

ANNUAL REPORT

2017/18

VOLUME I



MUNISIPALITEIT - BERGRIVIER - MUNICIPALITY

ONS DIEN MET TROTS / WE SERVE WITH PRIDE

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FOREWORD BY THE EXECUTIVE MAYOR



Our Vision

Bergrivier: a prosperous community where all want to live, work, learn and play in a dignified manner.

Mission:

Commitment to sustainable development and the delivery of services that are responsible to the developmental needs of all communities in Bergrivier Municipality.

Dearest community,

It is an honor to represent the Council of Bergrivier Municipality and an absolute pleasure to present the Annual Report for the 2017/2018 financial year.

Bergrivier Municipality has made a commitment to its community and via political and administrative leadership we were successful in providing quality services as documented throughout the Annual Report.

Although we are extremely proud of our achievements, we face ongoing challenges. Collectively we will continue focusing our strengths on the following relevant aspects:

- *Promotion of a safe, healthy, educated and integrated community;
- *Sustainable service delivery;
- *Economic development;
- *Continuity of good governance;
- *Building strong relationships between the municipality, the community and commercial agriculture;
- *Integration via the RSEP programs, education and housing;
- *Continue to employ qualified staff to validate the vision of the municipality: Fit for Purpose;
- *Communication and public participation;
- *Ensuring service delivery is the focal point at all times; and
- *Last but not least, we will ensure that Bergrivier Municipality is a municipality for the people, of the people and by the people.

This Annual Report provides an overview of the strategic objectives we addressed as set out by the Integrated Development Plan (IDP), focusing on service delivery while concurrently complying with legislative requirements and governance challenges.

On behalf of the Council of Bergrivier Municipality I would like to take this opportunity to convey our sincerest appreciation to the community of Bergrivier for their inputs and continuous support.

A heartfelt thank you to the Municipal Manager, the Directors and the full municipal complement for their loyal dedication in diligently performing all their duties.

“Few will have the greatness to bend history itself, but each of us can work to change a small portion of events. It is from numberless diverse acts of courage and belief that human history is shaped. Each time a man/woman stands up for an ideal, or acts to improve the lot of others, or strikes out against injustice, he/she sends forth a tiny ripple of hope, and crossing each other from a million different centers of energy and daring those ripples build a current which can sweep down the mightiest walls of oppression and resistance.” — **Robert F. Kennedy**

For this I acknowledge, appreciate and applaud my fellow councillors.

Bergrivier Municipality supports the Sustainable Development Goals (SDG's) as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

All honor and glory to God.

Thank you,

Alderman Ray van Rooy

EXECUTIVE MAYOR



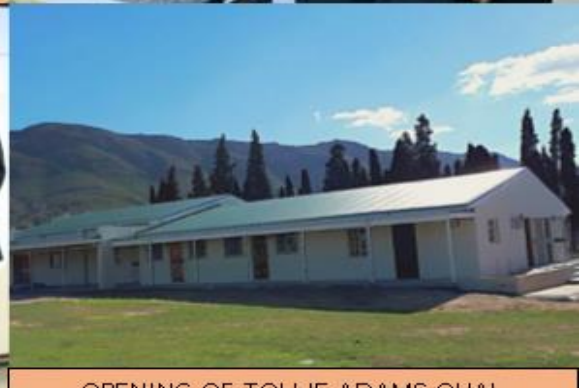
IDP FORUM MEETING 5 OCTOBER 2017 WITH COLLEAGUES



R227 200 TOWARDS SPORT DEVELOPMENT



SECOND CLEAN AUDIT FOR BERGRIVIER MUNICIPALITY!



OPENING OF TOLLIE ADAMS OVAL



OFFICIAL OPENING OF CALENDULA STREET ON 3 AUGUST 2018 - ONE PIKETBERG!



VISIBILITY OF LAW ENFORCEMENT IMPROVED WITH BICYCLES



BERG RIVER IN FLOOD AFTER 4 YEARS



WASTE AMBASSADORS TURNING WASTE INTO PROSPERITY!

HIGHLIGHTS OF 2017/18 FINANCIAL YEAR

FOREWORD BY THE MUNICIPAL MANAGER



I am proud to be associated with Bergrivier Municipality. It is an institution where we truly live our vision of creating a *“Prosperous Community where all want to live, work, learn and play in a dignified manner”*. We strive to satisfy our community by delivering excellent services, which we do sustainably. The appreciation and thankfulness that we receive from our communities are evidence of this. Our latest customer survey rated the Municipality at 75% satisfied customers. Bergrivier Municipality is a Category B Municipality in terms of Section 155 of the Constitution of South Africa (1996) and performs all the executive, legislative and administrative powers and functions assigned to it in terms of Section 156 of the Constitution read with Chapter 3 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) (Systems Act). At Bergrivier Municipality we strongly uphold the definition of a Municipality as contained in the Systems Act, which states that a municipality consists of three equal partners namely the Council, the Administration and the Public. It is where these three partners work seamlessly together, that we see the magic happen!



Obviously we are not perfect and there is still much that we can and must do, but we are satisfied that we truly function as three circles working together in close partnership to benefit all the people living and working within our Municipal area. For these reasons, we take great care and effort to work well with sector departments in our area to obtain maximum successes. Please refer to the list of successes listed by the Executive Mayor in his foreword.

Our international relations with Belgium Federal Government and Heist-op-den-Berg Municipality in particular assisted Bergrivier Municipality in knowledge sharing, skills transfers and the procurement of much needed funding. Bergrivier Municipality is privileged to be selected as one of only three Municipalities in South Africa to apply for funding from the Belgium Federal Government. We have submitted our business plan during May 2016 on the improvement of waste management with the theme: "Turning waste into prosperity". During the previous financial year (2016/2017) our funding application was approved and we started implementing the programme successfully from July 2017. During the 2017/2018 financial year 21 waste ambassadors were recruited from local entrepreneurs and employed in three areas throughout Bergrivier Municipal Area namely Noordhoek in Velddrif, Ward 4 in Piketberg and Monte Bertha in Porterville. The ambassadors were trained in waste management. This programme will be implemented during the following 5 years.

While attending to our own areas of service delivery within Bergrivier Municipal area, we are also in conversation with the Moravian Church of South Africa about sustainable service delivery models in the two Moravian Towns within Bergrivier. At the moment the Church is still acting as "Municipality" in both Goedverwacht and Wittewater (two Moravian Towns within our area) with poor levels of success. The Municipality and the District Municipality are currently assisting the Church with service delivery where and when needed, but we are seeking a sustainable future solution jointly and in partnership to ensure a better future for all people living in the Moravian towns. This is an ongoing discussion and the rhythm of progress is dictated by the Church. The Municipality is frustrated by the slow progress, but we are doing everything in our power to expedite a solution.

The revenue trend for the Municipality for the past three years consists mainly of income derived from services, rates and government grants. The revenue from own sources, rates and services represents 78.87 % of the total operational income. During the past financial year the Council took up external loans to the value of R 6 080 million for the construction of capital infrastructure to enhance the delivery of services. Government grants received represent 21.13 % of revenue. The loans and grants were also spent on infrastructure improvement to ensure that all residents have access to the full complement of Council's services. During this financial year we realized a debtor's collection rate of 91.74 % which is below the National Treasury current norm of 95 % in Local Government. The Municipality has prepared a revenue Management Action Plan to improve the collection rate and we will make a concerted effort in the next financial year to achieve a minimum target of 96 %.

Bergrivier Municipality is blessed with a skilled and loyal work force and we had only one change during this financial year in our Top Management and that was the appointment of a senior manager, Director Dean Josephus, as the Director Community Services. The Directors of Bergrivier Municipality have permanent employment contracts and that supports stability and attracts better skills and experience. The Council values continuity and will ensure stability in the administration for the next term. The contract of

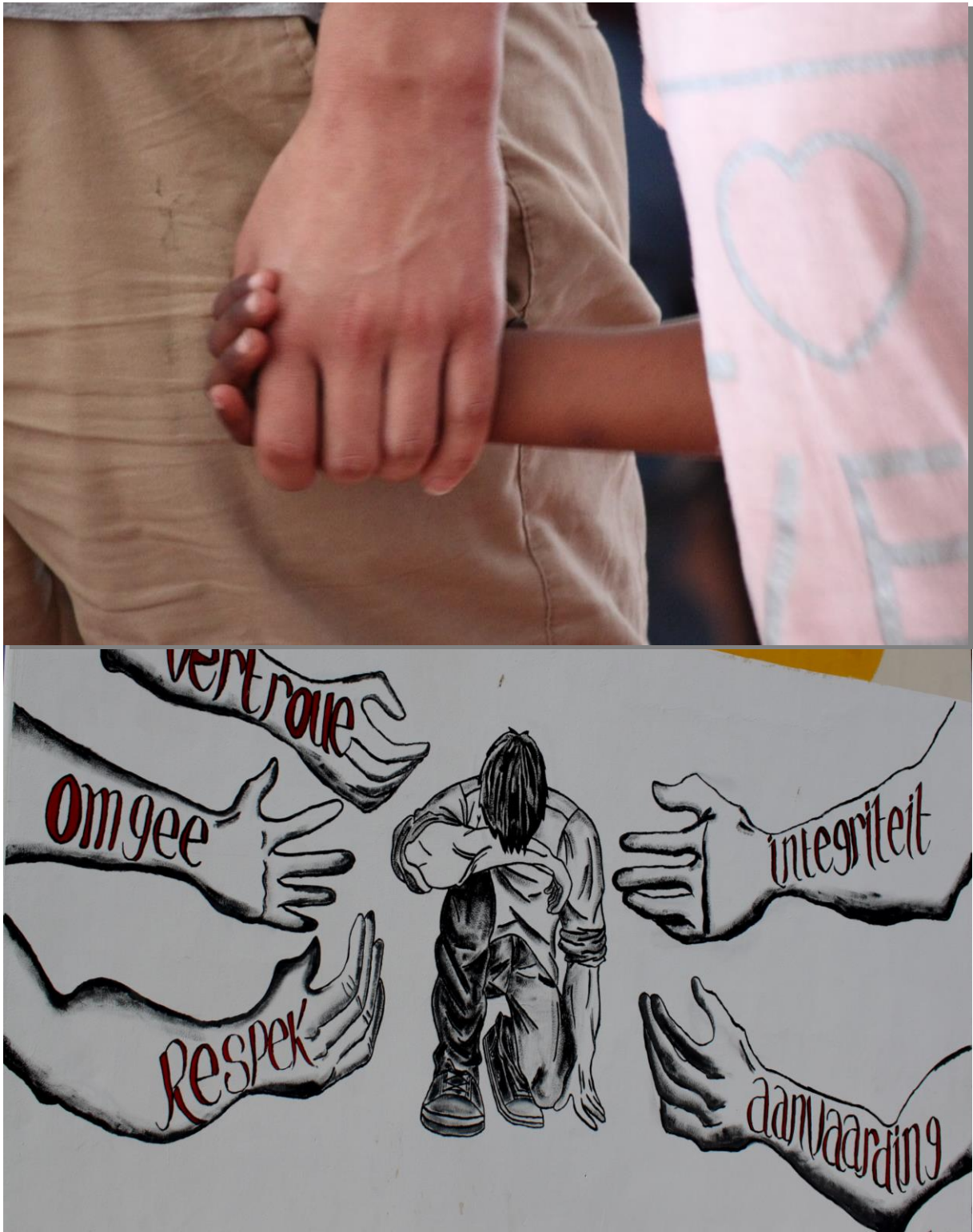
the Municipal Manager was extended for another 5 years until 2022.

As a Municipality we do risk assessments annually and have dedicated risk meetings quarterly to develop and implement mitigating measures. Our top 4 strategic risks with the highest residual ratings include the limited water availability and supply, lack of effective credit control resulting in high outstanding debtors, lack of financial sustainability and the risk of illegal occupation of Municipal land.

Looking back we are thankful for a very successful year with many highlights, but we are also constantly aware of the sustainability challenges facing Local Government in South Africa including the financial sustainability of Local Government. Together we can face any challenge that comes our way if we continue to work in partnership. I believe that there are no challenges that we cannot successfully tackle together. We truly strive to serve with pride!

ADV H LINDE
MUNICIPAL MANAGER

CHAPTER 1: MUNICIPAL OVERVIEW AND EXECUTIVE SUMMARY



Fighting poverty and better education together

Photographer unknown

1.1 INTRODUCTION TO BERGRIVIER MUNICIPALITY

The Constitution of the Republic of South Africa (1996) states that the government comprises of national, provincial and local spheres (municipalities) of government which are distinctive, interdependent and interrelated (Section 40). Bergrivier Municipality is an organ of state within the local sphere of government, and is established in terms of Section 12 of the Municipal Structures Act, 1998, (Act 117 of 1998) (Municipal Structures Act) as a Local Municipality with an Executive Mayoral System combined with a Ward Participatory System.

Section 152 (1) of the Constitution sets out the objectives of local government namely:

- To provide democratic and accountable government to the community;
- To ensure the sustainable provision of services to the community;
- To promote social and economic development;
- To promote a safe and healthy environment; and
- To encourage communities and community organisations to get involved in local government matters.

The Constitution also assigns a developmental duty to Municipalities which requires them to structure and manage their administration, budgeting and planning processes in a manner that gives priority to the basic needs of the community whilst promoting social and economic development of the community, and ensure that any red tape with regard to land use planning is eliminated.

The functions of municipalities are set out in Schedules 4B and 5B of the Constitution, and municipalities must perform these functions in a manner that enables them to achieve the Constitutional objectives as indicated above. Section 84 of the Municipal Structures Act regulates the division of functions between district and local municipalities and the following table indicates the functions that Bergrivier Municipality is authorised to perform.

TABLE 1: MUNICIPAL FUNCTIONS

Schedule 4, Part B functions	Yes/No	Schedule 5, Part B functions	Yes/No
Air pollution	Yes	Beaches and amusement facilities	Yes
Building regulations	Yes	Billboards and the display of advertisements in public places	Yes
Child care facilities	Yes	Cemeteries, funeral parlours and crematoria	Yes
Electricity and gas reticulation	Yes	Cleansing	Yes
Firefighting services	Yes	Control of public nuisances	Yes

Schedule 4, Part B functions	Yes/No	Schedule 5, Part B functions	Yes/No
Local tourism	Yes	Control of undertakings that sell liquor to the public	Yes
Municipal airports	None in our area	Facilities for the accommodation, care and burial of animals	Yes
Municipal planning	Yes	Fencing and fences	Yes
Municipal health services	No (West Coast District Municipality)	Licensing of dogs	No (West Coast District Municipality)
Municipal public transport	Yes	Licensing and control of undertakings that sell food to the public	WCDM
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	Local amenities	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes	Local sport facilities	Yes
Storm water management systems in built-up areas	Yes	Markets	Yes
Trading regulations	Yes	Municipal abattoirs	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	Municipal parks and recreation	Yes
		Municipal roads	Yes
		Noise pollution	Yes
		Pounds	Yes
		Public places	Yes
		Refuse removal, refuse dumps and solid waste disposal	Yes
		Street trading	Yes
		Street lighting	Yes
		Traffic and parking	Yes

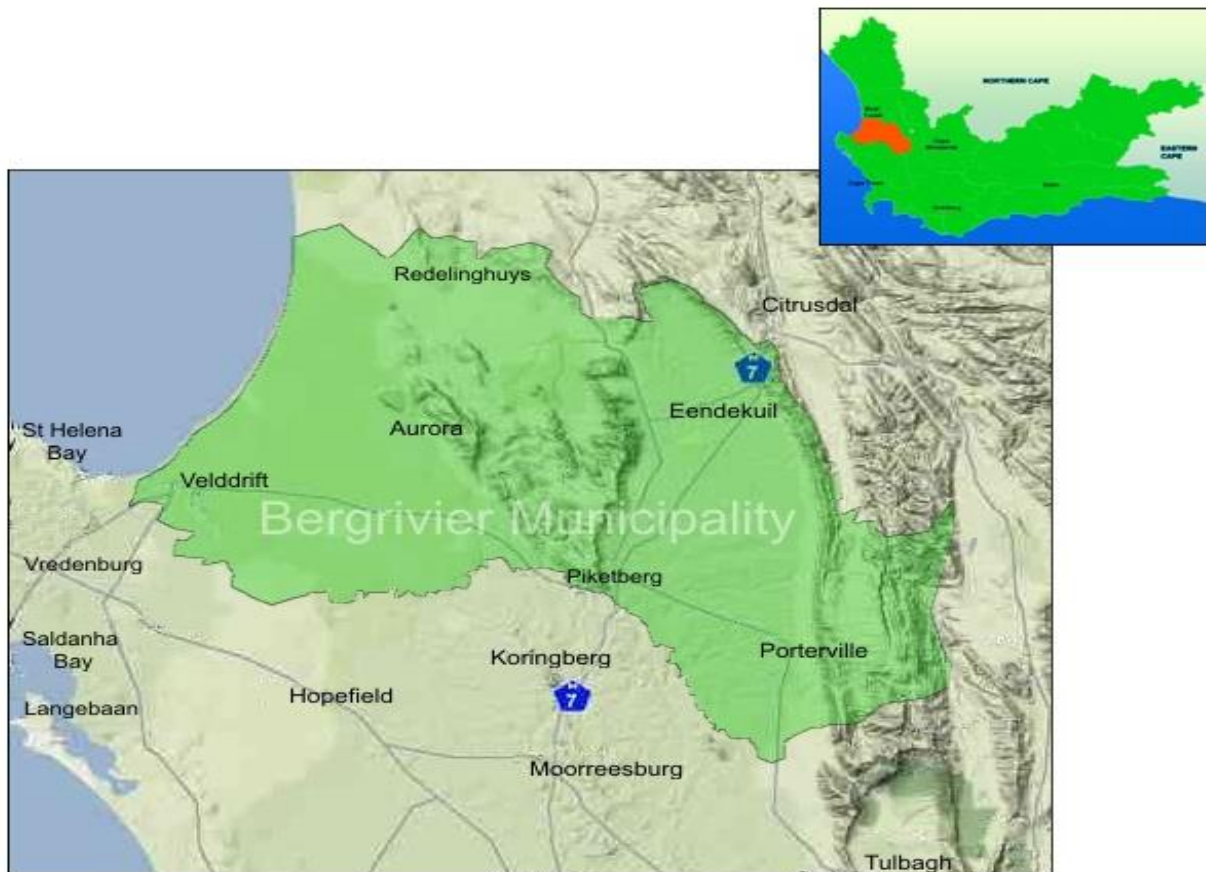
1.2 GEOGRAPHIC OVERVIEW

Bergrivier Local Municipality is situated in the West Coast District of the Western Cape Province. The Municipality is bordered to the North by Cederberg Municipality, to the West by Saldanha Bay Municipality, to the South by Swartland Municipality and to the East by Drakenstein and Witzenberg Municipalities. The Municipality covers a geographic area of approximately 4 407.04 km² and is geographically diverse. It includes 9 urban settlements, approximately 40 kilometres of coastline and a vast rural area. The main urban settlements that constitute the Municipality are: Piketberg which is the

administrative seat, Porterville, Velddrif (which includes Port Owen, Laaiplek and Noordhoek), Dwarskersbos, Eendekuil, Aurora, Redelinghuys, Goedverwacht and Wittewater. The latter two towns are Moravian settlements on private land.

The following figure depicts the Bergrivier Municipal Area as well as the position of Bergrivier Municipality in relation to the Western Cape.

FIGURE 1: MAP OF BERGRIVIER MUNICIPALITY IN RELATION TO THE WESTERN CAPE



The following table provides an overview of the various settlements that constitute the Bergrivier Municipal Area:

TABLE 2: SETTLEMENT TYPES, CHARACTERISTICS AND ECONOMIC BASE

SETTLEMENT	CHARACTERISTICS AND ECONOMIC BASE
Velddrif (Including Laaiplek, Port Owen and Noordhoek)	Velddrif is a coastal town which functions as a focal point for the fishing industry along the West Coast. The most important resources are the sea, the coastal environment, salt pans and the Bergrivier Estuary. Tourism, retirees and second home residents provide a solid base for the local economy.
Dwarskersbos	Dwarskersbos is a coastal town characterised by its property market, holiday accommodation and tourism. The sea and coastal area are the most important natural resources. The main function of the town is to provide holiday accommodation. Tourism, retirees and second home residents provide a solid base for the local economy.

SETTLEMENT	CHARACTERISTICS AND ECONOMIC BASE
Piketberg (Including Piket Bo-Berg)	Piketberg is classified as a central place and is the administrative seat of the Bergrivier Municipality. It is also the service and commercial centre of the surrounding agricultural area. The primary economic base of Piketberg is agriculture. Public-sector activities related to the municipal head office, district offices, provincial government offices and other public functions also provide a solid base for the local economy.
Porterville (Including Dasklip Pass)	Porterville is classified as a central place and sound infrastructure has contributed towards the establishment of a Regional Kaap Agri Office as well as the Voorberg prison. The economic base of Porterville is primarily agriculture, which is supplemented by some recreational and tourism activities.
Redelinghuys	Redelinghuys is classified as an isolated village. The town mainly functions as a residential area for the surrounding agricultural sector and retired people. There is some recreational and tourism potential in the Verlorenvlei which is a Ramsar Site which falls partially within Bergrivier's area of jurisdiction. This town has no autonomous economic base other than the accommodation of farm workers involved in the nearby farms and basic service provision associated with this use.
Aurora	Aurora is also classified as an isolated village. The town has a rural character against a picturesque topographical setting. This town has no autonomous economic base other than the accommodation of farm workers involved in the nearby farms and basic service provision associated with this use.
Eendekuil	Eendekuil is also classified as an isolated village. It functions as a low-order agricultural service centre that is dependent on Piketberg for higher-order services. Mainly a residential town for farm workers and retired people. This town has no autonomous economic base other than the accommodation of farm workers involved in the nearby farms and basic service provision associated with this use.
Goedverwacht and Wittewater	Goedverwacht and Wittewater are also classified as isolated villages. These towns are located on private land, within a predominantly agricultural area. They are Mission Stations run by the Moravian Church of South Africa, and have little direct investment to stimulate economic activities. Inhabitants work mainly on the surrounding farms, but the villages do boast some very good builders. The scenic mountains and the missionary culture offer some tourism potential, but this can only be realized within the context of the larger tourism plan for the region.

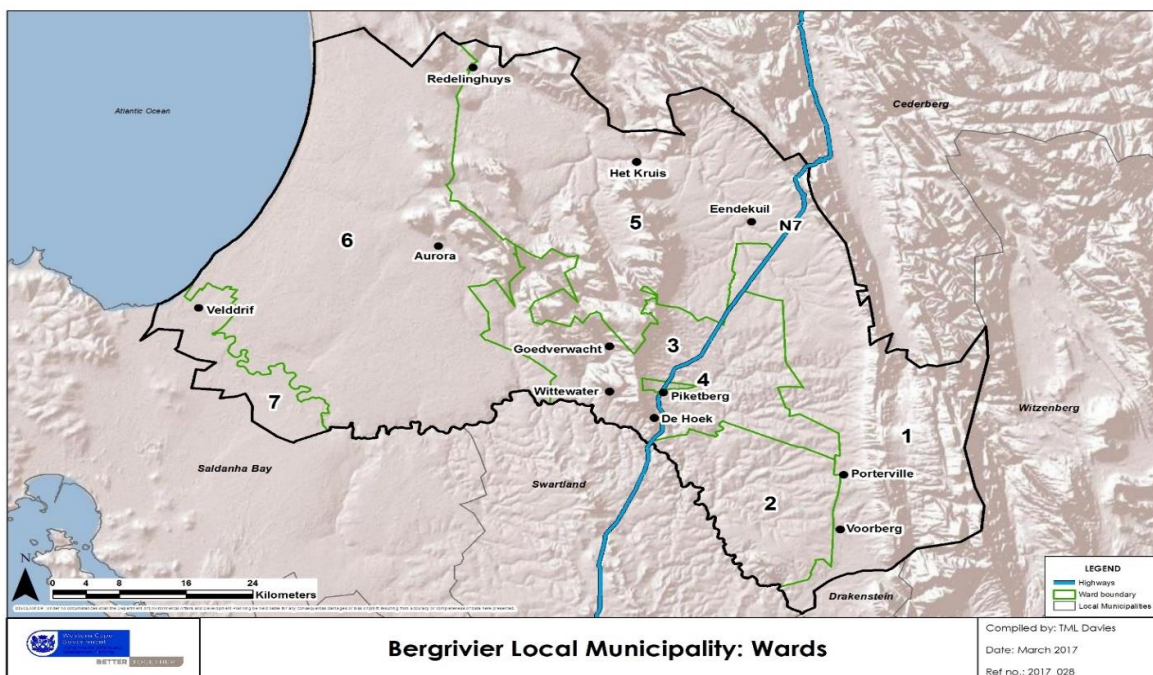
The ward demarcation of Bergrivier Municipality was changed for the 2016 municipal election in accordance with the Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998) (Demarcation Act) and was demarcated into 7 (seven) wards. Although the Municipality had 7 wards prior to this, the new demarcation brought about significant changes in ward boundaries which impact on municipal planning, information management and community participation practices. The following is a table outlining the new ward demarcation in comparison to the former demarcation:

TABLE 3: COMPARISON OF WARD DEMARCATIONS

WARD	2016 ELECTION DEMARCATION	FORMER DEMARCATION
1	Comprises Porterville Town, Voorberg and the rural area to the south east of	Porterville Town and the rural area to the North of

WARD	2016 ELECTION DEMARCATION	FORMER DEMARCATION
	Porterville	Porterville
2	Comprises the remainder of Porterville (Monte Bertha) and the rural area to the west of Porterville	The remainder of Porterville (Monte Bertha), the rural area to the South of Porterville and the Voorberg prison
3	Comprises the Western and Southern portion of Piketberg Town, De Hoek, Wittewater and Goedverwacht	Western and Southern portion of Piketberg Town, Eendekuil and an extensive rural area
4	Predominantly urban and comprises the North Eastern portion of Piketberg Town	Predominantly urban and comprises the North Eastern portion of Piketberg Town
5	Comprises the Western and Southern portion of Eendekuil, Redelinghuys and Genadenberg which belong to the Moravian Church of South Africa	Predominantly rural with a smattering of private settlements including Wittewater, Goedverwacht and Genadenberg which belong to the Moravian Church of South Africa and De Hoek, a private residential area situated on the premises of the Pretoria Portland Cement factory (PPC) a few kilometres to the south of Piketberg
6	Predominantly coastal and rural and comprises the towns of Aurora, Noordhoek and Dwarskersbos and the rural areas between these settlements	Predominantly rural and comprises the towns of Aurora, Redelinghuys and Dwarskersbos and the rural areas between these settlements
7	Predominantly urban coastal settlement and comprises Velddrif which includes Port Owen and Laaiplek	Predominantly urban coastal settlement and comprises Velddrif which includes Noordhoek, Port Owen and Laaiplek

FIGURE 2: WARD DEMARCATION



Bergrivier Local Municipality: Wards

Compiled by: TML Davies
Date: March 2017
Ref no.: 2017_028

1.3 DEMOGRAPHIC OVERVIEW

1.3.1 POPULATION

West Coast District Population

The West Coast District Population is outlined in the table below. Bergrivier Municipality has the second smallest population in the West Coast District.

TABLE 4: WEST COAST POPULATION

	Male				Female				Total
	Black African	Coloured	Indian/Asian	White	Black African	Coloured	Indian/Asian	White	Total
DC1:West Coast	38 508	145 239	770	32 642	32 606	152 188	306	34 144	436 403
WC011: Matzikama	2 615	28 804	-	4 371	1 599	29 303	22	4 333	71 047
WC012: Cederberg	3 396	19 924	-	3 456	2 864	20 187	-	3 122	52 949
WC013: Bergrivier	1398	24 871	80	6 219	1 388	26 711	-	6 807	67 474
WC014: Saldanha Bay	19 462	29 351	164	6 608	17 427	31 207	14	6 940	111 173
WC015: Swartland	11 638	42 290	526	11 989	9 327	44 780	269	12 943	133 762

Community Survey 2016

The Socio-Economic Profile of 2017 states that 68 751 people will reside in Bergrivier Municipal Area in 2018. It needs to be recognized that other sources provide different figures and the projections of the study of PriceWaterhouseCoopers (PWC) differ slightly from the projections of the Community Survey 2016:

TABLE 5: PROJECTIONS OF POPULATION WEST COAST: PWC

Population Projections for DC1 Local Municipalities: 2011 to 2040						
Year	Matzikama	Cederberg	Bergrivier	Saldanha Bay	Swartland	Total
2011	67,147	49,770	61,896	99,192	113,767	391,773
2012	67,927	50,387	62,901	101,255	115,425	397,895
2013	68,712	50,999	63,900	103,312	117,072	403,995
2014	69,495	51,603	64,892	105,351	118,704	410,045
2015	70,274	52,198	65,874	107,366	120,314	416,025
2016	71,047	52,782	66,847	109,355	121,898	421,929

Population Projections for DC1 Local Municipalities: 2011 to 2040						
2017	71,813	53,355	67,807	111,315	123,452	427,742
2018	72,569	53,917	68,754	113,238	124,970	433,447
2019	73,315	54,464	69,686	115,124	126,448	439,037
2020	74,049	54,999	70,600	116,972	127,884	444,503
2021	74,770	55,520	71,497	118,778	129,278	449,843
2022	75,478	56,028	72,375	120,542	130,629	455,052
2023	76,172	56,521	73,234	122,265	131,941	460,133
2024	76,852	54,000	74,073	123,951	133,210	465,086
2025	77,521	57,467	74,892	125,600	134,440	469,921
2026	78,175	57,923	75,693	127,219	135,632	474,642
2027	78,814	58,366	76,476	128,810	136,791	479,257
2028	79,440	58,796	77,241	130,376	137,919	483,772
2029	80,050	59,217	77,989	131,920	139,017	488,192
2030	80,645	59,627	78,722	133,444	140,086	492,524
2031	81,224	60,025	79,441	134,949	141,130	496,768
2032	81,785	60,414	80,147	136,435	142,148	500,929
2033	82,329	60,791	80,840	137,904	143,142	505,006
2034	82,854	61,159	81,520	139,354	144,112	508,999
2035	83,362	61,517	82,187	140,786	145,055	512,908
2036	83,850	61,865	82,841	142,200	145,977	516,733
2037	84,321	62,203	83,482	143,593	146,873	520,472
2038	84,772	62,528	84,110	144,966	147,746	524,122
2039	85,203	62,844	84,724	146,315	148,594	527,680
2040	85,615	63,147	85,325	147,641	149,417	531,145
Growth	18,468	13,377	23,429	48,449	35,650	139,372
% Growth	0.82%	0.84%	1.11%	1.38%	0.94%	1.06%

Bergrivier Municipality Population

The following sources of statistics estimate the population of Bergrivier Municipal Area:

TABLE 6: SOURCES OF STATISTICS

Source	Total estimated population size in 2017	Total estimated population size in 2020	Total estimated population size in 2023	Total estimated population size in 2030	Total estimated population size in 2040
Socio-Economic Profile (2017)	68 751	70 597	73 232	Not provided	Not provided
Community Survey 2016	67 474	Not provided	Not provided	Not provided	Not provided
PriceWaterhouse Coopers	67 807	70 600	73 234	78 722	85 325

The estimated population figure for Bergrivier Municipality in 2001 was 46 327. This figure increased substantially to 61 897 in 2011, which is indicative of migration into the Municipal Area. The

estimated population growth for the Bergrivier Municipal Area is 0.2 % per annum which translates to a population for 2016 of 67 474. It needs to be emphasized that the growth rate per annum varies from source to source as the PWC growth rate is stated as 1.11 % and the Social-Economic Profile of 2017 states it as 1.3 %. The average annual growth rate for Bergrivier Municipality is slightly higher than that of the West Coast District's 1.2 %. (MERO 2017)

The following table indicates the population dispersion per ward.

TABLE 7: ESTIMATED POPULATION PER MUNICIPAL WARD

WARD	DESCRIPTION	ESTIMATED POPULATION
Ward 1	Comprises the northern part of Porterville and the rural area to the north of Porterville; Voorberg prison	11 475
Ward 2	Comprises the southern part of Porterville, Monte Bertha the rural area to the south of Porterville	5 677
Ward 3	Comprises the western and southern portion of Piketberg Town, De Hoek, Wittewater, Goedverwacht.	9 509
Ward 4	Predominantly urban and comprises the North Eastern portion of Piketberg Town	10 273
Ward 5	Predominantly rural Eendekuil, Redelinghuys with a smattering of private settlements including Genadenberg which belong to the Moravian Church of South Africa	14 165
Ward 6	Predominantly rural and comprises the towns of Aurora, Noordhoek ; Dwarskersbos and the rural areas between these settlements	3 972
Ward 7	Predominantly urban coastal settlement and comprises Velddrif which includes Port Owen and Laaiplek	12 344
Total Bergrivier Population		67 474

The following table indicates the population dispersion per town/area:

TABLE 8: POPULATION PER TOWN / AREA

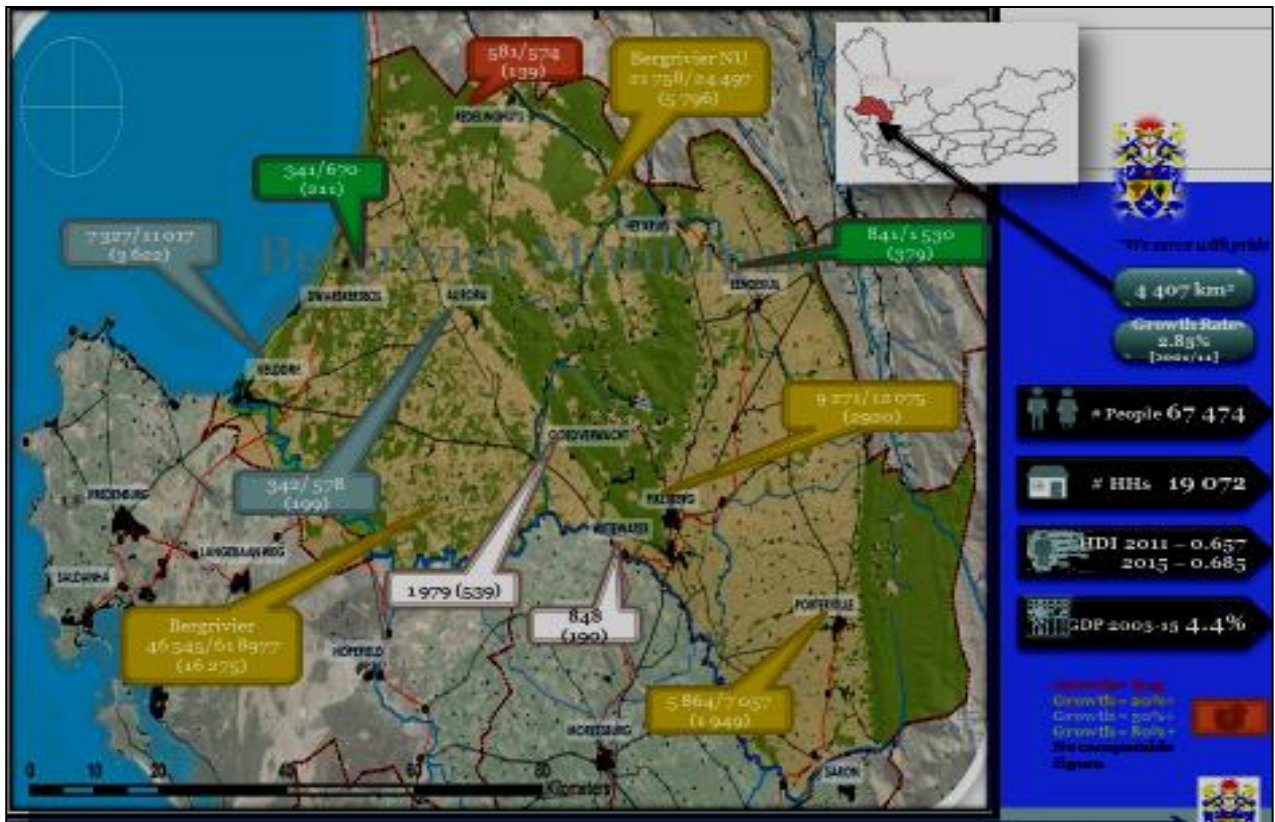
TOWN / AREA	2011	2016
Redelinghuys	581	574
Bergrivier Rural Area	21 758	24 497
Eendekuil	841	1 530
Dwarskersbos	341	670
Aurora	342	578
Velddrif	7 327	11 017

TOWN / AREA	2011	2016
Goedverwacht	No data	1 979
Beaverlac	59	64
Piketberg	9 271	12 075
De Hoek	330	360
Wittewater	849	848
Porterville	5 864	7 057

Statistics South Africa: Census 2011 and Community Survey 2016 and Source: DEADP/Stats SA

Notes:

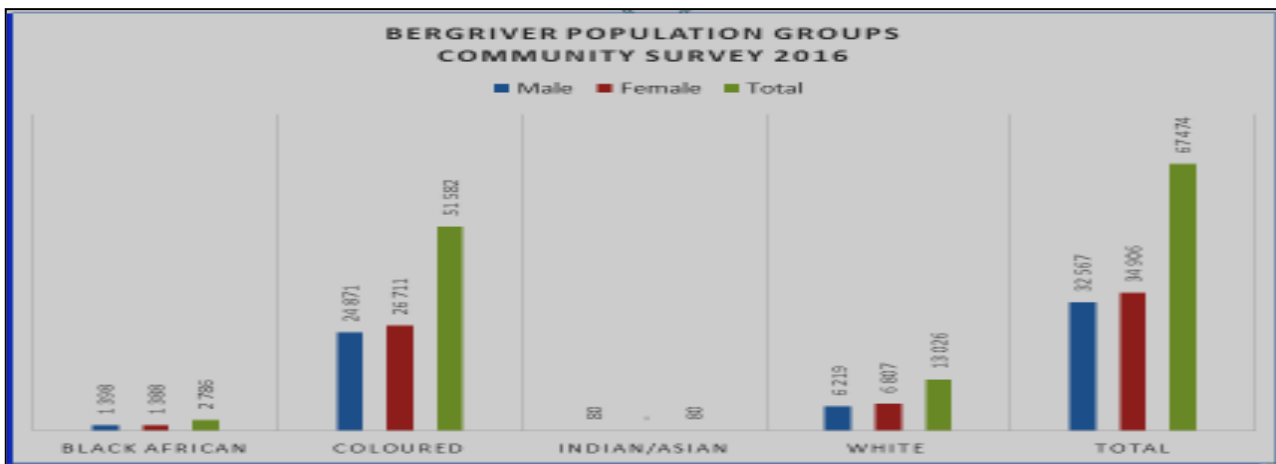
- i. Bergrivier Municipality has a relatively large non-urban population (39.6 % in 2011);
- ii. Bergrivier had a relatively large and proportionately stable rural population in the period 2001 to 2011 (40.9 % in 2001 and 39.6 % in 2011). The rural population grew by 2.6 % per annum on average from 2001 to 2011 while the urban population grew by 3.2 % on average in the same period. Bergrivier Municipality population growth slowed to 1.7 % per annum in the period 2011-2016;
- iii. The main urban centres of Piketberg (19.5 % pop.), Veldrif (17.8 % pop.) and Porterville (11.4 % pop.) have grown at 30 %, 50 % and 20 % respectively from 2001 to 2011;
- iv. The average Municipal Population growth from 2011 to 2016 was 1.7 % per annum, which was down from the 2.6 % from 2001 to 2011.



- **Population statistics per gender**

The gender composition from 2001 to 2011 remains relatively unchanged and well balanced, with a slightly higher ratio of females to males. The population is predominantly youthful with 58 % of the population falling within the national definition of youth (under 35 years). There is a significant increase of 24.2 % in this age group. The following table indicates the population dispersion by age and race.

FIGURE 3: GENDER DISPERSION

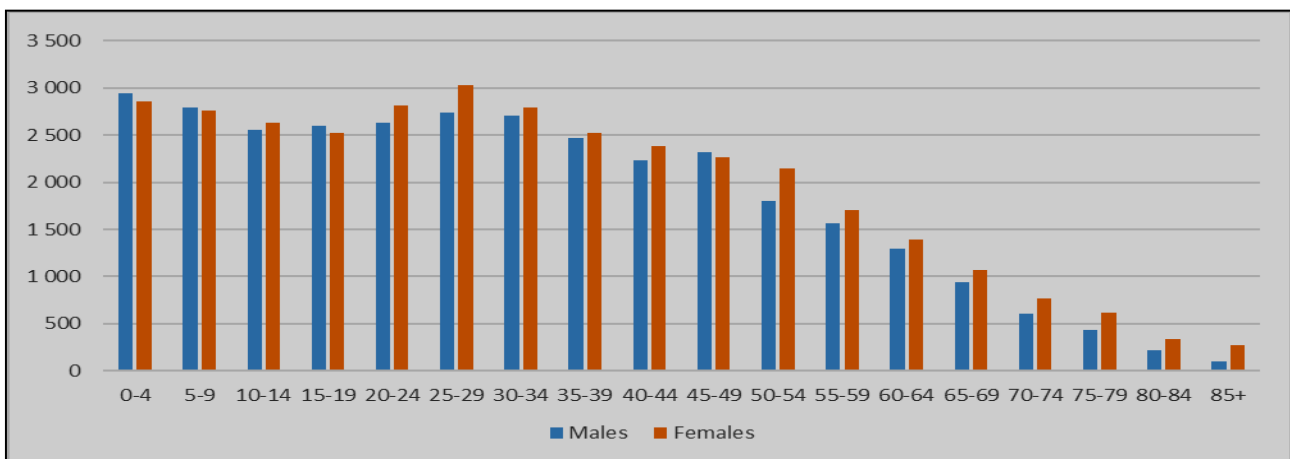


Source: Community Survey 2016

- **Population statistics per age**

The population is predominantly youthful with 58 % of the population falling within the national definition of youth (under 35). The following figure outlines the age distribution of the population within Bergrivier Municipal Area according to the Socio-Economic Profile 2017:

FIGURE 4: AGE DISTRIBUTION



Socio-Economic Profile: 2017

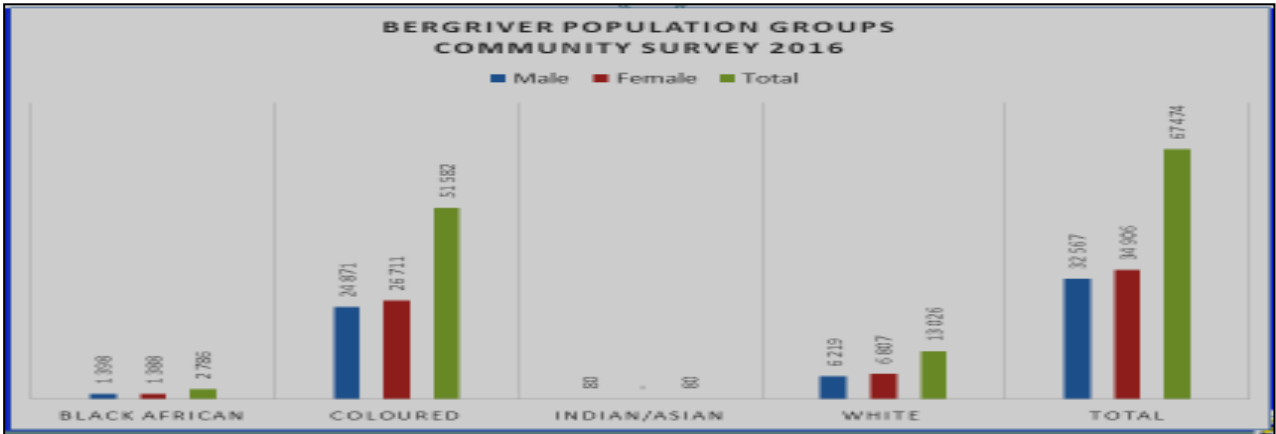
The majority of Bergrivier Municipality’s population is within the younger age category. It is also noticeable that the concentration of females are lower than males in the younger age groups, but from age 20, the

female concentration in each age group is generally greater than that of males. The reason for this could be that males leave the region for work opportunities (*Source: Socio-Economic Profile 2017*)

- **Population statistics per race**

The racial composition between 2001 and 2011 has changed slightly, with the African population increasing by 5.3 % and the Coloured population diminishing by 4.8 %. The following figure outlines the statistics of the 2016 Community Survey on the racial composition:

FIGURE 5: RACIAL COMPOSITION



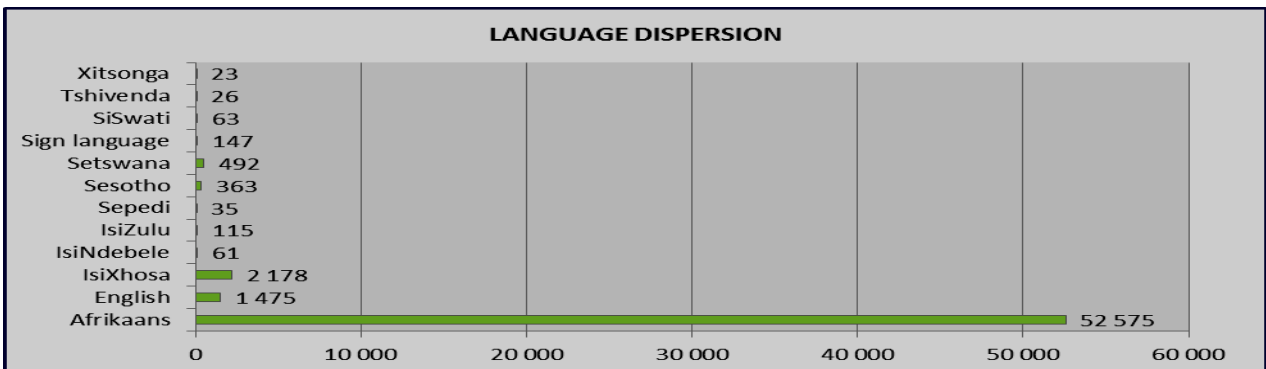
Source: StatsSA Community Survey 2016

The racial composition from 2001 to 2011 has changed slightly, with the Black African population increasing by 5.3 % and the Coloured population diminishing by 4.8 %.

- **Population statistics per language**

The predominant language in the Municipal Area remains Afrikaans which is spoken by 91 % of the population. This is also the predominant language in all wards, followed by isiXhosa and English. In Wards 1, 4, 5 and 7, isiXhosa is the second most predominant language, while in Wards 2, 3 and 6 English is the second most predominant language.

FIGURE 6: LANGUAGE DISPERSION



(Statistics South Africa: Census 2011)

1.3.2 HOUSEHOLDS

The number of households is based on the number of refuse removal accounts as at the end of the financial year. This is considered to be a reliable data source as Bergrivier Municipality does not have informal townships and each and every household receives an account for refuse removal, even those households qualifying for free basic services.

There is a total of 9 523 urban households in the Municipality (2017/18) of which 1 753 are registered as indigent households. These households constitute 18.41 % of the total number of urban households and is a decrease from the previous years where indigent households constituted 20.12 % of the total number of households. Indigent households are defined as households where the combined monthly income of the household is less than the equivalent of two state pensions plus 40 %. The criteria as prescribed by National Treasury is significantly lower and this emphasizes the unashamedly pro-poor approach of Council.

Bergrivier Municipality experiences rising dependency ratios as seen below. Higher dependency ratios imply that economic dependents (children and elderly) can have implications for social, economic and labour market and therefore greater pressure on social systems and the delivery of basic services.

TABLE 9: DEPENDENCY RATIO

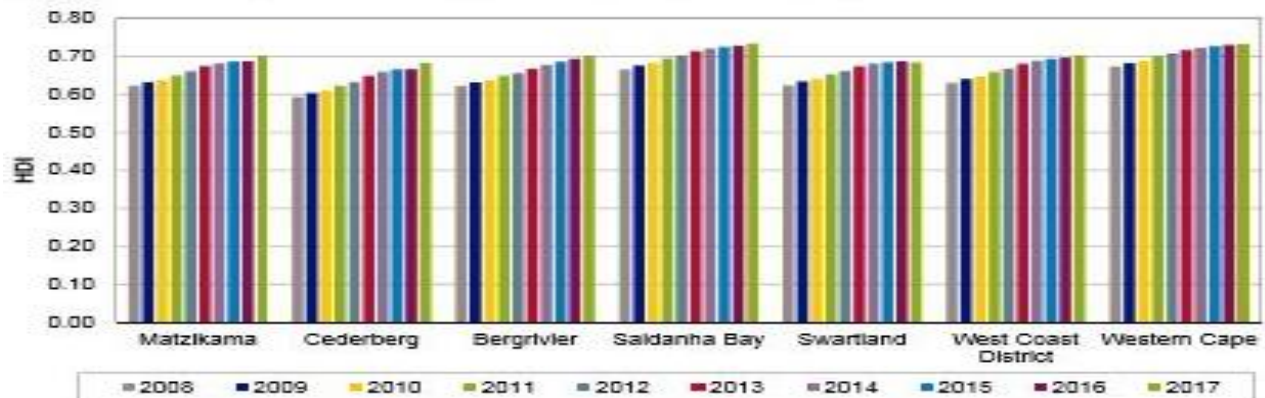
YEAR	CHILDREN 0-14 YEARS	WORKING AGE 15 – 65 YEARS	AGED 65+	DEPENDENCY RATIO
2011	15 428	42 140	4 328	46.9
2019	17 681	45 273	7 618	56.3
2024	19 770	49 615	9 667	59.1

Source: Socio-Economic Profile 2018

1.4 SOCIO ECONOMIC OVERVIEW

The United Nations uses the Human Development Index (HDI) 10 to assess the relative level of socio-economic development in countries. Economists expect economic growth to result in improvements in human development and economic decline to have an adverse effect on human development. The following shows that there has been a general increase in the HDI across all municipalities in the West Coast District between 2010 and 2016. In 2016, Saldanha Bay had the highest HDI in the District while, Matzikama, Swartland and Bergrivier Municipalities had roughly similar HDI levels; Cederberg had the lowest HDI in the District. The human development level of the West Coast District has increased continuously over the last 10 years.

FIGURE 7: HUMAN DEVELOPMENT INDEX FOR THE WEST COAST, 2008 – 2017



Source: Western Cape Department of Economic Development and Tourism; IHS Global Insight, 2016

This section provides a brief social profile of the Bergrivier Municipality in terms of:

1.4.1 Education

1.4.2 Health

1.4.3 Poverty

1.4.4 The Local Economy

1.4.5 Employment

1.4.1 EDUCATION

Education is the functional mandate of the Provincial Department of Education, but the impact of shortcomings within the education system and the lack of skills impact on the Municipality. The Municipality therefore has a vested interest in working co-operatively with the Department of Education and related departments whose functional mandates fall within the realm of social development.

Skills are an essential contributor to the development of individuals, businesses, societies and economies. Their importance is even more pronounced in the South African context where high levels of structural unemployment among the youth is still more prevalent than in other emerging economies. According to the National Planning Commission (2012: 98), South Africa is experiencing a youth bulge, and this represents an opportunity for positive growth if young people are meaningfully employed, but poses a potential for grave social instability if they are not. While low skill levels and lack of experience are widely known as the primary causes of unemployment amongst youth, it is also becoming increasingly apparent that a large number of young graduates are unable to find employment due to an education system that is supplying industry with skills that are either inadequate or irrelevant. Globally, apprenticeship based learning remains the most effective learning methodology that produces high quality workers that have the skills that employers actually need. One of the biggest challenges facing the Western Cape and the rest of the country is the millions of young South Africans who want to work, but cannot find a job. The

Labour Force Surveys released by Stats SA on a quarterly basis reveal that the unemployment rate among youth (aged 15-34 years) is consistently higher than the adult unemployment rate in all provinces. For instance, as of 2015 the South African unemployment rate amongst adults (35 - 64 years) was estimated at 17 %, while it was a staggering 37 % amongst young people under the age of 35 years.

