020273

Property Rates are levied monthly on property owners' accounts and are payable the 7th of each month. Property owners may request to pay their Rates annually, which amount will be levied in July and must be paid by the 7th of October annually. Interest on outstanding accounts for Property Rates is levied as per Council's Credit Control and Debt Collection Policy.

Relief Measures

The relief measures on property rates are generally described in paragraph 8 of the approved Property Rates Policy of the Municipality. This includes the specific under mentioned relief measures:

Rebate and gross monthly household income for Qualifying senior citizens and Disabled persons:

Gross monthly household income %

Up to R8 000 - 100%

From R8 001 to R 11 000 - 75%

From R11 001 to R13 000 - 50%

From R13 001 to R17 000 - 25%

Municipal valuation threshold value

On qualifying residential properties, property owners will receive a rebate up to a maximum value of R250 000, which amount includes a value of R15 000 as per Section 17(1)(h) of the Local Government: Municipal Property Rates Act, No. 6, 2004, and an additional value of R235 000 reduction granted as per paragraph 8.2.1(ii) of the approved Property Rates Policy.

Paragraph 8.2.1 (ii) is only applicable on properties with valuations up to R5 000 000.

Stellenbosch Municipality

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Notes to the Audited Annual Financial Statements

	2024	2023
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30. Property rates (continued)

Stellenbosch special rebate

A rebate of 20% may be granted as per paragraph 8.6 of the approved Rates policy of the municipality.

Other rebates

Rebates have also been granted to qualifying non-profit organizations and to organizations who qualified for any other rebate as defined in the Property Rates Policy. Any other exclusions or exemptions have been granted in accordance with the Local Government: Municipal Property Rates Act, No. 6, 2004.

31. Fines, penalties and forfeits

Fines	31.1	143 331 671	146 657 768
Forfeits		23 536 224	-
Total		166 867 895	146 657 768

31.1 Fines

Traffic fines

Municipal fines	143 096 788	146 459 602
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Other fines

Building fines	79 652	11 044
Law enforcement	22 720	126 077
Overdue books	26 028	20 021
Pound fees	106 483	41 024
	234 883	198 166

Total	143 331 671	146 657 768
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Stellenbosch Municipality

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Notes to the Audited Annual Financial Statements

		2024	2023
32. Transfers and subsidies - Revenue			
Operational			
Allocations in-kind	32.1	9 338 292	-
Monetary allocations	32.2	220 892 818	211 295 154
Total transfers and subsidies: Operational		230 231 110	211 295 154
Capital			
Allocations in-kind	32.3	5 136 813	22 920
Monetary allocations	32.4	106 864 062	100 311 831
Total transfers and subsidies: Capital		112 000 875	100 334 751
Total		342 231 985	311 629 905
32.1 Allocations in-kind: Operational			
Provincial government		9 338 292	-
The municipality received services in the form of consultancy fees to the value of R9 338 292 from the western cape provincial government.			
32.2 Monetary allocations: Operational			
District municipalities		119 700	599 000
National governments		8 937 911	8 585 191
National revenue fund		200 488 473	179 633 999
Provincial government		11 346 734	22 476 964
Total		220 892 818	211 295 154
32.3 Allocations in-kind: Capital			
District municipalities		5 055 000	-
Private enterprises		81 813	-
Public corporations		-	22 920
Total		5 136 813	22 920
32.4 Monetary allocations: Capital			
National government		87 158 378	91 161 505
Provincial governments		19 705 684	9 150 326
Total		106 864 062	100 311 831
Included in above are the following transfers and subsidies received:			
Conditional grants received		143 397 369	137 829 497
Unconditional grants received		200 488 473	179 634 000
		343 885 842	317 463 497

Grant revenue is recognised when all the conditions of the grant has been met.

Stellenbosch Municipality

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Notes to the Audited Annual Financial Statements

33. Employee related cost

Senior management	33.1	11 246 668	10 969 702
Municipal staff	33.2	620 555 021	531 809 789
Total		631 801 689	542 779 491

33.1 Senior management costs

2024

	G Mettler (MM)	K Carolus (CFO)	G Boshoff	A De Beer	S Chandaka	A Barnes	Total
Basic salary	1 428 140	1 078 401	1 499 662	1 559 662	1 586 329	1 267 310	8 419 504
Bonuses	248 608	208 927	134 310	164 157	123 118	208 927	1 088 047
Allowances	225 904	301 543	101 925	40 800	41 485	40 800	752 457
Bargaining council	137	137	137	137	137	137	822
Group life insurance	24 471	20 471	20 471	20 471	20 471	20 471	126 826
Medical	43 973	32 810	-	-	-	54 068	130 851
Pension	272 953	197 081	-	-	-	245 377	715 411
Unemployment insurance	2 125	2 125	2 125	2 125	2 125	2 125	12 750
	2 246 311	1 841 495	1 758 630	1 787 352	1 773 665	1 839 215	11 246 668

2023

	G Mettler (MM)	K Carolus (CFO)	G Boshoff	A De Beer	S Chandaka	A Barnes	Total
Basic salary	1 358 591	1 076 049	1 495 051	1 552 174	1 312 093	1 269 894	8 063 852
Bonuses	258 074	210 323	210 732	210 453	175 215	165 211	1 230 008
Allowances	220 800	302 778	100 800	41 233	53 920	40 800	760 331
Bargaining council	130	130	130	130	119	130	769
Group life insurance	23 469	19 723	19 723	19 723	18 096	19 723	120 457
Medical	42 802	30 834	-	-	-	49 221	122 857
Pension	249 844	180 661	-	-	-	228 350	658 855
Unemployment insurance	2 125	2 125	2 125	2 125	1 948	2 125	12 573
	2 155 835	1 822 623	1 828 561	1 825 838	1 561 391	1 775 454	10 969 702

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

	2024	2023
33. Employee related cost (continued)		
33.2 Municipal staff costs		
Basic salary	360 808 704	339 618 066
Bonuses	-	19 026
Service-related benefits	108 015 875	85 681 154
Allowances	15 108 668	14 123 027
Bargaining council	249 820	233 077
Group life insurance	7 511 641	7 034 390
Medical	29 722 149	26 984 782
Pension	59 651 027	55 643 449
Post-retirement benefit: Medical	25 622 990	(3 180 325)
Long service awards	5 375 442	3 010 416
Leave Gratuity Increases/(Reversals)	5 751 360	(42 432)
Unemployment insurance	2 737 345	2 685 159
Total	620 555 021	531 809 789

Please refer to note 16 for detailed breakdown of the employee benefit items contained with the employee related costs note as disclosed above in note 33.2. These include: Post retirement benefit: medical, long service awards, leave gratuity and bonus provision.

34. Remuneration of councillors

Executive Mayor/Mayor	34.1	1 040 254	1 069 085
Chief whip	34.2	792 276	774 160
Speaker	34.3	842 114	862 911
Deputy executive mayor	34.4	846 402	880 812
Executive committee	34.5	7 846 941	7 456 851
All other councillors	34.6	11 251 932	11 720 936
Total		22 619 919	22 764 755

34.1 Executive Mayor/Mayor

Allowances and service related benefits

Basic salary	810 646	844 285
Cell phone allowance	49 608	44 800
Travelling allowance	180 000	180 000
	1 040 254	1 069 085

34.2 Chief whip

Allowances and service related benefits

Travelling allowance	167 957	167 957
Basic salary	534 615	526 585
Cell phone allowance	49 608	42 000
	752 180	736 542

Social contributions

Pension fund contributions	40 096	37 618
Total	792 276	774 160

Stellenbosch Municipality

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Notes to the Audited Annual Financial Statements

	2024	2023
34. Remuneration of councillors (continued)		
34.3 Speaker		
Allowances and service related benefits		
Basic salary	612 506	638 111
Cell phone allowance	49 608	44 800
Travelling allowance	180 000	180 000
	842 114	862 911
34.4 Deputy executive mayor		
Allowances and service related benefits		
Basic salary	792 506	833 434
Cell phone allowance	49 608	44 800
Travelling allowance	4 288	2 578
	846 402	880 812
34.5 Executive committee		
Allowances and service related benefits		
Basic salary	6 959 809	6 473 839
Cell phone allowance	493 730	422 100
Travelling allowance	151 830	296 549
	7 605 369	7 192 488
Social contributions		
Medial aid benefits	34 560	34 560
Pension fund contributions	207 012	229 803
	241 572	264 363
Total	7 846 941	7 456 851

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

		2024	2023
34. Remuneration of councillors (continued)			
34.6 All other councillors			
Allowances and service related benefits			
Basic salary		9 104 592	9 835 721
Cell phone allowance		1 532 079	1 404 050
Travelling allowance		276 660	157 456
		10 913 331	11 397 227
Social contributions			
Medial aid benefits		67 680	83 520
Pension fund contributions		270 921	240 189
		338 601	323 709
Total		11 251 932	11 720 936
35. Bulk purchases			
Electricity: Eskom		626 175 769	521 011 668
Water		32 051 727	22 990 433
Total		658 227 496	544 002 101
36. Inventory consumed			
Consumables		35 032 652	39 239 118
Housing stock		1 060 000	150 000
Materials and supplies		30 278 731	24 782 944
Total		66 371 383	64 172 062
37. Debt impairment			
Trade and other receivables from exchange transactions contribution/(reversal)	4	56 912 905	31 475 278
Property Rates contribution/(reversal)	5	7 464 997	(1 273 382)
Fines impairment contribution/(reversal)		(15 254 242)	40 520 185
Total		49 123 660	70 722 081
38. Depreciation and amortisation			
Amortisation			
Intangible assets	11.1	379 052	1 175 448
Depreciation			
Investment property	9.1	420 819	423 567
Property, plant and equipment	10	203 490 522	230 077 925
		203 911 341	230 501 492
Total		204 290 393	231 676 940

Stellenbosch Municipality

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Notes to the Audited Annual Financial Statements

		2024	2023
39. Impairment loss /(reversal) of impairment			
Investment property	9.1	1 725 000	-
Property, plant and equipment		1 031 436	1 572 668
Total		2 756 436	1 572 668
40. Interest, dividends and rent on land			
Interest	40.1	63 411 228	59 928 458
40.1 Interest cost			
Financial liabilities			
• Annuity loans		49 186 011	46 712 396
Discounting of financial instruments	19	3 490 245	1 176 080
Interest costs non-current provisions	21	10 734 972	12 039 982
Total		63 411 228	59 928 458
41. Contracted services			
Consultants and professional services	41.1	23 809 802	26 705 395
Contractors	41.2	124 084 673	83 230 276
Outsourced services	41.3	130 354 930	119 420 456
Total		278 249 405	229 356 127
41.1 Consultants and professional services			
Business advisory services			
Audit committee		507 191	296 411
Business and financial management		2 864 992	3 793 067
Forensic investigators		228 993	279 541
Human resources		10 250	54 110
Organisational		33 150	-
Project management		704 822	10 472 838
Research and advisory		11 315 735	3 684 757
Valuer and assessors		2 153 994	936 051
Total business advisory services		17 819 127	19 516 775
Laboratory services			
Water		822 851	1 707 535
Legal services			
Issue of summons		73 082	78 970
Legal advice and litigation		5 094 742	5 402 115
Total legal services		5 167 824	5 481 085
Total consultants and professional services		23 809 802	26 705 395

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

	2024	2023
41.2 Contractors		
General services		
Artists and performers	373	-
Bore waterhole drilling	7 614	7 614
Catering services	1 954 395	940 929
Employee wellness	5 706	92 875
Event promoters	1 920 000	1 638 094
Forestry	4 164 442	1 858 713
Gardening services	216 658	147 486
Gas	1 304	1 337
Graphic designers	-	146 789
Interior decorator	79 364	199 849
Management of informal settlements	6 749 988	6 899 621
Medical services	84 624	55 716
Pest control and fumigation	85 311	80 396
Plants, flowers and other decorations	824 264	708 526
Preservation/Restoration/Dismantling/Cleaning services	121 589	266 900
Sewerage services	6 789 331	6 414 822
Stage and sound crew	240 185	145 195
Tracing agents and debt collectors	2 460 755	2 206 910
Transportation	2 067 693	1 721 769
Total general services	27 773 596	23 533 541
Maintenance services		
Maintenance of buildings and facilities	7 952 663	7 106 472
Maintenance of equipment	12 015 858	3 443 803
Maintenance of unspecified assets	70 797 741	43 686 063
Total maintenance service	90 766 262	54 236 338
Trading services		
Prepaid electricity vendors	5 544 815	5 460 397
Total contractor	124 084 673	83 230 276
41.3 Outsourced services		
Business and advisory services		
Accounting and Auditing	274 828	128 530
Project Management	3 035 986	1 958 390
Total business and advisory services	3 310 814	2 086 920

