



**DRAKENSTEIN**

MUNISIPALITEIT • MUNICIPALITY • UMASIPALA

Paarl | Wellington | Gouda | Saron | Simondium

# Annual Report

2018/19

*This Annual Report is compiled in terms of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) and the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).*

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## GLOSSARY

Definitions	
<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to parliament and provincial legislatures as prescribed by the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). This includes plans, budgets, in-year and annual reports.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003). Such a report must include the annual financial statements as submitted to the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor-General and approved by Council or a provincial or national executive.
<b>Baseline</b>	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>Basic municipal service</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided, it may endanger the public health and safety or the environment.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.

Definitions	
<b>General Key performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are " <i>what we use to do the work</i> ". They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Sets out municipal goals and development plans.
<b>National Key Performance Areas</b>	Five national key performance areas are: <ul style="list-style-type: none"> <li>• Service delivery and infrastructure;</li> <li>• Economic development;</li> <li>• Municipal transformation and institutional development;</li> <li>• Financial viability and management; and</li> <li>• Good governance and community participation.</li> </ul>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are " <i>what we wish to achieve</i> ".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as " <i>what we produce or deliver</i> ". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunisation, or a service such as processing an application) that contributes to the achievement of a key result area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered).
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the

Definitions	
	outputs and related activities of a job by describing what the required result should be. In this employee performance management and development system (EPMDS), performance standards are divided into indicators and the time factor.
<b>Performance Targets</b>	The level of performance that municipalities and its employees strive to achieve. Performance targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery and Budget Implementation Plan</b>	Detailed plan annually approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote</b>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>“(a) One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>(b) Which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.”</i></p>

## ACRONYMS

Acronyms	
<b>AAPAM</b>	Association of African Public Administration and Management
<b>AC</b>	Audit Committee
<b>ACDP</b>	African Christian Democratic Party
<b>AIDS</b>	Acquired Immune Deficiency Syndrome
<b>ANC</b>	African National Congress
<b>APC</b>	Appeal Committee
<b>APR</b>	Annual Performance Report
<b>AQMP</b>	Air Quality Management Plan
<b>ASB</b>	Accounting Standards Board
<b>ASNAPP</b>	Agribusiness in Sustainable Natural African Plant Products
<b>ASNAPP</b>	Agribusiness in Sustainable Natural African Plant Products
<b>CAE</b>	Chief Audit Executive
<b>CBD</b>	Central Business District
<b>CCAP</b>	Climate Change Adaption Plan
<b>CFO</b>	Chief Financial Officer
<b>CIGFARO</b>	Chartered Institute of Government Finance Audit and Risk Officers
<b>CLLR</b>	Councillor
<b>CM</b>	City Manager
<b>CPIP</b>	Capital Projects Implementation Plan
<b>CRO</b>	Chief Risk Officer
<b>CSIR</b>	Council for Scientific and Industrial Research
<b>DA</b>	Democratic Alliance
<b>DCAS</b>	Department of Cultural Affairs and Sport
<b>DEA</b>	Department of Environmental Affairs
<b>DEA &amp; DP</b>	Department of Environmental Affairs and Development Planning
<b>DLTA</b>	Drakenstein Local Tourism Association
<b>DM</b>	Drakenstein Municipality
<b>DoA</b>	Department of Agriculture
<b>DoRA</b>	Division of Revenue Act
<b>DRDLR</b>	Department of Rural Development and Land Reform
<b>DRDLR</b>	Department of Rural Development of Land Reform
<b>ECD</b>	Early Childhood Development
<b>EEA</b>	Employment Equity Act
<b>EFF</b>	Economic Freedom Fighters
<b>EIA</b>	Environmental Impact Assessment
<b>EPWP</b>	Expanded Public Works Programme
<b>FARMCO</b>	Fraud-and-Risk Management Committee



Acronyms	
<b>FD</b>	Federation of Democrats
<b>FEIR</b>	Final Environment Impact Report
<b>FRM</b>	Fraud Risk Management
<b>GIS</b>	Geographic Information System
<b>GRAP</b>	Generally Recognised Accounting Practice
<b>GV</b>	General Valuation
<b>GVA</b>	Gross Value Added
<b>HIV</b>	Human Immunodeficiency Virus
<b>HR</b>	Human Resources
<b>IAS</b>	Invasive Alien Species
<b>ICOSA</b>	Independent Civic Organisation of South Africa
<b>ICT</b>	Information and Communication Technology
<b>IDP</b>	Integrated Development Plan
<b>IEM</b>	Integrated Environmental Management
<b>IERM</b>	Institute of Environment and Recreation Management
<b>IGR</b>	Inter-Governmental Relations
<b>ILASA</b>	Institute for Landscape Architecture in South Africa
<b>INEP</b>	Integrated National Electrification Funding
<b>IOD</b>	Injury on Duty
<b>IRDP</b>	Integrated Residential Development Program
<b>IRM</b>	Integrated Risk Management
<b>ISAMAO</b>	Institute of South African Municipal Accounting Officers
<b>ISSP</b>	Informal Settlements Support Programme
<b>ITP</b>	Integrated Transport Plan
<b>IWMP</b>	Integrated Waste Management Plan
<b>JSE</b>	Johannesburg Stock Exchange
<b>KFA</b>	Key Focus Area
<b>KPA</b>	Key Performance Area
<b>KPI</b>	Key Performance Indicator
<b>LED</b>	Local Economic Development
<b>LLF</b>	Local Labour Forum
<b>LSDF</b>	Local Spatial Development Framework
<b>MFMA</b>	Municipal Finance Management Act
<b>MGRO</b>	Municipal Governance Review and Outlook
<b>MICE</b>	Meetings, Incentives, Conferences and Exhibitions
<b>MIG</b>	Municipal Infrastructure Grant
<b>MMCs</b>	Members of the Mayoral Committee
<b>MPAC</b>	Municipal Public Accounts Committee
<b>MPRA</b>	Municipal Property Rates Act

Acronyms	
<b>MSA</b>	Municipal Systems Act
<b>mSCOA</b>	Municipal Standard Chart of Accounts
<b>NBR</b>	National Building Regulations
<b>NEMAQA</b>	National Environmental Management Air Quality Act
<b>NEMBA</b>	National Environmental Management: Biodiversity Act
<b>NERSA</b>	National Energy Regulator of South Africa
<b>NGO</b>	Non-Governmental Organisation
<b>NPO</b>	Non-Profit Organisation
<b>NQF</b>	National Qualification Framework
<b>PDM</b>	Peoples Democratic Movement
<b>PMS</b>	Performance Management System
<b>PMS</b>	Pavement Management System
<b>PPP</b>	Public Private Partnership
<b>RBIG</b>	Regional Bulk Services Infrastructure Grant
<b>RLEDF</b>	Regional Local Economic Development Forum
<b>SAHRA</b>	South African Heritage Resources Agency
<b>SALGA</b>	South African Local Government Association
<b>SAN</b>	Storage
<b>SAPS</b>	South African Police Service
<b>SATSA</b>	South African Tourism Association
<b>SATSA</b>	South African Tourism Services Association
<b>SCADA</b>	Supervisory Control and Data Acquisition
<b>SCM</b>	Supply Chain Management
<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>SDF</b>	Spatial Development Framework
<b>SDLC</b>	Systems Development Life-Cycle
<b>SEAR</b>	Sustainable Ecological and Agricultural Resource
<b>SEDA</b>	Small Enterprise Development Agency
<b>SEM</b>	Staff Employee Monitoring
<b>SMMEs</b>	Small Medium and Micro Enterprises
<b>SMT</b>	Strategic Management Team
<b>SO</b>	Strategic Objective
<b>SOER</b>	State of Environment Report
<b>SOP</b>	Standard Operating Procedure
<b>SPCA</b>	Society for the Prevention of Cruelty to Animals
<b>STATSSA</b>	Statistics South Africa
<b>SV</b>	Supplementary Valuation
<b>TASK</b>	Tuned Assessment of Skills and Knowledge
<b>TMP</b>	Transportation Master Plan

Acronyms	
<b>TRANCRAA</b>	Transformation of Certain Rural Areas Act, Act 94 of 1998
<b>UIF</b>	Unemployment Insurance Fund
<b>UISSP</b>	Upgrade of Informal Settlements Support Programme
<b>VF+</b>	Vryheidsfront Plus
<b>VPUU</b>	Violence Prevention through Urban Upgrading Programme
<b>WTE</b>	Waste-to-Energy
<b>WTW</b>	Water Treatment Works
<b>WWTW</b>	Waste Water Treatment Works

## 1. EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: EXECUTIVE MAYOR'S FOREWORD

#### 1.1 EXECUTIVE MAYOR'S FOREWORD

In 2017 Council adopted its Vision 2032 strategy in recognition of Drakenstein Municipality's secondary city status and the need to meet the needs of our rapidly changing and growing city. The Vision, which encapsulates our drive for excellence, is aligned to the Provincial Growth and Development Strategy and the National Development Plan and seeks to create an enabling environment for growth; development; employment and job creation; enhancing the quality of life of our residents; maintaining good corporate governance; and, sound financial management.

Good governance entails addressing the needs of the public through consultation and communication; and being accountable to the citizens of Drakenstein as required by the Municipal Systems Act, 2000 (Act 32 of 2000). Council undertook a number of processes to achieve this goal, including establishing new ward committees; issuing monthly newsletters and press releases; holding consultative meetings with a wide range of stakeholders; and, rebuilding our municipal website. Accountability is enforced through performance contracts signed by the Members of the Mayoral Committee (MMCs) and Senior Management and is monitored by the Executive Mayor and Council on a monthly basis.

The 2016 Community Survey Report from Statistics South Africa (STATSSA) indicates that the population of Drakenstein has reached 280,195 making up 71,686 households. The 2019 Municipal Economic Review and Outlook Report of the Western Cape Government indicates that Drakenstein's population has grown to an estimated 284,475 persons. Households has increased to an estimated 72,210. Drakenstein's unemployment is estimated at 23% of the economically active population. The growth in population is accompanied by various challenges, in particular the ongoing demand for state-provided accommodation. The Municipality has a verified waiting list of 19,883 persons compared with a total waiting list of 41,543 persons who seek housing assistance. The Municipality has responded by planning and rolling out a number of projects, including the Vlakkeland project (some 2,550 mixed typology and affordability opportunities) and the Erf 16161 Development (2,078 GAP and social rental opportunities).

In order to develop a vibrant and resilient economy a number of projects have been launched to promote the industrial, financial and commercial sectors. Given the need to focus and maximise our resources five catalytic zones were identified throughout Drakenstein, namely the N1 Corridor, South City Corridor, Paarl East/West Integration Corridor, North City Corridor

and the Hinterland catalytic zones, wherein development and resources will be concentrated over the next 15 years.

The Annual Report 2018/19 provides detail on various bulk infrastructure projects being undertaken to facilitate the envisioned accelerated growth. These projects are only possible through strategic partnerships with other spheres of government, the private sector and the community of Drakenstein as we cannot meet the challenges that we face on our own.

I remain grateful to Council, the Deputy Executive Mayor, the Mayoral Committee and the City Manager, all of whom continue to guide our staff, resources and operations to make Drakenstein a City of Excellence.

**CLLR CONRAD POOLE**  
**EXECUTIVE MAYOR**

## COMPONENT B: EXECUTIVE SUMMARY

### 1.2 CITY MANAGER'S OVERVIEW

The Drakenstein Municipality is a Category B municipality with powers and functions assigned in terms of Sections 155 and 156 of the Constitution of the Republic of South Africa, 1996 (local government matters referred to in Schedules 4 and 5). These powers and functions are exercised subject to Chapter 5 of the Municipal Structures Act, 117 of 1998 and Chapter 3 of the Local Government Municipal Systems Act, 32 of 2000. The Municipality covers an area of 1,539 km<sup>2</sup> and consists of 33 wards. It comprises of five towns of which two, Paarl and Wellington, are the primary urban nodes.

We acknowledge the role of provincial and national government and regularly engage on platforms to share information and best practices. These platforms include but are not limited to SALGA, ISAMAO, CIGFARO, Premiers Coordinating Forum and Municipal Managers Forum.

This Annual Report and twelfth consecutive unqualified audit opinion and fifth clean audit opinion bears testament to what can be accomplished in local government through a focussed approach on service delivery. In presenting the 2018/19 Annual Report we affirm that Drakenstein Municipality has made massive strides towards its vision of “*A city of excellence*”, which is guided by values of transparency, excellence, responsiveness, accountability, accessibility and integrity.

The vision is supported by the following strategic objectives:

- To promote proper governance and public participation;
- To ensure financial sustainability;
- To provide an effective and efficient workforce by aligning our institutional arrangements to our overall strategy;
- To ensure efficient infrastructure and energy supply for all citizens;
- To facilitate sustainable economic environment through the development of related initiatives including job creation and skills development;
- To contribute to the health and safety of communities through the pro-active identification, prevention, mitigation and management of health including environmental health, fire and disaster risks; and
- To assist and facilitate with the development and empowerment of the poor and the most vulnerable that include the elderly, youth and disabled.

The various key service delivery improvements achieved during the year under review is a result of good planning and execution. Numerous important projects were completed which inter alia covered bulk sewerage, water reticulation, roads and electricity distribution. These

are providing thousands of Drakenstein residents with improved basic services, setting the tone for future economic growth and development.

The overall financial performance of the Municipality in 2018/2019 confirms sound financial management, with the revenue increasing year on year in line with the annual target. In previous financial years, increased capital infrastructure investment funded through borrowing was necessary to unlock economic growth and cater for future demand. Our focus over the past financial year was on revenue enhancement and protection, stringent expenditure management and cost containment aligned to National Treasury regulations. Furthermore processes were initiated to lower our current gearing ratio and shift our focus from capital expenditure to infrastructure maintenance with no compromise on service delivery.

The Capital Budget spending for the 2018/19 financial year yielded a result of 101.6% in terms of the Final Capital Adjustments Budget. The Municipality's actual operating revenue and expenditure yielded results of 94.8% and 96.3% respectively, when compared to the Final Operating Adjustments Budget. The 2018/19 financial year realised an operating deficit of R43.7 million as opposed to the budgeted deficit of R6.5 million of the Final Operating Adjustments Budget. A negative variance of R37.2 million therefore materialised; mainly due to an additional R33.9 million indigent subsidy given to indigent households over and above the R137.5 million equitable share received for the provision of free basic services to indigent households.

Throughout the financial year we strived to maintain a strong payment ratio by consistent and vigorous actions, including the effective implementation of the Debtors Policy. This is evident in the ability of the Municipality to fund its operations and service its debts. However, the challenges accompanied by the provision of affordable quality services in an efficient and effective manner to our residents remain.

Overall, Drakenstein Municipality remains focussed on fulfilling our vision and excelling as the largest local municipality in the Western Cape. Our greatest encouragement is the continued support and commitment of our residents and business community on all service delivery fronts.

**DR JOHAN LEIBBRANDT**  
**CITY MANAGER**

### **1.3 MUNICIPAL OVERVIEW**

Drakenstein Municipality is the second largest municipality in the Western Cape, 18th top municipality in South Africa and 10th Secondary City in terms of the budget size. The Municipality is characterised by scenic landscape, precious natural and cultural heritage, quality educational institutions and sporting facilities, thriving agricultural economy and unrivalled access to the regional and logistics networks.

#### **1.3.1 Vision 2032**

In broad terms the vision statement expresses the type of city we envisage for the future: ***“A city of excellence.”***

#### **1.3.2 Values**

The Long-term Strategic Plan (Vision 2032) is grounded in the following values which define the character of Drakenstein Municipality and can be observed in the conduct of the leadership and employees as they perform the mandate and responsibilities bestowed upon them:

- Transparency;
- Excellence;
- Responsiveness;
- Accountability;
- Accessibility; and
- Integrity.

#### **1.3.3 Demographics and socio-economic information**

This section provides a succinct overview of the socio-economic status of Drakenstein Municipality. This profiling is important to assist the Municipality when determining the optimal allocation of resources between the municipal wards and across the population in a manner that provides and assures sustainable growth and equity.

Most importantly, the socio-economic information below compliment and inform the Integrated Development Plan (IDP) to ensure effective use of resources, improved service delivery, attract additional funding and strengthen democratic values.



### 1.3.3.1 Socio-Economic Status information

In 2017, the unemployment rate in Drakenstein (based on the official definition of unemployment) was 18.8%, which is an increase of 0.5 percentage points from 2016. It is now estimated to be 23% with youth unemployment at 33.4%. A high unemployment rate is often associated with the number of illiterate people.

The Gini coefficient is a summary statistic of income inequality. In 2017, the Gini coefficient in the municipal area was at 0.601. The rising income inequality can be attributed to the working age population in low-skilled employment who earn low salaries.

**Table 1: Socio-Economic Status**

Socio-Economic Status						
Serial No.	Year	Unemployment rate	Youth unemployment	Percentage of working age population in low skilled employment	Gini coefficient	Illiterate people older than 20 years
Column No.	A	B	C	D	E	F
1	2016/17	18.3%		17.6%	0.592	16.24%
2	2017/18	18.8%		17.2%	0.598	16.04%
3	2018/19	*23.0%	*33.4%	**17.0%	0.601	15.74%

Source: IHS Markit Regional eXplorer 2019 and Quantec Research 2019

\*The 2016/17 and 2017/18 unemployment rate was based upon statistics annually attained from Quantec. The 2018/19 data from the same source indicated an unemployment rate of 13.9%. Clearly unemployment cannot have dropped by almost 5% if the national unemployment figure (29.1%) and aligned research is studied. Hence this rate has been rejected by the Municipality. Global Insight, a second source of socio-demographic data which the Municipality utilises, indicated that Drakenstein had an unemployment rate of 18.3%. Whilst this figure is in-line with the previous two years, it does not take into consideration the seasonality of many jobs available in Drakenstein and is only based upon persons who are actively seeking work in the recent period before the survey was done. Other unpublished and published sources indicated rates between 12.7% and 20.3%. Based upon research undertaken by the Economic Growth Division as well as external parties, as well as the youth unemployment rate of 33.4%, it is suggested that the unemployment rate should be conservatively estimated at 23%.

\*\*A confirmed percentage of working age population in low skilled employment was not available at time of publishing this report. It is projected that the rate should be 17% taking into consideration the slight increases in education and skills level within Drakenstein.

### 1.3.3.2 Demographic Profile

The population figure drawn from Municipal Economic Review and Outlook 2019 Report indicates that an estimated 284,475 people reside in the Drakenstein municipal jurisdiction. In 2016, Statistics South Africa estimated a population of 280,195 in the Community Survey. A population budge creates many opportunities for growth and development. Channelled properly, it may be a source of labour for different economic sectors and also provides a market for produced goods.

The tables below provides a snapshot of Drakenstein's estimated population by gender and age distribution.

**Table 2: Population Details**

Population Details										
Serial No.	Age	2016/2017			2017/2018			2018/2019		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
Column Ref.	A	B	C	D	E	F	G	H	I	J
1	0-4	12,164	12,955	25,119	14,398	14,241	28,639	14,597	14,456	29,053
2	5-9	12,474	11,955	24,429	13,077	13,027	26,104	13,261	13,232	26,493
3	10-14	12,553	11,887	24,440	11,573	11,539	23,112	11,735	11,709	23,444
4	15-19	10,713	11,909	22,622	10,718	10,726	21,444	10,871	10,893	21,764
5	20-29	27,127	24,885	52,012	25,808	24,947	50,755	26,169	25,376	51,545
6	30-39	20,351	20,864	41,215	24,147	23,517	47,664	24,485	23,871	48,356
7	40-49	18,608	19,020	37,628	16,992	17,661	34,653	17,230	17,926	35,156
8	50-59	14,328	15,496	29,824	11,639	13,957	25,596	11,803	14,166	25,969
9	60-69	7,295	8,181	15,476	6,387	8,243	14,630	6,476	8,278	14,754
10	70+	2,810	4,620	7,430	2,961	4,866	7,827	3,002	4,939	7,941
11	Totals	138,423	141,772	280,195	137,700	142,724	280,424	139,629	144,846	284,475

Source: Western Cape Government: Municipal Economic Review and Outlook, 2019

### 1.3.3.3 Household Profile

The table below shows the number of households by different ethnic groups. In 2018/19, the Coloured households represented 55.25% of the total households in Drakenstein, followed by Black African and White households, accounting for 23.65% and 20.78% respectively.

**Table 3: Household breakdown by ethnic group**

Household breakdown by ethnic group						
Serial No.	Ethnic Group	2016/2017	2017/2018	% share 2017/2018	2018/2019	% share 2018/2019
Column Ref.	A	B	C	D	E	F
1	Black African	14,663	15,005	23.54%	15,398	23.65%
2	Coloured	34,572	35,259	55.31%	35,973	55.25%
3	Indian or Asian	197	202	0.32%	208	0.32%
4	White	12,949	13,276	20.83%	13,536	20.78%
5	Total	62,381	63,742	100%	65,115	100%

Source: Quantec Research, 2019

\*Quantec data is regularly updated and figures may be different from those previously reported

### 1.3.3.4 Labour Profile

The total number of people employed within the Drakenstein municipal area increased by 1,445 or 1.3% to 111,306 in 2018/19, up from 109,861 reported for 2017/18. The wholesale, retail trade, catering and accommodation sector recorded the biggest (631) increase in

employment, followed by the finance, insurance, real estate and business services. Other noteworthy increases were reported by the construction sector (321), community, social and personal services (291) as well as general government (142). Although the agriculture, forestry and fishing sector shed 433 jobs, the total number of people employed in this sector remained significantly higher than what it was in 2016/17. Agriculture forms the backbone of the Drakenstein economy and provides inputs for the manufacturing sector.

**Table 4: Employment by Sector**

Employment by Sector				
Serial No.	Sector	Number of jobs		
		2016/2017	2017/2018	2018/2019
Column No.	A	B	C	D
1	Agriculture, forestry and fishing	15,924	18,662	18,229
2	Mining and quarrying	77	87	78
3	Manufacturing	8,949	9,257	9,124
4	Electricity, gas and water	338	362	354
5	Construction	9,302	7,320	7,641
6	Wholesale, retail trade, catering and accommodation	24,643	23,802	24,433
7	Transport, storage and communication	4,369	3,624	3,651
8	Finance, insurance, real estate and business services	15,964	17,269	17,885
9	General government	12,149	11,748	11,890
10	Community, social and personal services	16,880	17,730	18,021
11	<b>Total</b>	<b>108,595</b>	<b>109,861</b>	<b>111,306</b>

Source: Quantec Research, 2019

### **1.3.3.5 Economic Profile**

The table below indicates the municipal Gross Value Added (GVA) at basic prices. The economic sectors that contributed the most to the Drakenstein economy in 2018/19 were finance, insurance, real estate and business services (R4.68 billion); wholesale, retail trade, catering and accommodation (R4.01 billion); manufacturing (R3.3 billion) and general government (R2.4 billion). Agriculture, forestry and fishing; construction; transport, storage and communication; community, social and personal services each contributed between R1.5 billion and R2 billion.

**Table 5: Value of Economic Activity by Sector**

Economic Activity by Sector				
Serial No.	Sector	R`000 000		
		2016/2017	2017/2018	2018/2019
Column No.	A	B	C	D
1	Agriculture, forestry and fishing	1,337	1,409	1,498
2	Mining and quarrying	46	62	59
3	Manufacturing	3,044	3,238	3,312
4	Electricity, gas and water	514	564	599
5	Construction	1,560	1,653	1,697
6	Wholesale, retail trade, catering and accommodation	3,590	3,810	4,010
7	Transport, storage and communication	1,731	1,846	1,903
8	Finance, insurance, real estate and business services	4,218	4,555	4,688
9	General government	2,130	2,310	2,436
10	Community, social and personal services	1,647	1,792	1,881
11	<b>Total</b>	<b>19,817</b>	<b>21,239</b>	<b>22,083</b>

Source: Quantec Research, 2019

### 1.3.3.6 Safety and Security Profile

From the table below, it is evident that contact crime was a major problem in 2018, notably, high rate of sexual offences and drug related crimes. Poverty, parental neglect, low self-esteem, alcohol and drug abuse are all connected in explaining why people commit crime.

**Table 6: Safety and Security Statistics**

Safety and Security Statistics				
Serial No.	Crime	Year		
		2016	2017	2018
Column No.	A	B	C	D
1	Murder	81	130	98
2	Sexual offences	339	350	382
3	Drug-related crime	3,265	3,953	3,998
4	Burglary residential premises	1,913	1,919	1,606
5	Driving under the influence of alcohol or drugs	195	192	165

Source: WC023 Drakenstein 2018 Socio-economic Profile (SEP-LG)

### 1.3.3.7 Environment

Drakenstein Municipality is situated within the unique natural environment of the Cape Floristic Region, a biodiversity hotspot and one of only six floral kingdoms found anywhere on Earth. It is important to note that the natural environment forms the basis on which our economic and social systems depend. If Drakenstein Municipality is to continue to provide a stimulating environment for residents that promotes health and well-being and a flourishing economic base, it is imperative that natural resources and ecosystems are utilised in a sustainable manner. While the natural environment of Drakenstein is still in a relatively good state, some indicators are showing that the current state of the environment is under threat. These threats are caused by habitat destruction, alien invasive species, pollution to the environment and climate change which all need attention. Drakenstein Municipality will continue to monitor the state of the environment and develop new responses to counter these threats in order to ensure that the unique character of the environment is preserved for future generations to come.

### 1.3.3.8 Health

This Section provides a synopsis of the total Drakenstein population by gender and ethnic group living with HIV/AIDS. The high number of people living with HIV/AIDS amongst the Black African population is a cause for concern and this includes the economically active. Therefore this trend has a negative implication on the Municipality's economic performance.

**Table 7: Number of HIV positive people**

Number of HIV positive people										
Serial No.	Ethnic Group	2016/2017			2017/2018			2018/2019		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
Column No.	A	E	F	G	H	I	J	H	I	J
1	Black African	4,111	5,886	9,997	4,233	5,962	10,195	4,352	6,078	10,430
2	Coloured	1,784	3,492	5,276	1,851	3,565	5,416	1,916	3,634	5,550
3	Indian or Asian	16	27	43	18	28	46	19	29	48
4	White	238	576	814	245	580	825	251	582	833
5	Total	6,149	9,981	16,130	6,347	10,135	16,482	6,538	10,323	16,861

Source: Quantec Research, 2018

## 1.4 SERVICE DELIVERY OVERVIEW

One of the objects of local government is to ensure the provision of services to communities in a sustainable manner. Basic services rendered to the community of Drakenstein Municipality is water, waste water, electricity, waste management and roads and stormwater. Other services are planning and economic development, environmental, housing, library,

cemeteries, community, sport and recreation, traffic as well as fire and disaster services. These services are discussed in detail in Chapter 3 of the Annual Report.

#### **1.4.1 Basic service delivery performance highlights**

Water services invested R173.5 million in water infrastructure for the year under review. These investments were in boreholes infrastructure, replacing bulk water and water reticulation systems, reservoirs and water treatment works.

The upgrade of the Wellington and Paarl wastewater treatment plants has resulted in huge dividends insofar as the improved effluent quality to the Berg River. The 2019/2020 capital expenditure will focus on improving the instrumentation within our Scientific Services to ensure that reliable analysis are conducted to enhance a high standard of process operations to our wastewater treatment facilities.

The replacing of 66KV electricity cables between the Dalweiding, Palmiet and Parys 66/11KV substations was the biggest electricity project. This investment amounted to R72.1 million and together with other electricity projects the total investment in electricity infrastructure amounted to R133.6 million for the year under review.

Solid waste mini drop-off facilities were constructed in Mbekweni, along the R301 at a cost of R180,000. Polywood Street refuse bins to the value of R190,000 were purchased and placed within Paarl and Wellington CBD.

The biggest investment in road and stormwater infrastructure was the R39.3 million for the upgrading of the Berg River Boulevard between Lady Grey and Optenhorst Streets to a dual carriageway.

#### **1.4.2 Basic service delivery challenges**

The biggest challenge for rendering water services is to secure water during periods of drought. The current funding needs to invest in water infrastructure is R2.64 billion and this will have to be addressed in the next 10 to 15 years.

The biggest challenge for rendering waste water services is to complete the upgrade of the Paarl Waste Water Treatment Works at an estimated R236 million. The current funding needs to invest in waste water infrastructure is R1.1 billion and this will have to be addressed in the next five to ten years.

To ensure electricity supply to all Drakenstein future consumers and to accommodate all future developments, serious investment in electricity infrastructure needs to take place. At

least one 40MVA and two 20MVA new electricity substations needs to be constructed. Furthermore, the Parys, Palmiet, Denneburg, Dwarsrivier and Slot of the Paarl (five) substations, needs to be upgraded from a 15MVA to a 20MVA transformers. This co-inside with the upgrade of 66KV cables to 132KV lines to cater for new demands and densification.

The landfill airspace survey conducted in November 2018 indicated that the remaining useful life of the Wellington Landfill site is till August 2020. An application has been submitted to DEA & DP, to increase the current height of 12 metres to 18 metres. This will extend the lifespan of the facility with 5 to 7 years. A consultant has been appointed to investigate alternative disposal methods in order to maximise the useful life of the facility.

Some progress has been made in the development of infrastructure in road and storm water. Resealing of streets in accordance with the pavement management system led to a reduction in the formation of potholes and attention to refurbishment of storm water systems resulted in the reduction of maintenance.

Roads and stormwater infrastructure needs amounts to R0,9 billion. The construction of the Berg River Boulevard from Optenhorst Street to the R45 will cost an estimated R370 million. This project must be instigated by the Department of Transport and Public Works in conjunction with Drakenstein Municipality with the route planning and expropriation of the required land between Retief Street and the R45 being the first phase. The completion of this project will have the effect of redistributing the traffic congestion by providing alternative routes.

The greater Vlakkeland, Groenheuvel and adjoining areas requires substantial investment in stormwater development to mitigate the risk of flooding in the low-lying areas. The estimated cost for this action is R148 million.

#### **1.4.3 Proportion of households with access to basic services**

All formal households have access to electricity, water, waste water and waste management services.

All backyarders (estimated to be 2,972 households) do have access to electricity, water, waste water and waste management services on the formal site.

The 41 informal settlements comprising of 5,999 households and an estimated 10,846 residents do have access to water, waste water and waste management services. A total of 3,027 informal structures do not have access to electricity.

## 1.5 FINANCIAL HEALTH OVERVIEW

The Municipality has made substantial investments in revenue generating infrastructure over the past five years that created capacity for development and growth. The Municipality predicted certain growth patterns - linked to the investment in bulk infrastructure - which did not materialise as planned due to a slowdown in the economy of South Africa. Together with the severe drought experienced by the Western Cape in the past four years, the Municipality's revenue streams did not materialise as envisaged.

The liquidity levels of the organisation are under strain, as a decline in the current assets to current liabilities ratio materialised due to the aggressive investment in bulk infrastructure that led to the short-term portion of external borrowings increasing significantly. The current ratio (current assets/current liabilities) of the organisation as at 30 June 2019, was 0.61 to 1 as opposed to the ratios of 0.95 to 1 (2017/18), 1.17 to 1 (2016/17), 1.30 to 1 (2015/16) and 1.09 to 1 (2014/15) for the previous four financial years. After the restructuring of external loans to be discussed below, the current ratio improved to 0.77 to 1.

The Municipality has introduced a revenue management, expenditure management and cost containment programme under the leadership of the City Manager to raise and collect all revenue due to the Municipality. Included in the programme is a focus on expenditure management and cost containment to ensure that available resources are optimised for quality service delivery. Current ten year external loans of the Development Bank of Southern Africa, Standard Bank and Nedbank were restructured in December 2019 to be repaid over a period of up to 17.5 years, including redemption "holidays" for the next six instalment periods. This was done in an attempt to improve the liquidity position.

The Municipality has a significant revenue base that continues to grow substantially compared with previous years. The Municipality is still confident that the growth in medium to high income developments are increasing, albeit slower than expected five years ago. This is seen in the developments south of Boland Cricket stadium, Paarl south of the N1 as well as around Wellington. Due to the restructuring of the external loans of the Development Bank of Southern Africa, Standard Bank and Nedbank, no further external loans will be taken up over the next four financial years. The increase of the Municipality's revenue base will reduce the current gearing ratio from 78.3% to an estimated 46.3% in the 2023/24 financial year.

The Municipality has not defaulted on payment of its creditors, i.e. Eskom (bulk electricity purchases), SARS (VAT and PAYE), City of Cape Town (bulk water purchases), third party payments (pension and medical aid funds) and any other trade creditors. By sustaining a revenue collection rate above 95%, the Municipality has the ability to operate as a going concern and to continue rendering quality services to its community.



### 1.5.1 Statement of Financial Performance Overview

The actual deficit of R43.7 million for the 2018/19 financial year compared with the final adjustments budget deficit of R6.5 million resulted in a negative variance of R37.2 million. The main reason for that was an additional R33.9 million indigent subsidy given to indigent households over and above the R137.5 million equitable share received for the provision of free basic services to indigent households.

**Table 8: Statement of Financial Performance Overview**

Statement of Financial Performance Overview 2018/19						
Serial No.	Details	Original Budget	Adjustments Budget	Actuals	Positive/ (Negative) Variance (Column B & D)	Positive/ (Negative) Variance (Column C & D)
Column Ref.	A	B	C	D	E	F
1	Grants	265,112,381	258,835,527	182,494,744	-82,617,637	-76,340,783
2	Taxes, Levies and Tariffs	1,953,940,000	1,804,832,230	1,741,684,258	-212,255,742	-63,147,972
3	Other	87,247,435	140,318,158	165,429,647	78,182,212	25,111,489
4	<b>Total Operating Revenue (Capital Grants Excluded)</b>	<b>2,306,299,816</b>	<b>2,203,985,915</b>	<b>2,089,608,649</b>	<b>-216,691,167</b>	<b>-114,377,266</b>
5	Less: Expenditure	2,391,666,338	2,371,541,180	2,283,562,331	-108,104,007	-87,978,849
6	<b>Surplus / (Deficit) (Capital Grants Excluded)</b>	<b>-85,366,522</b>	<b>-167,555,265</b>	<b>-193,953,682</b>	<b>-108,587,160</b>	<b>-26,398,417</b>
7	Plus: Capital Grants	84,933,000	160,997,275	150,160,424	65,227,424	-10,836,851
8	<b>Surplus / (Deficit) (Capital Grants Included)</b>	<b>-433,522</b>	<b>-6,557,990</b>	<b>-43,793,258</b>	<b>-43,359,736</b>	<b>-37,235,268</b>

### 1.5.2 Financial viability highlights

The Capital Budget spending for the financial year yielded a result of 101.6% when compared with the Final Capital Adjustments Budget for 2018/19. The over-expenditure is as a result of R18.7 million spent on the Parys Substation fire incident that was not budgeted for. This unfunded expenditure is currently classified as unauthorised expenditure in the audited annual financial statements. This will be dealt with in terms of Council's Unauthorised, Irregular and Fruitless and Wasteful Expenditure Policy. The overall result can be regarded as a very good performance in terms of all the role-players within the organisation responsible for ensuring that service delivery is of the highest quality in the Municipal Area.

### **1.5.3 Financial viability challenges**

Consumer debt remains a challenge and a number of initiatives were implemented. Consumer debt (property rates, service charges, housing and sundry debtors – VAT excluded) decreased by R34.3 million from R308.8 million as at 30 June 2018 to R274.5 million as at 30 June 2019. Although the outstanding balance has decreased, it should be seen against the higher than expected irrecoverable debt that was written off during the year. The relationship between the ever-increasing tariffs and outstanding debtors is an indication that consumers are struggling to meet their obligations in terms of payment for services. The worsening economic climate puts pressure not only on the world economy, but also filters down to households in municipalities globally.

The debtors' payment period for the 2018/19 financial year (before considering the provision for impairment) was 59.2 days, which is below the targeted number of 70 days. The number of days for the 2017/18 financial year (before considering the provision for impairment) was 77.4 days. The Municipality's debtors' collection period in days (after impairment) improved to 45.2 days as at 30 June 2019 compared with the 47.5 days as at 30 June 2018. The Municipality's debtors' collection period in days (before impairment) improved by 18.2 days and the Municipality's debtors' collection period in days (after impairment) improved by 2.3 days during the financial year under review.

The ability of Council to finance the capital programme from internally generated funds remains a big challenge. This challenge has an inverse relationship with the increasing external loan debt of Council, which amounted to 78.4% of total operating revenue (conditional capital and operational grants excluded) at the end of the 2018/19 financial year. Although Council policy wise has capped the gearing ratio percentage at 50%, urgent upgrades in revenue generating bulk infrastructure to enable increased development and therefore an increased revenue base necessitated that we accelerate our capital programme. Investment in bulk infrastructure was needed, such as the upgrading of the bulk sewerage line in Southern Paarl, upgrading of the Wellington WWTW, upgrading of 66Kv electricity cable networks, construction of the Courtrai reservoir and upgrading of Berg River Boulevard, to unlock any further developments in order to attract investors that can broaden the Municipality's tax base.

In terms of future infrastructure investments, a less aggressive approach will be followed as from the 2019/20 financial year to ensure that the gearing ratio will decrease to about 73.6% in the 2019/20 financial year and to about 46.9% in accordance with the Long Term Financial Plan by the 2023/24 financial year. The Municipality has restructured a major part of its current 10 year external loans in the first half of the 2019/20 financial year and has resolved not to take up any further new external loans so as to reduce the gearing ratio.

The Municipality envisages to generate an operating cash surplus for the 2019/20 financial year and to generate sustainable operating cash surpluses for the subsequent financial years for infrastructure investment. This approach will reduce the Municipality's dependency on external borrowings for capital infrastructure investment.

Several other initiatives are envisaged for the 2019/20 financial year, with the aim of improving Council's ability to finance future capital requirements. One of these initiatives is the Revenue Enhancement Programme, which will look at closing off any revenue leakages to ensure the collection of revenue that was not collected before in order to increase the revenue base of Council. The continued efficient and effective management of expenditure will also be improved in order to limit the spending on unnecessary items.

#### 1.5.4 Operating ratios

The operating ratios as depicted below compare favourably with the current industry norms. The employee cost of 29.4% of total operating expenditure (2018/19) is at the lower level of the 25% to 40% range regarded as the industry norm (depending on the size and type of municipality), which means that the salary bill of the organisation is well within the required norms. It slightly increased from 27.2% in 2017/18 due to the filling of critical vacant positions and the back pay accompanying the TASK implementation of certain posts.

**Table 9: Operating Ratios**

Operating Ratios			
Details	2016/17	2017/18	2018/19
Employee Cost as a % of Operating Expenditure	25.4%	27.2%	29.3%
Repairs and Maintenance as a % of Operating Expenditure	10.1%	13.1%	11.5%
Repairs and Maintenance as a % of Carrying Value of PPE	3.7%	4.9%	4.4%
Finance Charges and Depreciation as a % of Operating Expenditure	14.8%	14.9%	16.2%
Finance Charges and Redemption as a % of Operating Expenditure	12.2%	13.6%	13.9%

The Municipality's spending on repairs and maintenance to total operating expenditure amounts to 11.5% for the 2018/19 financial year compared with the 13.2% for the 2017/18 financial year. The ratio of repairs and maintenance as a percentage of the carrying value of property, plant and equipment was 4.4% for the 2018/19 financial year and 4.9% for the 2017/18 financial year, which could be viewed as unfavourable if compared with National Treasury's norm of 7% to 8%. The norm is not reasonable, simply because all municipalities' asset registers are not compiled on the same monetary basis. If Drakenstein wants to adhere to this norm, the Municipality will have to increase all current property taxes and service charges (electricity tariffs that is regulated by NERSA excluded) with a further 43.7%, which in the current economic climate is not a proposition.

Finance charges and depreciation expenditure represent 16.2% of total operating expenditure for 2018/19 compared with the 14.9% for 2017/18. Finance charges and capital redemption represent 13.9% of total operating expenditure for 2018/19 compared with the 13.6% for 2017/18. This compares unfavourably with National Treasury's norm of 6% to 8%. However, this norm cannot be applied to a rapid growing secondary city that must invest heavily in bulk and other infrastructure to stimulate growth and development with borrowing funds when grant allocations from the National Fiscus towards Drakenstein is unfavourable. The loan agreements with the DBSA determines that finance charges and capital redemption must be kept below 15% of total operating expenditure and the Municipality will keep it below the 15% margin.

### 1.5.5 Capital expenditure

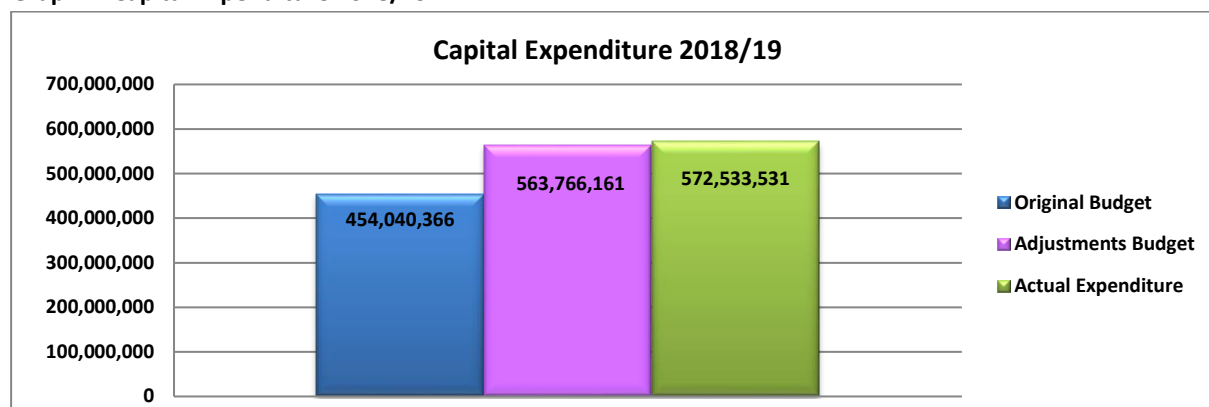
Investment in bulk and other infrastructure increased from R544 million in 2016/17 to a record amount of R652 million in the 2017/18 financial year. For the 2018/19 financial year actual expenditure decreased to R572 million and as a percentage of the 2018/19 original budget amounts to 126.1% compared with the 91.8% and 103.1% for the 2016/17 and 2017/18 financial years. Actual expenditure as a percentage of the 2018/19 final adjustments budget amounts to 101.6% compared with the 99.7% and 99.7% for the 2016/17 and 2017/18 financial years.

**Table 10: Total Capital Expenditure**

Total Capital Expenditure			
R`000			
Details	2016/17	2017/18	2018/19
Original Budget	592,474,442	633,141,543	454,040,366
Final Adjustments Budget	546,072,195	654,678,997	563,766,161
<b>Actual Expenditure</b>	<b>544,359,708</b>	<b>652,978,143</b>	<b>572,533,531</b>
Actual Expenditure as a % of Original Budget	91.8%	103.1%	126.1%
Actual Expenditure as a % of Adjustments Budget	99.7%	99.7%	101.6%

The original budget for the 2018/19 financial year amounted to R454 million. After roll-over capital projects and additional grant funding received during the financial year the final adjustments budget amounted to R563 million. Actual expenditure amounted to R572 million leading to an over-expenditure of R8.7 million. Actual expenditure of R572.5 million as a percentage of the final adjustments budget of R563.7 million amounts to 101.6%. The over-expenditure of R8.7 million is as a result of R18.7 million spent on the Parys Substation fire incident.

**Graph 1: Capital Expenditure 2018/19**



### **1.5.6 Municipal Standard Chart of Accounts (mSCOA)**

Drakenstein Municipality had implemented mSCOA as a pilot on 1 July 2015 on version 5.3 of mSCOA and has since changed to version 5.4 on 1 July 2016 and version 6.1 on 1 July 2017. The Municipality implemented version 6.2 as from 1 July 2018 for the 2018/19 financial year.

## **1.6 ORGANISATIONAL DEVELOPMENT OVERVIEW**

Priority vacancies were identified for the 2018/19 and 2019/20 financial years. Posts were advertised and filled based on which posts were identified as priority and which ones became vacant during this period.

Progress has been made in progressively reducing the number of positions that have not been through the job evaluation process by benchmarking certain positions against those that are similar to the same functions. Internal job description review committees were set up to fast track the process of job description development and filling of positions. This has resulted in the filling of 277 posts during the year under review, including seasonal workers and promotions. Appointment of a service provider to assist with the volume of recruitment processes and improve on turnaround to fill posts, commenced during the 2018/19 financial year.

### **1.6.1 Municipal Transformation and Organisational Development Highlights**

The main organisational development highlights include:

- The filling of 277 permanent and seasonal vacancies;
- The establishment of job review committees;
- The training of staff organisationally on writing job descriptions;
- Ensuring all funds in relation to training and development was spent on courses identified in the WSP;

- Successfully implementing student and learner placements for Drakenstein youth; and
- The successful rollout of the Employee/Staff Efficiency and Monitoring tool. There are a few challenges but they are attended to and ironed out with individual unions.

### 1.6.2 Municipal Transformation and Organisational Development Challenges

The job review committees work hand in hand with the service provider that is appointed to review job descriptions. Representatives from each department meet on a weekly basis to review job descriptions. The filling of priority vacancies continues to be a challenge as people are leaving the organisation due to retirements, ill health and disciplinary reasons.

### 1.6.3 MFMA Minimum Competencies

Most target officials as per Gazette 29967 have successfully attained the prescribed minimum competencies. The following categories as prescribed by the government gazette for MFMP were deemed as competent:

**Table 11: Financial Competency Development - Progress Report**

Financial Competency Development : Progress Report							
Serial No.	Description	B- Total number of officials employed by municipality [Regulation 14(4)(a) and (c)]	C- Total number of officials employed by municipal entities [Regulation 14(4)(a) and (c)]	Consolidated Total of B and C	Consolidated: Competency assessments completed for B and C [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)]
Column No.	A	B	C	D	E	F	G
1	Financial Officials						
2	Accounting Officer	1	0	1	1	1	1
3	Chief Financial Officer	1	0	1	1	1	1
4	Senior Managers	3	0	3	3	3	3
5	Any other Financial Officials	79	0	79	79	79	55
6	Supply Chain Management Officials						
7	Heads of Supply Chain Management Units	1	0	1	1	1	1
8	Supply Chain Management Senior Managers	3	0	3	2	3	2
9	<b>Total</b>	<b>88</b>	<b>0</b>	<b>88</b>	<b>87</b>	<b>88</b>	<b>63</b>

## 1.7 AUDITOR-GENERAL REPORT

For the twelfth consecutive year, Drakenstein Municipality received an unqualified audit opinion for the 2018/19 financial year. This was also the fifth clean audit opinion for the Municipality. This was achieved with in-house capacity and without the appointment of any consultants. The audit opinions received for the last 15 financial years clearly indicate an

improvement in leadership and control on the matters that the Auditor-General focuses on during its audits:

### **1.7.1 Audited outcomes**

- 2018/19: Unqualified audit opinion with no other matters (clean audit opinion);
- 2017/18: Unqualified audit opinion with other matters;
- 2016/17: Unqualified audit opinion with no other matters (clean audit opinion);
- 2015/16: Unqualified audit opinion with no other matters (clean audit opinion);
- 2014/15: Unqualified audit opinion with no other matters (clean audit opinion);
- 2013/14: Unqualified audit opinion with no other matters (clean audit opinion);
- 2012/13: Unqualified audit opinion with other matters;
- 2011/12: Unqualified audit opinion with other matters;
- 2010/11: Unqualified audit opinion with other matters;
- 2009/10: Unqualified audit opinion with other matters;
- 2008/09: Unqualified audit opinion with other matters;
- 2007/08: Unqualified audit opinion with other matters;
- 2006/07: Qualified audit opinion with other matters;
- 2005/06: Qualified audit opinion with other matters; and
- 2004/05: Qualified audit opinion with other matters.

The unqualified and qualified audit opinions have to do with the Annual Financial Statements. The other matters deal with predetermined objectives and legislative compliance issues.

Further details can be found in the Audit Outcome Improvement Plan attached as Volume III to the Annual Report 2018/19.

## **1.8 STATUTORY ANNUAL REPORT PROCESS**

The statutory processes to follow to compile an Annual Report are depicted in the table below. The process starts in July each year with the compilation of the Annual Report and continues until the end of March the following year when Council accepts the Annual Report and the Oversight Report on the Annual Report.

**Table 12: Statutory Annual Report Process**

Statutory Annual Report Process		
Serial No.	Activity	Timeframe
Column Ref.	A	B
1	Consideration of next financial year's budget and IDP Process Plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feed seamlessly into the Annual Report Process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commence. (In-year financial reporting.)	
3	Finalise 4th Quarter Performance Report for previous financial year.	
4	Submit Draft Annual Performance Report to Internal Audit and Audit Committee.	
5	Audit/Performance Committee considers Draft Annual Performance Report of municipality.	August
6	Municipality submits Annual Financial Statements and Annual Performance Report including Draft Annual Report to Auditor-General.	
7	Annual Performance Report as submitted to Auditor-General to be provided as input to the IDP analysis phase.	
8	Auditor-General assesses Annual Financial Statements and Annual Performance Report data, including Draft Annual Report.	September - November
9	Municipality receives and addresses the Auditor-General's Request for Information and Communication of Findings.	
10	Executive Mayor tables Draft Annual Report and Audited Annual Financial Statements and Annual Performance Report to Council complete with the Auditor-General's Report.	January
11	Draft Annual Report is made public and representation is invited.	February - March
12	Oversight Committee (MPAC) assess Draft Annual Report and issues and Oversight Report.	
13	Council considers Oversight Report.	
14	Oversight Report is made public.	
15	Oversight Report is submitted to relevant provincial departments.	
16	Commencement of Draft Budget/IDP finalisation for next financial year. Annual Report and Oversight Report to be used as input.	



## 2. GOVERNANCE

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### 2.1 INTRODUCTION

In the quest to realise Drakenstein Municipality's vision of "*A city of excellence*", it is imperative that the Municipality is governed in a way that promotes good governance. The Municipality strives to achieve excellence by balancing the needs of all residents and the constitutional and legal framework applicable to local government with the available resources in such a way that service delivery takes place in an efficient, economic and effective manner.

#### 2.2 GOOD GOVERNANCE PERFORMANCE HIGHLIGHTS

During the reporting year the Municipality focussed on maintaining good governance and strengthening governance and oversight. Dedicated units focussed on applying professional risk management principles, anti-corruption and fraud monitoring and internal auditing functions. Political governance was maintained by way of a fixed monthly meeting schedule for all Section 80 Committees advising the Executive Mayor in order to ensure that matters are duly debated by public representatives prior to such matters being considered by the Mayoral Committee and/or Council.

In addition hereto a fixed meeting schedule was also adopted for the Municipal Public Accounts Committee (MPAC) in order to ensure oversight on behalf of Council, over the executive functionaries of Council.

#### 2.3 GOOD GOVERNANCE CHALLENGES

An assessment of King 4 Principles indicated that several elements of good governance can still be improved. Over and above the Code of Conduct for councillors and staff members as contained in the Municipal Systems Act, a Code of Ethics Policy was drafted for adoption.

The attendance of portfolio committees by members has also been identified as an area that requires improvement. In order to regulate attendance of meetings by public representatives, Council has reviewed the rules of the Committee dealing with Contraventions of the Code of Conduct for Councillors in order to introduce punitive measures.


## 2.4 POLITICAL GOVERNANCE


In compliance with Section 151(3) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996); Section 53 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); and the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), Drakenstein's Municipal Council governs the local government affairs of the local community on its own initiative. The roles and areas of responsibility of each political structure and each political office-bearer of the Municipality and of the City Manager are defined and adhered to accordingly.

The Executive Mayor, Cllr CJ Poole, assisted by the Deputy Executive Mayor and 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 him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, as well as the powers assigned by legislation. Although he is accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in close conjunction with the Deputy Executive Mayor and the Mayoral Committee.

### 2.4.1 Full-time Officer Bearers

Table 13: Political Structure

Political Structure		
Serial No	Designation	Functions
Column Ref.	A	B
1	 <p><b>Executive Mayor</b> Cllr CJ Poole</p>	<p>The Executive Mayor represents the public and is the chief political principal of the Municipality. In terms of legislation the Executive Mayor has the following functions:</p> <ul style="list-style-type: none"> <li>• Identify the needs of the Municipality;</li> <li>• Review and evaluate those needs in order of priority;</li> <li>• Recommend to the Municipal Council strategies, programmes and services to address priority needs through the Integrated Development Plan and the Operating and Capital Budgets, taking into account any applicable national and provincial development plans; and</li> <li>• Recommend or determine the best way, including partnership and other approaches, to deliver those strategies, programmes and services to the benefit of the community.</li> </ul>

Political Structure		
Serial No	Designation	Functions
2	 <p><b>Deputy Executive Mayor</b> Cllr GC Combrink</p>	<p>The Deputy Executive Mayor of the Municipality exercises the power and performs the duties of the Executive Mayor if the Executive Mayor is absent or not available or if the office of the Executive Mayor is vacant.</p> <p>In addition hereto the Deputy Executive Mayor performs the duties as assigned by the Executive Mayor as member of the Mayoral Committee responsible for the Finance Portfolio.</p>
3	 <p><b>Speaker</b> Cllr AC Stowman</p>	<p>The Speaker of the Municipal Council:</p> <ul style="list-style-type: none"> <li>• Presides at meetings of the Council;</li> <li>• Performs the duties and exercises the powers delegated to the Speaker in terms of Section 59 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000);</li> <li>• Must ensure that the Council meets at least quarterly;</li> <li>• Must maintain order during meetings;</li> <li>• Must ensure compliance in Council and Council committees with the Code of Conduct set out in Schedule 1 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); and</li> <li>• Must ensure that Council meetings are conducted in accordance with the Rules and Orders of the Council.</li> </ul>
4	 <p><b>Chief Whip</b> Cllr RA Koegelenberg</p>	<p>The function of the Chief Whip is to create synergy and to maintain discipline among Councillors from various political parties. The role of the Chief Whip of Council covers both the political and administrative domains of Council with the emphasis on the political aspect. Seven political parties are represented in Council and the Chief Whip has to ensure that relationships are constructive and focused on key issues aimed at improving the lives of the residents of Drakenstein. The Chief Whip further acts as a link between the Speaker, the Executive and the Administration. The Chief Whip ensures that there is equitable representation on committees of Council.</p>

## **2.4.2 Council**

Council's primary role is to govern the Municipality in a democratic and accountable manner, to perform legislative and executive functions and generally to fulfil its roles and responsibilities as set out in the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). It focuses on legislation, decision-making, oversight and participatory roles and has delegated executive functions to the Executive Mayor, other office bearers, the City Manager and other staff members where applicable.

Drakenstein Municipal Council consists of 33 ward councillors and 32 proportionally elected councillors. Political parties are represented through elected councillors from the DA (43), ANC (15), EFF (2), ACDP (1), VF+ (1), PDM (1), FD (1) and ICOSA (1).

### **2.4.2.1 Political Decision Making**







Section 160(3) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) prescribes the manner in which Council takes decisions. A quorum of all Councillors must be present to take any decision and the majority of the votes cast results in a legal decision. The exception to this rule is that when any of the following issues are determined, it is determined by a decision taken with a supporting vote of a majority of all its members:






- The passing of bylaws;
- The approval of budgets;
- The imposition of rates and other taxes, levies and duties; and
- The raising of loans.

## **2.4.3 Mayoral Committee**

The Executive Mayor is supported by a Mayoral Committee. Each member of the Mayoral Committee has a portfolio with specific functions. The Executive Mayor may delegate specific responsibilities to each member of the Mayoral Committee. Any powers and duties delegated to the Executive Mayor by the Municipal Council must be exercised and performed by the Executive Mayor together with the other members of the Mayoral Committee.

**Table 14: Mayoral Committee**

Mayoral Committee			
Serial No.	Councillor and Portfolio	Councillor and Portfolio	Councillor and Portfolio
Column Ref.	A	B	C
1	 <p><b>JF le Roux</b> <b>Engineering Services</b></p>	 <p><b>LP Mokoena</b> <b>Corporate Services</b></p>	 <p><b>Adv J Miller</b> <b>Planning and Development</b></p>
2	 <p><b>L van Niekerk</b> <b>Sport, Recreation, Arts and Culture</b></p>	 <p><b>L Willemse</b> <b>Human Settlement and Property Management</b></p>	 <p><b>R Smuts</b> <b>Public Safety</b></p>

Mayoral Committee			
Serial No.	Councillor and Portfolio	Councillor and Portfolio	Councillor and Portfolio
Column Ref.	A	B	C
3	 <p>MA Andreas Rural Management</p>	 <p>RH van Nieuwenhuyzen Communication and IGR</p>	 <p>C Kearns Environment, Parks and Open Spaces</p>
4	 <p>W Philander Social Services (01/07/2018 – 12/08/2018)</p>	 <p>E Gouws Social Services (11/12/2018 – 30/06/2019)</p>	



## 2.4.4 Portfolio Committees

Five (5) Section 80 committees are established, namely: Corporate Services, Planning and Development, Engineering Services, Financial Services and Community Services to advise the Executive Mayor on policy matters and any other matter to be considered by the Executive Mayor. They are assigned to focus on specific functional areas of the Municipality and can only make decisions on specific functional issues if delegations have been granted to them. The members are appointed by Council. The chairpersons appointed by the Executive Mayor are full-time Councillors and form part of the Mayoral Committee.

### 2.4.4.1 Corporate Services Portfolio Committee

The Corporate Services Portfolio Committee consists of thirteen (13) councillors under the alternated leadership of either Cllr LP Mokoena (MMC for Corporate Services) or Cllr RH van Nieuwenhuyzen (MMC of Communication and Intergovernmental Relations) who held seven (7) meetings during the year under review.

**Table 15: Corporate Services Portfolio Committee**

Corporate Services Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings
Column No.	A	B	C
1	LP Mokoena	Chairperson (01/01/2019 - 30/06/2019)	7
2	RH van Nieuwenhuyzen	Chairperson (01/07/2018 - 31/12/2018)	
3	ND Sauerman	Committee Member	
4	JV Anderson	Committee Member	
5	A Luggola	Committee Member	
6	MM Adriaanse	Committee Member	
7	FP Cupido	Committee Member	
8	JS Smit	Committee Member	
9	LW Niehaus	Committee Member	
10	BP Duba	Committee Member	
11	NP Mbenene	Committee Member	
12	D Mkabile	Committee Member (until 27/02/2019)	
13	SX Jonas	Committee Member	

### 2.4.4.2 Planning and Development Portfolio Committee

The Planning and Development Portfolio Committee consists of nine (9) councillors under the alternated leadership of Cllr J Miller (MMC for Planning and Development), Cllr L Willemse (MMC of Human Settlements and Property Management) and MA Andreas (MMC for Rural Management) who held ten (10) meetings during the year under review.

**Table 16: Planning and Development Portfolio Committee**

Planning and Development Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings
Column No.	A	B	C
1	J Miller	Chairperson (01/01/2019 - 30/04/2019)	10
2	MA Andreas	Chairperson (01/09/2018 - 31/12/2018)	
3	L Willemse	Chairperson (01/05/2018 - 31/08/2018)	
4	MN Mdunusie	Committee Member	
5	WDP Meyer	Committee Member	
6	S Ross	Committee Member	
7	EA Solomons	Committee Member	
8	M Vika	Committee Member	
9	N Zikhali	Committee Member	

#### **2.4.4.3 Engineering Services Portfolio Committee**

The Engineering Services Portfolio Committee consists of nine (9) councillors under the leadership of JF Cllr Le Roux (MMC of Engineering Services) who held six (6) meetings during the year under review.

**Table 17: Engineering Service Portfolio Committee**

Engineering Services Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings
Column No.	A	B	C
1	JF le Roux	Chairperson	6
2	RB Arnolds	Committee Member	
3	PBA Cupido	Committee Member	
4	DS Blanckenberg	Committee Member	
5	VC Booysen	Committee Member	
6	HJ Kotzé	Committee Member	
7	TC Mangena	Committee Member	
8	MD Nobula	Committee Member	
9	RH van Nieuwenhuyzen	Committee Member	

#### **2.4.4.4 Finance Portfolio Committee**

The Finance Portfolio Committee consists of nine (9) councillors under the leadership of Cllr GC Combrink (Deputy Executive Mayor) who held twelve (12) meetings during the year under review.



**Table 18: Finance Portfolio Committee**

Finance Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings
Column No.	A	B	C
1	GC Combrink	Chairperson	12
2	HJN Matthee	Committee Member	
3	HR de Goede	Committee Member	
4	F Jacobs	Committee Member	
5	C Kearns	Committee Member	
6	JF le Roux	Committee Member	
7	AM Richards	Committee Member	
8	TR Mpulanyana	Committee Member	
9	MT Klaas	Committee Member	

#### 2.4.4.5 Community Services Portfolio Committee

The Community Services Portfolio Committee consists of fourteen (14) councillors under the alternated leadership of Cllr R Smuts (MMC for Public safety), Cllr E Gouws (MMC for Social Services), Cllr LT van Niekerk (Sport, Recreation, Arts and Culture) and Cllr C Kearns (MMC for Environment, Parks and Open Spaces) who held eight (8) meetings during the year under review.

**Table 19: Community Services Portfolio Committee**

Community Services Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings
Column No.	A	B	C
1	R Smuts	Chairperson (01/04/2019 - 30/06/2019)	8
2	E Gouws	Chairperson (01/01/2019 - 31/03/2019)	
3	C Kearns	Chairperson (01/10/2018 - 31/12/2018)	
4	LT van Niekerk	Chairperson (01/07/2018 - 30/09/2018)	
5	W Philander	Chairperson (until 12/08/2018)	
6	C Kroutz	Committee Member	
7	SE September	Committee Member	
8	GH Ford	Committee Member	
9	ZL Masoka	Committee Member	
10	AF Afrika	Committee Member	
11	TZ Nomana	Committee Member	
12	LV Nzele	Committee Member	
13	AW Abrahams	Committee Member	
14	MJ le Hoe	Committee Member	

#### **2.4.5 Municipal Public Accounts Committee (MPAC)**

Section 79 committees are permanent committees appointed to advise the municipal Council. Council established the Municipal Public Accounts Committee (MPAC) to perform an oversight function on behalf of Council over the executive functionaries of the Council. The MPAC, inter alia serves as an oversight committee to make recommendations to the Council when it adopts the Oversight Report on the Annual Report in terms of Section 129 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).

The MPAC is chaired by the councillor from the ACDP, (Cllr J Matthee) and the other members consists of five DA councillors (Cllr AML Buckle, Cllr J de Wet, Cllr WE Smit, Cllr AJ van Santen and Cllr NN George) and two ANC councillors (Cllr A Bekeer and Cllr LS Sambokwe). No members from the political executive arm is a member of the MPAC. The committee met on two (2) occasions during the year under review and mainly dealt with the compilation of the Oversight Report on the 2017/18 Annual Report as well as considering of matters relating to unauthorised, irregular, fruitless and wasteful expenditure, Unethical Incident Report and Report from FARMCO.

#### **2.4.6 Audit Committee**

In compliance with Section 166(2) of the MFMA, Council has an Audit Committee which is an independent body advising the Municipal Council, the political office-bearers, the accounting officer and the management staff of the Municipality, on matters relating to:

- Internal control;
- Risk management;
- Accounting policies;
- Adequacy, reliability and accuracy of financial reporting and information;
- Annual financial statements;
- Performance management;
- Governance;
- Compliance with MFMA, DoRA and other applicable legislation;
- Issues raised by the Auditor-General and Internal Audit; and
- Monitoring and evaluation of the Internal Audit Unit.

The Audit Committee Terms of Reference is reviewed by Council annually to ensure compliance with legislation and governance best practices. The Audit Committee meets on a quarterly basis and detail regarding their recommendations to Council can be found in Appendix G of the Annual Report.

The Audit Committee consists of four members with appropriate competence and experience required to perform the duties as outlined in the Charter. Members of the Audit Committee were appointed by Council for a three (3) year term which ends on 31 July 2021. Audit Committee members are not permitted to engage in business with Council and are required to declare any conflict of interest they may have in any matters on the agenda in every meeting.

The following members served on the Audit Committee for the 2018/19 financial year:

**Table 20: Audit Committee**

Audit Committee			
Serial No.	Name of member	Capacity	Qualifications
Column Ref.	A	B	C
1	Mr R Kingwill	Chairperson until 3/07/2018	Chartered Accountant
2	Dr W Sewell	Committee Member until 31/07/2018	D. Litt et Phil: Public Management and Governance; Master of Public Administration (Performance Management); and B. Admin (Hons) Organisational Development
3	Mr T Arendse	Committee Member until 31/07/2018	Chartered Accountant
4	Ms K Montgomery	Committee Member until 31/07/2018	B.Comm: Law
5	<b>Current Audit Committee Members (Appointed as from 01 August 2018)</b>		
6	Mr T Arendse	Chairperson from 01/08/2018 until 31/10/2018	Chartered Accountant
7	Ms K Montgomery	Chairperson	B.Comm: Law
8	Mr R Najjaar	Committee Member	Hons B. Compt; and Certified Internal Auditor
9	Mr RG Nicholls	Committee Member	Chartered Accountant; and Certified Internal Auditor
10	Mr C Whittle	Committee Member	Chartered Accountant

Audit Committee meetings are attended by the Mayor (or the appointed representative), the Accounting Officer, Chief Audit Executive, Auditor General, Chief Risk Officer and members of the Strategic Management Team. The Audit Committee conducts an annual assessment of its performance which includes a self-assessment completed by the Committee Members as well as a performance assessment completed by the Accounting Officer, Mayor and the Chief Audit Executive. The outcome of the performance assessment is reported to Council annually together with an improvement plan to address areas identified for improvement.

## 2.4.7 Fraud and Risk Management Committee (FARMCO)

FARMCO has been established by Council to assist the Accounting Officer (City Manager) to fulfil his fraud and risk management responsibilities in accordance with prescribed legislation and corporate governance principles. This is achieved by reviewing the effectiveness of the Municipality's fraud and risk management systems, practices and procedures and providing recommendations for improvement.

The following members served on FARMCO for the 2018/19 financial year:

**Table 21: FARMCO Members**

FARMCO Members			
Serial No.	Name of member	Capacity	Qualifications
Column Ref.	A	B	C
1	Ms G Bolton	Chairperson (External)	LLB (1980) (UCT); MBA (1988) (Graduate School of Business (UCT); Attorney's and conveyancer's professional examinations, Cape Law Society (1982); Certificate in Solving of Crime (Technicon RSA/University of Pretoria) (2000); Qualified Lawyer's Transfer Test for England and Wales (2010); Diploma in Managing Labour Relations and Employment Related Risks (US) (2010); Certificate Course in Arbitration, Association of Arbitrators (Southern Africa) (2010); Fellowship in Arbitration, Association of Arbitrators (Southern Africa) (2011); Admitted attorney and conveyancer of the High Court of South Africa (from 1982); Certified Fraud Examiner (CFE), Association of Certified Fraud Examiners (ACFE) (international and local) (from 2000); Solicitor (non-practicing) of England and Wales (from 2010); Commercial Forensic Practitioner, Institute for Commercial Forensic Practitioners (ICFP) (from 2011); and Fellow of the Association of Arbitrators (2012)
2	Ms K. Montgomery	Audit Committee Chairperson (external)	B.Comm: Law
3	Executive Director: Corporate Services (Mr S Johaar)	Committee Member	BA; B. Law; and Diploma in Tax Law
4	Chief Financial Officer (Mr J Carstens)	Committee Member	BBA; BBA Hons.; MBA; and IAC Diploma in Local Government
5	Executive Director: Planning and Development (Ms L Waring)	Committee Member	BA (Sociology & Psychology); Honours Sociology; and Masters in Town and Regional Planning

FARMCO Members			
Serial No.	Name of member	Capacity	Qualifications
Column Ref.	A	B	C
6	Executive Director: Engineering Services (Mr D Hattingh)	Committee Member	Pr. Eng
7	Executive Director: Community Services (Mr G Boshoff: 07/2018 – 08/2018)	Committee Member	Masters in Development Studies; and Hons Geography
8	Executive Director: Community Services (Mr G Esau: 12/2018 – 06/2019)	Committee Member	National Diploma in Horticulture; Certificate in Grafting and Budding; B-Tech in Business administration; and B-Tech Project Management

The following permanent invitees also attend all meetings:

- City Manager: Dr J Leibbrandt;
- Chief Risk Officer: Mr G Dippenaar; and
- Chief Audit Executive: Ms R Jaftha.

Key areas of focus during the reporting period include quarterly oversight of various risk registers and the implementation of actions to mitigate risk, reported unethical incidents and monitoring the risk management implementation plan.

The Committee is regulated by the Fraud and Risk Management Charter which stipulates that FARMCO shall meet at least four (4) times per annum in terms of a schedule of agreed meeting dates to be determined at the beginning of each financial year. FARMCO can convene further meetings to discuss urgent matters at the discretion of the FARMCO Chairperson.

In accordance to the Charter, four meetings were held on 3 August 2018, 26 October 2018, 15 February 2019 and 3 May 2019.

FARMCO's Chairperson stated that the committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

## 2.5 ADMINISTRATIVE GOVERNANCE


The City Manager is the Accounting Officer of the Municipality and also the head of the Administration. His primary function is to serve as chief custodian of service delivery and the implementation of political priorities.


He is assisted by his Strategic Management Team (SMT), which comprises of the Executive Directors of the five departments established in the new organogram. There are also four divisional managers reporting directly to the City Manager as indicated in the chart below. The SMT meets on at least a weekly basis to discuss current priorities, strategic interventions to improve service delivery and new initiatives based on feedback from political leadership, departments and the local community.