It is estimated that approximately half a million jobs remain vacant because of a lack of the appropriate skills. These shortages are felt particularly in the fields of maths and science, with a lack of skills in fields such as engineering and Information and Communication Technology (ICT), as well as a growing shortage of vocational and technical skills (artisans) such as electricians, welders and mechanics, which is seriously hampering economic growth. The national scarce skills list released by national government reveals that 18 of the top 31 scarce skills in the country fall within the artisan sector. The shortage is set to worsen with the National Development Plan envisaging that the country will need to produce 30 000 qualified artisans a year by 2030, while the current annual production rate is only 13 000 – and just under 1 000 in 2015 in the Western Cape. There are a number of reasons for these shortages, which include:

- Poor maths and science pass rates at schools;
- Lack of awareness of scarce skills and related employment opportunities;
- Learners preferring to enrol at universities, which they view as superior to technical colleges;
- Negative societal perceptions of the status of artisans; and
- A shortage of funding and workplace based learning opportunities.

Education and skills will improve access to available employment opportunities. The low education and skills levels of the Bergvriër Community are contributing to unemployment and poverty and are cause for concern. Furthermore there appears to be a mismatch between the available job opportunities and the skills base within the Community.

Education and training opportunities are limited by the absence of any tertiary (or technical) education facilities in the Municipal Area. Bergvriër is the only Municipality in the West Coast District without a FET College. This is evidenced by the fact that only 6 % of school leavers have some form of tertiary education and a concerted effort by both National and Provincial Government to assist in this regard will have to be made. The following educational indicators for Bergvriër Municipal Area provide a dashboard overview of the status quo of education in the area:

TABLE 10: EDUCATIONAL INDICATORS: BERGRIVIER MUNICIPALITY

INDICATOR	2014	2015	2016	2017
Learner enrolment	7 981	8 126	8 212	8 309
Average learner / teacher Ratio	27.6	33.4	31.5	35.5
Average dropout rate	40%	Not available	31.7%	21.6%

INDICATOR	2014	2015	2016	2017
No of schools	20	20	20	20
Primary	21	21	21	21
Secondary	4	4	4	4
No of no fee schools	8	8	8	8
Matric pass rate	92.4%	93.3%	92.6%	87.0 %

MERO 2018

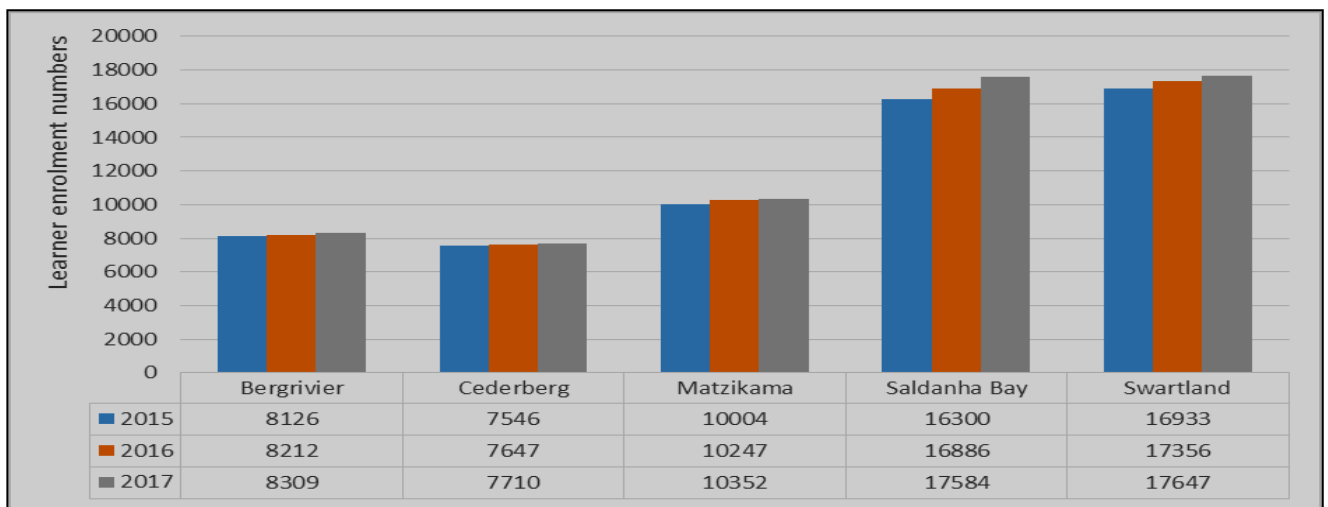
The following table provides an overview of the number of learners in Bergrivier Municipality since 2012 on an annual basis:

TABLE 11: BERGRIVIER MUNICIPALITY LEARNER ENROLMENT FIGURES

TOTAL GR R LEARNERS			TOTAL GR 1-7 LEARNERS				GRA 12 LEARNERS			
2012	2013	2014	2012	2013	2014	2015	2014	2015	2016	2017
633	737	715	5 647	5 694	5 662	6 790	2332	3 448		

Western Cape Government: Bergrivier Municipality Consolidated Joint Planning Initiative (JPI) Report 2014

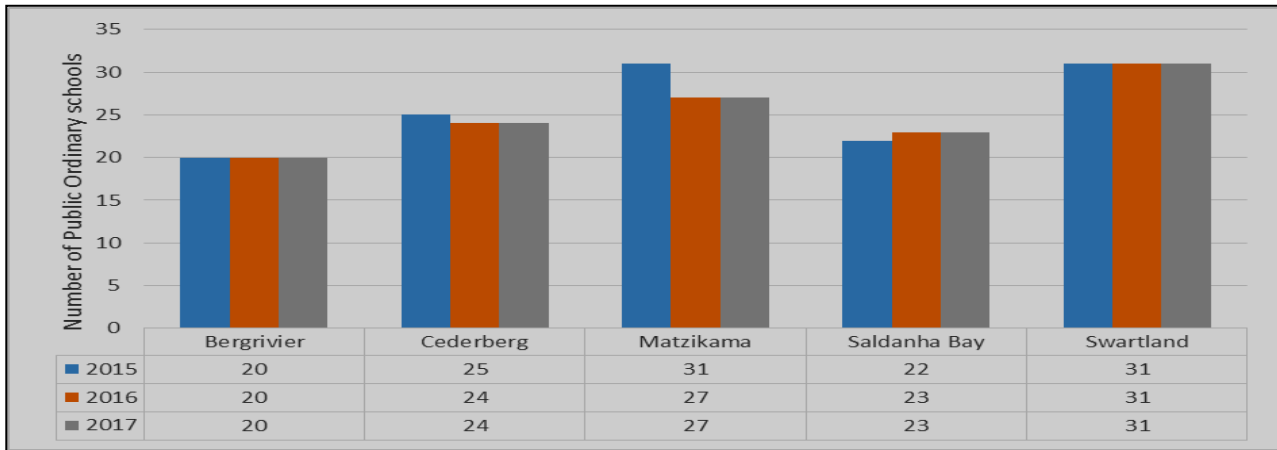
FIGURE 8: LEARNER ENROLMENT IN BERGRIVIER: 2014 – 2016



Socio-Economic Profile: WC Provincial Government 2018

It is important to emphasize that the drop-out rate has decreased from 40 % in 2012 to 21.6 % in 2017. Bergrivier Municipal Area has the second lowest percentage of no-fee schools in the district as research indicates that learners often drop-out of school due to lack of money. The learner-teacher ratio is also an important indicator and has deteriorated in Bergrivier Municipal Area in die period 2012 – 2013, improved in 2014, deteriorated again to 33.4 % in 2015 and improved in 2016. Factors influencing the learner-teacher ratio include the ability of schools to employ more educators and the ability to collect fees. The following figure outlines the educational facilities in Bergrivier Municipal Area:

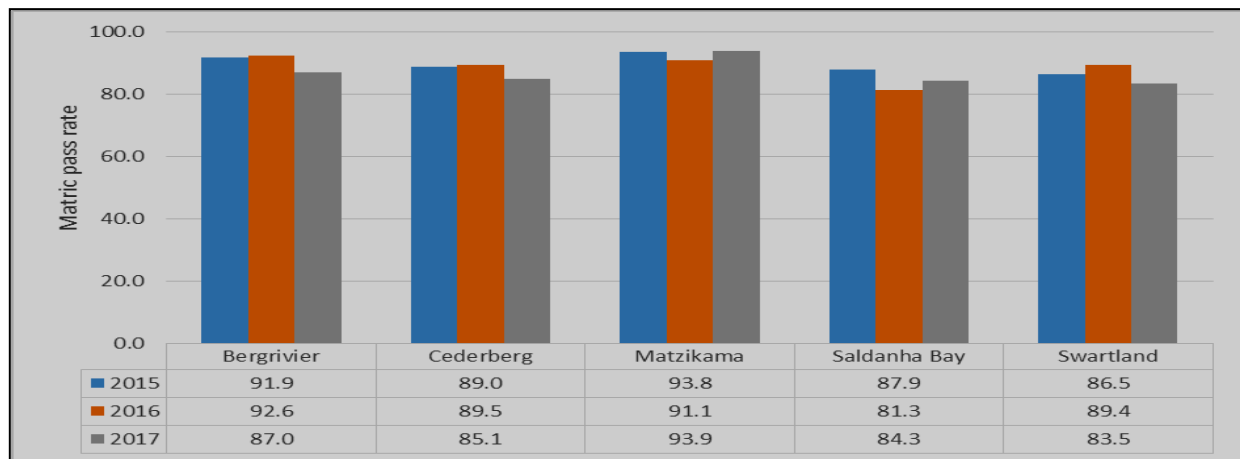
FIGURE 9: EDUCATIONAL FACILITIES



Socio-Economic Profile: WC Provincial Government 2018

Bergrivier had 20 schools which had to accommodate 8 212 learners in 2015. To alleviate funding challenges, some of the fee-paying schools became no-fee schools and represented 65 % of schools in the area in 2016. Currently 65 % of public schools in the Bergrivier Municipal Area are equipped with a library reflecting an improvement. The following figure outlines the educational outcomes in the period 2013 – 2015 per municipal area in the West Coast District and the increase of pass rate is remarkable. However, the pass rate for 2017 was 87 % which is a decline from the 92.6 % in 2016.

FIGURE 10: EDUCATIONAL OUTCOMES IN WEST COAST DISTRICT: 2013 – 2016



Socio-Economic Profile: WC Provincial Government 2018

An overview of the highest education levels also provide an indication of the future job market. The following table is an overview of the highest education levels:

TABLE 12: HIGHEST EDUCATION LEVELS

LEVEL	NUMBER
Grade 0 - No schooling	5 046
Grade 1 / Sub A - Grade 5 / Std 3/ ABET 2	10 094

LEVEL	NUMBER
Grade 6 / Std 4 - Grade 11 / Std 9 / Form 4	25 195
Grade 12 / Std 10 / Form 5	8 976
NTC I / N1 / NIC/ V Level 2 - Post Higher Diploma Masters: Doctoral Diploma	2 419
Bachelors Degree - Higher Degree/ Masters / PhD	760

The problem in education and readiness for the employment market is exacerbated by a low literacy rate, which is an indicator of the levels of education and skill in the economy. The literacy rate is calculated as the proportion of persons 14 years and older who have successfully completed a minimum of 7 years of formal education. According to the Western Cape Government: Provincial Treasury: Municipal Economic Review and Outlook (MERO) 2015, the Municipality's literacy level was 76.4 % in 2011 which is significantly lower than the Provincial and District norms of 87.2 % and 79.1 % respectively. A positive is that it has increased by 6 % since 2001. No information on the current literacy level is available as to compare an improvement or deterioration in literacy levels since 2011.

A major concern is that the number of children of school going aged is increasing yet learner enrolments are decreasing. The relatively high matric pass rate is also of little significance if it is considered that 21.6 % of the learners are dropping out before matric. Teenage pregnancies are also contributing significantly to the school drop-out rate.

Skills development is, in the light of the above problematique, a serious challenge given that the youth is not prepared for the potential employment market. The overall picture of skills development in Bergrivier is discouraging as 55.5 % of the population is considered "low-skilled". The following table provides an overview of the skills levels in Bergrivier Municipal Area in 2016 as well as a comparison between 2006 – 2016 and 2013 – 2017.

TABLE 13: SKILLS LEVELS IN BERGRIVIER MUNICIPALITY

Formal employment by skill	Skill level contribution (%)	Average growth (%)		Number of jobs	
	2016	2006 - 2016	2013 - 2017e	2016	2017e
Skilled	13.8	2.6	2.8	3 063	3 070
Semi-skilled	30.7	-0.3	1.6	6 826	6 717
Low-skilled	55.5	-1.7	2.7	12 322	12 081
Total Bergrivier	100	-0.8	2.4	22 211	21 868

MERO 2017/18

The majority of Bergrivier's formally employed individuals are low-skilled (55.5 %), compared to 30.7 percent semi-skilled and 13.8 percent skilled. The high percentage of low-skilled workers are in line with a large number of workers employed within the agricultural sector. Skilled formal employees have been growing between 2005 and 2015; while semi- and low-skilled formal employees have declined across the same period. These continual declines in low-skilled and semi-skilled workers are in line with the overall 10-year decline in employment in the agriculture, forestry and fishing sector as well as the manufacturing sector. 38 % of the youth in Bergrivier Municipality live in households that are classified as poor. Of these youth in poor households, 43 % are coloured, 7 % white and 26 % Black African. Multidimensional poverty comprises of various components selected specifically to reflect the unique experiences of the current South African youth cohort. It draws on the Census 2011 10 % sample to estimate multidimensional poverty among youth at the local municipality level. Based on the Bergrivier Municipal Area, 19 % of the youth are multi-dimensionally poor with an estimated distribution of 27 % Black African, 42 % Coloured, 13 % Indian or Asian, 7 % White and 11 % of other races.

1.4.2 HEALTH CARE

Good health is vital in achieving and maintaining a high quality of life. The information provided by the Department of Health pertains only to public sector health institutions and it should be acknowledged that health include factors such as control of diseases, clean water, sanitation and removal of solid waste which falls within the mandate of municipalities.

Bergrivier Municipality has a high percentage of households with no access to private healthcare institutions and are dependent on the availability and access to public health care facilities. Health care in South Africa is geared in such a way that people have to move from primary, with a referral system, to secondary and tertiary levels. Bergrivier Municipal Area has 14 health care facilities in the Municipal Area, including 3 clinics, 5 satellite clinics, 4 mobile clinics, and 2 district hospitals. The Municipality has the lowest number of health facilities in the District. There is a need for improved access to service delivery points especially in rural areas, where people have to commute great distances to access services.

FIGURE 11: HEALTH CARE FACILITIES

Area	PHC Clinics		Community Health Centres	Community Day Centres	Hospitals		Treatment Sites	
	Fixed	Non-fixed			District	Regional	ART Clinics	TB Clinics
Bergrivier	3	7	0	0	2	0	9	14
West Coast District	26	37	0	1	7	0	45	74

Socio-Economic Profile: WC Provincial Government (2017)

In terms of health care facilities, in 2018, Bergrivier had 3 (fixed) primary health care clinics, 7 mobile/satellite clinics, 2 district hospitals, 8 ART clinics/treatment sites and 14 TB clinics/treatment sites which serve the area.

Access to emergency medical services is crucial for rural citizens due to distances from health facilities. Bergrivier Municipality has 1.8 ambulances per 10 000 population which is slightly higher than the district average of 1.5.

TABLE 14: EMERGENCY HEALTH CARE FACILITIES

HEALTH INDICATOR	BERGRIVIER	WEST COAST
EMS Operational ambulances	6	28
Population (2017)	67 807	427 742
No of operational ambulances per 10 000 people	1.8	1.5

Socio-Economic Profile: WC Provincial Government (2017)

Critical health issues in the Bergrivier Municipal Area are:

- Migration and the influx of seasonal workers which result in a higher burden of diarrhoea and an increase in TB and other infectious diseases. The number of TB patients in the West Coast District has increased over the past few years reaching 3 806 in 2015/16 treated at 76 clinics or treatment sites. In the Bergrivier municipal area, patient load has shown a slight decrease in the last year of 484 in 2015 to 475 in 2016.
- Health care facilities have difficulty in treating diseases such as HIV/AIDS and TB, because migrants move on without completing treatment courses. 1 062 persons received anti-retroviral treatment (ART) and 245 new ART patients received treatment from 9 treatment sites in the Bergrivier Municipal Area.

TABLE 15: HIV/AIDS

Area	Registered patients receiving ART		Number of new ART patients		HIV Transmission Rate	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Bergrivier	1 062	1 263	245	242	16.7	4.2
West Coast District	8 910	10 588	1 835	2 217	1.8	2.9

Socio-Economic Profile: WC Provincial Government (2018)

- Child Health

The Department of Health strongly advises that children be protected from infectious diseases by getting vaccinated from birth to 12 years of age. Vaccination is free of charge at public health facilities. The

Department also runs immunisation campaigns and health workers are sent to nursery schools and crèches to immunise children. Immunisation rate in Bergrivier Municipal Area has declined marginally from 72.1 in 2015 to 69.9 in 2016. The Bergrivier malnutrition rate fell from 1.1 (per 100 000) in 2014 and improved further to 0.2 in 2015, remaining unchanged at 0.2 in 2016. This was below the District rate of 1.8. The neonatal mortality rate (NMR) for Bergrivier has decreased from 2.0 (per 1 000 live births) in 2015 to 0.0 in 2016. This fall in the NMR may indicate improvements in new-born health outcomes, or it may indicate a fall in the reporting of neonatal deaths.

Low birth weight - This indicator has registered a slight deterioration between 2014 (20 %) and 2016 (21 %); it was the poorest performance (2016) within the District.

TABLE 16: CHILD HEALTH

Area	Immunisation Rate		Malnutrition		Neonatal Mortality Rate		Low birth weight	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Bergrivier	58.2	49.3	0.2	0.8	4.1	0.0	206.5	140.1
West Coast District	70.5	63.3	1.6	1.7	6.8	9.2	132.6	133.5

Socio-Economic Profile: WC Provincial Government (2018)

- Maternal Health

The maternal mortality ratio for Bergrivier is 0.0. The delivery rate to women under the age of 18 years is 18.6 and although positive, it remains above the District average of 16.6. Termination of pregnancy-rate has increased in 2016 from 0.1 to 0.3 in 2018. The District has increased from 0.3 to 0.4 over the same period. The Municipality actively engages with all Government Departments constituting what is known as the Social Cluster (Health, Social Development and Community Safety) in a bid to collectively address these issues.

Area	Maternal Mortality Rate		Delivery Rate to Women under 18 years		Termination of Pregnancy Rate	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Bergrivier	0.0	0.0	11.0	18.6	0.0	0.3
West Coast District	0.0	0.0	8.7	16.6	0.4	0.4

Socio-Economic Profile: WC Provincial Government (2018)

1.4.3 POVERTY

High poverty levels impact on the well-being of the community and the sustainability of the Municipality as

it reduces the ability of people to pay for services and increases dependency on indigent grants which the Municipality finances from its equitable share. The intensity of poverty and the poverty headcount of municipalities are measured. The intensity of poverty is measured by calculating the Poverty Gap Index which is the average poverty gap in the population as a proportion of the poverty line. The Poverty Gap Index estimates the depth of poverty by considering how far, on the average, the poor are from that poverty line. The Poverty Gap Index is a percentage between 0 and 100 percent. A theoretical value of zero implies that no one in the population is below the poverty line. Individuals whose income is above the poverty line have a gap of zero, while individuals whose income is below the poverty line would have a gap ranging from 1 % to 100 %, (with a theoretical value of 100 % implying that everyone in the population has an income that is below the poverty line or zero). A higher poverty gap index means that poverty is more severe.

Poverty Headcount and Intensity:

The higher poverty headcount indicate that the proportion of poor people in Bergrivier Municipality has increased from 1 % (2011) to 1.6 % (2016).

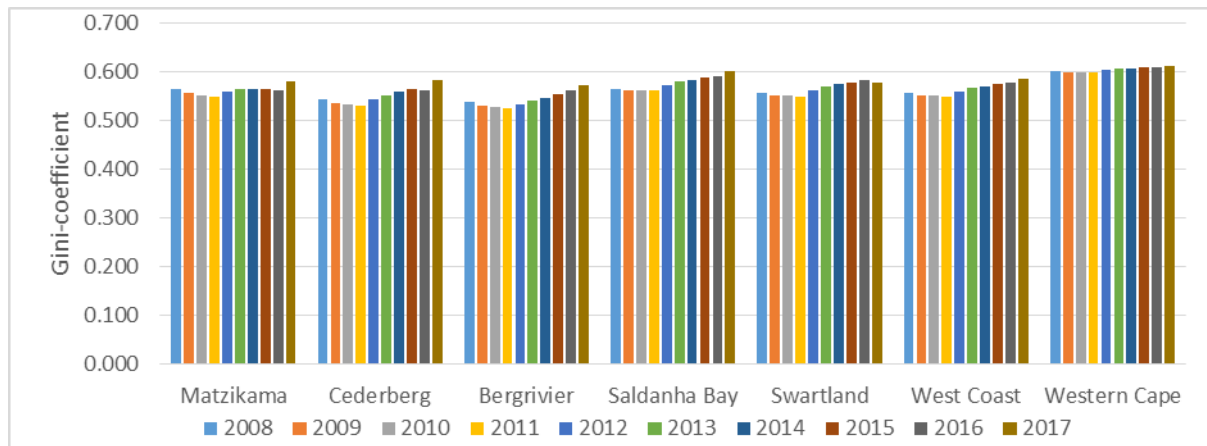
TABLE 17: POVERTY HEADCOUNT AND INTENSITY

AREA	Poverty Headcount (Percentage)		Poverty Intensity (percentage)	
	2011	2016	2011	2016
Bergrivier	1.0	1.6	43.7	41.5
West Coast District	2.0	2.9	41.9	44.5
Western Cape	3.6	2.7	42.6	40.1

Socio-Economic Profile: WC Provincial Government (2017)

The intensity of poverty, i.e. the proportion of poor people that are below the poverty line within the Bergrivier Municipal Area decreased from 43.7 % in 2011 to 41.5 % in 2016. An increase in real GDP per capita is experienced if the real economic growth rate exceeds the population growth rate. Even though real GDP per capita reflects changes in the overall well-being of the population, income levels still differ substantially across the population. The real GDP per capita for Bergrivier Municipality is significantly below the average real GDP per capita rates for the Western Cape and marginally lower than that of the West Coast District. The National Development Plan has set a target of reducing income inequality in South Africa from a Gini coefficient of 0.7 in 2010 to 0.6 by 2030. The figure below indicates that Bergrivier's income inequality has steadily increased from 2011 onward, reaching 0.57 in 2017.

FIGURE 12: INCOME INEQUALITY 2008 – 2017



MERO 2018

Household Income

The annual income for household living in Bergrivier Municipal Area is divided into 3 categories, namely the proportion of people that fall within the low, middle and high income brackets. Poor households fall in the low income bracket which ranges from no income to R 50 000 annually (R 4 166/ month). Increase in living standards is evidenced then by a rising number of households entering the middle and high income brackets. An estimated 49 % of households in Bergrivier Municipality fall within the low income bracket of which 9.4 % have no income. 45 % of the households fall in the middle income group with 6 % in the higher income group.

TABLE 18: HOUSEHOLD INCOME (Per annum)

Income category	West Coast District	Matzikama	Cederberg	Bergrivier	Saldanha Bay	Swartland	
No income	10.7	8.1	9.6	9.4	14.1	10.4	
R1 - R6 314	1.8	1.8	1.6	1.5	2.3	1.4	
R6 315 - R12 628	3.1	3.3	3.3	1.9	3.9	2.9	
R12 629 - R25 257	14.0	17.3	18.3	13.7	10.9	13.1	Low income
R25 258 - R50 514	21.8	24.9	25.2	22.4	17.4	22.1	
Subtotal	51.4	55.3	58.1	49.0	48.6	49.9	
R50 515 - R101 028	19.2	18.3	20.7	21.8	16.6	20.1	
R101 029 - R202 055	13.2	11.6	10.4	14.0	15.2	13.0	
R202 056 - R404 111	9.4	8.5	6.5	9.1	11.5	9.5	Middle Income
Subtotal	41.8	38.4	37.7	45.0	43.3	42.7	
R404 112 - R808 221	4.9	4.4	3.2	4.5	5.7	5.3	
R808 222 - R1 616 442	1.3	1.1	0.7	0.8	1.7	1.6	
R1 616 444 - R3 232 885	0.4	0.5	0.2	0.4	0.5	0.3	High Income
R3 232 886 +	0.3	0.3	0.1	0.4	0.3	0.2	
Subtotal	6.8	6.3	4.2	6.1	8.1	7.5	

MERO 2018

Indigent Households

In response to the poverty levels of its communities, municipalities offer households support through their indigent policy. The indigent policy provides for free or discounted rates on municipal specified services such as water, electricity, sanitation, refuse removal as well as property rates. The non-financial census of municipalities released by Statistics South Africa in 2016 indicates increases or decreases of indigent households per municipal area between 2014 and 2015. The Bergrivier Municipal Area experienced a decrease in the number of indigents between 2014 and 2015 which can imply a reduced burden on municipal resources.

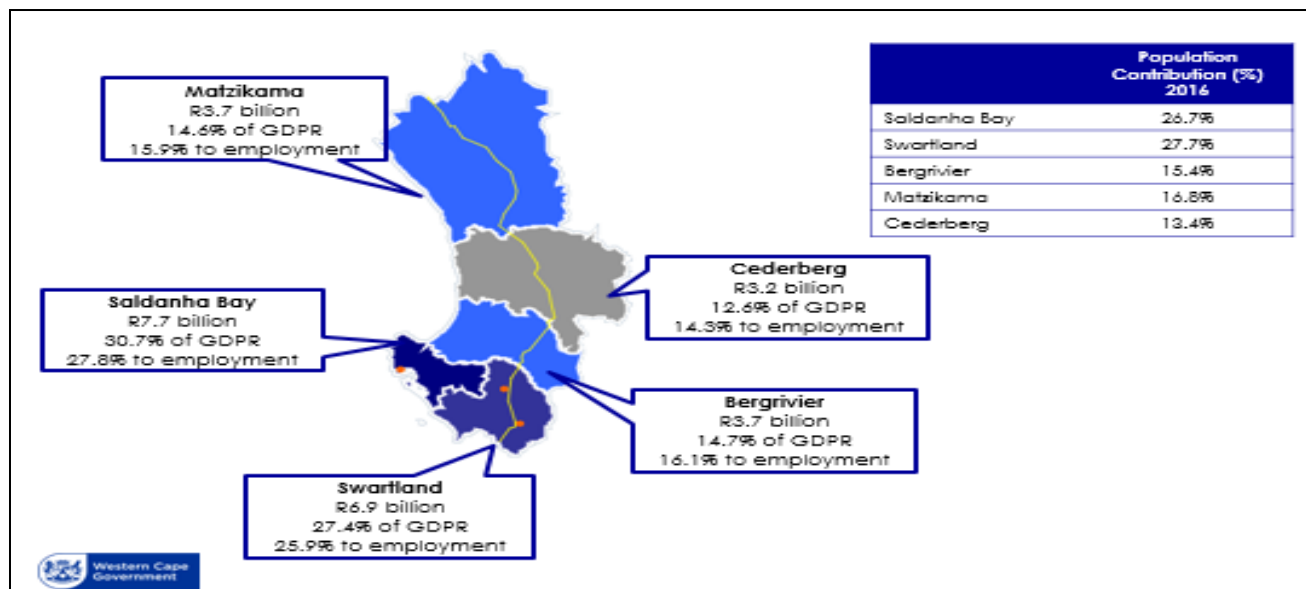
TABLE 19: INDIGENT HOUSEHOLDS

AREA	2013/14	2014/15	2015/16	2016/17	2017/18
Bergrivier	1 946	1 798	1 793	1 711	1 753
West Coast District	19 194	22 083	Not available	Not available	Not available
Western Cape	413 259	360 238			

Bergrivier Billing Reports 2017/18

1.4.4 THE LOCAL ECONOMY

The Bergrivier municipal area is the third largest local economy within the West Coast District, with regional gross domestic product amounting to R4 002.4 billion in 2016.

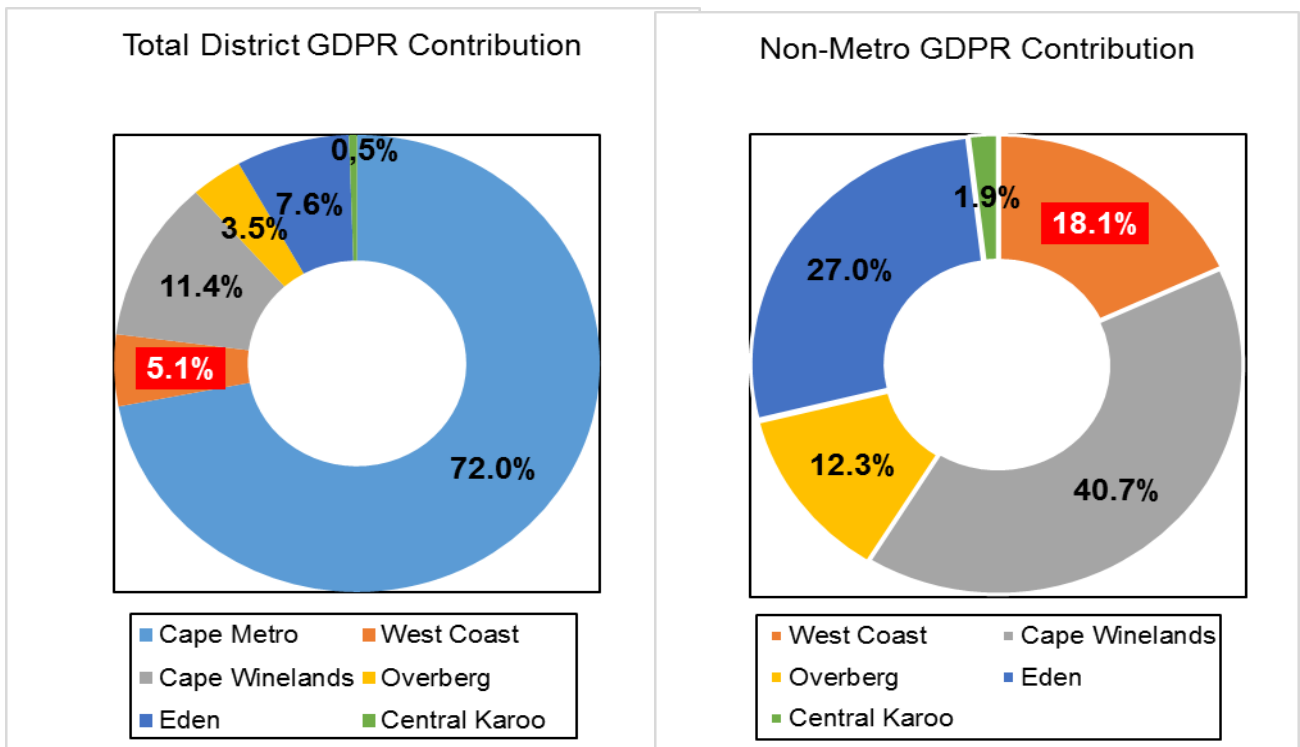


Economic activity in the Bergrivier municipal area is dominated by the tertiary sector which amounted to R 1.774.3 billion (or 44.3 %) in 2016. The tertiary sector is estimated to have grown by 1.2 % in 2016, boosted by the finance, insurance, real estate and business services sector and the wholesale, retail trade, catering and accommodation sector while the decline in the transport, storage and communication

sub sector has dampened overall tertiary sector growth (see table below). The finance, insurance, real estate and business services sector recorded an average growth of 5.1 % between 2005 and 2015, and has continuously reported high growth rates post the 2008 recession. Sub-sectors that recorded negative growth in 2015 for the tertiary sector were the transport, storage and communication (-1.7 %) and general government (-0.3 %).

The secondary sector has also been recovering from the 2008 recession albeit at a slower pace. The secondary sector, which totalled R 1.055.1 billion in 2016 (or 26.3 % of the Bergvriër Municipal area economy), grew by an average of 3.6 % between 2005 and 2015. Real GDP growth for the secondary sector has been declining from 2014, with 0.6 % growth estimated for 2016. The secondary sector growth within the Bergvriër municipal economy is largely supported by the construction industry which recorded high growth rates in 2013 and 2014 at 5.7 % and 6.3 % respectively. However, this high growth in the construction industry slowed down in 2015 (0.4 %) and 2016 (3.6 %). The primary sector, which totalled R 1 174.0 billion (or 29.3 %) in 2016, grew from 26.6 % in 2015, but continues to struggle in terms of growth. The agriculture, forestry and fishing subsector recorded a 3.5 % growth in 2016.

FIGURE 13: DISTRICT GDP CONTRIBUTION 2015



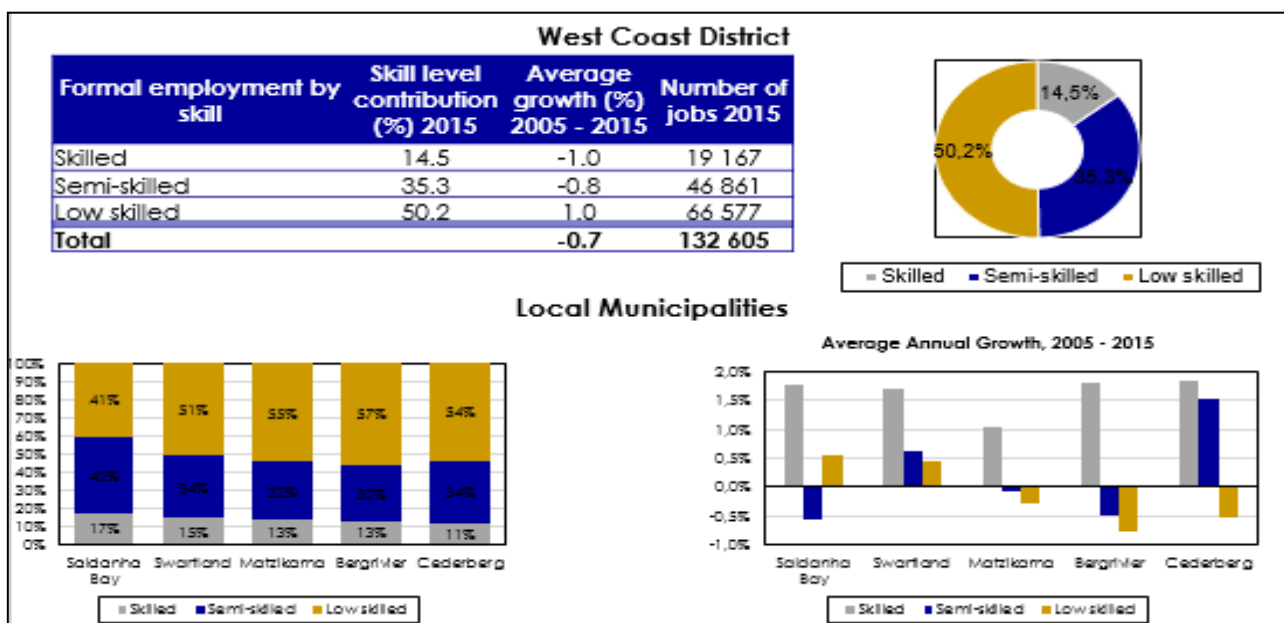
Global, national, provincial and regional economic trends impact on the local economy. Economic growth at a local level is essential for economic development, reduction of poverty and improved accessibility. Economic growth is measured by Regional Gross Domestic Product (GDP) and is driven by two components, namely population growth and labour productivity. Labour productivity reflects the ability to provide

increased output from the existing quantity of labour in the economy. Various government agencies and independent analysts produce measures of labour productivity. For high-level analyses of the second component of economic growth, a productivity measure using overall economic production provides the most comprehensive and consistent measurement of economic productivity.

Bergvriër municipal area employed 16.1 % of the West Coast labour force in 2015 and employment growth remained stagnant with an average of 0, and 2 % per annum since 2005. The average employment growth rate of the District was 1.11 % per annum. Bergvriër municipal area has experienced significant job losses prior to and during the recession, but these jobs have been recovered and an estimated 586 (net) additional jobs have been created since 2005. The majority of the formally employed workforce operate within the low-skill sector (55.5 %). Most of the job losses was then also in this sector. The semi-skilled sector employed 30.7 6 % of the workforce. The informal sector employs 19.1 % of the workforce and grew substantially at a rate of 5.1 % per annum as it absorbed most of the job losses from the low and semi-skilled sectors. The skilled sector employed only 3 063 workers and grew at a slow rate of 1.8 % per annum since 2005. The tertiary sector employed 11 034 people (or 37.6 %) in 2016, and most of the jobs were in the wholesale and retail trade, catering and accommodation sub-sector (3 686 or 12.6 %), followed by general government (2 589 or 8.8 %), community, social and personal services (2 518 or 8.6 %) and the finance, insurance, real estate and business services (1 802 or 6.1 %). The difference between jobs created and jobs lost (net employment) has remained positive for the tertiary sector although there has been fluctuations between 2011 and 2016. (*Socio-Economic Profile 2017*).

The following is an outline of the composition and skills demand in the period 2005 - 2015:

TABLE 20: AVERAGE SECTORAL GROWTH RATE 2010 – 2015



Sector	Saldanha Bay	Swartland	Matzikama	Berg-rivier	Ceder-berg	West Coast District
Primary sector	3.7	3.2	5.8	1.5	2.9	2.1
Agriculture, forestry and fishing	3.8	3.2	6.4	1.6	2.9	2.2
Mining and quarrying	0.5	2.8	3.4	-2.4	3.0	2.6
Secondary sector	-0.1	2.0	0.6	1.8	3.7	1.3
Manufacturing	-0.4	2.0	1.1	1.9	3.6	1.3
Electricity, gas and water	-0.3	-0.9	-4.2	-3.0	1.5	-1.4
Construction	1.8	2.9	2.2	3.1	4.8	2.6
Tertiary sector	3.1	3.4	2.3	2.2	4.1	3.1
Wholesale and retail trade, catering and accommodation	3.5	4.1	2.7	2.1	3.9	3.5
Transport, storage and communication	-0.2	1.5	-1.3	0.6	5.1	1.1
Finance, insurance, real estate and business services	3.9	2.9	3.1	3.6	4.0	3.6
General government	3.5	4.3	3.1	0.9	4.2	3.5
Community, social and personal services	3.2	3.1	3.0	3.3	2.8	3.2
	2.2	2.9	2.9	1.9	3.7	2.8

MERO 2017

Unemployment has been slowly but steadily rising in the Berg-rivier municipal area over the last decade, with an unemployment rate of 5.4 % recorded in 2015. In 2016, the unemployment rate of the Berg-rivier municipal area is estimated to have increased to 5.6 %, which is lower than that of the West Coast District (11.7 %) as well as significantly lower than that of the Province (18.7 % in 2016).

TABLE 21: SECTORAL EMPLOYMENT CONTRIBUTION 2017

Sector	West Coast District	Matzikama	Cederberg	Berg-rivier	Saldanha Bay	Swartland
Primary Sector	39.5	42.3	44.4	51.9	36.4	30.4
Agriculture, forestry and fishing	39.3	41.1	44.3	51.8	36.3	30.3
Mining and quarrying	0.3	1.2	0.0	0.1	0.1	0.1
Secondary Sector	13.1	10.4	12.7	10.5	14.1	15.7
Manufacturing	9.0	6.2	8.4	7.7	10.0	10.8
Electricity, gas and water	0.2	0.4	0.2	0.2	0.1	0.3
Construction	3.9	3.8	4.0	2.6	4.0	4.6
Tertiary Sector	47.4	47.3	42.9	37.6	49.5	54.0
Wholesale and retail trade, catering and accommodation	16.0	16.9	14.0	12.6	15.9	19.0
Transport, storage and communication	2.4	2.3	3.4	1.5	2.7	2.3
Finance, insurance, real estate and business services	8.4	7.0	7.4	6.1	10.8	8.6
General government	9.8	9.8	7.8	8.8	9.9	11.5
Community, social and personal services	10.7	11.3	10.3	8.6	10.2	12.5
Total	100	100	100	100	100	100

MERO 2018

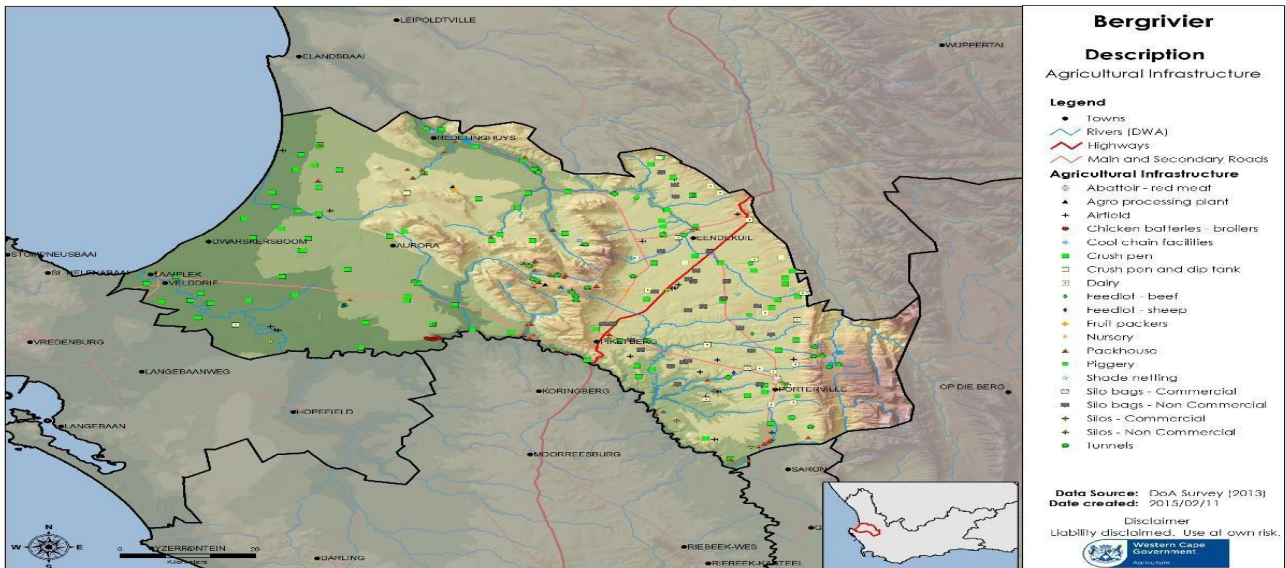
The following table shows the Real GDP forecast for the period 2015 - 2020. The estimated average annual recovery growth rate is expected to be 2.6 % for the period 2015 - 2020. The table shows that during 2015 and 2016 the forecast is below the estimated average annual recovery growth rate of 2.6 %. However, from 2017 onwards the GDP forecast growth is higher than the average annual recovery growth rate.

TABLE 22: WEST COAST DISTRICT: REAL GDP FORECAST BY BROAD SECTOR: 2015 - 2020

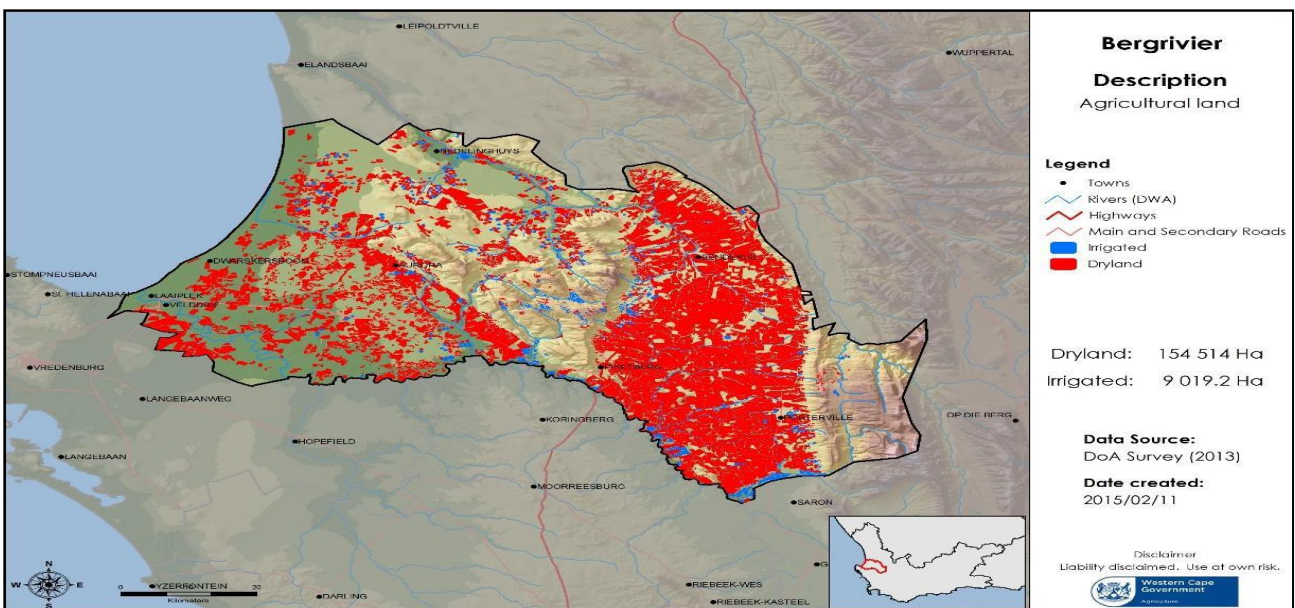
Sector	Forecast %						
	2015	2016	2017	2018	2019	2020	2015-2020
Agriculture, forestry & fishing	0.3	0.5	1.0	0.8	0.9	1.1	0.8
Mining & quarrying	1.3	1.0	1.0	0.8	1.3	1.6	1.2
Manufacturing	0.6	1.8	2.1	2.1	2.7	2.6	2.0
Electricity, gas & water	-1.3	1.3	1.3	1.4	2.0	2.4	1.2
Construction	3.3	2.7	4.6	4.8	4.7	5.0	4.2
Wholesale & retail trade, catering and accommodation	1.7	2.1	3.0	3.1	3.7	3.7	2.9
Transport, Storage, and communication	2.5	2.4	3.8	4.0	4.0	4.1	3.5
Finance, insurance, real estate and business services	3.5	2.9	3.8	3.8	3.9	4.4	3.7
Community, social and personal services.	1.3	1.6	2.4	2.5	2.4	2.5	2.1
General Government	1.2	1.0	1.7	1.6	1.8	1.9	1.5
Total	1.8	1.9	2.7	2.8	3.0	3.2	2.6

(Western Cape Government: Municipal Economic Review & Outlook: West Coast District 2018)

Of particular interest to note is that the agriculture, forestry and fishing sectors have always been regarded as the Municipalities' most dominant employment sector, but this picture changed in 2009 when the wholesale and retail trade, catering and accommodation sector became most dominant. Between 2000 and 2011, a total of 11 277 jobs were lost in the agriculture, forestry and fishing Sector. Agriculture nevertheless remains a very important economic driver of the Bergrivier municipal area's economy and it is imperative that the Municipality focus on ways to support this sector. The maps below is a visual representation of the agricultural infrastructure and land in Bergrivier Municipality:



Tourism is part of the wholesale and retail trade, catering and accommodation sector and is one of the largest sources of employment in the country and uses a high rate of unskilled labour. The Bergrivier Tourism Survey 2015 indicated that the 183 registered tourism products in the Bergrivier Municipal Area create an estimated 427 permanent jobs and 191 temporary jobs during high season. National, Provincial and Regional strategies are placing a high priority on marketing, brand management and stimulating regional and domestic tourism and interventions include the development of business and events tourism, niche product, rural tourism (small town) development, responsible tourism development, increasing investment in tourism development, increasing investment in the tourism sector, transformation of the sector, promoting decent work, improving service excellence, addressing community beneficiation and effective co-operative partnerships. The Bergrivier Tourism Organisation is currently working on three route developments to raise the standards of product offerings in the area. Each offering ample skills development opportunities.



Events tourism is highlighted as a growth area in all the strategies. It is estimated that the 350 visitors to Porterville in 2013, to participate in the Paragliding World Cup, has contributed approximately R 4 million to the local economy over an eight day period. Events such as these provide ample free marketing opportunities. The development and improvement of public and private tourism infrastructure is critical for sustainable growth. The standard of facilities, comfort, convenience and points of interest are vital to persuade the traveller to spend time and money in the Municipal Area rather than just passing through.

1.4.5 EMPLOYMENT

High poverty levels are exacerbated by unemployment. Data sets indicate that 38 % of the economically active population are employed and only 4 % of the economically active population (18 - 65 years) are unemployed or discouraged from seeking work. This means that 58 % of the population between the ages of 18 and 65 who could be economically active, are not economically active for various reasons and this translates to high levels of dependency on the economically active population. The unemployment rate is believed to be somewhat optimistic, if compared to income and poverty levels within the Municipality and job losses that have been suffered. Another factor that needs to be taken cognisance of is the fact that a high proportion of the Municipality's economically active population are seasonal workers in the agricultural sub sector who only work during certain times of year.

There is a gender imbalance in terms of employment and 5 % more men are employed than women. The economically inactive population indicates that 7 % more women are economically inactive than men. The unemployed and discouraged work seekers are almost on a par. This attests to a need to empower women. The following figure and table graphically depicts the Municipality's employment levels.

TABLE 23: EMPLOYMENT STATISTICS (18-65 YEARS)

CATEGORY	MALE	FEMALE
EMPLOYED		
African	1 584	1 004
Coloured	9 472	7 720
Indian or Asian	55	37
White	2 235	1 499
Other	129	26
Total	13 475	10 286
UNEMPLOYED		
African	191	179
Coloured	575	629

CATEGORY	MALE	FEMALE
Indian or Asian	2	4
White	61	81
Other	8	3
Total	837	896
DISCOURAGED WORK-SEEKER		
African	18	26
Coloured	177	191
Indian or Asian	-	-
White	21	30
Other	-	-
Total	216	247
OTHER NOT ECONOMICALLY ACTIVE		
African	1 443	2 557
Coloured	11 262	13 890
Indian or Asian	86	71
White	2 688	3 841
Other	54	49
Total	15 533	20 408

Unemployment leads to poverty which impacts negatively on the Municipality's income as it reduces the ability of people to pay for services and people become dependent on indigent grants which the Municipality has to finance through its equitable share as well as other grants provided by other government departments through SASSA. The Municipality faces a number of challenges relating to unemployment, the most fundamental being that it must find ways and means to stimulate the local economy which will in turn lead to job creation. Coupled to this is the need to facilitate the establishment of education and training facilities in the Municipal Area that will provide access to training and skills development. This will enable the local community to take advantage of available employment opportunities. A further challenge is ensuring that job opportunities within the Municipal Area are utilised by local communities. There is dissatisfaction in the Community because migrant labour is being brought in from other places to work on farms. The extent and reasons for this trend are not known and need to be investigated through engagement with appropriate stakeholders.

1.5 ENVIRONMENTAL OVERVIEW

The Environment is a concurrent National and Provincial competency in terms Schedule 4A of the Constitution. The Municipal Systems Act requires municipalities to work together with other organs of state to contribute to the progressive realisation of the right to environment (Section 23). The Bill of Rights (Section 24) states that

“Everyone has the right –

- a) to an environment that is not harmful to their health or well-being;*
- b) to have the environment protected, for the benefit of present and future generations through reasonable legislative and other measures that;

 - i. prevent pollution and ecological degradation*
 - ii. promote conservation*
 - iii. secure ecologically sustainable development and use of natural resources while**
- c) promoting justifiable economic and social development”.*

In addition, there are numerous other statutes that give a defined role to municipalities in the conservation and sustainable development of the environment. There are also statutes that regulate the way in which municipalities perform their functions to ensure minimal negative impact to the environment.

Bergrivier Municipality consciously strives to conserve the natural environment by minimising the impact of its own activities. It also strives to minimise the impact of other parties’ activities through the utilisation of mechanisms provided by law. There are a number of factors that impact on the environment, one of the most critical being poverty which forces impoverished people to rely on natural resources which are often used unsustainably. Conversely private and public development initiatives which are needed to address poverty also have the potential to impact negatively on the environment if not managed correctly. The challenge that the Municipality faces is to ensure that all development is done in a sustainable manner.

As stated in the preceding section, the wholesale, retail trade, catering and accommodation sector has the highest GDP growth and is the most significant employment sector in Bergrivier Municipality. Tourism is included in this sector and in Bergrivier Municipality the natural environment is the foundation of the tourism industry. The following table provides an overview of some of the key natural resources and its significance in and for Bergrivier Municipality.