Stellenbosch Municipality

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Notes to the Audited Annual Financial Statements

	2024	2023
General services		
Animal Care	700	11 650
Catering Services	-	17 884
Cleaning Services	2 060 890	1 513 186
Clearing and Grass Cutting Services	1 238 332	1 705 461
Drivers Licence Cards	929 040	721 725
Internal Auditors	1 800	172 328
Litter Picking and Street Cleaning	3 319 619	3 106 885
Medical Services	-	636
Personnel and Labour	29 400	-
Professional Staff	331 308	303 600
Refuse Removal	54 625 143	53 682 787
Traffic Fines Management	13 065 594	9 646 176
Transport Services	252 584	313 299
Total general services	75 854 410	71 195 617
Trading services		
Security Services	51 189 706	46 137 919
Total outsourced services	130 354 930	119 420 456
42. Transfers and subsidies - Expenditure		
Operational		
Allocations in-kind	42.1 5 757 678	4 264 641
Monetary allocations	42.2 15 566 458	13 493 614
Total transfers and subsidies: Operational	21 324 136	17 758 255
42.1 Allocations in-kind: Operational		
Households - Social Relief	5 757 678	4 264 641
42.2 Monetary allocations: Operational		
Households	7 146 603	962 361
Non-profit institutions	8 419 855	12 531 253
Total	15 566 458	13 493 614

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

	2024	2023
43. Irrecoverable debts written off		
Electricity	17 146	154 306
Refuse	6 074	904 123
Sewerage	6 198	781 479
Water	54 046	4 536 770
Housing rental	9 357	582 310
Rates	272 573	2 007 210
Traffic fines	101 264 460	82 979 503
	101 629 854	91 945 701
44. Contribution to/(from) Landfill provision		
Landfill site	583 529	(69 693 846)
45. Operating leases		
Furniture and Office Equipment	1 363 775	2 033 762
Investment Properties	4 267 101	6 068 633
Machinery and Equipment	514 866	1 190 102
Total	6 145 742	9 292 497

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

	2024	2023
46. Operational cost		
Achievements and Awards	24 559	17 754
Advertising, Publicity and Marketing	2 216 581	2 110 817
Assets less than the Capitalisation Threshold	-	163 991
Bank Charges, Facility and Card Fees	1 727 211	1 803 393
Bargaining Council	6 071 063	6 845 910
Bursaries (Employees)	546 312	527 015
Cleaning Services	4 407	2 583
Commission	2 100 418	1 832 347
Communication	10 538 542	10 328 853
Deeds	-	2 348
Drivers Licences and Permits	32 764	12 660
Entertainment	34 435	7 380
External Audit Fees	8 318 351	8 104 988
External Computer Service	21 633 340	23 831 956
Fines and Penalties	220 513	-
Full Time Union Representative	141 602	154 242
Hire Charges	9 584 861	11 816 150
Honoraria (Voluntarily Workers)	48 000	48 165
Indigent Relief	3 466 400	4 519 318
Insurance Underwriting	6 570 415	8 060 606
Learnerships and Internships	292 118	348 216
Licences	1 563 688	1 734 225
Management Fee	9 226 281	8 969 582
Municipal Services	19 736 269	15 209 418
Office Decorations	4 188	19 374
Printing, Publications and Books	408 542	324 046
Professional Bodies, Membership and Subscription	182 973	195 226
Registration Fees	5 183 881	4 373 990
Remuneration to Ward Committees	701 019	806 560
Resettlement Cost	25 877	36 945
Samples and Specimens	1 324 381	1 024 635
Search Fees	95 813	56 260
Skills Development Fund Levy	5 186 870	4 805 444
Storage of Files (Archiving)	76 657	81 361
Supplier Development Programme	-	28 125
System Access and Information Fees	44 984	55 193
Travel Agency and Visa's	6 395	23 217
Travel and Subsistence	896 822	729 760
Uniform and Protective Clothing	9 445 734	8 575 384
Vehicle Tracking	638 116	639 319
Workmen's Compensation Fund	3 741 646	4 065 666
Total	132 062 028	132 292 422

The following principle agent arrangements were in place in relation to the expenditure as contained in note 46 to the annual financial statements:

EasyPay (Agent) is a payment platform used to collect municipal service payments from third parties. These payments are accepted by EasyPay on behalf of the Municipality (Principal), from third parties. A service charge is levied by EasyPay for collection of the payments. This fee is recognised as commissions paid.

Ontec (Agent) sells and collects money from the sale of prepaid electricity on behalf of the Municipality. Ontec pays over the monies collected to the Municipality, minus the collection fee levied, determined at a rate specific in the Service Level Agreement. The municipality recognises 100% of the money's collected as revenue from exchange transactions and the collection fee paid to Ontec (which includes costs incurred on debit or credit card electricity sales and cash handling fees incurred), is recognized as an expense.

TMT (Agent) manages the collection of traffic fines (both legacy fines issue before 1 July 2017 and fines issued after this date), on behalf of the Municipality. TMT pays over the monies collected to the Municipality. The municipality recognises 100% of the money's collected as revenue from non - exchange transactions and the fee incurred to TMT is recognized as an expense.

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

	2024	2023
46. Operational cost (continued)		
These arrangements are subject to standard terms and conditions upon termination.		
None of the municipalities assets are under the custodianship of the agents.		
47. Gain/(Loss) on disposals and fair value adjustments		
Gains/(losses) on disposals	47.1 (1 986 164)	(834 920)
Fair value adjustment	47.2 (1 493 983)	-
Total	(3 480 147)	(834 920)
47.1 Gains/(losses) on disposals		
Property, plant and equipment	(1 986 164)	(834 920)
47.2 Fair value adjustment		
Biological assets	(1 493 983)	-
48. Inventory adjustments to net realisable value		
Inventory	(290 008)	389 307
49. Net cash from/(used) operating activities		
Surplus for the year	222 939 370	251 872 043
Adjustments for:		
Depreciation and amortisation	204 290 392	231 676 940
Bad debts written off	101 629 854	91 945 701
Impairment Losses	2 756 436	1 572 668
(Gains) / Losses on disposal of assets	1 986 169	834 920
Fair value adjustment	4 984 228	1 176 080
Finance Cost	10 734 972	12 039 982
Increase / (Decrease) in provisions	583 529	(77 151 099)
Increase / (Decrease) employee benefit	22 382 051	(14 203 147)
Increase / (Decrease) operating Lease - Straight Lining	(694 514)	(1 423 508)
Inventory losses	769 992	539 307
Other changes, movements in PPE	(6 570 703)	(565 178)
Other changes, movements in surplus	-	(36 069)
Debtors impairment	49 123 660	70 722 081
Rehabilitation provision capitalised	-	7 457 254
Allocations in kind	(3 580 614)	-
Non-exchange assets received	(5 136 813)	-
Movement in working capital		
(Increase) / Decrease in receivables from non-exchange transactions	(110 322 734)	(126 330 983)
(Increase) / Decrease in inventory	(1 886 470)	(7 540 104)
(Increase) / Decrease in receivables from exchange transactions	(91 872 527)	(86 170 423)
(Increase) / Decrease in other receivables from exchange	(15 736 878)	(13 688 476)
(Increase) / Decrease in VAT Receivable	(18 850 156)	6 672 381
Increase / (Decrease) in trade and other payables from exchange	(529 573)	55 256 803
Increase / (Decrease) in payables from non-exchange	5 366 770	2 764 392
Increase / (Decrease) in consumer deposits	1 842 813	1 533 990
Increase / (Decrease) in long term receivables	(5 400 111)	945 820
Net cash flows from operating activities	368 809 143	409 901 375

Stellenbosch Municipality

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Notes to the Audited Annual Financial Statements

2024 2023

50. Financial instruments disclosure

Categories of financial instruments

2024

Financial assets

	At amortised cost	Total
Cash and cash equivalents	153 702 171	153 702 171
Receivables from exchange	251 987 494	251 987 494
Other receivables from exchange	23 594 813	23 594 813
Receivables from non-exchange	5 298 358	5 298 358
Short term investments	455 716 603	455 716 603
Trade and other receivables from exchange transactions (Non-current)	6 508 597	6 508 597
	896 808 036	896 808 036

Financial liabilities

	At amortised cost	Total
Consumer deposits	24 190 439	24 190 439
Borrowings	584 349 242	584 349 242
Payables from exchange transactions	283 813 652	283 813 652
	892 353 333	892 353 333

2023

Financial assets

	At amortised cost	Total
Cash and cash equivalents	249 968 715	249 968 715
Receivables from exchange	217 120 693	217 120 693
Other receivables from exchange	8 068 898	8 068 898
Receivables from non-exchange	10 648 502	10 648 502
Short term investments	331 767 247	331 767 247
Trade and other receivables from exchange transactions (Non-current)	4 598 731	4 598 731
	822 172 786	822 172 786

Financial liabilities

	At amortised cost	Total
Consumer deposits	22 347 626	22 347 626
Borrowings	501 949 960	501 949 960
Payables from exchange transactions	295 291 353	295 291 353
	819 588 939	819 588 939



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Stellenbosch Municipality

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Notes to the Audited Annual Financial Statements

2024

2023

51. Risk management

Liquidity risk

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 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Consumer deposits	24 190 439	-	-	-
Borrowings	127 802 183	122 490 834	330 048 262	286 195 664
Payables from exchange transactions	320 683 582	-	-	-
At 30 June 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Consumer deposits	22 347 626	-	-	-
Borrowings	104 080 467	104 080 467	278 469 805	244 345 506
Payables from exchange transactions	324 793 769	-	-	-

Risk from biological assets

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.

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.

Stellenbosch Municipality

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Notes to the Audited Annual Financial Statements

2024

2023

51. Risk management (continued)

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.

Receivables from non-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 non - exchange transactions are presented net of the allowance for impairment.

The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of receivables. Receivables are provided for based on estimated irrecoverable amounts, determined by reference to a non payment rate.

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.

Payment to accounts of consumer debtors who are unable to pay, are renegotiated as an ongoing customer relationship in response to an adverse change in the circumstances of the customer.

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.

There is no collateral held for security in respect of consumer debtors.

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:

2024

2023

Cash and cash equivalents	153 702 171	249 968 715
Short term investments	455 716 603	331 767 247
Receivables from exchange transactions	251 987 494	217 120 693
Other receivables from exchange transactions	23 594 813	8 068 898
Receivables from non-exchange transactions	5 298 358	10 648 502
Trade and other receivables from exchange transactions (Non-current)	6 508 597	4 598 731

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.

Stellenbosch Municipality

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Notes to the Audited Annual Financial Statements

	2024	2023
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51. Risk management (continued)

Other price risks

The municipality is not exposed to equity price risks arising from equity investments as the municipality does not trade these investments.

52. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Property, plant and equipment - Infrastructure Assets	307 576 396	279 991 372
• Property, plant and equipment - Community Assets	4 593 068	3 483 552
• Property, plant and equipment - Computer Equipment	268 380	2 346 805
• Property, plant and equipment - Furniture and Equipment	9 635	185 519
• Property, plant and equipment - Machinery and Equipment	-	69 539
• Property, plant and equipment - Other assets	5 803 929	10 275 564
• Property, plant and equipment - Transport Assets	3 656 443	2 952 099
• Heritage Assets	40 017	272 329
	321 947 868	299 576 779

Total capital commitments

Already contracted for but not provided for	321 947 868	299 576 779
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Total commitments

Total commitments

Authorised capital expenditure	321 947 868	299 576 779
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This committed expenditure relates to property, plant and equipment and will be financed by available bank facilities, retained surpluses, existing cash resources, funds internally generated.

The amounts as disclosed are VAT inclusive.

The asset classes as stipulated is depicted as per the classes of Property, plant and equipment in note 10. The infrastructure items have been grouped together due to the fact that these items will only be unbundled once the projects are completed.

53. Related party disclosures

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 01 July 2004. Loans, together with conditions thereof granted prior to this date are disclosed in note 18 in the annual financial statements.