**Figure 1: Macro Organisational Structure**



**Table 22: Top Administrative Structure**

Top Administrative Structure		
Serial No	Position	Functions
Column Ref.	A	B
1	 <p><b>City Manager</b> Dr Johan H Leibbrandt</p>	<ul style="list-style-type: none"> <li>Provides an independent appraisal of the adequacy and effectiveness of the systems of internal control, risk management and governance processes;</li> <li>Evaluates and contributes to the improvement of governance management processes;</li> <li>Manages financial services in order to ensure financial viability, compliance and reporting;</li> <li>Provides corporate services to the institution to ensure efficient support of organisational processes;</li> <li>Provides and manages planning, economic development and environmental management services;</li> <li>Renders integrated community services to enhance community development in general and promotes a clean and safe environment; and</li> <li>Maximises infrastructure development and delivers a service to all communities of Drakenstein.</li> </ul>

Top Administrative Structure		
Serial No	Position	Functions
Column Ref.	A	B
2	 <p><b>Corporate Services</b> Seraj Johaar</p>	<ul style="list-style-type: none"> <li>• Provides legal and administrative support services to the institution to facilitate proficient administrative practices and procedures;</li> <li>• Renders human resource management and support services to the Municipality that will sustain the optimum utilisation of the Municipality's human capital;</li> <li>• Provides effective and efficient information and communication technology services;</li> <li>• Provides comprehensive communication and intergovernmental relations services;</li> <li>• Coordinates and provides functional and administrative support to the political office-bearers;</li> <li>• Provides office management services to the Executive Mayor; and</li> <li>• Renders property and facilities management services.</li> </ul>
3	 <p><b>Chief Financial Officer</b> Jacques Carstens</p>	<ul style="list-style-type: none"> <li>• Manages and controls the implementation of budget policies, systems and procedures and financial statement processes to ensure legislative compliance and sound financial management practices;</li> <li>• Implements and maintains revenue and credit control policies and procedures to ensure sound revenue management practices and compliance;</li> <li>• Ensures the recording, authorisation and proper execution of expenditure systems, procedures and transactions; and</li> <li>• Manages supply chain management services to ensure proper systems, procedures and control for demand, acquisition, logistics, assets and disposal management.</li> </ul>
4	 <p><b>Planning and Development</b> Lauren Waring</p>	<ul style="list-style-type: none"> <li>• Manages the rendering of spatial and land use planning, surveying, valuations and building control services;</li> <li>• Plans, develops and implements a coherent and Integrated Framework for Local Economic Development and Tourism;</li> <li>• Ensures the implementation of environmental management plans, policies and procedures and ensures compliance in accordance with applicable legislation; and</li> <li>• Renders management and line function administrative support services.</li> </ul>

Top Administrative Structure		
Serial No	Position	Functions
Column Ref.	A	B
5	 <p><b>Engineering Services</b> Dirk Hattingh (07/2018 – 04/2019)</p>	<ul style="list-style-type: none"> <li>• Manages Civil Engineering Services including water, sewerage, streets, stormwater and traffic engineering;</li> <li>• Manages Electrical Engineering Services;</li> <li>• Manages Solid Waste Services, including waste collection, disposal facilities, waste minimisation, awareness and education, waste diversion, street sweeping, community projects, area cleaning and Waste to Energy; and</li> <li>• Manages project and building projects/programmes.</li> </ul>
6	 <p><b>Community Services</b> Gary Boshoff (07/2018 – 08/2018)</p>  <p><b>Community Services</b> Gerald Esau (12/2018 – 06/2019)</p>	<ul style="list-style-type: none"> <li>• Manages the provisioning and maintenance/operation of parks, sport facilities and cemeteries;</li> <li>• Manages the rendering of protection services to ensure the safety of the community;</li> <li>• Provides for the development of human settlements administration and support services to address the housing needs in the area; and</li> <li>• Provides and manages the rendering of community development, library and information services.</li> </ul>



## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### 2.6 INTRODUCTION

Section 3 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) requires municipalities to exercise their executive and legislative authority within the constitutional system of cooperative government as stipulated in Section 41 of The Constitution which states that all spheres of government and all organs of state within each sphere must co-operate with one another in mutual trust and good faith by fostering friendly relations; assisting and supporting one another; informing one another and consulting one another on matters of common interest; coordinating their actions and legislation with one another; adhering to agreed procedures; and, avoiding legal proceedings against one another.

### 2.7 COOPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Drakenstein Municipality participates in a range of intergovernmental activities, both formally and informally. Key staff members participate in professional institutes that govern the interests of various fields of work. Examples of such interaction and cooperation are:

#### 2.7.1 National Intergovernmental Structures

- Accounting Standards Board (ASB) – Public Sector Accounting Forum;
- Electricity Distribution Regulation and Tariff Setting (NERSA);
- Chartered Institute of Government Finance Audit and Risk Officers (CIGFARO);
- Institute for Landscape Architecture in South Africa (ILASA);
- Institute of Environment and Recreation Management (IERM);
- Institute of Fire and Emergency Safety of South Africa;
- Institute of Internal Auditors;
- Institute of Municipal and Licensing Officers of South Africa;
- Institute of South African Municipal Accounting Officers (ISAMAO);
- National Government SETA Skills Development Forum;
- National Municipal Managers Forum;
- National Rental Task Team;
- South African Local Government Association (SALGA); and
- South African Tourism Services Association (SATSA).

#### 2.7.2 Provincial Intergovernmental Structures

Information and best practices are shared and interaction with the Western Cape Government and other municipalities is valuable to ensure better coordination and cooperation.

These structures provide important support and guidance to staff in maintaining and enhancement of professional work standards. Issues pertaining to service delivery and matters of common interest are discussed at the following forums:

- Accounting Standards Board (ASB) – Public Sector Accounting Forum;
- Berg River Partnership for Collaboration;
- Berg River Steering Committee;
- CFO Forum;
- Chief Audit Executive Forum;
- Chief Finance Officers’ Forum;
- Chief Risk Officers Forum;
- City of Cape Town Water Resilience Advisory Committee;
- Department of Environmental Affairs & Development Planning – WCRAAG;
- Department of Water & Sanitation Water Care Forum;
- Disaster Management Forum;
- EPWP coordinating meetings;
- Provincial IDP Managers’ Forum;
- Informal Settlements Support Programme (ISSP);
- Institute of Waste Management of South Africa;
- IPC2 Intermodal Planning Committee;
- Legislative and Constitutional Task Team;
- MIG coordinating meetings;
- Ministerial Mayors’ Forum;
- MinMay Tech Forum;
- MPRA Forum;
- Municipal Accountant Forum;
- Municipal Governance Review and Outlook (MGRO);
- Municipal Managers’ Forum;
- Municipal Planning Heads Forum;
- Premier’s Coordinating Forum;
- Provincial Affordable and Social Housing Steering Committee;
- Provincial Local Government SETA Skills Development Forum;
- Provincial Speakers’ Forum
- PSG4 Sustainable Ecological and Agricultural Resource Base (SEAR) Work Group;
- Public Participation and Communications Forum;
- Records Management Forum;
- SALGA Working Groups;
- Supply Chain Management Provincial Working Group;
- TDA Cape Town;
- Violence Prevention through Urban Upgrading (VPUU);
- Waste Management Officers’ Forum;

- Waste Minimisation Interest Group;
- Western Cape Accounting Working Committee;
- Western Cape Air Quality Officers' Forum;
- Western Cape ICT Strategic Forum;
- Western Cape Municipal Planning Heads Forum; and
- Western Cape Provincial Asset Management Forum.

### **2.7.3 District Intergovernmental Structures**

The following are district forums in which the Municipality participates in focusing on service delivery and information sharing:

- Cape Winelands Biosphere Reserve;
- Cape Winelands District CRO and CAE Forum;
- Cape Winelands Human Settlements Regional Forum;
- Cape Winelands Regional Local Economic Development Forum (RLEDf);
- Cape Winelands Skills Development Facilitators' Forum;
- Cape Winelands Waste Managers' Forum;
- Disaster Management Institute of SA;
- District Co-ordinating Forum;
- District IDP Managers' Forum;
- District Public Participation and Communications Forum;
- District SCM Forum;
- EPWP District Forum;
- Institute of Municipal Public Safety of SA;
- Municipality's Local Labour Forum; and
- Rural Development District Joint Operational Committee.

### **2.7.4 Municipal Entities**

No municipal entities have been established within the Drakenstein Area.

### **2.7.5 Municipal Partnerships**

Drakenstein Municipality is in partnership with the City of Neumarkt in Germany. The partnership revolves around climate change-related aspects and involves municipal development cooperation, migration and development on a local level.

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### 2.8 INTRODUCTION

In terms of Section 6 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) the administration of a municipality must:

- “(a) Be responsive to the needs of the local community;*
- (b) Facilitate a culture of public service and accountability amongst staff;*
- (c) Take measures to prevent corruption;*
- (d) Establish clear relationships, and facilitate cooperation and communication between itself and the local community;*
- (e) Give members of the local community full and accurate information about the level and standard of municipal services they are entitled to receive; and*
- (f) Inform the local community how the municipality is managed, of the costs involved and the persons in charge.”*

To comply with the above, the Municipality has established the legislatively required structures such as Section 80 Portfolio Committees advising the Executive Mayor as well as Council committees such as the Municipal Public Accounts Committee (MPAC), Section 62 Appeals Committee, and Special (Disciplinary) Committee dealing with the Code of Conduct for councillors, as well as a Fraud and Risk Management Committee. In addition hereto, an Audit Committee comprising of independent external professionals also advises Council. The Audit Committee also serves as the Municipality’s Performance Audit Committee and meets quarterly. A quarterly report reflecting the Audit Committee’s recommendations relating to the areas of financial management and control, performance management, internal control, risk management and governance matters is tabled in Council.

These structures represent a segregation of duties amongst public representatives and staff to ensure accountability, oversight, transparency and good governance and also assist the Municipality to discharge the necessary public accountability responsibilities.

### 2.9 PUBLIC MEETINGS

Chapter 4 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) compels municipalities to establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of a municipality. During the year under review, the Municipality used the following mechanisms to comply with this legislative requirement:

- Ward committee meetings (discussed in more detail below);
- Public notices in local and regional newspapers;

- Monthly public newsletters distributed to all account holders;
- Press releases as and when required;
- Receipt and consideration of petitions and objections;
- Public IDP and consultative meetings; and
- Functioning of a municipal website, regularly updated with recent news.

Stakeholder and community engagements to determine and undertake development priorities forms the cornerstone of the IDP. Needs are dynamic and by virtue of its changing nature, have to be reviewed frequently. The annual review of the IDP is a process which assist the Municipality to further enhance its service delivery outputs and outcomes and through the Performance Management System, implemented by the Municipality, it ensures that the Municipality remains accountable to the local community, the various sectors and businesses alike.

The Municipal Council ensures that its oversight role is sufficiently mandated by the populace voice of its local community, through fully embracing the principles of participatory democracy. This is being achieved through a well-functioning Ward Committee System, robust public participation through our various development planning processes and regular communication with the community through public meetings, community newsletters, radio and various other print and electronic media including the Municipal Website.

### **2.9.1 Mayoral Business Stakeholder Initiative**

During the period under review, the City Manager introduced an initiative to further enhance the relationship between the Municipality and our various stakeholders, representing a vast range of sectors. This concept centres around interactions with stakeholders on strategically selected themes to ensure that the Municipality responds more efficiently and appropriately to specific service needs and to facilitate a much stronger strategic link between the perspectives of stakeholders' priorities and the municipal IDP and long-term strategy. The achievement of having a common understanding of the *status quo* of Drakenstein, the secondary city, amongst all stakeholders, is critical in creating a stable platform from which municipal planning can take place, resources prioritised and implementation monitored in a much more sensible fashion.

### **2.9.2 IDP/Budget Roadshows**

The IDP is about determining stakeholder and community needs and priorities which need to be addressed in order to contribute to the improvement of the quality of life of residents within the Municipal Area. Various stakeholders and sectors were involved during the draft IDP development process and this process comprised of 69 IDP meetings of which 66 were

ward-based IDP meetings, two sector-based engagements and one IDP Representative Forum meeting.

### **2.9.3 IDP Sector Engagements**

Drakenstein Municipality must play a role in ensuring integration and co-ordination between the various sectors and cross-sectoral dimensions of development, to achieve social, economic and ecological sustainability.

To ensure that municipal priorities are addressed, and in the spirit of cooperative governance, the planning process of all spheres of government must be aligned with and inform each other. This requires that municipal planning processes takes into account the legislative, policy, and strategic approaches of the line departments of national and provincial government.

Whilst the IDP is the overall strategic development plan for a municipality, prepared in terms of the Municipal System Act, Act 32 of 2000, that guide decision-making, budgeting and development in a municipality, the Spatial Development Framework (SDF) presents the long term vision of the desired spatial form of a municipality. The SDF is thus a critical component to the IDP to direct municipal and private sector spending and investment by providing spatial proposals and strategies (thus the location and nature of development) which will support economic growth and integrated human settlements.

The IDP and SDF information was interrogated in order to support the notion that the two strategic documents are aligned as required in terms of the Municipal System Act, Act 32 of 2000, Spatial Planning and Land Use Management Act, Act 16 of 2013 and the Land Use Planning Act, Act 3 of 2014.

## **2.10 REPRESENTATIVE FORUMS**

In accordance with Section 15 of the Local Government: Municipal Planning and Performance Regulations (No. 796, 24 August 2001), Drakenstein Municipality established an IDP Representative Forum to enhance community participation in:

- The drafting and implementation of the Municipality's IDP; and
- The monitoring, measurement and review of the Municipality's performance in relation to the key performance indicators and performance targets set by the Municipality.

### **2.10.1 IDP Representative Forum**

The participation of stakeholders in the IDP Representative Forum has been very influential in further strengthening the sectoral integration of operational and strategic planning with civil society and other spheres of government.

### **2.11 WARD COMMITTEES**

Section 73 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) deals with the establishment of ward committees and stipulates the following:

- “(1) If a metropolitan or local council establishes ward committees, it must establish a ward committee for each ward in the municipality.*
- (2) A ward committee consists of:*
- (a) The councillor representing that ward in the council, who must also be the chairperson of the committee; and*
  - (b) Not more than 10 other persons.”*

Ward committees form an essential part of the public participation process and these structures are particularly useful to ensure a relationship between Councillors and ward residents. It provides the opportunity to discuss local matters that concern the residents in that ward. The Municipality annually avails funding to each ward in order to undertake specific projects in such wards. Ward committees play an important role in this regard as they advise on the projects they would like to be implemented. These ward projects further strengthen the relationship between the Municipality and the communities due to the direct impact that the ward committees can make on development projects in their wards.

The purpose of ward committees are:

- To act as an advisory committee to the Ward Councillor and Council;
- To ensure two-way communication to and from the community;
- To identify ward specific needs and to refer same to the administration and Council for attention;
- To actively partake in the annual IDP ward based public meetings;
- To assist the Ward Councillor in identifying ward projects and ward capital projects;
- To identify stakeholders in the wards and to liaise with them regarding matters needing attention; and
- To discuss ward related Council agenda items and to make inputs regarding same if necessary.

The major issues dealt with by Drakenstein ward committees were the following:

- Advising the Ward Councillor and Council on ward issues dealt with by Council;
- Identifying ward specific needs and referring it to the administration and Council for attention;
- Participation in the annual IDP ward based public meetings;
- The identification of operating and capital ward projects;
- Identifying stakeholders in the wards and liaising with them regarding matters needing attention; and
- Discussions on ward-related Council Agenda items and to make inputs regarding same if necessary.

The chairperson of the ward committee is the elected Ward Councillor and other members of the ward committee are elected by the residents of the ward. It is expected of the ward committees to hold regular meetings – at least once every three (3) months – and the minutes are submitted to the Speaker's Office. The functionality of the ward committees is monitored and reported on to Council on a quarterly basis.

**Table 23: Public Meetings**

Public Meetings					
Nature and purpose of meeting	Date of events	Number of participating municipal Councillors	Number of participating municipal Administrators	Number of community members attending	Dates and manner of feedback given to community
33 ward committee meetings	16/09/2018 to 07/10/2018	40	8	231	Same day, through Customer Care System, Ward Public Meetings and at following IDP Meetings
33 Ward public IDP Meetings held	07/04/2019 to 03/05/2019	73	352	2,392	
1 IDP Representative Forum	15/05/2019	42	19	143	



## COMPONENT D: CORPORATE GOVERNANCE

### 2.12 INTRODUCTION

Governance in Drakenstein Municipality encompasses line functions pertaining to political and administrative governance, audit, risk management, organisational and individual performance management, public participation and IDP, intergovernmental relations, public communication, human resource management, organisational development and legal services. The governance function is supported by an independent Audit Committee, comprising of external specialists having the necessary skills to provide effective oversight of the Municipality's systems of internal control, risk management and governance processes. The Audit Committee is supported in its role by the Internal Audit function which performs audits in terms of an approved audit plan and reports to the Audit Committee on a quarterly basis. The Municipal Public Accounts Committee (MPAC) comprises of independent Councillors. In order to promote independence and objectivity, the MPAC is chaired by a Councillor from a political party other than the majority party in Council.

### 2.13 RISK MANAGEMENT

Section 62(i)(c) of the MFMA requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

There is a danger that risks which fall outside traditional functions may go unmanaged and have serious consequences on the institutional objectives. The need for broad-based risk management is thus critical as it will also ensure that risks which were not previously given adequate attention are now properly managed. Risk management processes that are integrated in the institution's existing structures are likely to be more effective in producing the desired service delivery and other objectives.

The Risk Management Division supports the Municipality's governance structure by aligning its operations and practices, which includes the identification, assessment and mitigation of future risks, with the principles contained in the King IV Report on Corporate Governance for South Africa 2016 (King IV). A Combined Assurance policy, which will guide the implementation of Combined Assurance, was approved by Council in November 2018

The Risk Management Division is responsible for the risk management function at Drakenstein Municipality through facilitation and advising on fraud and risk management issues. This entails the development of policies, strategies, plans and processes.

Drakenstein Municipality established a Fraud and Risk Management Committee (FARMCO), which meets on a quarterly basis and assists in the development and revision of all policies,

strategies, plans and processes. In the financial year under review, the Risk Management Policy, Strategy as well as Plan were revised.

The high-level risk register, linked to key performance areas (strategic objectives) and key focus areas, was reviewed with all the departments through a facilitation process.

**Table 24: Top Ten Strategic Risks identified**

Ten Top Strategic Risks identified								
Ref	Strategic Risk	KPA 1	KPA 2	KPA 3	KPA 4	KPA 5	KPA 6	KPA 7
SR1	Failure or inability to maintain and manage assets.		X	X	X		X	
SR2	Failure to communicate and liaise effectively with stakeholders.	X	X		X	X	X	
SR3	Failure to manage and mitigate the impact of adverse environmental, social, economic and other local, national and global conditions.		X		X	X	X	X
SR4	Failure to manage municipal finances effectively and ensure financial sustainability.		X					
SR5	Inability to maintain acceptable service standards in respect of core service delivery responsibilities.	X	X	X	X		X	
SR6	Inability to manage illegal actions.	X	X	X	X	X	X	
SR7	Inability to meet land and human settlement demands.					X		X
SR8	Inadequate human resource management.			X			X	
SR9	Inadequate ICT infrastructure and systems.			X				
SR10	Loss of economic development opportunities and inability to grow local economy		X		X	X		

## 2.14 INTERNAL AUDIT

Internal Audit is an independent function reporting administratively to the City Manager and functionally to the Audit Committee. Internal Audit performs audits in terms of a three year strategic and one year operational plan which is approved by the Audit Committee at the commencement of each financial year. The priorities in the Internal Audit Plan can be categorised in terms of audits focusing on the systems of internal control, risk management and governance processes. The prioritisation of audits in these three categories is based primarily on the Municipality's risk profile as well as legislative requirements. Internal Audit reports to the Audit Committee on a quarterly basis regarding progress with the implementation of the approved plan as well as the outcome of audits conducted in terms of the approved plan. Internal Audit also performs follow-up audits to assess the implementation of agreed management action plans in response to reported internal audit findings. Internal

Audit executes its duties in terms of the International Standards for the Professional Practice of Internal Auditing (Standards) issued by the Institute of Internal Auditors.

The Audit Committee assesses the performance of the Internal Audit quarterly, based on a range of key performance indicators linked to the operations of the Internal Audit function.

The following assurance engagements were approved, completed and reported to the Audit Committee in terms of the 2018/19 Internal Audit Plan:

- Recruitment and Selection;
- Records Management;
- Physical Security Controls over Cash;
- Financial Statements Review;
- Billing;
- Replacement of Fleet Vehicles;
- Insurance of Council Assets;
- Risk Management;
- Declaration of Councillor Interests;
- Financial Controls;
- MFMA Compliance;
- DoRA Compliance;
- Housing Waiting List;
- Quarter 4 Review of Performance Results;
- Review of Annual Performance Report;
- Functionality of the Performance Management System;
- Compliance with the Municipal Systems Act;
- Quarter 1 Review of Performance Results;
- Quarter 2 Review of Performance Results;
- Quarter 3 Review of Performance Results;
- Review of Annual Report; and
- Annual Inventory Count.

## **2.15 ANTI-CORRUPTION AND FRAUD**

The Fraud and Risk Management Committee (FARMCO) meets on a quarterly basis and assists with the development and revision of all policies, strategies, plans and processes relating to fraud risk management. The Fraud Prevention Policy and Strategy are incorporated in the Risk Management Policy and last approved on 29 November 2017, with the next review due in the 2020/21 financial year.

FARMCO review the effectiveness of prevention initiatives, detection techniques as well as progress made in any forensic investigations, and thereby also function as an oversight body. Drakenstein Municipality appointed Whistle Blowers (Toll free number 0800 555 337) to provide an anonymous fraud and ethics hotline service for the reporting of alleged theft, fraud and corruption.

## **2.16 SUPPLY CHAIN MANAGEMENT**

The SCM Policy was reviewed during the 2018/19 financial year. Certain amendments to the SCM Policy were tabled before Council in order to improve operational efficiency. The Municipality is required to forward its SCM Policy to the Western Cape Provincial Treasury on an annual basis for scrutiny and compliance verifications against the Model SCM Policy that was issued by the National Treasury. The purpose of this exercise is to determine whether the Municipal SCM Policy deviates from the stipulations of the SCM Regulations. Drakenstein Municipality's SCM Policy complies with the regulatory framework.

### **2.16.1 Overview of Supply Chain Management**

The Supply Chain Management functions cuts across all departments. Although governance is at its core, Supply Chain Management plays a vital role in contributing towards service delivery in a manner that is fair, equitable, transparent, competitive and cost-effective.

### **2.16.2 Bid Committees**

The Municipality applies the bid committee system for procurement above R200,000 (Value Added Tax included) and for the procurement of long term contracts. The Bid Committees namely the Bid Specification Committee, the Bid Evaluation Committee and the Bid Adjudication Committee are all functioning effectively.

#### ***2.16.2.1 Bid Committees Structure***

The Bid Committee members are appointed by the City Manager in line with the relevant legislation.

#### ***2.16.2.2 Awards made by the Bid Adjudication Committee***

For the 2018/19 financial year the Bid Adjudication Committee made 54 awards and recommended 19 awards to the Accounting Officer.

### 2.16.2.3 Awards made by Accounting Officer

For the 2018/19 financial year the Accounting Officer approved 19 awards that were recommended by the Bid Adjudication Committee.

### 2.16.2.4 Objections lodged

For the year under review a total of 36 objections were lodged by aggrieved bidders. All of these objections were reported to the Accounting Officer and resolved before the end of the 2018/19 financial year.

### 2.16.3 Formal Quotations (Above R30,000 and below R200,000) Procurement Processes

For the year under review a total of 415 formal written price quotations were advertised of which 326 were awarded and 89 were cancelled.

### 2.16.4 Disposal Management

The following immovable assets were disposed of during the year under review:

Table 25: Immovable assets disposed

Properties sold	To	Purpose
Properties for which final approval was granted from 1 July 2018 – 30 June 2019		
Portion of Erf 557 Mbekweni	Crossing NW (Pty) Ltd	Parking
Portions of Erf 11261 Paarl	Adjacent landowners	Expansion of existing business premises
Erf 2688 Mbekweni	Siyaya Restaurant t/a Chippa's Place	Business and residential purposes
Portions of Erf 2385 Mbekweni	Half a portion each to owners of Erven 2384 and 2386 Mbekweni respectively	For expansion of residential erven
Portion of Erf 34 Wellington	Pre-Properties	For expansion of existing business premises
Portion of Farm No 486 Paarl	Cape Winelands District Municipality	Satellite Fire Station
Erven 7527-7530 and 7541-7543 Paarl	EA de Jager	Residential development
Erf 11631 Paarl	Paarl Muslim Jamaa	Church, sport and recreation and parking
Portions of Erven 1245, 1330, 1373 and 1375 Paarl	Moneyline 349 (Pty) Ltd	Parking purposes
Erven 7968 and 7969 and portions of Erf 6577 Wellington,	Hossain Shah	Expansion of existing business premises

## 2.17 BYLAWS AND POLICIES

The table below indicate the various bylaws introduced during 2018/19 financial year:

**Table 26: Bylaws introduced during 2018/19**

Bylaws introduced during 2018/19						
Serial No.	Newly developed	Revised	Public Participation conducted prior to adoption of Bylaws (Yes/No)	Dates of Public Participation	Bylaws Gazetted (Yes/No)	Dates of publication
Column No.	A	B	C	D	E	F
1	Bylaw relating to the Transfer of Municipal Capital Assets	-	Yes	17 May 2018	Yes	7 September 2018
2	Zoning Scheme Bylaw	-	Yes	22 February 2018	Yes	28 September 2018
3	Bylaw on Municipal Land Use Planning 2018	-	Yes	22 February 2018	Yes	28 September 2018

Section 11(3) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) provides municipal councils with the legislative authority to pass and implement bylaws for the betterment of the community within the terms of the legislation.

In terms of Section 160(3) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996):

- The bylaws serve before the various structures of the Council;
- The bylaws are advertised in the local media for objections or comment;
- The bylaws are open for inspection at all municipal offices and libraries; and
- The bylaws are forwarded to the local radio station for broadcasting.

Once adopted by Council, the bylaws are promulgated in the Provincial Gazette and take immediate effect.

The following bylaws were passed in the 2018/19 financial year:

**Table 27: Bylaws passed**

Bylaws passed		
Serial No.	Bylaw	Promulgation Status
Column Ref	A	B
1	Bylaw relating to the Transfer to Municipal Capital Assets	7 September 2018

Bylaws passed		
Serial No.	Bylaw	Promulgation Status
Column Ref	A	B
2	Zoning Scheme Bylaw	28 September 2018
3	Bylaw on Municipal Land Use Planning 2018	28 September 2018

## 2.18 WEBSITE

The municipal website has been well maintained and features municipal documentation required in terms of legislation, including public policies, bylaws, supply chain documents, notices, press releases and other documents. The purpose is to inform Drakenstein residents about the affairs, achievements and initiatives of the Municipality.

Following on the website's redesign and overhaul in 2017, successful user-friendly and interactive online initiatives were launched, such as an electronic renewal system for motor vehicle licenses. Drakenstein motor vehicle owners could now renew their vehicle licenses in the comfort of their own homes and spend less time in the queue. This initiative, for example, was incredibly well received and earned positive feedback from the community for the Municipality.

**Table 28: Municipal Website Content and Currency of Material**

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's website	Yes/No	Publishing Date
Annual and adjustments budgets and all budget-related documents	Yes	2018/07/01 – 2019/06/30
All budget-related policies	Yes	2018/07/01 – 2019/06/30
The previous Annual Report 2017/18	Yes	2019/03/30
The Annual Report 2018/19 published/to be published	Yes	2020/01/31
All current performance agreements (2018/19) and resulting scorecards required in terms of Section 57(1)(b) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)	Yes	2019/06/15 – 2019/06/28
All service delivery agreements (2018/19)	Yes	2018/07/01 – 2019/06/30
All long-term borrowing contracts (2018/19)	Yes	2019/06/15
All Supply Chain Management Contracts above a prescribed value (above R 200,000) for 2018/19	Yes	2018/07/01 – 2019/06/30
All information statements containing a list of assets over a prescribed value that have been disposed of in terms of the MFMA Section 14(2) or (4) during 2018/19	No	2018/07/01 – 2019/06/30 & 2019/07/02
Contracts agreed in 2018/19 to which the MFMA Subsection (1) of Section 33 applies, subject to Subsection (3) of that Section	No	None concluded
Public-private partnership agreements referred to in the MFMA Section 120 made in 2018/19	No	None concluded

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's website	Yes/No	Publishing Date
All quarterly reports tabled before Council in terms of the MFMA Section 52(d) during 2018/19	Yes	2018/07/01 – 2019/06/30

## 2.19 COMMUNICATION

Communication with the community of Drakenstein continued through following the PESO (paid, earned, shared and owned) media model – sending out creative, relevant and topical content that was tailor-made for the Municipality's different communication channels and platforms, and their target audiences. The Communication and Marketing division regularly placed advertisements (print and radio); sent out press releases to media (print, radio and online), invited media to events and responded to media enquiries; as well as shared news regarding municipal projects, programmes, initiatives and achievements on social media, the municipal website, and external and internal newsletters.

At the same time the municipal brand was reinforced and enhanced by distributing quality promotional items; displaying branding and banners at key events; and, exercising the Municipality's marketing rights at supported events. A significant amount of reputation management was also done to protect the brand.

The Municipality's Facebook page – launched on 1 June 2018 – continued to achieve excellent and consistent growth. Much of this growth was organic, thanks to original and relevant content directly affecting the community of Drakenstein. By the end of June 2019, the Drakenstein Municipality Facebook page had a total of 11 424 followers.

Guided by a new corporate identity manual the Municipality continued to rollout its new logo and brand, embodying its vision of a city of excellence.

When the Annual Report is completed, it is made available at all the libraries and the two Thusong Centres, in addition to the required distribution to other spheres of government. The MPAC scrutinises the report and also invites public comment on it.

## 2.20 COMMUNITY SATISFACTION SURVEYS

During 1 February until 31 May 2019, the Municipality conducted a Customer Satisfaction Survey in order to determine the perceived level of services and to enable the Municipality to actively plan and focus on the improvement of service standards where needed. This is an ongoing effort to raise the bar towards service excellence.



## 2.21 PUBLIC SATISFACTION WITH MUNICIPAL SERVICE DELIVERY

### 2.21.1 Customer Satisfaction Survey

The Municipality has once again conducted a customer satisfaction survey amongst all its residents in order to establish the level of satisfaction experienced by the Municipality's customers. A link was created from the Municipality's website where residents could complete the survey in a language of their choice. Hard copies of the survey were made available at Drakenstein community centres, libraries, traffic centres and municipal helpdesks. The survey questionnaire comprised of 25 questions. The same questions were asked in English, Afrikaans and Xhosa. A total of 359 responses were received across all surveys.

Table 29: Customer Satisfaction Survey 2019

Customer Satisfaction Survey 2019					
Serial No.	Surveys	Manual Completion	Completed at Municipal Buildings	Completed on Website	Total Responses
Column Ref.	A	B	C	D	E
1	English	52	2	47	101
2	Afrikaans	183	2	36	221
3	IsiXhosa	36	0	1	37
4	Total	271	4	84	359

### 2.21.2 Complaints Management

The centralised Complaints Management System which was procured several years ago was discarded after being reviewed. As an interim measure, service requests are now captured and managed within a system which is currently being used by the Municipality and which provides this basic functionality, although to a limited extent.

An internal Customer Care and Asset Management Forum was established to investigate adequate systems that the market has to offer in managing complaints and service requests throughout public entities. After this investigation, specifications were drafted and an open tender was compiled and advertised for a new customer care and asset management information system. The tenders were evaluated and are currently in the process of being awarded to the successful service provider. Full implementation will take place in the new reporting period.

Existing access points to the current and new system are still available and will be maintained for future systems. To ensure that all residents continue to have easy access to the customer

care system, additional access points such as a toll-free telephone was rolled out. In addition, the Municipality has since developed service standards for all of its services in order to set and maintain prescribed standards of service delivery.

### 3. SERVICE DELIVERY PERFORMANCE

#### COMPONENT A: OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

##### 3.1 INTRODUCTION

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

At local government level, performance management is institutionalised through the legislative requirements of the performance management process. Performance management provides the mechanism to measure whether targets are met in line with the strategic objectives 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 a government that is accountable is important to meet the needs of Drakenstein Municipality. The democratic values and principles in terms of section 195(1) are also linked with the concept of performance management, with reference to the principles of the following, among others to:

- Promote the effective, efficient and economic use of resources;
- Ensure accountable public administration;
- Be transparent by providing information;
- Be responsive to the needs of the community; and
- Facilitate a culture of public service and accountability.

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

In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 states that *"A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and*

*processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players.”* Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organisation, as well as the external service providers and the municipal entities. This framework, *inter alia*, reflects the linkage between the IDP, the Budget and the SDBIP.

### **3.1.1 Legislative Requirements**

In terms of section 46(1)(a) of the Local Government: Municipal Systems Act, a municipality must prepare an Annual Performance Report (APR) for each financial year that reflects the municipality's and any service provider's performance during the financial year. The APR must furthermore indicate the development and service delivery priorities and the performance targets set by the municipality for the financial year, and based on the results indicate what corrective measures were or are to be taken to improve performance. The 2018/19 APR is attached to this Annual Report as Volume V.

### **3.1.2 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 effective, efficient and economical. Municipalities must develop strategic plans and allocate resources for implementation. 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 as and when required.

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

### **3.1.3 Performance Management Policy**

The Municipality adopted a Performance Management (PM) Policy during 2011. The Municipality reviewed the policy during the 2018/19 financial year. The PM Policy articulates the Municipality's objectives in order to promote accountability and the overall strategy of the Municipality. Therefore, the main principles of the PM Policy are that it must be feasible in terms of the available resources to the Municipality and that the PM Policy must serve as an enabling mechanism for employees to achieve their performance objectives and targets.

Performance management has been introduced in the Local Government: Municipal Systems Act, Act 32 of 2000 (hereafter referred to as the MSA). The MSA is specific with regards to performance management. Each municipality must develop a performance management system (PMS) in order to enhance service delivery inputs in order to maximise outputs to the community. The MSA emphasise the amplified role of Council in performance management.

Legislative enactments which govern performance management in municipalities are found in various documents. As outlined in Section 40 of the MSA, Drakenstein Municipality must establish mechanisms to monitor and review its Performance Management System (PMS) so as to measure, monitor, review, evaluate and improve performance at organisational, departmental and lower levels.

### **3.1.4 The IDP and the Budget**

The Municipality has developed a long term 15 year strategy (2017/2032) for Drakenstein to realise a vision: to evolve into “*A city of excellence*” within the next fifteen years. Key facets of the vision are economic dynamism; quality of life for all; a strong well-governed brand; and, financial sustainability.

The IDP 2017/2032 (inclusive of Vision 2032) details a comprehensive needs analysis and big moves, key initiatives, projects and programmes to address these challenges in partnership with other spheres of government, the private sector and civil society.

The Integrated Development Plan, together with its long-term trajectory, will be reviewed annually to accommodate changes in the municipal environment, including community priorities. In turn, the revised IDP will inform changes to the budget, key performance indicators and targets of the Municipality.

The Municipal IDP must be reviewed every year to ensure that:

- Municipalities and communities keep track of progress in implementing development projects and spending the municipal budget; and
- Communities are provided with an opportunity to review their needs and make possible changes to the priorities listed in the municipal IDP.

The IDP is the principal planning instrument that guides and informs the municipal budget. The Drakenstein Municipality’s PMS is the primary mechanism to monitor, review and improve the implementation of its IDP and to measure the progress made in achieving the objectives as set out in the IDP.

The Five-Year Performance Framework reflects the connection between the strategic framework of the Municipality, as detailed in the previous chapter and IDP implementation through Key Performance Indicators and Targets to measure performance of the IDP for the five years.

These are annually revised in line with Section 34 of the Local Government: Municipal Systems Act, No. 32 of 2000 which compels a municipal council to review its integrated development plan annually in accordance with an assessment of its performance measurements in terms of section 41 to the extent that changing circumstances so demand.

A conducive performance management culture will ensure that the developmental objectives as construed in the IDP gets relevance in the performance agreements of senior managers and consequence implementation thereof.

### **3.2 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)**

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

MFMA Circular No. 13 is a clarification of the Municipal Budget and Reporting Regulations, Schedule A1, General Notice 393 in Government Gazette 32141 and prescribes that:

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

The Top-Layer SDBIP was prepared as described in the paragraphs below and approved by the Executive Mayor, Cllr Conrad Poole on **28 June 2018** in terms of section 53(1)(c)(ii) of the Local Government: Municipal Finance Management Act of 2003. It was made public on the municipal website within five working days after approval by the Executive Mayor.

### **3.2.1 The Municipal Scorecard (Top-Layer SDBIP)**

The municipal scorecard (Top-Layer SDBIP) consolidates service delivery targets set by Council/executive management and provides an overall picture of the performance of the Municipality as a whole, reflecting performance in its strategic priorities for the 2018/19 financial year. The scorecard is the performance evaluation tool and is used during the informal and formal performance assessment of the City Manager and executive managers. Components of the Top-Layer SDBIP include:

#### ***3.2.1.1 One-year detailed plan with the following components:***

- Monthly projections of revenue to be collected for each source;
- Expected revenue to be collected;
- 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;
- Output management objectives; and
- Level and standard of service being provided to the community.

#### ***3.2.1.2 Top-Layer KPI's 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 public participation process and KPIs that need to be reported to key municipal stakeholders; and
- KPIs to address the required national minimum reporting requirements.

### **3.2.2 Amendment of the Top-Layer SDBIP**

The Top-Layer SDBIP was amended during the 2018/19 financial year through Council Resolution 7.2 at a Council meeting held on 27 February 2019.

### **3.2.3 Actual Performance**

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

- The actual result in terms of the set target;

- 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 Auditor General upon request during the quarterly and annual audit testing.

### **3.2.4 Monitoring of the SDBIP**

Municipal performance is measured as follows:

- Mid-year assessment and submission of the mid-year report to the Executive Mayor in terms of Section 72(1)(a) and 52(d) of the Local Government Municipal Finance Management Act to assess the performance of the Municipality during the first half of the financial year;
- Quarterly performance was subjected to an internal audit and the results of their findings were submitted to the Audit Committee; and
- Quarterly performance reports are submitted to Council for information.

## **3.3 INDIVIDUAL PERFORMANCE**

The Human Resources Management Division is responsible for the Individual Performance Management System that is rolled out to municipal staff through a Staff/Employee Efficiency Monitoring programme. The purpose of the SEM programme is to manage and improve efficiency by enabling a higher level of staff participation and involvement in planning, delivery and evaluation of work performance.

The SEM is a component of the PMS in Drakenstein and ensures integrated work planning, target setting, performance reporting and feedback.

This Staff/Employee Efficiency Monitoring Template is completed by all employees not evaluated on the formal PMS. Both the employee and the supervisor are expected to complete and agree to the KPIs and targets based on the individuals job description.

The Employee Efficiency Monitoring Exercise encourages supervisor and employee engagement, coaching and mentoring, skills transfer and also enhances communication between managers, supervisors and employees. Managers will be able to identify skills gaps of employees through this tool. Employee Monitoring takes place on a quarterly basis.



### **3.3.1 Executive Directors and Managers Directly Accountable to the City Manager**

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

The performance agreements for the section 57 appointments for the 2018/19 financial year were signed during July 2018 as prescribed. They include performance agreements for the:

- City Manager;
- Chief Financial Officer;
- Executive Director: Corporate Services;
- Executive Director: Planning and Development;
- Executive Director: Community Services; and
- Executive Director: Engineering Services.

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The mid-year performance assessment for the City Manager and executive managers for the 2018/19 financial year took place on 15 January 2019. The final evaluations of the City Manager and Executive Directors for the 2018/19 financial year has tentatively been scheduled for 4 December 2019.

### **3.3.2 Other Municipal Officials**

The Municipality has introduced Employee Efficiency Monitoring as a means to ensure that all employees commit to what is expected from them in terms of performing their functions and also as a means to encourage continuous employee and supervisor engagement. The monitoring tool is intended for all employees who do not undergo formal performance evaluation.

Employee Monitoring is rolled out in phases to all employees and is monitored through the Organisation Development and Efficiency Section in HR. Each department is required to conduct this exercise on a quarterly basis. The IDP and PMS Division is responsible for the top three reporting levels of management.

## **3.4 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (TOP-LAYER)**

The SDBIP results for the year under review are reflected in the Annual Performance Report attached as Volume V to the Annual Report.

## COMPONENT B: BASIC SERVICES

Water, electricity, waste water and refuse removal services are fundamentally important basic services to ensure a healthy and safe environment for all Drakenstein inhabitants. These basic services sections play a very important part in the planning and implementation of basic services in all formally established township developments as well as informal settlements in the Drakenstein Area over which the Municipality has control.

### 3.5 WATER SERVICES

The main objective of the Water Section is to provide water services in an effective, efficient and sustainable manner in respect of service delivery and to ensure that all people in Drakenstein Municipality's Management Area have access to adequate, safe, appropriate and affordable water services, using water wisely.

Other objectives are to upgrade existing water mains to new and higher standards and to extend the service life of existing bulk water infrastructure in accordance with the Water Master Plan.

The rapid rate of urbanisation is resulting in many cities and towns in South Africa facing major challenges of providing their increasing population with adequate and sustainable water services. On top of this, extensive parts of the continent are currently water stressed and these areas struggle to reconcile the water requirements and the water resources. Intensive water demand management and diligent personnel saved the Drakenstein area from a day zero situation and we did succeed in providing water, at only 120 litres per person per day.

Apart from providing potable water to all our urban residents, we are obliged to fulfil our other basic functions of upgrading the existing infrastructure, extending the network and to effectively maintain the existing network.

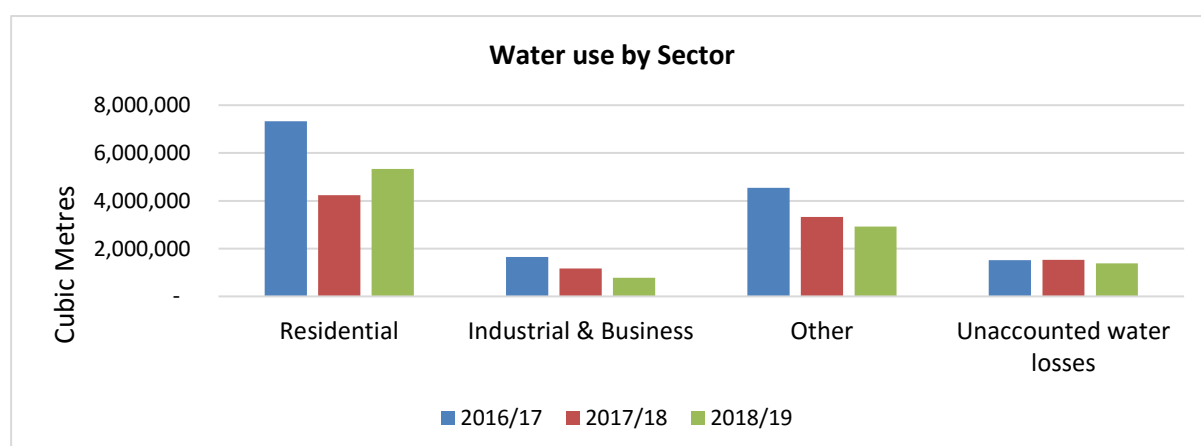
#### 3.5.1 Service Statistics

It is clear from the table below that water use dropped significantly from the 2016/17 to 2018/19 financial year due to the drought and water restrictions implemented over the last three financial years. Water sales decreased from 13,514,543 kiloliters sold in 2016/17 to 8,731,928 kiloliters sold in 2017/18 and stabilised to 8,836,669 kiloliters sold in 2018/19. Water losses over the three financial years remained more or less the same, but due to the decrease in sales turnover, water losses increased from 10.09% in 2016/17 to 14.88% in 2017/18 and 15.27% in 2018/19.

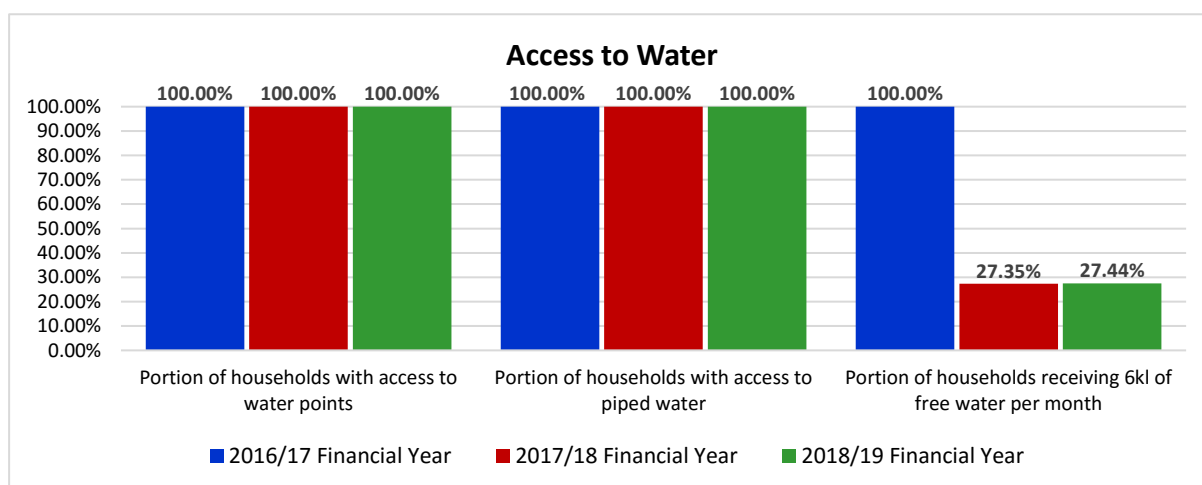
**Table 30: Total use of water by sector (cubic metres)**

Water Use Details								
Serial No.	Year	Kiloliters						% Water Losses
		Residential	Industrial/ Business	Other	Total Water Sold	Water Losses	Water Bought/ Produced	
Column No.	A	B	C	D	E	F	G	H
1	2016/17	7,325,350	1,644,514	4,544,679	13,514,543	1,516,351	15,030,894	10.09
2	2017/18	4,238,643	1,173,924	3,319,361	8,731,928	1,526,330	10,258,258	14.88
3	2018/19	5,330,192	776,396	2,730,081	8,836,669	1,592,163	10,428,832	15.27

**Graph 2: Water use by Sector**



In the graph below households' access to water are depicted. In the 2015/16 and 2016/17 financial years all households received 10kl of free water per month. As from the level 6B water restrictions introduced from 1 February 2018 only indigent households receive 6kl of free water per month. Level 3 water restrictions was introduced from 1 February 2019, which limit consumers to 120 litres per capita per day.



\* Note that the percentage of households with access to water indicated in the graph does not include rural households

Within the constraints of the budget, the Water Section performed satisfactorily. A total of 324 metres of water reticulation mains were upgraded in Paarl and Wellington; 197 water connections were installed in the Drakenstein Area; 415 burst pipes were repaired on reticulation networks; 1,152 water connections were repaired; 658 water meters were replaced during the year; 118 water meters were stolen and replaced by the Municipality; and, 4,388 water leaks on private properties were repaired during the financial year.

### 3.5.2 Service Delivery Levels

The 2018/2019 Annual WSDP Performance- and Water Services Audit Report on water service delivery levels in Drakenstein indicates that 71,853 households (99.51%) receive a water service of the minimum level and above and that 357 households (0.49%) receive a water service below the minimum level. This is an improvement compared to the 778 households of the 2017/2018 financial year.

The audit report indicates that there is an estimated 72,210 households at the end of June 2019 in Drakenstein compared with the 71,686 households listed in the STATSSA 2016 Community Survey.

**Table 31: Water Service Delivery Levels**

Water Service Delivery Levels			
Description	Households		
	2016/17	2017/18	2018/19
	Actual No.	Actual No.	Actual No.
<b>Water: (Minimum level and above)</b>			
Piped water inside dwelling	39,544	39,906	40,244
Piped water inside yard (but not in dwelling)	24,469	24,306	25,263
Using public tap (stand pipes )	3,709	4,882	5,939
Other water supply (within 200 m)	*407	*407	*407
<b>Minimum Level and Above Sub-total</b>	<b>68,129</b>	<b>69,501</b>	<b>71,853</b>
<b>Water: (Below minimum level)</b>			
Using public tap (more than 200 m from dwelling)	0	481	60
Other water supply (more than 200 m from dwelling)	*163	*163	*163
No water supply (rural)	*134	*134	*134
<b>Below Minimum Service Level sub-total</b>	<b>297</b>	<b>778</b>	<b>357</b>
<b>Total number of households*</b>	<b>68,426</b>	<b>70,279</b>	<b>**72,210</b>
Minimum Service Level and Above Percentage	99.56%	98.89%	99.51%
Below Minimum Service Level Percentage	0.44%	1.11%	0.49%

\*Farms which do not form part of the Municipal Water Reticulation System. Figures based on 2011 Census data. These figures can only be updated once the information per household from the detail service level rural survey on the farms becomes available.

\*\*STATSSA 2016 Community Survey indicated that there were 71,686 households in Drakenstein.

All formal erven in the urban areas of Drakenstein Municipality's Management Area are provided with individual water connections inside the erven (higher level of service). Communal standpipes are provided in the informal areas as a temporary emergency service. Drakenstein Municipality works towards a target of at least one (1) standpipe per twenty five (25) households.

Within formal settlements, there are 297 households (0.45%) of 66,211 households receiving a water service below the minimum water service level. These households are on farms which do not form part of the Drakenstein water reticulation system. Within informal settlements, there are 60 households (1.0%) of 5,999 households receiving a water service below the minimum water service level. This is an improvement compared to the 481 households of the 2017/2018 financial year.

**Table 32: Households - Water Service Delivery Levels below the minimum level**

Households – Water Service Delivery Levels below the minimum level			
Households			
Description	2016/17	2017/18	2018/19
	Actual No.	Actual No.	Actual No.
<b>Formal Settlements</b>			
Total households	64,717	64,916	66,211
Households below the minimum service level	*297	*297	*297
Proportion of households below the minimum service level	0.46%	0.46%	0.45%
<b>Informal Settlements</b>			
Total households	3,709	5,363	5,999
Households below minimum service level	0	481	60
Proportion of households below minimum service level	0.00%	8.97%	1.00%

*\*Farms which do not form part of the Municipal Water Reticulation System. Figures based on 2011 Census data. These figures can only be updated once the information per household from the detail service level rural survey on the farms becomes available.*

### 3.5.3 Capital Expenditure

The Water Services Section spent R174.0 million or 100% of the final adjustments budget on water infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

**Table 33: Capital Expenditure 2018/19 - Water Services**

Capital Expenditure 2018/19: Water Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Boreholes Infrastructure	8,000,000	76,272,816	76,272,813	0.0%
2	Replacement of Strawberry King Bulk Water Pipeline	36,058,718	28,152,789	28,152,788	0.0%
3	8ML Courtrai Reservoir	17,500,000	22,564,063	22,564,063	0.0%
4	Welvanpas WTW & Out Buildings	9,000,000	14,550,198	14,550,197	0.0%
5	Drakenstein Rural Area Ronwe Project	11,000,000	11,233,452	11,233,452	0.0%
6	Saron Bulk Water Pipe Replacement	6,877,193	6,877,193	6,877,192	0.0%
7	Replacement of Upper Long Street Bulk	6,000,000	6,000,000	6,000,000	0.0%
8	Upgrade WTW : Meulwater	3,000,000	6,600,927	6,600,926	0.0%
9	11 ml Newton Reservoirs & Pump Station	1,250,000	1,250,000	1,250,000	0.0%
10	Other Capital Projects	6,596,189	537,779	537,779	0.0%
11	<b>Total Capital Expenditure</b>	<b>105,282,100</b>	<b>174,039,217</b>	<b>174,039,211</b>	<b>0.0%</b>

### 3.5.4 Major Projects Implemented

During 2018/19 the following major projects were implemented:

- Completing and commissioning the containerised 5 MI/day groundwater treatment plant at Boy Louw Sport field, Paarl, as well as the 1.5 MI/day groundwater treatment plant at Parys Sport field, Paarl;
- Completing of the 0.7 MI/day Civic Centre, Paarl borehole pump installation and reticulation system to Faure Street Sport Stadium, Paarl Bowling Club and Paarl Swimming Pool;
- Completing of the 0.48 mega litre/day Welvanpas borehole pump installation and pipe reticulation system to Welvanpas Water Treatment Works, Wellington;
- Completing the last phases (phase 5, 6 and 7) of the Strawberry King Bulk Pipeline, which total an approximate length of 14 kilometres;
- Started the second 8 MI reservoir at Courtrai, Paarl, as well as connecting pipe work to the reservoir to the network, project will be completed during 2019/2020 financial year;
- Completing the phase 3 of the Ronwé bulk water pipeline from Ronwé Primary School, Paarl, and the R301;
- In process of finalising and testing of phase 2 of the Welvanpas Water Treatment Works Upgrading Project to a capacity of 10 MI per day;
- In process of finalising phase 3 and testing of the Meulwater Water Treatment Works Upgrading Project to a capacity of 8 MI per day; and
- Completing the bulk water pipeline along Upper Long Street and upgrading of the Upper Long Street Reservoir, Paarl during the year.

### 3.5.5 Operating Expenditure

Water services, as a trading service, generated an operating surplus of R90.6 million for the 2018/19 financial year. The surplus is used to subsidise operating expenditure of community services that do not generate revenue to sustain themselves.

**Table 34: Operating Revenue and Expenditure: Water Services**

Operating Revenue and Expenditure: Water Services						
Serial No.	Description	2017/18 Actual Results	2018/19			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	(222,134,947)	(269,476,940)	(246,767,623)	(233,263,331)	-5.5%
2	<b>Total Operating Revenue</b>	<b>(222,134,947)</b>	<b>(269,476,940)</b>	<b>(246,767,623)</b>	<b>(233,263,331)</b>	<b>-5.5%</b>
3	Employee Related Costs	-	22,993,921	22,914,092	23,614,307	-3.1%
4	Impairment Losses on Financial Assets	-	19,663,468	26,134,297	21,272,406	18.6%
5	Interest Paid	-	8,571,274	9,002,110	8,543,422	5.1%
6	Contracted Services	-	13,327,600	12,283,416	9,596,204	21.9%
7	Depreciation and Provisions	-	19,033,836	21,599,979	32,409,354	-50.0%
8	Inventory	-	989,539	933,547	2,345,469	-151.2%
9	Operational Costs	-	62,891,890	49,757,739	44,856,136	9.9%
10	<b>Total Operating Expenditure</b>	<b>-</b>	<b>147,471,528</b>	<b>142,625,180</b>	<b>142,637,297</b>	<b>0.0%</b>
11	<b>Operating (Surplus) / Deficit</b>	<b>(222,134,947)</b>	<b>(122,005,412)</b>	<b>(104,142,443)</b>	<b>(90,626,034)</b>	<b>-13.0%</b>

### 3.5.6 Employee Statistics

The Water Services Section has 182 posts on the organisational structure approved by Council on 31 May 2018 of which 89 posts are frozen and 93 posts funded at year-end. The section had 87 filled posts and 6 vacancies at year-end, indicating a 6.5% vacancy rate.

**Table 35: Employees - Water Services**

Employees: Water Services								
Serial No.	Job Level	2017/18	2018/19					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies (Funded)	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	2	3	0	3	3	0	0.0%
3	T12 - T14	4	10	5	5	5	0	0.0%
4	T09 - T11	15	31	17	14	12	2	14.3%
5	T06 - T08	12	37	21	16	13	3	18.8%
6	T03 - T05	58	101	46	55	54	1	1.8%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	<b>Total</b>	<b>91</b>	<b>182</b>	<b>89</b>	<b>93</b>	<b>87</b>	<b>6</b>	<b>6.5%</b>

### 3.6 WASTE WATER (SANITATION) SERVICES

The basic functions of the Waste Water Services Section (Sanitation) are to upgrade existing sewerage infrastructure (as to meet future requirements); to extend the wastewater/sewerage network (provide higher level of service to consumers); to maintain the existing wastewater/sewerage network (ensure adequate rehabilitation and maintenance); to monitor water resources; and, to ensure the prevention of pollution thereof.

#### 3.6.1 Service Statistics

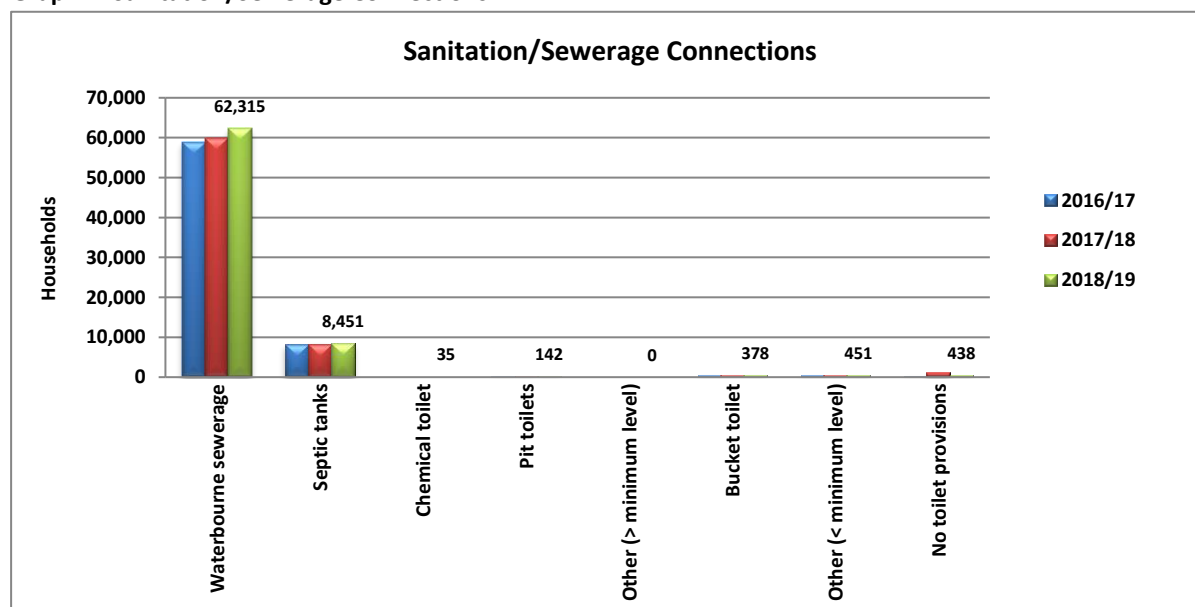
Service statistics for the year under review are listed in the table below.

**Table 36: Service Statistics - Waste Water (Sanitation) Services**

Waste Water (Sanitation Services)			
Description	2016/17	2017/18	2018/19
	Actual Number	Actual Number	Actual Number
Total sewerage blockages serviced	4,080	4,300	5,139
Installation of new domestic sewer connections	228	347	178
Newly installed sewers/pipelines (in meter)	2,271	4,116	3,944

The graph below depicts the households' type of sanitation/sewerage connections.

**Graph 4: Sanitation/Sewerage Connections**





### 3.6.2 Service Delivery Levels

All formal erven in the urban areas of Drakenstein Municipality's Management Area are connected either to the waterborne sewer system or serviced by septic tanks or conservancy tanks inside the erven (higher level of service). Communal ablution facilities are provided in the informal areas as a temporary emergency service. Drakenstein Municipality works towards a target of at least one (1) seat per fifty (50) users as prescribed in the Department of Water & Sanitation's National Norms and Standards for Domestic Water and Sanitation Services, Version 3.

The 2018/2019 Annual WSDP Performance- and Water Services Audit Report on waste water service delivery levels in Drakenstein indicates that 70,943 households (98.2%) receive a waste water service of the minimum level and above, and that 1,267 households (1.8%) receive a waste water service below the minimum level. Noticeable is the reduction of no toilet provisions in informal settlements from 735 households in 2017/2018 to 84 households in 2018/2019.

The audit report indicates that there are an estimated 72,210 households in Drakenstein at the end of June 2019 compared with the 71,686 households listed in the STATSSA 2016 Community Survey.

**Table 37: Sanitation Service Delivery Levels - Households**

Sanitation Service Delivery Levels			
*Households			
Description	2016/17 Actual No.	2017/18 Actual No.	2018/19 Actual No.
Flush toilet (connect to sewerage)	58,897	59,875	62,315
Flush toilet (with septic tank)	8,169	8,309	8,451
Chemical toilet	35	35	35
Pit toilet (ventilated)	*142	*142	*142
Other toilet provisions (above minimum service level)	0	0	0
<b>Sub-Total: Minimum service level and above</b>	<b>67,243</b>	<b>68,361</b>	<b>70,943</b>
Bucket toilet	*378	*378	*378
Other toilet provisions (below minimum service level)	*451	*451	*451
No toilet provisions (Farms)	*354	*354	*354
No toilet provisions (informal settlements)	0	735	84
<b>Sub-Total: Below minimum service level</b>	<b>1,183</b>	<b>1,918</b>	<b>1,267</b>
<b>Total households</b>	<b>68,426</b>	<b>70,279</b>	<b>**72,210</b>
Minimum service level and above percentage	98.3%	97.3%	98.2%
Below minimum service level percentage	1.7%	2.7%	1.8%

\*Farms which do not form part of the Municipal Sewer Drainage System. Figures based on 2011 Census data. These figures can only be updated once the information per household from the detail service level rural survey on the farms becomes available.

\*\*STATSSA 2016 Community Survey indicated that there were 71,686 households in Drakenstein.

Within formal settlements, there is 1,183 households (1.8%) of 66,211 households receiving a waste water service below the minimum waste water service level. Within informal settlements, there are 84 households (1.4%) of 5,999 households receiving a waste water service below the minimum waste water service level.

**Table 38: Households - Sanitation Service Delivery Levels below the minimum**

Households – Sanitation Service Delivery Levels below the minimum			
Description	2016/17	2017/18	2018/19
	Actual Number	Actual Number	Actual Number
<b>Formal Settlements</b>			
Total Households	64,717	64,916	66,211
Households below minimum service level	1,183	1,183	1,183
Proportion of households below minimum service level	1.8%	1.8%	1.8%
<b>Informal Settlements</b>			
Total Households	3,709	5,363	5,999
Households below minimum service level	0	735	84
Proportion of households below minimum service level	0.0%	13.7%	1.4%

*\* Households not budgeted for as sanitation on farms is done by farm owners. Farms which do not form part of the municipal water reticulation system. Figures from 2011 Census Data.*

### 3.6.3 Capital Expenditure

The Waste Water Services Section spent R56.164 million or 99.99% of the final adjustments budget on waste water (sanitation) infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

**Table 39: Capital Expenditure 2018/19 - Waste Water (Sanitation) Services**

Capital Expenditure 2018/19: Waste Water (Sanitation) Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Wellington WWTW: Rehabilitation & Extensions	7,600,000	34,911,228	34,911,228	0.0%
2	Paarl WWTW: Rehabilitation & Extensions	7,531,843	9,595,478	9,595,477	0.0%
3	Replace/Upgrade Sewer Systems	-	5,440,357	5,440,357	0.0%
4	Vlakkeland: Bulk Sewer Network	11,484,430	4,912,331	4,912,331	0.0%
5	Upgrade Bulk Sewer: Southern Paarl	20,000,000	1,269,942	1,269,942	0.0%
6	Other Capital Projects	1,000,000	35,185	35,185	0.0%
7	<b>Total Capital Expenditure</b>	<b>47,616,273</b>	<b>56,164,521</b>	<b>56,164,519</b>	<b>0.0%</b>

### 3.6.4 Major Projects Implemented

- The commissioning of the Wellington Wastewater Treatment Works from a capacity of 7Ml/d to 16Ml/d to ensure sufficient capacity for new developments and the improvement of effluent quality to the Berg River;
- The commissioning of the Paarl Wastewater Treatment Works biological reactors oxygen transfer to aid in the biological process of biomass and eventually improve the effluent quality to the Berg River;
- Implementation of re-use effluent at the Paarl Wastewater Treatment Works to ensure that the use of potable water for irrigation and construction be reduced and thus contributing positively towards water demand management and water security in the drought period. This project is in the project preparation stage;
- Provision of basic sanitation services to informal settlements where 124 toilets in total were provided to 9 informal settlements; and
- Rehabilitation of the sewer networks in Paarl, Mbekweni and Wellington by method of trenchless technology (i.e. pipe cracking) or conventional open trench pipe replacement.

A total of 3,944m of pipe were replaced in the following areas:

Pipe rehabilitation in Paarl:

- Skool Street;
- Plein Street;
- Riparia Street;
- Upper Long Street;
- Lantana Street (Phase 1);
- Lantana Street (Phase 2);
- Albert Street;
- Jan van Riebeeck Road (Fabrinox);
- Kwikkie Street;
- Loerie Street;
- Rene Street;
- Build it;
- Champagne Street;
- Van der Poels Doordrift; and
- Ribbok Street.

Pipe rehabilitation in Wellington:

- Mossie Street;
- Newton pump station;
- Short Street; and

- Kriel Street.

Pipe rehabilitation in Mbekweni:

- Jabulani Street

Non-return Valves (NRVs) were installed in Carsten Street, Wellington, and Retief Street in Paarl, in order to prevent the backflow of sewage into residential dwellings in the event of a sewage overflow or blockage on the main sewer line.

### 3.6.5 Operating Expenditure

Waste water (sanitation) services, as an economic service, generated an operating deficit of R23.4 million for the 2018/19 financial year. The deficit is subsidised by the surpluses of trading services.

**Table 40: Operating Revenue and Expenditure: Waste Water (Sanitation) Services**

Operating Revenue and Expenditure: Waste Water (Sanitation) Services						
Serial No.	Description	2017/18 Actual Results	2018/19			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	(106,890,350)	(166,421,533)	(148,344,043)	(148,867,038)	0.4%
<b>2</b>	<b>Total Operating Revenue</b>	<b>(106,890,350)</b>	<b>(166,421,533)</b>	<b>(148,344,043)</b>	<b>(148,867,038)</b>	<b>0.4%</b>
3	Employee Related Costs	26,568,368	38,367,081	37,564,428	38,367,081	-2.1%
4	Impairment Losses on Financial Assets	1,645,949	8,173,994	2,704,697	8,173,994	-202.2%
5	Interest Paid	30,724,535	33,845,679	35,662,821	33,845,679	5.1%
6	Contracted Services	13,021,038	10,761,161	10,985,395	10,761,161	2.0%
7	Depreciation and Provisions	22,836,969	19,395,185	26,881,258	19,395,185	27.8%
8	Inventory	1,713,979	3,415,667	2,370,878	3,415,667	-44.1%
9	Operational Costs	40,524,910	58,374,516	61,190,479	58,374,516	4.6%
<b>10</b>	<b>Total Operating Expenditure</b>	<b>137,035,748</b>	<b>172,333,283</b>	<b>177,359,956</b>	<b>172,333,283</b>	<b>2.8%</b>
<b>11</b>	<b>Operating (Surplus) / Deficit</b>	<b>30,145,398</b>	<b>5,911,750</b>	<b>29,015,913</b>	<b>23,466,245</b>	<b>-19.1%</b>

### 3.6.6 Employee Statistics

The Waste Water (Sanitation) Services Section has 193 posts on the organisational structure approved by Council on 31 May 2018 of which 60 posts are frozen and 133 posts funded at year-end. The section had 120 filled and 13 vacant posts at year-end, resulting in a 9.8% vacancy rate.

**Table 41: Employees - Waste Water (Sanitation) Services**

Employees: Waste Water (Sanitation) Services								
Serial No.	Job Level	2017/18	2018/19					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	1	3	0	3	3	0	0.0%
3	T12 - T14	7	14	6	8	7	1	12.5%
4	T09 - T11	4	11	4	7	5	2	28.6%
5	T06 - T08	28	53	18	35	31	4	11.4%
6	T03 - T05	81	112	32	80	74	6	7.5%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	<b>Total</b>	<b>121</b>	<b>193</b>	<b>60</b>	<b>133</b>	<b>120</b>	<b>13</b>	<b>9.8%</b>

### 3.7 ELECTRICITY SERVICES

Drakenstein Municipality purchases bulk electricity from Eskom at six main distribution substations at voltages varying from 11.5 kV to 132 kV and with a NMD (Notified maximum demand) of 180 MVA.

Reticulation to Drakenstein Municipal consumers are at 11,500 or 400 volt mains.

The Department Electro-Technical Engineering is divided into three divisions namely:

- Operations and Maintenance: Operate and to maintain the power network;
- Planning, Design and Construction: Planning, design and construction of power networks; and
- Energy Management and Control: Functions relating to energy efficiency.

Drakenstein supplies consumers within the borders of the demarcated municipal area. Saron, Hermon and Gouda and a few farmlands in the Wellington area are supplied by Eskom.

#### 3.7.1 Service Statistics

The table below depicts the number of electricity meter connections to households that Drakenstein Municipality supplies electricity to. It needs to be noted that the exact number of households (backyarders included) on a metered erf is not known. The electricity meter connections show a slight increase from year to year. Households with no electricity connections are slowly but surely decreasing from year to year and at the end of the year under review 3,027 households (6.3%) in informal settlements had no access to electricity within Drakenstein's electricity distribution area.

Drakenstein does not supply electricity in Saron, Gouda, Herman and portions of the rural farming areas. Eskom has the electricity distribution licence to sell electricity in these areas. The exact number of households that Eskom supply electricity to, are unknown.

