



STELLENBOSCH

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ANNUAL REPORT OVERSIGHT REPORT 2021/22

This Oversight Report is based on the Annual Report 2021/22 and is drafted and submitted in accordance with the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)



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1. INTRODUCTION

The annual report is one of the key instruments for transparent and accountable local governance and accountability. It is a post-financial year document that provides an overview of the financial and non-financial performance concerning the previous financial year, which in this instance relates to the 2021/22 financial year. The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) stipulates that the annual report must be tabled in and passed by the municipal council.

1.1 PURPOSE

The purpose of this report is to present to the Council for adoption the Annual Report 2021/22 as well as the Annual Report Oversight Report 2021/22, as required in terms of Section 129 of the MFMA.

2. ANNUAL REPORT 2021/22

2.1 LEGAL FRAMEWORK

Herewith is an extract from the key legislative requirements as per the MFMA relating to the annual report:-

121. Preparation and adoption of annual reports.

- (1) Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.
- (2) The purpose of an annual report is—
 - (a) to provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;
 - (b) to provide a report on performance against the budget of the municipality or municipal entity for that financial year; and
 - (c) to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

127. Submission and tabling of annual reports

- (2) The mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control.

129. Oversight reports on annual reports.

- (1) The council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council—
 - (a) has approved the annual report with or without reservations;
 - (b) has rejected the annual report; or
 - (c) has referred the annual report back for revision of those components that can be revised.

2.2 COMPONENTS OF THE ANNUAL REPORT

The format of the Annual Report 2021/22 is based on the annual report template issued by the National Treasury in terms of MFMA Circular 63 of 2012, which differs significantly from the Annual Report Guidelines (MFMA Circular 11) issued by the National Treasury in 2005.



The MFMA Circular 63 of 2012 has six (6) chapters and tries to cover everything that needs to be reported based on the MFMA and the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

3. ANNUAL REPORT 2021/22 CONSULTATION AND ADOPTION PROCESS

3.1 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

A Municipal Public Accounts Committee (MPAC) was set up under Section 79 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998). This was done through a Council resolution. The Terms of Reference task the MPAC with the responsibility to perform an oversight role over the process of preparing the Annual Report of the Council and to produce an Oversight Report based on its review of the Annual Report.

As required by the MFMA, the Municipal Manager attended the Council Meeting where the draft Annual Report 2021/22 was tabled (on 30 January 2023) to be released for public comment as well as the MPAC Meetings to answer questions posed by the MPAC Members and to respond to written and oral representations from the community. All the councillors were also invited to attend the public hearing and to deliberate on the draft Annual Report 2021/22.

No members of the community attended the public hearing.

The attendance of the MPAC members to review the draft Annual Report 2021/22 is recorded as follows:

TABLE 1: MPAC MEETINGS

MPAC Meetings							
Name	09 February 2023 Orientation and (Review of Chapters 1, 2, and 3)	10 February 2023 (Review of Chapters 4, 5, and 6)	14 February 2023 (Public Hearing)	23 February 2023 (Feedback Session)	01 March 2023 Site Visit (Part 1)	02 March 2023 Site Visit (Part 2)	03 March 2023 (Signing of Oversight Report)
Cllr Wilfred Pietersen (MPAC Chairperson)	😊	😊	😊	😊	😊	😊	😊
Cllr Ansaaf Crombi (MPAC Member)	* 😞	* 😞	😊	😊	😊	* 😞	😊
Cllr Annemarie Ferns (MPAC Member)	😊	😊	😊	😊	😊	😊	😊
Cllr Nokuthula Gugushe (MPAC Member)	* 😞	* 😞	😊	😊	😊	😊	😊
Cllr Xolile Kalipa	😊	😊	😊	😊	😊	😊	😊
Cllr Ndipiwe Olayi	😊	😊	* 😞	😊	😊	😊	😊
Cllr Otniel Linden Jooste	😊	😊	😊	😊	😊	😊	😊
Ms Emily Fredericks (Co-opted Member)	😊	😊	😊	😊	😊	😊	😊
Mr Jacobus Davids (Co-opted Member)	😊	😊	😊	😊	😊	😊	😊

😊 - Attended 😞 - Absent with an apology 🙅 - Absent without an apology

* Submitted a medical certificate



3.2 ADOPTION AND PUBLIC CONSULTATION PROCESS

The draft Annual Report 2021/22 was tabled in Council on 30 January 2023 as required per the MFMA, which requires under Section 127(2) that:

"The Mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality."

In terms of Section 121(3) of the MFMA, the Annual Report of a municipality or municipal entity must include the following core components. These core components are formally annexed to the draft Annual Report:

- a) The Annual Financial Statements as submitted to the AGSA (Section 121(3)(a));
- b) the AGSA's audit report in terms of section 126(3) on those financial statements (Section 121(3)(b));
- c) the annual performance report of the municipality prepared by the municipality in terms of Section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) (Section 121(3)(c));
- d) the AGSA's audit report in terms of section 45(b) of the MSA (Section 121(3)(d)); and
- e) particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d) in the MFMA (Section 121(3)(g)).

The draft Annual Report 2021/22 was made public on the municipal website within five (5) days and within seven (7) days in the local newspaper after it was approved by the Council on 30 January 2023. In addition, the draft Annual Report 2021/22 was also made available at all municipal libraries and other identified offices where the public could access the report.

Members of the community and other stakeholders were invited to submit written comments / inputs on the draft Annual Report 2021/22. The councillors, the community, and other stakeholders were also invited to attend the public hearing, which was held on **14 February 2023**, to present the MPAC with any oral or written input on the draft Annual Report 2021/22.

The draft Annual Report 2021/22 was furthermore submitted in terms of Section 127(5)(b) to the Auditor General of South Africa (AGSA), Provincial Treasury (Western Cape), and the Department of Local Government (Western Cape).

The closing date for public comments was **28 February 2023**. No written submissions from the public were received.

The Provincial Treasury: Western Cape submitted written comments on the draft Annual Report 2021/22 on 27 February 2023. These comments were tabled and considered by the MPAC on 03 March 2023.

3.3 HIGHLIGHTS IDENTIFIED IN THE DRAFT ANNUAL REPORT 2021/22

The MPAC noted and congratulated the Stellenbosch Municipality on the announcement by the AGSA that the municipality received a **clean audit outcome for the 2021/22 financial year**. Stellenbosch Municipality is once again able to report credible and reliable financial and performance results. The *clean* audit outcome reflects that the municipality maintained a healthy financial position and that all money spent is properly accounted for. The latest audit outcomes mark the 15th consecutive year of unqualified audit outcomes for the Stellenbosch Municipality.



Further highlights and words of gratitude were noted as outlined below:

1. MPAC members noted that the MPAC orientation session held on 09 February 2023 was very informative and insightful;
2. Great leadership was shown from the Executive Mayor, Municipal Manager, and administrative team as a result of the *clean* audit obtained for the Stellenbosch Municipality, despite the various challenges posed throughout the financial year; and
3. The Municipal Manager was commended for her outstanding leadership and strategic guidance during the year under review.

3.4 MPAC SITE VISITS

The draft Annual Report 2021/22 highlighted a number of projects that were either completed or in various stages of completion. The MPAC identified a number of projects and conducted site visits from 01 – 02 March 2023. The purpose of the visits was to verify the progress on the implementation of the projects against the reported information in the draft Annual Report 2021/22, which is outlined in the table below:

TABLE 2: MPAC SITE VISITS

Project name	Area verification of the project by MPAC	Status as per Annual Report 2021/22	Current status of the project	Remarks by MPAC
Visit the new primary and high schools in Klapmuts	Klapmuts	Complete. The need for a multi-language school in Klapmuts emanates from the community's needs. The Western Cape Provincial Department built the schools and anticipated building permanent structures on the school ground.	Complete	The MPAC was very impressed by the newly established schools.
Klapmuts Transfer Station	Klapmuts	Multi-Year Project.	Phase completed for the 2021/22 financial year.	The municipality should take note of the waste structure (wall) to be repaired as well as the repair of the fencing.
Wemmershoek WWTW	Wemmershoek	Phase 1 is complete.	Wemmershoek Phase 1: The project's objectives are to improve the existing infrastructure and to increase the sludge handling capacity of the WWTW to address operational challenges and improve the efficiency of the grit removal system. Future phases will be to increase the plant's capacity to cater for future developments. (Construction of phase 1 is at 98% complete, whilst phase 2 is awaiting additional funds before implementation.)	The MPAC commend the municipality on the progress made to the project since the last site visit in 2020/21.
Ida's Valley FLISP Erf 9445	Ida's Valley	Complete	Complete	The MPAC are proud to see that the houses were built and people have dignified living space.
La Motte	Franschhoek	The land is available for housing development as the per narrative in the draft Annual Report 2021/22.	In progress as per the draft Annual Report 2021/22.	The MPAC take note of the process and progress of the project.
Meerlust	Franschhoek	The land is available for	In progress as per the draft	



Project name	Area verification of the project by MPAC	Status as per Annual Report 2021/22	Current status of the project	Remarks by MPAC
		housing development as the per narrative in the draft Annual Report 2021/22.	Annual Report 2021/22.	
Kayamandi Watergang	Kayamandi	The land is available for housing development as the per narrative in the draft Annual Report 2021/22.	In progress as per the draft Annual Report 2021/22.	The MPAC take note of the planning but proposes that the process be sped up as the housing demand is very high.
Longlands Housing Project	Vlottenburg	All 98 houses were allocated to the beneficiaries.	Complete	The MPAC members were satisfied with the houses built for the people.

4. CONCLUSION

As MPAC, we are of the opinion that the Annual Report 2021/22 is a **true and accurate reflection** of the Stellenbosch Municipality's financial and non-financial performance for the 2021/22 financial year. MPAC indicated that the draft Annual Report 2021/22 was thoroughly unpacked and that the site visits were a true reflection of what is stated in the draft Annual Report 2021/22.

The oversight process for the Annual Report 2021/22 is herewith concluded, and as Chairperson of the MPAC, I would like to thank the MPAC Committee Members, the Executive Mayor and Mayoral Committee, the Municipal Manager, Directors, Senior Managers, as well as all the officials for their contribution to the development and finalisation of the draft Annual Report 2021/22. Their diligence and constructive commitment during this oversight period are noted and appreciated.

5. RECOMMENDED RESOLUTION TO BE ADOPTED BY THE COUNCIL

In accordance with Section 129(1) of the MFMA it is **RECOMMENDED** to the Council:-

1. That the Council, having fully considered the Annual Report Oversight Report 2021/22 of the Stellenbosch Municipality, **ADOPTS** the Annual Report Oversight Report 2021/22;
2. That the Council, having fully considered the Annual Report 2021/22, attached hereto as Annexure B, **APPROVES** the Annual Report 2021/22 without any reservations;
3. That the Annual Report Oversight Report 2021/22 be made public in accordance with Section 129(3) of the MFMA, and;
4. That the Annual Report Oversight Report 2021/22 be submitted in accordance with Section 129(2) and 132(2) of the MFMA to the Auditor General of South Africa, Provincial Treasury: Western Cape, Department of Local Government: Western Cape and the Provincial Legislature: Western Cape.



CLLR W. PETERSEN
CHAIRPERSON: MPAC



MPAC Site Visits



New Klapmuts Primary and High School



Klapmuts Transfer Station



Wemmershoek - WWTW



Ida's Valley FLISP ERF 9445



Longlands Housing Project

The housing projects namely the Franschhoek: Meerlust and La Motte as well the Northern Extension – Kayamandi Watergang were also visited. Officials showed the MPAC where the land is and what housing development will be earmarked for.

The maps (of housing projects) are listed in the draft Annual Report 2021/22.



ANNEXURE A:

MPAC COMMENTS AND FEEDBACK FROM DIRECTORATES



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MPAC OVERSIGHT FEEDBACK REPORT ON THE DRAFT ANNUAL REPORT 2021/22



MPAC COMMENTS AND FEEDBACK FROM DIRECTORATES

1. Directorate: Office of the Municipal Manager

General comment: List all acronyms in the Draft Annual Report 2021/22 under Acronyms or write the full description of the acronym for ease of reference.

Observations made to the Socio-Economic Context noted. The data emanates from the Socio-Economic Profile 2022 drafted by Provincial Government. The LGSEP will be attached herewith as Annexure B.

MPAC take note of the risk register.

The Draft Annual Report 2021/22 will be updated – all grammatical and cosmetic updates.

TABLE 1: FEEDBACK- OFFICE OF THE MUNICIPAL MANAGER

OFFICE OF THE MUNICIPAL MANAGER				
Page no.	Table / Paragraph Graph	Comment/s	Response	Responsible Department
Entire document	MPAC requested that all acronyms be included in the front of the document or be written in full throughout the Annual Report.		The municipality take note and will update the Annual Report.	Office of the Municipal Manager
3	Component B: Municipal Manager's Overview	MPAC is not mentioned in the foreword	The municipality take note and will update the foreword accordingly.	Office of the Municipal Manager
11	Footnote	Delete the second sentence (duplication)	The municipality take note and will update the page accordingly.	Office of the Municipal Manager
13	Under heading 1.7 State of the Greater Stellenbosch: First paragraph	HB Thorn Theatre to be updated with renamed, Adam Small Theatre	The municipality takes note and will update the page accordingly.	Office of the Municipal Manager
15	Under Map 2: Locality of Cape Winelands in relation to Provincial Boundaries: The Last Paragraph	Delete the duplicative paragraph	The municipality take note and will update the grammar accordingly.	Office of the Municipal Manager
18	Heading 1.9.4 Household sizes	Confirm if the years are correct in table 6	The municipality takes note and will update the page accordingly.	Office of the Municipal Manager
20	Heading 1.9.8 Education Infrastructure...	Change New Klappmuts PS to Klappmuts Primary School	The municipality indicated that the data from 11-30 emanates from the Local Government Socio-Economic Profile, using Quantec data, and cannot be changed.	Office of the Municipal Manager
24	Heading C: Poverty line	Insert a footnote to define Poverty Line	The municipality takes note and will update the page accordingly.	Office of the Municipal Manager
40	Table 32: Highlights of Good Governance and Public Participation	COVID-19 is over – investigate the mediums of public participation	The municipality made use of hybrid model for the community to participate in the IDP meetings. Written forms were also available to submit comments.	Office of the Municipal Manager
43-44	Table 35: Council from 01 November 2021 – 30 June 2022	The Executive Mayor to be part of the table	The municipality takes note and will update the page accordingly.	Office of the Municipal Manager
44	Table 35: Council from 01 November 2021 – 30 June 2022	Correct capacity for Cllr Pietersen to full-time MPAC Chairperson	The municipality take note and will update the page accordingly.	Office of the Municipal Manager

OFFICE OF THE MUNICIPAL MANAGER				
Page no.	Table / Paragraph Graph	Comment/s	Response	Responsible Department
82	Table 106: Risk likelihood rating scale	Consider another word for adverse under rating 2 and 1	The risk register is an approved document and cannot be changed.	Office of the Municipal Manager
85	Table 109: Members of the Audit and Performance Audit Committee	Confirm if any meetings were held in the gap period	The previous MPAC Chairperson's term ended on 31 March 2022 and the new Chairperson was appointed on 01 May 2022. The heading will be updated from 01 May 2022 to 30 June 2022.	Office of the Municipal Manager

2. Directorate: Corporate Services

TABLE 2: FEEDBACK- DIRECTORATE: CORPORATE SERVICES

CORPORATE SERVICES				
Page no.	Table / Paragraph Graph	Comment/s	Response	Responsible Department
53	Under 2.8.1.26: Rural Management Portfolio and Tourism Portfolio Committee meetings for the period of 01 July 2021 until 31 October 2021	Confirm if there were any meetings held	No meetings were held.	Committee Services
60	Heading: Intergovernmental Relations, B: Community and Protection Services	Municipal Court – What is the capacity during loadshedding operational?	Clients are referred to the Traffic Department to make payments. The municipality is currently in the process to procure a generator for the Municipal Court.	Municipal Court / Electrical Court.
78-79	Table 105: Ward Committees and their functionality	Confirm why no meetings were held for ward 13 in 2021/22	Meetings were held and the Annual Report will be updated accordingly	Council Support
212	Table 232: Total number of employees in the Section: Legal Services	What interventions are in place to fill vacancies in the Legal Section?	The admin position that is vacant will be filled as soon as it is evaluated. The Chief Legal Officer is currently filled and assists with all legal matters in collaboration with the Director.	HR
223	Table 241: Occupational Categories – Race	Is there a reason why the male targets are higher than the females?	These are not targets, but rather a snapshot of the workforce. Targets are set by StatsSA (EAP)	HR
224	Table 243: Vacancy rate per post and functional level	- It is contradicting the filling of a critical post, and the challenges per department indicate there is a lack of staff to fulfill the services. - Why is the band so high under," Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents" ...? - Filled - 364 - Vacant - 25	The 25 vacant posts are across the municipality. No funded post for electricity was advertised or filled during the year under review. Funded vacancies were: 96 Additional vacancies fall under the funded band: Semi-skilled	HR
		Clarify the new appointments and termination is the same total	Engagement- 77 Terminations- 82 Turnover Rate thus: 7.19%	HR
225	Table 245: Injuries per Directorate	Why are the IODs so high for Community and Protection Services	Injuries in Operational Services are normally higher due to the nature of the work of Law enforcement officers such as defending themselves during violent incidents to attend to. And Traffic Officers are attacked by public members. They are experiencing public violence.	HR

CORPORATE SERVICES				
Page no.	Table / Paragraph Graph	Comment/s	Response	Responsible Department
			The total refers to the entire Directorate and not Protection services.	
225	Table 246: Sick Leave	Clarify why the totals are so high for Corporate Services and Community and Protection Services and what plan is in place to monitor it.	The high sick leave is being investigated by provided documents. Misused sick leave is being monitored. More than a third of it a year, actions were captured towards the employees. The municipality indicated that the percentage indicates that there was a decrease of sick leave from the previous financial year.	HR
226	Table 247: Approved Policies for the year under review	Are the policies and plans discussed at the LLF?	Only policies and not strategies and plans (No operational plans) are discussed at LLF.	HR
	Table 248: Policies still to be developed	The work-from-home policy – does the municipality receive input for this policy which will be determined thereof?	The policy depends on the nature of work to be able to work from home. The trade unions have a say in the process and refer it back to management for further discussion and approval.	HR
	Table 249: Skills Matrix	Clarify why the officials who received training are lower than identified.	Either training did not go ahead or people were not present who were identified due to operational reasons. The municipality requires the identified officials to sign an agreement that they will work the value back of the training.	HR
		Can the type of training also be presented?	The WSP already reflects the type of training needed under the personal development plan	HR

3. Directorate: Financial Services

The questions raised at the MPAC meeting, were addressed by the CFO. The finance department will supply the MPAC with all financial tables as there were calculation errors identified. The variances should be recalculated and addressed in the updated Annual Report 2021/22.

The CFO explained to MPAC the technicalities of how the Annual Financial Statements (AFS) were calculated as well that the AFS cannot be changed, but take note of the grammar errors identified.

The Annual Report can be updated but not the AFS as the Auditor General already concluded the audit for the year under review.

4. Directorate: Infrastructure Services

TABLE 3: FEEDBACK- DIRECTORATE: INFRASTRUCTURE SERVICES

INFRASTRUCTURE SERVICES				
Page no.	Table / Paragraph Graph	Comment/s	Response	Responsible Department
32	Table 21: Key Basic Service Delivery Highlights - Network upgrades, Langrug	Confirm if the 20 connections were done for the entire financial year under review	The municipality confirmed that the, 20 connections were done in Langrug during 2021/22 financial year. Major electrical infrastructure upgrade was necessary before more connections can be realised. The network upgrades have been concluded and more connections will be made going forward.	Electrical Services
32 34		It is noted from the previous Annual Report that a lack of staff is a critical issue.	The municipality confirmed that it is critical, especially with the added responsibility of loadshedding, maintenance of streetlights in Eskom areas of supply as well as alternative energy initiative projects. Recruitment and Selection of staff to be expedited. Implement the Staff Attraction and Retention Policy.	Electrical Services
		What can be done to address the shortage of electrical staff?	The Electricity Act is clear in terms of what type of qualification the employee must obtain to work on what type of electrical infrastructure. The municipality struggles to compete with the City of Cape Town's salary scale. Exemptions only apply to Section 56 Managers.	Electrical Services
34	Table 22: Key Basic Service Challenges - Electrical Streetlights	Proposed that the municipality ask for an exemption from the Government in order to obtain the necessary qualified electrical or any specialised staff	The municipality indicated that the exemption has been refused by the National Minister. However, the municipality is working with the LGSETA to get the staff trained as electricians.	Electrical Services
34		Confirm if the assessment will be for the entire WC024.	The municipality confirmed that it will be for the entire WC024, especially the areas where streetlights were handed over to the municipality by Eskom.	Electrical Services
34		Indicate the areas of streetlight infrastructure that are in a dilapidated state.	Klapmuts, La Motte, Wemmershoek, Vlothenburg / Digtebij.	Electrical Services
101	Under heading 3.4 Water Provision: Ninth paragraph, "118 reservoirs /	Indicate the total of tanks / sumps / water towers as per the network and infrastructure.	The municipality indicated that no new water tanks / reservoirs were completed in the 2021/22 financial year.	Water and Waste Water Services

INFRASTRUCTURE SERVICES				
Page no.	Table / Paragraph Graph	Comment/s	Response	Responsible Department
	holding tanks / sumps and water towers, 69 water pump stations, 41 pressure-reducing valve installations and 704 kilometres of pipeline. The system is fully controlled and operated by a telemetry system...."		The total of 118 storage facilities for water comprises of reservoirs / sumps and towers. Impossible to break this further down.	
101	The first paragraph, "The non-revenue water for the 2021/22 financial year is 21.9% which is below the target set of 25%. The real physical network losses are at 12.7% which is below the best practice value of 15%."	Explain why losses were so high for the year under review.	The municipality confirmed that the losses were within the norm. There is a Water Service Delivery Plan which will capture the issues and measure how to address them.	Water and Waste Water Services
105	Table 133: Water service delivery levels	Was the WSDP approved? The levels are not consistent	The municipality confirmed that the appointment of the consultant was only done on 01 July 2022. The WSDP was thus completed in the 2022/23 financial year.	Water and Waste Water Services
110	Heading 3.8.1 Waste Management	Confirm the date of approval of the Waste Management License Variation Application from the Provincial Department of Environmental Affairs and Development Planning	The municipality indicated that the Department of Environmental Affairs and Development Planning decided that they were no longer going to vary the Waste Management License (WML) but would rather issue a new WML for the site. This new WML was issued on 31 January 2023 – License number 19/2/5/1/B4/45/WL0182/22	Waste Management
112	Figure 11: Example of the streets cleaning by the Section Area Cleaning in Franschoek	Why were the skips removed in Cloetesville?	The municipality indicated that the area became an illegal dumping site with large volumes of waste being dumped next to the skip and was attracting many users from outside of the Cloetesville area. The skip was becoming a nuisance and a health hazard to the residents / households of Cloetesville.	Waste Management
114	Figure 12: Wheelie bin distribution	Investigate the stealing / vandalism of wheelie bins. What measures are in place?	The municipality indicated that the stolen wheelie bins must be reported to the South African Police Service for further investigation. The Municipal By-Law does prevent wheelie bins from being used for other purposes.	Waste Management
116	Door-to-door recycling collection	Confirm if the door-to-door recycling collection commenced in all the municipal areas	The municipality indicated that the door-to-door recycling service started initially as a pilot project within the municipality and has grown over the years. Areas are being added over time to this programme.	Waste Management
		List the areas which were serviced.	The municipality confirmed that the areas currently being serviced are: • Uniepark • Karindal • Rozendal • Mostertsdrift • Simonswyk • Universiteitsoord • Die Boord • Brandwacht	Waste Management

INFRASTRUCTURE SERVICES				
Page no.	Table / Paragraph Graph	Comment/s	Response	Responsible Department
			• Krigeville • Onder Papegaaiberg • Devon Valley • Kleinvallei • La Colline • Die Rand • Die Laan • Dalsig • Bo-Dalsig • Paradyskloof • Ida's Valley • Lindida, Raithby • Techno Park • Cloeterville • La Colline, Uitsig • Kylemore • Jamestown • Pniël • Franschoek Additional areas will be added in the future, to eventually service all areas.	
117	Heading B: Disposal: Stellenbosch Landfill, Paragraph 9	Indicate which contractor was appointed to conduct gas monitoring activities as per legislative requirements	The municipality indicated that the gas monitoring at the Stellenbosch Landfill Site is being done by Levego Environmental Services (Pty) Ltd, appointed by the municipality, B/SM 40/21.	Waste Management
157	Heading 3.12.3.3: Non-Motorised Transport Plan	There was a notion to undertake a study to determine whether the CBD can be a vehicle-free area. Is there any update on the notion?	The municipality indicated previously the community were not in favour that the Municipality prohibiting vehicles from the CBD. The municipality's strategy is to reduce the number of vehicles in the CBD. The municipality is currently busy with programmes to consolidate and upgrade parking areas in the CBD, to ultimately reduce the amount of on-street parking, providing for better non-motorised transport facilities. These projects will have an impact within the next 2-8 years.	Roads and Transport
157	Heading 3.12.3.5: Parking	Confirm if there is a parking policy in place.	The municipality confirmed that a Parking - By-law was approved by the Council on 2021/04/28.	Roads, Transport and Stormwater
160	Heading 3.13.1 : PMU	Which departments / sections are vested in the department, PMU and what type of projects are they working on?	The municipality noted that the Department: PMU undertake various projects for the respective directorates within the municipality.	PMU
161-167	All images	Place better-quality images in the Draft Annual Report. Soften the edges – enlarge the legends	The municipality take note and will update the Annual Report with clear images, where possible.	PMU

5. Directorate: Planning and Economic Development

TABLE 4: FEEDBACK- DIRECTORATE: PLANNING AND ECONOMIC DEVELOPMENT

PLANNING AND ECONOMIC DEVELOPMENT SERVICES				
Page no.	Table / Paragraph Graph	Comment/s	Response	Responsible Department
34-35	Third paragraph: "Stellenbosch and the town is home to a disproportionately high number of corporate CEOs and executives..."	Does the municipality have any business relationships / partnerships with businesses in Stellenbosch?	The municipality has established the Planning and Development Forum through which quarterly meetings are held with businesses regarding development within Stellenbosch municipal area. Other organisations that the municipality is in partnership with are Ranyaka NPC and Stellenbosch Network. They work with an extensive number of SMMEs to which they mentor and offer training too. The municipality indicated that various forums are held with businesses where economic prospects are discussed and to network.	LED
		Indicate which jobs are for the town of Stellenbosch to curb unemployment.	Stellenbosch Municipality as part of the Expanded Public Works Programme (EPWP) has created 952 job opportunities for Stellenbosch Towns and Kayamandi. The Constitution places great responsibility on municipalities to facilitate economic development, and therefore not directly responsible for creating jobs, but rather to create an enabling environment for employment opportunities.	LED
30	Heading C: Unemployment	List all types of employment strategies that involve youth employment	Stellenbosch Municipality has developed a JobSeekers Database which is aimed at creating a database of all job-seeking residents within the municipal area. The database makes provision for skilled and unskilled labour, and currently, the EPWP participants are drawn from the JobSeekers Database. The municipality has further allocated funding for the Training of Small Micro and Medium Enterprises (SMMEs) and also to develop a database of all SMMEs. The purpose of the training and the database is to link the SMME within the municipality with Department: Supply Chain Management SCM Policy to ensure that local procurement of goods and services occurs.	LED
		Do the strategies entail solutions on how to create work for the youth?	The target groups for the EPWP are women, youth and the disabled.	LED
32-33	Table 21: Erf 7001, Cloeteville ("Soekmekaar")	Confirm when the consultation took place and did the project was implemented and what is intended to be established in the area.	An official notice was published in the newspaper (Die Burger) on 30 October 2020 and on the municipal website to solicit public inputs / objections regarding Erf 7001, Cloeteville. Considering the inputs from the community, the Council resolved that a medium to high-gap housing development ranging from R500 000 to R1.2 million, be developed.	Housing Development

			Further public participation will take place when obtaining development rights. The preferred layout will serve at the Council for approval to appoint an implementing agent.	
		Are there projects that will range in a lower income criteria	As mentioned above, it is the combined income that determines the qualification.	Housing Development
		How will the high volume of informal settlements, water supply, and servitudes influence the project as per the area?	A professional team was appointed to overlook risks into consideration. The housing pipeline gives a bigger picture to address certain projects.	Housing Development
33	Table 21: Jamestown (Phases 2, 3 and 4)	The project was in previous Annual Reports and stated that it will be finalised over two years. Indicate why the project taking so long for implementation.	The previous tender was cancelled due to legal matters and had to be re-advertised in June 2021. A service provider was appointed in June 2022 to obtain development rights. The service provider had submitted a subdivisional application for Phases 2 and 3 and if approved, implementation for the project could be implemented during the 2023/24 financial year.	Housing Development
33	Table 21: Erf 64, Kylemore	Is there a clear plan in place to address Erf 64, Kylemore?	Yes, there is a clear plan, but it can only be finalised through a public participation process. The Housing Development Agency has been appointed by the municipality to manage the transfer of the land from the National Department of Public Works as well as to obtain development rights on Erf 64, Kylemore.	Housing Development
33	Table 21: Housing support and demand	Provide the list of the 98 beneficiaries that were approved for the Longlands housing project.	According to the POPI Act, personal information cannot be made public without the consent of a person.	Housing Administration
124	Heading 3.9.2.3: Erf 7001, Cloeteville – Paragraph: " This is in line with feasibility studies that have been conducted for the GAP housing market in Stellenbosch."	The housing is only focused on high-gap development and not low and middle-class housing. What interventions does the municipality have by engaging the Government to implement and or address the matter?	The development is earmarked for medium to high-gap housing opportunities between the ranges from R500 000 to R1.2 million. It has been found that one of the programmes most suitable to assist families that earn more than R3 501 is Social Housing. Social Housing provides affordable rental hence the municipality is in the process to implement Social Housing on Farms 81/2 and 81/9, Stellenbosch to address the need for low to medium-income categories. The Inclusionary Zoning Policy is currently in the process to look at affordable housing provisions but does not apply to "all zoning matters"	Housing Development
126	Heading 3.9.2.5: Kayamandi Town Centre	Does the current mSDF make provision for agriculture and reinforce the outer urban edges to be inclusive of the current urban edges? If not then the mSDF should be revisited and reviewed as the projects listed in Annual Report said it has a lot of restrictions on the	The current mSDF urban edges give the outline of the envisaged urban development. Agricultural areas outside of the urban edge are discouraged by urban growth areas over the medium to long term. The municipality indicated that developers need to apply when developing outside the urban edge.	Development Planning

		urban edges where development takes place.		
127	Heading 3.9.2.6 Northern Extension, Stellenbosch	When will the project start?	The process that must be followed is to rezone agricultural land to residential. The appointed service provider has completed most of the studies and thereafter the application for development rights will be submitted to National, Provincial departments for comments as well as the Land Use Planning Department at the municipality. Project to be completed during 2023/24 financial years.	Housing Development
139	Table 5: Survey backyard dwellers in Klapmuts	What was done with the backyard dwellers as stated in the survey? Was anything built to address the backyard dwellers as 94% residing in the same structure and the high amount that were interviewed?	Stellenbosch Municipality built more than 2 000 dwelling units in Klapmuts since the early 2000s specifically to address amongst others backyarding and to attempt to eradicate backyarding. However, the property owners do not break down the structures as agreed and in fact, take on new backyarders in the same structure. Moreover, the municipality constructed the last ±800 units in the 2017/2018 financial year, which should have addressed the existing backyarders, excluding the non-qualifiers. However, many of the backyarders interviewed in the survey were found at the back of these properties. 94% were found in the same structure. The municipality has been actively busy with attempts to procure land in the Klapmuts area to deal with a variety of housing typologies which would include households that do not qualify for the BNG housing subsidy.	Informal Settlements
143	Table 158: Housing waiting list as at 30 June 2022	When will the backlog be addressed	Address the backlog of housing opportunities in the WC024 is an extremely complex matter, and the following must be taken into consideration: • Funding made available from National and Provincial governments; • Bulk and linked capacity for each project and subsequent budgeting thereof; and • The number of housing opportunities created on the housing pipeline is ±16 685. If taken all of the factors into account and especially the funding constraints, the current state fiscus is tremendously limited and therefore it could be between 20 – 30 years to address the current housing needs.	Informal Settlements
145- 146	Heading 3.9.7.3: Administration of public rental stock	Rental stock: Who's responsibility is it when the structure is damaged? Such as tabs, door handles etc.	Housing consumer education is being rolled out to educate the tenants in rental stock on issues around anti-social behaviour in public rental flats and how to address it. A lease agreement that is signed by tenants clearly stipulates the	Housing Administration

			responsibilities of the lessor and the lessee. Coupled with that Housing Consumer Education programmes are rolled out as and when a need arises concerning any rental stock issues.	
		Was there consideration to give the tenants ownership of the rental stock?	No, this is housing stock for rental purposes.	Housing Administration
147	Heading 3.9.7.5: Maintenance of rental stock	Does the municipality gain any profit from the rental stock?	This is a public stock and rental is affordable to accommodate different income groupings.	Housing Administration
173-174	Heading C: Future settlements along the Baden Powell Drive Adam Tas – R304 corridor	Is there a forum with agriculture and the municipality to discuss agricultural development which can then be taken forward to the Provincial forums to discuss the broader possibility of future developments?	There is no formal forum with the Department of Agriculture although officials have a good working relationship. The municipality has an open-door policy to discuss development interventions.	Development Planning
		Will the Inclusionary Zoning policy require only developers from the Stellenbosch area to comply and to what extent will it be enforceable?	The Inclusionary Zoning Policy, once adopted by the Council, will apply to all new development seeking land use approval. As part of the planning permissions process conditions of approval related to inclusionary housing, will be imposed.	Development Planning

6. Directorate: Community and Protection Services

TABLE 5: FEEDBACK- DIRECTORATE: COMMUNITY AND PROTECTION SERVICES

COMMUNITY AND PROTECTION SERVICES				
Page no.	Table / Paragraph Graph	Comment/s	Response	Responsible Department
34	Table 22: Illegal Dumping	This is a by-law transgression and law enforcement matter. What measures will the municipality put in place to monitor illegal dumping? Clarify what the role of the Environmental Youth Coordinator is.	Law Enforcement responds to complaints related to illegal dumping and also follows up on information provided by Waste Management.	Protection Services
61	Heading: Intergovernmental Relations, F: Community and Protection Services	Indicate the outcome of the engagements with RTIA, RTMC, and the Director of Public Prosecutions relating to the AARTO Act.	In January 2022, Pretoria High Court ruled AARTO to be unconstitutional. November 2022 Constitutional Court reserved judgment in the application against AARTO's constitutionality.	Protection Services
183	Heading: Libraries	Libraries are not a municipal function. Indicate if the municipality claims the funds back from the Province for running the libraries.	Library Services is an underfunded service. Funding is provided by the Province, but because it is an underfunded mandate, the resulting consequence is that the municipality must make funding available for this function.	Library Services
188	Heading: Cemeteries, paragraph 1	- How far is the completion for the Kylemore cemetery? Is it a municipal property or private as the municipality built a road and put up gates - If not, will Province transfer the property to the Municipality?	The property does belong to Stellenbosch Municipality. The matter did serve before the MPT. A decision with requirements has been taken by the MPT. The department is currently in the process of rezoning the erven so that they can be used for cemetery purposes.	Cemeteries and Parks
195	Heading: Air Quality and Pollution Control	Does the municipality have the capacity for Air quality and noise pollution?	Community Services have a dedicated section that deals with air quality and noise pollution.	Community Services
206	Heading: Community Halls and Facilities	Indicate why the project was signed off at the community hall in Cloetessville if the electrical plugs and lights do not work.	The municipality indicated that there were no defects when the project was signed off. All maintenance should be reported to the relevant department.	Corporate / Community Services



ANNEXURE B:
ANNUAL REPORT 2021/22



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK
MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

ANNUAL REPORT 2021/22

The Draft Annual Report is compiled in terms of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)





List of Abbreviations

Abbreviation	Description
ABS	Access to Basic Services
ACDP	African Christian Democratic Party
AGSA	Auditor-General of South Africa
AH	Agri-Hub
AMEU	Association of Municipal Electricity Utilities
ANC	African National Congress
ANPR	Automatic Number Plate Recognition System
APAC	Audit and Performance Audit Committee
ATC	Adam Tas Corridor
BAC	Bid Adjudication Committee
BBBEE	Broad-Based Black Economic Empowerment
BEC	Bid Evaluation Committee
BICLS	Bulk Infrastructure Development Contribution Levies
BPAMS	Building Plan Approval Management System
CAC	Civic Amenity Centre
CAPEX	Capital Expenditure
CBD	Central Business District
CBP	Community-Based Planning
CCTV	Closed Circuit Television
CDW	Community-Development Worker
CEB	Compressed Earth Block
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGI	Compliance and Governance Index
CIGFARO	Chartered Institute of Government Finance, Audit and Risk Officers
CITP	Comprehensive Integrated Transport Plan
CoCT	City of Cape Town
COGTA	Cooperative Governance and Traditional Affairs
COPE	Congress of the People
CRSES	Centre for Renewable Energy Studies
CWDM	Cape Winelands District Municipality
DA	Democratic Alliance
DAG	Development Action Group
DC	Development Cost
DCAS	Department of Cultural Affairs and Sport
DEA and DP	Department of Environmental Affairs and Development Planning
DEDAT	Department of Economic Development and Tourism
DEFF	Department of Environment, Forestry And Fisheries
DOE	Department of Education
DORA	Division of Revenue Act
DSD	Department of Social Development
DWS	Department of Water and Sanitation
ECD	Early Childhood Development



Abbreviation	Description
EE	Employment Equity
EHP	Emergency Housing Policy
EIA	Environmental Impact Assessment
EPWP	Expanded Public Works Programme
ESTA	Extension of Security of Tenure Act
FBAR	Final Basic Assessment Report
FPSU	Farmer Production Support Unit
GAMAP	Generally Accepted Municipal Accounting Practice
GDP-R	Gross Domestic Product - Regional
GRAP	Generally Recognised Accounting Practice
HCE	Housing Consumer Education
HDA	Housing Development Agency
HR	Human Resources
HSDG	Human Settlements Development Grant
IBR	Inverted Box Rib
ICT	Information and Communication Technology
IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
iGRAP	Interpretations of Standards of Generally Recognised Accounting Practice
IHSP	Integrated Human Settlement Plan
IIC	Infrastructure Innovation Committee
IMATU	Independent Municipal Trade Union
IMESA	Institute of Municipal Engineers of South Africa
IMFO	Institute for Municipal Finance Officers
INEP	Integrated National Electrification Programme
IPC	Integrated Planning Committee
IPPS	Independent Power Producers
IRDp	Integrated Residential Development Programme
ISAMAO	The Institute of South African Municipal Accounting Officers
ISSP	Informal Settlement Support Programme
IUDG	Informal Settlement Upgrade Partnership Grant
IWA	International Water Association
IWAA	Integrated Water Availability Assessment
IWMP	Integrated Waste Management Plan
IZS	Integrated Zoning Scheme
JPI	Joint Planning Initiative
JSE	Johannesburg Stock Exchange
KIWMF	Kraaifontein Integrated Waste Management Facility
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
LETRP	Large Employer Trip Reduction Programme
LGMTEC	Local Government Medium Term Expenditure Committee
LGSETA	Local Government Sector Education and Training Authority



Abbreviation	Description
LM	Local Municipality
LR	Labour Relations
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
MINMAY	Provincial Ministers, Provincial Heads of Departments, Mayors and Municipal Managers
MIQ	Municipal Data and Intelligence
MM	Municipal Manager
MMC	Member of the Mayoral Committee
MMF	Municipal Managers Forum
MOBI	Municipal Benchmarking Initiative
MOU	Memorandum of Understanding
MPAC	Municipal Public Accounts Committee
MPC	Multipurpose Centre
MPI	Municipal Productivity Index
MRF	Material Recovery Facility
MSA	Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)
mSCOA	Municipal Standard Chart of Accounts
mSDF	Municipal Spatial Development Framework
MTAB	Metropolitan Transport Advisory Board
MTECH	Medium Term Expenditure Committee
MVA	Mega Volt Amp
NDP	National Development Plan
NDOHS	National Department of Human Settlements
NDPW	National Department of Public Works
NEMA	National Environment Management Authority
NGO	Non-Governmental Organisation
NHBRC	National Housing Building Regulation Council
NMT	Non-Motorised Transport
NPO	Non-Profit Organisation
NRTLEC	National Road Traffic Legislation Enforcement Code
NT	National Treasury
OHS	Occupational Health and Safety
OPEX	Operating Expenditure
PDO	Predetermined Objectives
PDoHS	Provincial Department of Human Settlement
PIE	Prevention of Illegal Evictions
PMS	Performance Management System



Abbreviation	Description
PID	Project Initiation Document
PPDO	Provincial Predetermined Objectives
PPP	Public Private Partnership
PRASA	Passenger Rail Agency of South African
PSDF	Provincial Spatial Development Framework
PSP	Provincial Strategic Plan
PT	Provincial Treasury
RBIG	Regional Bulk Infrastructure Grant
REFSO	Renewable Energy Finance and Subsidy Office
RTIA	Road Traffic Infringement Agency
RTMC	Road Traffic Management COporation
RTS	Refuse Transfer Station
RUMC	Rural-Urban Market Centre
SAB	South African Breweries
SABS	South African Bureau of Standards
SALGA	South African Local Government Association
SAMDI	South African Management Development Institute
SAMRAS	South African Municipal Resource Accounting System
SAMWU	South African Municipal Workers Union
SANEDI	South African National Energy Development Initiative
SANS	South Africa National Standards
SAPS	South African Police Service
SASSA	South African Social Security Agency
SCA	Stellenbosch Civic Association
SCMU	Supply Chain Management Unit
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SEDA	Small Enterprise Development Agency
SITA	State Information Technology Agency
SMME	Small Medium Micro Enterprises
SMS	Short Message Service
SOP	Standard Operating Procedure
SPA	Stellenbosch People's Alliance
SPLUMA	Spatial Planning and Land Use Management Act
SPV	Special Purpose Vehicles
SSI	Stellenbosch Safety Initiative
STOD	Sustainable Transit-Oriented Development Plan
SU	Stellenbosch University
SWWTW	Stellenbosch Waste Water Treatment Works
TASK	Tuned Assessment of Skills and Knowledge
TIATCP	Technical Innovation Agency Technical Centre Programme
VTs	Vehicle Testing System
WC	Western Cape
WCO24	Greater Stellenbosch



Abbreviation	Description
WCWDM	Water Conservation and Water Demand Management
WCWSS	Western Cape Water Supply System
WMO	Waste Management Officer
WoF	Working on Fire
WRC	Water Research Commission
WTP	Water Treatment Plan
WWF	World Wildlife Fund



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CHAPTER 1: EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: EXECUTIVE MAYOR'S FOREWORD



It is an honour to present the Annual Report of Stellenbosch Municipality for the 2021/22 financial year. This report builds on the municipality's reporting in previous years and aligns as far as possible with the recommendations of the 2016 King Report on Corporate Governance for South Africa (or King IV) as well as internationally accepted standards for integrated reporting.

In my capacity as Executive Mayor over the past financial year, I have been hugely impressed by how not only the municipality's employees, but also most residents have embraced our vision of becoming a true Valley of Opportunity and Innovation.

Our municipality, with all its unique towns, stands as a shining example to the rest of South Africa of what can be achieved when people work together towards a shared vision of a better future.

Thank you to all the residents, stakeholders, investors, and visitors for always keeping us on our toes and for supporting us in our efforts to achieve our goals. Based on the achievements of the past financial year, in many instances in the face of significant challenges, I have every confidence that, together, we will continue to make steady progress in the years to come. At a management and a political level, our organisation stands strong, and it is from this firm foundation that we can focus all efforts on improving lives and livelihoods.

This report provides information about the municipality's financial, operational, social, and environmental performance over the past 12 months under review, namely the period from 01 July 2021 to 30 June 2022. It also reflects on the progress made towards reaching our objectives as set out in the Integrated Development Plan (IDP).

The Annual Report will show that the Stellenbosch Municipality is in a very stable position, with excellent financial controls in place. We are committed to good governance practices, and our zero-tolerance approach to misconduct and corruption ensures that every cent of public money is spent on the people.

The maintenance, upgrade, and development of our infrastructure remained key priorities for Council. During the period under review, special attention was given to the upgrading of bulk infrastructure and the maintenance of critical infrastructure to ensure that service delivery can continue on a sustainable basis.

Team Stellenbosch has shown incredible resilience and an ability to pull together as a government and as residents. Thank you to every municipal employee who is working to make excellent service delivery happen and to ensure that this great municipality becomes even better. This report must



inspire all of us to work even harder to position Stellenbosch firmly as one of the best-run and financially stable municipalities in the country.

The content of this report is linked to various material issues in the municipality's IDP and other sector plans. These are issues that we intend to address as part of delivering our service mandate in the context of our five strategic focus areas and long-term vision.

I believe that the 2021/22 Annual Report will provide you with a fair and accurate overview of the administration's financial, operational, social, and environmental performance for the 12 months under review.

ADV GESIE VAN DEVENTER
EXECUTIVE MAYOR



COMPONENT B: MUNICIPAL MANAGER'S OVERVIEW



In reflecting on the 2021/22 financial year, I am pleased to report that the Stellenbosch Municipality has performed well concerning service delivery, governance, and financial management.

The past year has been both challenging and rewarding. During this period, Stellenbosch lived through loadshedding as well as the Covid-19 pandemic. Both tested the resilience and the very fabric of our residents, officials, management team and stakeholders. Despite these events, we have collectively emerged stronger.

This report provides information on the municipality's performance for the 12 months

under review and will show that we have weathered the COVID-19 storm and delays caused by the lockdown as best as we could.

There were unavoidable delays in construction on projects due to the lockdown period, which impacted negatively on the timely completion of some projects, but essential municipal service delivery and emergency services continued uninterrupted. We had a local government election during the year under review and the transition between the two councils was seamless, which is a credit to the maturity of our organisation and its leadership.

I am proud of the clean audit opinion we once again received from the Auditor General of South Africa (AGSA). A clean audit demonstrates good management, effective control measures, and compliance with audit requirements. My sincere appreciation to my management team, all our officials, and the Council for your dedication towards achieving our clean audit status.

The Annual Report 2021/22 will show that the Stellenbosch Municipality is fiscally healthy, with all senior management positions filled and all municipal departments fully operational, albeit with some capacity constraints within our planning department.

As a caring local government guided by our values of innovation, integrity, accountability, and transformation, we have continued to invest heavily in infrastructure upgrades, development, and maintenance, as this report will demonstrate. Key priorities of the municipality remain safety and security, ensuring dignified living opportunities, and creating an environment conducive to economic growth and opportunities.

The municipality is not in the business of making promises. Commitments are monitored and reported on, but if not fulfilled, action is taken. We are an outcomes-based organisation that is open to the scrutiny of residents. Thank you to all municipal employees, management, and executives for your diligence, passion, and hard work over the past year. It is an honour to be part of a municipality that is so determined to make a positive difference in the lives of those it serves.



We live in a difficult economic climate characterised by higher-than-usual inflation, supply chain management disruptions due to global shocks, a growing climate change impact and ongoing energy security challenges. Stellenbosch is determined to overcome these challenges in the areas we can control and to collaborate with our stakeholders to build resilience.

I extend my sincere appreciation to the Executive Mayor and Mayoral Committee, the entire Council, the Audit and Performance Audit Committee (APAC), my management team, and all our officials for their contribution to delivering on our vision of becoming a true Valley of Opportunity and Innovation for all.

Let this Annual Report reflect on the past year's challenges and achievements and motivate us to do even better as we head into the future together.

MS GERALDINE METTLER
MUNICIPAL MANAGER



COMPONENT C: EXECUTIVE SUMMARY AND MUNICIPAL OVERVIEW

1.1 Introduction

This Annual Report 2021/22 addresses the performance of the Stellenbosch Municipality, in the Western Cape, South Africa, in respect of 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 councils provide 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 2021 to 30 June 2022. 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 areas.



VISION AND MISSION STATEMENT



THE STELLENBOSCH MUNICIPALITY HAS COMMITTED ITSELF TO THE FOLLOWING VISION AND MISSION:

Vision

“An Integrated Valley of Opportunity and Innovation”

Mission

**Our mission is to deliver services in an enabling environment through sustainable,
cost-effective and accountable services for our community**

**IN ALL OUR WORK AND ENGAGEMENTS WITH THE COMMUNITY AND OTHER STAKEHOLDERS, WE
SUBSCRIBE TO THE FOLLOWING**

Integrity:

As servants of the public, we undertake to perform the functions and operations of the municipality in an honest and ethical manner.

Accountability:

As responsible public servants, we pledge to perform our duties in a manner that is open to oversight and public scrutiny. This commitment is shaped by our understanding to give an account of our actions to individuals, groups and organisations.

Transformation:

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

Innovation:

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

Excellence:

As a municipality, we will strive to deliver excellent services for all areas within the greater Stellenbosch.

Responsiveness:

The municipality is a responsive municipal entity with zero tolerance for corruption and illegal actions.

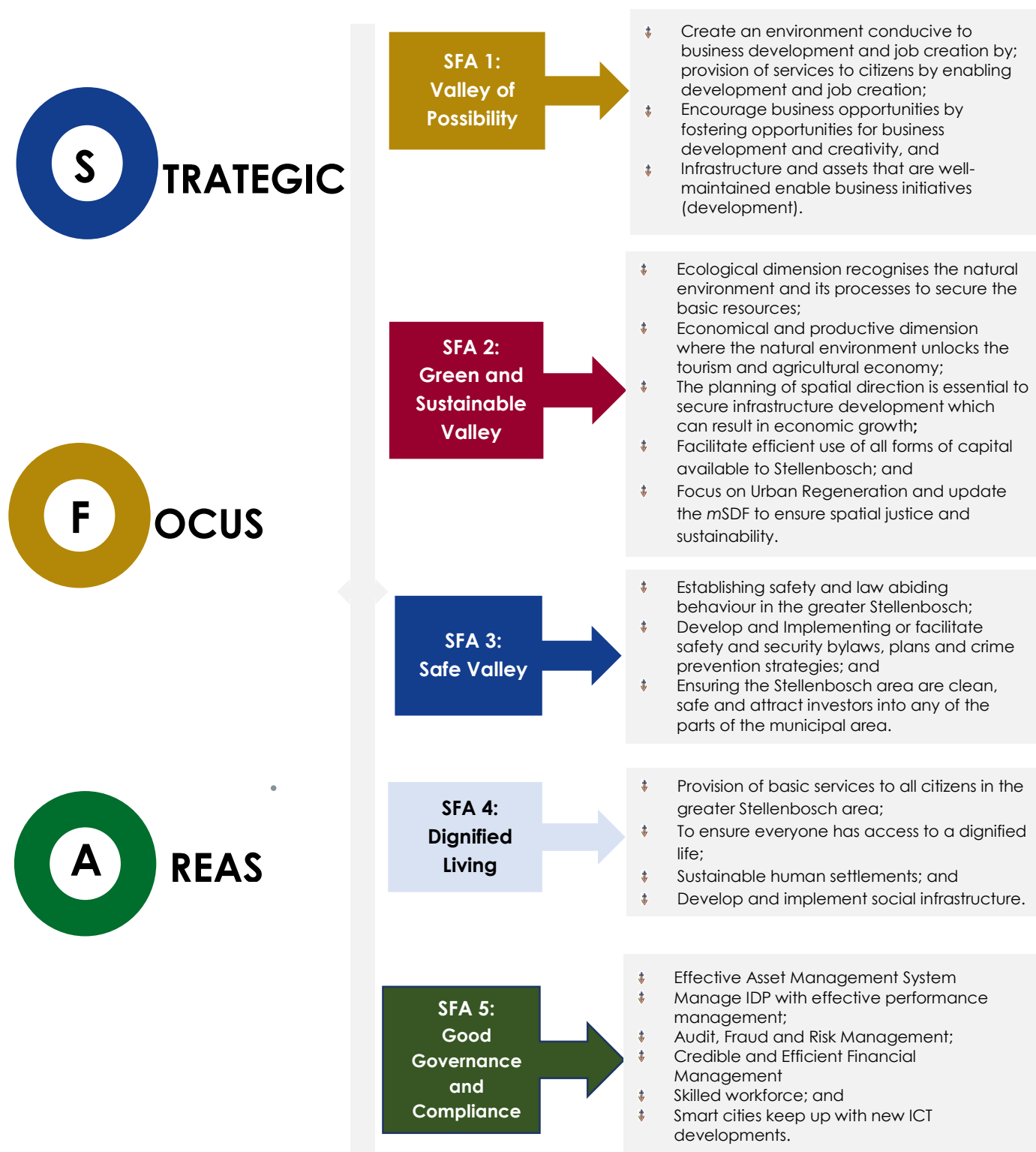
Values



1.2 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. The Service Delivery and Budget Implementation Plan (SDBIP) is developed in a more detailed way to indicate the deliverables against the activities that should be met in a certain timeframe.

Figure 1: Strategic focus areas

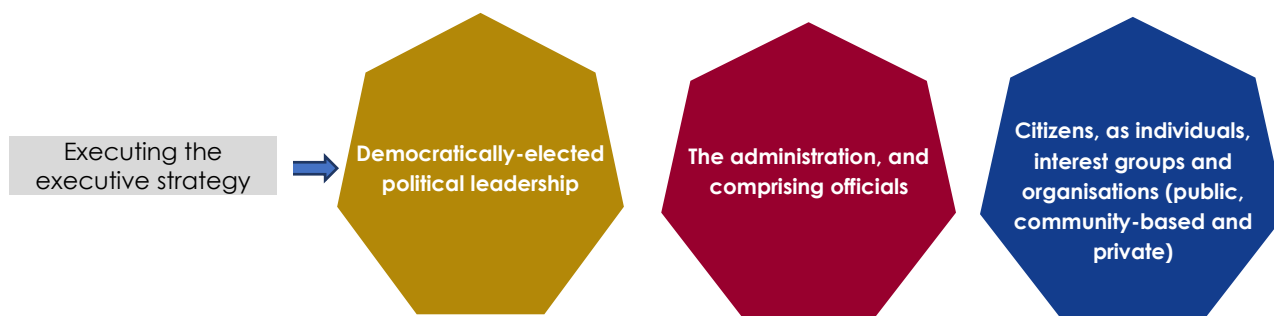




1.3 Core Principles in Executing the Strategy

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 2: Core principles in executing 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 proper community input and ownership. It is not generally realised that communities are legally part of the municipality. This being the case, however, means that local communities cannot simply play the role of critic or passive bystander. Local communities must play an active part in the planning and implementation of projects and programmes in their neighbourhoods.

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 22 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.



1.4 Alignment with Institutional Structures and Processes

The municipality focuses on prudent arrangements that provide internal and external alignment to 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 as well as delivering services to all citizens.

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 first plan is drafted, and provisions are created for influencing today's decisions and the character of future work in a way that supports the strategy. The strategy becomes the overarching strategic framework, which is then built on with technical work.

1.5 The tools of governance

Policy: defining / framing the position of government and direction for action concerning issues where clear choices exist (for example, to focus on private or public transport, to grow a settlement outwards or contain it inwards).

Plan making: indicating where resources should focus functionally or spatially, in what form, and when.

Legislation: directing, constraining and rewarding (potentially) the behaviour of different actors in society (in the interest of all citizens).

Regulation: the process of directing, constraining, and potentially rewarding (potentially) the behaviour of various actors in society (in the best interests of all citizens).

Fiscal measures: service fees, charges, and taxes used to raise government revenue and direct action in support of policy and legislation (via fiscal "incentives").

Financial measures: the priorities and areas of government spending, including investments in infrastructure, facilities, and programmes to support spatial and sectoral or functional area policies and plans.

Institutional measures: arrangements for decision-making, the allocation of powers, responsibilities, agreements and relationships between government and other actors, human resource capacity / competency, and measurement systems within government and between government and other actors.

Asset management: the approach taken to the management of government assets (land, public facilities, and so on).

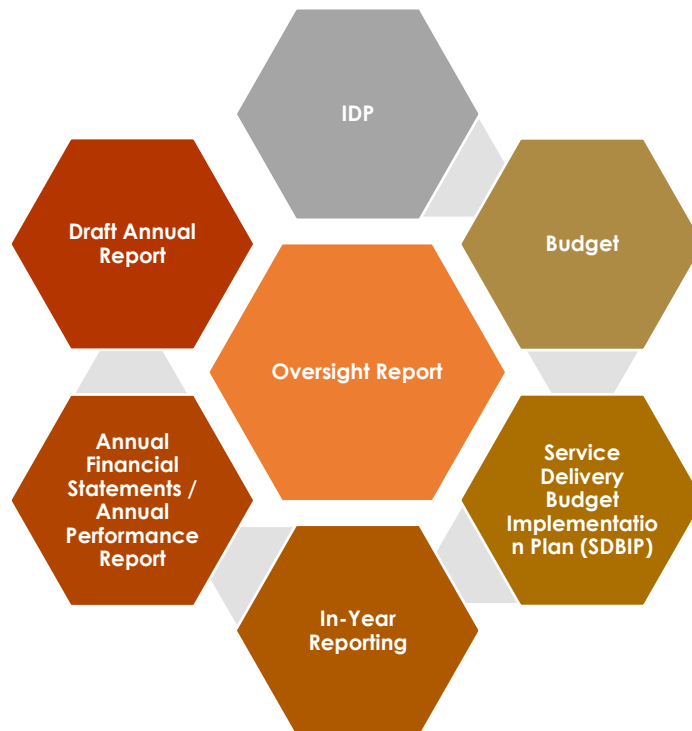
Knowledge and information management: the government's investment in and dissemination of knowledge about existing / anticipated conditions that require management.

Advocacy: the "positive" and "negative" positions taken by the government on issues. This could be through the media, public meetings / engagements events, and so on.



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

Figure 3: Accountability Process flow





1.6 Demographical Overview of the Greater Stellenbosch at a Glance

Table 1: Socio-economic summary

Population Estimates, 2022				Actual households, 2021				
		Population 199 325				Households 50 792		
Education		2021		Poverty		2021		
	Matric Pass Rate	87.9%			Gini-Coefficient	0.63		
	Learner Retention Rate	79.1%			Poverty Head Count Ratio (UBPL)	58.91		
	Learner-Teacher Ratio	27.2						
Health								2021/22
	Primary Health Care Facilities	Immunisation Rate	Maternal Mortality Ratio (per 100 000 live births)		Teenage Pregnancies – Delivery rate to women U/18			
	8 (excl. mobile / satellite)	55.8%	61.1		13.2%			
Safety and Security				The annual number of reported cases in 2021/22				
	Residential Burglaries	DUI	Drug-related Crimes		Murder	Sexual Offences		
	958	252	1125		87	226		
Access to Basic Service Delivery				Percentage of households with access to basic services, 2021/22				
Water		Refuse Removal	Electricity		Sanitation	Housing		
99.3%		82.1% 	96.8% 		96.4% 	74.5% 		
Road Safety 2021/22		Labour, 2021/22 ¹		Socio-economic Risks				
Fatal Crashes 31		Unemployment Rate		Risk 1	Job Losses			
Road User Fatalities 39		(narrow definition)		Risk 2	Informal Sector Expansion			
		34.5%		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				
26.5% 		17.5% 		16.3% 				

Source: Western Cape, Social-Economic Profile 2022

¹ According to the Quarterly Labour Force Survey (QLFS) – Q1: 2022, the official unemployment rate was 34.5% in the first quarter of 2022.



1.7 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 metropolis. Aside from being a mere 50 km from Cape Town's central business district (CBD) and being flanked by the N1 and N2 main routes, Stellenbosch is also just 30 km away from the sea (at Somerset West / Strand) and only a few kilometres away from one of the most attractive mountain ranges of the Boland.

In addition, Stellenbosch is a mere 28 km from Cape Town International Airport, one of South Africa's top (air) links to the global economy, and not much further away from Cape Town harbour, the shipping portal to both the Atlantic and the Indian Oceans.

This convergence of environmental resources, scenic quality and business opportunities has two other mutually reinforcing spin-offs: The largest number of JSE-listed companies based in any small South African town have their headquarters in Stellenbosch and the town is home to a disproportionately high number of corporate 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, Languedoc, Groot Drakenstein, Muldersvlei, Klapmuts, 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 Dutch, Georgian and Victorian, which reflect their heritage and traditions, but also divisions of the past.

The area houses excellent educational institutions, including the University of Stellenbosch and several prestigious schools. It has a strong business sector, varying from major South African businesses and corporations to smaller enterprises and home industries. The tourism industry alone is responsible for the creation of about 18 000 jobs in the area. Wine farms and cellars abound and the area is the home of the very first Wine Route in South Africa.



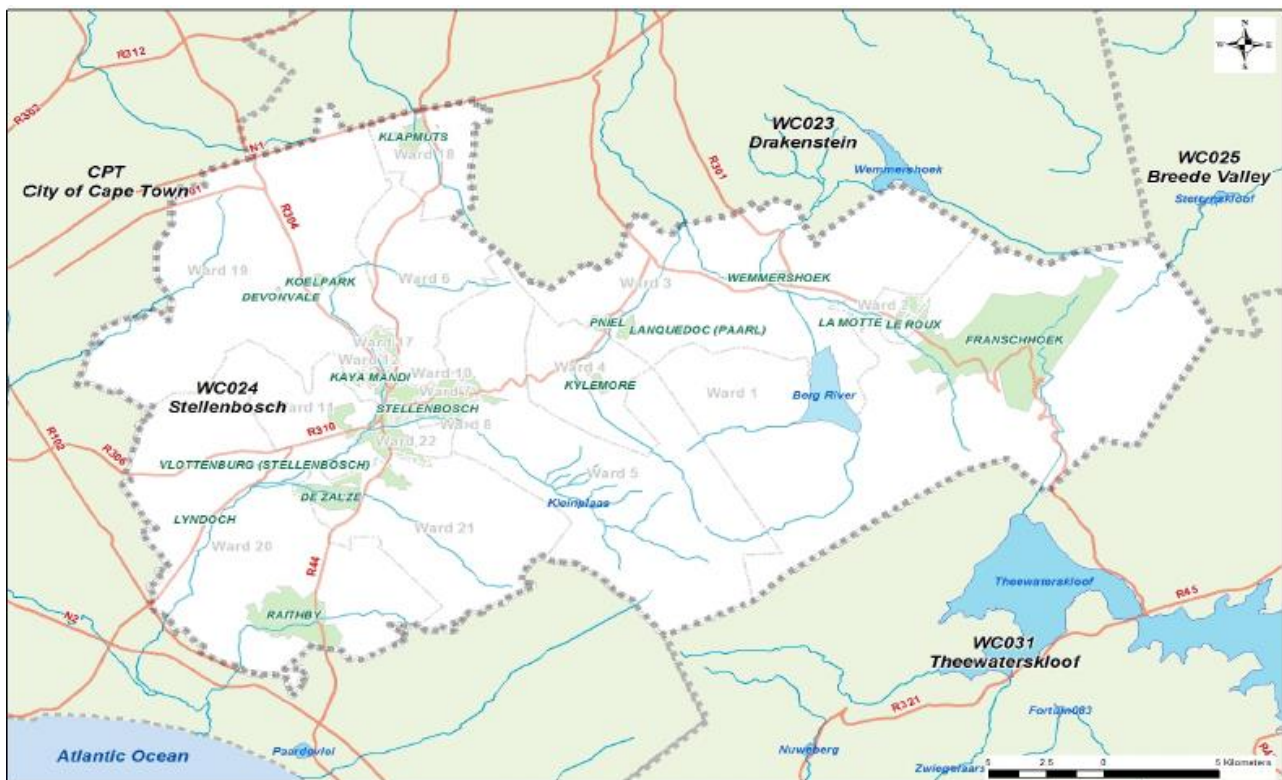
A variety of sport facilities are available. Coetzenburg, with its athletics and rugby stadiums, has delivered star performances over many generations. The Municipal area is surrounded by arts and culture characters such as the Adam Small Theatre, Oude Libertas Amphitheatre (renowned for its summer season of music, theatre and dance), Spier Amphitheatre, as well as Klein Libertas Theatre, Dorp Street at Theatre 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
- Theewaterskloof Municipality, (South-west).

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

Map 1: Locality map of municipal boundaries





1.8 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 2: Municipal Ward Demarcation

Ward	Areas
1	Mooiwater, Franschhoek Town and Surrounding Farms
2	Langrug, La Motte, Dennegeur, Groendal
3	Langquedoc, Wemmershoek to La Motte Wine Farm and Leopard Leap Wine Farm
4	Kylemore, Johannesburg, 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
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	Tennantville, 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, Oliehouth 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 Papegaaienberg and businesses
12	Kayamandi: Zone A, Chris Hani Drive, 10th and 13th Street, School Crescent, Snake Valley, Enkanini, Watergang, Watergang TRA 2 and Watergang Informal Settlements
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
16	The borders are Tenant Rd, Long streets, 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 Cloetessville (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, Wildeklaar Welgevonden Boulevard, Olive Rd, Sonnedou Rd, Mountain Silver Rd, Silver Oak Rd, Froetang Rd, Katbos Rd, Everlasting, Fynbos Street, Sourfig Street, Scarlet Crescent, 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 Klappmuts road and Long streets.
18	Klappmuts Town Centre, Bennitsville, Weltevrede Park, Klappmuts New Houses, Mandela City and La Rochelle Informal Settlement, Klappmuts Farms (The Purple Windmill, Arra Vineyards, Hidden Gems Wines, Gravel Junction Wine and Spirit Company, Wine Estate Le Bonheur, Anura Vinyard, Dalewood Farms, Blueberry Bar, Klappmuts Transfer Station, Trophy SA, DKL Transport Pty, Welgelee Estate)
19	De Novo, Kromme Rhee, Vaaldraai, Muldersvlei, Koelenhof and surrounding Farms, Koelenhof Station, Slayley, Hunting, Koelenhof Farms, Poultry / Mariendahl, De Hoop, Nootgedacht Village, Bottelary and Surrounding Farms, De Waalshof, Weltevrede 1, Weltevrede 2, Smartie Town.
20	Vlottenberg, Raithby, Mooiberge, Lynedoch

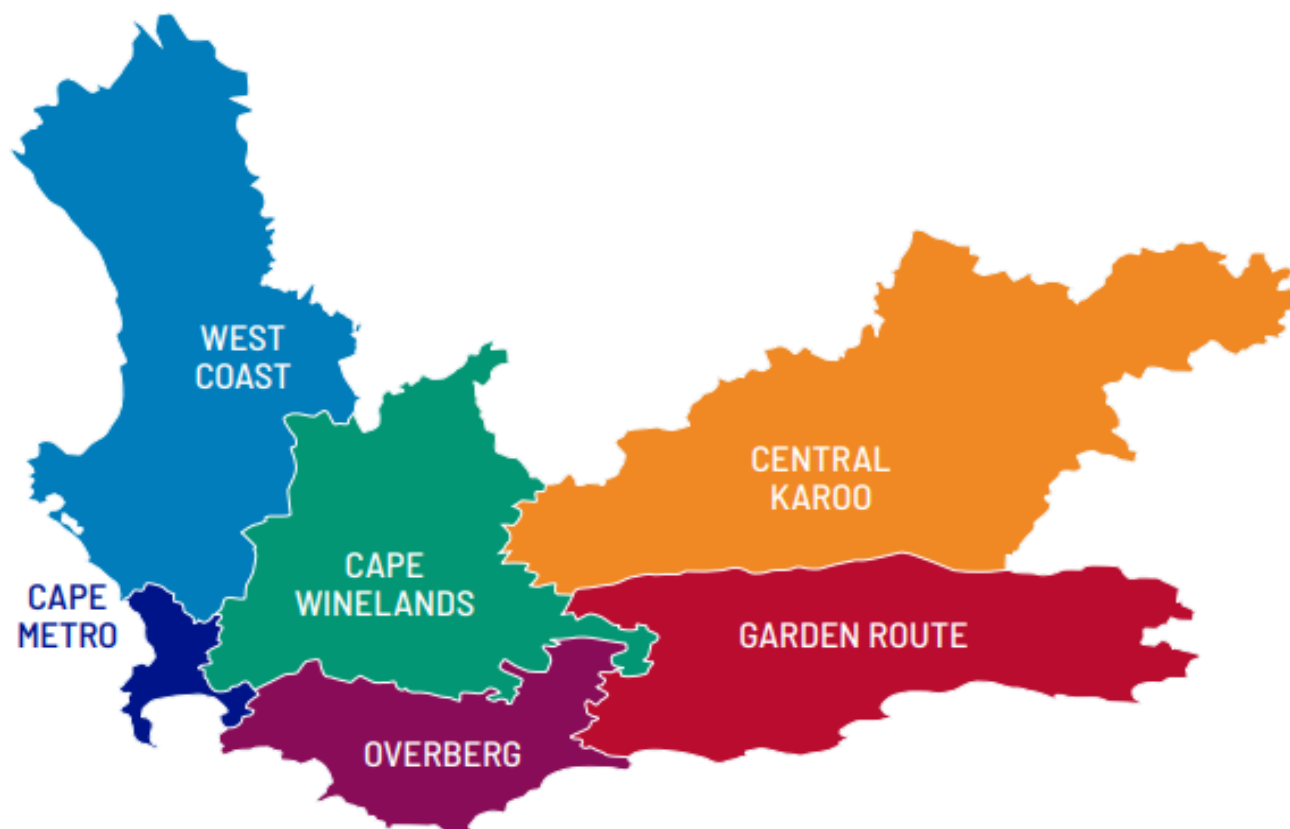


Ward	Areas
21	Brandwacht Aan Rivier, Paradyskloof, Stellenbosch Golf Course, Blaauwklippen / Stellenzicht Farms, De Zalze, Jamestown, Mountainview, Stellenbosch Airfield
22	Die Boord, Dalsig, Brandwacht, Krigeville, Libertas Farm
23	Dorp Street, Krige, Hamman Streets, Schroder Rd, Die Braak, Bird Street from Dorp Street, Denniseg area, Muller Rd, Banghoek Road, Reyneveld Street, Plankenburg Industrial area and Kayamandi Corridor.

Source: Statistics South Africa

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

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

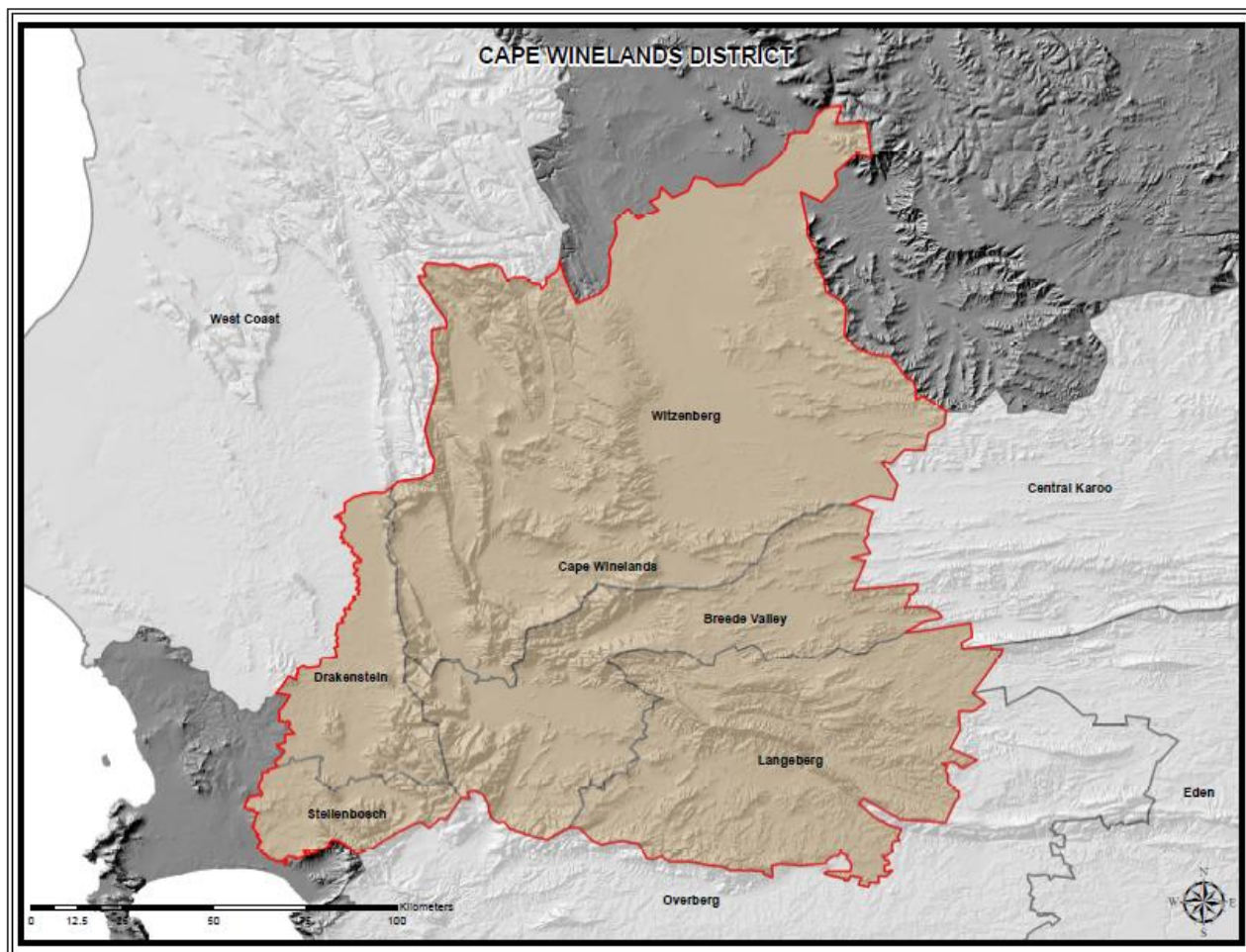


The Western Cape Province makes up 10.6% of the country's land surface and encompasses an area of 129 462 km². The province spatial area includes 1 metropolitan area (City of Cape Town), 5 district municipal areas (Central Karoo, Eden renamed Garden Route, Overberg, Cape Winelands and West Coast) and 24 local municipalities.



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 within proximity of 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.

1.9 Socio-Economic Context

All socio-economic information is sourced from the Local Government Socio-Economic Profile 2022. The statistical data are primarily sourced from Statistics South Africa, administrative data from sector departments, the Municipal Review and Outlook (MERO), Global Insight Regional Explorer and Quantec.



1.9.1 Population Growth

The current population of Stellenbosch in 2022 are 199 325 persons, which is the most populated municipal area in the Cape Winelands District (CWD). This total is  expected to grow to 215 456 by 2026, equating to an average annual growth rate of 2.0 per cent for the period.

The estimated population growth rate of Stellenbosch is therefore 0.3 percentage and points higher than the estimated average annual population growth rate of the Cape Winelands District which is 1.7 per cent.

The table below depicts the population growth from 2022 to 2026:

Table 3: Population Growth

Area	2022	2023	2024	2025	2026
%					
Stellenbosch	3.3	2.3	2.0	2.0	1.6
Cape Winelands	2.7	1.8	1.6	1.6	1.6
Western Cape	2.9	1.8	1.7	1.7	1.6

1.9.2 Sex Ratio

The overall sex ratio depicts the number of males per 100 females in the population. The data indicates that as of 2022, there are more females than males in the Stellenbosch municipal area with a ratio of 51.1 per cent (females) to 48.9 per cent (males).



The sex ratio is therefore 96, meaning that for every 100 women there are 96 men. The ratio increases slightly towards 2023 and remains unchanged from 2023 to 2026. This could be attributed to a wide range of factors such as an increase in female mortality rates as well as the potential inflow of working males to the municipal area.

The table below depicts the sex ratio within the Stellenbosch municipal area.

Table 4: Sex Ratio

Year	Cape Winelands	Witzenberg	Drakenstein	Stellenbosch	Breede Valley	Langeberg
2022	98.0	108.9	97.6	95.7	93.9	96.1
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

1.9.3 Age Cohorts

The age cohorts are composed according to the population of Stellenbosch. These groupings are expressed as a dependency ratio which indicates those who are part of the workforce (Aged 15 – 64) and those who are dependent on them (children or senior citizens). A higher dependency ratio implies greater pressure on social systems and the delivery of basic services.



Between 2022 and 2026, the largest population growth projection was recorded in the 65+ age cohort at 2.7 per cent. This reflects possible improvements in life expectancy (an ageing population) or that more people are choosing the Stellenbosch municipal area as a retirement destination. Notable growth is also expected in the working age cohort, which results in an overall decrease in the dependency ratio towards 2026.

The table below depicts the age cohorts between 2022 and 2026.

Table 5: Age Cohorts

Year	Children: 0 – 14 Years	Working Age: 15 – 65 Years	Aged: 65 +	Dependency Ratio
2022	43 801	144 203	11 321	38.2
2024	45 272	150 716	11 932	38.0
2026	76 765	156 091	12 600	38.0
Growth	1.7%	2.0%	2.7%	-

1.9.4 Household sizes

Household size refers to the number of people per household. The average size of households is expected to remain constant at 3.6 people per household from 2022 to 2026. The trend of the constant average household size could be attributed to a wide range of factors but are not limited to, lower fertility rates, ageing population, divorce, cultural patterns surrounding intergenerational co-residence, as well as socioeconomic factors that shape trends in employment, education, and housing markets.



The table below depicts the household sizes in 2022.

Table 6: Household Sizes

Year	2022
Household Size	3.6

1.9.5 Population density

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 of the Cape Winelands District was 45 persons per square kilometer. In order of highest to lowest, the various local municipal areas compare as follows:



Stellenbosch	240 people/km ² ;
Drakenstein	194 people/km ² ;
Breede Valley	51 people/km ² ;
Langeberg	27 people/km ² ; and
Witzenberg	14 people/km ² .

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.



1.9.6 Education

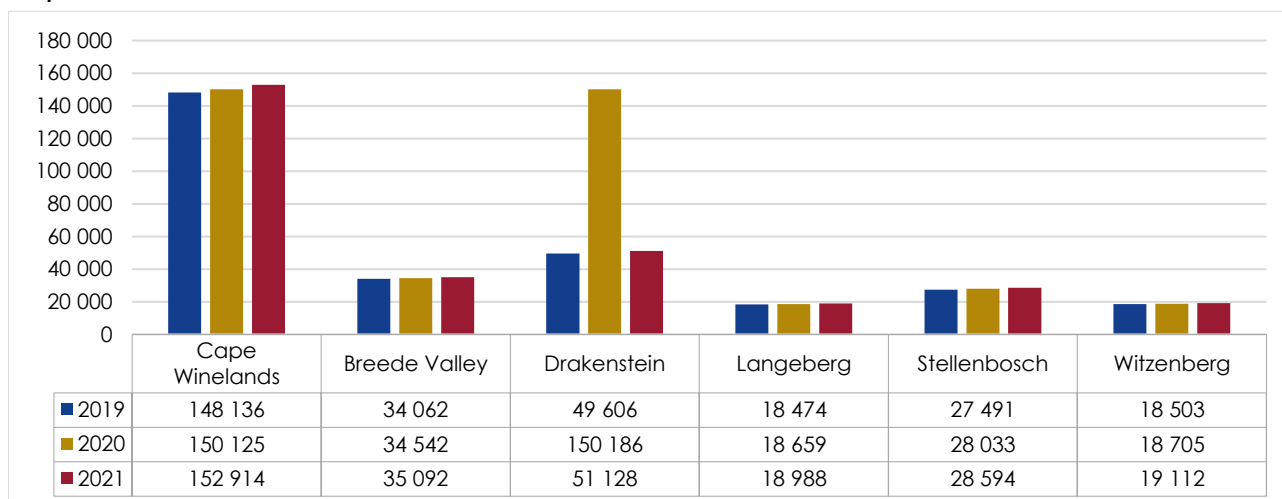
Education and training improve access to employment opportunities and help sustain and accelerate overall development. Quality Education is the 4th Sustainable Development Goal, while the National Development Plan (NDP) emphasises the link between education and employment as well as the significant contribution it makes to the development of the capabilities and well-being of the population.

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

Learner enrolment in Stellenbosch increased from 27 491 enrolments in 2019 to 28 594 in 2021 (more than 1 104 learners were enrolled compared to 2019).