Remuneration of management

Compensation of key management and personnel is set out in notes 33 and 34 respectively in the annual financial statements.

All Councillors and Employees have disclosed their interest in related parties and no one has the ability to control or exercise significant influence over Council in making financial and operating decisions.

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

					2024	2023
54. Awards to close family members - SCM Regulation 45						
Awards to close family members of persons in the service of Stellenbosch Municipality						
Supplier name - Award Number	Employee name	Relationship	State Institution	Expenditure		
AECOM - B/SM 50/23	FA Lubbe	Spouse	NECSA	Rates award, no actual expenditure	-	-
	R De Kock	Spouse	City of Cape Town		-	-
	E Bekker	Spouse	Gauteng department of Education		-	-
	L Burger	Spouse	Education Department		-	-
	A Peinke	Spouse	Ethenkwini municipality		-	-
	MB Wessels	Parent	Western cape education		-	-
	R van der Walt	Spouse	Western cape education		-	-
Bergstan South Africa - B/SM 50/23	C Christians	Child	Western cape education	Rates award, no actual expenditure	-	-
Bigen Africa B/SM 50/23	R Aartsma	Child	DWS Pretoria	Rates award, no actual expenditure	-	-
JPCE - B/SM 50/23 & SWM 1	JA Minnie	Spouse	City of Cape Town	Amount approved	103 318	-
NCC Environmental service - B/SM 50/23	C Rhoda	Spouse	City of Cape Town	Rates award, no actual expenditure	-	-
Neil Lyners and associates - B/SM 50/23 & ESH 2	A Potgieter	Child	City of Cape Town	Approved amount	3 459 930	-
Royal Mndawe Holdings (Pty) Ltd - B/SM 50/23	A Xuwuka	Spouse	Coega Development Corporation	Rates award, no actual expenditure	-	-
Zutari - B/SM 50/23 & B/SM 93/23	HC Ahlschlager	Spouse	Special Investigating Unit	Rates award, no actual expenditure	-	1 498 896
	K Nadasen	Spouse	National Department of Public Works		-	-
	MR Marques	Spouse	Department of Internal Affairs		-	-
	TJ Ndaka	Spouse	Western cape education		-	-
Zana Manzi Services (Pty) Ltd - B/SM 101/23	Gloria Luthuli	Child	Desmond Tutu Child & Youth Care Centre.	Award value	7 719 007	-

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

				2024	2023
54. Awards to close family members - SCM Regulation 45 (continued)					
Alprene Plastic Products (Pty) Ltd - B/SM 61/23 & B/SM 62/23	Christopher Glazer	Spouse	Department of Forestry, Fisheries, and the Environment	Rates award, no actual expenditure	-
Red Ant Security Relocation and Eviction services (Pty) Ltd - B/SM 27/23 & B/SM 84/23	Noxolo Lesiela	Spouse	Mogale City Local Municipality	Rates, actual order amount	8 564 998
Tridentchem (Pty) Ltd - B/SM 69/23 & B/SM 71/24	George February	Spouse	Western Cape Education Department	Rates award, actual expenditure	825 298
Jvz construction (Pty) Ltd - B/SM 92/23	RE Matthee	Spouse	Correctional Services - Security	Approved amount	11 138 326
Ducharme asset management B/SM 108/23 & FQ 21/24	Lamahlubi Mbekeni	Spouse	Department of rural development and land reform	Rates, actual order amount	187 335
Resource innovations africa (Pty) Ltd - B/SM 64/23	MR Ramdeo	Spouse	Ethekweni municipality.	Rates, actual order amount	1 619 358
Kemanzi (Pty) Ltd - B/SM 11/24	JN Du Toit	Spouse	City of Cape Town	Rates, actual order amount	2 031 400
Growie property group B/SM 07/23	Amanda Growie	Spouse	Department of roads & transport	Rates, no actual spending	-
FG Transport CC B/SM 38/23 & FQ 07/24	H Pool	Spouse	WCED educator	Rates, actual order amount	933 807
Immex (Pty) Ltd - B/SM 38/23	Kaylyn Flagg	Child	Western cape education department	rates, no actual spending	-
	A Dorfling	Spouse	Department Of Education	rates, no actual spending	-
Ian Dickie and Company (Pty) Ltd - FQ/69/24 & FQ 17/23	Deon Samuels	Spouse	SA police service	Rates, actual order amount	11 213
Rhode Security and fire cc - FQ 111/24	Patricia Barbara Rhode	Spouse	Western Cape Education Department	Rates, actual order amount	247 595
Akhile Management and Consulting - B/SM 64/24	M Hadebe	Spouse	Ekhuruleni Municipality	Approved amount	527 598
Cigicell (Pty) Ltd - B/SM 52/24	Modise Nyawane	Spouse	Department of education	Estimate	5 100 000
Nedbank B/SM 78/24 & B/SM 81/23	Venisha Subramoney	Spouse	Department of Education	Total loan amount	267 180 084
Kemp & Associates - B/SM 61/24 & B/SM 54/22	M Williams	Spouse	Stellenbosch Municipality	rates, no actual spending	-
	D October	Spouse	Cape Agulhas Municipality		-

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

					2024	2023
54. Awards to close family members - SCM Regulation 45 (continued)						
Actom - D/SM 2/24	Sybrand Nel	Child	City of Cape Town	Actual deviation amount	204 028	-
TMT - D/SM 19/24	Daniel Lubbe Monique du Toit	Spouse Spouse	Department of Education City of Cape Town	Actual deviation amount	- 7 032 203	- -
Kemanzi (Pty) Ltd - B/SM 71/22 & FQ 22/23	JN Du Toit	Spouse	Department of Local Government	Approved amount	-	796 241
Conlog (Pty) Ltd - B/SM 03/23	N Moodley	Spouse	Department of Health	Approved amount	-	-
Redhills Electronics - FQ18/23	L Hartley	Spouse	Education Department	Approved amount	-	200 000
Ikapa Reticulation - B/SM 10/23	Cindy SchuylerDavids	Child	Education Department	Rates, actual order amount	-	20 472 196
Rhode Security & Fire CC T/A Rhotech FQ 59/23	RE Matthee	Spouse	Correctional Services	Rates, actual order amount	-	200 000
Cape Petroleum FQ 95/23	Lydia B. Mdyogolo	Spouse	Department of Education	Approved amount	-	151 510
Van Zyl Kruger Inc B/SM 54/22	Peter Marais	Parent	Member Of Parliament	Actual expenditure	-	48 832
Van Der Spuy (Wp) Inc BSM 54/22	Mariaan Van Zyl	Spouse	Department of Education	Rates award, no actual expenditure	-	-
Etienne Walter Vermaak B/SM 54/22	JMC Vermaak	Spouse	Phamacist @ Department of Health	Rates award, no actual expenditure	-	-
Empa structures B/SM 05/23	Gaylon Petersen	Spouse	Driver City of Cape Town	Actual award value	-	414 102
Adapt IT Holding Limited D/SM 13/23	Dudley Muziwanadoda	Spouse	Sanral	Actual award value	-	335 942
Resource Innovation Africa D/SM 14/23	Siyothozoza Mbmabo	Spouse	Ethekweni Municipality	Actual award value	-	1 187 049
Red Ant Security D/SM 17/23	Kaveesh Ramdoe	Spouse	Mogale City Local Municipality	Rates, actual order amount	-	1 670 153
Herold Gie Attorneys B/SM 54/22	Noxolo Lesiela	Spouse	Senior Clerk @ City of Cape Town	Rates award, no actual expenditure	-	-
	K Meyer	Parent				

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

					2024	2023
54. Awards to close family members - SCM Regulation 45 (continued)						
Webber & Wentzel B/SM 54/22	Jennifer Abraham	Parent	Department of Education	Rates award, no actual expenditure	-	-
	Clive Truter	Parent	Department of Education		-	-
	Anlerie Marelese	Parent	West Coast Education District		-	-
	Truter					
	Esther Watson	Parent	Department of public service		-	-
	Johannes Cornelius	Parent	Beaufort West Municipality		-	-
	Louw Smit					
	Busisiwe Thembekile	Parent	Department Of Education		-	-
	Mahlangu					
	Nicoas Dias	Spouse	City of Cape Town		-	-
	Khomotso Nonyane	Spouse	Petro SA		-	-
	Alison Smith	Parent	South African Airways		-	-
	Sizi Qolohle	Parent	National Treasury		-	-
	Hein Prinsloo	Parent	Development Bank of Southern Africa		-	-
	Jolande Botha	Parent	Department of Education		-	-
	Paul van den Brink	Spouse	Wesgro		-	-
	Barbara Watson	Parent	Independent Non-executive Director of the PIC		-	-
	Pieter Coetzee	Parent	Tshwane metro Police Department		-	-
	Sizi Solohle	Parent	National Treasury		-	-
					316 885 498	131 901 382



AUDITOR-GENERAL
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30 November 2024

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

	2024	2023
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55. Unauthorised, irregular, fruitless and wasteful expenditure

55.1 Unauthorised expenditure

The municipality incurred no unauthorised expenditure in both the current and previous financial year.

55.2 Irregular expenditure

Opening balance as previously reported	30 129 574	26 402 075
Correction of prior period error	(2 869 426)	-
Opening balance as restated	27 260 148	26 402 075
Add: Irregular expenditure - current	12 420 386	30 992 707
Add: Irregular expenditure – prior period	-	4 796 449
Less: Amounts written-off – current	(27 248 674)	(34 931 082)
Closing balance	12 431 860	27 260 149

Incidents/cases identified in the current year include those listed below:

Irregular expenditure was identified as it breached the procurement process in terms of the Supply Chain Management Policy	12 420 386	10 113 039
	-	25 676 116

The Auditor-General, in its findings during the 2019/2020 financial year, identified that the Municipality awarded that does not comply with Preferential Procurement Regulations 2017. The Auditor-General, in its findings during the 2017/2018 financial year, identified that the Municipality did not include a specific condition that local production and content is applicable when inviting bidders to tender (advertisement). Furthermore the Municipality also did not include the local production and content in the bid documents (MBD 6.2) and the suppliers declared accordingly. The Auditor-General concluded that the tender award does not comply with Preferential Procurement Regulations 2017.

Total	12 420 386	35 789 155
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55.3 Fruitless and wasteful expenditure

The municipality incurred no fruitless and wasteful expenditure in both the current and previous financial year.

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

	2024	2023
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56. Additional disclosure in terms of Municipal Finance Management Act

Contributions to SALGA

Opening balance	-	7 205
Current year subscription / fee	6 612 659	6 316 571
Early settlement discount	(330 633)	(315 829)
Current year expenditure	(1 570 507)	(1 500 186)
Prepaid expenditure	(4 711 519)	(4 500 556)
Amount paid - previous years	-	(7 205)
	-	-

Audit fees

Opening balance	-	16 509
Current year subscription / fee	9 542 703	9 323 542
Amount paid - current year	(9 536 439)	(9 323 542)
Amount paid - previous years	-	(16 509)
	6 264	-

PAYE, UIF and SDL

Current year subscription / fee	102 010 888	92 036 184
Amount paid - current year	(102 010 888)	(92 036 184)
	-	-

Pension and Medical Aid Deductions

Current year subscription / fee	139 092 944	129 984 910
Amount paid - current year	(139 092 944)	(129 984 910)
	-	-

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

	2024	2023
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56. Awards to close family members - SCM Regulation 45 (continued)

Councillors' arrear consumer accounts

There were no councillor arrear accounts more than 90 days as at 30 June 2024.

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.

Electrical distribution losses (KW)

System Input	357 647 395	344 236 600
Sales	(337 518 453)	(329 632 095)
	20 128 942	14 604 505

Electricity losses are calculated as 5.63% (2023: 4.24%). Electricity losses are within the industry norm.

Water distribution losses (KL)

System Input	12 563 518	10 807 188
Sales	(8 631 963)	(7 859 839)
	3 931 555	2 947 349

Water losses are calculated as 31.3% (2023: 27.27%). Water losses are above the industry norm. The increase in water losses is due to various bulk water mains damaged by the excessive rain and subsequent flood events. The repairs could only be performed once the flood water subsided.

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

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57. Retirement benefit information

The municipality makes provision for post-retirement benefits to eligible Councillors and employees who belong to different pension schemes. These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

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.

These schemes are subject to a tri-annual, bi-annual or annual actuarial valuation as set out hereunder.