**Table 42: Electricity Service Delivery Levels**

Electricity Service Delivery Levels			
Electricity Connections			
Description	2016/17	2017/18	2018/19
	Actual No.	Actual No.	Actual No.
Electricity – conventional (min. service level)	7,533	7,554	7,177
Electricity – prepaid (min. service level)	35,380	36,266	37,181
<b>Sub-Total: Minimum service level and above</b>	<b>42,913</b>	<b>43,820</b>	<b>44,358</b>
Electricity (< min. service level)	0	0	0
Electricity – prepaid (<min. service level)	3,502	3,220	3,027
Other energy sources	0	0	0
Below minimum service level sub-total	0	0	0
<b>Total number of households</b>	<b>46,415</b>	<b>47,040</b>	<b>*47,385</b>
Minimum service level and above percentage	92.5%	93.2%	93.6%
Below minimum service level percentage	7.5%	6.8%	6.3%

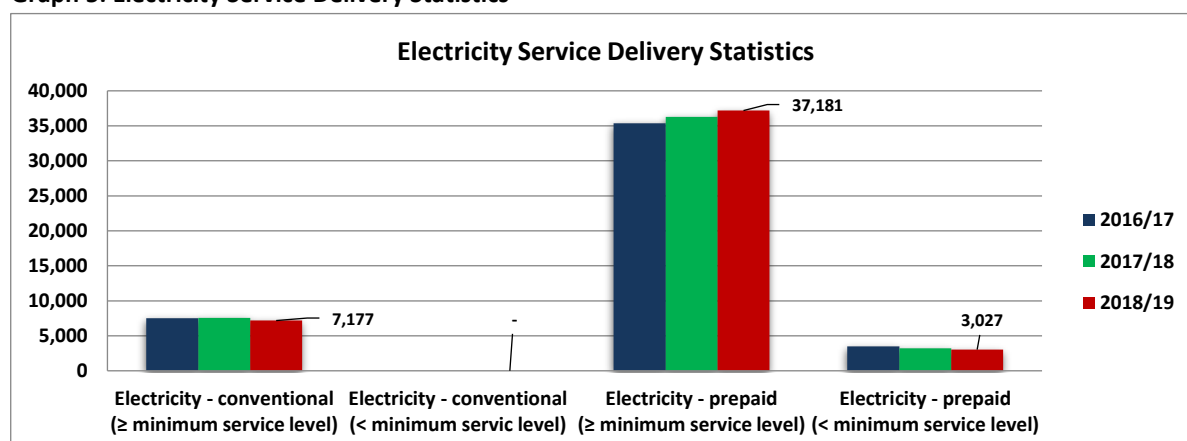
*Note: Estimated figures of Eskom electricity provision within Drakenstein is unknown.*

*\*STATSSA 2016 Community Survey indicated that there were 71,686 households in Drakenstein.*

The STATSSA 2016 Community Survey does not provide any information on households with access to electricity services.

The same statistics as in the table above are depicted in the graph below. It is clear that the vast majority of electricity connections are through pre-paid electricity connections.

**Graph 5: Electricity Service Delivery Statistics**



From the table below it is clear that 3,027 households (50.4%) in informal settlements do not have access to electricity. Drakenstein Municipality has budgeted more than R25 million of its own funds for the 2018/19 financial year to eradicate these backlogs due to the fact that the

INEP grant allocations do not suffice to eradicate backlogs and to cater for new low cost housing projects.

Within formal settlements, there are 41,386 electricity meter connections (100.0%) providing an electricity service to households at the minimum electricity service level.

**Table 43: Electricity Service Delivery Levels below the minimum - Formal & Informal Settlements**

Electricity Service Delivery Levels below the minimum			
Formal & Informal Settlements			
Description	2016/17	2017/18	2018/19
	Actual No.	Actual No.	Actual No.
<b>Formal Settlements</b>			
Formal households with electricity	41,242	41,867	41,386
Formal households without electricity	0	0	0
<b>Totals: Formal households</b>	<b>41,242</b>	<b>41,867</b>	<b>41,386</b>
Formal households with minimum and above service level	100.0%	100.0%	100.0%
Formal households below minimum service level	0.0%	0.0%	0.0%
<b>Informal Settlements</b>			
Informal households with electricity	1,671	1,953	2,972
Informal households without electricity	3,502	3,220	3,027
<b>Total: Informal households</b>	<b>5,173</b>	<b>5,173</b>	<b>5,999</b>
Informal households with minimum and above service level	32.3%	37.3%	49.5%
Informal households below minimum service level	67.7%	62.2%	50.4%

### 3.7.2 Service Delivery Levels

Service delivery levels are required to be performed within time limits as set by NRS 047.

To facilitate the process, the Electro-Technical Services Division has a 365 days, 24 hour Call Centre facility. This call centre will receive all electricity and other emergency type of calls from the public and initiate the required actions required to remedy the complaints.

In addition the Control Centre will initiate a SMS information service to affected wards within the municipal area where service repairs will be affected for periods longer than 30 minutes. Social media messages on a Facebook site are used as an additional information platform during prolonged incidents.

### 3.7.3 Capital Expenditure

The Electricity Services Section spent R155.168 million on an adjustments budget of R136.4 million or 113.8% of the final adjustments budget on electricity infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

**Table 44: Capital Expenditure 2018/19 - Electricity Services**

Capital Expenditure 2018/19: Electricity Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Replace existing 66kv cables	70,000,000	72,097,569	72,097,568	0.0%
2	Electrification : Housing Projects	26,369,565	31,809,597	31,809,596	0.0%
3	New Infrastructure Parys Substation	20,000,000	20,439,748	20,439,747	0.0%
4	Parys Fire Station	-	88,568	18,852,869	-21186.3%
5	Refurbish Of Existing Electrical Infrastructure	5,000,000	5,437,293	5,437,292	0.0%
6	MV Networks	-	1,450,089	1,450,088	0.0%
7	LV Networks	-	1,204,935	1,204,933	0.0%
8	N1 Substation 132/66/11kv	7,400,000	1,039,907	1,039,884	0.0%
9	Machinery and Equipment	-	823,505	823,504	0.0%
10	Replace Northern Paarl Feeder Cables	-	800,432	800,432	0.0%
11	Edison Substation	-	696,123	696,122	0.0%
12	Other Capital Projects	700,000	516,574	516,572	0.0%
13	<b>Total Capital Expenditure</b>	<b>129,469,565</b>	<b>136,404,340</b>	<b>155,168,609</b>	<b>-13.8%</b>

### 3.7.4 Major Projects Implemented

- Replace existing 66kV cables: The projects have been completed and signed off;
- Edison Substation: The medium voltage feeder cables to Edison Substation have been installed and are planned to be commissioned by the end of July 2019;
- Refurbish of existing electrical infrastructure: Upgrading of Regent Substation switchgear has been completed and signed off;
- New infrastructure from Parys 66/11 kV Substation to Carolina switch room: Four feeder cables between Parys 66/11 kV Substation and the proposed Carolina switch room has been installed. The proposed Carolina switch room location has been demarcated by the developer for the installation of switchgear. The switchgear will be installed by end of November 2019. The second phase of installing two feeder cables between the proposed Carolina and Boschenmeer switch rooms will commence in the 2019/2020 financial year;
- Electrification housing projects: A total of one thousand and seven (1,007) informal structures have been provided with electricity at a cost of R25.4 million. Network upgrading are phased in over a number of years in order to create spare capacity for future growth in the low cost housing areas. The Vlakkeland formal housing development has commenced with construction of houses and the installation of electrical infrastructure services are in progress; and
- N1 substation 132/66/11 kV: The project is still in the planning phase for the construction of a proposed 132kV overhead line from Eskom Safari 132/66/11 kV substation to the proposed Fraaigelegen 132/66/11 kV substation in order to create spare capacity for future development in the Wemmershoek area.



### 3.7.5 Operating Expenditure

Electricity services, as a trading service, generated an operating surplus of R193.7 million for the 2018/19 financial year. The surplus is used to subsidise operating expenditure of community services that do not generate revenue to sustain themselves.

**Table 45: Operating Revenue and Expenditure: Electricity Services**

Operating Revenue and Expenditure: Electricity Services						
Serial No.	Description	2017/18 Actual Results	2018/19			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	(1,039,890,468)	(1,169,895,986)	(1,121,367,176)	(1,103,935,072)	-1.6%
2	<b>Total Operating Revenue</b>	<b>(1,039,890,468)</b>	<b>(1,169,895,986)</b>	<b>(1,121,367,176)</b>	<b>(1,103,935,072)</b>	<b>-1.6%</b>
3	Employee Related Costs	48,635,700	44,183,502	49,784,961	51,960,721	-4.4%
4	Impairment Losses on Financial Assets	14,900,835	19,585,890	9,792,945	4,701,991	52.0%
5	Interest Paid	42,451,756	53,929,218	56,639,977	53,753,985	5.1%
6	Contracted Services	39,725,248	23,642,518	13,559,370	14,044,273	-3.6%
7	Depreciation and Provisions	40,700,336	49,828,807	49,828,808	41,006,564	17.7%
8	Inventory	1,738,799	4,503,768	9,634,879	9,539,877	1.0%
9	Operational Costs	686,449,749	747,015,698	739,304,523	735,219,483	0.6%
10	<b>Total Operating Expenditure</b>	<b>874,602,423</b>	<b>942,689,401</b>	<b>928,545,463</b>	<b>910,226,893</b>	<b>2.0%</b>
11	<b>Operating (Surplus) / Deficit</b>	<b>(165,288,045)</b>	<b>(227,206,585)</b>	<b>(192,821,713)</b>	<b>(193,708,179)</b>	<b>0.5%</b>

### 3.7.6 Employee Statistics

The Electricity Services Section has 211 posts on the organisational structure approved by Council on 31 May 2018 of which 79 posts are frozen and 133 posts funded at year-end. The section had 113 filled and 20 vacant posts at year-end, resulting in a vacancy rate of 15%.

**Table 46: Employees - Electricity Services**

Employees: Electricity Services								
Serial No.	Job Level	2017/18	2018/19					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	1	0	0	0	0	0	#DIV/0!
2	T15 - T17	4	4	1	4	3	1	25.0%
3	T12 - T14	13	27	10	17	13	4	23.5%
4	T09 - T11	29	49	17	32	30	2	6.3%
5	T06 - T08	32	27	10	17	15	2	11.8%
6	T03 - T05	60	104	41	63	52	11	17.5%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	<b>Total</b>	<b>139</b>	<b>211</b>	<b>79</b>	<b>133</b>	<b>113</b>	<b>20</b>	<b>15.0%</b>

### **3.8 WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL AND RECYCLING)**

Sustainable waste management practises are more than often faced with challenges and need to be reviewed on a continuous basis to address these challenges and mitigate any risks. Waste minimisation and diversion initiatives are key to decrease the amount of waste being disposed at the waste disposal facility in Wellington. The main objective of this section is to manage the waste generated in the municipal area, in compliance to the license conditions of its facilities and the National Norms and Standards.

Public open spaces in high density areas are more than often used as illegal dumping sites. Although basic refuse collection services are delivered in these areas, the increase in informal structures and the presence of backyard dwellers, contribute to waste not being disposed of in the appropriate manner. A lack of environmental, sanitation and waste awareness often influence the way communities manage their waste.

The Wellington Disposal Facility has limited airspace available and methods to extend the lifespan of the facility is currently investigated. A waste characterization study was performed to analyse the municipal waste stream, which will assist in the strategic planning to implement the best suitable plans.

#### **3.8.1 Service Statistics**

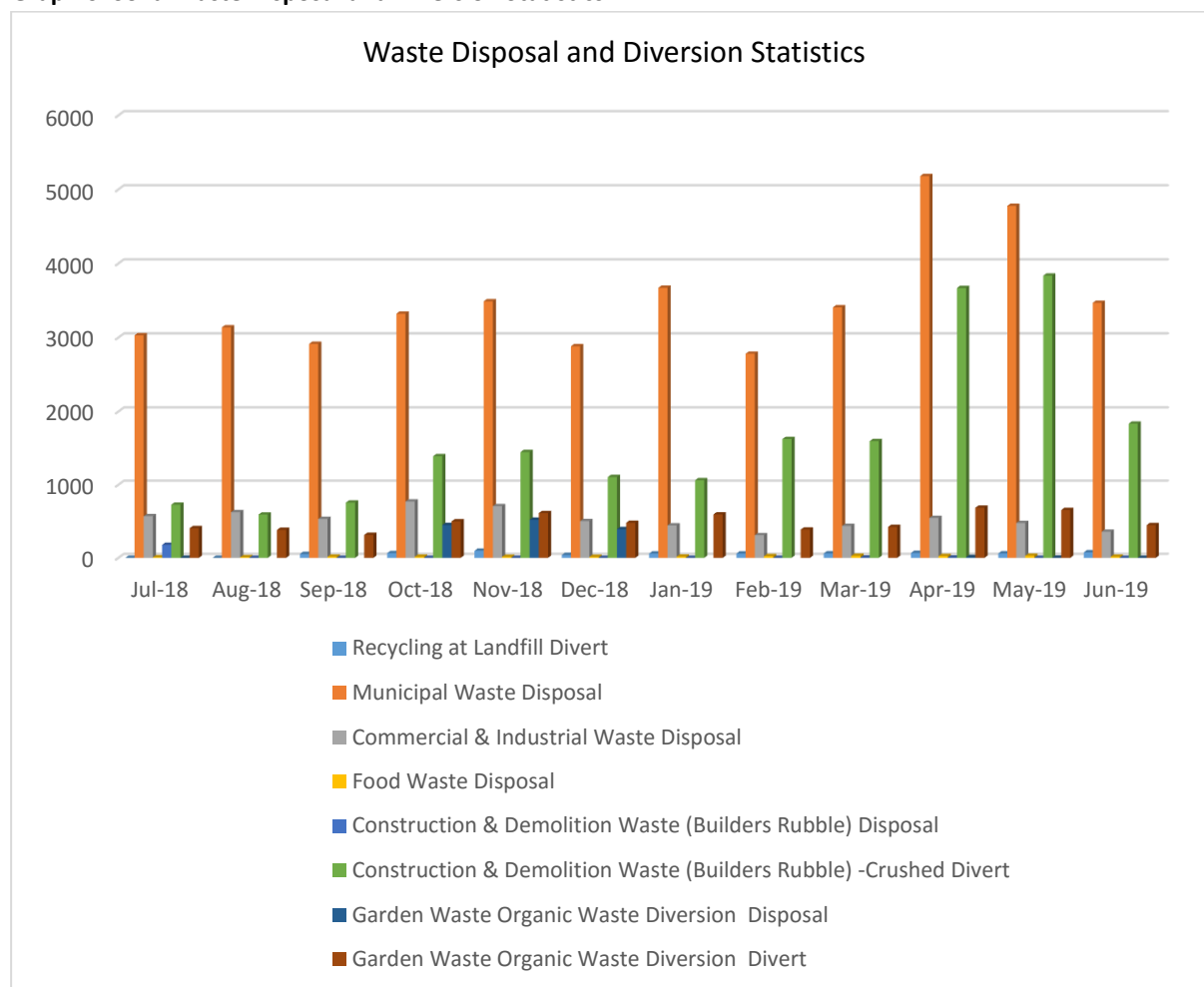
High density areas and informal settlements receive a door-to-door black bag collection service at least once per week. This service is performed by means of the EPWP programme as these areas are often inaccessible to the refuse trucks because of limited space between dwellings, illegal overhead power connections and presence of backyarders. Communal waste skips are also placed in some of these areas, to provide additional disposal facilities to the communities.

Hazardous household waste such as asbestos and fluorescent lighting are collected and stored at the Wellington Disposal Facility, before it is transported and safely disposed of at Vissershok.

A total of 50,093 tonnes of waste was disposed and 26,148 tonnes were diverted from landfill.

Waste disposal and diversion statistics (in tonnes) for the different waste streams, are depicted in the table below:

**Graph 6: Solid Waste Disposal and Diversion Statistics**



### 3.8.2 Service Delivery Levels

The table below indicates that a solid waste removal service (bins and black plastic bags) is rendered at 43,630 service points within Drakenstein. This includes all formal settlements within Paarl, Wellington, Saron, Gouda, Hermon and Simondium as well as the informal settlements. No services are rendered below the minimum service level by the Municipality.

The STATSSA 2016 Community Survey does not provide any information on households with access to solid waste removal services.

**Table 47: Solid Waste Removal Service Delivery Levels**

Solid Waste Removal Service Delivery Levels			
Description	2016/17	2017/18	2018/19
	Actual Number	Actual Number	Actual Number
<b>Solid Waste Removal (Minimum level and above)</b>			
Removed at least once a week (bins)	*34,688	*35,448	*37,631
Removed at least once a week (black bags)	*4,798	*5,186	*5,999
<b>Sub-Total: Minimum service level and above</b>	<b>*39,486</b>	<b>*40,634</b>	<b>*43,630</b>
Minimum service level and above percentage	100%	100%	100%
<b>Solid Waste Removal: (Below minimum level)</b>			
Removed at least once a week	0	0	0
Removed less frequently than once a week	0	0	0
No rubbish disposal	0	0	0
<b>Sub-Total: Below minimum service level</b>	<b>0</b>	<b>0</b>	
Below minimum service level percentage	0%	0%	0%
<b>Total number of household service points</b>	<b>*39,486</b>	<b>*40,634</b>	<b>*43,630</b>

\*Indicating service points

### 3.8.3 Capital Expenditure

The Waste Management Services Section spent R3.086 million or 100% of the final adjustments budget on waste management infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

**Table 48: Capital Expenditure 2017/18 - Waste Management (Refuse Collection, Waste Disposal and Recycling)**

Capital Expenditure 2018/19: Waste Management (Refuse Collection, Waste Disposal and Recycling)					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Wheelie Bins	-	2,269,189	2,269,188	0.0%
2	Equipment General Skips	-	248,662	248,662	0.0%
3	Mini Drop Off Facilities	-	193,304	193,304	0.0%
4	Street Refuse Bins	-	190,000	190,000	0.0%
5	Construction of the Wellington Landfill Site	3,000,000	185,637	185,637	0.0%
6	<b>Total Capital Expenditure</b>	<b>3,000,000</b>	<b>3,086,792</b>	<b>3,086,791</b>	<b>0.0%</b>

### 3.8.4 Major Projects Implemented

#### Capital Projects:

- Three (3) mini drop-off facilities were built on the open space adjacent to the R301 in Mbekweni, to provide an area where the public can drop-off excess waste. This area used

to be a hotspot for illegal dumping. The overall cleanliness of the area has improved since the construction of these facilities; and

- Polywood pavement bins were purchased and placed throughout the municipal area. These bins make provision for the separation of recyclable (dry) waste and non-recyclable (wet) waste.

#### Operational Projects:

- The separation-at-source programme has been extended to the remaining formal housing areas in Wellington, as well as a portion of Mbekweni;
- Schools, businesses and farms are continuously embarking on waste minimisation projects with assistance of the Solid Waste Section;
- A topographical survey was performed at the Wellington landfill site during late 2018 to determine the current levels of the waste body. The current height restriction of 12 m has not been reached yet. The available airspace calculated from the latest survey done up to 12 m height, is 303,604 m<sup>3</sup> (November 2018). Current available airspace (30 April 2019) is 221,309.69 m<sup>3</sup>. Using the actual airspace consumed between the two latest topographical surveys (which includes cover material) and an annual growth rate of 2.56% as per STATSSA in line with population growth, the available airspace up to 12 m height will be consumed by August 2020;
- Fifty (50) informal jobs were created by accommodating former informal collectors at the waste disposal facility and Material Recovery Facility. Recyclable material which is dropped off at the facilities as well as those separately collected from households, is sorted and baled by these beneficiaries. The success of this project/initiative resulted in Drakenstein being invited by other municipalities to assist them with illegal scavengers on their landfill sites. The highlight of the project is the nomination of Drakenstein as a finalist in the category for municipal initiatives, in a competition run by Petco. Drakenstein was awarded as the winner of this category;
- Green waste has been chipped and transported to a licensed composting facility. Some of the well decomposed green waste is locally used in a pilot project for the organic farming of herbs; and
- Crushed builder's rubble is being used on internal roads at the disposal facility and as covering material.

### **3.8.5 Operating Expenditure**

Solid waste services, as an economic service, generated an operating surplus of R19.6 million for the 2018/19 financial year. The deficit is subsidised through the surpluses generated by trading services.

**Table 49: Operating Revenue and Expenditure: Solid Waste Removal Services**

Operating Revenue and Expenditure: Solid Waste Removal Services						
Serial No.	Description	2017/18 Actual Results	2018/19			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	(127,445,076)	(154,304,382)	(148,294,067)	(146,515,599)	-1.2%
2	<b>Total Operating Revenue</b>	<b>(127,445,076)</b>	<b>(154,304,382)</b>	<b>(148,294,067)</b>	<b>(146,515,599)</b>	<b>-1.2%</b>
3	Employee Related Costs	52,642,362	37,379,986	30,485,181	31,000,745	-1.7%
4	Impairment Losses on Financial Assets	2,800,551	620,226	3,903,815	13,376,305	-242.6%
5	Interest Paid	4,940,289	5,459,887	5,734,332	5,442,146	5.1%
6	Contracted Services	10,139,068	18,945,452	9,645,057	9,216,180	4.4%
7	Depreciation and Provisions	5,413,751	5,621,478	5,621,482	7,318,004	-30.2%
8	Inventory	1,182,578	1,402,665	2,582,586	2,303,458	10.8%
9	Operational Costs	58,869,972	80,561,525	74,523,191	58,242,990	21.8%
10	<b>Total Operating Expenditure</b>	<b>135,988,570</b>	<b>149,991,219</b>	<b>132,495,644</b>	<b>126,899,828</b>	<b>4.2%</b>
11	<b>Operating (Surplus) / Deficit</b>	<b>8,543,494</b>	<b>(4,313,163)</b>	<b>(15,798,423)</b>	<b>(19,615,771)</b>	<b>24.2%</b>

### 3.8.6 Employee Statistics

The Waste Management (Refuse Collection, Waste Disposal and Recycling) Services Section has 338 posts on the organisational structure approved by Council on 31 May 2018 of which 174 posts are frozen and 164 posts funded at year-end. The section had 138 filled and 26 vacant posts at year-end, resulting in a vacancy rate of 15.9%.

**Table 50: Employees - Waste Management (Refuse Collection, Waste Disposal and Recycling)**

Employees: Waste Management (Refuse Collection, Waste Disposal and Recycling)								
Serial No.	Job Level	2017/18	2018/19					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	2	2	0	2	1	1	50.0%
3	T12 - T14	0	6	5	1	1	0	0.0%
4	T09 - T11	2	24	17	7	6	1	14.3%
5	T06 - T08	3	56	25	31	23	8	25.8%
6	T03 - T05	151	250	127	123	107	16	13.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	<b>Total</b>	<b>158</b>	<b>338</b>	<b>174</b>	<b>164</b>	<b>138</b>	<b>26</b>	<b>15.9%</b>

### **3.9 HOUSING**

The Housing and Human Settlements Division of the Municipality is located in the Department: Community Development. It consist of two sections, namely Housing Projects and Technical Support Services and Rental Stock and Housing Demand and Operations.

#### **3.9.1 Housing Projects**

The Housing Projects section is primarily responsible for the development of new housing opportunities, facilitate social and affordable housing and the upgrade of informal settlements with the ultimate aim to formalise these settlements.

The target for the year was the delivery of 300 opportunities (inclusive of providing access to services, top structures and temporary housing structures).

Achievements/important events during the year include:

- Over 500 sites and 300 houses were under construction at the Vlakkeland Catalytic Housing Development at the end of the financial year. Poor weather conditions unfortunately caused delays to any handover of houses taking place during the 2018/2019 financial year and had to be postponed to the new financial year;
- Commencement with the planning for the upgrade of 11 informal settlements;
- Commencement of the last civil works at the Lantana Development after being delayed for almost two years due to structures in the way of construction. It is anticipated that the civils will be completed toward the end of August 2019 (in new financial year) after which the last 25 houses as part of the informal settlement upgrade will be implemented;
- Handover of over 275 title deeds to beneficiaries of different housing projects;
- 56 sites serviced were developed at the Schoongezicht Housing Development with a further 22 under construction at the end of the financial year with completion envisaged toward September 2019. The balance of the site to be serviced during the 2019/2020 financial year; and
- Three housing roadshows were hosted during the year: These roadshows mostly focused on beneficiaries of the Vlakkeland Housing Project. The Municipality also introduced housing summits during the year. The summits were introduced to allow communities a platform to engage the Municipality on only housing related matters. Follow up sessions are planned for the new financial year.

### 3.9.2 Housing Administration

The Housing Administration Section is responsible for the management and maintenance of over 3,000 rental units, the management of the housing demand data base (i.e. the waiting list for housing opportunities) and maintenance of basic services to informal settlements.

During the financial year, the section undertook upgrading maintenance and repairs to municipal rental stock (installation of steel staircases, replacement of stair rails and painting of flats) in wards 5, 20, 21, 24, 25, 26 and 27.

The following projects were successfully completed.

**Table 51: Housing Projects - Management and Maintenance**

Projects	Comments
Grysbok Fire Disaster (9 December 2017)	<ul style="list-style-type: none"><li>• Cleaning of the area, relocation of 14 tenants and their families to the chalets at New Orleans Park;</li><li>• Relocation of informal settlement residents at Spooky Square to the Paarl Multi-Purpose Centre; and</li><li>• Erection of 42 temporary structures for the fire victims as well as relocating them back to the site.</li></ul>
Blouhuis relocation	<ul style="list-style-type: none"><li>• Interim relocation of the 44 evicted families affecting over 150 persons to municipal recreation site, New Orleans Park on 11 April 2018. Emergency housing is to be provided during the 2018/19 financial year.</li></ul>

### Challenges

- Housing Demand for 19,883 low cost houses;
- Forty one (41) informal settlements comprising of 5,999 structures and housing an estimated 10,846 people;
- High Rate of eviction applications;
- Sustainable provision of quality basic services to informal settlement needs to be prioritised and funding secured;
- Vandalism and theft of basic services infrastructure in the informal settlements; and
- Gang violence and crime is increasing daily and workers are threatened when performing their duties.

### 3.9.3 Rental Stock and Support Service Division

The Rental Stock and Support Services Division are located in the Community Services Department.

The Rental Stock and Support Services Section is responsible for the management and maintenance of over 3,000 rental units, the management of the housing demand data base



(i.e. the waiting list for housing opportunities), management of informal settlements and evictions and emergency housing management.

During the financial year, the section undertook upgrading maintenance and repairs to municipal rental stock (installation of steel staircases, replacement of stair rails, and painting of flats) in various wards.

The following projects were successfully completed.

**Table 52: Rental Housing Projects – Management, Maintenance and Upgrading of Rental Stock**

Rental Housing Projects – Management, Maintenance and Upgrading of Rental Stock			
Area	Wards	Estimated Cost R`000	Comments
Project – Replacement of four existing concrete stairs to steel stairs structures			
Klein Nederburg			
14A Disa Street	25	170,0000	Completed
5F Wisteria Street, 4F Daphne Street & 6A Daphne Street	20		
Chicago area – Double storey units			
60A Springbok Street, 60 F Springbok Street	24	170,0000	Completed
44A Springbok Street, 46A Springbok Street			
Chicago area – Triple storey units			
Gemsbok Flats – Block A – E	24	165,000	Completed
Rietbok Flats – Block A –B	21		
Kudu Flats – Block A – B			
Project - Installation of ceramic floor tiles in housing schemes: Kitchen lounge and lobbies			
Chicago area – 10 units	21,22 & 24	158,000	Completed
Klein Nederburg – 10 units	20		
Blommedal Flats – 10 units	19	158,000	Completed
Solomon Flats – 10 units	26		
Kiewiet Flats – 10 units	26		
Loerie Flats – 10 units	27		
Project - Installation of ceilings in housing schemes: Kitchen lounge and bedroom			
Chicago area – 15 units	21,22,24	188,000	Completed
Klein Nederburg Area – 15 units	20,25,26,27	188,000	Completed
Build of fire walls and repair work			
Build of Fire walls at Blommedal Flats Block A – H	19	120,000,00	Completed
Repairwork at Mimosa Flats block A & B			
Installation of lean-tos above outside doors			
Klein Nederburg & Chicago area			
Oleander Street, Bauhinia Street, Wisteria Street, Plumbago Street	20	165,000	Completed
48 C Springbok Street & 67 D Springbok Street	24		
Project - Replacement of roof sheets:			

Rental Housing Projects – Management, Maintenance and Upgrading of Rental Stock			
Area	Wards	Estimated Cost R`000	Comments
<b>Construct overhangs sprockets with PVC fascias, gutters and downpipes</b>			
<b>Klein Nederburg area</b>			
Disa Street Block 18	25	175,000,00	Completed
<b>Project – replacement of steel window frames with aluminium frames</b>			
Disa Street, Block 18	25	126,800,00	Completed
<b>Project – Plaster of outside walls</b>			
Disa Street, Block 18	25	166,000,00	Completed
<b>Total estimate cost for material and labour</b>			<b>1 ,949 800,00</b>

## Challenges

- Increasing demand for housing versus funding available;
- Increasing and growth of informal settlements and the pressure on providing access to basic services;
- High Rate of eviction applications;
- Vandalism and theft of basic services infrastructure in the informal settlements; and
- Gang violence and crime is increasing daily and workers are threatened when performing their duties.

### 3.9.4 Housing Pipeline

Annually, a pipeline of projects is presented to the Mayoral Committee for approval. These projects are then submitted to the Provincial Department of Human Settlements, who in turn link it to a business plan. The business plan for the 2018/19 financial year is indicated in the table below.

**Table 53: Housing Pipeline Projects**

Housing Pipeline Projects		
Project	Description	Progress for 2018/19
Vlakkeland Housing Development	Development of 2,556 housing opportunities in phases over multiple financial years.	Over 500 sites serviced and 300 houses under construction. Due to inclement weather, planned house handovers could not take place and was postponed into the 2019/20 financial year.
Chester Williams (139 opportunities)	Upgrade of informal settlement.	Feasibility planning in process.
Lovers Lane (168 opportunities)	Upgrade of informal settlement.	Feasibility planning in process.
Dignified Informal Sites (360 opportunities)	Upgrade of 12 informal settlements.	Feasibility planning in process.

Housing Pipeline Projects		
Project	Description	Progress for 2018/19
Paarl East IRDP Project	Greenfields development catering for 538 opportunities.	Project Feasibility report submitted to Provincial Human Settlements during March 2019. Request for Environmental authorisation in process.
Simondium	Development of 1,033 opportunities.	Preliminary and Feasibility planning commenced and land acquisition negotiations to secure private property to form part of the Simondium Development were at an advanced stage at the end of the financial year.
Erf 557	Council approved proposed mixed development to cater for 500 opportunities.	Project initiation document submitted to Provincial Human Settlements. Outcome of application still awaited.
Title Deed Restoration Project	Address the historical backlog of title deeds within Drakenstein.	Major impact during the year with over 300 title deeds registered.

### 3.9.5 Housing Statistics

The following services were successfully rendered in the Department Rental Stock and Support Services Division.

**Table 54: Housing Statistics**

Housing Statistics		
Description	Totals	Remarks
New applications captured on the WCHDDb	718	Daily capturing of new applications within 5 days.
Number of cancelled applications	15,740	Cancelled application involves persons who did not update their information when required.
Number of persons assisted	5,920	The number of persons assisted with housing opportunities.
Number of active persons on the waiting list	19,883	Active persons refer to persons who updated their information during the course of the year.
Total number of persons on the demand database	41,543	The total number of persons on the demand database (waiting list), including the active, cancelled and assisted.
Housing allocations	8	New allocations to Council rental units – next qualified applicants on the waiting list.
Transfers of rental units	85	Successfully attended to in cases where the tenant passed on, etc.
Exchanges	2	Tenants agreements and medical reasons.
Deed of sales signed by beneficiaries/tenants	13	Council saleable units – Mbekweni & Wellington area.
Renewal of lease agreements	590	Annual renewals.

Housing Statistics		
Description	Totals	Remarks
Issue of starter kits for fire victims	168	Informal structures were destroyed during a fire.

### 3.9.6 Evictions

Drakenstein Municipality has over 2,400 farms/agricultural allotments and, as a result, experience an abnormal high rate of farm evictions, causing it to become one of the national hotspots in the country.

#### 3.9.6.1 *Summary of Prevention of Illegal Eviction and Unlawful Occupation of Land (PIE) Data Base*

- Total cases registered = 640;
- Total cases finalised = 355;
- Total cases pending in courts = 272; and
- Total notices issued = 9

#### 3.9.6.2 *Summary of Finalised Cases*

- Total court orders = 226;
- Order through settlement = 69; and
- Struck off court roll = 60

#### 3.9.6.3 *Summary of Extension of Security of Tenure Act (ESTA) Data Base*

- Total cases registered = 516;
- Total cases finalised = 202;
- Total cases pending in courts = 158; and
- Total notices issued = 156

#### 3.9.6.4 *Summary of Finalised Cases*

- Total eviction orders granted = 134;
- Cases withdrew = 20;
- Struck off court roll = 32; and
- No court orders made = 16

In April 2018 two facilitators were appointed on a 12 month contract by the Human Settlements Department (DHS) via funding allocated by DHS to undertake socio-economic surveys in all pending cases in progress to ensure better planning in provisioning of emergency housing for

potential evictees. A draft report was submitted to Senior Manager: Human Settlements on 26 June 2018.

### 3.9.7 Capital Expenditure

The Housing Services Section spent R29.737 million or 79.6% of the final adjustments budget on bulk and internal infrastructure projects needed for housing projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

**Table 55: Capital Expenditure 2018/19 - Housing Services**

Capital Expenditure 2018/19: Housing Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Vlakkeland Intersection Upgrade	-	10,462,035	10,021,883	4.2%
2	Vlakkeland Electricity	-	10,045,637	9,925,806	1.2%
3	Buildings Erection of New Offices in Paarl East	10,000,000	8,547,795	8,547,793	0.0%
4	Vlakkeland Civil Services	-	7,965,163	2,153,145	73.0%
5	Schoongezicht Housing Project	-	6,954,957	3,565,623	48.7%
6	Aprons Around Flats	5,000,000	1,713,490	1,713,490	0.0%
7	Basic Services: Lantana Housing Project	-	1,589,438	1,506,639	5.2%
8	Emergency Housing Units (Nutec)	-	846,123	846,122	0.0%
9	Upgrading Own Rental Stock	1,800,000	439,224	439,223	0.0%
10	Other Capital Projects	-	127,699	17,334	86.4%
<b>11</b>	<b>Total Capital Expenditure</b>	<b>16,800,000</b>	<b>48,691,561</b>	<b>38,737,059</b>	<b>20.4%</b>

### 3.9.8 Operating Expenditure

Housing services, a Schedule 4 of the Constitution of the Republic of South Africa functional area of concurrent national and provincial legislative competence, generated an operating deficit of R47.2 million for the 2018/19 financial year. The deficit is subsidised through surpluses of trading services. It remains an underfunded mandate from National and Provincial Government.

**Table 56: Operating Revenue and Expenditure: Housing Services**

Operating Revenue and Expenditure: Housing Services						
Serial No.	Description	2017/18 Actual Results	2018/19			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	(54,487,169)	-131,430,200	-146,112,297	-59,487,381	-59.3%
2	<b>Total Operating Revenue</b>	<b>(54,487,169)</b>	<b>-131,430,200</b>	<b>-146,112,297</b>	<b>-59,487,381</b>	<b>-59.3%</b>
3	Employee Related Costs	20,136,229	19,597,629	20,521,255	43,999,780	-114.4%
4	Impairment Losses on Financial Assets	10,919,388	-	550,000	-333,883	160.7%
5	Interest Paid	3,492,037	3,859,318	4,053,309	3,846,778	5.1%
6	Contracted Services	12,762,034	120,094,017	90,564,646	16,300,211	82.0%
7	Depreciation and Provisions	29,165,284	11,669,733	11,670,734	27,620,042	-136.7%
8	Inventory	424,056	221,814	2,375,947	2,101,131	11.6%
9	Operational Costs	7,917,161	30,993,625	21,768,462	13,185,779	39.4%
10	<b>Total Operating Expenditure</b>	<b>84,816,189</b>	<b>186,436,136</b>	<b>151,504,353</b>	<b>106,719,838</b>	<b>29.6%</b>
11	<b>Operating (Surplus) / Deficit</b>	<b>30,329,020</b>	<b>55,005,936</b>	<b>5,392,056</b>	<b>47,232,457</b>	<b>776.0%</b>

### 3.9.9 Employee Statistics

The Housing Services Section has 141 posts on the organisational structure approved by Council on 31 May 2018 of which 57 posts are frozen and 84 posts funded at year-end. The section had 69 filled and 15 vacant posts at year-end, realising a vacancy rate of 17.9%.

**Table 57: Employees - Housing Services**

Employees: Housing Services (Housing Projects and Rental Stock)								
Serial No.	Job Level	2017/18	2018/19					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	5	7	3	4	3	1	25.0%
3	T12 - T14	3	4	1	3	3	0	0.0%
4	T09 - T11	14	30	15	15	13	2	13.3%
5	T06 - T08	17	47	22	25	22	3	12.0%
6	T03 - T05	37	53	16	37	28	9	24.3%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	<b>Total</b>	<b>76</b>	<b>141</b>	<b>57</b>	<b>84</b>	<b>69</b>	<b>15</b>	<b>17.9%</b>

### 3.10 FREE BASIC SERVICES AND INDIGENT SUPPORT

The provision of free basic services in Drakenstein Municipality is regulated by the Customer Care, Credit Control, Debt Collection and Indigent Support Policy. The free basic services are

funded through the Equitable Share allocation to the Municipality in the Division of Revenue Act. The free basic services are provided to consumers based on qualifying criteria set out in the Customer Care, Credit Control, Debt Collection and Indigent Support Policy. This criteria is reviewed annually to enable the provision of free basic services to all consumers who are eligible. For the 2018/19 financial year the free basic services were provided to qualifying pensioners and disabled persons earning less than two times the state grant plus 20%, to all unemployed consumers and to employed consumers earning less than R4,250 per month.

### 3.10.1 Access to free basic services

Until February 2017 all consumers in Drakenstein Municipality received 6 kl of water free per month. This practise was changed by Council as a result of the drought conditions where only the qualifying indigent consumers are provided with 6 kl of free water per month. In addition to the free water, all indigent consumers on a monthly basis receive 100 units of free electricity, free refuse removal service, free sanitation services and free property rates to the extent of the value of the service.

### 3.10.2 Free basic services per basic service

The statistics of the free basic services delivered per service to consumers for the 2018/19 are depicted in the table below. Notable is that Drakenstein provided free services to the amount of R161.2 million compared with the R137.5 million equitable share received from the National Fiscus during the year under review. An overspending of R23.7 million occurred during the 2018/19 financial year, resulting in the subsidisation of indigent consumers by other rate payers of the Municipality. This type of practise is not financially sustainable, and the indigent policy principles for the 2019/20 financial year has been revised to allow for spending within the allocated equitable share grant.

**Table 58: Free basic services delivered per service**

Free basic services delivered per service					
Serial No.	Service	2017/18		2018/19	
		Number of Consumers	Rand Value Provided	Number of Consumers	Rand Value Provided
Column Ref.	A	B	C	D	E
1	Property Rates and Rentals	9,233	30,282,021	9,585	34,575,604
2	Refuse Removal and Sanitation	19,030	48,752,435	19,805	58,082,312
3	Water	19,030	10,671,680	19,805	16,337,878
4	Electricity	18,860	39,861,600	19,179	52,278,593
5	<b>TOTAL</b>		<b>129,567,736</b>		<b>161,274,387</b>

## COMPONENT C: ROAD TRANSPORT

### 3.11 ROADS AND STORMWATER

In accordance with the principles of Key Performance Area 4: Physical Infrastructure and Services as well as Key Focus Area 26 relating to Transport, Traffic Engineering, Roads and Stormwater, the activities of this section focuses on the development and maintenance of infrastructure for the conveyance of people and goods in all its forms. Further functions include the installation and maintenance of regulatory items to effectively safeguard residents and users of the infrastructure as well as the maintenance and installation of infrastructure to mitigate risk resulting from adverse weather conditions.

#### 3.11.1 Transport

At present the main means of public transport are minibus taxis for local commuting and train and bus for long distance travel.

#### 3.11.2 Traffic Engineering

The Traffic Engineering Section is responsible for the maintenance of all traffic light installations, traffic signage, road markings as well as directional and tourism signage as may be required.

Planning for the installation of additional traffic signals at crucial problematic intersections is done on a continuous basis to be implemented as the provision of the required budget is affected. On provincial roads, the installation of traffic signals is done in collaboration with the Provincial Department of Transport.

The section also determines whether traffic calming installations are warranted and installs the infrastructure as determined in accordance with available budget.

The section performed very well during the year. In total approximately 20,125 square metres of general road markings were maintained in Paarl; 48 raised intersections; 338 pedestrian crossings were constructed; 518 speed bumps were installed; 266 intersections; 986 parking spaces, 1058 stop signs; 352 yield signs.

#### 3.11.3 Roads

The function of the roads section is to attend to the upgrade of the existing roads and streets, to extend and improve the network, and maintain all classes of roads.



The Pavement Management System has been upgraded and is utilised to determine the required actions in preventative maintenance of the network in order to reduce the need for major reconstruction of streets. Where reconstruction of streets is required, the planning is done timeously to inform future budgets, also in accordance with the Pavement Management System.

Provincial main roads are maintained and upgraded in collaboration with the Provincial Department of Transport whereby that department provides 80% of funding required.

The Integrated Transport Plan (ITP) through which planning for the development of the road network is done, must be updated to make provision for future road development planning in support of the various levels of development in accordance with the Spatial Development Framework. The revision of the ITP will be attended to in the 2019/20 financial year.

### **3.11.3.1 Roads Statistics**

The upgrading of the Berg River Boulevard North to a dual carriageway road was completed during December 2018. A total of 2,383 meters of streets were resealed; 6,291 potholes were repaired; and 20,121.4 m<sup>2</sup> of tarring work was done.

The Roads Section performed very well during the year. Upgrading of old historic roads which had deteriorated to a very bad state was upgraded to paved roads by internal work teams. In Saron approximately 2 km of gravel road was upgraded to a paved standard in phase 2 of the project through the application of EPWP principles utilising a private contractor through the tender system.

**Table 59: Gravel Road Infrastructure**

<b>Gravel Road Infrastructure</b>				
<b>Kilometres</b>				
<b>Year</b>	<b>Total Gravel Roads</b>	<b>New Gravel Roads Constructed</b>	<b>Gravel Roads Upgraded to Tar Roads</b>	<b>Gravel Roads Graded / Maintained</b>
2016/17	41.25	0.00	2.00	39.25
2017/18	38.85	0.00	2.60	38.85
2018/19	38.85	0.00	2.00	36.85

**Table 60: Asphalted Road Infrastructure**

Asphalted Road Infrastructure					
Kilometres					
Year	Total Asphalted roads	New Asphalt roads	Existing Asphalt Roads Re-asphalted	Existing Asphalt Roads Re-sheeted	Asphalt Roads Maintained
2016/17	507.77	0.00	0.30	22.50	507.77
2017/18	507.77	0.00	0.40	10.06	507.77
2018/19	507.77	0.00	0.00	2.38	507.77

### 3.11.4 Stormwater Drainage

The Stormwater Section is responsible for the maintenance of the storm water network, including all pipelines ( $\pm 350$  km), manholes, catch pits and rivers and streams ( $\pm 40$  km).

Within the budgetary constraints, the system must be kept free of obstructions in order to mitigate possible flooding during high intensity downpours. Drought situations, as was experienced, exacerbated the problem of blocked drains in that normal scouring of the dust and sand inevitably entering the system does not take place. The section endeavours to clean the complete system at least twice annually, with quarterly actions at known hotspots. Irresponsible littering is a major cause of blocked drains.

#### 3.11.4.1 Stormwater Statistics

Upgrading of the aging pipe stormwater system is required in many instances. Where pipes have deteriorated to such an extent that they need replacing, the upgrading is done by slip-lining the pipelines instead of replacing the pipelines. This work is done in situ with no need for excavation, thereby reducing the negative effect of construction work on the residents and their movements. The cost of this method is dramatically less than conventional replacement of pipes, thereby enabling more rehabilitation work within the limited budget available.

No slip-lining of pipelines of varying diameters were instigated in the financial year. All 350 km of the system was cleaned at least twice; 4,123 manholes were cleaned; 581 blockages attended to; 417 repairs to installations undertaken; and 72 sinkholes repaired.

Taking cognisance of the limited resources, the section performed very well.

**Table 61: Stormwater Infrastructure**

Stormwater Infrastructure				
Kilometres				
Year	Total Stormwater measures	New Stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2016/17	355.27	0.000	6.000	355.27
2017/18	355.27	0.000	1.831	355.27
2018/19	355.27	0.000	0.000	355.27

### 3.11.5 Capital Expenditure

The Roads and Stormwater Section spent R77.077 million or 100% of the final adjustments budget on roads and stormwater infrastructure projects (traffic engineering included) for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

**Table 62: Capital Expenditure 2018/19 - Roads & Stormwater (Traffic Engineering Included)**

Capital Expenditure 2018/19: Roads & Stormwater (Traffic Engineering Included)					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Upgrading of BRB North	41,376,811	39,334,677	39,334,676	0.0%
2	Construct van der Stel Street	6,496,160	18,193,369	18,193,367	0.0%
3	Upgrading of Streets and Stormwater (Saron)	-	10,107,266	10,107,266	0.0%
4	Upgrade Sidewalks/Centre Islands	7,000,000	6,307,768	6,307,768	0.0%
5	Paarl Gateway Project (Main Entrance)	-	1,226,841	1,226,841	0.0%
6	Speed Bumps	1,700,000	1,020,735	1,020,735	0.0%
7	New Parking Lot	-	467,117	467,117	0.0%
8	Other Capital Projects	100,000	418,926	418,926	0.0%
9	<b>Total Capital Expenditure</b>	<b>56,672,971</b>	<b>77,076,699</b>	<b>77,076,695</b>	<b>0.0%</b>

### 3.11.6 Major Projects Completed

- The upgrading of Berg River Boulevard between Lady Grey and Optenhorst Streets to a dual carriageway was carried out at a cost of R49.3 million (total project construction value R102.3 million) with completion date in December 2018. This is a single phase in the larger development of main road infrastructure to alleviate traffic congestion and provide free movement to all modes of transport;
- The second phase of upgrading of 2.0 km of streets in Saron from gravel to paved standard including stormwater systems at a cost of R10.9 million was completed. This project was executed on Expanded Public Works principles whereby, in line with the approach of Drakenstein, local residents are given the opportunity for gainful employment and training in civil engineering disciplines;

- No storm water systems were upgraded; and
- The long awaited construction of Van der Stel Street between Abattoir Street and Klein Drakenstein Road was started. Completion of this project will be in the 2019/20 financial year.

### 3.11.7 Operating Expenditure

Roads and stormwater services, as a community service, generated an operating deficit of R107.7 million for the 2018/19 financial year. The deficit is subsidised with the surpluses made by trading services.

**Table 63: Operating Revenue and expenditure: Roads and Stormwater Services**

Operating Revenue and Expenditure: Roads and Stormwater Services						
Serial No.	Description	2017/18 Actual Results	2018/19			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	(20,190,792)	(126,495,750)	(163,543,201)	(140,540,799)	-14.1%
2	<b>Total Operating Revenue</b>	<b>(20,190,792)</b>	<b>(126,495,750)</b>	<b>(163,543,201)</b>	<b>(140,540,799)</b>	<b>-14.1%</b>
3	Employee Related Costs	27,127,285	58,409,661	68,098,229	68,623,063	-0.8%
4	Impairment Losses on Financial Assets	-	57,558,771	78,797,509	64,013,206	18.8%
5	Interest Paid	15,359,306	23,140,942	24,304,127	23,065,750	5.1%
6	Contracted Services	20,593,644	32,769,442	13,451,073	13,225,029	1.7%
7	Depreciation and Provisions	41,832,617	41,092,239	41,092,242	44,025,395	-7.1%
8	Inventory	1,314,636	1,970,379	5,836,913	4,517,634	22.6%
9	Operational Costs	28,287,113	35,275,756	30,724,778	30,816,989	-0.3%
10	<b>Total Operating Expenditure</b>	<b>134,514,601</b>	<b>250,217,190</b>	<b>262,304,871</b>	<b>248,287,065</b>	<b>5.3%</b>
11	<b>Operating (Surplus) / Deficit</b>	<b>114,323,809</b>	<b>123,721,440</b>	<b>98,761,670</b>	<b>107,746,265</b>	<b>9.1%</b>

### 3.11.8 Employee Statistics

The Roads and Stormwater Services Section has 260 posts on the organisational structure approved by Council on 31 May 2018 of which 82 posts are frozen and 178 posts funded at year-end. The section had 166 filled and 12 vacant posts at year-end, realising a 6.7% vacancy rate.

**Table 64: Employees - Roads and Stormwater Services**

Employees: Roads and Stormwater Services								
Serial No.	Job Level	2017/18	2018/19					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	2	2	0	2	2	0	0.0%
3	T12 - T14	2	6	2	4	3	1	25.0%
4	T09 - T11	6	13	5	8	8	0	0.0%
5	T06 - T08	25	49	21	28	27	1	3.6%
6	T03 - T05	130	190	54	136	126	10	7.4%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	<b>Total</b>	<b>165</b>	<b>260</b>	<b>82</b>	<b>178</b>	<b>166</b>	<b>12</b>	<b>6.7%</b>

## COMPONENT D: PLANNING AND ECONOMIC DEVELOPMENT

### 3.12 INTRODUCTION

The Planning and Development Department includes Building Control, Land Surveying, Land Use Planning, Spatial Planning, Heritage, geographical information services, Environmental Management, Rural Development and Economic Growth and Tourism. The Department is responsible for sustainable and pro-active planning and compliance monitoring of the natural and built environment. The Department facilitates the physical, social and economic development and growth.

### 3.13 PLANNING SERVICES

The Division: Planning Services deal with spatial planning, geographical information services, heritage, building control, land use planning and surveying matters.

#### 3.13.1 Section: Spatial Planning, Heritage and GIS

The Spatial Planning, Heritage and Geographical Information Services Section consist of a Spatial Planning Sub-Section, a Heritage Sub-Section and a Geographical Information Services Sub-Section.

##### 3.13.1.1 Sub-Section: Spatial Planning

The purpose of spatial planning is to provide a framework for the spatial vision and form of Drakenstein Municipality. The Spatial Development Framework (SDF) provides guidelines for future development and growth of the Municipal Area in a predictable manner to enhance the quality of life of its residents.

The Sub-Section Spatial Planning is responsible for:

- Compiling, amending and/or reviewing a Spatial Development Framework;
- Preparing Local Spatial Development Frameworks for certain identified areas in Drakenstein Municipality;
- Developing policies and strategies guiding the long-term development of the Municipality;
- Commenting on land use applications and environmental processes; and
- Commenting on other local, provincial and national spatial policies, legislation and documents.

#### **3.13.1.2 Sub-Section: Heritage**

The purpose of heritage is to identify, protect and manage the heritage resources and cultural landscapes of the Drakenstein Municipality. The sub-section also renders comments on land use planning applications and building plan applications.

#### **3.13.1.3 Sub-Section: Geographical Information Services (GIS)**

The main purpose of the GIS Sub-Section is to provide and maintain Geographic Information System services and products for the department, provide GIS related guidance and support to managers and staff, and to take an active role in the development and maintenance of organisational Geographic Information System services.

#### **3.13.1.4 Major Projects Completed**

Major projects being undertaken by the section consists of:

- 2020 Drakenstein Spatial Development Framework (SDF): A new SDF is currently being compiled in terms of Section 26(e) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000). The process was initiated by the Spatial Planning Sub-Section in September 2018. The compilation of the new SDF is envisaged to guide new investment, give effect to the priorities as stated in the Integrated Development Plan (IDP) and to identify priority areas for strategic intervention. It is planned that the SDF will be finalised and approved by Council in May 2020.
- Local Spatial Development Framework for Klapmuts North: This local framework will deliver a spatial vision for the Klapmuts area which will be able to respond to future development changes and pressures. The final Local Spatial Development Framework for Klapmuts North was referred to Council in June 2019 for approval and adoption. A decision on the Local Spatial Development Framework for Klapmuts North will be made early in the 2019/20 financial years.
- Local Spatial Development Framework for the Klein Drakenstein Road and Lady Grey Street: The study area for the framework comprises the Paarl Central Business District (CBD), the CBD interface with the Berg River, sections of the Arboretum and adjacent erven, the Huguenot Station area and the Klein Drakenstein Road area. The final Local Spatial Development Framework for Klein Drakenstein Road and Lady Grey Street was referred to Council in June 2019 for approval and adoption. A decision on the Local Spatial Development Framework for the Klein Drakenstein Road and Lady Grey Street will be made early in the 2019/20 financial year.

- Identification of Land for Cemetery Purposes Study: Extension of Parys Cemetery: This project arises from the lack of cemetery space within Drakenstein. A process to obtain the necessary permissions in order to extend the Parys Cemetery was initiated. A service provider was appointed to obtain the necessary environmental authorisations and land use rights. The necessary specialist studies as required have been completed and it is expected that permission to extend the cemetery will be obtained in 2019/20.
- Drakenstein Mountain Slope Policy: This planning policy provides a means to guide and manage certain types of development on mountain slopes, but it also provides a unique opportunity to connect the public with nature and create social and economic opportunities, where applicable. The final Drakenstein Mountain Slope Policy was referred to Council in June 2019 for approval and adoption. It is anticipated that a decision on the Drakenstein Mountain Slope Policy will be made early in the 2019/20 financial year.
- Paarl Hamlet Urban Design Framework and De Poort Business Model: The Municipality initiated a project for the compilation of a Paarl Hamlet Urban Design Framework and the De Poort Business Model in February 2019. The Paarl Hamlet Urban Design Framework is a policy document which consists of plans, projects and initiatives that will assist in achieving the desired spatial form and physical structure of the Paarl Hamlet Precinct. The De Poort Business Model will provide guidance of how to optimally utilise the De Poort property, from an institutional, financial and management perspective.
- Ou Tuin Precinct Study: The Municipality initiated a project to study forced removals within the Municipality, starting with the Ou Tuin precinct. The focus of the project is to identify the history of the area, boundaries of the area, interviewing members of the original community, identify and grade remnants of the original precinct and identify opportunities for commemoration, redress or celebration. The final Ou Tuin Precinct Study will be referred to Council in August 2019 for a decision.
- Heritage Photographic Competition 2018: Heritage month is an opportunity to celebrate the diversity and heritage of South Africa. The Heritage Sub-Section initiated an annual photography competition to raise awareness on heritage within the municipal area and afford residents, young and old, the opportunity to visually display their understanding of heritage. The competition was open to primary school learners, secondary school learners and amateur photographers and the prizes are unique cultural heritage experiences which help to foster a better understanding of the heritage around us. The competition was a success based on the submissions received, which culminated in a prize ceremony on 6 September 2018.



- Devolution of heritage competency: Drakenstein Municipality is engaging in a process with Heritage Western Cape to devolve certain provincial heritage competencies towards the Municipality in terms of the National Heritage Resources Act, Act 25 of 1999. Heritage Western Cape is currently preparing guideline and policy documents which will assist in the approval and implementation of proposed heritage area and the process of devolving certain provincial heritage competencies.

### **3.13.2 Section: Building Control**

Municipalities by law must manage the way in which land within their area of jurisdiction is used and how buildings are erected. The Land Use Planning and Survey Section deals with the use of land and the Building Control Section deals with building activities, which entails new buildings, additions and alterations to existing buildings and temporary structures.

All municipalities administer the National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977), the regulations embodied in the act and the South African Standard Code of Practice (SANS 10400 for the application of the regulations). The purpose thereof is to ensure that buildings are designed and built in such a manner that people can live, work and play in a healthy and safe built environment.

The National Building Regulations require that no person may erect, alter, add on or convert a building without the prior approval of the local authority.

Building plans are assessed against the requirements of the building standards regulations, any other applicable legislation, and 23 sections of the SANS 10400, that deal with various aspects of a building.

Once building plans are approved, the building inspectors carry out three compulsory inspections:

- The inspection of all foundation trenches and the positioning of the building on-site;
- The inspection of all new drainage installations; and
- On completion of a building a final inspection (completion) is carried out as no building may be occupied without an occupation certificate.

Prior to the issuing of the occupation certificate, the building inspector ensures compliance with the structural aspects, fire installation, health requirements, electrical installation, roads and stormwater requirements, drainage installation, energy efficiency of the structure and compliance with the approved building plan.

Furthermore, it is the responsibility of the building inspector to address illegal structures, unsafe structures, be a witness in court cases on behalf of Council, implement legal action when required, control building rubble, enhance public safety, assist the general public and professionals with information on building control issues and performs administrative tasks associated with these functions.

Local authorities act in the interest of the owner when carrying out the compulsory inspections and have no financial or any other interest in such buildings. For this reason, the owner of a building must appoint his/her own clerk of works to inspect and control the quality and workmanship of the building. There is thus no obligation on the Council's building inspectors to control the quality of workmanship and materials, but the owner must be informed by Council of poor quality workmanship and/or materials when observed.

### **3.13.2.1 Building Control Statistics**

A total of 2,625 building plan applications, for various types of projects, have been submitted for consideration over the year under review. This amounts to a total of 1,199,422 m<sup>2</sup> of potential development area with an estimated value of R2.6 billion.

In total 4,447 building plan applications, which include 2,625 new applications and 1,822 amended/revised applications, were processed of which a total of 2,205 building plan applications were approved during this period with a development area of 570,350 m<sup>2</sup> and a total value of R2.3 billion. The approved building plans include applications received during previous financial years, of which the amendments required from the applicants were not addressed by the applicants during the year of submission.

**Table 65: Applications for Land Use Development**

Detail	Applications for Land Use Development								
	Formalisation of Townships			Rezoning			Building Environment		
	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19
Planning applications received	67	20	9	85	11	12	1,667	1,581	2,625
Determination made in year of receipt	62	6	1	56	5	4	1,244	1,846	3,802
Determination made in following year	-	-	-	-	-	-	139	673	643
Applications withdrawn	-	-	-	-	-	-	-	-	0
Applications outstanding at year end	5	14	8	29	6	8	423	27	2

Over the past 12 months the municipal Building Inspectors were responsible for carrying out 3,671 building inspections throughout the Municipality. These include demolition inspections (6), beacon inspections (2,810), commencement/foundation inspections (434), drainage inspections (45), completion inspections (240) as well as Certificate of Occupation inspections (218).

Furthermore, a total of 309 complaints from the public were received and addressed at an average of 25.75 complaints per month.

### **3.13.2.2 Major Projects Completed**

During 2018/19, the following two new bylaws were drafted:

- Building Control Bylaw: The bylaw is supplementary to Act 103 of 1977 (Act) and the National Building Regulations (NBR) to ensure uniformity with regard to building standards, the erection of buildings and the submission, consideration and approval of building plans. All persons, including organs of state, must submit building plans and specifications for consideration and approval by the Municipality in respect of buildings as provided for in this bylaw, the Act and the NBR and shall pay the required fees as contemplated in section 8.

The bylaw addresses various elements which include:

- Approval required for buildings to be erected;
- Buildings that require approval of the Municipality:
  - ✓ Containers, air-conditioning unit, pool pumps, bore holes, solar energy systems, wind turbines, etc.;
- Certificate of occupancy;
- Compliance and enforcement;
- Offences and penalties; and
- Appeals.

The bylaw served at the Mayoral Committee on 22 May 2019 and was then advertised for public participation which has subsequently closed and comments will be incorporated within the bylaw where applicable. The bylaw will be tabled with Council for approval in 2019/2020.

- Problem Premises Bylaw: The bylaw is supplementary to the Act and the NBR to ensure the proper care and maintenance of buildings and premises, whether vacant or occupied. This bylaw applies to all problem premises situated within the area of jurisdiction of the Municipality.

The Municipality may consider the realities of the Drakenstein, the different customs, cultures, circumstances, geographical areas, kinds of premises, and the Municipality may determine the areas of applicability.

The bylaw addresses various key elements which includes:

- Appointment of authorised officials;
- Entry by authorised official of buildings and land;
- Declaration of problem premises;
- Recovery of cost;
- Appeals; and
- Offences and penalties.

The bylaw served at the Planning Portfolio Committee on 10 April 2019. The bylaw was advertised for public participation which has subsequently closed and comments will be incorporated within the bylaw where applicable. The bylaw will be tabled with Council for approval in 2019/2020.

### **3.13.3 Section: Land Use Planning and Surveying**

The Land Use Planning and Surveying Section is responsible to ensure the orderly and sustainable development and management of the built environment within the Drakenstein Municipal area, through creating an enabling environment in order to give effect to the Municipality's vision of creating *"A city of excellence"*.

Land-use planning refers to a wide range of activities that direct the future use of land and manage the current use thereof: to ensure the optimal use of land within a political, social, cultural, environmental and economic context.

The section is mainly responsible for the processing of applications for land use changes (by means of rezoning, consent uses, departures, temporary departures, amendment of conditions of approval and removal of restrictive title conditions), as well as farm subdivisions, urban subdivisions and exempted subdivisions. The section is furthermore responsible for the scrutinising of building plans for compliance with zoning parameters and site dimensions, as well as attending to illegal land uses.

The most important instruments used in land use management is the Zoning Scheme Bylaw and the Bylaw on Municipal Land Use Planning. In order to comply with the provisions of new planning legislation, a new single zoning scheme for the whole of the Drakenstein Municipal area has been developed and adopted by Council during June 2018. In addition, the process of amending and refining the Drakenstein Bylaw on Municipal Land Use Planning has also been

completed and approved by Council. Both these documents were successfully implemented during October 2018.

The department is currently in the process of developing an online premises solution and an external portal, within the framework of the existing Collaborator Foundation System to manage the land development application processes. The primary objective of this Collaborator system is to allow external stakeholders to interact with the Land Use Planning and Surveying Section via the internet and applications to be electronically processed. The system has been developed and completed and is currently in a testing phase and will be implemented during the next financial year.

The updating of the House Shop, Limited Pay-out Gambling Machine and Telecommunication Infrastructure Policies have been initiated and progressed up to acceptance for public participation. It is expected that these policies will be finalised during the next financial year.

### **3.13.3.1 Service Statistics**

**Table 66: Service Statistics - Land Use Planning & Surveying**

<b>Service Statistics – Land Use Planning and Surveying</b>			
<b>Applications</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
Simultaneous rezoning and subdivision (inclusive of township establishment)	15	20	17
Rezoning	13	11	12
Consent Uses	33	20	16
Temporary Departures	1	5	0
Removal of restrictive Title conditions	0	0	2
Amendment of Conditions of Approval	11	23	17
Farm Subdivisions	1	1	1
Urban Subdivisions	13	44	9
Exempted Subdivisions	44	22	42
Consolidations	5	3	3
Home Owners Association Constitution approval/amendments	1	7	1
Zoning determinations	0	2	1
Extension-of-time	0	0	8
Site Development plan approvals	1	1	0
House Shops	14	19	0
Departures	4	2	1
Departures as part of Building Plan approvals	196	186	125

### **3.13.3.2 Major Projects Completed**

- Zoning Scheme Bylaw: A new single zoning scheme for the whole of the Drakenstein Municipal area has been developed and adopted by Council on 27 June 2018 and was implemented during October 2018.

### 3.13.4 Capital Expenditure

The Planning Services Department spent R169.9 thousand or 100% of the final adjustments budget on office furniture infrastructure for the year under review.

**Table 67: Capital Expenditure 2018/19 - Planning Services**

Capital Expenditure 2018/19: Planning Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Intangible Assets: Software & Licences	-	165,848	165,848	0.0%
2	Office Furniture	-	3,566	3,566	0.0%
3	Machinery and Equipment	-	567	567	0.0%
4	<b>Total Capital Expenditure</b>	-	<b>169,981</b>	<b>169,980</b>	<b>0.0%</b>

### 3.13.5 Operating Expenditure

Planning services, as a community service, generated an operating deficit of R48.1 million for the 2018/19 financial year. The deficit is subsidised with the surpluses made by trading services.

**Table 68: Operating Revenue and Expenditure: Planning Services**

Operating Revenue and Expenditure: Planning Services						
Serial No.	Description	2017/18 Actual Results	2018/19			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	(5,176,091)	(9,586,149)	(9,586,149)	(9,582,016)	0.0%
2	<b>Total Operating Revenue</b>	<b>(5,176,091)</b>	<b>(9,586,149)</b>	<b>(9,586,149)</b>	<b>(9,582,016)</b>	<b>0.0%</b>
3	Employee Related Costs	29,567,741	27,066,811	51,138,326	53,148,979	-3.9%
4	Impairment Losses on Financial Assets	-	-	-	-	0.0%
5	Interest Paid	-	-	-	-	0.0%
6	Contracted Services	5,340,765	5,727,594	3,420,881	2,742,875	19.8%
7	Depreciation and Provisions	227,816	613,176	1,162,620	176,676	84.8%
8	Inventory	325,817	56,661	345,669	304,301	12.0%
9	Operational Costs	186,424	1,485,175	1,626,253	1,320,917	18.8%
10	<b>Total Operating Expenditure</b>	<b>35,648,563</b>	<b>34,949,417</b>	<b>57,693,749</b>	<b>57,693,748</b>	<b>0.0%</b>
11	<b>Operating (Surplus) / Deficit</b>	<b>30,472,473</b>	<b>25,363,268</b>	<b>48,107,600</b>	<b>48,111,732</b>	<b>0.0%</b>

### 3.13.6 Employee Statistics

The Planning Services Division has 91 posts on the organisational structure approved by Council on 31 May 2018 of which 30 posts are frozen and 61 posts funded at year-end. The section had 55 filled and 6 vacant posts at year-end, realising a 9.8% vacancy rate.

**Table 69: Employees - Planning Services**

Employees: Planning Services								
Serial No.	Job Level	2017/18	2018/19					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	2	2	0	2	2	0	0.0%
2	T15 - T17	9	14	5	9	8	1	11.1%
3	T12 - T14	7	17	8	9	8	1	11.1%
4	T09 - T11	21	34	11	23	20	3	13.0%
5	T06 - T08	8	16	4	12	11	1	8.3%
6	T03 - T05	5	8	2	6	6	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	<b>Total</b>	<b>52</b>	<b>91</b>	<b>30</b>	<b>61</b>	<b>55</b>	<b>6</b>	<b>9.8%</b>

## 3.14 ECONOMIC GROWTH (INCLUDING TOURISM AND MARKET PLACES)

The purpose of the Economic Growth and Tourism Division is to provide an enabling and conducive environment to grow the economy in order to create sustainable jobs and eradicate poverty. The division consists of two sub-sections namely Economic Growth and Tourism.

The Economic Growth Section focuses on developing enabling policies and strategies, which inform the implementation of key initiatives, projects and programmes to grow the economy in our area. The adoption of the Integrated Economic Growth Strategy Framework in June 2018 set the scene for the finalisation of the Integrated Economic Growth Strategy which aims to achieve a globally competitive and innovative city that provides economic opportunities for all its residents by 2032. The essence of this strategy is to map Drakenstein's journey of inclusive economic excellence moving from being a city that has a fragmented spatial and social economy with pockets of excellence driven by market-led sporadic economic development, to a city that has a diversified and resilient economy, promoting spatial connectivity, and supportive economic and environmentally sustainable social eco-systems.

Similarly in March 2018 the Tourism Section initiated a Tourism Policy review process emanating from key findings of the Integrated Economic Growth Strategy Stakeholder Engagement Report. This led to the development of the Tourism Development Plan which

outlines the strategic pillars to ensure that Drakenstein is adequately prepared to become a premier global destination of choice.

### **3.14.1 Economic Growth**

The Integrated Economic Strategy outlines Drakenstein's roadmap to inclusive and sustainable economic growth. The core pillars that support this vision are:

- Governance and institutions;
- Infrastructure;
- Partnerships; and
- Shared identity and social cohesion.

The Division has adopted an integrated building block approach and has already commenced with a number of policy interventions and institutional arrangements to ensure that the Municipality has the foundational enablers in place to give effect to the strategy.

#### **3.14.1.1 Economic Growth Environment**

During the 2018-2019 financial year we continued to build on developing the strategic enablers to facilitate economic growth. This included:

- Promoting Drakenstein as an investment friendly destination that focuses on the development of priority sectors such as Agriculture, Informal Sector, Tourism, Manufacturing, Transport and Logistics through the establishment of a Development and Investment Forum to ease investment facilitation in Drakenstein;
- Upgrading and expansion of suitable infrastructure to small and informal businesses to grow Small Medium and Micro Enterprises (SMMEs) and broaden economic participation in Drakenstein;
- Strengthening existing strategic partnerships with the private sector and other spheres of Government to implement key skills development initiatives so that the unemployed can access meaningful employment;
- Facilitate access to finance and other business support for small businesses through the establishment of sustainable partnerships with other spheres of Government; and
- Implementation of community based tourism products to broaden participation and product diversification.



### **3.14.1.2 Economic Growth Achievements**

Below are some of the highlights we achieved during the 2018/19 financial year:

- The implementation of phase two of the three- year Contractor Development Programme which focuses on upskilling 16 emerging contractors that are registered on the municipal supplier database;
- Development of an Investment Incentive Policy to encourage investors to shift an investment decision towards a particular strategically identified region or priority sector as defined in Drakenstein's Vision 2032;
- Upgrading of two business hives in Mbekweni and Gouda and the relocation of informal trading structures in Klein Drakenstein Road, Paarl East to support micro- enterprises and informal businesses;
- Strengthening the partnership with Imperial Cargo Ltd, a Johannesburg Stock Exchange (JSE) listed company, to train twenty matriculants to become long-distance heavy vehicle drivers; and
- Providing a capacity building programme that focused on business support training for Informal traders to focus on enhancing the Informal Economy in Drakenstein.