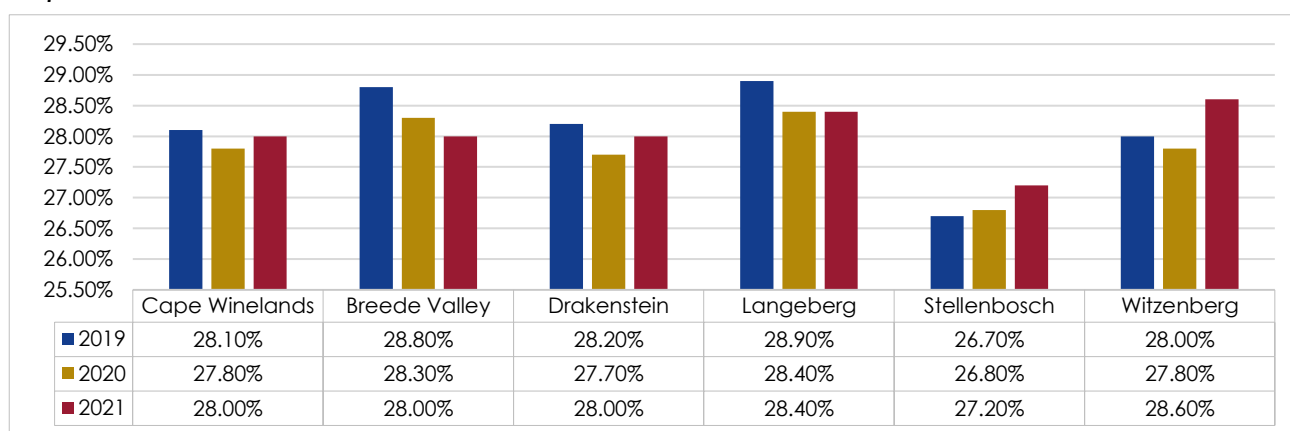
The graphics below depict the learner enrollments, learner-teacher ratio and learner retention from 2019 to 2021.

Graph 1: Learner enrollment



Source: Western Cape, Socio-Economic Profile 2022

Graph 2: Learner-teacher ratio



Source: Western Cape, Socio-Economic Profile 2021

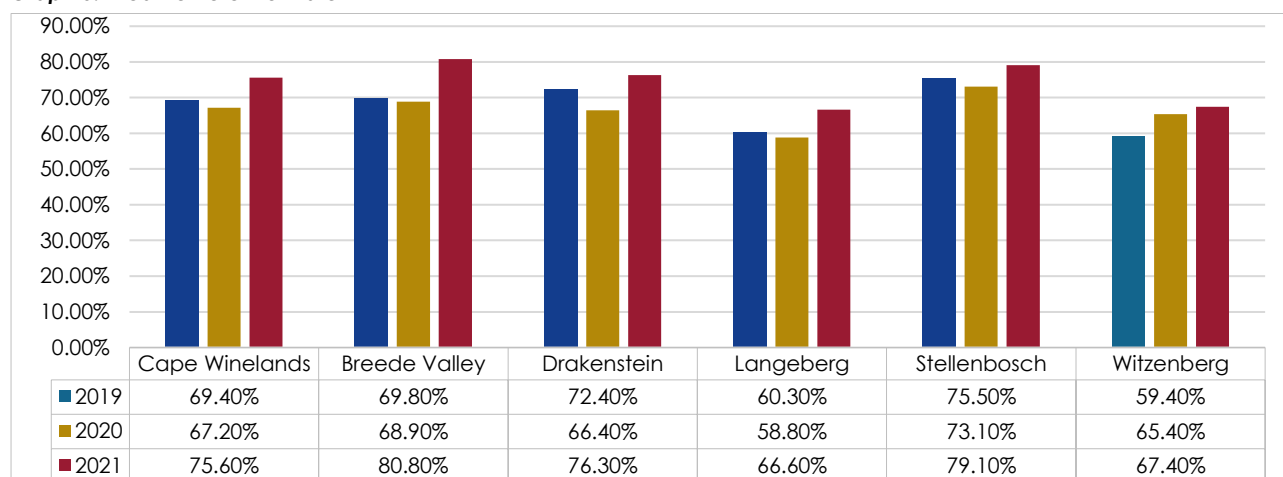
The learner retention rate measures the proportion of learners in Grade 12 who were in Grade 10 two years prior.



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.

Although the learner retention rate in the Stellenbosch municipal area improved from 75.5 per cent in 2020 to 79.1 per cent in 2021, more than 20 per cent of the learners did not complete their studies.

Graph 3: Learner retention rate



Source: Western Cape, Socio-Economic Profile 2022

1.9.8 Education Infrastructure, Number of schools and no-fee schools

The number of schools within the Stellenbosch municipal area is recorded at 39 in 2021. A total of R90 million will be spent in the Stellenbosch municipal area across the MTREF. This allocation will be used for upgrading and additions as well as new and replacement infrastructure in the following schools; Aviation, Elsenburg Agri School, Klappmuts Primary School and HS, and New Stellenbosch Primary School.

The No-fee Schools Policy abolishes school fees in the poorest 40 per cent of schools nationally for learners from Grade R to Grade 9. As per the policy, schools that do not charge fees will be allocated a larger amount of funding from the national budget per learner to make up for the fees that would have been charged.

The proportion of no-fee schools in the Stellenbosch municipal area remains at 64.1 per cent in 2021.

1.9.9 Schools with libraries and media centres

The Stellenbosch municipal area consist of 39 schools in 2021 of which 27 (69 per cent) were equipped with libraries. The availability of library facilities within schools contributes towards narrowing the academic attainment gap by allowing students access to information which is in turn directly linked to improved education outcomes.



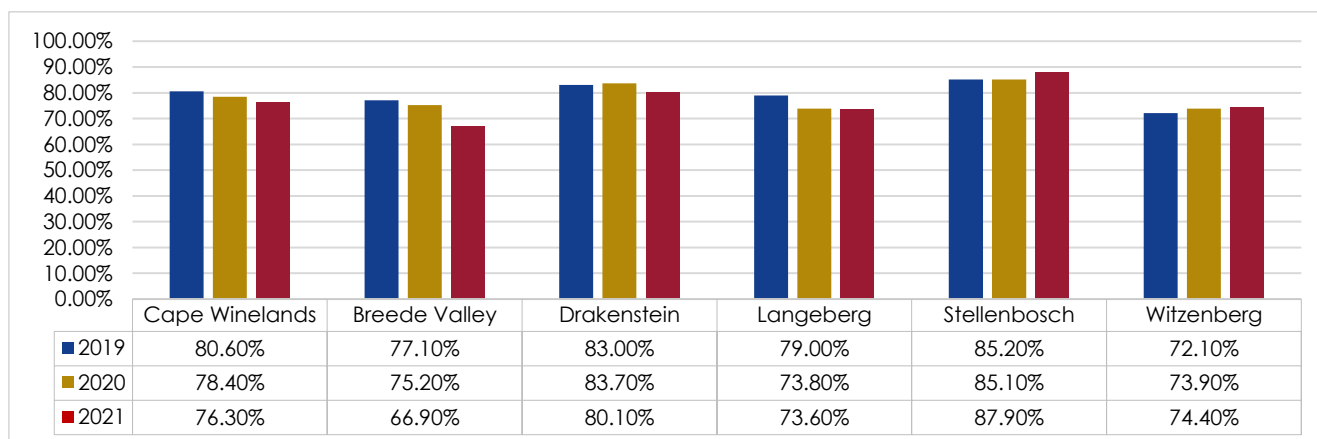
1.9.10 Education Outcomes (Matric Pass Rates)

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. Stellenbosch's matric pass rate improved from 85.1 per cent in 2020 to 87.9 per cent in 2021; recording the highest matric pass rate in the district in both 2020 and 2021 in the Cape Winelands District.



The graph below depicts the Matric pass rates from 2020/19 to 2021.

Graph 4: Matric pass rate



Source: Western Cape, Socio-Economic Profile 2022

1.9.11 Health

According to the LGSEP 2022, in 2021, 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 10 TB clinics. The municipal area has 14 (17.9 per cent) out of the 78 primary healthcare facilities within the Cape Winelands district.



The table depicts the total healthcare facilities.

Table 7: Healthcare facilities

Area	PHC facilities (Fixed clinics, CHCs and CDCs)		Community Health Centres ²	Community Day Centres ³	Hospitals		Treatment Sites	
	PHC Clinics (Fixed)	PHC Clinics (Satellite and Mobile)			District	Regional	ART Clinics	TB Clinics
Stellenbosch	7	6	0	1	1	0	9	10
Cape Winelands District	40	33	0	5	4	2	49	100

Source: Western Cape, Socio-Economic Profile 2022

² **Community Health Centre:** A facility that normally provides primary health care services, 24 hour maternity, accident and emergency services and beds where health care users can be observed for a maximum of 48 hours and which normally has a procedure room but not an operating theatre.

³ **Community Day Centre:** A health facility that provides a comprehensive health care services during day hours, including mother and child health, chronic diseases care, women's health, HIV and TB care, men's health, acute services, physio therapy, mental health services and oral health care.



1.9.12 Emergency Medical Services

The provision of more operational ambulances can provide greater coverage of emergency medical services. The Stellenbosch municipal area had a total of 6 ambulances servicing the region, which translates to 0.3 ambulances per 10 000 people in 2021. This number only refers to Provincial ambulances and excludes all private service providers and remained unchanged between 2020/21 and 2021/22.

1.9.13 HIV / AIDS and TB

The number of clients (patients) that remain committed to their antiretroviral treatment (ART) plan in the Stellenbosch municipal area increased by one patient between 2020/21 and 2021/22. In total, 6 915 registered patients received antiretroviral treatment in the Stellenbosch municipal area in 2021/22. In turn, the number of new patients receiving ART also increased from 460 in 2020/21 to 481 in 2021/22. There has been an average annual increase of 3.65 per cent between 2020/21 (849) and 2021/22 (880) in the number of registered patients receiving TB treatment in the Stellenbosch municipal area.



Table 8: HIV/AIDS Management

Area	Registered patients receiving ART		Number of new ART patients	
	2020/21	2021/22	2020/21	2021/22
Stellenbosch	6 914	6 919	460	481
Cape Winelands District	32 949	32 719	2 825	3 780

Source: Western Cape, Socio-Economic Profile 2022

1.9.14 Child Health

The immunisation coverage rate for children under the age of one in the municipal area improved slightly from 52.7 per cent in 2020/21 to 55.8 per cent in 2021/22. The overall CWD rate increased from 60.6 per cent to 62.2 per cent across the same period. The number of malnourished children under five years of age (severe acute malnutrition) per 100 000 people in the municipal area increased notably from 0.9 in 2020/21 to 1.5 in 2021/22.



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.

Table 9: Child Health

Area	Low Birth Rate		Neonatal Mortality Rate per 1000		Acute Malnutrition Rate (Under 5) per 100 000		Immunisation Rate (Under 1)	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
Stellenbosch	8,5	9,8	6,3	3,1	0,9	1,5	52,7	55,8
Cape Winelands District	15,5	16,0	10,7	8,0	1,8	2,2	60,6	62,2

Source: Western Cape, Socio-Economic Profile 2022



1.9.15 Maternal Health

In 2020/21, the Stellenbosch municipal area recorded the lowest number of maternal deaths (57.3) and teenage pregnancies (11.4 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, the termination of pregnancy rate (0.6 per cent) remained unchanged across this period.

Table 10: Maternal Health

Area	Maternal Mortality Rate		The delivery rate of women under 20 years		Termination of pregnancy rate	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
Stellenbosch	57.3	61,1	11.4	13,2	0.6	0,6
Cape Winelands District	118.3	120,1	13.6	14,0	0.7	0,7

Source: Western Cape, Socio-Economic Profile 2022

1.9.16 Poverty

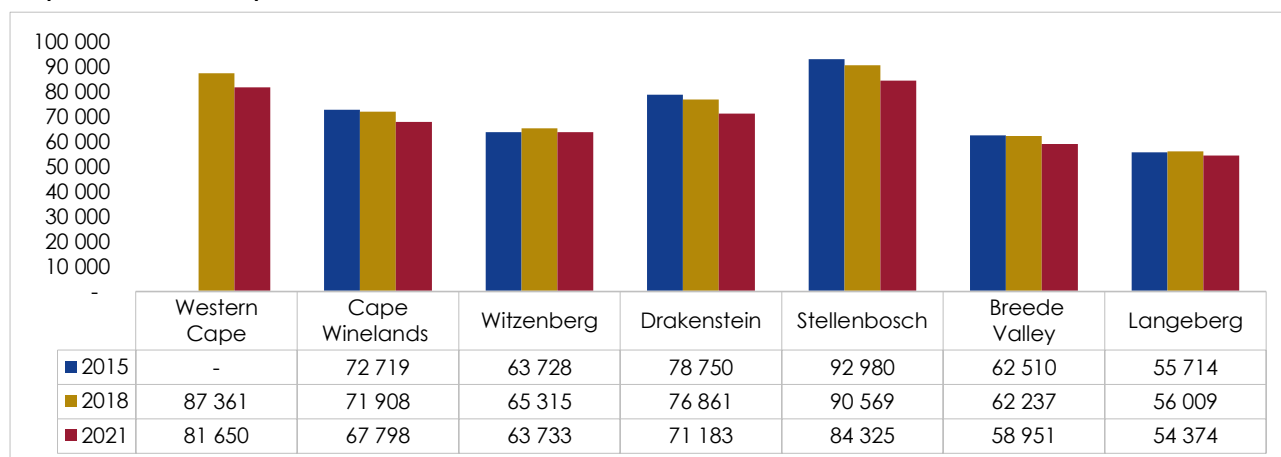
a) GDPR Per Capita

An increase in the real regional gross domestic product (GDPR) per capita, i.e., GDPR per person, is experienced only if the real economic growth rate exceeds the population growth rate. Even though real GDPR per capita reflects changes in the overall well-being of the population, not everyone within an economy will earn the same amount of money as estimated by the real GDPR per capita indicator.

An increase in GDPR per capita, i.e., GDPR per person, is experienced only if the economic growth rate exceeds the population growth rate. At R67 798 in 2021, the Cape Winelands District's real GDPR per capita is below that of the Western Cape's figure of R81 650 for the same period. However, Stellenbosch has outperformed both the District and the Province by recording a per capita income figure of R84 325 in 2021.

Cape Winelands District recorded the highest figure across 2021. While the 2021 figure has regressed moderately for the period 2015 – 2021, the robust economic potential of the municipality is highlighted by its persistent high level of per capita incomes recorded, despite the recent recessionary economic environment coupled with the COVID-19 pandemic which restricted economic activity both regionally and globally.

Graph 5: GDPR Per Capita



Source: Western Cape, Socio-Economic Profile 2022

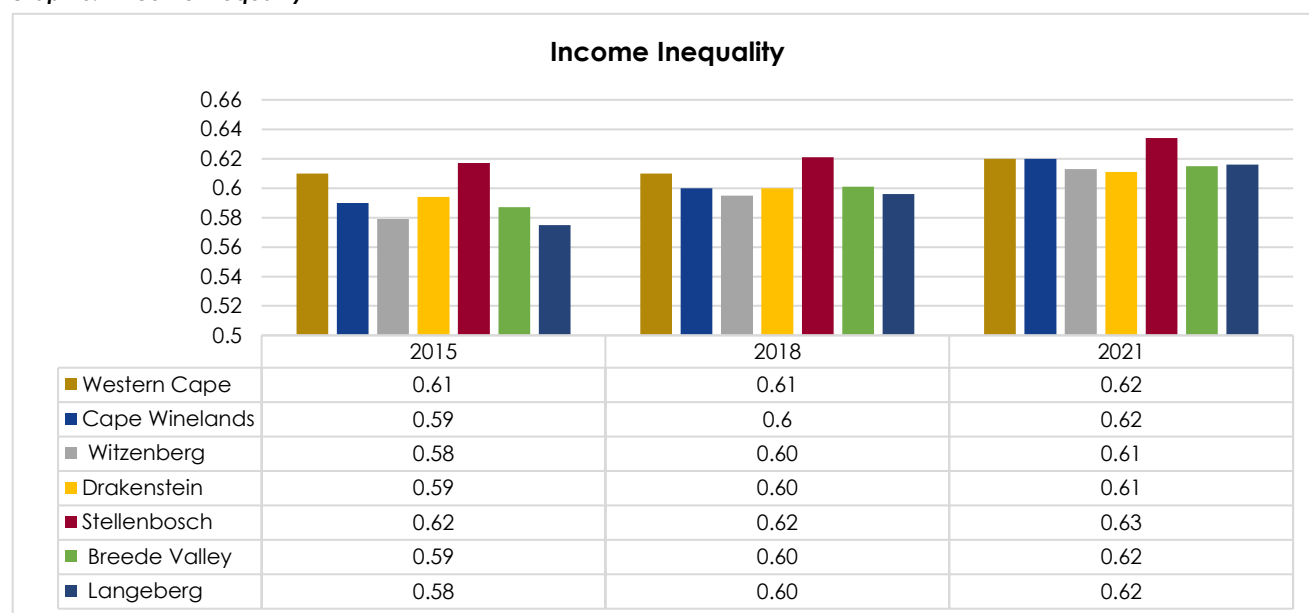


b) Income Inequality

South Africa suffers among 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. Income inequality has increased in Cape Winelands District between 2015 (0.59) and 2021 (0.62). These disparities in income are certain to worsen across the ensuing MTREF given the potential aftereffects of the COVID-19 pandemic. Stellenbosch has displayed a similar trend to that of the District's trajectory with inequality levels worsening from 0.62 in 2015 to 0.63 in 2021.

Graph 6: Income Inequality



Source: Western Cape, Socio-Economic Profile 2022

c) Poverty Line⁴

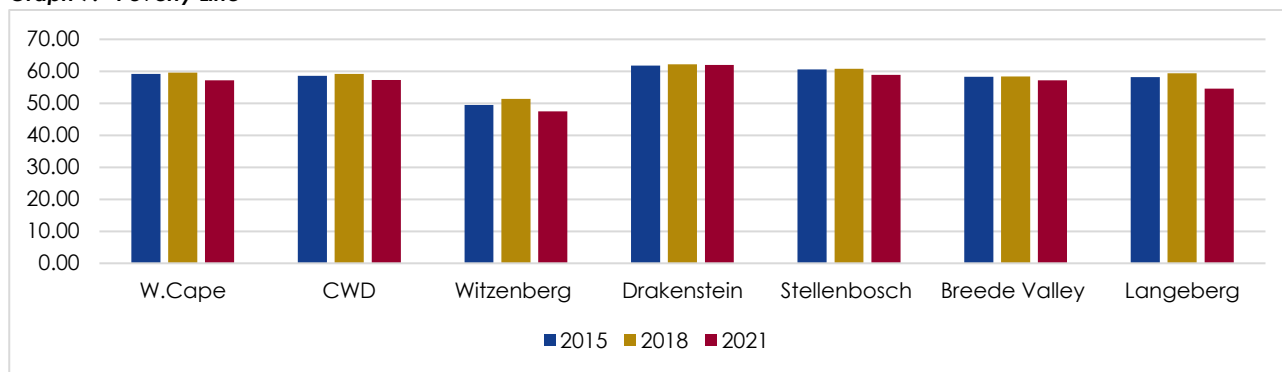
The Upper Bound Poverty Line⁵ (UBPL) headcount ratio is the proportion of the population living below the UBPL i.e., that cannot afford to purchase adequate levels of food and non-food items. The UBPL in South Africa is R1 227 (in April 2019 prices) per person per month.

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. The NDP aims to eliminate poverty by 2030.

In 2021, 58.91 per cent of Stellenbosch's population fell below the UBPL. This figure improved marginally from the 60.62 per cent and 60.76 per cent recorded for the periods 2015 and 2018, respectively. Stellenbosch along with Drakenstein (61.96 per cent in 2021) represent the highest proportion of people living in poverty across the Cape Winelands District, while the Stellenbosch figure of 58.91 per cent is marginally above that of the District figure (57.26 per cent) recorded in 2021.

⁴ 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

⁵ 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 7: Poverty Line**

Source: Western Cape, Socio-Economic Profile 2022

1.9.17 Basic Service Delivery

The Constitution stipulates that every citizen has the right to access adequate housing 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 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.

a) Housing and Household Services

With a total of 50 792 households in the Stellenbosch municipal area, 74.5 per cent had access to formal housing. This is lower than the Cape Winelands District average of 82.4 per cent. The area also had a substantially higher proportion of informal dwellings, a total of 24.7 per cent compared with the District's total of 16.9 per cent.

Service access levels within the municipal area were considerably higher than the access to formal housing, with access to piped water inside the dwelling / yard or communal / neighbour's tap at 99.3 per cent, access to a flush or chemical toilet at 96.4 per cent, access to electricity (including a generator) for lighting at 96.8 per cent and the removal of refuse at least weekly by the local authority at 82.1 per cent of households. These access levels were above the District figures for electricity and refuse removal services.

b) Free basic services

Municipalities also provide a package of free basic services to households that are financially vulnerable and struggle to pay for services. The number of households receiving free basic services in the Stellenbosch municipal area has declined sharply in 2020. The stressed economic conditions are expected to exert additional pressure on household income, which will likely increase the demand for free basic services and in turn the number of indigent households. However, this is area specific and dependent on the qualifying criteria which are used.



1.9.18 Safety and Security

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

Within the Stellenbosch area, the number of murders increased from 67 in 2019/20 to 70 in 2020/21, increasing further to 87 in 2021/22. The Stellenbosch municipal area's murder rate (per 100 000 people) increased from 36 in 2020/21 to 44 in 2021/22, and the murder rate (per 100 000 people) for the Cape Winelands District also increased from 42 to 43 for the same period.

Table 11: Murder cases per 100 000

Area	Actual Number			Per 100 000		
	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
Stellenbosch	67	70	87	36	36	44
Cape Winelands District	381	394	414	41	42	43

Source: Western Cape, Socio-Economic Profile 2022

a) 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, there were 226 sexual offences in the Stellenbosch area compared to 806 reported cases in the Cape Winelands District. The incidence of sexual offences (per 100 000 people) in the Stellenbosch municipal area (115) was higher than that of the District (84) in 2021/22.

Table 12: Sexual Offences per 100 000

Area	Actual Number			Per 100 000		
	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
Stellenbosch	204	230	194	108	119	99
Cape Winelands District	885	969	752	96	103	79

Source: Western Cape, Socio-Economic Profile 2022

b) 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 decreased from 1 589 cases in 2020/21 to 1 125 cases in 2021/22. The Cape Winelands District's drug-related offences decreased sharply from 5 903 in 2020/21 to 5 729 in 2021/22. When considering the rate per 100 000 people, with 575 drug-related offences per 100 000 people in 2021/22, the Stellenbosch area's rate is below the District's 600 per 100 000 population.

**Table 13: Drug-Related Offenses per 100 000**

Area	Actual Number			Per 100 000		
	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
Stellenbosch	2 188	1 589	1 125	1 163	826	575
Cape Winelands District	7 933	5 903	5 729	859	628	600

Source: Western Cape, Socio-Economic Profile 2022

c) 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 increased from 153 in 2020/21 to 252 in 2021/22. This translates into a rate of 128 per 100 000 people in 2021/22, which is above the District's 86 per 100 000 people.

Table 14: DUI Offenses

Area	Actual Number			Per 100 000		
	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
Stellenbosch	256	153	252	136	80	128
Cape Winelands District	980	495	819	106	53	86

Source: Western Cape, Socio-Economic Profile 2022

d) Road user fatalities

The type of road user that died in or during a crash i.e. driver, cyclist, passengers, pedestrians.

The number of road user fatalities in the Stellenbosch area increased from 35 in 2020/21 to 39 in 2021/22. While the number of fatal crashes decreased from 34 to 31 for the same reference period.

Table 15: Road user fatalities

Area	Stellenbosch		
	2019/20	2020/21	2021/22
Fatal Crashes	34	34	31
Road User Fatalities	37	35	39

Source: Western Cape, Socio-Economic Profile 2022

e) Residential Burglaries

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

The number of residential burglaries in the Stellenbosch area decreased from 971 in 2020/21 to 958 in 2021/22. Stellenbosch municipal area's rate of 489 per 100 000 population is above the District's 448 for 2021/22.

**Table 16: Residential Burglaries per 100 000**

Area	Actual Number			Per 100 000		
	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
Stellenbosch	1 273	971	958	677	505	489
Cape Winelands District	5 529	4 884	4 273	599	519	448

Source: Western Cape, Socio-Economic Profile 2022

1.9.19 Economy and Labour Market Performance

a) Sectoral Overview

In 2020, the economy of Stellenbosch was valued at R18 625.6 billion (current prices) and employed 71 911 people. Historical trends between 2016 and 2020 indicate that the municipal area realised an average annual growth rate of -0.7 per cent. The 2020 recession made a substantial dent in the average growth rate over the period, but load shedding and the drought within the Province also played a major role in prior years.

Estimates for 2021 however indicate a marked recovery in growth (4.6 per cent) from the effects of the COVID-19-related restrictions on economic activity in 2020. It was largely driven by growth in the wholesale and retail trade, catering and accommodation (7.8 per cent) as tourism activity resumed; as well as the finance, insurance, real estate and business services (3.5 per cent); and manufacturing (5.0 per cent) sectors. The mining and quarrying (-14.2 per cent), construction (-1.0 per cent) and general government (-0.9 per cent) sectors were the only sectors that experienced a further economic decline after the easing of restrictions.

Despite the economic recovery experienced in 2021, the economy continued to shed jobs, with an estimated 2 435 net jobs lost. This was largely driven by job losses in the wholesale and retail trade, catering and accommodation (-945 jobs); manufacturing (-338 jobs); and agriculture, forestry and fishing (-328) sectors, reflecting that employment creation is lagging behind the improved GDP. Only the general government sector was able to create jobs during the year.

b) Formal and Informal Employment

It is estimated that Stellenbosch's total employed will in 2021 amount to 69 476 workers, of which 55 435 (79.8 per cent) are employed in the formal sector and 14 041 (20.2 per cent) are informally employed. Employment in the formal sector had an annual average increase of only 0.2 per cent from 2016 to 2020 while the informal sector suffered an annual average decline of 5.9 per cent over this period. The informal economy was responsible for the majority of the job losses in 2021. This is a concern as the informal economy should be able to act as a buffer during times of economic recession.

Most of the formally employed consisted of semi-skilled (42 per cent) and low-skilled (32 per cent) workers. The skilled category only contributed 25.8 per cent to total formal employment. The skilled and semi-skilled categories grew at a pace of 0.7 per cent per annum from 2016 to 2020 and notably outpaced low-skilled employment which shed 0.9 per cent of jobs per annum. The growth in the skilled categories reflects the increasing market demand for skilled labour and the need for skills development initiatives, especially with the growing tertiary sector in the Stellenbosch municipal area.



c) Unemployment

To protect South African citizens from the COVID-19 pandemic, the government announced a national lockdown in March 2020 that brought about a shutdown of the economy, which in turn resulted in a shock in the labour market and a big change in the way people went about doing their work.

According to the Quarterly Labour Force Survey (StatsSA, 2021), The number of unemployed persons decreased by 60 000 to 7,9 million in the 1st quarter of 2022 compared to the previous quarter. The number of discouraged jobseekers decreased by 54 000 (1,4%) and the number of people who were not economically active for reasons other than discouragement decreased by 112 000 (0,8%) between the two quarters resulting in a net decrease of 166 000 not economically active population.

The above changes in employment and unemployment resulted in the official unemployment rate decreasing by 0,8 of a percentage point from 35,3% in the fourth quarter of 2021 to 34,5% in the first quarter of 2022.

The unemployment rate according to the expanded definition of unemployment also decreased by 0,7 of a percentage point to 45,5 % between April and June 2022 compared to January to March 2022.

The biggest job gains were recorded in community and social services (281 000), manufacturing (263 000) and trade (98 000). However, there were job losses in private households (186 000), finance (72 000), construction (60 000) and agriculture (23 000). The total number of persons employed was 14,9 million in the first quarter of 2022.



The table below indicates the economic sector overview:

Table 17: Economic Sector Overview

SECTOR	GDPR			
	R million (2020)	%	Trend (2016 – 2020)	Real GDPR growth 2021e
Primary Sector	R1 059.7	(5.7%)	0.5	6.7
Agriculture, forestry and fishing	R1 022.6	5.5%	0.5	7.2
Mining and quarrying	R37.1	0.2%	1.6	-14.2
Secondary sector	R3 948.9	21.2	-3.7	3.8
Manufacturing	R3 039.7	16.3%	-3.4	5.0
Electricity, gas and water	R222.1	1.2%	-2.0	3.3
Construction	R687.2	3.7%	-5.0	-1.0
Tertiary sector	R13 616.9	73.1%	0.1	4.7
Wholesale and retail trade, catering and accommodation	R3 257.3	17.5%	-1.5	7.8
Transport, storage and communication	R1 522.3	8.2%	-0.8	6.9
Finance, insurance, real estate and business services	R4 943.2	26.5%	1.9	3.5
General government	R1 849.5	9.9%	0.7	-0.9
Community, social and personal services	R2 044.7	11.0%	-0.9	6.2
Stellenbosch	R18 625.6	100%	-0.7	4.6

Source: Western Cape, Socio-Economic Profile 2022

Table 18: Skill Levels Formal employment

Skill Levels Formal employment	Number of jobs	
	2019	2020
Skilled	14 305	14 433
Semi-skilled	23 353	23 327
Low-skilled	17 688	17 675
Total	55 346	55 435

Source: Western Cape, Socio-Economic Profile 2022

Table 19: Informal employment

Informal Employment	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021e
Number of informal jobs	11 632	12 161	13 329	13 505	14 052	12 921	13 168	12 704	12 022	9 863	8 211
% of Total Employment	26,9	26,7	27,5	27,6	27,3	25,2	25,6	24,5	23,1	20,4	17,5

Source: Western Cape, Socio-Economic Profile 2022



Table 20: Unemployment Rates

Unemployment rates	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021e
Stellenbosch	10	9,9	9,6	10	9,3	10,2	10,6	10,6	11,6	12,9	16,1
Cape Winelands	10,3	10,1	9,7	10,1	9,1	9,9	10,4	10,3	11,2	12,4	15,4

Source: Western Cape, Socio-Economic Profile 2022

1.10 Basic Service Delivery Highlights and Challenges

1.10.1 Key Basic Services Delivery Highlights

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

Table 21: Key Basic Service Delivery Highlights

Service Area	Highlight	Description
Roads and Transport	Rehabilitation and resealing of roads	During the period under review, 12km of municipal roads were resealed in the following areas: • Cloetesville; • Ida's Valley; • Die Boord; • Noordwal; • Mostertsdrif; • Kayamandi; • Dalsig; and • Jamestown.
Water	Water Losses	Maintain water losses under the norm of 15%. The actual water losses accounted for 12.7%.
Electricity	Installation of Rooftop Photovoltaic	Stellenbosch Municipality has embarked on a Rooftop Solar Photovoltaic project where five municipal buildings were identified, and rooftop PV has been installed. The combined capacity of the five plants amounts to 710 kWp. There are other renewable energy projects planned to be implemented in the 2022/23 financial year.
	Network upgrades in Langrug	Network upgrades in Langrug were effected to realise 20 electrical connections.
	Electrification of Enkanini	The municipality constructed an electricity network in Enkanini to cater for 1 000 connections in 2020/21. In 2021/22 the Kayamandi Bulk Infrastructure Project was initiated to strengthen the bulk infrastructure to provide for the remaining backlogs in Enkanini.
	Refurbishment of Klein Mooiwater electricity infrastructure	Klein Mooiwater electricity infrastructure that was vandalised, was rehabilitated: Seven (7) households were supplied with electricity.
Refuse removal	Street Bins	Additional street bins were procured and delivered in February 2022.
	Builders' rubble diverted	Total builders' rubble diverted = 17 667 tons.
	Garden rubble waste diverted	Total garden waste diverted = 5 460 tons.
	Appointments of Area Cleaning Operators / Supervisors	Nine (9) operators / supervisors were appointed to enhance service delivery within the WC024.
	Recycling	Recyclable waste is now also being collected via a door-to-door service rendered by an appointed contractor. 39 tons of recyclable waste was collected during the 2021/22 financial year.
Integrated Human Settlements	Erf 7001, Cloetesville ("Soek-mekaar")	The goal of this development is the delivery of houses to the medium to upper (GAP) housing market and not aimed at BNG housing units (free houses). A new tender was advertised and closed on 26 July 2021. A service provider was appointed to undertake a Broad Conceptual Urban Design framework for Erf 7001, Cloetesville to



Service Area	Highlight	Description
		obtain town planning and development rights. The project is ongoing.
	Jamestown (Phases 2, 3 and 4)	The municipality appointed a service provider to undertake a Broad Conceptual Urban Design framework and to obtain town planning and development rights. The process and timeframe for Phases 2 and 3 will be concluded over a period of two (2) years. The project is ongoing.
	Erf 64, Kylemore	The Housing Development Agency (HDA) has been appointed to assist with the transfer of land from the National Department of Public Works (NDPW) to the Stellenbosch Municipality. The HDA must also further attend to the required applications to obtain land use rights, the registration of diagrams / general plans with the Surveyor General and the relevant applications to the Provincial Department of Human Settlements (PDoHS). On 15 November 2021, the NDPW issued a Power of Attorney for the municipality to develop the property.
	Housing Pipeline (annual review for the MTREF period of 2022 – 2025)	The Council approved unanimously on 25 May 2022, the annual review of the Stellenbosch Municipality Housing Pipeline for the MTREF period of 2022 – 2025. The Housing Pipeline indicates the planning and implementation of the different housing projects over a particular period for the greater Stellenbosch area.
	Rental stock	The Section: Housing Administration is implementing programmes within the budget constraints, to address this challenge. Contract management regarding allocations and legalisation in line with the appropriate policies is 50.
	Housing support and demand	Successful handover of 90 Title Deeds to beneficiaries in the following areas: Klipmuts (47), Pniël (2), Jamestown (4), Kayamandi (22), Kylemore (2), Cloeteville (7) and Ida's Valley (6).
		The PDoHS approved subsidies for 98 beneficiaries in the Longlands housing project.
		The appointment of two Conveyancing Attorney firms for a period of three years was effected to finalise the transfer of subsidised houses to their beneficiaries.
	Papplaas relocation	Eleven (11) families were successfully relocated from the dumping site to a safer location.
	Enkanini 1 000 electrical connections	Surveyed all the beneficiaries, created space for installation of the service and facilitated excellent cooperation between the municipality and community.

The detailed highlights and challenges will be discussed in Chapter 3 under each respective service.



1.10.2 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 22: Key Basic Service Challenges

Department	Service Area	Challenge	Actions to address
Electricity	Staff Shortages	Pniël Network took over without any additional staff identified to render the service under the distribution license conditions.	Motivations for the identified vacancies to be filled have been submitted.
	Eskom streetlights	Eskom has without any formal handover stopped maintenance of streetlights in the WC024 for which Eskom was responsible. Although a thorough assessment is still required, it has been observed that the streetlight infrastructure is in a dilapidated state. This is also evident from the number of streetlight complaints received from the public.	Motivation for the filling of vacancies is being compiled. The exercise to determine the cost saving from the maintenance fee paid to Eskom has been conducted, which revealed that the municipality would incur a larger expenditure than savings to move and maintain the infrastructure to acceptable standards.
	Lack of Preventative Maintenance	Due to staff shortages, the preventative maintenance of electricity infrastructure is requiring attention.	The municipality is currently conducting internal investigations on the prioritisation of the filling of critical vacancies and budget considerations.
Waste Management	Lack of staff	Absence of a Youth Environmental Coordinator (YCOP) to assist with social engagement and awareness.	The municipality will explore filling the position within the department to undertake social engagement and awareness activities.
		Staff Constraints	Optimal recruitment and selection process.
	Illegal dumping	Increase in illegal dumping	Appointment of Youth Environmental Coordinator (YCOP) to assist with social engagement and awareness activities.
Integrated Human Settlements	Langrug, Franschhoek	The density in the number of structures impeded the implementation of these planning interventions. Land invasions at Langrug exacerbated the implementation of these projects. To implement the in-situ upgrading projects, a decanting site is required to relocate households to create enough space for upgrading.	To commence with the re-blocking of Langrug, a decanting site on Erf 3229, Mooiwater, Franschhoek is being developed (basic services), the process of which is currently underway. The Section: PMU to go out on tender to appoint a service provider to finalise detailed planning for the rehabilitation of the freshwater dam and implement an in-situ upgrading project.
	La Motte, Franschhoek	The property that the housing projects are earmarked on belongs to the National Department of Public Works and Infrastructure (NDPW&I). The development rights can only be obtained when the property is transferred to the municipality or a Power of Attorney (PoA) is provided.	The HDA submitted a new request for the State Land Release for the subject properties by DPW&I to HDA through Power of Attorney. The target timeframe for releasing land is in the 2022/23 and 2023/24 financial years, respectively. The HDA is to submit a Project Feasibility Report (PFR) requesting funding for land use rights for these projects.
	Meerlust, Franschhoek		
	Jonkershoek		



Department	Service Area	Challenge	Actions to address
	Rental stock Watergang Informal Settlement	Experiencing uncooperative and unruly tenants with disregard for the law and the lease agreement with the municipality.	Housing Consumer Education (HCE) is about anti-social behaviour on a daily. Interviews and warning letters are sent to transgressors.
		Insufficient funds to provide security services for vulnerable tenants.	The Section: Housing Administration is implementing programmes within the budget constraints, to address this challenge.
		Township establishment matters which have not been finalised are delaying the transfer of the erven within subsidised housing projects.	The appointment of a consultant (in terms of a tender) responsible for the submission of the necessary Land Use Planning applications for processing and a decision, was done by the Section: Housing Development.
		Structures in the way to install services.	Negotiations with the structure owners to create space for ablution facilities are ongoing.

1.11 Proportion of Households with Minimum Access to Basic Services

The source of the information below indicates municipal statistics:

Table 23: Households with a minimum level of Basic Services

The proportion of Households with a minimum level of Basic services	2019/20	2020/21	2021/22
Electricity Connections (% Share of HHS)	32 967	33 708	35 402
Water - available within 200 m of the dwelling	42 615	52 220	52 220
Sanitation - Households with at least VIP service	42 615	44 909	44 909
Waste collection - kerbside collection once a week	38 990	49 300	52 374

1.12 Financial Viability Highlights

Table 24: Municipal Viability Highlights

Highlight	Description
Long-Term Financial Plan	The municipality 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 1.68:1. 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 creditor control and debt collection processes are in place and the revenue is managed effectively.
Finance Charges	Finance charges represent 2.30% of the total operational expenditure. This compares favourably with the norm of 6% to 8%.
Liability Management	Capital Cost (Interest Paid and Redemption) represent 3.37% 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 13% 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.



1.13 Financial Viability Challenges

Table 25: Financial Viability Challenges

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

1.14 Financial Overview

Table 26: Financial Viability and Management Financial Overview (000')

Details	Original budget	Adjustment Budget	Actual
	R'000		
Income			
Grants (Operating and Capital)	309 867	337 576	289 060
Taxes, Levies and Tariffs	1 561 765	1 560 236	1 490 856
Other	236 008	229 250	248 370
Sub-Total	2 107 640	2 127 062	2 028 286
Less Expenditure	2 017 459	1 977 679	1 925 898
Net surplus / (deficit)	90 181	149 383	102 388

1.14.1 Operating Ratios

Table 27: Operating Ratios

Detail	Expected norm	Actual	Variance
Employee Cost	35%-40%	29%	-(6%-11%)
Repairs and Maintenance	15%	3.34%	-11,6%
Finance Charges	15%	2.30%	-12.7%

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 12.7% 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.

1.14.2 Total Capital Expenditure

Table 28: Total Capital Expenditure (000')

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



1.15 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.

1.16 Organisational Development Overview

The municipality regarding municipal transformation and organisational development achieved the following highlights:

Table 29: Organisational development highlights

Highlight	Description
Filling of critical posts	Critical posts are filled as and when required with the availability of funds.
Organisational Stability	All staff placements were made in terms of the new organisational structure.

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

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



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

Table 30: 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	1	0	1	1	1	1
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
Total	10	0	10	10	10	9

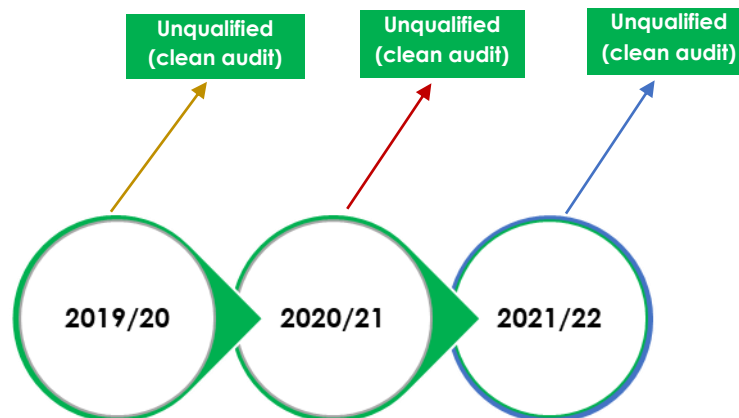
1.18 Auditor General of South Africa's Report

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 ideally and for the purposes intended. This process is concluded by annually checking all government spending.



The diagram below indicates the audit outcome progress from 2019/20 to 2021/22.

Figure 4: Audit outcomes from 2019/20 - 2021/22



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.



CHAPTER 2: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

2.1 Introduction

Good Governance is an approach of 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 **namely participation, rule of law, transparency, responsiveness, consensus-oriented 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.

2.2 National Key Performance Indicators - Good Governance and Public Participation

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

Table 31: National KPI - Good Governance and Public Participation

KPA and Indicators	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
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%

2.3 Performance Highlights - Good Governance and Public Participation

Table 32: Highlights of Good Governance and Public Participation

Highlight	Description
Council	A new Council was established and remained stable and well-functioned throughout the 2021/22 financial year.
Audit Outcomes	Clean Audit for three consecutive years.
MSA Sections 79 and 80 Committees of Council	The establishment of functional S.80 and S.79 Committees of the Council and held meetings regularly.
Public Participation	The new Council had the opportunity to participate in the IDP sessions held in January 2022 and April 2022 with all 23 wards. The public participation processes were successfully done via online platforms and hybrid spaces. Interested and affected parties were encouraged to participate online and provide feedback on the IDP and Budget through the Stellenbosch Citizen App and email.
Communication	The municipality stays abreast with communication trends. Public participation has been rolled out via online streaming at satellite offices.
Compliance	The municipality adhered to all laws and regulations in terms of compliance.



2.4 Challenges - Good Governance and Public Participation

Table 33: Challenges of Good Governance and Public Participation

Description	Actions to address
Fraud and Corruption Management	Through the fraud hotline, direct calls received and walk-ins, active reporting has been ongoing. Unfortunately, it has become apparent that the fraud hotline and in particular the Regulations for Senior Managers (Misconduct and Financial Misconduct) are being abused to unfairly target individuals and management.

2.5 Public satisfaction with municipal services

No formal community surveys were developed – the community makes use of the social space to state their satisfaction or dissatisfaction with services and the municipality will try its utmost best to address the needs of the public.



COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.6 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:

2.7 Council – 01 July 2021 to 30 June 2022

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

Table 34: Council for the period 01 July 2021 to 31 October 2021

Name of Councillor	Capacity	Political Party	Ward Councillor and Proportional (PR)
F Adams	Part-time	DNCA	Proportional Representative (PR)
FJ Badenhorst	MayCo member from 20 November 2019	DA	Ward Councillor: Ward 21
F Bangani-Menziwa [Ms]	Part-time	ANC	Ward Councillor: Ward 13
Ald PW Biscoombe	Single Whip	DA	Ward Councillor: Ward 17
G Cele [Ms]	Part-time	ACDP	PR
P Crawley [Ms]	MayCo member	DA	PR
A Crombie (Ms)	Part-time	DA	Ward Councillor: Ward 20
Z Dalling [Ms]	Part-time	DA	Ward Councillor: Ward 9
R Du Toit [Ms]	Part-time	DA	Ward Councillor: Ward 10
J Fasser	Part-time	DA	PR
A Florence	Part-time	DA	PR
A Frazenburg	MayCo member	DA	Ward Councillor: Ward 1
E Fredericks [Ms]	Part-time	DA	Ward Councillor: Ward 18
T Gosa	Part-time	DA	PR
E Groenewald [Ms]	MayCo member	DA	Ward Councillor: Ward 22
J Hamilton	Part-time	DA	PR
AJ Hanekom	Part-time	DA	Ward Councillor: Ward 7
DA Hendrickse	Part-time	EFF	PR Councillor
JK Hendriks	Part-time	DA	Ward Councillor: Ward 19
LK Horsband [Ms]	Part-time	EFF	PR Councillor
N Jindela	Deputy Executive Mayor; Speaker from 14 Nov 2019	DA	PR Councillor
MC Johnson	Part-time	DA	Ward Councillor: Ward 4
DD Joubert	Part-time	DA	Ward Councillor: Ward 5



Name of Councillor	Capacity	Political Party	Ward Councillor and Proportional (PR)
N Mananga-Gugushe [Ms]	Part-time	ANC	Ward Councillor: Ward 12
C Manuel	Part-time	DA	Ward Councillor: Ward 3
NE Mcombring [Ms]	Part-time	DA	Ward Councillor: Ward 6
XL Mdemka [Ms]	MayCo member	DA	PR Councillor
C Moses [Ms]	Part-time	ANC	PR Councillor
RS Nalumango [Ms]	Part-time	ANC	PR Councillor
N Olayi	Part-time	DA	PR Councillor
MD Oliphant	Part-time	ANC	PR Councillor
SA Peters	MayCo member	DA	PR Councillor
WC Petersen [Ms]	Speaker; Deputy Executive Mayor from 14 November 2019	DA	Ward Councillor: Ward 2
MM Pietersen	MayCo member	DA	PR Councillor
WF Pietersen	Full-time MPAC Chairperson	PDM	PR Councillor
SR Schäfer	Part-time	DA	PR Councillor
Ald JP Serdyn [Ms]	Part-time	DA	Ward Councillor: Ward 11
N Sinkinya [Ms]	Part-time	ANC	Ward Councillor: Ward 15
P Sitshofi [Ms]	Part-time	ANC	Ward Councillor: Ward 14
Q Smit	MayCo member	DA	Ward Councillor: Ward 8
LL Stander	Part-time	ANC	PR Councillor
G van Deventer [Ms]	Executive Mayor	DA	PR Councillor
E Vermeulen [Ms]	Part-time	DA	Ward Councillor: Ward 16

Table 35: Council from 01 November 2021 – 30 June 2022

Name of Councillor	Capacity	Political Party	Ward Councillor and Proportional (PR)
G van Deventer (Ms)	Executive Mayor	DA	PR
JS Fasser	Deputy Executive Mayor including Human Settlements Portfolio	DA	PR
Q Smit	Speaker	DA	PR
A Hanekom	Part-time	DA	PR
A Crombie (Ms)	Part-time	DA	PR
X Kalipa	Part-time	DA	PR
P Crawley (Ms)	Chief Whip	DA	PR
X Mdemka (Ms)	Part - time	DA	PR
N Olayi	Part-time	DA	PR
R Pheiffer	Part-time	DA	Ward Councillor: Ward 1
WC Petersen (Ms)	Part-time	DA	Ward Councillor: Ward 2
C Manuel	Part-time	DA	Ward Councillor: Ward 3
R Adams	MayCo Member	DA	Ward Councillor: Ward 4
RB van Rooyen	Part-time	DA	Ward Councillor: Ward 5
NE Mcombring (Ms)	Part-time	DA	Ward Councillor: Ward 6
A Ferns (Ms)	Part-time	DA	Ward Councillor: Ward 7
C van Wyk (Ms)	MayCo Member	DA	Ward Councillor: Ward 8



Name of Councillor	Capacity	Political Party	Ward Councillor and Proportional (PR)
Z Dalling (Ms)	MayCo Member	DA	Ward Councillor: Ward 9
R du Toit (Ms)	MayCo Member	DA	Ward Councillor: Ward 10
J Serdyn (Ms)	Part-time	DA	Ward Councillor: Ward 11
E Vermeulen (Ms)	Part-time	DA	Ward Councillor: Ward 16
P Johnson	MayCo Member	DA	Ward Councillor: Ward 17
J Anthony (Ald)	Part-time	DA	Ward Councillor: Ward 18
J Williams	MayCo Member	DA	Ward Councillor: Ward 19
J Joon	MayCo Member	DA	Ward Councillor: Ward 20
R Badenhorst	MayCo Member	DA	Ward Councillor: Ward 21
E Groenewald (Ms)	Part-time	DA	Ward Councillor: Ward 22
L Mkamisa	MayCo Member	DA	Ward Councillor: Ward 23
RS Nalumango (Ms)	Part-time	ANC	PR
N Ntsunguzi (Ms)	Part-time	ANC	PR
MG Rataza	Part-time	ANC	PR
N Mananga – Gugushe (Ms)	Part-time	ANC	PR
A Tomose	Part-time	ANC	Ward Councillor: Ward 12
M Nkopane (Ms)	Part-time	ANC	Ward Councillor: Ward 13
MM Danana	Part-time	ANC	Ward Councillor: Ward 14
EP Masiminini	Part-time	ANC	Ward Councillor: Ward 15
CD Noble	Part-time	GOOD	PR
RB Hendrikse (Ms)	Part-time	GOOD	PR
M van Stade	Part-time	GOOD	PR
ZR Ndalasi	Part-time	EFF	PR
NM Mkhontwana (Ms)	Part-time	EFF	PR
OL Jooste	Part-time	ACDP	PR
W Pietersen	Full-time MPAC Chairperson	PDM	PR
J Andrews	Part-time	PA	PR
I De Taillefer (Ms)	Part-time	VF Plus	PR

The table below indicates the Council meetings attendance for the 2021/22 financial year.

Table 36: Council meetings for the 2021/22 financial year

Meeting dates	Number of items (resolutions) submitted	Percentage Attendance of Council Meetings	Percentage Apologies for non-Attendance
28 July 2021	30	100%	-
24 August 2021	11	100%	-
29 September 2021	12	100%	-
28 October 2021	No meeting	-	-
23 November 2021	9	100%	-
10 December 2021	11	100%	-
28 January 2022	18	100%	-
23 February 2022	8	100%	-
30 March 2022	23	100%	-
26 April 2022	17	100%	-



Meeting dates	Number of items (resolutions) submitted	Percentage Attendance of Council Meetings	Percentage Apologies for non-Attendance
25 May 2022	17	100%	-
22 June 2022	19	100%	-

2.8 Executive Mayoral Committee

The Executive Mayor of the municipality, assisted by the Mayoral Committee, heads the political executive arm of the municipality. 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. 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 37: Executive Mayoral Committee

Executive Mayoral Committee 1 July 2021 – 31 October 2021		Executive Mayoral Committee 01 November 2021 – 30 June 2022	
Name of member	Portfolio	Name of member	Portfolio
G van Deventer (Adv) [Ms]	Executive Mayor	Alderman G van Deventer	Executive Mayor
N Jindela	Deputy Executive Mayor; Chairperson: Human Settlements Committee	Cllr J Fasser	Deputy Executive Mayor, including Integrated Human Settlements
WC Petersen (Ms)	Speaker	Cllr P Johnson	MayCo member: Financial Services
FJ Badenhorst	MayCo member: Chairperson: Community and Protection Services	Cllr Z Dalling	MayCo member: Infrastructure Services
P Crawley [Ms]	MayCo member: Chairperson: Financial Services	Cllr R Badenhorst	MayCo member: Protection Services
A Frazenburg	MayCo member: Chairperson: Corporate Services	Cllr L Mkamisa	MayCo member: Corporate Services
E Groenewald [Ms]	MayCo member: Chairperson: Planning and Economic Development	Cllr R Adams	MayCo member: Youth, Sport and Culture
XL Mdemka [Ms]	MayCo member: Chairperson: Parks, Open Spaces and Environment	Cllr J Williams	MayCo member: Rural Management
SA Peters	MayCo member: Chairperson: Rural Management and Tourism	Cllr R du Toit	MayCo member: Local Economic Development and Tourism
J Fasser	MayCo member: Chairperson: Youth, Sport and Culture	Cllr J Joon	MayCo member: Community Development (Parks, Open Spaces and Environment)
Q Smit	MayCo member: Chairperson: Infrastructure Services	Cllr C van Wyk	MayCo member: Planning



The table below indicates the dates of the Executive Mayoral Committee meetings and the number of reports submitted to the Council for the 2021/22 financial year.

Table 38: Executive Mayoral Committee Meetings held for the period 01 July 2021 – 31 October 2021 to 01 November 2021 – 30 June 2022

Meeting dates	Number of items submitted
21 July 2021	9
18 August 2021	9
15 September 2021	7
15 October 2021	4
17 November 2020	4
21 January 2022	11
16 February 2022	6
23 March 2022	23
19 April 2022	10
18 May 2022	12
08 June 2022	9

2.8.1 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.

The tables below show a comparison of the portfolio committees and meeting dates from 01 July 2021 until 31 October 2021 and the newly elected mayoral committee from 01 November 2021 until 30 June 2022.

2.8.1.1 Planning and Economic Development Portfolio Committee

Table 39: Planning and Economic Development Committee

Period 01 July 2021 – 31 October 2021	
Name of member	Capacity
E Groenewald [Ms]	Portfolio Chairperson
J Fasser	Committee member
T Gosa	Committee member
AJ Hanekom	Committee member
RS Nalumango [Ms]	Committee member



2.8.1.2 Planning and Economic Development Portfolio Committee meetings for the period of 01 July 2021 until 31 October 2021

Table 40: Planning and Economic Development Portfolio Committee Meeting dates

Period 01 July 2021 – 31 October 2021	
Meeting dates	Number of reports submitted
NONE	-

2.8.1.3 Planning Portfolio Committee for the period of 15 November 2021 until 30 June 2022

Table 41: Planning Portfolio Committee

Period 15 November 2021 – 30 June 2022	
Name of member	Capacity
C Van Wyk	Chairperson

2.8.1.4 Planning Portfolio Committee meetings for the period of 15 November 2021 until 30 June 2022

Table 42: Planning and Economic Development Portfolio Committee Meeting dates

Period 01 July 2021 – 31 October 2021	
Meeting dates	Number of reports submitted
13 June 2022	2
20 June 2022	2

2.8.1.5 Local Economic Development and Tourism Portfolio Committee for the period of 15 November 2021 until 30 June 2022

Table 43: Local Economic Development and Tourism Portfolio Committee

Period 15 November 2021 – 30 June 2022	
Name of member	Capacity
R Du Toit (Ms)	MayCo member
N Mcombring (Ms)	Committee member
R Pheiffer	Committee member
I De Taillerfer	Committee member



2.8.1.6 Local Economic Development and Tourism Portfolio Committee meetings for the period of 15 November 2021 until 30 June 2022

Table 44: Local Economic Development and Tourism Portfolio Committee Meeting dates

Period 15 November 2021 – 30 June 2022	
Meeting dates	Number of reports submitted
20 June 2022	2

2.8.1.7 Infrastructure Committee

Table 45: Infrastructure Services Portfolio Committee

Period 01 July 2021 – 30 June 2022	
Name of member	Capacity
Q Smit	Portfolio Chairperson
AJ Hanekom	Committee Member
NE Mcombring [Ms]	Committee Member
C Moses [Ms]	Committee Member
Ald JP Serdyn [Ms]	Committee Member

2.8.1.8 Infrastructure Services Portfolio Committee for the period of 15 November 2021 until 30 June 2022

Table 46: Infrastructure Services Portfolio Committee

Period 15 November 2021 – 30 June 2022	
Name of member	Capacity
Z Dalling (Ms)	MayCo member
R van Rooyen (Ms)	Committee member
N Mcombring (Ms)	Committee member
R Nalumango (Ms)	Committee member
Z Ndalasi (Ms)	Committee member

2.8.1.9 Infrastructure Services Portfolio Committee meetings for the period of 01 July 2021 until 30 June 2022

Table 51: Infrastructure Services Portfolio Committee Meeting dates

Period 01 July 2021 – 30 June 2022	
Meeting dates	Number of reports
None	



2.8.1.10 Financial Services Portfolio Committee for the period of 01 July 2021 until 31 October 2021

Table 47: Financial Services Portfolio Committee

Period 15 November 2021 – 30 June 2022	
Name of member	Capacity
P Johnson	Portfolio Chairperson
W Petersen (Ms)	Committee Member
E Groenewald (Ms)	Committee Member
A Tomose	Committee Member
R Hendrickse (Ms)	Committee Member

2.8.1.11 Financial Services Portfolio Committee meetings for the period of 01 July 2021 until 30 June 2022

Table 48: Financial Services Portfolio Committee Meeting dates

Period 01 July 2021 – 30 June 2022	
Meeting dates	Number of reports
14 June 2022	1

2.8.1.12 Community and Protection Services Portfolio Committee for the period of 01 July 2021 until 31 October 2021

Table 49: Community and Protection Services Portfolio Committee

Period 1 July 2021 – 31 October 2021	
Name of member	Capacity
FJ Badenhorst	Portfolio Chairperson
JK Hendriks	Committee Member
C Manuel	Committee Member
N Olayi	Committee Member
P Sitshoti [Ms]	Committee Member
LL Stander	Committee Member

2.8.1.13 Community and Protection Portfolio Committee meetings for the period of 01 July 2021 until 31 October 2021

Table 50: Community and Protection Services Portfolio Committee Meeting Dates

Meeting dates	Number of reports submitted
04 August 2021	7
01 September 2021	3



2.8.1.14 Protection Services Portfolio Committee for the period of 15 November 2021 until 30 June 2022

Table 51: Protection Services Portfolio Committee

Period 1 5 November 2021 – 30 June 2022	
Name of member	Capacity
R Badenhorst	Chairperson
C Manuel	Committee member
A Hanekom	Committee Member
M Nkopane (Ms)	Committee member
N Mkhontwana (Ms)	Committee member

2.8.1.15 Protection Portfolio Committee meetings for the period of 15 November 2021 until 30 June 2022

Table 52: Protection Services Portfolio Committee Meeting Dates

Period 1 5 November 2021 – 30 June 2022	
Meeting dates	Number of reports submitted
None	

2.8.1.16 Parks, Open Spaces and Environment Portfolio Committee for the period of 01 July 2021 until 31 October 2021

Table 53: Parks, Open Spaces and Environment Portfolio Committee

Period 01 July 2021 – 31 October 2021	
Name of member	Capacity
XL Mdemka [Ms]	Portfolio Chairperson
F Adams	Committee Member
Ald JP Serdyn [Ms]	Committee Member
E Vermeulen [Ms]	Committee Member

2.8.1.17 Parks, Open Spaces and Environment Portfolio Committee for the period of 15 November 2021 until 30 June 2022

Table 54: Parks, Open Spaces and Environment Portfolio Committee

Period 15 November 2021 – 30 June 2022	
Name of member	Capacity
J Joon	Chairperson
E Vermuelen (Ms)	Committee member
A Hanekom	Committee member
M Nkopane (Ms)	Committee member



2.8.1.18 Parks, Open Spaces, and Environment Portfolio Committee meetings for the period of 01 July 2021 until 30 June 2022

Table 55: Parks Open Spaces and Environment Portfolio Committee Meeting Dates

Period 01 July 2021 – 30 June 2022	
Meeting dates	Number of reports
11 August 2021	2
08 September 2021	4

2.8.1.19 Corporate Services Portfolio Committee for the period of 01 July 2021 until 31 October 2021

Table 56: Corporate Services Portfolio Committee

Period 01 July 2021 – 31 October 2021	
Name of member	Capacity
AR Frazenburg	Portfolio Chairperson
F Bangani-Menziwa [Ms]	Committee Member
Z Dalling [Ms]	Committee Member
R Du Toit [Ms]	Committee Member

2.8.1.20 Corporate Services Portfolio Committee for the period of 15 November 2021 until 30 June 2022

Table 57: Corporate Services Portfolio Committee

Period 15 November 2021 – 30 June 2022	
Name of member	Capacity
L Nkamisa	Portfolio Chairperson
J C Anthony	Committee member
J Serdyn (Ms)	Committee member
M Rataza	Committee member

2.8.1.21 Corporate Services Portfolio Committee meetings for the period of 01 July 2021 until 30 June 2022

Table 58: Corporate Services Portfolio Committee Meeting Dates

Period 01 July 2021 – 30 June 2022	
Meeting dates	Number of reports
13 June 2022	1



2.8.1.22 Human Settlements Portfolio Committee for the period of 01 July 2021 until 31 October 2021

Table 59: Human Settlements Portfolio Committee

Period 01 July 2021 – 31 October 2021	
Name of member	Capacity
N Jindela	Portfolio Chairperson (until 13 November 2019)
WC Petersen [Ms]	Portfolio Chairperson (from 14 November 2019)
G Cele [Ms]	Committee member
A Crombie [Ms]	Committee member
LK Horsband [Ms]	Committee member
DD Joubert	Committee member

2.8.1.23 Human Settlements Portfolio Committee for the period of 15 November 2021 until 30 June 2022

Table 60: Human Settlements Portfolio Committee

Period 15 November 2021 – 30 June 2022	
Name of member	Capacity
J Fasser	Deputy Executive Mayor - Chairperson
E Vermeulen (Ms)	Committee member
J Serdyn (Ms)	Committee member
N Ntsunguzi (Ms)	Committee member
M van Stade	Committee member

2.8.1.24 Human Settlements Portfolio Committee meetings for the period of 01 July 2021 until 30 June 2022

Table 61: Human Settlements Portfolio Committee Meetings

Period 01 July 2021 – 30 June 2022	
Meeting dates	Number of reports
None	

2.8.1.25 Rural Management and Tourism Portfolio Committee for the period of 01 July 2021 until 31 October 2021

Table 62: Rural Management and Tourism Portfolio Committee

Period 1 July 2021 – 31 October 2022	
Name of member	Capacity
SA Peters	Portfolio Chairperson
A Crombie [Ms]	Committee Member



Period 1 July 2021 – 31 October 2022	
Name of member	Capacity
JK Hendriks	Committee Member
LK Horsband [Ms]	Committee Member

2.8.1.26 Rural Management Portfolio and Tourism Portfolio Committee meetings for the period of 01 July 2021 until 31 October 2021

Table 63: Rural Management Portfolio Committee Meeting dates

Period 01 July 2021 – 31 October 2021	
Meeting dates	Number of reports submitted
None	

2.8.1.27 Rural Management Portfolio Committee for the period of 15 November until 30 June 2022

Table 64: Rural Management Portfolio Committee

Period 15 November 2021 – 30 June 2022	
Name of member	Capacity
J Williams	Chairperson
X Mdemka	Committee member
C Manuel	Committee member
E Masimini	Committee member

2.8.1.28 Rural Management Portfolio Committee meetings for the period of 15 November 2021 until 30 June 2022

Table 65: Rural Management Portfolio Committee Meeting dates

Period 15 November 2021 – 30 June 2022	
Meeting dates	Number of reports submitted
None	

2.8.1.29 Youth, Sport and Culture Portfolio Committee for the period of 01 July 2021 until 31 October 2021

Table 66: Youth, Sport and Culture Portfolio Committee

Period 1 July 2021 – 31 October 2021	
Name of member	Capacity
MM Pietersen	Portfolio Chairperson
R Du Toit [Ms]	Committee Member



Period 1 July 2021 – 31 October 2021	
Name of member	Capacity
DA Hendrickse	Committee Member
N Sinkinya [Ms]	Committee Member
E Vermeulen [Ms]	Committee Member

2.8.1.30 Youth, Sport and Culture Portfolio Committee for the period of 15 November until 30 June 2022

Table 67: Youth, Sport and Culture Portfolio Committee

Period 15 November 2021 – 30 June 2022	
Name of member	Capacity
R Adams	Chairperson
R Pheiffer	Committee member
R van Rooyen	Committee member
C Noble	Committee member
J Andrews	Committee member

2.8.1.31 Youth, Sport and Culture Portfolio Committee meetings for the period of 01 July 2021 until 30 June 2022

Table 68: Youth, Sport and Culture Portfolio Committee Meeting Dates

Period 01 July 2021 – 30 June 2022	
Meeting dates	Number of reports
05 August 2021	4
02 September 2021	4
01 September 2022	6

2.8.2 Section 79 Committees

2.8.2.1 Municipal Public Accounts Committee (MPAC)

Table 69: MPAC Committee

Period 01 July 2021 – 31 October 2021		Period 15 November 2021 – 30 June 2022	
Name of member	Capacity	Name of member	Capacity
WF Pietersen	Chairperson	WF Pietersen	Chairperson
E Fredericks [Ms]	Committee Member	A Crombie	Committee Member
N Mananga-Gugushe [Ms]	Committee Member	A Ferns	Committee Member
SR Schäfer	Committee Member	O Jooste	Committee Member
NE McOmbring	Chairperson	X Kalipa	Committee Member
RS Nalumango (Ms)	Committee Member	N Mananga-Gugushe [Ms]	Committee Member



Period 01 July 2021 – 31 October 2021		Period 15 November 2021 – 30 June 2022	
Name of member	Capacity	Name of member	Capacity
MC Johnson	Committee Member	N Olayi	Committee Member

Table 70: MPAC Meeting Dates

Meeting dates	Number of reports
17 June 2022	4
19 August 2022	-

2.8.2.2 Appeals Committee

Table 71: Appeals Committee

Name of member	Capacity
N Jindela	Chairperson
G Cele [Ms]	Committee Member
P Crawley [Ms]	Committee Member
MD Oliphant	Committee Member
Q Smit	Committee Member
N Jindela	Chairperson
G Cele [Ms]	Committee Member

Table 72: Appeals Committee Meeting Dates

Meeting dates	Number of reports
None	

2.8.2.3 Local Labour Forum (LLF)

Table 73: Local Labour Forum (LLF)

Period 01 July 2021 – 31 October 2021		Period 15 November 2021 – 30 June	
Name of member	Capacity	Name of member	Capacity
N Jindela	Chairperson	L Nkamisa	Chairperson
Q Smit	Committee Member	NS Louw	Committee Member
MD Oliphant	Committee Member	I De Talerfer (Ms)	Committee Member
P Crawley [Ms]	Committee Member	C Van Wyk	Committee Member
G Cele (Ms)	Committee Member	N Olayi	Committee Member
-	-	R Pheiffer	Committee Member
-	-	N Mananga-Gugushe (Ms)	Committee Member

**Table 74: Local Labour Forum Meeting Dates**

Meeting dates	Number of reports
26 July 2021	11
28 February 2022	15
28 March 2022	10
25 April 2022	13 (Re-scheduled for 16 May 2022)
16 May 2022	13

2.8.2.4 Employment Equity Committee

Table 75: Employment Equity Committee

Name of member	Capacity
E Groenewald [Ms]	Portfolio Chairperson
J Hamilton	Committee Member
LK Horsband [Ms]	Committee Member
XL Mdemka [Ms]	Committee Member
WC Petersen [Ms]	Committee Member

Table 76: Employment Equity Committee Meeting dates

Meeting dates	Number of reports
None	

2.8.2.5 Councillor Disciplinary Committee

Table 77: Councillor Disciplinary Committee Portfolio Committee

Name of member	Capacity
Q Smit	Portfolio Chairperson
A Frazenburg	Committee Member
E Groenewald [Ms]	Committee Member
N Sinkinya [Ms]	Committee Member
LL Stander	Committee Member

Table 78: Councillor Disciplinary Committee Portfolio Committee meeting dates

Meeting dates	Number of reports
None	

2.8.2.6 Rules Portfolio Committee

Table 79: Rules Portfolio Committee

Name of member	Capacity
WC Petersen [Ms] (until 13 November 2019)	Portfolio Chairperson
N Jindela (from 14 November 2019)	Portfolio Chairperson
Ald PW Biscombe	Committee Member
G Cele [Ms]	Committee Member



Name of member	Capacity
P Crawley [Ms]	Committee Member
J Hamilton	Committee Member
P Sitshoti [Ms]	Committee Member

Table 80: Rules Portfolio Committee Meeting dates

Meeting dates	Number of reports
None	



2.9 Strategic Governance Structure

The Municipal Manager is the Chief Accounting Officer of the municipality and the head of the administration and serves as chief custodian of service delivery and implementation of political priorities. The municipal manager is assisted by the directors, which constitute the Management Team, whose structure is outlined in the diagram below. All the executive team have signed performance agreements for the year under review.

Figure 5: Top Management Structure

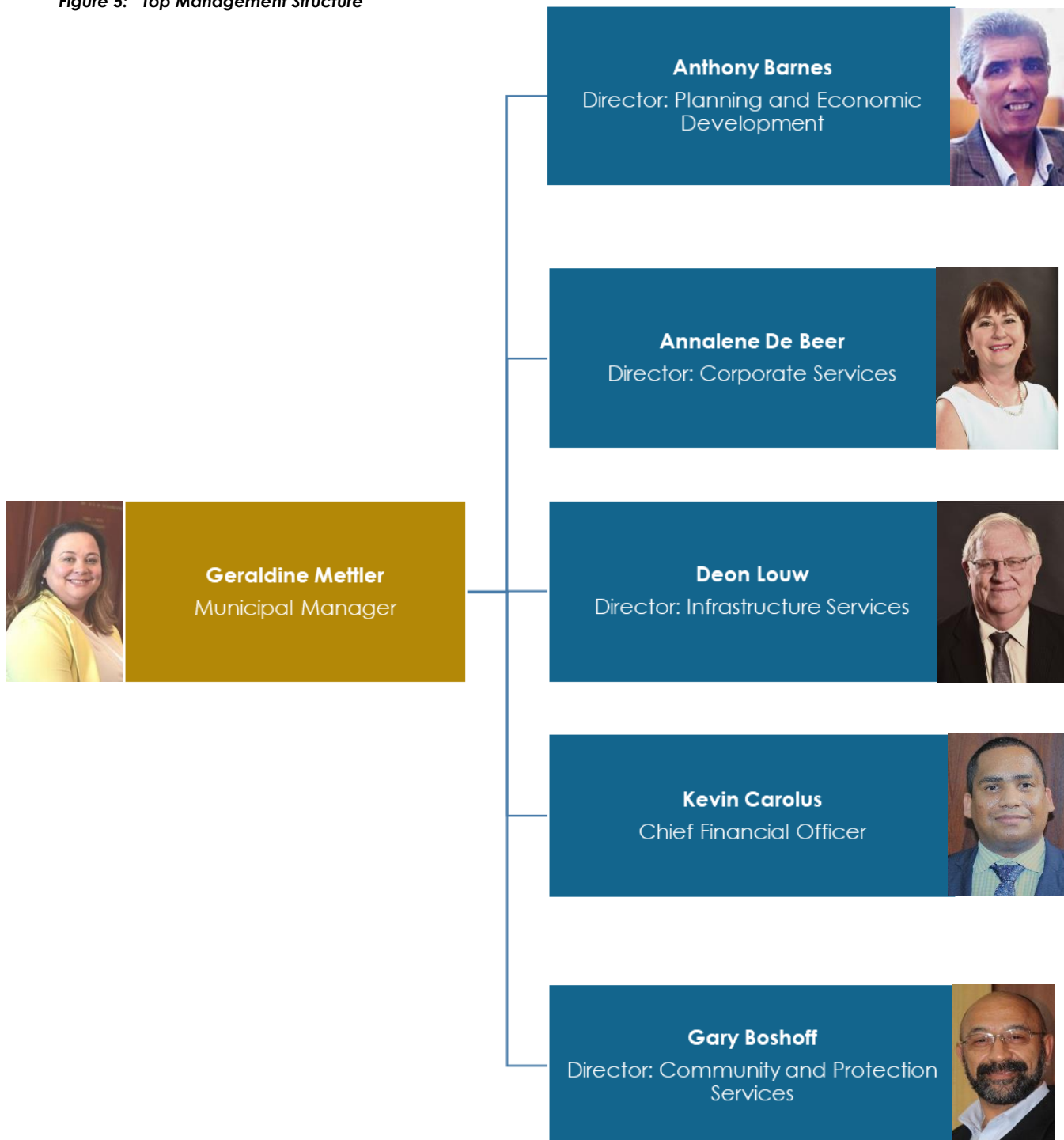
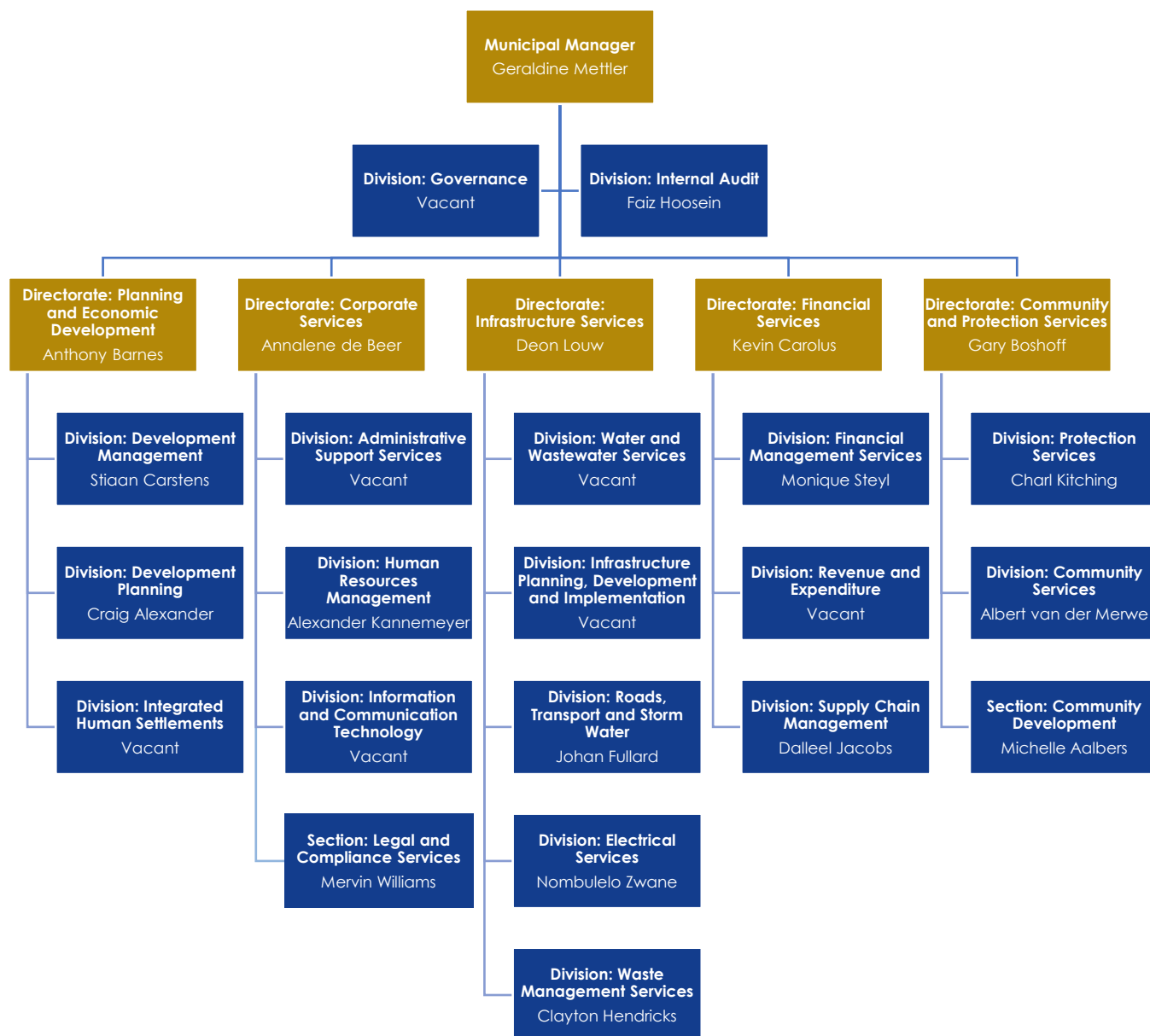




Figure 6: Macro Structure





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:

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

2.10 Intergovernmental Relations

2.10.1 National Intergovernmental Structures

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

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

2.10.2 Provincial Intergovernmental Structures

a) Office of the Municipal Manager

The Stellenbosch Municipality is a keen participant in joint intergovernmental planning initiatives of the Provincial Government. MinMay (Provincial Ministers, Provincial Heads of Departments, Mayors and Municipal Managers) and the Premier's Coordinating Forum are provincial forums for fruitful interaction regarding local government cooperation and challenges. These meetings are held bi-annually. The Provincial Municipal Managers Forum meets quarterly.

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

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



b) Financial and Corporate Services

The Directorate: Financial Services participates in several provincial fora quarterly. The fora include the Supply Chain Management Forum, the Municipal Property Rates Act Forum, the Management Accountants Forum as well as the Chief Financial Officer Forum.

The Municipal Court is in full operation and collaborates with the Department of Justice regularly.

c) Planning and Economic Development

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

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

The working group consists of the technical role players and it is overseen by the portfolio councillors of the municipality. This structure ensures prior commitment to and understanding of matters to be reported to the relevant portfolio committees or council. The working group is administered by the DEA&DP and meetings are in liaison with the Directorate: Planning and Economic Development, which must invite and ensure attendance by affected internal role players.

Monthly Technical Meetings between the PDoHS and Stellenbosch Municipality:

- a) The PDoHS and the municipality meet monthly to discuss all Housing Development policies and budget-related matters in housing delivery. During the meeting, the overall performance of each municipality is discussed in detail as mitigating options if the need arises.
- b) Applications of new and existing projects are also discussed with the PDoHS. The municipality receives information relating to beneficiary administration, outstanding approvals, informal settlement challenges, title deed transfers, farmworker evictions and other matters concerning housing delivery. Legislation and court rulings are also discussed to ensure that senior officials are aware of any new implementation programmes, circulars and legal precedents.
- c) The Section: Informal Settlements also represents the municipality at the bi-monthly Informal Settlements Support Programme (ISSP) meetings of the Provincial Settlements (PDoHS). The latter programme aims to interpret National and Provincial guidelines concerning the upgrading of informal settlements. The purpose of these monthly meetings is to discuss best practices in informal settlements within the Cape Winelands region; and
- d) The Section: Informal Settlements furthermore collaborates between various municipal departments and Stats SA. The collaboration is aimed at regularising the municipality's data collection efforts into a format that is acceptable to Stats SA and that the collected data eventually will meet the standards as required by Stats SA.



e) Infrastructure Services

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

The 3rd Generation Integrated Waste Management Plan (IWMP), gives direction regarding Waste-to-Energy, Alternate Waste Management options and Waste Management project proposals. This innovative approach was recognised by the DEA&DP when the municipality was requested to assist three other local municipalities in taking this approach. The municipalities of Beaufort West, Prins Albert and Laingsburg were assisted in this manner by the visit of the Waste Management Department team, who trained their local officials as well as assisted with the first data collection exercise.

Stellenbosch Municipality is represented at the quarterly Waste Management Officers Forums; where best practices, changing legislation, feedback from national and provincial government policy changes, etc. are discussed to keep all municipalities in the Western Cape abreast of all issues about waste management. The Western Cape Recycling Action Group (RAG) quarterly forums, although more geared at private-sector contributions to waste minimisation, also provide the platform for municipalities to engage with each other and the private sector for waste minimisation opportunities.

The Department: Electrical Services is extensively involved with other local municipalities' electricity departments through the Association of Municipal Electricity Utilities (AMEU). The AMEU promotes quality of service and management excellence amongst its members in the field of electricity supply and facilitates communication between its members and between members and the technical, economic and political environment, to influence that environment.

f) Community and Protection Services

Traffic Services liaises with Western Cape Government: Department Transport and Public Works continuously on matters related to transport administration and licensing, traffic law administration (motor-vehicle licensing) and issuing of learner and driving licenses.

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

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

The municipality engages in numerous partnerships to facilitate service delivery.