TABLE 24: KEY NATURAL RESOURCES

NATURAL RESOURCE	SIGNIFICANCE TO COMMUNITY
Berg River and Estuary	<ul style="list-style-type: none"> • Provides a range of eco system services (primary water source of Municipality) • Recreation (especially angling, canoeing, boating) • Agriculture (irrigation)
Coastal Zone (Including Berg River Estuary)	<ul style="list-style-type: none"> • Recreation (especially angling, canoeing, boating) • Conservation • Tourism (especially birding) • Fishing industry • Salt industry
Verlorenvlei (upper reaches near Redelinghuys)	<ul style="list-style-type: none"> • Conservation • Tourism (especially birding) • Recreation
Rocherpan	<ul style="list-style-type: none"> • Conservation • Tourism (especially birding) • Recreation
Groot Winterhoek Wilderness Area	<ul style="list-style-type: none"> • Conservation • Tourism (especially eco-tourism) • Recreation

The Municipality works in partnership with various organs of state and private institutions to ensure that it gives effect to its environmental obligations.



Rocherpan Nature Reserve

1.6 GOVERNANCE OVERVIEW

Chapter 2 provides detailed information on the governance performance of the Municipality during the

2017/18 financial year.

1.6.1 POLITICAL AND ADMINISTRATIVE GOVERNANCE

Sections 153(1) and (2) of the Constitution state that the executive and legislative authority of a municipality is vested in its municipal council and that a municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation, as provided for in the Constitution. Municipal councils may exercise their authority within an area of jurisdiction as determined by the Municipal Demarcation Board in terms of the Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998).

- **Political governance**

The Municipality's political governance structures comprise:

- o The Municipal Council which is constituted by 13 Councillors and led by a DA majority;
- o The Office of the Speaker who is the chairperson of the Municipal Council and responsible for the application of the Code of Conduct, public participation and ward committees;
- o The Executive Mayor and Mayoral Committee. The Council has delegated all its executive functions except those which it may not delegate by law to the Executive Mayor and the Mayoral Committee to ensure optimal operational efficiency;
- o Portfolio Committees, of which there are three namely a Corporate -, Finance - and Technical Services Portfolio Committee, which are chaired by the Deputy Mayor and the two members of the Mayoral Committee. The remaining members of these Committees comprise the other Councillors. Portfolio Committees have no powers and may only make recommendations to the Mayoral Committee.
- o Other Committees established by the Council for specific purposes, namely the Municipal Public Accounts Committee (MPAC), Performance/Audit Committee and Oversight Committee.

The Municipal Council functions in terms of the Council's Rules of Order, which have the same status as a by-law. The Rules of Order were promulgated in the Provincial Gazette on 7 June 2013. Councillors are bound by the Code of Conduct for Municipal Councillors which is contained in the Schedule 1 of the Municipal Systems Act.

- **Administrative governance**

The Municipal Manager is the Head of the Administration and Accounting Officer of the Municipality, and is primarily responsible for service delivery and good governance. The Municipal Council approved a new macro structure on 30 May 2017, which will be implemented

during the 2017/18 financial year. The new macro structure makes provision for the undermentioned organizational units:

- Office of the Municipal Manager
- Directorate Corporate Services
- Directorate Financial Services
- Directorate Technical Services
- Directorate Community Services (new directorate approved on the macro organogram on 30 May 2017)

1.6.2 INTERGOVERNMENTAL RELATIONS

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 co-operative government envisaged in Section 41 of the Constitution. The Municipality participates on numerous National, Provincial and District intergovernmental forums. The municipality is furthermore involved in the development of a partnership agreement with a Belgium municipality to share experiences and to implement joint projects.

1.6.3 PUBLIC PARTICIPATION AND ACCOUNTABILITY

The Constitution (Section 152) sets out the objectives of local government, one of which is the provision of democratic and accountable government to local communities. This is reiterated by Section 15(b) of the Municipal Systems Act (2000) which requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff.

- **Public participation**

Municipalities are required to encourage local communities and community organisations to participate in the matters of local government. A Municipality is required to develop a culture of community participation and develop a system of participatory municipal governance that compliments formal representative governance. The Municipality is also required to supply its community with information concerning municipal governance, management and development. Bergrivier Municipality makes use of the following public participation structures:

- Public meetings: A total of 13 formal town based public meetings over and above the ward committee meetings.
- Ward Committees: A total of 28 ward committee meetings were held during the year.
- IDP Representative Forum meetings: The meetings took place on 5 October 2017 and 3 May and 4 May 2018. The objectives of these meetings were to provide the formal sectors of the

community with an opportunity to give input into the IDP and budget process and economic development issues were predominantly addressed. The IDP Forum meetings also assisted greatly in the Joint Planning process with Provincial Government by assisting the Municipality with the identification and prioritisation of game changers in our area.

- **Sector engagement:** In a bid to enhance the quality of public participation outcomes, the Municipal Area was divided into 14 sectors and have commenced with individual sector engagements with registered stakeholders in each sector. Sector engagements take the form of two way dialogues between and amongst sector representatives and the Municipality and are proving to be very effective as it focusses on issues as well as ways and means of resolving issues jointly. It also enables the Municipality to solicit more detailed inputs than it is possible to do in public meetings. During the previous and this financial year, Bergrivier focused on local economic development and had sector engagements with tourism, agriculture, and SMME empowerment.

1.6.4 CORPORATE GOVERNANCE

Corporate Governance is the set of processes, practices, policies, laws and relationships affecting the way an institution is directed, administered or controlled.

- **Audit Unit**

The Municipality has an Internal Audit Unit as required by Section 165(1) of the MFMA and an Internal Auditor and an Assistant Internal Auditor who reports to the Municipal Manager. The Internal Auditor is responsible for the Audit Unit and must also ensure that the Audit and Performance Committee meets as legislated and that all aspects required by legislation are submitted at these meetings to ensure that the committees are informed and that recommendations can be made.

- **Risk management**

The Municipality has a Risk Committee which meets quarterly. Strategic risks are identified during the annual strategic planning session of the Council as well as by senior management at management meetings and Risk Committee Meetings. Departmental and operational risks are identified by the directorates and managed by the respective Directors. Strategic risks are captured in an automated electronic risk register (Risk Assist) after Council approves the Annual Risk Register.

- **Anti-corruption and fraud**

Bergrivier Municipality subscribes to the principles of good corporate governance, which requires the conducting of business in an honest and transparent fashion. The policy of the municipality is zero tolerance to corruption and fraud.

Fraud prevention can be seen as the cumulative effect of both prevention and detection systems incorporated by management. The detection of fraud can only lead to the prevention thereof if the

response thereto acts as a deterrent. Implementing good governance, ethics, accountability as well as strategies and policies to prevent fraud and corruption is based on the principle that service delivery is the priority of the Municipality. Implementation of these principles and awareness are continuous processes aimed at ensuring that the interest and needs of the public are met.

- **By-laws**

Section 11 of the Municipal System Act gives Municipal Councils the executive and legislative authority to pass and implement by-laws. By-laws are discussed in Chapter 2.

- **The Municipal Website**

The Municipal Systems Act (Section 21(B)) requires the Municipality to establish an official website. The Municipal Website is an integral part of the municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Bergrivier Municipality's official website is www.bergmun.org.za and was upgraded significantly during the 2016/17 financial year to provide an one-stop-station of all municipal information.

- **Public satisfaction on Municipal Services**

In the 2017/18 financial year a public satisfaction survey was conducted.

1.7 SERVICE DELIVERY OVERVIEW

Chapter 3 provides more detailed information on basic service delivery as well as all other functions rendered by the Municipality during 2017/18. The functions of the Municipality are set out in Section 156 of the Constitution of the Republic of South Africa, 1996, read together with Schedules 4B and 5B.

Government policy places specific emphasis on the provision of basic services, which entail the provision of electricity, water, sanitation and waste collection. These services underlie the delivery of housing which is a concurrent Provincial and National Government competency and delivered by Bergrivier Municipality on an Agency basis for Provincial and National Government.

The Municipality has been providing basic services at the prescribed level to all urban households within its area of jurisdiction since the 2008/09 financial year, but still faces major challenges when it comes to ensuring that residents of the private Moravian towns have access to minimum service standards. There are on-going discussions between the Municipality, Moravian Church of South Africa, West Coast District Municipality and Province to find a sustainable service delivery solution. The Municipality managed to facilitate funds from Provincial Government to assist with service delivery challenges in the Moravian Town of Goedverwacht and Wittewater. The Municipality intend to upgrade their water network, increase the water source capacity by eradicated and removed the alien vegetation, increase the capabilities of raw water intake, repaired the raw water feeder pipeline as well as upgrading the boreholes

and pumps.



Inlet works Wittewater

1.7.1 WATER

The Municipality is a Water Services Authority in terms of the Water Services Act 1997, (Act 108 of 1997) and provides water services to all urban areas within its jurisdiction with the exception of the private Moravian Towns. Water is provided to these towns on request and land owners billed accordingly. Registered indigent households within the Municipality's supply area are entitled to 6 Kl of free basic water. A key challenge that is emerging is the high housing demand and the expanding presence of backyard dwellers due to home owners renting out structures in their yards. Highlights of the 2017/18 financial year were that the Municipality was able to further decrease their water losses from 9.93 % in 2016/2017 to 6.98 % in 2017/2018 financial year, which is well below the national norm of 37 %. The quality of the Municipality's water as measured against National Standard SANS 241 is still improving and well within the set norms as prescribed by the SANS 242. Water is analysed on a weekly basis according to 4 criteria, namely Microbiological, Chemical, Physical Organoleptic and SANS 241. The results are captured on the National Database of the Department of Water Affairs and Sanitation. Based on calculating the averages on these four criteria, a water quality of 98 % for Bergrivier Municipality has been achieved. This achievement is above the norm and the figure of 98 % represent excellent water quality.

The Municipality was also successful with accessing grant funding from the Provincial Government from drought relief funds for Goedverwacht and Wittewater with R 1.0 million and R 0.85 million respectively, as well as an Infrastructure Support Grant for Goedverwacht to the amount of R 3 million to increase the supply from the respective water sources and to upgrade the respective water purification systems. The projects was implemented in the 2017/18 financial year.

On 24 May 2017, a provincial state of disaster was declared as a result of the magnitude and severity of the drought affecting the Western Cape. Under section 41(2) of the Disaster Management Act (57 of 2002) the Premier issued directions dealing with restrictions on the use of potable water for domestic and industrial purposes. These directions applied to the Cape Town Metropolitan Municipality and all local

municipalities in the Western Cape. For the jurisdiction of Bergrivier Municipality level 6 restrictions were implemented since January 2018, which implied water savings between 40 % and 50 % along with a usage of 50 litres per person per day. Agricultural usage was restricted to a 60 % saving on assigned quotas.

The Municipality quickly adapted to circumstances by lodging a very aggressive public awareness program which resulted in excellent cooperation by the public by saving almost 50 % of water normally used. The Municipality managed to provide water to our community despite having enormous problems with some other role players.

1.7.2 SANITATION

Access to sanitation promotes health and dignity through the provision of safe disposal and treatment of human waste. Where sanitation systems are inadequate, negative health effects can be extremely serious. The current drought highlighted challenges in the use of potable water within the sanitation services process.

TABLE 25: SANITATION IN BERGRIVIER MUNICIPALITY

Area	2011	2017	Total change 2011 - 2017	Average annual change 2011 - 2017	Average annual growth 2011 - 2017
Bergrivier	89.7%	97.9%	4 072	814	5.0%
West Coast District	87.5%	92.5%	26 696	5 339	5.2%

Socio-Economic Profile 2017

Bergrivier experienced significant progress in household access to sanitation services with the proportion of households with access to acceptable standards of sanitation services increasing from 89.7 % in 2011 to 97.9 % in 2017. The Municipality was able to provide an additional 814 households with access annually; access growing at an average annual rate of 5.0 %.

The Municipality provides sanitation services to all urban areas within its jurisdiction with the exception of private towns. All urban households have access to minimum standards of sanitation and all indigent households receive free basic sanitation.

The Municipality was also successful with accessing grant funding (municipal infrastructure grant] from Provincial Government for the upgrading of the Waste Water Treatment Works at Porterville to the amount of R 37 million. The project commenced on 1 July 2017. The key challenge applicable to water provision also applies to sanitation.

1.7.3 ELECTRICITY

Energy is essential for human life; generally identified household uses include energy for cooking, heating and lighting. Energy sources also have usage risks; for example, health and safety risks especially in the use of paraffin and open flame usage. The information below relates to the use of electricity for lighting purposes.

TABLE 26: ELECTRICITY SERVICES IN BERGRIVIER MUNICIPALITY

Area	2011	2017	Total change 2011 - 2017	Average annual change 2011 - 2017	Average annual growth 2011 - 2017
Bergrivier	94.9%	97.7%	3 179	636	3.8%
West Coast District	94.4%	94.1%	21 395	4 279	3.9%

The annual growth in household access to electricity of 636 outstripped the total household growth of approximately 559 on average per annum. This coincides with an increase in the proportion of households with access to electricity, increasing from 94.9 % in 2011 to 97.7 % in 2017.

The Municipality is responsible for the distribution of electricity in all urban areas with the exception of private towns and a portion of Eendekuil. In Eendekuil the Municipality only distributes electricity to the area where the low cost houses are situated (162 households). Eskom distributes electricity to the areas not serviced by the Municipality. Registered indigent households within the Municipality's supply area are entitled to 50 kWh of free basic electricity. There are also street lighting in all towns.

The Municipality obtained funding (R 1 754 million) from the Department of Energy to provide electricity for the housing projects at Velddrif and Porterville. (137 and 89 plots Velddrif and 116 plots Porterville). Highlights of the 2017/2018 financial year is that the municipality managed to keep their electricity losses below 10 %, namely to 9.65 % in 2017/2018. This took considerable effort by the Technical Directorate and we thank them for their dedication. This is much lower than the National norm of 17 %. (Technical and Non-Technical Losses).

1.7.4 WASTE MANAGEMENT

Refuse removal is an essential service that ensures that health related problems are kept at bay. A lack of or inadequate service is likely to result in uncontrolled and unregulated dumping. There are growing concerns around the land and environmental limitations in the creation and lifespan of landfill sites. This would benefit greatly from the 'reduce – reuse – recycle' approach, that firstly encourages non-wasteful consumption practices (reduce), the reuse of products where possible (reuse) and the recycling of the product where its use in current form has been exhausted (recycle).

TABLE 27: WASTE MANAGEMENT IN BERGRIVIER MUNICIPALITY

Area	2011	2016	Total change 2011 - 2016	Average annual change 2011 - 2016	Average annual growth 2011 - 2016
Bergrivier	67.0%	83.6%	5 026	1 005	7.9%
West Coast District	76.5%	83.4%	26 625	5 325	5.8%

Socio-Economic Profile 2017

Household access to refuse removal services in Bergrivier has increased from 67.0 % in 2011 to 83.6 % in 2016; household access to this service increasing faster (additional 1 005 households annually) than the growth in formal households (459 on average annually) as well as faster than total household growth of 559 on average per year (between 2011 and 2016).

All households in urban areas, including the private towns Goedverwacht and Wittewater, have access to a weekly refuse removal service. Refuse is taken to refuse transfer stations at Piketberg, Velddrif and Porterville from where it is transported to license landfill sites at Malmesbury and Vredenburg in accordance with agreements concluded with the Swartland Municipality and Saldanha Bay Municipality. A key challenge is the rehabilitation of the landfill sites at Piketberg and Porterville, due to the high cost involved. The Municipality recycle on average 7 % of the waste generated (excluding green material and building rubble), which contributes to lower dumping and transport costs. The Municipality is in the process of constructing a recycling plant at Piketberg and a weigh brige at Velddrif in order to accommodate the increasing recycled waste material and to be able to weigh all our waste and recyclables as is required by legislation. NEMWA Act (59 of 2008). One of the highlights is that the municipality is one of a few municipalities that were able to adhere to the said legislation.

The municipality also wrote a business plan to the Federal Government (VVSG) Belgium and is in a Stedeband relationship with Heist–op-den Berg. (See more detail paragraph 3.2.4)

1.7.5 HUMAN SETTLEMENTS (HOUSING)

The number of formal dwellings in Bergrivier increased by 2 294 between 2011 and 2016, at an average annual rate of 2.9 %, which translates into approximately 459 additional formal dwellings per year over this period. This increase in formal dwellings was however unable to keep pace with the growth in the total number of households, resulting in the proportion of formal households declining from 93.4 % in 2011 to 91.7 % in 2016.

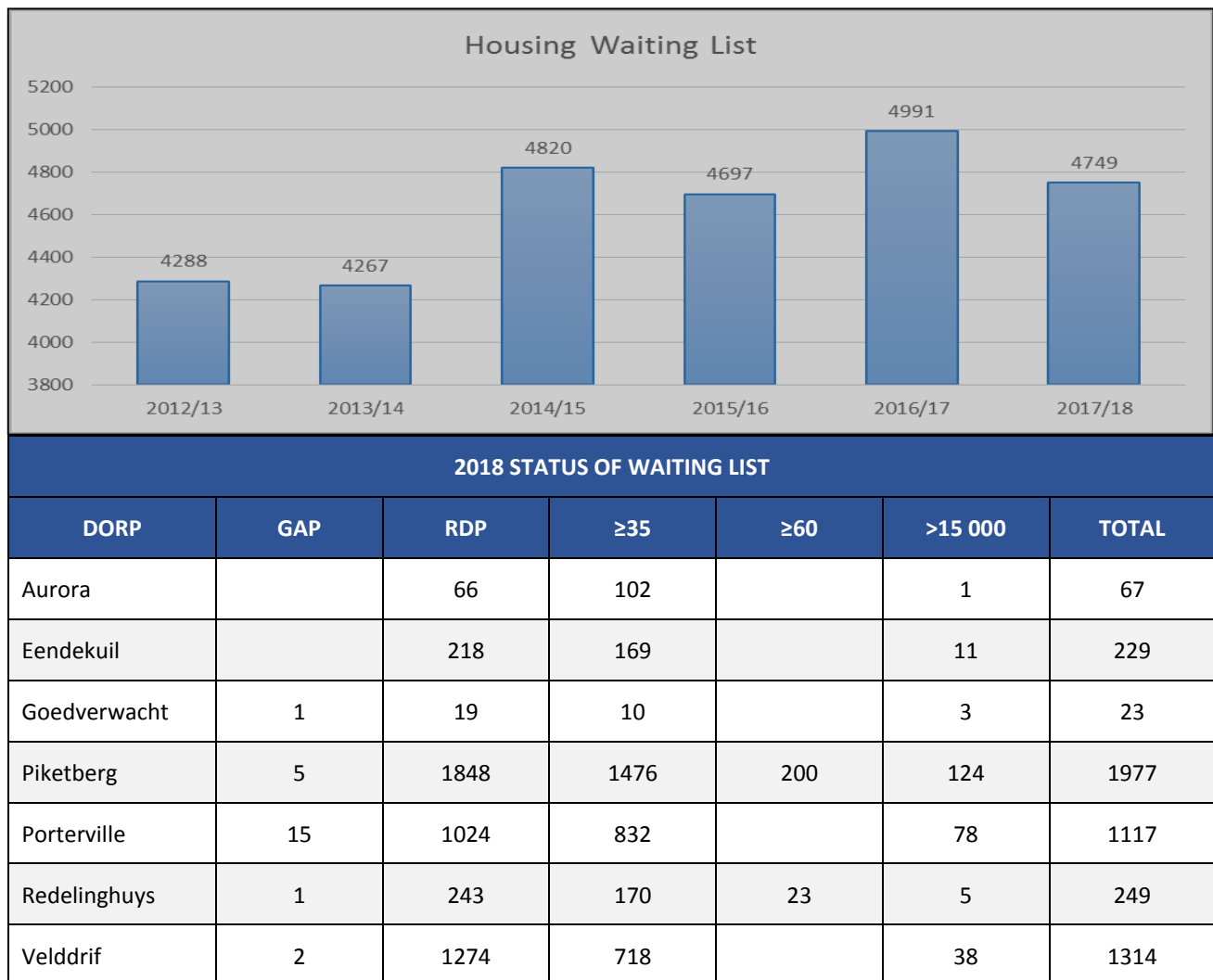
TABLE 28: HOUSING IN BERGRIVIER MUNICIPALITY

Area	2011	2016	Total change 2011 - 2016	Average annual change 2011 - 2016	Average annual growth 2011 - 2016
Bergrievier	93.4%	91.7%	2 294	459	2.9%
West Coast District	87.9%	85.8%	27 999	3 511	3.5%

Socio-economic Profile 2017

Housing is a concurrent National and Provincial competency in terms of Schedule 4A of the Constitution. Section 10 of the Housing Act, 1997 (Act 107 of 1997) sets out the responsibilities of municipalities in relation to the provision of housing. There is a direct correlation between the provision of basic services and housing, which makes it a complex function that relies on high levels of co-operation between the Municipality and the Provincial and National Departments responsible for Housing. The following figure provides an overview of the Municipality's housing needs as at 30 June 2018.

FIGURE 14: BERGRIVIER MUNICIPALITY HOUSING WAITING LIST AS AT 30 JUNE 2018



2018 STATUS OF WAITING LIST						
DORP	GAP	RDP	≥35	≥60	>15 000	TOTAL
Wittewater		12	4		1	13
Other		21	-		4	25
Total	24	4725	3481			4749

A number of key challenges remain, amongst other the scarcity of suitable land for housing and the high cost of bulk and service infrastructure. The Municipality was able to commence with the implementation of its Housing Pipeline that was approved in the 2014/15 financial year, and is continuously revising the infrastructure and housing pipeline on a yearly basis. In addition another 89 housing units were approved for Noordhoek in Velddrif, and the project will in all likelihood be completed in the new financial year. The municipality is also seeking to implement a viable FLISP-project on two separate erven in Piketberg. For this reason a survey of potential beneficiaries was done, and a planning application will be submitted to DOHS in the coming financial year.

PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights include:

- The allocation of 137 serviced-sites in Velddrif;
- Updating the waiting list in all towns;
- Housing Consumer Education was done for beneficiaries of state-subsidized housing; and
- The finalization of 250 title deeds.

Some of the challenges that remain are:

- Staff shortages and staff-competency (only 3 fulltime employees in the housing department);
- Cost of bulk services and lack of engineering infrastructure;
- Lack of suitable land for housing;
- High development and construction-cost in our municipal area (its fairly remote from the major urban centres); and
- The optimal utilization of vacant land for infill-housing.

1.7.6 FREE BASIC SERVICES

In the past, free basic water and electricity (6 kl water and 50 kW/h electricity) were supplied to all households irrespective of their financial position. From 2013/14, it was decided to provide free basic water to indigent households only. Thereafter, during 2014/15, the provision of free basic electricity followed and was only delivered to indigent households. Free basic refuse removal and sanitation are provided to indigent households only. Families that are classified as indigent are determined through

policy guidelines which is amended each year with the Annual Budget. The municipality maintains a register which allows it to document all those households needing access to free basic services.

The indigent policy seeks to realise the following objectives:

- The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council;
- The financial sustainability of free basic services through the determination of an appropriate tariff system that contributes to such sustainability through cross subsidisation;
- Establishment of a framework for the identification and management of indigent households including a socio-economic analysis where necessary and an exit strategy;
- The provision of procedures and guidelines for the subsidisation of basic charges and the provision of free basic energy to indigent households; and
- Co-operative governance with other spheres of government.

TABLE 29: HOUSEHOLD ACCESS TO FREE BASIC SERVICES

Financial Year	Total	Rates	Electricity	Water	Refuse	Sewerage
2017/18	1 753	1 753	681	1 746	1 753	1 534
2016/17	1 893	1 893	1 706	1 879	1 893	1 681
2015/16	1 793	1 793	1 616	1 790	1 793	1 614
2014/15	1 798	1 798	1 372	1 795	1 798	1 605

For the current year, households earning less than the threshold of two state pensions plus 40 % qualified for indigent assistance and applicants have to go through a formal application process at the various municipal offices and registration is valid for 12 months from approval.

In summary, the following is an overview of the various social indicators in the West Coast District:

TABLE 30: SELECTED SOCIO-ECONOMIC INDICATORS, WEST COAST DISTRICT, 2005 - 2016

Indicator	West Coast District	Matzi-kama	Ceder-berg	Berg-rivier	Saldanha Bay	Swart-land
GDPR growth (2005 – 2015)	3.0%	2.6%	4.2%	3.3%	2.4%	3.4%
Population growth (2005–2015)	1.7%	1.41%	1.73%	1.44%	1.75%	2.23%
Real GDPR per capita (2005 – 2015)	R 46 365	R 41 488	R 41 652	R 44 351	R 53 382	R 45 968
Gini coefficient (2010 – 2015)	Increase					

Indicator	West Coast District	Matzi-kama	Ceder-berg	Berg-rivier	Saldanha Bay	Swart-land
Household expenditure	Services/ non-durables					
HDI (2010 – 2016)	Increase					
No schooling (2016)	8.6%	9.8%	10.5%	9.5%	5.8%	9.1%
Grade 12 dropout rates (2016)	High	33.0%	28.7%	31.7%	29.5%	23.2%
Informal dwelling	11.3%	10.4%	12.4%	3.9%	18.5%	8.8%
Indigent households	Increase	Increase	Increase	Un-changed	Increase	Increase
Free basic water (2015 – 2016)	Increase	Increase	Increase	Un-changed	Increase	Increase
Free basic electricity (2015 – 2016)	Increase	Increase	Increase	Un-changed	Increase	Increase
Free basic sanitation (2015 – 2016)	Increase	Increase	Increase	Un-changed	Increase	Increase
Main causes of death	TB and HIV/AIDS					
Age growth with highest death rate	45 - 65 +					

1.8 ORGANISATIONAL DEVELOPMENT OVERVIEW

Chapter 4 provides detailed information on the Municipalities organisational development.

1.8.1 THE MUNICIPAL WORKFORCE

During the financial year 2016/2017, Council resolved to review the staff establishment. A new macro and micro organogram was approved by Council on 30 May 2017, which will come into effect from the 01st July 2017.

1.8.1.1 MANAGEMENT

The Municipal Manager is appointed on a fixed term contract in terms of Section 57 of the Municipal Systems Act and the Directors reporting to the Municipal Manager are appointed on permanent contracts. Employment contracts and performance agreements are in place for the Municipal Manager and all Directors reporting to the Municipal Manager.

The Municipal Manager's employment contract was extended on 03 October 2016 and renewed for another five years from August 2017 to August 2022. The Chief Financial Officer retired on 31 March 2017 after 22 years of services. A new Chief Financial Officer was appointed by Council on 28 February 2017 and the commencement date of employment was 01 April 2017. The position of Director Community Services has been approved by Council on 30 May 2017, but the recruitment and selection process will embark in the financial year 2017/2018.

1.8.1.2 WORKFORCE, TURNOVER AND VACANCIES

The municipality employed 378 employees at the end of June 2018 and the total vacancy rate as on 30 June 2017, inclusive of funded positions, was 12.22 % comprising fifty four (54) funded posts. The vacancy rate for funded posts is 13.70 % which is higher than the 12.22 % during the previous financial year, 2016/2017. The vacancy rate is carefully managed and strategically done as a saving mechanism and to fund temporary positions needed for operational requirements. The total staff turnover rate for the financial year to date is 7.56 %.

1.8.1.3 EMPLOYMENT EQUITY

The Municipality is strongly committed to the achievement of employment equity and equal opportunity for all employees and is actively working towards creating and maintaining a fair and equitable working environment, free from all forms of discrimination and harassment. It is difficult for the Municipality to comply with the employment equity targets of the country and the Western Cape Province demographic as it normally recruits from the region and the Employment Equity Plan is under review to reflect the demographics of the West Coast District Municipality instead of the Western Cape Province.

1.8.1.4 HUMAN RESOURCE POLICIES AND PLANS

All policies and plans required by legislation are in place, as well as a number of other policies that are necessary for the maintenance of harmonious labour relations. During the year the recruitment and selection policy was reviewed and approved by council. Ten Human Resource policies were drafted and consulted with all stakeholders and submitted to Council for approval, but referred back to management for later approval.

1.8.1.5 TERMINATIONS, RECRUITMENT, SELECTION AND ABSENTEEISM

There were 29 terminations during the financial year and consisted of the following: Eleven resignations, eight retirements, One Ill Health/ Capacity, Five deceased and Four absenteeism's that resulted in dismissals. The Municipality's absenteeism rate is higher than the national norm of 1.5 % and needs to be addressed as it increased from 2.51% in the previous financial year to 2.86 % for 2017/18.

1.8.1.6 OCCUPATIONAL HEALTH AND SAFETY

A total of 15 incidents occurred and is an increase from the financial year 2016/2017. Eight injuries occurred in Piketberg, four in Velddrif and three in Porterville. No incidents were recorded in the other towns within Bergrivier Municipal area.

1.8.2 CAPACITATING THE MUNICIPAL WORKFORCE

One of Bergrivier's development priorities is the development of the work force. During the financial year 2017/2018, R 1 044 320 was spent on training and development of employees. The spending consisting of R 278 944 for external bursaries (grant funding), R 30 376 for bursaries for employees and training budget of R 735 000.

1.8.3 MANAGING THE WORKFORCE EXPENDITURE

The Municipality's employee costs are calculated as a percentage of the Municipality's operating expenditure. R 111 580 820.00 for 2017/18 was spent on employee costs, which translates to a percentage of 37.22 %. This is slightly lower than the previous year where employee costs constituted 37.22 % of the operating budget. The percentage personnel expenditure to total expenditure is higher for small municipalities as the same legal requirements for budgetary reporting, internal audit, strategic planning, performance management and intergovernmental relations and working groups apply to all municipalities irrespective of their size. This places pressure on the size of smaller municipality's staff structures

1.9 FINANCIAL HEALTH OVERVIEW

1.9.1 FINANCIAL PERFORMANCE

1.9.1.1 FINANCIAL PERFORMANCE

The financial position of the Municipality deteriorated year on year, because the annual surplus decreased to R 19 426 048 from R 22 010 812 during 2016/17. The Net Cash Flow from operating activities also decreased to R 22 792 032 from R 41 008 638 during 2016/17. Receivables from Exchange Transactions increased to R 52 726 630 from R 46 329 573 (2016/17) while the Service Charges decreased to R 145 624 075 from R 149 250 118 (2016/17).

TABLE 31: INCOME OVERVIEW

DETAILS	ORIGINAL BUDGET 2017/18	ADJUSTMENT BUDGET 2017/18	ACTUAL 2017/18
INCOME	R	R	R
Grants	-75 044 313.00	-76 148 313.00	-63 749 936.00
Taxes, Levies and Tariffs	-230 842 616.00	-224 004 616.00	-208 230 645.00
Other	-29 817 804.00	-30 924 494.00	-38 748 894.00
SUBTOTAL	-335 704 733.00	-331 077 423.00	-310 729 475.00
Less: Expenditure	328 673 179.00	321 155 260.00	291 303 430.00
NET TOTAL	-7 031 554.00	-9 922 163.00	-19 426 045.00

1.9.1.2 FINANCIAL GRANTS

The Municipality received the following grants and transfers:

TABLE 32: FINANCIAL GRANTS

DESCRIPTION	2016/17	BUDGET YEAR 2017/18			
	Year-end balance	Received	YTD Operating Exp	YTD Capital Exp	Year-end balance
	R000	R000	R000	R000	R000
Provincial Grants	74	7 988	6 389	1 579	94
National Grants	371	55 022	42 022	13 371	0
Other	0	493	388	0	105
TOTAL TRANSFERS & GRANTS	445	63 504	48 799	14 950	199

1.9.1.3 ASSET MANAGEMENT

The Asset base of the municipality is integral to the municipality's ability to provide services; like water, electricity, sanitation, etc. to the community in terms of its Constitutional mandate. It is the duty of the municipality to ensure that assets are safeguarded and maintained so that they are operating in the manner intended for its use and not left in an unproductive or idle state. Assets are assessed on an ongoing basis for impairment and written off or replaced where applicable. Assets are managed and maintained by the Directorate under which they resort and provision is made under their respective operational budgets for maintenance over the life cycle of the asset.

1.9.1.4 FINANCIAL RATIOS AND INDICATORS

The Municipality has a number of operating ratios and indicators to enable it to benchmark its financial performance. The basis of calculation of these ratios can be found in Chapter 5. The following table provides an overview of the key ratios and indicators and indicates their status:

TABLE 33: OPERATING RATIOS

DETAIL	2015/16	2016/17	2017/18
Liquidity Ratio	311.89 %	321.64 %	378.36 %
Cost coverage Ratio	2.77 times	4 times	3.61 times
Outstanding service debtors to revenue	32.12 %	35.75 %	43.18 %
Debt coverage	27.53 times	25.60 times	24.67 times
Capital Charges to operating expenditure	3.83 %	3.62 %	3.71 %
Employee costs	37.5 %	36.96 %	38.30 %
Repairs & maintenance	3.18 %	3.16 %	2.58 %

As can be deduced from the above table of ratios, the municipality is consistently growing its financial sustainability based on prudent accounting principles as prescribed by the MFMA. The municipality however needs to improve its costing system to adequately account for actual costs spent on Repairs & Maintenance. At this stage the costs of Repairs & Maintenance is understated as employee and operational costs are not factored in the above calculation.

1.9.2 SPENDING AGAINST CAPITAL BUDGET

1.9.2.1 CAPITAL EXPENDITURE

The total original capital budget for 2017/18 was R 31 320 000. During the adjustment budget, this amount increased to R 34 211 000. The increase on the capital budget was mainly due to the re-allocation of funding for the drought. The actual outcome for payment for capital assets was R 31 382 000. The total spending was therefore 91.73 %.

TABLE 34: TOTAL CAPITAL EXPENDITURE

DETAIL	2015/16	2016/17	2017/18
	R 000	R 000	R 000
Original Budget	30 650	32 478	31 320
Adjustment Budget	34 690	29 144	34 211
Actual	32 221	27 823	31 382
Percentage of Adjustment Budget:	92.88 %	95.47 %	91.73 %

1.9.3 CASH FLOW MANAGEMENT AND INVESTMENTS

1.9.3.1 CASH FLOW

The Municipality's cash flow deteriorated during 2017/18. The municipality focused on efficient use of its resources and realised savings in critical areas of the operational budget.

1.9.3.2 BORROWING AND INVESTMENTS

An external loan to the amount of R 6 080 000 was taken up during the 2017/2018 financial year. Call investments to the value of R 6 425 225 existed at year end. Additional cash investments were however held during the year which yielded interest returns of R 6.7 million during the year.

1.9.3.3 SUPPLY CHAIN MANAGEMENT (SCM)

The Municipality has a Supply Chain Management Unit in place. However the structure does not give effect individually to all six areas of SCM namely demand, acquisition, logistics, disposal, risk and performance management, meaning that the functions are addressed by the available staff. The Municipality has a fully functional Bid Committee System in place and no Councillor is a member of any committee dealing with SCM processes. The Municipality has revised its Supply Chain Management Policy during the year to

respond to changes in legislation. The focus of SCM has shifted from being a compliance-driven unit to becoming a local economic development enabling unit without compromising compliance with legislation. This shift is in response to the direction provided by the Western Cape Provincial Government initiatives to promote Small, Medium and Micro Enterprise (SMME) development.

1.9.3.4 GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal finances are comparable and more informative when comparing with other institutions. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Bergrivier strives to adhere to these standards at all times and is considered to be fully GRAP compliant.

1.9.3.5 ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements of the Bergrivier Municipality for 2017/18 have been prepared in accordance with Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) and the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in Accordance with Section 122(3) of the said Act. The Annual Financial Statements are appended as Volume II of this document.

1.10 AUDITOR GENERAL REPORT

Annual Financial Statements must be submitted to the Auditor General for auditing in terms of Section 126 of the Municipal Finance Management Act, 2000, (Act 56 of 2003). The Auditor General is required to submit an Audit Report to the Municipal Manager which contains one of the following opinions:

- An unqualified opinion without matters (Commonly referred to as a “Clean Audit”).
- An unqualified opinion with emphasis of matter or other matters. (These matters do not affect the auditor’s opinion on whether the financial statements are fairly presented).
- Modified opinions of which there are three types namely:
 - A qualified opinion which is expressed when the auditor concludes that an unqualified opinion cannot be expressed but that the effect of any disagreement with management regarding departures from the financial reporting framework, or a limitation of scope, is not as material and pervasive as to require an adverse opinion or a disclaimer of opinion.
 - An adverse is opinion expressed when the effect of a disagreement with management regarding departures from the financial reporting framework is so material and pervasive to the financial statements that the auditor concludes that a qualification of the report is not adequate to disclose the misleading or incomplete nature of the financial statements.
 - A Disclaimer of opinion which is expressed when the possible effect of a limitation of scope is so material and pervasive that the auditor has not been able to obtain sufficient appropriate audit

evidence to form an opinion and accordingly is unable to express an opinion on the financial statements.

TABLE 35: AUDIT OUTCOME HISTORY

OPINION	2014/15	2015/16	2016/17	2017/18
Unqualified opinion without matters (Clean Audit)		X	X	X
Unqualified opinion with emphasis of matter or other matters	X			
Qualified opinion				
Adverse opinion				
Disclaimer				

The Audit report for 2016/17 was unqualified without matters. The complete Report is contained as part of the Annual Financial Statements (AFS) Volume II to this report.

1.11 STATUTORY ANNUAL REPORT PROCESS

The 2017/18 Annual Report reflects the performance of Bergrivier Municipality for the financial year commencing on 1 July 2017 and ending on 30 June 2018. This Annual Report is compiled in terms of Section 121 of the Municipal Finance Management Act, 2003 (Act 56 of 2003) read together with Section 46 of the Municipal Systems Act, 2000 (Act 32 of 2000).

TABLE 36: STATUTORY ANNUAL REPORTING PROCESS

LEGISLATION	SECTION	MAIN PROVISIONS
Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)	Section 46: Annual performance reports	<p>1) A municipality must prepare for each financial year a performance report reflecting -</p> <p>(a) the performance of the municipality and of each external service provider during that financial year;</p> <p>(b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and</p> <p>(c) measures taken to improve performance.</p> <p>2) An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act.</p>

LEGISLATION	SECTION	MAIN PROVISIONS
Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)	Section 121: Preparation and adoption of annual reports	<p>1) Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.</p> <p>2) The purpose of an annual report is-</p> <p>(a) to provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;</p> <p>(b) to provide a report on performance against the budget of the municipality or municipal entity for that financial year; and</p> <p>(c) to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.</p> <p>3) The annual report of a municipality must include-</p> <p>(a) the annual financial statements of the municipality, and in addition, if section 122 (2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126 (1);</p> <p>(b) the Auditor-General's audit report in terms of section 126 (3) on those financial statements;</p> <p>(c) the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act;</p> <p>(d) the Auditor-General's audit report in terms of section 45 (b) of the Municipal Systems Act;</p> <p>(e) an assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges;</p> <p>(f) an assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17 (3) (b) for revenue collection from each revenue source and for each vote in the municipality's approved budget for the relevant financial year;</p> <p>(g) particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d); (h) any explanations that may be necessary to clarify issues in connection with the financial statements;</p> <p>(i) any information as determined by the municipality;</p> <p>(j) any recommendations of the municipality's audit committee; and</p> <p>(k) any other information as may be prescribed.</p>
	Section 127: Submission and tabling of annual reports	<p>2) The Mayor must within seven months (by end January) of the financial year, table in the municipal council the annual report of the municipality.</p> <p>3) If the mayor, for whatever reason, is unable to table in council the annual report of the municipality, or the annual report of any municipal entity under the municipality's sole or shared control, within seven months after the end of the financial year to which the report relates, the mayor must:</p> <p>a) Promptly submit to the council a written explanation referred to in section 133(1)(a) setting out the reasons for the delay, together with any components of the annual report listed in section 121(3) or (4) that are ready; and</p> <p>b) Submit to council the outstanding annual report or the outstanding components of the annual report as soon as may be possible.</p>
		<p>5) Immediately after an annual report is tabled in the council in terms of subsection (2), the accounting officer of the municipality must—</p> <p>(a) in accordance with section 21A of the Municipal Systems Act—</p> <p>(i) make public the annual report; and</p> <p>(ii) invite the local community to submit representations in connection with the annual report; and</p> <p>(b) submit the annual report to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the Province.</p>
	Section 129: Oversight reports on annual reports	<p>1) The council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127 adopt an oversight report</p>

CHAPTER 2: GOVERNANCE



Beautiful West Coast coastline between Velddrif and Dwarskersbos

Photographer unknown: Photo provided

2.1 INTRODUCTION

In terms of Section 40 of the Constitution of South Africa (1996) government is constituted as national, provincial and local spheres (municipalities) of government which are distinctive, interdependent and interrelated. The three spheres of government are required to co-operate with one another and adhere to the principles of cooperative governance as set out in the Constitution as well as the Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005) (IGRF).

Sections 153 (1) and (2) of the Constitution state that the executive and legislative authority of a municipality is vested in its municipal council and that a municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation, as provided for in the Constitution. Municipal councils may exercise their authority within an area of jurisdiction as determined by the Municipal Demarcation Board in terms of the Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998).

Bergvriër Municipality is an organ of state within the local sphere of government, and is established in terms of Section 12 of the Municipal Structures Act, 1998 (Act 117 of 1998), as a Local Municipality with an Executive Mayoral System combined with a Ward Participatory system. Section 2(b) of the Municipal Systems Act, 2000 (Act 32 of 2000) states that a municipality is constituted by three partners, namely its political structures, administration and the community.

At Bergvriër Municipality we believe that these three partners must work seamlessly together to produce the best results:

FIGURE 15: COMPOSITION OF A MUNICIPALITY



2.2 POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Council performs both legislative and executive functions. It focuses on legislative, oversight and participatory roles, and has delegated most of its executive functions to the Executive Mayor and the Mayoral Committee. Its primary role is to debate issues publicly and to facilitate political debate and discussion.

Apart from their functions as policy and decision-makers, Councillors are also actively involved in community work and various social programmes in the Municipal Area.

2.2.1 POLITICAL GOVERNANCE

The Municipality's political governance structures comprise:

- The Municipal Council;
- The Speaker;
- The Executive Mayor and Executive Mayoral Committee;
- Portfolio Committees; and
- Other Committees established by Council for specific purposes.

2.2.1.1 THE MUNICIPAL COUNCIL

Councillors are elected by the local voters to serve a predetermined term of office on the local council as representatives of their respective constituents. Municipal elections take place every five years, and the Municipal Council was elected following the Local Government Election which was held on 3 Augustus 2016.



Municipal Manager Adv. Hanlie Linde, Executive Mayor Alderman Evert Manuel, Speaker Alderman Riaan de Vries and Deputy Executive Mayor Alderlady Sandra Crafford at the inauguration of the newly elected Council: 16 August 2016

Councillors are remunerated in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). In terms of this Act the upper limits of salaries, allowances and benefits of different members of municipal councils are determined annually by regulation. The Municipal Council must take a decision to apply the regulation and obtain approval from the Provincial Minister of Local Government to implement it.

The Municipal Council of Bergrivier Municipality comprises 13 Councillors, seven of whom are Ward Councillors and six of whom are Proportional Representation (PR) Councillors. The table below provides a list of Councillors, their office, political affiliations and whether they are a ward or proportional Councillor.

TABLE 37: COUNCILLOR REPRESENTATION

Ald EB Manuel	Ald SM Crafford	Ald RM van Rooy	Cllr M Wessels	Ald A de Vries
				
Executive Mayor DA (Proportional) Resigned 23/5/18	Deputy Mayor DA (Ward 7)	Mayoral Committee DA (Ward 4)	Mayoral Committee DA (Proportional)	Speaker DA (Ward 3)
Cllr J Daniels	Cllr AJ du Plooy	Cllr B Claasen	Cllr A Small	Ald SR Claassen
				
Ward Councillor DA (Ward 1)	Ward Councillor DA (Ward 2)	Ward Councillor ANC (Ward 5)	Ward Councillor DA (Ward 6)	Councillor ANC (Proportional)
Ald SIJ Smit	Cllr S Lesch	Ald J Swart	Councillor Botha	
				
Councillor ANC (Proportional)	Councillor ANC (Proportional)	Councillor ANC (Proportional)	Inaugurated on 26 June 2018 DA (Proportional)	

Section 37(c) of the Municipal Structures Act requires Municipal Councils to meet quarterly (minimum of 4 meetings). The Bergrivier Municipal Council held a total of 12 meetings (Ordinary and Special meetings) during the course of the year. The following tables indicate the Council Meetings that were held and individual attendance.

TABLE 38: COUNCIL MEETINGS

DATES	ATTENDANCE	APOLOGIES	ABSENT
25 July 2017 (<i>Ald JJ Josephus (Ward 5) passed away on 22/05/2017 and a new councillor was not yet elected.</i>)	10	2	0
29 August 2017 (<i>Councillor B Claasen was inaugurated as the new councillor for Ward 5</i>)	13	0	0
26 September 2017	12	1	0
31 October 2017	11	2	0
28 November 2017	11	2	0
16 January 2018	11	2	0
30 January 2018	10	3	0
16 February 2018	8	5	0
27 February 2018	9	4	0
27 March 2018	10	3	0
09 April 2018	9	4	0
24 April 2018	10	3	0
23 May 2018 (<i>Alderman EB Manuel resigned as Executive Mayor on 23/05/18 and as councillor on 25/05/18</i>)	12	0	0
29 May 2018	12	0	0
26 June 2018 (<i>Councillor JC Botha was inaugurated as councillor during this meeting</i>)	12	1	0

*Between 22/05/2017 and 23/08/2017 the Council of Bergrivier Municipality consisted of 12 Councillors only.

TABLE 39: MEETING ATTENDANCE

MEMBERS	SCHEDULED MEETINGS	MEETINGS ATTENDED	APOLOGIES TENDERED	ABSENT
Ald EB Manuel (<i>Resigned as Executive Mayor on 23/05/18 and as councillor on 25/05/18</i>)	15	13	2	0

MEMBERS	SCHEDULED MEETINGS	MEETINGS ATTENDED	APOLOGIES TENDERED	ABSENT
CLlr J Daniëls	15	13	2	0
CLlr AJ du Plooy	15	13	2	0
Ald A de Vries	15	15	0	0
CLlr SS Lesch (Me)	15	13	2	0
Ald SM Crafford (Me)	15	14	1	0
Ald RM van Rooy	15	13	2	0
CLlr A Small (Me)	15	14	1	0
Ald SR Claassen	15	11	4	0
Ald SIJ Smit (Me)	15	12	3	0
CLlr MA Wessels	15	11	4	0
Ald J Swart	15	7	8	0
CLlr BJ Claasen (Councillor from 29/08/17)	14	13	1	0
CLlr JC Botha (Councillor from 26/08/18)	1	1	0	0

*Between 22/05/2017 and 23/08/2017 and 23/05/18 and 26/06/18 the Council of Bergrivier Municipality consisted of 12 Councillors only.

The absenteeism of Councillors is reported to the Speaker monthly by the Manager: Administrative Services. The Speaker is the Chairperson of the Council enforcing the Code of Conduct for Councillors. The following table indicates the allocation of Councillors to the various committees.

TABLE 40: COUNCILLOR ALLOCATIONS TO COMMITTEES

COUNCIL MEMBERS	FULL TIME /PART TIME	COMMITTEE ALLOCATION	WARD AND/OR PARTY
Ald EB Manuel	Full time	Executive Mayor Risk Management Committee (Ex-Officio) Municipal Public Accounts Committee	DA
Cllr J Daniels	Part Time	Financial Services Committee Member Corporate Services Committee Member Oversight Committee Municipal Public Accounts Committee	Ward 1 DA
Cllr AJ du Plooy	Part Time	Chairperson of Community Services Committee Corporate Services Committee Member Technical Services Committee Member Member Training Committee & Local Labour Forum	Ward 2 DA
Ald A de Vries	Full time	Speaker Member Training Committee & Local Labour Forum Audit Committee	Ward 3 DA
Ald RM van Rooy	Full Time	Member of Mayoral Committee Chairperson of Corporate Services Committee Financial Services Committee Member Member Training Committee & Local Labour Forum Risk Management Committee	Ward 4 DA
Cllr BJ Claasen	Part time	Community Services Committee Member	Ward 5 ANC
Cllr A Small (Ms)	Part time	Technical Services Committee Member Community Services Committee Member Municipal Public Accounts Committee	Ward 6 DA
Cllr SM Crafford (Ms)	Full time	Deputy Executive Mayor Chairperson of Financial Services Committee Risk Management Committee Audit Committee	Ward 7 DA
Cllr MA Wessels	Full time	Member of Mayoral Committee Chairperson of Technical Services Committee Financial Services Committee Member Community Services Committee Member Member Training Committee & Local Labour Forum Risk Management Committee	DA
Ald SR Claassen	Part time	Technical Services Committee Member Chairperson Oversight Committee Chairperson Municipal Public Accounts Committee	ANC
Ald SIJ Smit (Ms)	Part time	Financial Services Committee Member	ANC
Cllr SS Lesch (Ms)	Part time	Corporate Services Committee Member	ANC
Ald J Swart	Part time	Oversight Committee Municipal Public Accounts Committee	ANC

2.2.1.2 POLITICAL DECISION-MAKING

The Council has delegated most of its executive functions to the Executive Mayor and the Mayoral Committee. A total of 103 Council Resolutions were passed and implemented during the year.

TABLE 41: NUMBER OF ITEMS DISCUSSED 1 JULY 2017 – 30 JUNE 2018

DATE OF MEETING	NUMBER OF ITEMS DISCUSSED	OPEN TO PUBLIC	DURATION
25 July 2017 (<i>Ald JJ Josephus (Ward 5) passed away on 22/05/2017 and a new councillor was not yet elected.</i>)	16	Yes	01h05
29 August 2017 (<i>Councillor B Claasen was inaugurated as the new councillor for Ward 5</i>)	22	Yes	02h05
26 September 2017	23	Yes	01h00
31 October 2017	25	Yes	01h45
28 November 2017	22	Yes	01h45
16 January 2018	12	Yes	01h30
30 January 2018	25	Yes	01h30
16 February 2018	11	Yes	01h30
27 February 2018	25	Yes	01h30
27 March 2018	28	Yes	02h15
09 April 2018	11	Yes	01h15
24 April 2018	18	Yes	02h15
23 May 2018 (<i>Alm EB Manuel resigned as Executive Mayor on 23/05/18 and as councillor on 25/05/18</i>)	15	Yes	00h35
29 May 2018	32	Yes	02h45
26 June 2018 (<i>Councillor JC Botha was inaugurated as councillor during this meeting</i>)	30	Yes	01h50

2.2.1.3 RULES OF ORDER

The Municipal Council functions in terms of the Council's Rules of Order, which have the same status as a by-law. The Rules of Order were promulgated in the Provincial Gazette on 7 June 2013. Councillors are bound by the Code of Conduct for Municipal Councillors which is contained in Schedule 1 of the Municipal Systems Act.

2.2.1.4 HONORARY TITLE OF ALDERMAN/ALDERLADY

The title of Alderman was granted to Councillor S.R.Claassen with effect from 1 March 2018.

The criteria to qualify for the title of Alderman/Alderlady include:

- Aldermanship is awarded to a councillor who has served 10 years as a councillor, irrespective whether it was interrupted and/or if it was for more than one municipality;
- A councillor who has been elected as Speaker or Mayor for a second term, receive Aldermanship when the term of office commences;
- Aldermanship is awarded to any councillor that earns a minimum of twenty (20) points for the following:
 - one (1) point for every year service as a Councillor; plus
 - one (1) additional point for every year service as a councillor on the District Municipality representing the municipality or chairperson of a portfolio committee; and
 - two (2) additional points for every year service as Mayor or Member of the Executive Committee or Speaker or Deputy Mayor.