The Integrated Economic Growth Strategy was completed in May 2019 and during the next financial year the Division will focus on articulating how this bold strategy will be implemented. The implementation of this strategy will largely depend on the integration of cross- functions within the Municipality but also the extent to which the Municipality will rely on private sector and civil society organisations. The essence of this implementation plan will be partnerships that work for the greater good of Drakenstein. The Division will focus on the implementation of a number of priority projects that are categorised within the six strategic enablers as identified in the Integrated Economic Growth Strategy namely:

- Investor Facilitation;
- Investment promotion;
- Infrastructure;
- Business and industrial parks;
- Small business linkages; and
- Skills development.

### **3.14.1.3 Economic Growth Challenges**

- Capacity challenges because of unfilled vacancies to perform critical tasks;
- Limited access to economic data sources;
- Lack of sufficient built infrastructure to facilitate access to trading spaces;

- Too much red tape which prevents the acceleration of sustainable economic growth in the Municipality;
- Vandalism of economic infrastructure built to enable economic growth;
- External economic shocks because of the lack of a diversified economy;
- A need for locational branding and marketing to increase investment exists;
- Lack of affordable broadband and water security are important to ensure large scale investment;
- Lack of relevant skills and high youth unemployment remain major risks; and
- Lack of a one stop business support service centre to serve investors and SMMEs.

#### **3.14.1.4 EPWP Job Creation**

The Expanded Public Works Program is a program designed to provide temporary work opportunities for the unemployed in order to make them more employable in the future. The Municipality obtained a conditional grant from the National Department of Public Works and topped it up with own funding to reach more beneficiaries. The EPWP grant allocation for 2018/19 of R4.43 million is 228% more than the 2014/15 allocation of R1 million, due to better quality reporting and exceeding the targets set by Provincial Government. As a result, in excess of 1,000 more job opportunities were created annually in the 2018/19 period, compared to previous years.

The following table depicts the number of EPWP Projects and the number of jobs created through EPWP projects over the last three financial years.

**Table 70: Job creation through EPWP Projects**

<b>Job creation through Expanded Public Works Programme (EPWP) Projects</b>		
<b>Details</b>	<b>Number of EPWP Projects</b>	<b>Number of Jobs created through EPWP Projects</b>
2016/17	8	1,600
2017/18	19	1,309
2018/19	20	1,804

#### **3.14.2 Tourism and Market places**

Tourism remains one of Drakenstein's priority sectors as it continues to be a sector with significant low barriers which allow for entrepreneurship and particularly youth and women employment opportunities. In recent years the Municipality has increased its institutional capacity and competencies to demonstrate the importance of this sector specifically in light of the fact that it continues to be a significant contributor to the Gross Domestic Product of Drakenstein.

The establishment of the Drakenstein Local Tourism Association (DLTA) in 2013 marked the institutionalisation of tourism destination marketing in Drakenstein. During the past five years Drakenstein has increased the grant allocation year on year because of the notable successes this solid partnership has generated. Despite the overall decline in tourism arrivals, the sector remains buoyant and during the next five years Drakenstein will continue to focus on diversifying the area's tourism product offering and ensure that we provide a functional world-class enabling environment so that tourists can experience tourism excellence throughout the tourism value chain in Drakenstein.

#### **3.14.2.1 Tourism Achievements**

Below are some of the highlights we achieved during the 2018/19 financial year:

- Provision of three marketing platforms to beneficiaries of the Integrated Arts and Crafts Route in collaboration with Drakenstein Local Tourism Association;
- Facilitated business support to the value of R300,000 for a crafter in Mbekweni as part of phase 2 of the Integrated Arts and Craft Route;
- Expansion of the Wine Service Training partnership with the National Department of Tourism which included a 100% increase in beneficiary uptake from 30 to 60 students to be trained as sommeliers over a two-year period;
- Supported twenty four events with a total value of R2,668,900. This included at least seven incubation events; and
- Launched the Former President Nelson Mandela Photo Exhibition with the People of Drakenstein as a Madiba Legacy Project in Drakenstein.

#### **3.14.2.2 Tourism Challenges**

- Lack of Transformation in the Tourism industry;
- Limited access to relevant tourism economic data sources;
- The negative impact of the existing tourism flows on the destination;
- Lack of sufficient Tourism signage infrastructure to enhance the visitor's experience;
- Lack of Sports Tourism focus;
- Lack of focused Events and Meetings, Incentives, Conferences and Exhibitions (MICE) Strategy;
- Lack of support to diversify the tourism product offering in Drakenstein;
- Lack of Film Locations Policy; and
- Lack of distinct brand differentiation to articulate Drakenstein's unique tourism offering.

### 3.14.3 Capital Expenditure

The Economic Growth Division spent R662.2 thousand or 100% of the final adjustments budget on economic growth, tourism and market places infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

**Table 71: Capital Expenditure 2018/19 - Economic Growth (Tourism & Market Places Included)**

Capital Expenditure 2018/19: Economic growth (Tourism & Market Places Included)					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	VPUU Informal Trading Kiosks	-	363,958	363,950	0.0%
2	Lantana Business Park	3,300,000	130,435	130,435	0.0%
3	Klein Drakenstein Road Informal Structures	-	113,119	113,119	0.0%
4	Other Capital Projects	1,300,000	54,777	54,777	0.0%
5	<b>Total Capital Expenditure</b>	<b>4,600,000</b>	<b>662,289</b>	<b>662,281</b>	<b>0.0%</b>

### 3.14.4 Major Projects Completed

- Implementation of the first phase of Paarl Hero Adventure Trail network around Paarl Mountain to promote adventure tourism in Drakenstein.
- Implementation of the WESGRO Agreement to promote the Film and Serious Gaming sector to enhance Film Tourism and the development of Serious Gaming in Drakenstein. Drakenstein features in WESGRO's annual Creative Locations publication and has developed an image library to promote the destination as a preferred film location of choice within the Western Cape. The Division also hosted the first "Serious Gaming Sector" investors' workshop and established a Serious Gaming Sector Youth Ambassadors programme to promote "Serious Gaming" as a career in Drakenstein.
- Supported the establishment of World Centre of Cycling for Africa in Paarl through the establishment of an Agreement with the Union Cycling Internationale to promote Drakenstein as the cycling mecca of South Africa.
- Successful implementation of the Western Cape Economic Development Partnership stakeholder engagement process that focused on the urban regeneration of Paarl and Wellington Central Business Districts' (CBDs) respectively.

### 3.14.5 Operating Expenditure

Economic growth and tourism services, as a community service, generated an operating deficit of R14.6 million for the 2018/19 financial year. The deficit is subsidised with the surpluses made by trading services.

**Table 72: Operating Revenue and Expenditure: Economic Growth and Tourism**

Operating Revenue and Expenditure: Economic Growth and Tourism						
Serial No.	Description	2017/18 Actual Results	2018/19			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	(96,200)	0	(7,400)	(12,300)	66.2%
2	<b>Total Operating Revenue</b>	<b>(96,200)</b>	<b>0</b>	<b>(7,400)</b>	<b>(12,300)</b>	66.2%
3	Employee Related Costs	3,084,879	2,805,276	3,514,878	3,123,692	11.1%
4	Impairment Losses on Financial Assets	-	-	-	-	0.0%
5	Interest Paid	-	-	-	-	0.0%
6	Contracted Services	4,512,655	6,955,308	5,844,490	5,557,153	4.9%
7	Depreciation and Provisions	164,800	576,944	576,944	68,338	88.2%
8	Inventory	91,350	78,701	88,573	71,775	19.0%
9	Operational Costs	2,235,552	5,700,000	5,779,688	5,829,385	-0.9%
10	<b>Total Operating Expenditure</b>	<b>10,089,236</b>	<b>16,116,229</b>	<b>15,804,573</b>	<b>14,650,343</b>	7.3%
11	<b>Operating (Surplus) / Deficit</b>	<b>9,993,036</b>	<b>16,116,229</b>	<b>15,797,173</b>	<b>14,638,043</b>	-7.3%

### 3.14.6 Employee Statistics

The Economic Growth Division has 13 posts on the organisational structure approved by Council on 31 May 2018 of which 5 posts are frozen and 8 posts funded at year-end. The section had 6 filled posts at year-end and based on the number of vacancies (2) had a 25% vacancy rate.

**Table 73: Employees - Economic Growth (including Tourism and Market Places)**

Employees: Economic Growth (including Tourism and Market Places)								
Serial No.	Job Level	2017/18	2018/19					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	2	3	1	2	2	0	0.0%
3	T12 - T14	0	2	1	1	1	0	0.0%
4	T09 - T11	3	4	1	3	1	2	66.7%
5	T06 - T08	2	4	2	2	2	0	0.0%
6	T03 - T05	0	0	0	0	0	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	<b>Total</b>	<b>7</b>	<b>13</b>	<b>5</b>	<b>8</b>	<b>6</b>	<b>2</b>	<b>25.0%</b>

### **3.15 RURAL DEVELOPMENT**

Drakenstein Municipality has 33 wards of which nine (27.3%) are considered as rural. Agriculture is one of the key drivers of the Drakenstein and Cape Winelands economies. The Municipality strives to alleviate poverty in rural areas in a programmatic manner through human resource development and the implementation of sustainable socio-economic development programmes. These interventions are only possible through collaboration with all spheres of government and the rural community.

On 27 June 2018 Council approved the Rural Development Strategy for Drakenstein Municipality, including a vision for Rural Development: *“A sustainable rural economy through partnership and innovation”*. The core focus of the Rural Development Strategy is to facilitate change in our citizens’ environments to enable the poor to earn more, invest in themselves and their communities and to contribute towards the development of their communities. The strategy proposes a ward-based approach to rural development in the rural wards, linked to the IDP of the Municipality.

For the year under consideration the Rural Development Division brought about targeted sustainable interventions in the rural communities of Drakenstein through:

- Skills development, targeting the youth and women;
- Facilitating access to financial assistance for rural learners to further their studies;
- Establishing food security within the rural hinterland; and
- Facilitating the work of the Department of Rural Development and Land Reform.

The Division was actively involved during the 2018/19 financial year in the following projects:

#### **3.15.1 Transformation (TRANCRAA) Process in Saron**

The Department of Rural Development and Land Reform (DRDLR) are the delegated authority facilitating the transfer of land, held in “trust” by the Minister, to the communities of the respective TRANCRAA areas. There is one such area in Drakenstein, namely Saron. A facilitator appointed by DRDLR as from 3 August 2018 to 3 October 2018 concluded the land rights enquiry in Saron. This report will be tabled to Council upon receipt, whereafter it will be presented to the Minister of Rural Development and Land Reform.

#### **3.15.2 Relocation of Vlakkeland Small Farmers**

The Municipality is required to ensure that Vlakkeland (Erven 8381 to 8397), Paarl is vacant from farming activities to allow for the proposed housing project planning and development.

Municipal owned land in Gouda-Erf 585, Erf 607 and Farm Halfgewaagd was identified as most suitable for relocation of Vlakkeland Small Farmers.

An application for approval to proceed with implementation plan was submitted to Department of Environmental Affairs and Development Planning (DEA & DP) on 14 September 2018. DEA&DP responded, insisting on basic assessment to be done on land involved which is currently underway.

### **3.15.3 Greywater Household Food Garden Initiative**

All people in SA have access to food in sufficient quantity and quality to meet their basic nutritional needs and preserve their health on a daily basis with dignity. One of the key focus areas of the Rural Development division was the establishment of vegetable gardens at rural schools in Drakenstein. The production of vegetables at schools not only fed many hungry learners, but also assisted them to link the activities in the garden with the curriculum. Establishment of vegetable gardens at Groenberg and Simondium Primary Schools is in progress and three more rural schools are targeted for 2019/20 financial year, namely Kersboslaagte-, Alfons- and Ronwe Primary Schools.

### **3.15.4 New Orleans Park Portable Vegetable Gardens**

In collaboration with the Department of Agriculture (DoA) the division allocated portable vegetable gardens to 14 families who, after a court-ordered eviction were housed by the Municipality in New Orleans Park. Each garden comes with already planted vegetables and a gardening tool kit to assist the group to maintain their gardens effectively. Regular visits are undertaken by DoA to ensure the sustainability of project.

### **3.15.5 1 Household 1 Hectare (1HH1Ha) Project in Saron**

The Department of Rural Development and Land Reform (DRDLR) identified the Saron community as beneficiaries in this initiative based on the 1 household 1 hectare model. The project was approved by National Department of Rural Development and Land Reform with budget of R5.7 million for production inputs, tractor, truck, gardening tools, irrigation system and fencing. The handover of implements by Deputy Minister Rural Development and Land Reform took place on 6 April 2019.

### **3.15.6 Blueberry Project**

Agribusiness in Sustainable Natural African Plant Products (ASNAPP) was approached by Department of Agriculture to assist in giving more black farmers the opportunity to get access to the production of blueberries. Unfortunately the project had to be discontinued, as the

application for funding was declined by Jobs Fund.

### **3.15.7 Allocation of Jojo tanks to rural schools**

The harvesting of rainwater is one of the cheapest ways to acquire water, but the purchasing of water tanks is a problem for these schools as most of them are so-called “no-school fee” institutions. The department facilitated the acquisition of 9 Jojo tanks which were donated by Jojo SA. These were handed over to the principals of selected schools by the Executive Mayor on 22 November 2018.

### **3.15.8 Bursaries to rural matriculants**

Rural learners previously competed with urban learners for financial support for tertiary education. For the year under review bursary funds were ring-fenced for rural learners and on 19 March 2019 the bursaries were awarded to nine successful applicants by the Executive Mayor to continue their tertiary education at different institutions.

### **3.15.9 Driver’s licence programme for rural unemployed youth**

The provision of driver’s licences have become a focus point in an effort to alleviate the unemployment rate and to address the urgent skills development needs of the rural communities. Driver’s licences could be used to assist the local community to pursue their own job creation initiatives and in so doing contribute towards the economic growth of the community. The division assisted 43 rural unemployed youth to acquire their learner’s licences. A mining company, Afrimat Aggregates, declared their willingness to donate R160,000 to the Municipality to assist the 43 rural unemployed to acquire their code 10 driver’s licences.

### **3.15.10 Driver’s licence programme for rural matriculants**

The Municipality has identified the rollout of a driver’s licence programme at secondary schools in Drakenstein targeting the rural matriculants as a priority for the 2018/19 financial year. Name lists of rural matriculants were received from various schools in Drakenstein. A total of 29 rural matriculants successfully completed their learner’s licence tests.

### **3.15.11 Development of a Rural Housing Policy**

The Drakenstein Housing Policy previously contained rural housing as well, but after thorough consideration it was decided to unbundle said policy and present Rural Housing as a stand-alone policy document. Adjustments to policies are critical to improve the effectiveness



thereof and to ensure that the purpose and goal of the policy is still being met. The draft policy underwent public participation and will now serve before Council for final approval.

## COMPONENT E: COMMUNITY AND SOCIAL SERVICES

### 3.16 INTRODUCTION

This part of the report deals with library services, cemeteries and crematoria, community halls, facilities, and Thusong centres, services to childcare, aged care and social programmes rendered during the year under review.

### 3.17 LIBRARY SERVICES

Libraries in Drakenstein Municipality no longer loan books exclusively, it provides a wide range of services to our communities. Amongst others, it offers space for community programmes, on-line access, etc. We are striving to introduce our communities to the World Wide Web. Patrons are encouraged to open email accounts.

The Library and Information Services Section has 18 service points throughout Drakenstein. Some of these sites are equipped with computers and Wi-Fi hotspots through the broadband initiative, providing the communities free Internet access in the library and on their own devices. This expansion brought enhancement to those communities without access to the World Wide Web. Librarians and staff work equally hard to make a difference in the lives of people in the Drakenstein communities.

Libraries do perform various functions such as:

- Issuing a free library card to anyone who lives within the ambit of Drakenstein Municipality, people outside our borders need to pay a subscription fee;
- A library card makes it so easy to check out books, download digital resources, and use online resources to help with entertainment and study;
- A library card gives patrons hours of computer access at any library location and also access to books from other libraries across and outside the Municipality through interlibrary loans for patron's convenience;
- Each library has free programmes for all ages such as computer classes, arts, mathematics and other cultural activities;
- Some libraries have open tables and rooms for study as well as larger rooms for public and cultural use and community meetings;
- The library is the space for collaboration and meetup maker sessions to help patrons learn all about relevant awareness and educational topics;
- Libraries also have free community services at some locations, during regular open hours, but often also available during evenings and weekends;
- Newspapers and online job seeker sites are available for unemployed people to access for job hunting. Libraries provide learners and students with reference and research items

for assignments and projects and help learners with preparation for study and examinations; and

- Libraries provide various outreach services to the communities such as services to old-age homes and service centres. Staff visit these facilities to provide books and reading sessions with senior citizens. The seniors also get opportunities to interact with other library users by doing storytelling to children at the libraries.

We continuously market and promote our services to our patrons.

### 3.17.1 Service Statistics

Drakenstein has 96,581 library members and all libraries accounted for 1,050,171 library visits during the year under review. A total of 601,649 library items were circulated and ICT computer usages amounted to 64,812 times.

**Table 74: Service Statistics for Libraries**

Service Statistics for Libraries 2018/19					
Programme	Q1	Q2	Q3	Q4	Full Year
Displays	185	186	171	187	729
Storytelling Sessions	277	246	260	274	1,057
Reading Programmes	145	120	142	109	516
Book Education, Library Orientation, Class Visits and Bibliographic Instruction	282	216	286	260	1,044
Library Centred Activities	40	33	49	40	162
Holiday Programme Activities	38	70	37	66	211
Community and Outreach Programmes	138	133	114	121	506
Book Discussions, Book Talks and Book Clubs	70	70	51	60	251
Literacy Sessions facilitated	477	306	559	766	2,108
ICT computer usages	15,301	10,841	13,915	12,452	52,509
Learner support	5071	2,697	5,095	3,626	16,489
Circulation	162,307	127,945	162,513	148,884	601,649
Membership	103,089	95,337	96,464	96,581	96,581
New members added	1,601	44	798	275	2718
Total library visits	269,375	219,988	276,442	284,366	1,050,171
Library space usage	501	432	428	697	2,058
Library stock			Province	Own	Total
			221,713	59,138	280,851

### 3.17.2 Service Delivery Levels

Drakenstein Libraries and Information Services provide effective, efficient and quality informational, recreational and internet services to all library users in our communities within the framework of the norms and standards of the Western Cape Library Services.

### 3.17.3 Capital Expenditure

The Library Services Section spent R5.983 million or 99.9% of the final adjustments budget on library services infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

**Table 75: Capital Expenditure 2018/19 - Library Services**

Capital Expenditure 2018/19: Library Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Library: Groenheuwel House Of Learning	5,000,000	4,839,957	4,839,957	0.0%
2	Furniture and Equipment	500,000	569,540	567,283	0.4%
3	Machinery and Equipment	1,234,803	260,653	260,652	0.0%
4	Bergendal Container Library	-	209,645	209,645	0.0%
5	Other Capital Projects	-	106,105	106,104	0.0%
6	<b>Total Capital Expenditure</b>	<b>6,734,803</b>	<b>5,985,900</b>	<b>5,983,640</b>	<b>0.0%</b>

### 3.17.4 Major Projects Completed

The new library for the Groenheuwel area is completed. This was a joint project of VPUU NPC, Western Cape Provincial Library Services and Drakenstein Municipality.

### 3.17.5 Operating Expenditure

Library services, as a subsidised service, generated an operating deficit of R179,104 for the 2018/19 financial year. The deficit is subsidised with the surpluses made by trading services. This remains an underfunded mandate from the Provincial Department of Library Services.

**Table 76: Operating Revenue and Expenditure: Library Services**

Operating Revenue and Expenditure: Library Services						
Serial No.	Description	2017/18 Actual Results	2018/19			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	(15,995,031)	(22,212,827)	(21,975,689)	(22,018,635)	0.2%
2	<b>Total Operating Revenue</b>	<b>(15,995,031)</b>	<b>(22,212,827)</b>	<b>(21,975,689)</b>	<b>(22,018,635)</b>	0.2%
3	Employee Related Costs	15,768,916	17,303,509	17,570,695	17,570,695	0.0%
4	Impairment Losses on Financial Assets	-	-	-	-	#DIV/0!
5	Interest Paid	-	-	-	-	#DIV/0!
6	Contracted Services	1,120,586	1,341,101	1,708,852	1,708,852	0.0%
7	Depreciation and Provisions	400,239	1,101,347	1,101,350	1,101,350	0.0%
8	Inventory	445,092	355,849	509,229	509,229	0.0%
9	Operational Costs	859,677	1,481,802	1,307,613	1,307,613	0.0%
10	<b>Total Operating Expenditure</b>	<b>18,594,510</b>	<b>21,583,608</b>	<b>22,197,739</b>	<b>22,197,739</b>	0.0%
11	<b>Operating (Surplus) / Deficit</b>	<b>2,599,479</b>	<b>-629,219</b>	<b>222,050</b>	<b>179,104</b>	-19.3%

### 3.17.6 Employee Statistics

The Library Services Section has 132 posts on the organisational structure approved by Council on 31 May 2018 of which 55 posts are frozen and 77 posts funded at year-end. The section had 75 filled posts at year-end and based on the number of vacancies (2) had a 2.6% vacancy rate.

**Table 77: Employees - Library Services**

Employees: Library Services								
Serial No.	Job Level	2017/18	2018/19					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	1	1	0	1	1	0	0.0%
3	T12 - T14	0	10	3	7	7	0	0.0%
4	T09 - T11	11	30	25	5	5	0	0.0%
5	T06 - T08	47	61	8	53	52	1	1.9%
6	T03 - T05	13	30	19	11	10	1	9.1%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	<b>Total</b>	<b>72</b>	<b>132</b>	<b>55</b>	<b>77</b>	<b>75</b>	<b>2</b>	<b>2.6%</b>

### **3.18 CEMETERIES AND CREMATORIA**

Drakenstein Municipality has 14 cemeteries. With the high number of dormant cemeteries a heavy burden is placed on Parys Cemetery especially from the overflow from Wellington and Simondium. The Cemeteries Section created additional burial space by narrowing cemetery roads. Parys Cemetery, Gouda (55 km from Paarl), Saron (73 km from Paarl) and Hermon (43 km from Paarl) have reasonable space available. EIA studies are being done at Parys Cemetery to acquire more space. Property management identified two (2) farms for possible acquisition for cemetery purposes.

We are currently in the process of finding alternative land for burial space. Several pockets of land has been identified which includes municipal land, provincial land and land that belongs to private owners.

The department is also in the process to review the Burial Policy to allow grave recycling. This will allow families to re-use family grave sites for loved ones.

This innovative move will instantly generate all burial sites as heritage space.

#### **3.18.1 Service Statistics**

During the year under review 1,351 burials took place at an average of 114 burials per month. In Parys Cemetery alone there were 859 burials. Drakenstein Municipality does not have a municipal crematorium. After an investigation it was decided that the proposed crypts system project as an alternative burial method was not viable in terms of grave yield.

#### **3.18.2 Service Delivery Levels**

The aim is to maintain cemeteries every 6 to 8 weeks. This includes horticultural maintenance and minor grave maintenance.

#### **3.18.3 Capital Expenditure**

The Cemeteries Section spent R1.6 million or 100% of the final adjustments budget on cemetery services infrastructure projects for the year under review.

**Table 78: Capital Expenditure 2018/19 - Cemeteries & Crematoria**

Capital Expenditure 2018/19: Cemeteries & Crematoria					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Wall at Champagne Street Cemetery	200,000	1,609,566	1,609,565	0.0%
2	<b>Total Capital Expenditure</b>	<b>200,000</b>	<b>1,609,566</b>	<b>1,609,565</b>	<b>0.0%</b>

### 3.18.4 Major Projects Completed

No major projects although the Division is busy with a land acquisition process to establish a new regional cemetery.

### 3.18.5 Operating Expenditure

Cemeteries services, as a community service, generated an operating deficit of R1.5 million for the 2018/19 financial year. The deficit is subsidised with the surpluses made by trading services.

**Table 79: Operating Revenue and Expenditure: Cemeteries Services**

Operating Revenue and Expenditure: Cemeteries Services						
Serial No.	Description	2017/18 Actual Results	2018/19			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	(2,663,474)	(2,578,770)	(2,907,196)	(3,189,147)	9.7%
2	<b>Total Operating Revenue</b>	<b>(2,663,474)</b>	<b>(2,578,770)</b>	<b>(2,907,196)</b>	<b>(3,189,147)</b>	<b>9.7%</b>
3	Employee Related Costs	8,309,440	3,843,761	3,721,189	3,655,308	1.8%
4	Impairment Losses on Financial Assets	-	-	-	-	0.0%
5	Interest Paid	-	-	-	-	0.0%
6	Contracted Services	316,549	6,448,283	473,630	417,792	11.8%
7	Depreciation and Provisions	263,226	783,488	1,253,610	6,030	99.5%
8	Inventory	58,021	91,040	59,160	154,939	-161.9%
9	Operational Costs	447,772	757,919	794,157	468,020	41.1%
10	<b>Total Operating Expenditure</b>	<b>9,395,008</b>	<b>11,924,491</b>	<b>6,301,746</b>	<b>4,702,089</b>	<b>25.4%</b>
11	<b>Operating (Surplus) / Deficit</b>	<b>6,731,534</b>	<b>9,345,721</b>	<b>3,394,550</b>	<b>1,512,943</b>	<b>-55.4%</b>

### 3.18.6 Employee Statistics

The Cemeteries Services Section has 119 posts on the organisational structure approved by Council on 31 May 2018 of which 56 posts are frozen and 63 posts funded at year-end. The section had 42 filled and 21 vacant posts at year-end which resulted in a 33.3% vacancy rate.

**Table 80: Employees - Cemeteries and Crematoria**

Employees: Cemeteries and Crematoria								
Serial No.	Job Level	2017/18	2018/19					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	1	1	0	1	1	0	0.0%
3	T12 - T14	0	3	1	2	1	1	0.0%
4	T09 - T11	1	3	2	1	1	0	0.0%
5	T06 - T08	3	21	11	10	9	1	10.0%
6	T03 - T05	20	91	42	49	30	19	38.8%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	<b>Total</b>	<b>25</b>	<b>119</b>	<b>56</b>	<b>63</b>	<b>42</b>	<b>21</b>	<b>33.3%</b>

Note: The vacancy rate includes seasonal worker posts that will only be filled during holiday season.

### 3.19 COMMUNITY HALLS, FACILITIES AND THUSONG CENTRES

The Community Development Section manages two town halls, eight community halls, two Multi-Purpose Thusong Centres and 17 public ablution facilities. The Multi-Purpose Thusong Centres are one-stop facilities that provide opportunities to access a compendium of government services to surrounding communities. These include social services, social pensions and grants, consumer protection and numerous municipal services. The municipal halls are also managed by this section and these include the Wellington and Paarl Town Halls, as well as the Huguenot, Gouda, Fairyland, Mbekweni and Colibri Community halls.

#### 3.19.1 Service Statistics

The total number of people that accessed services from the Paarl East Thusong Centre is 32,184 and the total number for Mbekweni Thusong Centre is approximately 28,801 people. The facilities are open for hire and service statistics are being developed for these new facilities. Other relevant information includes the number of functions at the halls and Thusong Centres as reflected below.

**Table 81: Town Halls, Community Halls and Thusong Centres**

Town Halls, Community Halls and Thusong Centres			
Serial No	Facility	Number of Functions	
		2017/18	2018/19
1	Paarl Town Hall	54	65
2	Wellington Town Hall	113	63
3	Huguenot Community Hall	168	154
4	Fairyland Community Hall	154	81
5	Mbekweni Community Hall	117	102
6	Colibri Community Hall	125	30



Town Halls, Community Halls and Thusong Centres			
Serial No	Facility	Number of Functions	
		2017/18	2018/19
7	Safmarine Community Hall	4	0
8	Simondium Community Hall	52	63
9	Gouda Community Hall	128	60
10	Saron Community Hall	38	79
11	Paarl-East Thusong Service Centre	816	99
12	Mbekweni Thusong Service Centre	423	68

### 3.19.2 Service Delivery Levels

The Halls are used frequently and this has an impact on the standard times of readiness in terms of minimum quality standards required at such facilities. The current staff shortages also impact on the turnaround times for readiness. Upgrades at the halls and Thusong Centres will ensure that service delivery will improve. The Thusongs of Mbekweni and Paarl East have a provincial compliance evaluation of 75%.

### 3.19.3 Capital Expenditure

The Community Development Section spent R2.642 million or 100% of the final adjustments budget on community halls infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

**Table 82: Capital Expenditure 2018/19 - Community Halls, Facilities and Thusong Centres**

Capital Expenditure 2018/19: Community Halls, Facilities and Thusong Centres					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Upgrading of Halls	2,273,000	1,186,352	1,186,352	0.0%
2	Community Hall And Facilities: Saron	-	753,286	753,286	0.0%
3	Community Hall And Facilities: Simondium	-	319,822	319,821	0.0%
4	Upgrade Paarl Town Hall	1,000,000	257,693	257,693	0.0%
5	Other Capital Projects	2,000,000	125,379	125,379	0.0%
4	<b>Total Capital Expenditure</b>	<b>5,273,000</b>	<b>2,642,532</b>	<b>2,642,530</b>	<b>0.0%</b>

### 3.19.4 Major Projects Completed

The Paarl Town Hall and the Wellington Hall were upgraded during the year under review and this included upgrades to the kitchens and the air conditioning systems of these facilities.

### 3.19.5 Operating Expenditure

Community halls, facilities and Thusong centres, as a community service, generated an operating deficit of R14.8 million for the 2018/19 financial year. The deficit is subsidised with the surpluses made by trading services.

**Table 83: Operating Revenue and Expenditure: Community Halls, Facilities and Thusong Centres**

Operating Revenue and Expenditure: Community Halls, Facilities and Thusong Centres						
Serial No.	Description	2016/17 Actual Results	2017/18			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	(489,325)	(22,475,359)	(22,288,493)	(22,647,014)	1.6%
2	<b>Total Operating Revenue</b>	<b>(489,325)</b>	<b>(22,475,359)</b>	<b>(22,288,493)</b>	<b>(22,647,014)</b>	<b>1.6%</b>
3	Employee Related Costs	5,434,903	22,377,066	22,844,095	22,888,431	-0.2%
4	Impairment Losses on Financial Assets	-	-	-	-	0.0%
5	Interest Paid	-	-	-	-	0.0%
6	Contracted Services	1,229,075	2,742,715	3,505,220	3,536,242	-0.9%
7	Depreciation and Provisions	526,902	479,360	479,362	6,619,233	-1280.8%
8	Inventory	642,326	621,387	708,420	1,820,220	-156.9%
9	Operational Costs	1,929,566	2,285,648	2,579,017	2,620,565	-1.6%
10	<b>Total Operating Expenditure</b>	<b>9,762,772</b>	<b>28,506,176</b>	<b>30,116,114</b>	<b>37,484,691</b>	<b>-24.5%</b>
11	<b>Operating (Surplus) / Deficit</b>	<b>9,273,447</b>	<b>6,030,817</b>	<b>7,827,621</b>	<b>14,837,678</b>	<b>89.6%</b>

### 3.19.6 Employee Statistics

The Community Halls, Facilities and Thusong Centres Services Section has 84 posts on the organisational structure approved by Council on 31 May 2018 of which 12 posts are frozen and 72 posts funded at year-end. The section had 57 filled and 15 vacant posts at year-end which resulted in a 20.8% vacancy rate.

**Table 84: Employees - Community Halls, Facilities and Thusong Centres**

Employees: Community Halls, Facilities and Thusong Centres								
Serial No.	Job Level	2017/18	2018/19					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	1	1	0	1	1	0	0.0%
3	T12 - T14	0	0	0	0	0	0	0.0%
4	T09 - T11	0	5	2	3	1	2	0.0%
5	T06 - T08	5	9	2	7	5	2	28.6%
6	T03 - T05	45	69	8	61	50	11	18.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	<b>Total</b>	<b>51</b>	<b>84</b>	<b>12</b>	<b>72</b>	<b>57</b>	<b>15</b>	<b>20.8%</b>

### **3.20 CHILD CARE, AGED CARE AND SOCIAL PROGRAMMES**

The Community Development Section is responsible for poverty relief initiatives, support to vulnerable groups, including youth, gender, the elderly, the disabled, street people, alcohol harms reduction programme and the Early Childhood Development (ECD) Sector. It also manages the distribution of the grant in aid funds and assists the IDP office with the operations of Mayoral Ward Projects in the 33 wards.

The strategic, programmatic focus of the section is to develop and establish social support networks and to develop and promote community livelihood strategies. The principles guiding the implementation of programmes and projects are based on labour-intensive job creation initiatives that sustain and support impoverished households.

The Early Childhood Development (ECD) Sector is serviced by the Community Development Section. The top service delivery priorities for the sector were:

- To facilitate the registration of ECD's with the National Department of Social Services, with all stakeholders in the sector, located within the Drakenstein Municipal Area. This process included mobilising all stakeholders both local and provincial to participate in workshops aimed in recognising the challenges and unblocking red tape and bureaucratic bottlenecks;
- To facilitate training for ECD practitioners on the needs that were identified by the ECD Forum as priority training needs. Training focused on training for ECD practitioners. Other training also focused on health and sanitation training for ECD practitioners within the context of the drought;
- To renovate and upgrade the ECD facilities. Permission was granted to construct an ECD facility in the Fairyland/Groenheuwel area and the construction of this facility has started;
- The ECD skills course on Health and Hygiene in the context of the current drought situation was attended by 56 participants. The second skills workshop on the 1<sup>st</sup> thousand days of development held with the ECD sector was attended by 36 people;
- The Gender Commission also facilitated workshops with the Gender Forum on Gender Awareness and the role of women in society; and
- Support to the Elderly Forum consisted of quarterly meetings with the sector and logistical and financial support with the programmes and projects in which the Elderly Forum participated. This included the Provincial Elderly Games held at the Dal Josaphat Stadium, World Day of Prevention of Elderly Abuse recognition of the contribution of the Elderly held in the Dal Josaphat Stadium.

The section also facilitated various skills development workshops for the unemployed youth, which included, Weed-Eating and Brush Cutting Training, First Aid Training, Waiter Training, and Computer Training. The aim of the skills training was to empower unskilled and

unemployed youth with skills so that they could immediately access job opportunities. Two skills development workshops were facilitated for the Drakenstein ECD Sector in the rural areas, including participants from Simondium and Wellington farm areas.

### **3.20.1 Service Statistics**

Some service statistics are:

- The Community Development Section held two meetings per quarter with the ECD Forums of Mbekweni, Paarl and Wellington;
- The ECD skills course on Health and Hygiene in the context of the current drought situation was attended by 56 participants;
- The second skills workshop on the 1<sup>st</sup> Thousand days of Development held with the ECD Sector was attended by 36 people;
- The Community Development Section held quarterly meetings with the Gender Forum and facilitated two workshops which was attended by 19 and 22 participants per workshop respectively;
- The Gender Month Programme was also managed by the Community Development Section and similarly the 16 Days of Activism Against Women and Child Abuse Programme is managed; and
- The Community Development Section held quarterly meetings with the Elderly Forum with support of transport for the Elderly Forum in the Drakenstein municipal area to attend the Golden Games.

### **3.20.2 Service Delivery Levels**

The Community Development Section plans and executes two meetings per quarter with the ECD Forums of Wellington, Paarl and Mbekweni. The meetings addresses the service needs of the different ECD Forums. The section also plans to facilitate two skills development workshops with the sector.

The section also holds quarterly meetings with the Gender Forum and facilitates two empowerment workshops. One workshop focuses on human rights and the other focuses on gender empowerment.

The section holds quarterly meetings with the Elderly Forum to address the needs of the Elderly in the Drakenstein municipal area.

### 3.20.3 Capital Expenditure

The Community Development Section spent R250,433 or 100% of the final adjustments budget on child care, aged care and social infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

**Table 85: Capital Expenditure 2018/19 - Child Care, Aged Care & Social Programmes**

Capital Expenditure 2018/19: Child Care, Aged Care & Social Programmes					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	ECD Infrastructure	277,976	175,791	175,790	0.0%
2	Furniture and Equipment	-	74,643	74,642	0.0%
3	Machinery and Equipment	1,350,000	-	-	0.0%
4	<b>Total Capital Expenditure</b>	<b>1,627,976</b>	<b>250,434</b>	<b>250,433</b>	<b>0.0%</b>

### 3.20.4 Major Projects Completed

An interim Arts and Culture Forum was established with the Arts and Culture representatives of the ward committees. A draft constitution was adopted by the interim Arts and Culture Forum. It was decided that engagement with the DCAS provincial department would continue to ensure the participation of the arts and culture sector in provincial initiatives.

The major achievement was the skills training provided to unemployed youth on brush cutting, operation of weed eater machinery, waiter training and first aid was held. The Drakenstein Youth Forum also held the June 16 Youth Day Commemoration in Saron where approximately 500 youth across the Drakenstein municipal area attended.

Two engagements were held with the Elderly Forum. These engagements included the Elderly Indaba to evaluate the safety of the elderly in the community. The Elderly Sector was also assisted in terms of hosting the regional Golden Games at the Dal Josaphat Stadium. The elderly also has several service benefits that can be accessed, including reduced tariffs for water and electricity.

The major engagements with the Disabled Peoples Forum included workshops for the disabled to mainstream the challenges of disabled within the Drakenstein Municipality and evaluate the Drakenstein municipal facilities in terms of being disabled friendly.

The Community Development Section also supported the Street Peoples Forum through participating in the initiative of the Cape Winelands District Municipality to develop a

transport plan for disabled people in the Drakenstein municipal area. This consisted of meetings with stakeholders working with and supporting street people. The Forum drafted an information leaflet on street people, which was distributed in the Drakenstein municipal area.

### 3.20.5 Operating Expenditure

Child care, aged care and social programmes, as a community service, generated an operating deficit of R9.3 million for the 2018/19 financial year. The deficit is subsidised with the surpluses made by trading services.

**Table 86: Operating Revenue and Expenditure: Child Care, Aged Care & Social Programmes**

Operating Revenue and Expenditure: Child Care, Aged Care & Social Programmes						
Serial No.	Description	2017/18 Actual Results	2018/19			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	-	-	-	-	0.0%
2	<b>Total Operating Revenue</b>	-	-	-	-	0.0%
3	Employee Related Costs	5,881,518	6,049,583	6,560,283	6,879,584	-4.9%
4	Impairment Losses on Financial Assets	-	-	-	-	0.0%
5	Interest Paid	-	-	-	-	0.0%
6	Contracted Services	375,482	221,867	1,010,560	1,201,395	-18.9%
7	Depreciation and Provisions	941,510	758,745	758,746	171,875	77.3%
8	Inventory	2,029,683	3,559,503	979,352	794,634	18.9%
9	Operational Costs	177,594	317,544	360,315	240,424	33.3%
10	<b>Total Operating Expenditure</b>	<b>9,405,786</b>	<b>10,907,242</b>	<b>9,669,256</b>	<b>9,287,912</b>	3.9%
11	<b>Operating (Surplus) / Deficit</b>	<b>9,405,786</b>	<b>10,907,242</b>	<b>9,669,256</b>	<b>9,287,912</b>	-3.9%

### 3.20.6 Employee Statistics

The Child Care, Aged Care and Social Programmes Section has eight posts on the organisational structure approved by Council on 31 May 2018. The section had seven filled and one vacant post at year-end which resulted in a 12.5% vacancy rate.

**Table 87: Employees - Child Care, Aged Care and Social Programmes**

Employees: Child Care, Aged Care and Social Programmes (Community Development)								
Serial No.	Job Level	2017/18	2018/19					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	0	1	0	1	1	0	0.0%
3	T12 - T14	0	0	0	0	0	0	0.0%
4	T09 - T11	4	5	0	5	4	1	20.0%
5	T06 - T08	0	0	0	0	0	0	0.0%
6	T03 - T05	2	2	0	2	2	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	6	8	0	8	7	1	12.5%

## COMPONENT F: ENVIRONMENTAL PROTECTION

### 3.21 INTRODUCTION

The natural environment supports all life on earth but it is currently under severe threat due to human activities which are causing unprecedented climate change, habitat loss, alien species invasions and excessive pollution which have a significant impact on the health and functioning of our ecosystems. If we are to continue to prosper and develop in a sustainable manner, it is vitally important that we take active measures to protect the environment. While environmental protection is the responsibility of all municipal line departments, Drakenstein Municipality has a dedicated Environmental Management Division that plays a coordinating role between various departments in order to ensure that residents have access to a clean and healthy environment. In addition to this, Drakenstein Municipality has adopted an environmental policy that commits to the full implementation of Integrated Environmental Management (IEM) throughout the organisation.

### 3.22 ENVIRONMENTAL MANAGEMENT (INCLUDING POLLUTION CONTROL)

The Environmental Management Division is placed within the Planning and Development Department. The Environmental Management Division consists of three sections including, Environmental Planning and Sustainability; Environmental Management Systems Monitoring and Compliance; as well as Natural Resource Management. The divisions' service delivery focus is to ensure that residents enjoy an environment that is safe, not harmful to their well-being and is protected for future generations by protecting and enhancing the Municipality's natural assets and by ensuring that our natural resources are utilised sustainably.

The Environmental Planning and Sustainability Section plays a proactive role in planning for sustainable development through several initiatives including the development of the Environmental Management Framework, the implementation of the Climate Change Adaptation Plan, by commenting on development applications and coordinating the Climate Partnership with the City of Neumarkt, Germany.

The Environmental Management Systems, Monitoring and Compliance Section plays an active role in monitoring threats to the environment and ensuring compliance with environmental legislation. These goals are achieved through the implementation of the municipal Environmental Management System, performing Environmental Management Inspector duties, responding to environmental pollution incidents, managing environmental emergency incidents in accordance with Section 30 of the National Environmental Management Act 107 of 1998, and executing the air quality management and noise control functions.



The Natural Resource Management Section plays an active role in the management of natural resources by implementing projects aimed at improving the water quantity and quality of the Berg River, developing the Alien Invasive Species Strategy, developing management plans for municipal conservation areas and conducting environmental awareness campaigns with schools and the public in general.

### 3.22.1 Service Statistics

**Table 88: Environmental Management - Service Statistics**

Environmental Management Service Statistics		
Description	2017/18	2018/2019
Environmental Education and Awareness Events	37	22
Environmental Applications commented on	11	26
Land Use Applications commented on	12	26
Noise Exemptions issued	2	10
Noise Complaints attended to	3	6
Air Pollution Incidents attended to	4	7
Pollution Incidents attended to	5	9

### 3.22.2 Capital Expenditure

The Environmental Management Division spent R319.7 thousand or 100% of the final adjustments budget on environmental management infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

**Table 89: Capital Expenditure 2018/19 - Environmental Management (Pollution Control Included)**

Capital Expenditure 2018/19: Environmental Management (Pollution Control Included)					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Upgrading of Arboretum	250,000	242,634	242,634	0.0%
2	Upgrading of Paarl Mountain Reserve	-	76,326	76,326	0.0%
3	Computer Equipment	-	777	776	0.1%
4	<b>Total Capital Expenditure</b>	<b>250,000</b>	<b>319,737</b>	<b>319,736</b>	<b>0.0%</b>

### 3.22.3 Major Projects Completed

- Alien Invasive Vegetation Strategy: The Division drafted a Strategy for the Management of Invasive Alien Vegetation on Municipal Land that was approved by the Mayoral Committee in June 2019. Currently no integrated or coordinated alien removal programme exists for Drakenstein Municipality and this function lies with more than one line department. This strategy aims to set up a structure within the Municipality to ensure

that one division/section coordinates all actions between other line departments. Another aim of the strategy is to set up a database to manage records of alien control information and provide guidance for invasive alien vegetation planning.

- FKKP Funding application: The Municipality applied for funding, through its climate partnership with the City of Neumartkt, in November 2018 to upgrade the Paarl Arboretum. The application for funding was made to Engagement Global's FKKP Programme. Engagement Global is a German agency that facilitates and funds the climate partnership between the two municipalities. Due to the nature of the partnership, the funding application had to have a strong focus on climate change and the title of the funding application was called "Developing a climate smart river park for Drakenstein Municipality". In January 2019 the Municipality was notified that the funding application was successful. Many of the initiatives included in the funding application emanated from the Paarl Urban Design Framework which was approved by Council on 28 June 2017. The Municipality is currently in the planning phase of this project and the implementation thereof will be facilitated by the Community Services Department.
- Draft 2<sup>nd</sup> Generation Air Quality Management Plan: Drakenstein Municipality is required to develop and maintain an Air Quality Management Plan (AQMP) in accordance with regulation 15(2) of the National Environmental Management: Air Quality Act 39 of 2004 (NEMAQA). Drakenstein Municipality developed the first AQMP in 2011 and since then, the Western Cape Department of Environmental Affairs and Development Planning and the Cape Winelands District Municipality updated their AQMP's in 2016 and 2018 respectively. It was therefore necessary to develop a 2<sup>nd</sup> Generation AQMP for Drakenstein Municipality in order to ensure alignment is maintained between the Drakenstein Municipality AQMP and the district and provincial AQMP's. A Draft 2<sup>nd</sup> Generation AQMP has been developed and submitted to the Mayoral Committee for approval to go out on a public participation process. Approval was granted and the Division will advertise the AQMP for public comment in the 2019/20 financial year, after which it will be finalised.
- Environmental Awareness: The Environmental Management Division have environmental education and awareness events running with schools in the Drakenstein area. The purpose of these events is to raise awareness around different environmental problems, the cause of these problems and how the community can do their part in mitigating their effects on the environment. The initiatives also raise awareness around the unique nature of the biodiversity and conservation efforts in and around the Municipality. During 2018/19 financial year, 22 awareness events were held with 6 schools in rural areas and 2 schools in urban areas.

### 3.22.4 Operating Expenditure

Environmental management services (pollution control included), as a community service, generated an operating deficit of R2.5 million for the 2018/19 financial year. The deficit is subsidised with the surpluses made by trading services.

**Table 90: Operating Revenue and Expenditure: Environmental Management (Pollution Control Included)**

Operating Revenue and Expenditure: Environmental Management (Pollution Control Included)						
Serial No.	Description	2017/18 Actual Results	2018/19			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	-	-	-638,199	-158,202	0.0%
2	<b>Total Operating Revenue</b>	-	-	<b>-638,199</b>	<b>-158,202</b>	0.0%
3	Employee Related Costs	1,271,426	1,257,568	1,460,489	1,420,975	2.7%
4	Impairment Losses on Financial Assets	-	-	-	-	0.0%
5	Interest Paid	-	-	-	-	0.0%
6	Contracted Services	456,091	930,000	1,225,400	1,047,522	14.5%
7	Depreciation and Provisions	-	-	-	-	0.0%
8	Inventory	29,242	133,403	72,300	63,093	12.7%
9	Operational Costs	62,812	161,440	149,655	132,559	11.4%
10	<b>Total Operating Expenditure</b>	<b>1,819,572</b>	<b>2,482,411</b>	<b>2,907,844</b>	<b>2,664,149</b>	8.4%
11	<b>Operating (Surplus) / Deficit</b>	<b>1,819,572</b>	<b>2,482,411</b>	<b>2,269,645</b>	<b>2,505,947</b>	10.4%

### 3.22.5 Employee Statistics

The Environmental Management Division has 17 posts on the organisational structure approved by Council on 31 May 2018 of which 9 posts are frozen and 8 posts funded at year-end. The section had 3 filled posts at year-end and based on the number of vacancies (2) had a 25.0% vacancy rate.

**Table 91: Employees: Environmental Management**

Employees: Environmental Management								
Serial No.	Job Level	2017/18	2018/19					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	0	1	0	1	1	0	0.0%
3	T12 - T14	2	9	4	5	4	1	20.0%
4	T09 - T11	0	6	5	1	1	0	0.0%
5	T06 - T08	1	1	0	1	0	1	100.0%
6	T03 - T05	0	0	0	0	0	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	<b>Total</b>	<b>3</b>	<b>17</b>	<b>9</b>	<b>8</b>	<b>6</b>	<b>2</b>	<b>25.0%</b>

### **3.23 BIODIVERSITY AND LANDSCAPE (INCLUDING OPEN SPACES)**

Biodiversity is maintained by the Nature Conservation Section under the auspices of the Parks Section. The Environmental Management Section does the spatial environmental planning. The Parks Section also contributes to this function through the clearing of invasive alien vegetation, fire management and management of protected areas.

#### **3.23.1 Service Statistics**

Tree planting was limited due to the drought which was experienced.

Trees were again donated to the community at the Drommedaris Housing Development as part of the sustainability strategy whereby the new house owners took direct responsibility for the planting and aftercare of the trees they received.

In total 86 new trees were planted and donated, inclusive of indigenous and Mediterranean species suitable to the local climatic conditions. Tree planting also contributes to the reduction of the municipal carbon footprint.

Invasive Alien Plants (IAPs) pose a direct threat not only to South Africa's biological diversity, but also to water security, the ecological functioning of natural systems and the productive use of land. The eradication of invasive alien plants was limited to the Paarl Mountain Nature Reserve and forms part of the Invasive Alien Plant Strategy. For the year under review, 668 hectares IAP's were eradicated and 3.8 kilometres firebreak, which includes follow-up sites.

#### **3.23.2 Service Delivery Levels**

Eradication projects are based on best practice standards as dictated by Working for Water, a national initiative by the Department of Environmental Affairs.

Tree watering has taken place within the stipulations of Water Restrictions Regulations using treated effluent water on street trees.

#### **3.23.3 Capital Expenditure**

The Nature Conservation Section had no capital projects for the year under review.

**Table 92: Capital Expenditure 2018/19 - Biodiversity & Landscape (Open Spaces Included)**

Capital Expenditure 2018/19: Biodiversity & Landscape (Open Spaces Included)					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	No Capital Projects	-	-	-	0.0%
2	<b>Total Capital Expenditure</b>	-	-	-	<b>0.0%</b>

### 3.23.4 Major Projects Completed

For the 2018/19 financial year, 668 hectares alien vegetation clearing and 3.8 kilometres firebreaks were cleared on Paarl Mountain Nature Reserve. A total of 86 trees were planted in WC023 during the reporting period.

### 3.23.5 Operating Expenditure

Biodiversity and landscaping, as a community service, generated an operating deficit of R108.0 million for the 2018/19 financial year. The deficit is subsidised with the surpluses made by trading services.

**Table 93: Operating Revenue and Expenditure: Biodiversity and Landscaping**

Operating Revenue and Expenditure: Biodiversity and Landscaping						
Serial No.	Description	2017/18 Actual Results	2018/19			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	-	-6,443,788	-7,197,799	-6,391,391	-11.2%
2	<b>Total Operating Revenue</b>	-	<b>-6,443,788</b>	<b>-7,197,799</b>	<b>-6,391,391</b>	<b>-11.2%</b>
3	Employee Related Costs	16,873,458	62,982,499	65,127,266	65,299,039	-0.3%
4	Impairment Losses on Financial Assets	-	-	-	-	#DIV/0!
5	Interest Paid	-	-	-	-	#DIV/0!
6	Contracted Services	1,201,412	18,180,889	13,553,284	12,658,999	6.6%
7	Depreciation and Provisions	-	6,787,828	7,257,958	6,463,542	10.9%
8	Inventory	341,631	2,079,794	2,490,667	4,330,337	-73.9%
9	Operational Costs	125,276	27,708,790	35,141,141	25,658,440	27.0%
10	<b>Total Operating Expenditure</b>	<b>18,541,776</b>	<b>117,739,800</b>	<b>123,570,316</b>	<b>114,410,358</b>	<b>7.4%</b>
11	<b>Operating (Surplus) / Deficit</b>	<b>18,541,776</b>	<b>111,296,012</b>	<b>116,372,517</b>	<b>108,018,968</b>	<b>-7.2%</b>

### 3.23.6 Employee Statistics

The Biodiversity and Landscaping Section has 342 posts on the organisational structure approved by Council on 31 May 2018 of which 143 posts are frozen and 199 posts funded at year-end. The section had 185 filled and 14 vacant posts at year-end which resulted in a 7% vacancy rate.

**Table 94: Employees - Biodiversity and Landscaping (Parks)**

Employees: Biodiversity and Landscaping (Parks)								
Serial No.	Job Level	2017/18	2018/19					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	0	2	0	2	2	0	0.0%
3	T12 - T14	1	4	1	3	3	0	0.0%
4	T09 - T11	0	9	8	1	0	1	0.0%
5	T06 - T08	8	66	32	34	33	1	2.9%
6	T03 - T05	34	261	102	159	147	12	7.5%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	<b>Total</b>	<b>43</b>	<b>342</b>	<b>143</b>	<b>199</b>	<b>185</b>	<b>14</b>	<b>7.0%</b>

## COMPONENT G: SECURITY AND SAFETY

### 3.24 INTRODUCTION

This part of the report deals with the traffic, licensing, law enforcement, and fire and disaster management services rendered for the year under review.

### 3.25 TRAFFIC, LICENSING AND LAW ENFORCEMENT

During 2018/19, a large number of offences were dealt with. The main purpose of this section is not only to prosecute, but also to educate offenders. The main activities undertaken were:

- Apprehending offenders talking on cell phones while driving, red light and stop street violations, failure to wear seatbelts, excessive speeding, taxis, red and yellow line offences, illegal number plates and driving under the influence of alcohol – all of the aforementioned contributed to a high accident rate;
- Corrective measures taken inter alia include selective law enforcement on safety belts, cell phones, number plates and public transport;
- The construction of our public transport impoundment facility was completed;
- The implementation of mobile cameras to effectively deal with excessive speed;
- Traffic safety talks at various institutions to address irresponsible driver behaviour and pedestrian safety;
- We have been tackling drag racing operations in Paarl and Wellington with the assistance of SAPS and the Dog Unit with huge successes;
- On Saturday, 12 January 2019 the Paarl DLTC opened their doors for registrations and drivers licence renewals for our residents that are not able to do so during the week;
- On Saturday, 13 July 2019 we added leaners classes as well; and
- In April 2019, we had the roll-out of our electronic vehicle renewals to reduce the long lines at the registrations office. So far it has been highly successful.

#### 3.25.1 Service Statistics

**Table 95: Traffic, Licensing and Law Enforcement Service Data**

Traffic, Licensing and Law Enforcement Service Data			
Details	2016/17 Actual	2017/18 Actual	2018/19 Actual
Number of road traffic accidents during the year	3,938	3,428	3,340
Number of bylaw infringements attended	2,932	3,212	3,017
Number of traffic officers in the field on an average day	5 – Early Shift 5 – Late Shift = 10 officers per day	8 – Early Shift 8 – Late Shift 16 = officers per day	8 – Early Shift 8 – Late Shift 16 = officers per day

Traffic, Licensing and Law Enforcement Service Data			
Details	2016/17 Actual	2017/18 Actual	2018/19 Actual
Number of traffic officers on duty on an average day	7 – Testing Station 5 – Early Shift 5 – Late Shift = 17 officers per day	10 – Testing Station 8 – Early Shift 8 – Late Shift = 26 officers per day	10 – Testing Station 8 – Early Shift 8 – Late Shift = 26 officers per day

### 3.25.2 Service Delivery Levels

The mission of Traffic Services is to render an effective and high-quality service through a process of consultation and transparency in all facets of the traffic services, and in rendering a service to the community of Drakenstein and its visitors by ensuring the free flow of traffic and creating a safe environment to make Drakenstein “A city of excellence”.

### 3.25.3 Capital Expenditure

The Traffic section spent R441.5 thousand or 100% of the final adjustments budget on traffic, licensing and law enforcement services infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 96: Capital Expenditure 2018/19 - Traffic, Licensing and Law Enforcement

Capital Expenditure 2018/19: Traffic, Licensing and Law Enforcement					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Traffic HQ	5,000,000	441,491	441,491	0.0%
2	Weapons (Law Enforcement)	285,000	-	-	0.0%
3	<b>Total Capital Expenditure</b>	<b>5,285,000</b>	<b>441,491</b>	<b>441,491</b>	<b>0.0%</b>

### 3.25.4 Major Projects Completed

The completion of the Vehicle Impound Facility for the impoundment of public transport vehicles (taxis and busses).

### 3.25.5 Operating Expenditure

Traffic, licensing and law enforcement, as a community service, generated an operating surplus of R13.6 million for the 2018/19 financial year. The surplus is subsidising other community services running at a loss.



**Table 97: Operating Revenue and Expenditure: Traffic, Licensing and Law Enforcement**

Operating Revenue and Expenditure: Traffic, Licensing and Law Enforcement						
Serial No.	Description	2017/18 Actual Results	2018/19			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	(107,630,724)	(87,789,212)	(115,439,454)	(92,468,067)	-19.9%
2	<b>Total Operating Revenue</b>	<b>(107,630,724)</b>	<b>(87,789,212)</b>	<b>(115,439,454)</b>	<b>(92,468,067)</b>	<b>-19.9%</b>
3	Employee Related Costs	26,427,491	24,801,193	32,890,883	33,851,300	-2.9%
4	Impairment Losses on Financial Assets	62,784,378	57,558,771	78,797,509	64,013,206	18.8%
5	Interest Paid	189,488	209,417	219,945	208,737	5.1%
6	Contracted Services	4,010,959	9,025,055	3,873,950	3,610,487	6.8%
7	Depreciation and Provisions	113,268	360,247	360,248	100,849	72.0%
8	Inventory	458,699	394,074	474,149	466,548	1.6%
9	Operational Costs	533,919	3,935,441	6,170,721	3,891,435	36.9%
10	<b>Total Operating Expenditure</b>	<b>94,518,201</b>	<b>96,284,198</b>	<b>122,787,405</b>	<b>106,142,560</b>	<b>13.6%</b>
11	<b>Operating (Surplus) / Deficit</b>	<b>(13,112,523)</b>	<b>8,494,986</b>	<b>7,347,951</b>	<b>13,674,493</b>	<b>86.1%</b>

### 3.25.6 Employee Statistics

The Traffic, Licensing and Law Enforcement Section has 323 posts on the organisational structure approved by Council on 31 May 2018 of which 193 posts are frozen and 130 posts funded at year-end. The section had 118 filled posts at year-end and based on the number of vacancies (12) had a 9.2% vacancy rate.

**Table 98: Employees - Traffic, Licensing and Law Enforcement**

Employees: Traffic, Licensing and Law Enforcement								
Serial No.	Job Level	2017/18	2018/19					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	1	1	1	0	0	0	0.0%
2	T15 - T17	2	4	3	1	1	0	0.0%
3	T12 - T14	0	5	2	3	1	2	66.7%
4	T09 - T11	45	188	128	60	58	2	3.3%
5	T06 - T08	15	34	24	10	6	4	40.0%
6	T03 - T05	33	91	35	56	52	4	7.1%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	<b>Total</b>	<b>96</b>	<b>323</b>	<b>193</b>	<b>130</b>	<b>118</b>	<b>12</b>	<b>9.2%</b>

## 3.26 FIRE AND DISASTER MANAGEMENT

### 3.26.1 Fire Services

Functionally, the Fire Department is divided into five areas, namely: operations, training, support services, fire safety and disaster risk management. Within these functional areas, the following activities take place or are conducted:

- Operations: The division operates a 24-hour service and an emergency control centre, which responds to all incidents in the municipal area immediately with targeted predetermined response times. The Municipality is proud to report that it achieves these goals most of the time due to the geographical location of all fire stations. The Fire Service has four fire stations that are located in Paarl, Wellington, Mbekweni and Saron.
- Professional Firefighter Training: The Drakenstein Municipality is accredited as a Fire Training Centre and provides professional firefighting training to all appointed Fire Service personnel and to neighbouring fire services. The training centre also complements other accredited training centres in the region. The objective of continuous training is to improve the skills and development of the firefighting personnel in order to provide a professional service to the communities we serve. During the reporting period, 106 Fire Service Officials received continuous training relating to the scope of the work they perform.
- Public and Life Safety Training: A total of 1,601 children from primary and pre-primary schools were recipients of the Fire and Life Safety Programme: Stop, Drop and Roll, Learn Not to Burn and Crawl Low under Fire. These programmes are aimed at fire and life safety within the communities.
- Support Services: The Fire Service operates a 24-hour emergency control and dispatch centre. All emergency calls are received by the centre and, depending on the emergency, the relevant vehicles are dispatched to attend to the incidents. The incidents are not confined to fire calls only. Professionally trained firefighters responded to rescue and medical incidents, chemical incidents, and other special services calls such as flooding and etcetera.
- Fire Safety: This section focuses on risk, and building inspections, in compliance with the National Building Regulations and the Building Standards Act, and related bylaws.

### 3.26.1.1 Service Statistics

**Table 99: Fire Service Data**

Fire Service Data			
Detail	2016/17 Actual	2017/18 Actual	2018/19 Actual
Total fires attended to in the year	824	1,056	873
Total of other incidents attended to in the year	16	47	113
Average turnout time – urban areas (minutes)	10-12	10-12	10-12
Average turnout time – rural areas	20	20	20
Firefighters in post at year end	61	69	72
Total fire appliances at year end	11	11	10
Average number of appliances on the road during the year	9	8	8

**Table 100: Fire Safety – Activities/Inspections**

Fire Safety Activities/Inspections			
Description	2016/17	2017/18	2018/19
Fire safety inspections	1,027	1,098	1,063
Inspections of overgrown erven and property	1,879	1,973	1,232
Lectures and demonstrations	65	97	78
Buildings plans scrutinised and approved	1,692	1,946	2,376
Events Management and risk visits	79	87	139

The following training was conducted and attended by fire service personnel:

**Table 101: Fire Fighter Training**

Firefighter Training			
Description	Number of Officials Attended		
	2016/17	2017/18	2018/19
Confined Space Rescue	4	6	-
Incident command and control 300	6	9	-
Fire service instructor Course	2	2	12
Incident Command System 100 and 200	24	16	-
Practical Pump Operations and Driving	8	9	12
Hazmat Operations Challenge	2	12	-
Swift water rescue course	2	5	-
Advanced Fire Safety Course	1	1	-
Daily drills and instruction per shift	21	22	45
Breathing Apparatus refresher course	36	44	45
Compressor Operator Course	12	9	-

### 3.26.1.2 Service Delivery Levels

- Conducting of 48 fire risk building inspections per annum in our municipal area focusing on compliance to fire safety requirements as legislatively required; and

- Conducting of 42 continuous professional firefighter training sessions as prescribed by SANS 10090.

As an accredited training centre, a serious focus is placed on continuous professional firefighter training for our own firefighters as well as neighbouring fire services. The table above indicates the number of training activities and programmes that were conducted over the past year. Our aim is to become a Fire Training Academy of excellence providing quality training and skills development.

### 3.26.2 Disaster Management

This service delivery priority is aimed at the annual review of the Corporate Disaster Management Plan, which was reviewed and submitted for final approval and implementation. All Senior Managers were updated and informed of the plan regarding their specific functional responsibilities.

The Municipality renders relief services to fire victims by handing out food parcels and blankets. During 2018/19, 962 blankets and 271 food parcels were handed out. Shack fires remain a challenge. The Fire Service continued their smoke alarm project, which involved the installation of 402 smoke alarms in the informal settlements area of Simondium, OR Block Mbekweni and Lovers Lane.

#### 3.26.2.1 Service Delivery Levels

The fire service aims to attend to all emergencies within the prescribed attendance times as indicated in Table 98 above.

### 3.26.3 Capital Expenditure

The Fire & Disaster Section only spent R2,988 or 99.9% of the final adjustments budget on fire and disaster infrastructure projects for the year under review. The capital projects are listed in the table below with its budgeted and actual expenditure information.

**Table 102: Capital Expenditure 2017/18 - Fire & Disaster Management**

Capital Expenditure 2018/19: Fire & Disaster Management					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Fire Fighting Vehicle	1,289,565	2,053,178	2,053,178	0.0%
2	Fibre Connection to Brede Str	1,000,000	527,939	527,939	0.0%
3	Disaster Management Control Room	1,200,000	216,551	216,551	0.0%
4	Machinery and Equipment	100,000	134,373	133,581	0.6%
5	Other Capital Projects	-	57,200	57,200	0.0%
6	<b>Total Capital Expenditure</b>	<b>3,589,565</b>	<b>2,989,241</b>	<b>2,988,448</b>	<b>0.0%</b>

### 3.26.4 Major Projects Completed

Smoke alarm project: Installation of 402 smoke alarms in the informal settlement areas of Simondium, Lovers Lane and OR Block Mbekweni respectively.

Acquisition of two all-terrain bush fire fighting vehicle for the Operational Division of the Fire Services to supplement our current operational fleet.

### 3.26.5 Operating Expenditure

Fire and disaster management services, as a community service, generated an operating deficit of R40.3 million for the 2018/19 financial year. The deficit is subsidised with the surpluses made by trading services.

**Table 103: Operating Revenue and Expenditure: Fire and Disaster Management Services**

Operating Revenue and Expenditure: Fire and Disaster Management						
Serial No.	Description	2017/18 Actual Results	2018/19			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	(382,255)	(1,744,565)	(1,744,565)	(1,569,286)	-10.0%
2	<b>Total Operating Revenue</b>	<b>(382,255)</b>	<b>(1,744,565)</b>	<b>(1,744,565)</b>	<b>(1,569,286)</b>	<b>-10.0%</b>
3	Employee Related Costs	28,840,889	34,008,972	34,008,972	34,778,361	-2.3%
4	Impairment Losses on Financial Assets	0	0	0	0	#DIV/0!
5	Interest Paid	0	0	0	0	#DIV/0!
6	Contracted Services	732,606	837,104	837,104	1,273,323	-52.1%
7	Depreciation and Provisions	696,199	1,018,935	1,018,935	234,844	77.0%
8	Inventory	117,172	122,473	122,473	171,425	-40.0%
9	Operational Costs	6,181,050	7,444,101	7,444,101	5,438,340	26.9%
10	<b>Total Operating Expenditure</b>	<b>36,567,916</b>	<b>43,431,585</b>	<b>43,431,585</b>	<b>41,896,293</b>	<b>3.5%</b>
11	<b>Operating (Surplus) / Deficit</b>	<b>36,185,662</b>	<b>41,687,020</b>	<b>41,687,020</b>	<b>40,327,007</b>	<b>-3.3%</b>

### 3.26.6 Employee Statistics

The Fire and Disaster Management Section has 176 posts on the organisational structure approved by Council on 31 May 2018 of which 91 posts are frozen and 85 posts funded at year-end. The section had 81 filled and 4 vacant posts at year-end which resulted in a 4.7% vacancy rate.

**Table 104: Employees - Fire and Disaster Management**

Employees: Fire and Disaster Management								
Serial No.	Job Level	2017/18	2018/19					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	3	3	0	3	3	0	0.0%
3	T12 - T14	5	13	8	5	4	1	20.0%
4	T09 - T11	3	34	30	4	3	1	25.0%
5	T06 - T08	69	113	45	68	66	2	2.9%
6	T03 - T05	4	13	8	5	5	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	<b>Total</b>	<b>84</b>	<b>176</b>	<b>91</b>	<b>85</b>	<b>81</b>	<b>4</b>	<b>4.7%</b>

## COMPONENT H: SPORT AND RECREATION

### 3.27 INTRODUCTION

Sport and Recreation Section's mandate is to maintain swimming pools, sport facilities and to coordinate recreation activities.

#### 3.27.1 Holiday Resorts

Drakenstein Municipality has three resorts. The Orleans Resort is situated in Paarl, Antoniesvlei Resort in Wellington and Saron Resort in Saron. The Antoniesvlei Resort is the only resort that closes for the off-season (May to September). The Orleans Resort and Saron Resort is open to the public all year round. The swimming pool at Saron Resort and the Splash Pool at Orleans Resort however are closed for off-season maintenance from May to September.

Orleans Park is currently being used for temporary emergency housing for evictees.

##### 3.27.1.1 Service Statistics

The statistics available is sporadic and incomplete and will not add value to this report. The section will implement a system and control which would allow for population of this section in the next Annual Report.

**Table 105: Population utilisation of holiday resorts**

Resorts	Number of Visitors 2018/2019
Orleans Park	64,654
Saron Holiday Resort	10,156
Antoniesvlei Holiday Resort	33,854

##### 3.27.1.2 Service Delivery levels

The resorts are maintained to ensure service delivery and maximum use of the facilities to the public in general as well as residents from neighbouring towns.

#### 3.27.2 Sport Grounds and Halls

Sports fields and halls in Drakenstein were prepared for 2,365 events/games for the year under review. The following table provides a comparison between 2016/17, 2017/18 and 2018/19 of the different sports codes' utilisation of the facilities.

### 3.27.2.1 Service Statistics

**Table 106: Sport codes utilisation of sport facilities**

Sport Code	2016/17	2017/18	2018/19	Number of fields
Rugby	1,077	281	684	21
Cricket	351	137	509	12
Soccer	697	106	1,254	13
Cycling	8	1	11	1
Hockey	16	8	13	4
Athletics	76	45	98	4
Netball	511	25	323	14
Other Events (Including 38 Park runs in the Arboretum)	134	101	727	-

Please note: Significant variance in 2018/19 numbers are due to:

- The relief of water restrictions as a result of the recent drought had a positive impact on the condition of our sport fields to the point where more games could be accommodated for on previously drought-stricken fields.
- Historic cricket fields were transformed to make provision for rugby fields meaning that we could accommodate more rugby games during the reported period.

### 3.27.2.2 Service Delivery Levels

Due to the improved weather conditions our service delivery levels automatically improved as we now could provide more playable surfaces to the various sporting codes.

### 3.27.3 Swimming Pools

Five swimming pools resort under the Sport and Recreation section. We have encountered challenges during the reporting period with the filtration plant of some of the swimming pools which could mainly be ascribed to aged infrastructure.