**Table 81: Municipal Partnerships**

Name of Partner / Partnership	Purpose
Mayor / Rector Forum	A partnership with the University of Stellenbosch to ensure aligned development planning and that the municipality draws from the university's expertise and resources.
Memorandum of Cooperation between the Stellenbosch Municipality and Stellenbosch University (SU)	Cooperation in terms of closed-circuit television in the interest of the security of the town and the campus with a view to a crime-free university town.
Landfill Monitoring Committee	A partnership with the Devon Valley residents, whereby residents monitor the Stellenbosch landfill site.
IMESA (Institute for Municipal Engineers South Africa)	A partnership with IMESA aimed at strengthening knowledge and capacity related to municipal infrastructure and service delivery.
Integrated Development Committee (IPC)	A partnership with the university and other stakeholders aimed at exploring spatial and urban planning possibilities for Stellenbosch to meet the needs of the municipality and university.
Department 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 discuss all transport-related matters to effectively promote regional planning
NMT Working Group	A working group that discusses all Non-Motorised Transport matters in the Stellenbosch area. The group consist of NMT users, officials, representatives from the university and the disabled fraternity.
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 action 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 phase 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 Intergovernmental 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 which were hosted by the Cape Winelands Municipality. The

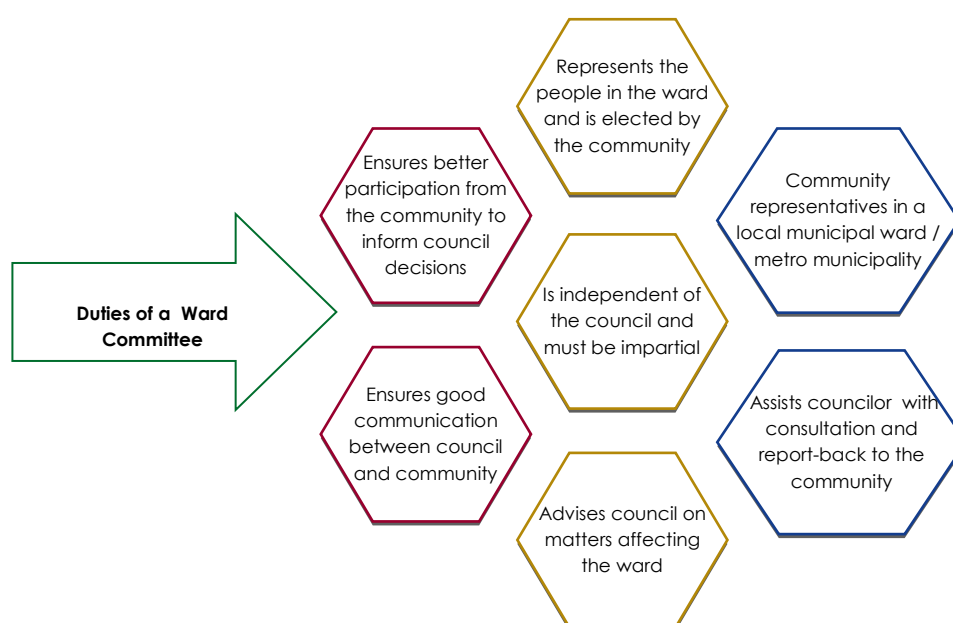


Name of Partner / Partnership	Purpose
	relationship between Stellenbosch Municipality and the district municipality has improved and the Department: Community Services have managed to exceed all expectations. A targeted approach was followed and sports were used as a catalyst to cement this relationship with the district. The areas that the Department of Community Services targeted were communication, sharing of resources, capacity building and financial resources. The improved relationship between the district municipality and Stellenbosch Municipality enabled the communities to also participate in the Provincial and National Indigenous Games.

2.10.3 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.

Figure 7: Duties of ward committees



The dawn of democracy in 1994 brought about a new democratic local governance system that promotes certain basic values and principles. Such values and principles include transparency, accountability and an open and inclusive system of governance through community involvement in governance, and planning and democratisation of development. This certainly placed South Africa on par with other democratic governments throughout the world and positioned it as a reputable reference for an effective decentralised system of government.

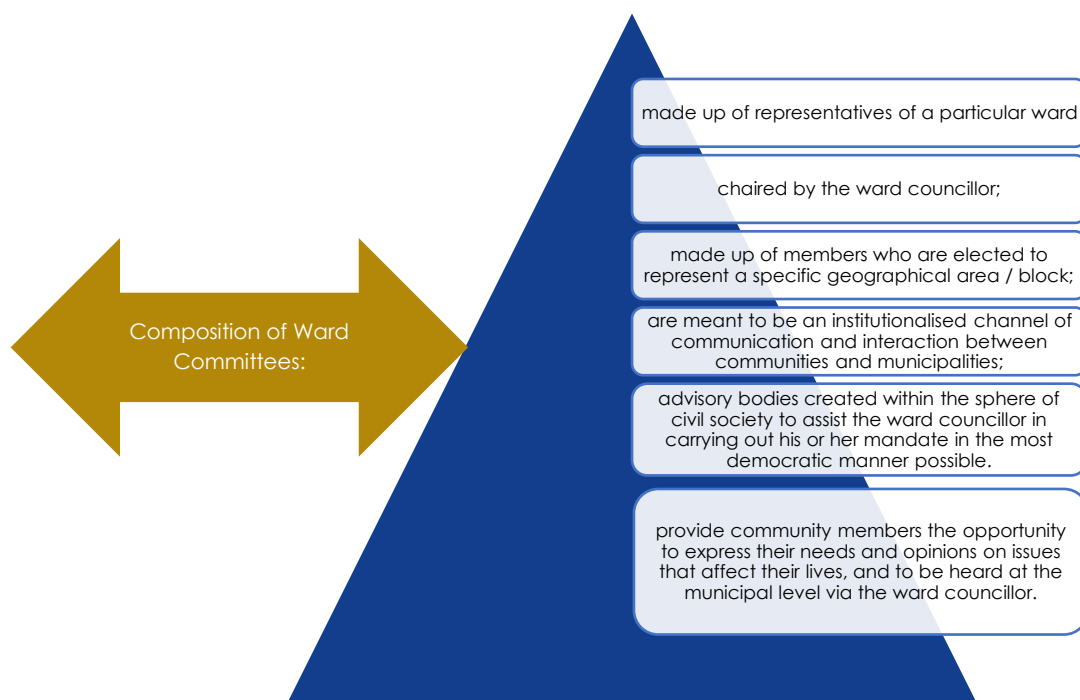
The view of participation remains a key pillar of good governance and constitutes an integral component in the policymaking process, development planning and budgeting. Section 152 of the Constitution, places the participation of communities at the centre of service delivery and other matters of Local Government. Correspondingly, the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and the MSA provides 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, in particular, 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 should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and acts as the chairperson. Although ward committees have no formal powers, they advise the ward councillor, who makes specific submissions directly to the council. These committees play a critical role in the development and annual revision of the integrated development plan of the area.

The ward 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.

On 1 November 2021, the South African local government elections were held to elect councils for all district, metropolitan and local municipalities in all nine provinces. For Stellenbosch Municipality the number of wards increased from 22 to 23 wards, with new demarcation for some of the wards. This also meant that new ward committees had to be established for all wards within the municipality.

In terms of section 73 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and Regulations, ward committees must be established for each ward within the municipal area within 120 days after the election.



The system of delegations of the Stellenbosch Municipality (S6 and S7) designates the Speaker of Stellenbosch Municipality to facilitate the establishment of ward committees in line with the provisions and stipulations of the Municipal Structures Act and Council's policy for the establishment of ward committees.

At the meeting of 23 November 2021, the Council resolved that ward committees must be established for each ward and that the Speaker must facilitate the establishment of ward committees in line with the provisions and institutions of the Municipal Structures Act and the Council's policy for the Establishment of Ward Committees taking into consideration the COVID-19 protocol as outlined in paragraphs 22(3) and 30(4) of the Council's Policy and Procedures for Ward Committees. Ward councillors were commissioned to on or before 30 November 2021 submit to the Office of the Speaker a lay-out of their geographic and / or sectors for their respective wards.

After this, an advertisement was placed on the municipal website, various social media platforms and the local newspapers in December 2021 and January 2022 inviting nominations from registered voters with the cut-off date for nominations on 17 January 2022.

Stellenbosch Municipality rolled out the establishment of the 23 ward committees from 24 January to 23 February 2022. Insufficient nominations for wards 3 and 4 prompted the Speaker to allow an extension for said wards to submit nominations at a later stage. Further to this a total of four ward committee establishment meetings adjourned without electing ward committee members and each reconvened at a later stage with ward committee members duly elected.

The tables specify the comparison of ward committees before the election and newly established ward committees:

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

Table 82: Ward 1 Committee Members

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
A Frazenburg	Councillor	R Pheiffer	Councillor
AH Bauer	Bo-hoek farms	R Plaatjies	Geographic Block 1 and 4
H Diedericks	Beaucop De Leau to School Street	M Nyanga [co-opted In May 2022]	Geographic Block 1
AP Kilian	Calais Street to Hugenate Road	W Jeffhas	Geographic Block 2
PG Mihalopoulos	Akademie to De Villiers Street	B Mnqayi	Geographic Block 3
M Nyanga until Nov 2020	Beaucop De Leau to Dalibuhle School	S Schäfer	LED, Tourism and Agriculture
F Ahmed	Upper farms	A Bauer	Youth Sports, Culture and Community Safety
C Daniels until Nov 2020	Beaucop De Leau to School Street	A Killian	Infrastructure and Community Services
E Morris	Ward Administrator	G Mihalopoulos	Town Planning and Property
-	-	A Tefani [co-opted in May 2022]	None
-	-	L Juries [co-opted in May 2022]	None
-	-	K Brown	Ward Administrator

**Ward 2:** Langrug, La Motte, Dennegeur, Groendal, Domaine des Anges**Table 83: Ward 2 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
W Petersen	Councillor	W Petersen	Councillor
N Gertse	Dennegeur	S Peters	Geographic Block 1
N Fata	Zwalitcha	F Simons	Geographic Block 2
A Jeffthas	Jaffthas to Boonzaaier Road	J Petersen	Geographic Block 3
Vacant	La Motte	N Fata	Geographic Block 5
N Noboza until Nov 2020	Mazaleni	M Phori	Geographic Block 5
M Van Zyl until Jan 2021	Domain Des Anges	J Jacobs	Geographic Block 7
A Manuel until Feb 2021	Berg River Dam Houses	J Manuel	Geographic Block 8
M Hoffman	School Street to R45	R Pearce	Ward Administrator
G Jeffthas	Santa Rosa to R45 Unknown	-	-
K Mpongo until Nov 2021	Ikhanini	-	-
S Silo from Feb 2021	Mazelini	-	-
R Pearce	Ward Administrator	-	-

Ward 3: Lanquedoc, Meerlust, Wemmershoek, Maasdorp and Surrounding**Table 84: Ward 3 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
C Manuel	Councillor	C Manuel	Councillor
Vacant	Vygie, Kerk, Hoof Street - Lanquedoc	M Pieterse	Geographic Block 1
MP Krediet	Vygie, Kerk, to Gravel Road - Lanquedoc	G Moodie	Geographic Block 2
J Plaatjies	Meerlust and Farms	L Cloete	Geographic Block 3
J Nomdoe	Angelier, Prins Afrika, Leeubekkie, Vygie Streets - Wemmershoek	M Adams	Geographic Block 4
C Stuurman	Hoof, Kerk, Vygie Streets - Lanquedoc	L Plaatjies	Geographic Block 5
G Moody	Vygie, Angelier Streets - Wemmershoek	B Kwago	Geographic Block 5
L Cloete	Wemmershoek	W Moses	Geographic Block 8
D Booysen	Vygie, Kerk, Hoof Street - Lanquedoc	G Viljoen	Ward Administrator
G Viljoen	Ward Administrator	-	-

**Ward 4:** Pniël, Kylemore and Johannesdal**Table 85: Ward 4 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
M Johnson	Councillor	R Adams	Councillor
S Charles	Malva, Arum, Gousblom, Freesia, Daffodil, School Streets and Farms	Y Carolissen	Geographic Block 2
G Jacobs	Johannesdal	S Jooste	Geographic Block 2
A Williams	Panorama, Simonsberg, Pine and Silvermine Streets	A Lackay	Geographic Block 3
D Lackay	Panorama, Simonsberg, Pine and Silvermine Streets	K April	Geographic Block 3
J Myburgh	Kloof, Hill, Dahlia, Oak Kleigat Streets	A Williams	Geographic Block 5
R van Wyk until Jan 2021	Kerk, Brand, De Wet, Adams, Rooi, Jooste, Cupido Streets	S Phillips	Geographic Block 6
B Lewak	Malva / Arum / Gousblom / Freesia / Daffodil / Skool Streets and Farms	K Petersen	Geographic Block 7
R Sauls	Johannesdal	E Parks	Ward Administrator
M Simpson	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 86: Ward 5 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Capacity representing	Name of representative	Capacity representing	Name of representative
D Joubert	Councillor	R van Rooyen	Councillor
A Pieterse	Hydro and Surrounding Farms	N Rhode	Geographic Block 1
RB Van Rooyen until Feb 2021	The Ridge	R Arends	Geographic Block 2
L Hendricks	Bo-vlei	C Toutie	Geographic Block 3
K Marais until Feb 2021	Schoongezicht Farms	J Meyer	Geographic Block 4
P Herandien	Lindida, Kreefgat, Uppervlei	J Naude	Geographic Block 4
W Johannes	Jonkershoek Upper	G Louw	Geographic Block 6
J Naude	Lindida, Kreefgat, Uppervlei	E Hendricks	Geographic Block 6
N Rhode	Jonkershoek	A Pieterse	Geographic Block 8
S Zass	Ward Administrator	D February [co-opted in April 2022]	-
-	-	L Hendricks [co-opted in April 2022]	-
-	-	D Jeffhas	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 87: Ward 6 Committee Members

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Capacity representing	Name of representative	Capacity representing	Name of representative
N Mcombring	Councillor	N Mcombring	Councillor
G August	Protea to Sonneblom Streets	D Jones	Geographic Block 1
O Bergstedt	Tindall to Luckhoff Streets	G August	Geographic Block 2
J Brandt	Speler to Botmaskop Streets	P Gordon	Geographic Block 4
P Constable	Farm areas to North	M Davids	Geographic Block 5
F Fortuin	Tindall to Luckhoff Streets	O Bergstedt	Geographic Block 6
P Gordon	Rustenburg Rd to Lelie Street	M Hendricks	Geographic Block 7
M Hendricks	Botmaskop	J Brandt	Geographic Block 7
F Poole	Old Helshoogte to Lelie Streets	P Constable	Geographic Block 8
P Roets until January 2021	Rustenburg Rd to Lelie Street	L Leith	Ward Administrator
D Jones	Lindley to Weber Streets	-	-
C Van Rooyen	Ward Administrator	-	-

Ward 7: Mostertsdrif, Kolonieshof, Karindal, Rozendal, Uniepark, Simonswyk, Universiteitsoord and De Weides

Table 88: Ward 7 Committee Members

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
A Hanekom	Councillor	A Ferns	Councillor
CD Cillie	Simonswyk	B Buys	Geographic Block 1
PE Claassen	Mostertsdrif	P Carstens	Geographic Block 2
GA Giliomee	Karindal	A Marent-Hegewisch	Geographic Block 3
GG Groenewald	Mostertsdrif	B Swanepoel	Geographic Block 4
AB Meiring	Karindal	D Botha	Geographic Block 5
WJ Van Aswegen	Simonswyk	J Wiese	Environment sector
R Pheiffer	Ward Administrator	J Turkstra	Elderly sector
-	-	W van Aswegen	Security sector
-	-	A Gantz	Business sector
-	-	R Loffie-Eaton	Ward Administrator

**Ward 8:** University Areas: Marais, Merriman, Helderberg Street**Table 89: Ward 8 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Capacity representing	Name of representative	Capacity representing	Name of representative
Q Smit	Councillor	C van Wyk	Councillor
R De Villiers	Van Riebeeck, The Avenue, Coetzenburg Road	L Erasmus	Geographic Block 1
CL Macleod	Van Riebeeck, Die Laan, Neethling, Eerste River	M Khan	Geographic Block 1
M Wannenburg	Merriman, Marais, Hofmeyer, Bosman	M Wiehman	Geographic Block 2
E Beukman	Merriman, Marais, Hofmeyer, Bosman	S van der Bank	Geographic Block 2
D Madire	Victoria, Neethling, Bosman, Van Riebeeck	A van Wyk	Geographic Block 3
L Van Wyk from Aug 2020	Victoria, Neethling, Bosman, Van Riebeeck	R de Villiers	Geographic Block 4
J Gilliomme	Ward Administrator	R Segers	Ward Administrator

Ward 9: Eerste River, Krige, Herte, Skone Uitsig, Bird, Merriman, Bosman, Victoria, Neethling, The Avenue**Table 90: Ward 9 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
ZJ Dalling	Councillor	ZJ Dalling	Councillor
JM Calitz	Geographic	A Louw	Geographic Block 1
GG Cillié	Geographic	W Sezoe	Geographic Block 1
JMK Meyer	Geographic	J Meyer	Geographic Block 1
A Louw	Geographic	C van der Bank	Geographic Block 2
H Esterhuizen	Geographic	D Pieterse	Geographic Block 2
W Sezoe from Apr 2021	Geographic	T Kumm	Geographic Block 3
L Combrink	Geographic	K Morake	Geographic Block 3
K Britz	Geographic	K Brits	Geographic Block 4
T Kumm	Geographic	D Hall	Geographic Block 4
J Giliomee	Ward Administrator	Dr L Combrinck	Geographic Block 5
-	-	R Segers	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 91: Ward 10 Committee Members

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
R du Toit	Councillor	R du Toit	Councillor
P Hough	Tennantville	P Hough	Geographic Block 1
B Samuels	Tennantville	G Lamberts	Geographic Block 1
P Stone	Lapland	D Smit	Geographic Block 2
S Williams	Lapland	S Adonis	Geographic Block 2
K Malgas	La Colline	R Hind	Geographic Block 3
L Atson	-	S Williams	Geographic Block 3
M Michaels	Ward Administrator	L Neff	Geographic Block 3
-	-	G Daniels	Geographic Block 3
-	-	N Nketane [co-opted in May 2022]	-
-	-	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 92: Ward 11 Committee Members

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
J Serdyn	Councillor	J Serdyn	Councillor
P Carinus	Onder-Papegaaiberg – Flamingo Street to Devon Valley Road	E Schreiber	Geographic Block 2
D Cupido until Mar 2021	Devon Valley and Farms	R Fourie	Geographic Block 3
I Fourie	Onder-Papegaaiberg – Flamingo Street to Devon Valley Road	P Carinus	Geographic Block 4
M Snyman	Onder-Papegaaiberg – Flamingo Street to Devon Valley Road	C Roux	Geographic Block 4
B Brand	Dorp Street	S Spangenberg	Geographic Block 5
CF Schreiber	Tarentaal Street to Patrys Street	M Snyman	Geographic Block 5
K Wesselman from Apr 2021	Dennesig	F Malan	Geographic Block 5
Dr E Basson from Apr 2021	Bosmans Crossing	I Fourie	Geographic Block 6
J Gillomee	Ward Administrator	M Claassen	Geographic Block 6
-	-	R Segers	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 93: Ward 12 Committee Members

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
N Managa-Gugushe	Councillor	A Tomose	Councillor
L Dangisa	Geographic	T Naku	Geographic Block 1
M Galada	Geographic	P Lamia	Geographic Block 2
S Mdodana	Geographic	P Menze	Geographic Block 3
S Mdutyana	Geographic	A Mxokozeli	Geographic Block 4
N Ntanjana	Geographic	T Ohu	Geographic Block 5
M Qondani	Geographic	T Gugushe	Geographic Block 6
N Sifumba	Geographic	Z Mantshi	Geographic Block 7
S Siguba	Geographic	Y Makuleni	Geographic Block 8
Y Makuleni	Geographic	T Ntshinga [co-opted in May 2022]	-
N Jodo	Geographic	N Ntshwanti [co-opted in May 2022]	-
S Mafenyang	Ward Administrator	G Zongolo	Ward Administrator

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

Table 94: Ward 13 Committee Members

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Capacity representing	Name of representative	Capacity representing	Name of representative
F Bongani-Menziwe	Councillor	M Nkopane	Councillor
N Bhayibhile	Geographic	A Fayu	Geographic Block 1
NVV Finini	Geographic	Z Ndlovu	Geographic Block 1
N Nojoko	Geographic	M Ndebe	Geographic Block 2
V Hani	Geographic	S Maxhavulana	Geographic Block 3
JZ Jekem	Geographic	Z Magadana	Geographic Block 4
S Magade	Geographic	S Lobi	Geographic Block 5
PN Makasi	Geographic	S Mngwazana	Geographic Block 6
S Mcako	Geographic	M Zondiwe	Geographic Block 7
B Takisa	Geographic	N Bhayibhile	Geographic Block 8
M Zondiwe	Geographic	M Naku	Geographic Block 9
N Tolibisa	Ward Administrator	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 95: Ward 14 Committee Members

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
P Sitshoti	Councillor	M Danana	Councillor
MH Gxilishe	Geographic	L Magazi	Geographic Block 1
MD Masimini	Geographic	A Mpanyu	Geographic Block 1
O Manthsi	Geographic	D Mdunyelwa	Geographic Block 3
E Mgoqi	Geographic	B Mbaqa	Geographic Block 4
N Mpemnyama	Geographic	A Bululu	Geographic Block 4
NA Mthiya	Geographic	N Semente	Geographic Block 5
S Oliphant	Geographic	L Mbasane	Geographic Block 6
N Zweni	Geographic	N Boyce	Geographic Block 7
M Brown	Geographic	N Mpemnyama	Geographic Block 8
P Tina	Geographic	E Mpemnyama	Ward Administrator
B Lesaoana	Ward Administrator	-	-

Ward 15: Kayamandi: Mjandana Street(Zone L), Mputa Close, Zone K, Ndumela Street(Zone J), Distell Hostels, Vineyard, Zone O Middle part(Fire Street), Municipal Workers Flats, Zone N, and M, Old Corobrik Hostels, Mdala Street(Old Hostels)

Table 96: Ward 15 Committee Members

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
N Sinkinya	Councillor	E Masimini	Councillor
T Dishi	Geographic	N Sesman	Geographic Block 1
NJ Kepu	Geographic	T Lepheana	Geographic Block 2
M Kumalo	Geographic	M Nongogo	Geographic Block 3
TJ Lepheana	Geographic	N Kuni [elected in May 2022]	-
EP Masimini	Geographic	M Moni [elected in May 2022]	-
P Nyakaza	Geographic	E Jumat [elected in May 2022]	-
N Ngwevela	Geographic	L Xelenga [elected in May 2022]	-
T Tshatani until Dec 2020	Geographic	L Gula [elected in May 2022]	-
L Xelenga	Geographic	P Nyakaza	Ward Administrator
V Maramnco	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 Cloeterville

Table 97: Ward 16 Committee Members

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
E Vermeulen	Councillor	E Vermeulen	Councillor
J Beneke	Curry, Pine, Primrose, Silvia, Quarry	C Williams	Geographic Block 1
A Flink	Last to North End Streets	M Bailey	-
M Fredericks	Curry, Pine, Primrose, Silvia, Quarry	J Williams	Geographic Block 1
E Gordon	From Sports Field to last Street	N Willemse	Geographic Block 1
M Johannes	White City	P Fray	Geographic Block 2
A Meyer until Dec 2020	Tennantville and Slabtown	M Fredericks	Geographic Block 2
J Williams	Long Short, Jakaranda, Eike Streets	A Flink	Geographic Block 3
Y Lamberts	Ward Administrator	M Johannes	Geographic Block 4
-	-	P Appollis	Geographic Block 4
-	-	J Isaacs	Geographic Block 4
-	-	Y Lamberts	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 98: Ward 17 Committee Members

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
P Biscoombe	Councillor	P Johnson	Councillor
J Joon	Rietenbosch	G Jacobs	Geographic Block 2
D Smith	Flats: Kloof and Long Streets	L van der Rheede	Geographic Block 2
A Van der Westhuizen	Huis Ebenhaezer	B Louw	Geographic Block 4
M Wagner	Rhode Street Flats	T Crombie	Geographic Block 4
D Robyn	Stellita Park	G Noble	Geographic Block 5
S Frederick	Kloof Street Flats	D Smith [co-opted in April 2022]	Geographic Block 5
J September until Feb 2021	-	S Jacobs	Ward Administrator
J Isaacs	-	-	-
H Sauls	Ward Administrator	-	-

**Ward 18:** Klapmuts and surrounding farms**Table 99: Ward 18 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
E Fredericks	Councillor	JCArthur	Councillor
J Kleinsmith	New Houses, Brickfields	G Wentzel	Geographic Block 1
J Fredericks	Koelpark	W Johannes	Geographic Block 2
W Johannes	Sand, Bell, Merchant, Railway Houses	E Mbikwana	Geographic Block 3
A Michel	Weltevrede Park 1	S Hector	Geographic Block 4
N Mtaba	Mandela City, Lawson	N Peter	Geographic Block 5
J September	La Rochelle, Pinotage Village	N Hector	Geographic Block 6
J Fochessati	New Houses / Brickfield	P Nogwaza	Geographic Block 7
G Wentzel	Rozenmeer, Police Station, Farms	M Everts	Sport sector
G Hector	Weltevrede Park 2	Pastor W Cloete	Religious sector
B Foster	Ward Administrator	G du Toit	Safety sector
-	-	M Malaqua	Ward Administrator

Ward 19: Elsenburg, Vaaldrain, Slaley, Kromme Rhee, De Novo, Bottelary, De Hoop, Simonsig and surrounding farms**Table 100: Ward 19 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
JKI Hendriks	Councillor	J Williams	Councillor
V Fortuin	Elsenburg	A Afrika	Geographic Block 4
F Hansen	De Novo	J May	Geographic Block 6
A Kamfer	Bottelary Farms	A Kamfer	Geographic Block 8
C Martins	Bottelary Farms	C Pedro	Geographic Block 8
J May	Koelenhof / Koelpark	R Kinnear [elected in May 2022]	-
C Adriaanse	Weltevrede / Smartietown	A van der Westhuizen [elected in May 2022]	-
Z Daniels	Kromme Rhee	C Februarie [elected in May 2022]	-
James Williams	Ward Administrator	A September [elected in May 2022]	-
-	-	C Wesso	Ward Administrator



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

Table 101: Ward 20 Committee Members

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
A Crombie	Councillor	J Joon	Councillor
AT Joon until April 2021	Vlottenburg	C Matthys	Geographic Block 1
D Fortuin	Vlottenburg	C Steenkamp	Geographic Block 1
CHO Gordon	Raithby	R Muller	Geographic Block 2
P Taaibosch	Vlottenburg	I Johnson	Geographic Block 3
M James	Raithby	E Jacobs	Geographic Block 3
G Pojie	Vlottenburg	H Brink	Geographic Block 4
E Jacobs	Lynedoch Farms	P Esau	Geographic Block 4
A Malgas	Meerlust Farms	P Taaibosch	Religious sector
Vacant	Polkadraai	J Casper	Health sector
E Mpemnyama	Ward Administrator	J Fortuin	Ward Administrator

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

Table 102: Ward 21 Committee Members

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
R Badenhorst	Councillor	R Badenhorst	Councillor
V Malmnas	De Zalze	P de Wet	Geographic Block 1
S McNaughton	Blaauwklippen	A Verwey	Geographic Block 2
R Kriel	Paradyskloof	R Kriel	Geographic Block 2
A Levendal	Jamestown	R Spies	Geographic Block 3
HC Eggers	Paradyskloof	S McNaughton	Geographic Block 4
O Meyer	Jamestown	W Adams [co-opted in April 2022]	-
A Verwey	Paradyskloof	S de Wet [co-opted in April 2022]	-
B Pieterse	Jamestown / Mountainview	A Okkers [co-opted in April 2022]	-
N Williams	Ward Administrator	N Williams	Ward Administrator

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

Table 103: Ward 22 Committee Members

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
E Groenewald	Councillor	E Groenewald	Councillor
M Vlok	Bo-Brandwacht, Faber, Kolbe, Mazot, LeSeuer, Linne	P Schaafsma	Geographic Block 1
P Kruger	Van Taak, Wege, Robbertz, De Wet, Barry	C Neethling	Geographic Block 2



Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
A Pelser	Constantia, Welgevallen Alpen, Draailaan	I Maree	Geographic Block 3
I Maree	Rokewood Mairina, Saffraan, Kaneel, Blenheim	W Joubert	Geographic Block 4
E Slabber	Piet Retief Bult, Welgevallen, Draailaan, Lourenz, Sering, Bergh, Vlier, Pleunis, Nooitgedacht	H Slabber	Geographic Block 5
A Coetzee	Skadu, Lower, Binnekring, Buitekring	S Wilson	Geographic Block 6
R Lambrechts	Rhodes Noord, Van Rheede, Formosa, Sultan, Swellengrebel, Keiffer, Woltemade	A Pelser	Geographic Block 7
P Schaafsma	Upper-Lovell, Fairways, Peek and other, Elbertha, Lovell, Forelle, Santa Rosa	H Hill	Geographic Block 8
S Wilson	Dalsig, Dennerand, Coligny, Dennesig, Park	Prof P Kruger	Geographic Block 9
W Crowley	Ward Administrator	M Vlok	Geographic Block 10
-	-	N Gulube	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

Table 104: Ward 23 Committee Members

Period 1 January 2022 – 30 June 2022	
Name of representative	Name of representative
L Nkamisa	Councillor
J Venter	Geographic Block 1
M Serfontein	Geographic Block 1
A Parrott	Geographic Block 2
A Nompume	Geographic Block 2
T Seyisi	Geographic Block 3
M Lokhat	Religious sector
T Dube	Education and Youth sector
L van Wyk	Education and Youth sector
N Gulube	Ward Administrator

2.10.3.1 Functionality of Ward Committees

The purpose of a ward committee is to:

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



The COVID-19 pandemic has undoubtedly brought about a dramatic change in the world prompting governments including local governments to be responsive to the plight of their citizens specifically marginalised individuals and vulnerable groups.

To limit the spread of the COVID-19 pandemic, large gatherings were banned including all public meetings, ward meetings at the local government level and other invited or created spaces of engagement. The rapid transmission of the pandemic with various variants thereof across the globe caused panic and its prevention became the number one priority to be addressed.

The biggest casualty of the COVID-19 pandemic is public participation. The local government has the responsibility to provide the platforms / tools thereby enabling people to be part of the public participation activities that local governments embark upon.

Public participation is crucial in the collective response to the COVID-19 pandemic from adherence to the regulations to the steps needed to be taken on easing the restrictions imposed by National Government.

Ward committees need to find new ways of conducting business inter alia through platforms such as virtual meetings, MS Teams meetings, etc which produce various challenges for some constituencies. All 22 wards and 23 were successfully established.

The table below provides a comparison of the information on the establishment of Ward Committees and their functionality from the 2020/21 to 2021/22 financial years.

Table 105: Ward Committees and their functionality

Ward Number	Number of reports submitted to the Speakers / IDP Office		Number of Public meetings		Meeting dates of ward committees		Committee functioning effectively	
							Yes / No	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
1	0	0	1	1	29 Oct 19 Nov 3 Dec 25 Feb 25 Mar 29 Apr 27 May 17 Jun	12 Apr 16 May	Yes	Yes
2	0	0	1	2	15 Jul 19 Aug 15 Sep 21 Oct 18 Nov 14 Dec 18 Feb 18 Mar 22 Apr 27 May 17 Jun	22 Apr 24 May	Yes	Yes
3	0	0	1	2	3 Mar 20 Apr 4 May	14 Apr	Not fully functional	Yes
4	0	0		1	8 Sept 13 Oct 13 Nov 9 Feb 9 Mar 11 May 8 Jun	12 May	Yes	Yes
5	0	0	2	1	25 Mar 29 Apr	04 Apr 17 May	Not fully functional	Yes
6	0	0	1	1	17 Sept	11 Apr	Yes	Yes



Ward Number	Number of reports submitted to the Speakers / IDP Office		Number of Public meetings		Meeting dates of ward committees		Committee functioning effectively	
							Yes / No	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
					8 Oct 4 Nov 2 Dec 3 Feb 3 Mar 7 Apr 5 May 2 Jun	03 May		
7	0	0	-	1	28 Sept 25 Nov 27 Jan 21 Mar 29 Jun	20 Apr 30 May	Yes	Yes
8	0	0	2	1	20 July 18 Aug 9 Sept 7 Oct 4 Nov 2 Dec 3 Feb 3 Mar 7 Apr 5 May 2 Jun	24 May 06 Jun	Yes	Yes
9	0	0	2	1	7 Jul 4 Aug 1 Sept 6 Oct 3 Nov 1 Dec 2 Feb 3 Mar 6 Apr 4 May 3 Jun	11 Apr 17 May	Yes	Yes
10	0	0	1	1	22 Sept 6 Oct 3 Nov 1 Dec 2 Mar 6 Apr 4 May 1 Jun	05 Apr 3 May	Yes	Yes
11	0	0	2	2	14 Jul 11 Aug 8 Sept 13 Oct 10 Nov 9 Feb 9 Mar 13 Apr 11 May 8 Jun	4 May 01 Jun	Yes	Yes
12	0	0	-	1	20 Oct 2 Dec 6 Feb 23 Mar 2 Jun	04 May 07 Jun	Yes	Yes
13	0	0	1	1	16 Oct 2 Mar 13 Apr 18 May 2 Jun	22 Apr 24 May	Yes	Yes
14	0	0	-	1	19 Feb 19 Mar 12 May 17 Jun	14 Apr	Yes	Yes



Ward Number	Number of reports submitted to the Speakers / IDP Office		Number of Public meetings		Meeting dates of ward committees		Committee functioning effectively	
							Yes / No	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
15	0	0	-	1	26 Oct 17 Nov 25 Feb 23 Mar 20 Apr 18 May 22 Jun	12 May	Yes	Yes
16	0	0	1	1	4 Dec 22 Feb 17 Mar 8 Apr 11 May 8 Jun	04 Apr 17 May	Yes	Yes
17	0	0	2	1	14 Oct 18 Nov 3 Mar 7 Apr 5 May 9 Jul	11 Apr 03 May	Yes	Yes
18	0	0	1	1	18 Jul 15 Aug 12 Sept 10 Oct 07 Nov 05 Dec	20 Apr 30 May	Yes	Yes
19	0	0	2	1	29 Sept 13 Oct 10 Nov 1 Dec 29 Jan 9 Mar 8 Apr 4 May 10 Jun	24 May 06 Jun	Yes	Yes
20	0	0	-	1	17 Sept 29 Oct 26 Nov 12 Apr 17 Jun	11 Apr 17 May	Yes	Yes
21	0	0	1	1	8 Sept 6 Oct 3 Nov 1 Dec 9 Feb 2 Mar 6 Apr 4 May 1 Jun	05 Apr 3 May	Yes	Yes
22	0	0	1	1	5 Aug 2 Sept 7 Oct 4 Nov 2 Dec 20 Jan 3 Feb 3 Mar 7 Apr 5 May 9 Jun	4 May 01 Jun	Yes	Yes
23	-	0	-	1	-	04 May 07 Jun	Yes	Yes



COMPONENT C: CORPORATE GOVERNANCE

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

2.11 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 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 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 which 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.

During the latter part of 2021, the COVID-19 pandemic started to lose momentum and as more and more individuals were vaccinated the legislation and stringent regulations were gradually phased out as society was now accustomed to the so-called new normal.

At the beginning of 2022, views, comments and predictions started to surface globally as the possible conflict in Europe started to become a reality. A Russian invasion of Ukraine dominated in February 2022 and immediately the impact of the said had to be rated, assessed, and discussed. Thus, risk no 7 was developed to monitor the ongoing situation.

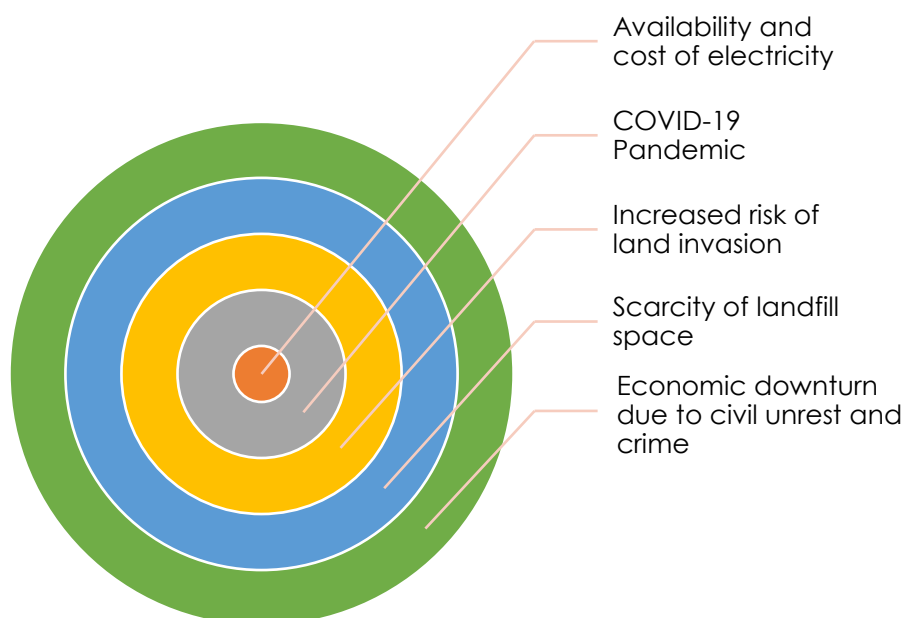
As municipalities entered the new financial year, the electricity and energy generating crisis started to raise red flags again as the pandemic started to be less of a threat and focus started to shift. The availability and cost of electricity then again was assessed as the number 1 risk for the municipality.



In March 2022 a new risk policy, as well as enterprise risk management framework, was approved by the Council. The Strategic and Operational Risk Register was also approved In March 2022.

The top 5 risks identified for 2021/22 are as follows:

Figure 8: The top 5 risks identified for 2021/22



a) Likelihood rating scale

Table 106: 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 the majority of the objectives. Requires intervention from the Council.
8	Major	A major event resulting in the long-term cessation of a core organisational activity. Severely reduced ability to achieve the municipality's strategy and inability to achieve certain objectives. The material at the organisational level.



Impact and Likelihood Rating		
Likelihood Grading		
		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 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 107: 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.



2.11.1 Strategic Risks Identified

Table 108: Risk register

Strategic Risks						
Risk Item	Risk Description	Risk Background	Strategic Focus Areas	Impact Rating	Likelihood Ratings	Directorate
1	Availability and cost of electricity	Unavailability of suitable land; costs of SLAs and alternative waste disposal; legislative requirements i.e. EIA applications and approvals etc.	Green and Sustainable Valley, Dignified Living	10	10	Directorate: Infrastructure Services
2	Increased risk of a land invasion	Legal precedents are set under 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	10	10	All Directorates
3	COVID-9 Pandemic	Manage the COVID-19 pandemic within the context of the prescribed regulations, taking the possible 4 th wave and intensity of new infections into account.	Safe Valley, Dignified Living	10	8	All Directorates
4	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	10	8	Directorate: Infrastructure Services
5	Economic downturn due to civil unrest and crime	Increase in criminal activities, civil unrest, and reputational risk due to perceived increase in the said activities.	Dignified Living, Safe Valley	10	8	Directorate: Community and Protection Services
Operational Risks						
1	Insufficient burial space in the greater Stellenbosch	Planning and funding; land availability. Insufficient funding.	Dignified Living	8	8	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	Directorate: Financial Services
3	Business Continuity	Disasters, electricity outages; hacking of systems.	Good Governance and Compliance	8	4	Directorate: Corporate Services
4	Climate Change	Changing weather patterns, unpredictable rainfall, flash floods, drought natural disasters, fires (seasonal and other).	Green and Sustainable Valley; Safe Valley	8	4	Office of the Municipal Manager
5	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	Directorate: Corporate Services



2.11.2 Anti-Corruption and Anti-Fraud

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimise the possibility of fraud and corruption, while the MFMA, section 112(1)(m) (i), identifies supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms are put in place and the separation of duties in a supply chain management system to minimise the likelihood of corruption and fraud.

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

The Anti-Fraud and Corruption Prevention Policy was consulted with key internal stakeholders and the Audit and Audit Performance Committee. The policy intends to strengthen fraud and corruption prevention at all levels within the municipality and re-invest the management of fraud and corruption management at all levels.

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

2.12 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 109: Members of the Audit and Performance Audit Committee

Period 01 July 2021 – 29 March 2022		Period 28 June 2022 – 30 June 2022	
Name of representative	Capacity	Name of representative	Capacity
Dr NL Mortimer	Chairperson (re-appointed for a second term 1 April 2019 – term ended 31 March 2022)	LC Nene	Chairperson (appointed 1 May 2022)
VJ Botto	Member (appointed 1 September 2017)	VJ Botto	Member (appointed 1 September 2017)
TW Lesihla	Member (appointed 1 September 2017)	TW Lesihla	Member (appointed 1 September 2017)
J Williams (Ms)	Member (appointed 1 April 2019)	J Williams (Ms)	Member (appointed 1 April 2019)

Table 110: APAC meetings held from 01 July 2021 to 30 June 2022

Period 01 July 2021 – 30 June 2022
Meeting dates
27 August 2021
14 December 2021
20 January 2022
29 March 2022
28 June 2022

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

The APAC is also accountable to identify major risks to which the Council is exposed and to determine the extent to which risks have been mitigated.

2.13 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 as well as 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.

2.13.1 Risk Register and Three-Year Strategic Plan

Table 111: ✓ Confirms audit activity completed in the financial year

Audit Activity/ Audit Universe	Year 1	Year 2	Year 3	Combined Assurance Provider
	2022/2023	2023/2024	2024/2025	
Statutory Internal Audits				
MFMA Compliance	✓	✓	✓	IA and AG
MSA Compliance	✓	✓	✓	IA and AG
DORA Compliance	✓	✓	✓	AG
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	-	✓		IA and AG
Financial Services: Asset Management	✓	✓	-	IA (rolled over from 2021/ 2022
Financial Services: Expenditure Management	-	-	-	AG
Financial Services: Budget Process (Included in MFMA Audit)	N/A	N/A	N/A	AG
Financial Services: Revenue Management (Income and Debtors)		-	✓	IA
Financial Services: Cash Receipts, Banking and Investments	-	-	-	AG
Financial Services: Accounting and Financial Reporting	-	-	-	AG
Financial Services: Year-end Inventory review – stores (direct assistance for the AG)	✓	✓	✓	IA
Corporate Services: Recruitment and Selection	✓	-	-	IA
Corporate Services: Information and Communication Technology	✓	✓	✓	Outsource
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
Planning and Economic Development: Housing Administration	-	✓	-	IA



Audit Activity/ Audit Universe	Year 1	Year 2	Year 3	Combined Assurance Provider
	2022/2023	2023/2024	2024/2025	
Community and Protection Services: Traffic Services and Administration	-	-	✓	IA
Community and Protection Services: Fleet Management	-	✓	✓	IA
Infrastructure Services: Distribution Losses (Water and Electricity)	✓	✓	✓	IA
Other				
Internal Quality Assurance review	✓	✓	✓	IA
State of Records review (direct assistance for the AG)	✓	✓	✓	IA
AG audit action plan	✓	✓	✓	IA
Governance	✓	✓	✓	IA
Risk Management	✓	✓	✓	IA
Follow up audits	✓	✓	✓	IA
Ad hoc review(s) / Special requests	✓	✓	✓	IA

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 2021/22 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 2021/22 financial year's Risk-Based Audit Plan. New updates to the Stellenbosch Municipality's risk profile were captured during 2021/22 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.

2.13.2 Annual Risk-Based Audit Plan

The Risk-Based Audit Plan 2021/22 was implemented with the available resources. The table below provides detail on audits completed.

Table 112: Annual Risk-Based Audit Plan

Audit Activity	Status
DoRA Compliance	Combined Assurance – AG
MGRO 1 and 2 (MGAP)	Report submitted to PT
IA follow-up review:	
Allowances (Overtime, Standby and Scarcity skills)	Final report submitted
Performance Management System	Final report submitted
AG Audit Action plan 2020/21	Final report submitted



Audit Activity	Status
Quarterly Key Control reviews (SORR):	
Quarter 4	Final report submitted
Quarter 1	
Quarter 2	
Quarter 3	
Performance Management:	
Pre-determined Objectives	
Quarter 4	Final Report submitted
Quarter 1	Final Report submitted
Quarter 2	Final Report submitted
Quarter 3	Final Report submitted
Performance Reviews: MM and Directors (annual assessments)	Final Report submitted
Information Technology:	
ITGC, Applications review and support services equipment	Approved rollover 2022/23
Review of Cobit compliance	Approved rollover 2022/23
Other:	
Risk Management	Final Report submitted
Supply Chain Management: Tender management	Final Report submitted
Supply Chain Management: Contract management	SOP submitted
Stores Inventory Review	IA provided direct assistance on behalf of the AG(SA)
Asset Management	Approved rollover 2022/23
Infrastructure services: Development Contributions	Final Report submitted
Mont Rochelle (Ad-hoc review)	Item submitted to Council

2.13.3 PMS Audits

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

2.14 Supply Chain Management

The Supply Chain Management (SCM) Policy applicable to the 2021/22 financial year was revised and adopted by the Council on 26 May 2021 (as Appendix 17 of the budget-related policies, in the Council item) in terms of section 17(1) – (3) of the MFMA.

The changes referred to above will ensure that the Department: Supply Chain Management (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.

2.14.1 Competitive bids over R200 000

The following table details the number of Bid Committee meetings held for the 2021/22 financial year:

Table 113: Bid Committee Meetings

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
46	220	64



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

Table 114: 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 115: 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 116: 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 by those officials acting in the position of a bid committee member and / or chairperson.

2.14.2 Awards made by the Bid Adjudication Committee

The Bid Adjudication Committee awarded 77 bids with a value of R 285 588 974.13, excluding annual tenders awarded based on approved rates. The ten highest bids awarded by the bid adjudication committee are as follows:

Table 117: Ten Highest Bids Awarded by Bid Adjudication Committee

Bid Number	Title of bid	Directorate and Section	Successful Bidder	Value of bid awarded
B/SM 82/21	Refurbishment of Rozendal Reservoir.	Infrastructure Services	Empa Structures	R 9 491 272.75
B/SM 24/22	Upgrading / Maintenance of Heritage Buildings: Voorgelegen, Rhenish and Bergzicht until 30 June 2024.	Corporate Services	Xiqombe	R 9 232 053.53
B/SM 12/22	Implementation of 11kV Network Upgrades in the Pniël area of Stellenbosch: Period ending 30 June 2024.	Infrastructure Services	VE Reticulation (Pty) Ltd	R 8 891 414.71
B/SM 62/22	Underwriting and Management of Short-Term Insurance Portfolio, for a contract period, ending 30 June 2023.	Financial Services	Kunene Makopo Risk Solutions	R 8 558 580.62
B/SM 110/21	Refurbishment of 11kv Substation Buildings and Installation of Switchgear Supplied by Stellenbosch Municipality for the period ending 30 June 2024.	Infrastructure Services	VE Reticulation (Pty) Ltd	R 7 949 721.12
B/SM 111/21	Jan Marais Substation Upgrade (Civil, Electrical and Structural Works).	Infrastructure Services	Leafy Space (Pty)Ltd	R 6 599 175.57
B/SM 22/22	The Enabling Works for the Construction of a Local Economic Development Hub and Transport Facility at Bird Street, Stellenbosch.	Planning and Economic Development	Raycon Properties	R 5 079 053.43



Bid Number	Title of bid	Directorate and Section	Successful Bidder	Value of bid awarded
B/SM 06/22	Upgrading of Kayamandi Tourism and Economic Corridor	Corporate Services	Bambana Management Services	R 4 724 787.65
B/SM 19/22	Supply and Delivery of a Multi-Purpose Armoured Personnel Carrier Vehicle (Nyala)	Community and Protection Services	TFM Industries (Pty)Ltd	R 4 222 306.65
B/SM 115/21	A Professional Service Provider to Assemble a Multi-Disciplinary Team of Professionals	Planning and Economic Development	Zutari (Pty)Ltd	R 3 819 344.19

2.14.3 Awards made by the Accounting Officer

In terms of paragraph 5.2 of the Council's Supply Chain Management policy, only the Accounting Officer may award a bid which is over R 10 million. The authority to make such an award may not be sub-delegated by the Accounting Officer.

The table below indicates the bids awarded by the Accounting Officer are as follows:

Table 118: Awards made by the Accounting Officer

Bid Number	Title of bid	Directorate and Section	Value of bid awarded
B/SM 25/22	THE CONSTRUCTION OF THE POLKADRAAI WATER SUPPLY SCHEME	Infrastructure Services	R 103 410 198.46
B/SM 79/21	CONSTRUCTION OF NEW DISTILLERY ROAD BRIDGE, REHABILITATION, ROADWAYS AND ANCILLARY WORKS	Infrastructure Services	R 29 750 000
B/SM 40/22	INTERNAL REFURBISHMENT OF THE NPK BUILDING ON ERF 1852, STELLENBOSCH FOR ADMINISTRATIVE OFFICES FOR STELLENBOSCH MUNICIPALITY.	Corporate Services	R 23 957 544.77
B/SM 23/22	IMPLEMENTATION OF MEDIUM VOLTAGE NETWORK UPGRADES IN KAYAMANDI, STELLENBOSCH	Infrastructure Services	R 14 014 568.89
B/SM 21/22	ENGINEERING, PROCUREMENT AND CONSTRUCTION OF GRID-TIED ROOFTOP PV SYSTEMS AT VARIOUS MUNICIPAL BUILDINGS IN STELLENBOSCH	Infrastructure Services	R 12 482 222.16
B/SM 123/21	EVALUATION OF TENDER FOR ZONE O, KAYAMANDI, HOUSING PROJECT: CONSTRUCTION OF INTERNAL CIVIL ENGINEERING SERVICES – PHASE 3	Infrastructure Services	R 12 120 851.13

2.14.4 Objections Lodged

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

Table 119: Objections Lodged

Tender Nr	Description	Date of finalisation of the appeal
B/SM 92/21	Khauleza IT solutions	22-Sep-22
B/SM 61/21	Lewendal Attorneys	23-Sep-22
B/SM 33/21	Blackbird	6-Oct-22
B/SM 100/21	VINLAB	21-Oct-21
B/SM 67/21	Contour	6-Dec-21
B/SM 114/21	Elexpert	11-Feb-22
B/SM 17/21	Timber City / Julobyte	4-Nov-22
B/SM 41/21	Xmoore Transport	14-Jun-22
B/SM 32/21	Language Teaching Centre	13-Oct-21



Tender Nr	Description	Date of finalisation of the appeal
B/SM 32/21	Sharons Driving School	15-Oct-21
B/SM 73/21	FB Protection Services	17-Nov-21
B/SM 69/21	Beatrice Nina	18-Jan-22
B/SM 73/21	Securitem	18-Feb-22
B/SM 19/21	OTT	11-Apr-22

The municipality also had eight (8) appeals which were resolved together with six (6) objections which were also dealt with.

2.14.5 Formal Quotations (above R30 000 and below R200 000) Procurement Processes

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

Table 120: Formal Quotations (above R 30 000 and below R 200 000)

Description	Financial Years				
	2017/18	2018/19	2019/20	2020/21	2021/22
Number of Awarded Formal Quotations	206	203	145	122	89
Total Formal Quotations advertised	264	249	159	139	131
Percentage awarded	78.03%	81.53%	91.19%	88%	67.94%

2.14.6 Deviation from normal Procurement Processes

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

Table 121: Deviation from Normal Procurement Process

Description	Financial Years			
	2018/19	2019/20	2020/21	2021/22
<u>Certificate of Emergencies:</u> Approved by the Directors i.t.o. Section 4.36.4 of the SCM Policy	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
TOTAL	42	32	19	12

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



2.14.7 Disposal Management

The system of disposal management envisages the following:

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

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

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

2.14.9 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) 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.

2.14.10 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-BBEE 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 provide 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 process to do an in-depth rating of the BBEE compliance in terms of supply chain and socio-economic activities.

a) Management Control

Table 122: 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 123: B-BBEE Compliance Performance Information- Skills Development

Category	% for each category	Race Classification		Gender		Disability	Total amount spend
		Category	Total	Category	Total		
Black Employees	278	A	996	F	79	None	Total Spent: R3 267 622 R3 071 564.68 (94% of the total spent)
		C	179				
		I	0	M	199		
Non-Black employees	19	W	19	F	2	None	R196 057.32 (6% of the total spent)
				M	17		
Black People on internships, apprenticeships, learnership	40	A	13	F	16	None	R424 790.86 (13% of total)
				M	24		
Unemployed black people on any programme under the learning programme matrix	2	C	2	M	2	None	R19 605.73 (0.6% of the total spent)
Black people absorbed at end of learnership, internship and apprenticeship	0	0	0	0	0	None	0



2.15 By-Laws and Policies

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

Budget-related policies reviewed in the 2021/22 financial year are listed below.

Table 124: Budget-Related Policies Reviewed

Policies Revised	Date Adopted
Traffic Calming Policy	24.08.2020
Land Use Enforcement Policy for Stellenbosch Municipality, March 2019	24.08.2020
Performance Management Policy	29.07.2020
Parking Policy for Council	28.10.2020
Policy and procedures for ward committees, including COVID-19 protocols	25.11.2020
Universal Access Policy Review	27.01.2021
Non-Motorised Transport Policy	21.04.2021
Consequence Management Policy	26.05.2021
Accounting Policy	26.05.2021
Asset Management Policy	26.05.2021
Borrowing, Funds and Reserves Policy	26.05.2021
Budget Implementation and Monitoring Policy	26.05.2021
Cash Management and Investment Policy	26.05.2021
Cost Containment Policy (2019-09-25)	26.05.2021
Credit Control and Debt Collection Policy	26.05.2021
Development Charges Policy	26.05.2021
Financing of External Bodies Performing Municipal Functions Policy	26.05.2021
Grants-In-Aid Policy	26.05.2021
Indigent Policy	26.05.2021
Inventory Management Policy	26.05.2021
Irrecoverable Debt Policy	26.05.2021
Liquidity Policy	26.05.2021
Petty Cash Policy	26.05.2021
Preferential Procurement Policy	26.05.2021
Property Rates Policy	26.05.2021
SCM Policy for Infrastructure Procurement and Delivery Management	26.05.2021
Special Rating Area Policy	26.05.2021
Supply Chain Management Policy	26.05.2021
Tariff Policy	26.05.2021
Travel and Subsistence Policy	26.05.2021
Virement Policy	26.05.2021
Ward Allocation Policy	26.05.2021
Wayleave Policy (2021-03-31)	26.05.2021
Development Charges Policy	26.05.2021

Table 125: Bylaws reviewed

Bylaws	Date of Approval
Stellenbosch Liquor Trading Hours By-Law	29.07.2020
Problem Properties By-Law	29.07.2020
Stellenbosch Municipality By-Law on Stormwater	25.11.2020
Stellenbosch Municipality By-Law on Integrated Waste Management	25.11.2020



Bylaws	Date of Approval
Stellenbosch Municipality By-Law on Parking	28.04.2021
Stellenbosch Municipality By-Law Roads and Street	28.04.2021
Stellenbosch Municipality By-Law on Posters (Draft)	28.04.2021
Property Rates By-Law	26.05.2021
Tariff By-Law	25.05.2021
Special Areas Rating By-Law	26.05.2021
Credit Control and Debt Collection By-law	25.05.2021
Property Rates By-law	25.05.2021
By-Law on Stormwater	26.05.2021

2.16 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 126: 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 for 2021/22	-	Pending
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act for 2021/22	Yes	Within legislated period
All service delivery agreements for 2021/22	Yes	Within legislated period
All long-term borrowing contracts for 2021/22	Yes	Within legislated period
All supply chain management contracts above a prescribed value for 2021/22	Yes	Within legislated period
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during 2021/22	Yes	Within legislated period

2.17 Communication

Local government has a statutory obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa Act 1996, section 152(1)(e), in setting out the objectives of local government, states that municipalities must "encourage the involvement of communities and community organisations in the matters of local government". Section 160(7) of the Constitution further says that "a municipal council must openly conduct its business, and may close its sittings, or its committees, only when it is reasonable to do so".

The MSA, section 4, encourages the involvement of communities in the affairs of their municipalities. As a local government, the municipality must act with high levels of transparency, accountability, openness, participatory democracy and direct communication with communities to improve the lives of residents. At the heart of the Communication Policy, adopted by the Council in July 2020, lies the notion of improved communication that facilitates public participation.



Communication platforms played a vital role during the year under review and as the country was hit by the COVID-19 pandemic. It was the municipality's duty to inform the greater Stellenbosch of all newsworthy information. Ensuring that the right messages reach the intended audiences on the most appropriate platforms and continuously facilitating conversations through the various communication platforms, contributes to the strengthening of the municipality's corporate identity and brand. The relationship with the media became crucial and also the vehicle to steer the communication to all stakeholders. Comprehensive responses were prepared to all media enquiries from the community, and local, regional and national publications / broadcasters every week. Positive news stories are being disseminated through the proactive release of media statements. These statements and positive news stories are also amplified to reach audiences online by sharing them on the municipal website and other social media platforms. The communication informed the community of the COVID-19 pandemic and how to practice social distancing and good health as well as to educate and encourage the residents to stay safe by vaccinating. Daily statistics are still being broadcast on all communication platforms.

Members of the public can report faults or refer enquiries through an e-mail link on the website to the contact.stellenbosch@stellenbosch.gov.za mailbox. This mailbox is monitored daily and enquiries, compliments and complaints are forwarded to the relevant departments daily. The municipal website is updated with new and official notices, formal quotations, tenders, news stories, vacancies and as well as meeting agendas and minutes on an ongoing basis. The website is increasingly made more user-friendly and plans are already in place to simplify navigation and increase overall customer satisfaction by restructuring the website.

The municipal Facebook page and the Twitter account have been growing steadily and now reach a much larger, ever-growing audience. Apart from being used to publicise municipal news stories, photos and videos, social media platforms are used to broadcast important alerts and notices. Traffic is also diverted to the website through the municipality's social media platforms. Municipal advertisements are regularly placed in the community and regional newspapers and contribute to building the municipality's brand. The Executive Mayor's monthly newsletter, pamphlets, posters, notice boards and regular IDP / Ward meetings provide the municipality with additional platforms for communicating with residents and other stakeholders.

To improve internal communication within the organisation, the interdepartmental communication forum has been established and meetings of this forum have proved to be invaluable. The interdepartmental communication forum meets at least quarterly. Improved internal communication is further achieved through the newsletter of the Municipal Manager, internal memos, notice boards, a bulk SMS system and regular staff meetings.

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

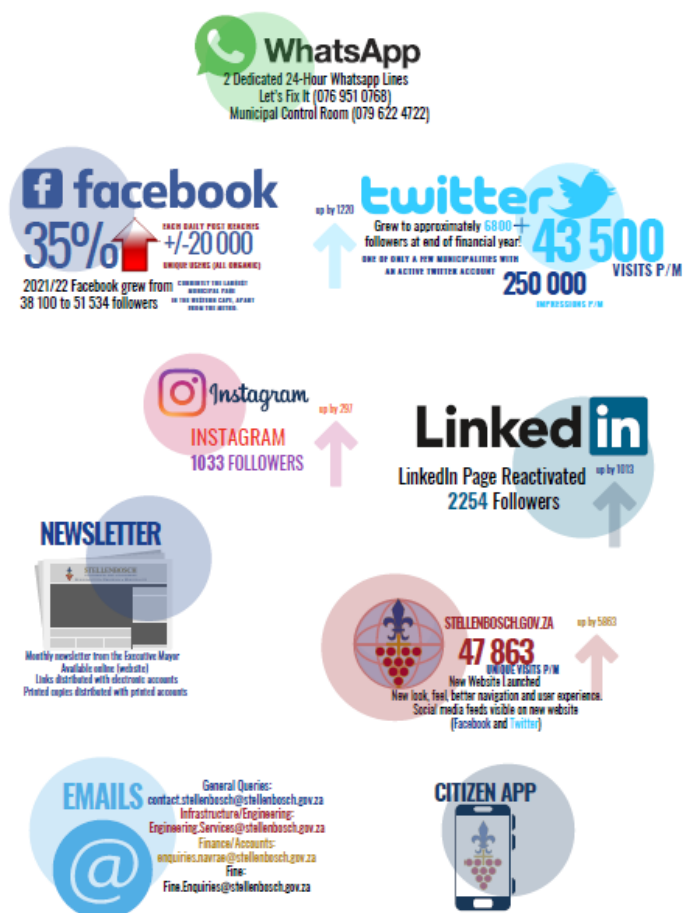
Table 127: Communication Activities

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



The image below illustrates the volume of visitors to the municipality's social media platforms.

Figure 9: Social Space Statistics





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 2021/22 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 of 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 objectives. 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 128: Municipal Functional Areas i.t.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 129: Basic Service Delivery

KPA and Indicators	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Basic Service Delivery*							
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%
Service for water, sanitation and refuse removal (Average)	7 042	5 686	6 453	6 813	6 666	7 283	4 681

**The data emanates from the Indigent Register of the Stellenbosch Municipality*

3.4 Water Provision

Water is the most fundamental and indispensable of 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.

After the drought disaster and better rainfall seasons during 2020 and 2021, the municipalities in the Western Cape lifted water restrictions. Stellenbosch Municipality had no water restriction in place during the year under review. 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 rest of Franschhoek: Potable water purchased from CoCT (Wemmershoek Line);
- ✚ Raithby, Klipmuts, Koelenhof, etc.: Potable water purchased from CoCT (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 not utilised in the 2021/22 financial year.

Water is also supplied to a fairly 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 20.27 MI/d and a further 8.93 MI/d was obtained from the City of Cape Town (CoCT) during the 2021/22 financial year, ensuring a supply of approximately 29.21 MI/d to the municipality's area of responsibility.

Areas supplied by the Wemmershoek Dam and water treatment works include half of Franschhoek town, La Motte, Wemmershoek, Pniël, Boschendal, Johannesburg, Kylemore, Lanquedoc, Klapmuts, Koelenhof, Elsenburg, Devon Valley and Muldersvlei. Areas supplied by Blackheath water treatment works include Polkadraai, Spier and Vloottenburg.

Areas supplied by Faure water treatment works (from Steenbras Dam – CoCT) are Faure, Jamestown, De Zalze, Raithby and Lynedoch. Although this treatment works fall within the sphere of responsibility of the City of Cape Town, their impact concerning water quality and quantity needs to be monitored and considered by Stellenbosch Municipality.

Stellenbosch Municipality supplies potable water to the entire municipal area through a network and infrastructure consisting of 118 reservoirs / holding tanks / sumps and water towers, 69 water pump stations, 41 pressure-reducing valve installations and 704 kilometres of pipeline. The system is fully controlled and operated by a telemetry system.

The total bulk water input into the water network for the 2021/22 financial year was 10 661 MI, with an annual average daily demand of 29 208 kl/day. 41.5% of the water supplied is purified from the municipality's water sources at the Ida's Valley and Franschhoek water treatment plants. The balance is supplied by the CoCT (30.6%) and from the treatment of raw water at Paradyskloof WTP as supplied by the Department of Water and Sanitation (27.9%). Potable water supplied by the CoCT is analysed monthly.

Ida's Valley and Paradyskloof water treatment works are equipped with some analytical capabilities and routine plant analyses are performed in-house. A full water quality monitoring programme is further performed for the municipality by an accredited external laboratory / contractor. Maintenance of equipment for all three plants is outsourced to external contractors.

Based on the municipality's IWA Water Balance sheet for the 2021/22 financial year under review, the municipality recorded 21.9% for "non-revenue" water, which is an increase of 3.8% from the previous financial year and 12.7% for Real Network Losses. Refer to the municipality's International Water Association (IWA) Water Balance Sheet.

System input volume: July 2021 to June 2022 ; kl *		10 660 846	100%
(water demand in reticulation system)			
Potable water system	Authorised consumption	Revenue water 78,1%	Billed metered 7 807 027 73,2%
			Billed unmetered 521 538 4,9%
	81,3%	Non-revenue water	Un-billed metered 319 825 3,0%
			Un-billed unmetered 21 322 0,2%
	Water losses 18,7%	21,9%	Commercial losses 639 651 6,0%
			Physical losses 1 351 483 12,7%
Revenue water (Sales) kl		8 328 565	
Non-revenue water (NRW) ; kl		2 332 281	21,9%
Real network losses ; kl		1 351 483	12,7%



The non-revenue water for the 2021/22 financial year is 21.9% which is below the target set of 25%. The real physical network losses are at 12.7% which is below the best practice value of 15%.

The table above is the International Water Association table to compute the water balance and is also accepted in the DWS reporting structure. This forms the basis of the information needed and what is currently used to calculate 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 are drawn from the SAMRAS 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 DWS on a three-monthly 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 water pipe replacement programme, indigent domestic leak repair and meter replacement programme, Stellenbosch water meter audit and Stellenbosch in-house water services operations and maintenance.

The municipality implemented level 6 B water restrictions from 19 February 2018 – 31 October 2020 which were lifted with effect from 01 November 2020. The City of Cape Town is currently not implementing water restrictions. Stellenbosch Municipality is also currently not implementing water restrictions, but the public should be aware of the current predictions on future drought situations.

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

Table 130: Western Cape Dams

Major dams	2020	2021	2022
	(%)	(%)	(%)
Berg River	81.2	100.8	87.9
Steenbras Lower	49.9	89.9	78.6
Steenbras Upper	99.6	84.6	85.8
Theewaterskloof	55.8	101.9	76.1
Voëlvlei	54.5	88.1	63.2
Wemmershoek	43.3	97.7	65.5
Total Stored (MI)	540 023	879 173	679 794
% Storage	59.7	97.4	75.2



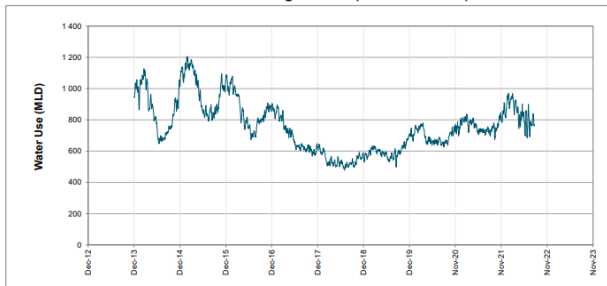
The table below depicts the Stellenbosch dams and overall water usage trends in the region (from CoCT Dam Levels Report, August 2022):

Stellenbosch's own Dams

Table 131: Stellenbosch dams

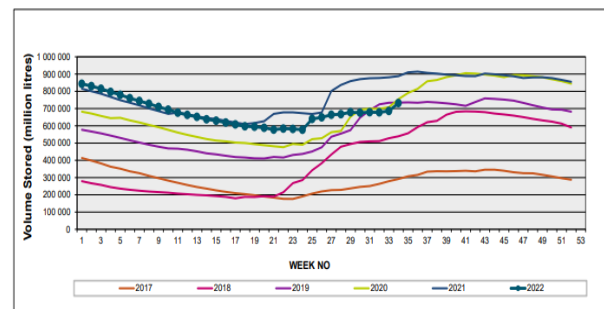
Ida's Valley 1	100	100	80
Ida's Valley 2	100	100	100

Overall Water Usage Trend (2010 - Present)



WCWSS means Western Cape Water Supply System
MLD means million litres per day
More information on Water Saving and Restrictions is available on the City of Cape Town's 'ThinkWater' website

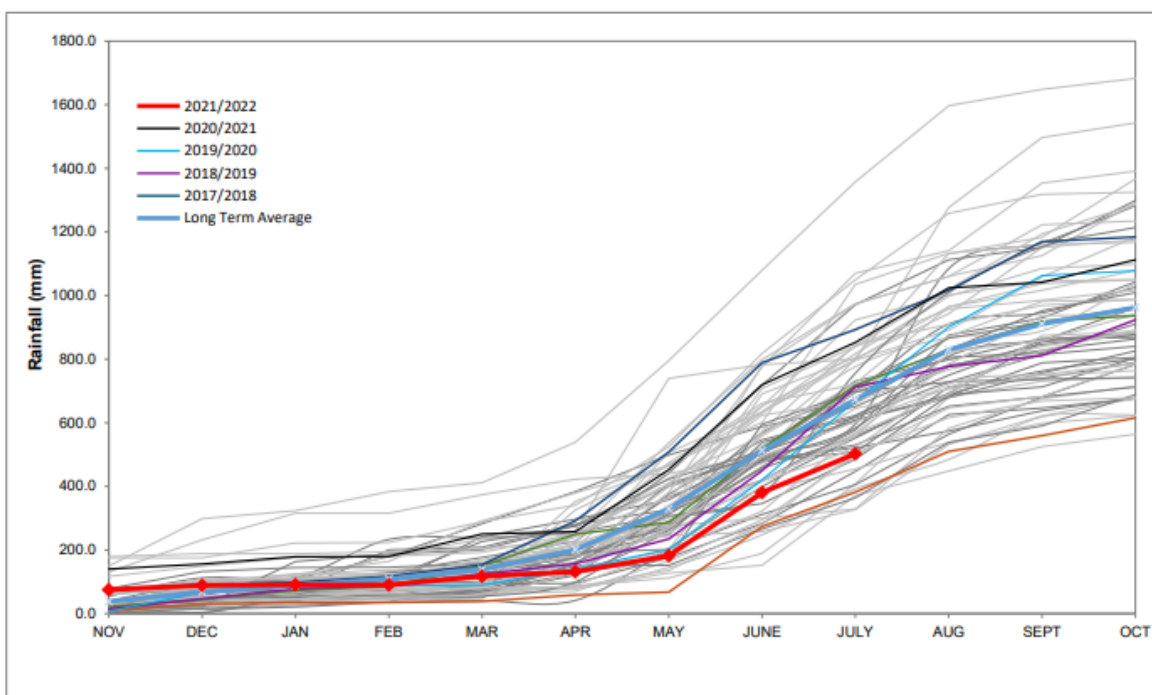
WCWSS Comparative Storage Graph



Groundwater is now seen as a potential water source and will be investigated and evaluated after the new water resources study is completed.

Accumulated Monthly Rainfall at Wemmershoek

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





3.4.1 Service Statistics – Water Services

The table below outlines water usage totals per category:

Table 132: 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
2014/15	14 876	11 556	3 320	22.3%	10.3%
2015/16	13 889	10 498	3 391	24.4%	12.4%
2016/17	12 220	9 572	2 648	21.8%	9.7%
2017/18	8 661	6 779	1 882	21.7%	8.2%
2018/19	8 058	6 380	1 676	20.8%	6.9%
2019/20	8 015	6 374	1 640	20.5%	6.5%
2020/21	10 003	7 701	1 815	18.1%	9.9%
2021/22	10 080	8 174	1 906	18.9%	9.7%

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 By-laws, and poor households are incorporated through the municipality's Indigent Policy.

A large number of 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 133: Water Service Delivery Levels

Description	2015/16 (audited)	2016/17 (audited)	2017/18	2018/19	2019/20	2020/21	2021/22
Household							
Water: (above minimum level)							
Piped water inside	37 902	37 989	38 027	40 321	42 615	38 120	38 120



Description	2015/16 (audited)	2016/17 (audited)	2017/18	2018/19	2019/20	2020/21	2021/22
Piped water inside the yard (but not in a dwelling)	3 596	3 596	3 596	3 596	3 596	3 596	3 596
Using public tap (within 200m from dwelling)	8 491	9 238	9 699	11 327	12 955	10 504	10 504
Other water supply (within 200m)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Minimum Service Level and Above Sub-Total	49 989	50 823	51 323	55 244	59 166	52 220	52 220
Minimum Service Level and Above Percentage	99.75	99.75	99.75	99%	98.93%	98%	98%
Water: (below minimum level)							
Using a public tap (more than 200m from the dwelling)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other water supply (more than 200m from dwelling)	125	N/A	N/A	N/A	N/A	N/A	N/A
No water supply	405	N/A	N/A	N/A	N/A	N/A	N/A
Below Minimum Service Level Sub-Total	530	0	0	581	632	1 263	1 263
Below Minimum Service Level Percentage	1.06	0	0	1%	1.07%	2%	2%
Total Number of Households (formal and informal)	48 002	48 002	52 374	55 825	59 798	53 483	53 483
**2021/22 information based on 2020/21 – awaiting the finalisation of the Water Services Development Plan (WSDP)							

The table below indicates the capital expenditure for the Section: Water Services at 30 June 2022.

Table 134: Capital expenditure as at 30 June 2022: Section: Water Services

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R'000		
Bulk water supply Klapmuts	11 894	10 736	9.73
New Reservoir and amp; Pipeline: Vlotenburg	7 000	1 369	80.45
New Reservoir Rosendal	11 852	10 205	13.89
Water Conservation and amp; Demand Management	3 000	2 673	10.88
Waterpipe Replacement	7 555	7 132	5.59
Only the 5 largest capital projects are listed			

The Section: Water Services has spent, 77% of the capital budget for the financial year.

3.5 Wastewater (Sanitation) Provision

The main focus for the 2021/22 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 identifying and resolving operational issues at the **new Wemmershoek Wastewater Treatment Works**.

The construction of the 4.5 Ml/day Pniël WWTW upgrade commenced within the 2019/20 financial year. Delays caused by Eskom pushed the completion date into the next financial year (completion February 2023). The upgrade of the Wemmershoek WWTW Phase 1 commenced in the



2021/22 financial year and should be completed by 30 November 2022. The Phase 2 design may require a redesign given the budget availability for Phase 2.

The table below specifies the different sanitation service delivery levels per household for the financial years 2015/16 – 2021/22.

Table 135: Sanitation service delivery levels

Description	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Household							
Sanitation / sewerage: (above minimum level)							
Flush toilet (connected to sewerage)	37 902	37 939	38 027	40 321	42 615	44 909	44 909
Flush toilet (with septic tank)	1 079	1 079	1 079	1 079	1 079	1 079	1 079
Chemical toilet	321	114	94	94	139	184	184
Pit toilet (ventilated)	209	0	0	0	0	0	0
Other toilet provisions (above minimum service level)	1 038	0	0	2 336	2 386	2 386	2 386
Minimum Service Level and Above Sub-Total	40 549	39 132	39 252	44 595	46 219	48 609	48 609
Minimum Service Level and Above Percentage	94.86	97.51	97.01%	92.0%	98.14%	95.18%	95.18%
Sanitation / sewerage: (below minimum level)							
Bucket toilet	125	0	0	0	0	0	0
Other toilet provisions (below minimum service level)	1 038	0	0	0	0	0	0
No toilet provisions	1 035	0	0	0	0	0	0
Below Minimum Service Level Sub-Total	2 198	1 193	1 173	1 050	972	1 263	1 263
Below Minimum Service Level Percentage	5.14	2.49	0	1.88%	2.11%	2.49%	2.49%
Total Number of Households	42 747	40 325	52 374	55 825	59 276	61 351	61 351

***Information based on 2020/21. Awaiting the finalisation of the Water Services Development Plan (WSDP)*

The table below indicates the capital expenditure for the Section: Sanitation Services at 30 June 2022.

Table 136: Capital expenditure as at 30 June 2021: Section: Sanitation Services

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R'000		
Bulk Sewer Outfall: Jamestown	8 928	10 437	-16.90
Sewer pipe Replacement	2 275	2 468	-8.50
Stellenbosch WWTW	989	524	47
Upgrade of WWTW Wemmershoek	27 500	22 023	19.92
Upgrade of WWTW: Pniël and amp; Decommissioning of Franschoek	31	31	-0
<i>Only the 5 largest capital projects are listed</i>			

The Section: Sanitation Services has spent 96% of the capital budget for the financial year.



The table below indicates all major projects implemented by the Department: Water and Wastewater Services.

Table 137: 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	0	1	100%
14 – 17	4	3	1	25%
9 – 13	37	35	2	5.4%
4 – 8	59	55	4	6.7%
3 – 0	115	111	4	3.47%
Total	216	204	12	5.6%

3.6 Major projects implemented

The table below indicates all major projects implemented for Department: Water and Wastewater Services.

Table 138: Major projects implemented

Project Name	Scope	Project Cost	Benefits, Impacts and Goals achieved	Other Comments
Water Conservation and Water Demand Management (Wc/Wdm) Initiatives				
Water Treatment Works Ida's Valley	Upgrading of the existing works to increase the current treatment capacity as well as to introduce colour removal.	R100M	Various upgrades and modifications to treatment works processes are to be made to increase treatment capacity.	The consultant stopped after the concept design due to funding being not available.
New Wemmershoek (Franschhoek Valley) WWTW	The New Nereda Wemmershoek WWTW is unable to reliably produce compliant Effluent and needs to be upgraded with tertiary treatment processes and increase treatment capacity.	R29M	Ensure allowance for future demand and economic growth and development of the greater Franschhoek and surrounding areas. Increase capacity from 3ML/day to 7ML/day in phases to eradicate Franschhoek WWTW challenges.	Construction of Phase 1 started in August 2021 and will reach completion in November 2022. Staff is constantly trained to mitigate operational issues.
Upgrade of Pniël WWTW	The upgrade of existing WWTW.	R164M	Capacity increased to 4.5ML/day.	Activated sludge process with Belt press and new UV disinfection system. Completion is delayed to February 2023.
Polkadraai Reservoir and Pipeline	Construct 2 reservoirs and upgrade the pipeline.	R103M	Form part of the Blackheath Augmentation system to allow water transfer from CoCT to Stellenbosch and also the use of own source during winter for Polkadraai area.	Project design and SCM processes completed for the appointment of the Contractor. The contractor was appointed on 17 August 2022 for a 60-week construction period.



3.7 Electricity

Load shedding continues to be experienced due to Eskom's challenges with its power stations. As in the previous financial years, Stellenbosch Municipality continues to contribute to Eskom's electricity supply stability, mainly via the following projects:

a) The Demand-Side Management

The municipality continued with the Energy and Demand Management project, to replace energy-inefficient streetlight fittings with energy-efficient (LED) fittings.

b) Hot Water Load Control Project

The municipality has continued to install hot water load control devices in the Franschhoek area, which will enable the shedding of all geysers during peak times, hence realising an energy-saving at the end of the month. A total of 9 223 load control devices were installed across Stellenbosch and Franschhoek. In addition, all new developments are being issued with load control devices to help manage the energy demand.

c) Alternative Energy

The current regulatory reforms include amendments to the Electricity Regulation Act on new generation capacity to enable municipalities to pursue their generation options.

The Minister of Mineral Resources and Energy, on 16 October 2020, gazetted amendments to the Electricity Regulations on New Generation Capacity. The amendments now enable municipalities in good financial standing to develop their power generation projects themselves or in collaboration with Independent Power Producers (IPPs).

Stellenbosch Municipality is now exploring least-cost electricity pathways that are accessible to mitigate against load shedding amongst other aspirations.

The Municipality has also embarked on a Rooftop Solar Photovoltaic (PV) project where five municipal buildings were identified, and rooftop PV has been installed. The combined capacity of the five plants amounts to 710 kWp. There are other renewable energy projects planned to be implemented.

d) Electrification of Informal Settlements

Through the Integrated National Electrification Programme (INEP) grant received, the municipality managed to construct an electricity network in Enkanini to cater for 1 000 connections in 2020/21. In 2021/22 the Kayamandi Bulk Infrastructure Project was initiated to strengthen the bulk infrastructure to provide for the remaining backlogs in Enkanini. The contractor is on-site implementing the project. During the 2022/23 financial year, 1 300 connections are planned, and we are in the process of appointing consultants for this project.

In Langrug, planning is underway to upgrade the network to cater for additional connections. Planning includes arrangements that need to be made to enable the new infrastructure.

e) Pniël take-over

The municipality continued with network upgrading in the 2021/22 financial year.



Each financial year, the municipality prioritises projects identified from the network assessment report by starting / addressing the critical infrastructure first. An electrical contractor has been appointed to continue with the network upgrading in the 2022/23 financial year.

3.7.1 The Electricity Service Delivery Statistics

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

Table 139: Stellenbosch Municipality notified demand per intake point

Major Towns	Notified Maximum Demand (NMD)	Maximum Demand Growth (NMD)	Maximum Demand Peak (NMD)
Stellenbosch	60 MVA	0	51.205 MVA
Franschhoek	10 MVA	0	9.43 MVA
Cloetesville	16 MVA	0	12.23 MVA
Pniël	9 MVA	0	6.91 MVA (Peak from July 2021 to May 2022)

3.7.2 Electricity Losses

The electricity losses as at 30 June 2021 were 9.60%.

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

Table 140: Access to basic electricity

Description	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Household Prepaid							
Energy: (above minimum level)							
Electricity (at least minimum service level) (No. of conventional meters)	6 486	6 486	6 453	4 715	4 601	4 429	4 326
Electricity - prepaid (minimum service level) (No. of prepaid meters)	17 504	17 504	25 946	27 825	28 366	29 279	31 076
Minimum Service Level and Above Sub-Total	23 990	23 990	32 399	32 540	32 967	33 708	35 402
Minimum Service Level and Above Percentage	79.67	86.7	80.08	85.51	86.04	86.86	87.78
Energy: (below minimum level)							
Electricity (< minimum service level)	0	0	0	0	0	0	
Electricity - prepaid (< min. service level)	4 460	4 460	6 453	0	0	4 429	0
Other energy sources	N/A	N/A	N/A	N/A	N/A	N/A	
Below Minimum Service Level Sub-Total	4 460	4 460	6 453	0	0	4 429	0
Below Minimum Service Level Percentage	13.27	13.27	12.32	0	0	0	
Total Number of Households	48 002	48 002	52 374	32 540	32 967	33 708	35 402



The table below indicates the capital expenditure for the Department: Electricity Services at 30 June 2022.

Table 141: Capital expenditure as at 30 June 2021: Department: Electricity Services

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R'000		
Alternative Energy	15 710	13 217	15.87
General Systems Improvements - Stellenbosch	6 774	6 698	1.12
Integrated National Electrification Programme (Enkanini)	27 401	17 741	35.26
Jan Marais Upgrade: Remove Existing and replace with 20MVA units	10 814	9 350	13.54
Kwarentyn Sub cables: 11kV 3 core 185mmsq PILC(Table19) copper cabling, 3.8km	7 541	8 842	-17.26
Only the 5 largest capital projects are listed			

The Department: Electricity Services has spent 80% of the capital budget for the financial year.