2.2.1.5 CODE OF CONDUCT FOR COUNCILLORS

The Code of Conduct (Schedule 1 of the Municipal Systems Act) prescribes how municipal councillors must behave, and states the penalties for improper behaviour. In general, the Code of Conduct requires that councillors must perform their duties:

- in good faith (or with a desire to act fairly towards others);
- honestly;
- transparently; and
- in the best interests of the municipality (which includes the interests of the community). In addition, the Code of Conduct requires that:
 - Councillors must declare to the municipal manager, in writing, all their financial interests, within 60 days of their election (The Municipal Systems Act, Schedule 1: Code of Conduct, item 7(4)). The public can demand to have access to the interests declared by one or more councillors;
 - A councillor must disclose (make public) any interest he has in any matter that is being considered by the council or its committees. This can be a direct or indirect interest, personally or through a spouse, partner or associate. Unless the Council decides that the interest disclosed is trivial or irrelevant, that councillor must withdraw and not participate in council or committee meetings on that matter. (The Municipal Systems Act, Schedule 1: Code of Conduct, item 5(1));
 - A councillor must disclose any special benefit that he or she, or his or her family member or spouse or partner will get from a contract that has been or will be signed with the municipality (The Municipal Systems Act, Schedule 1: Code of Conduct, item 5(1)). This must be done at the first council meeting where this is possible;
 - Full-time councillors are not allowed to have any other paid work without the permission of the

council. (The Municipal Systems Act, Schedule 1: Code of Conduct, item 8).

The Code of Conduct also states the following:

- Councillors may not use their positions or confidential information for personal profit nor for the improper benefit of any other person. (Municipal Systems Act, Schedule 1: Code of Conduct, item 6(1));
- Councillors may not request or accept any rewards, or gifts or favours for:
 - voting or not voting on a matter before the council or any committee;
 - persuading the Council to make a decision one way or the other on any matter;
 - making representations to the Council; and
 - disclosing confidential information (The Municipal Systems Act, Schedule 1: Code of Conduct, item 9);
- Councillors may not disclose confidential information of the council to people who are not allowed to know it. (The Municipal Systems Act, Schedule 1: Code of Conduct, item 10); and
- Councillors are not allowed to interfere with the municipal administration. It is a criminal offence for a councillor to attempt to influence an employee or agent of the municipality not to enforce a law or a council decision. This offence can be punished by a fine or a jail sentence of up to two years. (The Municipal Systems Act, Schedule 1: Code of Conduct, item 11).

The person primarily responsible for enforcing the Code of Conduct is the Speaker of the municipal council. He or she must investigate if there is a reasonable suspicion that the Code of Conduct has not been complied with. After giving the councillor an opportunity to respond, the Speaker must prepare a report which must be given to the council and made public. The Council is then able to investigate whether a breach of the Code of Conduct has taken place. This investigation must be done by a committee of councillors. If the Council decides that a councillor has breached the code of conduct, the Council can:

- issue a formal warning to the councillor;
- reprimand the councillor;
- fine the councillor; and
- request the MEC for Local Government (Provincial Minister) to suspend the councillor for a period or remove the councillor from office.

If the Council's own investigation is not enough or produces a flawed result, the MEC can intervene and conduct his/her own investigation. The MEC has power to suspend or remove the councillor from office.

The Code of Conduct for Councillors is available on the Municipal website

[2.2.1.6 THE SPEAKER](#)

The Municipal Council is chaired by the Speaker, Section 37 of the Municipal Structures Act requires the Speaker of the Municipal Council to:

- preside at meetings of the council;
- perform 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);
- ensure that the council meets at least quarterly;
- maintain order during meetings;
- ensure compliance of with the Code of Conduct set out in Schedule 1 of the Local Government : Municipal Systems Act, 2000 (Act 32 of 2000); and
- ensure that council meetings are conducted in accordance with the rules and orders of the council.

2.2.1.7 THE EXECUTIVE MAYOR AND MAYORAL COMMITTEE

The Executive Mayor is the centre of the governance system and is responsible for providing political and strategic leadership. Executive power is vested in the Executive Mayor, in accordance with a framework of powers assigned by legislation and powers delegated by the Municipal Council in terms of the Municipal Systems Act, 2000 (Act 32 of 2000). In order to maximise operational efficiency, the Municipal Council has delegated all powers except those which it may not delegate by law to the Executive Mayor. The Executive Mayor is assisted by the Mayoral Committee. The Mayoral Committee is chaired by the Executive Mayor and comprises the Deputy Mayor and two full time Councillors.

TABLE 42: ROLES AND RESPONSIBILITIES: MAYOR, DEPUTY MAYOR AND MAYORAL COMMITTEE

OFFICE BEARER	FUNCTION
EXECUTIVE MAYOR	<p>a) An executive mayor is entitled to receive reports from committees of the municipal council and to forward these reports together with a recommendation to the council when the matter cannot be disposed of by the executive mayor in terms of the executive mayor's delegated powers.</p> <p>(b) The executive mayor must—</p> <ol style="list-style-type: none"> (1) identify the needs of the municipality; (2) review and evaluate those needs in order of priority; (3) recommend to the municipal council strategies, programmes and services to address priority needs through the integrated development plan, and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans; and (4) recommend or determine the best way, including partnership and other approaches to deliver those strategies, programmes and services to the maximum benefit of the community. <p>(c) The executive mayor in performing the duties of office, must—</p> <ol style="list-style-type: none"> (1) identify and develop criteria in terms of which progress in the implementation of the strategies, programmes and services referred to in subsection (b)(3) can be evaluated, including key performance indicators which are specific to the municipality and common to local government in general; (2) evaluate progress against the key performance indicators; (3) review the performance of the municipality in order to improve— <ol style="list-style-type: none"> (in) the economy, efficiency and effectiveness of the municipality; (ii) the efficiency of credit control and revenue and debt collection services; and (iii) the implementation of the municipality's by-laws; (4) monitor the management of the municipality's administration in accordance with the directions of the municipal council; (5) oversee the provision of services to communities in the municipality in a sustainable manner; (6) perform such duties and exercise such powers as the council may delegate to the executive mayor in terms of Section 59 of the Systems Act; (7) annually report on the involvement of communities and community organisations in the affairs of the municipality; and (8) Ensure that regard is given to public views and report on the effect of consultation on the decisions of the council. <p>(d) An executive mayor must perform a ceremonial role as the municipal council may determine.</p> <p>(e) An executive mayor must report to the municipal council on all decisions taken by the executive mayor.</p>
DEPUTY EXECUTIVE MAYOR	(f) The deputy executive mayor of a municipality exercises the powers 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.
MAYORAL COMMITTEE MEMBERS	The Executive Mayor's delegated powers and functions must be exercised and performed by the Executive Mayor together with the other members of the Mayoral Committee.

Local Government Municipal Structures Act, 1998 (Act 117 of 1998)

The Mayoral Committee meets at least once a month. All reports required in terms of legislation were submitted timeously. A total of 24 Mayoral Committee meetings were held for 2017/18 (Ordinary and Special Meetings). The following tables indicate the Mayoral Committee Meetings that were held and individual attendance.

TABLE 43: MAYORAL COMMITTEE MEETINGS

DATES	ATTENDANCE	APOLOGIES	ABSENT
05 Julie 2017	3	1	0
25 Julie 2017	4	0	0
15 Augustus 2017	4	0	0
29 Augustus 2017	4	0	0
14 September 2017	4	0	0
26 September 2017	4	0	0
12 October 2017	3	1	0
19 October 2017	4	0	0
31 October 2017	3	1	0
16 November 2017	4	0	0
28 November 2017	4	0	0
12 December 2017	4	0	0
25 January 2018	4	0	0
30 January 2018	3	1	0
15 February 2018	4	0	0
27 February 2018	3	1	0
15 March 2018	4	0	0
27 March 2018	4	0	0
12 April 2018	3	1	0
24 April 2018	4	0	0
17 May 2018	3	1	0
29 May 2018 (<i>Ald EB Manuel resigned as Executive Mayor on 23/05/18 and as Councillor on 26/5/18</i>)	3	0	0
14 June 2018	3	0	0
26 June 2018	3	0	0

TABLE 44: MAYORAL COMMITTEE MEETING ATTENDANCE

MEMBERS	SCHEDULED MEETINGS	MEETING ATTENDANCE	APOLOGIES TENDERED	ABSENT
Ald EB Manuel (<i>Resigned as Executive Mayor on 23/05/18</i>)	21	20	1	0
Ald SM Crafford (Mrs)	24	24	0	0
Ald RM van Rooy	24	22	2	0
CLlr MA Wessels	24	21	4	0

A total of 104 Mayoral Committee resolutions were passed and implemented during the financial year. The following table indicates the number of resolutions passed per meeting.

TABLE 45: ITEMS TABLED 1 JULY 2017 – 30 JUNE 2018

DATE OF MEETING	NUMBER OF ITEMS DISCUSSED	OPEN TO PUBLIC	DURATION
05 July 2017	13	Yes	00h10
25 July 2017	20	Yes	01h25
15 August 2017	21	Yes	01h00
29 August 2017	18	Yes	01h55
14 September 2017	23	Yes	02h20
26 September 2017	17	Yes	01h20
12 October 2017	26	Yes	01h30
19 October 2017	15	Yes	01h05
31 October 2017	19	Yes	0h45
16 November 2017	31	Yes	03h20
28 November 2017	15	Yes	01h20

DATE OF MEETING	NUMBER OF ITEMS DISCUSSED	OPEN TO PUBLIC	DURATION
12 December 2017	27	Yes	01h30
25 January 2018	17	Yes	0h50
30 January 2018	24	Yes	02h00
15 February 2018	27	Yes	01h45
27 February 2018	20	Yes	01h00
15 March 2018	22	Yes	01h20
27 March 2018	21	Yes	01h30
12 April 2018	19	Yes	00h40
24 April 2018	26	Yes	01h05
17 May 2018	27	Yes	00h40
29 May 2018 (<i>Ald EB Manuel resigned as Executive Mayor on 23/05/18 and as Councillor on 26/05/18</i>)	22	Yes	00h45
14 June 2018	23	Yes	00h30
26 June 2018	25	Yes	02h10

2.2.1.8 PORTFOLIO COMMITTEES

The Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) (MSA) prescribes in Section 60 that in all Municipalities with more than 9 members the executive mayor must appoint a mayoral committee from amongst the councillors (Section 60(1)(a)), the mayoral committee must consist of the deputy executive mayor and as many councillors as may be necessary for effective and efficient government, provided that no more than 20% of the councillors are appointed (Section 60(2)). In Bergrivier Municipality the 20 % is equal to 2,6 councillors. For this legal reason we have our deputy executive mayor and two (2) additional full-time councillors on the mayoral committee.

In terms of Section 80(2) of the MSA the Section 80 committees established to assist the executive mayor may not in number exceed the number of members of the mayoral committee. It is therefore clear that Bergrivier Municipality currently have the maximum amount of Section 80 committees allowed by law, namely three (3).

In terms of the new approved macro structure the Municipality reverted back to four directorates and therefore another committee had to be establishment for the community services functions.

Section 79 of the MSA allows a Municipal Council to establish one or more committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers (Section 79(1)(a)). There are no legal restrictions on the amount of committees established in terms of this section. These committees will normally report directly to Council but the Executive Mayor is entitled in terms of Section 56(1) to determine that all committees of Council (Section 79 and 80) submit any reports to the Executive Mayor for consideration and decision-making in terms of delegated authority or for consideration and recommendation (as the case may be) to Council. Council approved the establishment of a committee in terms of section 79 of the Municipal Structures Act, 1998 (Act 117 of 1998) to serve as a standing committee for the Community Services functions as from 1 September 2017 and is chaired by a councillor appointed by Council.

The four Portfolio Committees appointed in terms of Section 79 and 80 of the Municipal Structures Act, 1998 (Act 117 of 1998) are the following:

- Community Services Committee (Section 79) : Chaired by Councillor AJ du Plooy;
- Financial Services Committee (Section 80) : Chaired by the Deputy Executive Mayor (Alderdady SM Crafford);
- Corporate Services Committee (Section 80) : Chaired by Alderman RM van Rooy; and
- Technical Services Committee (Section 80) : Chaired by Councillor MA Wessels.

Portfolio Committees have no powers and may only make recommendations to the Mayoral Committee. Portfolio Committees meet once a month for at least 11 months of the year.

TABLE 46: PORTFOLIO COMMITTEE MEETINGS

COMMITTEE	COMPOSITION	MEETING DATES
<p>FINANCIAL SERVICES COMMITTEE</p> <p>The Financial Services Committee discusses matters concerning the finances of the Municipality before submission to the Mayoral Committee for approval.</p>	<p>Ald SM Crafford (DA) (Chairperson) (Ms)</p> <p>Cllr MA Wessels (DA)</p> <p>Cllr J Daniels (DA)</p> <p>Ald RM van Rooy (DA)</p> <p>Ald SIJ Smit (ANC) (Ms)</p>	<p>01 August 2017</p> <p>05 September 2017</p> <p>03 October 2017</p> <p>07 November 2017</p> <p>05 December 2017</p> <p>06 February 2018</p> <p>06 March 2018</p> <p>23 April 2018</p> <p>08 May 2018</p> <p>05 June 2018</p>

COMMITTEE	COMPOSITION	MEETING DATES
CORPORATE SERVICES COMMITTEE The Corporate Services Committee discusses matters arising from the Office of the Municipal Manager and the Corporate Services Directorate before submission to the Mayoral Committee for approval.	Ald RM van Rooy (DA) (Chairperson) Ald SM Crafford (DA) Cllr J Daniels (DA) Cllr AJ du Plooy (DA) Cllr SS Lesch (ANC) (Ms)	01 August 2017 05 September 2017 03 October 2017 07 November 2017 05 December 2017 06 February 2018 06 March 2018 03 April 2018 08 May 2018 05 June 2018
TECHNICAL SERVICES COMMITTEE The Technical Services Committee discusses matters arising from the Technical Services Directorate before submission to the Mayoral Committee for approval.	Cllr MA Wessels (DA) (Chairperson) Cllr A Small (DA) (Ms) Cllr AJ du Plooy (DA) Ald RM van Rooy (DA) Cllr S Claassen (ANC)	02 August 2017 06 September 2017 17 October 2017 08 November 2017 06 December 2017 07 February 2018 07 March 2018 04 April 2018 09 May 2018 06 June 2018
COMMUNITY SERVICES COMMITTEE The Community Services Committee discusses matters arising from the Community Services Directorate before submission to the Mayoral Committee for approval.	Cllr AJ du Plooy (DA) (Chairperson) Ald RM van Rooy (DA) Cllr MA Wessels (DA) Cllr A Small (DA) (Ms) Cllr BJ Claassen (ANC)	06 September 2017 04 October 2017 08 November 2017 06 December 2017 07 February 2018 07 March 2018 04 April 2018 09 May 2018 06 June 2018

TABLE 47: CORPORATE SERVICES COMMITTEE NUMBER OF ITEMS DISCUSSED FROM 1 JULY 2017 – 30 JUNE 2018

DATE OF MEETING	NUMBER OF ITEMS DISCUSSED	OPEN TO PUBLIC	DURATION
July 2017	No meeting	-	-
01 August 2017	19	Yes	01h55
05 September 2017	23	Yes	02h10
03 October 2017	23	Yes	02h20
07 November 2017	22	Yes	02h20
05 December 2017	24	Yes	02h00
January 2018	No meeting	-	-
06 February 2018	28	Yes	02h30

DATE OF MEETING	NUMBER OF ITEMS DISCUSSED	OPEN TO PUBLIC	DURATION
06 March 2018	18	Yes	02h00
03 April 2018	12	Yes	01h40
08 May 2018	22	Yes	02h25
05 June 2018	18	Yes	01h05

TABLE 48: FINANCIAL SERVICES COMMITTEE NUMBER OF ITEMS DISCUSSED FROM 1 JULY 2017 – 30 JUNE 2018

DATE OF MEETING	NUMBER OF ITEMS DISCUSSED	OPEN TO PUBLIC	DURATION
July 2017	No meeting	-	-
01 August 2017	18	Yes	0h55
05 September 2017	19	Yes	02h40
03 October 2017	18	Yes	02h20
07 November 2017	16	Yes	02h25
05 December 2017	17	Yes	02h25
January 2018	No meeting	-	-
06 February 2018	18	Yes	03h00
06 March 2018	14	Yes	03h00
23 April 2018	15	Yes	01h20
08 May 2018	17	Yes	03h00
05 June 2018	15	Yes	01h25

TABLE 49: TECHNICAL SERVICES COMMITTEE NUMBER OF ITEMS DISCUSSED FROM 1 JULY 2017 – 30

JUNE 2018

DATE OF MEETING	NUMBER OF ITEMS DISCUSSED	OPEN TO PUBLIC	DURATION
July 2017	No meeting	-	-
02 August 2017	27	Yes	02h10
06 September 2017	27	Yes	03h55
17 October 2017	11	Yes	01h45
08 November 2017	29	Yes	05h00
06 December 2017	30	Yes	04h15
January 2018	No meeting	-	-
07 February 2018	29	Yes	04h15
07 March 2018	23	Yes	02h10
04 April 2018	26	Yes	02h10
09 May 2018	30	Yes	02h45
06 June 2018	25	Yes	01H30

TABLE 50: COMMUNITY SERVICES COMMITTEE NUMBER OF ITEMS DISCUSSED FROM 1 JULY 2017 – 30

JUNE 2018

DATE OF MEETING	NUMBER OF ITEMS DISCUSSED	OPEN TO PUBLIC	DURATION
06 September 2017	12	Yes	01h00
04 October 2017	14	Yes	01h45
08 November 2017	14	Yes	02h20
06 December 2017	14	Yes	01h30
January 2018	No Meeting	-	-
07 February 2018	13	Yes	01h55
07 March 2018	13	Yes	03h35
04 April 2018	18	Yes	01h55
09 May 2018	18	Yes	02h10
06 June 2018	16	Yes	01h50

2.2.1.9 OTHER COMMITTEES ESTABLISHED BY THE COUNCIL FOR SPECIFIC PURPOSES

2.2.1.9.1 AUDIT- AND PERFORMANCE COMMITTEE

The Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) requires municipalities to have an audit committee. Sections 166 (1) and (2) set out the functions of an audit committee:

1) *“An audit committee is an independent advisory body which must –*

Advise the council, political office bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity on matters relating to –

Internal financial controls and internal audits;

Risk management;

Accounting policies;

The adequacy, reliability and accuracy of financial reporting and information;

Performance management;

Effective governance;

Compliance with the Act, the annual Division of Revenue Act and any other applicable legislation;

Performance evaluation; and

Any other issues referred to it by the municipality or municipal entity

Review the annual financial statements to provide the council of the municipality with an authoritative and credible view of the financial position of the municipality, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;

c) Respond to council on any issues raised by the Auditor-General in the audit report;

d) Carry out investigations into the financial affairs of the municipality as the council may request; and

e) Perform such other functions as may be prescribed.”

Section 40 of the Municipal Systems Act requires municipalities to establish mechanisms to monitor and review their performance. The Local Government Municipal Planning and Performance Management Regulations, 2001 (GNR 796 of 24 August 2001) require municipalities to establish performance audit committees for this purpose. The functions of the performance audit committee are as follows:

“4(a) a performance audit committee must:

review the quarterly reports submitted to it by the internal auditors, dealing with quarterly reports, which the internal auditors are required to submit to the municipal manager and the performance

audit committee;

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

at least twice during a financial year submit an audit report to the municipal council concerned.

(b) In reviewing the municipality's performance management system in terms of (a) (ii), the performance audit committee must focus on economy, efficiency and effectiveness and impact in so far as the key performance indicators and performance targets set by the municipality are concerned.

(c) A performance audit committee may –

communicate directly with the council, municipal manager or the internal and external auditors of the municipality concerned;

Access any municipal records containing information that is needed to perform its duties or exercise its powers;

request any relevant person to attend any of its meetings, and, if necessary, to provide information requested by the committee; and

investigate any matter it deems necessary for the performance of its duties and the exercise of its powers."

Bergvrievier Municipality has a fully functional combined Performance and Audit Committee in terms of Section 166(6) (a) of the MFMA. The Performance and Audit Committee meets at least 4 times a year.

TABLE 51: PERFORMANCE AND AUDIT COMMITTEE COMPOSITION AND ATTENDANCE

MEMBERS	CAPACITY	28 AUGUST 2017	07 DECEMBER 2017	22 MARCH 2018	28 JUNE 2018
Mrs K Montgomery	Chairperson	Yes	Yes	Yes	Yes
Ms R Gani	Member	Yes	Yes	Yes	Yes
Mr G N Lawrence	Member	Yes	Yes	Yes	Yes
Mr B van Staaden	Member	Yes	Yes	Yes	Apology
Mr C. de Jager	Member	Yes	Yes	Yes	Yes

The recommendations of the Performance and Audit Committee and the 2017/18 Audit are contained in **ANNEXURE 7**. Report by the Chairperson of the Performance and Audit Committee is contained in **ANNEXURE 7**.



Top: Audit- and Performance Committee 2017/18
Right: Mr. Graham Lawrence receiving an award as member of the Audit and Performance Committee



2.2.1.9.2 OVERSIGHT COMMITTEE

Section 127(2) of the Municipal Finance Management Act requires the Executive Mayor to table the Municipality's Annual Report by the end of January each year. Section 129 of the same Act requires the Council to adopt an Oversight Report within two months of the Annual Report having been tabled which means that the Oversight Report must be tabled by 31 March of each year.

Section 46 of the Municipal Systems Act requires the Municipality to prepare a Performance Report for each financial year which reflects the performance of the Municipality and each of its external service providers during that financial year, as measured against predetermined targets as well as the performance of the previous year. The Annual Performance Report must form part of the Municipality's Annual Report in terms of Section 127(1) of the Municipal Finance Management Act (MFMA).

MFMA Circular 32 of 2006 prescribes the oversight process and the establishment of the Oversight Committee. The Oversight Committee must be appointed in terms of Sections 33 and 79 of the Municipal Structures Act 1998, (Act 117 of 1998). This means that the Council must determine the functions of the Committee and appoint the Chairperson. The Council may also delegate powers and duties to the Committee, authorise the Committee to co-opt advisory members, and remove a member at any time. The functions of the Oversight Committee are as follows:

- To undertake a detailed analysis and review of the Municipality's Annual Reports;
- To consider inputs from the Council, Portfolio Committees and Public on the Municipality's Annual

Reports;

- To consider inputs from the Municipality's Audit Committee and Performance Committees as well as the Auditor General on the Municipality's Annual Reports, and;
- To draft an oversight report on the Municipality's Annual Reports.

TABLE 52: OVERSIGHT COMMITTEE COMPOSITION AND ATTENDANCE

Committee Member	Date of Meeting	In Attendance
Mr Graham Lawrence	6 February 2018	Yes
Cllr J Daniels	6 February 2018	Yes
Alderman J Swart	6 February 2018	Yes
Cllr Adams Du Plooy	6 February 2018	Yes
Alderman S Claasen (Chairman of Committee)	6 February 2018	Yes
Alderman Johan Raats	6 February 2018	Apology
Mr Graham Lawrence	19 February 2018	Yes
Cllr J Daniels	19 February 2018	Yes
Alderman J Swart	19 February 2018	Yes
Cllr Adams Du Plooy	19 February 2018	Absent (Without Apology)
Alderman S Claasen (Chairman of Committee)	19 February 2018	Yes
Alderman Johan Raats	19 February 2018	Apology
Mr Graham Lawrence	14 March 2018	Yes
Cllr J Daniels	14 March 2018	Yes
Alderman J Swart	14 March 2018	Yes
Cllr Adams Du Plooy	14 March 2018	Yes
Alderman S Claasen (Chairman of Committee)	14 March 2018	Yes
Alderman Johan Raats	14 March 2018	Apology

The 2016/2017 Oversight Report was submitted to the Municipal Council on 27 March 2018. An extract from this report containing the recommendations of the Oversight Committee and progress made with the

implementation thereof is contained in **ANNEXURE 22**.

2.2.1.9.3 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

The Municipal Public Accounts Committee (MPAC) is established in terms of the provisions of the Local Government Municipal Structures Act, 1998, (Act 117 of 1998) and the Municipal Finance Management Act 2003, (Act 56 of 2003) to serve as an Oversight Committee to exercise oversight over the executive authority of Council. The MPAC assists Council to hold the executive councillors and municipal entities accountable, and to ensure the efficient and effective use of municipal resources.

Bergvriër Municipality has a fully functional MPAC and the members of the MPAC were as follows:

- Ald S.R. Claassen (Chairperson)
- Ald J. Raats
- Ms K.E. Montgomery (Ex Officio as Chairperson of the Audit- and Performance Committee)
- Cllr K. Daniels
- Cllr A.J. du Plooy
- Ald J. Swarts

Functions of the MPAC include the following:

- To consider and evaluate the content of the Annual Report and to make recommendations to Council when adopting an Oversight Report on the Annual Report. In order to assist with the conclusion of matters that may not be finalized, information relating to past recommendations made on the Annual Report, must also be reviewed. This relates to current in-year reports, including the quarterly, mid-year and annual reports;
- To examine the financial statements and audit reports of the municipality and municipal entities, and in doing so, the committee must consider improvements from previous statements and reports and must evaluate the extent to which the Audit Committee's and the Auditor General's recommendations have been implemented;
- To promote good governance, transparency and accountability on the use of municipal resources;
- To recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the municipality or the Audit Committee; and
- To perform any other functions assigned to it through a resolution of Council within its area of responsibility.

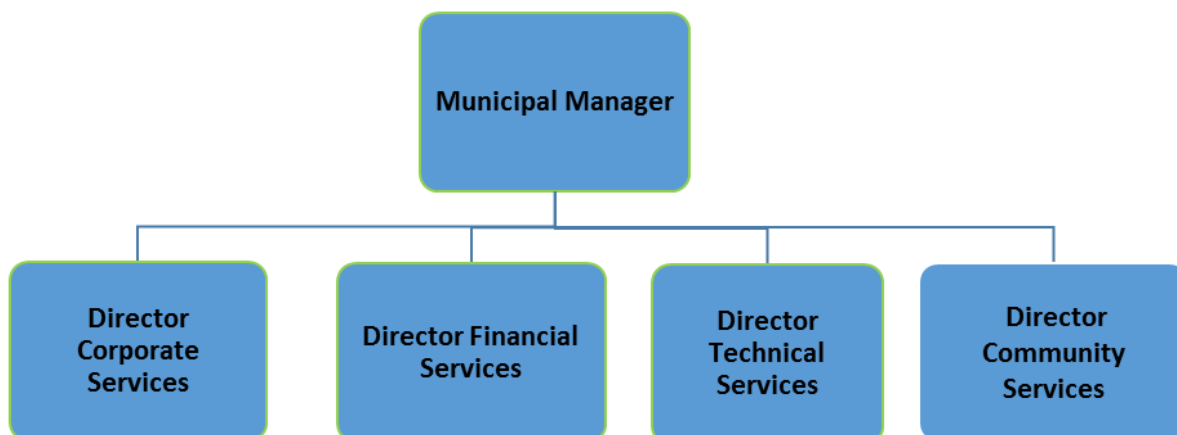
During the 2017/2018 financial year the committee met on 10 October 2016 and 10 April 2017.

2.2.2 ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the Head of the Administration and Accounting Officer of the Municipality, and is primarily responsible for service delivery. The Municipal Council approved a new macro structure on 30

May 2017, which was implemented during the 2017/18 financial year. The new macro structure makes provision for the undermentioned organizational units:

FIGURE 16: APPROVED MACRO STRUCTURE (30 May 2017)



- Office of the Municipal Manager
- Directorate Corporate Services
- Directorate Financial Services
- Directorate Technical Services
- Directorate Community Services (new directorate since 1 September 2017))

The following table indicates the roles and responsibilities of the top two tiers of the administration in accordance with the macro structure. Details of the third tier are contained in **ANNEXURE 3**.

TABLE 53: ROLES AND RESPONSIBILITIES OF MUNICIPAL MANAGER AND DIRECTORS

TIER	POSITION AND INCUMBENT	ROLES AND RESPONSIBILITIES
1	Municipal Manager Adv. H Linde	<p>The functions and responsibility of the Municipal Manager are contained in Section 55 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000):</p> <p>“(1) As head of administration the municipal manager of a municipality is, subject to the policy directions of the municipal council, responsible and accountable for:</p> <p>(a) the formation and development of an economical, effective, efficient and accountable administration</p> <p>(i) equipped to carry out the task of implementing the municipality’s integrated development plan in accordance with Chapter 5;</p> <p>(ii) operating in accordance with the municipality’s performance management system in accordance with Chapter 6; and</p> <p>(iii) responsive to the needs of the local community to participate in the affairs of the municipality.</p> <p>(b) the management of the municipality’s administration in accordance with this Act and other legislation applicable to the municipality;</p> <p>(c) the implementation of the municipality’s integrated development plan, and the monitoring of progress with implementation of the plan;</p> <p>(d) the management of the provision of services to the local community in a sustainable and equitable manner;</p> <p>(e) the appointment of staff other than those referred to in Section 56, subject to the Employment Equity Act, 1998 (Act 55 of 1998);</p>

	<p>(f) the management, effective utilisation and training of staff;</p> <p>(g) the maintenance of discipline of staff;</p> <p>(h) the promotion of sound labour relations and compliance by the municipality with applicable labour legislation;</p> <p>(i) advising the political structures and political office bearers of the municipality;</p> <p>(j) managing communications between the municipality's administration and its political structures and political office bearers;</p> <p>(k) carrying out the decisions of the political structures and political office bearers of the municipality;</p> <p>(l) the administration and implementation of the municipality's by-laws and other legislation;</p> <p>(m) the exercise of any powers and the performance of any duties delegated by the municipal council, or sub-delegated by other delegating authorities of the municipality, to the municipal manager in terms of Section 59;</p> <p>(n) facilitating participation by the local community in the affairs of the municipality;</p> <p>(o) developing and maintaining a system whereby community satisfaction with municipal services is assessed;</p> <p>(p) the implementation of national and provincial legislation applicable to the municipality; and</p> <p>(q) the performance of any other function that may be assigned by the municipal council.</p> <p>(2) As accounting officer of the municipality the municipal manager is responsible and accountable for—</p> <ul style="list-style-type: none"> (a) all income and expenditure of the municipality (b) all assets and the discharge of all liabilities of the municipality; and (c) proper and diligent compliance with applicable municipal finance management legislation <p>➤ The Office of the Municipal Manager is also responsible for the following:</p> <ol style="list-style-type: none"> 1. Manage the provisioning of strategic management support services to the Municipal Manager. 2. Provide and manage an independent appraisal of the adequacy and effectiveness of financial controls and the rendering of risk and anti-fraud/corruption services within the municipality. 3. Manage and facilitate intergovernmental and international relations with various stakeholders. 4. Manage the rendering of logistical support to executive management. 5. Manage councillor support services. 6. Manage the provisioning of a communications service to the municipality. 7. Manage financial services in relation to a budget and treasury office (BTO) to ensure financial viability, overall compliance and mandatory reporting. 8. Manage the provisioning of corporate administration management and town planning services on behalf of the institution to ensure efficient support of organisational responsibilities and processes. 9. Manage the maximising of infrastructure development and maintenance to promote basic service delivery to all communities within the municipal area. 10. Manage the rendering of integrated community services to enhance community development in general and promote the livelihood of the community at large. <p>➤ Strategic Services</p> <ol style="list-style-type: none"> 1. Manage the performance management framework and local economic/ social development initiatives. 2. Facilitate the promotion of local economic development and poverty alleviation. 3. Facilitate the promotion of public participation processes. 4. Facilitate the establishment and functioning of ward committees. 5. Administer and co-ordinate special programs in aid of the community: <ul style="list-style-type: none"> - Support to vulnerable groups (gender, elderly) - Support to HIV/Aids organisations - Youth development - Co-ordination and implementation of Executive Mayoral Projects - Administration of grant-in-aid funds to organisations in need 6. Facilitate community development projects, community development initiatives and special projects. <p>➤ Internal Audit</p> <ol style="list-style-type: none"> 1. Develop and implement a risk-based audit plan and internal audit program for each financial year. 2. Advising the accounting officer and report to the Audit Committee on the implementation of the internal audit plan
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		<p>3. Establish and maintain an enterprise risk management (ERM) and compliance system within the organisation.</p> <p>4. Ensure the organisation is conforming with, or eligible for, contractual obligations, government regulations, laws, or licenses and permits.</p>
2	<p>Director: Corporate Services Mr JWA Kotzee</p>	<p>The Corporate Services Directorate renders all administrative functions of the Municipality including:</p> <ol style="list-style-type: none"> 1. Manage the provisioning and administering of town planning and environmental management services. 2. Manage the provisioning of client and administrative services. 3. Manage the provisioning and administering of human resources management services to the municipality 4. Manage the administering and application of departmental GIS processes. <p>▲ Administration</p> <ol style="list-style-type: none"> 1. Manage the provisioning of secretariat and records management services. 2. Provide client and administrative support services. 3. Manage the provisioning of information communication and technology (ICT) services including geographical information system (GIS) applications within the municipality. <p>▲ Human Resource Management</p> <ol style="list-style-type: none"> 1. Manage the rendering of human resources provisioning and employee administration services. 2. Manage the provisioning of human resources training and skills development services. 3. Manage the provisioning of labour relations and employee wellness services 4. Manage the provisioning of occupational health and safety services in terms of the OHSA. <p>▲ Planning and Development</p> <ol style="list-style-type: none"> 1. Manage the compilation and implementation of Spatial Planning and Land Use Management. 2. Manage the compilation and implementation of Environmental Planning Management policies and procedures. 3. Manage the rendering of land use management services and administrative support. 4. Manage the lease and sale of municipal land. 5. Oversee the facilitation of surveying and registration of municipal land.
3	<p>Director: Financial Services Mr. G. Goliath</p>	<p>The Financial Services Directorate is responsible for all financial functions of the Municipality including:</p> <ol style="list-style-type: none"> 1. Manage the provisioning and administering of expenditure and supply chain management processes. 2. Implement and maintain revenue and credit control policies and procedures to ensure sound revenue management practices and compliance. 3. Manage and control the implementation of budget policies, systems and procedures and financial statements processes to ensure legislative compliance and sound financial management practices. <p>▲ Revenue Management</p> <ol style="list-style-type: none"> 1. Manage and administer the debtors of the municipality including banking, reconciliations and billing. 2. Manage and control the application of the Municipality's credit control policies and procedures. 3. Manage and facilitate property valuations and determining of rates. 3. Manage and facilitate property valuations and determining of rates. <p>▲ Expenditure & SCM</p> <ol style="list-style-type: none"> 1. Manage the recording, authorisation and proper execution of expenditure systems, procedures and transactions. 2. Manage supply chain management and asset management processes and systems. <p>▲ Financial Management & Reporting</p> <ol style="list-style-type: none"> 1. Manage the preparation and administering of budgets and financial statements. 2. Manage financial compliance and reporting on financial management. 3. Manage the execution of budget control and control of accounting procedures.
4	<p>Director: Technical Services Mr H Kröhn</p>	<p>The Technical Services Directorate is responsible for all technical functions of the Municipality including:</p> <ol style="list-style-type: none"> 1. Manage the provisioning and administering of project management and building control services. 2. Manage the provisioning and control of civil engineering and solid waste management services. 3. Manage the provisioning and control of electrical engineering services. 4. Manage the administering and application of technical related GIS processes. <p>▲ Civil</p> <ol style="list-style-type: none"> 1. Manage overall compliance i.r.t. waste management practices and prescripts

		<ol style="list-style-type: none"> 2. Manage the provisioning and maintenance of civil engineering services in the Piketberg Area. 3. Manage the provisioning and maintenance of civil engineering services in the Velddrif Area. 4. Manage the provisioning and maintenance of civil engineering services in the Porterville Area. 5. Manage and coordinate the maintenance of all vehicles and equipment in the Municipality. 6. Manage the provisioning and administering of Bulk Services. 7. Manage internal funded capital projects within the respective regions. <p>▲ Electricity</p> <ol style="list-style-type: none"> 1. Manage the provisioning and maintenance of electrical services in the Piketberg and Redelinghuys Areas. 2. Manage the provisioning and maintenance of electrical services in the Velddrif and Aurora Areas. 3. Manage the provisioning and maintenance of electrical services in the Porterville and Eendekuil Areas. <p>▲ Project Management & Building Control</p> <ol style="list-style-type: none"> 1. Manage the provisioning of a project management unit. 2. Provide building control services to ensure compliance and standards i.r.t. buildings and developments. 3. Render graphic / information services for the unit.
5	<p>Director: Community Services Mr DA Josephus</p>	<p>The Community Services Directorate is responsible for all community functions of the Municipality including:</p> <ol style="list-style-type: none"> 1. Manage the provisioning and administering of community protection services within the respective areas of the municipality. 2. Manage the provisioning and administering of community facilities. 3. Manage housing administration. <p>▲ Protection Services</p> <ol style="list-style-type: none"> 1. Manage the provisioning of traffic and law enforcement services. 2. Manage the provisioning and administering of disaster management, fire fighting and fire prevention services <p>▲ Community Facilities</p> <ol style="list-style-type: none"> 1. Manage and co-ordinate libraries and information services including liaising with Museums, Tourism and other stakeholders. 2. Manage the maintenance of parks, cemeteries, sport grounds, swimming pools and other facilities. 3. Provide housing administration support services to address the housing needs in the area. <p>▲ Housing Administration</p> <ol style="list-style-type: none"> 1. Manage the administration processes of housing applications and allocations to ensure proper service delivery to the community. 2. Intitiate housing projects and the maintenance of housing rental stock. 3. Research, develop, review, facilitate and implement housing policies, municipal accreditation and development processes.

2.3 INTERGOVERNMENTAL RELATIONS

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 co-operative government envisaged in Section 41 of the Constitution.

The Municipality participates in International, National, Provincial and District Intergovernmental Forums. The Municipality strives to participate in as many of the available intergovernmental forums as possible, but our challenge is that forums often meet on the same dates and the personnel structure does not allow for dedicated personnel to attend all forum meetings.

2.3.1 INTERNATIONAL INTERGOVERNMENTAL RELATIONS

Bergrivier Municipality is in a “Stedeband” (partnership cooperation agreement) with the Municipality of Heist-op-den-Berg in Belgium, Europe.



Photographer unknown: Photo provided

The purpose of such an arrangement is for two Local Government structures in different countries, but with shared interests, to share expertise for the joint improvement of the public, the administration and the political structures in both areas. The main aim is the sharing of experience and joint project implementation, where possible. The relationship has developed well since its initial stages during December 2014 and a delegation from Heist-op-den-Berg visited Bergrivier Municipality during October 2015, October 2017 and April 2018 with return visits by Bergrivier Municipality during May 2016 and June 2017. The detail of the written agreement was discussed and signed by both parties and projects relating to waste management and youth development are being implemented jointly.



Photographer unknown: Photo provided

One of the highlights of the “Stedeband” during this financial year was the youth exchange programme.



10 Children from Heist-op-den-Berg, together with 2 Belgium teachers and 2 officials from the youth programme in Heist-op-den-Berg, visited South Africa from 30 March - 12 April 2018.



10 Young people (Ages 16 – 18) from the 4 High Schools in Bergrivier municipal area were also selected to spend the 10 days with the children from Heist-op-den-Berg.

As the Belgium group visited South Africa over the Easter weekend and during the South African school holidays, it was decided that the whole group would first visit Cape Town. A number of tourism sites were visited and fun activities were held in the evenings. The group stayed at the cultural centre of the Western Cape Government in Melkbosstrand and visited Table Mountain, open bus tour, Kirstenbosch, and Hout Bay, The following is a photo collage of the visit of Heist-op-den-Berg learners to South Africa.



Trying to swim on a very windy Camps Bay beach



A group photo at Melkbos Strand cultural centre



Visiting Kirstenbosch



A visit to District Six museum



Our camp fire evenings



Boat ride to Seal Island in Hout Bay



On top of Table Mountain



A Belgium evening together with the Mayor, Alderman Manuel and Alderman Van Rooy



Working on the SDG's and the book!

During their stay in Bergvriev municipal area, the Heist-op-den-Berg youngsters stayed with their host families and attended school. They also visited Velddrif and Goedverwacht, but was most touched by the work of FDSA in Noordhoek, Velddrif, where they could play with the kids and understand the levels of poverty.



Visiting Bokkomlaan



Play time with the children of FDSA

In conclusion, the youth made a presentation to the Council of Bergrivier Municipality on their learning and what it meant for them.



It needs to be mentioned that Heist-op-den-Berg supported Bergrivier municipality during the drought. The support from Heist-op-den-Berg during the drought in Bergrivier Municipality was heartwarming. They applied for funding from the Belgium Provincial Government in Antwerpen to support us with awareness campaigns to save water.



Their Director Technical Services, Mr Guy van der Veecken (right), accepted the award on our behalf. Our sincerest gratitude for this gesture.

2.3.2 NATIONAL INTERGOVERNMENTAL FORUMS

The Municipality participates in the following National Intergovernmental Forums:

TABLE 54: PARTICIPATION ON NATIONAL INTERGOVERNMENTAL FORUMS

DIRECTORATE	FORUMS
Councillors, Executive Mayor and Mayoral Committee Members	National Mayors Forum
Municipal Managers Office	National Municipal Managers Forum International Institute of Municipal Clerks (IIMC) Institute of Municipal Administrators of South Africa (IMASA) Institute for Local Government Managers (ILGM)
Technical Services Directorate	Department of Water Affairs Bi monthly Meetings
Corporate Services Directorate	Institute of Municipal Personnel Practitioners of South Africa (IMPSPA)
Community Services	Institute of Traffic Licensing and Metro Police Officers of Southern Africa (ITLMPO-SA)
Financial Services Directorate	Institute of Municipal Finance Officers (IMFO)

2.3.3 PROVINCIAL INTERGOVERNMENTAL FORUMS

The Municipality participates in the following Provincial Intergovernmental Forums:

TABLE 55: PARTICIPATION ON PROVINCIAL INTERGOVERNMENTAL FORUMS

DIRECTORATE	FORUMS
Councillors, Executive Mayor and Mayoral Committee Members	Minmay (Ministers / Mayors) Premier's Co-ordinating Forum (PCF) Speakers Forum SALGA Working Groups: Intergovernmental and International Relations Human Resources Municipal Services and Infrastructure
Municipal Managers Office	Minmay (Ministers and Mayors) and Minmay Technical Meeting (Head of Provincial Departments and Municipal Managers) Premier's Coordinating Forum (PCF) PS07 Climate Change Forum Provincial Treasury: Pre-determined Objectives (PDO) Forum Provincial Treasury: Risk Forum SALGA Working Groups: Intergovernmental and International Relations Economic Development and Planning Community development Western Cape IDP Managers Forum

DIRECTORATE	FORUMS
Technical Services Directorate	Western Cape Provincial Government (MIG) Department of Environmental Affairs and Development Planning Waste Forum SALGA Working Groups: Provincial Resource Team Housing Meetings Municipal Services and Infrastructure
Corporate Services Directorate	Provincial Taxi Board SALGA Working Groups: ➤ Human Resource Human Resource Management
Financial Services Directorate	Provincial Treasury: CFO Forum Provincial Treasury: SCM Forum SALGA Working Groups: Municipal Finance
Community Services Directorate	Provincial Disaster Management Forum Provincial Fire Chiefs Forum SALGA Working Committees Traffic Chiefs Forum NATIS Working Group Law Enforcement Technical Committee Informal settlement Support Program

2.3.4 DISTRICT MUNICIPALITY INTERGOVERNMENTAL FORUMS

The Municipality participates in the following District Municipality Intergovernmental Forums:

TABLE 56: PARTICIPATION ON DISTRICT MUNICIPALITY INTERGOVERNMENTAL FORUMS

DIRECTORATE	FORUMS
Councillors, Executive Mayor and Mayoral Committee Members	WCDM IDP Co-ordinating Committee West Coast District Co-ordinating Forum (DCF) West Coast Economic Development Partnership District Water Monitoring Forum District Evaluation Committee (DEC)
Municipal Manager's Office	WCDM District Coordinating Forum (DCF) WCDM District Coordinating Forum Tech (DCF Tech) District Water Monitoring Board WCDM IDP/LED Forum
Technical Services Directorate	WCDM Water Quality Forum

DIRECTORATE	FORUMS
Corporate Services Directorate	District Air Quality Forum District Regional Tourism Organisation (RTO)
Financial Services Directorate	WCDM District Coordinating Forum Tech (DCF Tech)
Community Services Directorate	District Disaster Management Forum

2.4 PUBLIC PARTICIPATION AND ACCOUNTABILITY

The Constitution (Section 152) sets out the objects of local government, one of which is the provision of democratic and accountable government to local communities. This is reiterated by Section 15(b) of the Municipal Systems Act which requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff.

A second constitutional objective is the encouragement of local community and community organisation participation in the matters of local government. This is reiterated by Chapter 4 of the Municipal Systems Act which deals exclusively with community participation. A Municipality is required to develop a culture of community participation and develop a system of participatory municipal governance that compliments formal representative governance. The Municipality is also required to supply its community with information concerning municipal governance, management and development.

2.4.1 PUBLIC PARTICIPATION

2.4.1.1 PUBLIC MEETINGS

A total of 13 public town based meetings were held during the year as indicated in the following table:

TABLE 57: PUBLIC MEETINGS – TOWN BASED

Type of engagement	Ward/Town	Date
Town Based Public Meetings	Ward 1	07 September 2017
	Ward 2	
	Ward 3	06 September 2017
	Ward 4	
	Ward 5	05 September 2017
	Ward 6	04 September 2017
	Ward 7	
	Goedverwacht/Wittewater	18 April 2018
	Porterville	18 April 2018

Type of engagement	Ward/Town	Date
	Piketberg	17 April 2018
	Dwarskersbos	12 April 2018
	Velddrif	12 April 2018
	Redelinghuys	12 April 2018
	Aurora	16 April 2018
	Eendekuil	16 April 2018

2.4.1.2 WARD COMMITTEES

Ward committees are statutory committees established in terms of Part 4 of Chapter 4 of the Local Government Municipal Structures Act. Ward committees play a vital role in bridging the gap between the Community and the Municipality. Ward committees are not political, but are nevertheless elected for a period of five years that runs concurrently with the term of office of the Municipal Council.

The Municipal Council approved a reviewed Ward Committee Policy in February 2017 and ward committees for each ward were elected in accordance with this policy. The Municipal Council also approved an out of pocket expense fee structure for Ward Committees. Ward Committees meet on a bi-monthly basis and a total of 28 Ward Committee Meetings took place during the year.

TABLE 58: WARD COMMITTEE MEETINGS

Type of engagement	Ward	Dates					
Ward Committee meetings	Ward 1	24 July 2017	7 September 2017	16 November 2017	19 February 2018	10 April 2018	11 June 2018
	Ward 2	24 July 2017	7 September 2017	16 November 2017	19 February 2018	10 April 2018	11 June 2018
	Ward 3	25 July 2017	6 September 2017	15 November 2017	20 February 2018	9 April 2018	12 June 2018
	Ward 4	25 July 2017	6 September 2017	15 November 2017	20 February 2018	9 April 2018	12 June 2018
	Ward 5	26 July 2017	5 September 2017	14 November 2017	21 February 2018	5 April 2018	13 June 2018

Type of engagement	Ward	Dates					
	Ward 6	27 July 2017	4 September 2017	13 November 2017	22 February 2018	4 April 2018	14 June 2018
	Ward 7	27 July 2017	4 September 2017	22 November 2017	22 February 2018	4 April 2018	14 June 2018

The functionality of the ward committee system is on par and regular planned meetings took place during the 2017/18 financial year. All 7 wards have full representation of sectors on these wards.

Training sessions and capacity building workshops were held with the members and is a key priority to enable ward committee members to serve the community. Ward projects have been identified per ward and forms part of the IDP with an allocated budget. Regular report back sessions are held by the respective sectors and a written report is submitted to the chairperson of the ward committee for scrutiny.

Ward committees act as line of communication between the community and the Municipality to raise matters that impact on service delivery in their respective areas. This also improves relationships with the community and assists the Municipality to keep the general public informed regarding relevant matters.



Ward committees busy working and planning

2.4.1.3 IDP REPRESENTATIVE FORUM

On 28 August 2012, the Municipal Council approved the establishment of an IDP Representative Forum in terms of Section 15 of the Municipal Planning and Performance Management Regulations. The IDP Representative Forum comprises the following:

- Ward Committee members from each Ward;
- One representative from the West Coast District Municipality;
- The Executive Mayor, Speaker, Portfolio Chairpersons, one Mayoral Committee Member and two additional Councillors from the other parties represented on Council;
- Three officials namely: the Municipal Manager, Strategic Manager, Head: Strategic Services, and
- Three nominees from key sectors within the Municipal Area.

The first meeting of the IDP Representative Forum for 2017/18 was held on 5 October 2017 and the objective of this meeting was to discuss the economic development potential of Bergrivier Municipality. The CEO of Wesgro, Mr Tim Harris, was the guest speaker.



The second series of meetings of the IDP Representative Forum took place in May 2018 and the theme was



the Sustainable Development Goals.

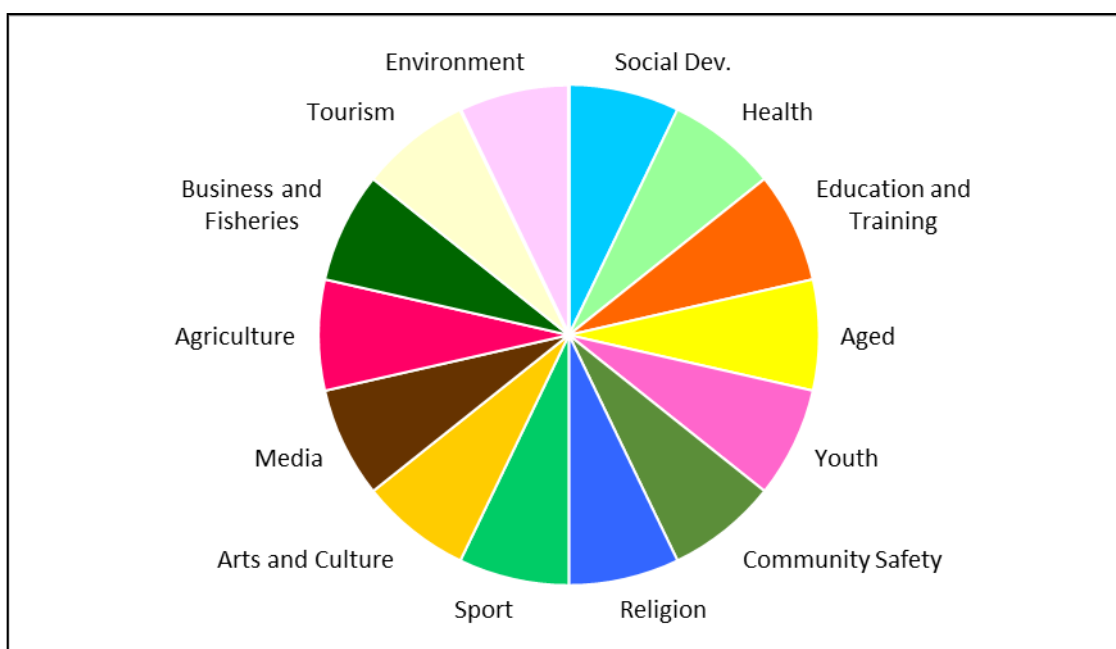
The following is a summary of the IDP Forum meetings held in 2017/18.

TABLE 59: IDP FORUM MEETING

Type of engagement	Ward/Town	Date
IDP Forum meetings	Piketberg (Combined)	5 October 2017
	Porterville	3 May 2018
	Velddrif	4 May 2018

The format of the IDP Representative Forum Meetings was reviewed in 2013/14 in a bid to improve participation by key community stakeholders. An outcome of this review was a decision to use the forums to involve the different sectors of the Bergrivier Municipal Area. The following diagram illustrates the sectorial division of the Bergrivier Community.

FIGURE 17: SECTORS WITHIN BERGRIVIER MUNICIPALITY



2.5 INTEGRATED DEVELOPMENT PLAN PARTICIPATION AND ALIGNMENT

Integrated Development Planning is regulated by Chapter 5 of the Municipal Systems Act. This Chapter must be read together with Chapter 6 which regulates Performance Management as well as the Municipal Planning and Performance Regulations, 2001, (R796 of 2001). In order to ensure certain minimum quality standards of the IDP process and a proper co-ordination between and within the spheres of government, the IDP process is regulated by the Municipal Systems Act, 2000 (Act 32 of 2000) (MSA). The Act requires

the following regarding **the process**:

Section 28:

“(1) Each municipal council must adopt a process set out in writing to guide the planning, drafting, adoption and review of its IDP.

(2) The municipality must through appropriate mechanisms, processes and procedures established in terms of Chapter 4, consult the local community before adopting the process.

(3) A municipality must give notice to the local community of particulars of the process it intends to follow.”