Upgrades to swimming pools include the filtration plants of:

- Weltevrede;
- Pentz Street;
- Faure Street; and
- Drakenstein.

Installation of ClearVu invisible fencing around kiddies' pools and upgrades (paintwork, tiling and electricity) at Pentz Street swimming pool.



### 3.27.3.1 Service Statistics

Swimming Pool	Number of patrons
	2018/19
Drakenstein	9,961
Pentz Street	11,939
Faure Street	20,815
Mbekweni	4,164
Weltevrede	4,620

### 3.27.3.2 Service Delivery Levels

Due to continued challenges with the aged infrastructure and structural damage at Mbekweni swimming pool; pipe leakages etc. not all five swimming pools were operating throughout the season. Upgrades were planned from 1 April 2018.

### 3.27.4 Capital Expenditure

The Sport and Recreation Section spent R23.5 million or 99.75% of the final adjustments budget on sport and recreation infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

**Table 107: Capital Expenditure 2018/19 - Holiday Resorts, Sport Facilities and Swimming Pools**

Capital Expenditure 2018/19: Holiday Resorts, Sport Facilities and Swimming Pools					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Upgrading of Mbekweni B&C Sportfields	4,802,632	6,831,538	6,831,538	0.0%
2	Pelikaan Park: Upgrade Facility	-	3,750,725	3,750,724	0.0%
3	Development of De Kraal Sport Complex	-	2,447,045	2,447,044	0.0%
4	Dal Sports Stadium	-	2,313,328	2,313,327	0.0%
5	Upgrade Newton Sport Facility	-	1,514,283	1,514,282	0.0%
6	Upgrading of Parks and Main Roads	1,500,000	1,135,966	1,135,965	0.0%
7	Install Irrigation at Boy Louw Sportfields	-	995,461	995,460	0.0%
8	Upgrading of Faure Street Sport Stadium	-	876,991	876,991	0.0%
9	Upgrade Swimming Pools	-	808,729	808,728	0.0%
10	World Cycling Centre Africa	-	684,579	684,578	0.0%
11	Parys Sportfields	-	599,721	599,721	0.0%
12	Playgrounds Development	-	501,674	501,673	0.0%
13	Other Capital Projects	3,800,000	1,115,402	1,057,126	5.2%
14	<b>Total Capital Expenditure</b>	<b>10,102,632</b>	<b>23,575,442</b>	<b>23,517,159</b>	<b>0.2%</b>

### 3.27.5 Major Projects Completed

Various capital projects were undertaken by Community Services during the 2018/19 financial year. Most of the projects were multi-year projects completed in 2018/19; and others will be completed in the 2019/20 financial year.

- Upgrading Of Mbekweni B & C Sports Field: This multi-year project is currently underway. Phase two of the works include upgrading of ablution facilities at the grandstand, access control with ticket office and parking area. Additional items to be done include upgrading of tennis courts and cricket nets.
- Pelican Park: Upgrade Facility: This multi-year project is currently underway. This phase includes the construction of a boundary wall, new ablution facilities and upgrading of existing facilities.
- Upgrading Swimming Pools and Equipment: Various components of the swimming pool infrastructure have been upgraded, including pool pumps and piping, ablution facilities and showers, as well as minor building upgrades.
- Upgrading of Faure Street Sport Stadium: The project entailed the installation of an electronic score board and the installation of new rugby posts.
- Upgrading Parys Sport Field: Upgrading of the ablution block, change rooms and stoep area.
- Upgrading of Dal Josaphat Stadium: Upgrade of netball courts, ablution blocks, fencing in-between fields and lighting at athletics track.
- De Kraal Sporting Facility: This multi-year project includes the construction of a new storm water system, removal of trees, bulk earthworks, construction of boundary wall and new ticket offices. The proposed sporting infrastructure will be completed in the 2020/21 year.
- Upgrade Newton Sport Facility: This multi-year project consists of the construction of new pavilions for the existing rugby fields.

### 3.27.6 Operating Expenditure

Holiday resorts, sport facilities and swimming pools services, as a community service, generated an operating deficit of R92.6 million for the 2018/19 financial year. The deficit is subsidised with the surpluses made by trading services.

**Table 108: Operating Revenue and Expenditure: Holiday Resorts, Sport Facilities and Swimming Pools**

Operating Revenue and Expenditure: Holiday Resorts, Sport Facilities and Swimming Pools						
Serial No.	Description	2017/18 Actual Results	2018/19			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	(2,474,913)	(3,848,328)	(4,290,603)	(3,202,244)	-25.4%
2	<b>Total Operating Revenue</b>	<b>(2,474,913)</b>	<b>(3,848,328)</b>	<b>(4,290,603)</b>	<b>(3,202,244)</b>	<b>-25.4%</b>
3	Employee Related Costs	40,144,464	50,843,022	49,026,601	49,400,834	-0.8%
4	Impairment Losses on Financial Assets	0	0	0	0	#DIV/0!
5	Interest Paid	0	0	0	0	#DIV/0!
6	Contracted Services	9,505,422	10,869,009	12,643,684	11,944,848	5.5%
7	Depreciation and Provisions	2,822,264	6,004,340	6,004,348	6,457,512	-7.5%
8	Inventory	1,573,756	1,474,114	1,870,599	3,579,804	-91.4%
9	Operational Costs	16,613,145	25,210,630	32,732,424	24,412,285	25.4%
10	<b>Total Operating Expenditure</b>	<b>70,659,051</b>	<b>94,401,115</b>	<b>102,277,656</b>	<b>95,795,283</b>	<b>6.3%</b>
11	<b>Operating (Surplus) / Deficit</b>	<b>68,184,139</b>	<b>90,552,787</b>	<b>97,987,053</b>	<b>92,593,039</b>	<b>-5.5%</b>

### 3.27.7 Employee Statistics

The Sport and Recreation Section has 204 posts on the organisational structure approved by Council on 31 May 2018 of which 80 posts are frozen and 124 posts funded at year-end. The section had 66 filled and 58 vacant posts at year-end which resulted in a 46.8% vacancy rate.

**Table 109: Employees - Sport and Recreation**

Employees: Sport and Recreation								
Serial No.	Job Level	2017/18	2018/19					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	4	1	0	1	1	0	0.0%
3	T12 - T14	0	0	0	0	0	0	0.0%
4	T09 - T11	4	3	1	2	2	0	0.0%
5	T06 - T08	42	50	21	29	18	11	37.9%
6	T03 - T05	168	150	58	92	45	47	51.1%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	<b>Total</b>	<b>218</b>	<b>204</b>	<b>80</b>	<b>124</b>	<b>66</b>	<b>58</b>	<b>46.8%</b>

### 3.28 INTRODUCTION

In terms of Section 4(2) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), a municipal council must, within the Municipality's financial and administrative capacity, and having regard for practical considerations:

- Exercise the Municipality's executive and legislative authority and use the resources of the Municipality in the best interests of the community;
- Provide, without favour or prejudice, democratic and accountable government;
- Encourage the involvement of the community;
- Strive to ensure that municipal services are provided to the community in a financially and environmentally sustainable manner;
- Consult the community on the level, quality, range and impact of municipal services and the available options for service delivery;
- Give members of the community equitable access to the municipal services to which they are entitled;
- Promote and undertake development in the Municipality;
- Promote gender equity in the exercise of the Municipality's executive and legislative authority;
- Promote a safe and healthy environment in the Municipality; and
- Contribute, together with other organs of state, to the progressive realisation of the fundamental rights contained in Sections 24, 25, 26, 27 and 29 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996).

### 3.29 EXECUTIVE AND COUNCIL SUPPORT

A council must annually review:

- The needs of the community;
- Its priorities to meet those needs;
- Its processes for involving the community;
- Its organisational and delivery mechanisms for meeting those needs; and
- Its overall performance in achieving the objects of local government as set out in the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996).

In terms of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), the municipal council must elect an executive mayor and other office-bearers. The executive mayor appoints a mayoral committee to assist the executive mayor. The municipal council may establish committees to assist the municipal council and/or the executive mayor. The

Executive Mayor of Drakenstein Municipality, Cllr CJ Poole, and the Council have made substantial strides towards implementing the revised vision of Drakenstein, “*A city of excellence*” throughout the operations of Council and the administration in the year under review.

### 3.29.1 Service Statistics

The Municipal Council adopted priorities for the Municipality, Executive Mayor and other political structures to meet on a regular basis in order to ensure that decision-making takes place in an efficient and effective manner.

Regular performance reports in terms of the Performance Management System, together with monthly reports to the Mayoral Committee and Council, provide these structures with continuous information on progress made with the achievement of targets as well as the implementation of decisions taken by them. These systems have been further enhanced by the issuing of electronic devices to Councillors and the procurement of an electronic system generating reports to the Portfolio Committees, the Mayoral Committee and Council.

**Table 110: Service Statistics for the Executive and Council**

Council and Committee Structures	No. of meetings	
	2017/18	2018/19
Mayoral Committee	24	20
Special Mayoral Committee	4	2
Council	11	11
Special Council	6	3
Special Confidential Council	1	0
Corporate Services Portfolio Committee	8	7
Community Services Portfolio Committee	6	8
Finance Portfolio Committee	19	12
Engineering Services Portfolio Committee	7	6
Planning and Development Portfolio Committee	7	10
Municipal Public Accounts Committee (MPAC)	4	2
Appeals Committee	5	0
Audit Committee	6	7
Fraud and Risk Management Committee	4	4
Budget Steering Committee	3	11

### 3.29.2 Service Delivery levels

All agendas are in terms of the approved Standard Operating Procedures of Administration distributed at least three calendar days before a meeting and in the case of minutes within five working days after the meeting was held.

### 3.29.3 Capital Expenditure

The Executive and Council section spent R215.98 thousand or 100% of the final adjustments budget on executive and council infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

**Table 111: Capital Expenditure 2018/19 - Executive and Council**

Capital Expenditure 2018/19: Executive & Council Support					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Furniture and Equipment	-	142,861	142,860	0.0%
2	Ward Capital Projects	-	73,122	73,122	0.0%
3	<b>Total Capital Expenditure</b>	-	<b>215,983</b>	<b>215,981</b>	<b>0.0%</b>

### 3.29.4 Major Projects Completed

All Councillors were issued with electronic devices. In addition hereto the electronic equipment in the Council Chambers were upgraded.

### 3.29.5 Operating Expenditure

Executive and Council generated an operating deficit of R58.2 million for the 2018/19 financial year. The deficit is subsidised with the surpluses made by trading services.

**Table 112: Operating Revenue and Expenditure: Executive and Council**

Operating Revenue and Expenditure: Executive and Council						
Serial No.	Description	2017/18 Actual Results	2018/19			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	(22,159,939)	(51,930,260)	(42,241,923)	(45,759,027)	8.3%
2	<b>Total Operating Revenue</b>	<b>(22,159,939)</b>	<b>(51,930,260)</b>	<b>(42,241,923)</b>	<b>(45,759,027)</b>	8.3%
3	Employee Related Costs	64,590,179	92,927,236	58,701,817	58,639,910	0.1%
4	Impairment Losses on Financial Assets	0	0	0	0	#DIV/0!
5	Interest Paid	0	0	0	0	#DIV/0!
6	Contracted Services	4,454,031	5,429,162	8,319,984	8,240,364	1.0%
7	Depreciation and Provisions	195,679	814,651	814,658	481,402	40.9%
8	Inventory	529,171	7,705,855	973,860	768,953	21.0%
9	Operational Costs	751,353	34,004,844	36,855,246	35,842,389	2.7%
10	<b>Total Operating Expenditure</b>	<b>70,520,414</b>	<b>140,881,748</b>	<b>105,665,565</b>	<b>103,973,018</b>	1.6%
11	<b>Operating (Surplus) / Deficit</b>	<b>48,360,474</b>	<b>88,951,488</b>	<b>63,423,642</b>	<b>58,213,991</b>	-8.2%

### 3.29.6 Employee Statistics

The Executive and Council Support Section has 11 posts on the organisational structure approved by Council on 31 May 2018. The section had 9 filled and 2 vacant posts at year-end which resulted in a 18.2% vacancy rate.

**Table 113: Employees - Executive and Council Support**

Employees: Executive and Council Support								
Serial No.	Job Level	2017/18	2018/19					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	0	0	0	0	0	0	0.0%
3	T12 - T14	0	0	0	0	0	0	0.0%
4	T09 - T11	1	0	0	0	0	0	#DIV/0!
5	T06 - T08	15	11	0	11	9	2	18.2%
6	T03 - T05	2	0	0	0	0	0	#DIV/0!
7	T01 - T02	0	0	0	0	0	0	0.0%
8	<b>Total</b>	<b>18</b>	<b>11</b>	<b>0</b>	<b>11</b>	<b>9</b>	<b>2</b>	<b>18.2%</b>

### 3.30 FINANCIAL SERVICES

The major key performance area is the focus on long-term financial sustainability. It is imperative that the generated revenue base is of such a nature that the Municipality is able to fund its short-, medium- and long-term operations in order to ensure continuity and a financially sound and stable organisation. The major key functional areas that have been identified and linked to financial sustainability are revenue enhancement, credit control measures and expenditure management.

The debtors' payment period for the 2018/19 financial year (before considering the provision for impairment) was 59.2 days, which is below the targeted number of 70 days. The number of days for the 2017/18 financial year (before considering the provision for impairment) was 77.4 days. The Municipality's debtors' collection period in days (after impairment) decreased to 45.2 days as at 30 June 2019 compared with the 47.5 days as at 30 June 2018. The Municipality's debtors' collection period in days (before impairment) decreased by 18.2 days and the Municipality's debtors' collection period in days (after impairment) decreased by 2.3 days during the financial year under review.

The ratios in terms of the collection of revenue have improved overall, but is very volatile. There is a considerable amount of work to be done in order to bring the debtors' book of Council to an acceptable level. The gloomy economic conditions globally have also affected

the consumers' ability to pay and most consumers are still recovering from the recessionary trends of the past few years.

### 3.30.1 Service Statistics

**Table 114: Debt Recovery**

Debt Recovery							
Serial No.	Revenue Service	R'000					
		2017/18			2018/19		
		Billed	Collected	% Collection Rate	Billed	Collected	% Collection Rate
Column Ref.	A	B	C	D	E	F	G
1	Property Rates	253,204	247,936	97.92%	273,699	245,278	89.62%
2	Electricity	839,740	836,512	99.61%	898,735	837,343	93.17%
3	Water	267,938	215,361	80.38%	193,170	153,035	79.22%
4	Sanitation	84,358	82,363	97.63%	93,209	89,634	96.16%
5	Refuse	82,956	81,809	98.61%	95,260	93,221	97.86%
6	Other	72,244	69,727	96.51%	99,226	176,481	177.86%
7	Totals	1,600,439	1,533,708	95.83%	1,653,302	1,594,995	96.47%

### 3.30.2 Service Delivery levels

Service delivery levels are determined in the Standard Operating Procedures for every service rendered by this section. These standards are incorporated as key performance indicators in the Service Delivery and Budget Implementation Plan, thereby ensuring measurement and compliance to the set service standards.

### 3.30.3 Capital Expenditure

The Financial Services Department spent R393 thousand or 100% of the final adjustments budget on financial services infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

**Table 115: Capital Expenditure 2018/19 - Financial Services**

Capital Expenditure 2018/19: Financial Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Computer Equipment	-	117,040	117,039	0.0%
2	Intangible Assets Insurance Module	-	94,879	94,878	0.0%
3	Furniture and Equipment	-	79,306	79,305	0.0%
4	Airconditioners	-	77,689	77,688	0.0%
5	Other Capital Projects	-	24,139	24,139	0.0%
6	Total Capital Expenditure	-	393,053	393,050	0.0%



### 3.30.4 Major Projects Completed

No major capital projects were completed in the Department of Financial Services.

### 3.30.5 Operating Expenditure

Financial Services, as a support service, generated an operating surplus of R263 million for the 2018/19 financial year. The surplus, due to property rates revenue, is subsidising other community services operating at a loss.

**Table 116: Operating Revenue and Expenditure: Financial Services (Procurement Services Excluded)**

Operating Revenue and Expenditure: Financial Services (Procurement Services Excluded)						
Serial No.	Description	2017/18 Actual Results	2018/19			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	(250,532,643)	(359,958,866)	(360,989,680)	(374,934,564)	3.9%
<b>2</b>	<b>Total Operating Revenue</b>	<b>(250,532,643)</b>	<b>(359,958,866)</b>	<b>(360,989,680)</b>	<b>(374,934,564)</b>	<b>3.9%</b>
3	Employee Related Costs	44,133,512	69,272,393	66,220,960	67,104,569	-1.3%
4	Impairment Losses on Financial Assets	29,411,212	2,421,131	7,665,400	(5,595,770)	173.0%
5	Interest Paid	7,708,536	205,517	14,633,929	14,486,524	1.0%
6	Contracted Services	3,945,755	5,264,589	5,539,872	5,069,302	8.5%
7	Depreciation and Provisions	444,723	3,286,613	3,286,618	2,566,532	21.9%
8	Inventory	1,659,155	2,519,072	2,153,266	1,903,093	11.6%
9	Operational Costs	(19,219,482)	26,091,733	24,727,889	26,360,583	-6.6%
<b>10</b>	<b>Total Operating Expenditure</b>	<b>68,083,411</b>	<b>109,061,048</b>	<b>124,227,934</b>	<b>111,894,834</b>	<b>9.9%</b>
<b>11</b>	<b>Operating (Surplus) / Deficit</b>	<b>(182,449,232)</b>	<b>(250,897,818)</b>	<b>(236,761,746)</b>	<b>(263,039,730)</b>	<b>11.1%</b>

### 3.30.6 Employee Statistics

The Financial Services Department (Procurement Services Division excluded) has 230 posts on the organisational structure approved by Council on 31 May 2018 of which 59 posts are frozen and 171 posts funded at year-end. The section had 146 filled and 25 vacant posts at year-end which resulted in a 14.6% vacancy rate.

**Table 117: Employees - Financial Services (Procurement Services Excluded)**

Employees: Financial Services (Procurement Services Excluded)								
Serial No.	Job Level	2017/18	2018/19					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	4	3	0	3	3	0	0.0%
2	T15 - T17	7	7	0	7	7	0	0.0%
3	T12 - T14	8	26	5	21	14	7	33.3%
4	T09 - T11	9	9	3	6	5	1	16.7%
5	T06 - T08	57	117	33	84	74	10	11.9%
6	T03 - T05	46	68	18	50	43	7	14.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	<b>Total</b>	<b>131</b>	<b>230</b>	<b>59</b>	<b>171</b>	<b>146</b>	<b>25</b>	<b>14.6%</b>

### 3.31 HUMAN RESOURCE SERVICES

A total number of 277 employees were appointed during this financial year. This number includes the appointment of 63 seasonal appointments and 85 promotions. The Municipality is committed to the principles of the employment equity legislation and will continue to strive to appoint suitably qualified applicants while ensuring that the workforce is representative of the clients it serves. The Municipality also recognises the skills that our internal staff possesses hence it has embarked on a process of promoting internal staff through advertising some posts internally.

The HR Division has focussed on speeding up the TASK evaluation process by benchmarking posts and continuously reviewing job description for submission to the TASK District Committee. We also focussed on filling critical vacant positions as requested by different departments and by placing internal advertisements.

The other focus at HR for the 2018/19 financial year was to review and develop HR related policies.

HR is continuously playing a vital role in terms of the Extended Public Works Programme by creating all appointed EPWP employees on the HR/Payroll System.

The Municipality has complied with the Employment Equity Act (EEA) by ensuring that the Employment Equity Report was prepared and electronically submitted to the Department of Labour on 15 January 2019. The Workplace Skills Plan and Annual Report were also submitted on 30 April 2019.

We pride ourselves with contributing positively to “A city of excellence” vision by also cascading the tool for monitoring progress and staff performance to all staff members.

The Human Resources (HR) Division was capacitated with additional critical posts with the review that was adopted by Council on 31 May 2018 but not all posts that were identified as critical vacancies, therefore they are frozen and budgeted for.

### 3.31.1 Service Statistics

**Table 118: Service Statistics for Human Resources Services**

Submission Date	To	Document
30 April annually	LGSETA	Workplace Skills Plan
30 April annually	LGSETA	Annual Training Report
30 June annually	Office of the City Manager	A report on the numbers of employees that are appointed on the first three levels of management
01 October annually	Department of Labour	Employment Equity Report
Monthly	Dep. of Local Government	Municipal Finance Management Programme Report

### 3.31.2 Service Delivery Levels

A significant number of job descriptions have been developed, benchmarked and evaluated in the financial year 2018/19. Benchmarking was implemented to speed up the TASK evaluation process. Additional staff has been trained to write job descriptions as per the prescribed format.

A new HR/Payroll System has been put in place during the third and last quarter of the financial year. This system is user friendly and tests are conducted to ensure that what is implemented is working effectively. Management resolved to replace the previous system with an effective and user friendly system due to challenges encountered.

Time Keeper System which is a system that assist managers and supervisors to keep track of the movements of employees in buildings is incorporated into the new system although reports cannot be drawn from the system due to infrastructural challenges.

### 3.31.3 Capital Expenditure

The Human Resources Division spent R2.088 million or 100% of the final adjustments budget on human resource infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information. Due to the transition to a new human resources software system that seamlessly must integrate with the financial system, the time and attendance system project was placed in abeyance until the new human resources software system is in place.

**Table 119: Capital Expenditure 2018/19 - Human Resource Services**

Capital Expenditure 2018/19: Human Resources					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	ICT Equipment: HR System	750,000	1,525,801	1,525,800	0.0%
2	ICT Equipment: Time & Attendance System	-	329,197	329,195	0.0%
3	Orgplus	-	126,359	126,358	0.0%
4	Other Capital Projects	-	106,962	106,961	0.0%
5	<b>Total Capital Expenditure</b>	<b>750,000</b>	<b>2,088,319</b>	<b>2,088,314</b>	<b>0.0%</b>

### 3.31.4 Major Projects Completed

Implementation on a new HR/Payroll System, Policy reviews, the development of job descriptions, benchmarking process, excellence awards ceremony, wellness day, training of personnel to assist with TASK processes and the establishment of two job description review committees.

### 3.31.5 Operating Expenditure

Human resource services, as a support service, generated an operating deficit of R15.3 million for the 2018/19 financial year. The deficit is subsidised with the surpluses made by trading services.

**Table 120: Operating Revenue and expenditure: Human Resource Services**

Operating Revenue and Expenditure: Human Resource Services						
Serial No.	Description	2017/18 Actual Results	2018/19			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	(1,753,064)	(15,402,239)	(15,388,632)	(15,415,063)	0.2%
2	<b>Total Operating Revenue</b>	<b>(1,753,064)</b>	<b>(15,402,239)</b>	<b>(15,388,632)</b>	<b>(15,415,063)</b>	<b>0.2%</b>
3	Employee Related Costs	7,233,046	11,214,939	14,270,143	14,119,068	1.1%
4	Impairment Losses on Financial Assets	0	0	0	0	0.0%
5	Interest Paid	0	0	0	0	0.0%
6	Contracted Services	2,654,722	3,280,981	4,432,760	3,762,760	15.1%
7	Depreciation and Provisions	159,334	177,278	177,280	215,712	-21.7%
8	Inventory	134,291	237,752	272,217	290,041	-6.5%
9	Operational Costs	280,529	7,048,518	11,393,847	12,327,774	-8.2%
10	<b>Total Operating Expenditure</b>	<b>10,461,923</b>	<b>21,959,468</b>	<b>30,546,247</b>	<b>30,715,356</b>	<b>-0.6%</b>
11	<b>Operating (Surplus) / Deficit</b>	<b>8,708,859</b>	<b>6,557,229</b>	<b>15,157,615</b>	<b>15,300,293</b>	<b>-0.9%</b>

### 3.31.6 Employee Statistics

The Human Resources Division has 66 posts on the organisational structure approved by Council which of 33 are filled and 3 are vacant, due to budgetary constraints. Based on the number of vacancies HR has an 8.3% vacancy rate.

**Table 121: Employees - Human Resources**

Employees: Human Resources								
Serial No.	Job Level	2017/18	2018/19					
		Number of Employees	Number of Posts	Number of Frozen Posts	Number of Approved	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	4	4	0	4	4	0	0.0%
3	T12 - T14	3	11	6	5	5	0	0.0%
4	T09 - T11	12	14	4	10	10	0	0.0%
5	T06 - T08	9	24	11	14	12	2	14.3%
6	T03 - T05	2	13	10	3	2	1	33.3%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	<b>Total</b>	<b>30</b>	<b>66</b>	<b>31</b>	<b>36</b>	<b>33</b>	<b>3</b>	<b>8.3%</b>

### 3.32 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The Senior Manager Information and Communication Technology are responsible for the effective management and functional supervision of the following three sections:

- ICT Governance and Administration;
- Information Systems; and
- ICT Operations and Support.

During 2018/19 the ICT Division made significant progress to improve governance and service delivery to user departments. The following initiatives were completed:

- Electronic motor vehicle license renewal;
- Insurance Management System;
- Employee Efficiency Monitor;
- Implementation of new Human Resource and Salary System;
- Update of radio data communication network;
- Revision of all ICT Standard Operating Procedures;
- Revision of all ICT Policies;
- AlwaysOn free public WiFi access at internal access points;
- Increase of internal number of WiFi access points;
- Implementation of Western Cape Provincial Government broadband data link; and

- Upgrading of the Internet access speed and improved e-mail scanning.

### **3.32.1 ICT Governance and Administration**

The section is responsible for the:

- Administration of the ICT Division;
- Processing of financial data;
- Technical management of the processes related to the SOLAR financial system; and
- Development and implementation of governance mechanisms and controls for the management of information and communication technology.

In the year under review, measures were taken to improve the management and control of the use of information and communication technology and tighten the controls for the processing of financial data. A newly developed ICT Master Framework was consulted and adopted through Labour Relations and finalised for approval by Council. A register of ICT projects was implemented to keep track of all related initiatives in the Municipality. The ICT Strategic Plan was revised on a quarterly basis in order to keep it current with development in the Municipality.

The head of the section, due to the nature of his expertise in the field of Corporate Governance of ICT, took part in the following:

- Hessequa Municipality in the development and implementation of ICT related policies and practices;
- Assisted the Department of Public Service and Administration in the revision of the Public Service Corporate Governance of ICT Policy Framework with its related implementation guideline and assessment standard;
- Presented at the South African chapter of the Association of African Public Administration and Management (AAPAM) seminar on the use of technology in citizen engagement; and
- Presented at the AAPAM 39<sup>th</sup> Round Table in Botswana on the same topic.

### **3.32.2 Information Systems**

Information Systems are primarily responsible for:

- Business process redesign and optimisation;
- Management of business application systems and databases, developed both internally as well externally;
- Development and maintenance of an Enterprise Architecture in Business Application Systems; and

- Strategic oversight of municipal GIS.

The section plays a key role in the strategic direction of ICT within the Municipality and as such is consulted on key municipal deliverables.

In the previous financial year (2017/18) this section spearheaded the review of the Municipality's mission critical systems and recommended the replacement of three systems that failed to meet the Municipality's needs. Subsequently – in the current year under review – this section:

- Coached the replacement of the Asset Management and Service Management System, as well as reviewing the quality of the business requirements.
- Coordinated the implementation of the new Payroll and HR System. The Payroll and Time and Attendance Modules were implemented successfully. The Human Resources Module as well as the Employee Self-Service Module are in the process of implementation.

Documented and managed the implementation of the Electronic Motor Vehicle License Renewal process. This new electronic process allows constituents to renew their motor vehicle licenses online, thus eliminating the need to stand in long queues. It has a significant positive impact in the community and is widely praised - as is evident in one such publication in the Paarl Post newspaper.

### **3.32.3 Service Statistics**

Operationally the section provides continuous support for the development, enhancement and maintenance of more than 200 application systems and databases throughout the Municipality.

### **3.32.4 Operations and Support**

This section is responsible for:

- Planning, implementing and managing the ICT operations environment;
- Providing facilities to ensure the secure and optimal availability of all ICT infrastructure; telecommunications systems and data;
- ICT service desk and support function; and
- All ICT hardware deployed within Drakenstein Municipality resides under this section.

All ICT service infrastructure are currently hosted in a server room with a backup site to ensure continuity of service. This includes:

- Five host servers that houses the virtual server farm consisting of 106 virtual servers;
- 60 Tb storage unit containing all data that is generated and stored;
- Core network node that provides connectivity to 55 sites using 129 switches and 61 wireless links;
- 24 Wi-Fi Access Points;
- Voice over internet protocol to all connected offices;
- A number of new offices were connected to the network including the Nedbank Building, new Solid Waste Offices and Wellington Waste Water Treatment Offices;
- Firewall and connectivity to the internet service provider; and
- Backup equipment with off-site storage and data replication.

Currently there are 1050 users connecting to the network using the various systems. These users are supported from the ICT service desk. Support is provided online as well as through physical intervention. During the period under review, a total of 998 calls were resolved.

With the growth in the number of users, the Internet link capacity was increased from 100 Mb/s to 150 Mb/s.

### 3.32.5 Capital Expenditure

The ICT Division spent R5.565 million or 100% of the final adjustments budget on ICT infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

**Table 122: Capital Expenditure 2018/19 - Information and Communication Technology (ICT) Services**

Capital Expenditure 2018/19: Information and Communication Technology (ICT) Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	ICT Equipment: Computer Related	3,000,000	3,811,777	3,811,775	0.0%
2	ICT Equipment: Communication Network (Optic Fibre)	2,811,789	1,524,999	1,524,998	0.0%
3	Furniture and Equipment	230,000	222,499	222,498	0.0%
4	Other Capital Projects	-	5,779	5,778	0.0%
5	<b>Total Capital Expenditure</b>	<b>6,041,789</b>	<b>5,565,054</b>	<b>5,565,049</b>	<b>0.0%</b>

### 3.32.6 Major Projects Completed

- Installation of optic fiber link from Paarl workshop to Paarl Wastewater Treatment Works;
- Installation of optic fiber link from Wellington Civic to Uitsig water tower;
- Upgrade of various wireless network links to municipal buildings;
- Obsolete computer equipment were replaced and upgraded as part of our ICT infrastructure replacement program.



### 3.32.7 Operating Expenditure

Information and communication technology services, as a support service, generated an operating deficit of R11.8 million for the 2018/19 financial year. The deficit is subsidised with the surpluses made by trading services.

**Table 123: Operating Revenue and Expenditure: Information and Communication Technology (ICT) Services**

Operating Revenue and Expenditure: Information and Communication Technology (ICT) Services						
Serial No.	Description	2017/18 Actual Results	2018/19			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	0	(5,405,574)	(5,405,574)	(5,405,574)	0.0%
2	<b>Total Operating Revenue</b>	<b>0</b>	<b>(5,405,574)</b>	<b>(5,405,574)</b>	<b>(5,405,574)</b>	<b>0.0%</b>
3	Employee Related Costs	7,341,907	7,805,522	7,952,538	8,103,832	-1.9%
4	Impairment Losses on Financial Assets	0	0	0	0	#DIV/0!
5	Interest Paid	0	0	0	0	#DIV/0!
6	Contracted Services	797,535	1,462,297	857,684	852,098	0.7%
7	Depreciation and Provisions	4,231,763	3,176,928	3,176,928	3,773,373	-18.8%
8	Inventory	144,051	255,029	154,879	130,159	16.0%
9	Operational Costs	(1,418,387)	3,871,112	3,776,243	4,388,774	-16.2%
10	<b>Total Operating Expenditure</b>	<b>11,096,869</b>	<b>16,570,888</b>	<b>15,918,272</b>	<b>17,248,236</b>	<b>-8.4%</b>
11	<b>Operating (Surplus) / Deficit</b>	<b>11,096,869</b>	<b>11,165,314</b>	<b>10,512,698</b>	<b>11,842,662</b>	<b>12.7%</b>

### 3.32.8 Employee Statistics

The ICT Division has 14 posts on the organisational structure approved by Council on 31 May 2018 of which 3 post are frozen and 11 posts funded at year-end. The section had 12 filled posts at year-end and based on the number of vacancies (0) had a 0% vacancy rate.

**Table 124: Employees - Information and Communication Technology (ICT) Services**

Employees: Information and Communication Technology (ICT) Services								
Serial No.	Job Level	2017/18	2018/19					
		Number of Employees	Number of Posts	Number of Frozen Posts	Number of Approved	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	4	4	0	4	4	0	0.0%
3	T12 - T14	2	7	3	4	4	0	0.0%
4	T09 - T11	6	3	0	3	3	0	0.0%
5	T06 - T08	0	0	0	0	0	0	0.0%
6	T03 - T05	0	0	0	0	0	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	<b>Total</b>	<b>12</b>	<b>14</b>	<b>3</b>	<b>11</b>	<b>11</b>	<b>0</b>	<b>0.0%</b>

### 3.33 PROPERTY SERVICES

The activities of this section contribute towards economic growth and development as well as social and community development by making properties available through the sale or lease thereof, and thereby creating economic opportunities while also providing for the development and empowerment of the poor and most vulnerable. It further contributes to institutional transformation through the maintenance and development of office facilities and amenities that are required to render services.

The main objective of the section is however, to administer Council's property portfolio and to ensure that the Municipality's property transactions are well administered, which include the lease or hire of immovable assets, the granting or obtaining of rights in properties as well as the alienation or acquisition thereof.

#### 3.33.1 Service Statistics

**Table 125: Properties sold**

Properties sold	To	Purpose
<b>Properties for which final approval was granted from 1 July 2018 – 30 June 2019</b>		
Portion of Erf 557 Mbekweni	Crossing NW (Pty) Ltd	Parking
Portions of Erf 11261 Paarl	Adjacent landowners	Expansion of existing business premises
Erf 2688 Mbekweni	Siyaya Restaurant t/a Chippa's Place	Business and residential purposes
Portions of Erf 2385 Mbekweni	Half a portion each to owners of Erven 2384 and 2386 Mbekweni respectively	For expansion of residential erven
Portion of Erf 34 Wellington	Pre-Properties	For expansion of existing business premises
Portion of Farm No 486 Paarl	Cape Winelands District Municipality	Satellite Fire Station
Erven 7527-7530 and 7541-7543 Paarl	EA de Jager	Residential development
Erf 11631 Paarl	Paarl Muslim Jamaa	Church, sport and recreation and parking
Portions of Erven 1245, 1330, 1373 and 1375 Paarl	Moneyline 349 (Pty) Ltd	Parking purposes
Erven 7968 and 7969 and portions of Erf 6577 Wellington,	Hossain Shah	Expansion of existing business premises

**Table 126: Properties leased**

Properties leased	To	Purpose
A portion of Erf 31005 Paarl	Paarl Bowling Club	Use of clubhouse and bowling courts
Room E of the building situated on a portion of Erf 2689 Mbekweni	Uzuko Funeral Services	Administrative office
Room B of the building situated on a portion of Erf 2689 Mbekweni	Jos Funeral Services	Business/office

Properties leased	To	Purpose
A portion of Erf 7156 Paarl	Old Mill Sports Association	Sport facility
Erf 10186 Paarl	Miqlat	Sport
A portion of Erf 3952 Paarl	IEC	Office accommodation
A portion of Erf 645 Mbekweni	Wagon of Hope	Community purposes (health)
A portion of Erf 7156 Paarl	Old Mill Art School	Recreational (theatre)
A portion of Erf 645 Mbekweni	Mbekweni Community Health Workers	Social welfare and health
A portion of Erf 8431 Paarl	Paarl Cricket Club	Sport
A portion of Erf 31005 Paarl	Paarl Recreational Club	Sport
A portion of Erf 593 Paarl	Paarl District Homing Union and Paarl Valley Pigeon Club	Sport
Portion 2 of the Farm 936	Simondium Rural Development Forum (NPO 077 924)	Social care and community
A portion of Erf 8431 Paarl	Paarl Squash Club	Squash and related purposes
A portion of Erf 589 Mbekweni	MTN	Telecommunication base station and antenna

### 3.33.2 Service Delivery Levels

Service delivery levels are determined in the Standard Operating Procedures for every key activity or service being rendered by this section. These standards are incorporated as key performance indicators in the Service Delivery and Budget Implementation Plan, thereby ensuring measurement and compliance to the set service standards.

### 3.33.3 Capital Expenditure

The Property Services Section spent R6.471 million or 100% of the final adjustments budget on municipal property infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

**Table 127: Capital Expenditure 2018/19 - Property Services**

Capital Expenditure 2018/19: Property Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Civic Centre Office Alterations All Floors	2,000,000	3,991,480	3,991,480	0.0%
2	Buildings: Upgrading of Civic Centre (Airconditioners)	1,050,000	1,048,729	1,048,729	0.0%
3	Buildings: Upgrading of Civic Centre (Electricity)	2,600,000	1,003,337	1,003,336	0.0%
4	Municipal Buildings	-	327,127	327,127	0.0%
5	Other Capital Projects	-	101,084	101,083	0.0%
6	<b>Total Capital Expenditure</b>	<b>5,650,000</b>	<b>6,471,757</b>	<b>6,471,754</b>	<b>0.0%</b>

### 3.33.4 Major Projects Completed

The Corporate Facilities and Maintenance section is responsible for the maintenance of Corporate Buildings and offices, as well as maintaining the Municipality's leased properties. This maintenance and upgrades are financed through the capital and operational budgets.

Table 126 above reflects the capital projects completed, and table 127 below the maintenance done from the operational budget.

**Table 128: Capital and Maintenance Projects**

Capital and Maintenance Projects	
Project Description	Rand
New kitchenette Civic Centre political wing	16,840
Upgrade steel shelving records	104,329
New roof Curious Monkeys Playschool	77,130
Exterior painting Paarl Civic Centre	968,361
Exterior painting Wellington Customer care	44,500
Repair steps Paarl Civic Centre	37,829
Market Street office alteration 3 <sup>rd</sup> floor stage 1	33,676
Market Street office alteration 3 <sup>rd</sup> floor stage 2	123,534
Market Street office alteration 2 <sup>nd</sup> floor stage 1	43,400
Waterproofing Council Chamber Roof	400,000

### 3.33.5 Operating Expenditure

Property services, as a community service, generated an operating deficit of R31.3 million for the 2018/19 financial year. The deficit is subsidised with the surpluses made by trading services.

**Table 129: Operating Revenue and Expenditure: Property Management Services**

Operating Revenue and Expenditure: Property Management Services						
Serial No.	Description	2017/18 Actual Results	2018/19			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue		(1,964,922)	(21,721,745)	(7,074,873)	-67.4%
2	<b>Total Operating Revenue</b>	<b>0</b>	<b>(1,964,922)</b>	<b>(21,721,745)</b>	<b>(7,074,873)</b>	<b>-67.4%</b>
3	Employee Related Costs		6,238,085	6,336,653	6,149,027	3.0%
4	Impairment Losses on Financial Assets		-	-	-	0.0%
5	Interest Paid		-	-	-	0.0%
6	Contracted Services		4,985,250	5,577,011	5,462,000	2.1%
7	Depreciation and Provisions		8,972,119	8,972,122	9,677,101	-7.9%
8	Inventory		440,998	476,097	587,683	-23.4%
9	Operational Costs		12,529,491	19,283,189	16,548,062	14.2%
10	<b>Total Operating Expenditure</b>	<b>-</b>	<b>33,165,943</b>	<b>40,645,072</b>	<b>38,423,873</b>	<b>5.5%</b>
11	<b>Operating (Surplus) / Deficit</b>	<b>-</b>	<b>31,201,021</b>	<b>18,923,327</b>	<b>31,349,000</b>	<b>65.7%</b>

### 3.33.6 Employee Statistics

The Property Services Section was incorporated into the Legal Services.

**Table 130: Employees Property Services**

Employees: Property Services								
Serial No.	Job Level	2017/18	2018/19					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0		0	0		0	0.0%
2	T15 - T17	1		0	0		0	#DIV/0!
3	T12 - T14	3		0	0		0	#DIV/0!
4	T09 - T11	8		0	0		0	#DIV/0!
5	T06 - T08	5		0	0		0	#DIV/0!
6	T03 - T05	7		0	0		0	#DIV/0!
7	T01 - T02	0		0	0		0	0.0%
8	<b>Total</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>

### 3.34 LEGAL SERVICES

Legal Services within the Municipality supports the Council and Administration with legal advice and support. In addition to general legal support, administering of own legislation, vetting of contracts and litigation management, the Legal Services Section also administers immovable property transactions which are governed in terms of the Asset Transfer Regulations. Property transactions are administered in close co-operation and consultation with technical line departments in order to ensure that these transactions play a key role in the implementation of strategic goals that align with the constitutional duties of local government. The section therefore does not only play a role in protecting the interests of the Municipality in relation to legal matters, but also fulfil a facilitating role in furthering developmental goals such as the promoting of social and economic development through property transactions, in collaboration with other divisions of the Municipality.

The administrative support of the section is currently performed by one permanent staff member.

#### 3.34.1 Service Statistics

The following statistics reflect activities in the Legal Services Section in respect of litigation matters:

**Table 131: Service Statistics - Legal Services**

Category of litigation matters	Total cases registered	
	2017/18	2018/19
Eviction Cases	103	79
Evictions lodged out of municipal property	4	0
Litigation against Drakenstein	9	13
Litigation initiated by Drakenstein	2	0

### 3.34.2 Service Delivery Levels

The Municipality is using the services of an external service provider to assist the Municipality in administering its own legislation through the development and promulgation of new legislation as well as the review of existing legislation. The Municipal Code encompasses all of the Municipality's own legislation and is constantly updated by the review of existing bylaws as well as the development of new bylaws in areas that require the necessary enforcement and control in order to promote and protect the interests of the community.

External legal service providers who provide a wide spectrum of general legal services such as representation in litigation, legal opinions, contracts and agreements are also used and in this way it is ensured that the required performance was maintained by duly protecting the interests of the Municipality.

### 3.34.3 Capital Expenditure

The Legal Services Section had no capital expenditure projects for the year under review.

**Table 132: Capital Expenditure 2018/19 - Legal Services**

Capital Expenditure 2018/19: Legal Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	No Capital Projects	-	-	-	0.0%
2	Total Capital Expenditure	-	-	-	0.0%

### 3.34.4 Major Projects Completed

In view of the nature of the service, being an internal legal support service, no capital projects were undertaken.

### 3.34.5 Operating Expenditure

Legal Services, as a support service, generated an operating deficit of R38,069 for the 2018/19 financial year. The deficit is subsidised with the surpluses made by trading services.

**Table 133: Operating Revenue and Expenditure: Legal Services**

Operating Revenue and Expenditure: Legal Services						
Serial No.	Description	2017/18 Actual Results	2018/19			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	-	(1,073,201)	(1,073,201)	(1,073,201)	0.0%
2	<b>Total Operating Revenue</b>	-	<b>(1,073,201)</b>	<b>(1,073,201)</b>	<b>(1,073,201)</b>	0.0%
3	Employee Related Costs	408,257	361,470	1,049,993	1,109,184	-5.6%
4	Impairment Losses on Financial Assets	-	0	0	0	#DIV/0!
5	Interest Paid	-	0	0	0	#DIV/0!
6	Contracted Services	-	0	0	0	#DIV/0!
7	Depreciation and Provisions	321	781	782	223	71.4%
8	Inventory	230	0	1,864	1,863	0.0%
9	Operational Costs	356	0	0	0	#DIV/0!
10	<b>Total Operating Expenditure</b>	<b>409,164</b>	<b>362,251</b>	<b>1,052,639</b>	<b>1,111,270</b>	-5.6%
11	<b>Operating (Surplus) / Deficit</b>	<b>409,164</b>	<b>(710,950)</b>	<b>(20,562)</b>	<b>38,069</b>	-285.1%

### 3.34.6 Employee Statistics

The Legal Services Section has 20 posts on the organisational structure approved by Council on 31 May 2018 of which 3 posts are frozen and 17 posts funded at year-end. The section had 14 filled and 3 vacant posts at year-end which resulted in a 17.6% vacancy rate.

**Table 134: Employees - Legal Services (Legal Services and Property Administration)**

Employees: Legal Services (Legal Services and Property Administration)								
Serial No.	Job Level	2017/18	2018/19					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	1	1	0	1	1	0	0.0%
2	T15 - T17	5	6	1	5	4	1	20.0%
3	T12 - T14	0	2	2	0	0	0	0.0%
4	T09 - T11	10	5	0	5	5	0	0.0%
5	T06 - T08	6	6	0	6	4	2	33.3%
6	T03 - T05	4	0	0	0	0	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	<b>Total</b>	<b>26</b>	<b>20</b>	<b>3</b>	<b>17</b>	<b>14</b>	<b>3</b>	<b>17.6%</b>

### **3.35 RISK MANAGEMENT**

The Risk Management Division consists of two main functions, the Integrated Risk Management Section (IRM) as well as the Fraud Risk Management Section (FRM).

The IRM Section is responsible for the risk management function at Drakenstein Municipality through a process of facilitation and providing advice to all stakeholders.

The FRM Section is based on four pillars, Prevention, Detection, Investigation and Feedback with regards to lessons learned.

#### **3.35.1 Service Statistics**

A Fraud and Risk Management Committee (FARMCO) meeting, providing an oversight over the division's function, is scheduled for each quarter of the financial year and took place as scheduled.

A total of 26 Risk Champions were nominated from current employment during the 2017/18 financial year and formally appointed. Training was provided by a representative of the Governance Department of Provincial Government and follow up training provided by the IRM Section.

One annual risk identification and assessment workshop was performed for each of the five directorates and four divisions reporting to the City Manager, to compile a register where 104 high level operational risks were identified. Quarterly risk assessment updates were performed with the above directorates and divisions.

A total of ten strategic risks were identified for the 2018/19 financial year. During the Strategic Session held in February 2019 the Strategic Risk Register was revised and a total of 15 strategic risks were identified.

#### **3.35.2 Service Delivery Levels**

All of the Division's service levels were fully complied with.

#### **3.35.3 Capital Expenditure**

The Risk Management Division had no capital expenditure projects for the year under review.



**Table 135: Capital Expenditure 2018/19 - Risk Management Services**

Capital Expenditure 2018/19: Risk Management Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	No Capital Projects	-	-	-	0.0%
2	<b>Total Capital Expenditure</b>	-	-	-	<b>0.0%</b>

### 3.35.4 Major Projects Completed

Risk management software (BarnOwl) was procured and implemented.

Risk Champions were identified, appointed and receive ongoing training on risk management principles and on the BarnOwl software.

### 3.35.5 Operating Expenditure

Risk management services, as a support service, generated an operating deficit of R2.2 million for the 2018/19 financial year. The deficit is subsidised with the surpluses made by trading services.

**Table 136: Operating Revenue and Expenditure: Risk Management Services**

Operating Revenue and Expenditure: Risk Management Services						
Serial No.	Description	2017/18 Actual Results	2018/19			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	-	-	-	-	#DIV/0!
2	<b>Total Operating Revenue</b>	-	-	-	-	#DIV/0!
3	Employee Related Costs	1,786,067	1,941,951	1,959,321	2,002,593	-2.2%
4	Impairment Losses on Financial Assets	-	-	-	-	#DIV/0!
5	Interest Paid	-	-	-	-	#DIV/0!
6	Contracted Services	50,480	642,907	270,014	201,512	25.4%
7	Depreciation and Provisions	-	-	-	4,313	#DIV/0!
8	Inventory	10,602	12,328	20,309	13,797	32.1%
9	Operational Costs	60,224	96,977	53,228	44,543	16.3%
10	<b>Total Operating Expenditure</b>	<b>1,907,373</b>	<b>2,694,163</b>	<b>2,302,872</b>	<b>2,266,758</b>	<b>1.6%</b>
11	<b>Operating (Surplus) / Deficit</b>	<b>1,907,373</b>	<b>2,694,163</b>	<b>2,302,872</b>	<b>2,266,758</b>	<b>-1.6%</b>

### 3.35.6 Employee Statistics

The Risk Management Division has 6 posts on the organisational structure approved by Council on 31 May 2018 of which 2 posts are frozen and 4 posts funded at year-end. The section had 3 filled and 1 vacant posts at year-end which resulted in a 25% vacancy rate.

**Table 137: Employees - Risk Management**

Employees: Risk Management								
Serial No.	Job Level	2017/18	2018/19					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0		0	0		0	0.0%
2	T15 - T17	1	1	0	1	1	0	0.0%
3	T12 - T14	2	1	0	1	0	1	100.0%
4	T09 - T11	1	3	2	1	1	0	0.0%
5	T06 - T08	0	1	0	1	1	0	0.0%
6	T03 - T05	0	0	0	0	0	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	<b>Total</b>	<b>4</b>	<b>6</b>	<b>2</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>25.0%</b>

### 3.36 PROCUREMENT SERVICES

The Supply Chain Management Division resorts under the direct supervision of the Chief Financial Officer.

#### 3.36.1 Service Statistics

For the 2018/19 financial year, a total of 15,315 purchase orders were generated that amounted to R915,820,669. The total value of deviations from the official procurement process decreased with 67.83% from the previous financial year from R61,580,135 to R19,810,369. Deviations that were regarded as being impractical or impossible to follow the official procurement process decreased with 73.66% from the previous financial year from R17,998,081 to R4,741,468.

#### 3.36.2 Service Delivery Levels

Service delivery levels are determined in the Standard Operating Procedures for every service rendered by this division. A number of standard operating procedures were drafted, approved and rolled out to departments for implementation. This improved efficiencies and reporting requirements.

### 3.36.3 Capital Expenditure

The Supply Chain Management Division spent R882 thousand or 100% of the final adjustments budget on supply chain management infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

**Table 138: Capital Expenditure 2018/19 - Procurement Services**

Capital Expenditure 2018/19: Procurement Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Buildings: New Stores	1,000,000	862,579	862,578	0.0%
2	Other Capital Projects	-	19,686	19,664	0.1%
3	<b>Total Capital Expenditure</b>	<b>1,000,000</b>	<b>882,265</b>	<b>882,242</b>	<b>0.0%</b>

### 3.36.4 Major Projects Completed

The project relating to the New Stores Building is ongoing where after construction is anticipated to commence in the 2019/20 financial year.

### 3.36.5 Operating Expenditure

Procurement services generated an operating deficit of R21.5 million for the 2018/19 financial year. The deficit is subsidised with the surpluses made by trading services.

**Table 139: Operating Revenue and Expenditure: Procurement Services**

Operating Revenue and Expenditure: Procurement Services						
Serial No.	Description	2017/18 Actual Results	2018/19			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	-	-	-	-	0.0%
2	<b>Total Operating Revenue</b>	-	-	-	-	0.0%
3	Employee Related Costs	12,877,896	12,775,909	15,795,357	15,722,381	0.5%
4	Impairment Losses on Financial Assets	-	-	-	-	0.0%
5	Interest Paid	456,615	205,517	460,000	321,219	30.2%
6	Contracted Services	573,226	311,734	595,096	492,051	17.3%
7	Depreciation and Provisions	3,058,659	188,130	188,132	2,060,446	-995.2%
8	Inventory	229,620	204,620	204,150	194,734	4.6%
9	Operational Costs	37,572	840,319	723,016	2,702,808	-273.8%
10	<b>Total Operating Expenditure</b>	<b>17,233,588</b>	<b>14,526,229</b>	<b>17,965,751</b>	<b>21,493,640</b>	<b>-19.6%</b>
11	<b>Operating (Surplus) / Deficit</b>	<b>17,233,588</b>	<b>14,526,229</b>	<b>17,965,751</b>	<b>21,493,640</b>	<b>19.6%</b>

### 3.36.6 Employee Statistics

The Procurement Services Division has 63 posts on the organisational structure approved by Council on 31 May 2018 of which 13 posts are frozen and 50 posts funded at year-end. The section had 46 filled and 4 vacant posts at year-end which resulted in an 8% vacancy rate.

**Table 140: Employees - Procurement Services**

Employees: Procurement Services								
Serial No.	Job Level	2017/18	2018/19					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	1	1	0	1	1	0	0.0%
3	T12 - T14	4	6	2	4	4	0	0.0%
4	T09 - T11	11	19	4	15	13	2	13.3%
5	T06 - T08	19	28	5	23	21	2	8.7%
6	T03 - T05	8	9	2	7	7	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	<b>Total</b>	<b>43</b>	<b>63</b>	<b>13</b>	<b>50</b>	<b>46</b>	<b>4</b>	<b>8.0%</b>

## 4. ORGANISATIONAL DEVELOPMENT PERFORMANCE

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL WORKFORCE

#### 4.1 INTRODUCTION

One major role that the Human Resources is tasked with is to ensure that employees are looked well after and that their morale is enhanced on a continuous basis. The following programmes were implemented in the 2018/19 financial year and are implemented annually:

- Employee Wellness;
- Women's Day;
- Employee Excellence Awards;
- Christmas decorations;
- Tekkie Day;
- Mandela Day; and
- Employee Assistance Program which is taking place on a daily basis.

#### 4.2 TOTAL EMPLOYMENT

The total number of employees at the end of June is 1,870 and we have filled 277 positions in the financial year 2018/19.

##### 4.2.1 Employee Totals per GFS Classification

The total number of employees (1,870) at the end of the 2018/19 financial year is depicted per GFS classification or functional area in the table below. The organisational structure approved by Council on 31 May 2018 provides for 3,521 posts taking Drakenstein's future growth into consideration.

**Table 141: Total Employees per GFS Classification**

Total Employees per GFS Classification								
Serial No.	Description of Departments/Divisions	2017/18	2018/19					
		Number of Employees	Number of Approved Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies (Funded)	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	Water Services	91	183	90	93	87	6	6.5%
2	Wastewater (Sanitation) Services	121	193	60	133	120	13	9.8%
3	Electricity Services	139	211	78	133	113	20	15.0%
4	Waste Management	158	338	174	164	138	26	15.9%
5	Housing (Human Settlements and Rental Stock (Rural Development Excluded))	76	141	57	84	69	15	17.9%
6	Roads and Stormwater	165	260	82	178	166	12	6.7%
7	Planning Services	52	91	30	61	55	6	9.8%
8	Economic Growth	7	13	5	8	6	2	25.0%
9	Library Services	72	132	55	77	75	2	2.6%
10	Cemeteries and Crematoria	25	119	56	63	42	21	33.3%
11	Community Halls, Facilities & Thusong Centres	51	84	12	72	57	15	20.8%
12	Child Care, Aged Care & Social Programmes	6	8	0	8	7	1	12.5%
13	Environmental Management	3	17	9	8	6	2	25.0%
14	Biodiversity and Landscaping (Parks)	43	342	143	199	185	14	7.0%
15	Traffic, Licensing and Law Enforcement	96	323	193	130	118	12	9.2%
16	Fire and Disaster Management	84	176	91	85	81	4	4.7%
17	Sport and Recreation	218	204	80	124	66	58	46.8%
18	Executive and Council Support	18	11	0	11	9	2	18.2%
19	Financial Services	131	230	59	171	146	25	14.6%
20	Human Resources	30	66	30	36	33	3	8.3%
21	ICT Services	12	14	3	11	11	0	0.0%
22	Property Services	24	0	0	0	0	0	N/A
23	Legal and Administrative Services (Legal Services and Property Administration)	26	20	3	17	14	3	17.6%
24	Risk Management	4	6	2	4	3	1	25.0%
25	Procurement Services	43	63	13	50	46	4	8.0%
26	Other	131	405	166	239	217	22	9.2%
27	<b>Total</b>	<b>1,826</b>	<b>3,650</b>	<b>1,491</b>	<b>2,159</b>	<b>1,870</b>	<b>289</b>	<b>13.4%</b>

#### 4.2.2 Employee Vacancy Rate per Occupational Level

The Municipality has filled a significant number of priority vacancies across all departments in the 2018/19 financial year. The vacancy rate funded positions is 13% for the organisation as a whole.

**Table 142: Employee Vacancy Rate per Occupational Level**

Vacancy Rate per Occupational Level 2018/19									
Serial No.	Designation	Total number of Approved Posts	Vacancies (Approved Posts)	Vacancy rate (Approved Posts)	Number of Frozen posts (Unfunded)	Number of Approved Budgeted Posts	Number of Employees (Filled Vacancies)	Number Budgeted Vacancies (Unfilled Vacancies)	Vacancy rate (Budgeted Posts)
Column Ref.	A	B	C	D	E	F	G	H	I
1	City Manager	1	0	0%	0	1	1	0	0%
2	CFO	1	0	0%	0	1	1	0	0%
3	Section 57 Managers	4	1	25%	0	4	3	1	25%
4	Senior Management: Levels 16 - 18	74	21	28%	16	58	53	5	9%
5	Senior Management: Levels 13 - 15	122	47	39%	40	81	74	7	9%
6	Highly skilled supervision: Levels 9 - 12	786	475	60%	429	357	311	46	13%
7	<b>Total</b>	<b>988</b>	<b>544</b>	<b>55%</b>	<b>485</b>	<b>502</b>	<b>443</b>	<b>59</b>	<b>12%</b>

### 4.2.3 Employee Turnover rate

Based on the number of employees of 1,870 at year-end and the terminations of 57 for the year under review, the turnover rate is 3.05% which is significantly less than the previous two financial years.

**Table 143: Turnover Rate**

Turnover Rate			
Details	Number of Employees at year-end	Number of Terminations during the year	Turnover Rate*
2016/17	1,698	91	5.3%
2017/18	1,826	69	3.7%
2018/19	1,870	57	3.05%

## 4.3 EMPLOYMENT EQUITY

The Employment Equity status of the Municipality is submitted on monthly basis to the Local Labour Forum, where both unions SAMWU and IMATU are present. The employer component is also represented at that forum. An Annual Employment Equity Report is submitted to the Department of Labour on an annual basis. The Municipality also has an Employment Equity Forum that serves as a Labour Relations Forum subcommittee. This committee/forum meets on a quarterly basis.

### 4.3.1 Employment Equity Targets/Actuals by Race Classification

Based on the 1,870 employees in service (Column B) and the targets set for all races, the Municipality has exceeded the targets for the appointment of Indians and is close to meeting the target for Coloureds. We still need to make an effort in reaching the targets for Africans. The targets achieved for white people are low as the targets set are mostly in the lower occupational levels and hence it is difficult to attract/absorb them on these levels.

**Table 144: Employment Equity Targets/Actuals by Race Classification**

Employment Equity Targets/Actuals by Race Classification				
Serial No.	2018/19			
	Race Classification	Overall Target (as per 5 year EE Plan)	Actuals at Year-End	Target Achieved (B/A*100)
Column Ref.	A	B	C	D
1	African	759	491	64.69%
2	Coloured	1,417	1,232	86.94%
3	Indian	4	8	200.00%
4	Whites	517	139	26.88%
5	Totals	2,697	1,870	69.33%

#### 4.3.2 Employment Equity Targets/Actuals by Gender Classification

**Table 145: Employment Equity Targets/Actuals by Gender Classification**

Employment Equity Targets/Actuals by Gender Classification				
Serial No.	2018/19			
	Race Classification	Overall Target (as per 5 year EE Plan)	Actuals at Year-End	Target Achieved (B/A*100)
Column Ref.	A	B	C	D
1	African	1,384	1,230	89%
2	Coloured	1,313	640	48.74%
5	<b>Totals</b>	<b>2,697</b>	<b>1,870</b>	<b>69.33%</b>

#### 4.3.3 Employment Equity by Race and Gender within Occupational Levels

The overall number of employees by race and gender within the occupational levels at year-end are depicted in the table below.

**Table 146: Number employees by Race and Gender within the Occupational Levels**

Number of Employees by Race and Gender within the Occupational Levels											
Occupational Level Description	Male					Female					Grand Totals
	A	C	I	W	Total	A	C	I	W	Total	
Top Management	0	2	0	2	4	0	0	0	1	1	5
Senior Management	3	9	0	17	29	7	8	0	4	19	48
Professionally qualified and experienced specialists and mid-management.	7	39	1	16	63	4	16	1	8	29	92
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	22	125	1	34	182	16	44	0	15	75	257
Semi-skilled and discretionary decision making	108	379	1	14	502	75	226	2	17	320	822
Unskilled and defined decision making	166	274	2	8	450	83	110	0	3	196	646
<b>Total Employees</b>	<b>306</b>	<b>828</b>	<b>5</b>	<b>91</b>	<b>1,230</b>	<b>185</b>	<b>404</b>	<b>3</b>	<b>48</b>	<b>640</b>	<b>1,870</b>



## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### 4.4 INTRODUCTION

The Municipality has made progress with the development of job descriptions, evaluation and benchmarking of posts, about 90% progress has been achieved thus far. Additional officials from various departments have been trained on TASK evaluation.

#### 4.4.1 Policies

There is a drive to review/write new or additional HR policies. The policies listed in the table below were developed and reviewed. The list includes four (4) policies that were developed and reviewed in 2018/19. The total number of policies that HR are responsible for is twenty (20) and two (2) policies are new and must still be adopted.

**Table 147: HR Policies and Plans**

HR Policies and Plans			
Serial No.	Name of Policy	Reviewed/New	Date adopted by Council or comment on failure to adopt
Column Ref.	A	B	C
1	Smoking Policy	Reviewed	27 July 2017
2	Job Evaluation Policy	To be reviewed	24 August 2017
3	Recruitment and Selection Policy	Reviewed	29 November 2017
4	Substance Abuse Policy	Reviewed	31 January 2018
5	Education Training and Development Policy	Reviewed	27 June 2018
6	Private Work Policy	Reviewed	27 June 2018
7	Overtime Policy	Reviewed	27 June 2018
8	Acting Additional and Secondment Allowance Policy	New	27 June 2018
9	Talent Management and Succession Planning Policy	New	27 June 2018
10	Leave Policy	New	27 June 2018
11	External Bursary (Mayoral Bursary Policy)	Reviewed	27 June 2018
12	Dress Code Policy	New	30 January 2019
13	Occupational Health and Safety Policy	New	31 July 2018
14	Standby Policy	New	31 May 2019
15	Probation Policy	New	24 June 2019
16	Heat Policy	New	Will be adopted in August 2019
17	Protective Clothing Policy	New	Will be adopted in August 2019
18	HIV AIDS Policy	New	Will be adopted in August 2019
19	Sexual Harassment Policy	Reviewed	30 January 2019
20	Placement Policy	To be reviewed	To be reviewed
21	Appointment of Temporary Staff Policy	Reviewed	Still consultation

#### 4.4.2 Sick Leave

The next two tables depict the sick leave information per department and occupational levels.

##### 4.4.2.1 Sick Leave per Department/Division

The following sick leave per Department/Division was taken in the 2018/19 financial year as depicted in the table below. The Department of Engineering Services (43.63%) and Community Services (37.18%) were the main contributors to sick leave as a percentage of total sick leave days taken.

**Table 148: Sick Leave per Department/Division**

Department/Division	Number of Sick Leave Days Taken	Percentage of Total Sick Leave Days Taken
Office of the City Manager	14	0.08%
Risk Management Division	19	0.11%
Communication and Marketing Division	7	0.04%
Internal Audit Division	96.5	0.57%
Integrated Development Planning and Performance Management Division	56	0.33%
Department of Planning and Development Services	402.50	2.37%
Department of Financial Services	1,815.5	10.69%
Department of Engineering Services	7,412.5	43.63%
Department of Corporate Services	850	5.00%
Department of Community Services	6,316	37.18%
<b>Total</b>	<b>16,989</b>	<b>100.00%</b>

##### 4.4.2.2 Sick Leave per Occupational Level

From the table below it is clear that the semi-skilled occupational level (51.83%) and unskilled occupational level (27.32%) were the main contributors to sick leave as a percentage of total sick leave days taken.

**Table 149: Sick Leave per Occupational Level**

Occupational Level	Number of Sick Leave Days Taken	Percentage of Total Sick Leave Days Taken
Top Management	4	0.02%
Senior Management	457.5	2.69%
Professionally qualified	789	4.64%
Skilled technical	2,292	13.49%
Semi-skilled	8,805.5	51.83%
Unskilled	4,641	27.32%
<b>Total</b>	<b>16,989</b>	<b>100.00%</b>

### 4.4.3 Injuries

The number of injury leave days taken during the year under review amounts to 687 working days and the 122 employees involved represents 6.52% of the total employees (1,870) in employment as at 30 June 2019.

**Table 150: Number of injuries on duty**

Type of Injury	Number of Injury Leave Days Taken	Number of Employees Taking Injury Leave	Average Injury Leave Days/ Employee	*Percentage of total employees using injury leave
Required basic medical attention only	126	72	1.75	3.88%
Temporary total disablement	561	49	11.45	2.64%
Permanent disablement	0	0	0	0.0%
<b>Total</b>	<b>687</b>	<b>121</b>	<b>5.68</b>	<b>6.52%</b>
<i>*Based on the total number of employees (1,858) as at 30 June 2019</i>				

#### 4.4.3.1 Injuries per Department

**Table 151: Injuries per Department**

Department	No. of injuries	
	2017/18	2018/19
Engineering Services	155	63
Community Services	57	70
Planning and Development	3	1
Financial Services	6	10
Corporate Services	3	2
Office of the City Manager	1	0
<b>Total</b>	<b>188</b>	<b>146</b>

#### 4.4.3.2 Injuries per Occupational Level

**Table 152: Injuries per Occupational Level**

Department	No. of injuries	
	2017/18	2018/19
Unskilled	86	55
Semi-skilled	74	68
Skilled	26	20
Professional	1	2
Senior Management	1	1
<b>Total</b>	<b>188</b>	<b>146</b>

#### **4.4.3.3 Cost of Injuries**

The total cost due to injuries amounts to R495,230 for the year under review.

#### **4.4.3.4 Cost of Injuries per Department**

The cost of injury leave is depicted per Department in the table below. The two Departments with the most employees, Engineering Services and Community Services, have the highest cost of injuries monetary values.

**Table 153: Cost of Injuries per Department**

<b>Department</b>	<b>Cost of Injuries (R)</b>
Engineering Services	R347,975.31
Community Services	R128,522.68
Planning and Development	R1,164.68
Financial Services	R15,222.89
Corporate Services	R2,344.76
<b>Total</b>	<b>R495,230.32</b>

#### **4.4.4 Suspensions**

During the 2018/19 financial year a total of ten (10) disciplinary hearings were completed of employees who were placed on precautionary suspension pending disciplinary investigations for their alleged involvement in cases of serious misconduct. One (1) out of the ten (10) hearings completed was of an employee who was suspended during the 2017/18 financial year and the hearing carried on into 2018/19.

##### **4.4.4.1 Suspensions per Department**

The nine (9) employees placed on precautionary suspension during 2018/19 comprise of six (6) employees from the Engineering Services Department and three (3) employees from the Community Services Department. One (1) of the nine (9) suspended employees' hearing has not been finalised yet and therefore runs over into the 2019/20 financial year.

##### **4.4.4.2 Suspensions per Occupational Level**

Out of the nine (9) 2018/19 suspended employees three (3) were semi-skilled and six (6) unskilled employees.

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### 4.5 INTRODUCTION

In line with the National Skills Strategy, Drakenstein Municipality continuously pursue investing towards a skilled and capable workforce that shares in, and contributes to, the benefits and opportunities of economic expansion and an inclusive growth path.

During the 2018/19 financial year, the Municipality directed funds towards employee capacity building.

This was envisaged through the below programmes implemented during 2018/19:

#### 4.5.1 Skills Matrix

The table below indicates the number of employees at professional and management levels that received training in the year under review.

**Table 154: Skills Matrix**

Skills Matrix							
Management Level	Gender	Number of skilled employees required and actual as at 30 June 2019					
		Learnerships		Skills programmes and other short courses		Total	
		Actual 2019	Target	Actual 2019	Target	Actual 2019	Target
CM and S57	Female	0	0	0	0	0	0
	Male	0	0	0	0	0	0
Councillors, Senior Officials and Managers	Female	4	4	16	16	20	20
	Male	21	21	23	23	44	44
Technicians and Associate Professionals	Female	15	15	24	24	39	39
	Male	17	17	38	38	55	44
Professionals	Female	3	3	12	12	15	15
	Male	2	2	14	14	16	16
Sub-Totals	Female	22	22	52	52	74	74
	Male	40	40	75	75	115	115
Total		62	62	127	127	189	189

#### 4.5.2 Skills Development – Training Provided

The table below indicates the skills areas and learning programmes the employees undertook in the year under review.