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 2021 stated that the net assets of the fund amounted to R12 238 000 000 (30 June 2018: R14 298 600 000), with funding levels of 85.5% (30 June 2018: 96%). The actuary recommended that employers continue to contribute at the current rate of 19.18% of pensionable salary.

The actuaries 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 LA RETIREMENT FUND operates both as a defined benefit and defined contribution scheme.

Defined benefit scheme

The contribution rate of the defined benefit scheme is 27%; 9% by the members and 18% by their councils. The actuarial valuation report at 30 June 2023 disclosed an actuarial valuation amounting to R1 338 791 000 (30 June 2022: R1 391 841 000), with a surplus of R226 285 000 (2022: R144 158 000), with a funding level of 120.3% (30 June 2022: 111.6%).

Defined contribution scheme

The actuarial valuation report at 30 June 2023 indicated that the defined contribution scheme of the fund is in a sound financial position, with net assets amounting to R2 163 627 000 (30 June 2022: R1 976 184 000), net investment reserve of Rnil (30 June 2022: Rnil) and with a funding level of 100% (2022: 100%).

Cape Joint Retirement Fund (CRF)

The most recent statutory valuation performed as at 30 June 2023 revealed that the assets of the fund amounted to R42 710 035 000 (30 June 2022: R36 502 914 000), with funding levels of 120.1% and 100.2% (30 June 2022: 131.6% and 100.4%) for the Pensions Account and the Share Account respectively. 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

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The statutory valuation performed as at 30 June 2018 stated that the net assets of the fund amounted to R1 798 030 000 (30 June 2017: R1 480 549 000), with funding levels of 103.26% (30 June 2017: 101.31%). 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 2018, in that the assets of the fund were sufficient to cover the accrued service liabilities including the recommended Contingency Reserves in full.

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

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57. Retirement benefit information (continued)

The Municipal Workers Retirement Fund (Previously South African Municipal Workers Union National Provident Fund)

The Municipal Workers Retirement 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%. From 1 July 2017, members and employers that fall under other bargaining councils or forums are not bound by the above minimum contribution rates. The statutory valuation performed as at 30 June 2021 stated that the assets of the fund amounted to R10 866 257 000 (30 June 2017: R7 720 948 000), with funding levels of 100.0% (30 June 2017: 102.0%). The Fund's assets exceeded the member liabilities as at 30 June 2021, by a margin of R 130.4 million or 1.2%. In the valuation report the actuaries have chosen to allocate R 100.3 million to the Risk Reserve, to allow for projected excess salary-multiple death and disability claims in the year following the valuation date (in excess of the contributions allocated toward these risk benefits over this period), while also leaving a reasonable margin against future claims variability. Accordingly there is a small positive balance in the Investment Reserve. The value of the assets is more than sufficient to cover the accrued liabilities (Members' Shares), and the required level of risk reserve in respect of the self-insured risk benefits, and the Fund is therefore financially sound.

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. Category C-Members, appointed after 1 July 2012, who are not part of the Schedule shall make monthly contributions to the Fund equal to 7.5% of their pensionable salary.

The most recent statutory valuation performed as at 30 June 2019 stated that the net assets of the fund amounted to R17 107 067 000 (30 June 2018: R15 393 671 000), with funding levels of 100.40% (30 June 2018: 100.46%). The actuary certified that the assets of the fund are sufficient to cover 100.40% 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.

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.

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

	2024	2023
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58. Going concern

We draw attention to the fact that at 30 June 2024, the municipality had total community wealth of R6 004 739 613.

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.

59. Deviations from SCM regulations - SCM Regulation 36

In terms of section 36 of the municipality SCM regulations, any deviations from SCM policy needs to be approved by the accounting officer and noted by Council. The awards listed below have been approved by the accounting officer and noted by Council.

All deviations considered by the accounting officer are processed in terms of the SCM regulations and the municipality's SCM policy. This process entails being assessed by the SCM Bid Adjudication Committee in terms of the stipulated criteria for emergency procurements and circumstances where it is impractical or not possible to follow the official procedure.

Deviation from, and ratification of minor breaches of, the procurement processes

In terms of section 36(2) of the Supply Chain Management Policy approved by Council it is stipulated that bids where the formal procurement processes could not be followed, must be noted in the audited annual financial statements.

SCM paragraph

reference

36 (1)(a) i	Dispense with the official procurement processes in an emergency	24 771 246	6 298 623
36 (1)(a) ii	Dispense with official procurement processes if such goods or services are produced or available from a single source or sole provider.	15 680 919	335 943
36 (1)(a) v	Dispense with official procurement processes in any other exceptional case where it is impractical or impossible to follow the official procurement processes.	18 275 924	26 804 533

Total deviations

58 728 089	33 439 099
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The deviations and value disclosed is representative of the award value. In the event of a rates based award, an estimate is utilised based on certain projected provisions. In the event that an award value is not present, nor an estimate due to certain conditions, the actual expenditure incurred will be disclosed.

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

	2024	2023
60. Contingent liabilities		
Contingency arising out of litigation	18 869 071	42 656 699
Litigation is the process of taking a civil law suit (legal dispute) to Court. A civil case refers to a legal dispute between two or more parties seeking resolution through the civil court system. Civil litigation refers to the legal process of resolving disputes between parties seeking monetary damages, specific performance, or other remedies instead of criminal sanctions. These cases arise from a wide range of issues, including contract disputes, personal injury claims, property disputes, employment grievances, and more.		
Contingency arising out of mediation	250 000	250 000
Mediation is a process by which a mediator assists the parties in a legal dispute by facilitating discussions between the parties, assisting them in identifying issues and exploring areas of compromise.		
Contingency arising out of arbitration	1 000 000	-
Arbitration is a procedure in which a dispute is submitted, by agreement of the parties, to one or more arbitrators who make a binding decision on the dispute. In choosing arbitration, the parties opt for a private dispute resolution procedure instead of going to court.		
Municipal landfill site	-	-
The municipality has a present obligation to rehabilitate the landfill site which stems from licensing agreements 19/2/5/1/B4/45/WL0182/22 issued in terms of the Environmental Conservation Act, 1989 (Act 73 of 1989). The obligation is immediately enforceable upon closure of the landfill site. As part of these licensing obligations, the municipality is responsible for post-closure obligations namely, ground water monitoring, decommissioning, monitoring committee and gas monitoring. The duration of the time for the cost to be incurred is contingent on the decision making of the regional director as stipulated in the licence conditions. At 30 June 2024, a decision has not been made by the regional director on the post-closure obligations for the municipality as per the licence agreements, as a result thereof, a reliable estimate of the costs to be incurred cannot be reliably estimated due to the uncertainty of the key events contained within the licencing conditions.		
VAT on library grants	11 808 695	9 868 979
The municipality has approached SARS to provide a VAT ruling in relation to library grants received by the transferring department. The current contingency relates to the question as to the services rendered by the municipality in relation to libraries in the municipal area are not part of the municipalities mandate and consequently, the grant received is therefore potentially not exempt of VAT due to the benefit being for the transferring department. The contingency relates to the outcome of SARS ruling in relation to this item. The amount disclosed is an estimate of the VAT amount, potential interest and penalties which the municipality may be exposed to.		
	31 927 766	52 775 678
Prior period error		
Contingent liabilities previously reported	-	42 906 699
VAT on library grant	-	9 868 979
The municipality has sought guidance on the treatment of VAT on the library grants and has concluded that a contingency does exist and therefore gives rise to a contingent liability in the prior year as well. The amount in relation to this error is R9 868 979	-	-
	-	52 775 678

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

2024

2023

61. Segment information

General information

Identification of segments

The municipality is organised and reports to management on the basis of four major functional areas. These four functional segments are governance and administration, community and public safety, economic and environmental services as well as trading services. The segments were organised around the type of service delivered and the target market.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Reportable segments are identified based on activities performed of the municipality that generates economic benefits or service potential including internal services that contribute to achieving the municipality's objectives without necessarily generating net cash inflows.

Management has only identified segment information for which data is reported on and reviewed during the decision making process of the municipality. Aspects relating to GRAP 18 paragraph 21 (a) - (j) which does not form part of the review process of the management reports will not form part of the segment information.

Segmental reporting was based and identified on the MFMA S71 monthly budget statements/reports that are reviewed by senior management and council to make strategic decisions and in monitoring segment performance. The disclosure of information about segments in these reports are organised around the type of service delivered, in a standardised format namely the C2 schedule. This is considered appropriate for external reporting purposes to achieve the objectives of GRAP 18.

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment

Community and public safety

Governance and administration

Economic and environmental services

Trading services

Goods and/or services

Primary services providing community safety, crime prevention and law enforcement.

Primary services in relation to financial management, financial and governance decision making.

Urban and developmental planning in accordance with the relevant laws and regulations. Environmental planning and protection for long term sustainability.

Primary basic service provision including water, electricity, sanitation and refuse.

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

	2024	2023			
61. Segment information (continued)					
2023					
	Community and public safety	Economic and environmental services	Trading services	Governance and administration	Total
Segment revenue					
External revenue from non-exchange transactions	15 720 658	230 422 659	142 183 424	521 979 955	910 306 696
External revenue from exchange transactions	20 373 230	35 755 279	1 156 596 625	16 498 315	1 229 223 449
Interest revenue	-	-	15 422 829	46 713 004	62 135 833
Total	36 093 888	266 177 938	1 314 202 878	585 191 274	2 201 665 978
Segment expenses					
Total segment expenses	(242 236 969)	(269 790 035)	(879 658 134)	(263 363 198)	(1 655 048 336)
Depreciation and amortisation	(17 231 499)	(54 739 290)	(145 591 708)	(14 114 453)	(231 676 950)
Interest expense	-	-	(58 752 378)	(1 176 080)	(59 928 458)
Impairment losses	(1 572 667)	-	-	-	(1 572 667)
Contribution to/from provisions	-	-	69 693 846	-	69 693 846
Debt impairment	(3 256 569)	(40 520 184)	(28 218 707)	1 273 381	(70 722 079)
Inventory losses/write downs	(25 000)	-	-	(364 308)	(389 308)
Cost of housing sold	(150 000)	-	-	-	(150 000)
Total	(264 472 704)	(365 049 509)	(1 042 527 081)	(277 744 658)	(1 949 793 952)
Surplus for the year	(228 378 816)	(98 871 571)	271 675 797	307 446 616	251 872 026
Other information					
Total capital expenditure	20 352 978	73 678 259	192 921 927	31 111 831	318 064 995

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

2024 2023

61. Segment information (continued)

2024

	Community and public safety	Economic and environmental services	Trading services	Governance and admin	Total
Segment revenue					
External revenue from non-exchange transactions	15 534 706	223 396 995	170 366 231	584 256 389	993 554 321
External revenue from exchange transactions	17 804 445	42 352 126	1 308 677 280	17 282 367	1 386 116 218
Interest revenue	-	-	22 352 159	62 703 708	85 055 867
Total	33 339 151	265 749 121	1 501 395 670	664 242 464	2 464 726 406
Segment expenses					
Total segment expenses	(268 621 923)	(289 952 401)	(1 073 838 402)	(288 438 701)	(1 920 851 427)
Depreciation and amortisation	(10 153 511)	(55 986 974)	(128 805 049)	(9 344 855)	(204 290 389)
Interest expense	-	-	(59 920 983)	(3 490 244)	(63 411 227)
Impairment losses	-	-	(1 031 435)	(1 725 000)	(2 756 435)
Contribution to/from provisions	-	-	(583 528)	-	(583 528)
Debt impairment	(2 571 325)	15 254 242	(54 341 579)	(7 464 997)	(49 123 659)
Inventory losses/write downs	10 000	-	302 936	(22 928)	290 008
Cost of housing sold	(1 060 000)	-	-	-	(1 060 000)
Total	(282 396 759)	(330 685 133)	(1 318 218 040)	(310 486 725)	(2 241 786 657)
Surplus for the year	(249 057 608)	(64 936 012)	183 177 630	353 755 739	222 939 749
Other information					
Total capital expenditure	30 590 468	90 290 352	268 754 904	37 522 252	427 157 976

Measurement of segment surplus or deficit, assets and liabilities

Basis of accounting for transactions between reportable segments

The accounting policies of the segments are the same as those described in the summary of significant accounting policies..