Section 29(1):

“The process must—

(a) be in accordance with a predetermined programme specifying timeframes for the different steps;

(b) through appropriate mechanisms, processes and procedures allow for—

(i) the local community to be consulted on its development needs and priorities;

(ii) the local community to participate in the drafting of the IDP; and

(iii) organs of state, including traditional authorities, and other role players to be identified and consulted on the drafting of the integrated development plan;

(c) provide for the identification of all plans and planning requirements binding on the municipality in terms of national and provincial legislation; and

(d) be consistent with any other matters that may be prescribed by regulation.”

During the 2016/17 financial year, the Fourth Generation IDP was compiled and approved by Council in May 2017. The compilation of the IDP was done in accordance with the Process Plan as outlined above. The First Review of the Fourth Generation IDP was undertaken during the 2017/18 financial year and the Review was approved by Council in May 2018. The following table provides an overview of the alignment of the IDP to the criteria as set out in Section 26 of the Municipal Systems Act.

TABLE 60: IDP PARTICIPATION AND ALIGNMENT CRITERIA

IDP PARTICIPATION AND ALIGNMENT CRITERIA	YES/NO	COMMENT WHERE THERE WAS LACK OF ALIGNMENT
Does the municipality have impact, outcome, input and output indicators?	Yes	N/A
Does the IDP have priorities, objectives, KPIs and development strategies?	Yes	N/A

IDP PARTICIPATION AND ALIGNMENT CRITERIA	YES/NO	COMMENT WHERE THERE WAS LACK OF ALIGNMENT
Does the IDP have multi-year targets?	Yes	N/A
Are the above aligned and can they calculate into a score?	Yes	N/A
Does the budget align directly to the KPIs in the IDP?	Yes	N/A
Do the IDP KPIs align to the Section 57 Managers?	Yes	N/A
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes	N/A
Were the indicators communicated to the public?	Yes	N/A
Were the four quarter aligned reports submitted within stipulated time frames?	Yes	N/A

2.6 CORPORATE GOVERNANCE

Corporate Governance is the set of processes, practices, policies, laws and relationships affecting the way an institution is directed, administered or controlled.

2.7 AUDIT UNIT

The Municipality has an Internal Audit Unit as required by Section 165(1) of the MFMA and an Internal Auditor and Assistant Internal Auditor who reports to the Municipal Manager. Section 165(2) of the MFMA requires the Internal Auditor to:

- a. Prepare a risk-based audit plan and an internal audit program for each financial year;
- b. Advise the accounting officer and report to the Audit Committee on the implementation of the internal audit plan and matters relating to—
 - i. internal audit;
 - ii. internal controls;
 - iii. accounting procedures and practices;
 - iv. risk and risk management;
 - v. performance management; and
 - vi. loss control; and

- c. Perform such other duties as may be assigned to it by the accounting officer.

The Internal Auditor is responsible for the Internal Audit Unit and must also ensure that the combined Audit and Performance Audit Committee meet as legislated and that all aspects required by legislation are submitted at these meetings to ensure that the committees are informed and that recommendations can be made and implemented.

The meetings of the Audit and Performance Audit Committee are attended by Senior Management and relevant Councillors. The Committee is a statutory committee and functions in accordance with Section 166 of the Municipal Finance Management Act. The Committee is an independent advisory board on internal financial controls and audits, risk and performance management and effective governance.

The municipality implemented a compliance system “Eunomia” which is an electronic automated monitoring tool that assists with the monitoring of compliance. Quarterly reports are submitted to Council and the Committee to enable them to fulfil their oversight role in the monitoring of compliance.

2.8 RISK MANAGEMENT

The Municipality has a Risk Committee which meets quarterly. Strategic risks are identified during the annual strategic planning session of the Council as well as by Senior Management at management meetings and Risk Committee Meetings. Departmental and operational risks are identified by the Directorates and managed by the relevant Directors.

Strategic risks are populated in an automated electronic risk register (Risk Assist) after Council approval of the annual risk register. The risk register is updated as part of the mandate of the Risk Committee. Quarterly reports are submitted to Council on how risks are managed and mitigated to ensure proper management thereof and achievement of the desired outcomes.

2.9 ANTI-CORRUPTION AND FRAUD

Bergrivier Municipality subscribes to the principles of good corporate governance, which requires the conducting of business in an honest and transparent fashion. The policy of the Municipality is zero tolerance to corruption and fraud.

Fraud prevention can be seen as the cumulative effect of both prevention and detection systems incorporated by management. The detection of fraud can only lead to the prevention thereof if the response thereto acts as a deterrent.

Implementing good governance, ethics, accountability as well as strategies and policies to prevent fraud and corruption is based on the principle that service delivery is the priority of the Municipality. Implementation of these principles and awareness are continuous processes aimed at ensuring that the interest and needs of the public are met.

Municipalities are encouraged to promote the principles of good governance, ethics and risk management. Raising awareness on good governance includes communication on anti-corruption strategies and highlighting the role of the community in the fight against unethical conduct, fraud and corruption.

The Anti-fraud and Corruption Policy was reviewed during the 2017/18 financial year and reviewed by the Audit Committee in March 2018 (OVN 022/03/2018) and approved by Council in June 2018 (RVN 024/06/2018). Employees are encouraged to communicate with their supervisors or management regarding the identification of risks and incidences of fraud and corruption.

Municipal employees as well as Councillors are expected to abide by the Code of Conduct for Employees and the Code of Conduct for Councillors respectively as found in Schedule 1 and 2 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000). During this financial year no incidents of breach of the codes were reported. These codes include aspects such as general conduct, declaration of interests, council property and commitment to serving the public interest. The Municipal Manager also played an active role in this and has initiated regular vehicle inspections to raise awareness and the importance on the upkeep of municipal assets.

Policies and procedures that are adopted by Council as part of human resources, finance and internal controls also focus on, and include prevention controls, detection controls and segregation of duties to ensure that fraud and corruption is prevented and detected. On a day to day basis these include physical controls, supervision and authorization controls and the proper management of information.

Anti-fraud-, corruption- and ethics initiatives workshops are reported quarterly. Councillors and senior management are part of the Risk Committee and participate in discussions and report backs to ensure that these initiatives are implemented and that officials are informed and part of the process.

2.10 BY-LAWS

In terms of the Constitution of the Republic of South Africa (1996), a municipality has exclusive municipal executive and legislative authority in its area of jurisdiction to inter alia pass and administer by-laws for the effective administration of matters that it has the right to administer and for its own internal proceedings and arrangements.

Just like the laws of the country, the Municipality's By-Laws and Policies must also be obeyed. It is important that communities know the content of these laws as to ensure an orderly and structured management of the affairs of a town.

Process to pass or amend a by-law

- i. A need for regulatory measures of a municipal responsibility is identified and a by-law is drafted;
- ii. A report detailing the identified need and the draft by-law is submitted through the relevant Committees to Council for principle approval;

- iii. The department that drafted the by-law embark on a public participation process to invite public comment on the by-laws. Any objections received must be considered by Council;
- iv. A final report is submitted to Council for passing of the by-law; and
- v. The approved by-law is promulgated in the Provincial Gazette on which date or a later date as determined in the by-law, it becomes enforceable in the Bergrivier Municipal Area.

By-law enforcement

Each Directorate is responsible for enforcing By-laws regulating matters within its field of responsibility in terms of delegated authority from the Council.

By-laws can be viewed on the Bergrivier Municipality website www.bergmun.org.za

2.11 THE MUNICIPAL WEBSITE

The Municipal Systems Act (Section 21(B)) requires the Municipality to establish an official website. The Municipal Website is an integral part of the Municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Bergrivier Municipality's official website is: www.bergmun.org.za

The Municipality is required to place all information that must be made public in terms of the Municipal Systems Act and the Municipal Finance Management Act (MFMA) on this Website. Section 75 of the MFMA specifies that the following documents must be placed on the website:

TABLE 61: MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL

DOCUMENTS PUBLISHED ON THE MUNICIPALITY'S WEBSITE	YES / NO
a) The annual and adjustments budgets and all budget-related documents	Yes
b) All current budget-related policies	Yes
c) The annual report	Yes
d) Performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act	Yes
e) All service delivery agreements	Yes
f) All long-term borrowing contracts	Yes
g) All supply chain management contracts above R 100 000 for 2017/18	Yes
h) An information statement containing a list of assets over a prescribed value that have been disposed of in	Yes

DOCUMENTS PUBLISHED ON THE MUNICIPALITY'S WEBSITE	YES / NO
terms of section 14 (2) or (4)	
i) Contracts agreed in Year 1 to which subsection (1) of section 33 applies, subject to subsection (3) of that section	Yes
j) Public-private partnership agreements referred to in section 120	N/A
k) All quarterly reports tabled in the council in terms of section 52 (d)	Yes
l) Any other documents that must be placed on the website in terms of this Act or any other applicable legislation, or as may be prescribed	Yes

2.12 DELEGATIONS

The Constitution of the Republic of South Africa (1996) states that the legislative and executive authority of the municipality is vested in the municipal council. The municipality has the function and powers assigned to it in terms of Sections 156 and 229 of the Constitution. Section 53 of the Systems Act states that the Municipality must define specific areas of responsibilities for each political structure or political office bearer of the Municipality and that of the Municipal Manager. These respective roles and areas of responsibilities may include the delegation of power and duties. In terms of Section 59(1) of the Municipal Systems Act, 2000 (Act 32 of 2000) the Municipality must develop a system of delegation that will maximise administration and operational efficiency and will provide for adequate checks and balances.

In terms of the Section 12 Notice (Municipal Structures Act), Bergrivier Municipality operates under an Executive Mayoral System. This system allows for the exercise of executive authority through an Executive Mayor in which the executive leadership of the municipality is collectively vested.

Decisions are taken corporately by, or on behalf of the whole Council. Municipalities are expressly empowered to arrange for their functions to be discharged by Committees, who may in turn arrange for them to be discharged by Sub-Committees. The Council, Committee or Sub-Committee may also decide that individual officers may discharge functions. All such arrangements are referred to as delegations and a "register, or manual of delegations" must be maintained by the municipality so as to have a record of all delegations made.

Since the approval of the previous delegations (28 February 2012) various pieces of new legislation or amendments to legislation have come into operation which have assigned additional powers, duties and responsibilities to the Municipal Manager as the accounting officer and further powers and responsibilities to the Mayor, as the political head of the municipality. A review of all delegations was

therefore necessary to align the previous delegations with the new legislation and amendments and the new delegations were approved on 23 June 2015.

Section 65 of the MSA determines the following: 65 Review of delegations:-

“(1) Whenever it becomes necessary in terms of section 59(2) (f) to review a municipality’s delegations, the municipal manager must submit to the Council – (a) a report on the existing delegations issued in terms of Section 59 by the Council and other delegating authorities of the Municipality; and (b) recommendations on any changes to the existing delegations which the municipal manager may consider necessary.”

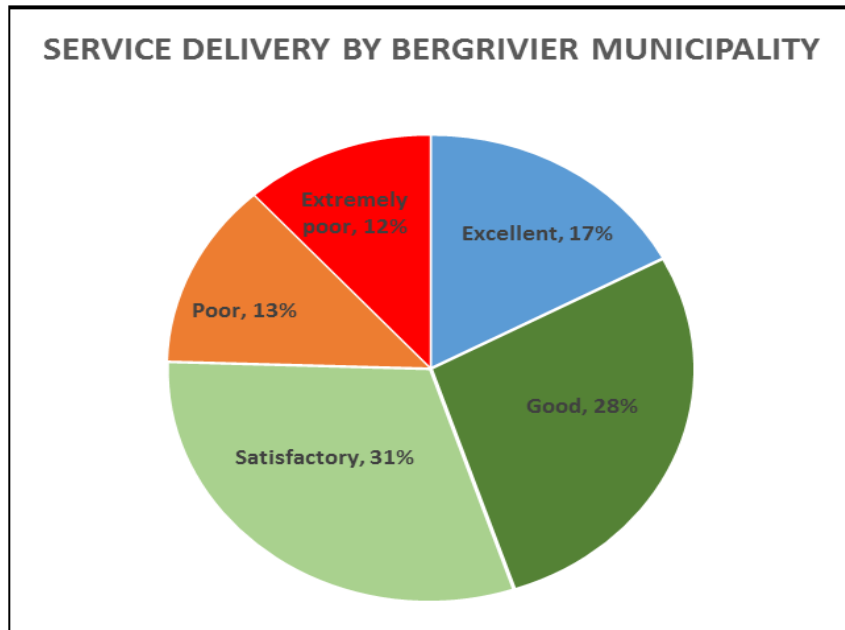
Bergrivier Municipality has developed their Delegated Powers in accordance with delegations that currently exist as well as those provided for in new Local Government legislation or amendments to legislation. The Office of the Municipal Manager and all Departments were consulted in order to identify and advice on all powers and functions related to their respective key performance areas in an endeavour to ensure that a proper system of delegation is put into place. This will contribute to the accountable empowerment of officials and functionaries and other organs of the Council in execution of their administrative and operational powers, functions and responsibilities in order to optimize efficiency in an accountable and transparent manner. There are currently two main Acts that govern delegation of municipal powers to organs, officials and functionaries, i.e. Municipal Systems Act and the Municipal Finance Management Act. There are, however, other pieces of legislation that deal with specific matters (e.g. National Building Regulations, SAPS Act, - National Road Traffic Act etc.) that contain specific stipulations regarding the delegation of certain statutory powers without the necessity of Council resolution.

The newly elected council accepted these delegations without any changes on 23 August 2016 (RVN024/08/2016). The delegations were revised on 30 January 2018 (RVN015/01/2018) and 26 June 2018 (RVN018/06/2018).

2.13 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

In the 2017/18 financial year the Customer Satisfaction Survey were done during April and May 2018. The objective of the survey was to assist the Municipality in its service delivery mandate and ensure that the set standards are met. Furthermore, the survey is expected to create a platform whereby the general public will be afforded an opportunity to give feedback and rate services rendered by the municipality in general. The full report on the above were submitted to the Mayoral Committee on 26 June 2018 and is available on request.

FIGURE 18: SERVICE DELIVERY BY BERGRIVIER MUNICIPALITY



CHAPTER 3 SERVICE DELIVERY PERFORMANCE



Winterhoek Mountains in winter time
Photographer unknown: Photo provided

3.1 INTRODUCTION

This chapter provides an overview of the service delivery performance of the Municipality for the 2017/18 financial year, and includes all services rendered by the Municipality. The chapter concludes with the Municipality's Annual Performance Report which was compiled in terms of Section 46 of the Municipal Systems Act. It sets out the Key Performance Indicators (KPI's), targets and actual performance of the Municipality in relation to the strategic objectives of the Municipality as set out in the Integrated Development Plan (IDP). It also includes a service provider's performance evaluation report

3.2 BASIC SERVICES

Basic services are a package of services necessary for human well-being and typically include water, sanitation, electricity, and refuse removal. An overview will also be provided on integrated human settlements (housing) which differs from the aforementioned services in that it is a concurrent National and Provincial competence. It is included in this Annual Report as there is a direct correlation between the provision of basic services and housing and Bergrivier Municipality delivers housing as an implementing agent for Provincial Government. The Municipality has been providing basic services at the prescribed level to all urban households within its area of jurisdiction since the 2008/09 financial year, but still faces major challenges when it comes to ensuring that residents of the private Moravian towns have access to minimum service standards. There are ongoing discussions between the Municipality, Moravian Church of South Africa, West Coast District Municipality and Provincial Government to find a sustainable service delivery solution.

The Municipality also was successful by accessing grant funding from the Provincial Government - drought relief funds for Goedverwacht and Wittewater R 1.0 million and R 0.85 million respectively, as well as an Infrastructure Support Grant for Goedverwacht to the amount of R 3 million to increase the supply from the respective water sources and to upgrade the respective water purification systems.

Municipalities have the discretion to provide services at higher levels than the required basic levels, and one of Bergrivier Municipality's development priorities is to provide and maintain bulk and service infrastructure that will address backlogs and provide for future development. Bergrivier's focus is on steadily improving bulk and service infrastructure networks to enable the municipality to render good quality services to all its consumers and to create an environment that will attract development opportunities that will impact positively on the local economy. This includes:

- Reducing bulk and service infrastructure capacity backlogs (water and sanitation);
- Maintenance and development of service infrastructure and networks to maintain a good standard of service delivery; and
- Master plan development and revision.

3.2.1. WATER

3.2.1.1 INTRODUCTION

Water services are rendered by the Technical Services Directorate. The Municipality is a Water Services Authority in terms of the Water Services Act, 1997 (Act 108 of 1997) and adopted a Water Services Development Plan (WSDP) in 2017 – 2022. Bergrivier Municipality is required in terms of Section 18 of the Water Services Act, 1997 (Act 108 of 1997), as well as the “Regulations relating to compulsory national standards and measures to conserve water” as issued in terms of Sections 9(1) and 73(1)(i) of the Water Services Act, to report on the implementation of its WSDP during each financial year and to include a water services audit in such an Annual Report. The Municipality provides water services to all towns in its area of jurisdiction with the exception of Goedverwacht, Wittewater and De Hoek (PPC) which are private towns.

The overarching objectives of the WSDP are:

- To provide for the housing needs of the residents of Bergrivier in a continuous and sustained manner by timely future planning while preserving its distinctive character;
- To, in co-operation with other role-players, provide the residents of Bergrivier with a healthy economic basis and create a quality environment through sustained planning and in so doing create job opportunities as well as promote the expansion of tourism;
- To provide the residents of Bergrivier Municipality with a healthy and safe living environment through the timely establishment of the necessary community facilities;
- To empower the residents of Bergrivier through the provision and exposure to the necessary academic as well as practical training facilities;
- To support the residents of Bergrivier with the necessary sport and recreational facilities; and
- To preserve, conserve and expand the conservation worthy natural environment in harmony with future town development.

The two most critical issues addressed in the WSDP are

- The eradication of water backlogs: All households have access to basic water. Grants provided by National Government (MIG funds) are utilised for the upgrading of water and sanitation bulk and service infrastructure.
- Water Conservation (WC) and Water Demand Management (WDM): The implementation of Bergrivier Municipality’s WC/WDM Strategy has been extremely successful and the Municipality was able to reduce the water requirements of the towns significantly, The overall percentage of NRW for all the internal distribution systems came down from 9.93 % to 6.72 % for the 2017/18 financial year which is excellent.
- The Municipality monitors its water losses on a monthly basis, and is experiencing a decline in its water

losses. Key priorities in terms of the Municipality's WC/WDM Strategy are:

- The identification of specific zones within the supply system to monitor revenue or unaccounted for water (UAW) on a monthly basis;
- The monitoring of non-revenue or UAW regularly (detailed water audits and balances);
- The implementation of systems to measure key parameters such as minimum night flows;
- To implement a pressure management, pipeline management and rehabilitation programme;
- Raise awareness through brochures detailing the benefits of initiating WDM/WC strategies that can be sent out with the accounts and placed in local newsletters;
- Water education in schools (demonstrations and exhibits at schools in their planning process);
- Implementation of a consumer meter management programme and meter maintenance and replacement policy;
- Inform Council Members of the current legislation around WC/WDM, and include it in the Strategic Framework for Water Services;
- WC/WDM options must be included when additional water resources are investigated and it must be seen as part of the water services planning process; and
- New supply schemes must only be developed where it can be shown that the existing water resources are being used efficiently.

The Municipality was also successful with accessing grant funding from the Provincial Government from drought relief funds for Goedverwacht and Wittewater with R 1.0 million and R 0.85 million respectively, as well as an Infrastructure Support Grant for Goedverwacht to the amount of R 3 million to increase the supply from the respective water sources and to upgrade the respective water purification systems. The projects were implemented in the 2017/18 financial year. In a nutshell the projects entail the following :-

- Boreholes and Pumps;
- Telemetry;
- Replacement of two chlorine dosage devices;
- Improvement and cleaning of weir for raw water intake;
- The raw water feeder pipeline needs to be repaired
- The mountain stream has to be cleaned from alien vegetation and debris;
- Refurbishment of sand filters;
- Mechanical equipment at treatment plant;
- Replacement of bulk meters;
- Practical training for Operators at Treatment plant
- Management;
- Maintenance of Treatment Plant

- Fencing and Signage, and
- Constant supply of Potable Water.



Inlet works Wittewater and rock paved canal

Photos Supplied by Technical Services

3.2.1.2 SERVICE STATISTICS

3.2.1.2.1 ACCESS TO WATER AND SERVICE DELIVERY LEVELS

The Water Services Act, 1997 (Act No 108 of 1997) defines access to minimum water standards as access to at least 25 litres of potable water per day supplied within 200 m of a household and with a minimum flow of 10 litres per minute. Access to piped water is defined as 6 000 litres of potable water supplied per formal connection per month. National policy also requires that poor households should receive 6 kl of free basic water per month. Only registered indigent households within the Municipality's supply area are entitled to 6 Kl of free basic water.

All households within the Municipality's supply area have access to minimum standards of water. All households have access to piped water except for the informal houses in Block F, Velddrif (old hostel), which have communal water facilities within 200m as prescribed. To alleviate this scenario, a project is completed as part of the current 10 year housing and infrastructure pipeline by providing 137 serviced sites at Noordhoek, Velddrif.

TABLE 62: ACCESS TO WATER

FINANCIAL YEAR	PROPORTION OF HOUSEHOLDS WITH ACCESS TO WATER POINTS	PROPORTION OF HOUSEHOLDS WITH ACCESS TO PIPED WATER	PROPORTION OF HOUSEHOLDS ENTITLED TO 6 KL FREE WATER
2011/12	71	8 336	1 930
2012/13	71	8 407	1 935
2013/14	71	8 655	1 944
2014/15	89	8 639	1 795
2015/16	137	8 734	1 790
2016/17	137	8 937	1 879

FINANCIAL YEAR	PROPORTION OF HOUSEHOLDS WITH ACCESS TO WATER POINTS	PROPORTION OF HOUSEHOLDS WITH ACCESS TO PIPED WATER	PROPORTION OF HOUSEHOLDS ENTITLED TO 6 KL FREE WATER
2017/18	137	9 039	1 746

30 June 2018 Billing Reports

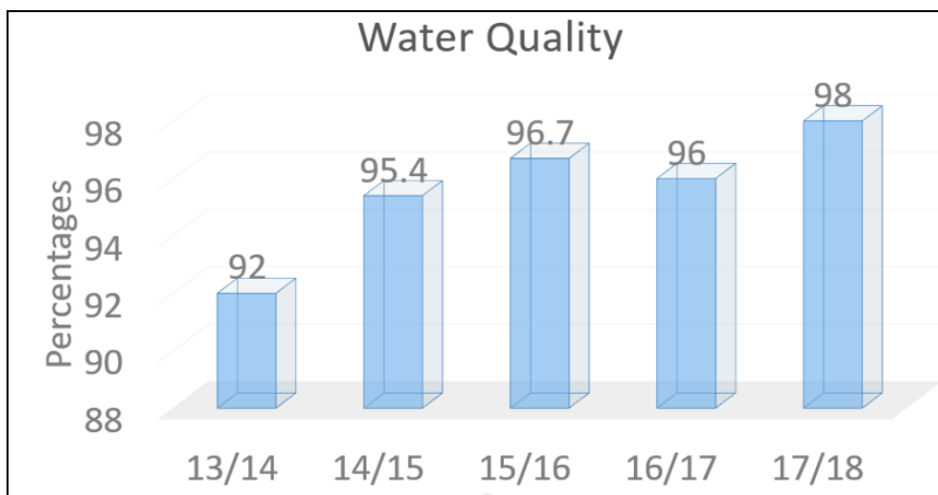
TABLE 63: WATER SERVICE DELIVERY LEVELS

DESCRIPTION	2014/15 ACTUAL	2015/16 ACTUAL	2016/17 ACTUAL	2017/18 ACTUAL
WATER: (ABOVE MIN LEVEL)				
Piped water inside dwelling	8 639	8 734	8 937	9 039
Piped water inside yard (but not in dwelling)	0	0	0	
Using public tap (within 200m from dwelling)	89	137	137	137
Other water supply (within 200m)	8 728	8 871	9 074	9 176
Minimum Service Level and Above sub-total	8 639	8 734	8 937	9 039
Minimum Service Level and Above Percentage	100 %	100 %	100 %	100 %
WATER: (BELOW MIN LEVEL)				
Using public tap (more than 200m from dwelling)	0	0	0	0
Other water supply (more than 200m from dwelling)	0	0	0	0
No water supply	0	0	0	0
Below Minimum Service Level sub-total	0	0	0	0
Below Minimum Service Level Percentage	0 %	0 %	0	0
Total number of households	8 655	8 639	8 734	8 937

30 June 2018 Billing Reports

3.2.1.2.2 WATER QUALITY

The quality of the Municipality's water as measured against National Standard SANS 241 is still improving and well within the set norms as prescribed by SANS 241. Data is available from the "Supply System Drinking Water Quality Performance Report" of the Department of Water Affairs and Sanitation. Data is collected directly from the laboratory results and captured on a national database. Water is analysed on a weekly basis according to 4 criteria, namely Microbiological, Chemical, Physical Organoleptic and SANS 241. The results are captured on the National Database of the Department of Water Affairs and Sanitation. Based on calculating the averages on these four criteria, a water quality of 98 % for Bergrivier Municipality has been achieved compared to 96 % the previous year. This achievement is above the norm and the figure of 98 % represent excellent water quality.



Graph indicating water quality since the 13/14 – 2017/18 financial years
Source: Annual Financial Statements

3.2.1.2.3 WATER CONSUMPTION AND LOSSES

The goal is to ensure that non-revenue water and UAW levels are maintained/reduced and to implement measures to promote WC/WDM to their consumers and end-users on an on-going basis. Highlights of the 2017/18 financial year were that the Municipality were able to further decrease their water losses from 9.93 % in 2016/2017 to 6.98 % in the 2017/2018 financial year, which is well below the national norm of 37 %. This means that the Municipality on average managed to save 30 % water for the community of Bergrivier Municipality and simultaneously saved considerable funds to the advantage of our community.

TABLE 64: WATER CONSUMPTION AND LOSSES

YEAR	UNITS PURCHASED (kl)	LOSSES (kl)	%	RAND VALUE (APPROXIMATE)
2015/16	2 627 992	276 761	10.53	R 1 286 939
2016/17	2 598 395	258 048	9.93	R 1 290 240
2017/18	1 715 403	119 818	6.98	R 636 234

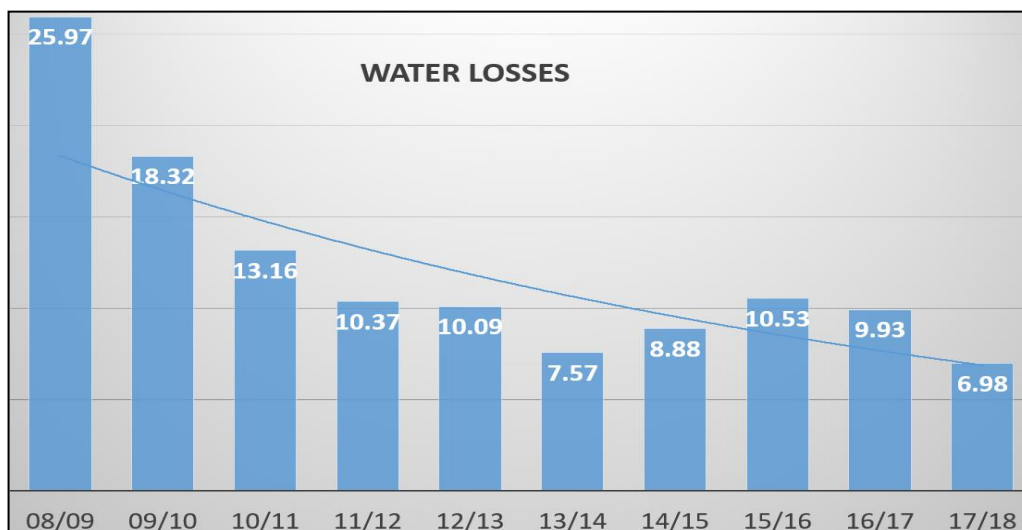


TABLE 65: WATER LOSSES PER NETWORK (%)

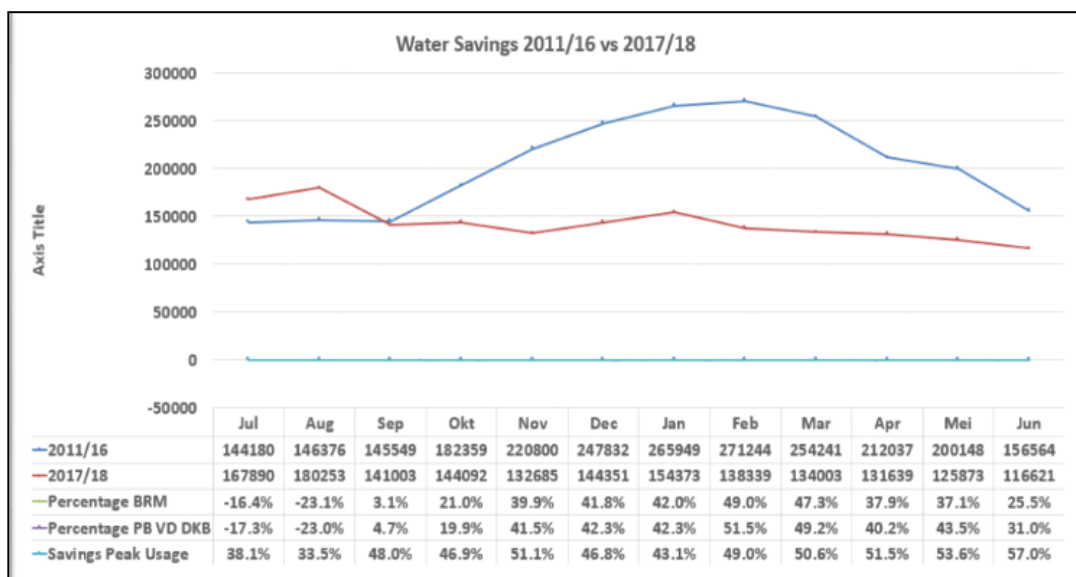
YEAR	VELDDRIF	AURORA	PIKETBERG	REDELINGHUYS	PORTERVILLE	EENDEKUIL
2015/16	7.5	7.6	8	23.6	21.8	26.7
2016/17	4.1	16.2	11.7	10.3	16.9	22.7
2017/18	1.6	15.88	9.9	20.5	6.1	32.1

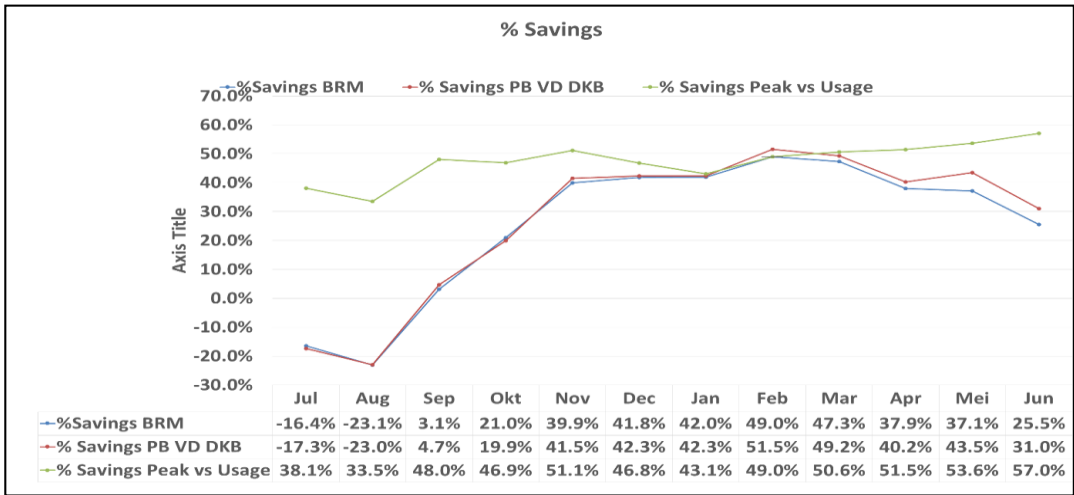
3.2.1.2.4 DROUGHT

On 24 May 2017, a provincial state of disaster was declared as a result of the magnitude and severity of the drought affecting the Western Cape. Under section 41(2) of the Disaster Management Act, 2002 (Act 57 of 2002) the Premier issued directions dealing with restrictions on the use of potable water for domestic and industrial purposes. These directions applied to the Cape Town Metropolitan Municipality and all local municipalities in the Western Cape. For the jurisdiction of Bergrivier Municipality level 6 restrictions were implemented since January 2018, which implied water savings between 40 % and 50 % along with a usage of 50 litres per person per day. Agricultural usage was restricted to a 60 % saving on assigned quotas. The Municipality quickly adapted to circumstances by lodging a very aggressive public awareness program which resulted in excellent cooperation by the public by saving almost 50 % of water normally used.

Graph (Figure 19) indicate savings based on three scenario's:- (1) Based on average 2011-2016 (2) Based on most effected towns – Velddrif, Dwarskersbos and Piketberg (3) Based on peak usage.

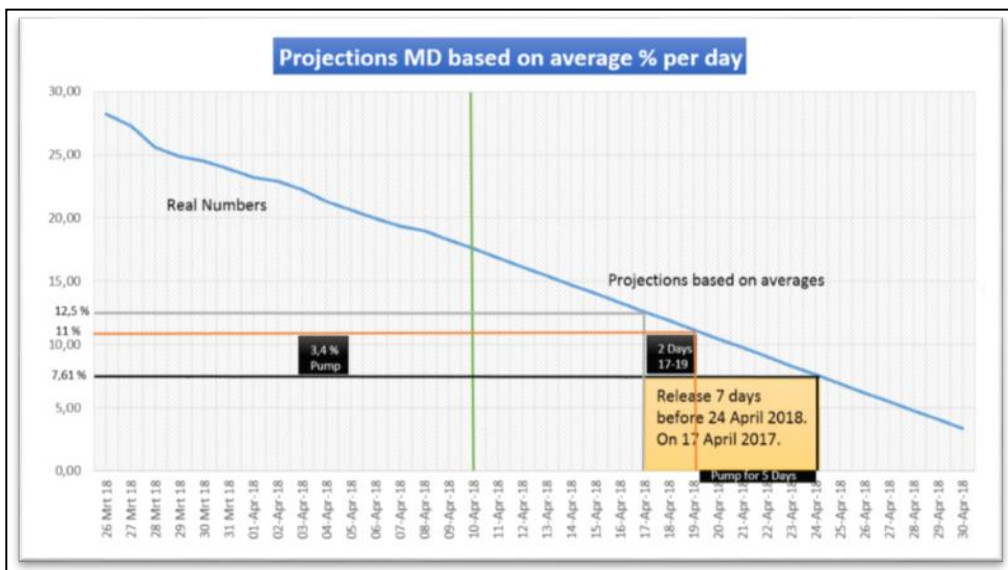
FIGURE 19: WATER SAVINGS

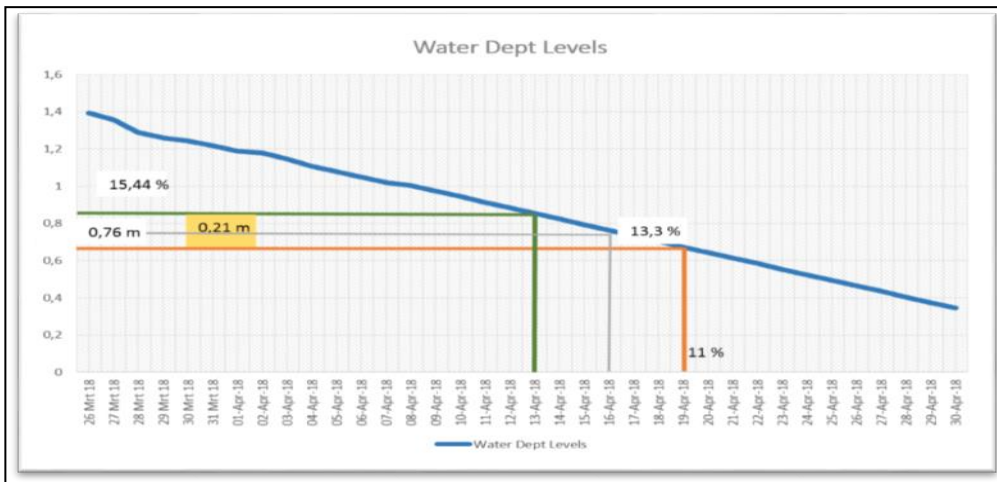




The Municipality managed to provide water to our community despite having enormous problems with some of the role players, but managed to overcome all the constraints in managing water releases from Misverstand Dam and Bergrivier Dam. Bergrivier played a major role to convince the Department of Water Affairs and Sanitation and the Western Cape MEC for Local Government, Environmental Affairs and Development Planning to release water (5 million megalitres) from the Bergriver Dam on the 18th April 2018. The graphs underneath were inter alia used to convince the Department of Water Affairs and Sanitation and MEC for Local Government. The drought reduced the safe yields of the Municipality’s own existing surface and groundwater resources. Effective and efficient WC/WDM measures to lower the future water requirements and augmentation of the existing water resources with groundwater or other sources are therefore critical at this stage. Various levels of water restrictions were therefore implemented by Bergrivier Municipality during the financial year.

FIGURE 20: WATER LEVELS IN APRIL 2018





Graph indicating the water pressure (water head) above the outlet valve.

Bergrivier Municipality was faced with the following options with its challenges:-

- the management of water releases from Misverstand Dam;
- the release of water from the Bergrivier Dam;
- 5 Boreholes with mixed successes;
- 11 Boreholes from Gift of the givers with mixed successes;
- hire pumps (200 m³/h each to pump water over rock obstruction);
- purchase Jo-Jo tanks;
- public awareness programs;
- section 30 A approval to better flow of river to our water network,
- investigations into well points,
- desalination plants;
- purified sewerage water;
- dam outside river bed; and
- pipeline from the Misverstand dam etc.

3.2.1.3 HUMAN RESOURCE CAPACITY

The vacancy rate in staff for water services was 8.33 % as at 30 June 2018. For practical purposes, water and sanitation are treated as a unit and personnel assigned to these functions work across both functions. Management assigned to the function are responsible for all aspects of service delivery.

TABLE 66: HUMAN RESOURCE CAPACITY: WATER SERVICES

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES%
23	23	0	8.33 %

The relative high level of vacancies is within the worker component and not within management.

3.2.1.4 FINANCIAL PERFORMANCE

TABLE 67: FINANCIAL PERFORMANCE (OPERATIONAL): WATER SERVICES: DISTRIBUTION & TREATMENT

WATER DISTRIBUTION				
DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Employees:	3 985 400.00	3 922 400.00	4 143 476.00	5.64 %
Other:	13 316 845.00	11 604 384.00	10 661 347.00	-8.13 %
Repairs & Maintenance:	633 000.00	834 000.00	958 799.00	14.96 %
Total Operational Expenditure	17 935 245.00	16 360 784.00	15 763 622.00	-3.65 %
Total Operational Revenue	-30 870 596.00	-23 488 596.00	-21 255 934.00	-9.51 %
Net Operational Expenditure	-12 935 351.00	-7 127 812.00	-5 492 312.00	-22.95 %
WATER TREATMENT				
DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Employee Related Costs	506 900.00	504 900.00	557 249.00	10.37 %
Other Expenditure	978 600.00	1 925 651.00	1 841 372.00	-4.38 %
Repairs & Maintenance	63 000.00	98 000.00	80 364.00	-18 %
Total Operational Expenditure	1 548 500.00	2 528 551.00	2 478 985.00	-1.96 %
Total Operational Revenue				
Net Operational Expenditure	1 548 500.00	2 528 551.00	2 478 985.00	-1.96 %

TABLE 68: FINANCIAL PERFORMANCE (CAPITAL): WATER SERVICES

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Pumps (standby)	200 000	200 000	11 900	-94.05 %
Pipe replacement programme	200 000	76 000	98 746.08	29.93 %
Water conservation demand	50 000	1 750 000	1 254 316.82	-28.32 %
Replace asbestos pipes and valves	100 000			
Replace water meters	120 000	120 000	70 773.80	-41.02 %
Replace redundant meters	120 000	120 000	115 087.72	-4.09 %

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Pressure valve (renew))	120 000			
Water renewals	50 000	50 000	49 336.06	-1.33 %
Furniture/Equipment - Water	10 000	8 570	7 742.43	-9.66 %
Tools	25 000	25 000	20 502.82	-17.99 %
Data logger	150 000			
Purchase new borehole pumps	50 000	46 000	40 330	-12.33 %
Water meter at source	75 000	75 000	74 340	-0.88 %
Telemetry -water	100 000	96 400	96 254	-1.15 %
Water conservation demand		1 050 000		- 100 %
Total	1 370 000	3 616 970	1 839 329.73	-49.15 %

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3.2.1.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights for the year include:

- The successful implementation of the Water Demand Strategy continued and the Municipality was able to further decrease water losses from 9.93 % in 2016/2017 to 6.98 % in 2017/18. This reduction is still significant as each percentage decrease in water losses represents a saving of approximately R 91 000. The Municipality falls within the top 10 Municipalities in the Province with low water losses.
- Water master plans were updated for all the water networks in the Bergrivier Municipal Area. Challenges that still need to be addressed include the increasing presence of backyard dwellers due to home owners renting out structures in their backyards. Although all erven have access to water, it is not possible to ensure that these backyard dwellers have access to sufficient water;
 - On-going reductions in water losses.

3.2.2 SANITATION

3.2.2.1 INTRODUCTION

Sanitation services are rendered by the Technical Services Directorate. The Municipality provides sanitation services to all towns in its area of jurisdiction with the exception of Goedverwacht, Wittewater and De Hoek (PPC) which are private towns. All households have access to basic services and our strategy is to provide a better quality of service through the upgrading of the existing waste water treatment works (WWTW) and networks. Sanitation is also addressed in the Water Services Development Plan, especially the eradication of sanitation backlogs. Backlogs pertain to the development of new houses and backyard dwellers.

3.2.2.2 SERVICE STATISTICS

3.2.2.2.1 ACCESS TO SANITATION AND SERVICE DELIVERY LEVELS

Access to minimum sanitation services is defined as a ventilated pit latrine (VIP). All urban households within the Municipality's area of jurisdiction have access to minimum sanitation levels.

TABLE 69: SANITATION SERVICE DELIVERY LEVELS

DESCRIPTION	2015/2016 ACTUAL	2016/2017 ACTUAL	2017/2018 ACTUAL
SANITATION/SEWERAGE: (ABOVE MINIMUM LEVEL)			
Flush toilet (connected to sewerage)	6 981	7 167	7 404
Flush toilet (with septic tank)**	2 092	2 092	2 092
Chemical toilet	0	0	0
Pit toilet (ventilated)	0	0	0
Other toilet provisions (above min. service level)	137	137	137
Minimum Service Level and Above sub-total	9 210	9 396	9 633
Minimum Service Level and Above Percentage	100%	100%	100%
SANITATION/SEWERAGE: (BELOW MINIMUM LEVEL)			
Bucket toilet	0	0	0
Other toilet provisions (below min. service level)	0	0	0
No toilet provisions	0	0	0
Below Minimum Service Level sub-total	0	0	0
Below Minimum Service Level Percentage	0	0	0
Total number of households	9 210	9 396	9 633

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(*Figure not included in billing reports because basic sanitation not charged for septic tanks)

3.2.2.2.2 WASTE WATER QUALITY

The Municipality's waste water is of an acceptable quality, comparing with the National Standard SANS 241. The MIG registration processes are completed and approved by Provincial Government and National Government to the amount of R 37 million to upgrade the Waste Water Treatment Works from a capacity of 0.75 MI/d to 1.5 MI/d at Porterville to make provision for future housing projects and other developments.



Upgrading of Porterville Sewerage Works

3.2.2.3 HUMAN RESOURCE CAPACITY

The vacancy rate for staff members in sanitation services was 12.5 % as at 30 June 2018. For practical purposes, water and sanitation are treated as a unit and personnel assigned to these functions work across both functions. Management assigned to the function are responsible for all aspects of service delivery.

TABLE 70: HUMAN RESOURCE CAPACITY: SANITATION SERVICES

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES%
16	14	2	12.5%

3.2.2.4 FINANCIAL PERFORMANCE

TABLE 71: FINANCIAL PERFORMANCE (OPERATIONAL): SANITATION SERVICES

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Employees:	1 960 800.00	1 866 800.00	1 939 987.00	3.92 %
Other:	7 692 163.00	5 536 924.00	2 114 191.00	-61.82 %
Repairs & Maintenance:	551 000.00	778 470.00	644 820.00	-17.17 %
Total Operational Expenditure	10 203 963.00	8 182 194.00	4 698 998.00	-42.57 %
Total Operational Revenue	-28 164 743.00	-29 264 743.00	-28 958 707.00	-1.05 %
Net Operational Expenditure	-17 960 780.00	-21 082 549.00	-24 259 709.00	15.07 %

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TABLE 72: CAPITAL EXPENDITURE: SANITATION SERVICES

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Furniture & Equipment - Sewerage	8 000	8 000	7 563.32	-5.46 %
Tools	20 000	20 000	19 255.68	-3.72 %

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Telemetry at pump stations	150 000	150 000	147 463	-1.69 %
Sewerage stand by pumps	180 000	175 500	11 900	-93.2 %
Switchgear and pumps	12 0 000	120 000	118 489	-1.26%
Replace rising mains in pump stations	100 000	100 000	99 684	-0.32 %
Telemetry	110 000	110 000	108 814-	-1.08 %
Basket screens for pump stations	50 000	47 400	47 320	-0.17 %
Sewer Renewals	50000	37 500	16 762	-55.3 %
Refurbishment and upgrade of WWTW	12 073 000	12 316 728	12 316 728	0 %
Chlorine dosing pump	25 000	37 500	37 343.93	-0.42 %
Total	12 886 000	13 122 628	12 931 321.13	-1.46 %

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3.2.2.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Challenges that still need to be addressed include:

- The increasing presence of backyard dwellers due to home owners renting out structures in their yards. Although all erven have access to sanitation, it is not possible to ensure that these backyard dwellers have access to sanitation;
- The high cost of making provision for future developments and low costs housing projects;
- Oxidation ponds for Aurora and Redelinghuys; and
- Upgrading of the Porterville Waste Water Treatment Works to accommodate future low cost housing developments.

3.2.3 ELECTRICITY AND STREET LIGHTING

3.2.3.1 INTRODUCTION

Electricity services are rendered by the Technical Services Directorate. The Municipality is responsible for the distribution of electricity in all urban areas, except Goedverwacht, Wittewater and De Hoek and a portion of Eendekuil. The Municipality only distributes electricity to a small portion of Eendekuil where the low cost houses are situated (162 households). Eskom distributes electricity to all areas not serviced by the Municipality.

3.2.3.2 SERVICE STATISTICS

3.2.3.2.1 ACCESS TO ELECTRICITY AND SERVICE DELIVERY LEVELS

Registered indigent households receive 50 kWh of free basic electricity per month. All existing households

within the Municipal supply area have access to minimum standards of electricity. There is also street lighting in all towns.

TABLE 73: ELECTRICITY SERVICE DELIVERY LEVELS

DESCRIPTION	2015/16: ACTUAL	2016/17: ACTUAL	2017/18:ACTUAL
ENERGY: (ABOVE MINIMUM LEVEL)			
Electricity (at least minimum service level)	1 284	1 003	931
Electricity - prepaid (minimum service level)	7 693	8 371	9 034
Minimum Service Level and Above sub-total	8 977	9 374	9 965
Minimum Service Level and Above Percentage	100%	100%	100%

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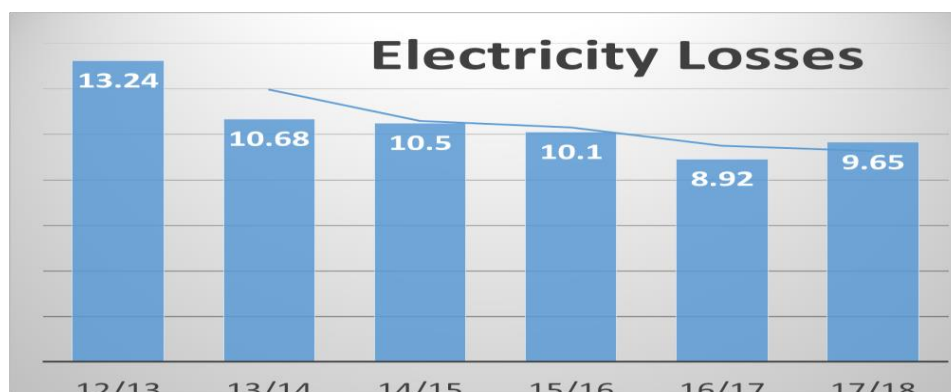
3.2.3.2.2 ELECTRICITY CONSUMPTION AND LOSSES

The municipality managed to keep their electricity losses below 10 % namely to 9.65 % in 2017/2018. This took considerable effort by the Technical Directorate and we thank them for their dedication. This is much lower than the National norm of 17 %. (Technical and Non-Technical Losses).

Bergvievier is still in the process of replacing old pre-paid and conventional meters with new “split type pre-paid meters”. The Municipality was able to allocate much needed capital to maintain and refurbish old sections of the electricity network.

TABLE 74: ELECTRICITY LOSSES

YEAR	UNITS PURCHASED (kWh)	LOSSES (kWh)	PERCENTAGE (%)	RAND VALUE
2015/16	78 186 094	7 916 370	10.13	R 6 670 136
2016/17	80 203 384	7 157 336	8.92	R 6 464 506
2017/18	79 806 013	7 704 397	9.65	R 6 958 612



3.2.3.3 HUMAN RESOURCE CAPACITY

The vacancy rate for electrical services was 0 % as at 30 June 2018.

TABLE 75: HUMAN RESOURCE CAPACITY: ELECTRICITY SERVICES

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
22	22	0	0%

3.2.3.4 FINANCIAL PERFORMANCE (TO BE COMPLETED BY THE FINANCE DEPARTMENT)

TABLE 76: FINANCIAL PERFORMANCE (OPERATIONAL): ELECTRICITY and STREET LIGHTING

ELECTRICITY				
DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Employees:	6 647 200	6 646 200	7 119 796	7.13 %
Other:	84 057 001	82 943 578	81 470 414	-1.78 %
Repairs & Maintenance:	1 672 000	1 992 510	1 913 426	-3.97 %
Total Operational Expenditure	92 376 201	91 582 288	90 503 636	-1.18 %
Total Operational Revenue	-109 910 600	-106 052 600	-96 476 289	-9.03 %
Net Operational Expenditure	-17 534 399	-14 470 312	-5 972 653	-58.72 %
STREETLIGHTS				
DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Employees:	730 100	730 100	782 988	7.24 %
Other:	50 000	9 000	8 579	-4.68 %
Repairs & Maintenance:	340 000	210 000	200 493	-4.53 %
Total Operational Expenditure	1 120 100	949 100	992 060	4.53 %
Total Operational Revenue				
Net Operational Expenditure	1 120 100	949 100	992 060	4.53 %

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TABLE 77: FINANCIAL PERFORMANCE (CAPITAL): ELECTRICITY AND STREET LIGHTING

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
High tension circuit breakers	30 000	0	0	0 %
Bulk meter replacement	60 000	60 000		0 %

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Furniture & Equipment - Electricity	15 000	54 170	54 164.17	-0.01 %
Replace street lights	120 000		0	0 %
Network Renewals	600 000	933 970	933 968.75	0 %
Replacing conventional electricity meters with prepaid	500 000	326 030	325 477.75	-0.17 %
Low Cost Housing (Laaiplek Sandielie – rollover)		325 439	325 439	0 %
Total	1 325 000	1 639 609	1 639 049.67	-0.03 %

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3.2.3.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights for the year include:

- A constant supply of good quality electricity to consumers despite limited resources; and
- Manage to keep electricity losses below 10 % namely 9.65 %.

Challenges that are being addressed on a continuous basis:

- Maintain maintenance standards on networks;
- Limited budget to maintain existing infrastructure; and
- Keep electricity losses below 10 %.

3.2.4 WASTE MANAGEMENT

3.2.4.1 INTRODUCTION

Waste management services are rendered by the Technical Services Directorate. Waste Management includes the collection, recycling and disposal of household and business waste, builder's rubble and garden refuse. Street cleaning is also a function of the Waste Management Section. All households in urban areas, including Goedverwacht and Wittewater, have access to a weekly refuse removal service.