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

Table 142: 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	3	3	0	0
9 – 13	25	22	3	12%
4 – 8	40	38	2	5%
3 – 0	12	11	1	8.3%
Total	81	75	6	7.4%

3.8 Waste Management, Refuse Collections, Waste Disposal and Recycling

3.8.1 Waste Management

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

One of the highlights of the department was the hosting of various municipalities from the Eastern Cape to highlight good waste management practices which have resulted in real improvements in managing waste in the communities.

Some challenges within the department are the landfill has reached capacity and the design of a new landfill cell is complete. Thus, waste is currently being hauled and disposed of at a private landfill in Visser'shok in Cape Town at an increased expense. The municipality is expecting approval of the Waste Management Licence Variation Application from the provincial Department of



Environmental Affairs and Development Planning.

Illegal dumping also poses a major challenge to the municipality's operations and budget.

3.8.2 Area Cleaning

The Section: Area Cleaning provides a service through a contractor, who is responsible for the cleaning of Stellenbosch CBD, and the use of EPWP personnel in other areas. Area cleaning is an essential service and all teams have worked throughout all the different lockdown levels. This section employed temporary workers 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.

Where the municipality faces huge volumes of illegal dumping, it uses its plant machinery (digger loader and tipper truck) to clean such areas.

The Section: Area Cleaning has recorded an increase in the illegal dumping of builder's rubble and green waste within specific areas.

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

Additional street bins were procured and delivered in February 2022. The specifications of these bins were amended to render a more robust bin with a small opening on top which makes it difficult for people to open the bin and remove items.

Figure 10: Executive Mayor at the unveiling of the new street bins





Figure 11: Example of the streets cleaning by the Section: Area Cleaning in Franschhoek



Before



After





EPWP Employment opportunities 2021/22 financial year

Staffing

Nine new operators were appointed in the Section: Area Cleaning in April 2022.

Table 143: EPWP employment opportunities

July 21	Aug 21	Sept 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22	June 22
387	461	463	442	436	190	239	242	239	197	203	314

3.8.3 Refuse Collection

Refuse collection is rendered 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 service is provided 7 days a week.

Wheelie 240 litre bins

The following information is drawn from the available data regarding wheelie bin distribution in the 2021/22 financial year :

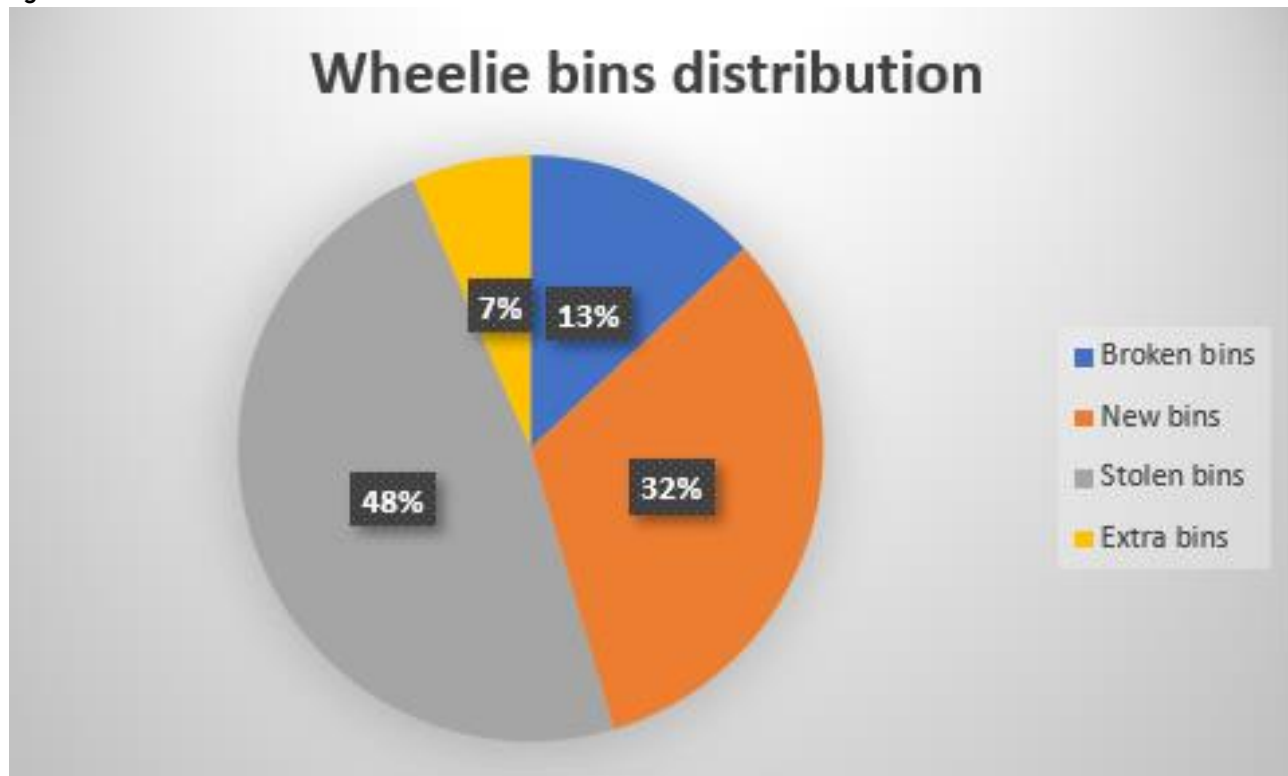
Table 144: Refuse bins distribution

Bins	Total
Broken bins	88
New bins	218
Stolen bins	324
Extra bins	44
Total	674

The financial loss for the year for stolen bins amounted to R236 844.



Figure 12: Wheelie bins distributions





3.8.4 Waste Disposal and Waste

The Stellenbosch Materials Recovery Facility (MRF) has been operational since 01 April 2021. Volumes of recyclable waste, collected using a door-to-door collection service, varied from 88,92 tons in the first month, to a peak of 167,51 tons in November 2021. The monthly average is 116,53 tons.

The facility also features a public drop-off area, which allows residents to dispose of garbage and recyclable waste responsibly.

Figure 13: Inside of the MRF during operations



Figure 14: Bins in Public Drop-Off area





Green Waste is being chipped on-site at the Stellenbosch Landfill Site by an appointed contractor. Green waste is accepted at the Landfill Site, Franschhoek Drop Off, and now also at the Klapmuts Transfer Station. Green Waste from the respective sites is all transported to the Landfill Site where it is chipped. Annual volumes of green waste received is 5 961 Tons, with 4 179 Tons chipped and beneficiated.

Figure 15: Area allocated for chipping of Green Waste on Stellenbosch Landfill Site



a) Door-to-door recycling collection

This service is outsourced and is effectively rendered by the same contractor that manages and operates the MRF. The total volume collected for the financial year was 1083,15 Tons.

Figure 16: Stellenbosch Landfill Site



b) Disposal: Stellenbosch Landfill

The Stellenbosch Landfill situated on Devon Valley Road is in the care and maintenance phase and receives limited waste. Cell three has filled up since August 2019. Work is currently underway to license a new cell at the site.

Based on the most recent survey, the landfill is nearly overfilled but could be partly corrected by shaping the site to the final design levels and slopes.

Due to the lack of landfill airspace in Stellenbosch, the transfer of all general waste to the private landfill situated in the City of Cape Town area at the Vissershok Waste Management Facility (VHWMF) commenced in August 2019 and is still ongoing.



All waste received at the Stellenbosch Landfill Site, other than heavy bulky waste is transferred from the Klapmuts Transfer Station to VHWMF for disposal. Volumes of waste accepted at the site as indicated in the table below.

The extract below shows the Landfill statistics for waste in tons for the 2021/22 financial year.

Figure 17: Stellenbosch Landfill Site tonnages of waste

Landfill statistics for incoming waste in Tons													
Waste Description:	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	TOTAL
Area Cleaning	42	152	218	80	60	699	27	192	543	412	187	76	2688
Municipal mixed Waste	13	6	89	6	9	51	5	5	4	4	1	0	194
Municipal waste	100	14	6	16	14	380	180	112	51	28	91	40	1031
Municipal Mixed Soil	14	130	1	7	5	57	44	54	74	47	5	349	787
Industrial waste	61	47	64	68	85	75	77	74	62	51	54	52	770
Construction and Demolition waste	1474	1004	1735	1741	1563	1135	1231	1419	1408	1457	1915	1584	17667
Soil Clean Cover	333	412	416	249	208	352	103	75	36	251	60	160	2656
Berm Soil	0	9	0	0	0	0	0	0	0	0	0	0	9
Clean Cover to Road	0	0	17	5	0	0	0	0	4	19	0	0	44
Rocks to Stockpile	0	0	8	0	0	0	0	0	0	0	0	0	8
01 Garden Waste	448	479	368	456	443	310	317	607	686	492	506	348	5460
Municipal Garden Waste		3	31	176	60	25	19	24	47	31	57	29	501
TOTAL	2485	2254	2955	2803	2447	3085	2002	2562	2916	2792	2875	2638	31814
Volumes OUT:													
Bricks	32	43	40	44	33	21	28	32	47	47	48	26	441
Crushed Material	0	6	60	0	411	584	244	3444	1462	631	1458	5137	13437
Compost	544	561	233	201	507	624	0	0	755	233	185	338	4179
TOTAL	576	609	333	245	951	1229	272	3477	2263	911	1692	5501	18058

The table above refers only to incoming waste which was captured over the weighbridge as incoming loads and the waste removed, or beneficiated, for the 2021/22 financial year.

Only municipal waste is landfilled, and all other waste types are either beneficiated, stockpiled or used in another way on-site, e.g., soil as cover material and builders' rubble for the building of a road on site.

Figure 18: Crushing of builder's rubble done on site

Crushing is also being done, as part of the tender awarded to the current contractor who operates and manages the landfill site. A total volume of 13 437 Tons of crushed material was removed off-site for beneficiation.

Gas monitoring has been identified as a need
A total of 13 gas monitoring wells have been installed.



The installations of these wells formed part of the service rendered by an appointed contractor who is also tasked to conduct gas monitoring activities as per legislative requirements, and this is being conducted.

Water monitoring is also being done on this site as part of the service rendered at the Landfill, MRF and Klapmuts Transfer Station by an appointed service provider. After the most recent sampling, the groundwater quality was stable and has only experienced gentle, natural fluctuations in parameters.

**c) Klappmuts Transfer Station**

The Klappmuts Refuse Transfer Station (RTS) has a design capacity of 150 tons per day transfer capacity. Since August 2019 the Klappmuts RTS has been utilised at near capacity to transfer waste to VHWMF. Waste from all areas is transported in collection vehicles to the site and is transferred into open-top 30m³ bins for onward transport using three containers at a time, via bulk transport to VHWMF by an appointed contractor that renders this service.

The filling of bins is undertaken using two TLB machines, and a hook lift truck replaces the filled bins in the bays with empty bins. Filled bins are then placed in a designated area, pending removal by the appointed contractor.

The transfer of waste to and through Klappmuts RTS commenced in August 2019 and for the period from 01 July 2021 to 30 June 2022 a total of 38 878 tons of general waste was transferred.

d) Franschhoek drop off

The Franschhoek Drop-off facility continued to provide a free service to the residents of Franschhoek and its surroundings to dispose of garden waste and bulky goods. A contractor is appointed to transport garden waste to Stellenbosch Landfill and bulky waste to Vissershok Private Landfill. A contractor was appointed to explore the possibility of converting and re-designing the existing drop-off into a mini MRF and creating another drop-off where the builder's rubble and green waste can be chipped.

e) Relocation of Eskom Power Lines

The Stellenbosch landfill situated on Devon Valley Road is traversed by two high-voltage Eskom power lines. The presence of these power lines prevents the municipality from engineering and operating the area located between cells 1, 2 and 3 as waste disposal cells. This has resulted in the premature filling up of the facility which was put into care and maintenance mode with limited waste acceptance since August 2019.

This project is still ongoing and final agreements with Eskom have been signed for construction to commence.

f) 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. Thus, the project to design and construct the new cells is a high-priority project.

The municipality has appointed consulting engineers for the design, contract administration and construction supervision of the project. The Landfill Design Report was completed and submitted to the Department of Water and Sanitation and the Department of Environmental Affairs and Development Planning for approval. Once the designs are approved, construction can commence.



g) Projects continued in the 2021/22 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 beneficial utilisation of landfill gas have been undertaken. The most recent study document in a report recommended that an active landfill gas extraction and the flaring system could still be considered for the Stellenbosch Landfill, mainly to reduce anthropogenic emissions from the landfill site. Should a full-scale project of this nature be implemented, revenue to support the project could be derived from prevailing emission reduction markets, and factual operational data would provide further evidence upon which to accurately evaluate the potential for a power generation project component.

The municipality has appointed a service provider to investigate and design a landfill gas extraction and management infrastructure. The investigation will also determine if electricity generation will be feasible.

h) Compliance

i. Internal audits

For disposal facilities (landfills and transfer stations) to be operated in compliance with the relevant legislation, all landfills must be licenced and managed according to the conditions in the licence. Internal audits form part of these legal requirements. Audits were conducted quarterly in the months of September, December, March, and June by Head Office waste management staff. Audits were conducted at the Landfill Site, Klappmuts Transfer Station and the MRF.

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 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 undertake an independent landfill compliance audit.

To ensure compliance, external audits have been undertaken by an independent specialist consultant at the Stellenbosch Landfill and the Klappmuts Transfer Station, in terms of the waste management licence conditions. Six months later a review of the audit finding to ascertain improvements has been carried out. The independent auditor reported back to the municipality as well as to the Monitoring Committee.

iii. Monitoring Committee

All landfills are established and operated in terms of a waste management license (WML) issued by either the national or Provincial Department of Environmental Affairs. In terms of the WML, 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 which is chaired by a representative of the community and minutes are prepared by the municipality. Monitoring Committee meetings are attended by DEA&DP 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 as well as the review audit. Meetings were held in September and December 2021 and in March and June 2022.

i) 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 WMO attends the meeting and reports back on activities within the municipality – this also provides a forum to receive information from Provincial officials and for networking with WMOs from other municipalities within the province.

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

j) Social Engagement and Environmental clean-ups

The Department of Environment, Forestry and Fisheries (DEFF) provided the municipality with a Youth Environmental Coordinator (YCOP) to assist with social engagement and awareness. Unfortunately, during the financial year, this YCOP's contract expired, and no further social engagement and awareness activities were undertaken. The municipality will in future explore the possibility of filling a position within the department to undertake these social engagement and awareness activities, budget permitting.



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

Table 145: Service delivery levels of waste management

Description	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Household							
Refuse Removal: (Minimum level)							
Removed at least once a week	40 264	37 207	49 072	48 988	37 926	49 300	49 649
Minimum Service Level and Above Sub-Total	40 264	37 207	49 072	52 374	37 926	49 300	49 649
Minimum Service Level and Above Percentage	90.2	78.7	93.7	93.5	100%	100%	100%
Refuse Removal: (Below minimum level)							
Removed less frequently than once a week	1 064	1 064	1 064	1 064	1 064	N/A	N/A
Using a communal refuse collection	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Using own refuse dump	2 058	5 358	6 453	2 323	N/A	N/A	N/A
Other rubbish disposals	766	766	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 Minimum Service Level Sub-Total	3 888	7 188	7 517	3 387	N/A	N/A	N/A
Below Minimum Service Level Percentage	8.81	8.80	11.66	6.5	N/A	N/A	N/A
Total Number of Households	44 152	44 493	52 374	52 375	38 990	49 300	49 649

The table below indicates the capital expenditure for Department: Waste Management Services as at 30 June 2022.

Table 146: Capital expenditure as at 30 June 2021: Department: Waste Management Services

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R'000		
Expansion of the landfill site (New cells) N/A	2 275	2 275	0.00
Landfill Gas to Energy	1 937	1 302	32.79
Street Refuse Bins	688	427	38.00
Transfer Station: Stellenbosch Planning and Design	961	932	3.02
Upgrade Refuse disposal site (Existing Cell)- Rehab	769	769	0.00
Only the 5 largest capital projects are listed			

The Department: Waste Management Services has spent 87% of the capital budget for the financial year.

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

Table 147: 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	1	1	0	0
14 – 17	2	2	0	0
9 – 13	5	3	2	40%
4 – 8	19	19	0	0
3 – 0	42	39	3	7.14%
Total	69	64	5	7.2



3.9 Integrated Human Settlements

3.9.1 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 of all citizens.

The Section: Housing Development managed a capital expenditure budget of R8 140 068 from the allocated amount of R40 349 000 by the Department: Human Settlements.

Communication from the PDoHS on 27 January 2022 indicated the adjusted targets and funding allocation of the approved 2021/22 Human Settlement Development Grant (HSDG) and Informal Settlements Upgrade Partnership (ISUP) Grant Business Plans.

The list of projects, targets and budget for the Stellenbosch Municipality for the 2021/22 financial year are stipulated in the below tables as extracted from the said letter.

3.9.1.1 Human Settlement Development Grant (HSDG)

Table 148: Human Settlement Development Grant (HSDG)

Stellenbosch Municipality	2021/22 Planned		
	Sites	Units	Funding R'000
Kayamandi Watergang Northern Extension (2000)	0	0	5 900
Stellenbosch Ida's Valley (166) FLISP	166	0	14 556
Stellenbosch Ida's Valley (204)			4 654
Vlottenburg Longlands (106 incr to 144) IRDP	0	106	14 040
Stellenbosch Jamestown Phase 2 (133) IRDP	0		1 199
TOTAL	166	106	40 349

3.9.1.2 Informal Settlements Upgrade Partnership (ISUPG)

Table 149: Informal Settlements Upgrade Partnership (ISUPG)

Stellenbosch Municipality	2021/22 Planned		
	Sites	Units	Funding R'000
Kayamandi Watergang Basic Services	0	0	6 500
ISSP Kayamandi Town Centre (1 000) UISP	0	0	3 500
ISSP Kayamandi Zone O (711) UISP	78	0	5 850
ISSP Kayamandi Enkanini NGO	0	0	2 954
Franschhoek Mooiwater Dam Rehab and Basic Services	0	0	2 500
TOTAL	78	0	21 304



3.9.2 Housing multi-year projects

The Section: Housing Development whose main function is to plan for future housing developments, by the Housing Pipeline is currently focusing on the following multi-year projects:

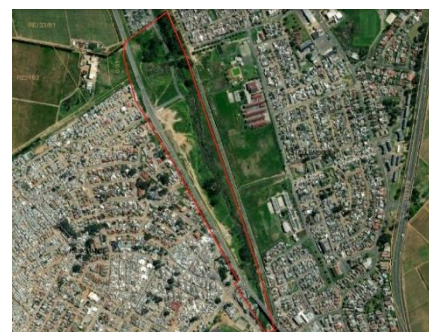
3.9.2.1 Erven 412, 217 and 284 Groendal, Franschhoek

The Section: Housing Development together with the Section: Property Management 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, where after the procurement process will continue.

An agenda item has been drafted and circulated to the relevant departments for input / comments. Additional input on the layout was received from the Department: Roads, Transport, Stormwater and Traffic Engineering Services, therefore the item was submitted to MayCo in May 2022. The item was removed to allow for further inputs from the affected Ward Councillors and Ward Committees.

Figure 19: Aerial image



A meeting was held with the Deputy Executive Mayor, Councillor Petersen, Councillor Pheiffer and relevant officials from the Section: Housing Development on 2 June 2022 to discuss the different layout options. The Ward Councillors will liaise with the Ward Committee and will provide feedback by 31 August 2022.

3.9.2.2 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.

Its boundary is framed by the R304 to the west and the railway line to the east. The Plankenburg River traverses the site along the 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 northern boundary is framed by the Mount Simon residential development.

The Section: Housing Development liaised with the PDoHS, Social Housing Regulation Authority (SHRA) and National Association of Social Housing Organisations (NASHO) to obtain inputs in the finalisation of the specifications and criteria for a Call for Proposal.

Service providers have been appointed during the 2020/21 financial year to undertake a geotechnical investigation, flood line study and a traffic impact assessment on the site.

In terms of the flood line study, it is evident from the 1:100-year flood line that most of the land on the west side of the Plankenburg river is above the flood level and would be suitable for residential development.

The Traffic Impact Assessment (TIA) report concludes in support of a proposed Residential Development (3 – 4 storeys walk-up flats) on Erven 81/2 and 81/9, Stellenbosch.



The user department is currently drafting a Request for Proposal (RFP) to invite delivery agents that can access SHRA Capital grants (SHIs and ODAs), to submit a Concept Proposal to develop Social Housing on Farm 81/2 and Farm 81/9, Stellenbosch.

Meetings were held with the Section: of Land Use Planning and Engineering to discuss the incentives in terms of parking requirements and Development Cost (DC) reductions. Both departments are positive with the input provided.

Several engagements were held with the officials of the City of Cape Town and NASHO during November 2021 on how to assist the Stellenbosch Municipality given the challenge the administration is currently facing under normal procurement processes, services and goods based on a 90/10 or 80/20 process.

The tender has been advertised in June 2022 and the closing date is 4 July 2022. On request from the bidders (during the compulsory clarification meeting which was held on 15 June 2022) due to the short period to submit their bids, Bid Specification Committee approved an extension of the closing date to 8 August 2022.

3.9.2.3 Erf 7001, Cloetesville

The goal of this development is the delivery of medium to upper (GAP) housing market and 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.

This is in line with feasibility studies that have been conducted for the GAP housing market in Stellenbosch. The proposal is also in line with the Stellenbosch IDP and mSDF which designates this property for future GAP housing purposes.

The town planning and design principles are to incorporate aspects of integration, designing for community safety, accessibility, and dignified spaces.

The site is sloped and constraints numerous pine trees. The site contains a water retention / water tower facility and buffers associated with this facility will need to be investigated. Water supply lines will also need to be determined.

A new tender was advertised and closed on 26 July 2021 to appoint a service provider to undertake a Broad Conceptual Urban Design framework for Erf 7001, Cloetesville to obtain town planning and development rights.

Figure 20: Aerial image of Erf 7001, Cloetesville





The technical evaluations of bids have been concluded. The technical evaluation report served at Bid Adjudication Committee and was approved on 21 October 2021 pending the finalisation of project funding for the MTREF period.

The PDoHS approved the funding for the outer years after the Business Plan has been Gazetted in March 2022. Therefore, the user department could only appoint a service provider in May 2022 and the Service Level Agreement is in process to be concluded.

3.9.2.4 Farm 527, Jamestown (Phases 2, 3 and 4)

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.

Portion 4 of Farm 527 has been rezoned for residential purposes allowing for a mix of residential types. Phase 1 of the development consisting of 162 subsidised housing opportunities was completed in November 2016.

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

Figure 21: Location plan of Farm 527, Jamestown



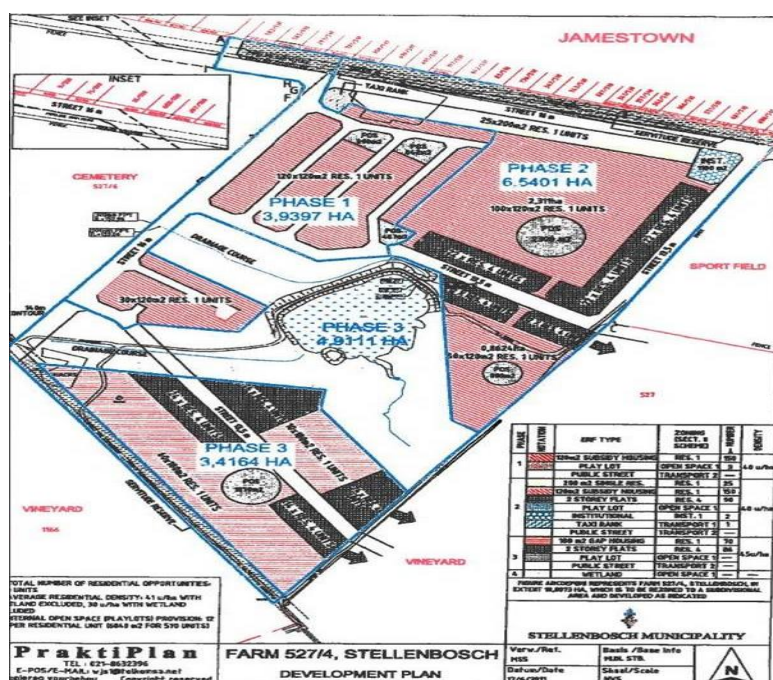
The municipality went out on a procurement process seeking the services of a multidisciplinary team of professionals to undertake a Broad Conceptual Urban Design framework and to obtain town planning and development rights.

The process and timeframe for Phases 2 and 3 will be concluded over a period of two (2) years.

The PDoHS approved the funding for the outer years after the Business Plan has been Gazetted in March 2022. Therefore, the user department could only appoint a service provider during June 2022 and the Service Level Agreement is in the process to be concluded.



Figure 22: Proposed development opportunities



3.9.2.5 Kayamandi Town Centre

A service provider with the necessary multi-disciplinary team of professional consultants was appointed to conduct a feasibility study to assess the redevelopment of the town centre of Kayamandi to provide a holistic development picture of Kayamandi. The latter resulted in a framework for possible future development opportunities in Kayamandi and its environs.

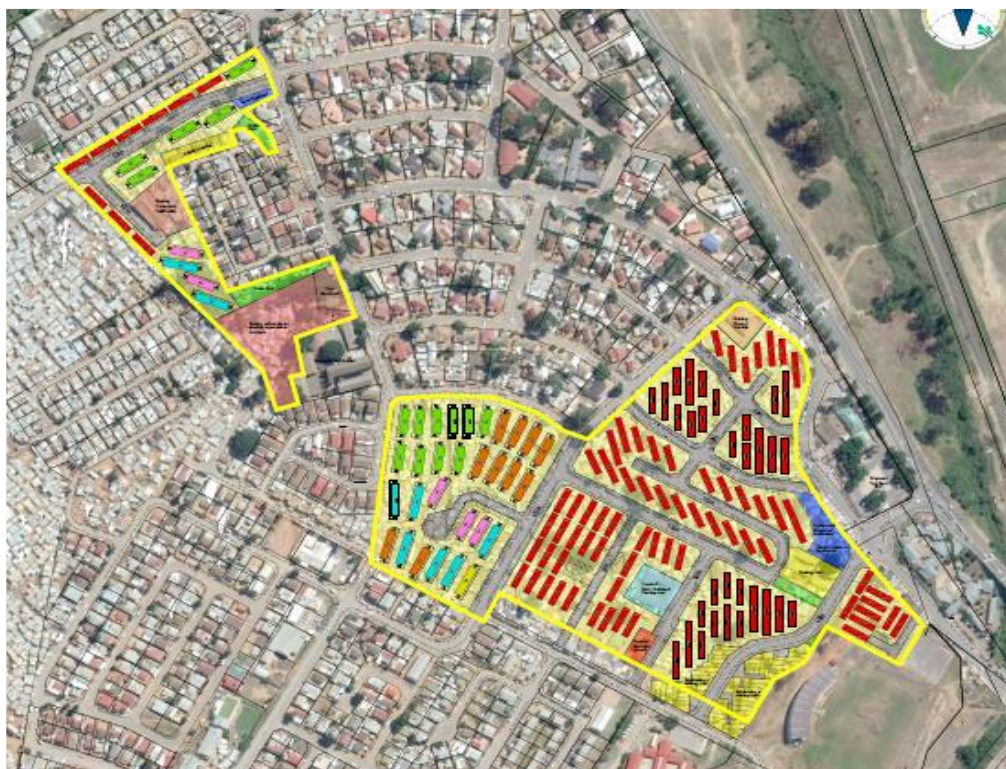
The proposed typology mix is such that it will enhance the beauty and character of the Kayamandi Town Centre in that it will provide a mix of typologies to accommodate the old and the young. The proposal for walk-up units is also to provide maximum densification within the available limited space.

The proposed town planning layout consists of ±1 800 housing opportunities (2 to 3-storey BNG walk-ups). The development parameters will include a mix of housing typologies, business units and community facilities. This design methodology was utilised to suit the demand and the needs of the affected community.

The community must agree upon a relocation strategy to effectively address the challenges facing Kayamandi Town Centre.



Figure 23: Parameters of the project



The aim would be to unpack the developmental opportunities of Kayamandi and recommend a relocation strategy for the families moving to the temporary units / site that has been earmarked for this process (Northern Extension).

Conceptual urban design proposals were presented and submitted by the service provider in November 2021 to Section: Spatial Planning for inputs.

A new Urban Design concept has been proposed to deal with the multi-storey upgrading (3-storey walk-up units) of the Kayamandi Town Centre. This new Urban Design concept has been presented on 23 May 2022 to the Deputy Mayor and Director: Planning and Economic Developments for comments and inputs.

The planning application process is anticipated to be completed during the 2022/23 financial year.

3.9.2.6 Northern Extension, Stellenbosch

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

A service provider was appointed by Stellenbosch Municipality to appoint the necessary multidisciplinary team of professional consultants to conduct a due diligence assessment to assess whether it is suitable for the expansion of a mixed-use development to the north of the town.

The specific site has been earmarked by the Stellenbosch Municipality for the northward extension of the urban area of Stellenbosch. The intention is to provide a multiple-use development that could yield ±5 000 – 6 000 residential opportunities to address the housing need experienced in Cloeteville, Ida's Valley and Kayamandi.

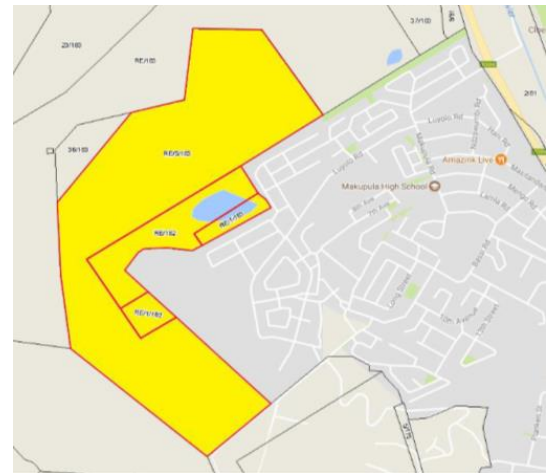


It should be noted that a portion of the development of the northern extension has been identified as a possible relocation area for the redevelopment of the Kayamandi Town Centre and other related projects.

All specialist studies have been completed. The draft Market Analyst study that was undertaken by DEA&DP was concluded in May 2022 and will be incorporated in the drafting of the conceptual design layouts. The different conceptual design layout options were workshopped with various internal departments during June 2022.

It is envisaged that the development rights could be obtained during the 2022/23 financial year.

Figure 24: Location of the proposed development of the Northern Extension



3.9.2.7 Erf 64, Kylemore

The identified property is 15.5ha in extent of which the municipality requires ± 8 ha for residential purposes.

Various meetings were held with the National Department of Public Work and Infrastructure (NDoPW&I) and it was indicated that the Directorate: Investment Analysis will conduct a feasibility study as part of the relevant business process of the Department of Public Works and Infrastructure (DoPW&I). Upon completion of the feasibility study, the relevant report and recommendations have been submitted to the Directorate: Disposals (Land Reform and Human Settlements) to inform their submission for Ministerial approval.

The feasibility study was completed during the 2019/20 financial year and is awaiting the transfer of Erf 64, Kylemore to the municipality.

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 HDA has been appointed to assist with the transfer of land from the National Department of Public Works (NDPW) to the Stellenbosch Municipality and to further attend to the required applications to obtain land use rights, the registration of diagrams / general plans with the Surveyor General and the relevant applications to the PDoHS.



A project programme to outline the deliverables and timeframes for the transfer and application for planning applications was provided by the HDA.

Figure 25: Site layout of Erf 64, Kylemore



The summary of the progress achieved to date:

- i. The HDA went out on a procurement process to appoint a team of professionals to finalise detailed planning studies for the preferred development option and to obtain development rights;
- ii. The HDA is to submit a Project Initiation Document (PID) funding application to the municipality; and
- iii. The PID funding application is with PDoHS for comments, the PID funding application will be finalised and submitted in August 2022.

3.9.2.8 Langrug, Franschhoek

Various projects and interventions have been identified for planning and eventual implementation to upgrade Langrug incrementally and improve the delivery of basic services.

Hereunder is a summary of the medium to long-term projects:

- ✦ The construction of phase 2 emergency access road and the installation of underground services;
- ✦ Re-blocking of sections to improve access and basic services;
- ✦ Upgrading of the bus route;
- ✦ Relocation and subsequent rehabilitation of the dam area;
- ✦ To commence with the re-blocking of Langrug, a decanting site on Erf 3229, Mooiwater, Franschhoek is being developed (basic services), the process of which is currently underway; and
- ✦ Cancellation of the existing General Plan and consolidation to create one land unit.



3.9.2.9 Erf 3229, Mooiwater, Franschhoek

Erf 3229 at Mooiwater has been identified as a relocation site to accommodate families impacted by the rehabilitation of the dam wall at Langrug informal settlement. The subject property is currently vacant and is being used for illegal dumping.

A professional team was appointed to undertake planning, studies, investigations, and assessments to establish a temporary relocation site on the property. Specialist studies and investigations that were undertaken include:

- ✦ Environmental Screen;
- ✦ Geotechnical Investigations;
- ✦ Assessment of Land Contamination;
- ✦ Geohydrological and Assessment of Gases and Leachate; and
- ✦ Freshwater assessments and determination of 1:100-year flood line.

The above-mentioned studies were utilised to provide input into the final proposals for the development of the property, in terms of the proposed layout plan and civil services. The statutory approvals mentioned hereunder have been obtained for the proposed development:

- ✦ Environmental Authorisation;
- ✦ Land use approval; and
- ✦ Approval of civil designs.

A tender to appoint a contractor for site works and construction of bulk earthworks was advertised by the Department: Project Management Unit (PMU). The municipality received various bids which were evaluated, and a technical report was submitted to SCM. The Section: PMU finalised the appointment of a contractor. The contractor is expected to establish on-site in August 2022 to commence with site works.

The Section: PMU is finalising funding applications for emergency housing, which will be submitted to the National Department of Human Settlement (NDoHS) for consideration. Furthermore, the Department: PMU is compiling funding applications for the implementation of basic services, which will be submitted to the PDoHS for consideration.

3.9.2.10 La Motte, Franschhoek

La Motte is a former Bosbou Hamlet situated approximately 3.5 km northwest of Franschhoek town, on the Robertsville Road, close to where it intersects the R45. Originally built to house forestry workers, the village is made up of the original dwellings and a range of community facilities. During the construction phase of the Berg River Water Scheme, new houses were built adjacent to the existing settlement to temporarily house the construction workers; these houses have been transferred to identified beneficiaries.

The Stellenbosch Municipality and the community of Franschhoek have been proactive in addressing the need for affordable and subsidised housing and several initiatives have successfully been implemented.

Through a tender process, a service provider was appointed, and a feasibility study has been concluded.



The Department of Public Works and Infrastructure, as custodians of the relevant portions of land, has been engaged to start the necessary procedures that would lead to the transfer of the subject properties into the name of Stellenbosch Municipality, for housing purposes.

Figure 26: Identified portions of land



The municipality is currently awaiting feedback from the National Department of Public Works. The HDA has been appointed via an Implementation Protocol agreement to assist with the transfer of land from the National Department of Public Works (NDPW) to the Stellenbosch Municipality and to further attend to the required applications to obtain land use rights, the registration of diagrams / general plans with the Surveyor General and the relevant applications to the PDoHS.

The HDA submitted a new request for the State Land Release for the subject property by DPW&I to HDA through Power of Attorney. The target timeframe for the release of the land is the end of the 2022/23 financial year.

The HDA to submit a Project Feasibility Report (PFR) requesting funding for land use rights for the project on the release of the property has been completed and is ready for submission to PDoHS to allow funding flow for the 2023/24 financial year.

3.9.2.11 Meerlust, Franschhoek

Portion 1 of the Farm Meerlust No 1006, in the Franschhoek Valley known as Meerlust has been identified for residential purposes. Ownership of the property currently vests with the National Department of Public Works (NDPW). The site is located on the southern edge of the R45 close to the intersection of the R45 and the R310 and lies between Werda in the northwest and Allee Bleue, Lekkerwyn and the Pickstones to the east.

A portion of this land currently accommodates the Meerlust Forestry Village (home to around 34 households) and the upgrade / redevelopment of this village is an integral part of this Call for Proposals. Portion 1 of the Farm Meerlust No 1006 included in this Proposed Development Concept is zoned Agriculture and application therefore still needs to be made to obtain development rights for urban / residential development. The development of this area is therefore only possible in the medium to long term as also indicated in the Stellenbosch Municipality Housing Pipeline (Annual Review 2017 – 2020). It will therefore be required of the prospective developer to do the necessary



detailed feasibility studies (in addition to those already completed) and obtain the relevant planning and other approvals to enable township establishment for the proposed development.

The municipality has appointed the HDA via an Implementation Protocol Agreement (IPA) to assist with formulating a sustainable development solution for the Meerlust Project, considering the needs of the community while considering the long-term financial sustainability of the municipality. The role of NDoPW&I is also critical, especially in understanding what is permissible within their mandate. Above anything else, the task of HDA is to mainly provide technical guidance for the best possible development option, and mediate engagements with all stakeholders who have different and sometimes conflicting interests.

The Department of Public Works and Infrastructure (DoPW&I), as custodians of the relevant portions of land, has been engaged to commence with the necessary procedures that would lead to the transfer of the subject properties into the name of Stellenbosch Municipality, for housing development purposes.

The summary of the progress achieved to date:

- Development options have been completed and are ready for presentation to the Stellenbosch Municipality;
- Detailed costing to be undertaken for the preferred development option;
- The HDA is assisting the municipality to facilitate the release of land by DPW&I to HDA through Power of Attorney; and
- The HDA is to request funding for land use rights for the project once the release of the property has been completed and is ready for submission to PDHS.

3.9.2.12 Erf 2183, La Rochelle, Klapmuts

Erf 2183, Klapmuts is located along Gomas Street, Klapmuts, approximately 1.5km off the R310 that links Stellenbosch to the N1. The site is located on the south-eastern edge of the town of Klapmuts and is bordered by vacant land to its southern and eastern boundaries, with a proposed new housing development on the western and northern boundaries towards Mandela City, Klapmuts. To provide for the dire housing need in the Klapmuts area, especially for current backyarders, this property was identified as a possible option for a "site-and-service" housing project.

A tender has been advertised and a service provider has been appointed to undertake a subdivision application and registration of the diagrams in the Surveyor General's Office for Erf 2183, La Rochelle, Klapmuts.



Figure 27: Aerial image of the site



The service provider drafted conceptual sub-divisional layouts and obtain comments / inputs from Directorate Infrastructure Services. The service provider had a pre-consultation meeting with the Section: Land Use Planning in March 2022. The Section: Land Use Planning requested the service provider, according to the Street Naming Policy, that three street names be submitted with the layout plans to advertise the application.

3.9.2.13 Five housing projects in Kayamandi, Stellenbosch

From the period 1984 to 2015 the planning approval processes for the re-development of the old Kayamandi township area and the 18.5 ha extension area vested with the Provincial Government Western Cape: Department Community Services and the Department of Land Affairs. The planning approval function was later done by the Department of Housing, Local Government and Planning: Provincial Government Western Cape. Aspects about land development and the establishment of development boards were done in terms of the Black Communities Development Act, 1984 (Act 4 of 1984) and the Less Township Establishment Act, 1991 (Act 113 of 1991).

The said provisions applied to the following projects:

a) Project 4 A (Erven 1080 to 1112, Kayamandi) (Ward 12)

The 146 units were developed as rental stock units. The relevant statutory approvals (consolidation of land units) are required to enable the registration of the sectional title scheme on the consolidated properties.



A service provider is appointed to entail the amendment of the approved General Plan.

Figure 28: Locality map of Project 4A



b) Project 4 B (Red Bricks Hostels - Erven 112, 114, 115, 116) (Ward13)

The project formed part of the hostel upgrading programme for Kayamandi and was implemented and constructed in 2004. It comprised the consolidation of erven 112, 114, 115 and 116 as registered in terms of the General Plan.

The project entails the rezoning and subdivision of the property into 51 units and 5 public open spaces.

Figure 29: Locality map of Project 4B





c) Project 5 A (175 Units - Erven 1123 – 1154) (Ward 15)

The project entailed the consolidation of Erven 1123 and 1152 as well as Erven 1113 and 1122 as registered in terms of the General Plan. The said erven formed part of the 18,5-ha development area that comprised Erven 707 and 1071 as approved in terms of Act 4 of 1984.

The project entails the subdivision of the property into 175 higher-density units and public open spaces.

Although the General Plan (Erven 1982 – 2165) was submitted to the Provincial Government of the Western Cape, the registration of the plan was not done to date because Erf 1120 (a public place) was not closed.

Figure 30: Locality map of Project 5A



d) Project 5 B (137 Units – Erven 513-522, 67 and 69 and a portion of Erf 523) (Ward 12 and 15)

Project 5B formed part of the Kayamandi Town Centre urban renewal project as funded in terms of the overall hostel project upgrading programme. The development made provision for 137 higher-density units, a new road and several open spaces.

Figure 31: Locality map of Project 5B





The development entails the consolidation of Erven 67, 69, a portion of Erf 523 and Erven 513-522 and the re-subdivision thereof into individual higher-density units. The project was implemented and constructed in 2004. The project was partially completed due to the construction of informal structures on the remainder of the property. A total of 42 units have been built. It is recommended that the amendments of the General Plans (149/1987 and 290/1989) be done.

e) Project 8 (Mpelazwe – Remainder Erf 288 Kayamandi - 65 units) (Ward 13)

Mpelazwe is one of the oldest parts of Kayamandi town and was identified as a priority project in light of its historic character and response from the community.

Figure 32: Locality map of Project 8



The development forms part of the hostel upgrading programme and comprised the development of 54 residential units.

Although approval was previously granted for the relay out of the area it still forms part of Remainder Erf 288 as per General Plan.

Although erf numbers (Erven 2392-2446) have been allocated, the formal rezoning and subdivision and closure of public roads have not been completed to date.

A service provider has been appointed to finalise township establishment by obtaining the necessary land use rights for each of the five projects situated in Kayamandi, Stellenbosch as well as submission of all diagrams in the Surveyor-General's office for registration and approval.

A Notification of Intent to Develop (NID) application was submitted and no objections were received from the Heritage Department and were approved accordingly. Awaiting feedback from DEA&DP concerning NEMA.

A draft letter was submitted to Land Use Planning Department to apply for exemption from the Publication and Serving of Notices (Sections 43 and 44 of LUPA, Act 3 of 2014) for all five (5) completed projects, in terms of Section 60 of the Western Cape Land Use Planning Act (Act 3 of 2014).



The Western Cape Minister of Local Government, Environmental Affairs and Development Planning approved (in terms of Section 60 of LUPA) that the municipality is exempted from the provisions of Sections 43, 44 and 47 of LUPA in October 2021.

The service provider was instructed that the Kayamandi Project 5B Land Use Application which was submitted on 28 April 2022, be put on hold as Erf 66 which is part of this project is currently private-owned property. The municipality's legal department is currently busy with legal action to expropriate Erf 66. To process Kayamandi Project 5B, a Power of Attorney needs to be concluded and submitted with the application for approval.

3.9.2.14 Maasdorp Village

The residents of Maasdorp are either employees of the Department of Forestry or the descendants of employees of this Department, who were afforded homes / tenancy on a large tract of land, constituting Portions 27 and 28 of Farm La Motte No 1041 Paarl, Franschhoek. It is the intention of this project to assist the Department of Forestry (who in turn has given Stellenbosch Municipality the authority) with the subdivision of the subject properties constituting Maasdorp Forest Village into smaller residential properties for township establishment.

The intention is also to transfer these proposed properties (and homes) to the residents of Maasdorp and as may further be determined. It was originally intended that this project is meant to benefit only the residents currently living in Maasdorp Forest Village who have either been employed by or whose parents were employed by the Department of Forestry. The beneficiaries to be accommodated by this development depends on the outcome of envisioned community engagements and the updated socio-economic study to still be undertaken.

The lengthy process of the project is due to multiple challenges throughout the project. Firstly, there were delays at the commencement of the project due to the initial socio-economic survey which was not done by the service provider, and which was required as a crucial element to effectively continue with the process from the service provider's stance. The initial socio-economic survey took a long because the residents were either not timeously sensitised to the dates of the survey or blatantly refused engagement, or, residents were not home when the survey was being completed. There was thus a time delay in getting all the relevant information from all the residents.

The survey process with the community and the collation of survey data has been completed. The outcome of the survey has been presented to the Department: Housing Development in September 2021 and factored into the Land Use Planning Application which was submitted to the Department: Land Use Planning in June 2022. The project is ongoing.

3.9.3 Strategic document: Integrated Human Settlement Plan for Stellenbosch Municipality

It is a municipal priority that the Stellenbosch Municipality's Integrated Human Settlement Plan (IHSP) be compiled in line with the PDoHS.

It is furthermore a requirement that the above IHSP be aligned with the Stellenbosch Municipality's approved IDP and mSDF.

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



The draft revised Integrated Human Settlement Plan was submitted in March 2022 for scrutinising. The final draft Integrated Human Settlement Plan will be submitted by 31 December 2022 for the Council to approve. Thereafter a public participation process will follow and Council will consider inputs from the public if any are received.

3.9.4 Informal Settlements

According to the most recent surveys undertaken by the Section: Informal Settlements and independent service providers, the population of informal settlement dwellers is approximately 19 710 residents. This is approximately one-sixth (1/6) of the municipal population of approximately 153 000 residents (Census 2011).

3.9.4.1 Survey of backyard dwellers in Kayamandi

The tables below are a reflection of the municipal data:

Table 150: Survey backyard dwellers in Kayamandi

Type	Results
Area	Kayamandi
Survey period	April to May 2021
Number of stands / plots	1 953
Number of backyard structures	5185 (residential, carports, storages, shelters etc)
Average structures per stand	2.65
% structures used for residential	38.3%
Number of households (residential)	1 981 minimum
Households interviewed	1 629
Structures / stands that were not surveyed	482 (refuse to partake mostly foreign renters, no access, no backyard dweller)
Average household size	1.52
Head of household income	59% earn R4 000 or less per month
Type of structures	76% shack
Ownership of structure	75%
Structure occupation	73% single-person occupation
Respondent's previous area of residence	72% in the same area
Registered on housing demand database	11%
All household members residing in the same structure	69%
Households receiving grants	18%
Age of head of household	45% between 26 and 35 years
Gender of the head of household	52% female
Preferred mode of transport	41% other (taxi), 37% walk
Employment status	48% employed
Access to water on the property	93%
Access to electricity	98%
Access to sanitation	97%
Access to waste removal	94%



3.9.4.2 Survey of backyard dwellers in Klapmuts

Table 151: Survey backyard dwellers in Klapmuts

Type	Results
Area	Klapmuts
Survey period	April to May 2021
Number of stands	2 110
Number of backyard structures	4123 (residential, carports, storages, shelters etc)
Average structures per stand	1.95
% structures used for residential	39.4%
Number of households (residential)	1 626 minimum
Households interviewed	1 094
Structures / stands that were not surveyed	534 (refuse to partake mostly foreign renters, no access, no backyard dweller)
Average household size	2.30
Type of structures	50% shack, 45% wendy house
Ownership of structure	98%
Structure occupation	41% single-person occupation
Respondents' previous area of residence	72% in the same area
Registered on housing demand database	29%
All household members residing in the same structure	94%
Households receiving grants	23%
Age of head of household	41% between 26 and 35 years
Gender of the head of household	62% female
Preferred mode of transport	30% walk, 22% train, 21% staff transport
Employment status	46% employed
Access to water on the property	97%
Access to electricity	96%
Access to sanitation	98%
Access to waste removal	92%

The project yielded employment opportunities for unemployed youth from both areas:

Table 152: Opportunities created

Surveys (Backyard Dwellers)	The actual number of jobs proposed	Proposed number of jobs to be created per ward	Number of people employed
Kayamandi	25	7	21
Klapmuts	25	18	18

A service provider is to be appointed to undertake a demographic survey of backyard dwellers in Groendal and Mooiwater, Franschhoek. The service provider will be appointed to conduct the survey during the 2022/23 financial year.

Electrification of portions of Enkanini

The municipality is currently in the process of making 1 000 electricity connections in Enkanini. The project commenced on 27 January 2021 and is ongoing.



The progress to date with this project is as follows:

- ✚ Project commenced: 27 January 2021;
- ✚ Verification of Sections F, G, H and I have been completed and the lists have been distributed except for Section F which has been excluded from the project by the Electrical Department due to costs;
- ✚ Section H beneficiaries have received electricity connection to their structures and power has been switched on for usage;
- ✚ Most of the illegal electricity connections have been removed. There are reports of some minor infringements on this matter, however, the project team is dealing with this matter on a case-by-case basis; and
- ✚ Health and safety are a concern during construction.

3.9.4.3 Watergang Informal Settlements – provision of basic services

The Section: Informal Settlements undertook community facilitation processes to assist the Section: Project Management with the implementation of the project.

The progress to date with this project is as follows:

- ✚ Project commenced: 17 January 2022 planned to be completed by 30 June 2022; and
- ✚ Phase 1-3 has commenced with 7 ablution blocks constructed with a total of 36 toilets and 21 taps out of the initial 100 toilets and 50 taps budgeted for. The reduction in the number of toilets and taps is due to the community not being willing to cooperate with the municipality's plans to relocate structures identified to make space for the project.

The images below depict the Implementation of ablution blocks in Watergang Informal Settlements





Table 153: Informal Settlements for the period July 2021 – June 2022

Item	Number of ablution facilities provided by the Council	Number of taps provided by the Council	Informal settlements with grid electricity	Number of Informal Settlements	Informal settlements without grid electricity	Performance comment
Number of informal settlements recognised by the Council	1 027	549	22	29	6	A portion of Enkanini is receiving electricity
Number of informal settlements recognised by the Council	0	0	0	2 (Klapmuts Farm and Lanquedoc COVID-19 Campaign)	0	Settlement not recognised, land initially used for live-stock farming with 18 structures. Over time 14 households erected structures. Total 32 structures
Number of structures	0	0	0	10 402	0	

3.9.4.4 Relocations (for the period 01 July 2021 – 30 June 2022)

Table 154: Relocations statistics

Areas where relocations are planned	Proposed number of households to be relocated	Number of households relocated to date	Remaining number of households to be relocated	Performance comment
Kayamandi (Zone O)	55	0	55	Project at initial stages, engagements with the community have commenced
Longlands	77	0	76	Relocation to commence in July of the 2022/23 financial year.
Papplaas	11	11	0	Completed
Relocation as a result of evictions	6	6	0	Completed
Meerlust	23	23	0	Completed
Total Number of Households	172	40	131	



3.9.4.5 Disaster Management (for the period July 2021 – June 2022)

Table 155: Total number of structures impacted by incidents in all areas

Incidents reported in	The number of fires and winds verified	Number of backyard structures affected by fire	Number of formal structures affected by fire	Number of structures affected by floods or Wind	Performance comment
Formal settlements	18	27	-	0	All verifications completed within 48 hours
Informal settlements	30	-	530	0	All verifications completed within 48 hours
Total number of structures impacted by incidents in all areas	48	27	530	0	

3.9.4.6 Evictions (for the period July 2021 – June 2022)

Table 156: Number of evictions as at 30 June 2022

Notices of evictions received	Number of meaningful engagements held	Number of agreements signed	Court orders issued
11	3	0	0

3.9.4.7 Informal Settlements population

According to the most recent surveys undertaken by Section: Informal Settlements and independent service providers, the population of informal settlement dwellers is approximately 19 710 residents. This is approximately one-sixth (1/6) of the municipal population of approximately 199 325 residents (Socio-Economic Profile: Stellenbosch 2022).

3.9.4.8 Development proposals / strategy

The Section: Informal Settlements developed a development strategy for every informal settlement within the municipal area. The full respective strategies are included under Cluster 1 to Cluster 5.

The strategy is premised on 3 pillars:

- a synopsis of existing basic services. This synopsis includes an analysis of the shortfalls in service provision;
- Cryptic demographic information of the head of households, as well as a desktop risk analysis of the settlement; and
- the third pillar / component consists of development proposals. These proposals are aligned with 3 strategic documents, i.e. the IDP, SDF and the Housing Pipeline.

The development proposals are furthermore aligned with the budget cycle of the municipality, as well as the Housing Pipeline which is aligned amongst others with the provincial budgeting cycle.



3.9.4.9 Emergencies

The Section: Informal Settlements assists the Section: Disaster Management in emergencies by verifying the data that is collected about the disaster victims against the data obtained during period surveys. These emergencies are mostly fire incidents in informal settlements and / or in the backyards of formal housing units. These incidents to a lesser extent also include flooding incidents and excessively strong winds.

3.9.4.10 Housing Statistics

Table 157: Households with Access to Basic Housing - Source StatsSA 2011

Year	Total households (including formal and informal settlements)	Households in formal settlements	Percentage of households in formal settlements
2017/18	52 374	26 506	50.60%
2018/19	52 374	34 071	65.10%
2019/20	52 374	34 071	65.10%
2020/21	52 374	36 017	65.10%
2021/22	49 332	36 214	73.40%

The following table shows an **increase** in the number of people on the housing waiting list. There are currently approximately **17 852** applicants on the waiting list.

Table 158: Housing waiting list as at 30 June 2022

Year	No. of people on the Housing Waiting List	% Housing waiting list increase
2014/15	18 833	0.6% (Decrease due to sanitisation of the waiting list data).
2015/16	18 791	0.2% (Decrease due to sanitation of the waiting list data).
2016/17	18 953	7.7% (Increase based on the previous year's "sanitised" figures. This is as a result of new applications received).
2017/18	16 482	13.04% (Decrease due to sanitisation of the waiting list data).
2018/19	16 231	The department rolled out an update of the waiting list programme which resulted in all the deceased applicants being removed and duplicate applications being removed and this has resulted in a decrease in the total number of active applicants on the waiting list.
2019/20	16 590	2.21% (Increase due to new applications received).
2020/21	17 652	6% (increase) is due to the drive by the municipality which targeted farm dwellers and those who never registered their names on the housing demand database.
2021/22	17 852	Minimal increase due to families not responding timeously to calls to register on the housing demand database.

3.9.5 Basic Service Delivery Performance Highlights

Table 159: Basic Service Delivery Performance Highlights

Highlight	Description
Papplaas relocation	Successfully relocated families from the dumping site to a safer location.
Enkanini 1 000 electrical connections	Surveyed all the beneficiaries, created space for installation of the service and excellent cooperation between the municipality and community.



3.9.6 Basic services delivery challenges

Table 160: Basic Service Delivery Challenges

Service Area	Challenge	Actions to address
Watergang Informal Settlement	Structures in the way of the service.	Negotiated with the structure owners to create space for ablution facilities.
WC024	Long and tedious negotiations to obtain buy-in from various communities.	Commence with communication earlier in the process.

3.9.7 Housing Administration

3.9.7.1 Transfer of housing stock

During the period under review, the municipality continued with the process to deal 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 were appointed to transfer identified properties. A total of 259 title deeds were transferred for the 2020/21 financial year. The transfers were completed in the following areas:

Table 161: Transfer of housing stock

Area	Total
Cloetesville	5
Kayamandi	49
Klapmuts	25
Kylemore	2
Pniël	2
Total	83

The Section: Housing Administration is conducting continuous 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.

The municipality partnered with an NGO which assists municipalities to deal with the historic backlog in terms of the transfer of properties. The NGO provides funding for the temporary appointment of staff to enhance capacity and also provides funding to the municipality of R500 per title deed registered. The donation is used to appoint field workers to assist with the beneficiary administration of the transfer processes.

**Table 162: Total properties registered at the deeds office (during 2021/22)**

Total properties registered at deeds office (during 2021/22)	
Historical project title deeds registered	83
New project title deeds registered*	0
Total erven	83

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



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

3.9.7.2 Waiting list administration

The municipality continues with the “data-cleaning” process of applications that appear on the 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 PDoHS to assist with the data clean-up of the Stellenbosch municipal waiting list continues. The waiting list is updated and verified regularly by the PDoHS Settlements 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.

This new online database system and mobile app were launched in August 2019. The mobile app makes it easier for applicants to use their smartphones to submit housing applications in the comfort of their own homes on the Housing Demand Database. The Housing Demand Database System is being updated regularly to ensure that Council has credible data for planning for future housing projects to be implemented.

3.9.7.3 Administration of public rental stock

On 25 June 2014, 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 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 hands and also to improve the communication between the municipality and the tenants. The total number of caretakers appointed for all the public rental flats was eleven (11).

3.9.7.4 Housing Consumer Education (HCE)

A total of thirteen (13) workshops were held with mainly tenants in municipal rental stock. The HCE workshops are also used to address issues around anti-social behaviour in public rental flats. The HCE programmes were also held for beneficiaries of houses that were built between 1994 and 2010. These are houses that form part of the Title Deeds Restoration Programme. These beneficiaries are advised about the security of tenure, issues of inheritance and drafting of a Will. The HCE workshops were also held with beneficiaries of the Ida's Valley Housing Project during the 2020/21 financial year to educate them about homeownership, writing of a Will and By-laws governing properties. HCE workshops will be concluded for the Longlands Housing Project beneficiaries during the 2021/22 financial year.

The HCE programmes were also held for beneficiaries of houses that were built between 1994 and 2010. These are houses that form part of the Title Deeds Restoration Programme. These beneficiaries are advised about the security of tenure, issues of inheritance and drafting of a Will. The HCE workshops were also held with beneficiaries of both the housing development projects in Ida's Valley and Longlands to educate them about homeownership, writing of a Will and By-laws governing properties. A total of sixteen (16) HCE workshops were held during the 2021/22 financial year inclusive of those held before formal title deed handovers, outreaches for the signing of Deeds of Sale and completion of subsidy applications for the Longlands Housing Project, which total excludes those HCE sessions held with individual recipients of title deeds.



Figure 33: HCE and Public Participation



The Section: Housing Administration completed an audit of all its rentals stock. Both staff and public rental units, with regards to the occupancy of the unit. For the Section: Housing Administration to update its records where necessary, interviews were conducted with affected households and resulted in concluding lease agreements with the next of kin of deceased tenants. The Section: Housing Administration compared the findings of the surveys with regards to legal occupancy of the rental units with existing information obtained from the records of the

Finance Department. Interviews were conducted with occupants of flats where there appeared to be discrepancies and detailed questionnaires were completed in respect of every household. This enabled the Section: Housing Administration to evaluate whether or not the illegal occupants qualified for legalisation in terms of the criteria as set out in the approved policy on the Unlawful Occupation of Municipal Rental Stock.

3.9.7.5 Maintenance of Rental Stock

The Section: Housing Administration integrated the complaints system of the Council and all complaints of rental stock can now be monitored. Maintenance of all municipal stock resorted under the Directorate: Corporate Services. It was decided that the Section: Housing Administration is henceforth responsible for all maintenance at rental stock and Directorate: Corporate Services were responsible for all maintenance of municipal buildings.

Budgetary constraints were many a time the main reason why maintenance issues at rental stock could not be resolved. However, it should be mentioned that the Section: Housing Administration is now capacitated with a budget to resolve the backlog on maintenance.

3.9.7.6 TRA Management

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

The Department: Housing Administration in conjunction with informal settlements effectively manages and controls 7 TRAs in the greater WC024 to furnish every informal settler with a potential home.



The number of households in TRAs:

Table 163: TRA Statistics

Area	Number of households
Mandela City, Klappmuts	120
La Rochelle, Klappmuts	32
Devon Valley	20
Longlands, Vloottenburg	76
Mountainview, Jamestown	241
Watergang TRA 1, Kayamandi	262
Watergang TRA 2, Kayamandi	180
Meerlust Bosbou, Franschhoek	24

The Section: Housing Administration facilitates evictions, surveys, all levies and services assistance by channelling complaints to the correct user departments and all types of assistance until relocation to a project.

3.9.7.7 Job creation

A job creation programme was initiated via the EPWP project and as a result, 25 job opportunities were created listed below:

- ✦ Thirteen (13) EPWP workers were appointed to assist with the cleaning of the rental units and this resulted in a decrease in complaints received from tenants as properties are in a neater state;
- ✦ Six (6) temporary field workers were also appointed to assist with the surveys in 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; and
- ✦ Eight (8) Title Deeds Restoration Programme were also appointed to assist with the transfer of state-subsidised houses and to eradicate the historic backlog in terms of the transfer of these houses.

The table below indicates the capital expenditure for the Sections: Housing Administration and Housing Development as at 30 June 2022.

Table 164: Capital Expenditure as at 30 June 2022: Section: Housing Administration

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R'000		
Furniture, Tools and Equipment: Housing Administration	135	125	-7,65
Only the capital projects are listed			

The Section: Housing Administration has spent 93% of the capital budget for the financial year.

**Table 165: Capital Expenditure as at 30 June 2022: Section: Housing Development**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R'000		
Jamestown: Housing (Phases 2, 3 and 4)	1 878 673	1 400 000	25.5
Erf 7001 and other possible sites for mix-used development in Cloetesville	300 000	259 645	13.5
Kayamandi Town Centre: Planning (±700 units)	1 213 875	1 213 875	0
Only the 5 largest capital projects are listed			

The Section: Housing Development has spent 74% of the capital budget for the financial year.

The tables below indicate the total number of employees in the Department: Integrated Human Settlements as at 30 June 2022.

Table 166: Total employees in the Department: Integrated Human Settlements

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0
14 – 17	0	1	0	0
9 – 13	1	1	0	0
4 – 8	0	0	0	0
3 – 0	0	0	0	0
Total	2	3	0	0

Table 167: Total employees in the Section: Housing Development

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	100
14 – 17	0	0	0	0
9 – 13	0	0	0	0
4 – 8	0	0	0	0
3 – 0	0	0	0	0
Total	1	1	0	100

Table 168: Total employees in the Section: Housing Administration

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	6	4	2	33.3%
4 – 8	8	8	0	0
3 – 0	8	8	0	0
Total	25	23	2	25%

**Table 169: Total employees in the Section: Informal Human Settlements**

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	6	5	1	16.6%
3 – 0	0	0	0	0
Total	7	6	1	14.3%

3.10 Property Management

This section is also responsible for the maintenance of all Council-owned buildings and the construction / project management of all upgrading and or new facilities. Some of the highlights of the past financial year include the following:

- ✦ Completion of new public ablution facility in Franschoek;
- ✦ Completion of new sport clubhouse in La Motte;
- ✦ Upgrade / conversion of the residential unit into office space in Simonsbergweg / Stellenbosch;
- ✦ Completion of the upgrade / structural maintenance of the Kayamandi Library;
- ✦ New concrete roofs at Groendal Cemetery;
- ✦ Ablution Facilities and Groendal Park;
- ✦ Various air-conditioning projects; and
- ✦ Various fencing projects.

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

- ✦ Upgrade of Kayamandi Corridor;
- ✦ Upgrading of Dorp Street Flats;
- ✦ Upgrading of various heritage buildings, incl. Voorgelegen, Rhenish Complex and Bergzicht buildings;
- ✦ Upgrading of Makapula Hall;
- ✦ Upgrading of van der Stel Complex;
- ✦ Structural Upgrading of Plein Street Complex;
- ✦ Structural upgrade to Jamestown Ward Office / Library; and
- ✦ Structural upgrade of the Ida's Valley Pavilion.

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

- ✦ Furniture, tools and equipment;
- ✦ Hygienic services;
- ✦ Maintenance and replacement of air conditioners;
- ✦ New term tender for the rental of indoor plants; and
- ✦ New term tender furniture, tools and equipment.

The following term tenders were awarded:

- ✦ Pest control;
- ✦ Fencing; and
- ✦ Maintenance of lifts: Plein Street.



The table below indicates the service data statistics from the 2016/17 to 2021/22 financial years:

Table 170: Service Data Statistics – Property Management

Details	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Encroachment Agreements: New	22	16	2	0	0	0
Encroachment Agreements: Renewals	5	0	0	0	0	0
Lease Agreements: New	1	0	1	1	0	2
Lease Agreements: Renewals	2	2	0	1	0	2
Sales Agreements	3	0	0	3	0	0
Servitudes	-	0	5	2	0	0
Poster applications	30	25	35	8	N/A	N/A

The table below indicates the capital expenditure for the Section: Property Management and Building Maintenance as at 30 June 2022.

Table 171: Capital Expenditure as at 30 June 2022: Section: Property Management and Building Maintenance

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R"000		
Purchasing of land	3 437	2 497	27.33
Structural Improvement: General N/A	1 473	14 625	-10.29
Structural Upgrade: Kayamandi Corridor	1 000	939	6.10
Structural Upgrade: Heritage Building	1 807	0	100
Upgrading of New Office Space: Ryneveld Street N/A	10 648	8 445	-20.68
Only the 5 largest capital projects are listed			

The Section: Property Management and Building Maintenance has spent 75% of the capital budget for the financial year.

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

Table 172: 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	1	1	0	100%
14 – 17	1	0	1	100%
9 – 13	6	6	0	0
4 – 8	10	10	0	0
3 – 0	0	0	0	0
Total	18	17	1	5.5%



3.11 Free Basic Services and Indigent Support

a) Access to 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 R6 500 per month will receive free basic services as prescribed by national policy and in terms of Stellenbosch Municipality's Indigent Policy.

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

Table 173: Access to Free Basic Services

Year	Number of Households								
	Total no. of HH	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse Removal	
		Access	%	Access	%	Access	%	Access	%
2018/19	52 374	6 813	13.01	6 813	13.01	4 833	9.23	6 813	13.01
2019/20	52 374	6 666	100%	6 666	100%	4 932	100%	6 666	100%
2020/21	50 328	7 283	100%	7 283	100%	5 189	100%	7283	100%
2021/22	50 328	4 681	100%	4 681	100%	4 982	84,25%	4 681	100%

The percentage is based on indigent household access compared to a total of 50 328 households.

Services subsidised are:

- ⚡ Water - basic charge + 6 kl;
- ⚡ Electricity - basic charge + 100 kWh;
- ⚡ Sanitation - based on a 250m² erf; and
- ⚡ Refuse - one removal per week.

Free Basic Services per basic service

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

Table 174: Free basic electricity to indigent HH

Financial year	Electricity		
	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	6 134
*Average for the year			
**Only Indigent consumers who claimed free units			

**Table 175: 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	2 637

*Average for the year

Table 176: 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	154.48	10 039

*Average for the year

Table 177: 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

*Average for the year



COMPONENT B: ROADS, TRANSPORT AND STORMWATER

3.12 Roads

This component includes roads, transport, traffic engineering and wastewater (stormwater drainage).

3.12.1 Transportation Planning and Traffic Engineering

3.12.1.1 Comprehensive Integrated Transport Plan

The 2022 – 2026 review of the Comprehensive Integrated Transport Plan (CITP) is currently being compiled.

CITPs present the municipality's long-term transport vision and objectives, as well as provide 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 Integrated Development Plan.

A current review (2022 – 2026) 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,
- A new Transport Register be prepared;
- Reflect new revisions of the municipality's SDF, Roads Master Plan and NMT Master Plan;
- Provide a revised Public Transport Plan dealing with the restructuring of the public transport network of services; and
- Provide an update on progress made with previously proposed action plans and projects and propose additional plans and projects.

3.12.2 Master Planning

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

The NMT Master Plan and Policy strives 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 strive 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 by 2024.

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 compiled its Draft Road Master Plan (RMP),



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.

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 SDF, the IDP and the CIP. Outputs from master plans also aid other municipal decision-making processes.

3.12.3 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.

3.12.3.1 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 2021/22 financial year:

- ✦ Phase 1 of the upgrading of the R44 / Helshoogte Intersection;
- ✦ Upgrading of the Oude Libertas Road and Adam Tas Road Intersections;
- ✦ Upgrading of Vredenberg Road and Adam Tas Road Intersection; and
- ✦ Realignment of Devon Valley Road and upgrading of the Devon Valley and Adam Tas Road Intersections.

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

1. Lower Dorp Street and its intersection with Strand Road (R44) and Adam Tas (R310);
2. Adam Tas and R44 / Alexander;
3. Adam Tas and R44 / Merriman;
4. Phase 2: R44 / Helshoogte;
5. Resealing Bird Street between R44 and Kayamandi;
6. Extension of Wildebosch Road to Trumali; and
7. Techno-Park and Adam Tas Link Road.

3.12.3.2 Road Rehabilitation

During the 2021/22 financial year, the municipality resealed the following roads in WC024:

Table 178: Road Rehabilitation

Location	Name	Length(m)	Width (m)	Area (m2)
Franschhoek	Lambrechts Road	668,6	9.7	6 485.42
Franschhoek	Reservoir Road	268	6.4	1 715.2
Stellenbosch	Alexander Street	165	3.5	577.5
Stellenbosch	La Colline Street	353	8.4	2 965.2



Location	Name	Length(m)	Width (m)	Area (m2)
Stellenbosch	Piet Retief 1	250.6	8.6	2 155.16
Stellenbosch	Ryneveld	80	18.6	1 488
Stellenbosch	Mount Albert	97	5.5	533.5
Stellenbosch	Taylor Street	179	6.8	1 217.2
Stellenbosch	Hammanhand Road	826	7.4	6 112.4
Stellenbosch	Noordwal wes	614.1	7.5	4 605.75
Stellenbosch	Piet Retief 2	514	11	5 654
Ida's Valley	Bloekom Road	591	7	4 137
Stellenbosch	R44 / Helshoogte intersection	310	10.5	3 255
Stellenbosch	Koch Street	546	7.7	4 204.2
Stellenbosch	Endler Road	105	7	735
Stellenbosch	Morkel Road	193	7	1 351
Stellenbosch	Van der Stel Road	110	8.4	924
Stellenbosch	Thibault Street	167	6.2	1 035.4
Stellenbosch	Rowan Street	113	9.2	1 039.6
Stellenbosch	Water Road	96	6.7	643.2
Stellenbosch	Rozendal	108	6.8	734.4
Ida's Valley	Johnson road	221	6.7	1 480.7
Ida's Valley	Talana Road	178	5.5	979
Ida's Valley	Weber	364	6.8	2 475.2
Ida's Valley	Protea	160	7	1 120
Stellenbosch	Lovell	152.3	8.4	1 276.32
Stellenbosch	Dagmar	82	7.5	615
Stellenbosch	Rokewood	87.6	7.1	621.96
Stellenbosch	Brandwacht	426.05	10	4 260.5
Cloeteville	Asalea	243.3	4.5	1 094.85
Cloeteville	Madeliefie	214	4.5	963
Cloeteville	Lang Road	68	7.5	510
Cloeteville	Curry Road	165	12	1 980
Jamestown	Liberte	418	7.2	3 009.6
Kayamandi	Bassi	40.7	7	284.9
Kayamandi	Tata Mandela	405	5.7	2 308.5
Kayamandi	Luyolo	609	6.5	3 958.5
Stellenbosch	44-strand Road	1 187	7.7	9 139.9
Cloeteville	Tennant Road	500	6	3 000
Total: (meters)			11 87.25	
Total: (Kilometres)			11 87 525	



3.12.3.3 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 2021/22 financial year, sidewalks were constructed along the following roads:

- ✦ Stellenbosch: Oude Libertas Road; Paradyskloof Road; Merriman; Martinson; Van Riebeeck; Van Reede; Ryneveld; Church; Drostdy; De Laan;
- ✦ Cloetesville: Fontein; Primrose; Pine and Raziet;
- ✦ Ida's Valley: Hillside Village; Lelie Street and Kahler; and
- ✦ Franschhoek: River Path North (Groendal) and Reservoir.

3.12.3.4 Public Transport

To facilitate and improve the local public transport services, the municipality commissioned the construction of a new Taxi rank in Groendal, Franschhoek and the upgrading of existing taxi ranks in Kayamandi.

The following taxi ranks were completed in the 2021/22 financial year:

- ✦ Groendal Taxi Rank; and
- ✦ Kayamandi Taxi Rank.

3.12.3.5 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 on the parking management model;
- ✦ Construction and upgrading of parking areas in Stellenbosch and Franschhoek; and
- ✦ Feasibility studies and associated works for the establishment of possible Public Private Partnership (PPP) projects to implement and manage bulk parking facilities in Stellenbosch.

3.12.3.6 Bridges

The Distillery Road Bridge is the only access road into Bosman's Crossing, a small mixed-development area within Stellenbosch comprising various commercial developments and apartment complexes. Planning, designs and procurement processes have been completed, and all necessary approvals attained. Construction for the upgrading of the bridge commenced early in 2022 with completion set for January 2023.

Planning and design had commenced for the construction of a pedestrian bridge that would link Kayamandi with Cloetesville. The proposed bridge would create a safe passage for pedestrians between the two communities, crossing the R304, the railway line and the Plankenbrug River. Designs for the bridge are complete and the necessary approvals for the construction of the pedestrian bridge have been attained. Implementation will commence once the procurement processes (for the appointment of a contractor) are concluded.



3.12.4 Roads Statistics

The following graphs provide an overview of the total kilometres of roads maintained and / or new roads tarred during 2021-22: *Tarred (Asphalted) and Gravel Roads*.

Figure 36: Tarred Roads

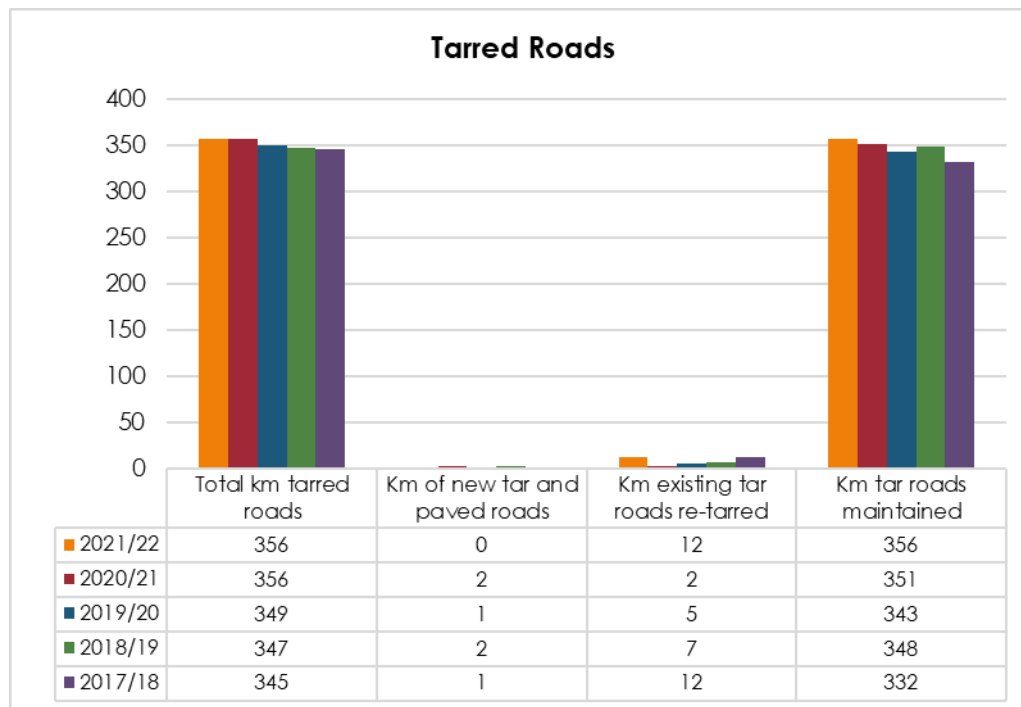
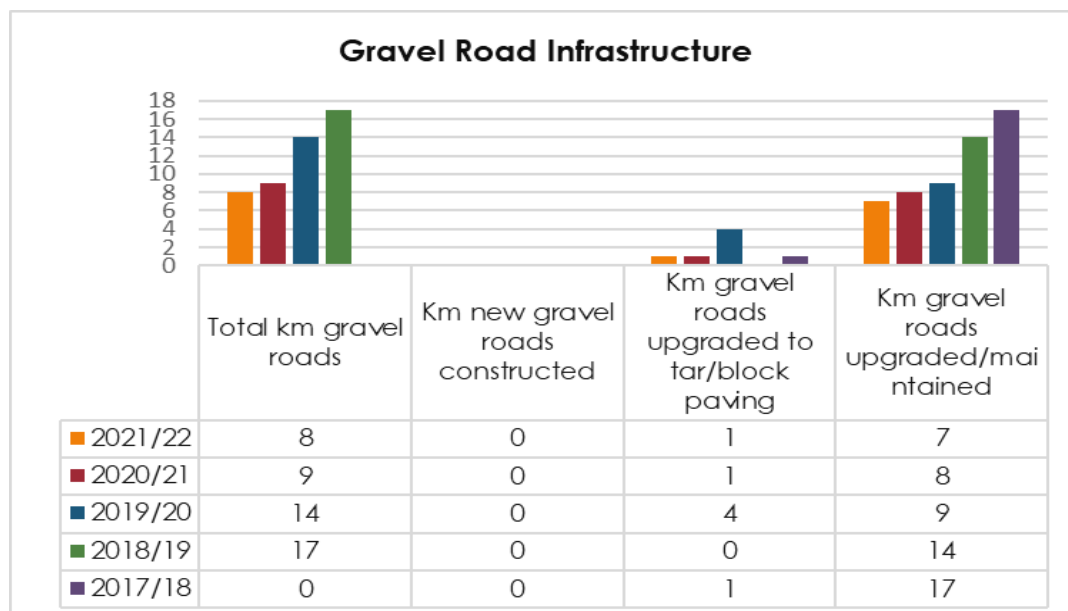


Figure 37: Gravel Road Infrastructure

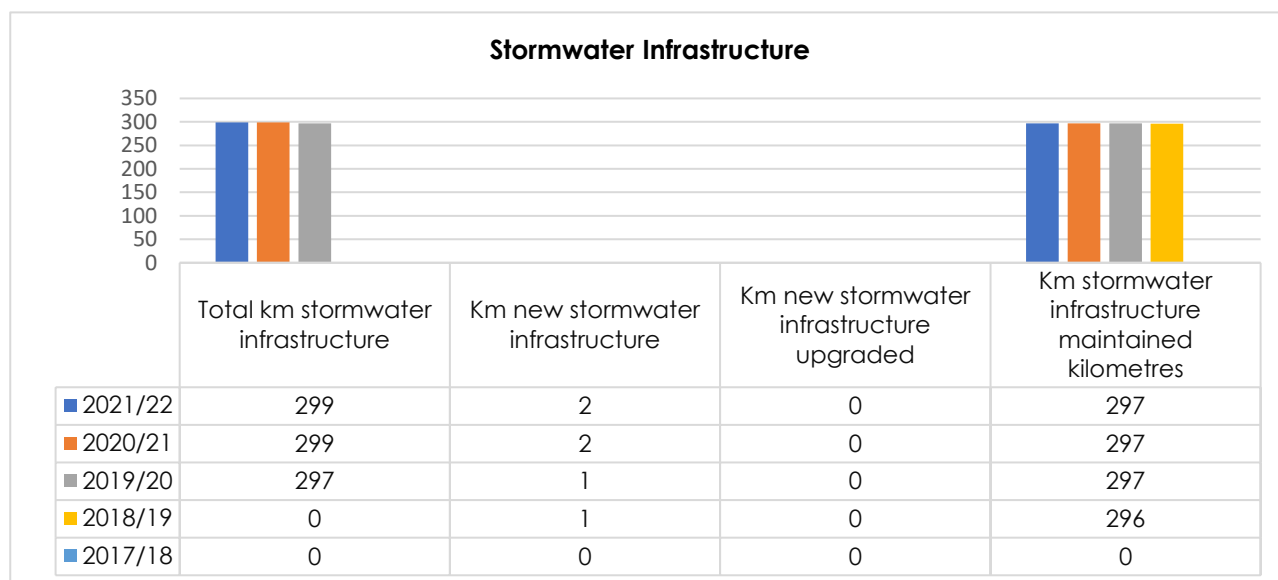




3.12.5 Stormwater Infrastructure

The graph below shows the total kilometres of stormwater infrastructure maintained and upgraded as well as the kilometres of new stormwater pipes installed.

Figure 38: Stormwater Infrastructure



The table below indicates the capital expenditure for the Section: Roads, Transport and Stormwater Services as at 30 June 2022.

Table 179: Capital Expenditure as at 30 June 2022: RTS

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R'000		
Adhoc Reconstruction of Roads (WC024)	26 390	26 390	0
Bridge Construction	12 696	12 697	0
Non-Motorised Transport Implementation	4 000	3 999	0,01
Taxi Rank - Franschhoek	5 373	5 373	0
Taxi Rank - Kayamandi	7 289	7 289	0

Only the 5 largest capital projects are listed

The Section: Roads and Stormwater has spent 100% of the 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 2022.

Table 180: 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	3	3	0	0
9 – 13	10	7	3	30%
4 – 8	25	24	1	4%
3 – 0	68	66	2	2.9%
Total	107	101	6	5.6

3.13 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.

During the 2021/22 financial year, the department successfully facilitated the implementation of Development Contribution projects to the value of R5.5 million. The department continued to provide operational services in terms of wayleave applications, building plan assessments, land use applications and project management.