Information about geographical areas

All the municipality's operations are located in the Republic of South Africa in the Cape Winelands area. Information to report on different geographical areas is not available would be expensive and impractical to develop.:

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

62. Prior period error and reclassification

62.1 Adjustments of Statement of financial position items

2024

	Note	As previously reported	Correction of error	Re-classification	Restated
Assets					
Current assets					
Cash and cash equivalents	2	248 533 953	1 434 762	-	249 968 715
Short term investments	3	331 767 247	-	-	331 767 247
Receivables from exchange transactions	4	217 629 743	(509 050)	-	217 120 693
Other receivables from exchange transactions	7	40 746 627	(1 623 860)	(470 538)	38 652 229
Inventories	6	36 030 865	(13 879 098)	-	22 151 767
Receivables from non-exchange transactions	5	68 615 257	1 006 694	470 538	70 092 489
VAT Control		12 014 194	(35 142)	-	11 979 052
		955 337 886	(13 605 694)	-	941 732 192
Non-current assets					
Investment property	9	425 076 488	-	-	425 076 488
Property, plant and equipment	10	5 634 083 486	(9 531 553)	-	5 624 551 933
Intangible assets	11	6 098 776	(1 838 000)	-	4 260 776
Biological assets	12	5 142 777	-	-	5 142 777
Heritage assets	13	1 312 802	-	-	1 312 802
Trade and other receivables from exchange transactions	14	4 598 731	-	-	4 598 731
		6 076 313 060	(11 369 553)	-	6 064 943 507
Total assets		7 031 650 946	(24 975 247)	-	7 006 675 699
Net assets and liabilities					
Current liabilities					
Consumer deposits	15	23 688 825	(1 341 199)	-	22 347 626
Employee benefits	16	58 283 915	-	-	58 283 915
Payables from exchange transactions	19	327 287 591	(2 493 822)	-	324 793 769
Borrowings	18	55 046 811	-	-	55 046 811
Lease liabilities		694 514	-	-	694 514
Payables from non-exchange transactions	20	33 793 304	(1 332 639)	-	32 460 665
		498 794 960	(5 167 660)	-	493 627 300
Non-current liabilities					
Employee benefits	16	191 200 001	-	-	191 200 001
Borrowings		446 903 149	-	-	446 903 149
Provisions	21	95 421 976	-	-	95 421 976
		733 525 126	-	-	733 525 126
Total net assets		162 490 627	24 221 144	-	186 711 771
Reserves and funds		5 636 840 233	(44 028 708)	-	5 592 811 525
Accumulated surplus		5 799 330 860	(19 807 564)	-	5 779 523 296
Total net assets and liabilities		7 031 650 946	(24 975 224)	-	7 006 675 722

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

62. Prior period error and reclassification (continued)

62.2 Adjustments of Statement of financial performance items

2024

	Note	As previously reported	Correction of error	Re-classification	Restated
Revenue					
Non-exchange revenue					
Property rates	30	444 035 356	-	7 983 666	452 019 022
Transfers and subsidies	32	311 441 843	188 062	-	311 629 905
Fines, penalties and forfeits	31	146 657 768	-	-	146 657 768
Interest on receivables	24	3 418 263	-	-	3 418 263
		905 553 230	188 062	7 983 666	913 724 958
Exchange revenue					
Services charges - Electricity	22	779 983 813	-	-	779 983 813
Services charges - Water	22	162 138 204	-	-	162 138 204
Services charges - Waste water management	22	106 739 375	-	-	106 739 375
Services charges - Waste management	22	89 836 854	-	-	89 836 854
Rental	23	12 373 336	-	-	12 373 336
Interest on investments	25	42 250 158	-	-	42 250 158
Interest on receivables	24	16 467 413	-	-	16 467 413
Licences or permits	26	8 407 621	-	-	8 407 621
Agency services	27	3 438 321	-	-	3 438 321
Operational revenue	28	44 253 512	354 790	-	44 608 302
Sales of goods and rendering of services	29	29 681 293	-	(7 983 666)	21 697 627
		1 295 569 900	354 790	(7 983 666)	1 287 941 024
Total revenue		2 201 123 130	542 852	-	2 201 665 982
Expenditure					
Employee related cost	33	542 779 491	-	-	542 779 491
Remuneration of councillors	34	22 764 757	-	-	22 764 757
Depreciation & amortisation	38	231 679 002	(2 062)	-	231 676 940
Contribution to allowance for doubtful debt		70 722 081	-	-	70 722 081
Finance costs	40	59 928 458	-	-	59 928 458
Bulk purchases	35	544 002 101	-	-	544 002 101
Inventory consumed	36	64 172 062	-	-	64 172 062
Contracted services	41	228 438 291	917 836	-	229 356 127
Transfers and subsidies	42	17 758 255	-	-	17 758 255
Operational cost	46	131 489 785	802 637	-	132 292 422
Operating leases	45	9 292 497	-	-	9 292 497
Contribution to/from provision		(69 693 846)	-	-	(69 693 846)
Irrecoverable debt written off		91 945 701	-	-	91 945 701
Gain/(Loss) on disposals and fair value adjustments		389 307	-	-	389 307
Impairment losses		1 572 668	-	-	1 572 668
Loss on disposal of assets	47	639 332	195 588	-	834 920
Total expenditure		1 947 879 942	1 913 999	-	1 949 793 941

Stellenbosch Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

62. Prior period error and reclassification (continued)

62.3 Correction of errors

The following prior period errors adjustments occurred:

Inventory

In the prior financial year the land inventory population was reinspected as items pertaining to land inventory had already been transferred. Consequently a derecognition had occurred and corrected in the financial statements. The financial effect of this transaction is depicted below:

Nature of error

Land inventory amount previously disclosed	- 14 146 828
Correction journal processed	- (14 146 828)
	- -

Property plant and equipment

An in depth review was done on the entire Fixed Asset Register to identify food to waste project that was no longer deemed feasible by the municipality. The municipality also received donated assets of R106 147. The financial effect of removing these items from the Fixed Asset Register is shown below.

Nature of error

Property, plant and equipment previously reported	- 5 634 083 486
Correction processed	- (9 531 553)
	- 5 624 551 933

Accumulated surplus

The accumulated surplus was restated due to multiple reasons. In the prior year the municipality omitted to disclose the effect of the transfer to and from the capital replacement reserve and the accumulated surplus. The municipality also corrected multiple errors. The financial effect of these errors are displayed below. The financial effect of the transfer in relation to the capital replacement reserve of R24 221 144 is also depicted below.

Nature of error

Amount previously reported	- 5 636 840 233
Capital replacement reserve transfer correction	- (24 221 144)
Correction of error: property, plant and equipment	- (5 943 793)
Correction of error: Cash and cash equivalents	- 1 434 761
Correction of error: Receivables	- (2 131 984)
Correction of error: Inventory	- (13 879 097)
Correction of error: Liabilities: Payables	- 1 387 566
Correction of error: Liabilities: Consumer deposits	- 1 341 197
Correction of error: Intangibles	- (1 837 998)
Correction of error: Suplus adjustment	- (178 215)
	- 5 592 811 526

Notes to the Audited Annual Financial Statements

62. Prior period error and reclassification (continued)

62.4 Reclassification

Special rating area reclassification

Special ratings area was previous classified as an exchange transaction under sales of goods and rendering of services. After investigation and analysing the relevant underlying evidence, it was concluded that special ratings area is in fact a non-exchange transaction and has been reclassified accordingly to property rates. This change is also in line with National Treasury's Municipal Standard Chart of Accounts (mSCOA).

Nature of reclassification

Special ratings area previously disclosed on the financial statements.	-	7 983 666
Amount reclassified to Property Rates	-	(7 983 666)
	-	-

63. Additional disclosure in terms of the Broad-Based Black Economic Empowerment Act

Information on compliance with the Broad-Based Black Economic Empowerment Act (B-BBEE) is included in the Annual Report under the section titled Employment Equity.

64. Change in estimate

The useful lives of all asset classes were adjusted during the 2023/2024 financial year to more accurately reflect the period of economic benefits or service potential derived from these assets. Refer to note 10. The effect of changing the remaining useful life of assets for the municipality during 2023/2024 has decreased the depreciation charge for the current year by R 2 060 848. It is impracticable to estimate the effect of these changes on future periods.



ANNEXURE B: ANNUAL PERFORMANCE REPORT 2023/24



STELLENBOSCH

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MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Annual Performance Report

2023/24

(01 July 2023 – 30 June 2024)

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1. PURPOSE

The Annual Performance Report 2023/24 is hereby submitted to the Stellenbosch Municipal Council in terms of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), Sections 46(1) and (2). The report covers the municipality's performance information from 01 July 2023 to 30 June 2024 and focuses on the implementation of the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) 2023/24, concerning the objectives as encapsulated in the municipality's Integrated Development Plan (IDP) for the year under review.

The format of the report will reflect the Stellenbosch Municipality's Key Performance Indicators (KPIs) per Strategic Focus Area (SFA).

This report will also endeavour to report to the Council on the municipality's performance in terms of the five (5) National Government's Key Performance Areas for local government, which are (1) Basic Service Delivery; (2) Local Economic Development; (3) Municipal Institutional Transformation and Development; (4) Municipal Financial Viability and Management; and (5) Good Governance and Public Participation.

2. LEGISLATIVE REQUIREMENTS

This Annual Performance Report has been compiled in compliance with the requirements of Section 46(1) of the MSA, which stipulates that:

- (1) A municipality must prepare for each financial year a performance report reflecting—
 - (a) the performance of the municipality and each external service provider during that financial year;
 - (b) a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and
 - (c) measures taken to improve performance.

In addition, regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 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 is also applicable to the individuals employed in the organisation as well as the external service providers.

3. MUNICIPAL OVERVIEW

Stellenbosch 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 started that year. Today, the area has become primarily known for its extraordinary wines, fruit, world-renowned cultural landscapes, and exceptional scenic quality. The towns of Stellenbosch and Franschhoek are renowned for various architectural styles such as Dutch, Georgian, and Victorian, which reflect their rich heritage and traditions but also the divisions of the past.

The area houses excellent educational institutions, including the University of Stellenbosch, Boland College, sports and culinary institutions, and several prestigious schools. It has a strong business sector, ranging 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. The area's numerous wine farms and cellars are very popular, and the area is the home of the very first wine route in South Africa.

The town boasts a variety of sports facilities. Coetzenburg, with its athletics and rugby stadiums, has hosted star performances over many generations, while the Danie Craven Stadium is the home of Maties Rugby, the largest rugby club in the world. The municipal area has several theatres, which include the University's HB Thom Theatre, Spier Amphitheatre, Dorpsstraat Theatre, Aan de Braak Theatre, and Oude Libertas Amphitheatre, all well-known for their summer seasons of music, theatre, and dance.

Limited municipal resources require an increase in multi-sectoral partnerships to address the broad spectrum of needs in the community. The municipality cannot address the challenges of Stellenbosch on its own, not only because of limited resources but also because it does not control all the variables impacting the growth and development of the town. Welfare and community organisations play a leading role in helping to meet the needs of previously neglected communities. The business sector also plays a key role in shaping the economic development of the municipal area.

Figure 3:1 Location of the Stellenbosch Municipality



3.1 Vision

“An Integrated Valley of Opportunity and Innovation”

3.2 Socio-economic status

Table 1: Key Socio-economic Statistics¹

Name	2011	2022
Total population	155 728	175 411
Young children (0-14 years)	22,8%	20,6%
Working age population (15-64 years)	72,3%	73,1%
Elderly (65+ years)	4,9%	6,3%
Dependency ratio	38,4	36,8
Sex ratio	95,7	94,2
No schooling (20+ years)	3,1%	2,3%
Higher education (20+ years)	17,1%	24,7%
Number of households	43 417	59 626
Average household size	3,6	2,9
Formal dwellings	75,1%	87,3%
Flush toilets connected to sewerage	91,0%	96,8%
Weekly refuse disposal service	87,0%	87,3%
Access to piped water in the dwelling	72,4%	86,4%
Electricity for lighting	92,9%	96,9%

¹ Statistics South Africa. Census 2022.

4. PERFORMANCE MANAGEMENT OVERVIEW

To improve planning, implementation, measurement, and reporting, the municipality implemented the following actions:

- Departmental operational plans were developed for monitoring and reporting operational programmes;
- An electronic performance management system is operational within the municipality. The same system forms the basis of the performance evaluations of the Directors and the Municipal Manager; and
- The municipality endeavoured during the development of the TL SDBIP as well as with the development of the Departmental SDBIP that the "SMART" principle be adhered to in the setting of indicators and targets. Emphasis was placed on ensuring that indicators and targets were specific and time-bound, thus making them measurable.