Waste is transported from Velddrif Transfer Station to be disposed of at Vredenburg landfill site, and from Piketberg Transfer Station to the Highlands waste site at Malmesbury.

The rehabilitation cost of these sites remain a challenge. The rehabilitation cost of the Piketberg site and Porterville site are estimated at R 84 million. The Municipality does not have the cash reserves for this expenditure, but regards it as a priority and will endeavour to obtain funding. The closure and rehabilitation of the Velddrif site form part of a land exchange in terms of which the new owner will bear the rehabilitation costs. After all options were taken into consideration, the most economic viable option was to transport the waste of Bergrivier to Malmesbury Highlands Waste Site. Because of the high transport costs, the objective for Bergrivier Municipality was to reduce those costs by reducing the number

of refuse bags. Bergrivier Municipality was further obliged in terms of the National Environmental Management Act, 2008 (Act 59 of 2008) to obtain closure permits. One of the objectives of such a permit is the closure of landfill sites which means that waste (except for green waste and building rubble) must be received at the transfer stations and collection points. Bergrivier Municipality, with the assistance of the Department of Environmental Affairs and Development Planning (DEA & DP), has obtained closure permits for all the landfill sites.

The first step in implementing the “separation at source”-principle was to identify two areas on each of the landfill sites (Piketberg and Porterville) to dump the green waste and building rubble. During the public awareness campaign the community was informed regarding the importance of recycling. After investigating and analysing the content of the refuse bags, it was found that it included a large amount of green waste. Bergrivier Municipality decided then to also implement a green refuse bag system to further reduce the number of black refuse bags that have to be transported to the disposal sites.

One of the Municipality’s key objectives in terms of the 2nd generation Integrated Waste Management Plan (IWMP) is the reduction of waste transportation costs, which is being done through the separation of waste at source and recycling. All recyclables from Porterville are transported to the recycling facility at Piketberg where it is separated. Recycling at Velddrif is done through an EPWP programme. Licences for the recycling facilities in Piketberg and Velddrif were issued by DEA&DP.

All the above actions resulted in a total turnaround regarding the appearance of the landfill sites. The way forward is to obtain financial assistance for the rehabilitation of the landfill sites, and to enter into discussions with PPC for the incineration of all the waste (in accordance with PPC norms and standards) in Bergrivier, which will further reduce costs. The Municipality is also forced by legislation (NEMWA Act 59 of 2008) to install weighbridges in order to adhere to reporting procedures in terms of the said legislation.



Photo of recycling plant under construction: Piketberg

The Municipality is also in the process of constructing a recycling plant to increase the recycling volumes and decrease the transporting cost of waste.



Photo of weigh bridge

A Business Plan was approved by the Federal Government in Belgium to implement projects in Monte Bertha Porterville, Ward 4 Piketberg and Noordhoek Velddrif, to appoint and train waste ambassadors to assist in cleaning the respective areas, and also train the waste ambassadors in various disciplines regarding waste management and public awareness campaigns, with the goal to create a cleaner and healthier environment. It is a multiyear program which started last year, and we are currently in the second year of the program.

The vision of the program is to turn waste into prosperity. By doing that the Municipality also plans to use Green Cape to assist in reaching the vision of the project. The following objectives need to be part of the program in striving to be successful by turning waste into prosperity:

- Establishment of a recycle shop where the recycling contractor will be requested to put up shops in each of these areas once a week for a dedicated two to three hours (for example Wednesdays from 08:00 – 10:00) to allow all members of the public to sell recyclables to the contractor. The contractor will weigh the bags and compensate the seller accordingly thereby turning waste into prosperity and ensure a clean and healthy environment;
- The processing of green waste into composting and the marketing thereof to generate income in order to be self sustainable;
- Transfer of skills in terms of the recycling processes from the collecting stage until marketing stage and managing the finance management side thereof in order to be self sustainable;
- How to make profit from building rubble – brickmaking etc;
- Investigate Waste to Energy initiatives; and
- Incineration in collaboration with PPC – Standards and requirements for waste in order to adhere to the standards for the incineration processes.

The funds allocated is indicated in the table below.

Outcome	Year	Capital	Operational	Personnel	Total	New scenario TOTAL	Capital	Operational	Personnel	Total
SD1: Stede- band BERG- RIVIER	2017	16666	10000	23334	50000	30000	10000	8000	12000	30000
	2018	16666	10000	23334	50000	40000	14000	10000	16000	40000
	2019	20000	12000	28000	60000	30000	8000	6000	16000	30000
	2020	20000	12000	28000	60000	40000	16000	8000	16000	40000
	2021	20000	12000	28000	60000	40000	12000	12000	16000	40000
	Total	93332	56000	130668	280000	180000	60000	44000	76000	180000

3.2.4.2 SERVICE STATISTICS

ACCESS TO SOLID WASTE SERVICES AND LEVELS

Basic level services for refuse removal are defined as free weekly refuse removal. All households in urban areas including Goedverwacht and Wittewater have access to weekly refuse removal services. Business and other waste is removed at request.

TABLE 78: SOLID WASTE SERVICE DELIVERY LEVELS

DESCRIPTION	2015/16 ACTUAL	2016/17 ACTUAL	2017/18 ACTUAL
SOLID WASTE REMOVAL: (MINIMUM LEVEL)			
Removed at least once a week	9210	9 426	9 523
Minimum Service Level and Above sub-total	9 210	9 426	9 523
Minimum Service Level and Above percentage	100 %	100 %	100%
SOLID WASTE REMOVAL: (BELOW MINIMUM LEVEL)			
Removed less frequently than once a week	0	0	0
Using communal refuse dump	0	0	0
Using own refuse dump	0	0	0
Other rubbish disposal	0	0	0
No rubbish disposal	0	0	0
Below Minimum Service Level sub-total	0	0	0
Below Minimum Service Level percentage	0%	0%	0%
Total number of households	9 210	9 426	9 523

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3.2.4.3 HUMAN RESOURCE CAPACITY

The vacancy rate for Waste Management Services was 17.65 % as at 30 June 2018. Management assigned to the function are responsible for all aspects of service delivery.

TABLE 79: HUMAN RESOURCES: WASTE MANAGEMENT SERVICES

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
44	37	7	17.65 %

3.2.4.4 FINANCIAL PERFORMANCE

TABLE 80: FINANCIAL PERFORMANCE (OPERATIONAL): SOLID WASTE REMOVAL

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Employees:	5 189 000	5 269 700	5 286 651	0.32 %
Other:	13 947 822	14 605 569	14 334 218	-1.86 %
Repairs & Maintenance:	579 000	579 000	565 056	-2.41 %
Total Operational Expenditure	19 715 822	20 454 269	20 185 925	-1.31 %
Total Operational Revenue	-23 539 022	-25 152 022	-24 518 359	-2.52 %
Net Operational Expenditure	-3 823 200	-4 697 753	-4 332 434	-7.78 %

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TABLE 81: FINANCIAL PERFORMANCE (OPERATIONAL): STREET CLEANING

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Employees:	2 412 100	2 467 350	2 933 442	21.61 %
Other:	49 250	45 250	42 101	-6.96 %
Repairs & Maintenance:	20 000	10 000	2 107	-78.93 %
Total Operational Expenditure	2 481 350	2 467 350	2 977 650	29.68 %
Total Operational Revenue				
Net Operational Expenditure	2 481 350	2 467 350	2 977 650	20.68 %

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TABLE 82: CAPITAL FINANCIAL PERFORMANCE (CAPITAL): WASTE MANAGEMENT SERVICES

Description	Budget 2017/18	Adjustment Budget 2017/2018	Actual	Variance
Furniture & Equipment - Refuse Removal	6 000	6 000	4 634.46	-22.76 %
Tools	6 000	6 000	4 254.44	-29.09 %
Refuse carts	10 000	10 000	9 884.10	-1.16 %
Drums and stands	35 000			0 %
Composting facility (VD/PB)	200 000	200 000	199 400	-0.30 %
Replace CBY 1509	530 000	530 000	475 137	-10.35 %
Weighbridge	750 000	500 000	435 310.13	-12.94 %
Recycling plant	1 500 000	1 200 000	870 328.73	-27.47 %
Enlarge recycling building (VD/PB)	400 000	400 000	391 824.16	-2.04 %
Fence at transfer station		250 000	206 544.89	-17.38 %
Total	3 437 000	3 102 000	2 597 317.89	-16.27 %

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3.2.4.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

The following challenges and highlights have been experienced in the financial year:

- All landfill sites are closed for dumping of household and business refuse. Only building rubble and garden refuse are accepted which are then used for covering material on the landfill sites;
- Improving recycling volumes in order to lower transport cost.
- The stedeband program with Heist-op-den-Berg and the Federal Government of Belgium (VVSG);
- Bergrivier Municipality installed two of the 7 weighbridges installed in the Western Cape Region and therefore is one of the municipalities adhering to legislation in terms of the NEMWA 2008 (Act 59 of 2008); and
- In the process of constructing a new recycling facility at Piketberg.

Challenges that still need to be addressed include:

- The reduction of all types of refuse (at source);
- The roll out of an aggressive and effective recycling program;
- Rehabilitation of closed waste disposal sites;
- Implementation of waste to energy programmes; and

- Composting of organic waste.
- Processing of clean building rubble into feasible projects.
- The successful roll out and strict administration and reporting procedures of the Heist-op-den-Berg project.

3.2.5 HUMAN SETTLEMENTS (HOUSING)

3.2.5.1 INTRODUCTION

Human settlement services are rendered by the Community Services Directorate as from 1 September 2017. Housing is a concurrent National and Provincial competency in terms of Part A of Schedule 4 of the Constitution. Section 10 of the Housing Act, 1997 (Act 107 of 1997, sets out the responsibilities of municipalities in relation to the provision of housing. There is a direct correlation between the provision of basic services and housing, which makes it a complex function that relies on high levels of cooperation between the Municipality and the Provincial and National Departments responsible for Housing.

During the financial year extensive work was done on the following housing projects:

- Additional funding was secured for the 89 houses project in Velddrif. A planning application for 23 erven Eendekuil (IRDP Project, services and top structures) was approved from the Department of Human Settlements.
- Bergrivier Municipality commenced with the initial implementation of GAP Housing in conjunction with farmers and the Provincial Department of Housing. GAP Housing refers to what is formally termed Finance Linked Individual Subsidy (FLISP). This subsidy program was created to assist applicants earning between R 3 501 – R 22 000 per month. In Bergrivier Municipality, the programme will entail the creation and promotion of housing opportunities, in partnership with the private sector, for people earning a combined monthly income between R 3 501 and R 22 000. The intention is to provide an estimated 96 units in this subsidy project.

3.2.5.2 SERVICE STATISTICS

There is a dire need for human settlements throughout the Municipal Area. All prospective human settlement applicants are placed on a waiting list and the list is updated on an annual basis. The revised Beneficiary Selection Policy and Housing Demand Data Base have been approved by Council. The table below indicates the revised housing needs per town as reflected by the Municipality's Housing Waiting List as at 30 June 2016 which list also corresponds with the data base of the Provincial Department of Human Settlements.

TABLE 83: HOUSING NEEDS

TOWN	APPLICANTS 2014/15	APPLICANTS 2015/16	APPLICANTS 2016/17
Piketberg	1 898	1 900	2 035

TOWN	APPLICANTS 2014/15	APPLICANTS 2015/16	APPLICANTS 2016/17
Witwaters* [*]	10	7	16
Goedverwacht* [*]	11	11	21
Porterville	1012	956	989
Velddrif (incl Noordhoek, Laaiplek and Port Owen)	1178	1149	1297
Aurora	192	171	70
Redelinghuys	240	245	249
Eendekuil	196	193	213
TOTAL	4 737	4 632	4 991

* Designates area of origin of applicant and not where houses could be built.

3.2.5.3 HUMAN RESOURCE CAPACITY

There are only three permanent employees and one temporary employee dedicated to the Housing function. Other staff members of the Community Services Directorate lend administrative support where necessary.

TABLE 84: HUMAN RESOURCES: HOUSING

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES%
3	1	2	66.67%

3.2.5.4 FINANCIAL PERFORMANCE

TABLE 85: FINANCIAL PERFORMANCE (OPERATIONAL): HOUSING SERVICES

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Employee Related Costs	1 179 900	1 138 900	915 784	-19.59 %
Other Expenditure	319 130	170 222	94 923	-44.24 %
Repairs & Maintenance	12 750	22 800	5 308	-76.72 %
Total Operational Expenditure	1 511 780	1 331 922	1 016 015	-23.72 %
Total Operational Revenue	-39 923	-39 923	-	-100 %
Net Operational Expenditure	1 471 857	1 291 999	1 016 015	-21.36 %

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Bergvriev Municipality acts as an agent for Provincial Government The Department of Human Settlements and as such the housing allocation is not part of the capital budget of Bergvriev Municipality.

3.2.5.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights for the year include:

- Successful roll out of a credible 10 year Human Settlements Pipeline by Council and Provincial Department of Human settlements;
- Excellent support by the Professional Resource Team (PRT). (A multi-disciplinary team of professionals appointed by the Department of Human Settlement to assist with implementation of the Human Settlements Pipeline);
- Approval of funding for Human Settlements Pipeline projects;
- Updating of the Human Settlements Demand Database (Waiting List); and
- Enhancement of the national norms and standards for the construction of stand-alone residential dwellings and engineering services from April 2014.

Challenges that still need to be addressed include:

- The scarcity of suitable land for housing;
- The optimal utilisation of vacant serviced land for housing provision (infill housing);
- The high cost of bulk and service of infrastructure;
- Challenge to provide minimum housing standards with subsidy quantum;
- Sourcing of sufficient MIG and DoRA funding;
- Continuous influx of people who require housing;
- Staff shortages; and
- Threats of land grabs in South Africa and the Western Cape specifically.

3.2.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

3.2.6.1 INTRODUCTION

The Municipality is required to use its equitable share which it receives from National Government in terms of the Division of Revenue Act (DoRA) for the provision of basic services to its community. Basic services are a package of services necessary for human well-being and typically include water, sanitation, electricity, waste management and deduction in property rates.

Basic level services to households are defined by National Government as an electricity connection at the dwelling, a public standpipe for water within 200 m of the dwelling, and a ventilated pit latrine (VIP) for sanitation. National policy also requires that poor households should receive 50 kWh of free basic electricity, 6 Kl of free basic water and free weekly refuse removal. The Municipality has an indigent policy which it revises each year with the budget and maintains an indigent register. Indigent households are defined as households where the joint income does not exceed 2 state pensions plus 40 %.

The following services are subsidised to indigent households by Bergrivier Municipality:

- 50 kWh electricity per month (not transferable from one month to another month);
- Sewerage fees or the fees payable equal to the tariff determined;
- Rates payable to a maximum amount R15 000 and 60 % calculated as per the rates policy;
- 6 kl plus the basic charge of water per month, and
- Fees for refuse removal.

All the new low cost housing schemes have immediate access to free basic services. Bergrivier Municipality also assist indigent households situated in areas where Eskom is the service provider for electricity with free basic electricity in terms of the service agreement entered into between Bergrivier Municipality and Eskom.

It is imperative to emphasize that the Council of Bergrivier Municipality took a decision to link indigent grants to a responsibility. All households that qualify for indigent grants and with children in school, need to submit the school reports of their children as proof that the children are in fact in school.

3.2.6.2 SERVICE STATISTICS

In the past, free basic water and electricity were supplied to all households irrespective of their financial position. From 2013/14, free basic water was only supplied to indigent households and from 2014/15, free basic electricity will also only be supplied to indigent households and households who make use of a 20 AMP circuit breaker. Free basic refuse removal and sanitation are provided to indigent households only.

TABLE 86: HOUSEHOLD ACCESS TO FREE BASIC SERVICES

YEAR	NUMBER OF HOUSEHOLDS				
	TOTAL HOUSEHOLDS	FREE BASIC WATER ACCESS	FREE BASIC SANITATION ACCESS*	FREE BASIC ELECTRICITY ACCESS	FREE BASIC REFUSE ACCESS
2015/16	9 210	1 790	1 614	1 616	1 793
2016/17	9 426	1 879	1 681	1 706	1 711
2017/18	9 523	1 746	1 534	681	1 753

30 June 2018 Billing Reports
(*Figure excludes septic tank users)

3.2.6.3 FINANCIAL PERFORMANCE

TABLE 87: COST TO MUNICIPALITY OF FREE BASIC SERVICES DELIVERED

SERVICES DELIVERED	2015/16 ACTUAL	2016/17 ACTUAL	2017/18 ACTUAL
Property Rates	3 352 716.34	3 668 841	1 886 840
Waste Management (Solid waste)	3 321 449.93	3 714 457.99	3 875 234

SERVICES DELIVERED	2015/16 ACTUAL	2016/17 ACTUAL	2017/18 ACTUAL
Waste Water (Sanitation)	2 232 950.63	2 482 100.95	2 572 211
Water	1 395 760.82	1 647 484.54	1 602 395
Electricity	709 788.06	828 096.82	749 743
TOTAL	11 012 665.78	12 142 762.00	10 686 423.00

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3.2.6.4 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Indigent households place enormous pressure on the financial resources of the Municipality, and the continual increase in indigent households will challenge the long-term financial sustainability of the Municipality. This is exacerbated by the fact that the equitable share does not increase equitably to the number of indigents. In the 2017/18 financial year 1 753 households qualified for indigent grants and the Municipality has stringent control measures and monitoring of indigents registered with the Municipality.

3.3 ROADS AND STORM WATER

3.3.1 ROADS

3.3.1.1 INTRODUCTION

Road services are rendered by the Technical Services Directorate. The Municipality has 188 km of road of which 168.3 kilometres are tarred and 19.7 kilometres are gravelled. The Municipality focuses on maintaining the existing road network to ensure that road standards do not deteriorate to the extent that building of new roads is required. A maintenance programme has been implemented and is regularly updated to prioritise resurfacing/resealing needs. Gravel roads are graded regularly and there is an ongoing pothole repair programme in place. Alternative construction methods are being investigated to upgrade gravel roads in low cost housing projects and Bergrivier Municipality has invested in a Pavement Management System to facilitate road maintenance.

3.3.1.2 SERVICE STATISTICS

TABLE 88: GRAVEL ROAD INFRASTRUCTURE

FINANCIAL YEAR	TOTAL KM GRAVEL ROADS	KM NEW GRAVEL ROADS CONSTRUCTED	KM GRAVEL ROADS UPGRADED TO TAR/PAVED	KM GRAVEL ROADS GRADED/MAINTAINED
2015/16	21.7	0	1.3	21.7
2016/17	19.7	0	2.0	19.7
2017/18	18.2	0	1.5	18.2

TABLE 89: TAR (ASPHALT) ROAD INFRASTRUCTURE

FINANCIAL YEAR	TOTAL KM GRAVEL ROADS	KM NEW GRAVEL ROADS CONSTRUCTED	KM GRAVEL ROADS UPGRADED TO TAR/PAVED	KM GRAVEL ROADS GRADED/MAINTAINED
2015/16	166.3	0	1.3	21.7
2016/17	168.3	0	2.0	19.7
2017/18	169.8	0	1.5	18.2

3.3.1.3 HUMAN RESOURCE CAPACITY

The vacancy rate in the Roads Section was 23.86 % as at 30 June 2018. Management assigned to the function are also responsible for other functions.

TABLE 90: HUMAN RESOURCES: ROADS

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
87	66	21	24.14 %

3.3.1.4 FINANCIAL PERFORMANCE

TABLE 91: FINANCIAL PERFORMANCE (OPERATIONAL): ROAD SERVICES

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Employees:	18 279 000	17 274 420	16 722 793	-3.19 %
Other:	6 633 649	6 307 934	5 696 351	-9.70 %
Repairs & Maintenance:	1 125 000	1 575 100.	1 379 468	-12.42 %
Total Operational Expenditure	26 037 649	25 157 454	23 798 612	-5.40 %
Total Operational Revenue	-1 835 875	-1 835 875	-1 786 175	-2.71 %
Net Operational Expenditure	24 201 774	23 321 579	22 012 437	-5.61 %

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TABLE 92: FINANCIAL PERFORMANCE (CAPITAL): ROAD SERVICES

Description	Budget 2017/18	Adjustment Budget 2017/2018	Actual	Variance
Furniture & Equipment - Roads	10 000	10 000	9 521.00	-4.79 %
Radios	30 000	29 000	24 868.42	-14.25 %
Reseal/Construction of streets	1 650 000	1 650 000	1 628 593.68	-1.30 %

Description	Budget 2017/18	Adjustment Budget 2017/2018	Actual	Variance
Cement ditches in Aurora	40 000	40 000	94 044.34	135.11 %
Street name curb stones	50 000	41 500.00	20 561.40	-50.45 %
Traffic calming measures)	100 000	100 000	86 539.22	-13.46 %
Tools	80 000	81 000	77 823.98	-3.92 %
Construction of roads: RDP Houses	300 000	300 000	268 002.59	-10.43 %
Pave sidewalks	350 000	350 000	288 735.53	-17.50 %
Vehicle replacement	1 120 000	1 120 000	1 080 087.73	-3.56 %
Harden pavements	200 000	200 000	208 259.84	4.13 %
Tracking devices	50 000			
Total	3 980 000	3 921 500	3 787 750.30	-3.41 %

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3.3.1.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights for the year include:

- Regular maintenance of existing asphalt (tar) roads which minimised potholes (67 684 m²);
- Regular grading of gravel roads; and
- Construction of roads at low cost housing Piketberg, Porterville, Eendekuil; and Velddrif (using own plant, vehicles and equipment);



Challenges that still need to be addressed include:

- The upgrading of all gravel roads to asphalt (tar) standard, especially in our smaller towns.

3.3.2 STORM WATER

3.3.2.1 INTRODUCTION

Storm water management services are rendered by the Technical Services Directorate. Bergrivier

Municipality has a Storm Water Management Plan which was compiled by V&V Consulting Engineers. Priority areas have been identified in the first phase and all future projects will be based on this plan.

3.3.2.2 SERVICE STATISTICS

TABLE 93: STORM WATER INFRASTRUCTURE

FINANCIAL YEAR	TOTAL KM STORM WATER MAINTAINED	KM NEW STORM WATER MEASURES
2015/16	41.5	0.5
2016/17	41.8	0.3
2017/18	41.8	0

3.3.2.3 FINANCIAL PERFORMANCE

TABLE 94: FINANCIAL PERFORMANCE (OPERATIONAL) STORM WATER SERVICES

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Employees:	564 800.00	564 800.00	425 280.00	-24.70 %
Other:	182 464.00	526 202.00	448 264.00	-14.81 %
Repairs & Maintenance:	43 000.00	43 000.00	51 933.00	20.77 %
Total Operational Expenditure	790 264.00	1 134 002.00	925 477.00	-18.39 %
Total Operational Revenue				
Net Operational Expenditure	790 264.00	1 134 002.00	925 477.00	-18.39 %

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TABLE 95: FINANCIAL PERFORMANCE (CAPITAL): STORM WATER SERVICES

Description	Budget 2017/18	Adjustment Budget 2017/2018	Actual	Variance
Furniture & Equipment - Stormwater Management	5 000	5 000	4 827.64	-3.45 %
Low water bridge: Park Street	10 000	10 000	993.60	-90.06 %
Stabilise "Wintervoor" (Flood prevention)	35 000	35 000	28 873.64	-17.50 %
Construction of storm water channels at low cost houses	275 000	275 000.00	298 450.78	8.56 %
Total	325 000	325 000	333 235.66	2.53 %

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3.3.2.4 HUMAN RESOURCE CAPACITY

TABLE 96: HUMAN RESOURCES

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
4	4	0	0 %

There were no vacancies in the Storm Water Services Section as at 30 June 2018.

3.3.2.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights for the year include:

- Alleviate storm water problems in Ward 4.



Stormwater channel automatic overflow



Newly design storm water inlets in steep areas

Challenges that still need to be addressed include:

- The implementation of the Storm Water Master Plan for Piketberg is a high priority, but a lack of sufficient funding (own funding) delays the time frame of construction. Applications for external funding were unsuccessful to date.
- Ongoing storm water issues and in various wards especially ward 4, Piketberg.

3.4 PLANNING AND DEVELOPMENT

3.4.1 PLANNING AND DEVELOPMENT (SPATIAL PLANNING)

3.4.1.1 INTRODUCTION

Spatial Planning and Land Use Management services are rendered by the Corporate Services Directorate and done in accordance with National/Provincial/Municipal legislation, National/ Provincial directives and Council policy and aims to facilitate sustainable urban and rural development. In addition, Planning and Development include all aspects pertaining to the management of municipal immovable property (land).

3.4.1.2 SERVICE STATISTICS

The following table indicates the various planning applications that were finalised during the financial year.

TABLE 97: APPLICATIONS FOR LAND USE DEVELOPMENT

DETAIL	TOWN	SUBDIVISIONS		REZONINGS		CONSENT USES		DEPARTURES		REMOVAL OF RESTRICTIONS		TOTALS	
		2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Planning applications received	TOTAL	19	14	10	14	5	31	20	27	7	9	61	95
	Piketberg	3	2	3	5	1	16	6	10	2	6	15	39
	Porterville	5	0	3	3	0	8	7	6	0	0	15	17
	Aurora	0	2	0	0	0	1	0	0	0	0	0	3
	Eendekuil	0	0	0	0	0	0	0	0	0	0	0	0
	Velddrif	8	4	2	1	0	0	4	3	3	0	17	8
	Laaiplek	2	1	3	5	2	3	2	6	2	3	11	18
	Dwarskersbos	1	1	0	0	3	0	0	1	0	0	4	2
	Redelinghuys	0	0	0	0	0	0	0	0	0	0	0	0
	Farm	0	4	0	0	0	4	2	1	0	0	2	9
Applications finalised/resolved	TOTAL	19	13	14	17	8	11	38	20	9	8	88	69
	Piketberg	2	3	7	2	1	1	18	5	1	2	29	13
	Porterville	4	1	0	3	2	3	8	6	0	0	14	13
	Aurora	0	0	0	0	0	0	0	0	0	0	0	0
	Eendekuil	1	0	1	0	0	0	3	0	0	0	5	0
	Velddrif	5	5	0	3	0	2	0	4	3	2	8	16
	Laaiplek	4	1	1	8	4	4	5	3	3	4	17	20
	Dwarskersbos	0	1	0	0	1	0	5	1	2	0	8	2
	Redelinghuys	0	1	0	1	0	0	2	0	0	0	2	2
	Farm	3	1	5	0	0	1	0	1	0	0	8	3

DETAIL	TOWN	SUBDIVISIONS		REZONINGS		CONSENT USES		DEPARTURES		REMOVAL OF RESTRICTIONS		TOTALS	
		2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Applications withdrawn	TOTAL	0	0	0	0	0	0	2	2	0	0	2	2
	Piketberg	0	0	0	0	0	0	0	0	0	0	1	0
	Porterville	0	0	0	0	0	0	0	0	0	0	0	0
	Aurora	0	0	0	0	0	0	0	0	0	0	0	0
	Eendekuil	0	0	0	0	0	0	0	0	0	0	0	0
	Velddrif	0	0	0	0	0	0	0	0	0	0	1	0
	Laaiplek	0	0	0	0	0	0	0	0	0	0	0	0
	Dwarskersbos	0	0	0	0	0	0	0	0	0	0	0	0
	Redelinghuys	0	0	0	0	0	0	0	0	0	0	0	0
	Farm	0	0	0		0	0	0	0	0	0	0	0
Applications pending or outstanding	TOTAL	5	3	6	6	2	21	8	15	6	4	29	49
	Piketberg	0	1	1	3	0	12	1	6	0	2	2	24
	Porterville	0	0	1	1	0	4	1	2	0	0	2	7
	Aurora	0	1	0	0	0	1	0	0	0	0	0	2
	Eendekuil	0	0	0	0	0	0	0	0	0	0	0	0
	Velddrif	3	1	1	1	0	0	2	3	3	0	9	5
	Laaiplek	1	0	3	1	2	1	4	2	3	2	13	6
	Dwarskersbos	1	0	0	0	0	0	0	0	0	0	1	0
	Redelinghuys	0	0	0	0	0	0	0	0	0	0	0	0
	Farm	0	0	0	0	0	3	0	2	0	0	2	5

3.4.1.3 HUMAN RESOURCE CAPACITY

There were no vacancies in the Department Planning and Development Services as at 30 June 2018.

TABLE 98: HUMAN RESOURCES: PLANNING AND DEVELOPMENT SERVICES

NO OF POSTS.	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
4	4	0	0%

3.4.1.4 FINANCIAL PERFORMANCE

TABLE 99: FINANCIAL PERFORMANCE (OPERATIONAL): PLANNING AND DEVELOPMENT SERVICES

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Employees:	2 572 900.00	2 456 900.00	2 464 419.00	0.31 %
Other:	1 622 860.00	1 492 249.00	1 306 362.00	-12.46 %
Repairs & Maintenance:	6 000.00			
Total Operational Expenditure	4 201 760.00	3 949 149.00	3 770 781.00	-4.52 %
Total Operational Revenue	-1 363 623.00	-1 363 623.00	-1 271 196.00	-6.78 %
Net Operational Expenditure	2 838 137.00	2 585 526.00	2 499 585.00	-3.32 %

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TABLE 100: FINANCIAL PERFORMANCE (CAPITAL): PLANNING AND DEVELOPMENT SERVICES

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTMENT BUDGET	ACTUAL	VARIANCE
RSEP	1 000 000	1 000 000	951 389.62	-4.86 %
TOTAL	1 000 000	1 000 000	951 389.62	-4.86 %

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3.4.1.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights for the year include:

- The Bergrivier Municipal By-Law Relating to Municipal Land Use Planning has been in operation for almost two years. A number of changes was made mainly as a result of: collective experience of municipalities in implementation of their by-laws shared on various platforms and for enquiries received from municipalities, the Registrar of Deeds, the Surveyor-General, planning consultants, land surveyors and conveyancing attorneys which indicated areas for improvement or additional clarity; and DEA & DP's improved understanding of the legislative regime, as well as legal opinion. The amended by-law was published in Provincial Gazette Extraordinary dated 6 April 2018.

- Bergrivier Municipality was selected to be part of the Western Cape Government Regional Socio-Economic Project (RSEP) Programme and will receive funding to the value of R 4 million through the programme over a three year period. During the 2017/18 financial year the first amount of R 1 million was transferred to the Municipality and the first project, extension of Calendula Street, Piketberg, was successfully completed.



Official opening of Calendula Street, Piketberg with members of Ward 3 and Ward 4 meeting one another at the ribbon where it was cut by learners from Steynville and Piketberg High Schools to symbolize one community.

Ribbon supplied by Alida Lintnaar

Performance challenges include:

- Obtaining funding for the implementation of the development proposals made in various spatial planning documents is still considered the department's biggest challenge.

3.4.2 BUILDING CONTROL

3.4.2.1 INTRODUCTION

Building control services are rendered by the Technical Services Directorate. Building control is an essential part of any municipality. Applications for all new structures and additions must be submitted to the Municipality in terms of Section 4 of the National Building Regulations (NBR). Building control ensures that the NBR and other relevant legislation are complied with. Building plans for structures of less than 500 m² are attended to within 30 days (if there are no delays such as heritage approval) and building plans for structures exceeding 500 m² are attended to within 60 days of application. The Department is headed by the Manager: Project Management and Building Control and 3 Building Control Officers who are stationed at

each of the three larger towns namely Velddrif, Piketberg and Porterville. Building plans are scrutinised by the Building Control Officers and plans are approved by the Engineer: Project Management.

In terms of section 160(2)(c) of the Constitution (1996) Council approved that an amnesty period be applicable until 30 June 2019, for all the owners of erven where there are illegal temporary structures in order to enable that owners to comply with prescribed application procedures. All customers of Bergrivier Municipality are encouraged to use the opportunity where applicable.

3.4.2.2 SERVICE STATISTICS

The following building plans were submitted during the financial year:

TABLE 101: BUILDING PLANS SUBMITTED DURING THE YEAR

TOWN	BUILDING PLANS APPROVED 2017/18			BUILDING PLANS APPROVED 2016/17		
	RESIDENTIAL	BUSINESS / INDUSTRIAL	TOTAL	RESIDENTIAL	BUSINESS / INDUSTRIAL	TOTAL
Velddrif/Aurora/Dwarskersbos	319	10	329	367	9	376
Piketberg	130	9	139	70	8	78
Porterville	100	4	104	116	8	124
Redelinghuys	10	0	10	3	-	3
Eendekuil	18	0	18	20	-	20
Piketberg Rural Area	6	12	18	2	11	13
Goedverwacht	0	0	0	8	-	8
Wittewater	2	0	2	1	0	1
Porterville Rural Area	0	3	3	1	4	5
TOTALS	585	38	623	588	40	628

3.4.2.3 HUMAN RESOURCES

The table below reflects the Building Control Officers, but excludes the Engineer Project Management as he also deals with other aspects of project management within the Technical Services Directorate. There are currently no vacancies.

TABLE 102: HUMAN RESOURCES: BUILDING CONTROL

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
3	3	0	0 %

3.4.2.4 FINANCIAL PERFORMANCE

TABLE 103: FINANCIAL PERFORMANCE (OPERATIONAL): BUILDING CONTROL

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Employees:	1 926 500.00	1 654 500.00	1 604 039.00	-3.05 %
Other:	299 530.00	192 818.00	69 500.00	-63.96 %
Repairs & Maintenance:	1 150.00	5 633.00	1 212.00	-78.48 %
Total Operational Expenditure	2 227 180.00	1 852 951.00	1 674 751.00	-9.62 %
Total Operational Revenue	-702 429.00	-802 429.00	-1 192 907.00	48.66 %
Net Operational Expenditure	1 524 751.00	1 050 522.00	481 844.00	-54.13 %

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TABLE 104: FINANCIAL PERFORMANCE (CAPITAL): BUILDING CONTROL

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Furniture & Equipment - Building Control	10 000.00	10 000.00	22 256.84	122.57 %
Total	10 000.00	10 000.00	22 256.84	122.57 %

3.4.2.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

- Illegal building activities remain a challenge, but a positive turn of events is that more people are applying for approval to undertake minor building works. It is these minor building works which constitute 80 % of illegal buildings.
- The implementation of Regulation XA in terms of National Building Regulations, 1997 (Act 103 of 1977), as amended and in terms of Renewable Energy is still a challenge and is currently being required as an approval condition.
- Building Deposits that are not claimed timeously remain a challenge, and building deposits for plans.

3.4.3 LOCAL ECONOMIC DEVELOPMENT (LED)

3.4.3.1 INTRODUCTION

Local economic development includes the attraction of investments into the municipal area, stimulation of small, medium and macro enterprises (SMME's), job creation, informal trading, tourism and various ad hoc local economic initiatives. Local economic development is currently one of the major focus areas of the Department of Strategic Services, although it is also a cross cutting priority that must be focussed on in all aspects of service delivery and development.

3.4.3.2 JOB CREATION (EXPANDED PUBLIC WORKS PROGRAMME)

One of the primary roles of local government is to create a climate that is conducive to local economic development. The Municipality does however seek to create work opportunities wherever it can. One such programme is the Expanded Public Works Programme (EPWP) which is a government programme aimed at the alleviation of poverty and unemployment. The programme aims to increase economic growth by improving skills levels through education and training. It also aims to provide an enabling environment for industry to flourish. The programme is based on Labour Intensive Methods of Construction (LIC) by contractors which will also enhance skills development. The Municipality created 548 work opportunities and 91 full time equivalent through the EPWP programme.

The following table provides an overview of the total wages paid and number of jobs created in each town during the 2017/18 financial year. Bergrivier Municipality was honoured as the best performing municipality in the Western Cape with regard to the EPWP Programme.

TABLE 105: EXPANDED PUBLIC WORKS PROGRAMME: JOBS CREATED

Quarter	Dates	FTE	WO	Comments
Q1	1 Apr 17-30 Jun 17	22	198	
Q2	1 Apr 17-30 Sept 17	22	209	
Q3	1 Apr 17-31 Dec 17	31	327	
Q4	1 Apr 18-31 Mar 18	72	455	Total for EPWP year
Q1	1 Apr 18-30 Jun 18	41	291	
	July 17-June 18	91	548	Total for BRM year

3.4.3.3 INFORMAL TRADING

The Municipality provides multipurpose retail trading spaces at a rental of R 130 per month. Lease agreements run for a period of 12 months. The purpose of these facilities is to provide traders in the informal economic sector with the opportunity to trade in the central business zones. The following facilities are available:

- Piketberg: 32 trading rooms are provided
- Porterville: 22 trading rooms are provided

A process to further identify land and facilities for informal traders also commenced in Porterville and Velddrif (Noordhoek). The area is Velddrif (Noordhoek) is situated at the taxi rank and the taxi rank has already been built. Further funding is required to complete the informal trading area.

3.4.3.4 TOURISM

The Bergrivier Tourism Organisation (BTO) manages the tourism function on behalf of the Municipality. BTO

has affiliated local tourism offices in Piketberg, Velddrif, Porterville and Goedverwacht. The Municipality provided BTO with a grant to the amount of R 1 808 300 to cover some of their operational costs during the financial year.

Since the last financial year, the BTO recorded a decrease in the number of emails (3 %) and walk-ins (21 %), as well as phone calls (18 %) by tourists. This disturbing trend was reflected in the broader Western Cape tourism arrival stats and can be directly linked to the drought. Feedback from leisure shows indicated the reluctance of the domestic market in choosing the Western Cape as a holiday destination. Good rainfalls during the winter season of 2018 saw a blooming flower season along the West Coast and tourism numbers increased considerably.

The Annual Report of the BTO is attached as **ANNEXURE 24**, which includes the BTO's promotional activities and campaigns held during the financial year, electronic marketing strategy and community development projects.

The BTO office was involved in the change project of ICLD (International Centre for Local Democracy: Sweden) of which the Municipal Manager and Strategic Manager were part of. The role of the BTO office was to empower the SMME's in Porterville on tourism as it was clear from a needs analysis that SMME's regarded tourism as an unknown field of business.

A very successful 'homestay' training took place in Goedverwacht during the year. With the assistance of Abang Africa Travel, the BTO trained 21 home owners to convert the extra space in their homes into overnight facilities for cultural tourists seeking a community experience. Ten 'homestays' are now fully functional and provide an attractive option to tourists visiting the Bergrivier Region.



"Homestay" businesses in Goedverwacht receive their certificates

3.4.3.5 LED INITIATIVES

The following initiatives were undertaken by the Office of the Municipal Manager:

- **Development of Porterville as a Tourism Destination**

The ward committees of Wards 1 and 2 visited Franschoek in October 2017 to learn more about the development of Franschoek as a successful best practise in changing the economic future of the town from a small agricultural village into a tourism destination of choice.



Members of Ward Committees 1 and 2 visiting Franschoek

The outcome of the visit was a workshop held on 1 December 2017 during which the precinct plan of Porterville and the development of Porterville as a tourism destination was discussed.

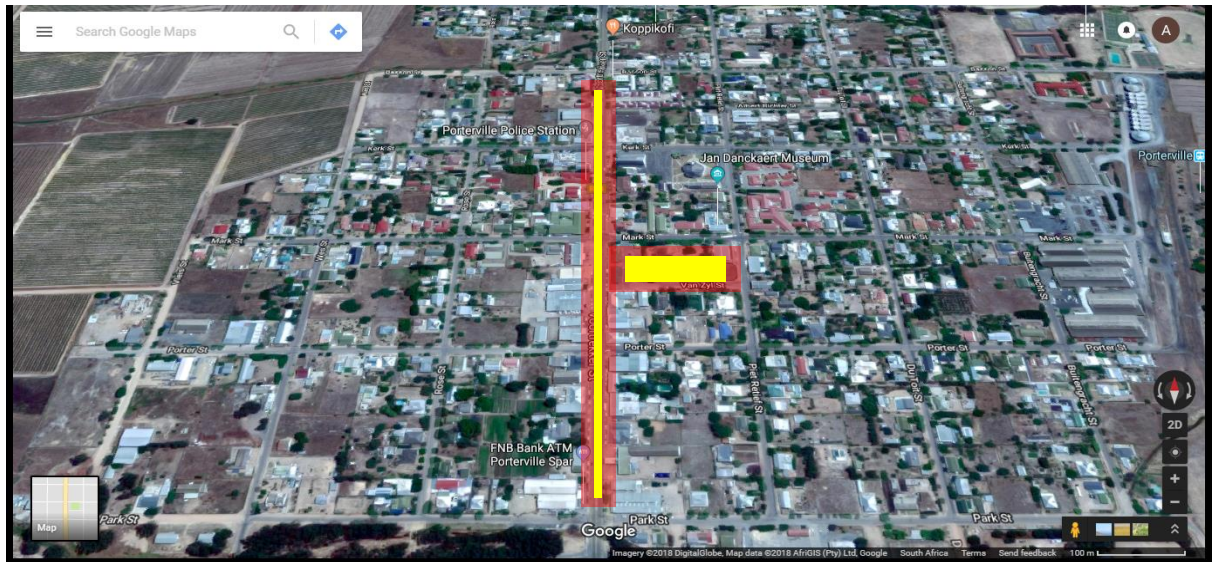


Workshop held on 1 December 2017

The outcome of the workshop was the establishment of 3 working committees, namely:

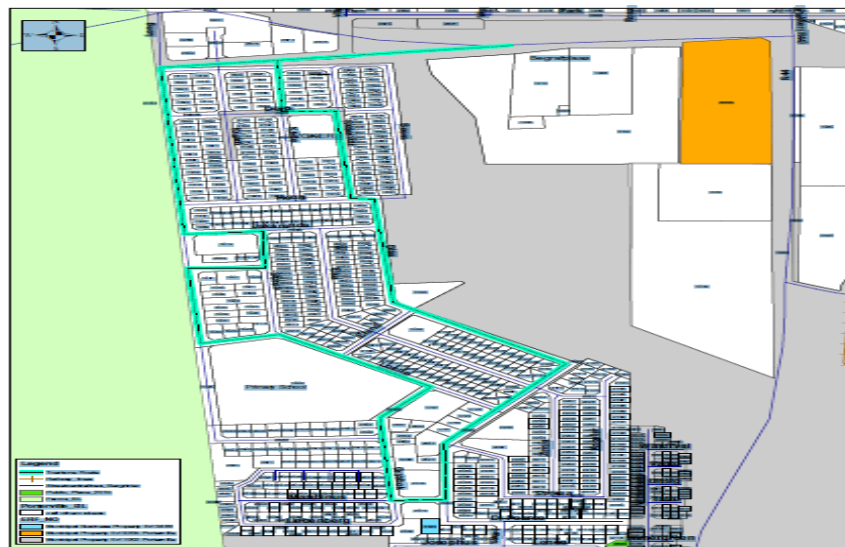
WORKING COMMITTEE 1:

The main focus areas of Working Committee 1 is the regeneration of the main road and the development of a tourism route through Monte Bertha (“former apartheid area”). For the purposes of the regeneration of the main road, a competition was launched for the redesign of Voortrekker Road from Basson Street to Park Street. Local residents and tertiary institutions could partake and the closing date was 31 July 2018. An evaluation panel was selected and it was decided that the final design could be a combination of the proposals received. Costing will be done on the final design and a business plan submitted to potential funders. It needs to be emphasized that the approved Precinct Plan was used as the basis in determining the criteria for the competition.



Regeneration of Voortrekker Road from Basson – to Park Street, including the market square

The second component of the mandate of Working Committee 1 is the development of a tourism route through Monte Bertha. A first draft of such a tourism route was developed with specialists and local residents and Councillors and each site will be developed by portraying the historical significance in mosaic. Youngsters will be trained to learn the art of mosaic and will be trained by the mosaic artist in town. The theme of mosaic will be expanded into the main road as to ensure visual spatial integration.



First draft of tourism route through Monte Bertha

Challenges identified during the above process include the rethinking of the blue gum lane for a taxi rank and parking for trucks that transport farm workers during weekends. This area can potentially also be used to develop benches and braai areas with a similar mosaic theme. There is still a dire need for a private sector truck stop.

WORKING COMMITTEE 2

Working Committee 2 is responsible for an audit of the tourism products in Porterville and the following table is an overview of the tourism assets and the gaps for business opportunities:

TABLE 106: TOURISM ASSETS AND GAPS IN PORTERVILLE

	ASSETS	GAPS
OUTDOOR & ADVENTURE	Paragliding	
	Hiking (Groot Winterhoek)	
	Kloofing (Groot Winterhoek)	
	Camping facilities (Beaverlac, Waterval)	
	Disas (Groot Winterhoek)	
	Waterfalls (Waterval)	
	4 x 4 route	
	Mountain bike route (Laatson)	
	Farm Run	Horse riding
CULTURAL	Museum	
	Historic buildings	Unpackaged. Task for tourism.
	Church (weddings)	Unpackaged
	Horse buggy rides	Stone ground mill
	Artists	Weddings
		Arts & crafts - venue needed, small shops, cheap rent, stalls might be ideal. Number of SMME opportunities
	Musicians	Food - local cuisine
EVENTS	Show grounds	
	Paragliding comps	
	Farmers Market	
	Lions Club - potjiekos competition	Still unknown - needs more promotion
	Indie Ale music events (monthly)	
	Liggiefees	Needs to be more integrated. Perhaps more religious, more of a community festival. More law enforcement needed to lessen drunk people on street
OTHER	Indie Ale Craft Beer	
	FigFun	Unwilling to package
	Tour operators	None
	Tourist guides	None
	PPP	Closed weekends, products not functioning

ASSETS		GAPS
	Accommodation facilities	
	Restaurants	
	Proteas (Berghoff)	
	Ebony Moon (goldsmith)	
	Mosaic House	
	Agritourism - farm visits	

WORKING COMMITTEE 3

The mandate of Working Committee 3 is the integration of the tourism strategy with neighbouring towns and provincial initiatives. No meetings took place yet due to capacity and once Working Committee 1’s work load is under control, this initiative will commence. Preliminary discussions took place with Stellenbosch Municipality and the intent is to invite neighbouring municipality’s tourism officials to a meeting with Working Committee 3 to discuss potential of co-operation and route development.

○ **Change Project in Porterville: “ PDI SMME’s not part of the mainstream tourism in Porterville”**

The Municipal Manager, Adv Hanlie Linde and the Strategic Manager, Mrs Alletta van Sittert were selected to participate in the Swedish International Centre for Local Democracy-programme, with specific reference to a training programme on financing local government projects. It is an 18 month training programme (November 2017 – March 2019) and a change project was selected for these purposes. The problem statement for the change project selected was “Previously Disadvantaged Individual SMME’s are not part of the mainstream tourism in Porterville”. A total of 43 SMME’s from predominantly Monte Bertha participated in the programme and the causes and effects of the problem statement were analysed and activities conducted based on the real root causes, with significant successes.

The following is a synopsis of the problem tree that analysed the causes and effects of the main problem statement:



A training programme was designed to address the causes of the problem statement and entailed”

- Empowerment in resilience
 - Building resilience: What is resilience
 - Mindfulness
 - Self Image
 - Meaning of Life
 - Story telling and 1-on-1 mentorships
- Training in tourism
 - What is tourism and where do I fit in
 - Advantages and disadvantages of tourism
 - Service excellence
 - Marketing
 - Evaluation
- Mentorship programme in resilience and tourism.

The following is a photo collage of the training in action:

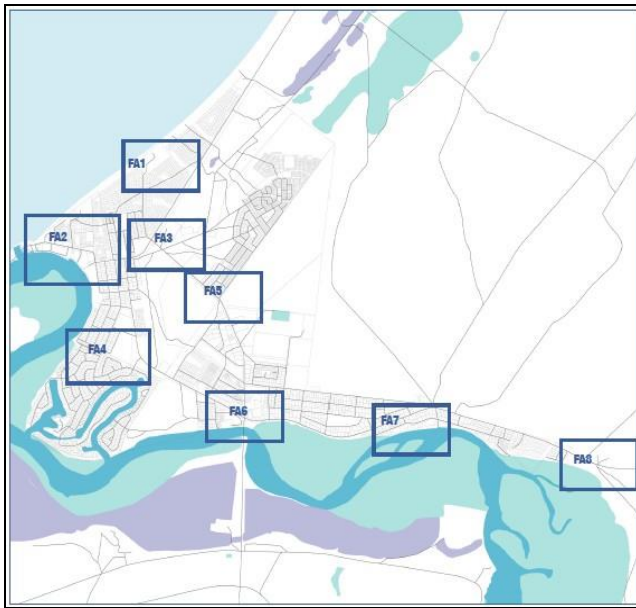


A photo collage of training in action and some of the 17 SMME's receiving certificates for completing the training programme

○ **Velddrif Precinct Plan**

A Precinct Plan for Velddrif has been approved a considerable period ago and the plan aims at “transforming Velddrif/Laiplek into a vibrant, well managed and attractive town which offers safe, integrated open space, streets and amenities, where the unique landscape, cultural and social assets of the town create opportunities for residents and attract tourists”. The plan identified 8 nodal developments that need to focus on establishing a connected system of destinations, reinforcing these destinations through investment in public space and landscape while guiding investment to respond appropriately. The following figure is an overview of the nodal developments:

FIGURE 21: 8 PRIORITY AREAS IN VELDDRIF PRECINCT PLAN

**8 Nodal Development Areas**

1. Pelikaan Beach Node
2. Laaiplek Harbour
3. Lofdal Intersection Node
4. Voortrekker Road River Gateway
5. Noordhoek Community Node
6. Velddrif Gateway
7. Bokkomlaan
8. De Plaat Gateway

One of the nodal development areas is Bokkomlaan on Erf 486. Bokkomlaan has been declared a Heritage Site in 2018 and has been graded as a Grade III Heritage Site with local significance. It must therefore be protected on a local level.



Bokkomlaan's history dates from middle 18th century when salted fish (bokkoms) were supplied to Dutch VOC. It was also the staple diet of slaves. Bokkomlaan consists of 12 fisherman cottages and "vishuisies" and the "vishuise" have been constructed of crushed shells and clay. The houses have been used for the production of "bokkoms" and bokkoms are now being considered a delicatessen. Bokkomlaan is in essence a living museum.

The importance of Bokkomlaan as a stimulus for economic development is important as the “vishuisies” are being let out and 10 of the 11 rental contracts for the “Bokkom huisies” expire in November 2018. All the contracts have been extended until June 2019. A workshop was held with interested parties on 18 June 2018 and was exceptionally well attended.



The interested parties were requested to provide their input on the future of Bokkomlaan and it was clear that the community regards Bokkomlaan as a place of heritage and that it should be utilised to stimulate economic development, with specific reference to tourism - and small business development.

- **Investment in agriculture**

Considerable negotiations took place with potential investors to commence with a labour intensive agricultural project, especially in aquaponics. The business opportunity entails the development of a privately funded agrihub where fresh produce of Bergrivier Municipal Area will be sold to a national retailer. The opportunity for small farmers has therefore grown as a continuous market will be available. The agrihub will also be used for the processing of food.

- **Empowerment of Small, Medium and Micro Enterprises (SMME's)**

Bergrivier Municipality enjoys a constructive relationship with the West Coast Business Development Centre (WCBDC) and regular training to SMME's through the West Coast Business Development Centre is being conducted to ensure capacity building and empowerment. At least 293 SMME's have already registered on the databasis of Bergrivier Municipal Area and assistance to ensure registration on the Central Supplier Database is done. The Council of Bergrivier Municipality approved a new preferential procurement policy with targets on the use of local SMME's registered on the database of the WCBDC. The Finance Directorate also conducted a training session to ensure that SMME's can do business with the Municipality and understand the supply

chain processes.

3.4.3.6 YOUTH DEVELOPMENT STRATEGY

Two of the main game changers for Bergrivier Municipality, as identified through the Western Cape Government's Joint Planning Initiative, are education/youth development and economic development. In the light of these initiatives and the large percentage of youth relative to other age groups in the Municipal Area, it was decided to draft a Youth Development Strategy to address a need for a strategic focus on the youth as part of the Education sector's initiatives. Youth development is a process that prepares a young person to meet the challenges of adolescence and adulthood and achieve his or her full potential. This is promoted through activities and experiences that help youth develop social, ethical, emotional, physical, and cognitive competencies. Conditions that promote healthy youth development are supported through programmes and activities in schools and communities. Providing the conditions for positive youth development is a responsibility shared by families, schools, and communities.