3.13.1 Project Management Unit (PMU)

The Project Management Unit (PMU) is a unit within the municipality that is dedicated to managing infrastructure (capital) projects. The unit is responsible to provide support to municipal departments to manage capital projects during the implementation, planning and construction phase of new housing, informal settlements, infrastructure and municipal facilities projects, including:

- ✦ Develop and maintain project management systems, procedures and processes for the life cycle of implementing infrastructure projects;
- ✦ Render life cycle project management services for all types of infrastructure projects;
- ✦ Manage cross-functional projects in conjunction with relevant departments;
- ✦ Engage with departments in the medium to long terms planning and budgeting of capital projects;
- ✦ Compile long-term budget for the Directorate;
- ✦ Manage and report on infrastructure implementation projects; and
- ✦ Management of Grant Funding programmes (CAPEX / RBIG / IUDG).

During the 2021/22 financial year, the PMU managed a capital expenditure budget of R 37.7 million (of which R23.7 million was an allocation from the Human Settlement Development Grant (HSDG) and Informal Settlements Upgrading Partnership Grant (ISUPG)). The PMU achieved a capital expenditure of R28.0 million (74.3%) at the end of the 2021/22 financial year.

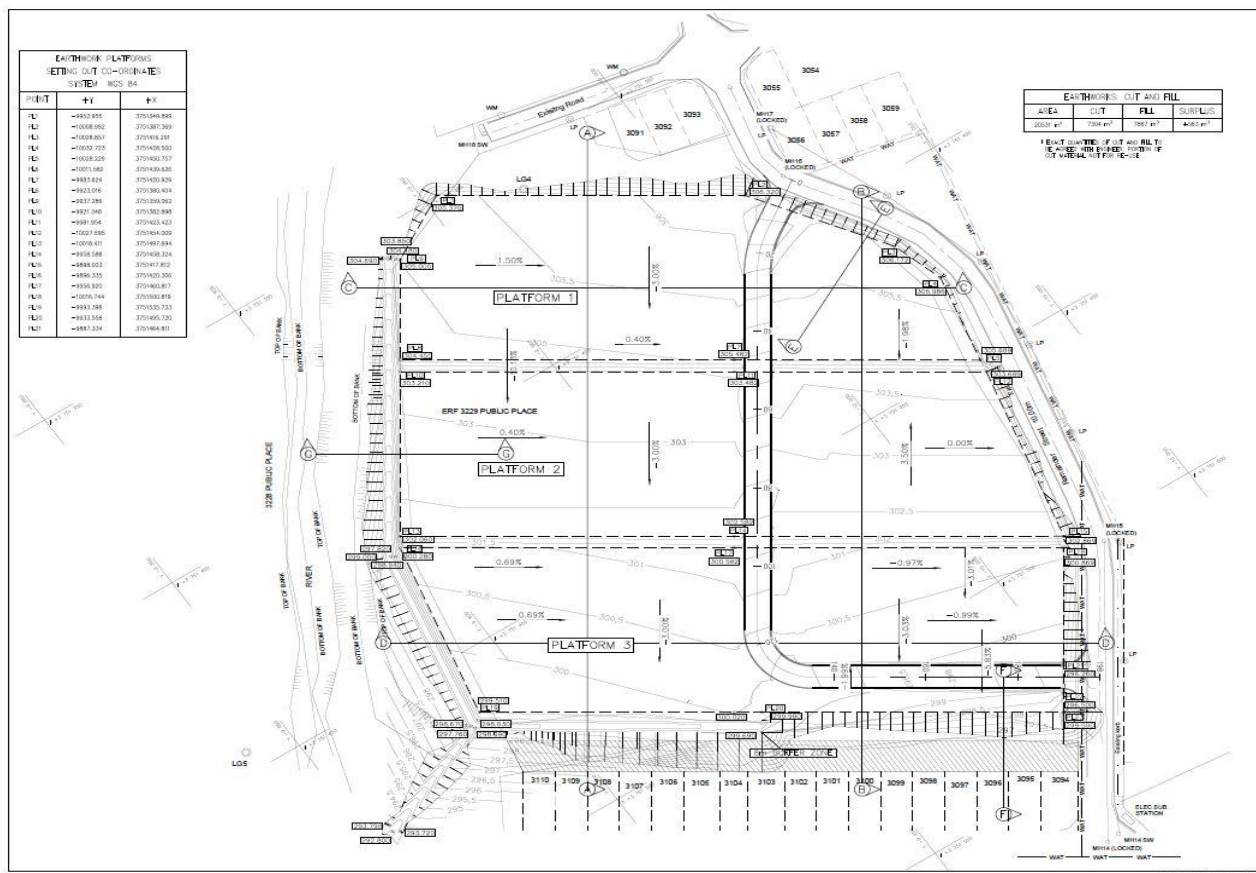
The PMU managed the implementation of in-house multi-year capital projects during the 2021/22



financial year which are indicated below.

a) Rehabilitation of Erf 3229, Franschhoek

Figure 34: Site rehabilitation and construction of bulk earthworks





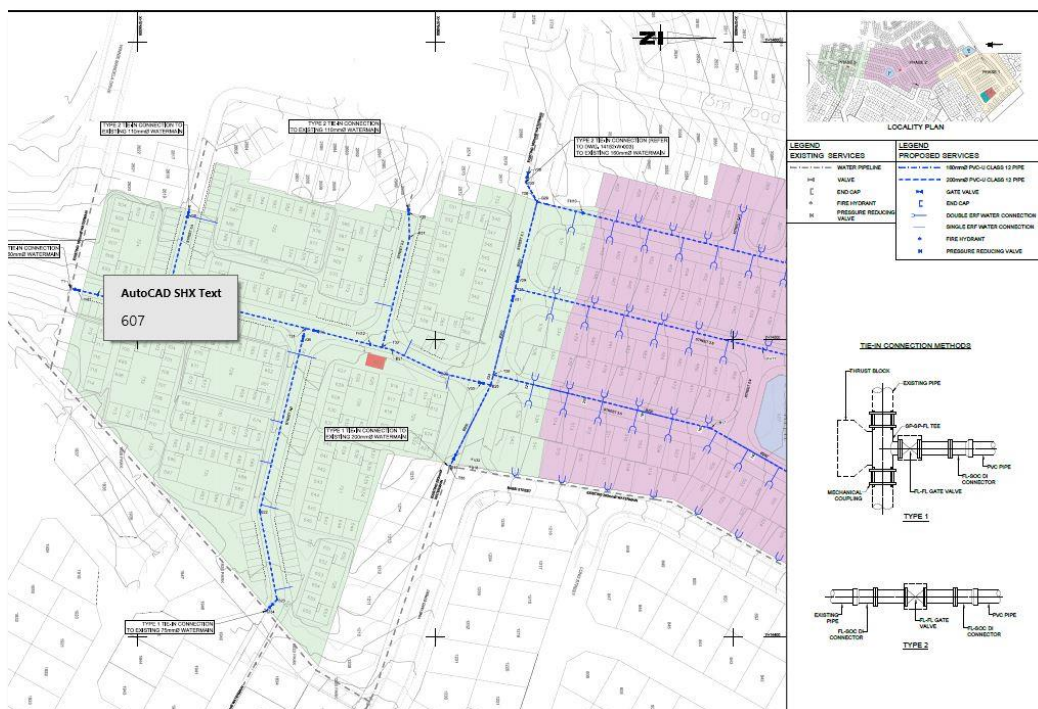
b) Installation of civil services Longlands Housing Project

Figure 35: Longlands Housing Development Project



c) Kayamandi: Zone O, Housing Development

Figure 36: The upgrade of Zone O informal settlement





d) Installation of Basic Services Kayamandi Watergang

Figure 37: Construction of basic services, Watergang Informal Settlement



e) Installation of services to 166 sites ERF 9445, Ida's Valley

Figure 38: Ida's Valley Housing Development Project





f) Upgrading of The Steps / Orlean Lounge

Figure 39: Upgrade of houses (before)



Figure 40: Upgrade of houses (after)



In the 2021/22 financial year, the Project Management Unit (PMU) provided project / programme management support to municipal departments during the planning and implementation stages of capital projects mentioned below.



g) Upgrading of New Office Space: Ryneveld Street

Figure 41: Upgrading of the NPK Building



h) Calcutta Bos Memorial Park (Directorate: Community and Protection Services)

Figure 42: Establishment of a Regional Public Cemetery and Memorial Park





i) **Taxi rank: Kayamandi (Bird Street): Section Transport Planning and Public Transport.**

Figure 43: Construction of new taxi rank (Bird Street)



j) **Jamestown Cemeteries – Directorate: Community and Protection Services.**

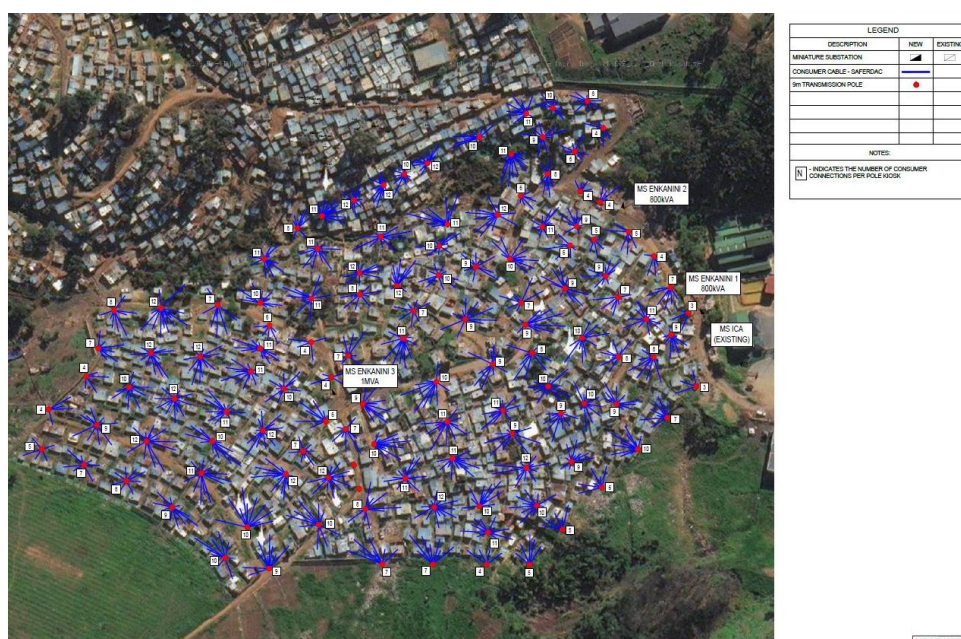
Figure 44: The upgrade of Jamestown Cemetery



Integrated National Electrification Programme – Department: Electrical Services



Figure 45: Electrification of Enkanini informal settlement



Further to the above, the Project Management Unit is responsible for the management and administration of the Integrated Urban Development Grant (IUDG). The Integrated Urban Development Framework (IUDF) marks a new deal for South Africa's cities and towns. It sets a policy framework to guide the development of inclusive, resilient and liveable urban settlements while addressing the unique conditions and challenges of integration facing South Africa's cities and towns. The key outcomes of the IUDF are spatial transformation and the creation of a growth model of compact, connected, coordinated and integrated cities and towns.

Within the IUDF's Intermediate City Municipality (ICM) programme, which targets 39 municipalities, support is provided for the municipalities in the middle size and density range of the continuum. The purpose of the ICM's support strategy is to help translate IUDF policy into practical programmes of action in the ICM's. Stellenbosch Municipality achieved **100%** IUDG expenditure (**an allocation of R56,9 million**) for the 2021/22 financial year.

3.13.2 Asset Management and Systems

Maximising municipal infrastructure management supports the current Strategic Focus Area 5: Good Governance and Compliance. As one of the largest economies nationally, the greater Stellenbosch area and municipality is a significant deliverer 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.

A sound financial basis is central to implementing any strategy. The greater Stellenbosch area is no exception. To deliver on the needs of its citizens, the municipality is required to manage revenue streams sustainably. It also needs to ensure that funds available are utilised for identified projects that have been correctly prioritised, and that value for money is achieved. The range of services to be provided is vast in scope, and citizens' and enterprises' needs vary significantly. Given the depth of needs in many communities and limited resources, tough choices have to be made. An Asset



Management System is required to support the information that will aid this type of decision-making.

The municipality is currently investigating adopting an Asset Management System, which will be built on ArcGIS technology. The web GIS-centric platform can help to streamline the care and maintenance of infrastructure assets. An ArcGIS system offers a system of record, a system of engagement, and a system of insight for asset management. Additionally, once asset data is verified and established as correct, Stellenbosch Municipality can begin to understand its infrastructure's health.

Wayleave Management also falls under this section. The collective value of services infrastructure contained within the Public Road Reserve and the road itself amounts to a considerable value. This infrastructure needs to be maintained, periodically rehabilitated and replaced from time to time. Such activities can result in considerable delays, inconvenience, danger and additional costs to the road users and the municipality itself if not well planned and coordinated. This activity is coordinated through the wayleave management function.

The monthly and annual applications are summarised in the table below, Wayleave Applications.

Table 181: Wayleave Applications

Activity	2021/22												Total
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Wayleave Applications - Received	15	18	19	20	32	2	23	24	27	15	32	13	240
Wayleave Applications - Commented on	28	10	25	15	10	11	6	23	36	13	27	9	213
% completion to date:													88.8 %

3.13.3 Development Services

The Section: Development is a section within the municipality that is responsible to manage 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 (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 rates clearance applications;
- ✦ Manages the implementation of specific developments and DC-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 2021/22 financial year, the Section: Development managed DC projects expenditure of R5.5 million and achieved a DC income of R 30.1 million.

To provide more perspective to the above, the monthly and annual applications are summarised in the table below:

Table 182: Land-use Applications

Activity	2021/2022												Total
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Building Plans- Received	63	77	75	66	98	61	39	73	98	80	151	87	968
Building Plans- Commented on within 14 days	20	43	49	36	44	22	14	50	48	59	124	20	529
% within deadline (Target = 50%)	32%	56%	65%	55%	45%	36%	36%	68%	49%	74%	82%	23%	55%
Land-use Applications - Received	16	5	18	9	8	9	7	12	20	11	17	15	147
Land-use Applications - Commented on within 30 days	8	2	7	6	4	5	5	8	14	3	12	11	85
% within deadline (Target = 35%)	50%	40%	39%	67%	50%	56%	71%	67%	70%	27%	71%	73%	58%



COMPONENT C: PLANNING AND ECONOMIC DEVELOPMENT

3.14 Town- and Spatial Planning

a) Stellenbosch and an appropriate approach to spatial development and management

The *mSDF* is a core component of, and part of the Integrated Development Plan as stipulated in Section 26(e) of the MSA and Section 20(2) of the Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013) (SPLUMA). The spatial planning system in the Republic of South Africa consists of the following components:

- ✦ Spatial development frameworks to be prepared and adopted by national, provincial and municipal spheres of government;
- ✦ Development principles, norms and standards that must guide spatial planning, land use management and land development;
- ✦ The management and facilitation of land use through the mechanisms of land use schemes, i.e. zoning scheme bylaws; and
- ✦ Procedures and processes for the preparation, submission and consideration of land development applications and related processes.

Section 8 of SPLUMA stipulates that the norms and standards must, amongst others:

- ✦ Promote social inclusion, spatial equity, desirable settlement patterns, rural revitalisation, urban regeneration and sustainable development;
- ✦ Ensure that land development and land use management processes, including applications, procedures and timeframes are efficient and effective;
- ✦ Include: -
 - (i) A report on analysis of existing land use patterns;
 - (ii) A framework for desired land use patterns;
 - (iii) Existing and future land use plans, programmes and projects relative to key sectors of the economy; and
 - (iv) Mechanisms for identifying strategically located vacant or under-utilised land and for providing access to, and the use of land.

Based on the above it is clear that the *mSDF* is not just a technical document, but the strategic spatial representation of the IDP, and also should inform a capital expenditure framework ("CEF") for the municipality's development programmes, depicted spatially. The *mSDF* "as part of" and "a core component of" the IDP further "*must include sectoral requirements, including budgets and resources for implementation*", thereby guiding the municipal infrastructure and development budget. We present the critical underlying narrative here and argue that adhering to it, through numerous individual actions and decisions – across sectors of society – is at the core of managing the development and land use in Stellenbosch better, at the heart of a better future for all.

"Stellenbosch Municipality is a special place; all of it ... its various settlements, its nature areas, farms, education institutions, its innovative corporations, small businesses, its places to visit, its places to live, its festivals, its history ... its people. In terms of its space – activities in space, landscapes, urban places, streets, and buildings – Stellenbosch Municipality continue to impress and bring opportunity, joy, and contentment; in different ways, to visitors and residents alike. Many would love to live here, work here, or visit more often. Stellenbosch Municipality has been judged as a place of high opportunity. Numerous factors combine to a recognition that this place can contribute more



to growing societal needs, in its region and our country. If one lives here, the chances are that one can make a good livelihood. Stellenbosch Municipality is truly a place of opportunity.

Many who live within the municipal area do not have adequate shelter, or the opportunity to work. Many study here, but cannot enjoy university life to its full extent, because there is a limited residential opportunities for students. Then again, many struggle in traffic every day, on congested roads, wasting time and money for fuel, even if privileged enough to own a private vehicle.

Stellenbosch Municipality's challenges increasingly impact on all, albeit in different ways. Citizens respond to challenges differently. Many owners of agricultural land have indicated a desire to develop their land for other, predominantly urban activities. These thoughts already involve a large land area, comparable to the size of Stellenbosch town. Others, tired of waiting for a housing opportunity here or elsewhere – and government support – invade land, staking a claim, the right to a place to live, on virgin land, even if the land is not suitable for development because of its agricultural and / or environmental value, is prone to risk, or allocated to someone else. Some, with the necessary material means, elect to close themselves off, to obtain a place to live in gated communities, secure from perceived threat to body and property.

The Stellenbosch Municipal Area grows, both naturally, and because more people are attracted here. Those drawn include the poor, middle- to higher-income groups, and large corporations. Stellenbosch Municipality has a special quality of accommodating hope, good opportunities, and a better life; the perception is that your needs can be met faster, your children can get access to a school promptly, or, your journey to work will be less cumbersome.

In terms of how we manage development and space, we know what direction to take. We know that we should adopt a more precautionary approach to nature and agricultural land, we know that we should contain and compact settlements, we know that we should provide more choice in shelter and housing opportunities, and that we should focus on public and non-motorised transport.

This knowledge is also embedded in policy, from global conventions to national, provincial and local frameworks, including the Stellenbosch Municipal Integrated Development Plan that include the Stellenbosch Municipality Spatial Development Framework, 2019, the legal plan which directs the municipal budget and resource allocation. It requires new ways of thinking, acting, living and doing. Higher densities, leaving the car, more interaction between groups of society sharing public space, more partnership in unlocking development opportunity, and so on.

The potential of Klipmuts to accommodate enterprises, dependent on good intra- and inter-regional logistic networks is acknowledged. Landowners realise that overcoming the resource constraints, infrastructure constraints, and the cross-subsidisation required for more inclusive development – the extent of energy needed – necessitates joint work, joint planning, and implementation of a scale and nature not yet experienced in Stellenbosch. Corporations realise that they have broader responsibility – not only in contributing to good causes concerning nature, education, or the arts, but in actively constructing better living environments. We realise that we have to forge, establish and maintain active working partnerships to make our towns better. We also have the benefit of history. In times past, we have, as Stellenbosch Municipality, changed our destiny, did things for the better. Starting with an individual idea, a thought, often through an individual, great things were done. With such ideas and actions, the town established a university, saved historic buildings and places, launched cultural celebrations with broad reach, safeguarded unique nature areas, provided families with homes, begun corporations with global reach. When a fire destroyed homes, they were rebuilt promptly with collective energy and purpose. When children needed schooling, and government could not provide, some established schools.



Often, these initiatives started outside of government, albeit assisted by the government. They were started by those who thought beyond current challenges, without necessarily being able to project outcomes over time in full. They just understood that one step might lead to another. Not all the technical detail was resolved, not everything understood in its entirety. They merely acted in terms of core principles. As matters unfolded and new challenges emerged, the principles guided them.

The mSDF, 2019 recognises that the spatial decisions and actions of many make what settlements are. It asks us to understand that plans cannot do everything, predict everything. It asks all to consider action with a few core beliefs, principles, or concepts, geared towards the common good.

b) Specifically, it asks us to consider seven principles:

1. First, maintain and grow the assets of Stellenbosch Municipality's natural environment and farming areas.

Humanity depends on nature for physical and spiritual sustenance, livelihoods, and survival. Ecosystems provide numerous benefits or ecosystem services that underpin economic development and support human well-being. They include provisioning services such as food, freshwater, and fuel as well as an array of regulating services such as water purification, pollination, and climate regulation. Healthy ecosystems are a prerequisite to sustaining economic development and mitigating and adapting to climate change. The plan provides for activities enabling access to nature and for diversifying farm income in a manner which does not detract from the functionality and integrity of nature and farming areas and landscapes.

2. Second, respect and grow our cultural heritage, the legacy of physical artefacts and intangible attributes of society inherited from past generations maintained in the present and preserved for the benefit of future generations.

Cultural heritage underpins aspects of the economy and differentiates places. Culture is a dynamic construct; forever emerging in response to new challenges, new interactions and opportunity, and new interpretations. Spatially, we must organise Stellenbosch in a manner which also sets the stage for new expressions of culture.

3. Third, within developable areas – areas not set aside for limited development owing to its natural or cultural significance – allow future opportunities to build on existing infrastructure investment, on the opportunity inherent in these systems when reconfigured, augmented or expanded.

Infrastructure represents significant public investment over generations, not readily replicated over the short term. It represents substantial assets for enabling individual and communal development opportunities of different kinds. From a spatial perspective, movement systems are particularly significant. Elements of the movement system, and how they interconnect, have a fundamental impact on accessibility, and therefore economic and social opportunity. Specifically, important is places of intersection between movement systems – places which focus human energy, where movement flows merge – and where people on foot can readily engage with public transport.



4. Fourth, clarify and respect the different roles and potentials of existing settlements.

All settlements are not the same. Some are large, supported by significant economic and social infrastructure, offer a range of opportunities, and can accommodate growth and change. Others are small and the chance to provide for growth or change is minimal. Generally, the potential of settlements to help change and growth relates directly to their relationship with natural assets, cultural assets, and infrastructure. We must accommodate change and growth where existing assets will be impacted on the least or lend itself to generating new opportunities.

5. Fifth, address human needs – for housing, infrastructure, and facilities – clearly in terms of the constraints and opportunities related to natural assets, cultural assets, infrastructure, and the role of settlements.

We must meet human need in areas where the assets of nature will not be degraded, where cultural assets can be best respected and expanded, and where current infrastructure and settlement agglomeration offers the greatest opportunity. Generally, we can help human needs in two ways. The first is through infill and redevelopment of existing settled areas. The second is through new green-field development. We need to focus on both while restricting the spatial footprint of settlements outside existing urban areas as far as possible.

6. Sixth, pursue balanced communities. All settlements should be balanced.

That means they should provide for all groups, and dependent on size, a range of services and opportunities for residents. It also says they should provide for walking and cycling, not only cars.

7. Finally, focus energy on a few catalytic areas that offer extensive opportunity and address present risk.

Planning cannot attempt to treat all areas equally. Some areas offer more opportunities for more people than others. We need to focus on the areas and actions where a significant number of people will benefit, and where we will meet their needs. There is also a need to focus on areas of 'deep' need, notwithstanding location, where limited opportunity poses a risk to livelihoods. Some informal settlements and poorer areas may not be located to offer the best chance for inhabitants, yet services need to be provided and maintained here. However, significant new development should not occur in these places, exacerbating undesirable impacts or further limiting the opportunity for people to pursue sustainable livelihoods. Spatial plans are 'partial' frameworks for action. They deal with space. Command of space is not enough to develop or manage a settlement in the interest of all. Each spatial principle, each concept, requires parallel actions in other sectors, including how we form institutions for execution, how we transport people, how we fund things, where we focus resources, and so on. The spatial principles must help us to think through these implications, action by action, decision by decision."

c) Future settlement along the Baden Powell Drive-Adam Tas-R304 corridor

As indicated above, over the longer term, Muldersvlei / Koelenhof and Vloottenburg along the Baden Powell-Adam Tas-R304 corridor could possibly accommodate more growth, and be established as inclusive settlements offering a range of opportunities. However, these settlements are not prioritised for development at this stage. Critical pre-conditions for significant development include:

- ✦ The measures required to ensure that settlements provide for a range of housing types and income groups (in a balanced manner);



- ✦ Establishing regular public transport services between settlements, including services between the expanded smaller settlements and Stellenbosch town; and
- ✦ Understanding to what extent settlements can provide local employment, in this way minimising the need for transport to other settlements.

d) Other local planning initiatives

Ideally, each of the settlements in SM should have an LSDF, applying the principles of the *mSDF* in more detail. The priority for LSDFs should be determined by the position and role of settlements in the SM settlement hierarchy but should start with the Adam Tas Corridor Development Area and Klapmuts.

e) Institutional Arrangements

The Stellenbosch Municipality has limited staffing resources within the Directorate: Planning and Economic Development, which include the departments of Development Management (Land Use Management and Building Development Management); Development Planning (Spatial Planning, Economic Development and Tourism, Development Information ("GIS") and Heritage Resource Management) and Integrated Human Settlements (Housing Development, Informal Settlements and Housing Administration).

Although, the municipality appointed two (2) Senior Managers in the position for Development Management and Development Planning in 2020, the position of the Senior Manager: Integrated Human Settlements is an unfunded post and remains vacant. Work occurs within the framework set by annually approved Service Delivery and Budget Implementation Plans (aligned with the IDP), decision-making processes and procedures set by the Council, and a suite of legislation and regulations guiding spatial planning, land use management, and environmental management (including SPLUMA, LUPA, and the National Environmental Management Act).

The Planning and Economic Development Directorate will facilitate the implementation of the *mSDF* in terms of institutional alignment, including:

- ✦ The extent to which the main argument and strategies of the *mSDF* are incorporated into annual reports, annual IDP reviews, future municipal IDPs, and so on;
- ✦ The annual review of the *mSDF* as part of the IDP review process;
- ✦ The extent to which the main argument and strategies of the *mSDF* inform sector planning and resource allocation;
- ✦ The extent to which the main argument and strategies of the *mSDF* inform land use management decision-making;
- ✦ Alignment with and progress in implementing the municipality's Human Settlement Plan and Comprehensive Integrated Transport Plan; and
- ✦ The mutual responsiveness of the *mSDF* and national, provincial and regional plans, programmes and actions (including the extent to which *mSDF* implementation can benefit from national and provincial programmes and funding). Over and above institutional arrangements in place, it appears that two aspects require specific focus in support of the *mSDF*.

f) Inter-municipal planning

The first relates to inter-municipal planning. As indicated elsewhere in the *mSDF*, SM (and other adjoining municipalities) appears to experience increasing challenges related to development pressure in Cape Town. This pressure is of different kinds. The first is pressure on the agricultural edges



of Stellenbosch Municipality through residential expansion within Cape Town. The second is migration to SM (whether in the form of corporate decentralisation, or both higher and lower-income home seekers), leading to pressure on available resources, service capacity, and land within and around the settlements of SM. While municipal planners do liaise on matters of common concern, there appears to be a need for greater high-level agreement on spatial planning for “both sides” of municipal boundaries. The spatial implications of pressure related to migration to SM could be managed locally, should there be an agreement to redevelop existing settlement footprints rather than enabling further greenfield development (as a general rule).

However, the municipality's increased resource needs to accommodate new growth – a non-spatial issue – should be acknowledged and addressed.

g) Private sector joint planning

The second relates to joint planning and action resourced by the private sector, increasingly needed for several reasons:

- ✦ The municipal human and financial resource base is simply too small to achieve the vision of the *mSDF* or implement associated strategies and plans;
- ✦ Many matters critical to implementing the *mSDF* fall outside the direct control or core business of the municipality, for example, the municipality does not necessarily own the land associated with projects critical to achieving the *mSDF* objectives;
- ✦ It is increasingly evident that individual landowners are finding it difficult to develop – to make the most of what they have – individually. Specifically, the transport and movement implications of individual proposals require strong and dedicated integration;
- ✦ Individual landowners do not necessarily control the extent of land required to undertake inclusive development, focusing on opportunities for a range of income groups. Inclusive development often requires cross-subsidisation, in turn, enabled by larger land parcels and development yields; and
- ✦ The municipality's focus is often – and understandably so – on the “immediate”, or shorter-term challenges. Much of what is needed to implement the *mSDF* or catalytic projects requires a longer-term view, a committed focus on one challenge, and cushioning from the daily and considerable demands of municipal management.

Partnerships are needed, with different agencies and individuals working in concert with the municipality to implement agreed objectives. Further, partnerships are required between individual corporations and owners of the land. The Adam Tas Corridor is a prime example: making the most of the disused sawmill site, Bergkelder complex, Van der Stel Complex, Die Braak and Rhenish complex – in a manner which contributes to agreed objectives for developing Stellenbosch town – is only possible if various landowners, the municipality, University, and investors work together, including undertaking joint planning, the “pooling” of land resources, sharing of professional costs, infrastructure investment, and so on. The municipality simply does not have the resources – and is overburdened with varied demands in different locations – to lead the work and investment involved.

h) Land Use Management

Continually ensure timeous consideration of land-use applications to streamline development processes. Municipality to strengthen integrated development planning, spatial planning and economic planning. The Department: Development Management has made significant strides in addressing and reducing the backlog i.r.o. the processing of land use applications. The number of



land use applications classified as backlog applications has been reduced significantly, which in turn has the resultant impact of creating economic development opportunities within the Stellenbosch Municipality.

The table below indicates the capital expenditure for the Department: Planning and Development Services as at 30 June 2022.

Table 183: Capital Expenditure as at 30 June 2022: Department: Planning and Development

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R'000		
Furniture, Tools and Equipment: Building Development	187	168	9.81
Furniture, Tools and Equipment	243	184	24.25
Furniture, Tools and Equipment	143	143	0
Furniture, Tools and Equipment	124	107	13.43

The Departments: Planning and Development have spent 87% of the capital budget for the financial year.

The table below indicates the total number of employees in the Department: Development Planning as at 30 June 2022.

Table 184: 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 and challenges experienced within the department as at 30 June 2022.

Table 185: Performance Highlights- Department: Development Planning

Highlight	Description
Local Spatial Development Framework for the Adam Tas Corridor	SM commenced the process to prepare a local spatial development for the Adam Tas Corridor (ATC LSDF) at the start of 2021, which is a catalytic project listed in the mSDF. The ATC LSDF was completed in September 2021 and went through a rigorous public participation process and be submitted to the Council for approval in October 2022.
Adam Tas Overlay Zone	The preparation of the ATC LSDF included drafting a concept overlay zone. The draft overlay zone will be submitted to the Council for adoption by 31 March 2023.
Correction to the mSDF (2019)	Following a legal challenge to an application that was refused based on the strength of the approved mSDF, anomalies were detected in the mSDF. These anomalies refer to the written text and certain tables in the mSDF which were discussed in Council with the consideration of the mSDF but not recorded in certain tables in the mSDF. The mSDF with the correction to the tables, as instructed by the Council in 2019 was, again approved by the Council in May 2022.
Amendments to the mSDF	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 may require the review and / or amendment of the mSDF. Council approved the process plan for the revision of the mSDF on 29 November 2021 and 30 March 2022.
Inclusionary Zoning (Housing) Policy	The approved 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



Highlight	Description
	can be delivered. The drafting of the Inclusionary Zoning Policy is undertaken in-house. A draft report was prepared and submitted to the Municipal Manager. The Inclusionary Zoning policy is being drafted with the assistance of DEA&DP and the Development Action Group (DAG) with input from a peer-review group from the Lincoln Institute. The Inclusionary Zoning policy will be submitted to the Council for approval to advertise by the latter part of 2022.
Housing Market Study	As part of the prerequisites of drafting an Inclusionary Zoning Policy, a housing market study was undertaken with the funding and assistance of DEA&DP and DHS to analyse the housing market in Stellenbosch town. A better understanding of the housing market is required to feed into and inform the Inclusionary Zoning Policy to enable the municipality to target the correct sector in the market to ensure the delivery of new affordable housing in the income bands where the need is the greatest.
Feasibility studies for land / building acquisition	Two studies for a property that potentially can be obtained by the Council, one that identified land in Klipmuts and the other a key property and building in the historical core of Stellenbosch, were completed and submitted to management for consideration. Both studies were completed in the first semester of 2022.
Precinct plan for the Rhenish complex	The Section: Spatial Planning prepared 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. The studies were completed in the last quarter of 2021 and will be taken through the public participation process, as soon as Council approves the draft to be advertised.
Intergovernmental relations	DEA&DP took the initiative to arrange for quarterly Intergovernmental Relations meetings for municipalities falling within the Greater Cape Metropole. The meetings have the mandate to discuss common issues and cross-boundary matters. The meetings are attended by all senior staff in the department.

3.15 Performance Challenges

Table 186: Performance Challenges- Department: Development Planning

Challenge	Actions to address
Approval of the ATC Overlay zone	The public participation process and ultimate approval of the ATC Overlay zone will be challenging. Landowners and developers are anticipating the approval of the overlay zone as this can and will be a major incentive towards activating the development of the ATC.
Approval of the Inclusionary Housing Zoning Policy	Stellenbosch will be the first town (except Johannesburg) to approve an Inclusionary Zoning Policy. The policy will require that developers must contribute a certain percentage of the housing delivery to a specific income band (affordable) in exchange for offset incentives (i.e. Up-zoning, density bonus, 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 obtaining Council approval with the support of developers 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 "Bosdorp", and also 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.
COVID-19	The impact of the COVID-19 pandemic on the performance of the department posed a challenge that had to be dealt with. As many engagements with clients and colleagues were in-person in the past the department had to adapt to online meetings in general. Public participation can be particularly difficult if undertaken online due to difficulty with connection problems, load shedding and access to computers – particularly amongst the less affluent communities. Working from home was one of the measures that were implemented with varying success.
Load shedding	Load shedding created havoc in the workplace as the office of the department is not equipped with electricity-generating support.



3.16 Local Economic Development (LED)

The table below indicates the highlights within the Section: LED and Tourism.

Table 187: LED Achievements

Achievement / Highlight	Description	Financial years			2021/22
		2018/19	2019/20	2020/21	
Business Interventions	Business registrations	37	37	29	n/a
	Municipal Jobseekers Database Registrations	27	n/a	181	1 767
	Advice to walk-ins	1 795	n/a	334	19
	Workshops	12	15	1	0
	Business Licences	13	2	22	19
Informal Trading	The Section: Economic Development and Tourism have several informal trading sites that were completed in the 2021/22 financial year. The completed sites are: • Cloeteville; • Kayamandi; and • Klappmuts. The only site not operational yet is Groendal, but this will be operational within the new financial year.	n/a	n/a	n/a	3
Enterprise Development and Support	Training for Stellenbosch - based entrepreneurs did exceptionally well in the 2021/22 financial year. The municipality partnered with Ranyaka and Stellenbosch Network and provided eleven (11) SMME training and mentoring workshops during the 2021/22 financial year. The types of training and mentorship programmes delivered were as follows: • SALGA training: Rural Entrepreneurship Development Programme; • Construction Information Session; • SARS Workshop; • 5 x Google Workshops; • Canva Training; • Costing and Pricing Workshop; and • Marketing Workshop. The Unit has also been very active with the processing of informal trading permits ensuring an active micro business trading in Stellenbosch.	n/a	n/a	3	11
Vacant Agricultural Property	Two (2) vacant land that was advertised during November / December 2020 is currently being evaluated in line with the Policy on the Management of Municipal Agricultural Land. The Municipal Council in July 2021 approved the re-establishment of the Operational Committee and will assist with the evaluation of the applications received to provide recommendations to the Council for the allocation of the land parcels. Land parcels will only be awarded in the 22/23 financial year.	n/a	n/a	2	n/a



3.16.1 Economic Development and Tourism Challenges

The table below gives a brief description of all the challenges within the Section: Economic Development and Tourism during 2021/22.

Table 188: LED Challenges

Description	Actions to address
Human Resources are insufficient to drive an effective economic development and tourism programme.	The current organogram for the Directorate: Planning and Economic Development remains a huge challenge, coupled with the high vacancy rate, especially within the Section: Economic Development and Tourism. This high vacancy rate makes it extremely challenging for the section to perform its function to create and coordinate the creation of an enabling environment within the economy of the Stellenbosch Municipality. The department has submitted its job descriptions as per the current organogram, and the outcomes were appealed by the department. The department has noted that a review of the organogram is required and that the job descriptions must be drafted and evaluated under the New Staffing Regulations. The department has advertised the funded vacant posts and it was found that the current salary offering does not lure the required experienced, qualified and well-trained staff to enable the Section to perform its functions.
Implementation of Infrastructure Projects	The section is currently partnering with the Project Management Unit of the municipality to implement the Kayamandi Taxi Rank. The Section does not implement any further infrastructure projects as this is not the constitutional mandate of the section.

3.16.2 EPWP Job Creation 2021/22

The Expanded Public Works Programme (EPWP) met the expected target of 1 300 as planned for the year 2021/22 with an actual of **1 439** job opportunities created.

The table below illustrates the job creation through the EPWP for the 2021/22 financial year.

Table 189: Job Creation through EPWP Projects

EPWP Projects	Number of jobs created
External EPWP Grant Projects	
IG: EPWP SPORT CLERK	2
IG: SCHOOL SAFETY PATROLS	15
IG: CEMETERIES	8
IG: CLEANING OF LIBRARIES	2
IG: EPWP JONKERSHOEK SEASONAL CLEANERS	6
I.G TITLE DEEDS	6
I.G CLEANING OF STORMWATER	10
IG: CLEANER and SECURITY INFORMAL TRADING SITE	35
IG: FIRE AND DISASTER	14
IG: EDT	25
IG: WARD OFFICE	21
IG: DISASTER FIELD WORKERS	10
IG: JAN MARAIS NATURE RESERVE	3
IG: LAW-ENFORCEMENT	8
IG: COMMUNITY DEVELOPMENT	1
IG: EPWP COMPLIANCE ENFORCEMENT	2
IG – LEARNERSHIPS / INTERNSHIPS	6
Total Projects: 17	Total Jobs: 174
Municipal Funded Projects	



EPWP Projects	Number of jobs created
TRAFFIC SERVICES ASSISTANTS AND GENERAL WORKERS	7
EPWP ENVIRONMENTAL CLERK	1
AREA CLEANING	571
FOREST GUARDS	61
CLEANING OF RENTAL STOCK MAINTENANCE	28
ABLUTIONS IN INFORMAL	20
PARKS DEVELOPMENT, SAFETY AND BEAUTIFICATION	24
NKANINI	25
BSM CLEANING OF CBD	33
RECYCLABLE WASTE COLLECTION OF THE RECYCLABLE MATERIAL AT MRF	25
ADMINISTRATION (TRAs) and EMERGENCY UNITS	8
INTEGRATED FIRE MANAGEMENT	12
MOUNTAIN TRAILS	9
INTEGRATED RIVER MANAGEMENT	11
MUNICIPAL STORES	2
BIODIVERSITY VELD REHABILITATION	10
EPWP MACHINE OPERATORS MUNICIPAL HALLS	4
COVID-19 RELIEF PROTOCOL	2
ORNAMENTAL HORTICULTURE -BEAUTIFICATION	39
DATA CAPTURING and ELECTRONIC FILLING	3
PARKS FRANCHHOEK	37
PARKING MARSHALLS	102
RENTAL STOCK	2
TITLE DEEDS	1
CLEANING OF OFFICE COVID-19 RELIEF	4
RENTAL STOCK MAINTENANCE	2
MUNICIPAL STORES	2
WATERGANG INFORMAL SETTLEMENT	28
ELECTRONIC DATA CAPTURING	2
ASLA CONSTRUCTION (PTY)LTD	10
KAYAMANDI CORRIDOR	11
BASELINE CIVIL CONTRACTORS	31
IBHUNGA CLEANING and BRICKS PAVING and PAINTING	31
NPK REFURBISHMENT	7
Total Projects: 34	Total Jobs: 1 165

Table 190: Jobs created per area

Jobs created per area					
Stellenbosch and Surrounds	Kayamandi	Franschhoek and surrounds	Dwarsriver Valley	Klapmuts	Rural areas
405	547	111	41	74	34

3.16.3 Tourism

a) Aim and function of the Tourism Section:

- ✚ Contextualise the strategic goals of tourism promotion and development funding;
- ✚ Regularise the operational functioning of external bodies appointed or supported by the municipality in its constitutional mandate toward both tourism and economic development;
- ✚ Ensure coordination of the activities of the funded entities;



- ✦ Ensure efficient oversight of funding and outcomes;
- ✦ Acknowledge and leverage private sector and independent initiatives;
- ✦ Develop sustainable tourism events and brands;
- ✦ Enable sponsorship opportunities for the commercialisation of events, brands and other opportunities;
- ✦ Smooth cyclical tourism numbers by establishing developing and implementing off-peak tourism products and initiatives;
- ✦ Develop and package opportunities and venues for business tourism;
- ✦ Enable market participation for local businesses;
- ✦ Enable training, mentorship and employment opportunities for local citizens; and
- ✦ Quantify return on investment into events and funded entities.

b) Highlights:

- ✦ The impact the Support Stellenbosch Campaign had on keeping the tourism sector afloat during the COVID-19 pandemic, which primarily focuses on domestic tourism and ensuring the patrons visit Stellenbosch was hugely successful in comparison to other tourist destinations within the Cape Winelands District;
- ✦ Visit Stellenbosch partnered with the municipality to improve the tourism experiences and attributes within the Dwarsrivier Valley, which involved engagement with the major tourism and events stakeholders within the Dwarsrivier; and
- ✦ A Memorandum of Agreement was signed with Visit Stellenbosch and Franschhoek Wine Valley Tourism based on the policy for funding organisations rendering a municipal function with the condition to integrate the sector and ensure new entrances into this sector are supported and developed.

The table below indicates the capital expenditure for the Section: Economic Development Tourism as at 30 June 2022.

Table 191: Capital Expenditure as at 30 June 2022: Section: Economic Development and Tourism

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R'000		
Establishment of Informal Trading Sites: Kayamandi	6 593	1 411	78.61
Furniture Tools and Equipment	259	181	29.81
Only the 5 largest capital projects are listed			

The Section: Local Economic Development and Tourism has spent 23% of the capital budget for the financial year.



The table below indicates the total number of employees in the Section: Economic Development and Tourism as at 30 June 2022.

Table 192: Total number of employees in the Section: Section: Economic Development and Tourism

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	2	2	50%
4 – 8	3	2	1	33.3%
3 – 0	0	0	0	0
Total	8	5	3	37.5%

3.16.4 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, which 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 to update the Stellenbosch Municipality Heritage Inventory, which was done in partnership with the Stellenbosch Heritage Foundation. The municipality intends to further expand on this partnership to ensure that the heritage inventory is continually updated.

The Section has also undertaken a process to review and amend the Stellenbosch Municipality Signage, Advertising and Poster Bylaw with the Directorate: Engineering Services. This bylaw will be adopted and promulgated during the 2022/23 financial year.

3.16.5 Geographic Information Systems (GIS)

The 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 provides 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 the electronic and online submission of building plans- and land use applications. Through this process, the Section have developed the Building Plan Application Management System ("BPAMS") and the Town Planning Application Management System ("TPAMS"). These systems will provide residents and potential developers to submit their development applications online, and also monitor the progress of their respective applications.

Currently, BPAMS is fully operational and will be launched with TPAMS during the next financial year.



COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.17 Libraries

Libraries are a significant aspect of society that without exception benefits a cross-section of communities. These not only include the local communities and students but also individual entrepreneurs and small business owners. Small businesses are a core ingredient to a thriving community with a strong economy. Libraries offer services to entrepreneurs that aim to provide both business support and a foundation to keep the talent and energy of these small business owners local.

Developing and expanding programmes and services for entrepreneurs' libraries boost and sustain the development of community economies. Economic, literacy and numeracy development is a priority of the country and locales. Post-COVID-19, the Stellenbosch libraries continue to innovate for 21st-century 4IR literacy and numeracy which would impact and develop the economy. Libraries continue to demonstrate their current and future relevance in a changing world.

Another important focus of the Section: Libraries over the last year was that of the Early Childhood Development Services and resources.

"The most effective way to mitigate the risk factors is to give children living in poverty access to essential early childhood services, such as early learning opportunities, during early childhood" (Berry, Biersteker and Dawes, 2013:26; Biersteker, 2012:53).

Sustainable Development Goal 4 speaks to quality Early childhood Development education. In the South, most pre-school children find themselves in impoverished situations. Families cannot afford to be the sole providers of play-based early learning opportunities. This has resulted in a very successful programme being rolled out at the Groendal Library.

The success of this programme has resulted in the nomination of the library by SAHA and DCAS to showcase the municipality's ECD programmes within the community, at the 2021/22 DUBAI EXPO in Dubai.

Table 193: Total number of libraries

Item	Description	Total number
Libraries in the WCO24 Area	Public Libraries:	
	✚ Kayamandi, Cloetesville, Ida's Valley, Jamestown, Stellenbosch, Pniël, Groendal and Franschhoek	8
	✚ School / Public Libraries ✚ Koelenhof and Klappmuts	2
Library staff (Permanent)	Library Manager	1
	Senior Librarians	4
	Senior Library Assistant	4
	Library Assistants	22
	Library Aid / Cleaner	8
	IT Cadet	1
	Admin Assistant	1
	Book Shelves	1
Vacancies (including Conditional Grant Funded vacancies)	Senior Librarians	4
	Senior Library Assistant	3
	Library Assistants	13



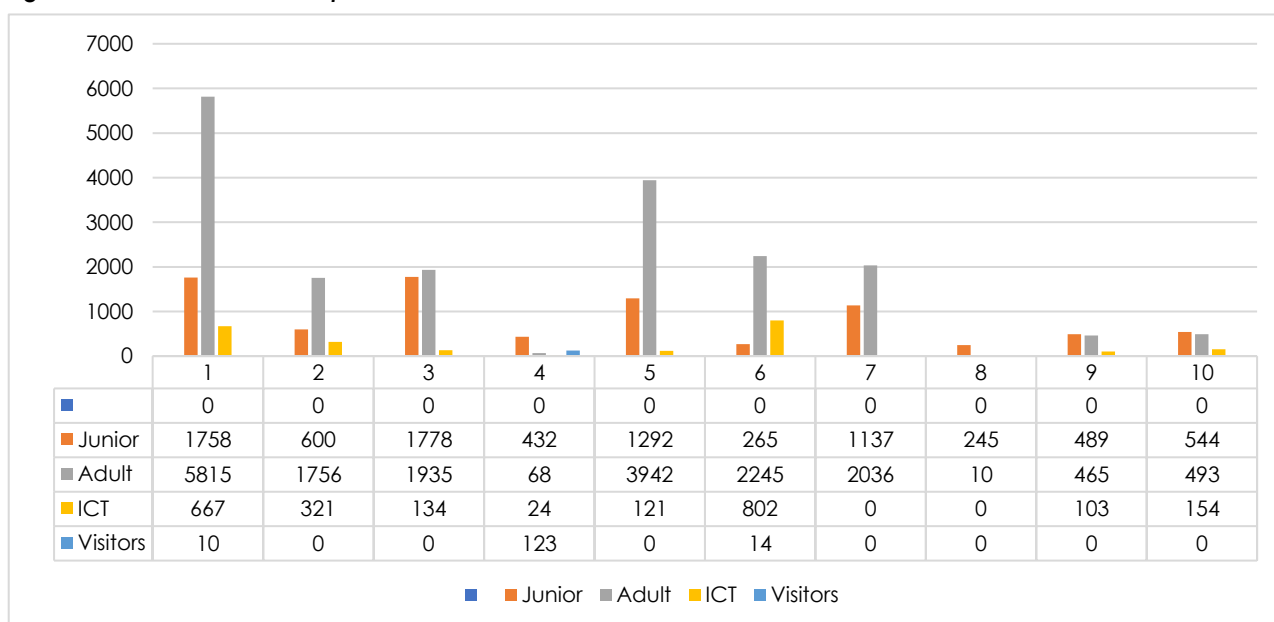
Item	Description	Total number
	Library Aid / Cleaner	3
	IT Cadet	1
	Admin Assistant	1

Municipal libraries were closed due to the COVID-19 pandemic and have still not recovered from the results of this closure. Libraries are continually repackaging and repurposing services and information. The Section: Libraries have embarked on a major marketing programme to bring "feet" back into the libraries again. The municipality has also considered requests from communities and with the assistance of DCAS have introduced an E-Book service to the public.

Library halls are once again being used by the public as well as for library-related marketing activities.

The graph below illustrates the membership statistics for the year under review.

Figure 46: Libraries membership statistics



The Section: Libraries has over the last year formed many public and private partnerships with the communities within the WCO2 Area.

Table 194: Libraries partnerships

Cloetesville		
Chennels Day care	Day Care	A partnership with the Day Care to create a love for books through literacy activities in the form of storytelling, puppet shows and song and dance activities.
Little builders Crèche	Crèche	Assist with the promotion of literacy and numeracy by introducing 3 – 5 years toddlers to books and other ECD activities such as puzzles, lego and storytelling.
Kayamandi		
Loxton Foundation		Loxton Foundation assists the Kayamandi community. They create opportunities to discover talent amongst township youth and give them a platform to grow.
Pniël		
Dwarsrivier Tourism		Partnering to bring services to the community of Dwarsrivier. Hosting the event to enrich the community.



Community development		The partnership aimed at bringing various services to the community of Dwarsrivier. Hosting the event to enrich the lives of the community.
Groendal Library		
Inceba Trust	Mother and Child Book sharing	Focus on training illiterate parents to do book sharing with their children / grandchildren by looking at the pictures and telling the story.
Inceba Trust	Training of ECD employees	Inceba Trust is responsible for the training, whilst Groendal library assists with storytelling and recommending books per theme.
Adopt-A-Crèche	Outreach to underprivileged children from an informal settlement	Teaching children, basic hygiene, literacy and numeracy skills by exposing them to ECD / crèche activities. Inceba train the parents w.r.t. the Parent and Child Book Sharing Programme.
Inceba Trust Toy Library	ECD Toy Library	The aim is to incorporate the Toys into the ECD section at Groendal Library. As part of this initiative, free training will be presented to Stellenbosch Library staff i.t.o. ECD programmes / activities and the usage of educational toys.
ECD / Crèches	Wemmershoek, La Motte, Groendal, Langrug, Bosbou areas	17 crèches are receiving block loans for books linked to their weekly theme. 2 visits per month for block loans and 1 storytelling / outreach per month are presented at each crèche.
CWP Community Work Programme	Unemployed people employed through the CWP initiative	The Community Work Programme (CWP) is a government programme aimed at alleviating poverty and curbing unemployment. The work rendered by the CWP workers includes cleaning the Library, tidying shelves, assist with preparing new library material (covering of books, tattle-tape etc.). The garden and outside areas are also maintained and cleaned by the workers.
READ-TO -LEAD	Literacy Project in Partnership with BED students: Stellenbosch University	A group of postgraduate Bachelor of Education students assist learners at schools to promote literacy and numeracy at schools.
Franschhoek Literacy Festival / Nali'Bali	Storytelling workshop	The workshop is aimed at exchanging ideas / guidelines for pre-school and primary educators / librarians and authors
ECD / Crèches	ECD creches in Groendal area: "Informal creches "	ECD Centres / Crèches are invited to make use of the educational toys / books at the Groendal Library.
Groendal Housebound members	Book exchanges to housebound / elderly patrons	Bringing the Library to the community. Visits are done twice a month to deliver library material to the housebound. Visit new potential members to form part of the outreach.
Community of Groendal	Friends of the Library	Currently in process of establishment: "Friends of the Groendal Library."
Maker-space	Children Gr R – Gr 12	Currently in Discussions with Groendal Primer and retired educators in the Groendal / Franschhoek area to assist with the rolling out of the "Makerspace" programme. The focus will be on S.T.E.M (Science, technology, Electronics, Mathematics). The idea is to expose the children to science, mathematics, technology and electronics. The Programme will be linked to the school curriculum.
Hospice Stellenbosch		Partnering to bring services to the community of Dwarsrivier. Hosting activity events to enrich the lives of the Hospice community. And promote wellness within the community.
Stellenbosch Traffic Department		Partnership with the traffic department to teach young children about the importance of road safety.
Read to rise		Partnering with Read to rise organisation to promote reading in young children.
Franschhoek		
Dennegeur Agri Village	Crèche	Bringing the Library to the farm children. Storytelling and activity are done 2 x a month.
Franschhoek Museum	Combined programmes	A combined effort to do outreach and literacy programmes.

**Table 195: Library Services**

Type of service	2018/19	2019/20	2020/21	2021/22
Libraries				
Number of libraries	9	11	10	10
Library members	142 616	26 293	28 620	264 07
Books circulated	323 200	192 503	53 025	145 567
Exhibitions held: Adults	312	304	225	356
Exhibitions held: Children	316	232	160	176
Internet access points	32	36	20	20
Internet sessions granted to library users	53 013	17 818	5 406	8 067
Children's programmes	243	447	25	219
Number of children attending programmes	4 512	11 121	458	435
Visits by school groups	254	47	18	45
Book group meetings for adults – old age homes	102	128	0	100
Primary and Secondary Book Education sessions	975	25	7	3
Patrons visits @ Library	398 200	271 621	56 548	45 652
Library Hall usage	356	545	48	400
Total number of Project and Pamphlet files developed	N/A	696	170	176
Total number of books reviewed	N/A	214	209	198
In-House usage	N/A	77 783	1 868	2 456
Book group meetings for adults – old age homes	N/A	128	0	34
Primary and Secondary Book Education sessions	N/A	25	0	2

Libraries partnerships

The table below indicates all the libraries and its partnerships within the Stellenbosch area.

Table 196: Libraries partnerships

Cloetesville		
Little Builders	Nora Tyers Crèche	Provision of support with story-time sessions and literacy activities.
Pniël		
Section: Community Development	Stellenbosch Municipality	The partnership involved hosting community outreach activities together. The target group was adults and the elderly. Held a Mental Health Wellness Day in March 2022 to highlight the effect of the COVID-19 pandemic on mental health. The library assisted the Section: Community Development with identifying speakers for the event as well as interested community members. The library provided the venue and the Section: Community Development created the programme and provided catering and gifts.
Ida's Valley		
E'Bosch Heritage Project	Existing partnership	New partnerships could not be formed due to the COVID-19 pandemic.
Groendal		
Mphozisi Qalekiso Arts Foundation	Existing Partnership	Worked together to celebrate Africa Day in Groendal.
Kayamandi		
Loxton Foundation	Existing Partnership	Partnership to encourage youth to read and write poetry.



Stellenbosch / Jamestown / Franschhoek / Klapmuts / Koelenhof / Kayamandi

READ TO LEAD

Challenges facing Libraries

The combination of severe budget cuts and a moratorium on filling staff vacancies are making it harder for public libraries to keep technology updated, provide basic library resources, fund new projects, repair and maintain library buildings or just keep the library service available for the public.

It is evident that more people are turning to digital resources like eBooks, podcasts and online databases for their information however this doesn't mean that libraries are becoming obsolete. The municipality finds itself repacking and repurposing information and resources. With the assistance of Provincial Library Services, the municipality can offer an e-book service to the patrons.

However, with community needs for change and the introduction of digital services, the municipality is faced with the challenge of qualified and skilled staff. Libraries are highly under-resourced in terms of qualified personnel, and physical and digital resources which ultimately results in low patronage of library facilities.

The move to digital and non-print technologies will ensure patron engagement with libraries way into the future.

The table below indicates the capital expenditure for the Section: Library Services as at 30 June 2022.

Table 197: Capital Expenditure as at 30 June 2022: Section: Library Services

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R'000		
Cloetesville: Furniture, Tools and Equipment	34	12	64.95
Libraries: Small Capital	115	70	38.88
Library Books	170	149	12.15
Upgrade Stellenbosch Library	2 302	275	88.05
Upgrading: Cloetesville Library	190	75	60.65
Only the 5 largest capital projects are listed			

The Section: Libraries has spent 21% of the capital budget for the financial year.



The table below indicates the total number of employees in the Section: Library Services as at 30 June 2022.

Table 198: Total number of employees in the Section: Library Services

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
		Number		
18 – 22	1	1	0	0
14 – 17	1	1	0	0
9 – 13	4	2	2	50%
4 – 8	25	23	2	8%
3 – 0	0	0	0	0
Total	31	27	4	13.3

3.18 Cemeteries

Stellenbosch Municipality is responsible for the maintenance and management of six cemeteries in the greater Stellenbosch. Jamestown, Pniël and Groendal have reached their capacity, whilst Wemmershoek and Franschhoek South and North are fully operational. Onder-Papegaaiberg Cemetery is also to capacity [only reserved graves available]. A new cemetery in Kylemore is currently being established.

Consultants were appointed (3 years + project) to assist Stellenbosch Municipality with the identification and planning of two regional cemetery sites to 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 licences have been received for the commencement of the new Stellenbosch Memorial Park situated alongside the R304 planned at the site known as the Calcutta bush.

The objective of the Section: Cemeteries is to provide adequate burial space and ensure a dignified burial.

Challenges:

- ✦ the shortage of burial space;
- ✦ to convert burial records to electronic soft copies (in progress as per the five-year plan); and
- ✦ to promote alternative burial methods such as e.g., Cremations amongst various religious groups.



3.18.1 Income – Cemeteries

The table below indicates the income generated from the financial years of 2018/19 – 2021/22.

Table 199: Cemeteries Income

Gravesite locations	2018/19		2019/20		2020/21		2021/22	
	Number of Burials	Income	Number of Burials	Income	Number of Burials	Income	Number of Burials	Income
Onder-Papegaaiberg	24	R50 389	103	R87 791	35	R25 033.80	45	R47 606.76
Jamestown	356	R900 294	478	R1 321 781	396	R937 642.21	324	R945 184.90
Pniël	11	R7 855	17	R13 676	5	R9 740.42	15	R4 528.10
Wemmershoek	9	R7 650	26	R27 219	9	R8 341.70	83	R18 187.41
Franschhoek North Groendal	38	R40 710	39	R11 052	18	R4 056.18	10	R46 552.08
Franschhoek South	54	R45 580	140	R80 172	30	R53 305.60	22	R109 943.04

The table below indicates the capital expenditure for the Section: Cemetery and Parks Services as at 30 June 2022.

Table 200: Capital Expenditure as at 30 June 2022: Cemetery and Parks Services

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R'000		
Extension of Cemetery Infrastructure	1 011	1 007	-0.37
Purchase of Equipment	131	130	-0.40

The Section: Cemeteries has spent 99.63% of the capital budget for the financial year.

The table below indicates the total number of employees in the Section: Cemeteries as at 30 June 2022.

Table 201: Total number of employees in the Section: Cemeteries

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	1	1	0	0
4 – 8	3	2	1	33.3%
3 – 0	10	10	0	0
Total	15	14	1	7.14%

3.19 Child Care; Aged Care; Social Programmes– Community Development

The Section: Community Development is thankful for having been able to reach out to communities again post the COVID-19 pandemic. During engagements in the past year, it also became evident to what extent communities were hungry for interaction and reaching out to each other – albeit hesitantly at the start and from behind masks.



This was also the first year for which a formal agreement in terms of service delivery was signed between the municipality and the Department of Social Development.

Table 202: Service Statistics – Child Care, Aged Care, Social Programmes

Focus area	Description	Ward	Activity
Early Childhood Development Services / Children	- Capacity Building of ECD Practitioners; - Initiatives in awareness programmes (ECD children); - ECD Registration Compliance; - Strengthening and Establishing ECD Forums; - Transversal committees / Adhoc committees; - Awareness Programmes	All	↓ ECD Registration drive with 123 organisations in the ECD sector to identify and prioritise registration compliance obstacles experienced by ECDs and service organisations.
		12	↓ 12 ECDs assisted with Financial Management Training.
		ALL	↓ GIS plotting of 139 ECD Facilities
		18, 20	↓ Working on Fire training for 73 ECD facilities.
		3, 12-15, 18-19	↓ Holiday Programmes reaching 833 children.
		All	↓ Greater ECD Quarterly Engagement with 170 ECDs.
		1, 2, 12-15, 18	↓ 39 ECD Practitioners completed the Indaba Core Curriculum training by the Sustainable Institute.
		4, 6, 7, 16, 18, 19	↓ 27 ECD practitioners completed the Child Sexual Behaviour training
		2, 5, 12, 14, 16, 19	↓ 20 ECD practitioners completed the 3-year Cotlands training.
		7, 10, 12, 13	↓ Partial Care registration updates for 6 facilities.
		1, 2, 12-15, 18, 21	↓ Back to School programme reaching 685 children.
		18	↓ 25 Foster parents and children participated in the parenting training session with DSD.
		12-15	↓ Awareness session on fire safety, literacy and human trafficking with 150 children during library week.
		12-15	↓ 25 Gr 7 learners participated in the outreach programme Inkuthazo Yesizwe at Ikhaya Primary.
		All	↓ 1 278 children participated in the Child Protection Week activities.
Persons with Disabilities	Awareness and Wellness programmes Universal Access	1, 2, 12-17	↓ 69 persons with disabilities participated in the disabilities sport day.
		All	↓ The municipality participated in and published a link to the Disability Information Portal on the municipal website.
		5, 6, 12, 17, 20	↓ 62 youths from the community were trained in sign language.
		5, 6, 12, 13	↓ 100 persons were made aware of Epilepsy and how to deal with it in the community.
		5, 6, 12-15, 18	↓ 10 Inclusive Public Transport Surveys



Focus area	Description	Ward	Activity
			were completed.
		20	19 elderly persons attended the epilepsy awareness session.
Older Persons	Special Events and Awareness programmes	3, 4	35 elderly persons participated in a Heritage Day event.
		12-17	37 elderly and Persons with disabilities participated in a wellness programme.
		3	A session attended by 15 persons regarding the establishment of a local elderly forum.
		3-6, 12-17	8 Clubs participated in a follow-up capacity-building session.
		3-6, 10, 12-17	320 elderly persons participated in the regional golden games.
		1-6, 12-17, 20	165 elderly participated in the Elderly Abuse awareness day.
Gender	Special Events and Awareness programmes	18, 20	Women's Day with 60 women.
		1-2, 5, 12-15, 18, 21	Fatherhood Programme with 16 men 72 Men attended the father appreciation day.
		1, 2, 12-14, 18	186 widows participated in an empowerment programme.
		12-15	Wellness day attended by 23 diabetic persons.
		18	27 men and women participated in the breast cancer and men's health programme.
		12-15	Supported the Help a Girl Organisation to adopt 5 schools within which they will roll out their programmes.
		ALL	16 Days of Activism Launch attended by 118 persons. 16 Days of Activism community projects attended by 318 persons. 56 men participated in the 16 Days of Activism Summit. 19 Foster Care Parents completed the GBV training during 16 Days of Activism.
		All	Officials attended Roses on the River, World Aids Day commemoration of @heart.
		12-15	20 young ladies participated in the Girls Support group for GBV.
		12-15	38 boys participated in the becoming men's soccer tournament.
Youth	Youth Empowerment programmes Youth Capacity Building Transversal committees /	12, 13, 16, 17	Life Skills Training by National Youth Development Agency for 20 youths.
		1, 2	NPO registration of 9 Youth Organisations.



Focus area	Description	Ward	Activity
	Adhoc programmes	1, 2, 16-18	✚ Mobilising 21 youths to enrol in the Chrysalis Academy programme.
		5, 6, 12-15	✚ Accredited skills development for 12 youths as professional waiters
		1, 2	✚ 19 young fathers were trained in fatherhood skills.
		12-15	✚ Inkuthazo Yesizwe Sport Coaching summit by the university with 37 coaches to upskill them in working with young athletes.
		1-3, 5-6, 12-17	✚ Accredited training to 24 youths in 5-star table attendance. ✚ Accredited training to 12 youths in food handling. ✚ Accredited painting training was done with 13 youths.
		1-6, 10-21, 23	✚ 80 youths applied and participated in the learner and driver's licence programme.
		3, 5, 6, 16, 17, 20, 21	✚ 94 youth participated in the job-readiness programme in partnership with DSD.
		16, 17	✚ 60 youths participated in the Human Rights Day: Anti-bullying campaign.
		All	✚ Youth Day was celebrated by 165 youth.
		5, 6, 16, 17	✚ 11 youths completed the data literacy workshop conducted by Open-Up and the Cloetesville e-centre.
Vaccination registration	Assistance to the DoH with the mobilisation of persons for vaccination and with administration at the van der Stel Hall	All	✚ 350 ECD practitioners mobilised for vaccination. ✚ 1 293 persons assisted at various sites ✚ 54 homeless persons mobilised for vaccination.
Grant in aid	Donations to community organisations serving among others: youth, gender, ECDs, Old Age Homes, Health Organisations and Sport Clubs	All	✚ 1 Financial Management workshop with 8 organisations. ✚ 3 compulsory clarification workshops with 288 organisations. ✚ See the table below regarding the approved donations.
People on the street	Development, awareness raising through collaboration and services rendered	All	✚ Mandela Day: Motivation and marketing of the general public to support the Give Responsibly Campaign along with the NGOs associated with the campaign.
		1, 2, 4, 5, 7-11, 16, 20	✚ Mask-up campaign: distribution of masks to 153 persons and raising awareness on the necessity of wearing masks and keeping social distance.
		7-10	✚ Refer 6 persons through the Restorative Justice Programme. ✚ Assist churches with food provision to 25 homeless persons.
		All	✚ Give Responsibly marketing via



Focus area	Description	Ward	Activity
			Facebook and during the Festive Season Safety Campaign.
		All	91 homeless persons benefitted from the human rights outreach programme.
Food Security	Food provision by NGO partners (Feeding in Action and Stellcare) to communities in need	All	1 043 314 meals distributed.
Social Relief of Distress	Provision of food parcels, blankets, mattresses, vanity packs and warm food according to the need due to disaster incidences	ALL	1 476 individuals were assisted during 94 incidents.

The table below indicates the number of Grant in Aid applications recommended and approved for the year under review:

Table 203: Number of Grant in Aid applications recommended and approved

Sub Category	Applications Recommended and Approved	Recommended Amount R
2021/22		
General Soc Dev	6	237 500
ECD	36	1 320 000
Disability	4	142 782.66
Elderly	4	152 000
Youth	8	302 687.57
Substance Abuse	2	80 000
Gender	1	40 000
Food Security	1	40 000
People living on the street	1	1 473 230.14
Skills Development	2	80 000
Physical and Psychological Health	2	80 000
Environment	1	40 000
Sport Clubs	18	675 979.10
Art and Culture	4	160 000
Total	90	4 821 179.47



The table below indicates the total number of employees in the Section: Community Development as at 30 June 2022.

Table 204: 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	1	1	0	0
14 – 17	1	1	0	0
9 – 13	1	1	0	0
4 – 8	7	7	0	0
3 – 0	0	0	0	0
Total	10	10	0	0



COMPONENT E: ENVIRONMENTAL PROTECTION

3.20 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. The Mont Rochelle Nature Reserve EMP was adopted by the Council in 2022. Papegaaiberg Nature Reserve has an approved EMP, currently under review along with Jan Marais Park's EMP. The Paradyskloof Nature Area was accepted by the Council in 2019. A first draft EMP has been completed for the Ida's Valley Dam- / Botmaskop area, which will be advertised for public input by 31 December 2022. 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 Council.

An Air Quality Control By-Law, as well as a Noise Control Policy, has 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 on 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 205: 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
Farm land 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 206: 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



2019 Complaints	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Farm land burning	2	2	3	3
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 207: 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
Farm land 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 208: Air Quality Complaints 2021

2021 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
Farm land burning	3	0	0 (July. 21 only)	0
Crop spraying	6	2	2 (July. 21 only)	0
Offensive odors	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 209: 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
Farm land burning	3	0	0 (July. 21 only)	0
Crop spraying	6	2	2 (July. 21 only)	0
Offensive odors	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



- ✦ 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**

3.20.1 Environmental Implementation

Stellenbosch Municipality works closely with the Department of Environmental Affairs and Development Planning in reporting on illegal activities, as well as administering the rehabilitation action of Section 30 (National Environmental Management Act, 107 of 1998) Emergency Incidents.

3.20.2 Urban Forestry

The aim of the Urban Forestry Sub-section is to facilitate the planting, protection, blanking, maintenance and long-term management of all trees located on the municipal property through tree management (arboricultural) practices, thus promoting a sustainable development approach. This approach is geared towards making WC024 the greenest municipality in South Africa through Urban Forestry practices which guides investors towards future sustainable development.

Table 210: Management of trees in WC024 – Urban Forestry

Type of service	2019/20	2020/21	2021/22
Management Trees in WC024			
Tree planting programme	60	7	162
Pruning of trees	129	1 300	700
Felling of trees	16	51	45
Stump grinding of trees	5	67	11
Spraying of oak trees	3	500	500
Root barrier management	6	5	11
Wayleaves	65	150	332

The table below indicates the total number of employees in the Section: Environmental Management.

Table 211: Total number of employees in the Section: Environmental 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	5	5	0	0
4 – 8	8	6	2	0
3 – 0	8	8	0	0
Total	24	22	2	8.69%



COMPONENT E: SECURITY AND SAFETY

3.21 Law Enforcement

The primary role of Law Enforcement is by-law enforcement and the protection of municipal assets and staff. The function includes the monitoring and prevention of municipal land- invasion of which the responsibility is shared between Community and Protection Services and the Section: Informal Settlements.

A 24/7 control room is in place as well as the monitoring of crime hot areas through CCTV cameras. Licence Plate Recognition Cameras (LPR) have been installed at all entrances / exits to Stellenbosch and Franschhoek towns with several LPR cameras installed on minor roads which are used regularly by thoroughfare traffic to avoid congested areas during peak times. This has proven to be very successful in the combatting of crime and crime prevention initiatives.

Highlights:

- ✦ Weekly operational planning with key stakeholders (SAPS and other safety partners);
- ✦ Revamp of control room concluded and operational to ensure more efficient service delivery; and
- ✦ Purchased a multi-purpose armoured vehicle to effectively deal with land invasions.

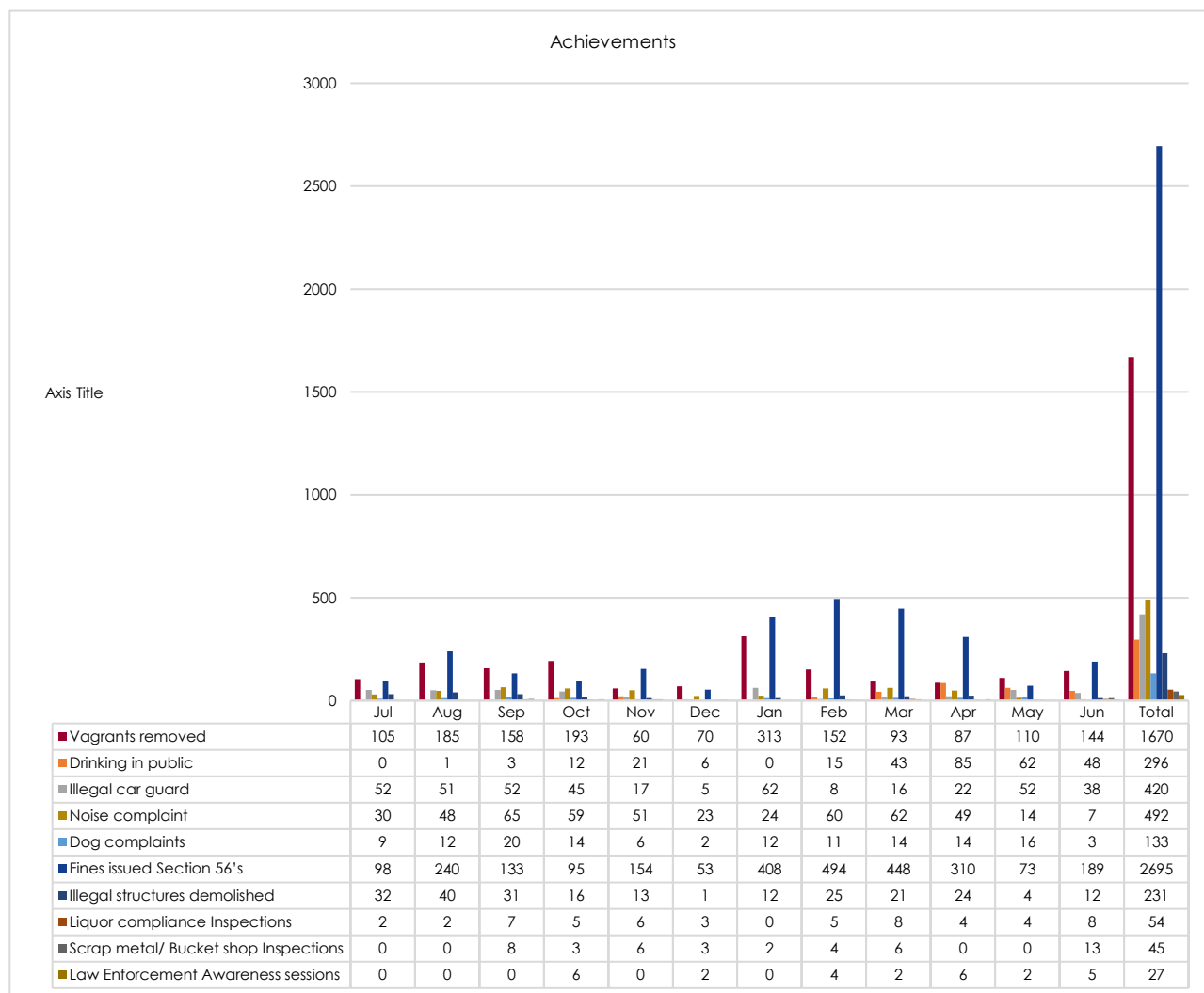
Challenges:

- ✦ To render a 24/7 Law Enforcement patrol service;
- ✦ Increase and maintain surveillance of key places;
- ✦ Prevent land invasions;
- ✦ Insufficient staff to fulfil operational requirements; and
- ✦ Insufficient office space to accommodate departmental staff.

Law Enforcement attended to the following from 01 July 2021 to 30 June 2022:

Table 212: Law Enforcement highlights

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Vagrants removed	183	180	346	162	163	31	223	228	109	216	288	273	2 402
Drinking in public	5	4	5	2	36	2	9	8	18	2	1	5	97
Illegal car guard	41	87	130	78	85	12	136	73	22	77	95	16	852
Noise complaint	13	30	62	28	19	11	39	11	18	19	33	36	319
Dog complaints	3	4	28	18	11	3	13	10	4	5	7	14	120
Fines issued Section 56's	30	59	47	144	164	111	92	81	118	59	88	143	1 136
Illegal structures demolished	7	5	19	19	11	17	9	22	10	27	30	47	223
Liquor Compliance Inspections	11	6	27	5	7	2	5	4	4	5	4	3	83
Scrap metal / Bucket Shop Inspections	5	13	5	6	4	1	17	6	5	7	3	5	77
Law Enforcement Awareness sessions	4	6	4	7	0	6	2	4	2	1	3	1	40

**Figure 47: Law Enforcement Statistics**

3.21.1 Traffic Law Enforcement

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; removal of 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; pedestrian education and compliance; eradication of corruption; administrative compliance and overall improvement of enforcement systems. This includes additional hours and Saturday operations at the Admin Section and a new approach to Law Enforcement strategies.



3.21.2 Highlights and challenges for Traffic Law Enforcement

Traffic Law Enforcement strategies have managed to yield good results;

In the 2021/22 financial year, Traffic Service has continued with the delivery of its Traffic and Pedestrian Safety Programme which entails a team of two traffic officers who focuses 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. 86 awareness initiatives on public safety were held at targeted schools in the municipal area.

Another area of concern was the education of farm workers in the municipal area. The focus was on traffic rules for pedestrians, which included a safe crossing of the road, and the wearing of visible clothing, especially during winter, early in the mornings and late at night.

Jaywalking (which occurs when a pedestrian walks in or crosses a roadway that has traffic, other than at a suitable crossing point disregarding traffic rules) has been another intervention as many pedestrians are killed or injured while jaywalking.

a) Challenges:

- ⚠ Limited human resources;
- ⚠ The capacity of the DLTC – restricted the municipality to performing tests; and
- ⚠ Vehicle Testing Station Infrastructure challenges and staff shortages.

It is observed that Stellenbosch is fast growing to be a choice of employment and business hub, however, the municipality's resources do not enable it to be on par with such development. This limitation may project a negative reflection on the municipality's core function.

b) Service Statistics – Traffic Services

Table 213: Service Data for Traffic Services

Details	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Number of Traffic Officers on duty on an average day	28	28	30	30	19	20
Motor vehicle licenses processed	153 119	80 472	77 374	69 338	88 004	86 075
Learner driver licenses processed	5 200	4 560	8 677	3 273	3 538	6 104
R-value of fines collected	28 652 120	23 773 325	26 557 540	23 138 195	18 360 490	21 040 506
Roadblocks held	25	156	205	267	1 085	1 108
Special functions – escorts	144	157	170	42	63	86
Awareness initiatives on public safety	120	211	104	75	110	86

Table 214: Additional Service Data of Traffic Services

Description	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Accidents						
Fatal	21	11	33	15	16	6
Serious injuries	76	66	71	60	48	22
Slight injuries	517	330	428	306	276	228
No injuries	2 551	3 145	2 979	2 450	1 749	2 410
Reckless / careless: case	48	52	24	21	14	31



Description	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
dockets						
Culpable homicide: case dockets	17	18	18	9	10	14
Pedestrians: fatal	10	06	11	8	4	3
Pedestrians: serious injuries	29	34	21	42	14	12
Pedestrians: slight injuries	106	68	98	110	60	32
Learner's licences						
Appointments	5 200	4 560	4 915	3 464	4 057	3 972
Applications passed	2 958	2 829	2 829	2 201	2 360	1 976
Duplicate request	112	136	110	96	131	100
Applicants tested	4 462	4 146	4 025	3 223	3 407	3 118
Applicants failed	1 890	1 601	1 465	1 072	1 081	1 105
Applicant absent	644	335	414	386	339	303
Driver's licences						
Appointments	2 382	2 323	1 739	1 442	2 853	2 435
Conversions	9 018	9 492	9 172	7 521	7 185	8 522
Applicants tested	1 615	1 640	1 348	1 276	2 215	2 211
Driving licenses issued (temp)	4 492	4 692	5 070	3 604	2 948	3 933
Applicants passed	824	729	594	564	1 078	1 092
Applicants failed	988	1 090	823	711	1 137	1 046
Applicants absent	374	284	264	340	306	373
Applications instructors	6	10	9	4	6	1
Issued instructors	5	6	10	4	9	1
Application / issued PRDP	1 686	1 697	1 720	1 428	1 417	993
Testing centre: roadworthy certificates						
Motor vehicles	637	762	210	0	43	0
Light delivery vehicles	124	128	45	0	16	0
Heavy delivery vehicles (trucks)	78	45	22	0	3	0
Trailers	77	44	40	21	6	0
Taxis	65	41	18	0	3	0
Busses	10	17	0	0	0	0
Motorbikes	90	53	78	31	23	28
Motor vehicle registration						
Duplicate registrations cert.	1478	1639	1 557	1 150	1 195	1 456
Registration only	14 591	14 432	14 457	11 481	11 823	12 129
Temporary permits	236	212	220	194	263	225
Special permits	380	436	324	284	200	138
Specific registration number	702	711	581	488	571	672
RTMC	51 083	52 391	52 857	45 939	51 671	51 862
Traffic offences						
Vehicle defective / faulty	834	1 094	1 999	3 663	8 504	8 162
Moving violations	19 994	14 661	1 369	16 993	17 423	12 925
Parking offences / violations / mobile	7 055	23 968	25 715	16 254	14 139	28 353
Speed camera / mobile / fixed and robot traffic - TMT	233 711	573 339	251 378	284 029	318 431	392 631



The tables below indicate the capital expenditure for the Section: Law Enforcement and Traffic Services as at 30 June 2022:

Table 215: Capital Expenditure as at 30 June 2022: Section: Traffic and Law Enforcement

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R'000		
Install and upgrade CCTV cameras in WC024	2 369	1 917	19.09
Install Computerised Access Security Systems and CCTV cameras at municipal buildings	526	358	31.96
Law Enforcement: Vehicle Fleet	3 622	2 020	44.23
Neighbourhood watch safety equipment	2 871	2 871	0,01
Replacement of patrol vehicles	271	271	-

The Section: Law Enforcement has spent 77% of the capital budget for the financial year.

The table below indicates the total number of employees in the Section: Traffic Law Enforcement as at 30 June 2022.

Table 216: Total number of employees in the Section: Traffic Law Enforcement

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	100
14 – 17	4	4	0	100
9 – 13	52	46	6	11.1%
4 – 8	19	16	3	15.8%
3 – 0	1	1	0	100
Total	77	68	9	11.8%

3.22 Fire and Disaster Management

Stellenbosch fire services aim to be a service that is proactive in preventing fires and other risks rather than simply reacting to fires through:

- ✚ Acting in support of the wider developmental agenda as outlined in the IDP;
- ✚ Establishing sound institutional and administrative capabilities that support its roles and purpose;
- ✚ Demonstrating good governance and administration;
- ✚ Adopting community-based approaches;
- ✚ Putting people and their concerns first; and
- ✚ Professionalisation of the function.