Table 2: Performance Management System Checklist

	Performance Management Policy	All MSA s57/56 Performance contracts signed	Audit Committee	Municipal Public Accounts Committee (MPAC)	Quarterly Performance Reporting to Council	Annual Performance Reporting to Council
In place?	√	√	√	√	√	√

4.1 Top Layer Service Delivery and Budget Implementation Plan

The organisational performance is evaluated using a Municipal Scorecard (the TL SDBIP) at the organisational level and through the Service Delivery and Budget Implementation Plan (SDBIP) at the directorate and departmental levels.

The SDBIP is a plan that converts the IDP and Budget into measurable indicators of how, where, and when the municipality's strategies, objectives, and normal business processes are implemented. It also allocates responsibilities to directorates to deliver the services in terms of the IDP and Budget.

The MFMA Circular No. 13 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 performance against goals set during the budget / IDP processes.

The TL SDBIP 2023/24 was prepared as described in the paragraphs below and approved by the Executive Mayor on 20 June 2023.

The approved TL SDBIP 2023/24 was revised in February 2024. These revisions were made in line with the adjustment budget, internal audit findings, and (if any) recommendations made by the Auditor General of South Africa (AGSA).

The overall assessment of actual performance against targets set for the Key Performance Indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology:

Table 3: Performance Assessment Criteria

Colour	Category	Explanation
N/A	KPI Not Yet Measured	KPIs with no targets or actual results for the selected period
R	KPI Not Met	Actual vs. target less than 75%
O	KPI Almost Met	Actual vs. target between 75% and 100%
G	KPI Met	Actual vs. target 100% achieved
G2	KPI Well Met	Actual vs. target more than 100% and less than 150% achieved
B	KPI Extremely Well Met	Actual vs. target of more than 150% achieved

The TL SDBIP (the Municipal Scorecard) consolidates service delivery targets set by Council / Senior Management and provides an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities. The TL SDBIP is a detailed one-year plan, and the necessary components should include:

- 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;
- Quarterly projections of service delivery targets and performance indicators for each vote;
- Non-financial, measurable performance objectives in the form of targets and indicators; and
- A detailed capital project plan broken down by ward over three years.

4.2 Departmental Service Delivery and Budget Implementation Plan

The Departmental Service Delivery and Budget Implementation Plan (the detailed SDBIP) captures each Directorate's performance. Unlike the TL SDBIP, which reflects on the strategic performance of the municipality, the Departmental SDBIP 2023/24 provides a comprehensive picture of the performance per directorate, department, and section. It was compiled by the directors and senior managers for their respective departments and sections and consists of objectives, indicators, and targets derived from the approved TL SDBIP 2023/24.

5. PLANNED TARGETS VS ACTUAL RESULTS FOR THE 2023/24 FINANCIAL YEAR

This section of the Annual Performance Report 2023/24 will report on the municipality's actual performance against the planned targets as derived from the municipality's IDP. Because the municipality has developed five (5) Strategic Focus Areas (SFAs), the performance reporting will follow these themes.

5.1 Municipal Performance per National Key Performance Indicator

5.1.1 Municipal Transformation and Institutional Development

Table 4: NKPA- Municipal Transformation and Institutional Development

INDICATOR	MUNICIPAL ACHIEVEMENT 2022/23	MUNICIPAL ACHIEVEMENT 2023/24
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	3	4
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	R 5 491 014 / R 611 731 735 = 0.89%	(R6 263 077 / R645 932 311) = 0.97%

5.1.2 Basic Service Delivery

Table 5: NKPA- Basic Service Delivery

INDICATOR	MUNICIPAL ACHIEVEMENT 2022/23*	MUNICIPAL ACHIEVEMENT 2023/24*
The percentage of households earning less than R7 000 per month with access to free basic services (In the case of Stellenbosch Municipality- the percentage of registered Indigent households is being reported)	100%	100%
The percentage of households with access to basic level of water	100%	100%
The percentage of households with access to basic level of sanitation	100%	100%
The percentage of households with access to basic level of electricity	100%	100%
The percentage of households with access to basic level of solid waste removal	100%	100%

* The percentage of households with access to a basic level of water, sanitation, electricity, and solid waste services is based on formal households only. The information on informal households and backyard dwellings was not taken into account.

5.1.3 Local Economic Development

Table 6: NKPA- Local Economic Development

INDICATOR	MUNICIPAL ACHIEVEMENT 2022/23	MUNICIPAL ACHIEVEMENT 2023/24
The number of jobs created through the municipality's local economic development initiatives including capital projects	1 449	1 695

5.1.4 Municipal Financial Viability and Management

Table 7: NKPA- Municipal Financial Viability and Management

INDICATOR	MUNICIPAL ACHIEVEMENT 2022/23	MUNICIPAL ACHIEVEMENT 2023/24
Debt coverage ((Total operating revenue - operating grants received) / Debt service payments due within the year)	33.22%	32.26%
Service debtors to revenue (Total outstanding service debtors / Annual revenue received for services)	30%	30.55%
Cost coverage ((Available cash + investments) / Monthly fixed operating expenditure)	4.04	3.66

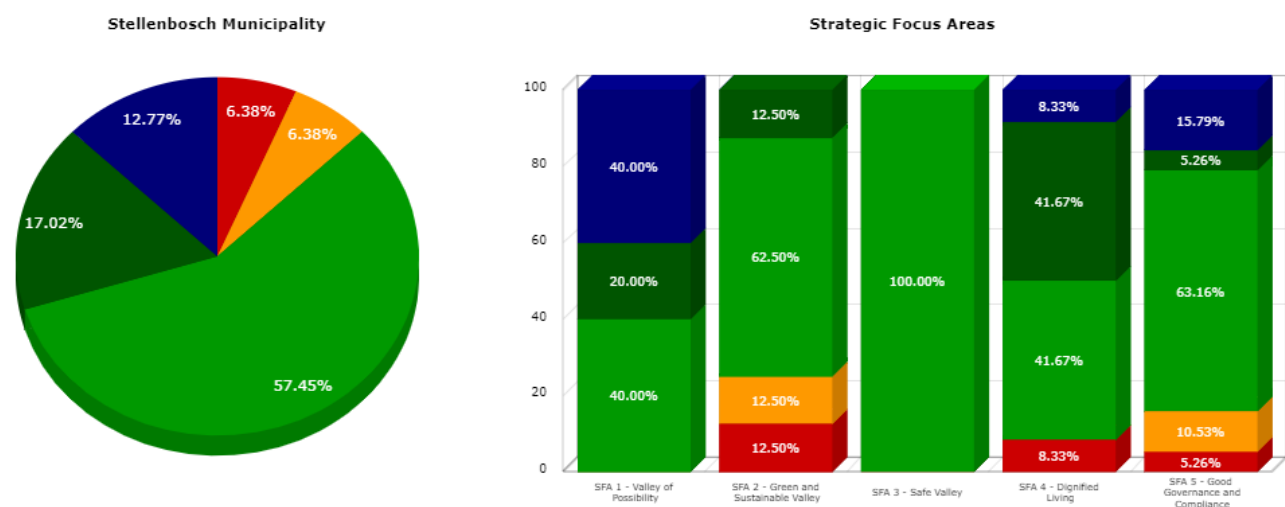
5.1.5 Good Governance and Public Participation

Table 8: NKPA- Good Governance and Public Participation

INDICATOR	MUNICIPAL ACHIEVEMENT 2022/23	MUNICIPAL ACHIEVEMENT 2023/24
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	84.79%	85.88%

5.2 Overall Performance per Municipal Strategic Focus Area

The following graph and table illustrate the Municipality's overall performance per Municipal Strategic Focus Area (SFA).



Stellenbosch Municipality		Municipal Strategic Focus Areas (SFAs)				
		SFA 1 - Valley of Possibility	SFA 2 - Green and Sustainable Valley	SFA 3 - Safe Valley	SFA 4 - Dignified Living	SFA 5 - Good Governance and Compliance
KPI Not Yet Measured	-	-	-	-	-	-
KPI Not Met	3 (6.38%)	-	1 (12.50%)	-	1 (8.33%)	1 (5.26%)
KPI Almost Met	3 (6.38%)	-	1 (12.50%)	-	-	2 (10.53%)
KPI Met	27 (57.45%)	2 (40%)	5 (62.50%)	3 (100%)	5 (41.67%)	12 (63.16%)
KPI Well Met	8 (17.02%)	1 (20%)	1 (12.50%)	-	5 (41.67%)	1 (5.26%)
KPI Extremely Well Met	6 (12.77%)	2 (40%)	-	-	1 (8.33%)	3 (15.79%)
Total:	47	5	8	3	12	19
	100%	10.64%	17.02%	6.38%	25.53%	40.43%

Table and Graph 9: Overall performance per SFA- 01 July 2023 – 30 June 2024

5.2.1 SFA 1 - Valley of Possibility

SFA 1 - VALLEY OF POSSIBILITY														
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2023 to 30 June 2024			Performance comments / Reason(s) for deviation from target (under and over-performance)	Improvement Plan(s) to correct deviation from target (underperformance)			
							Target	Actual	R					
TL53	KPI003	The number of jobs created through the municipality's local economic development initiatives including capital projects (NKPI Proxy - MSA, Reg. S10(d))	Number of job opportunities created through the municipality's local economic development initiatives including capital projects by 30 June	1 449	1 100	1 100	1 100	1 695	B					
TL54	KPI004	Submission of Land-use applications to the Municipal Planning Tribunal (MPT) within 120 days from the conclusion of the administrative processing of the application	Percentage of Land-use applications submitted to the MPT within 120 days from the conclusion of the administrative processing of the application		100%	75%			75%	75%	90.90%	G2	10 / 11 x 100 = 90.90%	
TL55	KPI005	Provide training opportunities to entrepreneurs and Small, Medium and Micro Enterprises (SMMEs)	Number of quarterly training opportunities provided to entrepreneurs and SMMEs		22	4			4	4	27	B		
TL56	KPI006	Submission of the revised Spatial Development Framework (SDF) to the Council	Number of revised SDFs submitted to the Council by 30 June	1	1	1	1	1	G					
TL57	KPI007	Submission of the revised Housing Pipeline (document) to the MayCo	Number of revised Housing Pipelines (document) submitted to the MayCo by 31 May	1	1	1	1	1	G					

Summary of Results: SFA 1 - Valley of Possibility

N/A	KPIs with no targets or actuals in the selected period	0
R	KPI Not Met	0
O	KPI Almost Met	0
G	KPI Met	2
G2	KPI Well Met	1
B	KPI Extremely Well Met	2
Total KPIs		5

5.2.2 SFA 2 - Green and Sustainable Valley

SFA 2 - GREEN AND SUSTAINABLE VALLEY											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2023 to 30 June 2024			Performance comments / Reason(s) for deviation from target (under and over-performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
TL60	KPI020	Conduct an external audit of the Stellenbosch Municipal Waste Disposal Facilities	Number of external audits of the Stellenbosch Municipal Waste Disposal Facilities conducted by 30 June	1	1	1	1	1	G		
TL61	KPI021	Implementation of identified waste minimisation projects	Number of identified waste minimisation projects implemented by 30 June	2	2	2	2	2	G		
TL62	KPI014	Process building plan applications of <500sqm within 30 days after the date of receipt	Percentage of building plan applications of <500sqm processed within 30 days after the date of receipt	42.91%	60%	60%	60%	62.92%	G2	1 261 / 2 004 x 100 = 62.92%	
TL63	KP022	Wastewater quality measured ito the Department of Water and Sanitation's License Conditions for physical and micro parameters	Percentage of wastewater quality compliance as per the analysis certificate, measured quarterly	46.04%	70%	70%	70%	48.65%	R	(46.30% + 43.30% + 40% + 65% = 194.60% / 4 = 48.65%) Amendments to the WWTW license are necessary because some Special Limit requirements are incorrect.	Capital upgrade of Wemmerhoek WWTW: Phase 2 (construction starting in July 2024). Capital upgrade of Klapmuts WWTW: Phase 1 is currently being designed. Raithby WWTW Capital upgrade: Consultant to be appointed for Design. Operational Improvements on Stellenbosch and Wemmershoek WWTW: A service provider is appointed until 30 June 2026.