"Youth" in South Africa is being defined as the 14 - 35 age groups. However, the focus group in Bergrivier Municipal Area will predominantly be the learners in secondary schools and will the strategy focus on the 14 - 20 age groups. Additional to this focus group, school leavers to the age of 24 will also be included in the strategy given the specific characteristics and needs of school – to-work transition and the specific attention of the FLOW (Fostering Local Wellness) programme to youngsters in this age category.

The Pillars of the Youth Development Strategy include:

- Youth Information and Communication Technology Empowerment

Establishment of publicly accessible ICT Centre(s)

- Awareness and Participation

Establishment of a Junior Town Council (not yet established)

- Education and Skills Development

Hosting of a career awareness day where Further Educational Institutions and local, national and multi-national companies could market their services to the youth of the Bergrivier Municipal area; known as LoTYDE. LoTYDE is an acronym for 'Leaders of Tomorrow Youth Development Expo'. It refers to the low tide of the ocean (quiet time) which is present before the high tide sets in. It's symbolic to the fact that school is a training ground which prepares learners to make a success of their lives when they enter the "real world". LoTYDE was established in 2015 by the Office of the Executive Mayor with the support of the Department of Education and funded by the Bergrivier Municipality. Approximately 500 learners and unemployed youth from various towns within the Bergrivier Municipal area attended our annual open day, LoTYDE, in Porterville last week (20 July 2018), to find out more about their desired career paths and bursary opportunities. This event, which caters for high school learners between Grade 11 and 12 was hosted at the Dutch Reformed Church Hall in Porterville.



Here below on the photo (Back from left to right) is: Cormac Fortuin (WCDM), RW Strydom (Deputy Mayor WCDM), Councillor Johan Botha (Bergrivier Municipality), Councillor Mario Wessels (Bergrivier Municipality), Councillor Koos Daniels (Bergrivier Municipality).

Front from left to right is: Randall Swarts (Speaker WCDM), Councillor Adam du Plooy (Bergrivier Municipality), Executive Mayor Alderman Ray van Rooy (Bergrivier Municipality), Lorraine Botha (Member of Provincial Parliament) and Basil Kivedo (Member of Provincial Parliament).

Photo supplied by: Bergrivier Municipality:-Communications Section

o E-centres

The establishment of the e-centres was negotiated with the Office of the Premier and the first 2 e-centres was established in the 2016/17 financial year in Noordhoek and Eendekuil. Due to lack of funding, no further e-centres could be established, but it is envisaged to source funding for e-centres for Piketberg, Redelinghuys and Porterville.

3.4.4 SOCIAL DEVELOPMENT

The Municipality has a dedicated department or allocated budget for social development, and works jointly with other organs of state and the West Coast District Municipality to promote social development within the Municipal Area. A Memorandum of Agreement has also been signed between Bergrivier Municipality and the Department of Social Development for the co-ordination of social programmes.

The following social programmes were rolled out during the financial year:

3.4.4.1 EARLY CHILDHOOD DEVELOPMENT FORUMS

The Municipality participated in the coordination and support of early childhood development in the Bergrivier municipal area and attended the regular forum meetings. Municipal departments such as Fire and Rescue Services and the Town Planning unit assisted the early childhood centres with their applications for rezoning and compliance matters.

3.4.4.2 LOCAL DRUG ACTION COMMITTEE (LDAC)

The Local Drug Action Committee structures, which strives towards a drug-free communities and actively acts against drug abuse, was launched in May 2017. Several town based local drug action forums were established such as Porterville, Piketberg and Eendekuil. Regular meetings are conducted and they participate in joint awareness campaigns. Stakeholders such as Safer Schools Programme, Correctional Services (Voorberg), SAPS (Piketberg & Porterville) and the Department of Social Development engage on a

regular basis with the Municipality on matters related to drug abuse. The Municipality and the Piketberg Sports Development Foundation have joined hands to reduce and launched awareness campaigns in the municipal area. Sports Development Programmes against alcohol and drug abuse were held in the school holidays and a large number of scholars and members of the public were reached by these interventions.

PHOTO GALLERY OF EVENTS FOR THE 2017/18 FINANCIAL YEAR



Various activities are being undertaken especially during holidays to teach the children about drug abuse

Photos supplied by Pikerberg Sport Development Foundation (Muldersvlei LDAC Outreach)

3.4.4.3 YOUTH CAFÉ

The Bergrivier Municipality and the Western Cape Provincial Department of Social Development have signed a Memorandum of Understanding for the establishment of a Youth Café in Noordhoek, Velddrif and the Youth Café is in operation since December 2017.

Several programmes are being offered by the Youth Centre with a specific focus on the youth at risk within the municipal area. The centre is managed by a NGO, Mfesane, and they have an agreement with the Department of Social Development.



Photos supplied by Mfesane

3.4.4.4 FREE DENTAL CLINIC

In the 2017/18 financial year the yearly dental clinic took place in Noordhoek Velddrif and a total of 244 members of the community was assisted with tooth extractions, fillings, and general dental care. A South African born dentist living in the Netherlands visit his home town, Saldanha Bay on the West Coast and voluntary offer his services to the community of the West Coast. The free Dental Clinic is now operational for several years and reach hundreds of under privileged members of the community. Bergrivier Municipality assists with the logistic arrangements and the avail of a venue for the project roll-out.

3.4.4.5 COMMUNITY SAFETY PLAN

Bergrivier Municipality partnered with the Centre for Justice and Crime Prevention to develop a comprehensive safety plan for the local municipality to better respond to the crime and safety-related issues affecting the municipal area. The key to social crime prevention is to have a strong collaboration of government and non-state organisations.

The graph below depicts all the stakeholders needed to adequately implement and monitor the implementation of the safety plan:



3.5 COMMUNITY SERVICES

3.5.1 LIBRARY SERVICES

3.5.1.1 INTRODUCTION

Bergrivier Municipality, in collaboration with the Provincial Library Service of the Western Cape, provides a comprehensive library service to the people in the area. The Library Service strives to improve the quality of life of all inhabitants, change and uplift communities and promote literacy. The Library Service endeavours to promote awareness of the benefits of library use within the whole community and continuously promotes a reading and learning culture with free access to information. The Municipality manages 13 community libraries and 1 mini library on their behalf.

Libraries are a very important community service because there are limited recreational facilities in our towns. Libraries therefore form an essential part of people's daily or weekly schedule. The library is also used extensively by school learners. We also provide services to old age homes and service centres for the elderly. The internet that is now available in thirteen (13) of the libraries, is a highly efficient tool especially for people who cannot afford their own personal computers and internet service. The usage of such facilities is free and costs are covered by the Provincial Library Services.

The new management system for libraries is called SLIMS (SITA Library Information Management System), and distributed in South Africa by SITA (State Information Technology Agency). SLIMS is based on the Brocade Library Management System, distributed by Centre of Informatics in the Province of Antwerpen and Limburg (CIPAL) company in Belgium. In December 2008, SITA acquired the Brocade Library Information Management System from CIPAL. SLIMS has replaced most PALS (legacy library system) sites in South Africa. Ten of the fourteen libraries of Bergrivier Municipality already have the new SLIMS system in place.

3.5.1.2 SERVICE STATISTICS

Statistics listed below are only for books issued for this financial year and does not reflect the number of visitors to the library. There are still many people who visit the libraries to make use of the internet and

computer facilities, to do research or for information purposes and do not necessarily borrow books. The decline in the issuing of books can be attributed to changing technology, such as that people can electronically purchase and read books, magazines and newspapers on their cell phones and computers.

TABLE 107: LIBRARY BOOKS ISSUED FOR THE FINANCIAL YEAR

LIBRARY	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE	TOTAL
Aurora	522	682	538	386	504	240	413	394	397	374	435	481	5366
Bettie Julius	987	1124	831	903	857	366	737	860	949	1477	1375	1156	11622
Berghoff	100	413	153	250	355	33	151	177	204	184	450	445	2915
Eendekuil	522	564	578	593	698	359	554	579	642	629	603	473	6794
Goedverwacht	2193	2371	1960	1315	1188	438	876	812	975	1023	1213	883	15247
LB Wernich	2190	2540	2125	2217	2073	1045	2019	2009	2433	2237	2764	2267	25919
Noordhoek	1624	1873	1814	1580	1452	781	1260	1581	1351	1546	2016	1389	18267
Piketberg	3611	4259	4142	4281	4053	3405	3761	3917	4114	3687	3868	3838	46936
Porterville	2447	2383	2212	2327	2306	1793	2300	2207	2711	2916	3075	3101	29778
Redelinghuys	395	611	449	402	197	169	332	342	5284	491	582	388	9642
Velddrif	5143	5493	4795	5121	4178	3383	5362	4594	1064	4532	5089	3405	52159
Versfeld	927	1412	1268	958	1282	245	653	1023	1064	1009	1436	809	12086
Wittewater	2654	2686	703	2738	1980	382	1351	1588	1836	1731	2166	2038	21853
Dwarskersbos	461	654	527	712	425	339	549	525	627	562	693	568	6642
TOTAL	23776	27065	22095	23783	21548	12978	20318	20608	23651	22398	25765	21241	265226

Users of computer facilities at the undermentioned libraries were recorded from the 1 July 2017 – 30 June 2018:

TABLE 108: COMPUTER USERS

COMPUTER USERS	2017/ 2018												
	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE	TOTAL
Aurora	19	12	11	10	22	17	42	39	36	28	30	41	307
Bettie Julius	250	280	300	141	101	57	133	143	121	220	210	168	2 124
Berghoff	2	4	5	4	6	2	6	3	5	7	5	7	56
Eendekuil	39	36	30	26	23	5	21	4	24	27	14	13	262
Goedverwacht	16	54	50	35	20	11	33	31	22	40	51	32	395

COMPUTER USERS	2017/ 2018												
	LB Wernich	771	834	818	678	716	365	724	644	554	651	721	564
Noordhoek	54	204	166	73	33	10	80	46	35	67	154	128	1050
Piketberg	327	419	389	364	353	147	358	361	395	345	672	294	4424
Porterville	147	216	187	187	227	91	249	203	293	243	231	237	2511
Redelinghuys	34	8	26	26	12	10	31	13	26	23	23	15	247
Velddrif	420	230	220	150	172	97	178	137	154	180	118	120	2176
Versfeld	0	0	0	0	0	0	0	0	0	0	0	0	0
Wittewater	126	112	59	109	85	59	89	102	88	89	137	89	1144
Dwarskersbos	5	5	10	2	2	5	6	7	6	10	11	5	74
TOTAL	2210	2414	2271	1805	1772	876	1950	1733	1759	1930	2377	1713	22810

Versfeld does not have any computers for public use as they are only a Wheelie wagon/ mini library.

3.5.1.3 HUMAN RESOURCES

There were 4 vacancies in the Library Services Section as at 30 June 2018.

TABLE 109: HUMAN RESOURCES

No of posts	No of employees	No of vacancies	Vacancies %
31	27	4	12 %

LIBRARY	TOTAL NO. OF PERMANENT POSTS (EXCLUDING CONTRACT WORKERS)	TOTAL NUMBER PERMANENT OF EMPLOYEES	NO. OF VACANCIES	CONTRACT WORKERS
Aurora	2	1	1	0
Eendekuil	1	1	0	0
Bettie Julius	3	3	0	0
Berghoff	1	1	0	1
Goedverwacht	3	1	1	1
LB Wernich	3	3	0	1
Piketberg	4	3	1	2
Porterville	4	4	0	0
Noordhoek	3	3	0	1
Redelinghuys	1	1	0	0

LIBRARY	TOTAL NO. OF PERMANENT POSTS (EXCLUDING CONTRACT WORKERS)	TOTAL NUMBER PERMANENT OF EMPLOYEES	NO. OF VACANCIES	CONTRACT WORKERS
Velddrif	4	4	0	1
Dwarskersbos	0	0	0	1
Versfeld	1	1	0	0
Wittewater	1	1	0	0
TOTAL	31	29	3	2

3.5.1.4 FINANCIAL PERFORMANCE

The Department of Cultural Affairs and Sport (Western Cape Library Services) provides an annual conditional grant (CG) to contribute towards personnel costs. The 2017/18 conditional grant (CG) amounted to R 2 500 000.00. This is in addition to the Municipal Replacement Fund Grant of R 3 843 000.00 which is also used for personnel costs, library operations, purchasing of office equipment and furniture, maintenance and library projects.

TABLE 110: FINANCIAL PERFORMANCE (OPERATIONAL): LIBRARY SERVICES

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE %
Employees:	5 512 210.00	5 190 210.00	5 158 445.00	-0.61 %
Other:	1 277 961.00	1 330 195.00	898 786.00	-32.43 %
Repairs & Maintenance:	110 200.00	100 440.00	99 579.00	-0.86 %
Total Operational Expenditure	6 900 371.00	6 620 845.00	6 156 810.00	-7.01 %
Total Operational Revenue	-6 486 507.00	-6 628 439.00	-6 596 642.00	-0.48 %
Net Operational Expenditure	413 864.00	-7 594.00	-439 832.00	5 691.84 %

Audited Annual Financial Statements 2017/18

TABLE 111: FINANCIAL PERFORMANCE (CAPITAL): LIBRARY SERVICES

DESCRIPTION	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE
Book detection system	100 000.00	96 400.00	92 636.28	-3.90 %
Tables/Shelves/Furniture	30 000.00	32 000.00	31 103.55	-2.80 %
Upgrading of Porterville & Bettie Julius libraries	160 000.00	161 600.00	161 508.52	-0.06 %
Capital Contribution (PPE)	138 931.72	138 932	138 932	0 %

DESCRIPTION	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE
TOTAL	428 931.72	428 932	424 180.35	-1.11 %

Audited Annual Financial Statements 2017/18

3.5.1.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

HIGHLIGHTS

- 66 % of total capital budget was already spent by 31 December 2017 and the total budget was spent by 30 June 2018;
- Started with computer training for adults;
- Library staff went for computer (word, excell and power point) training;
- Upgrading of libraries (replacing of blinds, fixing roofs, tiling and painting libraries);
- Successful library week from 18 – 24 March 2018;
- Thirteen (13) of the fourteen (14) libraries (excluding Versveld Library) have free internet;
- Porterville and Bettie Julius Libraries in partnership with Badisa, ACVV, SAPD and Jan Danckaert Museum do special and holiday programmes and uplifting community events;
- Successful story telling morning at Piketberg library (Piketberg library, Piketberg Museum and Piketberg Tourism);
- Library facebook for library news;
- Smaller libraries helped and assisted children with homework and expanding their vocabulary;
- The libraries supported and organised different reading circles;
- Visited old age homes and clubs for the elderly to exchange books on a weekly basis;
- Versfeld library visited 4 farms to exchange books;
- A parcel with a Ruler, pen, pencil, something to eat, a prayer and notes of encouragement, were handed to every Matric learner in Bergrivier before the final matric exams of 2017; and
- Hosted the Stellenbosch / Saldanha regional library forum.

CHALLENGES

- Procurement of materials for applications;
- Process to fill vacancies and attract the right people;
- High cost of upkeep of buildings (maintenance) – old electrical light fittings, airconditioners, etc;
- High cost of renting library space;
- Capital funding for libraries; and
- Getting farm workers and their children to the libraries.

LIBRARY



BETTIE JULIUS LIBRARY



VELDDRIF LIBRARY



Porterville Library Week March 2018



Forum April 2018



Holiday Programme



Displays

Piketberg Museum Photo Report 2017/2018



The Piketberg Museum's herb garden created a name tag for each plant with a colour pamphlet in colour containing all the information of the plant and its medicinal uses available



A new cupboard for photos have been built in the foyer of the library to exhibit photos of organisations. Carel van Niekerk Sr. donated the cupboard



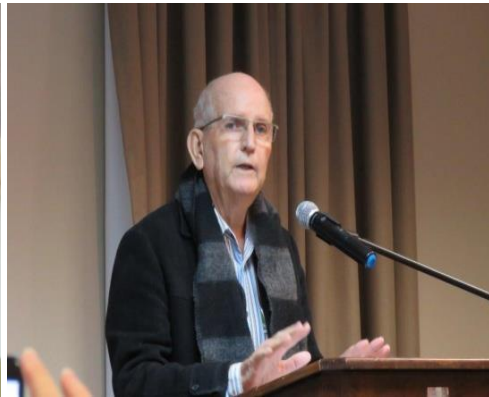
Blood donations visit Piketberg (Museum Synagogue) every second month



During Heritage Month in 2017 learners from Coetzee Studio painted pictures of various heritage aspects that were exhibited at the museum



As an extension of the Heritage Project, senior learners painted portraits of Piketberg’s “Heritage Alive”



In February 2018 Piketberg Tourism presented a successful Summer Market and in April the Museum, in collaboration with the library and Piketberg tourism, presented a wonderful “Story Morning”



In May 2018 two learners from Steynville Secondary School participated in the Museum’s Debating Competition in Moorreesburg



On 24 May 2018 the new exhibition of the gallery at the synagogue “Everything on your slim phone” was opened.



On Youth Day, 16 June 2018, the Veteran Tractor Association of Piketberg presented an “Engine Day”. The Piketberg Museum exhibited a portion of the “slim phone exhibition”.

3.5.2 MUSEUMS

3.5.2.1 INTRODUCTION

Museums are the functional mandate of the Department of Cultural Affairs and Sport in terms of the Constitution of the Republic of South Africa (1996). Within Bergrivier Municipality, the Corporate Services Directorate is responsible to liaise with the Provincial Department and Museum Committees.

Within our area, the following museums exist:

1. Jan Danckaert Museum
2. Piketberg Museum

3. SA Fisheries Museum

The two museums of the Municipality, the Jan Danckaert Museum in Porterville and the Piketberg Museum are managed by Museum Committees and are given a grant in aid by the Municipality to cover some of their operational costs. Each Museum was given R 201 500 for the year. The municipality also gave an amount of R 21 000 as a grant in aid to the SA Fisheries Museum in Velddrif. The Municipality plays an active role on the Museum Committee.

The museum service aims to promote respect for cultural diversity in South Africa and appreciation for natural heritage and therefore sets out to build understanding and pride of our diverse varied heritage through the museums.

Although South African museums are facing transformation, similar to all other institutions, their existence are crucial in that they still play a central role in heritage and tourism. Other important contributions are that of education, social cohesion and environment, although museums do not see the spin-offs. Arts and culture which play an inherent part in a diverse community, always uplifts a society; it is a reflection of its history and where it stands in today's demographics. A museum should be integral to any community and has the ability to help bind a community.

3.5.2.2 SERVICE STATISTICS

TABLE 112: MUSEUM VISITS

2015/16

MUSEUM	JUL 15	AUG 15	SEPT 15	OCT 15	NOV 15	DEC 15	JAN 16	FEB 16	MAR 16	APR 16	MAY 16	JUNE 16	TOTAL
Jan Danckaert (Porterville)	271	146	237	213	163	352	82	97	140	173	132	128	2 134
Piketberg Museum	97	67	115	96	36	30	20	210	100	131	45	25	972
SA Fisheries Museum (Velddrif)	253	151	173	302	269	395	194	230	470	510	439	115	3 501
TOTAL	621	364	525	611	468	777	296	537	710	814	616	268	6 607

2016/17

MUSEUM	JUL 16	AUG 16	SEPT 16	OCT 16	NOV 16	DEC 16	JAN 17	FEB 17	MAR 17	APR 17	MAY 17	JUNE 17	TOTAL
Jan Danckaert (Porterville)	98	210	199	332	118	178	57	58	156	238	336	326	2 306
Piketberg Museum	70	79	107	81	41	39	96	323	83	104	103	70	1 196
SA Fisheries Museum (Velddrif)	327	545	560	270	138	331	305	156	268	308	432	168	3 808
TOTAL	495	834	866	683	297	548	458	537	507	650	871	564	7 310

The percentage museum visits increased from 2015/2016 to 2017/2018 as follows:

Jan Danckaert (Porterville)	8.05 %
Piketberg Museum	23 %
SA Fisheries Museum (Velddrif)	8.8 %

The total increase of visitors at the above museums amount to 10,6 % compared to the previous financial year.

3.5.2.3 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights are contained in each of the museums' annual reports. **(ANNEXURE 25).**

Challenges:

The future of museums is becoming a balancing act between surviving the devastating consequences of funding cuts and striving to make the best of the creative minds working in the sector. The recession affected the museums in general negatively as it reduced their annual memberships, donations, and more importantly reduced, or in some cases completely removed, government funding. Museums must also continue to reach consumer markets that they haven't been able to tap into, such as perhaps a younger market.

3.5.3 COMMUNITY FACILITIES (MUNICIPAL BUILDINGS AND FACILITIES)

3.5.3.1 INTRODUCTION

Community facilities were a shared responsibility between the Corporate Services Directorate (administration) and the Technical Services Directorate (maintenance), but now resorts with the Directorate Community Services since the approval of the new macro structure. Community facilities include the following:

- Municipal offices in all towns;
- Community halls in all towns;
- Trading facilities; and
- Public ablution facilities.

3.5.3.2 HUMAN RESOURCES

TABLE 113: HUMAN RESOURCES: COMMUNITY FACILITIES

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
19	14	5	26.32 %

3.5.3.3 FINANCIAL PERFORMANCE

TABLE 114: FINANCIAL PERFORMANCE (OPERATIONAL): COMMUNITY FACILITIES (MUNICIPAL BUILDINGS & FACILITIES)

COMMUNITY HALLS AND FACILITIES				
DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Employees:	1 395 000.00	700 500.00	469 695.00	32.95 %
Other:	59 810.00	192 780.00	174 349.00	-9.56 %

COMMUNITY HALLS AND FACILITIES				
DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Repairs & Maintenance:	145 000.00	117 000.00	110 375.00	-5.66 %
Total Operational Expenditure	1 599 810.00	1 010 280.00	754 419.00	-25.33 %
Total Operational Revenue	-73 372.00	-144 372.00	-191 775.00	32.83 %
Net Operational Expenditure	1 526 438.00	865 908.00	562 644.00	-35.02 %
PROPERTY SERVICES				
DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Employees:	3 293 900	2 993 900	2 090 729	-30.17 %
Other:	4 245 939	4 069 457	3 868 009	-4.95 %
Repairs & Maintenance:	272 000	271 000	239 872	-11.49 %
Total Operational Expenditure	7 811 839	7 334 357	6 198 610	-15.49 %
Total Operational Revenue	-691 639	-761 639	-872 320	14.53 %
Net Operational Expenditure	7 120 200	6 572 718	5 326 290	-18.96 %

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TABLE 115: FINANCIAL PERFORMANCE (CAPITAL): COMMUNITY FACILITIES

Description	Budget 2017/18	Adjustment Budget 2017/2018	Actual	Variance
Furniture & Equipment - Council Property	4 000	4 000	3 269.57	-18.26 %
Tools	10 000	10 000	5 911.17	-40.89 %
Air conditioners - offices	30 000	26 200	26 122.81	-0.29 %
Replace fence - commonage	50 000	50 000	29 208.81	-41.58 %
Security at municipal buildings	100 000			
Municipal buildings	750 000			
Furniture & Equipment Community Hall	185 000	85 000	17 678.16	-79.20 %
Total	1 129 000.00	175 200	82 190.52	-53.08 %

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3.5.4 CEMETERIES

3.5.4.1 INTRODUCTION

Cemeteries have been a function of the Technical Services Directorate and is the responsibility of the Community Services Directorate since 1 September 2018. The cemeteries are well maintained in accordance with a maintenance programme that includes weed control and general cleaning. A Cemetery Master Plan is in place to ensure that the capacity and life span of cemeteries can be monitored. Graves must be paid before an allocation can be made and the grave will be prepared at least 24 hours before the church service commences.

3.5.4.2 SERVICE STATISTICS

The Municipality has 12 cemeteries and a total of 342 burials took place in 2017/18. There is also a private cemetery in Velddrif.

TABLE 116: CEMETERIES PER TOWN

TOWN	CEMETERIES	BURIALS 2015/16	BURIALS 2016/17	BURIALS 2017/18
Piketberg	2	119	149	140
Aurora	1	8	3	4
Velddrif	3	64	60	56
Redelinghuys	2	18	10	15
Eendekuil	2	21	22	26
Porterville	2	136	129	101
TOTAL	12	366	373	342

3.5.4.3 HUMAN RESOURCE CAPACITY

There are two full time personnel in the Velddrif Cemetery and one in Piketberg Cemetery. Maintenance and development of the other cemeteries are done by the Parks teams of each town. There was 1 vacancy as at 30 June 2018.

TABLE 117: HUMAN RESOURCES: CEMETERIES

NO OF POSTS.	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
4	3	1	25.00%

3.5.4.4 FINANCIAL PERFORMANCE

TABLE 118: FINANCIAL PERFORMANCE (OPERATIONAL): CEMETERIES

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Employees:	413 400.00	413 400.00	422 755.00	2.26 %
Other:	165 699.00	240 860.00	193 902.00	-19.50 %
Repairs & Maintenance:	18 000.00	16 000.00	12 386.00	-22.59 %
Total Operational Expenditure	597 099.00	670 260.00	629 043.00	-6.15 %
Total Operational Revenue	-325 858.00	-325 858.00	-350 021.00	7.42 %
Net Operational Expenditure	271 241.00	344 402.00	279 022.00	-18.98 %

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TABLE 119: FINANCIAL PERFORMANCE (CAPITAL): CEMETERIES

DESCRIPTION	BUDGET 2017/18	ADJUSTMENT BUDGET 2017/2018	ACTUAL	VARIANCE
Furniture & Equipment - Cemeteries	5 000	6 305	6 305	-4.97 %
Tools	10 000	10 000	7 467.07	-25.33 %
Toilets and stores	120 000	120 000	104 186.17	-13.18 %
Expansion of cemetery	200 000			
Fence new cemetery	200 000	200 000	200 000	0 %
Total	685 000	486 305	467 644.91	-3.84 %

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3.5.4.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights include:

- A site was identified and approved by Council for the new Piketberg Cemetery.

Challenges that still need to be addressed include:

- Development of the new Cemetery for Piketberg;
- New Cemetery for Porterville; and
- Improved cemetery maintenance.

3.6 ENVIRONMENTAL MANAGEMENT

3.6.1 POLLUTION CONTROL

The Municipality does not have a dedicated unit for pollution control. The management of pollution is a

cross cutting priority. Water and soil pollution are dealt with in terms of our Water Services Development Plan and Integrated Waste Management Plans. Noise pollution is dealt with by the Traffic Department which includes Law Enforcement officers who are also responsible for the control of public nuisances.

The West Coast Air Quality Working group (WCAQWG), the Joint Municipal Air Quality Working Group (JMAQWG) and the Western Cape Air Quality Officer's Forum meet on a quarterly basis to discuss air quality matters and complaints. The Manager: Community Services represents Bergrivier Municipality at these meetings. An Air Quality Monitoring Station was installed and funded by the West Coast District Municipality (WCDM) in Velddrif to the value of nearly R 600 000 (R 598 847.42) to monitor air quality in Velddrif.



Manager: Community Services attending a Provincial Air Quality Officers' Forum meeting



Air Quality Monitoring equipment installed in Velddrif

3.6.2 BIODIVERSITY AND CLIMATE CHANGE

3.6.2.1 BIODIVERSITY

Bergrivier Municipality is a member of the Local Action for Biodiversity Programme (LAB) which is run by ICLEI – Local Governments for Sustainability's Global Biodiversity Centre, in partnership with International Union for Conservation of Nature (IUCN).

As part of this programme, the Municipality commissioned a Biodiversity Report in 2013/14 that unequivocally states that the Municipality's biodiversity is under threat from human occupation and activity. Critical challenges facing the Municipality in the conservation of its biodiversity are:

- Integration of biodiversity into municipal planning frameworks and processes;
- Conservation and management of freshwater aquatic biodiversity;
- Conservation, management and development of the Berg Estuary;
- Conservation and management of terrestrial biodiversity;
- The impact of waste and pollution on biodiversity;
- Lack of biodiversity awareness; and
- Mainstreaming biodiversity into local economic development.

The Municipality rolled out various community programmes in co-operation with other organs of state such

as rain water harvesting initiatives. Part of the Municipality's obligations in terms of this programme included the development of a Local Biodiversity Strategic and Action Plan (LBSAP) for implementation.

The following biodiversity programmes were rolled out during the year:

- **Coastal and estuarine management**

The Municipality has 40 Kilometres of coast line which includes the Berg River Estuary. These are valuable resources that contribute significantly to the local economy, especially the tourism and fishing sub sectors. The National Environmental Management: Integrated Coastal Management Act, 2008, (Act No. 24 of 2008) aims to establish a system of integrated coastal and estuarine management. This act places a number of obligations on municipalities and defines a municipality as being "a metropolitan, district or local municipality established in terms of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998)". In areas where jurisdiction is shared by a district and local municipality, the district municipality is responsible for the implementation of the provisions of this Act unless the district municipality has by agreement assigned the implementation of any of the provisions of the Act to the local municipality.

The West Coast District Municipality (WCDM) adopted an Integrated Coastal Management Plan (ICMP) in 2013/14 and has also developed one for the Bergrivier Municipality in the same period which was adopted by the Municipal Council in 2014/15. Bergrivier provides an annual grant in aid to Cape Nature which enables them to fund the ranger in Velddrif to regulate and monitor the Berg River Estuary.

Bergrivier Municipality commenced this year with a by-law relating to the management and use of the Bergrivier Estuary. The purpose of this by-law is to implement the municipality's constitutional mandate to ensure a healthy and safe environment for its residents as provided in terms of the National Environmental Management Act, 1998 (Act 107 of 1998), Integrated Coastal Management Act, 2008 (Act 24 of 2008) as well as the "National Estuarine Management Protocol" published in Government Gazette No 341 of 10 May 2013. In particular, a legal framework must be provided for the management and use of the Berg River estuary and control of the use of boats and vessels for sports, recreational or commercial purposes on the river. This By-law applies to all recreational activities and boats or vessels used for sports, recreational or commercial purposes on the river

Progress towards implementation of the by-law include:

- The By-law was approved by the Executive Mayoral Committee on 2016/12/08;
- A notice was published in the Weslander, Cape Times & The Burger on 2017/02/17 for public comment;
- On 2017/03/02 the Notice was re-advertised in the Weslander, Cape Times and Die Burger for further comments;

- The by-law is now ready to be submitted to the Executive Mayoral Committee and Council by no later than 31 December 2017 for final approval and then promulgated in the Provincial Gazette; and
- An implementation plan will be compiled so that the By-law can be implemented in phases.

3.6.2.2 CLIMATE CHANGE

National Government acknowledges that there is undisputed evidence that climate change is occurring and that further climate change is inevitable. South Africa needs to adapt to the impact of climate change by managing its climate and weather-related risks to reduce its vulnerability (National Climate Change Response Strategy: White Paper 2010). Climate change is a cross cutting issue and relies on a coordinated approach.

Strategy advocates that in addition to top down approaches, a bottom up approach must be adopted which is informed by local government and their communities. From this it is evident that the Municipality has a defined role to play in the mitigation of and adaptation to the impacts of climate change. The Western Cape is particularly vulnerable to climate change and the hotter drier conditions predicted for the West Coast could have far reaching impacts. The Municipality's local economy is driven by agriculture and there is concern about the negative impacts of climate change on the agricultural sector which will in turn impact on the local economy.

During March 2014 the Municipal Council adopted a Climate Change Adaptation Plan. This plan was developed for the Municipality in partnership with the Climate Change Sub Directorate of the Western Cape Department of Environmental Affairs and Development Planning as part of their Municipal Support Programme and is in process of implementing initiatives contained therein. Climate change initiatives that have been implemented / commenced with include:

- **Bergrivier Climate Knowledge Network**

The Bergrivier Climate Knowledge Network, which was established in 2013/14, is a trans- and interdisciplinary network comprising academics from the University of Cape Town, government practitioners and local community members who focus on climate change issues within the Bergrivier Municipal Area and the Berg River. A further outcome of this project was a successful joint funding application to National Treasury for funding for a complementary currency project to be known as the FLOW Programme, **F**ostering **L**ocal **W**ell-Being.

3.7 SAFETY AND SECURITY

This part includes: traffic and law enforcement services (including licensing and control of animals and control of public nuisances), fire services and disaster management. These services all fell within the Corporate Services Directorate, but became the function of the new Directorate of Community Services.

3.7.1 TRAFFIC AND LAW ENFORCEMENT SERVICES

3.7.1.1 INTRODUCTION

Bergrivier Municipality has a Traffic and Law Enforcement Division which deals with law enforcement and licensing in the Municipal Area. The Traffic Section is responsible for traffic and law-enforcement which

include control of animals and addressing of public nuisances. The Licensing Section is responsible for Vehicle Registration, Vehicle- and Driver testing. The Traffic and Law Enforcement Division is managed by a Chief Traffic Officer and there are 15 officers (11 Traffic Officers and 4 Law Enforcement Officers), 4 EPWP Law Enforcement Officers, 5 Vehicle licensing officials as well as a number of support and temporary staff. The aim of the service is to provide a safe and healthy environment for the community.

The three top service delivery priorities are:

- The safe use of public roads by all road users;
- The enforcement of the National Road Traffic Act; and
- The enforcement of the Municipal By-Laws.

The Traffic Department is also responsible for Licensing (vehicles and drivers). This is a function of the Department of Transport and Public Works, but the Municipality renders this service as an agency of the Department and receives a subsidy to perform these functions on their behalf.

Another responsibility is the managing and monitoring of the Informal Trading Industry which consists of 32 informal trading facilities in Piketberg and 22 in Porterville. There are no facilities in Velddrif.

3.7.1.2 SERVICE STATISTICS

TABLE 120: TRAFFIC AND BY-LAW INFRINGEMENTS

DETAILS	2016/2017	2017/2018
Number of by-law infringements attended	4 898	5 332
Number of Traffic and Law enforcement officers in the field on an average day	25	28
Number of Traffic and law enforcement officers on duty on an average day	30	35

TABLE 121: LICENSING TRANSACTIONS

TRANSACTION	2016/2017	2017/2018
Drivers license Transactions.	11 291	11 885
Motor vehicle Registration Transactions.	53 063	52 266

3.7.1.3 HUMAN RESOURCE CAPACITY

There was 1 vacancy in the Traffic section, 1 vacancy in the Vehicle Licensing and Testing Section (in Porterville) and 1 support staff official vacancy as at 30 June 2018 (Cleaner at Velddrif Traffic Department).

TABLE 122: HUMAN RESOURCES: TRAFFIC LAW, ENFORCEMENT AND LICENSING

	NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
Traffic and Law Enforcement	16	15	1	6.25%
Vehicle Licensing	5	4	1	20%
Support Staff	6	5	1	16.66%

3.7.1.4 FINANCIAL PERFORMANCE

TABLE 123: FINANCIAL PERFORMANCE (OPERATIONAL): ROAD AND TRAFFIC REGULATION

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Employee Related Costs	1 031 900	1 030 900	745 720	-27.66 %
Other Expenditure	385 920	461 400	483 712	4.84 %
Repairs & Maintenance	11 000	10 900	6 499	-40.38 %
Total Operational Expenditure	1 428 820	1 503 200	1 235 931	-17.78 %
Total Operational Revenue	-3 819 660	-3 972 008	-4 016 499	1.12 %
Net Operational Expenditure	-2 390 840	-2 468 808	-2 780 568	12.63 %

TABLE 124: FINANCIAL PERFORMANCE (OPERATIONAL): ROAD AND TRAFFIC REGULATION

TRAFFIC CONTROL				
DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Employee Related Costs	8 607 400	8 190 600	7 566 721	-7.62 %
Other Expenditure	10 570 267	9 139 790	6 343 327	-30.60 %
Repairs & Maintenance	161 200	171 590.00	172 278	0.40 %
Total Operational Expenditure	19 338 867	17 501 980	14 082 326	-19.54 %
Total Operational Revenue	-9 828 164	-8 157 899	-6 475 324	-20.63 %
Net Operational Expenditure	9 510 703	9 344 081	7 607 002	-18.59 %

TABLE 125: FINANCIAL PERFORMANCE (CAPITAL)

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Animal Trailer	35 000	27 720	27 719.30	0 %

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Vehicle Traffic Officers	420 000	415 560	472 115.15	13.61 %
Law Enforcement Vehicle		155 000	148 417.75	-4.25 %
Pedal Cycles		28 800	25 210.56	-12.46 %
Driving Licence Test Yard	1 500 000	1 000 000	945 687.42	-5.43 %
Furniture & Equipment		30 000	25 913.04	-13.62 %
Total Capital Expenditure	1 955 000	1 657 080	1 645 063.22	-0.73 %

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3.7.1.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights for the year included:

- The increasing of patrols and visibility in all towns by means of regular road blocks and integrated operations with our counter partners, the SAPS, Fire, EMS, Neighbourhood watches and Provincial Traffic.



Law Enforcement busy with the removal of illegal structures

- Ensuring more visibility and movability with increasing cycle patrols in our neighbourhoods



- The renewing of a contract between the SPCA and the Municipality to enhance better service delivery to address the animal needs and welfare

Animal Clinics were held as follows:

Velddrif	-	6
Aurora	-	4
Redelinghuys	-	5
Eendekuil	-	6
Porterville	-	12
Piketberg	-	11



- The upgrading of the road signage and markings in all the different areas of Bergrivier Municipality.



- Training and education of scholars and pre-school learners in *the safe use of our roads*.



Training of pre-school children in co-operation with Road Safety Education Department's Danny Cat program.

- Two JTTC (Junior Traffic Training Centres) were erected in Aurora and Velddrif.



The introduction of the West Coast District Safety Plan where Province and the local authorities in the region take hands in the addressing of Drivers and Pedestrians using public roads whilst under the influence. A Memorandum of understanding to this effect was signed between Province and Bergvliet Municipality.



The first DSP operation in Piketberg near the Steenebrug farm.

Challenges that still need to be addressed include:

- Control and lack of specialised knowledge and equipment on noise control;
- Shortage of sufficient equipment and resources to address the afterhours speeding challenges;
- The Electrification of the Piketberg Informal Trading Centre; and

- The establishment of an Informal Trading Facility for Velddrif.

3.7.2 FIRE SERVICES AND DISASTER MANAGEMENT

3.7.2.1 INTRODUCTION

Fire Services and Disaster Management are provided in conjunction with the West Coast District Municipality (WCDM) with whom the Bergrivier Municipality concluded a Memorandum of Understanding. The MOU has been updated and signed by the municipal managers in 2018. Bergrivier Municipality is responsible for structural fires, motor vehicle accidents and rescues while the West Coast District Municipality's Fire & Rescue Service is responsible for the veld fire and hazmat functions. There is a very good working relationship between Bergrivier Fire & Disaster Management and WCDM Fire Department for mutual support for all incidents and public awareness programs within the Bergrivier Municipal area. The Municipality has a Fire Response Plan in place as well as a Disaster Management Plan that is reviewed annually to ensure alignment with the WCDM and Provincial Disaster Management Plans.

3.7.2.2 SERVICE STATISTICS

The recent hot summers and shortage of good rain caused dams in the area to reach dangerous low levels. The agricultural sector suffered due to the lack of good rains and areas within the West Coast District was declared as agricultural disaster areas. Level 6 water restrictions were imposed by the municipality to restrict water usage. The Fire Services made use of treated sewage water for fire-fighting purposes.

The following table shows the incidence of different types of fires in the Municipal Area:

TABLE 126: FIRE STATISTICS

BUSH AND GRASS FIRES												
DESCRIPTION	JUL 17	AUG 17	SEPT 17	OCT 17	NOV 17	DEC 17	JAN 18	FEB 18	MAR 18	APR 18	MAY 18	JUNE 18
Aurora	0	0	0	0	0	0	0	0	0	0	0	0
Eendekuil	0	0	0	0	0	0	0	0	0	0	0	0
Piketberg	0	0	0	3	2	16	0	4	2	0	0	0
Porterville	0	0	3	1	0	20	0	3	3	0	0	0
Velddrif	1	0	5	4	3	8	0	2	4	1	1	0
Redelinghuys	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL	1	0	8	8	5	44	0	9	9	1	1	0
STRUCTURE FIRES												
DESCRIPTION	JUL 16	AUG 16	SEPT 16	OCT 16	NOV 16	DEC 16	JAN 17	FEB 17	MAR 17	APR 17	MAY 17	JUNE 17
Aurora	0	0	0	0	0	0	0	0	0	0	0	0

BUSH AND GRASS FIRES												
Eendekuil	1	0	0	1	0	0	0	0	0	0	0	0
Piketberg	0	0	0	0	1	2	0	2	8	6	7	8
Porterville	1	0	1	1	0	5	0	0	0	2	2	4
Velddrift	1	0	0	3	1	11	0	3	3	2	2	3
Redelinghuys	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL	3	0	1	5	2	18	0	5	11	10	11	15
INSPECTIONS												
DESCRIPTION	JUL 16	AUG 16	SEPT 16	OCT 16	NOV 16	DEC 16	JAN 17	FEB 17	MAR 17	APR 17	MAY 17	JUNE 17
Aurora	0	0	0	0	0	0	0	0	6	2	0	2
Eendekuil	0	0	1	1	0	0	0	0	2	2	2	1
Piketberg	0	0	0	1	0	2	8	7	2	17	14	11
Porterville	0	0	0	4	0	2	0	15	18	19	24	3
Velddrif	0	0	2	1	0	4	10	2	14	20	14	13
Redelinghuys	0	0	0	0	0	0	0	2	0	0	0	0
Goedverwacht	0	0	0	0	0	0	9	0	0	0	0	0
SUBTOTAL	0	0	3	7	0	8	27	26	42	60	54	10

3.7.2.3 HUMAN RESOURCE CAPACITY

The Disaster Management Section is fully functional. The position Head: Disaster Management was filled in April 2014. There are no other permanent personnel. The following persons assisted with the function for the year 2017-18:

- 7 x Expanded Public Works Personnel (EPWP) on a 12 (twelve) month contract;
- 6 x Law Enforcement officials; and
- 12 x Municipal workers.

Some of the municipal disaster management volunteers mentioned have played an important role in alleviating the effects of many incidents in the Bergrivier Municipality's area of jurisdiction. Examples of incidents they participated in are various dwelling and structural fires, veld fires, vehicle fires and road traffic accidents. They also received training in various aspects such as first aid, basic fire-fighting, hazardous materials, command and control, communication, etc.

Many of the municipal volunteers have been active members of the fire and disaster management section

for many years and are proud to be of service to the communities of Bergrivier. They are cross-trained and receive training in various aspects such as first aid, basic fire-fighting, command and control, community awareness training, etc. Some members are also qualified firefighters.

Staff limitations

Bergrivier Municipality's disaster management section is limited in carrying out its functions according to the Disaster Management Act, 2002 (Act 57 of 2002) due to the lack of suitably qualified and skilled personnel. This places the municipality and the community at risk should a serious incident or disaster occur. There is a serious need for permanent suitably qualified staff to assist with the function.

3.7.2.4 FINANCIAL PERFORMANCE

The cost of the fire service can vary dramatically from year to year depending on the number of incidents. Provision is always made for the worst case scenario.

TABLE 127: FINANCIAL PERFORMANCE (OPERATIONAL): FIRE SERVICES AND DISASTER MANAGEMENT

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Employees:	634 400	774 900	648 432	-16.32 %
Other:	521 818	659 164.	646 753	-1.88 %
Repairs & Maintenance:	99 960	52 362	47 780	-8.75 %
Total Operational Expenditure	1 256 178	1 486 426	1 342 965	-9.65 %
Total Operational Revenue	-5 395	-1 760 045	-1 754 650	-0.31 %
Net Operational Expenditure	1 250 783	-273 619	-411 685	50.46 %

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TABLE 128: FINANCIAL PERFORMANCE (CAPITAL): FIRE AND DISASTER MANAGEMENT

DESCRIPTION	2017/18 BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE
Fire fighting equipment	75 000	19 294	18 249.86	-5.41 %
Radio Network	145 000	144 667	144 667	0 %
Rebuilding of fire fighting vehicles	100 000			
Donation: Fire Fighting Vehicle		1 754 650	1 754 650	0 %
TOTAL	320 000	1 918 611	1 917 566.86	-0.05 %

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3.7.2.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights for the year include:

- The appointment of seven EPWP personnel to assist with the fire-fighting function;
- An additional digital VHF radio network repeater was erected in Aurora to improve communications in the Redelinghuys & Aurora area. More radios were purchased to improve communication between personnel;
- Fire prevention inspections were performed throughout the municipal area;
- Training of municipal staff in basic fire fighting techniques;
- EPWP personnel were assisted to obtain their Code 10 driver's license;
- One of the EPWP fire fighters successfully completed the Fire fighter 1 course that is internationally recognized;
- Printing and circulating of printed emergency telephone number stickers throughout the municipal area;
- A veld fire awareness campaign was launched in November 2017 due to the prevailing drought and the Municipality being situated within an agricultural district. Veld fire warning posters were printed and posted on lamp posts in all the towns and communities; and
- Fire safety and emergency evacuation talks were arranged throughout the year at various schools, businesses and institutions.

Challenges that still need to be addressed include:

- The lack of dedicated qualified personnel;
- Shortage of funding to purchase equipment;
- The lack of a 24 hour emergency dispatch centre;
- The lack of a single emergency number for Bergrivier Municipality;
- The lack of specialized fire fighting vehicles to cover risks; and
- The lack of dedicated fire station buildings to facilitate vehicles, equipment and personnel.

PHOTO GALLERY 2017/18

PERSONNEL



PUBLIC AWARENESS



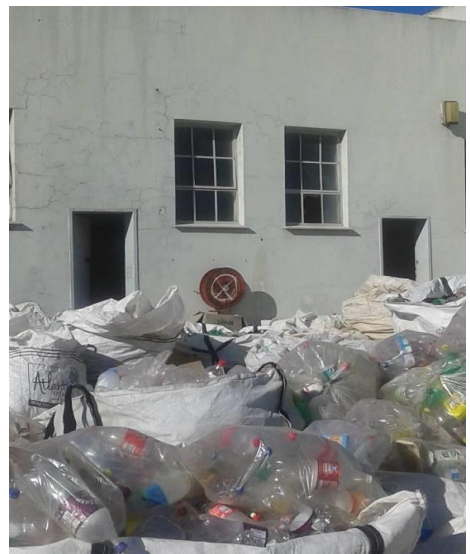


OPERATIONS / INCIDENTS





FIRE COMPLIANCE INSPECTIONS



3.8 COMMUNITY SERVICES

3.8.1 PARKS AND OPEN SPACES

3.8.1.1 INTRODUCTION

The Municipality is responsible for all public parks and open spaces, which are important for the conservation of our biodiversity as well as the aesthetic appearance of our towns.

TABLE 129: PARKS AND OPEN SPACES

TOWN	PARKS AND OPEN SPACES (HA)	PLAY PARKS (NO)
Piketberg	26.4	5
Aurora	1.4	1
Dwarskersbos	0.5	0
Velddrif	19.9	1
Redelinghuys	0.1	1
Eendekuil	0.5	2
Porterville	4.8	2
TOTAL	53.6 HA	12

3.8.1.2 HUMAN RESOURCE CAPACITY

There were 2 vacancies in the Parks Section as at 30 June 2018.

TABLE 130: HUMAN RESOURCES: COMMUNITY PARKS

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
31	29	2	6.45 %

3.8.1.3 FINANCIAL PERFORMANCE

TABLE 131: FINANCIAL PERFORMANCE (OPERATIONAL): PARKS AND OPEN SPACES

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Employees:	5 086 200	5 016 200	5 719 117	14.01 %
Other:	811 162.	953 932	808 518.	-15.24 %
Repairs & Maintenance:	286 000	256 300	229 293	-10.54 %
Total Operational Expenditure	6 183 362	6 226 432	6 756 928	8.52 %

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Total Operational Revenue				
Net Operational Expenditure	6 183 362	6 226 432	6 756 928	8.52 %

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TABLE 132: FINANCIAL PERFORMANCE (CAPITAL): PARKS AND OPEN SPACES

Description	Budget 2017/18	Adjustment Budget 2017/2018	Actual	Variance
Cement benches - open spaces	25 000			
Furniture & Equipment - Community Parks	4 000	2 375	2 373.11	0.08 %
Lawn mowers	100 000	50 000	7 825.33	-84.35 %
Total	129 000	52 375	10 198.33	-80.53 %

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3.8.1.4 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Challenges that still need to be addressed include the vandalism of play equipment in parks. Areas are now fenced with lockable gates and the community is requested to participate in controlling access.

3.8.2 SPORT FIELDS AND SWIMMING POOLS

3.8.2.1 INTRODUCTION

The maintenance of sport fields and swimming pools is the responsibility of the Technical Services Directorate. Staff also received training in life saving at the municipal swimming pools.

3.8.2.2 SERVICE STATISTICS

The following table indicates the sports facilities /codes in each town: (It must be noted that the Piketberg and De Hoek golf courses are privately owned and not maintained by the Municipality. The Porterville and Velddrif Golf Courses are municipal property but maintained by the respective golf clubs)

TABLE 133: SPORT FACILITIES AND CODES

TOWN	FACILITY
Piketberg	Tennis / Rugby / Athletics/Soccer/ Netball / Bowls / Golf/ Pistol Shooting / swimming and cricket
Aurora	Tennis / Rugby / Soccer / Netball
Dwarskersbos	Tennis
Velddrif	Tennis / Netball / Rugby / Soccer/ Cricket / Bowls / Golf / Athletics / Racing pigeons / Angling / Jukskei

TOWN	FACILITY
Redelinghuys	Rugby / Soccer / Athletics / Tennis / Netball / Jukskei
Eendekuil	Rugby / Soccer / Tennis / Netball / Athletics
Porterville	Rugby / Soccer / Athletics / Tennis / Netball / Bowls / Golf / swimming
Goedverwacht	Rugby field for both rugby and cricket

3.8.2.3 HUMAN RESOURCE CAPACITY

There were no vacancies in the sport fields and swimming pool section as at 30 June 2018.

TABLE 134: HUMAN RESOURCES SPORT FIELDS AND SWIMMING POOLS

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
10	9	1	10 %

3.8.2.4 FINANCIAL PERFORMANCE

TABLE 135: FINANCIAL PERFORMANCE (OPERATIONAL): SPORT FIELDS AND SWIMMING POOLS

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
SPORTS GROUNDS AND STADIUMS				
Employee Related Costs	1 452 800	1 451 483	1 201 362	-17.23 %
Other Expenditure	1 393 483	972 818	476 111	-51.06 %
Repairs & Maintenance	175 000	123 000	96 805	-21.30 %
Total Operational Expenditure	3 021 283	2 547 301	1 774 278	-30.35 %
Total Operational Revenue	-	-	-	
Net Operational Expenditure	3 021 283	2 547 301	1 774 278	-30.35 %
DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
SWIMMING POOLS				
Employee Related Costs	481 900	481 900	320 053	33.59 %
Other Expenditure	79 500	210 265	185 105	-11.97 %
Repairs & Maintenance	91 000	27 000	6 156	-77.20 %
Total Operational Expenditure	652 400	719 165	511 314	-28.90 %

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Total Operational Revenue	-26 975	-14 000	-14 026	0.19 %
Net Operational Expenditure	625 425	705 165	497 288	-29.48 %

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TABLE 136: FINANCIAL PERFORMANCE (CAPITAL) SPORT FIELDS AND SWIMMING POOLS

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Boreholes for irrigation	50 000	16 843	16 842.71	0 %
IT Equipment for Sport Officer	25 000	29 050	28 974.33	-0.26 %
Furniture & Equipment – Sport Facilities and Swimming	5 000	2 600	2 600	0 %
Furniture & Equipment	25 000	24 650	24 649.70	0 %
Tools	55 000	54 600	54 126.05	-0.87 %
Irrigation rising main to EHB Goldscmidt	50 000	13 300	13 271.53	-0.21 %
Sport equipment	37 000	43 520	43 520	0 %
Swimming pool Repairs (Acacia)	75 000			0 %
Total	322 000	184 563	183 984.32	-0.31 %

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3.8.2.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights for the year include:

- The Municipal Infrastructure Grant (15 % of total allocation) was used to upgrade Piketberg sport (cricket grounds).

Challenges that still need to be addressed include:

- A lack of funding and a shortage of water for maintenance of grass fields.