Disaster Management is one of several terms used to describe the same discipline. Others include emergency management, civil protection, crisis management, civil defence and disaster risk management. The aim is to bring disaster management closer to the community. Community-based disaster management and risk reduction planning process will assist in uniting the community's understanding of the risks and in preparedness, mitigation and prevention efforts, even if the members of the community have differing perceptions of disaster risk and even if they differ in age, gender, education and social class.



Based on the following elements:

The basic elements and features of Community-based Disaster Management are:

- ✦ People's participation - community members are the main actors and propellers. They also directly share in the benefits of disaster risk reduction and development;
- ✦ Priority for the most vulnerable groups, families, and people in the community – in urban areas the vulnerable sectors are generally the urban poor and informal sector while in rural areas, these are the subsistence farmers, fisherfolk and indigenous people; also vulnerable are the elderly, the differently-abled, children and women (because of their caregiving and social function roles). Risk reduction measures are community-specific and are identified after an analysis of the community's disaster risk (hazards, vulnerabilities and capacities and perceptions of disaster risk);
- ✦ Existing capacities and coping mechanisms are recognised – CBDM mitigation builds upon and strengthens existing capacities and coping strategies;
- ✦ The aim is to reduce vulnerabilities by strengthening capacities; the goal is to build disaster-resilient communities;
- ✦ Links disaster risk reduction with development - addresses vulnerable conditions and causes of vulnerabilities; and
- ✦ Outsiders have a support and facilitating role.

Highlights:

- ✦ Upgrading of Stellenbosch Fire Station: overnight quarters, roof, solar panels, control centre, mini disaster centre.
- ✦ Completion of the ward-based risk assessment.

Challenges:

- ✦ Rapid expanding informal settlements

a) Service Statistics – Fire and Disaster Management

Table 217: Service Data for Fire and Disaster Management

Details	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Total fires attended in the year	817	794	647	1 011	1 043	947	944	1 022
Total of other incidents attended in the year	1 953	555	1 952	1 655	1 511	1 740	3416	2 515
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	22.75	22.75	20.5	20	15	15	15
Firefighters in post at year-end	43	56	52	57	57	58	61	61
Total fire appliances at year-end	11	9	10	11	13	15	17	17
The average number of appliances off the road during the year	2	2	3	2	2	2	2	2
Total operational callouts	2 770	1 349	2 704	2 666	2 556	2 687	4 360	3 537
Immediate relief to victims	552	1 021	831	849	437	573	555	775
Emergency flood kits	116	411	300	184	118	372	37	0
Emergency housing kits	299	341	277	190	149	262	156	208
Meals (food parcels)	215	349	327	180	158	138	155	213



Details	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Blankets	297	699	315	526	473	479	497	601

The table below indicates the capital expenditure for the Section: Fire and Disaster Management as at 30 June 2022.

Table 218: Capital Expenditure as at 30 June 2022: Section: Fire and Disaster Management Services

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R'000		
Upgrading of Stellenbosch Fire Station	9 975	8 483	14.96
Specialised Vehicle N/A	398	398	0
Rescue equipment	200	200	0.24
Specialised Vehicle N/A	397	397	0,04
Only the 5 largest capital projects are listed			

The Section: Fire and Disaster Management has spent 100% of the 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 2022.

Table 219: 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	100
14 – 17	6	5	1	16.6%
9 – 13	13	12	1	0
4 – 8	54	54	0	0
3 – 0	0	0	0	0
Total	74	72	2	2.7%



COMPONENT F: SPORT AND RECREATION

3.23 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.

3.23.1 Sports facilities and Swimming Pools

Table 220: Service Statistics – Holiday Resorts and Campsites

Type of service	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
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: 17 248 CARS: 5 234 Income: R462 790	PAX:16 256 CARS:4687 Income: R459 197	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

The Stellenbosch Municipality is responsible for the management and maintenance of seventeen (17) sports grounds in its municipal area. These grounds are surrounded by the scenic beauty of the Stellenbosch Mountains. Ten (10) are located 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.

3.23.2 Service Statistics Sport - Grounds and Swimming Pools

Table 221: Service Statistics Sport Grounds and Swimming Pool

Type of service	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Number of sport grounds / fields	17	17	17	17	17	17	17	14
Number of swimming pools	1	1	1	1	1	1	1	1
Number of stadiums	10	10	10	10	10	10	10	14



The table below indicates the capital expenditure for the Section: Sport, Recreation and Halls as at 20 June 2022.

Table 222: Capital Expenditure: Section: Sport, Recreation and Halls

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget (%)
	R'000		
Mont Rochelle Nature Reserve: Upgrade of Facilities	802	84	89.47
Skateboard Park	1 024	1 023	0,10
Upgrading of Parks	1 100	621	43.55
Urban Forestry: Vehicle Fleet	1 742	1 725	0.99
Upgrade of swimming pool N/A	2 266	2 219	2,13
Only the 5 largest capital projects are listed			

The Section: Sport, Recreation and Halls has spent 73% of the capital budget for the financial year.

The table below indicates the total number of employees in the Section: Sport, Recreation and Halls as at 20 June 2022.

Table 223: Total Employees Section: Sport, Recreation and Halls

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	100
14 – 17	1	1	0	100
9 – 13	4	4	0	0
4 – 8	19	19	0	0
3 – 0	8	8	0	0
Total	33	33	0	0

3.24 Community Halls and Facilities

Stellenbosch Municipality is the proud owner of two top-class town halls and nine community facilities that cater for residents and national and international visitors.

The facilities are available throughout the year (365 days per annum) and can be booked for events such as meetings, weddings, training sessions, conferences and community and social events.

Table 224: Total functions: Community Halls and Facilities

Type of service	2019/20	2020/21	2021/22
Total functions at municipal halls			
Stellenbosch Town Hall	65	0	10
Klapmuts Centre	59	28	80
Eikestad Hall	142	17	74
Wemmershoek Hall	31	7	37
La Motte Community Hall	12	14	59
Franschhoek Town Hall	11	1	2
Groendal Community Hall	76	18	69
Kylemore Community Hall	20	19	36
Pniël Banquet Hall	44	15	34



Type of service	2019/20	2020/21	2021/22
Kayamandi Community Hall	N/A	N/A	27
Cloetesville Banquet Hall	N/A	N/A	5

The table below indicates the total revenue for Community Halls and Facilities.

Table 225: Total Revenue / Income: Community Halls and Facilities

Type of service	2019/20	2020/21	2021/22
Stellenbosch Town Hall	R1 047 814.66	R0	R 100 935.38
Klapmuts Centre	R47 356	R23 475.60	R 62 892.64
Eikestad Hall	R93 475	R9 407.60	R 51 675.42
Wemmershoek Hall	R35 526	R3 662.63	R 18 385.53
La Motte Community Hall	R23 731	R7 068.61	R 30 293.54
Franschhoek Town Hall	R66 260.90	R9 403	R10 565.22
Groendal Community Hall	R61 394.10	R13 488.50	R 42 818.74
Kylemore Community Hall	R11 260.70	R10 855.72	R 25 718.23
Pniël Banquet Hall	R36 706.20	R8 522.12	R 30 556.39

The table below indicates the total number of employees in the Section: Sport, Recreation and Halls as at 20 June 2022.

Table 226: Total Employees: Community Halls and Facilities (Section: Sport, Recreation and Halls)

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	100
14 – 17	1	1	0	0
9 – 13	1	1	0	0
4 – 8	1	1	0	0
3 – 0	12	11	1	8.33%
Total	16	15	1	6.25%



COMPONENT G: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes corporate policy offices, financial services, human resource services, ICT services and property services.

3.25 Financial Services

3.25.1 Service statistics

Table 227: Financial service statistics

Details of the types of accounts raised and recovered	2021/22		
	Billed in Year	Actual for accounts billed in a year	The proportion of value of accounts billed that were collected
	R		%
Property Rates	414 445 896	412 151 466	99,45
Electricity	742 643 363	730 421 273	98,35
Water	146 829 883	120 717 137	82,22
Sanitation	102 285 414	97 767 194	95,58
Refuse	84 651 895	77 150 860	91,14

3.26 Human Resources Services

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 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 the 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 for Stellenbosch Municipality include but are not limited to:

- ✦ Helping the organisation achieve its goals;
- ✦ Ensuring effective utilisation and maximum development of human resources;
- ✦ Ensuring respect for human beings;
- ✦ Identifying and satisfying the needs of individuals;
- ✦ Ensuring reconciliation of individual goals with those of the organisation;
- ✦ Achieving and maintaining high morale among employees;
- ✦ Providing the organisation with well-trained and well-motivated employees;
- ✦ Increasing employees' job satisfaction and self-actualisation;



- ✦ Developing and maintaining the quality of work-life;
- ✦ Being ethically and socially responsive to the needs of the community;
- ✦ Developing the overall personality of each employee in its multidimensional aspect;
- ✦ Enhancing employee's capabilities to perform the present job; and
- ✦ Ensuring service excellence for the Stellenbosch municipal area.

Human resources services include:

- ✦ Strategic Human Resources Management;
- ✦ Labour Relations;
- ✦ Recruitment and Selection;
- ✦ Training and Development;
- ✦ Employee Assistance;
- ✦ Occupational Health and Safety;
- ✦ Employment Equity; and
- ✦ All Human Resources Administration.

Each director, manager, departmental head, superintendent, assistant superintendent and the 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 highlights for the Department: Human Resources Management in 2021/22 are the following:

- ✦ 278 employees were trained;
- ✦ 40 employees attended learnerships; and
- ✦ 6 employees completed their trade test in plumbing and were found competent.

The challenges for the Department: Human Resources Management in 2021/22 were the following:

- ✦ Shortage of conducive training venues; and
- ✦ Poor responses on Individual Skills Audit % Personal Development Forms.

The following was submitted within the 2021/22 year and is under consideration at the LLF:

- ✦ Measures to recover arrear monies from employees;
- ✦ TASK Evaluation Policy; and
- ✦ Employee Parking Policy.



The table below indicates the total number of employees in the Department: Human Resources Management:

Table 228: 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	3	3	0	0
9 – 13	10	9	1	10%
4 – 8	3	2	1	33.3%
3 – 0	0	0	0	0
Total	17	15	2	11.8%

3.27 Information and Communication Technology (ICT) Services

The Department: ICT committed its time in the 2021/22 financial year to purchase and replace computer software and hardware to improve the efficiency of 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 rates tender for WAN infrastructure was approved to assist in shortening the municipality's turnaround time in commissioning new sites and improving current location services;
- ✦ The network support encompasses both the ICT and camera infrastructure by way of expanding the Avalon contract services to cover this critical service. The SLA was further been expanded to include labour support for network cabling as well as hardware support for the commissioning of new camera locations. This has reduced the cost of this service as the ICT network has been able to incorporate the camera infrastructure. This has, in turn, saved the municipality and the public money in providing this critical service;
- ✦ The Department: ICT spent a large amount of its effort on once again reducing costs by way of procuring printers via the National Treasury RT3-2018 contract. As a result of this contract, the municipality reduced its printer footprint and begin to centrally manage usage across printers. The many office printers were replaced with shared departmental printers further assisting in reducing costs;
- ✦ The Global Information System ESRI GIS was renewed for a further 3 years with the implementation of the BPAMS and TPAMS version 2 taking place;
- ✦ Supported the Section: Community Development in moving to the Simonsberg Street Offices by providing needed ICT infrastructure with battery backup power.
- ✦ The Mooiwater taxi rank offices were commissioned and included the installation of a high-speed satellite link and data and telephone points for the offices.
- ✦ The upgrade of the Backup Infrastructure to accommodate and include all critical systems to ensure the sustainability of the ICT services was also completed;
- ✦ ICT embarked on a Microsoft Office 365 and Windows 10 migration which is a project aimed at facilitating ease of access anywhere and anytime;
- ✦ The Disaster Recovery and Colocation Services project including WAN and internet services was successfully implemented by First Technology and will remain in place until 30 June 2023. The DR site is at TERACO in Claremont and meets all the AGSA's requirements;
- ✦ The municipality is currently implementing a cyber-security solution called F-Secure which will give the municipality better protection and is the best anti-malware, best Ransomware



defence security to protect from ransomware and prevent data encryption;

4 Quarterly GIS Forum meetings took place during the 2021/22 financial year; and

4 Quarterly ICT Steering Committee meetings took place during the 2021/22 financial year.

3.27.1 Service Statistics – Information and Communication Technology (ICT)

Table 229: Service Statistics – ICT

Details	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	%							
Ensure the availability of the network to ensure effective ICT systems for municipal processes	98	98	99.9	99.9	99	99	99	99
Provide ICT support to all municipal departments by attending to requests within 4 working days	97	98	98	98	98	98	98	98
Connecting all municipal sites to the ICT network	100	100	100	100	100	100	100	100

The table below indicates the capital expenditure for the Department: ICT as at 30 June 2022.

Table 230: Capital expenditure - ICT services as at 30 June 2022

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget %
	R'000		
Public WI-Fi Network N/A Upgrade and Expansion of IT Infrastructure Platforms	591	591	-0
Purchase and Replacement of Computer / software and Peripheral devices N/A	4 199	4 149	1.19
Upgrade and Expansion of IT Infrastructure Platforms	4 563	3 522	22.81

The Department: ICT has spent 88% of the capital budget for the financial year.

The table below indicates the number of employees in the Department: ICT as at 30 June 2022.

Table 231: 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	2	1	1	50%
14 – 17	3	3	0	0
9 – 13	6	6	0	0
4 – 8	0	0	0	0
3 – 0	0	0	0	0
Total	11	10	1	9.10%



3.28 Legal Services

The Section: Legal Services in conjunction with user departments ensures and manages the implementation, monitoring, evaluation and reporting on key service delivery objectives concerning Legal Services.

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, by-laws and authorities;
- ✚ Advising the Municipal Council on items submitted to meetings;
- ✚ Ensuring by-laws 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 Portfolio and Council Committees;
- ✚ Lack of skilled administrative support for the Chief Legal Advisor; and
- ✚ Availability of 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 2022.

Table 232: 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	0	0	0	0%
14 – 17	1	1	0	0%
9 – 13	0	0	0	0%
4 – 8	0	0	0	0%
3 – 0	0	0	0	0%
Total	1	1	0	100

3.29 Municipal Court – Additional Court - Stellenbosch

The Municipal Court is responsible for the following prosecutions:

- ✚ Traffic by-laws;
- ✚ Provincial Traffic by-laws;
- ✚ SAPS by-laws;
- ✚ Law Enforcement by-laws;
- ✚ Fire by-laws;
- ✚ Building and Land Use Regulations, and all other By- Law contraventions;
- ✚ Electrical By-laws; and
- ✚ Noise pollution.



a) Mission Statement of the Municipal Court

The Municipal Court aim 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 by-law prosecutors and enforcers;
- ✦ Support by-law enforcement;
- ✦ Ensure a user-friendly court; and
- ✦ Keeps members of the public who committed a minor crime (such as a traffic offence) away from hardened criminals.

The municipality is also looking into having an Ad Hoc Court in Franschhoek / Klapmuts 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.

3.29.1 Statistical Report – Case Load

Table 233: Statistical Report Caseload 2021/22

Months:	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Cases on the roll	1 244	1 763	320	1 830	1 683	1 127	1 362	1 872	1 149	942	1 749	2 122
Withdrawn	8	3	8	16	9	19	23	26	1	32	5	11
Struck off the role	21	58	9	46	14	4	26	61	92	325	74	178
Warrants authorised	1 131	1 592	253	1 656	1 081	1 043	1 246	1 694	980	530	42	1 845
Deferment	0	0	0	0	0	0	0	0	0	0	0	0
Payments	35	50	17	55	60	37	36	44	28	39	55	53
Postponed	51	53	28	45	27	19	30	12	16	11	31	26
Mediations	0	0	0	0	0	0	0	0	0	0	0	0



3.29.2 Financial Report of the Municipal Court 2021/22

Table 234: Financial Report of the Municipal Court 2021/22

Month	Traffic Fines	SAPS Fines	Law Enforcement Fines	Contempt of Court Fines	Provincial Fines	Electricity	Building	Total Amount
Jul	R391 510	R1 300	R1 800	R40 200	R0	R7 000	R0	R441 810
Aug	R290 130	R0	R600	R25 800	R0	R0	R3 000	R319 530
Sep	R268 190	R500	R2 900	R27 000	R0	R7 500	R0	R306 090
Oct	R320 720	R0	R300	R31 200	R0	R2 500	R0	R354 720
Nov	R293 180	R0	R3 650	R19 500	R0	R3 000	R0	R319 330
Dec	R237 930	R400	R3 690	R20 100	R200	R0	R7 500	R269 820
Jan	R264 980	R1 000	R0	R25 200	R5 200	R0	R4 000	R300 380
Feb	R301 800	R5 000	R0	R19 500	R2 950	R0	R2 500	R331 750
Mar	R257 780	R0	R3 700	R15 000	R7 275	R0	R0	R283 755
Apr	R195 750	R500	R300	R17 400	R4 150	R0	R6 000	R224 100
May	R318 300	R0	R3 250	R20 400	R3 100	R0	R3 000	R348 050
June	R273 205	R0	R650	R20 400	R5 700	R0	R0	R299 955

The table below indicates the total number of employees in the Section: Municipal Court as at 30 June 2022.

Table 235: 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	0	0	0	0
14 – 17	1	1	1	100
9 – 13	0	0	0	0
4 – 8	4	3	1	25
3 – 0	0	0	0	0
Total	5	4	2	40



COMPONENT H: ORGANISATIONAL PERFORMANCE SCORECARD

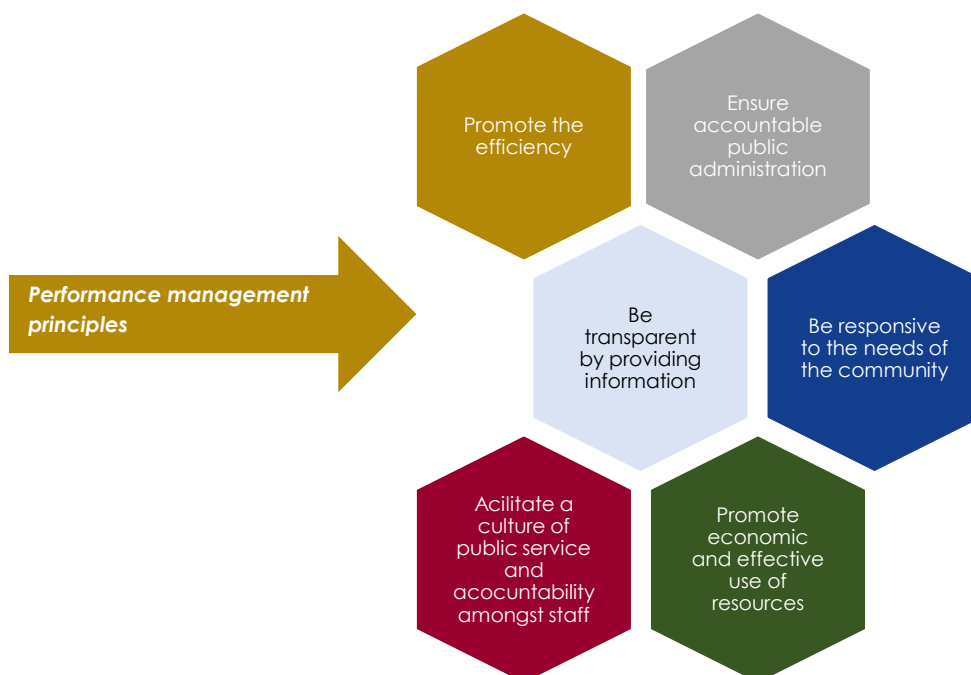
3.30 Performance Management

Performance management is a process that measures the implementation of the organisation's strategy as captured within the Integrated Development Plan (IDP). It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

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

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

Figure 48: Performance Management Principles



It is a statutory requirement according to the MSA to establish a performance management system and an Integrated Development Plan (IDP) that must be aligned to 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 as a whole but also to the individuals employed in the organisation, as well as the external service providers and the municipal entities. This framework, *inter alia*, reflects the linkage between the IDP, the Budget and the SDBIP.

3.30.1 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 and the performance targets set by the municipality for the following financial year, and measures that were or are to be taken to improve performance.

3.30.2 Organisational performance

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

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

The Performance Management Policy 2021/22 is currently under review to be aligned with the new staff regulations 809.

3.30.3 Governance framework for the IDP, Budget and Performance Management

The draft review of the 4th Generation IDP was tabled in March 2021 and was advertised for public comment thereafter. Stellenbosch Municipal Council adopted the reviewed Fourth Generation IDP (2017/18 – 2021/22) together with the 2021/22 MTREF Budget on 23 June 2021.

The IDP is the principal planning instrument that guides and informs the municipal budget. The MSA requires each municipality in South Africa to prepare such 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 2021/22 budget was based on the IDP and other spheres of government and service providers.

The IDP for the period July 2017 to June 2022 gives expression to the political mandate that was received from residents in the August 2016 local government election. The MSA requires municipalities to consult with their residents and the broader institutions, which elicited a positive reaction and involvement from the public.



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 the 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.

3.30.4 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.

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

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

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 achievement of a municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top-Layer (strategic) SDBIP is the municipality's strategic plan and shows the strategic alignment between the different documents (IDP, Budget and Performance Agreements).

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;
- ✦ 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.

3.30.5 The municipal scorecard (Top Layer SDBIP)

The municipal scorecard (Top-Layer SDBIP) consolidates service delivery targets set by the Council advised by the senior management and provides an overall picture of the performance of the municipality as a whole, reflecting performance in its strategic priorities for the 2021/22 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:

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
- ✦ 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 co-operation with the community who identifies 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.

3.30.6 Amendment of the Top Layer SDBIP

The TL SDBIP 2021/22 was reviewed once during the financial year under review and submitted to Council for approval on 06 June 2021 and revised on 23 February 2022.

The municipality utilises an electronic 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:

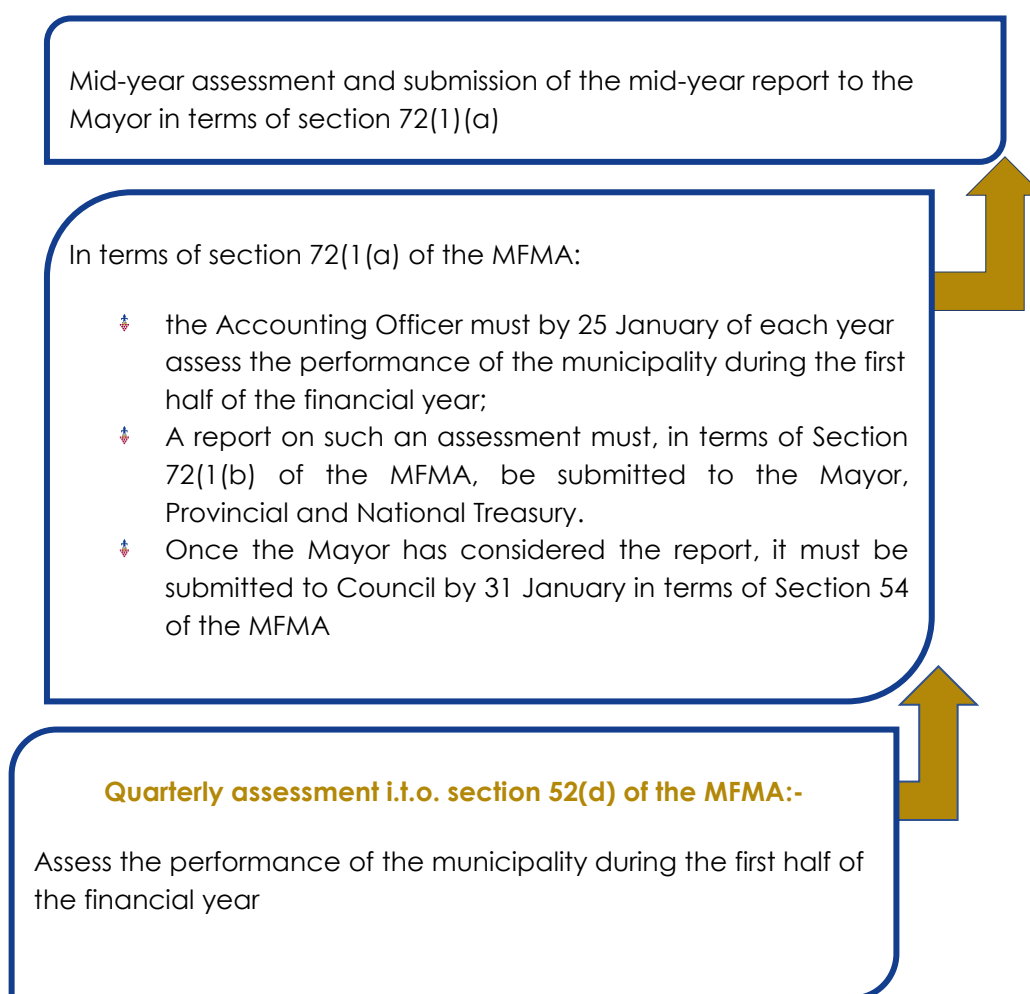
- ✦ The actual result in terms of the target set;
- ✦ A performance comment; and
- ✦ Actions to improve the performance by the submission of corrective measures to meet the set target for the reporting interval in question if the target was not achieved.



It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated and provide it to the Internal Auditor and AGSA upon request during the quarterly and annual audit testing.

3.30.7 Monitoring of the Service Delivery and Budget Implementation Plan

Municipal performance is measured as follows:



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 state of affairs 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 of employees on 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.t.o. section 56. Performance agreements must be reviewed annually and are published for 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 section 56 appointments for the 2021/22 financial year were signed on 23 February 2022 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 236: Performance management governance

	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?	√	√	√	√	√	√

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 237: 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 as a whole, reflecting performance on its strategic priorities.



3.30.8 Overall Performance per Municipal Strategic Focus Area

The following table illustrates the municipality's overall performance per Municipal Strategic Focus Area (SFA). The Annual Performance Report 2021/22 was submitted to the Stellenbosch Municipal Council as well the AGSA in terms of the MSA, Section 46(1) and (2).

The tables below give a clear indication of what was reported 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.

Table 238: Performance summary 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 (6.98%)	-	-	-	1 (8.33%)	2 (12.50%)
KPI Almost Met	6 (13.95%)	1 (16.67%)	2 (33.33%)	-	1 (8.33%)	2 (12.50%)
KPI Met	22 (51.16%)	3 (50%)	3 (50%)	3 (100%)	3 (25%)	10 (62.50%)
KPI Well Met	8 (18.60%)	1 (16.67%)	-	-	6 (50%)	1 (6.25%)
KPI Extremely Well Met	4 (9.30%)	1 (16.67%)	1 (16.67%)	-	1 (8.33%)	1 (6.25%)
Total:	43	6	6	3	12	16
	100%	13.95%	13.95%	6.98%	27.91%	37.21%



CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 Introduction to the Municipal Workforce

Stellenbosch Municipality, as of 30 June 2022, employed **1 142** officials (excl. Councillors and excluding non-permanent positions), who individually and collectively contribute to the achievement of the municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

4.2 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 as at 30 September 2021.

Table 239: 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%

Table 240: 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%



4.3 Occupational Categories - Race

The table below categorises the number of employees by race within the occupational levels.

Table 241: Occupational Categories – Race

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management and Councillors	12	14	0	4	6	4	0	11	51
Senior management	0	4	0	3	1	2	0	0	10
Professionally qualified and experienced specialists and mid-management	5	23	2	11	18	17	1	10	87
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	48	122	1	28	58	91	0	16	364
Semi-skilled and discretionary decision making	88	163	0	6	49	90	0	3	399
Unskilled and defined decision making	101	119	0	0	24	30	0	0	274
Total permanent	254	445	3	52	156	234	1	40	1 185
Non-permanent employees (incl. EPWP, Conditional Grants, Provincial Grants)	18	19	0	7	38	29	0	0	111
Grand total	272	464	3	59	194	263	1	40	1 296

4.4 Directorates by Race

The following table categorises the number of employees by race within the different Directorates:

Table 242: Directorates by Race

Directorate	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Mayor	12	12	0	4	6	4	0	10	48
Office of the Municipal Manager	0	2	0	1	5	6	0	2	16
Financial Services	9	32	1	2	18	50	0	5	117
Planning and Economic Development	6	22	0	6	17	24	0	7	82
Corporate Services	7	25	1	1	14	22	0	5	75
Community and Protection Services	76	129	1	23	59	90	1	8	387
Infrastructure Services	145	230	0	15	31	39	0	3	463
Total permanent	255	452	3	52	150	235	1	40	1 188
Non-permanent (incl. EPWP, Conditional Grants, Provincial Grants)	18	19	0	7	38	29	0	0	111
Grand total	273	471	3	59	188	264	1	40	1 299

4.5 Vacancy Rate

The approved organogram for the municipality had **1 120 (funded)** posts based on the 2017/18 financial year. On 01 July 2018, the approved organogram of 25th October 2017 was implemented which brought about a total post compliment of **1 873** posts and was further reviewed and revised with another **123** posts which made the total post compliment **1 996** posts on 27 February 2019. The actual positions filled in the 2021/22 financial year are indicated in the tables below by post level and by functional level.



A total of **96** posts were vacant and funded at the end of 2021/22, resulting in a vacancy rate of **8.42%**. Below is a table that indicates the vacancies within the municipality:

Table 243: Vacancy rate per post and functional level

Per Post Level		
Post Level	Filled	Vacant
Top Management (MM and MSA section 57 Managers)	5	1
Senior Management	10	7
Middle management	84	5
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	364	25
Semi-skilled	399	34
Unskilled and defined decision making	274	24
Total	1 140	96
Per Functional Level		
Functional area	Filled	Vacant
Office of the Mayor	45	0
Office of the Municipal Manager	16	0
Financial Services	117	17
Planning and Economic Development	82	8
Corporate	75	8
Community and Protection Services	387	28
Infrastructure Services	463	35
Total	1 185	96

4.6 Turnover rate

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory / organisational knowledge. Below is a table that shows the turnover rate in the municipality.

The table below indicates the turnover rate over the last four financial years.

Table 244: 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%
2021/22	1 140	82	82	7.19%

4.7 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.

The injury rate shows a decrease from the previous financial year, 2020/21. The recorded IOD Claims submitted during the 2021/22 financial year were and it is less than the previous year. The table below indicates the total number of injuries within the different directorates.

Table 245: Injuries per Directorate

Directorates	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Office of the Municipal Manager	1	1	0	0	0	0
Financial Services	3	0	0	2	4	0
Planning and Economic Development Services	0	3	3	2	10	12
Corporate Services	1	1	1	7	9	5
Community and Protection Services	54	73	49	36	21	35
Infrastructure Services	64	42	32	42	77	57
Total	130	125	86	92	121	109

Injuries in operational services are normally higher due to the nature of work and the constant handling of equipment and machinery.

4.8 Sick Leave

The number of days of sick leave taken by employees has service delivery and cost implications. 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 2021/22 financial year shows a decrease of **3 657.14** working days when comparing it to the 2020/21 financial year.

The table below indicates the total number of sick leave days taken within the different directorates.

Table 246: Table 185: Sick Leave as at 30 June 2022

Directorate	2020/21	2020/21 (%)	2021/22	2021/22 (%)
Office of the Municipal Manager	150	35.16	129	30.23
Financial Services	1 351	41.52	812	26.25
Planning and Economic Development	671	31.06	436	20.19
Corporate Services	806.08	38.26	572.44	28.62
Community and Protection Services	3 598	33.40	2 386	23.12
Infrastructure Services	3 955	33.48	2 538.5	20.69
Total	10 531.08	34.49	6873.94	22.71

4.9 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 247: Approved Policies for the year under review

Name of policy	Date approved / revised
Overtime and Standby Policy	22 June 2022
New Recruitment and Selection Policy	22 June 2022

Table 248: Policies still to be developed

Policies still to be developed	
Name of policy	Proposed date of approval
Employment Equity Policy.	In the 2022/23 financial year
HIV / AIDS Policy (review).	In the 2022/23 financial year
Work from Home Policy	In the 2022/23 financial year

The Department: Human Resources Management submits policies to the Local Labour Forum regularly for review purposes.

4.10 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 its 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.

4.11 Skills Matrix

The table below indicates the number of employees that received training in the year under review.

Table 249: 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	4	3
	Male	6	4
Professionals	Female	5	1
	Male	5	2
Associate professionals and Technicians	Female	18	17
	Male	59	34
Community and Personal Services	Female	0	0
	Male	0	0
Clerks	Female	45	20
	Male	12	08
Service and sales workers	Female	17	32
	Male	36	62
Plant and machine operators and assemblers	Female	0	0
	Male	20	13
Elementary occupations	Female	2	08
	Male	200	92
Sub-total	Female	111	81



Management level	Gender	Number of employees identified for training at the start of the year	Number of employees that received training
	Male	339	216
Total		450	297

4.12 Skills Development – Training Provided and Budget allocation

The Skills Development Act, 1998 (Act No. 97 of 1998) and the MSA, require that employers supply employees with the necessary training to develop its 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.

The table below indicates that a total amount of **R 3 267 622** was spent on the workplace skills plan. This represents **0.55%** when compared to the total salary budget of the municipality in the 2020/21 financial year.

Municipalities are required, in terms of the Skills Development Act, to spend at least 1% of its salary budget on its workplace skills plan.

Table 250: 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%

4.13 Managing the Municipal Workforce Expenditure

4.13.1 Personnel Expenditure

The percentage of personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowances for the past five financial years and that the municipality is well below the national norm of between 35 to 40%.

Table 251: 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%



Below is a summary of Councillor and staff benefits for the year under review.

Table 252: Councillor and staff benefits

Financial year	2020/21	2021/22		2021/22
Description	Actual	Original Budget	Adjusted Budget	Actual
R'000				
Councillors (Political Office Bearers Plus Other)				
Salary	12 149	14 463	18 106	15 253
Pension Contributions	535	882	0	438
Medical Aid Contributions	246	96	0	156
Motor Vehicle Allowance	4 356	5 145	0	2 039
Cell Phone and Other Allowances	1 906	1 392	1 954	1 929
Sub-Total - Councillors	19 192	21 978	20 060	19 815
% Increase / (Decrease) on Actual	0.37%	14.94%	4.91%	3.63%
Other Municipal Staff				
Basic Salaries and Wages	338 573	358 788	355 068	341 185
Pension and UIF Contributions	54 564	65 237	55 345	53 202
Medical Aid Contributions	25 304	31 650	25 497	25 682
Overtime	40 596	37 167	44 491	35 056
Performance Bonus	1 190	627	0	1 242
Motor Vehicle Allowance	9 995	12 472	10 719	9 473
Cellphone Allowance	1 883	1 280	2 469	1 884
Housing Allowances	2 773	3 594	2 740	2 798
Other benefits and allowances	47 353	63 231	49 326	55 904
Payments in lieu of leave	-	2 538	3 279	1 690
Other Municipal staff				
Long service awards	3 904	1 206	4 226	52
Post-retirement benefit obligations	18 257	29 669	25 085	22 551
Sub-Total - Other Municipal Staff	544 391	607 459	578 245	550 719
% Increase / (Decrease)	13.04%	11.59%	6.22%	1.16%
Total municipality	562 803	629 437	598 305	570 534
% Increase / (Decrease)	12.41%	11.84%	6.31%	1.37%



CHAPTER 5: FINANCIAL PERFORMANCE

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Statement of financial performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

5.1 Financial Summary

The table below indicates the summary of the financial performance for the 2021/22 financial year.

Table 253: Financial Performance

Description	2020/21	2021/22			2021/22 Variance	
	Actual	Original Budget	Adjustmen t Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Financial Performance						
Property rates	387 057	405 668	415 668	414 446	-2.16	0.29
Service charges	932 616	1 156 097	1 144 568	1 090 198	5.70	4.75
Investment revenue	19 515	13 200	19 613	18 770	-42.20	4.30
Transfers recognised - operational	194 790	204 313	204 230	196 208	3.97	3.93
Other own revenue	270 523	222 808	199 166	336 518	-51.03	-68.96
Total revenue (excluding capital transfers and contributions)	1 804 501	2 002 086	1 983 245	2 042 353	-2.70	-3.68
Employee costs	558 472	607 458	578 247	550 719	9.34	4.76
Remuneration of councillors	18 657	21 978	20 059	19 815	9.84	1.22
Depreciation and asset impairment	212 325	211 541	211 541	213 746	-1.04	-1.04
Finance charges	38 557	43 842	45 476	44 332	-1.12	2.52
Materials and bulk purchases	453 758	507 669	507 699	559 177	-10.15	-10.14
Transfers and grants	11 010	13 600	13 524	13 364	1.74	1.18
Other expenditure	539 722	611 371	601 133	524 745	-14.17	-12.71
Total Expenditure	1 832 501	2 017 459	1 977 679	1 925 898	4.54	2.62
Surplus / (Deficit)	-28 000	-15 373	5 566	9 541		
Transfers recognised - capital	69 847	105 554	116 991	92 852	12.29	20.86
Contributions recognised - capital and contributed assets	13 658	0	16 355	357	0	97.82
Surplus / (Deficit) after capital transfers and contributions	55 505	90 181	138 912	223 451	-147.78	-60.86
Capital expenditure and funds sources						
Capital expenditure						
Transfers recognised - capital	69 847	105 554	117 299	116 481	-10.35	0.70
Public contributions and donations	141	-	-	2 070	0	0
Borrowing	97 649	144 000	152 862	128 766	10.58	15.76
Internally generated funds	295 181	156 500	133 347	100 293	35.92	24.79
Total sources of capital funds	462 818	406 054	403 508	347 610	14.39	13.85
Financial position						
Total current assets	643 769	591 918	591 918	751 388	-26.94	-26.94
Total non-current assets	5 861 066	6 074 717	6 074 717	5 994 848	1.31	1.31
Total current liabilities	425 949	334 628	334 628	436 156	-30.34	-30.34
Total non-current liabilities	676 674	777 185	777 185	791 468	-1.84	-1.84
Community wealth / equity	5 402 212	5 554 821	5 554 821	5 518 611	0.65	0.65



Description	2020/21	2021/22			2021/22 Variance	
	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Net cash from (used) operating	222 064	267 756	267 756	345 407	29	29
Net cash from (used) investing	-297 643	-387 460	-387 460	-428 959	10.71	10.71
Net cash from (used) financing	76 027	22 961	22 961	109 779	100	100
Cash / cash equivalents at the year-end	169 939	72 748	72 748	137 877	-89.53	-89.53
Cash backing / surplus reconciliation						
Cash and investments available	334 083	217 695	217 695	443 400	-103.68	-103.68
Application of cash and investments	5 441 471	164 011	164 011	406 090	-147.60	-147.60
Balance - surplus (shortfall)	-5 311 080	53 684	53 684	37 310	30.50	30.50
Asset management						
Asset register summary (WDV)	5 426 298	5 437 921	5 647 868	5 562 988	-2.30	-1.50
Depreciation	212 325	211 541	211 541	211 032	0.24	0.24
Renewal of Existing Assets	29 798	9 950	32 133	4 210	57.69	86.90
Repairs and Maintenance	83550	90 336	85 477	64350	28.77	24.72
Free Services						
Cost of Free Basic Services provided	-	3 401	6 601	6 134	-80.36	7.07
The revenue cost of free services provided	-	43 344	51 902	59 462	-37.19	-14.57
Households below the minimum service level						
Water:	1	1	1	1	0	0
Sanitation / sewerage:	1	1	1	1	0	0
Energy:	2	2	2	2	0	0
Refuse:	4	4	4	4	0	0
Variances are calculated by dividing the difference between the actual and original / adjustments budget by the actual. This table is aligned.						

The table below shows a summary of performance against budgets.

Table 254: 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%



5.2 Revenue Collection by Vote

The table below indicates the revenue collection performance by vote.

Table 255: Revenue collection performance by vote

Vote Description	2020/21	2021/22			2020/21 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Municipal Manager	147 535	-	550	-	-	100
Planning and Development	5 271	23 545	27 468	25 576	-8.63	6.89
Infrastructure Services	481 200	1 394 599	1 389 692	1 330 905	4.57	4.23
Community and Protection Services	1 170 669	197 435	188 151	166 824	15.50	11.34
Corporate Services	277	6 339	5 846	5 787	8.71	1.01
Financial Services	27 519	503 686	504 885	513 261	-1.90	1.66
Total Revenue by Vote	1 832 501	2 125 604	2 116 592	2 042 353	3.92	3.51

5.3 Revenue Collection by Source

The table below indicates the Revenue collection performance by source for the 2021/22 financial year.

Table 256: Revenue Collection by Source

Description	2020/21	2021/22			2021/22 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Property rates	387 057	405 668	415 668	414 445	2.16	-0.29
Service Charges	932 616	1 156 097	1 144 568	1 076 411	-6.89	-5.95
Rentals of facilities and equipment	14 714	11 175	10 812	12 173	8.93	12.59
Interest earned - external investments	19 515	13 200	19 613	18 770	42.20	-4.30
Interest earned - outstanding debtors	8 114	14 034	12 495	12 858	-8.38	2.91
Dividends received	0	0	0	0	-	0
Fines	108 908	147 425	120 165	122 657	-16.80	2.07
Licences and permits	5 216	5 778	5 778	7 809	35.15	35.15
Agency services	4 833	3 077	4 077	3 019	-1.88	-25.95
Transfers recognised - operational	194 790	204 313	203 746	196 208	-3.97	-3.70
Transfers recognised - capital	69 988	105 554	127 946	92 852	-12.03	-27.43
Other revenue	50 493	41 319	44 839	71 084	72.04	58.53
Gains on the disposal of PPE	9 436	0	1 000	0	100	100
Total Revenue (excluding capital transfers and contributions)	1 805 680	2 107 640	2 110 707	2 028 286	-3.77	-3.90



5.4 Operational Services Performance

The table below indicates the operational services performance for the 2021/22 financial year.

Table 257: Operational Services Performance: Expenditure

Description	2020/21	2021/22			2021/22 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000					%
Operating Cost						
Water	131 801	148 086	110 204	135 888	8.24	-23.31
Wastewater (Sanitation)	138 141	162 319	153 109	136 215	16.08	11.03
Electricity	522 700	604 990	617 762	627 110	-3.66	-1.51
Waste Management	118 389	145 504	136 780	131 189	9.84	4.09
Housing	33 977	39 351	30 915	23 144	41.19	25.14
Component A: sub-total	945 008	1 100 250	1 048 771	1 053 546	4.24	-0.46
Roads and Stormwater	114 333	108 034	113 183	108 786	-0.70	3.89
Component B: sub-total	114 333	108 034	113 183	108 786	-0.70	3.89
Town Planning and Spatial Planning	26 708	21 249	26 956	25 966	-22.20	3.67
Local Economic Development	10 175	15 189	12 757	14 518	4.42	-13.80
Component C: sub-total	36 883	36 438	39 713	40 484	-11.10	-1.94
Libraries	13 118	17 029	16 801	9 855	42.13	41.34
Cemeteries	6 254	5 908	6 428	4 779	19.11	25.65
Community development	11 238	9 748	12 914	12 930	-32.64	-0.13
Component D: sub-total	30 610	32 686	36 143	27 565	15.67	23.73
Environmental Protection	-	-	-	-	0	0
Component E: sub-total	0	0	0	0	0	0
Traffic services	233 793	197 967	208 895	218 992	-10.62	-4.83
Fire Services and Disaster Management	46 237	51 305	51 563	52 954	-3.21	-2.70
Component F: sub-total	280 030	249 272	260 457	271 946	-9.10	-4.41
Holiday Resorts and Campsites	434	534	560	539	-1.08	3.64
Sport grounds, parks, swimming pools	67 474	82 500	81 209	71 405	13.45	12.07
Community Halls, Facilities and Thusong Centres	3 579	1 164	4 970	4 753	-308.39	4.37
Component G: sub-total	71 487	84 198	86 739	76 697	8.91	11.58
Office of the MM	25 318	26 246	17 305	17 555	33.11	-1.45
Financial Services	110 661	223 156	239 309	93 037	58.31	61.12



Description	2020/21	2021/22			2021/22 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000					%
Administration	74 623	119 083	91 281	103 056	13,46	-12,90
Property and contract management	36 441	41 692	41 827	29 755	28.63	28.86
HR	18 7341	41 926	50 963	42 393	-1.11	16.82
IT	41 251	48 920	50 642	45 009	7.99	11.12
Internal Audit	11 389	13 425	11 805	9 335	30.47	20.92
Legal Services	13 210	13 511	8 660	6 735	50.15	22.23
Component H: sub-total	331 626	527 959	511 792	346 875	34.30	32.22
Total Expenditure	1 832 501	2 138 837	2 096 799	1 925 898	9.96	8.15

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 actual.

5.5 Financial Performance Per Municipal Function

The tables below indicate the financial performance per municipal function as at 30 June 2022.

5.5.1 Water Services

Table 258: Financial Performance: Water Services

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(155 113)	(172 558)	(173 377)	(159 914)	-7.77
Expenditure:					
Employees	30 923	36 924	33 744	35 941	-6.51
Repairs and Maintenance	6 226	7 015	4 815	2 842	40.98
Other	94 653	104 147	71 645	97 105	-35.54
Total Operational Expenditure	131 801	148 086	110 204	135 888	-23.31
Net Operational (Service)	(23 311)	(24 472)	(63 173)	(24 026)	61.97

Variances are calculated by dividing the difference between the actual and original budget by the actual.



5.5.2 Sanitation Services

Table 259: Financial Performance: Sanitation Services

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(126 641)	(150 230)	(142 206)	(142 904)	-0.49
Expenditure:					
Employees	44 390	51 571	44 112	39 179	11.18
Repairs and Maintenance	19 852	16 265	14 941	12 162	18.60
Other	73 899	94 483	94 056	84 874	9.76
Total Operational Expenditure	138 141	162 319	153 109	136 215	11.03
Net Operational (Service)	11 500	12 089	10 904	(6 689)	161.35

Variances are calculated by dividing the difference between the actual and original budget by the actual.

5.5.3 Electricity Services

Table 260: Financial Performance: Electricity Services

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(671 545)	(842 738)	(853 044)	(794 640)	6.85
Expenditure:					
Employees	31 428	19 980	30 267	30 486	-0.72
Repairs and Maintenance	9 969	11 156	9 001	5 552	38.32
Other	481 304	573 854	578 494	591 071	-2.17
Total Operational Expenditure	522 700	604 990	617 762	627 110	-1.51
Net Operational (Service)	(148 845)	(237 748)	(235 282)	(167 530)	28.80

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 261: Financial Performance: Waste Management Services (Refuse Collections, Waste Disposal, and Recycling)

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(108 186)	(121 589)	(122 115)	(119 478)	2.16
Expenditure:					
Employees	31 138	43 679	31 729	26 551	16.32
Repairs and Maintenance	2 155	3 670	3 440	4 294	-24.82
Other	85 096	98 155	101 611	100 344	1.25
Total Operational Expenditure	118 389	145 504	136 780	131 189	4.09
Net Operational (Service)	10 204	23 916	14 665	11 711	20.15

Variances are calculated by dividing the difference between the actual and original budget by the actual.

5.5.5 Integrated Human Development

Table 262: Financial Performance: Integrated Human Settlement Personnel Expenditure

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(7 633)	(14 472)	(18 394)	(23 185)	-26.05
Expenditure:					
Employees	20 771	30 045	21 436	17 495	18.39
Repairs and Maintenance	700	1 161	1 261	916	27.31
Other	12 505	8 146	8 218	4 733	42.41
Total Operational Expenditure	33 977	39 351	30 915	23 144	25.14
Net Operational (Service)	26 344	24 879	12 521	-41	100.33

Variances are calculated by dividing the difference between the actual and original budget by the actual.



5.5.6 Roads and Stormwater

Table 263: Financial Performance: Roads and Stormwater

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(4 726)	(4 998)	(51 858)	(59 638)	-15
Expenditure:					
Employees	33 269	28 202	32 854	32 029	2.51
Repairs and Maintenance	19 794	22 096	21 609	18 875	12.65
Other	61 270	57 737	58 721	57 881	1.43
Total Operational Expenditure	114 333	108 034	113 183	108 786	3.89
Net Operational (Service)	109 607	103 036	61 325	49 148	19.86

Variances are calculated by dividing the difference between the actual and original budget by the actual.

5.5.7 Town and Spatial Planning

Table 264: Financial Performance: Town Planning and Spatial planning

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(35)	(29)	(29)	(23)	17.87
Expenditure:					
Employees	25 242	18 079	24 174	24 445	-1.12
Repairs and Maintenance	3	–	–	–	0
Other	1 463	3 170	2 782	1 521	45.32
Total Operational Expenditure	26 708	21 249	26 956	25 966	3.67
Net Operational (Service)	26 673	21 220	26 928	25 942	3.66

Variances are calculated by dividing the difference between the actual and original budget by the actual.



5.5.8 Local Economic Development (LED)

Table 265: Financial Performance: Local Economic Development (LED)

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(1 439)	(3 633)	(6 233)	(5 138)	17.56
Expenditure:					
Employees	3 980	7 088	4 592	6 963	-51.62
Repairs and Maintenance	-	-	100	63	36.85
Other	6 195	8 101	8 064	7 491	7.10
Total Operational Expenditure	10 175	15 189	12 757	14 518	-13.80
Net Operational (Service)	8 736	11 556	6 524	9 379	-43.77
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.9 Libraries

Table 266: Financial Performance: Libraries

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(10 761)	(11 434)	(16 989)	(9 969)	41.32
Expenditure:					
Employees	11 398	14 625	13 900	8 414	39.47
Repairs and Maintenance	23	181	881	151	82.92
Other	1 696	2 223	2 019	1 291	36.09
Total Operational Expenditure	13 118	17 029	16 801	9 855	41.34
Net Operational (Service)	2 357	5 595	(187)	(114)	39.14
Variances are calculated by dividing the difference between the actual and original budget by the actual.					



5.5.10 Community Development

Table 267: Financial Performance: Community Development

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(188)	(81)	(81)	(74)	8.30
Expenditure:					
Employees	3 815	495	4 810	5 511	-14.57
Repairs and Maintenance	7	40	20	17	13.32
Other	7 416	9 214	8 084	7 402	8.43
Total Operational Expenditure	11 238	9 748	12 914	12 930	-0.13
Net Operational (Service)	11 050	9 668	12 833	12 856	-1.18

Variances are calculated by dividing the difference between the actual and original budget by the actual.

5.5.11 Cemeteries

Table 268: Financial Performance: Cemeteries

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(1 016)	(3 542)	(1 342)	(1 205)	10.21
Expenditure:					
Employees	3 305	3 268	3 713	3 466	6.64
Repairs and Maintenance	2 000	1 815	1 418	333	76.54
Other	949	825	1 298	980	24.45
Total Operational Expenditure	6 254	5 908	6 428	4 779	25.65
Net Operational (Service)	5 238	2 366	5 086	3 574	29.72

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 269: Financial Performance: Traffic Services

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(128 709)	(171 602)	(149 743)	(150 633)	-0.59
Expenditure:					
Employees	69 553	64 222	71 969	65 680	8.74
Repairs and Maintenance	1 922	2 780	2 371	2 404	-1.38
Other	162 319	130 965	134 554	150 908	-12.15
Total Operational Expenditure	233 793	197 967	208 895	218 992	-4.83
Net Operational (Service)	105 084	26 365	59 151	68 359	-15.57

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 270: Financial Performance: Fire Services and Disaster Management Personnel Expenditure

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(756)	(1 164)	(1 164)	(761)	34.66
Expenditure:					
Employees	39 583	43 100	41 711	43 134	-3.41
Repairs and Maintenance	905	1 248	1 903	2 214	-16.33
Other	5 749	6 958	7 949	7 607	4.31
Total Operational Expenditure	46 237	51 305	51 563	52 954	-2.70
Net Operational (Service)	45 481	50 141	50 399	52 193	-3.56

Variances are calculated by dividing the difference between the actual and original budget by the actual.



5.5.14 Holiday Resorts and Campsites

Table 271: Financial Performance: Holiday Resorts and Campsites

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(3)	(865)	(865)	(546)	36.86
Expenditure:					
Employees	251	250	446	478	-7.09
Repairs and Maintenance	142	179	54	2	95.84
Other	41	104	60	59	0.61
Total Operational Expenditure	434	534	560	539	3.64
Net Operational (Service)	431	(331)	(305)	(7)	97.83
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.15 Sport grounds, Parks and Swimming Pools

Table 272: Financial Performance: Sport Grounds, Parks and Swimming Pools

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(3 088)	(1 780)	(5 381)	(3 687)	31.49
Expenditure:					
Employees	42 291	41 657	46 334	39 491	14.77
Repairs and Maintenance	10 700	11 547	14 254	10 419	26.90
Other	14 482	29 296	20 621	21 495	-4.24
Total Operational Expenditure	67 474	82 500	81 209	71 405	12.07
Net Operational (Service)	64 386	80 720	75 828	67 718	10.69
Variances are calculated by dividing the difference between the actual and original budget by the actual.					



5.5.16 Community Halls and Thusong Centres

Table 273: Financial Performance: Community Halls and Thusong Centres

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(5 550)	(3 222)	(6 241)	(8 832)	-41.51
Expenditure:					
Employees	2 962	–	3 866	3 857	0.23
Repairs and Maintenance	17	161	150	130	13.34
Other	600	1 003	954	766	19.75
Total Operational Expenditure	3 579	1 164	4 970	4 753	4.37
Net Operational (Service)	(1 971)	(2 058)	(1 271)	(4 079)	-220.93
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.17 Office of the Municipal Manager

Table 274: Financial Performance: Office of the Municipal Manager

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(277)	-	-	-	-
Expenditure:					
Employees	18 004	21 236	12 420	15 810	-27.29
Repairs and Maintenance	17	70	90	11	88.22
Other	7 297	4 941	4 794	1 735	63.81
Total Operational Expenditure	25 318	26 246	17 305	17 555	-1.45
Net Operational (Service)	25 040	26 246	17 305	17 555	1.73
Variances are calculated by dividing the difference between the actual and original budget by the actual.					



5.5.18 Human Resource Services

Table 275: Financial Performance: Human Resource Services

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(1 286)	(250)	(1 252)	(1 202)	4
Expenditure:					
Employees	14 095	30 179	–	32 473	0
Repairs and Maintenance	–	49	46	–	100
Other	4 639	11 698	50 916	9 920	80.52
Total Operational Expenditure	18 734	41 926	50 963	42 393	16.82
Net Operational (Service)	17 488	41 676	49 711	41 191	17.14

Variances are calculated by dividing the difference between the actual and original budget by the actual.

5.5.19 Information and Communication Technology (ICT) Services

Table 276: Financial Performance: Information and Communication Technology (ICT) Services

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Employees	8 183	7 987	–	8 078	0.00
Repairs and Maintenance	548	1 869	1 064	468	56.02
Other	32 520	39 064	49 578	36 463	26.45
Total Operational Expenditure	41 251	48 920	50 642	45 009	11.12
Net Operational (Service)	41 215	48 920	50 642	45 009	11.12

Variances are calculated by dividing the difference between the actual and original budget by the actual.



5.5.20 Legal Services

Table 277: Financial Performance: Legal Services

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(2)	(1)	(1)	(150)	-99,09
Expenditure:					
Employees	4 714	5 980	–	1 701	0
Repairs and Maintenance	–	–	–	–	0
Other	8 497	7 531	8 660	5 034	41.87
Total Operational Expenditure	13 210	13 511	8 660	6 735	22.23
Net Operational (Service)	13 871	13 510	8 659	6 585	23.95

Variances are calculated by dividing the difference between the actual and original budget by the actual.

5.5.21 Property Management

Table 278: Financial Performance: Property and Contract Management

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(3 422)	(5 002)	(3 506)	(4 129)	-17.777
Expenditure:					
Employees	7 815	7 602	–	8 129	0
Repairs and Maintenance	7 808	8 361	7 309	3 184	56.44
Other	20 818	25 728	34 518	18 441	46.57
Total Operational Expenditure	36 441	41 692	41 827	29 755	28.86
Net Operational (Service)	33 020	36 690	38 321	25 626	33.13

Variances are calculated by dividing the difference between the actual and original budget by the actual.



5.5.22 Financial Services

Table 279: Financial Performance: Financial Services

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(481 200)	(503 686)	(503 885)	(511 652)	-1.54
Expenditure:					
Employees	64 602	75 834	–	57 196	-0.00
Repairs and Maintenance	670	159	159	109	31.32
Other	45 389	147 163	239 150	35 732	85.06
Total Operational Expenditure	110 611	223 156	239 309	93 037	61.12
Net Operational (Service)	(370 539)	(280 530)	(264 575)	(414 875)	-58.52

Variances are calculated by dividing the difference between the actual and original budget by the actual.

5.5.23 Internal Audit

Table 280: Financial Performance: Financial Services

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	0	0	(550)	0	100
Expenditure:					
Employees	4 942	5 975	–	3 995	-0
Repairs and Maintenance	0	–	–	–	0
Other	6 477	7 450	11 805	5 340	54.76
Total Operational Expenditure	11 389	13 425	11 805	9 335	20.92
Net Operational (Service)	4 942	5 975	–	3 995	-0

Variances are calculated by dividing the difference between the actual and original budget by the actual.



5.5.24 Administration

Table 281: Financial Performance: Administration

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(15 699)	(112 731)	(57 337)	(44 044)	23.18
Expenditure:					
Employees	27 736	51 530	37 292	40 219	-7.85
Repairs and Maintenance	93	513	591	204	65.42
Other	46 793	67 040	53 398	62 632	-17.29
Total Operational Expenditure	74 623	119 083	91 281	103 056	-12.90
Net Operational (Service)	58 923	6 351	33 944	59 012	-73.85

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 **R196 million** for operational expenditure available that was received in the form of grants from the National and Provincial Governments during the 2021/22 financial year. The performance in the spending of these grants is summarised as follows:

Table 282: Grant Performance

Description	2020/21	2021/22			2021/22 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
National Government:	178 568	168 531	168 531	168 531	0	100
Equitable Share	170 632	157 136	157 136	157 136	0	0
Financial Management Grant	1 550	1 550	1 550	1 550	0	0
EPWP	4 961	5 998	5 998	5 998	0	0
Integrated Urban Development Grant	1 425	3 847	3 847	3 847	0	0
Provincial Government:	11 850	22 236	34 011	27 178	-22.23	20.09
Community Development Workers Operational Support Grant	93	38	38	38	0	0
Library Services: Conditional Grant	10 720	11 144	11 144	9 336	16.22	16.22
WC Financial Management Support Grant	-	550	550	-	100	100
Local Government Public Employment Support Grant	-	1 800	1 800	1 800	0	0
Municipal Accreditation and Capacity Building Grant	-	252	490	77	69.44	84.29
Financial Management Capacity Building Grant	495	250	415	395	-58	4.82
LG Graduate Internship Grant	74	-	-	-	0	0
Human Settlements Development Grant	0	-	10 000	10 000	0	0
Maintenance and Construction of Transport Infrastructure	-	4 950	4 950	4 950	0	0



Description	2020/21	2021/22			2021/22 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Title Deeds Restoration Grant	468	-	1 372	432	0	68.51
Municipal Library Support Grant	-	3 252	3 252	150	95.39	95.39
District Municipality:	2 424	647	1 131	500	0	55.79
Cape Winelands District (COVID-19) Grant	1 884	147	147	0	100	100
Safety Initiative Implementation-whole of society approach (WOSA)	440	0	0	0	0	0
Cape Wineland District Community Safety	0	0	484	0	0	100
Cape Winelands District Grant Long-Term Financial Plan	0	500	500	500	0	0
Cape Winelands District Tourism grant	100	0	0	0	0	0
Other Grant Providers:	1 948	18	18	0	0	100
LG SETA Discretionary	139	0	0	0	0	0
DBSA Grant	1 809	18	18	0	0	100
Total Operating Transfers and Grants	194 790	191 432	203 691	196 209	-2.50	3.67

5.6.2 Level of Reliance on Grants and Subsidies

Table 283: 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

Developer's 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 possession of the Council annually, during the course of the financial year;
- ✦ Keep a complete and balanced record of all assets in possession of the Council;
- ✦ Report in writing all asset losses, where applicable, to the Council; and
- ✦ Those assets are valued and accounted for under a statement of GRAP.



5.8 Repairs and Maintenance

Table 284: Repairs and Maintenance Expenditure

Description	2020/21	2021/22			2021/22 Variance
	Actual	Original Budget	Adjustment Budget	Actual	Budget variance
	R'000				%
Repairs and Maintenance Expenditure	83 550	90 336	85 477	64 350	24,72

5.9 Financial Ratios Based on Key Performance Indicators

Table 285: Liquidity Ratio

Description	Basis of calculation	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Current Ratio	Current assets / current liabilities	2.18	2.02	2.09	1.82	1.48	1.68
Current Ratio adjusted for aged debtors	Current assets - debtors > 90 days / current liabilities	2.18	1.38	1.39	1.01	0.71	0.85
Liquidity Ratio	Monetary Assets / Current Liabilities	1.51	1.92	1.98	1.66	1.36	1.61

5.10 IDP Regulation Financial Viability Indicators

Table 286: IDP Regulation Financial Viability of Indicators

Description	Basis of calculation	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Cost Coverage	(Available cash + investments) / monthly fixed operational expenditure	5.71	4.59	4.70	2.21	1.83	2.26
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
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

5.11 Borrowing Management

Table 287: Borrowing Management

Description	Basis of calculation	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Capital Charges to Operating Expenditure	Interest and Principal Paid / Operating Expenditure	1.21%	2.31%	2.09%	3.44%	3.04%	3.37%

5.12 Employee Costs

Table 288: Employee Costs

Description	Basis of calculation	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Employee costs	Employee costs / (total revenue - capital revenue)	26.84	28.80%	29.09%	29.99%	32.45%	28.70



COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.13 Capital Expenditure

5.13.1 Capital Expenditure by Assets Programme

Table 289: Capital Expenditure by asset programme

Description	2021/22		
	Original Budget	Adjustment Budget	Actual Expenditure
	R'000		
Capital Expenditure by Asset Class			
Infrastructure	285 675	283 586	253 878
Roads Infrastructure	70 066	74 547	71 300
Roads	33 566	43 620	65 923
Road Structures	32 700	29 357	5 238
Road Furniture	3 800	1 300	125
Stormwater Infrastructure	0	0	14
Stormwater Conveyance	0	270	0
Electrical Infrastructure	73 114	83 341	87 924
Power Plants	15 000	15 710	0
HV Substations	250	371	194
MV Switching Stations	0	0	0
MV Networks	28 592	40 736	13 663
MV Substations	17 572	15 138	23 039
LV Networks	5 500	5 521	15 755
Capital Spares	6 200	5 865	35 273
Water Supply Infrastructure	81 750	59 501	22 779
Dams and Weirs	0	0	0
Boreholes	0	0	0
Reservoirs	42 000	26 963	13 985
Water Treatment Works	750	2 990	781
Bulk Mains	15 000	13 190	5 438
Distribution	22 000	14 358	0
Capital Spares	2 000	2 000	2 575
Sanitation Infrastructure	51 457	57 266	67 461
Pump Station	100	100	0
Reticulation	11 288	16 150	0
Wastewater Treatment Works	30 200	28 826	53 802
Outfall Sewers	6 400	8 182	10 615
Toilet Facilities	3469	4008	0
Capital Spares	0	0	3 044
Solid Waste Infrastructure	7 629	7 878	3 823
Landfill Sites	2 929	2 978	3 823
Waste Transfer Stations	1000	1000	0
Waste Drop-off Points	500	700	0
Waste Separation Facilities	500	500	0
Capital Spares	2700	2700	0
Information and Communication Infrastructure	1 659	1 053	591
Data Centres	1 559	903	591



Description	2021/22		
	Original Budget	Adjustment Budget	Actual Expenditure
	R'000		
Capital Spares	100	150	
Community Assets	17 154	0	40 916
Community Facilities	11 654	18 772	37 656
Halls	3 600	2 136	2 497
Centres	1 000	1 000	1 298
Fire / Ambulance Stations	50	2 200	0
Testing Stations	0	0	0
Theatres	0	53	0
Libraries	300	2 617	369
Cemeteries / Crematoria	1 000	1 022	15
Police	0	0	0
Public Open Space	1 200	1 273	2 914
Nature Reserves	2 004	1 871	5 835
Public Ablution Facilities	0	0	0
Stalls	2 500	6 600	0
Taxi Ranks / Bus Terminals	0	0	0
Capital Spares	0	0	24 728
Sport and Recreation Facilities	5 500	5 615	3 260
Outdoor Facilities	5 500	5 615	3 260
Heritage assets			
Heritage assets	2 677	1 807	0
Historic Buildings	1 807	1 807	0
Conservation Areas	870	0	0
Investment Properties	500	0	0
Revenue Generating			
Improved Property	500	0	0
Unimproved Property	0	0	0
Non-revenue Generating			
Improved Property	0	0	0
Unimproved Property	0	0	0
Other assets			
Operational Buildings			
Municipal Offices	11 350	13 668	27 505
Yards	0	0	0
Stores	0	0	0
Training Centres	48 100	34 100	0
Manufacturing Plant	0	0	0
Depots	4 445	7 924	0
Capital Spares	0	0	
Housing			
Social Housing	9 700	4 137	4 117
Biological or Cultivated Assets			
Biological or Cultivated Assets			
Intangible Assets			
Licences and Rights	0	0	0



Description	2021/22		
	Original Budget	Adjustment Budget	Actual Expenditure
	R'000		
Computer Software and Applications	0	0	0
Computer Equipment			
Computer Equipment	4 150	5 220	9 630
Furniture and Office Equipment			
Furniture and Office Equipment	2 828	3 903	5 085
Machinery and Equipment			
Machinery and Equipment	6 450	11 251	1 879
Transport Assets			
Transport Assets	4 825	6 305	4 600
Land			
Land	0	0	0
Zoo, Marine and Non-biological Animals			
Zoo, Marine and Non-biological Animals	0	0	0
Total Capital Expenditure	406 054	392 151	347 610

5.13.2 Sources of Finance

The table below indicates the capital expenditure by funding source for the 2021/22 financial year.

Table 290: Capital Expenditure by Funding Source

Details	2021/22			
	Original Budget (OB)	Adjustment Budget	Actual	Adjustment Budget Variance
	R'000			%
Source of finance				
External Loans	144 000	152 862	128 766	15.76
Public Contributions and Donations	0	0	0	0
Grants and Subsidies	105 554	117 299	92 802	20.88
Other	156 500	133 347	126 042	5.48
Total	406 054	403 508	347 610	13.85
%				
External Loans	35.46	37.88	37.04	2.22
Public Contributions and Donations	0	0	0	0
Grants and Subsidies	26	29.07	26.70	8.16
Own Funding	38.54	33.05	36.26	-9.72
%				
Water and Sanitation	40.52	28.94	25.96	10.29
Electricity	18.41	20.65	25.29	-22.46
Housing	2.07	1.03	1.18	-15.52
Roads and Stormwater	13	18.47	20.51	-11.02
Other	26	30.91	27.05	12.48
Total	406 054	403 508	347 610	13.85
Water and Sanitation	164 550	116 767	90 240	22.72



Details	2021/22			
	Original Budget (OB)	Adjustment Budget	Actual	Adjustment Budget Variance
	R'000			%
Electricity	74 748	83 341	87 924	-5.50
Housing	8 394	4 137	4 117	0.48
Roads and Stormwater	52 800	74 547	71 300	4.36
Other	105 562	124 716	94 029	24.61

5.13.3 Capital Spending On 5 Largest Projects

Projects with the highest capital expenditure in 2021/22.

Table 291: Capital Expenditure on the 5 Largest Projects

Name of Project	2021/22			Variance 2021/22	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment Variance
				%	
Adhoc Reconstruction of Roads (WC024)	2 000 000	26 390 419	26 390 419	-1 219.52	-
Integrated National Electrification Programme	18 000 000	23 400 000	13 757 664	23.57	41.21
Stellenbosch Ida's Valley (166) FLISP ERF 9445	11 288 000	16 150 020	15 455 319	-36.92	4.30
Upgrade of WWTW Wemmershoek	30 000 000	27 500 000	22 022 887	26.59	19.92
Upgrade of WWTW: Pniël and Decommissioning of Franschoek	48 000 000	30 708 338	30 708 338	36.02	-

5.13.4 Basic Services and infrastructure backlogs - Overview

Out of the various Master Plans revised, various infrastructure backlogs and upgrades were identified which will be required to meet current and future development needs. Budgetary provisions will be made accordingly.

The service level above the minimum standard can be interpreted as the backlogs to upgrade current households above minimum standard to households supplied with water inside the dwelling.

In terms of the definition of backlogs for the minimum standard water supply, Stellenbosch Municipality has zero (0) backlogs. Major backlogs exist in terms of dilapidated infrastructure and the bulk services to provide for future development and the current provision of water and sanitation.



5.13.5 Integrated Urban Development Grant (IUDG)

Table 292: Integrated Urban Development Grant (IUDG)

Details	Budget	Adjustment Budget	Actual	Variance Budgets
	R'000			%
Stellenbosch Ida's Valley (166) FLISP ERF 9445	-	4 000 000	4 000 000	-
Bulk Water Supply Pipeline and Reservoir - Jamestown	6 000 000	500 000	500 000	-
Northern Extension: Phase 2 Water Infrastructure	4 000 000	-	-	-
Bulk Sewer Outfall: Jamestown	6 400 000	2 500 000	2 500 000	-
Upgrade of WWTW: Pniël and Decommissioning of Franschhoek	31 485 720	-	-	-
Adhoc Reconstruction of Roads (WC024)	-	17 000 290	17 000 290	-
Bridge Construction	-	12 486 470	12 551 581	-
Jamestown Transport Network	3 000 000	-	-	-
Non-Motorised Transport Implementation	-	4 000 000	3 999 554	-
Re-design of Bergzicht Public Transport Facility	1 500 000	680 000	679 520	-
Taxi Rank: Kayamandi	-	6 662 655	6 662 653	-
Neighbourhood Watch Safety equipment	-	2 871 035	2 870 682	-
Upgrading of swimming pool	-	2 266 000	2 218 800	-
Upgrade of Sport Facilities	-	127 500	110 870	-
Business and Advisory Project Management	1 000 000	1 000 000	1 000 000	-
Salaries, Wages and Allowances Basic Salary and Wages	2 847 050	2 847 050	2 847 050	-
Total	56 232 770	56 941 000	56 941 000	-



5.14 Cash Flow

Table 293: Cash flow

Description	2020/21	2021/22		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
				R'000
Cash Flow from Operating Activities				
Receipts				
Ratepayers and Other	1 319 483	1 581 657	1 581 657	1 577 430
Government Grants	270 470	304 747	304 747	304 910
Interest	19 515	-16 174	-16 174	18 770
Employee Costs	-564 947	-1 602 474	-1 602 474	-1 507 910
Suppliers	-782 292	-	-	-
Finance Costs	-29 155	-	-	-34 428
Transfers and Grants	-11 010			-13 364
Net Cash from / (Used) Operating Activities	222 064	267 756	267 756	345 408
Cash Flow from Investing Activities				
Receipts				
Proceeds on Disposal of PPE	10 185	16 047	16 047	1 690
Proceeds on Disposal of Biological Assets	-437	-	-	-
Movement in Non-Current Receivables	-	-	-	-
Payments				
Purchase of PPE	-392 565	- 403 508	- 403 508	- 347 560
Movement in Non-Current Receivables	970	-	-	-
Movement in Investments	84 204	-	-	- 83 089
Net Cash from / (Used) Investing Activities	-297 643	-387 460	-387 460	-428 959
Cash Flow from Financing Activities				
Receipts				
Proceeds from other Financial Liabilities	0	-	-	109 779
Increase in consumer deposits	0	22 961	22 961	-
Payments				
Repayment of Borrowing	76 027	-	-	109 779
Prior period error	-	-	-	-
Net Cash from / (Used) Financing Activities	76 027	22 961	22 961	109 779
Net Increase / (Decrease) in Cash Held	448	-96 743	-96 744	26 228
Cash / Cash Equivalents at the Year-Begin:	111 202	0	415 242	111 650
Cash / Cash Equivalents at the Year-End:	111 650	-96 743	318 498	137 878



5.15 Gross Outstanding Debtors per Service

Table 294: Gross Outstanding Debtors per Service

Financial year	Rates	Trading services	Trading services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
	(R'000)					
2018/19	39 149	207 104	46 069	27 274	204 212	523 808
2019/20	44 671	138 830	54 968	27 194	188 755	454 418
Difference	5 522	-68 274	8 899	-80	-15 457	-69 390
% growth year on year	14%	-33%	19%	0%	-8%	-13%
2021/22	49 872	262 980	69 220	29 192	216 025	627 289
Difference	2 294	118 329	12 020	1 536	23 390	157 569
% growth year on year	5%	82%	21%	6%	12%	34%
2021/22	49 872	262 980	69 220	29 192	216 025	627 289

Note: Figures exclude provision for bad debt.

5.16 Debtors Age Analysis

Table 295: 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)					
2018/19	39 149	207 104	46 069	27 274	204 212	523 808
2019/20	44 671	138 830	54 968	27 194	188 755	454 418
Difference	5 522	-68 274	8 899	-80	-15 457	-69 390
% growth year on year	14%	-33%	19%	0%	-8%	-13%
2020/21	98 357	17 589	18 889	11 414	323 471	469 720
2021/22	224 149	16 533	16 880	17 537	352 191	627 289
Difference	124 841	-3 953	-180 317	6 123	48 702	-4 604
% growth year on year	128%	-6%	-11%	54%	9%	34%

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 296: Actual Borrowings

Instrument	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	R'000					
Long-Term Loans	186 386	173 302	318 800	292 930	368 997	478 736

5.19 Municipal Investments

Table 297: Municipal Investments

Investment type	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	R'000					
Deposits - Bank	575 418	505 618	398 164	306 637	222 434	305 522



CHAPTER 6: AUDITOR GENERAL OF SOUTH AFRICA AUDIT FINDINGS

2.1 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 2020/21

2.2 Auditor General of South Africa Report 2020/21

Table 298: Auditor General of South Africa Report 2020/21

2020/21	
Audit Report Status:	Outstanding
2020/21	
Issue raised	Corrective step implemented
Emphasis of matter:	
Restatement of corresponding figures	
As disclosed in note 61 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2021.	None
Material Impairments	
As disclosed in note 5 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions amounting to R167,1 million (2019-20: R151,4 million).	None
As disclosed in note 6 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions amounting to R173,2 million (2019-20: R153,4 million).	None
Material losses	
None	
Material Non-Compliance	
The Auditor-General did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.	
Annual financial statements	
The Auditor General have audited the financial statements of the Stellenbosch Municipality set out on pages 5 to 134, which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.	None
In the opinion of the Auditor-General, the financial statements present fairly, in all material respects, the financial position of the Stellenbosch Municipality as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally	None



2020/21	
Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 16 of 2019 (Dora).	

COMPONENT B: AUDITOR-GENERAL OPINION 2021/22

At the time of compiling the Annual Report 2021/22, the audit for the 2021/22 financial year was not completed. The outcome of the audit will be reported after the conclusion of the audit by the AGSA.

2.3 Auditor General of South Africa Report 2021/22

Table 299: Auditor General of South Africa Report 2021/22

2021/22	
Audit Report Status:	Finalised (unqualified with no findings)
2021/22	
Issue raised	Corrective step implemented
Emphasis of matter:	
Restatement of corresponding figures	
As disclosed in note 63 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2022.	None
Material Impairments	
As disclosed in note 5 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions of R204,3 million (2020-21: R167,1 million).	None
As disclosed in note 6 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions of R187,6 million (2020-21: R173,2 million).	None
Material losses	
None	
Material Non-Compliance	
The Auditor-General did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.	
Annual financial statements	
I have audited the financial statements of the Stellenbosch Municipality set out on pages 7 to 131, which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.	None
In my opinion, the financial statements present fairly, in all material respects, the financial position of the Stellenbosch Municipality as at 30 June 2022 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 9 of 2021 (Dora).	None



ANNEXURE A: ANNUAL FINANCIAL STATEMENTS 2021/22



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Stellenbosch Municipality
Annual Financial Statements
for the year ended 30 June 2022



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

02 December 2022

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

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The reports and statements set out below comprise the annual financial statements presented to the council:

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Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

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

Newly elected Executive mayor and chairperson of mayoral committee

Portfolio

Executive mayor and chairperson of mayoral committee
Deputy executive mayor
Speaker
Council WIP
MMC Human settlements
MMC Youth, sport and culture
MMC Planning
MMC Rural management
MMC Community development (parks, open spaces environment)
MMC Corporate services
MMC Financial services
MMC Protection services
MMC Local economic development and tourism
MMC Infrastructure

Councillor

G van Deventer
J Fasser
Q Smit
P Crawley
J Fasser
R Adams
C Van Wyk
J Williams
J Joon

L Nkamisa
P Johnson
R Badenhorst
R Du Toit
Z Dalling

End of term of the mayoral committee

Portfolio

Deputy executive mayor
Speaker
Council WIP
MMC Protection services
MMC Finance
MMC Corporate services
MMC LED, tourism, planning
MMC Parks, open spaces
MMC Rural management
MMC Infrastructure
MMC Youth, sport and culture

Councillor

N Jindela
WC Petersen
PW Biscombe
F Badenhorst
P Crawley
A Franzenburg
E Groenewald
X Mdemka
S Peters
Q Smit
J Fasser

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

General Information

Newly Elected 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	Pfeiffer	R
4	Ntsunguzi	N	21	Petersen	W
5	Nalumango	R	22	Manuel	C
6	Crawley	P	23	Van Rooyen	R
7	Kalipa	X	24	Mcombring	N
8	Mdemka	X	25	Ferns	N
9	Hanekom	A	26	Vermeulen	E
10	Crombie	A	27	Serdyn	J
11	Olayi	N	28	Tomose	A
12	Mkhontwana	N	29	Nkopane	M
13	Ndalasi	Z	30	Danana	M
14	Noble	C	31	Masimini	E
15	Van Stade	M	32	Anthony	JC
16	Hendrikse	R	33	Groenewald	E
17	Andrews	J			

Council Members - End of term

Nr	Surname	Initials	Nr	Surname	Initials
1	Van Deventer (Mayor)	G	23	Hanekom	A
2	Jindela (Deputy Mayor)	N	24	Hendrickse (deceased)	D
3	Petersen (Speaker)	W	25	Hendricks	J
4	Crawley	P	26	Horsband	L
5	Frazenburg	A	27	Johnson	M
6	Groenewald	E	28	Joubert	D
7	Mdemka	X	29	Mananga-Gugushe	N
8	Peters	S	30	Manuel	C
9	Pietersen (deceased)	M	31	Mc Ombring	M
10	Smit	Q	32	Moses	C
11	Fasser	J	33	Nalumango	R
12	Adams	F	34	Olayi	N
13	Bangani-Menziwa	F	35	Oliphant	M
14	Biscombe	P	36	Davidse	C
15	Cele	G	37	Pietersen	W
16	Crombie	A	38	Schafer	S
17	Dalling	Z	39	Serdyn	J
18	Du Toit	R	40	Sinkinya	N
19	Florence	A	41	Sitshoti	P
20	Fredericks	E	42	Stander	L
21	Gosa	T	43	Vermeulen	E
22	Hamilton	J			

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

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

G Mettler
K Carolus
D Louw
A de Beer
A Barnes
G Boshoff

Members of the Audit Committee

Chairperson:

Dr NL Mortimer (1 July 2021 - 30 April 2022)

Mr L Nene (1 May 2022 - 30 June 2022)

Members:

Mr V Botto

Mr T Lesihla

Ms J Williams

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

Annual Financial Statements for the year ended 30 June 2022

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
NDPG	Neighbourhood Development And Partnership Grant
SALGA	South African Local Government Association
SAPS	South African Police Services
SCM	Supply Chain Management
SRAC	Sports, Recreation, Arts and Culture

Accounting Officer's Responsibilities and Approval

The Accounting Officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The 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 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 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 36 to these 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 annual financial statements.