**Table 155: Skills Development - Training Provided**

Sector Priority	Skills Areas	Learning Programmes
Infrastructure and service delivery	<ul style="list-style-type: none"> <li>• Infrastructure Asset and Maintenance</li> <li>• Labour Intensive Construction</li> <li>• Electricity Reticulation</li> <li>• Water Services</li> <li>• Roads</li> </ul>	<ul style="list-style-type: none"> <li>• ORHVS; Small Plant Operator Training;</li> <li>• High Angle Rescue; Roadwork Construction Learnership NQF2;</li> <li>• Roadwork Construction Supervision Learnership NQF3;</li> <li>• Basic First Aid Course L1, 2 &amp; 3; Confined Space Entry Course; Roadworks</li> <li>• Construction Regulations Workshop; SANAS 10142</li> <li>• Basic Rigging and Slings; Roadwork Flagging;</li> <li>• Spiking Gun Course;</li> <li>• Medium and High Voltage Application; Scaffolding and Erection;</li> <li>• High Tension and Medium Voltage Switching,</li> <li>• Digger Loader Operator; Occupational Health and Safety Representative Course;</li> <li>• Truck Mounted Crane;</li> <li>• Chain saw Course; Forklift Refresher; Front End and Backhoe Course;</li> <li>• Hazard Identification, Risk and Control Course; and</li> <li>• Handling &amp; Storage of Chlorine.</li> </ul>
Financial Viability	<ul style="list-style-type: none"> <li>• Property Valuation;</li> <li>• Audit and Procurement;</li> <li>• Municipal Finance; and</li> <li>• Accounting Technicians.</li> </ul>	<ul style="list-style-type: none"> <li>• Internal Audit Technician Learnership; Municipal Finance Management.</li> </ul>
Community Based Participation and Planning	<ul style="list-style-type: none"> <li>• IDP;</li> <li>• LED;</li> <li>• Ward Committees; and</li> <li>• Urban Planning.</li> </ul>	<ul style="list-style-type: none"> <li>• Customer-Care Excellence;</li> <li>• Bursaries;</li> <li>• Public Participation;</li> <li>• Law Enforcement and Peace Keeping Course;</li> <li>• Basic IsiXhosa;</li> <li>• Diversity and Change Management;</li> <li>• Fire-arm Training Course;</li> <li>• Protocol Etiquette and Diplomacy; and</li> <li>• Vehicle Examiner Training.</li> </ul>
Management and Leadership	<ul style="list-style-type: none"> <li>• Municipal Leadership Development</li> </ul>	<ul style="list-style-type: none"> <li>• Basic and Advance Supervisory Training;</li> <li>• Municipal Middle Management Development Programme;</li> <li>• Policy Analysis Development and Implementation; and</li> <li>• Diversity and Change Management.</li> </ul>
AET and Foundational Learning	<ul style="list-style-type: none"> <li>• AET</li> </ul>	<ul style="list-style-type: none"> <li>• AET L1-4; Basic Introduction to Computers Course; and</li> <li>• Driver Training.</li> </ul>
Workplace Committee Training	<ul style="list-style-type: none"> <li>• LLF Training;</li> <li>• ODETDP; and</li> <li>• OHS.</li> </ul>	<ul style="list-style-type: none"> <li>• Health &amp; Safety Representative Training</li> </ul>

### 4.5.3 Skills Development – Budget Allocation

The table below indicates that a total amount of R1, 661,705 was allocated to the workplace skills plan interventions. An amount of R1, 626,559 was spent equating to 99.6% of budgeted expenditure.

**Table 156: Skills Development - Budget Allocation**

Financial Year	Allocated Budget	Actual Expenditure	% Expenditure
2018/2019	R1, 661,705	R1, 626,559	99.6%
2017/2018	R1,609,033	R1,574,509	97.85%
2016/2017	R1,757,500	R1,753,064	99.75%

### 4.5.4 MFMA Minimum Competencies

Twenty-five (25) municipal officials must achieve the prescribed competencies. Nineteen (19) officials comply, three posts are vacant and the remaining three officials have commenced training and will achieve the competencies during the 2019/20 financial year.

**Table 157: Financial Competency Development - Progress Report**

Financial Competency Development : Progress Report							
Serial No.	Description	B- Total number of officials employed by municipality [Regulation 14(4)(a) and (c)]	C- Total number officials employed by municipal entities [Regulation 14(4)(a) and (c)]	Consolidated Total of B and C	Consolidated: Competency assessments completed for B and C [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)]
Column No.	A	B	C	D	E	F	G
1	<b>Financial Officials</b>						
2	Accounting Officer	1	0	1	1	1	1
3	Chief Financial Officer	1	0	1	1	1	1
4	Senior Managers	3	0	3	3	3	3
5	Any other Financial Officials	79	0	79	79	79	55
6	<b>Supply Chain Management Officials</b>						
7	Heads of Supply Chain Management Units	1	0	1	1	1	1
8	Supply Chain Management Senior Managers	3	0	3	2	3	2
9	<b>Total</b>	<b>88</b>	<b>0</b>	<b>88</b>	<b>87</b>	<b>88</b>	<b>63</b>

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

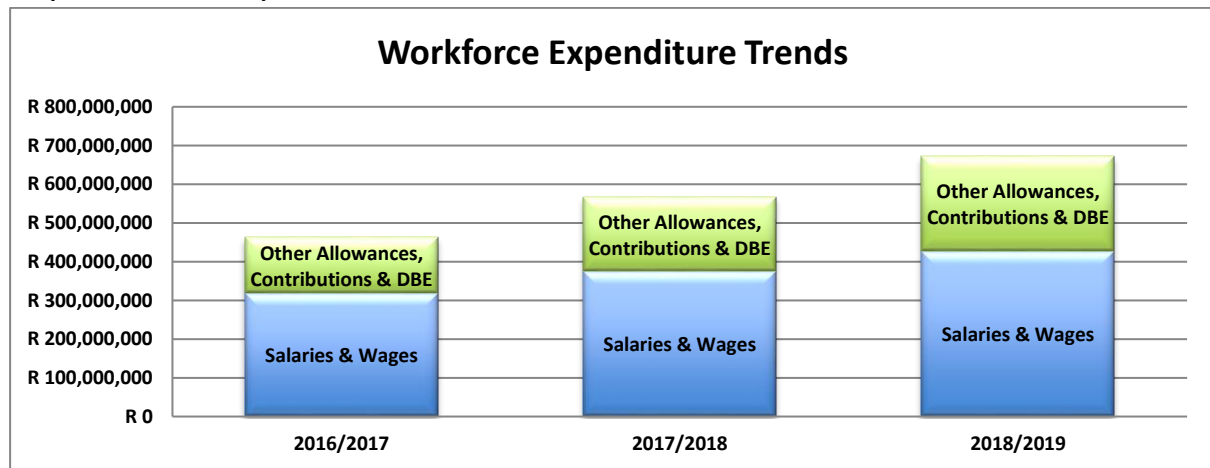
### 4.6 INTRODUCTION

Municipalities are required to carry out quality services in an effective, efficient and financially sound manner by supporting the principles of ensuring cost-effective and affordable service delivery. Accountability and transparency are, therefore, important when managing workforce expenditure. To be effective, it is important to ensure that the Municipality plans properly. To ensure that the Municipality adheres to legislation, only approved and budgeted posts on the structure are advertised. All positions are advertised on the Municipality's website and in the local media. Advertising in other media is based on the target market for the post. This saves on advertising costs and in the electronic age gives easy and quick access to applicants. Drakenstein strives to appoint employees who share the vision of “*A city of excellence*” and who will add value to the organisation. The training and development of internal staff is aimed at ensuring that they are able to perform their duties better.

#### 4.6.1 Personnel Expenditure

Drakenstein's workforce expenditure of R671.9 million, depicted in the table below, accounted for 29.3% of the total actual operating expenditure of R2.28 billion for the 2018/19 financial year.

Graph 7: Workforce Expenditure Trends



The total workforce expenditure of R671.9 million included R31.2 million of provisions for defined benefit plan (DBP) expenses as required by the SA Standards of GRAP, after taking into account R10.9 million worth of actuarial losses for post-employment healthcare benefits. The 2017/18 workforce expenditure of R567.4 million included R23.4 million of provisions for defined benefit plan (DBP) expenses as required by the SA Standards of GRAP, after taking into account R18.1 million worth of actuarial gains for post-employment healthcare benefits.



The 2016/17 workforce expenditure of R462.4 million accounted for 25.4% of the total actual operating expenditure. This included R2.9 million of provisions for defined benefit plan (DBP) expenses. It is clear from the above that the total workforce expenditure as a percentage of the total actual operating expenditure has fluctuated over the last three financial years from 28.3% to 26.8% to 29.3%. This percentage is well within National Treasury's norm of 25% to 40% and will steadily rise over the next few years to Drakenstein's target of about 30%.

#### 4.6.2 Personnel Expenditure per Line Item

The breakdown of personnel expenditure per line item for the 2017/18 and 2018/19 years is depicted in the table below. Salaries and wages have increased with R52.2 million or 14.0% and other allowances and contributions have increased with R44.6 million or 26.3% due to the filling of critical vacant positions and the TASK provision that was created in terms of the GRAP Accounting Standards of R22.8 million during 2018/19.

**Table 158: Personnel Expenditure per Line Item**

Personnel Expenditure per Line Item					
Serial No.	Description	2017/18 Actual expenditure	2018/19 Actual Expenditure	Variance Amount	Variance %
Column Ref.	A	B	C	D	E
1	<b>Salaries and Wages</b>	<b>374,345,318</b>	<b>426,570,671</b>	<b>52,225,353</b>	<b>14.0%</b>
2	Salaries	374,345,318	426,570,671	52,225,353	14.0%
3	<b>Other Allowances and contributions</b>	<b>169,634,467</b>	<b>214,229,097</b>	<b>44,594,630</b>	<b>26.3%</b>
4	Social contributions - UIF, pensions and medical aid etc.	79,982,268	91,575,497	11,593,229	14.5%
5	Travel, accommodation and other allowances	19,426,054	28,508,156	9,082,103	46.8%
6	Housing benefits and allowances	5,801,043	4,861,151	(939,892)	-16.2%
7	Overtime payments	36,635,911	36,437,636	(198,275)	-0.5%
8	Acting Allowance	1,807,657	1,292,964	(514,693)	-28.5%
9	Shift Allowance	1,784,874	2,002,979	218,105	12.2%
10	Standby Allowance	9,786,264	10,992,385	1,206,121	12.3%
11	Night Shift Allowance	2,266,488	2,779,135	512,648	22.6%
12	Cell Allowance	1,488,998	2,736,191	1,247,193	83.8%
13	Workman Compensation	2,632,679	2,935,787	303,108	11.5%
14	Contribution to leave reserve	7,393,775	6,186,739	(1,207,036)	-16.3%
15	Provision for TASK backpay	-	22,829,121	22,829,121	
16	Provision for performance bonuses	628,458	1,091,355	462,897	73.7%
17	<b>Defined Benefit Plan Expense:</b>	<b>23,488,529</b>	<b>31,205,747</b>	<b>7,717,218</b>	<b>32.9%</b>
18	Post Employment Health Care Benefits	15,351,479	26,365,605	11,014,126	71.7%
19	Ex Gratia Pension Benefits	72,236	(344,592)	(416,828)	-577.0%
20	Long Service Awards	8,064,814	5,184,734	(2,880,080)	-35.7%
21	<b>Expenditure Recharged</b>	<b>-</b>	<b>(44,918)</b>	<b>(44,918)</b>	
22	Expenditure Recharged to Capital	-	(44,918)	(44,918)	
23	<b>Total Employee Related Costs</b>	<b>567,468,314</b>	<b>671,960,597</b>	<b>104,492,283</b>	<b>18.4%</b>

#### **4.7 DISCLOSURES OF FINANCIAL INTERESTS**

Disclosures have been made by officials and Councillors concerning their financial interests, as required by Municipal Performance Regulations 805 of 2006 and are set out in Appendix I. No transgressions due to financial interests occurred.

## 5. FINANCIAL PERFORMANCE

### COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

#### 5.1 INTRODUCTION

The following sections provide an overview of the financial results of the Municipality for the year under review per economic classification compared to the prior year audited results, the original budget and the final adjustments budget.

#### 5.2 FINANCIAL SUMMARY

Drakenstein Municipality generated an overall operating deficit of R43.7 million compared with budgeted operating deficit of R6.5 million for the year under review as depicted in the table below. The main reason for the negative variance of R37.2 million was an additional R33.9 million indigent subsidy given to indigent households over and above the R137.5 million equitable share received for the provision of free basic services to indigent households. More information on the revenue collection performance by vote and by source is included in **Appendix J** of the annual report.

**Table 159: Financial Summary**

Financial Summary							
Serial No.	Description	2017/2018	2018/19			Positive / (Negative) % Variance	
		Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Column Ref.	A	B	C	D	E	F	G
1	<b>Financial Performance</b>						
2	Property rates	246,446,736	305,830,748	275,982,026	271,147,343	-11.34%	-11.34%
3	Service charges	1,376,007,709	1,531,917,858	1,399,080,508	1,357,189,640	-11.41%	-2.99%
4	Investment revenue	21,664,829	22,000,000	12,000,000	14,223,574	-35.35%	18.53%
5	Transfers recognised – operational	152,319,538	265,112,381	258,835,527	182,494,744	-31.16%	-29.49%
6	Other own revenue	141,018,183	181,438,829	258,087,854	264,553,350	45.81%	2.51%
7	<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1,937,456,995</b>	<b>2,306,299,816</b>	<b>2,203,985,915</b>	<b>2,089,608,650</b>	<b>-9.40%</b>	<b>-5.19%</b>
8	Employee costs	567,468,315	625,426,030	637,181,224	669,024,810	6.97%	5.00%
9	Remuneration of Councillors	28,062,166	31,229,363	30,147,397	29,945,188	-4.11%	-0.67%
10	Depreciation	186,526,978	201,673,156	220,426,443	210,624,362	4.44%	-4.45%
11	Finance charges	132,449,712	144,574,379	166,259,521	158,386,286	9.55%	-4.74%
12	Materials and bulk purchases	634,739,390	763,633,084	739,384,041	735,449,388	-3.69%	-0.53%
13	Transfers and grants	10,531,922	20,563,462	23,855,885	22,533,535	9.58%	-5.54%
14	Other expenditure	531,488,895	604,566,864	554,286,669	457,598,762	-24.31%	-17.44%
15	<b>Total expenditure</b>	<b>2,086,377,157</b>	<b>2,391,666,338</b>	<b>2,371,541,180</b>	<b>2,283,562,331</b>	<b>-4.52%</b>	<b>-3.71%</b>
16	Surplus (Deficit)	-148,920,162	-85,366,522	-167,555,265	-193,953,681	127.20%	15.76%
17	Transfers recognised – capital	155,684,651	84,933,000	160,997,275	150,160,424	76.80%	-6.73%
18	Contributions recognised – capital and contributed assets	0	0	0	0	0.00%	0.00%
19	<b>Surplus (Deficit) after capital transfers and contributions</b>	<b>6,764,489</b>	<b>-433,522</b>	<b>-6,557,990</b>	<b>-43,793,258</b>	<b>10001.74%</b>	<b>567.78%</b>
20	Share of surplus/(deficit) of associate	0	0	0	0	0.00%	0.00%
21	<b>Surplus (Deficit) for the year</b>	<b>6,764,489</b>	<b>-433,522</b>	<b>-6,557,990</b>	<b>-43,793,258</b>	<b>10001.74%</b>	<b>567.78%</b>

Financial Summary							
Serial No.	Description	2017/2018	2018/19			Positive / (Negative) % Variance	
		Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Column Ref.	A	B	C	D	E	F	G
22	Capital Expenditure and Fund Sources						
23	Transfers recognised – capital	65,440,162	74,506,956	146,363,465	136,348,449	83.00%	-6.84%
24	Public contributions and donations	0	0	0	0	0.00%	0.00%
25	Borrowing	453,019,188	331,834,792	357,009,618	357,114,628	7.62%	0.03%
26	Internally generated funds	25,900,359	47,698,618	60,393,078	79,070,454	65.77%	30.93%
27	<b>Total sources of capital funds</b>	<b>544,359,708</b>	<b>454,040,366</b>	<b>563,766,161</b>	<b>572,533,531</b>	<b>26.10%</b>	<b>1.56%</b>
28	Financial Position						
29	Total current assets	629,321,480	638,399,822	645,049,206	445,744,557	-30.18%	-30.90%
30	Total non-current assets	4,983,484,426	6,172,122,998	6,149,479,609	6,123,366,467	-0.79%	-0.42%
31	Total current liabilities	539,341,698	487,515,237	487,515,237	732,350,012	50.22%	50.22%
32	Total non-current liabilities	1,313,051,086	1,825,352,147	1,825,352,147	1,802,466,208	-1.25%	-1.25%
33	Community wealth/ Equity	3,760,413,122	4,497,655,436	4,481,661,431	4,034,294,804	-10.30%	-9.98%
34	Cash Flows						
35	Net cash from (used) operating	207,244,351	274,979,792	203,260,465	239,931,389	-12.75%	18.04%
36	Net cash from (used) investing	-535,102,084	-408,386,329	-462,470,313	-542,230,486	32.77%	17.25%
37	Net cash from (used) financing	292,433,194	85,834,917	85,834,917	139,052,773	62.00%	62.00%
38	<b>Cash/cash equivalents at the year end</b>	<b>-35,424,540</b>	<b>-47,571,620</b>	<b>-173,374,931</b>	<b>-163,246,324</b>	<b>243.16%</b>	<b>-5.84%</b>
39	Cash Backing/Surplus Reconciliation						
40	Cash and investments available	289,280,521	185,974,801	427,362,416	229,099,916	23.19%	-46.39%
41	Application of cash and investments	0	0	0	0	0.00%	0.00%
42	<b>Balance – surplus (shortfall)</b>	<b>289,280,521</b>	<b>185,974,801</b>	<b>427,362,416</b>	<b>229,099,916</b>	<b>23.19%</b>	<b>-46.39%</b>
43	Asset Management						
44	Asset register summary (WDV)	5,744,482,878	6,133,571,704	6,059,390,926	6,122,485,223	-0.18%	1.04%
45	Depreciation and asset impairment	195,752,508	201,673,156	220,426,443	210,624,362	4.44%	-4.45%
46	Renewal of existing assets	108,767,779	83,450,000	86,523,302	86,523,296	3.68%	0.00%
47	Repairs and maintenance	277,143,635	181,607,473	276,101,176	263,443,796	0.00%	0.00%

### 5.3 FINANCIAL PERFORMANCE OF OPERATIONAL SERVICES

In the table below the operating expenditure performance by GFS Classification is depicted. Drakenstein Municipality has spent R2.271 billion of the final operating adjustments budget of R2.371 billion on operating activities and it represents 95.96% of the original approved budget and 95.76% of the final operating adjustments budget.

**Table 160: Financial Performance of Operating Expenditure by GFS Classification**

Financial Performance of Operational Expenditure by GFS Classification							
Serial No.	Description	2017/2018	2018/2019			Positive / (Negative) % Variance	
		Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
Column Ref.	A	B	C	D	E	F	G
1	Operating Cost						
2	Water	128,900,031	147,471,528	142,625,180	142,637,297	-3.28%	0.01%
3	Wastewater (Sanitation)	141,087,997	153,223,624	177,365,956	172,333,283	12.47%	-2.84%
4	Electricity	857,040,739	942,689,401	928,545,463	910,226,893	-3.44%	-1.97%
5	Waste Management	128,617,501	149,991,219	132,495,644	126,899,828	-15.40%	-4.22%
6	<b>Component A: Sub-total</b>	<b>1,255,646,268</b>	<b>1,393,375,772</b>	<b>1,381,032,243</b>	<b>1,352,097,301</b>	<b>-2.96%</b>	<b>-2.10%</b>
7	Roads	254,909,326	250,217,190	262,304,871	248,287,065	-0.77%	-5.34%
8	Planning	28,042,567	29,922,485	52,666,817	52,666,816	76.01%	0.00%
9	Environmental Protection	977,321	1,028,414	1,312,024	1,312,023	27.58%	0.00%
10	<b>Component B: Sub-total</b>	<b>283,929,213</b>	<b>281,168,089</b>	<b>316,283,712</b>	<b>302,265,905</b>	<b>7.50%</b>	<b>-4.43%</b>
11	Community and Social Services	33,477,126	43,736,395	36,901,201	36,746,061	-15.98%	-0.42%
12	Sport and Recreation	80,863,917	94,401,115	102,277,656	95,795,283	1.48%	-6.34%
13	Security and Safety	36,220,094	42,062,871	40,505,165	40,505,165	-3.70%	0.00%
14	Housing	84,354,548	185,409,861	150,478,078	106,719,838	-42.44%	-29.08%
15	Health	0	0	0	0	0.00%	0.00%
16	<b>Component C: Sub-total</b>	<b>234,915,685</b>	<b>365,610,242</b>	<b>330,162,100</b>	<b>279,766,347</b>	<b>-23.48%</b>	<b>-15.26%</b>
17	Corporate Policy Offices and	312,680,880	351,512,235	344,063,125	336,900,220	-4.16%	-2.08%
18	<b>Component D: Sub-total</b>	<b>312,680,880</b>	<b>351,512,235</b>	<b>344,063,125</b>	<b>336,900,220</b>	<b>-4.16%</b>	<b>-2.08%</b>
19	<b>Total Expenditure</b>	<b>2,087,172,046</b>	<b>2,391,666,338</b>	<b>2,371,541,180</b>	<b>2,271,029,772</b>	<b>-5.04%</b>	<b>-4.24%</b>

### 5.4 GRANT PERFORMANCE

#### 5.4.1 Grants received and its performance

Drakenstein utilised R308.0 million or 1.89% less than the R314.0 million allocated in the original budget. During the year under review several additional grants were allocated by National and Provincial Government leading to a final adjustments budget of R387.5 million of which 79.49% was spent. A budgeted amount of R79.5 million was therefore not spent.

Drakenstein committed grant expenditure with regard to the Disaster Relief and Drought Relief grant funding totalling R41.6 million of which R32.2 million was rolled-over to the

2018/19 financial year. These roll-overs have to do with the water borehole project to secure water during drought seasons. The project will be completed in the first half of the 2019/20 financial year. Furthermore, R43.4 million of the housing grant allocations was not spent by the Municipality. The Provincial Department of Human Settlements appointed contractors to build top-structures and paid them with the allocated government grants. That expenditure does not reflect in the financial records of the Municipality.

**Table 161: Operating Transfers and Grants**

Operating Transfers and Grants							
Serial No.	Description	2016/17	2017/18			Positive / (Negative) % Variance	
		Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Column Ref.	A	B	C	D	E	F	G
1	<b>National Government:</b>	165,539,659	164,536,000	178,547,032	178,547,028	8.52%	0.00%
2	Equitable share	106,240,000	120,821,000	120,821,000	120,821,000	0.00%	0.00%
3	Municipal Infrastructure Grant (MIG)	33,541,999	35,709,000	48,709,000	48,709,000	36.41%	0.00%
4	Finance Management Grant (FMG)	1,475,002	1,550,000	1,550,000	1,550,000	0.00%	0.00%
5	Electrification Grant (INEP) (Roll Over)	-	-	1,011,032	1,011,032	#DIV/0!	0.00%
6	Electrification Grant (INEP)	4,052,952	4,000,000	4,000,000	3,999,996	0.00%	0.00%
7	Regional Bulk Services Infrastructure Grant (RBIG)	17,871,837	-	-	-	#DIV/0!	#DIV/0!
8	Expanded Public Works Grant (EPWP)	2,357,869	2,456,000	2,456,000	2,456,000	0.00%	0.00%
9	<b>Provincial Department:</b>	66,673,982	147,803,000	207,349,000	127,522,051	-13.72%	-38.50%
10	Library Personnel	22,606,025	19,041,000	19,041,000	19,081,343	0.21%	0.21%
11	Housing	16,741,548	75,764,000	65,764,000	5,405,362	-92.87%	-91.78%
12	Community Development Workers	162,581	111,000	111,000	68,719	-38.09%	-38.09%
13	Provincial Management Grant	-	-	255,000	255,000	#DIV/0!	0.00%
14	Proclaimed Roads	19,903,001	42,647,000	42,647,000	42,647,000	0.00%	0.00%
15	Mandela Route	-	-	100,000	85,000	#DIV/0!	-15.00%
16	Impound Facilities	5,081,877	-	-	-	#DIV/0!	#DIV/0!
17	Vlakkeland Infrastructure (In-kind)	-	-	27,500,000	23,626,323	#DIV/0!	-14.09%
18	Vlakkeland Housing	-	10,000,000	10,000,000	26,927,599	169.28%	169.28%
19	Sport Grant	1,558,958	-	-	-	#DIV/0!	#DIV/0!
20	Capacity Building Grant	-	-	66,000	-	#DIV/0!	-100.00%
21	Disaster Relief Grant	-	-	26,845,000	5,229,040	#DIV/0!	-80.52%
22	Drought Relief Grant	-	-	14,780,000	4,136,416	#DIV/0!	-72.01%
23	Waste Water Grant	500,000	-	-	-	#DIV/0!	#DIV/0!
24	LG Graduate Intern Grant	119,993	-	-	-	#DIV/0!	#DIV/0!
25	Capacity Building Grant	-	240,000	240,000	60,249	-74.90%	-74.90%
26	<b>District Municipality:</b>	-	-	-	-	#DIV/0!	#DIV/0!
27	None	-	-	-	-	#DIV/0!	#DIV/0!
28	<b>Other grant providers:</b>	1,753,064	1,679,033	1,679,033	2,014,109	19.96%	19.96%
29	Traning Grant	1,753,064	1,679,033	1,679,033	2,014,109	19.96%	19.96%
30	<b>Total Operating Transfers and Grants</b>	233,966,706	314,018,033	387,575,065	308,083,188	-1.89%	-20.51%

## 5.4.2 Grants received from sources other than DoRA

Grants received during the year under review from sources other than the Division of Revenue Act (DoRA) amounted to R129.9 million compared with the R138.3 million of the 2017/18 financial year.

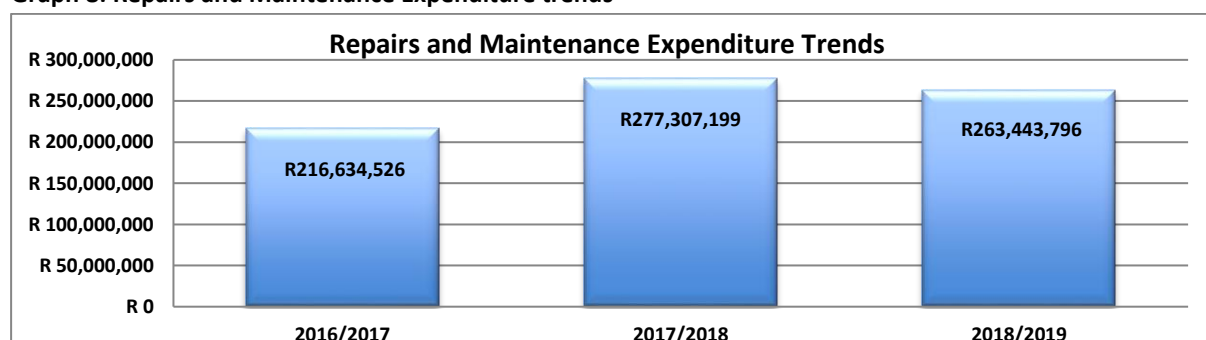
**Table 162: Grants received from sources other than the Division of Revenue Act (DoRA)**

Grants received from sources other than Division of Revenue Act (DORA)					
Serial No.	Details of Donor	Actual Grant 2017/2018	Actual Grant 2018/2019	2018/2019 Municipal Contribution	Date Grant terminates
Column Ref.	A	B	C	D	E
1	Library Personnel	19,041,000	21,736,000	0	30/06/2019
2	Housing	5,126,009	7,892,293	0	30/06/2019
3	Community Development Workers	111,000	0	0	30/06/2019
4	Traning Grant	783,150	1,089,170	0	30/06/2019
5	Proclaimed Roads	42,646,800	38,618,862	0	30/06/2019
6	Vlakkeland Basic Services (In-Kind)	23,626,323	26,902,575	0	30/06/2019
7	Vlakkeland	19,800,000	27,325,000	0	30/06/2019
8	Mandela Route	100,000	0	0	30/06/2019
9	Disaster Relief	26,845,000	0	0	30/06/2019
10	FMG Western Cape	255,000	255,000	0	30/06/2019
12	Title Deeds	0	2,784,000	0	30/06/2019
13	LG Graduate Intern Grant	0	138,000	0	30/06/2019
14	Capacity Building Grant	0	360,000	0	30/06/2019
15	Sport Grant	0	228,098	0	30/06/2019
16	Fire Services	0	1,483,000	0	30/06/2019
17	De Kraal	0	964,748	0	30/06/2019
18	Foreign Governments/Development Aid Agencies	0	155,505	0	30/06/2019
19	<b>Total Grants Received</b>	<b>138,334,282</b>	<b>129,932,250</b>	<b>0</b>	

## 5.5 REPAIRS AND MAINTENANCE EXPENDITURE

From the chart below, it can be seen that the investment in repairs and maintenance costs has substantially increased from R216.6 million in 2016/17 to R277.3 million in 2017/18 before decreasing to R263.4 million in the 2018/19 financial year. The repairs and maintenance costs of R263.4 million represents 11.54% of the total operating expenditure of R2.282 billion for the year under review.

**Graph 8: Repairs and Maintenance Expenditure trends**



## 5.6 FINANCIAL RATIOS

The following section reflects the key financial ratios.

### 5.6.1 Current Ratio

The Current Ratio represents the ability of the Municipality's current assets to service its current liabilities. This ratio shows a downwards trend over the three years under review and the Municipality had a ratio of 0.61:1 in the 2018/2019 financial year.

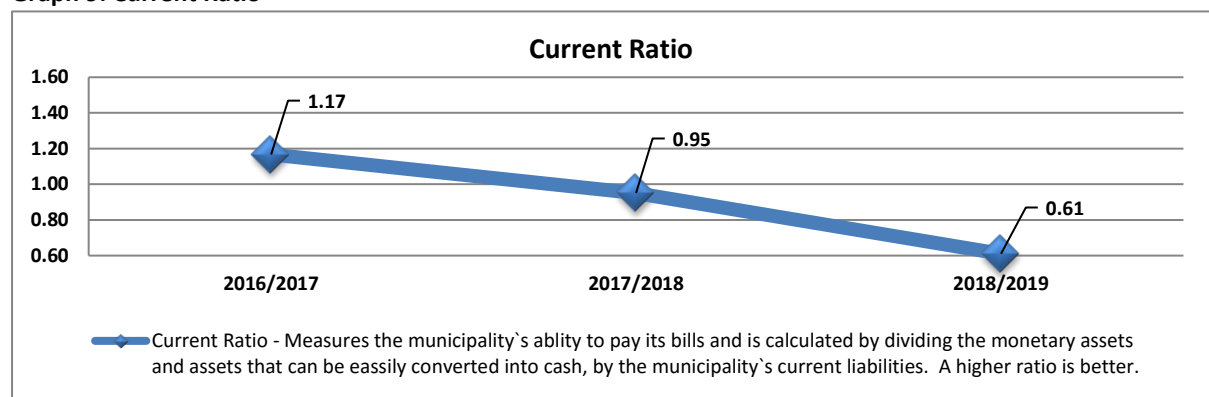
During 2013/14 and 2014/15 financial years the Municipality predicted certain property growth patterns in its long-term financial planning - linked to the investment in bulk infrastructure - which have not materialised as planned, due to both a slowdown in the economy of South Africa, as well as the severe drought experienced by the Western Cape in the past 4 years, which has significantly affected revenue streams.

The Municipality is still confident that the growth in medium to high income developments are increasing, albeit slower than expected 4 to 5 years ago. This is seen in the developments south of Boland Cricket Stadium, Paarl south of the N1 as well as around Wellington. In the Medium term it is expected that the current ratio will recover as revenue increases, as residential developments are completed.

It should be noted that between 2015/16 and 2018/19 Drakenstein had to invest in income generating bulk infrastructure and that this could only be done through taking up external loans due to insufficient grants received from the National Fiscus. The high short-term portion of external loans negatively impact on the current ratio.

The Municipality restructured the majority of its 10 year external loans in December 2019 and the short-term portion of external loans will decrease and certainly positively impact on the current ratio for the 2019/2020 financial year.

**Graph 9: Current Ratio**

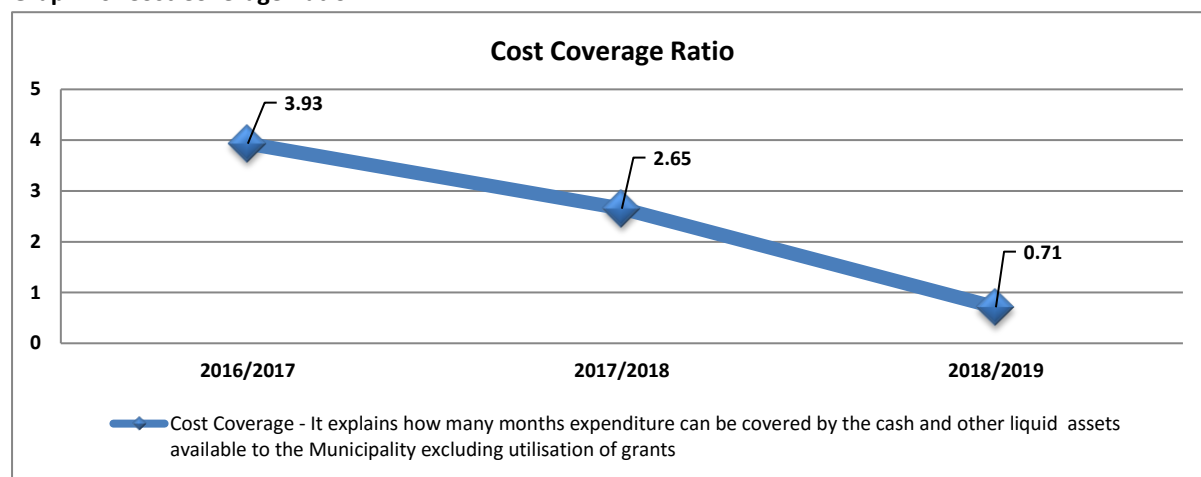




### 5.6.2 Cost Coverage Ratio

This ratio represents the number of months' fixed expenditure that can be covered by the cash and liquid assets available to the Municipality. The cost coverage ratio year on year shows a downward trend from the 2016/2017 financial year to the 2017/2018 financial year and to the current 0.71 times coverage for the 2018/2019 year. This is an indicator that the cash flow of the Municipality is under strain.

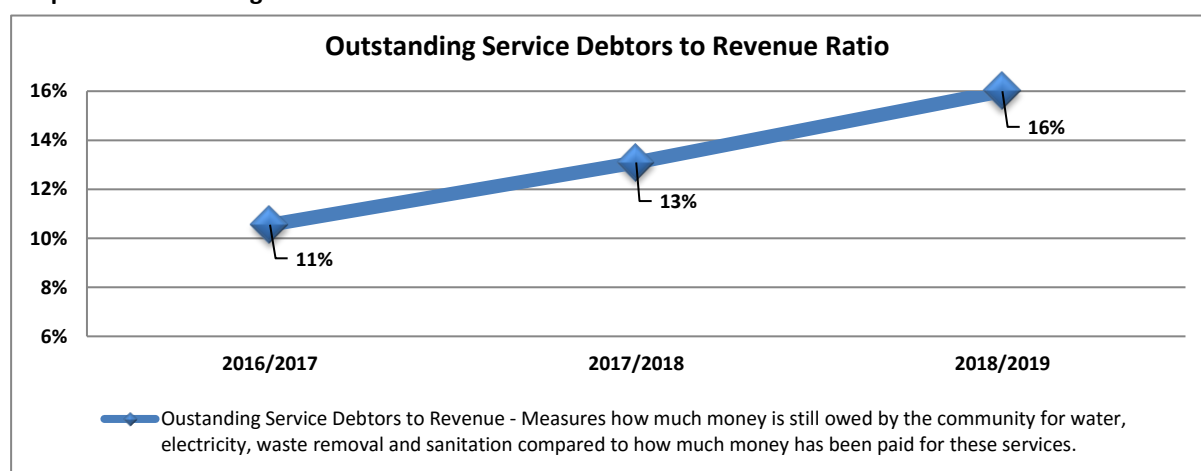
Graph 10: Cost Coverage Ratio



### 5.6.3 Outstanding Service Debtors to Revenue Ratio

This ratio measures how much money is owed by debtors when compared to the generated revenue. This is a measure of what the fraction of outstanding debt is from the total generated revenue. This ratio has increased from 2017/2018 to 2018/2019, which, although not ideal is still manageable.

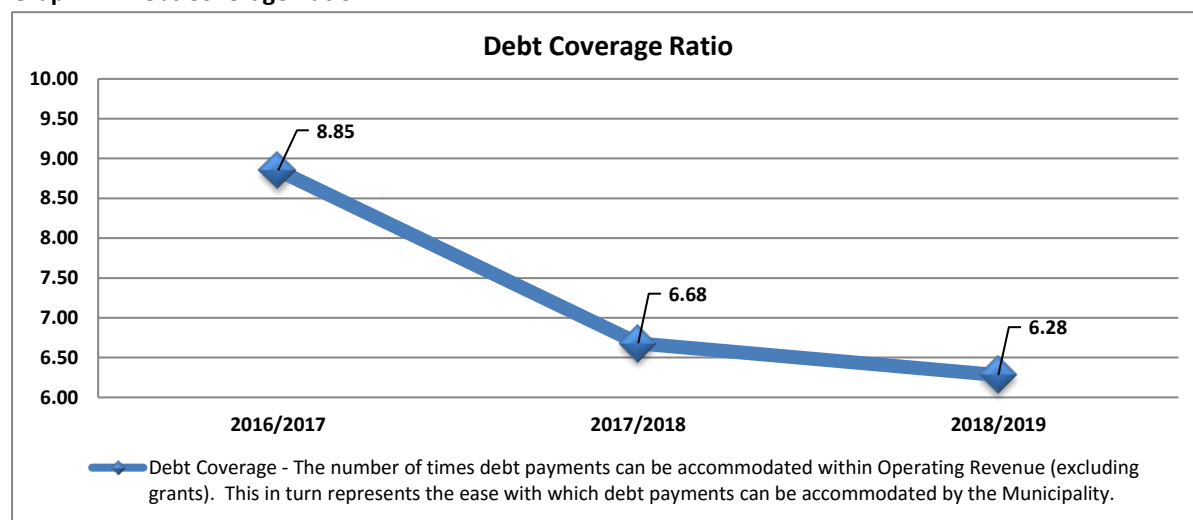
Graph 11: Outstanding Service Debtors to Revenue Ratio



### 5.6.4 Debt Coverage Ratio

This ratio shows a decrease from the 2017/18 year to just over 6.28 times at the end of the 2018/19 financial year. The low debt coverage ratio is due to the significant external borrowings taken up to finance bulk infrastructure investments.

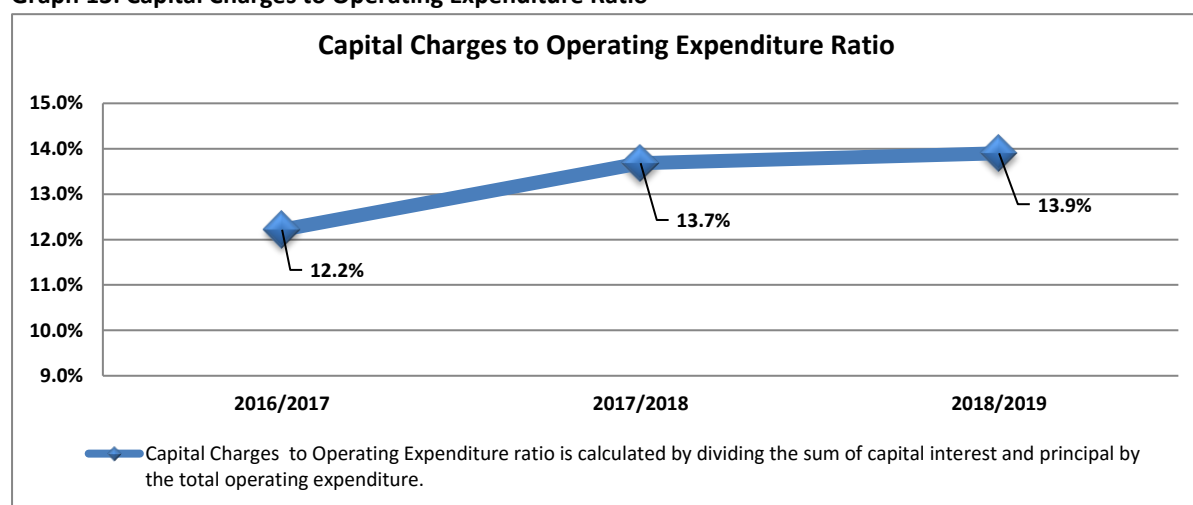
Graph 12: Debt Coverage Ratio



### 5.6.5 Capital Charges to Operating Expenditure Ratio

This ratio indicates the percentage that capital charges (interest and redemption on external borrowings) make out of the total operating expenditure. This is an indication of how geared the organisation is. The ratio has increased from 13.7% in 2017/18 to 13.9% in 2018/19 and it must be kept below 15%.

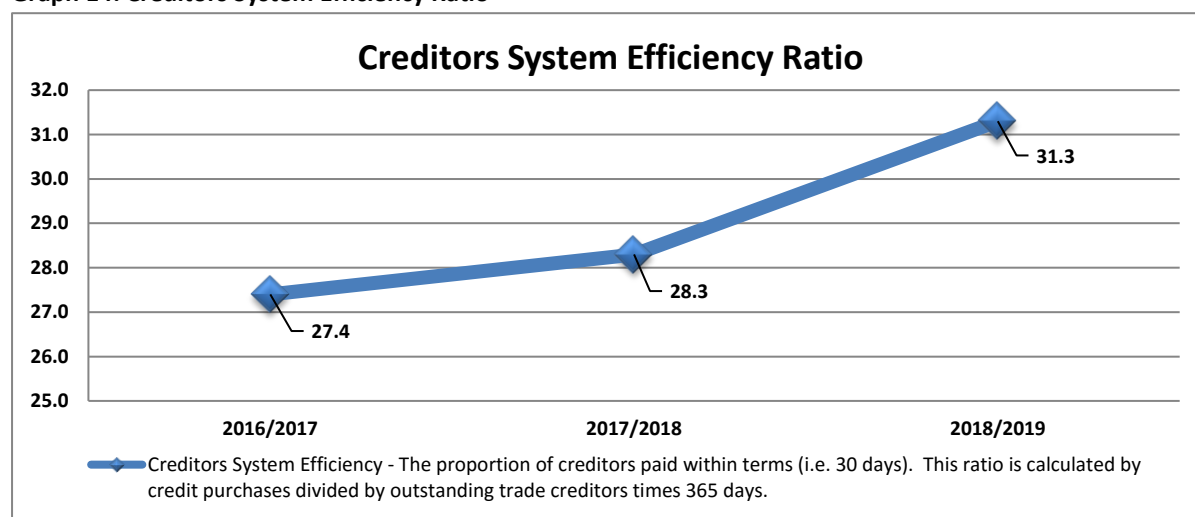
Graph 13: Capital Charges to Operating Expenditure Ratio



### 5.6.6 Creditors System Efficiency Ratio

The creditors' payment period has remained stable below the norm of 30 days from 27.4 days in 2016/17 to 28.3 days in the 2017/18 financial year. Due to the change in the payment date of the bulk electricity accounts to Eskom, the two Eskom accounts payable in the beginning of July and August 2019 respectively, resulted in a higher than expected trade creditors balance and creditors ratio of 31.3 days for the 2018/19 financial year.

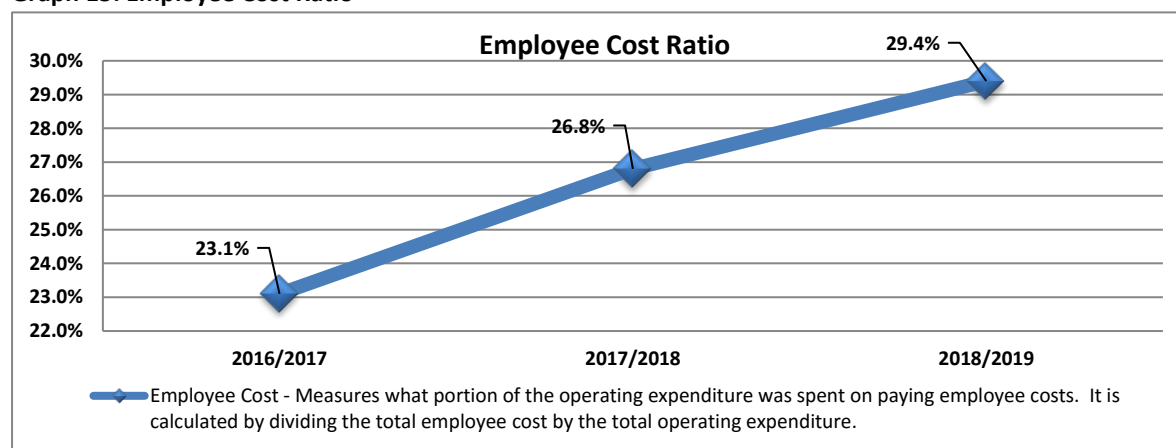
Graph 14: Creditors System Efficiency Ratio



### 5.6.7 Employee Cost Ratio

This ratio represents the percentage employee cost compared to the total expenditure of Council. This ratio has increased significantly during the year under review due to appointments made in critical vacant positions. The ratio for 2018/19 of 29.4% is well within the norm of 25% to 40% of the industry.

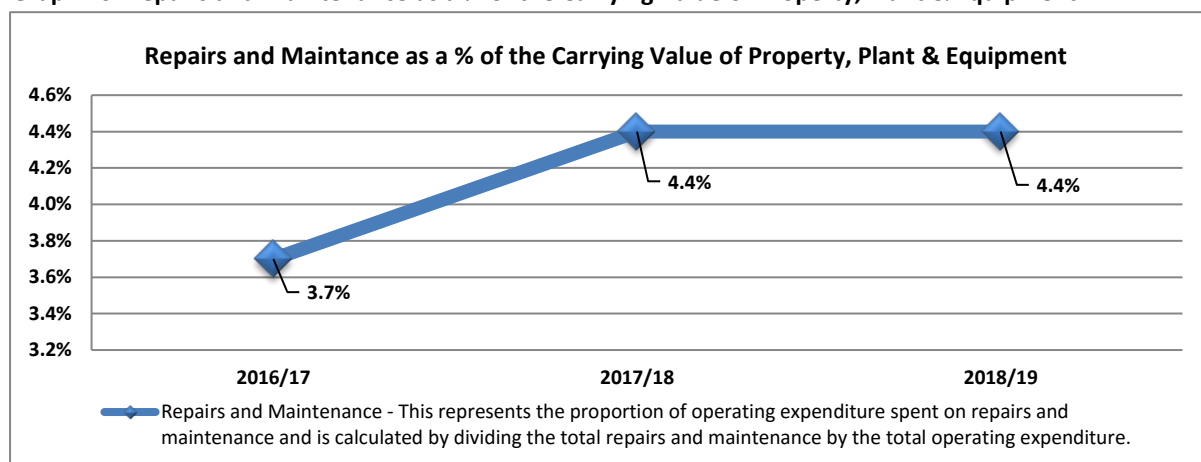
Graph 15: Employee Cost Ratio



### 5.6.8 Repairs and Maintenance as a Percentage (%) of the Carrying Value of Property, Plant and Equipment

Repairs and maintenance as a percentage (%) of the carrying value of property, plant and equipment increased from the 2016/17 financial year from 3.7% with 0.7% to 4.4% for the 2017/18 financial year and remained consistent for the 2018/19 year, which indicates that more money is being spent on the maintenance of capital assets. This is still well below the unreachable norm of 8% set by National Treasury for a municipality investing heavily in new and replacement infrastructure.

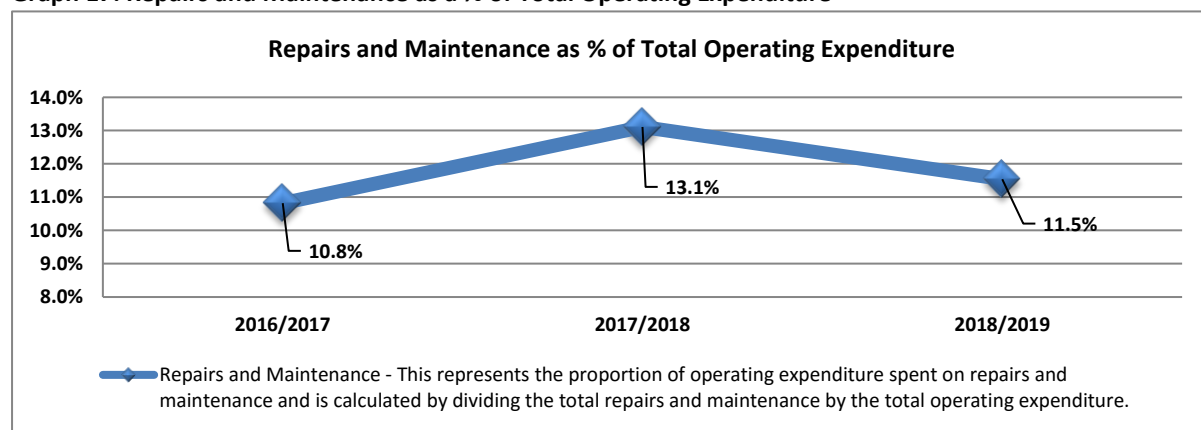
**Graph 16: Repairs and Maintenance as a % of the Carrying Value of Property, Plant & Equipment**



### 5.6.9 Repairs and Maintenance Ratio as a % of Total Operating Expenditure

The percentage amount of repairs and maintenance decreased from 13.1% in the 2017/18 financial year with 1.6% to 11.5% in the 2018/19 financial year. This is above and better than the norm of 10% of the National Treasury. This clearly indicates that the norm of 8% in paragraph 5.6.8 above is not realistic.

**Graph 17: Repairs and Maintenance as a % of Total Operating Expenditure**



## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.7 INTRODUCTION

As depicted in Graph 1 in the report, R572.5 million or 101.6% of the final capital adjustments budget amount of R563.7 million was spent during the year under review. The over-expenditure relates to the Parys Substation fire incident already discussed in paragraph 1.5.5 of the Annual Report. More information on the type of infrastructure spent will now be discussed below.

### 5.8 CAPITAL EXPENDITURE

The following three tables depict the information on capital spent on basic services, social services and operational services.

#### 5.8.1 Capital Expenditure on Basic Services Infrastructure

An amount of R491.4 million was invested in basic services infrastructure (electricity, water, waste water, refuse, roads and stormwater) which represents 101.8% of the R482.6 million allocated for basic services infrastructure in the final adjustments budget. The over-expenditure relates to the Parys Substation fire incident already discussed in paragraph 1.5.5 of the Annual Report.

**Table 163: Capital Expenditure on Basic Services Infrastructure**

Capital Expenditure on Basic Services Infrastructure							
Serial No.	Description	Actual 2017/18	2018/2019				
			Original Budget	Adjustments Budget	Actual Capital Expenditure	% Variance Between Column C & D	% Variance Between Column B & D
Column Ref.	A	B	C	D	E	F	G
1	Basic Services and Road Infrastructure	560,299,796	341,040,909	482,667,958	491,477,720	-41.53%	-1.83%

#### 5.8.2 Capital Expenditure on Social Infrastructure

An amount of R40.939 million was invested in social infrastructure which represents 99.86% of the R40.998 million allocated for social infrastructure in the final adjustments budget.

**Table 164: Capital Expenditure on Social and Economic Infrastructure**

Capital Expenditure on Social and Economical Infrastructure							
Serial No.	Description	Actual 2017/18	2018/2019				
			Original Budget	Adjustments Budget	Actual Capital Expenditure	% Variance Between Column C & D	% Variance Between Column B & D
Column Ref.	A	B	C	D	E	F	G
1	Social and Economical Infrastructure	41,253,201	68,376,237	40,998,344	40,939,254	40.04%	0.14%

### 5.8.3 Capital Expenditure on Operational Infrastructure

An amount of R40.116 million was invested in operational infrastructure which represents 99.96% of the R40.099 million allocated for operational infrastructure in the final adjustments budget.

**Table 165: Capital Expenditure on Operational Infrastructure**

Capital Expenditure on Operational Equipment							
Serial No.	Description	Actual 2017/18	2018/2019				
			Original Budget	Adjustments Budget	Actual Capital Expenditure	% Variance Between Column C & D	% Variance Between Column B & D
Column Ref.	A	B	C	D	E	F	G
1	Operational Equipment	51,425,147	44,623,220	40,099,859	40,116,558	10.14%	-0.04%

## 5.9 CAPITAL EXPENDITURE SOURCES OF FINANCE

The funding sources of capital expenditure are depicted in the table below.

**Table 166: Capital Expenditure - Funding Sources 2018/2019**

Capital Expenditure – Funding Sources 2018/2019							
Serial No.	Details	2017/2018	2018/2019			Positive/ (Negative) % Variance	
		Actual	Original Budget (OB)	Adjustments Budget (AB)	Actual	Original Budget	Adjustments Budget
Column Ref.	A	B	C	D	E	F	G
1	External loans	475,935,304	331,834,792	357,009,618	357,114,628	7.59%	0.03%
2	Public contributions and donations	0	0	0	0	0.00%	0.00%
3	Grants and subsidies	121,969,703	74,506,956	146,363,465	136,348,449	96.44%	-6.84%
4	Other	55,073,136	47,698,618	60,393,078	79,070,454	26.61%	30.93%
5	<b>Total</b>	<b>652,978,143</b>	<b>454,040,366</b>	<b>563,766,161</b>	<b>572,533,531</b>	<b>24.17%</b>	<b>1.56%</b>
6	<b>Percentage of Finance</b>						
7	External loans	73%	73%	63%	62%	-13.35%	-1.50%
8	Public contributions and donations	0%	0%	0%	0%	0.00%	0.00%
9	Grants and subsidies	19%	16%	26%	24%	58.21%	-8.27%
10	Other	8%	11%	11%	14%	1.97%	28.92%
11	<b>Capital Expenditure</b>						
12	Water and sanitation	313,883,560	152,898,373	230,203,738	230,203,730	50.56%	0.00%
13	Electricity	145,641,968	129,469,565	136,439,399	155,203,667	5.38%	13.75%
14	Housing	30,708,351	16,800,000	48,691,561	38,737,059	189.83%	-20.44%
15	Roads and stormwater	65,021,923	61,957,971	77,518,190	77,518,186	25.11%	0.00%
16	Other	97,722,341	92,914,457	70,913,273	70,870,890	-23.68%	-0.06%
17	<b>Total</b>	<b>652,978,143</b>	<b>454,040,366</b>	<b>563,766,161</b>	<b>572,533,531</b>	<b>24.17%</b>	<b>1.56%</b>
18	<b>Percentage of Expenditure</b>						
19	Water and sanitation	48.07%	33.68%	40.83%	40.21%	21.26%	-1.53%
20	Electricity	22.30%	28.51%	24.20%	27.11%	-15.13%	12.01%
21	Housing	4.70%	3.70%	8.64%	6.77%	133.42%	-21.66%
22	Roads and stormwater	9.96%	13.65%	13.75%	13.54%	0.76%	-1.53%
23	Other	14.97%	20.46%	12.58%	12.38%	-38.53%	-1.59%

### **5.9.1 Grants**

Grants, as depicted in the table above, amounted to R136.3 million or 23.8% of the total capital expenditure of R572.5 million for the year under review. This is significantly more than the R121.9 million or 18.7% of the total capital expenditure of R652.9 million for the 2017/18 financial year.

### **5.9.2 Own Revenue from CRR**

Own revenue, as depicted in the table above, amounted to R79.0 million or 13.8% of the total capital expenditure of R572.5 million for the year under review. This is significantly more than the R55.1 million or 8.4% of the total capital expenditure of R652.9 million for the 2017/18 financial year.

### **5.9.3 External Borrowings**

Notable is that Drakenstein had to finance the investment into moveable and immovable infrastructure mainly through external borrowings of R357.1 million or 62.4% of the total capital expenditure of R572.5 million for the year under review. The external borrowings taken up in the 2017/18 financial year amounted to R475.9 million or 72.9% of the total capital expenditure of R652.9 million for the 2017/18 financial year. These investments significantly affect Drakenstein's gearing ratio that will be discussed in paragraph 5.9.3.1 below.

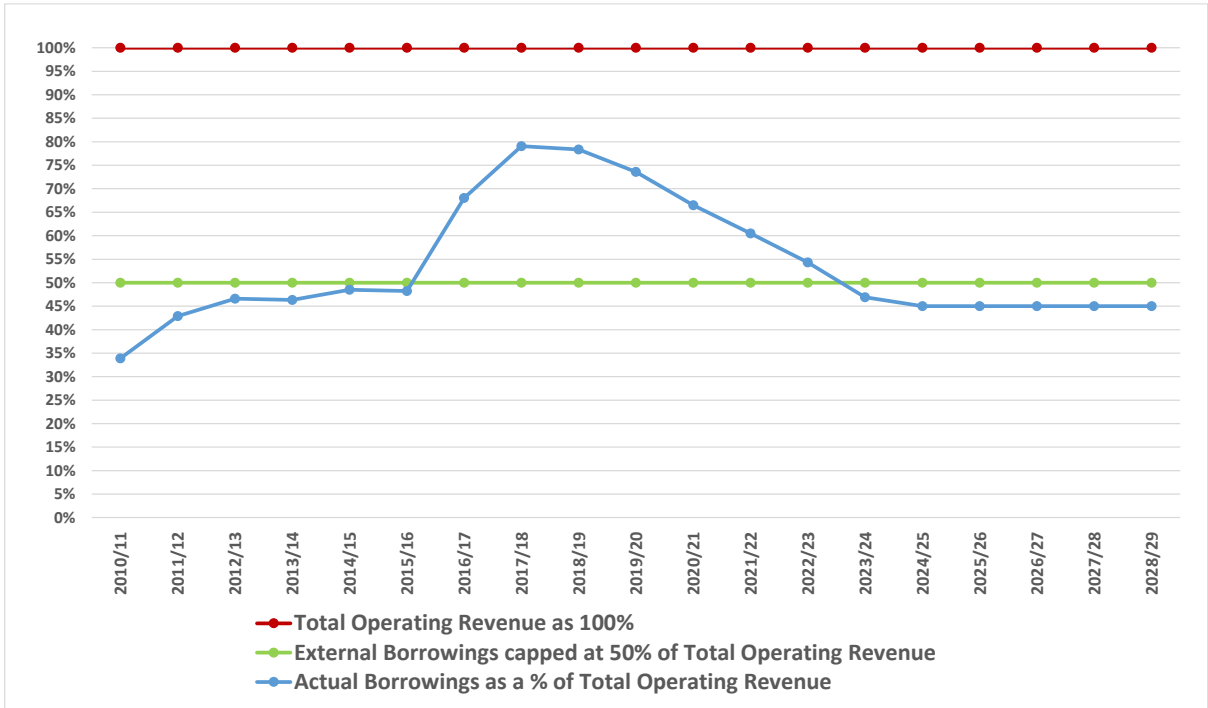
#### **5.9.3.1 Gearing Ratio**

Drakenstein Municipality is experiencing unprecedented pressure from developers who want to develop in Drakenstein and these developments put pressure on our bulk infrastructure services, which needs to be upgraded to ensure service delivery. Additional to these developments are the Vlakkeland Catalytic Housing Project (2,556 housing opportunities) and the Mountain Ridge Erf 16161 GAP/Affordable Housing Project with about another 1,500 housing opportunities as well as developments south of Boland Cricket Stadium, Paarl South of the N1 as well as around Wellington. Drakenstein therefore had to invest in bulk infrastructure between the 2015/16 and 2018/19 financial years.

From Table 165 above it is clear that significant amounts of money was invested in bulk infrastructure. During the 2017/18 and 2018/19 financial years investment in water and sanitation infrastructure amounted to R313.8 million and R230.2 million respectively; investment in electricity infrastructure amounted to R145.6 million and R155.2 million respectively; and investment in roads and stormwater infrastructure amounted to R65.0 million and R77.5 million respectively.

The external loans taken up for the last three financial years amounted to R1.229 billion leaving Drakenstein Municipality with external borrowing debt R1.630 billion at the end of the 2018/19 financial year. The gearing ratio stood at 78.5% at year-end as depicted in the graph below. This is based on total revenue excluding conditional capital and operating expenditure grants. In terms of future infrastructure investments, a less aggressive approach will be followed as from the 2019/20 financial year to ensure that the gearing ratio will decrease to about 73.6% in the 2019/20 financial year and further decrease to about 46.9% by the 2023/24 financial year.

**Graph 18: External Borrowings as a Percentage of Total Operating Revenue (Gearing Ratio)**



### 5.9.3.2 Expansion of Tax Base

The investment in bulk infrastructure that led to the high gearing ratio, was to be ready when the new developments start using our municipal services. Drakenstein has to be ready to provide electricity and water and to receive raw sewerage through our bulk sewerage supply lines to our Wellington and Paarl Waste Water Treatment Works. Developments along the R301 from the N1 to Drakenstein Prison, between the R301 and Boland Cricket stadium near the tollgate, Vlakkeland Catalytic Housing Project and the Mountain Ridge Erf 16161 GAP/ Affordable Housing Project as well as around Wellington will over the next ten years expand our tax base with about 16,995 low, medium and high income housing opportunities. This will significantly increase our tax base and future revenue streams.



## 5.10 CAPITAL SPENDING ON FIVE LARGEST PROJECTS

Table 167: Capital Spending of Five Largest Capital Projects

Capital Expenditure of Five Largest Capital Projects						
Serial No.	Name of project	Current year			% Variance	
		Original Budget	Adjustments Budget	Actual Expenditure	Original Variance	Adjustments variance
Column Ref.	A	B	C	D	E	F
1	Boreholes	8,000,000	76,272,816	76,272,813	-853.41%	0.00%
2	Replace Existing 66Kv Cables Between	70,000,000	72,097,569	72,097,568	-3.00%	0.00%
3	Upgrading of BRB North	41,376,811	39,334,677	39,334,676	4.94%	0.00%
4	Wellington Rehabilitation and Extensions	7,600,000	34,911,228	34,911,228	-359.36%	0.00%
5	Electrification Housing Projects	26,369,565	31,809,597	31,809,596	-20.63%	0.00%

## 5.11 BASIC SERVICES AND INFRASTRUCTURE BACKLOGS

The Engineering Services Department render the core of basic services to the community. The Department is responsible for the supply of water, waste water, electricity and waste management services to the community.

### 5.11.1 Service Backlogs

The basic services backlogs are depicted in the table below. Drakenstein Municipality supply basic water, waste water and waste management services to all its residents within the urban areas. Electricity is supplied to all Drakenstein's residents by the Municipality and Eskom together. Some estates are supplied with a bulk electricity connection and the home owners associations do their own internal electricity reticulation.

About 3,027 structures in the informal settlements do not have access to electricity. The Municipality embarked on a programme from 2017/2018 to electrify these structures within the three years.

Table 168: Basic Services Backlogs

Service Backlogs as at 30 June 2019					
Households (HHs)					
Row Number	Basic Service	Service Level Above Minimum Standard		Service Level Below Minimum Standard	
		No. of HHs	% of HHs	No. of HHs	% of HHs
Column Reference	A	B	C	D	E
1	Water	71 853	99.5%	*357	0.5%
2	Waste Water	70 943	98.2%	*1 267	1.8%
3	Electricity	44,358	93.6%	**3,027	6.4%
4	Waste Management	37,474	100.0%	0	0.0%
*Include farms which do not form part of the municipal water reticulation system.					
**Structures in informal settlements with no access to electricity.					

### 5.11.2 MIG Expenditure on Service Backlogs

The MIG allocations of R42.7 million were spent as depicted in the table below.

Table 169: Municipal Infrastructure Grant (MIG) Expenditure on 2018/19 Service Backlogs

Municipal Infrastructure Grant (MIG) * Expenditure 2018/2019 on Service Backlogs							
Serial No.	Details	Original Budget	Adjustment Budget	Actual	Positive/ (Negative) % Variance		Major conditions applied by donor (continue below if necessary)
					Original Budget	Adjustment Budget	
Column Ref.	A	B	C	D	E	F	G
1	Infrastructure –Road transport	0	0	0	0.00%	0.00%	N/A
2	Roads, pavements and bridges	0	0	0	0.00%	0.00%	N/A
3	Storm water	0	0	0	0.00%	0.00%	N/A
4	Infrastructure – Electricity	367,692	367,692	367,692	0.00%	0.00%	N/A
5	Generation	0			0.00%	0.00%	N/A
6	Transmission and Reticulation	0	0	0	0.00%	0.00%	N/A
7	Street lighting	367,692	367,692	367,692	0.00%	0.00%	N/A
8	Infrastructure – Water	19,340,654	19,340,654	19,340,654	0.00%	0.00%	N/A
9	Dams and Reservoirs	19,340,654	19,340,654	19,340,654	0.00%	0.00%	N/A
10	Water purifications	0	0	0	0.00%	0.00%	N/A
11	Reticulation	0	0	0	0.00%	0.00%	N/A
12	Infrastructure – Sanitation	17,396,604	17,396,604	17,396,604	0.00%	0.00%	N/A
13	Reticulation	17,396,604	17,396,604	17,396,604	0.00%	0.00%	N/A
14	Sewerage purification	0	0	0	#DIV/0!	#DIV/0!	N/A
15	Infrastructure – Other	0	0	0	0.00%	0.00%	N/A
16	Waste Management	0	0	0	0.00%	0.00%	N/A
17	Transportation	0	0	0	0.00%	0.00%	N/A
18	Gas	0	0	0	0.00%	0.00%	N/A
19	Other specify	5,645,889	5,645,889	5,645,889	0.00%	0.00%	N/A
20	PMU	1,000,001	1,000,001	1,000,001	0.00%	0.00%	N/A
21	Sport	4,645,888	4,645,888	4,645,888	0.00%	0.00%	N/A
22	Total	42,750,839	42,750,839	42,750,839	0.00%	0.00%	N/A

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENT

### 5.12 INTRODUCTION

Cash flow is of vital importance to the health of a municipality. The Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) requires that a municipality must establish an appropriate and effective cash management and investment policy. Under this policy framework, the municipality must:

- Conduct its cash management and investments; and
- Invest surplus cash that is not immediately required for expenditure purposes. This surplus could include income from rates and services, rents, fines, grants, subsidies, levies and interest earned on investments.

Investments are placed with top creditworthy institutions as rated by nationally recognised credit rating agencies.

The Department reports regularly to the Executive Mayor, the Finance Portfolio Committee, the Auditor-General, the National Treasury and Provincial Treasury in order to assess the performance of the investment portfolio and to ensure that the investments comply with policy objectives, guidelines, applicable laws and regulations.

### 5.13 CASH FLOW

Cash received from debtors has increased from the previous year, indicating an effective implementation of the Debtors' Policy. The cash available has decreased due to the investment of roll-over funds of the previous year in property, plant and equipment.

**Table 170: Cash Flow Outcomes**

Cash Flow Outcomes				
Description	2017/18	Current Year 2018/19		
	Audited Outcome	Original Budget	Final Budget	Actual Outcome
	R'000	R'000	R'000	R'000
<b>Cash Flow from operating activities</b>				
<b>Receipts</b>	<b>1,856,075</b>	<b>2,235,952</b>	<b>2,104,583</b>	<b>2,003,453</b>
Ratepayers and other	1,499,527	1,848,281	1,693,118	1,646,999
Government – Operating	183,161	265,112	258,836	182,495
Government – Capital	134,667	84,933	129,290	150,160
Interest	38,705	37,611	23,324	23,783
Dividends	15	15	15	15
<b>Payments</b>	<b>-1,576,898</b>	<b>-1,960,972</b>	<b>-1,901,323</b>	<b>-1,763,522</b>
Suppliers and employees	-1,441,625	-1,795,835	-1,710,766	-1,582,602
Finance charges	-124,741	-144,574	-166,260	-158,386
Transfers and Grants	-10,532	-20,563	-24,297	-22,534
<b>Net cash from (used) operating activities</b>	<b>279,176</b>	<b>274,980</b>	<b>203,260</b>	<b>239,931</b>

Cash Flow Outcomes				
Description	2017/18	Current Year 2018/19		
	Audited Outcome	Original Budget	Final Budget	Actual Outcome
	R'000	R'000	R'000	R'000
<b>Cash flow from investing activities</b>				
<b>Receipts</b>	<b>911</b>	<b>250</b>	<b>39,841</b>	<b>33,893</b>
Proceeds on disposal of PPE	-	250	39,841	33,472
Decrease (Increase) in non-current debtors	-	-	-	-
Decrease (Increase) other non-current receivables	911	-	-	421
Decrease (Increase) in non-current investments	-	-	-	-
<b>Payments</b>	<b>-657,160</b>	<b>-408,636</b>	<b>-502,311</b>	<b>-576,123</b>
Capital assets	-657,160	-408,636	-502,311	-576,123
<b>Net cash from (used) investing activities</b>	<b>-656,249</b>	<b>-408,386</b>	<b>-462,470</b>	<b>-542,230</b>
<b>Cash flow from financing activities</b>				
<b>Receipts</b>	<b>477,731</b>	<b>265,561</b>	<b>265,561</b>	<b>312,353</b>
Borrowing long term/refinancing	474,982	265,561	265,561	299,373
Increase / (decrease) in consumer deposits	2,012	0	0	12,182
Increase / (decrease) in lease liability	737	0	0	798
<b>Payments</b>	<b>-160,840</b>	<b>-179,726</b>	<b>-179,726</b>	<b>-173,300</b>
Repayment of borrowing	-160,840	-179,726	-179,726	-173,300
<b>Net cash from (used) financing activities</b>	<b>316,891</b>	<b>85,835</b>	<b>85,835</b>	<b>139,053</b>
<b>Net increase/(Decrease) in cash held</b>	<b>-60,181</b>	<b>-47,572</b>	<b>-173,375</b>	<b>-163,246</b>
Cash/cash equivalents at the beginning of the year	289,281	243,372	427,362	229,100
Cash/cash equivalents at the end of the year	229,100	195,801	253,987	65,854

## 5.14 BORROWINGS

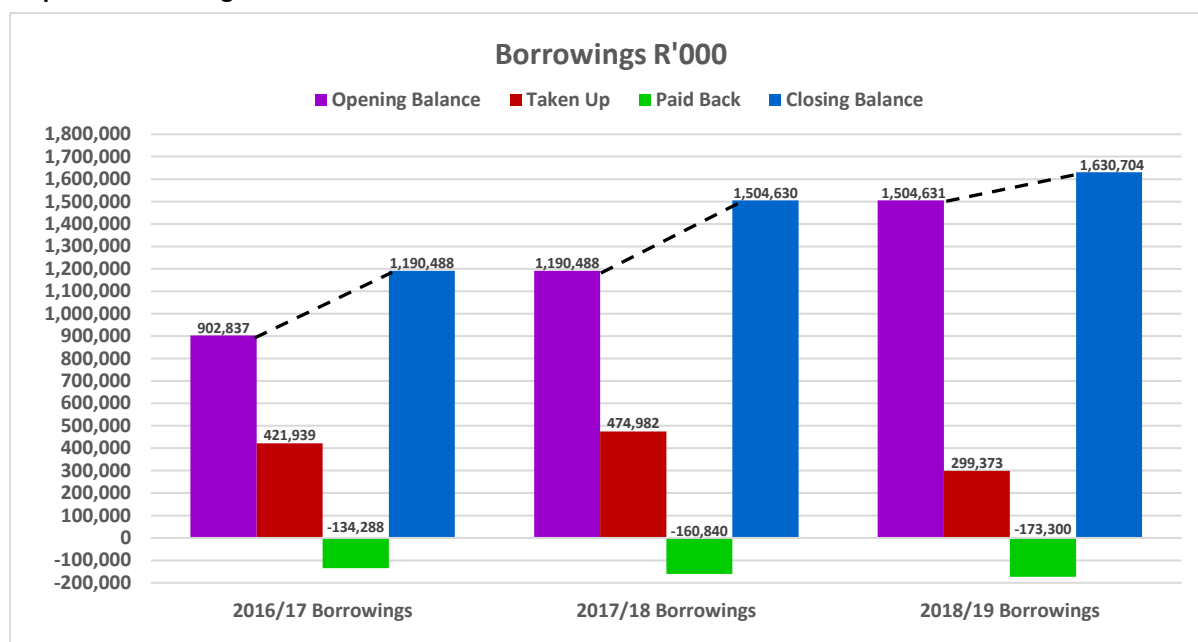
The application of the Municipality's Investment Policy aims to gain the optimal return on investments, without incurring undue risks, during those periods when cash revenue is not needed for capital or operational purposes, whereas the Borrowing Policy aims to gain the lowest interest rate on external borrowings.