SFA 2 - GREEN AND SUSTAINABLE VALLEY

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2023 to 30 June 2024			Performance comments / Reason(s) for deviation from target (under and over-performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
											<p>The Stellenbosch WWTW license amendment application has already been submitted to the Department of Water and Sanitation.</p> <p>Limiting stormwater ingress into the sewer system programme started. This is a long-term programme.</p>
TL65	KPI016	Reduce organic waste	Percentage of organic waste reduced by 30 June	51.30%	20%	20%	20%	19.88%	○	9 703t / 48 814t x 100 = 19.88%	The municipality has appointed new staff to assist with processing incoming green waste.
TL94	KPI011	Construction of a new landfill cell at the Stellenbosch Landfill Facility	Number of new landfill cells constructed at the Stellenbosch Landfill Facility by 30 June	New KPI	1	1	1	1	G		
TL95	KPI019	Submission of a Service Level Charter to the Municipal Manager	Number of Service Level Charters submitted to the Municipal Manager by 30 June	New KPI	1	1	1	1	G		
TL96	KPI010	Installation of the SCADA Master Station	Number of the SCADA Master Stations installed by 30 June	New KPI	1	1	1	1	G		

Summary of Results: SFA 2 - Green and Sustainable Valley

N/A	KPIs with no targets or actuals in the selected period	0
R	KPI Not Met	1
O	KPI Almost Met	1
G	KPI Met	5
G2	KPI Well Met	1
B	KPI Extremely Well Met	0
Total KPIs		8

5.2.3 SFA 3 - Safe Valley

SFA 3 - SAFE VALLEY											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2023 to 30 June 2024			Performance comments / Reason(s) for deviation from target (under and over-performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
TL66	KPI024	Submission of the revised Disaster Management Plan to the Municipal Manager	Number of revised Disaster Management Plans submitted to the Municipal Manager by 31 March	1	1	1	1	1	G		
TL67	KPI025	Submission of the revised Safety and Security Strategy to the Municipal Manager	Number of revised Safety and Security Strategies submitted to the Municipal Manager by 30 April		1	1	1	1	1	G	
TL68	KPI026	Submission of the revised Traffic Management Plan to the Municipal Manager	Number of revised Traffic Management Plans submitted to the Municipal Manager by 31 March	1	1	1	1	1	G		

Summary of Results: SFA 3 - Safe Valley

N/A	KPIs with no targets or actuals in the selected period	0
R	KPI Not Met	0
O	KPI Almost Met	0
G	KPI Met	3
G2	KPI Well Met	0
B	KPI Extremely Well Met	0
Total KPIs		3

5.2.4 SFA 4 - Dignified Living

SFA 4 - DIGNIFIED LIVING											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2023 to 30 June 2024			Performance comments / Reason(s) for deviation from target (under and over-performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
TL70	KPI028	Provision of waterborne toilet facilities in informal settlements as identified by the Department: Integrated Human Settlements	Number of waterborne toilet facilities provided in Informal settlements as identified by the Department: Integrated Human Settlements by 30 June	56	20	20	20	20	G		
TL71	KPI032	Registered indigent formal households with access to free basic water (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic water, measured quarterly		100%	100%	100%	100%	100%	G	5 584 / 5 584 x 100 = 100%
TL72	KPI029	Limit unaccounted electricity to less than 9% annually {(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} x 100}	Percentage of average electricity losses, measured by 30 June	4.24%	<9%	<9%	9%	5.65%	B	(357 647 395 kWh - 337 447 812 kWh) / 357 647 395 kWh x 100 = 5.65%	
TL73	KPI030	Water quality measured quarterly ito the SANS 241 physical and micro parameters	Percentage of water quality level as per the analysis certificate, measured quarterly	94.81%	90%	90%	90%	95.26%	G2	= (Q1 + Q2 + Q3 + Q4) / 4 = (97.40% + 95.82% + 94.61% + 93.20%) / 4 = (381.03 / 4) % = 95.26%	
TL74	KPI031	Limit unaccounted water to less than 25%	Percentage of average unaccounted water, measured by 30 June	27.42%	<25%	<25%	25%	31.29%	R	((12 563 518kL – 8 631 963kL / 12 563 518kL) x 100 = 31.29% The increase in water losses is a	The municipality has successfully awarded the pipe replacement consultant and the pipe replacement tender, which

SFA 4 - DIGNIFIED LIVING											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2023 to 30 June 2024			Performance comments / Reason(s) for deviation from target (under and over-performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
										result of the damage to various bulk water mains caused by the excessive rain and subsequent flood events. The municipality could only complete the restorations after the floodwater receded.	<div>involves designing and earmarking sections of high-risk pipelines for replacement in the 2024/25 financial year.</div> <div>The following additional corrective measures will also be implemented as part of the municipality's ongoing water losses minimisation programme:<ul style="list-style-type: none">Waterpipe replacement;Domestic leak detection and repair;Water demand and pressure managementUpgrades to water meters.</div> <div>The municipality continually implements these measures, specifically ramping up the Waterpipe Replacement programme.</div>
TL75	KPI033	Registered indigent formal households with access to free basic electricity provided by	Percentage of registered indigent formal households with access to free basic	100%	100%	100%	100%	100%	G	5 584 / 5 584 x 100 = 100%	

SFA 4 - DIGNIFIED LIVING											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2023 to 30 June 2024			Performance comments / Reason(s) for deviation from target (under and over-performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
		the municipality (NKPI Proxy - MSA, Reg. S10(a), (b))	electricity provided by the municipality, measured quarterly								
TL76	KPI034	Registered indigent formal households with access to free basic refuse removal (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic refuse removal, measured quarterly	100%	100%	100%	100%	100%	G	5 584 / 5 584 x 100 = 100%	
TL77	KPI035	Registered indigent formal households with access to free basic sanitation (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic sanitation, measured quarterly		100%	100%	100%	100%	100%	G	5 584 / 5 584 x 100 = 100%
TL78	KPI036	Formal households with access to water (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to water, measured quarterly	26 895	27 000	27 000	27 000	27 310	G2		
TL79	KPI037	Formal households with access to electricity (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to electricity, measured quarterly	26 895	27 000	27 000	27 000	27 310	G2		
TL80	KPI038	Formal households with access to refuse removal (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to refuse removal, measured quarterly	26 895	27 000	27 000	27 000	27 310	G2		
TL81	KPI039	Formal households with access to sanitation (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to sanitation, measured quarterly	26 895	27 000	27 000	27 000	27 310	G2		

Summary of Results: SFA 4 - Dignified Living

N/A	KPIs with no targets or actuals in the selected period	0
R	KPI Not Met	1
O	KPI Almost Met	0
G	KPI Met	5
G2	KPI Well Met	5
B	KPI Extremely Well Met	1
Total KPIs		12

5.2.5

SFA 5 - Good Governance and Compliance

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2023 to 30 June 2024			Performance comments / Reason(s) for deviation from the target (under over-performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
TL47	KPI059	Submission of the revised Communication Policy to the MayCo	Number of revised Communication Policies submitted to the MayCo by 31 May	1	1	1	1	1	G		
TL48	KPI044	Employment equity appointments made within the financial year in the three highest levels of management	Percentage of employment equity appointments made within the financial year in the three highest levels of management, measured by 30 June	37.50%	50%	50%	50%	66%	G2	4 / 6 x 100 = 66.66%	
TL49	KPI049	Submission of the Auditor General of South Africa (AGSA) Audit Action Plan (AAP) to the APAC	Number of AGSA Audit Action Plans submitted to the APAC by 31 March		1	1			1		
TL50	KPI053	Submission of the draft Integrated Development Plan (IDP) to the Council	Number of draft IDPs submitted to the Council by 31 March	1	1	1	1	1	G		
TL51	KPI062	Submission of the draft revised Integrated Zoning Scheme to the MayCo	Number of draft revised Integrated Zoning Schemes submitted to the MayCo by 30 June	New KPI	1	1	1	1	G		
TL58	KPI055	Submission of the revised Wastewater Master Plan to the Municipal Manager	Number of revised Wastewater Master Plans submitted to the Municipal Manager by 30 June	0	1	1	1	1	G		
TL59	KPI060	Submission of the revised Comprehensive Integrated Transport Plan (CITP) 2023 - 2028 to the MayCo	Number of revised CITPs 2023 - 2028 submitted to the MayCo by 30 June	1	1	1	1	1	G		

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2023 to 30 June 2024			Performance comments / Reason(s) for deviation from the target (under over-performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
TL82	KPI042	Financial viability measured in terms of the available cash to cover fixed operating expenditure (NKPI Proxy - MSA, Reg. S10(g)(iii))	Cost coverage as at 30 June annually [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment] / Monthly Fixed Operational Expenditure excluding (Depreciation)	4.04	2	2	2	3.66	B	(R609 418 774 - R37 827 438) / (R1 875 297 387 / 12)	
TL83	KPI043	Achieve an average payment percentage of 96% by 30 June (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		96%	96%				((R416 752 462 + R1 778 020 014 - R513 579 475 - R388 452) / R1 778 020 014) x 100 There was a dispute with a debtor that significantly increased the outstanding debt. After 30 June 2024, the municipality reached an agreement with the debtor. If there was no dispute, the payment percentage would have been 96.33%.	The municipality has reached an agreement with the pertinent customer, who will satisfy the outstanding debt in accordance with the terms of the agreement. The Finance Department will supervise the agreement and ensure its compliance.
TL84	KPI040	Actual expenditure of the approved Capital Budget for the municipality by 30 June (NKPI - MSA, Reg. S10(c))	Percentage of the approved Capital Budget for the municipality actually spent by 30 June	84.79%	90%	90%	90%	85.88%		(R422 288 828 / R491 726 021) x 100 = 85.88% The municipality received the Municipal Disaster Response Grant from the National Treasury, but the grant conditions	The Demand Management Plan will be strictly monitored and aligned with the approved capital project.

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE

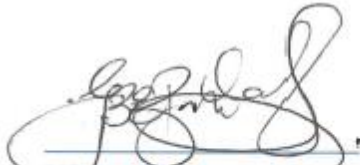
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2023 to 30 June 2024			Performance comments / Reason(s) for deviation from the target (under over-performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
										did not allow it to apply the funds to expenditures already incurred. This negatively impacted the performance of the actual expenditure against the approved budget.	
TL85	KPI045	The percentage of the payroll budget spent on implementing the Municipal Workplace Skills Plan (NKPI Proxy- MSA, Reg. S10(f))	Percentage of the municipality's payroll budget actually spent on implementing its Workplace Skills Plan ((Total Actual Training Expenditure / Total Annual payroll Budget) x 100), measured by 30 June	0.89%	0.20%	0.20%	0.20%	0.97%	B	(R6 263 077 / R645 932 311) = 0.97%	
TL86	KPI046	Financial viability measured in terms of the municipality's ability to meet its service debt obligations (NKPI Proxy - MSA, Reg. S10(g)(i))	Debt coverage ratio ((Total operating revenue - operating grants received) / (Debt service payments due within the year)) measured by 30 June	33.22%	15%	15%	15%	32.26%	B	(R2 484 489 180 - R230 892 818) / 69 853 210 = 32.26%	
TL87	KPI047	Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MSA, Reg. S10(g)(ii))	Service debtors to revenue ratio - (Total outstanding service debtors / revenue received for services) measured by 30 June	30%	27%	27%	27%	30.55%	R	R513 579 475 / R1 681 046 362 = 30.55%	The municipality will write off outstanding debt as per the processes followed in the Credit and Debt Collection Policy.
TL88	KPI054	Submission of the IDP / Budget / SDF time schedule (process plan) to the Council	Number of IDP / Budget / SDF time schedules (process plan) submitted to the Council by 31 August	1	1	1	1	1	G		
TL89	KPI051	Submission of the revised Information and	Number of revised ICT Backup Disaster Recovery Plans	1	1	1	1	1	G		

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2023 to 30 June 2024			Performance comments / Reason(s) for deviation from the target (under over-performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
		Communication Technology (ICT) Backup Disaster Recovery Plan to the ICT Steering Committee	submitted to the ICT Steering Committee by 31 March								
TL90	KPI052	Submission of the revised Strategic ICT Plan to the ICT Steering Committee	Number of revised Strategic ICT Plans submitted to the ICT Steering Committee by 31 March	1	1	1	1	1	G		
TL91	KPI048	Submission of the revised Risk-Based Audit Plan (RBAP) to the Audit and Performance Audit Committee (APAC)	Number of revised RBAPs submitted to the APAC by 30 June	1	1	1	1	1	G		
TL92	KPI050	Submission of the revised Strategic Risk Register (SRR) to the Risk Management Committee	Number of revised SRRs submitted to the Risk Management Committee by 30 June	1	1	1	1	1	G		
TL93	KPI056	Submission of the revised Electrical Master Plan to the Council	Number of revised Electrical Master Plans submitted to the Council by 30 June	1	1	1	1	1	G		

Summary of Results: SFA 5 - Good Governance and Compliance

N/A	KPIs with no targets or actuals in the selected period	0
R	KPI Not Met	1
O	KPI Almost Met	2
G	KPI Met	12
G2	KPI Well Met	1
B	KPI Extremely Well Met	3
Total KPIs		19


MR GARY BOSHOFF
ACTING MUNICIPAL MANAGER
 DATE: 30/08/2024



ANNEXURE C: AUDIT AND PERFORMANCE AUDIT COMMITTEE ANNUAL REPORT 2023/24



STELLENBOSCH

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Report of the Audit and Performance Audit Committee

This report of the Audit and Performance Audit Committee of Stellenbosch Municipality is in respect of the 2023/2024 financial year. The Audit and Performance Audit Committee has complied with its responsibilities in terms of Section 166 of the MFMA and applicable National Treasury Regulations. The Committee has also regulated its affairs and discharged its responsibilities concordant to the approved Audit and Performance Audit Committee Charter. The Committee's operation is guided by the MFMA, the King IV report on Corporate Governance and Global Internal Audit Standards.