The 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 2022:



Accounting Officer
Geraldine Mettler

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Financial Position as at 30 June 2022

	Note(s)	2022 R	2021 Restated* R
Assets			
Current Assets			
Cash and cash equivalents	3	137,877,710	111,649,771
Short term investments	4	305,522,446	222,433,620
Receivables from exchange transactions	5	169,893,585	153,119,572
Receivables from non-exchange transactions	6	67,176,042	57,455,962
Inventories	7	29,030,067	53,315,179
Other receivables from exchange transactions	8	23,237,334	26,285,830
VAT Receivable	9	18,651,433	19,509,741
		751,388,617	643,769,675
Non-Current Assets			
Investment property	10	411,892,012	412,143,897
Property, plant and equipment	11	5,562,988,212	5,426,298,767
Intangible assets	12	7,067,124	8,563,546
Biological assets that form part of agricultural activity	13	5,142,777	5,142,777
Heritage assets	14	1,036,828	1,036,828
Long-term receivables	15	6,720,631	7,880,672
		5,994,847,584	5,861,066,487
Total Assets		6,746,236,201	6,504,836,162
Liabilities			
Current Liabilities			
Consumer deposits	16	22,154,833	21,007,832
Employee benefits	17	60,750,863	56,471,347
Lease liabilities	18	2,118,022	3,739,474
Borrowings	19	51,902,261	34,223,894
Trade and other payables	20	267,827,729	295,003,353
Payables from non-exchange transactions	21	31,403,223	15,503,616
		436,156,931	425,949,516
Non-Current Liabilities			
Employee benefits	17	204,100,717	200,444,000
Borrowings	19	426,834,231	334,733,125
Provisions	22	160,533,093	141,497,317
		791,468,041	676,674,442
Total Liabilities		1,227,624,972	1,102,623,958
Net Assets		5,518,611,229	5,402,212,204
Net assets presented by:			
Reserves		162,490,627	162,490,630
Accumulated surplus		5,356,120,597	5,239,721,626
Total Net Assets		5,518,611,224	5,402,212,256

* See Note 63

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Financial Performance

	Note(s)	2022 R	2021 Restated* R
Revenue			
Non-exchange revenue			
Property rates	23	414,445,896	387,056,677
Transfers and subsidies	24	289,060,524	264,777,227
Fines, penalties and forfeits	25	122,933,462	108,942,664
Interest on receivables	26	2,430,082	1,970,109
Total non-exchange revenue		828,869,964	762,746,677
Exchange revenue			
Services charges - Electricity	27	756,431,257	632,401,485
Services charges - Water	27	146,829,883	134,425,800
Services charges - Waste water management	27	102,285,414	92,638,765
Services charges - Waste management	27	84,651,895	73,150,291
Rental	28	12,172,871	11,004,517
Interests on investments	29	18,770,341	19,515,361
Interest earned from receivables	26	10,428,555	8,667,388
Licences or permits		7,809,443	6,810,003
Agency services	31	3,019,961	3,248,206
Operational revenue	32	11,051,156	4,817,493
Sales of goods and rendering of services	33	60,032,736	46,126,642
Gain on disposal of assets	34	-	8,948,654
Total exchange revenue		1,213,483,512	1,041,754,605
Total revenue		2,042,353,476	1,804,501,282
Expenditure			
Employee related cost	35	(550,719,139)	(558,471,749)
Remuneration of councillors	36	(19,815,248)	(18,657,000)
Bad debts written off	37	(84,984,896)	(108,781,924)
Depreciation and amortisation	38	(211,023,051)	(212,325,220)
Impairment losses		(2,722,872)	-
Finance costs	39	(44,332,364)	(38,556,682)
Bulk Purchases	40	(559,177,188)	(453,758,156)
Inventory consumed	41	(44,872,633)	(34,628,654)
Contracted services	42	(208,232,448)	(227,703,614)
Transfers and subsidies	43	(13,363,879)	(11,009,540)
Operational Cost	44	(113,472,212)	(112,848,487)
Operating leases	45	(14,990,534)	(14,880,942)
Contribution to/from provision	46	(6,287,548)	(6,874,912)
Contribution to allowance for doubtful debt	47	(51,711,364)	(33,985,791)
Loss on disposal of assets	34	(76,275)	-
Inventories (write-down)	48	(115,859)	(18,583)
Total expenditure		(1,925,897,510)	(1,832,501,254)
Surplus (deficit) for the year		116,455,966	(27,999,972)

*We draw attention to note 63.2 and 63.4 to the financial statements, where detailed classification changes on the statement of financial performance line items are presented. These naming changes were performed to take into consideration the effects of Mscoa as delegated by the National Treasury.

* See Note 63

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of changes in net assets

	Self insurance reserve	Capital replacement reserve	Total reserves	Accumulated surplus	Total net assets
	R	R	R	R	R
Opening balance as previously reported	9,885,492	249,724,258	259,609,750	5,160,070,020	5,419,679,770
Adjustments					
Correction of errors	-	-	-	6,759,494	6,759,494
Balance at 01 July 2020 as restated*	9,885,492	249,724,258	259,609,750	5,166,829,514	5,426,439,264
Surplus/(Deficit) for the year	-	-	-	(27,999,972)	(27,999,972)
Transfers to / from accumulated surplus for the year	-	-	-	(114,066,225)	(114,066,225)
Transfer to capital replacement reserve	-	(97,119,120)	(97,119,120)	211,185,343	114,066,223
Total changes	-	(97,119,120)	(97,119,120)	69,119,146	(27,999,974)
Restated* Balance at 01 July 2021	9,885,492	152,605,135	162,490,627	5,239,721,925	5,402,212,552
Surplus/(Deficit) for the year	-	-	-	116,455,964	116,455,964
Total changes	-	-	-	116,455,964	116,455,964
Adjustments					
Prior period correction of errors posted in current year	-	-	-	(57,292)	(57,292)
Balance at 30 June 2022	9,885,492	152,605,135	162,490,627	5,356,120,597	5,518,611,224
Note(s)					

* See Note 63

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Cash Flow Statement

	Note(s)	2022 R	2021 Restated* R
Cash flows from operating activities			
Receipts			
Sales of goods and services		1,577,430,245	1,319,483,320
Transfers and Subsidies		304,910,171	270,469,591
Interest income		18,770,341	19,515,361
Payments			
Cash paid to employees		(562,598,154)	(564,946,790)
Cash paid to suppliers		(945,313,971)	(782,291,533)
Finance cost		(34,427,551)	(29,155,448)
Grants paid		(13,363,885)	(11,009,542)
Net cash from(used) operating activities	49	345,407,196	222,064,959
Cash flows from investing activities			
Receipts			
Capital assets sales		1,690,404	10,184,705
Biological assets sales		-	(436,794)
Payments			
Capital assets additions		(347,560,325)	(392,565,426)
Short term investments		(83,088,826)	84,203,722
Intangibles additions		-	54,315
Heritage additions		-	(262,826)
Biological assets additions		-	1,178,671
Net cash flows from investing activities		(428,958,747)	(297,643,633)
Cash flows from financing activities			
Net movement in borrowings		109,779,473	76,026,580
		-	-
Net increase/(decrease) in cash		26,227,922	447,906
Cash and cash equivalents at year begin		111,649,771	111,201,845
		137,877,693	111,649,751

* See Note 63

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R	R	R	R	R	
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges - electricity revenue	787,275,170	-	787,275,170	756,431,257	(30,843,913)	BD1
Service charges - water revenue	166,399,723	-	166,399,723	146,829,883	(19,569,840)	
Service charges - sanitation revenue	102,956,558	-	102,956,558	102,285,414	(671,144)	
Service charges - refuse revenue	87,936,447	-	87,936,447	84,651,895	(3,284,552)	
Rental of facilities and equipment	10,811,501	-	10,811,501	12,172,871	1,361,370	
Interest earned - external investments	19,612,814	-	19,612,814	18,770,341	(842,473)	
Interest earned - outstanding debtors	12,495,451	-	12,495,451	12,858,637	363,186	
Fines, penalties and forfeits	120,164,832	-	120,164,832	122,933,462	2,768,630	
Licenses and permits	5,778,049	-	5,778,049	7,809,443	2,031,394	
Agency services	4,077,493	-	4,077,493	3,019,961	(1,057,532)	
Transfer and subsidies	204,230,382	-	204,230,382	196,208,355	(8,022,027)	
Other revenue	44,838,678	-	44,838,678	71,083,892	26,245,214	BD2
Gains	1,000,000	-	1,000,000	-	(1,000,000)	
Total revenue from exchange transactions	1,567,577,098	-	1,567,577,098	1,535,055,411	(32,521,687)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	415,667,656	-	415,667,656	414,445,896	(1,221,760)	
Transfer revenue						
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	116,991,300	-	116,991,300	92,494,808	(24,496,492)	BD5
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	16,354,714	-	16,354,714	307,361	(16,047,353)	
Transfers and subsidies - capital (in-kind - all)	-	-	-	50,000	50,000	
Total revenue from non-exchange transactions	549,013,670	-	549,013,670	507,298,065	(41,715,605)	
Total revenue	2,116,590,768	-	2,116,590,768	2,042,353,476	(74,237,292)	
Expenditure						
Employee related costs	(578,245,894)	-	(578,245,894)	(550,719,139)	27,526,755	
Remuneration of councillors	(20,059,305)	-	(20,059,305)	(19,815,248)	244,057	
Debt impairment	(105,292,164)	-	(105,292,164)	(136,696,260)	(31,404,096)	

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R	R	R	R	R	
Depreciation and amortisation	(211,541,195)	-	(211,541,195)	(213,745,923)	(2,204,728)	
Finance charges	(45,476,262)	-	(45,476,262)	(44,332,362)	1,143,900	
Bulk purchases - Electricity	(507,699,460)	-	(507,699,460)	(559,177,188)	(51,477,728)	BD3
Inventory consumed	(74,377,000)	(800,287)	(75,177,287)	(44,872,633)	30,304,654	
Contracted Services	(261,969,000)	865,335	(261,103,665)	(208,232,448)	52,871,217	BD4
Transfers and subsidies	(13,523,947)	-	(13,523,947)	(13,363,879)	160,068	
Other expenditure	(159,559,833)	-	(159,559,833)	(134,750,294)	24,809,539	
Losses	-	-	-	(192,134)	(192,134)	
Total expenditure	(1,977,744,060)	65,048	(1,977,679,012)	(1,925,897,508)	51,781,504	
Surplus before taxation	138,846,708	65,048	138,911,756	116,455,968	(22,455,788)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	138,846,708	65,048	138,911,756	116,455,968	(22,455,788)	

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R	R	R	R	R	
Statement of Financial Position						
Assets						
Current Assets						
Cash and cash equivalents	17,614,823	-	17,614,823	96,105,862	78,491,039	BD6
Call investment deposits	200,080,097	-	200,080,097	347,294,294	147,214,197	BD7
Consumer Debtors	231,584,050	-	231,584,050	210,876,039	(20,708,011)	
Inventories	52,605,000	(800,222)	51,804,778	29,030,067	(22,774,711)	
Other debtors	90,833,799	-	90,833,799	68,082,355	(22,751,444)	
	592,717,769	(800,222)	591,917,547	751,388,617	159,471,070	
Non-Current Assets						
Property, plant and equipment	5,647,867,954	-	5,647,867,954	5,562,988,212	(84,879,742)	BD8
Investment property	412,135,616	-	412,135,616	411,892,012	(243,604)	
Intangible assets	8,000,468	-	8,000,468	7,067,124	(933,344)	
Biological assets that form part of agricultural activity	6,321,448	-	6,321,448	5,142,777	(1,178,671)	
Other non-current assets	3,865,468	-	3,865,468	1,036,828	(2,828,640)	
Long term receivables	(3,474,347)	-	(3,474,347)	6,720,631	10,194,978	
	6,074,716,607	-	6,074,716,607	5,994,847,584	(79,869,023)	
Total Assets	6,667,434,376	(800,222)	6,666,634,154	6,746,236,201	79,602,047	
Liabilities						
Current Liabilities						
Consumer deposits	22,960,839	-	22,960,839	22,154,833	(806,006)	
Provisions	100,539,159	-	100,539,159	60,750,863	(39,788,296)	BD10
Borrowings	47,117,209	-	47,117,209	51,902,261	4,785,052	
Trade and other payables	164,811,000	(800,456)	164,010,544	301,348,974	137,338,430	BD9
	335,428,207	(800,456)	334,627,751	436,156,931	101,529,180	
Non-Current Liabilities						
Borrowings	434,892,865	-	434,892,865	426,834,231	(8,058,634)	
Provisions	342,292,103	-	342,292,103	364,633,810	22,341,707	BD11
	777,184,968	-	777,184,968	791,468,041	14,283,073	
Total Liabilities	1,112,613,175	(800,456)	1,111,812,719	1,227,624,972	115,812,253	
Net Assets	5,554,821,201	234	5,554,821,435	5,518,611,229	(36,210,214)	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Reserves	206,285,345	-	206,285,345	(162,490,627)	(368,775,972)	BD12
Accumulated surplus	(5,761,106,783)	-	(5,761,106,783)	(5,356,120,597)	404,986,186	BD12
Total Net Assets	(5,554,821,438)	-	(5,554,821,438)	(5,518,611,224)	36,210,214	

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R	R	R	R	R	

Cash Flow Statement

Cash flows from operating activities

Receipts

Sale of good and services	1,581,657,139	-	1,581,657,139	1,577,430,245	(4,226,894)	
Grants	304,747,132	-	304,747,132	304,910,171	163,039	
Interest	(16,173,858)	-	(16,173,858)	18,770,341	34,944,199	
	1,870,230,413	-	1,870,230,413	1,901,110,757	30,880,344	

Payments

Suppliers and employees	(1,602,474,386)	-	(1,602,474,386)	(1,507,912,125)	94,562,261	CF1
Transfers and grants	-	-	-	(13,363,879)	(13,363,879)	
Finance cost	-	-	-	(34,427,551)	(34,427,551)	
	(1,602,474,386)	-	(1,602,474,386)	(1,555,703,555)	46,770,831	

Net cash flows from operating activities	267,756,027	-	267,756,027	345,407,202	77,651,175	

Cash flows from investing activities

Proceeds on disposal of PPE	16,047,353	-	16,047,353	1,690,404	(14,356,949)	
Short term investments	-	-	-	(83,088,826)	(83,088,826)	CF2
Capital assets	(403,507,635)	-	(403,507,635)	(347,560,326)	55,947,309	
Net cash flows from investing activities	(387,460,282)	-	(387,460,282)	(428,958,748)	(41,498,466)	

Cash flows from financing activities

Increase (decrease) in consumer deposits	22,960,839	-	22,960,839	-	(22,960,839)	CF3
Borrowing long term/refinancing	-	-	-	109,779,473	109,779,473	CF4
Net cash flows from financing activities	22,960,839	-	22,960,839	109,779,473	86,818,634	

Net increase/(decrease) in cash and cash equivalents	(96,743,416)	-	(96,743,416)	26,227,927	122,971,343	
Cash and cash equivalents at the beginning of the year	334,083,000	-	334,083,000	111,649,771	(222,433,229)	
Cash and cash equivalents at the end of the year	237,339,584	-	237,339,584	137,877,698	(99,461,886)	

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

The annual financial statements of Stellenbosch Municipality for the year ended 30 June 2022 were authorised for issue by the Accounting Officer on 31 August 2022.

Basis of preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives, issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. All figures are rounded to the nearest Rand.

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 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 Housing development reserve

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.3 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.

1.4 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.

1.5 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.

1.6 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.

Accounting Policies

1.6 Materiality (continued)

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.

1.7 Significant judgements and estimates

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are insignificant to the annual financial statements are set out below:

Sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Revenue recognition

Accounting Policy 1.23.1 on Revenue from Exchange Transactions and Accounting Policy 1.23.2 on Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality

In concluding judgement, management considered the detailed criteria for recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate

The IGRAP 1 amendments did not have any impact on Traffic Fines revenue issued in terms of the current Criminal Proceedings Act system but will only have an effect on fines issued in terms of the Amended Act (AARTO) that is expected to become effective on 1 July 2021. As the legislation is new, the possible impact cannot at this stage be determined. The legislation itself will significantly increase Traffic Fines revenue based on higher fine amounts being pronounced in Schedule 3 of the Amendment Act.

The iGRAP 20 interpretation is not regarded as having an effect, as the principles of revising revenue (e.g., incorrect tariff or appeal) is already applied by the municipality.

Impairment of financial assets

Accounting Policy 1.13 Financial Instruments, referring to the paragraph on impairment of financial assets, describes the process followed to determine the value with which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in GRAP 104: Financial Instruments - Recognition and Measurement. The management of the municipality is satisfied that impairment of financial assets recorded during the year is appropriate. Details of the impairment loss calculation are provided in the applicable notes to the annual financial statements.

Useful lives of assets

As described in Accounting Policy 1.10 and 1.11 the municipality depreciates its property, plant and equipment and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful life, which is determined when the assets are brought into use. The review of useful life and residual values of assets are only reviewed if one of the indicators of potential review is triggered.

Accounting Policies

1.7 Significant judgements and estimates (continued)

Employee benefit obligation

The municipality obtains actuarial valuations of its employee benefit obligations. The employee benefit obligations of the municipality that were identified are post-retirement health benefit obligations and long-service awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the applicable notes to the annual financial statements.

The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Impairment of non-financial assets

The recoverable amounts of cashgenerating units have been determined based on the higher of valueinuse calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The recoverable amounts of individual assets have been determined based on the higher of valueinuse calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

Value in use of cash generating assets

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as inflation and interest

Value in use of non-cash generating assets

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that the impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

Allowance for slow moving, damaged and obsolete stock

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operation surplus note.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 22 - Provisions.

A qualified environmental engineer calculates the provision. The provision represents the best estimate or net present value of the expected future cash flows to rehabilitate the landfill site at yearend. The professional engineer determines the cost of rehabilitation and the remaining useful life of each site. Interest rates linked to prime were used to calculate the effect of the time value of money.

Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

Accounting Policies

1.7 Significant judgements and estimates (continued)

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Impairment of statutory receivables

If there is an indication that a statutory receivable, may be impaired, the municipality measures the impairment loss. The impairment loss is measured 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, are reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

In estimating the future cash flows, the municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable are 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

Pre-paid electricity

Pre-paid electricity is only recognised as income once the electricity is consumed. The pre-paid electricity balance (included under payables) represents the best estimate of electricity sold at year-end, which is still unused.

1.8 Biological assets that form part of agricultural activity 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

1.9 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.

Accounting Policies

1.9 Investment property (continued)

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-buildings	30-99 years
Property-Land	indefinite

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

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 10).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the annual financial statements (see note 10).

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;
- (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.

Accounting Policies

1.10 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, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the municipality is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.10 Property, plant and equipment (continued)

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 11).

Accounting Policies

1.11 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

1.11 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.

1.12 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 14 Heritage assets.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

Subsequent to initial measurement classes of heritage assets are carried at cost less any accumulated impairment losses.

Impairment

The municipality assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Reference to impairment paragraphs can be made to note 1.17, 1.18 and 1.19.

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

1.13 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.

1.13.1 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 investments	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.

Borrowings

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity.

The following main categories of borrowings and the classification determining how they are measured exist:

- Borrowings measured at amortised cost; or
- Borrowings measured at fair value.

The municipality has the following types of borrowings 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
Payables from exchange transactions	Financial liability at amortised cost
Consumer Deposits	Financial liability at amortised cost

Accounting Policies

1.13 Financial instruments (continued)

1.13.2 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

1.13 Financial instruments (continued)

1.13.3 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.

Borrowings

The municipality derecognises borrowings 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.

1.13.4 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.

1.14 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.

Accounting Policies

1.15 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.

1.16 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

1.17 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.

1.18 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

1.18 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

1.18 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

1.19 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

1.19 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.

1.20 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

1.20 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

1.20 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

1.20 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

1.20 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

1.20 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.

1.21 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

1.21 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.

1.22 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

1.23 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.

1.23.1 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.

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.

The costs incurred or to be incurred in respect of the transaction can be measure reliably.

Accounting Policies

1.23 Revenue (continued)

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.

1.23.2 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

Accounting Policies

1.23 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 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

1.24 Statutory receivables

1.24.1 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.

1.24.2 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.

1.24.3 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).

1.24.4 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

1.24 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.

1.24.5 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.

1.25 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

1.25 Impairment of cash-generating assets (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.

1.26 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.

1.27 Comparative of actual information to budgeted information

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 60 for detail.

Accounting Policies

1.28 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.

1.29 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.

1.30 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.

1.31 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).

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.

Accounting Policies

1.31 Related parties and related party transactions (continued)

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.

1.32 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. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

1.33 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.33 Commitments (continued)

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.

1.34 Value Added Tax

The municipality accounts for Value Added Tax on the cash (receipt) basis.

1.35 Budget information

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2021/07/01 to 2022/06/30.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

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.

1.36 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.37 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.38 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.

1.39 Segment information

A segment is an activity of an entity:

Accounting Policies

1.39 Segment information (continued)

- 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.

1.40 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.

1.41 Current year comparatives

When the presentation or classification of items in the 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.

1.42 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.

Accounting Policies

1.42 Cash and cash equivalents (continued)

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.

1.43 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.

An expected deficit on a construction contract to which paragraph .49 applies shall be recognised as an expense immediately in accordance with paragraph .49.

1.44 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 annual financial statements as expenses in the period that the events giving rise to the transfer occurred.

Accounting Policies

1.45 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.

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

1.46 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.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R

2. New standards and interpretations

2.1 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2022 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Guideline: Guideline on Accounting for Landfill Sites	No effective date as yet	Unlikely there will be a material impact
• GRAP 25 (as revised): Employee Benefits	No effective date as yet	Unlikely there will be a material impact
• iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	No effective date as yet	Unlikely there will be a material impact
• Guideline: Guideline on the Application of Materiality to Financial Statements	No effective date as yet	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact
• iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	Unlikely there will be a material impact
• GRAP 2020: Improvements to the standards of GRAP 2020	01 April 2023	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	Unlikely there will be a material impact

3. Cash and cash equivalents

3.1 Cash and cash equivalents

Cash and cash equivalents consist of the following:

Call deposits and investments

Deposit taking institutions	41,771,848	-

Cash at bank

Bank account	96,091,642	111,635,751

Cash on hand	14,220	14,020

Total cash and cash equivalents	137,877,710	111,649,771

The municipality had the following accounts:

FNB - Primary (62869253684)	94,086,615	115,438,007
FNB - Lamotte Trust (62869255169)	2,591,239	2,047,087
FNB - Charitable (62869253733)	136,678	61,508
Nedbank - Primary (1152271679)	-	3,244,449
	96,814,532	120,791,051

Reconciling the bank accounts to the cash book

Bank statement balance at end of the year	94,086,615	120,791,051
Net movement/reconciling items	(4,066,485)	(8,908,442)

Cash book balance at the end of the year	90,020,130	111,882,609

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
4. Short term investments		
Short term investments	305,522,446	222,433,620
FNB Investments		
Deposits	-	145,000,000
Interest accrued	-	2,526,575
Withdrawals	-	(147,526,575)
	-	-
Nedbank Investments		
Opening balance	162,000,471	123,143,835
Deposits	179,061,482	160,000,000
Interest accrued	7,413,957	4,968,252
Withdrawals	(164,691,923)	(126,111,616)
	183,783,987	162,000,471
Standard Bank Investments		
Opening balance	60,433,150	82,082,191
Deposits	80,938,518	60,000,000
Interest Accrued	6,639,615	2,848,493
Withdrawals	(66,884,331)	(84,497,534)
	81,126,952	60,433,150
ABSA Investments		
Opening balance	-	101,411,315
Deposits	40,000,000	-
Interest Accrued	611,507	1,887,863
Withdrawals	-	(103,299,178)
	40,611,507	-

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

		2022 R	2021 R
5. Receivables from exchange transactions			
Consumer receivables from exchange transactions	5.1		
Electricity		108,881,514	99,346,530
Waste management		7,580,904	6,065,834
Waste water management		8,133,394	7,998,075
Water		42,986,897	37,773,204
Service charges		1,582,321	1,310,597
		169,165,030	152,494,240
Other consumer receivables from exchange transactions	5.2		
Property rental debtors		728,555	625,332
Total receivables from exchange transactions		169,893,585	153,119,572

The amount disclosed in this note is net of impairment. Refer to note 5.1 & 5.2 for the amount before the provision (gross) and the actual value of the provision.

5.1 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.

Controlling entity

	2022			2021		
	Gross	Impairment	Total	Gross	Impairment	Total
Consumer receivables from exchange transactions						
Electricity	123,618,935	(14,737,421)	108,881,514	111,396,846	(12,050,316)	99,346,530
Waste management	36,940,022	(29,359,118)	7,580,904	29,438,988	(23,373,154)	6,065,834
Waste water management	32,279,437	(24,146,043)	8,133,394	27,761,268	(19,763,193)	7,998,075
Water	139,361,334	(96,374,437)	42,986,897	113,248,589	(75,475,385)	37,773,204
Service charges	12,794,236	(11,211,915)	1,582,321	10,730,784	(9,420,187)	1,310,597
Total consumer receivables from exchange transactions	344,993,964	(175,828,934)	169,165,030	292,576,475	(140,082,235)	152,494,240

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

5. Receivables from exchange transactions (continued)

5.1.1 Ageing of consumer receivables

2022

	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	123,618,935	107,748,522	659,891	453,287	338,488	2,798,640	11,620,107
Waste management	36,940,022	6,631,198	806,034	658,205	575,212	4,261,991	24,007,382
Waste water management	32,279,437	7,397,227	595,674	499,521	411,083	3,125,904	20,250,028
Water	139,361,334	40,145,591	3,101,438	2,684,633	2,373,921	13,409,500	77,646,251
Service charges	12,794,236	1,177,046	194,392	252,773	226,778	1,332,251	9,610,996
Total by debt type	344,993,964	163,099,584	5,357,429	4,548,419	3,925,482	24,928,286	143,134,764

2021

	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	111,396,846	96,546,123	1,541,793	804,361	552,836	2,547,764	9,403,969
Waste management	29,438,988	5,257,377	535,613	518,311	447,509	3,652,986	19,027,192
Waste water management	27,761,268	7,186,588	695,256	442,960	352,916	2,438,957	16,644,591
Water	113,248,589	34,421,743	3,251,097	3,944,316	1,477,577	8,593,591	61,560,265
Service charges	10,730,784	1,052,914	185,125	194,673	173,477	578,286	8,546,309
Total by debt type	292,576,475	144,464,745	6,208,884	5,904,621	3,004,315	17,811,584	115,182,326

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R

5. Receivables from exchange transactions (continued)

5.1.2 Consumer debt past due not impaired

2022

	Total	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	365+ days
Consumer receivables from exchange transactions						
Electricity	923,357	259,272	143,054	101,332	299,065	120,634
Waste management	864,334	171,560	127,226	72,121	214,828	278,599
Waste water management	717,677	138,044	110,113	53,936	154,594	260,990
Water	2,765,713	483,499	400,052	242,384	759,529	880,249
Service charges	348,388	45,742	36,432	32,846	151,306	82,062
Total consumer receivables	5,619,469	1,098,117	816,877	502,619	1,579,322	1,622,534

2021

	Total	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	365+ days
Consumer receivables from exchange transactions						
Electricity	2,392,783	719,794	368,808	204,050	513,805	586,326
Waste management	808,455	110,571	93,428	58,096	360,866	185,494
Waste water management	811,484	249,884	86,985	48,480	218,222	207,913
Water	3,351,459	642,367	626,599	199,557	629,623	1,253,313
Service charges	265,467	49,029	36,180	24,947	88,823	66,488
Total consumer receivables	7,629,648	1,771,645	1,212,000	535,130	1,811,339	2,299,534

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.

5.2 Other receivables from exchange transactions

	2022			2021		
	Gross	Impairment	Total	Gross	Impairment	Total
Property rental debtors	29,191,965	(28,463,410)	728,555	27,656,248	(27,030,916)	625,332

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

5. Receivables from exchange transactions (continued)

5.2.1 Ageing of other receivables from exchange transactions

2022

	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	29,191,965	983,999	214,238	352,169	165,527	1,111,659	26,364,373

2021

	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	27,656,248	472,726	197,196	854,090	98,753	1,059,856	24,973,627

5.2.2 Other receivables from exchange transactions past due not impaired

2022

	Past due					
	Total	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	365+ days
Property rental debtors	261,644	36,051	88,450	20,761	47,011	69,371

2021

	Past due					
	Total	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	365+ days
Property rental debtors	534,735	26,914	345,640	10,005	57,183	94,993

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R

5. Receivables from exchange transactions (continued)

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.

Reconciliation of allowance for impairment

Balance at the beginning of the year	(167,113,151)	(151,403,282)
Contributions to the allowance	(37,179,193)	(15,709,869)
	(204,292,344)	(167,113,151)

Government debt as at 30 June 2022

	Rates	Services	Interest	Sundry	Total
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

Government debt as at 30 June 2021

	Rates	Services	Interest	Sundry	Total
Nat. dept of Public Works	1,482,296	4,718,701	188,584	46,095	6,435,676
Prov. dept of Transport and Public Works	112,101	55,720	7,704	7,038	182,563
Western Cape Education department	3,622	1,798,893	5,714	688	1,808,917
Department of Health	-	856,445	-	-	856,445
Dept of local government and housing	5,367	10,227	1,009	1,777	18,380
Other government departments	86	18,525	704	1,031	20,346
	1,603,472	7,458,511	203,715	56,629	9,322,327

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

		2022 R	2021 R
6. Receivables from non-exchange transactions			
Consumer receivables	6.1		
Property rates		17,745,120	18,020,365
Other receivables			
Accrued income		18,645,756	14,582,189
Fines		30,785,166	24,853,408
		49,430,922	39,435,597
Total receivables		67,176,042	57,455,962

6.1 Receivables from non-exchange transactions

	2022			2021		
	Gross	Impairment	Total	Gross	Impairment	Total
Consumer receivables						
Property rates	49,872,415	(32,127,295)	17,745,120	47,577,986	(29,557,621)	18,020,365
Other receivables						
Accrued income	18,645,756	-	18,645,756	14,582,189	-	14,582,189
Fines	186,301,512	(155,516,346)	30,785,166	164,743,737	(139,890,329)	24,853,408
	204,947,268	(155,516,346)	49,430,922	179,325,926	(139,890,329)	39,435,597
Total	254,819,683	(187,643,641)	67,176,042	226,903,912	(169,447,950)	57,455,962

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

6. Receivables from non-exchange transactions (continued)

6.1.1 Ageing of receivables from non-exchange transactions

2022

	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	49,872,415	20,164,932	913,466	773,029	616,688	6,230,126	21,174,174
Other receivables							
Accrued income	18,645,756	13,361,240	-	-	-	-	5,284,516
Fines	186,301,512	28,255,472	10,048,047	11,206,219	7,544,529	40,192,188	89,055,057
	204,947,268	41,616,712	10,048,047	11,206,219	7,544,529	40,192,188	94,339,573
	254,819,683	61,781,644	10,961,513	11,979,248	8,161,217	46,422,314	115,513,747

2021

	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	47,577,986	19,940,732	1,134,967	924,388	766,305	6,731,852	18,079,742
Other receivables							
Accrued income	14,582,189	6,544,920	-	-	-	-	8,037,269
Fines	164,743,737	6,697,697	10,048,047	11,206,219	7,544,529	40,192,188	89,055,057
	179,325,926	13,242,617	10,048,047	11,206,219	7,544,529	40,192,188	97,092,326
	226,903,912	33,183,349	11,183,014	12,130,607	8,310,834	46,924,040	115,172,068

Statutory receivables included in receivables from non-exchange transactions above are as follows:

Property rates	17,745,120	18,020,365

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
6. Receivables from non-exchange transactions (continued)		
Fines	29,068,732	24,853,408
	46,813,852	42,873,773
Financial asset receivables included in receivables from non-exchange transactions above		
Accrued Income	18,645,756	14,582,189
Reconciliation of allowance for impairment		
Balance at beginning of the year	(173,186,777)	(153,351,847)
Contributions to allowance	(14,456,864)	(19,834,930)
	(187,643,641)	(173,186,777)

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

				2022 R	2021 R	
6. Receivables from non-exchange transactions (continued)						
6.1.2 Ageing of impaired receivables from non-exchange transactions past due not impaired						
2022						
	Past due					
	Total	31-60 days	61 - 90 days	91 - 120 days	121 - 365 days	365+ days
Consumer receivables						
Property rates	1,911,656	373,269	259,228	170,442	573,671	535,046
Other receivables						
Fines	94,827,622	6,028,828	6,723,731	4,526,717	24,115,312	53,433,034
	96,739,278	6,402,097	6,982,959	4,697,159	24,688,983	53,968,080
2021						
	Past due					
	Total	31 - 60 days	61 - 90 days	91 - 120 days	121- 365 days	365+ days
Consumer receivables						
Property rates	2,562,526	503,863	355,952	257,628	1,057,954	387,129
Other receivables						
Fines	158,046,040	10,048,047	11,206,219	7,544,529	40,192,188	89,055,057
	160,608,566	10,551,910	11,562,171	7,802,157	41,250,142	89,442,186

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.

Interest or other charges levied/charged

Stellenbosch Municipality

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Notes to the Annual Financial Statements

	2022 R	2021 R

6. Receivables from non-exchange transactions (continued)

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 arear 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

Property Rates: Impairment Recognised: The national lockdown and ongoing global pandemic relating to covid-19 resulted in many employers and employees not being able to generate sufficient income to pay their municipal accounts for April to June 2021.

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.

7. Inventories

Consumables	799,798	576,732
Materials and supplies	2,918,628	27,059,728
Water	1,889,813	1,906,891
Housing stock	9,275,000	9,625,000
Land	14,146,828	14,146,828
Total Inventories	29,030,067	53,315,179

R 44,872,633 (2021: R 34,628,654) 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 115,859 (2021: R 18,583). The circumstances relating to the write down is as a result of stock adjustments and shortages on general stock items as reported and approved accordingly.

No inventories were pledged as securities.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
8. Other receivables from exchange transactions		
Deposits	1,776,546	1,696,095
Other receivable	3,572,756	4,001,784
Construction contracts and receivables	-	2,645,278
Special rating area	503,304	527,683
Prepayments and advances	17,384,728	17,414,990
Total	23,237,334	26,285,830

9. VAT

VAT Receivable	18,651,433	19,509,741

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 6.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

		2022 R	2021 R
10. Investment property			
10.1 Reconciliation of carrying value			
Opening carrying value			
Cost		424,977,732	424,977,732
Accumulated depreciation and impairment losses		(12,833,836)	(12,463,315)
		412,143,896	412,514,417
Depreciation	38	(251,884)	(370,520)
Closing carrying value		411,892,012	412,143,897
Cost		424,977,732	424,977,732
Accumulated depreciation and impairment losses		(13,085,720)	(12,833,835)
		411,892,012	412,143,897

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.

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	12,172,870	14,129,066

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	484,012,398	(27,052,477)	456,959,921	484,712,397	(27,052,477)	457,659,920
Transport Assets	176,795,075	(76,954,342)	99,840,733	173,445,218	(68,246,467)	105,198,751
Electrical Infrastructure	1,445,743,911	(453,699,182)	992,044,729	1,357,820,348	(419,052,862)	938,767,486
Water Supply Infrastructure	1,845,786,156	(468,314,257)	1,377,471,899	1,823,006,810	(417,972,145)	1,405,034,665
Sanitation Infrastructure	1,283,712,546	(232,294,932)	1,051,417,614	1,216,251,520	(198,460,258)	1,017,791,262
Solid Waste Infrastructure	66,824,336	(14,629,744)	52,194,592	63,001,077	(12,824,144)	50,176,933
Other Infrastructure	27,553,251	-	27,553,251	1,470,153	-	1,470,153
Machinery and Equipment	101,543,549	(62,570,563)	38,972,986	99,703,488	(56,227,733)	43,475,755
Furniture and Office Equipment	53,301,680	(37,076,357)	16,225,323	48,296,143	(32,855,468)	15,440,675
Computer Equipment	74,068,664	(46,282,884)	27,785,780	64,935,995	(40,021,009)	24,914,986
Information and Communication Infrastructure	4,504,233	(3,090,765)	1,413,468	3,913,013	(2,706,320)	1,206,693
Capital restoration asset	35,090,800	(27,633,546)	7,457,254	32,247,384	(26,781,289)	5,466,095
Roads Infrastructure	1,315,899,047	(480,095,818)	835,803,229	1,244,613,326	(432,767,240)	811,846,086
Storm water Infrastructure	83,610,258	(47,628,015)	35,982,243	83,596,758	(46,595,246)	37,001,512
Community Assets	152,836,189	(23,059,183)	129,777,006	111,917,545	(18,677,472)	93,240,073
Other Assets	513,153,957	(101,065,773)	412,088,184	508,157,353	(90,549,631)	417,607,722
Total	7,664,436,050	(2,101,447,838)	5,562,988,212	7,317,088,528	(1,890,789,761)	5,426,298,767

	2022			2021		
	Cost /Valuation	Accumulated depreciation and impairment	Carrying value	Cost /Valuation	Accumulated depreciation and impairment	Carrying value
Operational Buildings	337,311,592	(66,126,414)	271,185,178	337,311,592	(57,735,699)	279,575,893
Housing selling schemes	175,842,367	(34,939,359)	140,903,007	170,852,835	(32,821,005)	137,680,942
	513,153,959	(101,065,773)	412,088,186	508,164,427	(90,556,704)	417,607,722

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

11. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Impairment loss	Total
Land	457,659,920	-	(700,000)	-	-	-	-	456,959,921
Transport Assets	105,198,751	4,599,800	(518,208)	-	-	(9,439,607)	-	99,840,733
Electrical Infrastructure	938,767,486	75,859,178	-	12,064,387	-	(34,505,810)	-	992,044,729
Water Infrastructure	1,405,034,665	22,647,755	-	131,592	-	(47,479,877)	(2,722,872)	1,377,471,899
Sanitation Infrastructure	1,017,791,262	67,461,028	-	-	-	(33,558,870)	-	1,051,417,614
Solid Waste Infrastructure	50,176,933	3,823,259	-	-	-	(1,805,600)	-	52,194,592
Other infrastructure	1,470,153	26,083,098	-	-	-	-	-	27,553,251
Machinery and Equipment	43,475,755	1,879,170	(4,821)	-	-	(6,377,116)	-	38,972,986
Furniture and Office Equipment	15,440,675	5,084,702	(5,075)	-	-	(4,294,977)	-	16,225,323
Computer Equipment	24,914,986	9,627,956	(61,635)	-	-	(6,695,531)	-	27,785,780
Information and Communication Infrastructure	1,206,693	591,271	(52)	-	-	(384,444)	-	1,413,468
Capital restoration asset	5,466,095	-	-	-	2,843,415	(852,256)	-	7,457,254
Roads Infrastructure	811,846,086	71,285,719	-	-	-	(46,728,007)	-	835,803,229
Storm water Infrastructure	37,001,512	13,500	-	-	-	(618,060)	-	35,982,243
Community Assets	93,240,073	40,918,647	-	-	-	(4,381,707)	-	129,777,006
Other Assets	417,607,722	5,539,306	(476,888)	-	-	(10,581,954)	-	412,088,184
	5,426,298,767	335,414,389	(1,766,679)	12,195,979	2,843,415	(207,703,816)	(2,722,872)	5,562,988,212

The following split is applicable to the line item Other Assets

2022	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Total
Operational Buildings	279,926,780					(8,741,602)	271,185,178
Housing selling schemes	137,680,942	5,539,306	(476,888)			(1,840,352)	140,903,007
	417,607,722	5,539,306	(476,888)	-	-	(10,581,954)	412,088,186

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

11. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Total
Land	456,793,087	866,833	-	-	-	-	457,659,920
Transport Assets	96,535,618	20,239,686	(622,224)	-	-	(10,954,329)	105,198,751
Electrical Infrastructure	915,797,851	40,548,312	(25,558)	6,406,695	6,653,470	(30,613,284)	938,767,486
Water Supply Infrastructure	1,387,175,770	51,833,111	-	(23,828)	13,294,577	(47,244,965)	1,405,034,665
Sanitation Infrastructure	917,772,030	108,550,003	-	-	20,089,921	(28,620,692)	1,017,791,262
Solid Waste Infrastructure	41,221,568	10,236,697	-	-	-	(1,281,332)	50,176,933
Other Infrastructure	87,528,766	-	-	-	(86,058,613)	-	1,470,153
Machinery and Equipment	46,284,450	5,890,858	(63,394)	-	-	(8,636,159)	43,475,755
Furniture and Office Equipment	14,143,813	5,695,912	(68,212)	-	-	(4,330,838)	15,440,675
Computer Equipment	24,474,828	9,833,143	(17,795)	-	-	(9,375,190)	24,914,986
Information and Communication Infrastructure	1,649,785	17,441	(2,075)	-	-	(458,458)	1,206,693
Capital restoration asset	6,596,509	-	-	-	3,915,214	(5,045,628)	5,466,095
Roads Infrastructure	772,530,242	62,506,406	-	-	25,315,067	(48,505,629)	811,846,086
Storm water Infrastructure	16,755,046	426,722	-	-	20,694,203	(874,459)	37,001,512
Community Assets	88,145,346	8,777,392	-	-	-	(3,682,665)	93,240,073
Other Assets	362,478,853	65,423,269	-	-	-	(10,294,400)	417,607,722
	5,235,883,562	390,845,785	(799,258)	6,382,867	3,903,839	(209,918,028)	5,426,298,767

We draw to the users attention the classification as detailed below which constitutes a prior period error as this sub note did not form part of the prior year financial statements:

The following split is applicable to the line item Other Assets

2021	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Total
Operational Buildings	222,984,177	65,423,269				(8,480,666)	279,926,780
Housing selling schemes	139,494,676					(1,813,734)	137,680,942
	362,478,853	65,423,269	-			(10,294,400)	417,607,722

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
11. Property, plant and equipment (continued)		
11.1 Property, plant and equipment under construction		
Work in Progress		
The following assets were still in the process of being constructed at year end:		
Transport assets	1,572,668	-
Intangible assets	1,526,450	-
Electrical infrastructure	92,235,577	150,839,441
Water supply infrastructure	91,556,079	127,673,232
Sanitation Infrastructure	225,513,259	198,212,518
Solid waste infrastructure	6,283,479	6,395,953
Machinery and equipment	164,532	164,532
Computer equipment	120,584	120,584
Roads infrastructure	50,488,543	60,818,043
Stormwater infrastructure	3,090,648	3,077,147
Community assets	20,720,143	14,704,183
Other Assets	21,415,215	30,084,334
Furniture and office equipment	814	-
Other Infrastructure	27,553,251	1,470,153
	542,241,242	593,560,120

There were no projects that were significantly delayed during the current financial year. Significant delays are regarded as projects which has not seen any progress for a period exceeding 12 months.

11.2 Property, plant and equipment pledged as security

There were no items of property, plant and equipment that was pledged as security during the current financial year.

11.3 Maintenance of property, plant and equipment

11.3.1 Expenditure incurred to repair and maintain property, plant and equipment

Property, plant and equipment	64,350,486	83,549,815

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

12. Intangible assets

12.1 Reconciliation of carrying value

2022

	Computer software	Total
Opening carrying value as at 01 July 2021		
Cost	11,775,807	11,775,807
Accumulated depreciation and impairment	(3,212,261)	(3,212,261)
	8,563,546	8,563,546
Amortisation	38 (1,496,422)	(1,496,422)
Closing carrying value as at 30 June 2022	7,067,124	7,067,124
Cost	11,775,807	11,775,807
Accumulated amortisation and impairment	(4,708,683)	(4,708,683)
	7,067,124	7,067,124

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

		2022 R	2021 R
12. Intangible assets (continued)			
2021			
		Computer software	Total
Opening carrying value as at 01 July 2020			
Cost		9,694,174	9,694,174
Accumulated depreciation and impairment		964,655	964,655
		10,658,829	10,658,829
Amortisation	38	(2,095,283)	(2,095,283)
Closing carrying value as at 30 June 2021		8,563,546	8,563,546
Cost		9,694,174	9,694,174
Accumulated amortisation and impairment		(1,130,628)	(1,130,628)
		8,563,546	8,563,546

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.

13. Biological assets that form part of agricultural activity

13.1 Reconciliation of carrying value

	2022		2021	
	Biological assets measured at fair value	Total	Biological assets measured at fair value	Total
Opening carrying value	5,142,777	5,142,777	6,321,448	6,321,448
Additions from acquisitions	-	-	-	-
Disposals through sales	-	-	(1,178,671)	(1,178,671)
Gains / Losses on disposals	-	-	-	-
Harvests	-	-	-	-
	5,142,777	5,142,777	5,142,777	5,142,777

Stellenbosch Municipality

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Notes to the Annual Financial Statements

	2022 R	2021 R

13. Biological assets that form part of agricultural activity (continued)

2022 - Nature and quantities of each biological asset	Opening Balance	Decrease due to harvest	Fair value movement	Total
Botmanskop Plantation	293,463	-	-	293,463
Paradyskloof Plantation	4,849,313	-	-	4,849,313
	5,142,776	-	-	5,142,776

2021 - Nature and quantities of each biological asset	Opening Balance	Decrease due to harvest	Fair value movement	Total
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	10	10
Paradyskloof Plantation	32	32
	42	42

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R	
14. Heritage assets			
14.1 Reconciliation of carrying value			
2022			
	Monuments and parks	Other assets	Total
Opening carrying value as at 01 July 2021			
Cost	892,883	143,945	1,036,828
Accumulated impairment losses	-	-	-
	892,883	143,945	1,036,828
Cost	892,883	143,945	1,036,828
Accumulated impairment losses	-	-	-
	892,883	143,945	1,036,828
2021			
	Monuments and parks	Other assets	Total
Opening carrying value as at 01 July 2020			
Cost	630,057	143,945	774,002
Accumulated impairment losses	-	-	-
	630,057	143,945	774,002
Additions from transfer of functions / mergers	262,826	-	262,826
Closing carrying value as at 30 June 2021	892,883	143,945	1,036,828
Cost	892,883	143,945	1,036,828
Accumulated impairment losses	-	-	-
	892,883	143,945	1,036,828

14.2 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:

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
14. Heritage assets (continued)		
The following heritage assets are used by the municipality for more than one purpose		
Neethlingshuis and De Withuis	62,697,588	63,055,327
58 - 60 Andringa Street	1,868,632	1,878,733
35B Mark Street	3,130,455	3,139,647
127 Dorp Street, Transvalia, Alma & Bosmanshuis flats	12,649,326	12,680,135
116 - 118 Dorp Street, Voorgelegen - offices	5,537,263	5,557,466
4 Reservoir West, Mooiwater	2,064,905	2,072,986
34 Mark Street, Rynse Komplex; Toy Museum, Tourism	8,149,326	8,180,136
PMU Building, Alexander Street, Burger Huis	1,564,611	1,571,176
Merriman, Bergzicht Training Centre, Oude Libertas Theatre & Restaurant	61,846,119	62,038,650
Die Laan, Landbou Saal	4,336,326	4,343,145
	163,844,551	164,517,401

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.

15. Long-term receivables

Consumer receivables	5.1		
Electricity		1,183,521	1,058,716
Waste management		1,067,766	980,189
Waste water management		846,283	803,737
Water		3,519,805	3,171,941
Services charges		1,327,555	1,158,526
Property rates		738,862	588,429
Total		8,683,792	7,761,538
Transferred to current receivables		(2,034,864)	-
Total non-current consumer receivables		6,648,928	7,761,538
Other receivables			
Public organisation		119,134	161,010
Transferred to current receivables	8	(47,431)	(41,876)
Total non-current other receivables		71,703	119,134

16. Consumer deposits

Electricity	12,025,674	11,347,036
Posters	290,106	290,106
Refuse	205,629	222,841
Rental properties	1,747,191	1,511,544
Water	7,387,820	6,671,492
Wayleave	498,413	964,813
Total	22,154,833	21,007,832

Deposits are released on termination of the contract or when the contractual services are delivered.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

		2022 R	2021 R
17. Employee benefits			
Non-current employee benefits			
Post employment health care benefits	17.1	179,494,000	177,057,000
Long-service awards benefits	17.2	24,606,717	23,387,000
		204,100,717	200,444,000
Current employee benefits			
Post employment health care benefits	17.1	9,664,001	8,663,000
Long-service awards benefits	17.2	4,433,446	3,483,278
Bonus	17.3	13,928,763	13,782,725
Staff leave	17.4	32,724,653	30,542,344
		60,750,863	56,471,347
Total employee benefits		264,851,580	256,915,347

17.1 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 2022 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:

	Number	Number
In-service members (Employees)	673	679
Continuation members (Retirees)	472	171
In service employees (Non-members)	175	461
Total members	1,320	1,311

The liability in respect of past service has been estimated as follow:

In-service members (Employees)	69,788,001	67,805,000
In-service non-members (Employees)	8,309,000	7,922,000
Continuation members (Retirees)	111,061,000	109,993,000
Total liability	189,158,001	185,720,000
Non-current	179,494,000	177,057,000
Current	9,664,001	8,663,000
Total liability	189,158,001	185,720,000

The Future-service cost for the ensuing year is estimated to be R 5,820,000 whereas the Interest Cost is estimated to be R 21,656,000.

The principal assumptions used for the purposes of the actuarial valuations were as follow:

Rates of interest

Discount rate	11.74%	9.91 %
Health care cost inflation rate	8.37%	6.68%
Net effective discount rate	3.11%	3.03 %

Stellenbosch Municipality

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Notes to the Annual Financial Statements

	2022 R	2021 R

17. Employee benefits (continued)

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	189,158,001	185,720,000

Amounts recognised in the statement of financial performance

The amounts recognised in the statement of financial performance is as follows:

Current service cost	5,572,000	5,238,000
Interest cost	17,958,000	16,840,000
Actuarial loss/ (gain) recognised in the year	(10,615,342)	3,664,167
Total post-retirement benefit included in employee related costs	35 12,914,658	25,742,167

Movements in the present value of the defined benefit obligation

Opening balance	185,720,000	169,099,000
Current service cost	5,572,000	5,238,000
Interest cost	17,958,000	16,840,000
Actual employer benefit payments	(9,476,658)	(9,121,167)
Actuarial loss/ (gain) recognised in the year	(10,615,341)	3,664,167
Present value of fund obligation at the end of the year	189,158,001	185,720,000

Amounts for the current and previous four periods are as follows:

Present value of unfunded defined benefit

2022	- 189,158,000
2021	- 185,720,000
2020	- 169,099,000
2019	- 187,508,063
2018	- 198,749,139
2017	- 201,981,959

Sensitivity analysis on the Accrued Liability (R Millions)

Assumption	Change	In-service	Continuation	Total	% change
Central assumptions		78.097	111.061	189.158	
Health care inflation	1%	94.259	121.608	215.867	14%
	-1%	65.292	101.904	167.196	(12)%
Discount rate	1%	65.736	102.235	167.971	(11)%
	-1%	93.871	121.365	215.236	14%
Post retirement mortality	1 yr	76.023	107.228	183.251	(3)%
	(1)	80	114	195	3
Average retirement age	- 1 year	84.950	111.061	196.011	4%
Continuation of membership at retirement	(10)%	68.405	111.061	179.466	(5)%

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R

17. Employee benefits (continued)

Sensitivity analysis on Current-service and Interest Costs

Assumption	Change	Current-service cost	Interest cost	Total	% Change
Central assumptions		5,572,000	17,958,000	23,530,000	
Health care inflation	1%	6,925,000	20,626,000	27,551,000	17%
	(1)%	4,530,000	15,774,000	20,304,000	-14%
Discount rate	1%	4,607,000	17,448,000	22,055,000	(6)%
	(1)%	6,831,000	18,491,000	25,322,000	8%
Post-retirement mortality	+1 yr	5,426,000	17,384,000	22,810,000	-3%
	-1 yr	5,718,000	18,532,000	24,250,000	3%
Average retirement age	-1 yr	5,917,000	18,621,000	24,538,000	4%
Membership continuation	-10%	4,904,000	17,031,000	21,935,000	-7%

Mortality Rates

Post retirement: PA (90) ultimate Mortality table was used.

Pre-retirement: The SA 85-90 ultimate table adjusted for female lives, was used.

Continuation of Membership

With the appointment of ARCH Actuarial Consulting for the year ending 30 June 2022.

17.2 Long-service awards benefits

Provision for long-service awards	17.2.1	29,040,163	26,870,278
Less: Transfer to current portion		(4,433,446)	(3,483,278)
Total non-current benefit		24,606,717	23,387,000
Non-current		24,606,717	23,387,000
Current		4,433,446	3,483,278
Total liability		29,040,163	26,870,278

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 2022 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 1145 (2021: 1140) employees were eligible for Long Services Awards.

The principal assumptions used for the purposes of the actuarial valuations were as follow:

Discount rate	11.12%	9.35 %
General Salary inflation	7.3%	5.81 %
Net effective discount rate	3.56%	3.35 %

GRAP 25 defines the determination of the Discount Rate Assumption to be used as follow:

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.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
17. Employee benefits (continued)		
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	29,040,163	26,870,278
Amounts recognised in the statement of financial performance		
The amounts recognised in the statement of financial performance are as follow:		
Current service cost	2,183,000	2,093,000
Interest cost	2,408,000	1,864,000
Actuarial losses / (gains) recognised	(1,161,853)	297,861
Total expense included in employee related costs	35 3,429,147	4,254,861
17.2.1 Provision for long service awards		
Movements in the present value of the defined benefit obligation		
Opening Balance	26,870,278	26,522,000
Increases	2,183,000	5,752,139
Increases (Passage of Time/Discounted Rate)	4,985,147	1,864,000
Reductions (Payments, remeasurement etc.)	(4,998,262)	(7,267,861)
Closing balance	29,040,163	26,870,278
17.2.2 Long-service awards payable		
17.3 Bonus		
Provision for bonus	17.3.1 13,928,763	13,782,725
Less: Transfer to current portion	(13,928,763)	(13,782,725)
Total non-current benefit	-	-
Current	13,928,763	13,782,725
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	13,928,763	13,782,725
Amounts recognised in the statement of financial performance		
The amounts recognised in the statement of financial performance are as follow:		
17.3.1 Provision for bonus		
Movements in the present value of the defined benefit obligation		
Opening Balance	13,782,725	13,044,083
Increases	13,928,763	13,782,725
Reversals	(13,782,725)	(13,044,083)
Closing balance	13,928,763	13,782,725
17.4 Staff leave		
Provision for staff leave	17.4.1 32 724 653	30 542 344

Stellenbosch Municipality

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Notes to the Annual Financial Statements

	2022 R	2021 R
17. Employee benefits (continued)		
Less: Transfer to current portion	(32,724,653)	(30,542,344)
Total non-current benefit	-	-
Current	32,724,653	30,542,344

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	32,724,653	30,542,344

17.4.1 Provision for staff leave

Movements in the present value of the defined benefit obligation

Opening Balance	30,542,342	30,056,889
Increases	5,754,363	3,019,913
Reductions (Payments, remeasurement etc.)	(3,572,052)	(2,534,458)
Closing balance	32,724,653	30,542,344

18. Lease liabilities

18.1 Carrying value of lease liabilities

2022

	Amortised cost	Total
Carrying value as at 30 June 2022		
Operating lease liability	2,118,022	2,118,022

2021

	Amortised cost	Total
Carrying value as at 30 June 2021		
Operating lease liability	3,739,474	3,739,474

Leasing arrangements

The municipality as a lessee

Operating Leases relate to Property, Plant and Equipment with lease terms not longer than 5 years, with an option to extend for a further period. All operating lease contracts contain market review clauses in the event that the municipality exercises its option to renew. The municipality does not have an option to purchase the leased asset at the expiry of the lease period.

Amounts Payable under Operating Leases

At the reporting date, the municipality had outstanding commitments under non-cancellable Operating Leases for Property, Plant and Equipment, which fall due as follows:

18.2 Operating lease payable

Total future minimum lease payments

Within 1 year	2,118,022	3,739,474

Present value of minimum lease payments

Within 1 year	2,118,022	3,739,474
Current liability	2,118,022	3,739,474

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R

18. Lease liabilities (continued)

The amounts recognised in the statement of financial performance is contained within note 44 to the financial statements.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
19. 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 9.7% to 8.8% per annum..		
Annuity loan from Standard Bank have a settlement period of 10 years with fixed interest rate of 11% has been entered into during the 2021/22 financial year.		
Total borrowings		
Annuity and Bullet Loans	478,736,492	368,957,019
Less: Current portion transferred to current liabilities		
Annuity and Bullet Loans	(51,902,261)	(34,223,894)
Non-current borrowings	426,834,231	334,733,125

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

		2022 R	2021 R
20. Trade and other trade and other payables			
Bulk purchases	20.1	63,264,302	58,289,097
Contractors	20.2	36,189,637	31,966,620
Control accounts	20.3	2,689,790	3,775,583
Other payables	20.4	165,684,000	200,972,053
Total		267,827,729	295,003,353
20.1 Bulk purchases			
Bulk water		361,253	3,544,931
Bulk electricity		62,903,049	54,744,166
Total		63,264,302	58,289,097
20.2 Contractors			
Retentions		36,189,637	31,966,620
20.3 Control accounts			
Group life control		899,696	2,423,664
Licensing and registration		(3,022,422)	(3,364,692)
Salary Control		4,812,516	4,716,611
Total		2,689,790	3,775,583
20.4 Other payables			
Auditor-General of South Africa		16,507	98,041
Payables and accruals		112,382,367	145,128,051
Unallocated deposits		28,026,906	31,954,288
Advance payments		25,258,220	23,791,673
Total		165,684,000	200,972,053

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

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

21. Trade and other payables from non-exchange transactions – Unspent transfers and subsidies

		2022				2021			
		Opening balance	Funds received	Funds utilised	Closing balance	Opening balance	Funds received	Funds utilised	Closing balance
Capital									
Monetary allocations	21.1	8,389,528	93,656,409	(85,490,269)	16,555,668	978,281	76,531,525	(71,339,187)	6,170,619
Operational									
Monetary allocations	21.2	7,030,947	197,088,782	(189,272,174)	14,847,555	7,884,382	194,864,880	(193,416,265)	9,332,997
Total		15,420,475	290,745,191	(274,762,443)	31,403,223	8,862,663	271,396,405	(264,755,452)	15,503,616

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

21. Trade and other payables from non-exchange transactions – Unspent transfers and subsidies (continued)

21.1 Capital monetary allocations

	2022				2021			
	Opening balance	Funds received	Funds utilised	Closing balance	Opening balance	Funds received	Funds utilised	Closing balance
Departmental agencies and accounts								
National departmental agencies	307,361	-	(307,361)	-	307,361	-	-	307,361
National government								
Integrated National Electrification Programme Grant	-	23,400,000	(13,757,664)	9,642,336	-	12,000,000	(12,000,000)	-
Intergrated Urban Development Grant	-	53,093,950	(53,093,950)	-	-	46,905,999	(46,905,999)	-
Total	-	76,493,950	(66,851,614)	9,642,336	-	58,905,999	(58,905,999)	-
Private enterprises								
Other transfers private enterprises	1,162,743	-	(808,050)	354,693	437,835	808,050	-	1,245,885
Provincial government								
Western Cape	6,919,424	17,162,459	(17,523,244)	6,558,639	233,085	16,817,476	(12,433,188)	4,617,373
Total capital monetary allocations	8,389,528	93,656,409	(85,490,269)	16,555,668	978,281	76,531,525	(71,339,187)	6,170,619

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

21. Trade and other payables from non-exchange transactions – Unspent transfers and subsidies (continued)

21.2 Operational monetary allocations

	2022				2021			
	Opening balance	Funds received	Funds utilised	Closing balance	Opening balance	Funds received	Funds utilised	Closing balance
Departmental agencies and accounts								
National departmental agencies	-	-	-	-	-	138,960	(138,960)	-
District municipalities								
Western Cape	146,959	984,000	(500,000)	630,959	2,030,541	540,000	(2,423,582)	146,959
National government								
Expanded Public Works Programme Integrated Grant	-	5,998,000	(5,998,000)	-	-	4,961,000	(4,961,000)	-
Local Government Financial Management Grant	-	1,550,000	(1,550,000)	-	-	1,550,000	(1,550,000)	-
Equitable Share	-	157,136,000	(157,136,000)	-	-	170,632,000	(170,632,000)	-
Integrated Urban Development Grant	-	3,847,050	(3,847,050)	-	-	-	-	-
Total	-	168,531,050	(168,531,050)	-	-	177,143,000	(177,143,000)	-
Non-profit institutions								
National Research Foundation	102,000	-	-	102,000	102,000	-	-	102,000
Private enterprises								
Other transfers private enterprises	4,719,413	656,235	(40,913)	5,334,735	3,152,969	1,617,540	(51,097)	4,719,412
Provincial government								
Western Cape	1,842,472	26,899,025	(20,200,211)	8,541,286	2,378,769	13,616,000	(11,850,246)	4,144,523
Public corporations								
Other transfers public corporations	220,103	18,472	-	238,575	220,103	1,809,380	(1,809,380)	220,103
Total operational monetary allocations	7,030,947	197,088,782	(189,272,174)	14,847,555	7,884,382	194,864,880	(193,416,265)	9,332,997

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R

21. Trade and other payables from non-exchange transactions – Unspent transfers and subsidies (continued)

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.

22. Provisions

Landfill sites	22.1	160,533,093	141,497,317
Non-current		160,533,093	141,497,317

22.1 Landfill sites

Opening Balance	141,497,318	121,305,978
Increases	9,130,963	10,790,126
Increases (Passage of Time/Discounted Rate)	9,904,812	9,401,213
Closing balance	160,533,093	141,497,317

Landfill site provision

The municipality has a present obligation to rehabilitate the landfill site which stems from licensing agreements 16/2/7/G203/D16/Z1/P331) 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 R160 533 093 (2021: 141 497 317) to restore the site at the end of its useful life.

The unwinding of the provision for landfill site for the current year was R9 904 8123 (2021: R9 401 213) was included in the finance cost in the statement of financial performance.

No expenditure was incurred for the year under review.

Cells 1 and 2 have reached full capacity and must be rehabilitated. The expected future cash outflows for cells 1 and 2 is July 2024 and June 2026. 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 2046 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 2022

Key cost parameters:

- Estimated post closure rehabilitation time 3 years
- Inflation rate 7.4% (2021: 5%)
- Discount rate 7.5% (2021: 7%)

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
23. Property rates		
Agricultural property	18,490,474	16,871,168
Business and commercial properties	166,626,428	174,169,626
Other categories	3,952,269	2,788,387
Public benefit organisations	24,424	22,289
Public service infrastructure properties	9,290,588	86,959
Residential properties	216,061,713	193,118,248
Total	414,445,896	387,056,677

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, four reviews have been finalised and two supplementary valuations have been performed during the financial year and implemented accordingly.

The following assessment rates were charged for the period ending June 2022:

Residential Property – R 0.004481

Business and Commercial Property – R 0.009410

Agricultural Property – R 0.001120

Public Service Purposes – R 0.009410

Public Service Infrastructure – R 0.001120

Public Benefit Organization – R 0.001120

Vacant Residential – R 0.008962

Vacant other – R 0.017924

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 10 000 - 75%
From R10 001 to R12 000 - 50%
From R12 001 to R15 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 Annual Financial Statements

		2022 R	2021 R
23. 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.			
24. Transfers and subsidies - Revenue			
Operational			
Monetary allocations	24.1	196,208,355	194,789,868
Capital			
Allocations in-kind	24.2	50,000	140,541
Monetary allocations	24.3	92,802,169	69,846,818
Total transfers and subsidies: Capital		92,852,169	69,987,359
Total		289,060,524	264,777,227
24.1 Monetary allocations: Operational			
Departmental agencies and accounts		-	138,960
District municipalities		500,000	2,423,582
National governments		11,395,051	7,935,700
National revenue fund		157,135,999	170,632,000
Provincial government		27,177,305	11,850,246
Public corporations		-	1,809,380
Total		196,208,355	194,789,868
24.2 Allocations in-kind: Capital			
Private enterprises		50,000	-
Public corporations		-	140,541
Total		50,000	140,541
24.3 Monetary allocations: Capital			
Departmental agencies and accounts		307,361	-
National government		66,851,614	57,481,299
Provincial governments		25,643,194	12,365,519
Total		92,802,169	69,846,818
Included in above are the following grants and subsidies received:			
Conditional grants received		131,924,525	94,004,686
Unconditional grants received		157,135,999	170,772,541
		289,060,524	264,777,227

Grant revenue is recognised when all the conditions of the grant has been met.

25. Fines, penalties and forfeits

Fines	25.1	122,933,462	108,942,664

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
25. Fines, penalties and forfeits (continued)		
25.1 Fines		
Traffic fines		
Municipal fines	122,762,554	108,807,761
Other fines		
Building fines	23,478	34,609
Law enforcement	31,865	38,650
Overdue books	40,372	10,069
Pound fees	75,193	51,575
	170,908	134,903
Total	122,933,462	108,942,664
26. Interest earned from receivables		
Exchange receivables	26.1 10,428,555	8,667,388
Non-exchange receivables	26.2 2,430,082	1,970,109
Total	12,858,637	10,637,497
26.1 Interest earned from exchange receivables		
Consumer receivables		
Electricity	1,484,989	1,144,532
Service charges	684,532	553,337
Waste management	1,584,304	1,231,260
Waste water management	1,400,356	1,162,343
Water	5,274,374	4,575,916
	10,428,555	8,667,388
26.2 Interest earned from non-exchange receivables		
Consumer receivables		
Property rates	2,430,082	1,970,109
27. Service charges		
Electricity		
Electricity sales	756,431,257	632,401,485
Waste management		
Waste management sales	84,651,895	73,150,291
Waste water management		
Waste water management sales	102,285,414	92,638,765
Water		
Water sales	146,829,883	134,425,800
Total service charges	1,090,198,449	932,616,341
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.		
28. Rental		
Rental from fixed property	12,172,871	11,004,517

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
29. Interests on investments		
Bank accounts	2,318,032	2,564,988
Financial assets	15,296	21,956
Short-term investments and call accounts	16,437,013	16,928,417
Total	18,770,341	19,515,361
30. Licences or permits		
Exchange revenue	7,809,443	6,810,003
31. Agency services		
Provincial	3,019,961	3,248,206
The municipality collects licence 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.		
32. Operational revenue		
Administrative Handling Fees	296,143	324,644
Breakages and Losses Recovered	7,794	3,037
Collection Charges	2,599,387	1,811,699
Incidental Cash Surpluses	5,977	10,319
Inspection fees	3,658	15,683
Insurance Refund	970,346	-
Merchandising, Jobbing and Contracts	6,087,144	1,418,955
Recovery Maintenance	159,765	252,544
Request for information	106,127	69,323
Skills Development Levy Refund	807,097	578,140
Staff and Councillors Recoveries	7,718	333,149
Total	11,051,156	4,817,493
33. Sales of goods and rendering of services		
Application Fees for Land Usage	485,946	385,630
Building Plan Approval	8,561,312	4,394,866
Cemetery and Burial	999,722	1,015,875
Clearance Certificates	456,411	354,384
Construction Contract Revenue	287,846	-
Development Charges	30,472,217	13,657,931
Encroachment Fees	3,825,308	3,146,760
Entrance Fees	566,516	72,694
Fire Services	93,716	189,406
Legal Fees	147,140	-
Library Fees	1,573	283
Management Fees	-	7,570,000
Special rating area	7,523,406	7,427,468
Parking Fees	5,612,297	7,163,797
Photo copies, Faxes and Telephone charges	56,117	26,704
Removal of Restrictions	405,436	380,435
Sale of Goods	537,773	340,409
Total	60,032,736	46,126,642

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

		2022 R	2021 R
34. Gain/(Loss) on disposal of fixed and intangible assets			
Gains/(losses) on disposals	34.1	(76,275)	8,948,654
34.1 Gains/(losses) on disposals			
Property, plant and equipment		(76,275)	9,385,448
Biological assets		-	(436,794)
Total		(76,275)	8,948,654

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
35. Employee related cost		
Municipal staff	550,719,139	558,471,749
Senior Management Costs		
Basic Salary	7,272,858	7,411,482
Performance bonus	1,242,165	999,245
Contribution to pension fund, UIF, SDL	967,454	938,042
Car allowance	553,984	679,200
Cell phone allowance	133,000	136,800
Leave	345,326	-
Housing allowance	18,000	18,000
Acting allowance	5,461	-
	10,538,248	10,182,769
35.1 Municipal staff costs		
Basic salary	333,940,572	333,582,040
Service-related benefits	83,537,050	84,970,137
Allowances	14,216,037	14,744,815
Bargaining council	227,044	335,784
Group life insurance	5,804,754	4,250,399
Medical	25,564,279	25,057,853
Pension	52,554,036	54,563,638
Post-retirement benefit	16,796,167	35,097,473
Leave gratuity	5,754,363	2,969,330
Unemployment insurance	2,707,469	2,415,990
Total	541,101,771	557,987,459
35.2 Senior management costs		
Municipal Manager - G Mettler		
Basic salary	1,313,408	1,393,631
Performance bonus	263,283	264,072
Contribution to pension fund, UIF, SDL	337,255	344,165
Car allowance	150,604	120,000
Cellphone allowance	22,800	22,800
Leave	273,667	-
	2,361,017	2,144,668
Chief Financial Officer - K Carolus		
Basic salary	956,889	955,597
Performance bonus	204,782	205,722
Contribution to pension fund, UIF, SDL	234,604	226,333
Car allowance	241,563	240,000
Cellphone allowance	22,800	22,800
Housing allowance	18,000	18,000
	1,678,638	1,668,452
Director: Planning and Development - A Barnes		
Basic salary	1,152,374	1,140,632
Performance bonus	159,754	10,770
Contribution to pension fund, UIF, SDL	298,955	288,881
Cellphone allowance	22,800	22,800
	1,633,883	1,463,083
Director: Corporate Services - A de Beer		

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
35. Employee related cost (continued)		
Basic salary	1,415,915	1,275,371
Performance bonus	204,782	152,744
Contribution to pension fund, UIF, SDL	33,817	25,055
Car allowance	-	139,200
Cellphone allowance	22,800	22,800
	1,677,314	1,615,170

Stellenbosch Municipality

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Notes to the Annual Financial Statements

	2022 R	2021 R
35. Employee related cost (continued)		
Director: Corporate and protection services - G Boshoff		
Basic salary	1,354,425	1,351,975
Performance bonus	204,782	161,051
Contribution to pension fund, UIF, SDL	35,808	27,954
Car allowance	61,323	60,000
Cellphone allowance	22,800	22,800
	1,679,138	1,623,780
Director: Infrastructure Services - D Louw		
Basic salary	1,079,847	1,294,276
Performance bonus	204,782	204,886
Contribution to pension fund, UIF, SDL	27,015	25,654
Car allowance	100,494	120,000
Cellphone allowance	19,000	22,800
Acting allowance	5,461	-
Leave	71,659	-
	1,508,258	1,667,616
36. Remuneration of councillors		
Executive mayor	921,503	930,878
Chief whip	679,629	705,819
Speaker	739,077	749,906
Deputy executive mayor	751,959	750,516
Executive committee	6,607,660	6,246,159
All other councillors	10,115,420	9,273,722
Total	19,815,248	18,657,000
Executive Mayor - G van Deventer		
Basic salary	698,553	663,015
Travel allowance	180,135	223,463
Cellphone allowance	39,342	40,800
Data card allowance	3,473	3,600
Pension fund contributions	-	7,373
	921,503	938,251
Deputy Executive Mayor - J Fasser (Incoming)		
Basic salary	451,541	-
Cellphone allowance	25,742	-
Data card allowance	2,271	-
	479,554	-
Deputy Executive Mayor - Jindela N (Outgoing)		
Basic salary	179,371	493,904
Travel allowance	59,589	178,769
Cellphone allowance	13,600	40,800
Data card allowance	1,200	3,600
Pension fund contributions	12,322	37,043
	266,082	754,116

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
36. Remuneration of councillors (continued)		
Speaker - Q Smit (Incoming)		
Basic salary	346,541	-
Travel allowance	105,000	-
Cellphone allowance	25,742	-
Data card allowance	2,271	-
	479,554	-
Speaker - WC Petersen (Outgoing)		
Basic salary	185,689	513,057
Travel allowance	59,589	178,769
Cellphone allowance	13,600	40,800
Data card allowance	1,200	3,600
Pension fund contributions	-	17,280
Medical aid	5,760	-
	265,838	753,506
Chief Whip - P Crawley (Incoming)		
Basic salary	282,056	-
Travel allowance	97,974	-
Cellphone allowance	26,390	-
Data card allowance	2,328	-
Pension fund contributions	20,462	-
	429,210	-
Chief Whip - PW Biscombe (Outgoing)		
Basic salary	162,841	446,922
Travel allowance	55,865	167,597
Cellphone allowance	13,600	40,800
Data card allowance	1,200	3,600
Pension fund contributions	11,149	33,519
Medical aid benefits	5,760	17,280
	250,415	709,718
Executive committee		
Basic salary	5,209,887	4,084,705
Travel allowance	739,275	1,481,673
Cellphone allowance	376,914	361,210
Data card allowance	33,257	31,871
Pension fund contributions	200,806	222,091
Medical aid benefits	47,520	96,480
	6,607,659	6,278,030
All other councillors		
Basic salary	7,736,174	5,947,306
Travel allowance	742,534	2,126,055
Cellphone allowance	1,236,790	1,226,613
Data card allowance	109,185	108,231
Pension fund contributions	192,881	242,017
Medical aid benefits	97,854	115,200
	10,115,418	9,765,422

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

		2022 R	2021 R
37. Bad debt written off			
Electricity		373,181	395,298
Refuse		426,880	1,542,651
Sewerage		424,045	1,542,328
Water		2,907,506	16,298,538
Housing rental		395,817	931,717
Rates		626,437	1,423,322
Traffic fines		79,831,030	86,648,070
		84,984,896	108,781,924
38. Depreciation and amortisation			
Amortisation			
Intangible assets	12.1	1,496,422	2,040,969
Depreciation			
Investment property	10.1	251,884	370,520
Property, plant and equipment	11	209,274,745	209,913,731
		209,526,629	210,284,251
Total		211,023,051	212,325,220
39. Finance cost			
Interest	39.1	44,332,364	38,556,682
39.1 Interest cost			
Financial liabilities			
• Annuity loans		34,510,711	28,233,435
Discounting of financial instruments	20	(922,251)	922,034
Interest costs non-current provisions	22	9,904,812	9,401,213
Transfers and subsidies payable	21	839,092	-
Total		44,332,364	38,556,682
40. Bulk Purchases			
Electricity: Eskom		528,011,715	422,734,759
Water		31,165,473	31,023,395
Total		559,177,188	453,758,154
41. Inventory consumed			
Consumables		23,808,085	15,297,825
Housing stock		345,000	1,925,000
Materials and supplies		20,467,346	17,091,000
Water		252,202	314,829
Total		44,872,633	34,628,654
42. Contracted services			
Consultants and professional services	42.1	27,628,960	35,550,505
Contractors	42.2	82,880,513	91,801,641
Outsourced services	42.3	97,722,975	100,351,468
Total		208,232,448	227,703,614

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
42. Contracted services (continued)		
42.1 Consultants and professional services		
Business advisory services		
Audit committee	364,375	328,500
Business and financial management	3,074,693	7,290,983
Human resources	132,862	169,320
Occupational health and safety	-	8,031
Organisational	96,787	137,542
Project management	13,690,224	8,959,066
Research and advisory	2,226,504	138,543
Valuer and assessors	1,636,061	2,235,175
Total business advisory services	21,221,506	19,267,160
Laboratory services		
Water	1,065,759	1,702,239
Legal services		
Issue of summons	20,838	7,366
Legal advice and litigation	5,320,857	8,588,866
Total legal services	5,341,695	8,596,232
Engineering services		
Structural engineering	-	5,979,247
Infrastructure and planning services		
Architectural infrastructure and planning	-	5,627
Total consultants and professional services	27,628,960	35,550,505
42.2 Contractors		
General services		
Bore waterhole drilling	-	22,884
Catering services	115,010	141,453
Employee wellness	9,289	36,465
Forestry	4,671,452	3,072,253
Gardening services	460,381	16,657
Graphic designers	56,330	452,348
Interior decorator	26,524	-
Management of informal settlements	1,645,862	1,579,358
Medical services	19,652	9,154
Pest control and fumigation	73,119	91,260
Plants, flowers and other decorations	408,573	601,645
Preservation/Restoration/Dismantling/Cleaning services	566,917	744,649
Sewerage services	6,163,179	5,768,142
Stage and sound crew	51,800	83,590
Tracing agents and debt collectors	2,007,251	1,902,155
Transportation	3,505,361	5,791,689
Total general services	19,780,700	20,313,702
Maintenance services		
Maintenance of buildings and facilities	6,838,531	15,082,868
Maintenance of equipment	2,656,949	3,694,460
Maintenance of unspecified assets	46,929,414	44,857,438
Total maintenance service	56,424,894	63,634,766
Trading services		
Prepaid electricity vendors	6,674,919	7,853,173
Total contractor	82,880,513	91,801,641

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
42. Contracted services (continued)		
42.3 Outsourced services		
Business and advisory services		
Project Management	1,389,847	1,360,409
Research and Advisory	516,145	786,094
Total business and advisory services	1,905,992	2,146,503
General services		
Animal Care	102,221	11,550
Catering Services	507,403	1,135,359
Cleaning Services	476,670	1,070,043
Clearing and Grass Cutting Services	2,662,480	3,309,738
Drivers Licence Cards	802,300	553,531
Internal Auditors	1,500	41,334
Litter Picking and Street Cleaning	4,293,304	2,984,107
Personnel and Labour	371,735	437,150
Professional Staff	592,528	678,856
Refuse Removal	47,196,621	43,648,687
Traffic Fines Management	8,424,289	8,087,356
Translators, Scribes and Editors	1,300	539
Transport Services	147,600	66,750
Total general services	65,579,951	62,025,000
Trading services		
Security Services	30,237,032	36,179,965
Total outsourced services	97,722,975	100,351,468
43. Transfers and subsidies - Expenditure		
Operational		
Monetary allocations	13,363,879	11,009,540

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
44. Operational Cost		
Achievements and Awards	12,439	3,739
Advertising, Publicity and Marketing	1,528,667	1,857,520
Assets less than the Capitalisation Threshold	415,926	238,995
Bank Charges, Facility and Card Fees	1,578,109	1,122,202
Bargaining Council	4,301,799	5,607,150
Bursaries (Employees)	514,009	875,830
Cleaning Services	2,276	4,482
Commission	2,419,679	2,701,608
Communication	10,571,338	9,243,166
Deeds	-	714
Drivers Licences and Permits	22,365	23,435
Entertainment	52,958	1,242,451
External Audit Fees	5,413,885	6,598,373
External Computer Service	24,478,474	20,501,778
Full Time Union Representative	55,940	122,344
Hire Charges	6,209,994	7,737,685
Honoraria (Voluntarily Workers)	35,500	27,500
Indigent Relief	6,134,237	5,667,667
Insurance Underwriting	6,393,368	5,854,429
Learnerships and Internships	141,346	-
Licences	1,641,313	1,633,590
Management Fee	9,778,480	12,033,015
Municipal Services	11,501,460	14,385,116
Office Decorations	36,983	40,329
Printing, Publications and Books	521,208	428,506
Professional Bodies, Membership and Subscription	186,468	115,269
Registration Fees	2,194,586	2,831,707
Resettlement Cost	26,043	12,514
Road Worthy Test	404	1,304
Samples and Specimens	1,167,422	1,074,305
Search Fees	46,790	46,268
Signage	1,800	-
Skills Development Fund Levy	4,684,477	3,919,807
Storage of Files (Archiving)	56,647	62,342
Supplier Development Programme	530,650	740,416
System Access and Information Fees	47,765	39,538
Travel and Subsistence	298,092	189,905
Uniform and Protective Clothing	7,957,561	2,793,150
Vehicle Tracking	663,982	558,638
Workmen's Compensation Fund	1,847,772	2,511,700
Total	113,472,212	112,848,487

The following principle agent arrangements were in place in relation to the expenditure as contained in note 44 to the annual financial statements:

Pay@ (Agent) provides the Municipality with payment service solutions on behalf of the Municipality. Pay@ pays over the monies generated from the payment services to the Municipality. The municipality recognises 100% of the money's collected as revenue from exchange transactions and the fee to be paid to Pay@ (as stipulated in the relevant service schedule or based on Pay@'s standard prevailing rates), is recognized as an expense.

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.