During the year under review external loans to the amount of R299.3 million was taken up to finance much needed bulk infrastructure to stimulate growth and development. It needs to be mentioned that Drakenstein Municipality receives the lowest amount of MIG allocations of all secondary cities in South Africa. During the year, R170.3 million of principle debt was repaid and therefore the R1,504.6 million of annuity loans as at 30 June 2018 grew with R126.1 million to R1,630.7 million at year-end.

**Table 171: Actual Borrowings**

Actual Borrowings as at 30 June 2019				
Serial No.	R'000			
Column Ref.	A	B	C	D
1	Annuity Loans	2016/17	2017/18	2018/19
2	Opening balance of annuity loans	902,837,438	1,190,488,684	1,504,631,026
3	Taken up during the year	421,939,704	474,982,034	299,373,302
4	Less: Redeemed during the year	(134,288,458)	(160,839,692)	(173,300,310)
5	<b>Closing Balance of Annuity Loans</b>	<b>1,190,488,684</b>	<b>1,504,631,026</b>	<b>1,630,704,018</b>

Graph 19: Borrowings



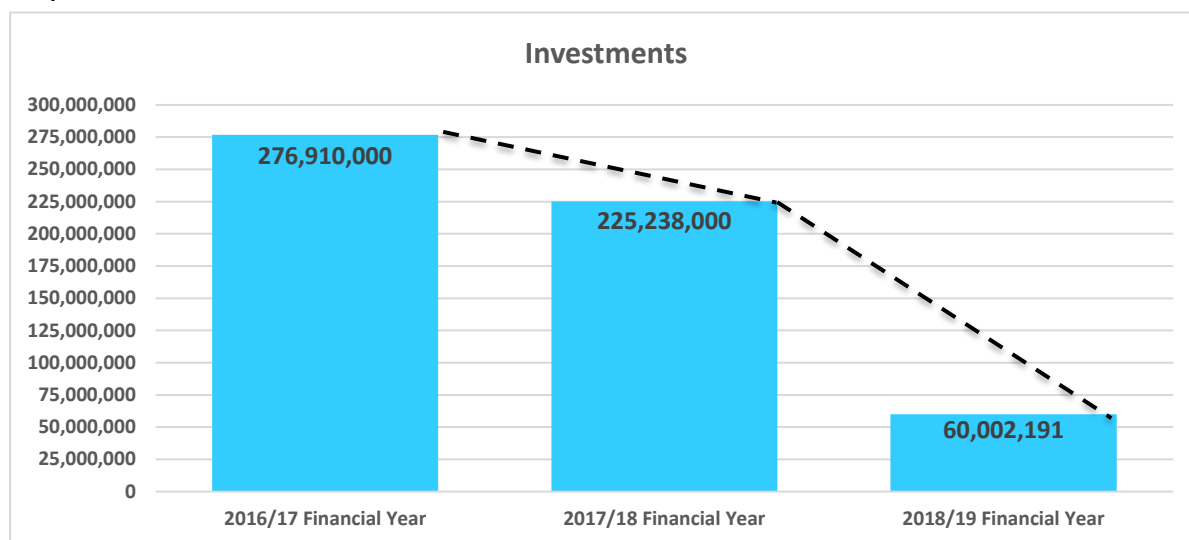
## 5.15 INVESTMENTS

Investments have decreased since the previous financial year, whereas borrowings have increased due to the increased investment in infrastructure. The Municipality is nearing its point of gearing saturation and will thus have to seek other sources of finance in future, such as government grants, or will need to revise its investment in infrastructure going forward. Fortunately current investment in revenue generating bulk infrastructure will unlock and attract the expected growth in housing and other developments in Drakenstein over the next ten to fifteen years. The gearing ratio is projected to come down to about 45% in ten years from now.

Table 172: Municipal Investments

Municipal and Entity Investments				
Serial No.	Instrument	2016/2017 Actual	2017/2018 Actual	2018/2019 Actual
Column Ref.	A	B	C	D
1	Securities – National government	-	-	-
2	Listed Corporate Bonds	132,990	128,762	124,968
3	Deposits – Bank	276,777,737	225,106,143	59,877,224
4	Deposits – Public Investment Commissioners	-	-	-
5	Deposits – Corporation for Public Deposits	-	-	-
6	Bankers Acceptance Certificates	-	-	-
7	Negotiable Certificates of Deposit – Banks	-	-	-
8	Guaranteed Endowment Policies (sinking)	-	-	-
9	Repurchase Agreements – Banks	-	-	-
10	Municipal Bonds	-	-	-
11	Other	-	-	-
12	<b>Municipality sub-total</b>	<b>276,910,727</b>	<b>225,234,905</b>	<b>60,002,191</b>

**Graph 20: Investments**



## **5.16 PUBLIC PRIVATE PARTNERSHIPS**

There were no public private partnerships during 2018/19.

## COMPONENT D: OTHER FINANCIAL MATTERS

### 5.17 SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Division consists out of the following sections which covers all elements as required by the Municipal Supply Chain Management Regulations:

#### 5.17.1 Acquisitions

This section deals with procurements up to a value of R200,000 (VAT included).

#### 5.17.2 Compliance, Risk, Performance and Reporting

This section deals with the compliance to SCM processes, reporting on SCM actions as required by legislation as well as assessing risk areas within the SCM environment.

#### 5.17.3 Tender Evaluations and Contract Management

This section deals with procurements above the value of R200,000 (VAT included). It furthermore deals with contract management and implementation in conjunction with user departments.

#### 5.17.4 Logistics and Disposal Management

This section deals with the management of the Municipal Stores as well as the disposal of movable assets.

#### 5.17.5 Tender Committee Administration

This section deals with the administrative processes and logistical support associated with the bid committees.

### 5.18 GRAP COMPLIANCE

The Municipality has fully implemented the Standards of GRAP (Generally Recognised Accounting Practice) in accordance with the MFMA and Directive 5 issued by the Accounting Standards Board (ASB) and did not deviate from any standard.

**Table 173: GRAP Compliance List**

Reference	Topic
GRAP Framework	Framework for the preparation and presentation of financial statements
GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investment in Associates
GRAP 8	Investment in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economies
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events After the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 21	Impairment of Non-cash-generating Assets
GRAP 23	Revenue from Non-exchange Transactions
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 25	Employee Benefits
GRAP 26	Impairment of Cash-generating Assets
GRAP 27	Agriculture
GRAP 31	Intangible Assets
GRAP 100	Discontinued Operations
GRAP 103	Heritage Assets
GRAP 104	Financial Instruments
IFRS 4	Insurance contracts
IAS 12	Income taxes
IGRAP 1	Applying the probable test on initial recognition of revenue
IGRAP 2	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IGRAP 3	Determining whether an Arrangement Contains a lease
IGRAP 4	Rights to Interest Arising from Decommissioning, Restoration and Environmental
IGRAP 5	Applying the Restatement Approach under the Standard of GRAP on Financial Reporting
IGRAP 6	Loyalty Programmes
IGRAP 7	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their
IGRAP 8	Agreements for the construction of Assets from Exchange Transactions
IGRAP 9	Distributions of Non-cash Assets to Owners
IGRAP 10	Assets Received from Customers
IGRAP 11	Consolidations – Special Purpose Entities
IGRAP 12	Jointly Controlled Entities – Non-monetary Contributions by Ventures
IGRAP 13	Operating Leases - Incentives
IGRAP 14	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
IGRAP 15	Revenue – Barter Transactions Involving Advertising Services
IGRAP 16	Intangible Assets – Website Costs



Reference	Topic
IFRIC 12	Service concession arrangements
IFRIC 21	Levies
SIC 25	Income taxes – Changes in the status of an enterprise or its shareholders
SIC 29	Disclosure service concession
Directive 1	Repeal of existing transitional provisions in, and consequential amendments to,
Directive 3	Transitional provisions for high capacity municipalities
Directive 5	Determine the GRAP reporting framework
Directive 7	The Application of Deemed Cost
Directive 11	Changes in the Measurement Bases Following the Initial Adoption of the Standards of
ASB Guide 1	Guideline on accounting for public private partnerships
GRAP Framework	Framework for the preparation and presentation of financial statements

The adoption of the standards and interpretation above did not have a significant impact on the financial position, financial performance or cash flows of the Municipality.

## 6. AUDITOR-GENERAL AUDIT FINDINGS

The Annual Financial Statements as set out in Volume I and the Annual Performance Report as set out in Volume V was submitted to the Auditor-General on 31 August 2019. The Auditor-General performed their audit during the months of July to November 2019 and submitted their Auditor-General's Report (attached hereto as Volume II) as required by Section 126(3) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) to the Municipality on 30 November 2019.

### COMPONENT A: AUDITOR-GENERAL OPINION ON 2018/19 FINANCIAL YEAR

#### 6.1 AUDITOR-GENERAL REPORT FOR 2018/19

In the tables below the Auditor-General's opinion on the 2018/19 annual financial statements and other legal and regulatory matters are discussed.

##### 6.1.1 Auditor-General report on the 2018/19 financial statements

Drakenstein Municipality for the 2018/19 annual financial statements received an unqualified audit opinion. No material non-compliance issues on the annual financial statements were received.

Table 174: Auditor-General Report on 2018/19 Financial Performance

Auditor-General Report on 2018/19 Financial Performance	
Description	Opinion
Audit report status	Unqualified audit opinion
Material non-compliance issues	Remedial action taken
None	Not applicable

##### 6.1.2 Auditor-General report on other legal and regulatory matters

No material findings was identified on the audit of pre-determined objectives or compliance with legislation.

Table 175: Auditor-General Report on 2018/19 Other Matters

Auditor-General Report on 2018/19 Other Matters	
Description	Conclusion
Annual Performance Report	No material findings
Compliance with Legislation	No material findings

#### **6.1.2.1    *Predetermined objectives***

Drakenstein Municipality received no material findings on the audit of pre-determined objectives as reported in the Annual Performance Report attached as Volume V to the Annual Report.

#### **6.1.2.2    *Compliance with legislation***

Drakenstein Municipality received no material findings on compliance with key legislation as set out in the general notice issued in terms of the PAA.

#### **6.1.2.3    *Internal control***

The Auditor-General did not identify any significant deficiencies in internal control.

### **6.2        CONCLUDING COMMENT**

The Auditor-General therefore gave Drakenstein Municipality an unqualified audit opinion with no material findings on pre-determined objective or compliance with key legislation.

## COMPONENT B: AUDITOR-GENERAL OPINION FOR 2017/18 FINANCIAL YEAR

### 6.3 AUDITOR-GENERAL REPORT FOR 2017/18

In the tables below the Auditor-General's opinions on the 2017/18 annual financial statements and other legal and regulatory matters are discussed.

#### 6.3.1 Auditor-General Report on the 2017/18 Annual Financial Statements

Drakenstein Municipality for 2017/18 annual financial statements received an unqualified audit opinion. No material non-compliance issues on the annual financial statements were received.

Table 176: Auditor-General Report on 2017/18 Financial Performance

Auditor-General Report on 2017/18 Financial Performance	
Description	Opinion
Audit report status	Unqualified audit opinion
Material non-compliance issues	Remedial action taken
None	Not applicable

#### 6.3.2 Auditor-General Report on other matters

No material findings was identified on the audit of pre-determined objectives. However, material non-compliance was identified in Procurement and Contract management. The Municipality is still in a dispute with the Auditor-General on this matter as disclosed in Note 42.3 of the Annual Financial Statements attached as Volume IV to the Annual Report 2017/2018.

Table 177: Auditor-General Report on 2017/18 Other Matters

Auditor-General Report on 2017/18 Other Matters	
Description	Conclusion
Annual Performance Report	No material findings
Other material non-compliance with legislation	Remedial action taken
Procurement and contract management	Irregular expenditure of R46,299,919

##### 6.3.2.1 Pre-determined objectives

The Auditor-General identified no material findings on the pre-determined objectives as reported in the Annual Performance Report attached as Volume V to the 2017/2018 Annual Report.

### **6.3.2.2 Compliance with legislation**

Drakenstein Municipality had to disclose irregular expenditure of R16.9 million on the expansion award for the upgrade and extension of the Wellington Waste Water Treatment Works to 16 ML/day: Mechanical and Electrical Installation Contract CES 07/2015 as well as R29.3 million on the expansion award for the upgrade and extension of the Wellington Waste Water Treatment Works to 16 ML/day: Civil Works Contract CES 08/2015 for similar work done at the Paarl Waste Water Treatment Works. The expansions were awarded by management about ten months after the original award. The Auditor-General could find no fault with the quality of the work done, but ruled that the additional work should have followed an open bidding process.

With regard to the dispute, the relevant inter-governmental dispute mechanisms and/or any other avenues will be implemented, which could result in an alteration of the disclosure in terms of section 126(5) of the MFMA. The outcome of this process will determine if further investigation is required.

### **6.3.2.3 Internal control**

Drakenstein Municipality's internal control findings was limited to the internal control deficiencies that led to the irregular expenditure finding due to an alleged incorrect supply chain process followed.

## **6.4 CONCLUDING COMMENT**

The Auditor-General therefore gave Drakenstein Municipality an unqualified audit opinion with no material findings on pre-determined objective findings but with one material non-compliance irregular expenditure finding

## 7. ANNEXURES

### ANNEXURE A: COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

**Table 178: Councillors, Committees allocated and Council attendance**

Councillors, Committees allocated and Council attendance						
Council members	Full-time	Part-time	Committees allocated	*Ward and/or party represented	Percentage Council Meetings attended	Percentage apologies for non-attendance
					%	%
Abrahams, Alvina Wilhelmina		√	Community Services	Proportional	86	50
Adriaanse, Miriam Maria		√	Corporate Services	Ward 24	93	100
Afrika, Amelda Felicity		√	Community Services	Proportional	93	100
Anderson, Joan Felicity		√	Corporate Services	Ward 26	100	n/a
Andreas, Margaretha Aletta	√		Planning and Development/Local Labour Forum	Proportional	93	100
Arnolds, Ruth Belldine		√	Engineering Services	Ward 7	50	100
Bekeer, Abraham		√	MPAC	Proportional	93	0
Bester, Theunis Gerhardus		√	Engineering Services/ Appeal Committee	Ward 19	100	n/a
Blanckenberg, Derrick Solomon		√	Engineering Services	Ward 16	79	67
Booyesen, Vanessa Charmaine		√	Engineering Services	Ward 27	100	n/a
Buckle, Albertus Marthinus Loubser		√	MPAC	Ward 18	100	n/a
Combrink, Gert Cornelius	√		Finance	Proportional	93	100
Cupido, Felix Patric		√	Corporate Services	Ward 22	93	100
Cupido Patricia Beverly Ann		√	Engineering Services	Ward 20	100	n/a
De Goede, Hendrik Ruben		√	Finance/LLF	Proportional	100	n/a
De Wet, Jo-Ann		√	MPAC	Ward 14	100	n/a
Duba, B		√	Corporate Services	Proportional	79	33
Ford, Geoffrey Harry		√	Community Services	Ward 31	100	n/a
George, Nonkumbulo Nancy		√	MPAC	Proportional	64	80
Gouws, Eva (Full-time since 11/12/2018)	√		Community Services	Ward 21	93	100
Jacobs, Frances		√	Finance	Ward 23	86	100
Jonas, Sweetness Xoliswa		√	Corporate Services/ Appeal Committee	Proportional	79	100
Kearns, Christephine	√		Finance/Community Services	Ward 10	79	100
Klaas, Moses Thembile		√	Finance	Proportional	71	0
Koegelenberg, Renier Adriaan	√		Appeal Committee/LLF	Proportional	100	n/a
Kotze, Hendrik Jacobus		√	Engineering Services	Ward 2	86	50
Kroutz, Calvin		√	Community Services	Ward 1	100	n/a
Landu, Linda		√	Appeal Committee	Proportional	86	100
Le Hoe, Marthinus Jacobus		√	Community Services	Proportional	71	75
Le Roux, Jacobus Francois	√		Finance/Engineering Services	Proportional	100	n/a
Lugqola, Anathi		√	Corporate Services	Proportional	100	n/a
Mangena, Tembikile Christopher		√	Engineering Services	Ward 9	86	50

Councillors, Committees allocated and Council attendance						
Council members	Full-time	Part-time	Committees allocated	*Ward and/or party represented	Percentage Council Meetings attended	Percentage apologies for non-attendance
					%	%
Masoka, Zolani Livingstone		√	Community Services	Proportional	93	100
Matthee, Hendrik Johannes Nicolaas		√	Finance	Ward 17	71	100
Matthee, Joseph		√	MPAC	Proportional	71	100
Mbenene, Ndilleka Primrose		√	Corporate Services	Ward 5	71	0
Mdunusie, Minah Nontombi		√	Planning and Development	Proportional	100	n/a
Meyer, Willem Pieter Daniel		√	Planning and Development	Proportional	100	n/a
Miller, Johan	√		Planning and Development	Ward 4	100	n/a
Mkabile, Nkomfa Deon (until 27 February 2019) (Replaced by Siyaya)		√	Corporate Services	Proportional	36	57
Mpulanyana, Thuso Reginald		√	Finance	Proportional	100	0
Mokoena, Liphaphathi Patricia	√		Corporate Services/LLF	Proportional	93	100
Niehaus, Lodewyk Wilfred		√	Corporate Services	Ward 15	86	100
Nobula, Mncedisi Daniel		√	Engineering Services	Ward 12	86	100
Nqoro Nomana, Tryfhina Zukiswa		√	Community Services	Ward 6	86	50
Nzele, Lawrence Vuyani		√	Community Services	Ward 32	100	n/a
Philander, Wendy Felecia (1/6/2018-12/6/2018 full-time. Replaced by Windvogel)	√		Finance	Proportional	100	n/a
Poole, Conrad James	√		Executive Mayor	Proportional	86	100
Rens, Samuel Colin		√	Appeal Committee	Proportional	64	40
Richards, Abdul Moutie		√	Finance	Proportional	100	n/a
Ross, Soudah		√	Planning and Development	Ward 13	100	n/a
Sambokwe, Ludia Sindiswa		√	MPAC	Proportional	93	100
Sauerman, Nicolaas Daniël		√	Corporate Services	Proportional	86	100
September, Sharon Elizabeth		√	Community Services	Ward 33	93	100
Smit, Johannes		√	Corporate Services	Ward 30	86	100
Smit, Wilhelmina Elizabeth		√	MPAC	Ward 3	93	100
Smuts, Rean	√		Community Services	Proportional	100	n/a
Solomons, Elizabeth Aletta		√	Planning and Development.	Proportional	100	n/a
Stowman, Aidan Charles	√		Appeal Committee	Ward 11	100	n/a
Van Niekerk, Laurichia Tylia	√		Community Services	Ward 25	86	100
Van Nieuwenhuyzen, Reinhardt H	√		Corporate Services	Ward 28	93	100
Van Santen, Aletta Johanna		√	MPAC	Proportional	100	n/a
Vika, Mandisa		√	Planning and Development	Proportional	86	100
Willemse, Lorraine	√		Planning and Development	Ward 29	93	100
Zikhali, Nomonde		√	Planning and Development.	Ward 8	86	50
Windvogel, E (Replaced Philander)		√		Proportional	100	n/a
Siyaya, Zamikhaya (Replaced Mkabile)		√		Proportional	100	n/a

## ANNEXURE B: COMMITTEES AND COMMITTEE PURPOSES

**Table 179: Committees (other than Mayoral Committee) and purposes of committees**

Committees (other than Mayoral/Executive Committee) and purposes of Committees	
Municipal Committees	Purpose of committee
Municipal Public Accounts Committee	To perform an oversight function on behalf of Council over the executive functionaries of the Council.
Appeals Committee	To deal with appeals in terms of Section 62 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).
Audit Committee	<p>In terms of Section 166(2) of the MFMA, an audit committee must advise the municipal council, the political office bearers, the accounting officer and the management staff of a municipality, on matters relating to:</p> <ul style="list-style-type: none"> <li>• Internal financial control;</li> <li>• Risk management;</li> <li>• Performance management; and</li> <li>• Effective governance.</li> </ul>
Fraud-and Risk Management Committee (FARMCO)	To assist the Accounting Officer by reviewing the effectiveness of the Municipality's fraud and risk management systems, practices and procedures and providing recommendations for improvement.
Budget Steering Committee	To assist Council in ensuring that the budget reflects the strategic outcomes embodied in the IDP and related strategic policies.
Special Committee (Code of Conduct for Councillors)	<ul style="list-style-type: none"> <li>• To serve as administrative tribunal to conduct hearings of Councillors charged for contravention of the Code of Conduct for Councillors and to make recommendations to Council regarding proposed sanctions; and</li> <li>• To consider any other matter of a disciplinary nature relating to Councillors and make a recommendation to Council.</li> </ul>



## ANNEXURE C: SECOND AND THIRD TIER ADMINISTRATIVE STRUCTURE

**Table 180: Second and Third-tier Structure**

Second and Third-tier Structure	
Department	Executive Manager/Manager
Office of the City Manager	City Manager (Dr JH Leibbrandt)
Division: Communication and Marketing	Manager: Communication and Marketing (R Geldenhuys)
Division: Risk Management	Chief Risk Officer (GJ Dippenaar)
Division: IDP and Performance Management	Manager: IDP and Performance Management (C September)
Division: Internal Audit	Chief Audit Executive (RJ Jaftha)
Division: Internal Audit	Manager: Internal Audit (D Korabie)
Division: Internal Audit	Manager: Performance Audit (N Magongo)
Financial Services	
Department: Financial Services	Chief Financial Officer (J Carstens)
Section: Strategic Financial Planning and Support	Manager: Strategic Financial Planning (Vacant)
Section: Financial Technical Advisory Services	Financial Accounting Research Expert (I Engelmohr)
Division: Supply Chain Management	Manager: Supply Chain Management (H Vergotine)
Division: Revenue and Expenditure	Senior Manager: Revenue and Expenditure (NG Keketsi)
Section: Expenditure	Manager: Expenditure (DM Pikinini)
Section: Revenue	Manager: Revenue (AC Abrahams)
Division: Budget, Assets and Financial Reporting	Senior Manager: Budget, Assets and Financial Reporting (C Lategan)
Section: Financial Systems	Head: Financial Systems (Vacant)
Section: Budget Control and Cost Accounting	Manager: Budget Control and Cost Accounting (KS Fredericks)
Section: Assets and Insurance Management Services	Manager: Assets and Insurance Management (L Theron)
Section: Fin. Statements, Reporting & Cash Management	Manager: Fin. Statements, Reporting & Cash Management (A Viola)
Corporate Services	
Department: Corporate Services	Executive Director: Corporate Services (S Johaar)
Division: Human Resource Management	Manager: Human Resource (N Matolengwe)
Section: HR Administration & Recruitment & Selection	Head: HR Admin. & Recruitment & Selection (T van der Westhuizen)
Section: Training and Development	Head: Training and Development (M Sibeko)
Section: Labour Relations, Employee Wellness and OHS	Head: Labour Relations, Employee Wellness and OHS (P la Grange)
Section: Organisational Efficiency	Head: Organisational Efficiency (K Begbie)
Division: Legal and Administrative Services	Senior Manager: Legal and Administrative Services (AV Marais)
Section: Legal Services	Manager: Legal Services (Vacant)
Section: Administrative Services	Manager: Administrative Services (F Goosen)
Section: I&IGR and CRM (Political Office Support)	Manager: I&IGR and CRM and Political Office Support (LL Nojozi)
Division: Information Communication and Technology	Senior Manager: Information Communication and Technology (F Theron)
Section: ICT Operation and Support	Manager: Operation and Support (J Bredell)
Section: MIS/Systems	Manager: MIS/System (I Claims)
Section: ICT Governance and Administration	Manager: ICT Governance and Administration (A Coetsee)
Planning and Development	
Department: Planning and Development	Executive Director: Planning and Development (L Waring)
Division: Planning Services	Senior Manager: Planning Services (D Delaney)
Section: Land Use Planning and Surveying	Manager: Land Use Planning and Surveying (HG Strijdom)
Section: Building Control	Manager: Building Control (F Toyer)
Section: Spatial Planning and Heritage	Manager: Spatial Planning and Heritage (A Shortles end date:31/12/2018) (W Hendricks started 01/08/2019)/

Second and Third-tier Structure	
Department	Executive Manager/Manager
Division: Economic Growth and Tourism	Senior Manager: Local Economic Growth and Tourism (C Phillips)
Section: Economic Growth	Manager: Economic Growth (F Sitzer end date:31/01/2019) (M Mlangeni started 06/06/2019)
Section: Tourism	Senior Tourism Officer (C Carse started 01/10/2018)
Division: Environmental Management	Manager: Environmental Management (N Muller end date 04/12/2017) C Winter started 01/10/2018)
Section: Natural Resource Management	Senior Environmental Officer (C Winter end date 30/09/2019) (S Reece started 01/10/2018)
Section: Environmental Management Systems, Monitoring and Compliance	Senior Environmental Officer (Vacant)
Section: Planning and Sustainability	Senior Environmental Officer (Vacant)
Division: Housing Projects and Technical Support	Senior Manager: Housing Projects (F Rhoda)
Section: Rural Development	Manager: Rural Development (T Cloete)
Section: Housing Projects	Manager: Housing Projects (C Jacobs)
Section: Housing Technical Support	Manager: Technical Support (Vacant)
Community Services	
Department: Community Services	Executive Director: Community Services (G Esau)
Division: Parks, Sports and Cemeteries	Senior Manager: Parks, Sport and Cemeteries (E Saayman)
Section: Parks	Manager: Parks (P Bolton)
Section: Cemeteries and Resorts	Manager: Cemeteries and Resorts (R Fourie)
Section: Sports and Recreation	Manager: Sports and Recreation (Y Tsolo)
Section: Programmes, Projects & SP Maintenance	Manager: Programme and Projects (E McKay)
Division: Public Safety	Senior Manager: Public Safety (Vacant)
Section: Traffic, Law Enforcement and Licensing	Manager: Traffic Services (J Cornelissen)
Section: Fire, Rescue and Disaster Management	Manager: Fire Services (D Damons)
Section: Municipal Law Enforcement and Security	Manager: Municipal Law Enforcement and Security (Vacant)
Division: Community Development & Library & Information Services	Senior Manager: Development and Library Services (Vacant)
Section: Community Development	Manager: Community Development (J Rhoda)
Section: Library and Information Services	Manager: Library and Information Services (L Thomas)
Division: Rental Stock and Support Services	Senior Manager: Rental Stock and Support Services (J Marthinus)
Section: Rental Stock	Manager: Rental Stock (U Johanneson)
Section: Operations Support and Demand Administration	Manager: Operations Support and Demand Administration (Vacant)
Engineering Services	
Department: Engineering Services	Executive Director: Engineering Services (M Wust)
Division: Civil Engineering Services	Senior Manager: Civil Engineering Services (Vacant)
Section: Roads, Stormwater & Traffic Eng. Services	Manager: Roads, Stormwater and Traffic Engineering Services (CM Lotz)
Section: Infrastructure Management	Manager: Infrastructure Management (L Pienaar)
Section: Water Services	Manager: Water Services (AA Kowalewski)
Section: Waste Water Services	Manager: Wastewater Services (RM Brown)
Division: Technical Support and Project Management	Senior Manager: Technical Support & Project Management (P Pansegrouw)
Section: EPWP	Manager: EPWP (Vacant)
Section: Funding, Application and Reporting	Head: Funding, Application and Reporting (Vacant)
Section: Project Management	Manager: Project Management (R Sauls)
Division: Electro Technical Services	Senior Manager: Electro Technical Services (C Geldenhuys)
Section: Operations and Maintenance	Manager: Operations and Maintenance (M Fredericks)
Section: Planning and Customer Services	Manager: Planning and Customer Services (L Laing)
Section: Electrical Engineering Efficiency Management	Manager: Electrical Engineering Efficiency Management (K Kgowe)

Second and Third-tier Structure	
Department	Executive Manager/Manager
Division: Solid Waste and Landfill Management	Senior Manager: Solid Waste and Landfill Management (MT Serfontein)
Section: Solid Waste and Functional Management	Manager: Solid Waste and Functional Management (Vacant)
Section: Solid Waste Operational Management	Manager: Solid Waste Operational Management (S Frans)
Section: Waste Disposal Facilities	Senior Engineering Technician Waste, Disposal and Facilities (Vacant)
Division: Facilities and Mechanical Management	Senior Manager: Facilities and Mechanical Manager (Vacant)
Section: Fleet Management and Maintenance	Manager: Fleet Management and Maintenance (FW Nieuwoudt)
Section: Building Projects and Maintenance	Manager: Building Projects and Maintenance (Vacant)
Section: Corporate Facilities and Projects	Manager: Corporate Facilities and Projects (N Marais)

## ANNEXURE D: FUNCTIONS OF MUNICIPALITY

**Table 181: Municipal Functions**

Municipal Functions		
Municipal Functions	Function applicable to Municipality	
	Yes	No
<b>Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), Schedule 4, Part B functions:</b>		
Air pollution	√	
Building regulations	√	
Child care facilities	√	
Electricity and gas reticulation	√	
Firefighting services	√	
Local tourism	√	
Municipal airports		√
Municipal planning	√	
Municipal health services		√
Municipal public transport		√
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.	√	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international shipping and related matters.		√
Stormwater management systems in built-up areas	√	
Trading regulations	√	
Water and sanitation services limited to potable water supply systems and domestic wastewater and sewerage disposal systems.	√	
<b>Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), Schedule 5, Part B functions:</b>		
Beaches and amusement facilities		√
Billboards and the display of advertisements in public places	√	
Cemeteries, funeral parlours and crematoria	√	
Control of public nuisances	√	
Control of undertakings that sell liquor to the public	√	
Facilities for the accommodation, care and burial of animals	√	
Fencing and fences	√	
Licensing of dogs		√
Licensing and control of undertakings that sell food to the public	√	
Local amenities	√	
Local sports facilities	√	
Markets		√
Municipal abattoirs		√
Municipal parks and recreation	√	
Municipal roads	√	
Noise pollution	√	
Pounds	√	
Public spaces	√	
Refuse removal, refuse dumps and solid waste disposal	√	
Street trading	√	
Street lighting	√	
Traffic and parking	√	

## ANNEXURE E: WARD REPORTING

The table below reflects ward reporting activities that occurred during the reporting period. The statistics include IDP meetings that took place during the period.

**Table 182: Functionality of Ward Committees**

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of monthly Committee meetings held during the year	Number of Monthly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
1	<b>WARD COUNCILLOR</b>	Yes	4	4	4
	Cllr C Kroutz				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mrs Nonthembelani Sidubulekana				
	Mrs Wilna Elizabeth Rabe				
	Mr Charles Abrahams				
	Mrs Brenda Maureen Carelse				
	Mrs Anna Eliza Januarie				
	Mr Joshwin Pietersen				
	Mr Dolf Marang				
	Mr Dawid Nicholas Gertse				
	Ms Carlin Christelle Goosen				
	Mr Francois Brown				
2	<b>WARD COUNCILLOR</b>	Yes	5	5	0
	Cllr HJ Kotze				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mrs Christine Van Wyk				
	Mr Herman Ehlers				
	Mr Stephan Landsberg				
	Mrs Marinda Ehlers				
	Mrs Marlene Weyers				
	Mrs Sybil Kotzé				
	Mr Hennie Engelbrecht				
	Mr Daan Aggenbach				
	Mrs Petro Botha				
	Mr Niel Schoeman				
3	<b>WARD COUNCILLOR</b>	Yes	4	4	1
	Cllr WE Smit				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mr Abel Mentoer				
	Ms Magrieta Futhwa				
	Mr Gavin Andrews				
	Mr Tshepang Shayne Hlapisi				
	Ms Janine Nontas				
	Mr Nicolaas Geldenhuys				

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of monthly Committee meetings held during the year	Number of Monthly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Mr Damon Mintoer				
	Mr Bennie Roberts				
	Mr Johannes Van Zyl Smit				
	Mr Toit Wessels				
4	<b>WARD COUNCILLOR</b>	Yes	4	4	0
	Cllr J Miller				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mrs Amanda Du Toit				
	Mr Carel Hendrick Stander				
	Mrs Maria Elizabeth Jacoba Kotze				
	Mrs Amarie le Roux				
	Mrs Anrita Schreuder				
	Mr Ernest Derek Taylor				
	Mr Ronald Brand				
	Mr Johannes Frederick Kotze				
5	<b>WARD COUNCILLOR</b>	Yes	5	5	0
	Cllr P Mbenene				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mrs Nozuko Joyce Magwaza				
	Mr Nkululeko Sydwell Xaba				
	Mrs Evelin Pietersen				
	Mrs Charlene Davids				
	Mr Mthutuzeli Ngece				
	Ms Nosicelo Bobelo/Tyasi				
	Ms Brobretha Lucrecea Rooi				
	Mrs Nomthandazo Roselina Cetywayo/Landu				
	Mrs Christeleen Ephraim				
	Ms Ann Visagie				
6	<b>WARD COUNCILLOR</b>	Yes	3	3	1
	Cllr TZ Nomana/Nqoro				
	<b>WARD COMMITTEE MEMBERS</b>				
	Ms Yolanda Magqazana				
	Mr Khaya Joel				
	Mr Sindile Msebenzi				
	Mr Anele Gidion Maki				
	Mr Nicholas Sandise Goso				
	Mr Zuko Abednego Xhaso				
	Mr Mziwonke Diko				
	Ms Sisanda Primrose Qelo				
	Ms Nontando Patience Booi				
	Mr Nceba Mpiliswa				

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of monthly Committee meetings held during the year	Number of Monthly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
7	<b>WARD COUNCILLOR</b>	Yes	1	1	0
	Cllr RB Arnolds				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mr Hendry Joseph				
	Mr Eric Dampies				
	Mrs Anneline Isaacs				
	Mrs Saromeo Oliphant				
	Ms Christina Albertus				
	Mr Davey Simonse				
	Mrs Monica Ryan				
	Mr David Geduld				
	Ms Bellmordene Robson				
	Mrs Elmorie Julies				
8	<b>WARD COUNCILLOR</b>	Yes	4	4	1
	Cllr N Zikhali				
	<b>WARD COMMITTEE MEMBERS</b>				
	Ms Nonzoliso Giqwa				
	Mr Mputumi Pal Foreman				
	Ms Bulelwa Sylvia Gxowa				
	Mrs Shiela Witbooi				
	Mr Sinokolo Melvin Godlo				
	Ms Nonceba Doreen Mphepeto				
	Ms NO Johnson				
	Mr Mbulelo Mcimbi				
	Ms Ntomboxolo Godongwana				
	Mr M Ngontsolo				
9	<b>WARD COUNCILLOR</b>	Yes	1	1	1
	Cllr TC Mangena				
	<b>WARD COMMITTEE MEMBERS</b>				
	Ms Esteline Thandiwe Xayimpi				
	Ms Sandisiwe Cynthia Martins				
	Mr Vuyo Bulani				
	Ms Ntasa Adoro				
	Mrs Nomakhwezi Siko				
	Mr Mongezi Dlwathi				
	Ms Nozuko Grace Ngqolobe				
	Mr Lubabalo Skeyi				
	Mrs Noncithakalo Tayitayi				
	Mr Monwabisi Vunguvungu				
10	<b>WARD COUNCILLOR</b>	Yes	2	2	3
	Cllr C Kearns				
	<b>WARD COMMITTEE MEMBERS</b>				

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of monthly Committee meetings held during the year	Number of Monthly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Mr Jovan Cupido				
	Mr Berend Boltman				
	Mrs Audrey Mackay				
	Ms Jocelyn Legolie				
	Mr Henrich Appollis				
	Mr Christiaan Abrahams				
	Mr Grant Theo Williams				
	Ms Lauren Hendricks				
	Mr Williams Kearns				
	Mrs Martha Mitchell				
11	<b>WARD COUNCILLOR</b>	Yes	5	5	1
	Cllr AC Stowman				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mr Karel Jacobs				
	Ms Samantha Maarman				
	Mr Henry Jacobs				
	Ms Aimee Edna Stowman				
	Mr Willem Johannes Mettler				
	Ms Rafeeqah Abrahams				
	Mr Randall Africa Manuel				
	Ms Leandra Smith				
	Mrs Sindiswa Daphney Allah				
12	<b>WARD COUNCILLOR</b>	Yes	1	1	0
	Cllr M Nobula				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mr Zolile William Mafila				
	Mr Monwabisis Lawrence Lolwana				
	Ms Lityshia Kwili				
	Mrs Elda Matobs Mtose				
	Mrs Gladys Maseng				
	Mr Charles Mzimkhulu Mtiya				
	Mrs Noluthando Hazel Rasmeni				
	Ms Nonzaliseko Mateta				
	Mrs Masentle Lakaje				
	Mr Dumile Conana				
13	<b>WARD COUNCILLOR</b>	Yes	2	2	1
	Cllr S Ross				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mr Rashud Hendrikse				
	Mrs Angelique Mamani				
	Ms Veronica Koopman				
	Ms Delie Abels				



Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of monthly Committee meetings held during the year	Number of Monthly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Mrs Muneebah Jannicke				
	Mrs Juliana Tessa Demas				
	Ms Marlene Fredericks				
	Ms Angelina Solomon				
	Ms Sonia Falmer				
	Mrs Wilhelmina Fourie				
14	<b>WARD COUNCILLOR</b>	Yes	2	2	5
	CLlr J de Wet				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mrs Nomathumeka Fakwa				
	Mr Ayanda Ringane				
	Mr David Linee				
	Mrs Rosette Warries				
	Mr Kelvin Festus				
	Ms Goergelene Kermis				
	Mrs Nokubonga Majola				
	Mr Mlindeli Wiseman Ntunja				
	Ms Brenda von Willingh				
	Mrs Cynthia Philander				
15	<b>WARD COUNCILLOR</b>	Yes	3	3	1
	CLlr LW Niehaus				
	<b>WARD COMMITTEE MEMBERS</b>				
	Ms Christina Elizabeth Niehaus				
	Mr Willem Serdyn				
	Mrs Maria Whitehead				
	Mrs Elsje Anne Kruger				
	Mr Louis Herold Louw				
	Mrs CA Louw				
	Mr Ludwig Thiar				
	Mr E Mouton				
	Ms M Haasbroek				
	Mrs Em-Em Zaayman				
16	<b>WARD COUNCILLOR</b>	Yes	3	3	1
	CLlr D Blanckenberg				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mrs Hazl Ngcanga				
	Mr Phumthumile Ntshayi				
	Ms BJ Mbenenge				
	Mr Mlungiseleli Ndara				
	Ms Nolu Thando Maseti				
	Mr Sakhele Tasana (John Mcimbi)				
	Mr Sabelo Gili				

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of monthly Committee meetings held during the year	Number of Monthly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Mr Micheal Madubela				
	Mr Khalima Frans				
	Mr Lumkile Stokkies Matywywa				
17	<b>WARD COUNCILLOR</b>	Yes	5	5	2
	Cllr H Matthee				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mrs Beatrice Kachu				
	Ms Orechia Appolis				
	Mr Faried Williams				
	Mr Johannes Heyns				
	Mr Thomas Spies				
	Mr Claude Van Zyl				
	Ms Mina Kock				
	Mrs Annelize Van Rooyen				
	Mrs Hendrik Johannes Venter				
	Ms Denisia Smith				
18	<b>WARD COUNCILLOR</b>	Yes	6	6	1
	Cllr AML Buckle				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mrs Karen Barnard				
	Mrs Debinique Williams				
	Mrs Johanna Schweidler				
	Mr Phillip Johannes Visser				
	Mr Jean-Claude Le Cordeur				
	Mr Jerry Swarts				
	Mrs Nozizwe Zicina Mosala				
	Mr Jean Pierre Joubert				
	Mr Petrus Pietersen				
	Mr HED Du Plessis				
19	<b>WARD COUNCILLOR</b>	Yes	6	6	1
	Cllr T Bester				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mr H.J Du Toit				
	Mr Christiaan Jacobus Visser				
	Mr G Stofberg				
	Mrs JE Swanepoel				
	Mr PF Swanepoel				
	Mr AV Harris				
	Mr Willem Esterhuizen				
	Mrs Varushka Smith				
	Mr Johannes Andrews				
	Ms Johanna Jacoba du Toit				

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of monthly Committee meetings held during the year	Number of Monthly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
20	<b>WARD COUNCILLOR</b>	Yes	3	3	2
	Cllr P Cupido				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mr Marshall Alexander				
	Ms Jennifer Botha				
	Ms Alida Meyer				
	Mr Curtley Fisher				
	Mr Aubrey Adams				
	Ms Alecia Francke				
	Mrs Elliose Daniels				
	Mr Eden Watts				
	Mrs Lenie Borings				
	Mrs Rochelle Bam				
21	<b>WARD COUNCILLOR</b>	Yes	4	4	1
	Cllr E Gouws				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mrs Margaret Wildschut				
	Mr Johnley Muller				
	Mrs Rosaline Rossouw				
	Mrs CC Diedericks				
	Mrs Mary-Ann Leon				
	Ms Cherie Williams				
	Ms Alima Ficks				
	Ms Marinda Paulse				
	Mr Isak John de Kok				
	Ms Marlene Fisher				
22	<b>WARD COUNCILLOR</b>	Yes	4	4	1
	Cllr F Cupido				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mr Steven Frolicks				
	Mr Peter Simon Daniels				
	Mrs Mary Alexander				
	Ms Lenise Speelman				
	Mr Grahams Rooks				
	Mrs Cheryl Bothma				
	Ms Rozanne Botha				
	Mr Auben Nomdoe				
	Mr D Arendse				
	Mrs Esmeralda Solomon				
23	<b>WARD COUNCILLOR</b>	Yes	5	5	4
	Cllr F Jacobs				
	<b>WARD COMMITTEE MEMBERS</b>				

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of monthly Committee meetings held during the year	Number of Monthly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Mrs Cathleen Van Reenen				
	Mrs Ruth Williams				
	Mrs Elizme Du Toit				
	Mrs Jacoba Isobel Heunis				
	Mr Leslie Watson				
	Mr Nicholaas Petrus Smit				
	Mrs Susanna Marx				
	Mr Sammy Petersen				
	Mr John Williams				
	Ms Nicole Heugh				
24	<b>WARD COUNCILLOR</b>	Yes	5	5	0
	Cllr MM Adriaanse				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mr Kervin Patrick Bowers				
	Ms Rachel Andrews				
	Mr Jonathan Fredericks				
	Mrs Brysina Kruger				
	Mrs Selma Jolanda Claasen				
	Mr Edward John Rudolf				
	Mrs Anthia Caren Claasen				
	Mr Micheal Solomon Nathan				
	Ms Elizabeth Windvogel				
	Mrs Mina Scheepers				
25	<b>WARD COUNCILLOR</b>	Yes	3	3	3
	Cllr L van Niekerk				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mr Mark Andrew Lackay				
	Ms Christolene Vries				
	Mr JL Fillies				
	Ms Sheila September				
	Ms Rachel Kroutz				
	Mr Edgar Arendse				
	Mr John De Kock				
	Mrs Frangelene Jantjies				
	Mr Francisco Karloof Naude				
	Mrs Regina Cupido				
26	<b>WARD COUNCILLOR</b>	Yes	7	7	5
	Cllr J Anderson				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mrs Sarah Theresa Links				
	Ms Chante Leagh Hendricks				
	Mr Warie Retief				

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of monthly Committee meetings held during the year	Number of Monthly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Ms Carmelita Liebenberg				
	Mrs Catherine Williams				
	Ms Monique Booysen				
	Ms Serine Pauline Sheldon				
	Mrs Du Blanche Krautz				
	Ms Selma Crotz				
	Mr Anthony Esau La Douce				
27	<b>WARD COUNCILLOR</b>	Yes	4	4	3
	Cllr V Booysen				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mrs Karin Hendricks				
	Mr Johannes Daniels				
	Mr Maans Brown				
	Ms Fredricka Evelina Philander				
	Ms Wilhelmina Hendricks				
	Mrs Magdalena Botha				
	Mr Karools Isaacs				
	Mrs Doreen Kilowan				
	Ms Gwendolene Davids				
	Mrs Angela Brown				
28	<b>WARD COUNCILLOR</b>	Yes	5	5	1
	Cllr RH van Nieuwenhuyzen				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mr Tom Cowie				
	Mr Sidney Johannes				
	Ms Angelique Milly Stevens				
	Ms Katrina Adams				
	Mrs Dina Magrieta Johnson				
	Mr Japie H Arendse				
	Mr Johannes Muller				
	Mrs Cecillia Mitchell				
	Mr John-Hilton Stevens				
	Mrs Regina Abrahams/Moses				
29	<b>WARD COUNCILLOR</b>	Yes	6	6	3
	Cllr L Willemse				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mr Nicholaas Mettler				
	Mrs Sonia Appollis				
	Mr Dawid Mandla Futhwa				
	Mr Henry Minnaar				
	Mr Stephen Abrahams				
	Mr Basil Arendse				

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of monthly Committee meetings held during the year	Number of Monthly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Mr Jonathan Liebenberg Mrs Marjorie Zyster Mr Avron Appollis Mr William Moses Walters				
30	<b>WARD COUNCILLOR</b> Cllr J Smit <b>WARD COMMITTEE MEMBERS</b> Ms Maria Regina Carolus Ms Sophia Evelyn Wessels Ms Suzette Nicolene Scholtz Ms Christina Johanna Visagie Ms Sophie Pauline Visagie Mr Daniel Andreas Kotze Mr John Jacob Peters Mrs Anna Aletta De Vries Ms Chandre Blaauws Mr Marcello Serfontein	Yes	2	2	1
31	<b>WARD COUNCILLOR</b> Cllr G Ford <b>WARD COMMITTEE MEMBERS</b> Mr Desmond Boois Mr Zandisile Killion Cekiso Mr Mziwabantu Wilfred Cekiso Mrs Charlotte Morkel Mr A Coetzee Mrs Elsabe Cedras Ms Alida Palele Ms Joan Adams Mrs Christelle Samuels Mr Klaas Nicky Morkel	Yes	4	4	0
32	<b>WARD COUNCILLOR</b> Cllr LV Nzele <b>WARD COMMITTEE MEMBERS</b> Ms Margaret Joubert Mr Victor Mouton Mr Xolile Qebe Mr Desmond Phakamisa Mbotyi Ms Sebatatso Binca Mrs Bettie Cupido Mrs Nomathandazo Tshona Mrs Nomampodomise Gladys Sampo Mr Mfundo Mbilini	Yes	3	3	3

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of monthly Committee meetings held during the year	Number of Monthly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Mrs Nonceba Moloinyane				
33	<b>WARD COUNCILLOR</b>	Yes	4	4	4
	ClIr S September				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mr Edgar Lewis				
	Mrs Reginia Hanekom				
	Mr Manfred Sampson				
	Mrs Hayzel Scheffers				
	Mr Adonis Lombaard				
	Ms Gazelle Wendy Leo				
	Ms Maria Magdalena Lewies				
	Mrs Rensia Hendricks				
	Ms Katy Van Wyk				
	Ms Marilyn Abrahams				

## ANNEXURE F: WARD INFORMATION

**Table 183: Ward - Capital Projects**

All Wards				
Ten Largest Capital Projects for the 2018/2019 Financial year (Full list in Appendix N)				
Serial No.	Project Name and Detail	Starting date	End date	Rand value
Column Ref.	A	B	C	D
1	Boreholes	01 July 2018	30 June 2019	76,272,816
2	Replace existing 66kv cables	01 July 2018	30 June 2019	72,097,569
3	Upgrade Brb North	01 July 2018	30 June 2019	39,334,677
4	Wellington WWTW: Rehabilitation & Extentions	01 July 2018	30 June 2019	34,911,228
5	Electrification Housing Projects	01 July 2018	30 June 2019	31,809,597
6	Replacement of Strawberry King Bulk Water Pipeline	01 July 2018	30 June 2019	28,152,789
7	8ML Courtrai Reservoir	01 July 2018	30 June 2019	22,564,063
8	New Infrastructure Parys Substation	01 July 2018	30 June 2019	20,439,748
9	Parys Fire Station	01 July 2018	30 June 2019	18,852,869
10	Construct Van Der Stel Street	01 July 2018	30 June 2019	18,193,369
None of the seven largest capital projects were allocated to a specific ward. Capital projects benefited more than one ward. See Appendix .				

**Table 184: Basic Service Provision**

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	71, 853	70, 943	37,713	37,631	
Households without minimum service delivery	357	1,267	0	0	
Total households*	72, 210	72,210	37,713	37,631	
Houses completed in year					300
Shortfall in housing units					300 (target reached)
*Indicating service points					

**Table 185: Top four Service Delivery Priorities**

Top four Service Delivery Priorities (Highest priority first)		
No.	Priority name and detail	Progress during 2018/19
1	Housing	300 houses provided
2	Electricity	5.52% electricity losses
3	Skills development	Local Contractor Development Programme is being implemented
4	Job creation	1,804 work opportunities created



## ANNEXURE G: RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

**Table 186: Municipal Audit Committee Recommendations**

Municipal Audit Committee Recommendations		
Meeting Date	Recommendations during 2018/19	Adopted by Council on
23/08/2018	<b><u>Internal Audit</u></b> <ul style="list-style-type: none"> <li>The Internal Audit reports submitted to the Audit Committee were discussed and, where required, management undertook to implement the necessary corrective actions.</li> </ul>	31/10/2018
	<b><u>Performance Management:</u></b> <ul style="list-style-type: none"> <li>The Annual Performance Report for the year ended 30 June 2018 was not submitted to the Audit Committee;</li> <li>Management was still in a process of rectifying the differences, as found by Internal Audit between the Portfolio of Evidence and the reported performance results; and</li> <li>Management has undertaken to implement measures to prevent this from occurring in future.</li> </ul>	
	<b><u>Annual Financial Statements:</u></b> <ul style="list-style-type: none"> <li>The draft Annual Financial Statements for the year ended 30 June 2018 submitted to the Audit Committee was at a very preliminary stage;</li> <li>The Audit Committee did not have the opportunity to review the final draft Annual Financial Statements before it was submitted to the Auditor General; and</li> <li>Management has undertaken to implement measures to prevent this from occurring in future.</li> </ul>	
	<ul style="list-style-type: none"> <li>Section 71 – Monthly Monitoring Report:</li> <li>The S71 Report provided a more comprehensive commentary on the variances than previously reported.</li> </ul>	
06/12/2018	<b><u>Internal Audit:</u></b> <ul style="list-style-type: none"> <li>The dashboard of outstanding action plans prepared by the Chief Audit Executive (CAE) for the Strategic Management Team (SMT) should also be submitted to the Audit Committee; and</li> <li>All Internal Audit reports should include a paragraph indicating whether or not a limitation of audit scope was experienced during the audit.</li> </ul>	27/02/2019
	<ul style="list-style-type: none"> <li>Gouda Progress Report:</li> <li>A report on the Gouda outstanding municipal debt matter should be submitted at the next quarterly Audit Committee meeting.</li> </ul>	
	<ul style="list-style-type: none"> <li>Progress on TASK:</li> <li>The TASK report indicating funded priority positions that must be filled be submitted at the next quarterly Audit Committee meeting.</li> </ul>	
	<b><u>Auditor General Management Report 2017/18 and Final Audit Report:</u></b> <ul style="list-style-type: none"> <li>The Annual Financial Statements 2018/19 will be submitted to the Audit Committee for review on 15 August 2019; and</li> <li>The Annual Financial Statements 2018/19 will be submitted to the Auditor General by 12:00 on 31 August 2019.</li> </ul>	
	<b><u>Internal Audit Charter:</u></b> <ul style="list-style-type: none"> <li>The Audit Committee approved the Internal Audit Charter.</li> </ul>	

Municipal Audit Committee Recommendations		
Meeting Date	Recommendations during 2018/19	Adopted by Council on
	<b><u>Audit Committee Charter:</u></b> <ul style="list-style-type: none"> <li>The Audit Committee recommended the submission of the Audit Committee Charter to Council for final approval.</li> </ul>	
28/02/2019	<b><u>Municipal Audit Action Plan and Financial Ratios:</u></b> <ul style="list-style-type: none"> <li>Progress with the Municipal Audit Action Plan (MAAP) will be reported to the Audit Committee quarterly;</li> <li>Internal Audit will review the MAAP and provide feedback to the Audit Committee;</li> <li>The report on financial ratios will be tabled at quarterly Audit Committee meetings as applicable; and</li> <li>The Chief Audit Executive will circulate the updated SDBIP to the Audit Committee members, as they had not yet had sight of the amended document.</li> </ul>	30/04/2019
23/05/2019	<b><u>Internal Audit:</u></b> <ul style="list-style-type: none"> <li>The Audit Committee considered and approved the amendment to the revised Internal Audit Plan approved in January 2019, to prioritise the “Emergency Management: Electricity Audit” in the 2019/20 financial year.</li> </ul>	31/07/2019

## ANNEXURE H: LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

**Table 187: Long-term Contracts (Eight largest contracts active in 2018/19)**

Long-term Contracts (Largest Contracts active during 2018/19)						
Serial No.	Name of Service Provider (Entity or Municipal)	Description of service rendered by the Service Provider	Start date of contract	Expiry date of contract	Project Manager	Contract Value Award amount (including contingencies and excluding VAT)
Column Ref	A	B	C	D	E	F
1	Stefanutti Stocks Civils (Pty) Ltd	Upgrade and extension of the Wellington Waste Water Treatment Works to 16m/d: Civil Works	11-Dec-15	1-Jun-20	R Brown	192,015,792
2	CBI Electric: African Cables	Design, manufacture, supply and installation of 66kv underground cable and accessories	30-Jun-17	28-Jun-19	D Gabriels	130,851,048
3	JVZ Construction (Pty) Ltd	Vlakkeland Housing Project: Bulk Services	12-May-17	11-May-18	G Petersen	110,685,439
4	Inenzo Water	Upgrade and extension of the Wellington Waste Water Treatment Works to 16mld: Mechanical and Electrical Installation	11-Dec-15	1-Jun-20	R Brown	84,644,676
5	Exeo Khokela Civil Engineering	Upgrading of Berg River Boulevard (North)	9-Sep-16	22-Jun-19	A Kowalewski	37,472,354
6	Veolia Water Solutions and Technologies	Upgrade to Welvanpas Water Treatment Plant: Mechanical and Electrical Works, Wellington	7-Dec-16	17-Jul-19	A Kowalewski	22,649,306
7	Baseline Civil Contractors (Pty) Ltd	Construction of the southern extension of Van Der Stel between Abbatoir Street and Klein Drakenstein Road	29-Jun-18	28-Jun-19	C Lotz	20,729,821
8	JVZ Joint Venture	Construction of a 8mi Courtral Reservoir and Bulk Water Pipeline, Phase 2, Paarl	7-Sep-18	31-Dec-19	A Kowalewski	19,812,400

**Table 188: Public Private Partnerships entered into 2018/19**

Public-Private Partnerships entered into 2018/19					
R`000					
Name and description of project	Name of partner(s)	Initiation date	Expiry date	Project manager	Value 2018/19
No PPP entered into during the year under review					

## ANNEXURE I: DISCLOSURES OF FINANCIAL INTEREST

**Table 189: Disclosure of Financial Interests**

Disclosure of Financial Interests		
Period 1 July 2018 to 30 June 2019		
Position	Name	Description of Financial Interest
<b>Executive Mayor</b>		
Executive Mayor	CLlr CJ Poole	<b>Interest in property:</b> <ul style="list-style-type: none"> <li>Residence</li> </ul> <b>Employment and remuneration:</b> <ul style="list-style-type: none"> <li>Mayor salary</li> </ul> <b>Pension:</b> <ul style="list-style-type: none"> <li>Work</li> </ul>
<b>Deputy Executive Mayor</b>		
Deputy Executive Mayor	GC Combrink	<b>Shares and Securities in any company:</b> <ul style="list-style-type: none"> <li>Santam; and</li> <li>Old Mutual.</li> </ul> <b>Membership of close corporation:</b> <ul style="list-style-type: none"> <li>HR Business Academy CC</li> </ul> <b>Interest in any trust:</b> <ul style="list-style-type: none"> <li>Kaizen Family Trust (trustee); and</li> <li>SALA Pension Fund Trust.</li> </ul> <b>Directorship:</b> <ul style="list-style-type: none"> <li>Prosperum NPO</li> </ul> <b>Interest in property:</b> <ul style="list-style-type: none"> <li>Residence</li> </ul> <b>Employment and remuneration:</b> <ul style="list-style-type: none"> <li>Drakenstein Municipality as Councillor</li> </ul> <b>Pension:</b> <ul style="list-style-type: none"> <li>Glacier</li> </ul>
<b>Members of Mayoral Committee</b>		
<b>Portfolio:</b> Rural Management	M Andreas	<b>Shares and Securities in any company:</b> <ul style="list-style-type: none"> <li>Bosman Adama Werkers Trust; and</li> <li>Wellington Wines.</li> </ul> <b>Interest in any Trust:</b> <ul style="list-style-type: none"> <li>Bosman Adama</li> </ul> <b>Directorship:</b> <ul style="list-style-type: none"> <li>Bosman Adama; and</li> <li>Wellington Wines;</li> <li>Interest in Property:</li> <li>Shares in Bosman Adama</li> <li>Employment and remuneration:</li> <li>Directors fees from Bosman Adama</li> </ul> <b>Pension:</b> <ul style="list-style-type: none"> <li>Sygnia</li> </ul>
<b>Portfolio:</b> Social Services	F Jacobs	Nil

Disclosure of Financial Interests		
Period 1 July 2018 to 30 June 2019		
Position	Name	Description of Financial Interest
<b>Portfolio:</b> Environment, Parks and Open Spaces	C Kearns	<b>Interest in property:</b> <ul style="list-style-type: none"> <li>Levine Street</li> </ul>
<b>Portfolio:</b> Engineering Services	JF le Roux	<b>Membership of any close corporation:</b> <ul style="list-style-type: none"> <li>Nanini 199 CC (Membership)</li> </ul> <b>Interest in any trust:</b> <ul style="list-style-type: none"> <li>Koos le Roux Family Trust</li> </ul> <b>Other financial interest in any business undertaking:</b> <ul style="list-style-type: none"> <li>Koos le Roux Attorneys</li> </ul> <b>Interest in Property:</b> <ul style="list-style-type: none"> <li>Residence</li> </ul> <b>Employment and remuneration:</b> <ul style="list-style-type: none"> <li>Koos le Roux Attorneys; and</li> <li>Drakenstein Municipality.</li> </ul> <b>Pension:</b> <ul style="list-style-type: none"> <li>CRF</li> <li>MCPF</li> <li>Other financial interest in any business undertaking:</li> <li>Construction business</li> </ul>
<b>Portfolio:</b> Planning and Development	J Miller	<b>Shares and Securities in any company:</b> <ul style="list-style-type: none"> <li>PSG;</li> <li>Sanlam; and</li> <li>Allan Grey.</li> </ul> <b>Interest in property:</b> <ul style="list-style-type: none"> <li>Residence Owner in two properties in Paarl and Britannia Bay</li> </ul> <b>Employment and remuneration:</b> <ul style="list-style-type: none"> <li>Pension; and</li> <li>Government.</li> </ul> <b>Pension:</b> <ul style="list-style-type: none"> <li>Pension; and</li> <li>Government.</li> </ul>
<b>Portfolio:</b> Corporate Services	LP Mokoena	<b>Directorship:</b> <ul style="list-style-type: none"> <li>Azakhiwe Construction; and</li> <li>Projects (Pty) Ltd</li> </ul> <b>Other financial interest in any business undertaking:</b> <ul style="list-style-type: none"> <li>Construction business</li> </ul>
<b>Portfolio:</b> Public Safety	R Smuts	<ul style="list-style-type: none"> <li>Interest in property:</li> <li>Residence</li> </ul> <b>Pension:</b> <ul style="list-style-type: none"> <li>Municipal Council Pension Fund</li> </ul>
<b>Portfolio:</b> Sport, Recreation, Arts and Culture	LT van Niekerk	<ul style="list-style-type: none"> <li>Directorship:</li> <li>Boland Rugby Union</li> </ul> <b>Interest in property:</b> <ul style="list-style-type: none"> <li>Own property</li> </ul> <b>Pension:</b> <ul style="list-style-type: none"> <li>CRF</li> </ul>

Disclosure of Financial Interests		
Period 1 July 2018 to 30 June 2019		
Position	Name	Description of Financial Interest
<b>Portfolio:</b> Communication and IGR	RH van Nieuwenhuyzen	<b>Interest in any Trust:</b> <ul style="list-style-type: none"> <li>258 Irmgard Trust</li> </ul> <b>Interest in Property:</b> <ul style="list-style-type: none"> <li>Irmgard Trust</li> </ul> <b>Pension:</b> <ul style="list-style-type: none"> <li>GEPP</li> </ul>
Portfolio: Human Settlement and Property Management	L Willemse	Nil
Speaker		
Speaker	AC Stowman	<b>Pension:</b> <ul style="list-style-type: none"> <li>Cape Pension Fund</li> </ul>
Chief Whip		
Chief Whip	RA Koegelenberg	<b>Shares and Securities in any company:</b> <ul style="list-style-type: none"> <li>Old Mutual PLC; and</li> <li>Sanlam.</li> </ul> <b>Interest in any trust:</b> <ul style="list-style-type: none"> <li>C and L Koegelenberg Family Trust (Trustee);</li> <li>De Berge Trust (Initiator);</li> <li>Paarl Gimnasium 1980 Trust (Trustee); and</li> <li>Gimnasium Trust (Church) (Trustee).</li> </ul> <b>Interest in property:</b> <ul style="list-style-type: none"> <li>Residence; and</li> <li>Trust property.</li> </ul>
Councillors		
Councillor	AW Abrahams	Nil
	MM Adriaanse	Nil
	AF Afrika	Nil
	JV Anderson	<b>Interest in property:</b> <ul style="list-style-type: none"> <li>Bothma Street, Paarl East</li> <li>Erf 5838</li> </ul>
	RB Arnolds	Nil
	A Bekeer	<b>Pension:</b> <ul style="list-style-type: none"> <li>MCPF</li> </ul>
	TG Bester	<b>Interest in property:</b> <ul style="list-style-type: none"> <li>Berlyn Street, Paarl</li> </ul>
	DS Blanckenberg	<ul style="list-style-type: none"> <li>Nil</li> </ul>
	V C Booyesen	Nil
	AML Buckle	<b>Shares &amp; Securities in any company:</b> <ul style="list-style-type: none"> <li>Capespan</li> </ul> <b>Interest in any trust:</b> <ul style="list-style-type: none"> <li>AML Buckle (owner)</li> </ul> <b>Directorship:</b> <ul style="list-style-type: none"> <li>Turnstone Trading 28 PTY Ltd</li> </ul>

Disclosure of Financial Interests		
Period 1 July 2018 to 30 June 2019		
Position	Name	Description of Financial Interest
		<b>Employment and remuneration:</b> <ul style="list-style-type: none"> <li>Favourite Fresh Export</li> </ul> <b>Pension:</b> <ul style="list-style-type: none"> <li>Metropolitan MAS</li> </ul>
	FP Cupido	<b>Other financial interest in any business undertaking:</b> <ul style="list-style-type: none"> <li>Sell household cleaning products</li> </ul>
	PB Cupido	Nil
	HR de Goede	<b>Shares &amp; Securities in any company:</b> <ul style="list-style-type: none"> <li>Sanlam</li> </ul> <b>Interest in property:</b> <ul style="list-style-type: none"> <li>Residence</li> </ul> <b>Employment and remuneration:</b> <ul style="list-style-type: none"> <li>NG Kerk Paarlberg (Office Manager)</li> </ul> <b>Pension:</b> <ul style="list-style-type: none"> <li>Citadel Fund Manager; and</li> <li>Annuity.</li> </ul>
	J de Wet	Nil
	B Duba	Nil
	GH Ford	<b>Pension:</b> <ul style="list-style-type: none"> <li>Drakenstein Municipality</li> </ul>
	NN George	Nil
	E Gouws	<b>Employment and remuneration:</b> <ul style="list-style-type: none"> <li>NGO working as teacher</li> </ul>
	SX Jonas	<b>Membership of close corporation:</b> <ul style="list-style-type: none"> <li>Gqwesa Cleaning Services; and</li> <li>Sibusizwe Arts Project (NPO).</li> </ul>
	MT Klaas	<b>Membership of close corporation:</b> <ul style="list-style-type: none"> <li>Opened</li> </ul> <b>Directorship:</b> <ul style="list-style-type: none"> <li>Amamondomise Burial Society; and</li> <li>MVK Electrical Company.</li> </ul> <b>Partnership:</b> <ul style="list-style-type: none"> <li>MVK Electrical Company</li> </ul>
	H J Kotze	<b>Pension:</b> <ul style="list-style-type: none"> <li>Own</li> </ul>
	C Kroutz	<ul style="list-style-type: none"> <li>Nil</li> </ul>
	L Landu	<b>Employment and remuneration:</b> <ul style="list-style-type: none"> <li>Cape Winelands District Municipality</li> </ul> <b>Pension:</b> <ul style="list-style-type: none"> <li>Cape Retirement Fund</li> </ul>
	M le Hoe	<b>Membership of close corporation:</b> <ul style="list-style-type: none"> <li>Eohle Marketing and Services</li> </ul>
	A Lugqola	Nil
	TC Mangena	Nil
	ZL Masoka	Nil
	HJN Matthee	<b>Interest in any trust:</b> <ul style="list-style-type: none"> <li>Versutie Trusts (Trustee)</li> </ul>

Disclosure of Financial Interests		
Period 1 July 2018 to 30 June 2019		
Position	Name	Description of Financial Interest
		<b>Other financial interest in business undertaking:</b> <ul style="list-style-type: none"> <li>Accounting solutions</li> </ul> <b>Interest in property:</b> <ul style="list-style-type: none"> <li>Residence</li> </ul> <b>Employment and remuneration:</b> <ul style="list-style-type: none"> <li>Berg River Irrigation</li> </ul>
	J Matthee	Nil
	NP Mbenene	Nil
	MN Mdunusie	Nil
	WPD Meyer	<b>Pension:</b> <ul style="list-style-type: none"> <li>SASSA; and</li> <li>Armscor.</li> </ul>
	ND Mkabile	<b>Membership of close corporation:</b> <ul style="list-style-type: none"> <li>Salilogix (Pty) Ltd</li> </ul> <b>Directorship:</b> <ul style="list-style-type: none"> <li>Salilogix (Pty) Ltd:</li> </ul>
	TR Mpulanyana	<b>Shares &amp; Securities in any company:</b> <ul style="list-style-type: none"> <li>Mvulama Holdings</li> </ul> <b>Directorship:</b> <ul style="list-style-type: none"> <li>Director Mvulama Holdings</li> <li>Employment and remuneration:</li> <li>Department Defence and Military Veterans</li> <li>Subsidies, grants and sponsorships by any organisation:</li> <li>ANCYL</li> </ul>
	LW Niehaus	<b>Membership of a close cooperation:</b> <ul style="list-style-type: none"> <li>Cape Winelands Judo Association Chairperson;</li> <li>Western Cape Judo Federation Chairperson;</li> <li>Cape Winelands Sport Council Vice Chairperson; and</li> <li>Pinksterpark member.</li> </ul> <b>Interest in any trust:</b> <ul style="list-style-type: none"> <li>Pinksterpark Trusts</li> </ul> <b>Pension:</b> <ul style="list-style-type: none"> <li>Local Government</li> </ul>
	MD Nobula	Nil
	TZ Nomana Nqoro	Nil
	LV Nzele	Nil
	WF Philander	Resigned 12 August 2018
	SC Rens	Nil
	AM Richards	<b>Membership of close corporation:</b> <ul style="list-style-type: none"> <li>Richcorp Trading cc</li> </ul> <b>Interest in any trust:</b> <ul style="list-style-type: none"> <li>Yusuf and Salaama Bursary Trust; and</li> <li>Paarl Small Business Trust.</li> </ul> <b>Directorship:</b> <ul style="list-style-type: none"> <li>Ou Tuin CPA;</li> <li>Ou Tuin (Pty) (Ltd); and</li> </ul>