The Committee consisted of four independent members, elected by the Council: Linda Nene (Chairperson), Tsepo Lesihla, Vincent Botto and June Williams. Members Lesihla and Botto's term came to an end on 31 August 2023. Council appointed Ruth Strydom and Reyhana Gani on 27 September 2023 to fill these vacancies. June Williams resigned on 28 March 2024 and Dr Len Mortimer was appointed on 1 May 2024. The Municipal Manager, Chief Financial Officer, Directors, Chief Audit Executive, Senior Manager Governance, Chief Risk Officer, MPAC Chairperson, and External Auditors are permanent invitees to the Committee meetings.

Execution of Functions

The Audit and Performance Audit Committee has executed its duties and responsibilities during the financial year in accordance with its terms of reference as they relate to the Council's accounting, external and internal auditing processes, internal control, governance, predetermined objectives and performance monitoring, compliance with laws and regulations, risk management, combined assurance and information technology governance and financial reporting practices.

During the year under review, the Committee, amongst other matters,

1.1 In respect of the External Auditors and the External Audit

- i. Approved the External Auditors' (Auditor-General of RSA) terms of engagement and strategy, the audit plan and budgeted audit fees payable.
- ii. Engaged and interrogated extensively the Audit report and management report of the Auditor General at the Audit and Performance Audit Committee meeting dated 28th November 2024.
- iii. Considered the audit outcome of the Municipality extensively and communicated the Audit and Performance Audit Committee's satisfaction and congratulated the Accounting Officer and Management on the Clean Audit Outcome.
- iv. Based on the audit outcome recommendations were made by the Audit and Performance Audit Committee on the other important matters as well as control deficiencies identified in the Auditor-Generals' management report.

- v. Management have been requested by the Audit and Performance Audit Committee to improve business processes impacting the annual financial statements compilation and reconciliations of transactions, more specially to limit repeat findings relating to errors on the AFS.
- vi. Management is urged to strengthen controls to adequately monitor non-compliance with laws and regulations on a timely basis.
- vii. Management was requested to concentrate on accurate presentation and review of the annual financial statements submitted to the Auditor General for audit.
- viii. Management held a workshop with end-user departments to address the root causes of previous reported findings.
- ix. The supervision and review process needs to be interrogated to prevent, detect and correct misstatements on a timely basis and the controls designed to monitor compliance with regulations that are not always able to prevent or report the instances of non-compliance in a timely manner to allow for corrective action.
- x. The quality of submitted financial statements can still be improved on; thus, management is encouraged to develop action plans early to allow for the improvement in the next reporting cycle.

1.2 In respect of the Annual Financial Statements (AFS)

- i. Confirmed the going concern as the basis of preparation of the annual financial statements.
- ii. Examined, reviewed and interrogated 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 South African 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 and the Municipal Manager.
- viii. Reviewed any significant legal and tax matters that could have a material impact on the financial statements.
- ix. Noted that there were no material reports or complaints received concerning accounting practices, 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, annual 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 there was no material issues of difference raised, and all matters were addressed and resolved.

- v. Assessed the adequacy of the performance of the internal audit function and found it to be effective in providing assurance.
- vi. Reviewed and monitored the quality assurance and improvement plan submitted by internal audit as required by the Global Internal Audit Standards.
- vii. Reviewed the standard operating procedure of Asset Management which was a consulting engagement conducted by the Internal Audit department.
- viii. Assessed the adequacy and sufficiency of available internal audit resources and found these to be limited, as more resources would be required to evaluate the control weaknesses and high-risk areas identified in both the corporate strategic risk, external audit and the audit universe.
- ix. Based on the above, the Committee's opinion at the date of this report is that there were some breakdowns in internal control, including internal financial controls, for the year under review in the following areas (it is noted that management are in the process of addressing these concerns):
 - Housing administration
 - Pre-determined objectives
 - Disaster and climate change readiness assessment
 - Monthly or regular reconciliations of assets, debtors, and creditors

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.

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 the Audit and 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.
- iv. The Audit and Performance Audit Committee took cognisance that Information and Communication Technology (ICT) and ICT system controls improved in the Auditor General's Management report.

1.6 In respect of Pre-Determined Objectives (PDO's)

The Audit and Performance Audit Committee:

- i. The quality of submitted performance information in the Management report is indicated as satisfactory. There was no material findings reported on performance information by the Auditor General and Internal Audit, respectively.
- ii. Internal audit has also provided the Audit and Performance Audit Committee with reports on performance on a quarterly basis and no critical findings have been raised.

1.7 In respect of the Finance Function

The Audit and Performance Audit Committee:

- i. Considered the existing expertise, resources and experience of the organisation-wide finance functional capacity and has noted that the improvement year on year on the quality of the annual financial statements submitted to the Committee and the AGSA. The number of misstatements corrected on the annual financial statements are noted and impact of external factors recognised. Management intends to report on an action plan in this respect.
- ii. The Chief Financial Officer should continue to ensure appropriate measures are in place for the accurate and timeous submission of information to the Office of the Auditor-General.

1.8 Independence of the External Auditors

The Audit and Performance Audit Committee is satisfied that the Auditor General of RSA (AGSA) 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 and Performance Audit Committee.
- ii. The Auditors' independence was not impaired by any consultancy, advisory or other work undertaken by the auditors.

1.9 General

- i. The Audit and Performance Audit Committee has monitored quarterly the Municipality's implementation plan for audit issues raised in the prior year and are satisfied that the matters have been adequately addressed and resolved. Of all the matters raised in the 2023/2024 audit outcome, there were no repeat findings.
- ii. The Audit and 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.

Stellenbosch Municipality has increasingly been stable in the areas of second and third levels of assurance and governance over a three-year period. There has also been stability in the leadership over the past five financial years. The areas for concern, and where attention is required are highlighted above. The Audit and Performance Committee has made recommendations in these areas which management have committed to.

1.10 Conclusion

On behalf of the Audit and Performance Audit Committee I am extremely indebted to the members of the Committee for their dedication and high levels of professionalism and diligence in their duties, as well as their flexibility in accommodating last-minute calls to duty. To the members that served their term and those who have retired, I am grateful for the time and dedication you have offered to the strengthening of Stellenbosch Municipality governance. We are fortunate to have the diversity of skills and expertise available to the Municipality. It would be amiss not to convey on behalf of the Committee our appreciation to the Mayor, the entire Council and its Committees for the leadership, support and oversight they have provided during the year.

Finally, the Audit and Performance Audit Committee would like to express its appreciation to Management of the Municipality led by the Municipal Manager, Internal Audit, Risk Management and the Auditor General of South Africa for the support and co-operation extended during the financial year and for providing the relevant information to enable the Audit and Performance Audit Committee to compile this report. This past year was again challenging, however Stellenbosch Municipality should be proud of its elected and appointed leaders for taking control and driving an agenda of sustainability and service delivery and improving its audit results in the process, during a time of great fluidity.

On behalf of the Audit and Performance Audit Committee.



Mr Linda C. Nene FIIA (SA), CPrac (SA), CCSA, CRMA
Chairperson Audit and Performance Audit Committee
11 January 2025



ANNEXURE D: REPORT OF THE AUDITOR GENERAL OF SOUTH AFRICA 2023/24

Report of the auditor-general to the Western Cape Provincial Parliament and 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 7 to 135, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and comparison of budget and actual amounts for the year then ended, as well as 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 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (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 responsibilities of the auditor-general 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' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
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 62 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2024.

Material impairments

8. As disclosed in note 4 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions of R268,7 million (2022-23: R208 million).
9. As disclosed in note 5 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions of R217,9 million (2022-23: R225,8 million).

Other matter

10. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

11. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed 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 on it.

Responsibilities of the accounting officer for the financial statements

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the MFMA and Dora; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. In preparing the financial statements, the accounting officer is responsible for assessing the 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 appropriate governance structure either intends to liquidate the municipality or to cease operations or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

14. 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 6, forms part of our auditor's report.

Report on the audit of the annual performance report

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected strategic focus area presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
17. I selected the following strategic focus area presented in the annual performance report for the year ended 30 June 2024 for auditing. I selected an objective that measures the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

Strategic focus area	Page numbers	Purpose
Dignified living	15 to 17	To provide basic services to all citizens in the greater Stellenbosch area to ensure that everyone has access to a dignified life and sustainable human settlements and to develop and implement social infrastructure.

18. I evaluated the reported performance information for the selected strategic focus area against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.
19. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
 - there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance
20. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
21. I did not identify any material findings on the reported performance information for the selected strategic focus area.

Other matter

22. I draw attention to the matter below.

Achievement of planned targets

23. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance.
24. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages 15 to 17.

Dignified living

Targets achieved: 92% Budget spent: 87%		
Key service delivery indicator not achieved	Planned target	Reported achievement
Limit unaccounted water to less than 25%	<25%	31,29%

Report on compliance with legislation

25. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
26. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
27. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
28. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

29. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and the selected strategic focus area presented in the annual performance report that have been specifically reported on in this auditor's report.
30. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
31. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected strategic focus area presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
32. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.
33. I have nothing to report in this regard.

Internal control deficiencies

34. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
35. I did not identify any significant deficiencies in internal control.

Auditor - General

Cape Town

30 November 2024



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for the selected strategic focus area and on the municipality's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this 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
- conclude on the appropriateness of the 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 relating to events or conditions that may cast significant doubt on the ability of the municipality 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 my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003 (MFMA)	<p>Section 1</p> <p>Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1)</p> <p>Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b)</p> <p>Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d)</p> <p>Sections 63(2)(a), 63(2)(c), 64(2)(b)</p> <p>Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e)</p> <p>Sections 72(1)(a)(iii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2)</p> <p>Sections 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii)</p> <p>Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170</p> <p>Sections 171(4)(a), 171(4)(b)</p>
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1)(a), 71(1)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	<p>Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a)</p> <p>Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a)</p> <p>Regulations 27(2)(e), 28(1)(a)(i), 29(1)(a), 29(1)(b)</p> <p>Regulations 29(5)(a)(iii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c)</p> <p>Regulations 38(1)(d)(iii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43</p> <p>Regulations 44, 46(2)(e), 46(2)(f)</p>
Municipal Systems Act 32 of 2000 (MSA)	<p>Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b)</p> <p>Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 54A(1)(a), 56(1)(a), 57(2)(a)</p> <p>Sections 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)</p>
MSA: Municipal Planning and Performance Management Regulations, 2001	<p>Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a)</p> <p>Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)</p>
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)

Legislation	Sections or regulations
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
MSA: Municipal Staff Regulations, 2021	Regulations: 7(1),31
Division of Revenue Act 5 of 2023	Section 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8) Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2) Regulations 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)