SPS (Agent) collects parking tariffs from motorists on behalf of the Municipality. SPS pays over the tariffs collected to the Municipality, minus the service charge levied. The municipality recognises 100% of the tariff as revenue from exchange transactions and the service charges incurred to SPS is recognized as an expense.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
44. Operational Cost (continued)		
Syntell (Agent) sells and collects money from the sale of prepaid electricity on behalf of the Municipality. SPS 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 Syntell (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.		
These arrangements are subject to standard terms and conditions upon termination.		
None of the municipalities assets are under the custodianship of the agents.		
45. Operating leases		
Furniture and Office Equipment	2,930,829	3,031,072
Investment Properties	10,368,396	10,209,872
Machinery and Equipment	1,691,309	1,639,998
Total	14,990,534	14,880,942
46. Contribution to Provision		
Landfill site	6,287,548	6,874,912
47. Contribution to allowance for doubtful debt		
Contribution to exchange transactions	33,515,674	14,150,861
Contribution to non-exchange transactions	18,195,690	19,834,930
	51,711,364	33,985,791
48. Inventories losses/write-down		
Inventory	115,859	18,583

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
49. Net cash from/(used) operating activities		
Surplus (deficit) after capital transfers and contributions	116,455,966	(27,999,972)
Adjustments for:		
Depreciation and amortisation	211,023,051	212,325,220
Bad debts written off	84,984,896	108,781,924
(Gains) / Losses on disposal of assets	76,275	(9,385,448)
Impairment losses	2,722,872	-
Finance Cost	16,192,360	16,840,000
Increase / (Decrease) in provisions	2,843,415	20,191,339
Increase / (Decrease) employee benefit	7,936,233	(4,658,041)
Increase / (Decrease) operating Lease - Straight Lining	(1,621,452)	(1,218,870)
Other non-cash movements	(56,998)	-
Debtors Impairment	51,711,364	33,985,786
Fair value adjustment	-	1,358,828
Inventory losses	460,859	18,583
Other changes, movements in PPE	-	(10,298,080)
Other non cash movements in Assets	-	(140,541)
Rehabilitation provision capitalised	(2,843,415)	-
Grants received	(50,000)	-
Movement in working capital		
(Increase) / Decrease in receivables from non-exchange transactions	(108,373,237)	(93,878,246)
(Increase) / Decrease in inventory	23,824,253	10,740,556
(Increase) / Decrease in receivables from exchange transactions	(54,817,116)	(72,120,792)
(Increase) / Decrease in other receivables from exchange	3,048,496	744,891
(Increase) / Decrease in Long-term receivables	1,160,041	(2,440,799)
Increase / (Decrease) in unspent conditional grants and receipts trade and other payable non-exchange transactions	15,899,647	5,832,905
Increase / (Decrease) in VAT receivable	858,308	5,983,317
Increase / (Decrease) in consumer deposits	1,147,001	3,223,315
Increase / (Decrease) in payable from exchange	(27,175,623)	24,179,084
Net cash flows from operating activities	345,407,196	222,064,959

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R

50. Financial instruments disclosure

Categories of financial instruments

2022

Financial assets

	At amortised cost	Total
Cash and cash equivalents	137,877,710	137,877,710
Receivables from exchange	169,893,585	169,893,585
Other receivables from exchange	5,852,606	5,852,606
Receivables from non-exchange	18,645,756	18,645,756
Short term investments	305,522,446	305,522,446
Long term receivables	6,720,631	6,720,631
	644,512,734	644,512,734

Financial liabilities

	At amortised cost	Total
Consumer deposits	22,154,833	22,154,833
Borrowings	478,736,492	478,736,492
Trade and other payables from exchange transactions	241,129,880	241,129,880
	742,021,205	742,021,205

2021

Financial assets

	At amortised cost	Total
Cash and cash equivalents	111,649,771	111,649,771
Receivables from exchange transactions	153,119,571	153,119,571
Other receivables from exchange transactions	8,870,840	8,870,840
Receivables from non-exchange transactions	14,582,189	14,582,189
Short term investments	222,433,620	222,433,620
Long term receivables	7,880,673	7,880,673
	518,536,664	518,536,664

Financial liabilities

	At amortised cost	Total
Consumer deposits	21,007,832	21,007,832
Borrowings	368,957,019	368,957,019
Trade and other payables from exchange transactions	267,972,840	267,972,840
	657,937,691	657,937,691

We draw to your attention, the financial liabilities in the comparative year contains an error. The effects of this error is represented as follows:

Borrowings

Amount previously reported	- 334,733,125
Correction made	- 34,223,894
	- 368,957,019

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R

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 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Consumer deposits	22,160,472	-	-	-
Borrowings	51,902,261	50,857,888	165,591,871	210,383,932
Payables from exchange transactions	241,129,880	-	-	-
At 30 June 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Consumer deposits	21,007,822	-	-	-
Borrowings	34,223,894	37,636,221	132,581,088	164,515,816
Payables from exchange transactions	267,972,840	-	-	-

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

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R

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 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 impact of the Covid-19 pandemic was taken into account with the allowance for impairment calculation of consumer debtors.

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:	2022	2021
Cash and cash equivalents	137,877,710	111,649,771
Short term investments	305,522,446	222,433,620
Receivables from exchange transactions	169,893,585	153,119,571
Other receivables from exchange transactions	5,852,606	8,870,840
Receivables from non-exchange transactions	18,645,756	14,582,189
Long term receivable	8,683,792	7,880,673

Foreign currency risk management

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R

51. Risk management (continued)

The municipality's activities do not expose it to the financial risks of foreign currency and therefore has no formal policy to hedge volatilities in the interest rate market.

Other price risks

The municipality is not exposed to equity price risks arising from equity investments as the municipality does not trade these investments.

52. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Property, plant and equipment - Infrastructure assets	174,098,225	232,568,077
• Property, plant and equipment - other assets	17,449,135	24,592,349
	191,547,360	257,160,426

Total capital commitments

Already contracted for but not provided for	191,547,360	257,160,426

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 comparative year contains an error in relation to the prior year audited financial statements. The effects of this is represented as follows:

Commitments

Amount previous reported - Property, plant and equipment (Infrastructure)	- 253,046,178
Correction made - Property, plant and equipment (Infrastructure)	- (20,478,101)
Amount previous reported - Property, plant and equipment (Other)	- 25,469,651
Correction made - Property, plant and equipment (Other)	- (877,302)
	- 257,160,426

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 15 in the annual financial statements.

Remuneration of management

Compensation of key management and personnel is set out in notes 35 and 36 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

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

				2022 R	2021 R
54. Awards to close family members - SCM Regulation 45					
Awards to close family members of persons in the service of Stellenbosch Municipality					
Supplier name	Employee name	Relationship	Department	2022	2021
KEMANZI (PTY) LTD	JN DU TOIT	Spouse	Department of Local Government	1,039,102	560,580
CONLOG (PTY) LTD	TRAFFIC INSPECTOR CEO MR L MOODLEY WIFE NMOODLEY	Spouse	Department of Health	911,353	2,658,508
EM HARTLEY T/A REDHI	LIZELLE HARTLEY	Spouse	Education Department	4,698,369	5,009,813
ELEMENT CONSULTING E	MR S PIENAAR	Spouse	Department of Local Government	-	-
FLOWERS IN THE FOYER	MR E GUNTER CSIR	Spouse	Other Government Departments	2,000	7,150
ARB ELECTRICAL WHOLE	JACOB MODISE	Spouse	Eskom holdings	45,457	68,185
MASSAMATIC (PTY) LTD	SISTER IN LAW - MR BARNARD	Other (Family)	Department of Health	317,998	87,168
AECOM SA (PTY) LTD	S MEYER & R MEYER	Parents	Education Department	6,908,505	14,259,259
	BARTO VAN DER WERWE	Spouse	State Hospital	-	-
	DALENE DE KOCK	Spouse	City of Cape Town	-	-
	DENSHILL DAVIDS	Sibling	SANDF	-	-
	JOHANNES	Spouse	Department of Education	-	-
	HANDRIK BEKKER				
	MARVIN JOHN BURGER	Spouse	Department of Education	-	-
	JOHANNES PEET KOK	Spouse	Department of Education	-	-
	ROSINA MAAKE	Sibling	Madibeng Municipality	-	-
	SNOTHANDO SHEXI	Spouse	Department of Arts and Culture	-	-
	JEAN-PIERRE KITSHOFF	Father	Armscore	-	-
	MEGAN PEINKE	Spouse	Ethekweni Municipality	-	-
	JACOBUS	Father	Transnet	-	-
	JOHANNES BORCHARD				

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

				2022 R	2021 R
54. Awards to close family members - SCM Regulation 45 (continued)					
	ELISABETH MARIAH NORTJE	Sibling	Council of Scientific Research	-	-
	ERNA BOUWERS	Parent	Department of Health	-	-
	YVONNE PHOSA	Spouse	Department of the Premier	-	-
MPUMAMANZI GROUP CC	ERNA BOUWERS	Parent	Department of Health	-	185,344
ZUTARI (PTY) LTD	HC AHLSCHLAGER	Spouse	Special Investigations Unit	17,563,694	11,476,644
	S SEEGER	Sibling	City of Cape Town	-	-
	K NADASEN	Spouse	National Department of Public Works	-	-
SMEC SOUTH AFRICA	YVONNE PHOSA	Spouse	Department of the Premier	5,162,566	4,969,526
IKAPA RETICULATION A	SOPHIA DAVIDS	Child	Education Department	6,809,945	4,705,180
NOVUS3 (PTY) LTD	M DE VRIES	Spouse	Education Department	232,360	2,292,425
	J SCHEEPERS	Spouse	Council for medical services	-	-
SMS ICT CHOICE (PTY)	MRS MAQUA	Spouse	Department of Health	440,359	256,886
LANDFILL CONSULT (PTY) LTD	MM DUBE	Spouse	Dicro	-	1,774,023
MAN 4 TRADING (PTY) LTD	MS SAMUELS	Spouse	Department of Education	-	312,382
SOWERBY ENGINEERING	J SCHEEPERS	Spouse	Department of Education	-	16,100
DU TOIT ENGINEERING	F SHARIFF	Spouse	Department of local government	-	228,929
GIBB (PTY) LTD	B SEPTEMBER	Child	Department of local government	2,729,731	1,680,087
LILLIAN 4 ZONKE (PTY) LTD	F MONK	Spouse	Other government departments	-	1,380
RED ANT SECURITY RELOCATION AND SERVICES	NOXOLO LESIELA	Spouse	Mogale Municipality	3,931,577	-
JVZ CONSTRUCTION	RE MATTHEE	Spouse	Correctional Services	9,550,192	-
STELLEMPLOY NPC	PORTIA JANSEN	Spouse	Department of Local Government	360,926	-
				60,704,134	50,549,569

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
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	99,389,541	63,605,870
Add: Irregular expenditure - current	42,119,538	89,762,828
Add: Irregular expenditure – prior period	2,974,982	-
Less: Amounts written-off – current	(118,081,987)	(53,979,157)
Closing balance	26,402,074	99,389,541
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.	3,505,672	608,406
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.	41,588,848	72,799,452
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.	-	13,118,325
Irregular expenditure identified related to the approval of tenders where the Bid Adjudication Committee was not constituted in terms Municipal Supply Chain Management Regulations by four senior managers. This award pertained to a multi year contract.	-	1,952,711
Irregular expenditure identified was due to the bid specifications that were drafted in a manner that is not fair, equitable, transparent and competitive as it was found that the specifications made reference to a specific brand/model. This is a multi-year contract and irregular expenditure will be disclosed on a yearly basis until contract ends.	-	1,283,934
Total	45,094,520	89,762,828
55.3 Fruitless and wasteful expenditure		
Opening balance as previously reported	-	-
Add: Fruitless and wasteful expenditure – current	2,568,654	-
Add: Fruitless and wasteful expenditure – prior period	1,698,299	-
Closing balance	4,266,953	-

The municipality incurred fruitless and wasteful expenditure in relation to information and communication technology procurement.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
56. Additional disclosure in terms of Municipal Finance Management Act		
Contributions to SALGA		
Opening balance	-	(26,025)
Council subscriptions	6,052,817	6,212,159
Early settlement discount	(301,881)	(310,195)
Amount paid - current year	(5,743,731)	(5,875,939)
	7,205	-
Audit fees		
Opening balance	98,101	52,448
Current year audit fees	6,225,849	7,636,778
Amount paid - current year	(6,307,441)	(7,591,125)
	16,509	98,101
PAYE, UIF and SDL		
Current year subscription / fee	89,222,633	87,922,805
Amount paid - current year	(89,222,633)	(87,922,805)
	-	-
Pension and Medical Aid Deductions		
Current year subscription / fee	124,436,807	123,816,201
Amount paid - current year	(124,436,807)	(123,816,201)
	-	-
VAT		
VAT receivable	809,391,586	613,498,286
VAT payable	(790,745,186)	(593,988,545)
	18,646,400	19,509,741

All VAT returns have been submitted by the due date throughout the year.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R

56. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

There were no councillor arrear accounts more than 90 days as at 30 June 2022.

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	393,194,417	365,664,272
Sales	(355,429,150)	(333,260,467)
	37,765,267	32,403,805

Electricity losses are calculated as 9.6% (2021: 8.86%). Electricity losses are within the industry norm.

Water distribution losses (KL)

System Input	10,660,846	10,003,874
Sales	(8,669,713)	(8,188,560)
	1,991,133	1,815,314

Water losses are calculated as 18.7% (2021: 18.1%). Water losses are within the industry norm.

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 councilors / 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 2018 stated that the net assets of the fund amounted to R14 298 600 (30 June 2015: R13 231 200), with funding levels of 96.0% (30 June 2015: 100%). The actuary recommended that employers continue to contribute at the current rate of 19.18% of pensionable salary.

It is the actuary's opinion that:

They are satisfied with the investment strategy of the Fund;

The nature of the assets is, in their opinion, suitable for the nature of the liabilities of the Fund as defined in the rules of the fund;

The matching of assets with the liabilities of the Fund is adequate; and

The insurance arrangements are appropriate compared to the cover provided can be regarded as financially sound at the valuation date.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R

57. Retirement benefit information (continued)

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 2021 disclosed an actuarial valuation amounting to R1 486 110 000 (30 June 2020: R1 420 856 000), with a net accumulated surplus of R44 335 000 (2020: R22 251 000), with a funding level of 104.9% (30 June 2020: 100%).

Defined contribution scheme

The actuarial valuation report at 30 June 2021 indicated that the defined contribution scheme of the fund is in a sound financial position, with net assets amounting to R2 082 488 000 (30 June 2020: R1 891 631 000), net investment reserve of Rnil (30 June 2020: Rnil) and with a funding level of 100% (2020: 100%).

Cape Joint Retirement Fund (CRF)

The most recent statutory valuation performed as at 30 June 2021 revealed that the assets of the fund amounted to R34 148 000 000 (30 June 2019: R26 128 000 000), with funding levels of 133% and 100.5% (30 June 2020: 132.2% and 100.5%) 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.

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 2017 stated that the assets of the fund amounted to R7 720 948 000 (30 June 2014: R6 574 750 000), with funding levels of 102.0% (30 June 2014: 111.7%). As a percentage of members' Fund Credits, the investment smoothing reserve has decreased from 5.6% to 4.9% over the valuation period. As a percentage of the market value of assets, it has decreased marginally from 4.6% to 4.4%. The Fund's assets are sufficient to cover the members' Fund Credits, the targeted levels of the Risk Benefits Reserve and the data and processing error reserve, and an Investment Smoothing Reserve of 4.9% of members' Fund Credits as at 30 June 2017. In addition, there is brought-forward surplus of R152.8 million which has been allocated to former members and is awaiting payment. The Fund is therefore in a sound financial position.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R

57. Retirement benefit information (continued)

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

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R

58. Going concern

We draw attention to the fact that at 30 June 2022, the municipality had an accumulated surplus (deficit) of R 5,504,546,525.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Covid 19 pandemic has affected various aspects of the municipality during the 2021/2022 financial year. However due to the fact that the municipality's cash forecast performed, budget process and other considerations the municipality is still of the opinion that the pandemic and the restrictions it has placed on certain operations will not affect the municipality's ability to operate as a going concern.

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 annual financial statements.

SGM paragraph
reference

36 (1)(a) i	Dispense with the official procurement processes in an emergency	16,455,858	10,236,826
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.	8,772,485	7,121,099
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.	34,050,729	13,691,278
Total deviations		59,279,072	31,049,203

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

2022	2021
R	R

60. Budget information

The budget has been prepared on the accrual basis of accounting in accordance with the prescripts of the Municipal budget regulations as well as MFMA budget circulars. In accordance with the Municipal budget regulations, the classification basis the municipality presents its budget is per economic as well as per functional classification (per Vote (Department) and GFS classification). It should be noted that minor budget differences between the basis the budget is prepared (accrual basis and prescripts of NT guidance) and actual financial results (accrual basis in accordance with GRAP) exists, mainly related to technical GRAP adjustments required. These differences are not material and as the basis of preparation is the same (accrual basis) no restatements have been made to the financial information compared to the budgeted amounts, but where found to be material is explained below:

Explanation of variances between approved and final budget amounts

The materiality framework of the municipality informs the determining base ranges. The framework outlines all principles and guiding practices to allow management to enforce a consistent application of the framework's guidelines. With regard to reporting, the understandability and transparency to users of the financial statements was a determining factor when deciding on the base %.

60.1. Statement of financial position

Current assets

The determining base was 1% of total assets and 5% of accumulated surplus.

- **Cash and cash equivalents (BD6)**

Variance on Cash (Increased cash available) due to variance on Trade and Other Payables

- **Short Term Investments (BD7)**

Variance due to access cash being invested

Non-current assets

- **Property Plant and Equipment (BD8)**

The variance relates to underspending on the capital budget.

Non-current Liabilities

- **Provisions (BD11)**

Variance is attributed to the change in estimated Post Employment Medical Aid liability.

Current liabilities

- **Payables from exchange transactions (BD9)**

Variance is attributed to unspent conditional grants (under spending on Operational- and Capital Budget funded from Grants) and year-end accruals raised for Trade & other payables.

- **Provisions (BD10)**

Variance is attributed to the change in estimated Post Employment Medical Aid liability

Net assets

- **Accumulated surplus/Reserves (BD12)**

Variance is due to the budgeted opening balance for Accumulated surplus which is based on the previous audited Financial Statements, further variances are due to corrections of errors.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

2022 R	2021 R

60. Budget information (continued)

60.2. Statement of financial performance

Revenue

The determining base range used was 1 % of total revenue.

- **Service charges - electricity (BD1)**

Electricity revenue realized was less than anticipated due to ESKOM Loadshedding and the after effects of the Covid-19 pandemic on the economy and households.

- **Other revenue (BD2)**

Actual Development Charges to the value of R30mil is reflected under "Other Revenue", however the budget is reflected under Transfers & Subsidies - Capital. Development charges received was more than anticipated during the budget process.

Revenue from non-exchange transactions

- **Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) (BD5)**

Revenue Recognition of Grants was not done due to non-spending of Grants on Capital Expenditure Projects

Expenditure

The determining base range was 2% of total expenditure.

- **Bulk purchases (BD3)**

The variance between Bulk Purchases Electricity budget and actuals is due to a decrease in electricity consumption (See explanation provided for Service Charges - electricity variance). Bulk purchases water is budgeted under inventory consumed.

- **Contracted services (BD4)**

Savings realized on contracted services

Cash Flow statement

Suppliers and employees (CF1)

Bulk purchases which are bought by the municipality are based on the consumption of the community have decreased compared to the prior year.

Short term Investments (CF2)

Economic recovery has allowed the municipality to invest more funds.

Consumer deposits (CF3)

Covid-19 had a slow down in new developments.

Borrowings (CF4)

The external loan was taken up towards the end of the financial year.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
61. Contingent liabilities		
STELLENBOSCH MUNICIPALITY / EX-EMPLOYEES WHO OCCUPY THE DEVON VALLEY HOUSING STOCK	200,000	-
Eviction of ex-employees who occupy the Devon Valley Housing Stock of the Municipality which can only be utilised by employees working in Engineering Directorate.		
STELLENBOSCH MUNICIPALITY / JW ANGUS PROPERTIES (PTY) LTD AND JUNO CORP	250,000	-
Interdict application instituted against JW Angus Properties (Pty) Ltd, the owner of erven 144 Klappmuts and 149 Klappmuts, who is operating or allowing Juno Corp to utilise Erf 144 Klappmuts and 149 Klappmuts for industrial related activities such as operating a Wash Bay for trucks on Erf 149 Klappmuts and utilising Erf 144 Klappmuts for parking of trucks, storage of trucks in contravention of the approved zoning of the Property and to operate a business that uses trucks to collect and transport waste.		
STELLENBOSCH MUNICIPALITY / GAYNOR SKIPPERS AND ALL OTHER ILLEGAL OCCUPIERS	100,000	-
Eviction of Gaynor Skippers and all other illegal occupiers who illegally occupy the road reserve, Torrey Street, Jamestown.		
LJ TURNKEY INVESTMENTS (PTY) LTD / STELLENBOSCH MUNICIPALITY	1,552,000	-
LJ Turnkey Investments (Pty) Ltd ("LJ Turnkey") issued summons against Stellenbosch Municipality for alleged damages suffered by LJ Turnkey as a result of the Municipality allegedly refusing to consider its application submitted for a determination of zoning as contemplated in section 15(2)(m) of the Land Use Planning By-law.		
JVZ CONSTRUCTION (PTY) LTD / STELLENBOSCH MUNICIPALITY	700,000	-
JVZ Construction instituted review proceedings against Stellenbosch Municipality's decision to cancel Bid No B/SM50/20: The Construction of Skilpadvlei Reservoir and Associated Work ("the Reservoir tender") and Bid B/SM51/20: The Construction of Skilpadvlei Bulk Water Supply and Associated Works ("the Water Supply Tender"). Directing the Municipality to adjudicate and award the Reservoir tender and the Water Supply tender and to pay JVZ's cost of the matter.		
Former employee/South African Local Bargaining Council and others	200,000	200,000
Review application instituted by an former employee to have the arbitration award dated 18 July 2019 under case numbers WCP 071722 and 01719 reviewed and set aside and in the alternative should the court elect not to correct the award that the dispute be remitted and referred back to the Bargaining Council for adjudication before an arbitrator.		
WASTEWANT WASTE MANAGEMENT (PTY) LTD / STELLENBOSCH MUNICIPALITY AND RESOURCE INNOVATIONS AFRICA (PTY) LTD	200,000	-
Wastewant Waste Management (Pty) Ltd ("Wastewant") instituted review proceedings against the decision of Stellenbosch Municipality ("the Municipality"), wherein the Municipality set aside the decision by the Bid Adjudication Committee ("BAC") to award Tender B/SM12/21 to Wastewant. Reviewing the decision of the Municipality dated 23 February 2021, wherein the Municipality awarded tender B/SM12/21 to Resource Innovations Africa (Pty) Ltd. Reviewing and declaring invalid the Appeal Authority's decision in terms of Section 62(3) of the Systems Act, to revoke the decision of the BAC, as same detracted from the rights, which accrued to Wastewant. .		

Stellenbosch Municipality

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	2022 R	2021 R
61. Contingent liabilities (continued)		
Stellenbosch Municipality / Klampmuts mediation	250,000	250,000
Stellenbosch Municipality is under obligation to provide emergency housing to evictees of various eviction orders in Klampmuts. The Klampmuts community has threatened violence against evictees and destruction of property should the municipality proceed to utilise Klampmuts housing facilities for evictees rather than for members of the Klampmuts community. Independent expert mediator appointed to facilitate mediation which is currently pending. The mediator had meetings with the community and a committee was elected to discuss the matter and proposals made. The chairperson of the Committee was not available for a period to attend meetings and new proposed dates were arranged by the mediator for such meetings. The community still refuse the Municipality to implement emergency housing. The mediation needs to be finalised to obtain the buy-in of the community to relocate evictees to Klampmuts.		
Stellenbosch Municipality / NE Properties (Pty) LTD	200,000	200,000
Application to declare the dissolution of NE Industries void in terms of section 83(4) of the Companies Act and to direct the Companies and Intellectual Property Commission of South Africa to restore NE Industries' name to the register of companies. NE Industries was deregistered and its name was removed from the register of companies on 16 July 2010 due to its failure to file its annual returns. NE Industries is the single largest debtor on the Municipality's debtor's book. The Municipality wants to collect the outstanding amount due to it but established that NE Industries was deregistered as a result of its failure to file its annual returns and its name was removed from the register of companies.		
Stellenbosch Municipality / IMATU on behalf of employee	200,000	200,000
Review application instituted against the arbitrator's award by Commissioner Der Vlieger-Seynhaeve including application for condonation and to oppose the application for contempt of court proceedings instituted by IMATU obo employee.		
Stellenbosch Municipality / E Ross and others	-	200,000
Stellenbosch Municipality have to institute eviction proceedings against Respondents of the property at 609 Lavanda Flats, Jan Cillier Street, Stellenbosch due to the Respondents actions. The eviction application is still pending.		
Stellenbosch Municipality / L Bailey and another	-	200,000
Stellenbosch Municipality is in the process instituting eviction proceedings against the Respondents of the property at 108 Aurora Flats, Jan Cilliers Street, Stellenbosch, due to the Respondents actions. The eviction application is still pending.		
Stellenbosch Municipality / A de Ruiter	-	200,000
Stellenbosch Municipality have to institute eviction proceedings against the Respondents of Erf 5281 Cloetessville, due to the Respondents actions.		
Stellenbosch Municipality / Francois Jansen	50,000	50,000
Application for eviction of unlawful occupants from municipal property.		
Stellenbosch Municipality / Tania Wasmuth and Others	50,000	50,000
Application for eviction of unlawful occupants from municipal property.		
Stellenbosch Municipality / Cobus Visagie	50,000	50,000
Approximately R684 000.00 owed by Cobus Visagie for a tender to harvest wood.		

Stellenbosch Municipality

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	2022 R	2021 R
61. Contingent liabilities (continued)		
Fusion Properties 233 CC / The Municipality of Stellenbosch	33,465,000	33,465,000
This matter involves a summons issued against the Municipality for alleged damages pursuant to the sale of certain immovable property belonging to the Municipality. The amount claimed is R32 115 000.00 together with interest calculated at the rate of 9% per annum from 28 July 2015. The Municipality is defending the action. Pleadings have now closed and the Plaintiff is in the process of applying for a court date. The application that the Plaintiff has to provide security for costs was granted and the interlocutory application to strike out certain allegations was also successful. The Plaintiff made application for leave to appeal against the judgment, which application was refused with costs. The Plaintiff has delivered a petition to the Supreme Court of Appeal ("SCA") in terms of which it is now seeking leave to appeal either to the SCA or the full bench of the Western Cape Division of the High Court. Should the litigation against the Municipality be successful, the estimate of financial exposure will be the R32 115 000.00 together with interest calculated at the rate of 9% per annum from 28 July 2015 including legal costs and disbursements of approximately R1 350 000.00.		
Independent Schools Association of Southern Africa / Ethekewini Municipality / Stellenbosch Municipality & Others	250,000	250,000
This matter involves an application on behalf of the Municipality to be joined as co-applicant together with eThekweni Municipality in an application for the review and setting aside of the Amended Municipal Property Rates Regulations promulgated on 12 March 2010. The Municipality has been joined successfully as co-applicant. This matter involves an application on behalf of the Municipality to be joined as co-applicant together with eThekweni Municipality in an application for the review and setting aside of the Amended Municipal Property Rates Regulations promulgated on 12 March 2010. The Municipality has been joined successfully as co-applicant.		
Stellenbosch Municipality / LJ Turnkey Investments (Pty) Ltd	250,000	250,000
The owner of Portion 9 of Farm 100 Stellenbosch ("the Property") applied for a declaratory order that the zoning of the Property is general residential and allows them to utilise the Property for student accommodation. The Municipality opposed the declaratory order and filed its answering affidavit. The Municipality is in the process of instituting a counter-application for, amongst others, a declaratory order regarding the zoning of the Property and interdictory relief regarding the utilisation of the Property for student and/or any other rental accommodation in contravention of the Municipality's Zoning Scheme By-law. This matter does not involve any amounts claimed		
Stellenbosch Municipality / Former Employee	200,000	200,000
Review Application instituted in the Labour Court against the disciplinary sanction of the chairperson in the disciplinary hearing of Leon Lourens. Leon Lourens was found guilty on three charges, which involves dishonesty but was not dismissed by the chairperson. The Municipality has served and filed its founding affidavit to have the ruling of the chairperson set aside and replace for a dismissal. The Municipality is in the process of transcribing the recordings of the hearing whereafter Leon Lourens will provide its answering affidavit in the matter.		

Stellenbosch Municipality

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	2022 R	2021 R
61. Contingent liabilities (continued)		
WS SMIT N.O & OTHERS /STELLENBOSCH MUNICIPALITY	200,000	200,000
Community members illegally occupied Portion 5 of Farm 183 Stellenbosch also known as Watergang. An eviction application was subsequently instituted and Acting Judge Martin granted an eviction order against the illegal occupiers. The illegal occupiers filed an appeal against the eviction order granted by Acting Judge Martin which appeal is still pending. The appeal, or any proceedings before the Supreme Court or Higher Court should leave to appeal be granted and any other actions flowing from the Interdict need to be oppose.		
STELLENBOSCH MUNICIPALITY / OSCAN INVESTMENTS ENTERPRISE (PTY)LTD	485,200	485,200
Property owner of Erf 1727 Stellenbosch erected a fence which encroach on municipal public open space. The Municipality needs to apply for a demolition order if the owner refuse/fail to remove the illegal wooden fence. Notice was served on the property owner to address the issues highlighted in the letter of refusal of the building plan and to resubmit the building plan together with the requested information and documents required alternatively to have the illegal fence removed. Should the property owner not comply with the notice served, the Municipality will proceed with the demolition application of the illegal fence.		
FORMER EMPLOYEE / STELLENBOSCH MUNICIPALITY	200,000	200,000
Application instituted by Elizabeth Rhoda against Stellenbosch Municipality to have her reinstated retrospectively with accumulated benefits and salary or adjustments and that the Municipality pay compensation to her in the amount of 12 months' salary including the cost of suit as well as a condonation application for the late submission of her application. The application was opposed by the Municipality and the Municipality is in the process to serve and file its Statement of Defence		
STELLENBOSCH MUNICIPALITY/ THATO RUBUSHA	300,000	300,000
Review application instituted by Stellenbosch Municipality setting aside the Arbitration Award made under WCP121702 under the South African Local Government Bargaining Council to pay her compensation for additional work done.		
STELLENBOSCH MUNICIPALITY / THE CHILDREN MR BESS AND ILLEGALOCCUPIERS	100,000	100,000
Eviction application against the children of Mr Johnny Bess, who was employed by Stellenbosch Municipality and retired from the employ of the Municipality on or about 31 July 2006. Mr Bess passed on and his children continued to occupy the house. There are various complaints from community members that the children who are currently occupying the house are involved in alleged drug dealing and anti-social behaviour. The house is vandalised and not maintained. The surrounding homeowners handed in a petition demanding that the children be evicted from the house due to an increase in illegal activities from the house, which is making living with them unbearable.		
STELLENBOSCH MUNICIPALITY / ILLEGAL OCCUPIERS OF ERF 290 RAITHBY ALSO KNOWN AS PORTION C (TRANSPORT ZONE II – PUBLIC ROAD)	100,000	-
Erf 150 Raithby was subdivided in terms of section 25 of the Land Use Planning Ordinance, 15 of 1985 ("LUPO") into three portions namely, Portion A, Portion B, Portion C and Remainder Portion. Portion C will be utilized for road purposes. Erf 150 Raithby was divided into Erf 288 Raithby, Erf 289 Raithby, Remainder Erf 150 Raithby and Erf 290 Raithby the zoning which is Transport Zone II for a public road.The Municipality is in the process of instituting eviction and demolition proceedings against the illegal occupiers.		

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	2022 R	2021 R
61. Contingent liabilities (continued)		
STELLENBOSCH MUNICIPALITY / ISAYA NKUKUMANA	200,000	400,000
Opinion and Review application against decision of the Chairperson in the disciplinary hearing of Isaya Nkunkumana to have the ruling on the sanction issued against Isaya Nkunkumana reviewed and set aside. Review application with condonation application was finalised and served on the respective parties.		
SURREY HOLMES (PTY) LTD / STELLENBOSCH MUNICIPALITY	600,000	400,000
Surrey Holmes instituted a review application against Stellenbosch Municipality for its alleged failure to make a decision in terms of section 6(2) (g) of the Promotion of Administrative Justice Act 3 of 2000 (PAJA) and directing the Municipality to perform its duties and exercise its powers by; accepting and considering the amended ceiling height of the Attic Room. The review application was opposed by the Municipality. The Municipality is in the process to provide the Rule 53 records.		
STELLENBOSCH MUNICIPALITY / LEELYN MANAGEMENT CC	200,000	400,000
Opinion and institution of Monetary claim against Leelyn Management CC for alleged parking revenue collected on behalf of the Municipality which was not paid over by Leelyn Management CC to the Municipality.		
STELLENBOSCH MUNICIPALITY / CHOISY –LE-ROI OWNERS (PTY) LTD	200,000	200,000
Review application instituted by the owner of Erf 13500 Technopark, Stellenbosch against the appeal judgment of the Executive Mayor. The Municipality served and filed notice of opposition against the application. Rule 53 record was subsequently filed at court. Choisy-le-Roi supplemented their application and the Municipality served and filed its answering affidavit. A court date needs to be obtained to argue the matter.		
DEON GARDEN & CONSTRUCTION CC / STELLENBOSCH MUNICIPALITY	200,000	200,000
Monetary claim in the amount of R4 374 192.67 including interest at a rate of 7.75% per annum for alleged damages suffered by Deon Garden & Construction CC. The Municipality defended the claim instituted and is in the process of finalising its plea in the matter.		
SECURITEM (PTY) LTD/ STELLENBOSCH MUNICIPALITY	200,000	200,000
Securitem instituted legal action against the Municipality to pay VAT on top of their tender price. The Municipality is of the view that VAT was included in the tender price submitted by SECURITEM and opposed the application.		
STELLENBOSCH MUN / MOFFAT & OTHERS	100,000	100,000
Eviction application against the Moffat family who illegally occupy the Eikestad Hall. The Municipality provided temporary accommodation to the Moffat family pursuant to the Moffat family wendy house being destroyed by a fire. The intension was that the Moffat family should occupy the Eikestad Hall temporarily and to relocate to Mountain View. The Municipality provided emergency accommodation at Mountain View, Jamestown, but the Moffat family refused to relocate. The Moffat's was given notice to vacate the Eikestad Hall and eviction proceedings is being instituted. The draft affidavit to institute eviction proceedings is being circulated for comment.		

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	2022 R	2021 R
61. Contingent liabilities (continued)		
SHAHIEDA JACOBS / STELLENBOSCH MUNICIPALITY	200,000	200,000
Shahieda Jacobs instituted legal proceedings against Stellenbosch Municipality and a municipal official for alleged sexual harassment and unfair discrimination in the Labour Court. The Municipality filed its Statement of Response to the Plaintiff's Statement of Claim. The Special Plea on Shahieda's new Statement of Claim will be determined on 29 July 2020 on the papers before the Judge.		
THAPELO MBASA SMITH AND OTHERS/ STELLENBOSCH MUNICIPALITY	200,000	200,000
Thapelo Mbasa Smith & Others applied for an interim interdict against Stellenbosch Municipality & Others pending the determination of the final relief sought in Part B of the Notice of Motion. The Municipality did not oppose the interim interdict but opposed the Review application instituted by Thapelo Mbasa Smith & Others against the Municipality declaring inter alia the Municipality's decision taken on 13 November 2020, to acquire, or accept the donation of, the Property from the Trust, to be unlawful and invalid. The Municipality subsequently filed its answering affidavit in the matter.		
Van der Westhuizen K/Stellenbosch Municipality	50,000	50,000
Kyla van der Westhuizen issued summons against the Municipality for damages to her vehicle, VW Polo Cross 2015 model for allegedly colliding with a pothole. The Municipality defended the matter and filed its plea in the matter. Discovery affidavit was served and filed and a court date needs to be obtained to argue the matter.		
Mhlenze, N R / Stellenbosch Municipality	325,469	325,469
Nomzi Renee Mlenze (Mlenze) is applying to the Labour Court for condonation of the non-compliance with the time periods envisaged by the Labour Court in terms of the applicable Rules. Mlenze is employed at Stellenbosch Municipality as Senior Clerk: Accounts in the Finance Department. She earns a salary of R8033.00 per month. In 2013 she raised a number of grievances relating to the fact that she was not being remunerated the same as other Senior Clerks who were performing same task as her. Despite the fact that her Head of the Department agreed that her post will be evaluated on a urgent basis her job was not evaluated. She submitted an appeal on 22 April 2016, which was submitted to the Municipal Manager. She subsequently referred the matter to the Labour Court for adjudication. Mlenze did not file the court papers within the 90-day period allowed, is out of time, and applied for condonation to the Labour Court to grant her permission to proceed with the matter. The application for condonation need to be opposed. The Municipality filed its exception to Mlenze's Statement of Claim and will file a condonation application for the late filing of the Municipality's opposition against the application instituted by Mlenze.		
SIPHO DYIDI / STELLENBOSCH MUNICIPALITY	200,000	-
Sipho Dyidi is employed as Superintendent: Collections in the Department: Infrastructure Services who instituted legal proceedings against Stellenbosch Municipality in the Labour Court for overtime work in the amount of 111 hours, but the Municipality allegedly did not log or capture his overtime.		
OCTOFIN COMMERCIAL (PTY) LTD / TURN AROUND INVESTMENTS 22 (PTY) LTD AND STELLENBOSCH MUNICIPALITY	200,000	-
Octofin Commercial (Pty) Ltd instituted legal action against Turn Around Investments 22 (Pty) Ltd and Stellenbosch Municipality and applied for an order reviewing and setting aside the decision of the Municipality taken on 9 June 2020 to grant a permanent departure of the building line applicable to Turn Around Investment property, i.e Erf 15713 Stellenbosch.		

Stellenbosch Municipality

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	2022 R	2021 R
61. Contingent liabilities (continued)		
STELLENBOSCH MUNICIPALITY / GREEN SPOT RECYCLING (PTY) LTD, THEIR DIRECTORS/ANY ILLEGAL OCCUPIERS AND ILLEGAL USERS OF THE LA MOTTE DEPOT	200,000	-
Green Spot Recycling (Pty) Ltd occupied a section of the La Motte Depot and have been operating a recycling company without any formal agreement with Stellenbosch Municipality.		
STELLENBOSCH MUNICIPALITY / DUWAIN KLEYNHANS AND ADRIAN KLEYNHANS AND ALL THOSE WHO ARE OCCUPYING THE HOUSE UNDER OR THROUGH THEM	100,000	-
Mr Phillips Kleynhans was allowed as caretaker by the Toy and Miniature Museum to occupy the flat at 118 Dorp Street, Stellenbosch. Mr Phillip Kleynhans passed away on or about 30 November 2016 and his right to occupy the flat in terms of his employment agreement terminated. Duwaine Kleynhans and Adrian Kleynhans are still occupying the flat and was given notice that any right of occupation of the flat at 118 Dorp Street, Stellenbosch which flows from the right of occupation of Mr Phillip Kleynhans employment contract with the Toy and Miniature Museum was terminated and that they should vacate the flat by 31 March 2020.		
FRANSCHHOEK CLAIMANT'S TRUST / EXECUTIVE MAYOR: STELLENBOSCH MUNICIPALITY & OTHERS	200,000	-
The Franschhoek Claimant's Trust instituted review proceedings in terms of section 6 and 8 of PAJA reviewing and setting aside the Executive Mayor's decision, in her capacity as the appeal authority, to revoke the development and related approvals, granted by the Stellenbosch Municipal Planning Tribunal to the Franschhoek Claimant's Trust ("FC Trust") in respect of Erf 1692 Franschhoek ("the Property").		
STELLENBOSCH MUNICIPALITY / ILLEGAL OCCUPIERS OF THE OPEN SPACE CLOSE TO THE R44	100,000	-
Illegal structures were erected on the open space next to Rietenbos Primary School, Cloetesville ("the Property") close to R44. The Municipality is in the process of instituting eviction proceedings against the illegal occupiers.		
STELLENBOSCH MUNICIPALITY / SURITA LAYMAN & OTHERS	200,000	-
Erf 7802 Stellenbosch was incorrectly transferred to Surita Layman. Stellenbosch Municipality is applying for a rectification transfer directing that the transfer of the immovable property situated at Erf 7802 Stellenbosch to Surita Layman be set aside and an order directing the Municipality to transfer the Property to both Surita Layman and Margaret Louisa Layman		
MICHAEL SACHAR / STELLENBOSCH MUNICIPALITY	129,030	-
Mr Michael Sachar alleged that his Land Rover Discovery 4 3.0 TD/SD V6 Se motor vehicle on 6 August 2020 collided with a large pot hole at or near Main Road (R45 near BP Garage) Franschhoek.		

Stellenbosch Municipality

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	2022 R	2021 R
61. Contingent liabilities (continued)		
LABOUR COURT REVIEW - MATUSA OBO REVONAH ANTHONY ("ANTHONY") /STELLENBOSCH MUNICIPALITY- STE10/031	150,000	150,000
MATUSA obo Revona Anthony obtained an arbitration award against Stellenbosch Municipality in terms of which she was reinstated and certified the arbitration award in terms of section 143(3) of the LRA. They instructed the sheriff to attached the movable properties of the Municipality to be sold in execution. The Municipality instituted review proceedings against the arbitration award and stay the execution of the arbitration award.		
RICMAL GREEN (PTY) LTD & ANOTHER / THE UNLAWFUL OCCUPIERS &OTHERS	200,000	200,000
Ricmal Green (Pty) Ltd applied for an interdict that the National Minister of Agriculture, Deputy Minister of Agriculture and the National Government be interdicted and restrained from placing any third parties in occupation of the Property or in any way encouraging, promoting, supporting and or allowing any persons to come onto the farm to occupy the Property. That the persons attempting to occupy the Property be interdicted and restrained from entering onto or remaining on the Property and erecting or attempting to erect any form of structure, be it temporary, permanent or semi-permanent of nature on the Property. Ricmal Green (Pty) Ltd also applied for an urgent eviction application in terms of rule 6(12) against all unlawful occupiers of the Property listed in Annexure A to be ordered to vacate the Property and should they fail/refuse that the Sheriff be ordered to evict them from the Property. Stellenbosch Municipality is sited as Seventh Respondent to the matter. No relief is sought against the Municipality unless the Municipality oppose the application. The Municipality was joined as the Property is situated within its jurisdiction and its statutory and/or constitutional obligations as regards the occupiers. The Municipality is supporting the application of the Applicants and filed an explanatory affidavit.		
ANGELA ADELINE MOGOLEGENG / STELLENBOSCH MUNICIPALITY	100,000	100,000
Angela Adeline Mogolegeng applied for Default Judgment against Stellenbosch Municipality for alleged unfair labour practice in relation to failure to promote and/or demotion and alleged that she is being unfairly discriminated against		
SPS / STELLENBOSCH MUNICIPALITY	100,000	100,000
MZ Loghdey t/a Street Parking Solutions submitted a tender, which was awarded to him. The tender was implemented on or about 1 April 2019. A dispute arose between the parties around various issues in terms of the tender. Clause 27.1 of the GCC provides that if any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation. Clause 27.2 provides further if, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party. Clause 27.3 provides that should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law. Notwithstanding the above clause 27.4 provides that notwithstanding any reference to mediation and/or court proceedings herein the parties shall continue to perform their respective obligations under the contract unless they otherwise agree and the purchaser shall pay the supplier any monies due for goods delivered and/or services rendered according to the prescripts of the contract. Both SPS and the Municipality alleged that certain conditions of the tender/contract was breached and that mediation is required to solve the dispute. A mediator was appointed and a date for the mediation need to be set to argue the matter.		

Stellenbosch Municipality

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	2022 R	2021 R

61. Contingent liabilities (continued)

STELLENBOSCH MUNICIPALITY LANDFILL SITE

The municipality has a present obligation to rehabilitate the landfill site which stems from licensing agreements 16/2/7/G203/D16/Z1/P331) issued in terms of the Environmental Conservation Act, 1989 (Act 73 of 1989), E13/2/10/7-B4/37-WL0077/11 issued in terms of the National Environmental Management: Waste Act, 2008 (Act no. 59 of 2008) (NEMWA) and license number 19/2/5/1/B4/46/WL0118/14 issued in terms of NEMWA. 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 2021, 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. .

43,906,699	40,275,669

Prior period error

Stellenbosch Municipality/ ABSA	-	9,000,000
De Zalze Golf Club / Valuation Appeal Board for Stellenbosch Municipality	-	400,000
Ricardo Galandt and Others/ Stellenbosch Municipality	-	100,000
	-	9,500,000

Management had corrected a prior period error which is in relation to an audit finding that was raised in the prior year. The relevant expenditure was subsequently also realised in the comparative in the statement of financial performance to the amount of R7 111 521. The contra leg of the actual payment affected the bank account as no accrual or provision was realised in the prior year.

The cases relating to De Zalze Golf Club / Valuation Appeal Board for Stellenbosch Municipality and Ricardo Galandt and Others/ Stellenbosch Municipality were concluded in the prior financial year. Therefore disclosure was not required as part of the contingent liability.

Stellenbosch Municipality

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2022 R	2021 R

62. 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

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					2022 R	2021 R
62. Segment information (continued)						
2022						
	Community and public safety	Economic and environmental services	Trading services	Governance and admin	Other	Total
Segment revenue						
External revenue from non-exchange transactions	34,831,824	199,781,653	115,667,563	478,588,023	-	828,869,063
External revenue from exchange transactions	14,528,847	43,932,378	1,115,952,619	20,197,673	102,555	1,194,714,072
Interest revenue	-	-	15,296	18,755,045	-	18,770,341
Total	49,360,671	243,714,031	1,231,635,478	517,540,741	102,555	2,042,353,476
Segment expenses						
Total segment expenses	(218,704,973)	(263,192,350)	(866,757,865)	(264,279,393)	-	(1,612,934,581)
Depreciation and amortisation	(25,059,245)	(50,034,881)	(110,177,306)	(24,899,361)	-	(210,170,793)
Interest expense	-	-	(44,415,523)	83,159	-	(44,332,364)
Contribution to/from provisions	-	-	(6,287,548)	-	-	(6,287,548)
Debt impairment	-	(15,626,017)	(30,448,104)	(5,637,244)	-	(51,711,365)
Inventory losses/write downs	(5,000)	-	-	(110,859)	-	(115,859)
Cost of housing sold	(345,000)	-	-	-	-	(345,000)
Total	(244,114,218)	(328,853,248)	(1,058,086,346)	(294,843,698)	-	(1,925,897,510)
Surplus for the year	(194,753,547)	(85,139,217)	173,549,132	222,697,043	102,555	116,455,966
Other information						
Total capital expenditure	45,072,208	93,897,819	184,706,288	23,934,055	-	347,610,370

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

					2022 R	2021 R
62. Segment information (continued)						
2021						
	Community and public safety	Economic and environmental services	Trading services	Governance and admin	Other	Total
Segment revenue						
External revenue from non-exchange transactions	21,303,592	142,365,883	137,310,011	461,667,189	100,000	762,746,675
External revenue from exchange transactions	12,880,184	33,262,154	949,348,116	26,086,809	661,975	1,022,239,238
Interest revenue	-	-	21,956	19,493,405	-	19,515,361
Total	34,183,776	175,628,037	1,086,680,083	507,247,403	761,975	1,804,501,274
Segment expenses						
Total segment expenses	(218,087,815)	(270,007,645)	(769,745,139)	(279,952,429)	(100,000)	(1,537,893,028)
Depreciation and amortisation	(17,337,640)	(55,567,459)	(104,712,978)	(34,707,155)	-	(212,325,232)
Interest expense	-	-	(38,556,681)	-	-	(38,556,681)
Fair value adjustments	-	-	-	(922,034)	-	(922,034)
Contribution to/from provisions	-	-	(6,874,912)	-	-	(6,874,912)
Debt impairment	(4,748,896)	(16,096,098)	(12,463,098)	(677,699)	-	(33,985,791)
Inventory losses/write downs	-	-	-	(18,583)	-	(18,583)
Cost of housing sold	-	(1,925,000)	-	-	-	(1,925,000)
Total	(240,174,351)	(343,596,202)	(932,352,808)	(316,277,900)	(100,000)	(1,832,501,261)
Surplus for the year	(205,990,575)	(167,968,165)	154,327,275	190,969,503	661,975	(27,999,987)
Other information						
Total capital expenditure	35,143,372	93,664,867	192,334,481	71,798,369	-	392,941,089

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.:

63. Prior period error and reclassification

The municipality has changed its template in preparing the annual financial statements this financial year in accordance with the precripts issued by national treasury. In doing so multiple naming conventions has changed and consequently reclassifications have been passed in terms of GRAP 1 para 49. No other reclassifications took place in the current financial year.

The Municipal Regulations on Standard Chart of Accounts (mSCOA) came into effect on 1 July 2017. The municipality has been in compliance with the mSCOA ever since adoption but this year it also adopted voluntarily the NT mSCOA AFS Template, which aligns the item segment as per mSCOA to the AFS of a municipality. This did not result in the municipality changing any accounting policies, accounting estimates or the correction of prior period errors but did give rise to a process of reclassification and re-naming of items in the financial statements in terms of mSCOA item classification, as per the NT mSCOA Template. The reclassification of 2021 audited amounts is summaries in the reclassification column below.

The following restatements and adjustments occurred which are set out below:

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

63. Prior period error and reclassification (continued)

63.1 Adjustments of Statement of financial position items

2022

	Note	Previously reported	Correction of error	Re-classification	Restated
Assets					
Current assets					
Cash and cash equivalents	3	111,896,629	(246,858)	-	111,649,771
Receivables from exchange transactions	5	153,119,571	-	-	153,119,572
Receivables from non-exchange transactions	6	57,455,962	-	-	57,455,962
Other receivables from exchange transactions	8	11,973,032	12,553,900	1,758,898	26,285,830
Inventories	7	53,315,179	-	-	53,315,179
Short term investments	4	222,186,762	246,858	-	222,433,620
VAT Receivable	9	19,509,741	-	-	19,509,741
		629,456,876	12,553,900	1,758,898	643,769,675
Non-current assets					
Investment property	10	412,395,781	(251,884)	-	412,143,897
Property, plant and equipment	11	5,452,746,752	(26,447,985)	-	5,426,298,767
Intangible assets	12	7,222,189	1,341,357	-	8,563,546
Biological assets that form part of agricultural activity	13	6,321,448	(1,178,671)	-	5,142,777
Heritage assets	14	774,002	262,826	-	1,036,828
Long-term receivables	15	7,880,672	-	-	7,880,672
Other receivables from exchange transactions		1,758,898	-	(1,758,898)	-
		5,889,099,742	(26,274,357)	(1,758,898)	5,861,066,487
Total assets		6,518,556,618	(13,720,457)	-	6,504,836,162
Net assets and liabilities					
Current liabilities					
Consumer deposits	16	19,530,073	1,477,759	-	21,007,832
Trade and other payables	20	291,764,513	-	3,238,840	295,003,353
Payables from non-exchange transactions	21	14,695,527	808,049	-	15,503,576
Borrowings	19	34,223,893	-	-	34,223,893
Employee benefits	17	61,187,957	(4,716,610)	-	56,471,347
Lease liabilities		3,739,474	-	-	3,739,474
		425,141,437	(2,430,802)	3,238,840	425,949,475
Non-current liabilities					
Borrowings	19	334,733,125	-	-	334,733,125
Employee benefits	17	200,444,000	-	-	200,444,000
Provisions	22	141,497,317	-	-	141,497,317
		676,674,442	-	-	676,674,442
Total net assets					
Reserves and funds		-	162,490,630	-	162,490,630
Accumulated surplus		5,416,740,739	(177,019,125)	-	5,239,721,627
		5,416,740,739	(14,528,495)	-	5,402,212,257
Total net assets and liabilities		6,518,556,618	(16,959,297)	3,238,840	6,504,836,161

Notes to the Annual Financial Statements

63. Prior period error and reclassification (continued)

63.2 Adjustments of Statement of financial performance items

2022

	Note	Previously reported	Correction of error	Re-classification	Restated
Revenue					
Non-exchange revenue					
Property rates	23	387,056,677	-	-	387,056,677
Transfers and subsidies	24	264,636,686	-	140,541	264,777,227
Fines, penalties and forfeits	25	108,908,055	-	34,609	108,942,664
Interest on receivables	26	1,970,109	-	-	1,970,109
Donated assets		140,541	-	(140,541)	-
		762,712,068	-	34,609	762,746,677
Exchange revenue					
Services charges - Electricity	27	-	-	632,401,485	632,401,485
Services charges - Water	27	-	-	134,425,800	134,425,800
Services charges - Waste water management	27	-	-	92,638,765	92,638,765
Services charges - Waste management	27	-	-	73,150,291	73,150,291
Rental	28	14,713,664	-	(3,709,147)	11,004,517
Interest on investments	29	19,515,361	-	-	19,515,361
Interest on receivables	26	8,114,051	-	553,337	8,667,388
Licences or permits	30	5,216,026	1,584,926	9,051	6,810,003
Agency services	31	4,833,132	(1,584,926)	-	3,248,206
Operational revenue	32	40,953,114	-	(36,135,621)	4,817,493
Sales of goods and rendering of services	33	-	-	46,126,642	46,126,642
Gain on disposal of assets	34	9,385,448	(325,513)	-	8,948,654
Services Charges		932,616,341	-	(932,616,341)	-
Gain on disposal of biological assets and agricultural produce		50,747	-	(50,747)	-
Construction contracts		7,570,000	-	(7,570,000)	-
		1,042,967,884	(325,513)	(776,485)	1,041,754,605
Total revenue		1,805,679,952	(325,513)	(741,876)	1,804,612,563
Expenditure					
Employee related cost	35	(543,610,551)	-	1,978,802	(541,631,749)
Remuneration of councillors	36	(19,191,670)	-	534,670	(18,657,000)
Bad debts written off		(108,781,924)	-	-	(108,781,924)
Depreciation and amortisation	38	(192,215,913)	-	(19,904,353)	(212,325,220)
Finance costs	39	(54,474,647)	-	15,917,965	(38,556,682)
Bulk Purchases	40	(453,758,154)	(2)	-	(453,758,156)
Inventory consumed	41	-	(2,427)	(34,626,227)	(34,628,654)
Contracted services	42	(227,703,607)	(7)	-	(227,703,614)
Transfers and subsidies	43	(11,009,540)	-	-	(11,009,540)
Operational Cost	44	(143,038,678)	(85)	30,190,276	(112,848,487)
Operating leases	45	(14,880,942)	-	-	(14,880,942)
Contribution to/from provision		(6,874,912)	-	-	(6,874,912)
Cost of housing sold		(1,925,000)	-	1,925,000	-
Contribution to allowance for doubtful debt		(33,985,791)	-	-	(33,985,791)
Fair value adjustments		(922,035)	-	922,035	-
Inventories (write-down)		(18,583)	-	-	(18,583)
Total expenditure		(1,812,391,947)	(2,521)	(3,061,832)	(1,815,661,254)

Notes to the Annual Financial Statements

63. Prior period error and reclassification (continued)**63.3 Correction of errors**

The following prior period errors adjustments occurred:

Cash and cash equivalents

An item relating to short term investments was incorrectly mapped to cash and cash equivalents. Cash and cash equivalents is consequently restated with the same amount.

Cash and cash equivalents

Amount previously reported	- 111,896,629
Correction of error	- (246,858)
	- 111,649,771

Other receivables from exchange transactions

An item relating to deposits paid in advance to eskom was incorrectly capitalised in the prior year.

Other receivables from exchange transactions

Amount previously reported	- 11,973,032
Correction of error	- 12,553,900
Reclassification	- 1,758,898
	- 26,285,830

Agency services

An amount of R1584926 was incorrectly mapped to agency services in the prior year. Agency services is consequently restated with the same amount.

Agency services

Amount previously reported	- 4,833,132
Correction of error	- (1,593,976)
	- 3,239,156

Property, plant and equipment

Errors in relation to calculations occurred in the prior year. Separately disclosed as follows:

Property, plant and equipment

Amount as previously reported	- 5,452,746,752
Depreciation error	- (19,629,262)
Unbundling of infrastructure correction	- 994,220
Review of useful life correction	- 2,807,408
Eskom prepayment correction	- (10,307,818)
Assets disposed of in prior year	- (312,513)
	- 5,426,298,787

Notes to the Annual Financial Statements

63. Prior period error and reclassification (continued)

Payables from non-exchange transactions

This error relates to an error of which a payment was erroneously made in relation to development charges that was claimed back. This amount claimed back should therefore form part of the unspent grants.

Payables from non-exchange transactions

Amount previously recorded	-	14,695,527
Correction of error	-	808,049
	-	15,503,576

Notes to the Annual Financial Statements

63. Prior period error and reclassification (continued)

63.4 Reclassification

The reclassifications as presented below are as a result of a template change to bring into effect the changes as proposed by National Treasury in the Mscoa chart. These changes do not constitute a change in accounting policy or a change in the manner in which the transactions occur, but is merely changing the naming conventions. The accounting treatment is consistent with prior years. No other reclassifications according to GRAP3 has occurred.

The following reclassifications adjustment occurred in terms of GRAP 1 para 49:

Non-Exchange Revenue

Transfers and subsidies

Government grants and subsidies has been changed to transfers and subsidies in the current financial year per the Mscoa chart. Donated assets has been reclassified from donated assets to transfers and subsidies to the amount of R140 541.

Fines, penalties and forfeits

Per the mSCOA template building plan fines has been reclassified from operational revenue to fines, penalties and forfeits to the amount of R34 609. Consequently this has now been reclassified from exchange revenue to non-exchange revenue.

Exchange Revenue

Service charges

Per the mSCOA template, service charges have been split per individual service and not as a collective item. The total effect of this split is R932 616 341.

Rental

The Rentals line item no longer contains encroachment, interest on rentals and market porters have been reclassified to the required Mscoa line items. These lines items have respectively been reclassified to sale of goods and services, interest from receivables and licences and permits.

Interest on receivables

This interest has been reclassified to interest, dividend and rent on Land

Operational revenue/other income

The mSCOA template has split the previously disclosed line item "other income" into both operational revenue and sales of goods and services. The nature of the previously reported line items has not been changed. The total amount reclassified to sale of goods and services from operational revenue (Other income) amounts to R35 409 882. An amount of R46 126 642 has been reclassified to Sales of goods and rendering of services.

Construction contracts

Construction contracts has been reclassified to sale of goods and rendering of service. The effect of this name change is to the value of R7 570 000.

Expenditure

Employee Related cost

Entertainment cost and workmans compensation have been reclassified as operational cost.

Finance cost

The discounting of financial instruments had been reclassified to finance cost. This was previously under fair value adjustments

Notes to the Annual Financial Statements

63. Prior period error and reclassification (continued)

Inventory consumed

Inventory consumed had previously been disclosed with general expenditure. This line item is now disclosed separately on the face of the statement of financial performance as per the Mscoa chart. The cost of housing sold has also been reclassified to this line item.

Operational cost

Operational cost was previously named general expenditure. Inventory consumed was reclassified and is presented on the face of the statement of financial performance.

64. 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.

65. Events after the reporting date

The outbreak of COVID-19 has resulted in authorities implementing numerous measures to try contain the virus, such as travel bans and restrictions both within Republic of South Africa and around the world. These measures have not only negatively impacted consumer and business spending habits, they have adversely impacted and may further impact our operations and operations of our consumers. These measures may remain in place for a significant period of time and they are likely to continue to adversely affect our service delivery and financial condition. We do not yet know the full extent of the impact on the municipality or our consumers or the economy as a whole. However, the effects could have a material impact on our operations and we will continue to monitor the COVID-19 situation closely.

Currently there are no events after the reporting date to report on.



ANNEXURE B: ANNUAL PERFORMANCE REPORT 2021/22



STELLENBOSCH

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Annual Performance Report

2021/22

(01 July 2021 – 30 June 2022)

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1. PURPOSE

The Annual Performance Report 2021/22 is hereby submitted to the Stellenbosch Municipal Council in terms of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), Section 46(1) and (2). The report covers the municipality's performance information from 01 July 2021 to 30 June 2022 and focuses on the implementation of the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) 2021/22, 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 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 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 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, 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. 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 sport 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, Dorpstraat Theatre, Aan de Braak Theatre, and Oude Libertas Amphitheatre – well-known for its summer season 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 on growth and development of the town. Welfare and community organisations play a leading role in assisting 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

“Valley of Opportunity and Innovation”

3.2 Socio-economic status

Table 1: Total population

Total population		
2019/20	2020/21	2021/22
186 274*	192 879**	196 036***

*Western Cape Government, 2018 & 2019 Socio-economic Profile, Stellenbosch Municipality

**DLG 2020 Socio-Economic Profile- Stellenbosch Municipality

*** Western Cape, Social – Economic Profile 2021

Table 2: Total number of households

Households	2019/20	2020/21	2021/22
Number of households in the municipal area	52 374*	52 374*	52 374*
Number of registered indigent households in the municipal area	7 011	7 283	4 681

*STATSSA, 2011

Table 3: Access to Services

Community Survey 2016	Stellenbosch	Cape Winelands District
Formal main dwelling	34 071	191 077
	65,1%	81,0%
Water (piped inside dwelling / within 200m)	51 581	232 605
	98,5%	98,6%
Electricity (primary source of lighting)	51 386	228 650
	98,1%	96,9%
Sanitation (flush / chemical toilet)	47 594	218 483
	90,9%	92,6%
Refuse removal (at least weekly)	37 207	192 974
	71,0%	81,8%

Source: Western Cape, Socio-Economic Profile 2018

4. PERFORMANCE MANAGEMENT OVERVIEW

To improve on 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 of 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 it measurable.

Table 4: 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 next the 12 months; and
- The SDBIP should form the basis for measuring the performance against goals set during the budget / IDP processes.

The TL SDBIP was prepared as described in the paragraphs below and approved by the Executive Mayor on 23 June 2021.

The approved TL SDBIP 2021/22 was revised in February 2022. 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 5: 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 more than 150% achieved

The TL SDBIP (the Municipal Scorecard) consolidate 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
- 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 2021/22 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 2021/22.

5. PLANNED TARGETS VS ACTUAL RESULTS FOR THE 2021/22 FINANCIAL YEAR

This section of the Annual Performance Report 2021/22 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 6: NKPA- Municipal Transformation and Institutional Development

INDICATOR	MUNICIPAL ACHIEVEMENT 2020/21	MUNICIPAL ACHIEVEMENT 2021/22
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	5	3
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	R2 831 705 / R1 779 347 338 = 0.16%	R2 567 666 / R598 305 199 x 100 = 0.43%

5.1.2 Basic Service Delivery

Table 7: NKPA- Basic Service Delivery

INDICATOR	MUNICIPAL ACHIEVEMENT 2020/21*	MUNICIPAL ACHIEVEMENT 2021/22*
The percentage of households earning less than R6,500 per month with access to free basic services (In the case of Stellenbosch Municipality- the percentage of registered Indigent households are 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	71%	84%
The percentage of households with access to basic level of solid waste removal	100%	100%

* The percentage of households with access to 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 8: NKPA- Local Economic Development

INDICATOR	MUNICIPAL ACHIEVEMENT 2020/21	MUNICIPAL ACHIEVEMENT 2021/22
The number of jobs created through the municipality's local economic development initiatives including capital projects	1 129	1 439

5.1.4 Municipal Financial Viability and Management

Table 9: NKPA- Municipal Financial Viability and Management

INDICATOR	MUNICIPAL ACHIEVEMENT 2020/21	MUNICIPAL ACHIEVEMENT 2021/22
Debt coverage ((Total operating revenue - operating grants received) / Debt service payments due within the year)	29.06%	17.55%
Service debtors to revenue (Total outstanding service debtors / Annual revenue received for services)	8.86%	15.56%
Cost coverage ((Available cash + investments) / Monthly fixed operating expenditure)	2.08	3

5.1.5 Good Governance and Public Participation

Table 10: NKPA- Good Governance and Public Participation

INDICATOR	MUNICIPAL ACHIEVEMENT 2020/21	MUNICIPAL ACHIEVEMENT 2021/22
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	86.54%	84.29%

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 (6.98%)	-	-	-	1 (8.33%)	2 (12.50%)
KPI Almost Met	6 (13.95%)	1 (16.67%)	2 (33.33%)	-	1 (8.33%)	2 (12.50%)
KPI Met	22 (51.16%)	3 (50%)	3 (50%)	3 (100%)	3 (25%)	10 (62.50%)
KPI Well Met	8 (18.60%)	1 (16.67%)	-	-	6 (50%)	1 (6.25%)
KPI Extremely Well Met	4 (9.30%)	1 (16.67%)	1 (16.67%)	-	1 (8.33%)	1 (6.25%)
Total:	43	6	6	3	12	16
	100%	13.95%	13.95%	6.98%	27.91%	37.21%

Table and Graph 11: Overall performance per SFA- 01 July 2021 – 30 June 2022

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 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
TL88	KPI007	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	1 129	1 300	1 300	1 300	1 439	G2		
TL89	KPI008	Land-use applications considered by the Municipal Planning Tribunal (MPT) within 120 days from the date of a complete land-use application	Percentage of land-use applications considered by the MPT within 120 days from the date of a complete land-use application	58%	75%	75%	75%	66.66%	○	10 / 15 x 100 = 66.66%	Electronic Town Planning Application Management System (TPAMS) to be implemented as of 01 July 2022. Request for additional human resource capacity for the Land Use Management Section submitted for consideration.
TL90	KPI009	Training opportunities provided for entrepreneurs and Small, Medium and Micro Enterprises (SMMEs)	Number of quarterly training opportunities provided for entrepreneurs and SMMEs	5	4	4	4	11	B		
TL91	KPI010	Revised Spatial Development Framework (SDF) submitted to Council	Number of Revised SDFs submitted to Council by 30 June	New KPI	1	1	1	1	G		
TL92	KPI012	Revised Housing Pipeline (document) submitted to the Mayoral Committee (MayCo)	Number of Revised Housing Pipelines (documents) submitted to the MayCo by 31 May		1	1	1	1	G		

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 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
TL93	KPI080	Submission of the Tourism Strategic Plan to the Municipal Manager	Number of Tourism Strategic Plans submitted to the Municipal Manager by 30 June	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	1
G	KPI Met	3
G2	KPI Well Met	1
B	KPI Extremely Well Met	1
Total KPIs		6

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 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
TL94	KPI016	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		
TL95	KPI073	Implementation of identified waste minimisation projects	Number of identified waste minimisation projects implemented by 30 June	2	2	2	2	2	G		
TL96	KPI018	Building plan applications of <500sqm decided on within 30 days	Percentage of building plan applications of <500sqm decided on within 30 days after date of receipt	64.30%	80%	70%	70%	62.35%	O	1 022 / 1 639 x 100 = 62.35%	Request for additional human resource capacity for the Building Development Management Section submitted for consideration. Version 2 of the electronic Building Plan Application Management System (BPAMS) to be implemented as of 01 July 2022.
TL97	KPI019	Waste water quality measured ito the Department of Water and Sanitation's License Conditions for physical and micro parameters	Percentage waste water quality compliance as per analysis certificate, measured quarterly	51%	70%	70%	70%	51.75%	O	<u>Stellenbosch WWTW:</u> The treatment technology cannot reach the limits of all the parameters. The process is due to complying with General Limits. <u>Klapmuts WWTW:</u> Challenges with sludge handling cause high suspended solids and affect other	<u>Stellenbosch WWTW:</u> The treatment technology cannot reach the limits of all parameters. The process is due to complying with General Limits. The corrective action is to correct the licence condition with the DWS. <u>Klapmuts WWTW:</u>

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 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
										parameters negatively. <u>Pniël WWTW:</u> The plant is running in overload conditions. However, the upgrading of the plant has commenced and is starting to yield positive results as seen with an 88.89% compliance result for June 2022. <u>Wemmershoek WWTW:</u> This plant needs repair and upgrade. Phase 1 of this process is to improve sludge handling. This will reduce suspended solids and increase disinfection effectiveness. Phase 2 will improve the process by increasing capacity and shock handling ability. This should start at the beginning of 2023.	Corrective action is to procure and install additional Belt Press in this financial year. The budget is available. <u>Pniël WWTW:</u> Upgrades to the plant will be completed by 31 December 2022. <u>Wemmershoek WWTW:</u> Plant in need of repair and upgrade. Phase 1 of this process is to improve sludge handling and will be completed by 31 December 2022. This will reduce suspended solids and increase disinfection effectiveness. Phase 2 will improve the process by increasing capacity and shock handling ability. This should start at the beginning of 2023.
TL98	KPI078	Submission of the Revised Facility Management Plan to the MayCo	Number of Revised Facility Management Plans submitted to the MayCo by 31 May	0	1	1	1	1	G		
TL99	KPI081	Reduce organic waste	Percentage of organic waste reduced by 30 June	48%	20%	20%	20%	42%	B	5 960,4 / 14 147,5 x 100 = 42.13%	

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 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
										A total of 5 960,4-ton garden (organic) waste was diverted from a total of 14 147,5-ton total waste to the Landfill (excl. builders' rubble)	

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	0
O	KPI Almost Met	2
G	KPI Met	3
G2	KPI Well Met	0
B	KPI Extremely Well Met	1
Total KPIs		6

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 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
TL101	KPI025	Revised Disaster Management Plan submitted to the Municipal Manager	Number of Revised Disaster Management Plans submitted to the Municipal Manager by 31 March	1	1	1	1	1	G		
TL102	KPI026	Revised Safety and Security Strategy submitted 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		
TL103	KPI027	Revised Traffic Management Plan submitted 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 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
TL104	KPI037	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	0	50	50	50	0	R	A contractor was appointed to construct the waterborne toilet facilities. However, delays were experienced due to the fact that the site were not made inaccessible by the residents. Consequently, site establishment could not be done by the contractor. Additional land invasions also occurred in the Kayamandi area, which further hampered site establishment and the construction of the waterborne toilet facilities.	Community meetings were held with the assistance of the Ward Councillor. Consequently, a number of structures were relocated. However, the rest of the community refused to move their structures. The underground infrastructure was completed to connect 36 waterborne toilet facilities to the sewerage network of the municipality.
TL105	KPI039	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	4 681 / 4 681 x 100 = 100%	
TL106	KPI040	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 average electricity losses measured by 30 June	8.86%	<9%	<9%	<9%	9.60%	O	(393 194 417kWh – 355 429 150kWh) / 393 194 417kWh x 100 = 9.60%	The municipality will conduct an electricity losses audit on the municipal-owned electricity infrastructure by 30 September 2022. The electricity losses audit report will thereafter be submitted to

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 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
											MayCo by 30 November 2022 to consider and implement identified measures to curb electricity losses.
TL107	KPI041	Water quality measured quarterly to the SANS 241 physical and micro parameters	Percentage water quality level as per analysis certificate, measured quarterly	94.60%	90%	90%	90%	95%	G2		
TL108	KPI042	Limit unaccounted water to less than 25%	Average percentage water losses measured quarterly	14.90%	<25%	<25%	<25%	18.70%	G2	1 991 133kl / 10 660 846kl x 100 = 18.70%	
TL109	KPI043	Registered indigent formal households with access to free basic electricity provided by the municipality (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic electricity provided by the municipality, measured quarterly	71%	65%	65%	65%	84% 100%	B	$4\,982 / 5\,913 \times 100 = 84.25\%$ $4\,681 / 4\,681 \times 100 = 100\%$	
TL110	KPI044	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	4 681 / 4 681 x 100 = 100%	
TL111	KPI045	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	4 681 / 4 681 x 100 = 100%	
TL112	KPI074	Formal households with access to water (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to water, measured quarterly	26 588	25 500	25 500	25 500	26 825	G2		
TL113	KPI075	Formal households with access to electricity (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to electricity, measured quarterly	26 588	24 000	25 500	25 500	26 825	G2		

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 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
TL114	KPI076	Formal households with access to refuse removal (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to refuse removal, measured quarterly	26 588	25 500	25 500	25 500	26 825	G2		
TL115	KPI077	Formal households with access to sanitation (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to sanitation, measured quarterly	26 588	25 500	25 500	25 500	26 825	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	2
O	KPI Almost Met	0
G	KPI Met	3
G2	KPI Well Met	6
B	KPI Extremely Well Met	1
Total KPIs		12

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 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
TL116	KPI055	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)	2.08	4	4	4	3	○	((R137 877 710 - R31 403 223) + R305 522 446) / (R1 925 045 253 / 12)	For the 2021/22 financial year the municipality implemented cost containment measures as well as operational efficiencies to limit the increase in operational expenditure. These measures will be continued to be implemented for the 2022/23 financial year.
TL117	KPI056	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%	96%	96%	96%	○	(R340 154 461 + R1 503 715 088 - R394 866 379 - R5 153 866) / R1 503 715 088 x 100 = 96%	
TL118	KPI057	Actual expenditure on 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	86.54%	90%	90%	90%	84.29%	○	R340 119 617 / R403 507 635 x 100 = 84.29%	Supply chain management indicators were developed and allocated to each Snr Manager in the Departmental SDBIP 2022/23. These indicators are also aligned to the Demand Management Plan.

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 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
TL119	KPI058	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	50%	60%	60%	60%	33.30%	R	$2 / 6 \times 100 = 33.33\%$ At each shortlisting panel meeting, the statistics and underrepresented target groups are indicated to the panel. In some instances, there are no qualifying candidates from the underrepresented groups. It also happens in some instances that candidates on the shortlist from underrepresented groups do not perform well enough in the interview to be appointed.	Critical vacancies had to be filled thereby appointing qualifying candidates. Measures are in place on the criteria to be followed when shortlisting is done on candidates within the EE target groups.
TL120	KPI059	The percentage of the actual 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) x100), measured by 30 June	0.62%	0.20%	0.20%	0.20%	0.43%	B	$R2\ 567\ 666 / R598\ 305\ 199 \times 100 = 0.43\%$	
TL121	KPI060	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	29.06%	15%	15%	15%	17.55%	G2	$(R1\ 199\ 695\ 618 - R289\ 060\ 524) / R51\ 902\ 261$	

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 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
TL122	KPI061	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	8.86%	27%	27%	27%	15.56%	R	R169 165 030 / R1 086 839 110 x 100 = 15.56%	A Revenue Enhancement Strategy was developed as well as a Debt Review Committee was established to monitor the progress on outstanding debt and deliberating on acceptable and reasonable arrangements for the settlements of arrear debts by all affected municipal debtors. These initiatives will continue to be implemented during the 2022/23 financial year.
TL123	KPI062	Revised Risk-Based Audit Plan (RBAP) submitted to the Audit Committee	Number of Revised RBAPs submitted to the Audit Committee by 30 June	1	1	1	1	1	G		
TL124	KPI063	AGSA Audit Action Plan (AAP) submitted to the Audit Committee	Number of AGSA Audit Action Plans submitted to the Audit Committee by 28 February	0	1	1	1	1	G		
TL125	KPI064	Revised Strategic Risk Register (SRR) submitted to the Risk Management Committee	Number of Revised Strategic Risk Registers submitted to the Risk Management Committee by 30 June	1	1	1	1	1	G		
TL126	KPI065	Revised Information and Communication Technology (ICT) Backup Disaster Recovery Plan	Number of Revised ICT Backup Disaster Recovery Plans submitted to the ICT Steering Committee by 31 March	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 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
		submitted to the ICT Steering Committee									
TL127	KPI066	Revised Strategic ICT Plan submitted 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		
TL128	KPI067	Draft Integrated Development Plan (IDP) submitted to Council	Number of Draft IDPs submitted to Council by 31 March	1	1	1	1	1	G		
TL129	KPI070	IDP / Budget / SDF time schedule (process plan) submitted to Council	Number of IDP / Budget / SDF time schedules (process plan) submitted to Council by 31 August	1	1	1	1	1	G		
TL131	KPI072	Submission of a Draft Smart City Framework to the MayCo	Number of Draft Smart City Frameworks submitted to the MayCo by 31 May	New KPI	1	1	1	1	G		
TL132	KPI084	Submission of a new Comprehensive Integrated Transport Plan (CITP) to the MayCo	Number of new Comprehensive Integrated Transport Plans (CITPs) submitted to the MayCo 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	2
O	KPI Almost Met	2
G	KPI Met	10
G2	KPI Well Met	1
B	KPI Extremely Well Met	1
Total KPIs		16

GERALDINE METTLER
MUNICIPAL MANAGER

DATE:



ANNEXURE C: AUDIT AND PERFORMANCE AUDIT COMMITTEE ANNUAL REPORT 2021/22



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

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 2021/2022 financial year. The Audit and Performance Audit Committee has complied with its responsibilities in terms of Section 166 of the MFMA and applicable Treasury Regulations. The Committee has also regulated its affairs and discharged its responsibilities concordant to the approved Audit Committee Charter. The Committee's operation is guided by the MFMA, the King IV report on Corporate Governance and International Institute of Internal Auditor's Standards.

The Committee consists of four independent members, elected by the Council: Linda Nene (Chairperson), Tsepo Lesihla, Vincent Botto and June Williams. The Council appointed the Chairperson of the Committee, an independent member. 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 29th November 2022;
- 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 of which there were 2 findings relating to errors on the AFS;
- vi. Management are urged to strengthen controls to adequately monitor non-compliance with laws and regulations on a timely basis;
- vii. Management were requested to concentrate on accurate presentation and review of the annual financial statements submitted to the Auditor General for audit;
- viii. 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; and
- ix. 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, the Municipal Manager and the External Auditors (Auditor-General of RSA);
- viii. Reviewed any significant legal and tax matters that could have a material impact on the financial statements; and
- ix. Noted that there were no material reports or complaints received concerning accounting practices, internal 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 were 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 IIA Standards;
- vii. 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;
- viii. Received limited assurance that proper and adequate accounting records were maintained and that systems safeguarded the assets against unauthorised use or the disposal thereof;
- 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):
 - Performance management system (PMS)
 - Allowances (Overtime, Standby and Scarce Skills)
 - Development Contributions (Infrastructure Services)
 - Key Controls (Asset Management)
 - Pre-determined objectives
 - Monthly or regular reconciliations of assets, debtors, and creditors
 - Compilation of mid-year or interim AFS
- x. In addition, the Committee noted Management's improved responses to conclude on internal findings from the prior and current year as reported in the internal audit follow up reports.

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 Technology and IT systems controls needing some improvement in the Auditor General's Management report. Member Tsepo Lesihla, ICT expert, has been appointed to the ICT committee to support management in this respect.

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 were 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 intend 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.
- iii. Noted that there were no findings on Supply Chain Management (SCM) and commends the CFO and his team for this.

1.8 Independence of the External Auditors

The Audit and Performance Audit Committee is satisfied that the Audit 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; and

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 2021/2022 audit outcome, two (2) have been repeat findings. The Audit and Performance Committee has raised its concern around the repeat findings and the other important matters raised in the Auditor-General's Management Report. The Municipal Manager has given assurance that all of these will be addressed as urgent and tracked for the 2022/2023 financial year.
- 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

I am extremely grateful 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. 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, Internal Audit, Risk Management and the Auditor General for the support and co-operation extended during the financial year and for providing the relevant information to enable the Audit and Performance Audit Committee to compile this report. This past year was again challenging and 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), CCSA, CRMA, CPrac (SA)
Chairperson Audit and Performance Audit Committee
17 January 2023



ANNEXURE D: REPORT OF THE AUDITOR GENERAL OF SOUTH AFRICA 2021/22

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 131, which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as 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 2022 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 9 of 2021 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *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 63 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2022.

Material impairments

8. As disclosed in note 5 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions of R204,3 million (2020-21: R167,1 million).
9. As disclosed in note 6 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions of R187,6 million (2020-21: R173,2 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 municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion 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.

Auditor-general's responsibilities 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.

Report on the audit of the annual performance report

Introduction and scope

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected strategic focus area presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
17. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected strategic focus area presented in the municipality's annual performance report for the year ended 30 June 2022:

Strategic focus area	Pages in the annual performance report
Strategic focus area 4 – dignified living	15 to 17

19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
20. I did not identify any material findings on the usefulness and reliability of the reported performance information for this strategic focus area.

Other matters

21. I draw attention to the matters below.

Achievement of planned targets

22. Refer to the annual performance report on pages 15 to 17 for information on the achievement of planned targets for the year.

Adjustment of material misstatement

23. I identified a material misstatement in the annual performance report submitted for auditing. This material misstatement was on the reported performance information of strategic focus area 4 – dignified living. As management subsequently corrected the misstatement, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

24. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
25. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

26. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected strategic focus area presented in the annual performance report that have been specifically reported in this auditor's report.
27. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
28. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected strategic focus area presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
29. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

30. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Other reports

31. I draw attention to the following engagement conducted by various parties which had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
32. During the year under review the public protector investigated allegations of improper conduct and maladministration at the Stellenbosch Municipality. These allegations related to irregularities in the appointment of two senior officials at the municipality. The public protector's report was submitted to the municipality on 30 March 2022. On 21 June 2022, the municipality submitted a response to the public protector and pursued a review application. The review application was heard by a high court on 28 November 2022. At the date of this report the process had not yet been concluded.
33. On 18 October 2022 the municipality appointed a service provider to investigate instances of irregular and fruitless and wasteful expenditure included in notes 55.2 and 55.3 to the financial statements. This expenditure was on information technology licences procured from various service providers. The investigation was to determine whether unauthorised, irregular and/or fruitless and wasteful expenditure was incurred as a result of the software upgrades of licences purchased, whether legislated procurement processes were followed with the respective service providers and whether evidence of misconduct by officials for the appointment of the service providers exist. At the time of this report the investigation had not yet been concluded.

Auditor - General

Cape Town

2 December 2022



Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for the selected strategic focus area and on the municipality’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in 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 by the accounting officer
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Stellenbosch 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

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and communicate 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