Disclosure of Financial Interests		
Period 1 July 2018 to 30 June 2019		
Position	Name	Description of Financial Interest
		<ul style="list-style-type: none"> <li>Paarl Property Partnership.</li> </ul> <b>Interest in property:</b> <ul style="list-style-type: none"> <li>Klein Parys, Paarl</li> </ul>
	CS Ross	<ul style="list-style-type: none"> <li>Employment and remuneration:</li> <li>Councillor</li> </ul>
	LS Sambokwe	<b>Other financial interests in any business undertaking:</b> <ul style="list-style-type: none"> <li>In process of opening an NPO</li> </ul>
	ND Sauerman	<b>Directorship:</b> <ul style="list-style-type: none"> <li>Solar Energy Land (Director)</li> </ul> <b>Other financial interests in any business undertaking:</b> <ul style="list-style-type: none"> <li>Consultant in own name in labour matters</li> </ul> <b>Interest in property:</b> <ul style="list-style-type: none"> <li>Residence</li> </ul>
	S September	Nil
	J Smit	<b>Membership of any close cooperation:</b> <ul style="list-style-type: none"> <li>Padlang's Koop</li> </ul> <b>Employment and remuneration:</b> <ul style="list-style-type: none"> <li>Councillor at Drakenstein Municipality</li> </ul> <b>Pension:</b> <ul style="list-style-type: none"> <li>Government</li> </ul>
	WE Smit	<b>Membership of any close cooperation:</b> <ul style="list-style-type: none"> <li>Restaurant in Hermanus</li> </ul> <b>Interest in any trust:</b> <ul style="list-style-type: none"> <li>Elize Smit (Trustee); and</li> <li>Tos Smit (Trustee).</li> </ul> <b>Directorship:</b> <ul style="list-style-type: none"> <li>JvZ Smit verhurings</li> </ul> <b>Interest in property:</b> <ul style="list-style-type: none"> <li>Residence</li> </ul>
	EA Solomons	<b>Employment :</b> <ul style="list-style-type: none"> <li>Housing rental – Agent for Transnet Properties (Work on commission basis)</li> </ul>
	M Vika	Nil
	A J van Santen	<b>Interest in any Trust:</b> <ul style="list-style-type: none"> <li>Abri Trust (Trustee)</li> </ul> <b>Partnership:</b> <ul style="list-style-type: none"> <li>AJ van Santen Boerdery (Partner)</li> </ul> <b>Employment and remuneration:</b> <ul style="list-style-type: none"> <li>Admin Manager - AJ van Santen Boerdery</li> </ul>
	M Vika	Nil
	N Zikhali	Nil
Strategic Management Team		
City Manager	Dr Leibbrandt	None
Chief Financial Officer	Mr J Carstens	None

Disclosure of Financial Interests		
Period 1 July 2018 to 30 June 2019		
Position	Name	Description of Financial Interest
Executive Director: Corporate Services	Mr S Johaar	None
Executive Director: Planning and Development	Ms L Waring	None
Executive Director: Community Services	Mr G Boshoff	None
Executive Director: Community Services	Mr G Esau	None
Executive Director: Engineering Services	Mr D Hattingh	<ul style="list-style-type: none"> <li>• Founder and beneficiary of Capensis Trust;</li> <li>• A trustee of Winelands Village Home Owners Association;</li> <li>• A trustee of Fremco Trust; and</li> <li>• A friend to Grant Mackintosh who is a founder of Emanti Management.</li> </ul>

## ANNEXURE J: REVENUE COLLECTION PERFORMANCE

### ANNEXURE J (I): REVENUE COLLECTION BY VOTE

**Table 190: Revenue Collection Performance by GFS Vote**

Revenue Collection Performance by Vote							
Serial No.	Vote Description	2017/2018	2018/2019			Positive / (Negative) % Variance	
		Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
Column Ref.	A	B	C	D	E	F	G
1	Executive and Council	22,159,939	22,553,316	12,864,979	16,382,083	-27.36%	27.34%
2	Budget and Treasury Office	273,119,203	341,216,367	363,638,236	364,604,862	6.85%	0.27%
3	Corporate Services	0	0	0	0	0.00%	0.00%
4	Comm. and Social Services	3,393,308	3,526,838	3,659,362	4,313,735	22.31%	17.88%
5	Sports and Recreation	3,248,165	3,848,328	4,290,603	3,202,244	-16.79%	-25.37%
6	Public Safety	382,255	1,744,565	1,542,386	1,569,286	-10.05%	1.74%
7	Housing	81,414,769	131,430,200	146,112,297	59,487,381	-54.74%	-59.29%
8	Health	0	0	0	0	0.00%	0.00%
9	Planning and Development	131,026	318,611	4,559,217	4,555,084	1329.67%	-0.09%
10	Road Transport	152,653,853	126,495,750	163,543,201	140,540,799	11.10%	-14.07%
11	Envoromental Protection	0	0	0	0	0.00%	0.00%
12	Electricity	1,044,901,695	1,169,895,986	1,121,367,176	1,103,935,072	-5.64%	-1.55%
13	Water	230,487,986	269,476,940	246,767,623	233,263,331	-13.44%	-5.47%
14	Wastewater	154,599,350	166,421,533	148,344,043	148,867,038	-10.55%	0.35%
15	Waste Management & Solid Waste	127,445,076	154,304,382	148,294,067	146,515,599	-5.05%	-1.20%
16	<b>Total Revenue by vote</b>	<b>2,093,936,625</b>	<b>2,391,232,816</b>	<b>2,364,983,190</b>	<b>2,227,236,513</b>	<b>-6.86%</b>	<b>-5.82%</b>

## ANNEXURE J (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

**Table 191: Revenue Performance by Source**

Revenue Collection Performance by Source							
Serial No.	Description	2017/2018	2018/2019			Positive / (Negative) % Variance	
		Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
Column Ref.	A	B	C	D	E	F	G
1	Property rates	244,063,419	305,830,748	275,982,026	271,147,343	-11.34%	-1.75%
2	Property rates – penalties and collection changes	1,453,964	0	0	0	#DIV/0!	#DIV/0!
3	Service Charges – electricity revenue	950,979,182	1,066,320,982	1,020,423,516	992,910,171	-6.88%	-2.70%
4	Service Charges – water revenue	193,864,306	246,100,090	181,585,138	167,819,936	-31.81%	-7.58%
5	Service Charges – sanitation revenue	84,208,418	108,044,289	94,551,214	95,320,698	-11.78%	0.81%
6	Service Charges – refuse revenue	85,033,842	111,452,497	102,520,640	101,138,835	-9.25%	-1.35%
7	Service Charges – other	0	0	0	0	0.00%	0.00%
8	Rentals of facilities and equipment	8,580,961	3,726,209	3,838,090	9,505,279	155.09%	147.66%
9	Interest earned – external investments	21,664,829	22,000,000	12,000,000	14,223,574	-35.35%	18.53%
10	Interest earned – outstanding debtors	18,495,977	15,977,643	11,630,075	10,902,171	-31.77%	-6.26%
11	Dividends received	0	0	0	0	0.00%	0.00%
12	Fines	92,938,480	69,847,415	98,222,246	75,253,291	7.74%	-23.38%
13	Licenses and permits	3,326,097	4,640,127	4,079,285	3,462,960	-25.37%	-15.11%
14	Agency services	0	0	0	0	0.00%	0.00%
15	Transfers recognised – operational	152,319,538	265,112,381	258,835,527	182,494,744	-31.16%	-29.49%
16	Other revenue	87,743,290	86,997,435	100,477,505	120,935,904	39.01%	20.36%
17	Gains on disposal of PPE	-12,108,456	250,000	39,840,653	42,515,071	16906.03%	6.71%
18	Gains from assets from non exchange transactions	4,891,000	0	0	1,978,672	#DIV/0!	#DIV/0!
19	<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1,937,454,847</b>	<b>2,306,299,816</b>	<b>2,203,985,915</b>	<b>2,089,608,649</b>	<b>-9.40%</b>	<b>-5.19%</b>

## ANNEXURE K: CONDITIONAL GRANTS RECEIVED

**Table 192: Conditional Grants excluding MIG**

Conditional Grants: excluding MIG							
Serial No.	Details	Budget	Adjustment Budget	Actual	Postive / (Negative) % Variance		Major conditions applied by donor (continue below if necessary)
					Budget	Adjustment Budget	
Column Ref.	A	B	C	D	E	F	G
1	Finance Management Grant	1,550,000	1,550,000	1,550,000	0%	0%	-
2	Integrated Natinal Improvement Grant	5,738,000	5,738,000	5,738,000	0%	0%	-
3	Expanded Public Works Programme Grant	4,433,000	4,433,000	4,433,000	0%	0%	
4	Drought Relief Grant	10,643,585	10,643,585	10,643,585	0%	0%	
5	Rural Development (Saron Roads)	10,067,943	10,067,943	9,428,619	-6%	-6%	
6	<b>Total</b>	<b>R 32,432,528</b>	<b>R 32,432,528</b>	<b>R 31,793,203</b>	<b>-2%</b>	<b>-2%</b>	<b>-</b>

## ANNEXURE L: CAPITAL EXPENDITURE – NEW AND UPGRADE/RENEWAL PROJECTS

### ANNEXURE L (I): CAPITAL EXPENDITURE – NEW ASSETS

Table 193: Capital Expenditure - New Assets

Capital Expenditure - New Assets								
R'000								
Serial No.	Description	2017/2018	2018/2019			Future		
		Actual	Original Budget	Revised Budget	Actual	2018/19	2019/20	2020/21
Column Ref.	A	B	C	D	E	F	G	H
1	Capital expenditure by Asset Class							
2	<b>Infrastructure</b>	<b>227,079</b>	<b>109,946</b>	<b>205,866</b>	<b>215,116</b>	<b>141,858</b>	<b>59,085</b>	<b>96,878</b>
3	<b>Roads Infrastructure</b>	<b>4,880</b>	<b>13,800</b>	<b>26,114</b>	<b>26,114</b>	<b>7,838</b>	<b>3,250</b>	<b>5,420</b>
4	Roads	3,734	13,800	26,114	26,114	4,000	2,500	4,000
5	Road Structures	574	–	–	–	2,338	–	1,270
6	Road Furniture	572	–	–	–	1,500	750	150
7	Capital Spares	–	–	–	–	–	–	–
8	<b>Storm water Infrastructure</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
9	Drainage Collection	–	–	–	–	–	–	–
10	Storm water Conveyance	–	–	–	–	–	–	–
11	Attenuation	–	–	–	–	–	–	–
12	<b>Electrical Infrastructure</b>	<b>10,979</b>	<b>53,770</b>	<b>65,651</b>	<b>84,295</b>	<b>31,080</b>	<b>20,000</b>	<b>20,000</b>
13	Power Plants	–	–	–	–	–	–	–
14	HV Substations	6,327	12,390	6,199	24,964	15,000	15,000	15,000
15	HV Switching Station	–	–	–	–	–	–	–
16	HV Transmission Conductors	–	–	–	–	–	–	–
17	MV Substations	1,799	–	–	–	4,880	–	–
18	MV Switching Stations	2,853	20,000	20,440	20,440	–	–	–
19	MV Networks	–	–	12,192	12,072	1,200	–	–
20	LV Networks	–	21,380	26,820	26,820	10,000	5,000	5,000
21	Capital Spares	–	–	–	–	–	–	–
22	<b>Water Supply Infrastructure</b>	<b>31,375</b>	<b>27,080</b>	<b>91,517</b>	<b>91,517</b>	<b>44,350</b>	<b>4,600</b>	<b>4,500</b>
23	Dams and Weirs	–	–	–	–	–	–	–
24	Boreholes	18,257	8,000	76,273	76,273	5,000	–	–
25	Reservoirs	740	–	–	–	–	–	–
26	Pump Stations	–	–	–	–	–	–	–
27	Water Treatment Works	–	5,000	4,010	4,010	38,550	–	–
28	Bulk Mains	750	–	–	–	–	–	–
29	Distribution	11,228	11,000	11,233	11,233	800	4,600	4,500
30	Distribution Points	400	3,080	–	–	–	–	–
31	PRV Stations	–	–	–	–	–	–	–
32	Capital Spares	–	–	–	–	–	–	–
33	<b>Sanitation Infrastructure</b>	<b>177,387</b>	<b>11,484</b>	<b>20,532</b>	<b>11,138</b>	<b>56,490</b>	<b>31,135</b>	<b>66,858</b>
34	Pump Station	614	–	–	–	–	–	–
35	Reticulation	32,625	11,484	20,532	11,138	56,490	31,135	66,858
36	Waste Water Treatment Works	144,148	–	–	–	–	–	–
37	Outfall Sewers	–	–	–	–	–	–	–
38	Toilet Facilities	–	–	–	–	–	–	–
39	Capital Spares	–	–	–	–	–	–	–
40	<b>Solid Waste Infrastructure</b>	<b>1,708</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,000</b>	<b>–</b>	<b>–</b>
41	Landfill Sites	1,553	–	–	–	2,000	–	–
42	Waste Transfer Stations	–	–	–	–	–	–	–
43	Waste Processing Facilities	–	–	–	–	–	–	–
44	Waste Drop-off Points	155	–	–	–	–	–	–
45	Waste Separation Facilities	–	–	–	–	–	–	–
46	Electricity Generation Facilities	–	–	–	–	–	–	–
47	Capital Spares	–	–	–	–	–	–	–

Capital Expenditure - New Assets								
R`000								
Serial No.	Description	2017/2018	2018/2019			Future		
		Actual	Original Budget	Revised Budget	Actual	2018/19	2019/20	2020/21
Column Ref.	A	B	C	D	E	F	G	H
48	<b>Rail Infrastructure</b>	–	–	–	–	–	–	–
49	Rail Lines	–	–	–	–	–	–	–
50	Rail Structures	–	–	–	–	–	–	–
51	Rail Furniture	–	–	–	–	–	–	–
52	Drainage Collection	–	–	–	–	–	–	–
53	Storm water Conveyance	–	–	–	–	–	–	–
54	Attenuation	–	–	–	–	–	–	–
55	MV Substations	–	–	–	–	–	–	–
56	LV Networks	–	–	–	–	–	–	–
57	Capital Spares	–	–	–	–	–	–	–
58	<b>Coastal Infrastructure</b>	–	–	–	–	–	–	–
59	Sand Pumps	–	–	–	–	–	–	–
60	Piers	–	–	–	–	–	–	–
61	Revetments	–	–	–	–	–	–	–
62	Promenades	–	–	–	–	–	–	–
63	Capital Spares	–	–	–	–	–	–	–
64	<b>Information and Communication Infrastructure</b>	750	3,812	2,053	2,053	100	100	100
65	Data Centres	–	–	–	–	–	–	–
66	Core Layers	750	3,812	2,053	2,053	100	100	100
67	Distribution Layers	–	–	–	–	–	–	–
68	Capital Spares	–	–	–	–	–	–	–
69	<b>Community Assets</b>	13,347	5,100	8,063	8,063	8,602	12,390	3,220
70	<b>Community Facilities</b>	12,176	500	6,877	6,877	5,402	12,390	3,220
71	Halls	9,304	–	1,073	1,073	–	–	–
72	Centres	913	–	–	–	–	–	–
73	Crèches	–	–	–	–	–	–	–
74	Clinics/Care Centres	–	–	–	–	–	–	–
75	Fire/Ambulance Stations	–	–	–	–	–	–	–
76	Testing Stations	–	–	–	–	–	–	–
77	Museums	–	–	–	–	–	–	–
78	Galleries	–	–	–	–	–	–	–
79	Theatres	–	–	–	–	–	–	–
80	Libraries	–	–	5,149	5,149	–	–	–
81	Cemeteries/Crematoria	388	–	–	–	1,000	4,000	3,000
82	Police	–	–	–	–	–	300	220
83	Parks	–	–	135	135	3,002	3,090	–
84	Public Open Space	769	–	33	33	–	–	–
85	Nature Reserves	–	–	–	–	–	–	–
86	Public Ablution Facilities	–	–	–	–	–	–	–
87	Markets	–	–	–	–	–	–	–
88	Stalls	801	500	486	486	1,400	5,000	–
89	Abattoirs	–	–	–	–	–	–	–
90	Airports	–	–	–	–	–	–	–
91	Taxi Ranks/Bus Terminals	–	–	–	–	–	–	–
92	Capital Spares	–	–	–	–	–	–	–
93	<b>Sport and Recreation Facilities</b>	1,171	4,600	1,186	1,186	3,200	–	–
94	Indoor Facilities	–	–	–	–	–	–	–
95	Outdoor Facilities	1,171	4,600	1,186	1,186	3,200	–	–
96	Capital Spares	–	–	–	–	–	–	–
97	<b>Heritage assets</b>	–	–	–	–	–	–	–
98	Monuments	–	–	–	–	–	–	–
99	Historic Buildings	–	–	–	–	–	–	–
100	Works of Art	–	–	–	–	–	–	–
101	Conservation Areas	–	–	–	–	–	–	–
102	Other Heritage	–	–	–	–	–	–	–

Capital Expenditure - New Assets								
R`000								
Serial No.	Description	2017/2018	2018/2019			Future		
		Actual	Original Budget	Revised Budget	Actual	2018/19	2019/20	2020/21
Column Ref.	A	B	C	D	E	F	G	H
103	Investment properties	–	–	–	–	–	–	–
104	Revenue Generating	–	–	–	–	–	–	–
105	Improved Property	–	–	–	–	–	–	–
106	Unimproved Property	–	–	–	–	–	–	–
107	Non-revenue Generating	–	–	–	–	–	–	–
108	Improved Property	–	–	–	–	–	–	–
109	Unimproved Property	–	–	–	–	–	–	–
110	Other assets	3,453	11,000	7,298	7,298	17,500	20,080	20,000
111	Operational Buildings	3,453	11,000	7,298	7,298	16,000	20,080	20,000
112	Municipal Offices	512	10,000	6,436	6,436	–	–	–
113	Pay/Enquiry Points	322	–	–	–	–	–	–
114	Building Plan Offices	–	–	–	–	–	–	–
115	Workshops	–	–	–	–	4,000	80	–
116	Yards	–	–	–	–	–	–	–
117	Stores	2,619	1,000	863	863	12,000	20,000	20,000
118	Laboratories	–	–	–	–	–	–	–
119	Training Centres	–	–	–	–	–	–	–
120	Manufacturing Plant	–	–	–	–	–	–	–
121	Depots	–	–	–	–	–	–	–
122	Capital Spares	–	–	–	–	–	–	–
123	Housing	–	–	–	–	1,500	–	–
124	Staff Housing	–	–	–	–	–	–	–
125	Social Housing	–	–	–	–	1,500	–	–
126	Capital Spares	–	–	–	–	–	–	–
127	Biological or Cultivated Assets	–	–	–	–	–	–	–
128	Biological or Cultivated Assets	–	–	–	–	–	–	–
129	Intangible Assets	886	750	1,913	1,913	2,675	975	500
130	Servitudes	–	–	–	–	–	–	–
131	Licences and Rights	886	750	1,913	1,913	2,675	975	500
132	Water Rights	–	–	–	–	–	–	–
133	Effluent Licenses	–	–	–	–	–	–	–
134	Solid Waste Licenses	–	–	–	–	–	–	–
135	Computer Software and Applications	–	750	1,913	1,913	2,675	975	500
136	Load Settlement Software Applications	886	–	–	–	–	–	–
137	Unspecified	–	–	–	–	–	–	–
138	Computer Equipment	3,186	3,150	4,016	4,016	12,088	11,647	12,050
139	Computer Equipment	3,186	3,150	4,016	4,016	12,088	11,647	12,050
140	Furniture and Office Equipment	4,323	6,580	1,854	1,852	1,356	332	340
141	Furniture and Office Equipment	4,323	6,580	1,854	1,852	1,356	332	340
142	Machinery and Equipment	4,463	4,398	5,788	5,787	11,811	7,700	6,835
143	Machinery and Equipment	4,463	4,398	5,788	5,787	11,811	7,700	6,835
144	Transport Assets	16,748	10,136	14,712	14,731	–	–	–
145	Transport Assets	16,748	10,136	14,712	14,731	–	–	–
146	Land	–	–	42	42	–	–	–
147	Land	–	–	42	42	–	–	–
148	Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–
149	Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–
150	Total Capital Expenditure on New Assets	273,485	151,060	249,552	258,817	195,889	112,208	139,823



## ANNEXURE L (II): CAPITAL EXPENDITURE – UPGRADE PROJECTS

**Table 194: Capital Expenditure - Upgrade Programme**

Capital Expenditure - Upgrade Programme								
R'000								
Serial No.	Description	2017/2018	2018/2019		Future			
Column Ref.		Actual	Original Budget	Revised Budget	Actual	2018/19	2019/20	2020/21
	A	B	C	D	E	F	G	H
1	Capital Expenditure by Asset Class							
2	<b>Infrastructure</b>	<b>247,046</b>	<b>164,207</b>	<b>197,255</b>	<b>196,815</b>	<b>93,396</b>	<b>146,021</b>	<b>112,681</b>
3	<b>Roads Infrastructure</b>	<b>62,269</b>	<b>47,873</b>	<b>63,850</b>	<b>63,410</b>	<b>18,500</b>	<b>66,600</b>	<b>61,600</b>
4	Roads	59,983	47,873	62,623	62,183	17,500	63,600	60,600
5	Road Structures	2,286	–	1,227	1,227	1,000	3,000	1,000
6	Road Furniture	–	–	–	–	–	–	–
7	Capital Spares	–	–	–	–	–	–	–
8	<b>Storm water Infrastructure</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
9	Drainage Collection	–	–	–	–	–	–	–
10	Storm water Conveyance	–	–	–	–	–	–	–
11	Attenuation	–	–	–	–	–	–	–
12	<b>Electrical Infrastructure</b>	<b>45,277</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>600</b>	<b>500</b>
13	Power Plants	–	–	–	–	–	–	–
14	HV Substations	–	–	–	–	–	–	–
15	HV Switching Station	–	–	–	–	–	–	–
16	HV Transmission Conductors	–	–	–	–	–	–	–
17	MV Substations	19,914	–	–	–	–	–	–
18	MV Switching Stations	176	–	–	–	–	–	–
19	MV Networks	22,702	–	–	–	–	–	–
20	LV Networks	2,484	–	–	–	–	600	500
21	Capital Spares	–	–	–	–	–	–	–
22	<b>Water Supply Infrastructure</b>	<b>77,790</b>	<b>78,202</b>	<b>81,985</b>	<b>81,985</b>	<b>57,605</b>	<b>19,158</b>	<b>23,613</b>
23	Dams and Weirs	–	–	–	–	–	–	–
24	Boreholes	–	–	–	–	–	–	–
25	Reservoirs	28,810	1,250	1,250	1,250	9,250	–	–
26	Pump Stations	–	–	–	–	–	–	–
27	Water Treatment Works	13,986	7,000	17,141	17,141	14,397	–	–
28	Bulk Mains	19,696	66,436	63,594	63,594	22,358	11,350	13,613
29	Distribution	13,255	3,516	–	–	9,600	7,808	8,000
30	Distribution Points	2,043	–	–	–	2,000	–	2,000
31	PRV Stations	–	–	–	–	–	–	–
32	Capital Spares	–	–	–	–	–	–	–
33	<b>Sanitation Infrastructure</b>	<b>50,141</b>	<b>35,132</b>	<b>51,235</b>	<b>51,235</b>	<b>11,691</b>	<b>51,945</b>	<b>22,468</b>
34	Pump Station	1,304	–	18	18	–	–	–
35	Reticulation	14,319	20,000	6,710	6,710	4,505	37,509	4,165
36	Waste Water Treatment Works	34,518	15,132	44,507	44,507	7,186	13,961	18,303
37	Outfall Sewers	–	–	–	–	–	475	–
38	Toilet Facilities	–	–	–	–	–	–	–
39	Capital Spares	–	–	–	–	–	–	–
40	<b>Solid Waste Infrastructure</b>	<b>11,569</b>	<b>3,000</b>	<b>186</b>	<b>186</b>	<b>5,600</b>	<b>7,718</b>	<b>4,500</b>
41	Landfill Sites	–	3,000	186	186	–	–	–
42	Waste Transfer Stations	11,375	–	–	–	1,500	–	500
43	Waste Processing Facilities	–	–	–	–	4,100	7,718	4,000
44	Waste Drop-off Points	194	–	–	–	–	–	–
45	Waste Separation Facilities	–	–	–	–	–	–	–
46	Electricity Generation Facilities	–	–	–	–	–	–	–
47	Capital Spares	–	–	–	–	–	–	–
48	<b>Rail Infrastructure</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
49	Rail Lines	–	–	–	–	–	–	–
50	Rail Structures	–	–	–	–	–	–	–
51	Rail Furniture	–	–	–	–	–	–	–
52	Drainage Collection	–	–	–	–	–	–	–
53	Storm water Conveyance	–	–	–	–	–	–	–
54	Attenuation	–	–	–	–	–	–	–
55	MV Substations	–	–	–	–	–	–	–
56	LV Networks	–	–	–	–	–	–	–
57	Capital Spares	–	–	–	–	–	–	–

Capital Expenditure - Upgrade Programme								
R'000								
Serial No.	Description	2017/2018	2018/2019			Future		
Column Ref.	A	Actual	Original Budget	Revised Budget	Actual	2018/19	2019/20	2020/21
		B	C	D	E	F	G	H
58	Coastal Infrastructure	–	–	–	–	–	–	–
59	Sand Pumps	–	–	–	–	–	–	–
60	Piers	–	–	–	–	–	–	–
61	Revetments	–	–	–	–	–	–	–
62	Promenades	–	–	–	–	–	–	–
63	Capital Spares	–	–	–	–	–	–	–
64	Information and Communication Infrastructure	–	–	–	–	–	–	–
65	Data Centres	–	–	–	–	–	–	–
66	Core Layers	–	–	–	–	–	–	–
67	Distribution Layers	–	–	–	–	–	–	–
68	Capital Spares	–	–	–	–	–	–	–
69	Community Assets	21,512	50,324	25,733	25,675	29,915	15,125	20,350
70	Community Facilities	6,322	12,173	6,142	6,142	8,055	4,375	5,350
71	Halls	–	3,523	1,283	1,283	1,500	1,225	500
72	Centres	221	–	–	–	–	–	–
73	Crèches	–	–	–	–	–	–	–
74	Clinics/Care Centres	–	–	–	–	–	–	–
75	Fire/Ambulance Stations	–	1,200	–	–	1,080	–	–
76	Testing Stations	–	–	–	–	–	–	–
77	Museums	–	–	–	–	–	–	–
78	Galleries	–	–	–	–	–	–	–
79	Theatres	–	–	–	–	–	–	–
80	Libraries	2,957	600	–	–	1,200	100	–
81	Cemeteries/Crematoria	–	200	1,610	1,610	1,775	500	300
82	Police	–	–	–	–	–	–	–
83	Parks	–	2,550	1,583	1,583	2,000	1,500	1,000
84	Public Open Space	2,905	–	1,432	1,432	–	50	50
85	Nature Reserves	238	–	76	76	500	1,000	500
86	Public Ablution Facilities	–	–	–	–	–	–	–
87	Markets	–	–	–	–	–	–	–
88	Stalls	–	4,100	157	157	–	–	3,000
89	Abattoirs	–	–	–	–	–	–	–
90	Airports	–	–	–	–	–	–	–
91	Taxi Ranks/Bus Terminals	–	–	–	–	–	–	–
92	Capital Spares	–	–	–	–	–	–	–
93	Sport and Recreation Facilities	15,190	38,151	19,592	19,533	21,860	10,750	15,000
94	Indoor Facilities	–	–	–	–	–	–	–
95	Outdoor Facilities	15,190	38,151	19,592	19,533	21,860	10,750	15,000
96	Capital Spares	–	–	–	–	–	–	–
97	Heritage assets	–	–	–	–	–	–	–
98	Monuments	–	–	–	–	–	–	–
99	Historic Buildings	–	–	–	–	–	–	–
100	Works of Art	–	–	–	–	–	–	–
101	Conservation Areas	–	–	–	–	–	–	–
102	Other Heritage	–	–	–	–	–	–	–
103	Investment properties	–	–	–	–	–	–	–
104	Revenue Generating	–	–	–	–	–	–	–
105	Improved Property	–	–	–	–	–	–	–
106	Unimproved Property	–	–	–	–	–	–	–
107	Non-revenue Generating	–	–	–	–	–	–	–
108	Improved Property	–	–	–	–	–	–	–
109	Unimproved Property	–	–	–	–	–	–	–
110	Other assets	2,168	5,000	4,384	4,384	5,000	500	–
111	Operational Buildings	2,168	5,000	4,384	4,384	5,000	500	–
112	Municipal Offices	1,490	5,000	4,082	4,082	5,000	500	–
113	Pay/Enquiry Points	–	–	–	–	–	–	–
114	Building Plan Offices	–	–	–	–	–	–	–
115	Workshops	–	–	–	–	–	–	–
116	Yards	494	–	–	–	–	–	–
117	Stores	–	–	–	–	–	–	–
118	Laboratories	–	–	–	–	–	–	–

Capital Expenditure - Upgrade Programme								
R'000								
Serial No.	Description	2017/2018	2018/2019			Future		
		Actual	Original Budget	Revised Budget	Actual	2018/19	2019/20	2020/21
Column Ref.	A	B	C	D	E	F	G	H
119	Training Centres	–	–	–	–	–	–	–
120	Manufacturing Plant	–	–	–	–	–	–	–
121	Depots	184	–	302	302	–	–	–
122	Capital Spares	–	–	–	–	–	–	–
123	<b>Housing</b>	–	–	–	–	–	–	–
124	Staff Housing	–	–	–	–	–	–	–
125	Social Housing	–	–	–	–	–	–	–
126	Capital Spares	–	–	–	–	–	–	–
127	<b>Biological or Cultivated Assets</b>	–	–	–	–	–	–	–
128	Biological or Cultivated Assets	–	–	–	–	–	–	–
129	<b>Intangible Assets</b>	–	–	319	319	550	550	300
130	Servitudes	–	–	–	–	–	–	–
131	<b>Licences and Rights</b>	–	–	319	319	550	550	300
132	Water Rights	–	–	–	–	–	–	–
133	Effluent Licenses	–	–	–	–	–	–	–
134	Solid Waste Licenses	–	–	–	–	–	–	–
135	Computer Software and Applications	–	–	319	319	550	550	300
136	Load Settlement Software Applications	–	–	–	–	–	–	–
137	Unspecified	–	–	–	–	–	–	–
138	<b>Computer Equipment</b>	–	–	–	–	–	–	–
139	Computer Equipment	–	–	–	–	–	–	–
140	<b>Furniture and Office Equipment</b>	–	–	–	–	–	–	–
141	Furniture and Office Equipment	–	–	–	–	–	–	–
142	<b>Machinery and Equipment</b>	–	–	–	–	1,010	495	850
143	Machinery and Equipment	–	–	–	–	1,010	495	850
144	<b>Transport Assets</b>	–	–	–	–	–	–	–
145	Transport Assets	–	–	–	–	–	–	–
146	<b>Land</b>	–	–	–	–	–	–	–
147	Land	–	–	–	–	–	–	–
148	<b>Zoo's, Marine and Non-biological Animals</b>	–	–	–	–	–	–	–
149	Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–
150	<b>Total Capital Expenditure on renewed assets</b>	270,725	219,531	227,691	227,193	129,871	162,691	134,181

## ANNEXURE L (III): CAPITAL EXPENDITURE – RENEWAL PROJECTS

Table 195: Capital Expenditure - Renewal Programme

Capital Expenditure - Renewal Programme								
R' 000								
Serial No.	Description	2017/2018	2018/2019		Future			
Column Ref.	A	Actual	Original Budget	Revised Budget	Actual	2018/19	2019/20	2020/21
1	Capital Expenditure by Asset Class							
2	<b>Infrastructure</b>	<b>87,878</b>	<b>75,000</b>	<b>79,766</b>	<b>79,766</b>	<b>24,200</b>	<b>16,800</b>	<b>13,000</b>
3	<b>Roads Infrastructure</b>	–	–	–	–	6,500	6,000	6,000
4	Roads	–	–	–	–	6,500	6,000	6,000
5	Road Structures	–	–	–	–	–	–	–
6	Road Furniture	–	–	–	–	–	–	–
7	Capital Spares	–	–	–	–	–	–	–
8	<b>Storm water Infrastructure</b>	<b>5,010</b>	–	–	–	–	–	–
9	Drainage Collection	–	–	–	–	–	–	–
10	Storm water Conveyance	5,010	–	–	–	–	–	–
11	Attenuation	–	–	–	–	–	–	–
12	<b>Electrical Infrastructure</b>	<b>81,577</b>	<b>75,000</b>	<b>79,573</b>	<b>79,573</b>	<b>13,200</b>	<b>9,500</b>	<b>6,000</b>
13	Power Plants	–	–	–	–	–	–	–
14	HV Substations	–	–	–	–	8,000	6,000	4,000
15	HV Switching Station	–	–	–	–	–	–	–
16	HV Transmission Conductors	–	–	–	–	–	–	–
17	MV Substations	7,805	5,000	5,437	5,437	–	–	–
18	MV Switching Stations	2,779	–	–	–	–	–	–
19	MV Networks	63,101	70,000	72,898	72,898	1,200	1,000	500
20	LV Networks	7,892	–	1,237	1,237	4,000	2,500	1,500
21	Capital Spares	–	–	–	–	–	–	–
22	<b>Water Supply Infrastructure</b>	<b>450</b>	–	–	–	–	–	–
23	Dams and Weirs	–	–	–	–	–	–	–
24	Boreholes	–	–	–	–	–	–	–
25	Reservoirs	–	–	–	–	–	–	–
26	Pump Stations	–	–	–	–	–	–	–
27	Water Treatment Works	–	–	–	–	–	–	–
28	Bulk Mains	–	–	–	–	–	–	–
29	Distribution	450	–	–	–	–	–	–
30	Distribution Points	–	–	–	–	–	–	–
31	PRV Stations	–	–	–	–	–	–	–
32	Capital Spares	–	–	–	–	–	–	–
33	<b>Sanitation Infrastructure</b>	<b>842</b>	–	–	–	–	<b>800</b>	<b>500</b>
34	Pump Station	–	–	–	–	–	–	–
35	Reticulation	–	–	–	–	–	800	500
36	Waste Water Treatment Works	842	–	–	–	–	–	–
37	Outfall Sewers	–	–	–	–	–	–	–
38	Toilet Facilities	–	–	–	–	–	–	–
39	Capital Spares	–	–	–	–	–	–	–
40	<b>Solid Waste Infrastructure</b>	–	–	<b>193</b>	<b>193</b>	<b>4,500</b>	<b>500</b>	<b>500</b>
41	Landfill Sites	–	–	–	–	–	–	–
42	Waste Transfer Stations	–	–	–	–	–	–	–
43	Waste Processing Facilities	–	–	–	–	4,000	–	–
44	Waste Drop-off Points	–	–	193	193	500	500	500
45	Waste Separation Facilities	–	–	–	–	–	–	–
46	Electricity Generation Facilities	–	–	–	–	–	–	–
47	Capital Spares	–	–	–	–	–	–	–

Capital Expenditure - Renewal Programme								
R`000								
Serial No.	Description	2017/2018	2018/2019			Future		
		Actual	Original Budget	Revised Budget	Actual	2018/19	2019/20	2020/21
Column Ref.	A	B	C	D	E	F	G	H
<b>48</b>	<b>Rail Infrastructure</b>	-	-	-	-	-	-	-
49	Rail Lines	-	-	-	-	-	-	-
50	Rail Structures	-	-	-	-	-	-	-
51	Rail Furniture	-	-	-	-	-	-	-
52	Drainage Collection	-	-	-	-	-	-	-
53	Storm water Conveyance	-	-	-	-	-	-	-
54	Attenuation	-	-	-	-	-	-	-
55	MV Substations	-	-	-	-	-	-	-
56	LV Networks	-	-	-	-	-	-	-
57	Capital Spares	-	-	-	-	-	-	-
<b>58</b>	<b>Coastal Infrastructure</b>	-	-	-	-	-	-	-
59	Sand Pumps	-	-	-	-	-	-	-
60	Piers	-	-	-	-	-	-	-
61	Revetments	-	-	-	-	-	-	-
62	Promenades	-	-	-	-	-	-	-
63	Capital Spares	-	-	-	-	-	-	-
<b>64</b>	<b>Information and Communication Infrastructure</b>	-	-	-	-	-	-	-
65	Data Centres	-	-	-	-	-	-	-
66	Core Layers	-	-	-	-	-	-	-
67	Distribution Layers	-	-	-	-	-	-	-
68	Capital Spares	-	-	-	-	-	-	-
<b>69</b>	<b>Community Assets</b>	<b>141</b>	<b>1,000</b>	<b>258</b>	<b>258</b>	<b>9,350</b>	<b>-</b>	<b>3,000</b>
<b>70</b>	<b>Community Facilities</b>	<b>112</b>	<b>1,000</b>	<b>258</b>	<b>258</b>	<b>9,350</b>	<b>-</b>	<b>3,000</b>
71	Halls	-	1,000	258	258	-	-	-
72	Centres	-	-	-	-	-	-	-
73	Crèches	-	-	-	-	-	-	-
74	Clinics/Care Centres	-	-	-	-	-	-	-
75	Fire/Ambulance Stations	-	-	-	-	-	-	-
76	Testing Stations	-	-	-	-	-	-	-
77	Museums	-	-	-	-	-	-	-
78	Galleries	-	-	-	-	-	-	-
79	Theatres	-	-	-	-	-	-	-
80	Libraries	-	-	-	-	-	-	-
81	Cemeteries/Crematoria	-	-	-	-	9,350	-	3,000
82	Police	-	-	-	-	-	-	-
83	Parks	-	-	-	-	-	-	-
84	Public Open Space	-	-	-	-	-	-	-
85	Nature Reserves	20	-	-	-	-	-	-
86	Public Ablution Facilities	-	-	-	-	-	-	-
87	Markets	92	-	-	-	-	-	-
88	Stalls	-	-	-	-	-	-	-
89	Abattoirs	-	-	-	-	-	-	-
90	Airports	-	-	-	-	-	-	-
91	Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-
92	Capital Spares	-	-	-	-	-	-	-
<b>93</b>	<b>Sport and Recreation Facilities</b>	<b>29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
94	Indoor Facilities	-	-	-	-	-	-	-
95	Outdoor Facilities	29	-	-	-	-	-	-
96	Capital Spares	-	-	-	-	-	-	-

Capital Expenditure - Renewal Programme								
R'000								
Serial No.	Description	2017/2018	2018/2019			Future		
		Actual	Original Budget	Revised Budget	Actual	2018/19	2019/20	2020/21
Column Ref.	A	B	C	D	E	F	G	H
97	<b>Heritage assets</b>	–	–	–	–	–	–	–
98	Monuments	–	–	–	–	–	–	–
99	Historic Buildings	–	–	–	–	–	–	–
100	Works of Art	–	–	–	–	–	–	–
101	Conservation Areas	–	–	–	–	–	–	–
102	Other Heritage	–	–	–	–	–	–	–
103	<b>Investment properties</b>	–	–	–	–	–	–	–
104	<b>Revenue Generating</b>	–	–	–	–	–	–	–
105	Improved Property	–	–	–	–	–	–	–
106	Unimproved Property	–	–	–	–	–	–	–
107	<b>Non-revenue Generating</b>	–	–	–	–	–	–	–
108	Improved Property	–	–	–	–	–	–	–
109	Unimproved Property	–	–	–	–	–	–	–
110	<b>Other assets</b>	7,795	7,450	6,500	6,500	12,430	4,250	4,500
111	<b>Operational Buildings</b>	7,520	5,650	6,060	6,060	2,930	2,250	1,500
112	Municipal Offices	5,156	5,650	6,060	6,060	2,930	2,250	1,500
113	Pay/Enquiry Points	–	–	–	–	–	–	–
114	Building Plan Offices	–	–	–	–	–	–	–
115	Workshops	–	–	–	–	–	–	–
116	Yards	–	–	–	–	–	–	–
117	Stores	–	–	–	–	–	–	–
118	Laboratories	–	–	–	–	–	–	–
119	Training Centres	–	–	–	–	–	–	–
120	Manufacturing Plant	–	–	–	–	–	–	–
121	Depots	2,364	–	–	–	–	–	–
122	Capital Spares	–	–	–	–	–	–	–
123	<b>Housing</b>	275	1,800	439	439	9,500	2,000	3,000
124	Staff Housing	–	–	–	–	–	–	–
125	Social Housing	275	1,800	439	439	9,500	2,000	3,000
126	Capital Spares	–	–	–	–	–	–	–
127	<b>Biological or Cultivated Assets</b>	–	–	–	–	–	–	–
128	Biological or Cultivated Assets	–	–	–	–	–	–	–
129	<b>Intangible Assets</b>	–	–	–	–	–	–	–
130	Servitudes	–	–	–	–	–	–	–
131	<b>Licences and Rights</b>	–	–	–	–	–	–	–
132	Water Rights	–	–	–	–	–	–	–
133	Effluent Licenses	–	–	–	–	–	–	–
134	Solid Waste Licenses	–	–	–	–	–	–	–
135	Computer Software and Applications	–	–	–	–	–	–	–
136	Load Settlement Software Applications	–	–	–	–	–	–	–
137	Unspecified	–	–	–	–	–	–	–
138	<b>Computer Equipment</b>	–	–	–	–	–	–	–
139	Computer Equipment	–	–	–	–	–	–	–
140	<b>Furniture and Office Equipment</b>	–	–	–	–	–	–	–
141	Furniture and Office Equipment	–	–	–	–	–	–	–
142	<b>Machinery and Equipment</b>	–	–	–	–	–	–	–
143	Machinery and Equipment	–	–	–	–	–	–	–
144	<b>Transport Assets</b>	12,954	–	–	–	6,290	6,000	5,500
145	Transport Assets	12,954	–	–	–	6,290	6,000	5,500

Capital Expenditure - Renewal Programme								
R`000								
Serial No.	Description	2017/2018	2018/2019			Future		
		Actual	Original Budget	Revised Budget	Actual	2018/19	2019/20	2020/21
Column Ref.	A	B	C	D	E	F	G	H
146	Land	–	–	–	–	–	–	–
147	Land	–	–	–	–	–	–	–
148	Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–
149	Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–
150	Total Capital Expenditure on Renewed Assets	108,768	83,450	86,523	86,523	52,270	27,050	26,000

## ANNEXURE M: CAPITAL PROGRAMME BY PROJECT

**Table 196: 2017/18 Capital Programme by Main Project**

Capital Programme by Main Project 2018/2019						
Serial No.	Capital Project	Original Budget	Adjustments Budget	Actual Capital Expenditure	% Variance Between Column C & D	% Variance Between Column B & D
Column Ref.	A	B	C	D	E	F
<b>1</b>	<b>Water</b>					
2	Boreholes Infrastructure	8,000,000	76,272,816	76,272,813	0.00%	853.41%
3	Replacement of Strawberry King Bulk Water Pipeline	36,058,718	28,152,789	28,152,788	0.00%	-21.93%
4	8ML Courtrai Reservoir	17,500,000	22,564,063	22,564,063	0.00%	28.94%
<b>5</b>	<b>Sanitation/Sewerage</b>					
6	Wellington WWTW: Rehabilitation & Extensions	7,600,000	34,911,228	34,911,228	0.00%	359.36%
7	Paarl WWTW: Rehabilitation & Extensions	7,531,843	9,595,478	9,595,477	0.00%	27.40%
8	Replace/Upgrade Sewer Systems	0	5,440,357	5,440,357	0.00%	100.00%
<b>9</b>	<b>Electricity</b>					
10	Replace existing 66kv cables	70,000,000	72,097,569	72,097,568	0.00%	3.00%
11	Electrification : Housing Projects	26,369,565	31,809,597	31,809,596	0.00%	100.00%
12	New Infrastructure Parys Substation	20,000,000	20,439,748	20,439,747	0.00%	2.20%
<b>13</b>	<b>Road Transport</b>					
14	Upgrading of BRB North	41,376,811	39,334,677	39,334,676	0.00%	-4.94%
15	Construct van der Stel Street	6,496,160	18,193,369	18,193,367	0.00%	180.06%
16	Upgrading of Streets and Stormwater (Saron)	0	10,107,266	10,107,266	0.00%	100.00%
<b>17</b>	<b>Housing</b>					
18	Vlakkeland Intersection Upgrade	0	10,462,035	10,021,883	-4.21%	100%
19	Vlakkeland Electricity	0	10,045,637	9,925,806	-1.19%	100%
20	Buildings Erection of New Offices in Paarl East	10,000,000	8,547,795	8,547,793	0.00%	-15%
<b>21</b>	<b>Refuse Removal</b>					
22	Wheelie Bins	0	2,269,189	2,269,188	0.00%	100.00%
23	Equipment General Skips	0	248,662	248,662	0.00%	100.00%
24	Mini Drop Off Facilities	0	193,304	193,304	0.00%	100.00%
<b>25</b>	<b>Economic Development</b>					
26	VPUU Informal Trading Kiosks	0	363,958	363,950	0.00%	100.00%
27	Lantana Business Park	3,300,000	130,435	130,435	0.00%	100.00%
28	Klein Drakenstein Road Informal Structures	0	113,119	113,119	0.00%	100.00%
<b>29</b>	<b>Sports, Art and Culture</b>					
30	Upgrading of Mbekweni B&C Sportfields	4,802,632	6,831,538	6,831,538	0.00%	42.25%
31	Pelikaan Park: Upgrade Facility	0	3,750,725	3,750,724	0.00%	100.00%
32	Development of De Kraal Sport Complex	0	2,447,045	2,447,044	0.00%	100.00%
<b>33</b>	<b>Executive and Council</b>					
34	Furniture and Equipment	0	142,861	142,860	0.00%	100.00%
35	Ward Capital Projects	0	73,122	73,122	0.00%	100.00%
<b>36</b>	<b>Safety and Security</b>					
37	Fire Fighting Vehicle	1,289,565	2,053,178	2,053,178	0.00%	100.00%
<b>38</b>	<b>Corporate Services</b>					
39	Vehicles & Equipment: New/Replacements	8,846,431	12,658,570	12,677,583	0.15%	43.31%
40	Civic Centre Office Alterations All Floors	2,000,000	3,991,480	3,991,480	0.00%	99.57%
41	ICT Equipment: Computer Related	3,000,000	3,811,777	3,811,775	0.00%	27.06%
<b>42</b>	<b>Budget and Treasury Office</b>					
43	Buildings: New Stores	1,000,000	862,579	862,578	0.00%	-13.74%
44	Computer Equipment	0	117,040	117,039	0.00%	100.00%
45	Intangible Assets Insurance Module	0	94,879	94,878	0.00%	100.00%
<b>46</b>	<b>Community and Social Services</b>					
47	Library: Groenheuwel House Of Learning	5,000,000	4,839,957	4,839,957	0.00%	100.00%
48	Wall at Champagne Street Cemetery	200,000	1,609,566	1,609,565	0.00%	100.00%
49	Upgrading of Halls	2,273,000	1,186,352	1,186,352	0.00%	-47.81%



## ANNEXURE N: CAPITAL PROGRAMME BY PROJECT BY WARD

**Table 197: Capital Programme by Project by Ward 2018/19**

Capital Programme by Main Project 2018/2019						
Serial No.	Capital Project	Original Budget	Adjustments Budget	Actual Capital Expenditure	% Variance Between Column C & D	% Variance Between Column B & D
Column Ref.	A	B	C	D	E	F
<b>1</b>	<b>Water</b>					
2	Boreholes Infrastructure	8,000,000	76,272,816	76,272,813	0.00%	853.41%
3	Replacement of Strawberry King Bulk Water Pipeline	36,058,718	28,152,789	28,152,788	0.00%	-21.93%
4	8ML Courtrai Reservoir	17,500,000	22,564,063	22,564,063	0.00%	28.94%
<b>5</b>	<b>Sanitation/Sewerage</b>					
6	Wellington WWTW: Rehabilitation & Extensions	7,600,000	34,911,228	34,911,228	0.00%	359.36%
7	Paarl WWTW: Rehabilitation & Extensions	7,531,843	9,595,478	9,595,477	0.00%	27.40%
8	Replace/Upgrade Sewer Systems	0	5,440,357	5,440,357	0.00%	100.00%
<b>9</b>	<b>Electricity</b>					
10	Replace existing 66kv cables	70,000,000	72,097,569	72,097,568	0.00%	3.00%
11	Electrification : Housing Projects	26,369,565	31,809,597	31,809,596	0.00%	100.00%
12	New Infrastructure Parys Substation	20,000,000	20,439,748	20,439,747	0.00%	2.20%
<b>13</b>	<b>Road Transport</b>					
14	Upgrading of BRB North	41,376,811	39,334,677	39,334,676	0.00%	-4.94%
15	Construct van der Stel Street	6,496,160	18,193,369	18,193,367	0.00%	180.06%
16	Upgrading of Streets and Stormwater (Saron)	0	10,107,266	10,107,266	0.00%	100.00%
<b>17</b>	<b>Housing</b>					
18	Vlakkeland Intersection Upgrade	0	10,462,035	10,021,883	-4.21%	100%
19	Vlakkeland Electricity	0	10,045,637	9,925,806	-1.19%	100%
20	Buildings Erection of New Offices in Paarl East	10,000,000	8,547,795	8,547,793	0.00%	-15%
<b>21</b>	<b>Refuse Removal</b>					
22	Wheellie Bins	0	2,269,189	2,269,188	0.00%	100.00%
23	Equipment General Skips	0	248,662	248,662	0.00%	100.00%
24	Mini Drop Off Facilities	0	193,304	193,304	0.00%	100.00%
<b>25</b>	<b>Economic Development</b>					
26	VPUU Informal Trading Kiosks	0	363,958	363,950	0.00%	100.00%
27	Lantana Business Park	3,300,000	130,435	130,435	0.00%	100.00%
28	Klein Drakenstein Road Informal Structures	0	113,119	113,119	0.00%	100.00%
<b>29</b>	<b>Sports, Art and Culture</b>					
30	Upgrading of Mbekweni B&C Sportfields	4,802,632	6,831,538	6,831,538	0.00%	42.25%
31	Pelikaan Park: Upgrade Facility	0	3,750,725	3,750,724	0.00%	100.00%
32	Development of De Kraal Sport Complex	0	2,447,045	2,447,044	0.00%	100.00%
<b>33</b>	<b>Executive and Council</b>					
34	Furniture and Equipment	0	142,861	142,860	0.00%	100.00%
35	Ward Capital Projects	0	73,122	73,122	0.00%	100.00%
<b>36</b>	<b>Safety and Security</b>					
37	Fire Fighting Vehicle	1,289,565	2,053,178	2,053,178	0.00%	100.00%
<b>38</b>	<b>Corporate Services</b>					
39	Vehicles & Equipment: New/Replacements	8,846,431	12,658,570	12,677,583	0.15%	43.31%
40	Civic Centre Office Alterations All Floors	2,000,000	3,991,480	3,991,480	0.00%	99.57%
41	ICT Equipment: Computer Related	3,000,000	3,811,777	3,811,775	0.00%	27.06%
<b>42</b>	<b>Budget and Treasury Office</b>					
43	Buildings: New Stores	1,000,000	862,579	862,578	0.00%	-13.74%
44	Computer Equipment	0	117,040	117,039	0.00%	100.00%
45	Intangible Assets Insurance Module	0	94,879	94,878	0.00%	100.00%
<b>46</b>	<b>Community and Social Services</b>					
47	Library: Groenheuvel House Of Learning	5,000,000	4,839,957	4,839,957	0.00%	100.00%
48	Wall at Champagne Street Cemetery	200,000	1,609,566	1,609,565	0.00%	100.00%
49	Upgrading of Halls	2,273,000	1,186,352	1,186,352	0.00%	-47.81%

## ANNEXURE O: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

**Table 198: Service Backlogs - Schools and Clinics**

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Waste
<b>Schools</b>				
None	None	None	None	None
<b>Clinics</b>				
None	None	None	None	None

## ANNEXURE P: SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

**Table 199: Service backlogs experienced by the community where another sphere of government is the service provider**

Service backlogs experienced by the community where another sphere of government is the service provider (whether or not the municipality acts on agency basis)		
Service and locations	Scale of backlogs	Impact of backlogs
<b>Clinics</b>		
General health services – Windmeul	The facility is too small and cannot serve all the needs of the people in this rural farming area. No doctor. Only referrals from general health nurse. Current service a mobile service and a fixed clinic.	The mobile clinic in Windmeul is also complemented by a fixed clinic at the school.
Mbekweni CDC Centre	The facility is too small and cannot serve all the needs of the people who require general health services.	Facility inadequate to serve all the people who require services and not conducive to dispensary services. New clinic to be built in Groenheuwel.
Soetendal Clinic – Wellington	No shelter for the patients during winter months or whilst waiting for transport to collect them to be transported to the nearest hospital. Hermon patients require transport to Soetendal Clinic on a regular basis.	Facility inadequate to serve all the people who require services and not conducive to dispensary services. A bus shelter required.
Van Wyksvlei CDC (Wards 5, 7, 10 and 11)	A fully-fledged hospital is needed in the area as the clinic is insufficient.	Facility inadequate to serve all the people who require services.
Nederburg Clinic – Ward 25	Request for the Clinic at Nederburg to be enlarged and more staff should be appointed.	This clinic was closed by the Department of Health and is being replaced by the construction of a new clinic in Groenheuwel.
<b>Housing</b>		
Informal Settlements Drakenstein Municipality	Estimated informal households (5,999) encompassing approximately 10,846 persons in 41 informal settlements	Increase in the erection of illegal structures. Threat to well-located land. Insufficient funding. Increase of evictions. Cause of serious social problems. Threats of land invasions
Housing Demand	19,883 active applications.	15,740 cancelled applications that need to be updated.
Electrification	There are 41 informal settlements of which 23 has been completed (23/41 *100 = 56.1%).	Limited funding, resources and existing infrastructure that require upgrading to facilitate future growth and development.
<b>Driving Licensing and Testing Centre</b>		
None	None	None
<b>Reservoirs</b>		
None	None	None
<b>Schools (Primary and High)</b>		

Service backlogs experienced by the community where another sphere of government is the service provider (whether or not the municipality acts on agency basis)		
Service and locations	Scale of backlogs	Impact of backlogs
Windmeul (Ward 3)	Train youth to assist the Health Workers on the Farm	Extended health care on farms. Cape Winelands DM provide training for Health care workers
Windmeul (Ward 3)	Clinic in Windmeul only services half of the whole Ward 3	Extended health care on farms. Mobile service extended to other areas in Ward 3.
Ward 5	Visibility and patrol of SAPS in ward	Safety of residents. Matter was referred to CPF in Mbekweni.
Ward 5	Development of Neighbourhood Watches	Safety of residents.
Mbekweni (Ward 6)	Development of Arts Centre in Mbekweni	Arts and Culture development is static. Matter was referred to Economic and Tourism section.
New Primary School (Ward 5)	Community requests new primary school for Ward 5.	To improve education standards for residents of ward 5.
Ward 16	Drommedaris needs a primary school	To improve education standards for the residents of ward 16
Ward 11	Wheelchair access to the day hospital needed	To improve access for the Disabled sector on ward 11.

## ANNEXURE Q: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

**Table 200: Declaration of loans and grants made by the Municipality 2018/19**

Declaration of loans and grants made by the Municipality 2018/19				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the Municipality	Reason for application	Conditions attached to funding	Value 2018/19 (Rand)
Column Ref.	A	B	C	D
1	Amharic Community Development	To empower the relevant youth with information and enhance their particular knowledge and skills	Signing of an agreement – submission of finance report by end of financial year.	6,500
2	Betesda Senior Club	Purchase of laptop, freezer, stove, crockery, and transport costs.	Signing of an agreement – submission of finance report by end of financial year.	10,000
3	Community Aftercare Sanitation Education	This aftercare education program targets the children between 10 - 13years old; to educate and create a safer sanitation environment.	Signing of an agreement – submission of finance report by end of financial year.	10,000
4	Cornal Hendricks Foundation NPC	Back to school campaign - To assist Rural primary school with school shoes and stationary at the beginning of the school year 2019.	Signing of an agreement – submission of finance report by end of financial year.	10,000
5	Gouda Learning Assistance & Aftercare	Funds should serve as a contribution to operating costs to cover the auditors' costs.	Signing of an agreement – submission of finance report by end of financial year.	10,000
6	Goue Akkers - St Stephens	Provision of meals once a week. Fundraising for trip and for the purchase of equipment.	Signing of an agreement – submission of finance report by end of financial year.	10,000
7	Grace Soup Kitchen	Purchasing of food for underprivileged people.	Signing of an agreement – submission of finance report by end of financial year.	10,000
8	Hillcrest Dienssentrum	Funds will be utilised for knitwear, meals, trips and tours.	Signing of an agreement – submission of finance report by end of financial year.	10,000
9	Hillcrest United Rugby Club	Purchasing of four mobile floodlights on the B field of Weltevrede sports complex.	Signing of an agreement – submission of finance report by end of financial year.	10,000

Declaration of loans and grants made by the Municipality 2018/19				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the Municipality	Reason for application	Conditions attached to funding	Value 2018/19 (Rand)
10	Imboniselo Primary School	Environmental Projects: The project is an attempt to eradicate littering and also making citizens aware of the dangers of dumping and uncleanness.	Signing of an agreement – submission of finance report by end of financial year.	10,000
11	Mister Coopers Empire	The funds will serve as prize money for each of the five winners from all regions (Paarl, Wellington, Saron etc.). The winner will be trained by professional comedians that also need to be paid for their services.	Signing of an agreement – submission of finance report by end of financial year.	10,000
12	Kankervereniging van Suid-Afrika	Project: Health Promotion - Our wide range of health promotion programs include comprehensive care and support to cancer survivors and their families with the aim of improving the quality of life before, during and after their treatment. Patient care.	Signing of an agreement – submission of finance report by end of financial year.	10,000
13	Khanyisa Youth Development	Rehabilitation for our brothers in prison, by unpacking their mind-sets with the word of the Lord, utilising our God given talent music and drama. After the training we are going to have an exhibition day to showcase the unpacking stage.	Signing of an agreement – submission of finance report by end of financial year.	10,000
14	Legioene Bejaarde Klub Groenheuwel	For meals, transportation, rental of building. Purchasing of sportswear.	Signing of an agreement – submission of finance report by end of financial year.	10,000
15	Men's Vision of South Africa	Funds will be used for the establishment of the leadership school and train young leaders who will continue with the vision.	Signing of an agreement – submission of finance report by end of financial year.	10,000

Declaration of loans and grants made by the Municipality 2018/19				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the Municipality	Reason for application	Conditions attached to funding	Value 2018/19 (Rand)
16	Nehemia Volk van God Pinkster Kerk van SA	Purchasing of music instruments.	Signing of an agreement – submission of finance report by end of financial year.	10,000
17	Networking for Christ SA	Funding will be utilised for facilitator's fees, rental, transport, material (stationary etc.) and refreshments.	Signing of an agreement – submission of finance report by end of financial year.	10,000
18	Newton Dienssentrum	Purchasing of tiles for hall.	Signing of an agreement – submission of finance report by end of financial year.	10,000
19	Nomzamo Educare	Purchasing of outdoor equipment: jungle gym, slide, sandpit and educational equipment.	Signing of an agreement – submission of finance report by end of financial year.	10,000
20	Oceans United Rugby Club	Funds will be used for the players' equipment and appliances, as well as for upgrading of the fields, and to help with the travel costs	Signing of an agreement – submission of finance report by end of financial year.	10,000
21	Paarl Table Tennis Club	We would want to promote leagues in the area so that more players can get involved in sport, and to build capacity, and develop and promote participation by our Thusong Outreach Program. Purchase of equipment.	Signing of an agreement – submission of finance report by end of financial year.	10,000
22	Paul Mission South Africa	To proclaim the gospel of Jesus to all. To establish learning abilities and centres. To arrange leadership workshop, seminars, revival services for upliftment.	Signing of an agreement – submission of finance report by end of financial year.	10,000
23	Phumelela Educare Centre	Funds will be utilised for staff trainings and purchasing of food for the little ones.	Signing of an agreement – submission of finance report by end of financial year.	10,000
24	Sarah Soup Kitchen	Funds will be utilised for admin costs, e.g. petrol,	Signing of an agreement – submission of finance	10,000

Declaration of loans and grants made by the Municipality 2018/19				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the Municipality	Reason for application	Conditions attached to funding	Value 2018/19 (Rand)
		buying gas, electricity etc. Provision of food for needy children.	report by end of financial year.	
25	Skoenlappertjie Dagsorg	Purchasing of pots, gas stove, computer, printing machine and large mat.	Signing of an agreement – submission of finance report by end of financial year.	10,000
26	Strelitzia Senior Burgers Klub Paarl	Educational - Arts & Culture/ Golden Games/Motivational Talks/Police/Social/ educational camp.	Signing of an agreement – submission of finance report by end of financial year.	10,000
27	Sunrise Educare Centre	Purchasing of office/ educational material and utensils.	Signing of an agreement – submission of finance report by end of financial year.	5,000
28	Sunshine Day Care	Purchasing of educational toys and mattresses.	Signing of an agreement – submission of finance report by end of financial year.	10,000
29	Wilgerboom Elderly Club	To provide food to the senior citizens; to reach out to the less fortunate, to provide food parcels where possible.	Signing of an agreement – submission of finance report by end of financial year.	3,000
30	Young Gardens RFC	The objective of this project is to occupy the youth through physical training and sport.	Signing of an agreement – submission of finance report by end of financial year.	10,000
<i>*No loans were granted to any organisation</i>				



## ANNEXURE R: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

Table 201: MFMA S71 returns not made during 2018/19 according to reporting requirements

MFMA Section 71 returns not made during 2018/19 according to reporting requirements	
Return	Reason return has not been properly made on due date
All returns were submitted timely	

## ANNEXURE S: PRESIDENTIAL OUTCOME FOR LOCAL GOVERNMENT

**Table 202: Presidential outcome for Local Government**

Presidential outcome for Local Government		
Outcome/Output	Progress to date	Number or percentage achieved
<b>Output: Improving access to basic services</b>		
Provision of Basic Services	Formal households having access to all basic services.	100%
	Informal households having access to water, sanitation and refuse removal services at the minimum level.	100%
	Informal households having access to electricity services.	49.5%
<b>Output: Implementation of the Community Work Programme</b>		
EPWP: Environmental and Infrastructure Improvement Project (Solid Waste Management Project)	The EPWP Policy and various SOP's have been updated and approved by Council to guide appointments and ensure maximum transparency and due process. The adjustments focused on improving supervision and control over the EPWP.	In various projects about 1,804 persons were given job opportunities via the EPWP program. This resulted in an increase in the EPWP grant allocation for 2019/20.
The Community Works Programme functions in the Municipality, but is managed on behalf of national government by an external service provider.	6,412 work opportunities were created with the help of the Municipality.  <u>Note</u> Disclaimer: Work opportunities can be allocated to the same beneficiary more than once during the employer cycle of 12 months.	The target allocated to the Municipality was exceeded.
<b>Output: Deepen democracy through a refined Ward Committee Model</b>		
All Ward Committees are functional.	Regular ward meetings are facilitated by the Ward Councillor. Consequently, regular reports to this effect are submitted to the Speaker and Council.	152 committee meetings and 55 quarterly public meetings were held during the financial year.
<b>Output: Administrative and financial capability</b>		
Debt Collection and Indigent Support Policy as well as the Writing Off of Irrecoverable Debt Policy were reviewed.	These policies were approved by Council to ensure that consumers who are struggling financially can be accommodated without severe negative effects to the Municipality.	96.47% debt collection rate for 2018/19

## 8. VOLUMES

### VOLUME I: REPORT OF THE AUDITOR-GENERAL

The report of the Auditor-General to the Western Cape Provincial Parliament and the Municipal Council on Drakenstein Municipality's 2018/2019 annual financial statements, annual performance report, compliance with legislation, other information and internal control deficiencies now follows on the next eight pages.

## VOLUME II: AUDIT OUTCOME IMPROVEMENT PLAN

**Table 203: Audit Outcome Improvement Plan**

<b>AUDITOR-GENERAL REPORT 2018/19</b>	
Report on the audit of the financial statements	Unqualified opinion
Report on the audit of the pre-determined objectives	No material findings
Report on the audit of compliance with legislation	No material findings
<b>Issues Raised</b>	<b>Corrective Measures Required</b>
<b>Emphasis of Matters</b>	
<b>Material Losses/Impairments – Trade Creditors</b>	
As disclosed in notes 19.1, 19.2 and 20.1 to the financial statements, the municipality has provided for the impairment of receivables amounting to R191.7 million (2017/18: R243 million), based on the recoverability of gross receivables.	None. Simply an information statement by the Auditor-General.
<b>Significant Uncertainties</b>	
As disclosed in note 51 to the financial statements, the municipality is the defendant in a case where it is being sued for R 449 million. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result in this regard has been made in the financial statements.	None. Simply an information statement by the Auditor-General.

## VOLUME III: REPORT OF THE AUDIT COMMITTEE

The Audit Committee presents its report for the financial year ended 30 June 2019.

### AUDIT COMMITTEE MEMBERS AND ATTENDANCE

As requested by its Charter, the Audit Committee listed below, is required to meet at least four times per annum, although additional meetings may be scheduled as the need arises. Eight meetings were held during the 2018/19 financial year.

	<u>Meetings Attended</u>
Mr. T. Arendse (CA (SA)) (Resigned 21 October 2018)	2
Ms. Kim Montgomery (B.Com (Law) (Re-appointed 01 August 2018)	8
Mr. R. Najjaar (Hons B. Compt) (CIA) (Appointed 01 August 2018)	7
Mr. R.G. Nicholls (CA (SA)) (CIA) (Appointed 01 August 2018)	5
Mr. C. Whittle (CA (SA)) (Appointed 01 November 2018)	6
Mr. R. Kingwill (CA (SA)) (Contract ended 31 July 2018)	1
Dr. W.J Sewell (D.Litt et Phil) (Contract ended 31 July 2018)	1

### AUDIT COMMITTEE RESPONSIBILITY

The Committee reports that it has as far as possible, complied with the responsibilities arising from its terms of reference, including relevant legislative requirements.

### REVIEW AND EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The effectiveness of the Finance function is key to performance and governance. The Committee is pleased that the Auditor-General issued an unqualified audit opinion with no other matters on the financial statements of the Municipality for the year ended 30 June 2019. These financial statements are prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No.56 of 2003)(MFMA) and the Division of Revenue Act of South Africa, 2018 (Act No 1 of 2018) (DoRA).

The Committee is of the opinion that the audited financial statements should be accepted and read together with the Report of the Auditor-General.

### PERFORMANCE MANAGEMENT

The Committee reviewed the quarterly performance results presented by Management as well as the quarterly reports of Internal Audit on the verification of the reported performance

results. The Committee noted the success of the effort made by Management to ensure a credible performance management system and reliable performance results.

This is reflected in the positive outcome of the Auditor-General's review of the Municipality's predetermined objectives. Management is further encouraged to ensure that the business processes underlying the preparation and presentation of performance information are further embedded and that management oversight of reported results is strengthened.

## **INTERNAL CONTROL AND RISK MANAGEMENT**

The Committee received quarterly progress reports from Internal Audit on the execution of the revised operational internal audit plan and the results of the audits conducted. Where instances of control weakness were reported, Management committed to implementing the necessary action plans to address the reported control weaknesses. These will be reviewed at our quarterly meetings.

The Fraud and Risk Management Committee (FARMCO) is responsible for the oversight of risk governance. The Committee is satisfied that FARMCO dedicates sufficient time to the governance of risk. FARMCO includes a representative from the Audit Committee. The Committee is happy to report that the FARMCO structure in the Municipality has reached a mature level of functioning and reliance is placed on its oversight activities.

The Committee reviewed the risk profile of the Municipality when the Internal Audit Plan priorities were determined. The Committee remains concerned that progress of embedding a risk management culture in the processes of the Municipality still needs attention. The Committee also noted in the Auditor-General's report that no significant deficiencies were identified in internal control.

## **ASSURANCE PROVIDERS**

The Auditor General of South Africa (AGSA) has a constitutional mandate and, as the Supreme Audit institution 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. The AGSA, governed by the Public Audit Act, No. 25 of 2004 (PAA), is legally, financially and operationally independent. The Committee has formally commended the AGSA audit team on the quality of the external audit undertaken and the manner in which the engagement between the stakeholders was conducted. Oversight of the Internal Audit function is delegated to the Committee. The Committee annually reviews the internal audit charter, which defines the roles and responsibilities of the internal audit function. This charter ensures that the internal audit function has the necessary skills and resources to effectively execute the annual internal audit plan. The Chief Audit Executive functions independently

from management and possesses the necessary competence and skills to perform the allocated duties. The CAE has unlimited access to the Committee in reporting on the performance of the duties and functions relating to internal audit. The lines of assurance have been defined for the Municipality and funding has been made available to develop a Combined Assurance Model from which the process will be formalised and driven.

## **CONCLUSION**

The Audit Committee congratulates the Management team on achieving a clean audit opinion and wishes the Municipal Council, Executive Mayor and Municipal Management and staff success in their quest to make Drakenstein a “City of Excellence”.



**KIM MONTGOMERY**  
**AUDIT COMMITTEE CHAIRPERSON**

Date: 18 December 2019

## VOLUME IV: 2018/2019 ANNUAL AUDITED FINANCIAL STATEMENTS

The audited 2018/2019 annual financial statements will now follow for the next 128 pages. Drakenstein Municipality received an unqualified audit opinion from the Auditor-General for the 2018/2019 financial year.



## VOLUME V: 2018/2019 ANNUAL PERFORMANCE REPORT

The audited 2018/2019 annual performance report will now follow for the next 48 pages. No material findings on the usefulness and reliability of the reported information were raised by the Auditor-General.