3.8.3 SPORT DEVELOPMENT

The three big towns (Porterville, Piketberg & Velddrif) have Local Sports Councils respectively that manage the local sport facilities and are responsible for sport development. The Municipality supports these Sports Councils through an annual grant and maintain and upgrade the facilities on an on-going basis.

TABLE 137: HUMAN RESOURCE CAPACITY

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
1	1	0	0 %

Performance highlights for the year include;

- The Municipality contributed an amount of R 260 000,00 towards sport development;
- The scene was set for the 2017 Berg River Canoe Marathon from Paarl to Velddrif. Paddlers the world over recognise this as the ultimate canoeing challenge. The 56 annual Bergrivier canoe marathon finished on 15 July 2017 at the Marinus Bridge in Velddrif;
- A successful Annual Golden Games was held on 27 July 2017 at Rhino Park in Piketberg;
- The upgraded Piketberg Cricket Grounds (Tollie Adams Oval) was officially opened on Saturday, 2 September 2017.
- The 30th annual Fish Factories Rugby, Soccer and Netball Tournament was held on 27 and 28 October 2017 at the Smit Park Sport grounds in Velddrif;
- The previous Head: Sport Development (Herman Koordom) resigned October 2017 and was replaced by Rethabile Sewe who started on 1 June 2018; and
- Official launch of the Community Cycle Race on 19 June 2018 in conjunction with the Sport Trust.

Challenges that still need to be addressed include;

- A lack of funding and the shortage of water put a burden on projects/initiatives that require high maintenance;
- A shortage of financial support to Sport Councils to render administrative services;
- Not all Sport Councils conduct monthly meetings as prescribed by policy and legislation;
- Sport councils do not submit timeously monthly financial statements as prescribed;
- The over utilization of sport fields, and
- Vandalism at sportgrounds.



Chester Williams & Cllr Small at the Annual Fish Factories Tournament



One of the teams at the Annual Fish Factory Tournament



Annual Golden Games at Rhino Park in Piketberg.



Two participants of the Annual Bergrivier Canoe Marathon in July 2017 at the annual Winter Carnival

3.8.4 RECREATIONAL RESORTS

3.8.4.1 INTRODUCTION

The Municipality has 3 beach/recreational resorts, namely Stywelyne (Laaiplek), Dwarskersbos and Pelican Holiday Resort (Laaiplek). Pelican holiday resort is currently not in operation due to the poor state of the chalets and camping sites. The Municipality manages the other two resorts itself and strives to maintain a high standard at all times as these resorts contribute significantly to the tourism sector.

3.8.4.2 SERVICE STATISTICS

The Municipal recreational resorts are well utilised during summer months. Visitor statistics are derived from the Resort Management System and is contained in the table below.

TABLE 138: UTILISATION OF RECREATION RESORTS (VISITORS PER MONTH)

BOOKINGS	JUL 17	AUG 17	SEPT 17	OCT 17	NOV 17	DEC 17	JAN 18	FEB 18	MAR 18	APR 18	MAY 18	JUN 18	TOTAL
Stywelyne													
Sea View (7)	125	103	55	89	89	123	114	52	93	82	120	113	1 158
Flats (6)	78	80	68	71	78	88	72	39	80	40	69	56	819
Camping Sites (52)	40	60	78	43	31	595	149	51	82	217	55	29	1 430
Dwarskersbos													

BOOKINGS	JUL 17	AUG 17	SEPT 17	OCT 17	NOV 17	DEC 17	JAN 18	FEB 18	MAR 18	APR 18	MAY 18	JUN 18	TOTAL
Cottages (5)	66	51	60	53	58	88	81	46	63	48	75	52	741
Flats (12)	167	91	118	115	99	194	148	114	135	78	87	110	1 456
Camping Sites (124)	85	228	533	224	168	2 112	693	385	643	961	110	37	6 179
TOTAL	561	613	912	595	523	3 200	1 257	687	1 096	1 426	516	397	11 783

3.8.4.3 HUMAN RESOURCE CAPACITY

There were no vacancies in the Recreation Resorts Section as at 30 June 2018.

TABLE 139: HUMAN RESOURCES: RECREATION RESORTS

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
15	14	1	6,66 %

3.8.4.4 FINANCIAL PERFORMANCE

TABLE 140: FINANCIAL OPERATING BUDGET – RECREATION RESORTS

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
HOLIDAY RESORTS				
Employee Related Costs	2 909 700	2 654 070	3 023 915	13.94 %
Other Expenditure	2 169 478	2 210 354	1 289 517	-41.66 %
Repairs & Maintenance	492 800	409 750.	401 066	-2.12 %
Total Operational Expenditure	5 571 978	5 274 174	4 714 498	-10.61 %
Total Operational Revenue	-4 382 856	-4 382 856	-4 224 650	-3.61 %
Net Operational Expenditure	1 189 122	891 318	489 848	-45.04 %
DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
HOLIDAY RESORTS PW KOORTS				
Employee Related Costs	3 000.00	3 000.00	-	-100 %
Other Expenditure	30 723.00	25 723.00	990.00	-96.15 %
Repairs & Maintenance	7 000.00	4 500.00	1 788.00	-60.27 %
Total Operational	40 723.00	33 223.00	2 778.00	-91.64 %

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Expenditure				
Total Operational Revenue	-12 948.00	-12 948.00	-15 147.00	16.98 %
Net Operational Expenditure	27 775.00	20 275.00	-12 369.00	-161.01 %

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TABLE 141: FINANCIAL PERFORMANCE (CAPITAL) RECREATION RESORTS

DESCRIPTION	2017/18 BUDGET	ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Furniture and equipment – Holiday resorts	100 000	123 978	123 977.20	0 %
Tools and Equipment	10 000			0 %
Recreational Equipment (Games)	10 000	8 080	8 754,38	8.35 %
Tools and Equipment	40 000	43 272	43 271,67	0 %
Replace Kitchen Cupboards of chalets at Beach Resorts	100 000	62 840	62 840	0 %
Furniture Equipment – Resort Halls	50 000	49 300	49 473,80	0.35 %
Extended Laundry room at Stywelyne Beach Resort	100 000	68 590	68 590	0 %
Scanner	-	11 450	11 446,38	0.03 %
Upgrading of ablution blocks		231 951	231 901.44	
TOTAL	620 000	599 461	600 254,87	0.13 %

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3.8.4.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights for the year include:

- The beach resorts were well-supported during the December 2017 - January 2018 holidays, as well as the 2018 Easter Weekend and the winter months;
- Maintenance work at both beach resorts is on schedule and complaints regarding the management and facilities at the beach resorts are minimal. Outstanding service delivery to the public is a priority;
- On New Year's Day 2018 a music festival was held at Pelican Beach where the Rockets performed with other local talent and DJ's;
- Ablution facility at Dwarskersbos Beach Resort was upgraded;
- Laundry room at Stywelyne Beach resort was extended;

- Paving was done at the ablution facilities at both beach resorts; and
- Kitchen cupboards was installed at the chalets at Stywelyne Beach Resorts.

Challenges that still need to be addressed include:

- Increasing occupancy levels outside of holiday seasons; and
- The overall sustainability and viability of the resorts.



Upgraded ablution facility at DKB



New kitchen cupboards at Stywelyne chalets



New Year's Day Bash at Pelican Beach Resort



New Year's Day Bash at Pelican Beach Resort

3.9 EXECUTIVE, CORPORATE AND FINANCIAL SERVICES

3.9.1 EXECUTIVE AND COUNCIL

3.9.1.1 INTRODUCTION

The Executive and Council comprise the Municipal Council and its support staff as well as the Office of the Municipal Manager which includes the Strategic Services Department and Internal Audit Unit. The activities of this section are detailed under Governance (Chapter 2)

3.9.1.2 HUMAN RESOURCES

There were no employee or Councillor vacancies as at 30 June 2018.

TABLE 142: HUMAN RESOURCES: THE EXECUTIVE AND COUNCIL

	NO OF POSTS	NO OF EMPLOYEES / COUNCILLORS	NO OF VACANCIES	VACANCIES %
Employees	6	6	0	0%
Councillors	13	13	0	0%

3.9.1.3 FINANCIAL PERFORMANCE

There was no capital expenditure for the Council and Executive. The Municipality's equitable share is included as part of the income.

TABLE 143: FINANCIAL PERFORMANCE (OPERATIONAL): THE EXECUTIVE AND COUNCIL

DESCRIPTION	2017/18 BUDGET	2076/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Employee Related Costs	840 800	810 800	754 724	-6.92 %
Other Expenditure	5 733 548	6 226 648	6 127 027	-1.60 %
Total Operational Expenditure	6 574 348	7 037 448	6 881 751	-2.21 %
Total Operational Revenue	-	-	-	
Net Operational Expenditure	6 574 348	7 037 448	6 881 751	-2.21 %

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TABLE 144: FINANCIAL PERFORMANCE (CAPITAL): THE EXECUTIVE AND COUNCIL

DESCRIPTION	2017/18 BUDGET	2076/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Diverse Office furniture and equipment	100 000	100 000	99 866.45	-0.1 %
Total	100 000	100 000	99 866.45	-0.1 %

3.9.2 FINANCIAL SERVICES

3.9.2.1 INTRODUCTION

The Financial Services Directorate is responsible for the Budget and Treasury Office, Revenue Management, Expenditure Management and Supply Chain Management. The Department is also responsible for the Valuation Roll. The activities of this section are detailed under Financial Performance (Chapter 5).

3.9.2.2 HUMAN RESOURCES

There were 7 vacancies in the Financial Services Directorate as at 30 June 2018.

TABLE 145: HUMAN RESOURCES: FINANCIAL SERVICES

NO OF POSTS.	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES%
52	45	7	13.46 %

3.9.2.3 FINANCIAL PERFORMANCE

TABLE 146: FINANCIAL PERFORMANCE (OPERATIONAL): FINANCIAL SERVICES

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Employees:	12 402 300.00	11 408 725.00	11 251 301.00	-1.38 %
Other:	10 066 219.00	11 146 329.00	10 935 467.00	-1.89 %
Repairs & Maintenance:	46 600.00	51 750.00	40 965.00	-20.84 %
Total Operational Expenditure	22 515 119.00	22 606 804.00	22 227 733.00	-1.68 %
Total Operational Revenue	-73 459 739.00	-76 789 739.00	-77 944 459.00	1.50 %
Net Operational Expenditure	-50 944 620.00	-54 182 935.00	-55 716 726.00	2.83 %

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TABLE 147: CAPITAL EXPENDITURE: FINANCIAL SERVICES

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Furniture & Equipment - Finance	40 000	123 710	121 568.43	-1.73 %
GIS System	500 000	116 290	116 287.50	0 %
VESTA Phoenix	750 000	750 000	750 000	0 %
mSCOA System Implementation		289 475	289 474.95	0 %

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
VESTA Phoenic (cr)		300 000	300 000	0 %
Total	1 290 000	1 579 475	1 577 330	-0.14 %

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3.9.3 HUMAN RESOURCE SERVICES

3.9.3.1 INTRODUCTION

Human Resource Management falls within the Corporate Services Directorate. Human Resource Services are responsible for human resource management, labour relations, training and development and occupational health and safety. The activities of this section are detailed under Organisational Development Performance (Chapter 4).

3.9.3.2 HUMAN RESOURCES

There were 2 vacancies in this financial year. The Industrial Relations Officer post is still vacant, but is filled with a temporary appointment. The Human Resource Officer: Provisioning and Administration post was vacant, but has been filled through an external recruitment process as from 1 July 2018.

TABLE 148: HUMAN RESOURCES: HUMAN RESOURCE SERVICES

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
7	5	2	28.57%

Human resources had no capital budget for the 2017/18 financial year.

3.9.4 ADMINISTRATION AND INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

3.9.4.1 INTRODUCTION

Administrative Services are the responsibility of the Administrative Services Department of the Corporate Services Directorate. Information and Communication Technology is a section of the Administrative Services Department. The Administration activities of this Department are to a large extent covered in Chapter 2 (Governance), and the focus of this paragraph will therefore be on Information and Communication Technology (ITC). The focus and expectation of an Information Communication Technology section is to provide support to the Administration in digital activities. The role and function of ICT is now being seen as an enabling function. ICT has taken on a new role in developing countries for instance where it helped education, provide video session with doctors and helped with research.

It is in light of this new understanding of ICT that the ICT & Archives Department conducted an ICT Assessment in partnership with State Information Technology Agency (SITA) with the result an approved ICT 5 year Strategic plan.

The objective of this plan is to ensure that ICT spending is aligned to the strategic goals of the Municipality as

set out in the IDP. A new vision, mission mandate, objectives and 23 ICT Initiatives were created to speak to the whole enterprise (covering the goals of every department); which are;

- **ICT Vision :**

To create an efficient, effective, reliable, well governed and intelligent Administration.

- **ICT Mission :**

To provide and maintain the foundation for an effective administration, innovation, opportunities and development in Bergrivier Municipality by using applicable and value-derivable technology and governance.

- **ICT Mandate :**

To use ICT to enable and support administration and development.

- **ICT Objectives:**

- To establish within the organisation an ICT culture and a strategy that integrates ICT with the organisation's mission and functions;
- To ensure that ICT complements and enhances the organisation's service to its clients;
- To integrate business applications;
- To ensure the availability, quality and security of information;
- To improve ICT Governance;
- To ensure business continuity; and
- To encourage innovation and development.

The ICT Committee has been formerly constituted by Council during the 2013/14 financial year, with the approval of an ICT Committee Charter. The charter sets out the mandate, objectives and roles of the ICT Committee. The Committee met 7 times (minimum quarterly) during the 2016/17 financial year.

3.9.4.2 HUMAN RESOURCES

There were no vacancies in the Administrative Services Department as at 30 June 2018.

TABLE 149: HUMAN RESOURCES: ADMINISTRATION AND INFORMATION & COMMUNICATION
TECHNOLOGY SERVICES

SECTION	NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
Administration & IT	24	19	5	21%

3.9.4.3 FINANCIAL PERFORMANCE

TABLE 150: FINANCIAL PERFORMANCE (OPERATIONAL): ADMINISTRATION AND ICT SERVICES

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
ADMINISTRATIVE AND CORPORATE SUPPORT				
Employee Related Costs	4 604 700	4 604 700	4 751 724	3.19 %
Other Expenditure	3 792 355	2 929 911	2 336 065	-20.27 %
Repairs & Maintenance	-	15 000	14 286	-4.76 %
Total Operational Expenditure	8 397 055	7 549 611	7 102 075	-5.93 %
Total Operational Revenue	-9 172	-9 172	-4 481	-51.14 %
Net Operational Expenditure	8 387 883	7 540 439	7 097 594	-5.87 %
Information Technology				
Employee Related Costs	1 284 600	1 121 600	998 924	-10.94 %
Other Expenditure	1 109 260	1 828 492	1 796 738	-1.74 %
Repairs & Maintenance	38 500	6 320	6 257	-1.0 %
Total Operational Expenditure	2 432 360	2 956 412	2 801 919	-5.23 %
Total Operational Revenue	-	-	-	
Net Operational Expenditure	2 432 360	2 956 412	2 801 919	-5.23 %

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TABLE 151: FINANCIAL PERFORMANCE (CAPITAL): ADMINISTRATION AND ICT SERVICES

DESCRIPTION	2017/18 BUDGET	2017/18 ADJUSTED BUDGET	2017/18 ACTUAL	VARIANCE
Office equipment	25 000	21 704	27 385.55	26.18 %
Replacement of computers	200 000	210 296	209 122.47	-0.56 %
TOTAL	225 000.00	232 000.00	236 508.02	1.94 %

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3.9.4.4 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights include:

- 100% of total capital budget was spent by 30 June 2018;
- The development of a departmental strategic plan;
- Strategic Session;
- % Spending on Operational Budget;

- Timeously distribution of all agendas electronically via a link for all meetings of council;
- Finalising minutes within three days after the meeting was held; and
- The following administrative policies were developed and reviewed by the various departments during the financial year:

TABLE 152: POLICIES ADOPTED DURING 2017/18

POLICY	RESOLUTION	DATE OF ADOPTION
Anti-Fraud and Corruption	BKN043/05/2018	29 May 2018
Asset Management Policy	RVN042/05/2018	29 May 2018
Borrowing Policy	RVN042/05/2018	29 May 2018
Cash Management and Investment Policy	RVN042/05/2018	29 May 2018
Credit Control and Debt Collection Policy	RVN042/05/2018	29 May 2018
Property Rates Policy	RVN042/05/2018	29 May 2018
Tariff Policy	RVN042/05/2018	29 May 2018
Virement Policy	RVN042/05/2018	29 May 2018
Supply Chain Management Policy	RVN042/05/2018	29 May 2018
Funding Reserves and Long Term Financial Planning Policy	RVN042/05/2018	29 May 2018
Budget Implementation and Monitoring Policy	RVN042/05/2018	29 May 2018
Leave Management Policy	BKN019/05/2018	19 May 2018
Manual of Activities and Register of records held by Bergrivier Municipality	BKN014/03/2018	15 April 2018
Risk Management Policy	BKN037/04/2018	24 April 2018
Risk Appetite Framework	BKN037/04/2018	24 April 2018
Risk Strategy with Implementation Plan	BKN037/04/2018	24 April 2018
Risk Committee Charter	BKN037/04/2018	24 April 2018
Cellphone Policy	BKN015/09/2017	14 September 2017

Performance challenges include:

- Ad-hoc technology decisions;
- Process to fill vacancies;
- Lack of office space;
- Website;
- Lack of system integration;
- Outdated IT network equipment;

- Disaster recovery facilities for ICT; and
- Human resources in IT Section.

3.10 DETAILED ANNUAL PERFORMANCE REPORT

3.10.1 INTRODUCTION

This report comprises the Annual Performance Report of Bergrivier Municipality for 2017/18 which has been compiled in accordance with Section 46 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).

3.10.2 LEGISLATIVE FRAMEWORK

Section 46 of the Municipal Systems Act, 2000 (Act 32 of 2000), provides that:

“46(1) A municipality must prepare for each financial year, a performance report reflecting -

- a. the performance of the municipality and of each external service provider during that financial year;*
- b. a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and*
- c. measures taken to improve performance.*

(2) An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act.”

3.10.3 OVERVIEW OF PERFORMANCE MANAGEMENT AND REPORTING SYSTEM

The Performance Management System used by Bergrivier Municipality is an internet based system that uses the approved Service Delivery Budget Implementation Plan (SDBIP) as its basis. Section 1 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) defines the service delivery and budget implementation plan (SDBIP) as:

“a detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality’s delivery of services and the execution of its annual budget and which must include (as part of the top-layer) the following:

- a) Projections for each month of:

 - i. Revenue to be collected, by source; and*
 - ii. Operational and capital expenditure, by vote;**
- b) Service delivery targets and performance indicators for each quarter”.*
- c) Budget processes and related matters”*

The SDBIP is a layered plan comprising of a Top Layer SDBIP and Departmental SDBIPs. The Top Layer SDBIP comprises quarterly high level service delivery targets. It is a public document which was approved by the Executive Mayoral Committee on 30 May 2017 and amended in February 2018 through

the Section 72 report. Reporting on the top layer SDBIP is done to the Mayoral Committee and Council on a quarterly (Section 52) Report), half yearly (Section 72 Mid-year Budget and Performance Assessment Report) and annual basis (Annual Report). Any amendments to the Top Layer SDBIP must be identified following the submission of the Mid-year Budget and Performance Assessment Report and the approval of the adjustment budget in February 2018.

The Performance Report of the Municipality is presented according to the Strategic Objectives of the Municipality as contained in the 2017/18 Integrated Development Plan (IDP) Review.

The strategic objectives of the Municipality are:

1. *To budget strategically, grow and diversify our revenue and ensure value for money services;*
2. *To create an effective, effective and accountable administration;*
3. *To provide a transparent and corruption free municipality;*
4. *To communicate effectively with the public;*
5. *To develop and provide bulk infrastructure;*
6. *To maintain existing bulk infrastructure and services;*
7. *To be responsive to the developmental needs of the community;*
8. *To improve the regulatory environment for ease of doing business;*
9. *To facilitate an environment for the creation of jobs;*
10. *To improve transport systems and enhance mobility of poor isolated communities in partnership with sector departments;*
11. *To alleviate poverty;*
12. *To promote healthy life styles through the provision of sport and other facilities and opportunities;*
13. *To promote a safe environment for all who live in Bergrivier;*
14. *To create innovative partnerships with sector departments for improved education outcomes and opportunities for youth development;*
15. *To develop, manage and regulate the built environment;*
16. *To conserve and manage the natural environment and mitigate the impacts of climate change.*

3.10.4 PERFORMANCE AS MEASURED AGAINST THE MUNICIPALITY'S STRATEGIC OBJECTIVES

3.10.4.1 PERFORMANCE OVERVIEW

The following graph provides an overview of the Municipality's overall performance for the 2017/18 financial year. The Municipality set 72 Key Performance Indicators (KPI's) for the financial year when the SDBIP was approved in May 2017 and with the amended TL SDBIP in February 2018 67 KPI's have been identified and approved.

TABLE 154: Bergrivier Municipality TL SDBIP 2017/18

Office of the Municipal Manager

Ref	Strategic Objective	KPI	Unit of Measurement	KPI Owner	Baseline	Previous Year Performance	Annual Target	Revised Target	KPI Calculation Type	Sep-17				Dec-17				Mar-18				Jun-18				Overall Performance for Sep 2017 to Jun 2018		
										Target	Actual	R	Departmental Corrective Measures	Target	Actual	R	Departmental Corrective Measures	Target	Actual	R	Departmental Corrective Measures	Target	Actual	R	Departmental Corrective Measures	Target	Actual	R
TL14	To develop and provide bulk infrastructure	The percentage of the municipal capital budget actually spent on capital projects as at 30 June 2018 (Actual amount spent on capital projects/ Total amount budgeted for capital projects) X 100	% of Capital budget spent as at 30 June 2018 [(Actual amount spent on capital projects/Total amount budgeted for capital projects) X100]	Municipal Manager	95%	95.47%	95%	95%	Last Value	0%	0%	N/A		10%	32.24%	B		40%	49.60%	G2		95%	91.68%	O	[D50] Municipal Manager: Based on provisional figures in Unaudited Draft Budget. Council budgeted initially R 2.8 million for drought relief, but due to funding becoming available from Gift of the Givers, Council did not have to spend their funding on drilling for water. R 1.54 million was not spent and reflects 4.5 % of the total budget. Given the above, the total spend would have exceeded 95%. (June 2018)	95%	91.68%	O
TL15	To create an efficient, effective and accountable administration	100% compliance with Selection & Recruitment Policy when vacant posts within the 3 highest levels of management are filled subject to suitably qualified candidates	% compliance with the selection and recruitment policy	Municipal Manager	100%	100%	100%	100%	Last Value	100%	100%	G	[D51] Municipal Manager: None (September 2017)	100%	100%	G	[D51] Municipal Manager: None required. (December 2017)	100%	100%	G	[D51] Municipal Manager: None required. (March 2018)	100%	100%	G	[D51] Municipal Manager: None required (April 2018) [D51] Municipal Manager: None required (May 2018) [D51] Municipal Manager: None required (June 2018)	100%	100%	G
TL16	To create an efficient, effective and accountable administration	Improve staff productivity & responsiveness through quarterly leadership development meetings and/or initiatives	Number of Leadership Forum Meetings and/or other leadership initiatives	Municipal Manager	4	4	4	4	Accumulative	1	3	B	[D52] Municipal Manager: None (September 2017)	1	3	B	[D52] Municipal Manager: None required. (December 2017)	1	2	B	[D52] Municipal Manager: None required. (February 2018) [D52] Municipal Manager: None required (March 2018)	1	8	B	[D52] Municipal Manager: None required (April 2018) [D52] Municipal Manager: None required (May 2018) [D52] Municipal Manager: None required (June 2018)	4	16	B

2018)

TL1 7	To create an efficient, effective and accountable administration	MFMA Section 131(1): Ensure that any issues raised by the Auditor General in an Audit Report are addressed	% of issues raised by the Auditor General in an audit report addressed.	Municipal Manager	1	100 %	100 %	100 %	Carry Over	0%	0%	N/A		0%	0%	N/A		0%	0%	N/A		100 %	100%	G		100 %	100%	G
TL1 8	To create an efficient, effective and accountable administration	Develop a risk based audit plan with an internal audit plan (RBAP) (MFMA - Section 165(2)(a)) & submit to Audit Committee by 30 June 2018	RBAP with internal audit programme submitted to the Audit Committee by 30 June 2018	Municipal Manager	1	1	1	1	Carry Over	0	0	N/A		0	0	N/A		0	0	N/A		1	1	G		1	1	G
TL1 9	To create an efficient, effective and accountable administration	Convene a Councillor & Senior Management strategic planning session for IDP & budget process by 30 Nov 2017	Strategic planning session held by 30 November 2017	Municipal Manager	1	1	1	1	Carry Over	0	0	N/A		1	1	G		0	0	N/A		0	0	N/A		1	1	G
TL2 0	To communicate effectively with the public	Communicate with the public on a quarterly basis through printed media	Number of editions and/or communications	Municipal Manager	8	20	8	8	Accumulative	2	6	B	[D56] Municipal Manager: None required (July 2017) [D56] Municipal Manager: None required (August 2017) [D56] Municipal Manager: None required (September 2017)	2	8	B	[D56] Municipal Manager: None required (October 2017) [D56] Municipal Manager: None required (November 2017) [D56] Municipal Manager: None required (December 2017)	2	5	B	[D56] Municipal Manager: None required (March 2018)	2	5	B	[D56] Municipal Manager: None required (April 2018) [D56] Municipal Manager: None required (May 2018) [D56] Municipal Manager: None required (June 2018)	8	24	B
TL2 1	To communicate effectively with the public	Regular ward committee meetings and/or engagements	Number of meetings and/or engagements per frequency	Municipal Manager	28	31	28	28	Accumulative	7	14	B		7	7	G		7	7	G		7	14	B	[D13] Strategic Manager: The IDP Forum meetings took place in May 2018 and will reflect in the total for the year (April 2018)	28	42	B
TL2 2	To alleviate poverty	Facilitate the LED Strategy by coordinating at least 2 projects identified by BEDF working committees	Facilitate at least 2 projects by June 2018	Municipal Manager	2	2	2	2	Accumulative	0	0	N/A		0	0	N/A		0	0	N/A		2	2	G		2	2	G

KPI Not Yet Measured	0
KPI Not Met	0
KPI Almost Met	2
KPI Met	8
KPI Well Met	0
KPI Extremely Well Met	3
Total KPIs	13

Corporate Services

Ref	Strategic Objective	KPI	Unit of Measurement	KPI Owner	Baseline	Previous Year Performance	Annual Target	Revised Target	KPI Calculation Type	Sep-17				Dec-17				Mar-18				Jun-18				Overall Performance for Sep 2017 to Jun 2018		
										Target	Actual	R	Departmental Corrective Measures	Target	Actual	R	Departmental Corrective Measures	Target	Actual	R	Departmental Corrective Measures	Target	Actual	R	Departmental Corrective Measures	Target	Actual	R
TL10	To create an efficient, effective and accountable administration	95% of training budget spent by 30 June 2018 to implement the Work Place Skills Plan [(Total amount spent on training/Total amount budgeted) x 100]	% of the training budget spent by 30 June 2018 to implement the Work Place Skills Plan	Director Corporate Services	95%	139%	95%	95%	Last Value	0%	0%	N/A		20%	29.51%	G2		50%	46.67%	O		95%	100%	G2		95%	100%	G2
TL28	To budget strategically, grow and diversify our revenue and ensure value for money services	The percentage of the Corporate Services capital budget excl grant funding actually spent on capital projects as at 30 June 2018 (Actual amount spent on capital projects/ Total amount budgeted for capital projects) X100	% of Capital budget excl grant funding spent as at 30 June 2018 [(Actual amount spent on capital projects/ Total amount budgeted for capital projects) X 100]	Director Corporate Services	95%	93.27%	95%	95%	Last Value	0%	0%	N/A		10%	0.91%	R	[D135] Director Corporate Services: Will be liaising with supplier regarding delivery of the goods (December 2017)	40%	85.06%	B		95%	102%	G2	[D135] Director Corporate Services: Provisional / Interim figures (June 2018)	95%	102%	G2
TL29	To create an efficient, effective and accountable administration	The development and approval of at least 1 SOP per quarter for Human Resources	Number of SOP's for Human Resources developed and approved by the Director: Corporate Services	Director Corporate Services	New KPI	N/A	4	4	Accumulative	1	1	G		1	1	G		1	0	R	[D136] Human Resources Manager: Still in the process to approved Leave SOP and Terminations SOP (March 2018)	1	2	B		4	4	G
TL30	To develop, manage and regulate the built environment	Compile a new 5-year SDF (Spatial Development Framework) and present first draft of SDF to Intergovernmental Steering Committee (IGSC) by 30 June 2018	First draft of 5-year SDF presented to IGSC by 30 June 2018	Director Corporate Services	New KPI	N/A	1	1	Carry Over	0	0	N/A		0	0	N/A		0	0	N/A		1	1	G		1	1	G
TL31	To develop, manage and regulate the built	Develop the RSEP project plan for Piketberg within the approved	RSEP project plan developed for Piketberg and submitted	Director Corporate Services	New KPI	N/A	1	1	Carry Over	0	0	N/A		0	0	N/A		0	0	N/A		1	1	G		1	1	G

	environment	budget and submit to EMC by 30 June 2018	to EMC by 30 June 2018																										
TL3 2	To develop, manage and regulate the built environment	Apply for Heritage Site status of Bokkom lane, Velddrif by 30 June 2018	Application submitted by 30 June 2018	Director Corporate Services	New KPI	N/A	1	1	Carry Over	0	0	N/A		0	0	N/A		0	0	N/A		1	1	G		1	1	G	
TL3 3	To provide a transparent and corruption free municipality	Develop a culture of zero tolerance to corruption and dishonesty by the efficient completion of disciplinary steps in terms of transgressions of the MFMA.	% of transgressions investigated in terms of the Anti-Fraud and Corruption Policy	Director Corporate Services	New KPI	N/A	100%	100%	Stand-Alone	100%	100%	G		100%	100%	G		100%	100%	G		100%	100%	G		100%	100%	G	
TL3 4	To communicate effectively with the public	Undertake an annual Customer Service evaluation & submit report with recommendation on customer service to EMC by 30 Jun 2018	Customer service evaluations completed and report with recommendations submitted to the EMC by 30 June 2018	Director Corporate Services		1	1	1	1	Carry Over	0	0	N/A		0	0	N/A		0	0	N/A		1	1	G		1	1	G
TL3 6	To create an efficient, effective and accountable administration	Monitor the process to enable interfacing between the Vesta Financial System and sub-systems on a quarterly basis to ensure all requirements are met in accordance with the ITC policy	At least 4 reports submitted to Portfolio Committee	Director Corporate Services	New KPI	N/A	4	4	Accumulative	0	1	B		0	0	N/A	[D143] Head IT & Archives: The Report will be tabled at the Corporate Services Committee on 6 February 2018. (December 2017)	0	2	B	[D143] Head IT & Archives: N/A (February 2018) [D143] Head IT & Archives: N/A (March 2018)	4	5	G2	[D143] Head IT & Archives: N/A (June 2018)	4	8	B	

Summary of Results: Corporate Services

KPI Not Yet Measured	0
KPI Not Met	0
KPI Almost Met	0
KPI Met	6
KPI Well Met	2
KPI Extremely Well Met	1
Total KPIs	9

Technical Services

Ref	Strategic Objective	KPI	Unit of Measurement	KPI Owner	Baseline	Previous Year Performance	Annual Target	Revised Target	KPI Calculation Type	Sep-17				Dec-17				Mar-18				Jun-18				Overall Performance for Sep 2017 to Jun 2018		
										Target	Actual	R	Departmental Corrective Measures	Target	Actual	R	Departmental Corrective Measures	Target	Actual	R	Departmental Corrective Measures	Target	Actual	R	Departmental Corrective Measures	Target	Actual	R
TL4 5	To maintain existing bulk infrastructure and services	Limit unaccounted for water to 10% by 30 June 2018 {{Number of	% unaccounted water by 30 June 2018 {{Number of Kilolitres Water	Director: Technical Services	7,57%	9.93%	10%	10%	Reverse Last Value	0%	0%	N/A		0%	0%	N/A		0%	0%	N/A		10%	6.98%	B	[D321] Director: Technical Services: Continuous action in terms	10%	6.98%	B

TL4 8	To develop and provide bulk infrastructure	95% of the MIG conditional grant spent by 30 June 2018 to upgrade infrastructure [(Total amount spent/Total allocation received)x100]	% of MIG conditional grant spent by 30 June 2018	Director: Technical Services	100 %	101.1 1 %	95%	95%	Last Value	0%	0%	N/A	0%	0%	N/A	15%	59%	B	[D324] Director: Technical Services: Monitor and manage according to MIG specification guidelines and policies. <i>(March 2018)</i>	95%	100%	G2	[D324] Director: Technical Services: Monitor and manage according to MIG specification guidelines and policies. Progress reported at every Technical Committee meeting. <i>(June 2018)</i>	95%	100%	G2
TL4 9	To maintain existing bulk infrastructure and services	95% of conditional road maintenance operational grant spent by 30 June 2018 [(Total amount spent/ Total allocation received)x100]	% of conditional road maintenance operational grant spent by 30 June 2018	Director: Technical Services	100 %	100 %	95%	95%	Last Value	0%	0%	N/A	0%	0%	N/A	70%	94.40%	G2	[D325] Director: Technical Services: Monitor and ensure that maintenance program include this programme in order to spent timeously. <i>(March 2018)</i>	95%	99%	G2	[D325] Director: Technical Services: Ensure funds spent received from provincial roads department before June each year. <i>(June 2018)</i>	95%	99%	G2
TL5 0	To maintain existing bulk infrastructure and services	Raise public awareness on recycling to reduce household waste with awareness initiatives	Number of awareness initiatives	Director: Technical Services	2	2	2	2	Accumulative	0	0	N/A	1	1	G	0	0	N/A	[D326] Director: Technical Services: Ensure continuous public awareness regarding the importance of recycling. <i>(December 2017)</i>	1	4	B	[D326] Director: Technical Services: Ongoing public awareness initiatives <i>(June 2018)</i>	2	5	B
TL5 1	To maintain existing bulk infrastructure and services	100% spend of the approved budget for the implementation of the approved business plan on the waste programme by 30 June 2018 ((Total amount spent/Total approved budget) x 100) (subject to in inter-national funding)	% of approved budget spend by 30 June 2018	Director: Technical Services	New KPI	N/A	100 %	100 %	Last Value	0%	0%	N/A	30%	64%	B	60%	64%	G2	[D327] Director: Technical Services: Careful planning for the next financial year to spent the transferred amounts for that year as well as the deficit in this year. <i>(Dec 2017)</i>	100 %	102%	G2	[D327] Director: Technical Services: Monitor and manage project. Report weekly basis <i>(March 2018)</i>	100 %	102%	G2
TL5 2	To maintain existing bulk infrastructure and services	95% water quality level obtained as per SANS 241 physical & micro parameters as at 31 December 2017 and 30 June 2018	% water quality level as at 31 December 2017 and 30 June 2018	Director: Technical Services	95%	96 %	95%	95%	Last Value	0%	0%	N/A	95%	98.80 %	G2	0%	0%	N/A	[D328] Director: Technical Services: Continue with weekly testing by consultants which send the samples	95%	98%	G2	[D328] Director: Technical Services: Continue with weekly testing by consultants which send the samples to Dept. Water Affairs and Sanitation	95%	98%	G2







TL5 7	To develop, manage and regulate the built environment	Develop a "problem building" by-law and submit to council by 30 June 2018	By-law submitted to council by 30 June 2018	Director: Technical Services	New KPI	N/A	1	1	Carry Over	0	0	N/A	0	0	N/A	0	0	N/A	1	0	R	[D333] Director: Technical Services: Complete as soon as capacity constraints are solved. Act for the interim in terms of the the National Building Regulations Act (Act 103 of 1977) and SANS 10400. It also needs to be stated that the ward committee of Ward 1 studied a first draft of such a by-law, but realised the difference between a problem building by-law and the requirement to have rules on aesthetics. These 2 are very different and a final decision needs to be made on what is required. A final version will be submitted to Council within the first semester of 2018/19 financial year (June 2018)	1	0	R	
TL5 8	To develop, manage and regulate the built environment	Do bi-annual inspections per major town for building transgressions and submit report to standing committee with findings and law enforcement actions instituted	Number of reports submitted to the Portfolio Committee	Director: Technical Services	New KPI	N/A	2	2	Accumulative	0	0	N/A	1	1	G	[D334] Director: Technical Services: Monitor bi-annually. (December 2017)	0	0	N/A	1	0	R	[D334] Director: Technical Services: Propose to do a sample for say a hundred houses per year per main town and then set quarterly targets for inspections and reports. (June 2018)	2	1	R
TL5 9	To alleviate poverty	Create full time equivalents (FTE's) in terms of the EPWP programme by 30 June 2018	Number of FTE's created by 30 June 2018	Director: Technical Services	New KPI	101	36	36	Accumulative	0	0	N/A	0	0	N/A	0	0	N/A	36	91	B	[D335] Director: Technical Services: Regular updating en reporting about program to Technical Committee. Standing Item. (June 2018)	36	91	B	

TL6 1	To develop, manage and regulate the built environment	Submit an application for funding to DTI or any other funding source for the Velddrif Precinct Plan by June 2018	Business plan submitted to DTI or any other funding source by 30 June 2018	Director: Technical Services	New KPI	N/A	1	1	Carry Over	0	0	N/A	0	0	N/A	0	0	N/A	1	0	R	[D337] Director: Technical Services: Due to the process that was followed in Porterville on the competition with the main road, there was no capacity to facilitate a process in Velddrif as well. A comprehensive consultation process first need to be held in Velddrif to commence with a process. It however, needs to be stated that the Velddrif precinct plan consists out of 8 nodal developments and that 3 of the nodal developments have received various levels of attention, such as Bokkomlaan, the Laaiplek harbour and Pelican resort. The 8 nodal developments need to get separate dedicated attention as all differ from one another, and most of them may even require private investments. <i>(June 2018)</i>	1	0	R
TL6 2	To develop, manage and regulate the built environment	Submit an application for funding to DTI or any other funding source for the Porterville Precinct Plan by June 2018	Business plan submitted to DTI or any other funding source by 30 June 2018	Director: Technical Services	New KPI	N/A	1	1	Carry Over	0	0	N/A	0	0	N/A	0	0	N/A	1	0	R	[D338] Director: Technical Services: A competition to redesign the main road in Porterville closes on 31 July 2018 and the process was delayed due to a comprehensive consultation process that was followed with the local community. This consultation process com-	1	0	R

TL6 4	To budget strategically, grow and diversify our revenue and ensure value for money services	Institute legal processes by 30 June 2018 against 95% of non-exchange debtors to improve credit control (Number of rates & availability charges debtors older than 90 days handed over for collection/ Total number of rates & availability chargers debtors older than 90 days)x100]	% of non-exchange debtors against whom legal action can be and was instituted by 30 June 2018	Director Finance	95%	0%	95%	95%	Carry Over	0%	0%	N/A		50%	61.47%	G2		75%	61.47%	O	[D193] Director Finance: 30/6/2017 Deb syfers. Geen opdeling nog op Vesta nie, wag vir verslag. (March 2018)	95%	98.43%	G2		95%	98.43%	G2
TL6 5	To improve the regulatory environment for ease of doing business	Develop a preferential procurement policy and methodology to stimulate local economic development, redistribute wealth and promote social justice and submit to council by 30 June 2018	Policy and methodology developed and submitted by 30 June 2018	Director Finance	0	N/A	1	1	Carry Over	0	0	N/A		0	0	N/A		0	0	N/A		1	1	G		1	1	G
TL6 6	To budget strategically, grow and diversify our revenue and ensure value for money services	Achieve a payment percentage of 96% as at 30 June 2018 ((Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue) x 100)	Payment % as at 30 June 2018 ((Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off) /Billed Revenue) x 100)	Director Finance	96%	94.80%	96%	96%	Last Value	60%	84.07%	G2		96%	90.49%	O	[D157] Director Finance: The municipality implemented a new financial system on 01 July 2017 and experienced billing problems that prevent the implementation of normal credit control procedures up to October 2017. Credit Control resumed in November 2017 and will be intensified from January 2018. (December 2017)	96%	92.91%	O	[D157] Director Finance: The municipality implemented a new financial system on 01 July 2017 and experienced billing problems that prevent the implementation of normal credit control procedures (March 2018)	96%	91.74%	O	[D157] Director Finance: Corrective Action: All prepaid electricity meters are to be linked by 30 Sept 2018. The integration between Conlog and Vesta must be in place by 31 July 2018 to ensure arrear debts can be timeously collected from prepaid electricity purchases. Temporary staff member to be appointed by 01 August 2018 focusing solely on arrear debt collection. (June 2018)	96%	91.74%	O
TL6 7	To budget strategically, grow and diversify our revenue and ensure value for money services	Complete the monthly bank reconciliations within 30 days after month end	Number of bank reconciliations completed monthly within 30 days after month end	Director Finance	12	12	12	12	Accumulati ve	3	3	G		3	3	G		3	3	G		3	3	G		12	12	G

TL68	To budget strategically, grow and diversify our revenue and ensure value for money services	Submit monthly Section 71 Report to National Treasury i.t.o. MFMA before 10th working day of each month	Number of reports submitted	Director Finance	12	12	12	12	Accumulative	3	3	G	3	3	G	3	3	G	3	3	G	12	12	G	
TL69	To budget strategically, grow and diversify our revenue and ensure value for money services	Submit monthly VAT 201 returns to SARS by 25th of each month	Number of VAT 201 returns submitted to SARS	Director Finance	12	12	12	12	Accumulative	3	3	G	3	3	G	3	3	G	3	3	G	12	12	G	
TL70	To budget strategically, grow and diversify our revenue and ensure value for money services	100% of the FMG conditional grant spent by 30 June 2018 [(Total amount spent/ Total allocation received) x100]	% of FMG conditional grant spent by 30 June 2018	Director Finance	100%	100%	100%	100%	Last Value	25%	28.08%	G2	55%	77.34%	G2	80%	81.95%	G2	100%	100%	G	[D159] Director Finance: (June 2018)	100%	100%	G
TL72	To budget strategically, grow and diversify our revenue and ensure value for money services	Develop a cost-reflective tariff model for trading services to ensure future affordable tariffs and submit to council by 30 June 2018	Tariff model submitted to Council by 30 June 2018	Director Finance	New KPI	N/A	1	1	Carry Over	0	0	N/A	0	0	N/A	0	0	N/A	1	1	G		1	1	G
TL73	To create an efficient, effective and accountable administration	Monitor the implementation of the VESTA system to ensure MScoa compliance and submit report/data strings to National Treasury	Number of reports/data strings submitted to National Treasury	Director Finance	New KPI	N/A	11	11	Accumulative	2	2	G	3	3	G	3	3	G	3	3	G		11	11	G
TL74	To provide a transparent and corruption free municipality	Develop a culture of zero tolerance to corruption and dishonesty by the efficient completion of disciplinary steps in terms of transgressions of the MFMA .	% of transgression investigated in terms of the Anti-Fraud and Corruption Policy	Director Corporate Services	New KPI	N/A	100%	100%	Last Value	100%	100%	G	100%	100%	G	100%	100%	G	100%	100%	G		100%	100%	G

Summary of Results: Financial Services

	KPI Not Yet Measured	0
	KPI Not Met	0
	KPI Almost Met	1
	KPI Met	8
	KPI Well Met	1
	KPI Extremely Well Met	0
Total KPIs		10

Council

Ref	Strategic Objective	KPI	Unit of Measurement	KPI Owner	Baseline	Previous Year Performance	Annual Target	Revised Target	KPI Calculation Type	Sep-17				Dec-17				Mar-18				Jun-18				Overall Performance for Sep 2017 to Jun 2018		
										Target	Actual	R	Departmental Corrective Measures	Target	Actual	R	Departmental Corrective Measures	Target	Actual	R	Departmental Corrective Measures	Target	Actual	R	Departmental Corrective Measures	Target	Actual	R
TL1	To budget strategically, grow and diversify our revenue and ensure value for money services	Number of formal households that receive piped water (credit & pre-paid water) that is connected to the municipal water infrastructure network as at 30 June 2018	Number of households which are billed for water or have prepaid meters as at 30 June 2018	Director Finance	8 472	8 937	9,085	9,085	Last Value	0	0	N/A		0	0	N/A		0	0	N/A		9,085	9,039	O	[D165] Director Finance: Housing and economic growth not as foreseen. Nothing could be done to prevent under-achievement (June 2018)	9,085	9,039	O
TL2	To budget strategically, grow and diversify our revenue and ensure value for money services	Number of formal households connected to the municipal electrical infrastructure network (credit & prepaid electrical metering) (Excl Eskom areas) at 30 June 2018	Number of households billed for electricity or have prepaid meters (Excl Eskom areas) at 30 June 2018 (Conlog + Active meters)	Director Finance	8 485	9 374	9,484	9,484	Last Value	0	0	N/A		0	0	N/A		0	0	N/A		9,484	9,965	G2		9,484	9,965	G2
TL3	To budget strategically, grow and diversify our revenue and ensure value for money services	Number of formal households connected to the municipal waste water sanitation /sewerage network for sewerage service, irrespective of number of water closets (toilets) at 30 June 2018	Number of households which are billed for sewerage at 30 June 2018	Director Finance	6 209	7 167	7,318	7,318	Last Value	0	0	N/A		0	0	N/A		0	0	N/A		7,318	7,404	G2		7,318	7,404	G2
TL4	To budget strategically, grow and diversify our revenue and ensure value for money services	Number of formal households for which refuse is removed once per week at 30 June 2018	Number of households which are billed for refuse removal at 30 June 2018	Director Finance	8 374	9 426	9,568	9,568	Last Value	0	0	N/A		0	0	N/A		0	0	N/A		9,568	9,523	O	[D168] Director Finance: Housing and economic growth not as foreseen. Nothing could be done to prevent under-achievement (June 2018)	9,568	9,523	O
TL5	To budget strategically, grow and diversify our revenue and ensure value for money services	Provide free basic water to indigent households	Number of households receiving free basic water	Director Finance	2 336	1 879	1,880	1,880	Reverse Last Value	0	0	N/A		0	0	N/A		0	0	N/A		1,880	1,746	B	[D169] Director Finance: measured in the negative (June 2018)	1,880	1,746	B
TL6	To budget strategically, grow and diversify our	Provide free basic electricity to indigent households	Number of households receiving free basic electricity	Director Finance	2 000	1 706	1,700	1,700	Reverse Last Value	0	0	N/A		0	0	N/A		0	0	N/A		1,700	681	B	[D170] Director Finance: Measured in the negative (June	1,700	681	B

	revenue and ensure value for money services																								2018)			
TL7	To budget strategically, grow and diversify our revenue and ensure value for money services	Provide free basic sanitation to indigent households	Number of households receiving free basic sanitation	Director Finance	2 336	1 681	1,701	1,701	Reverse Last Value	0	0	N/A		0	0	N/A		0	0	N/A		1,701	1,534	B	[D171] Director Finance: Negative measure (June 2018)	1,701	1,534	B
TL8	To budget strategically, grow and diversify our revenue and ensure value for money services	Provide free basic refuse removal to indigent households	Number of households receiving free basic refuse removal	Director Finance	2 336	1 893	1,880	1,880	Last Value	0	0	N/A		0	0	N/A		0	0	N/A		1,880	1,753	O	[D172] Director Finance: Housing and economic growth not as foreseen. (June 2018) Nothing could be done to prevent under-achievement (June 2018)	1,880	1,753	O
TL9	To create an efficient, effective and accountable administration	The percentage of a municipality's personnel budget actually spent on implementing its workplace skills plan as at 30 June 2018 [(Total expenditure on training/total personnel budget)/100]	% of personnel budget spent on training [(Total expenditure on training/ total personnel budget) /100] as at 30 June 2018	Director Corporate Services	1%	1.07 %	1%	1%	Last Value	0%	0%	N/A		0%	0%	N/A		0%	0%	N/A		1%	1%	G	[D145] Human Resources Manager: Only R 735 000 was allocated to training and the full amount was spent. (June 2018)	1%	1%	G
TL11	To budget strategically, grow and diversify our revenue and ensure value for money services	Financial viability measured into municipality's ability to meet its service debt obligations as at 30 June 2018 (Short Term Borrowing + Bank Over-draft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue + Operating Conditional Grant)	Debt to Revenue as at 30 June 2018 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	Director Finance	3	20 %	2.54	2.54	Reverse Last Value	0	0	N/A		0	0	N/A		0	0	N/A		2.54	2	B		2.54	2	B
TL12	To budget strategically, grow and diversify our revenue and ensure value for money services	Financial viability measured in terms of outstanding service debtors as at 30 June 2018 (Total outstanding service debtors/ revenue received for services)	Service debtors to revenue as at 30 June 2018 – (Total outstanding service debtors/ revenue received for services)	Director Finance	32%	31 %	33%	33%	Reverse Last Value	0%	0%	N/A		0%	0%	N/A		0%	0%	N/A		33%	30.07 %	B		33%	30.07 %	B

TL1 3	To budget strategically, grow and diversify our revenue and ensure value for money services	Financial viability measured in terms of available cash to cover fixed operating expenditure as at 30 June 2018 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl (Depreciation, Amortisation, & Provision for Bad Debts, Impairment & Loss on Disposal of Assets))	Cost coverage as at 30 June 2018 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl (Depreciation, Amortisation	Director Finance	2.5	4.01	14.5	2.5	Last Value	0	0	N/A	0	0	N/A	0	0	N/A	2.5	3.67	G2	2.5	3.67	G2
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Summary of Results: Council

KPI Not Yet Measured	0
KPI Not Met	0
KPI Almost Met	3
KPI Met	1
KPI Well Met	3
KPI Extremely Well Met	5
Total KPIs	12

Community Services

Ref	Strategic Objective	KPI	Unit of Measurement	KPI Owner	Baseline	Previous Year Performance	Annual Target	Revised Target	KPI Calculation Type	Sep-17				Dec-17				Mar-18				Jun-18				Overall Performance for Sep 2017 to Jun 2018		
										Target	Actual	R	Departmental Corrective Measures	Target	Actual	R	Departmental Corrective Measures	Target	Actual	R	Departmental Corrective Measures	Target	Actual	R	Departmental Corrective Measures	Target	Actual	R
TL3 8	To create innovative partnerships with sector departments for improved education outcomes and opportunities for youth development	95% spent of library grant by 30 June 2018 i.t.o approved business plan [(Actual amount spent/Total allocation received)x100]	% of library grant spent by 30 June 2018	Director Community Services	95%	100 %	95%	95%	Last Value	10%	16%	B		25%	46%	B		50%	68.36%	G2		95%	100%	G2		95%	100%	G2
TL3 9	To promote a safe environment for all who live in Bergrivier	Collect 95% of budgeted income by 30 June 2018 for speeding fines (Excl budgeted debt provision) [(Actual amount collected/total amount	% of budgeted income for speeding fines collected by 30 June 2018	Director Community Services	95%	161.10 %	95%	95%	Last Value	10%	48.14 %	B	[D360] Head: Traffic: The fines savings account's figures were used due to the unavailability of the	25%	55%	B		50%	127.94 %	B		95%	276%	B		95%	276%	B

		budgeted) x 100]											new financial system to give a true reflection of the real income received. (September 2017)															
TL4 1	To promote healthy life styles through the provision of sport and other facilities and opportunities	Collect 95% of budgeted income by 30 June 2018 for resorts (Excl budgeted debt provision)[(Actual amount collected /total amount budgeted)x100]	% of budgeted income for resorts collected by 30 June 2018	Director Community Services	95%	104.71 %	95%	95%	Last Value	10%	26%	B		50%	55%	G2		70%	78%	G2		95%	96%	G2		95%	96%	G2
TL4 2	To promote healthy life styles through the provision of sport and other facilities and opportunities	Develop a Sport Development Programme with an implementation plan and submit to Portfolio Committee by June 2018	Sport Development Programme and implementation plan submitted to Portfolio Committee by June 2018	Director Community Services	New KPI	N/A	1	1	Carry Over	0	0	N/A		0	0	N/A		0	0	N/A		1	1	G		1	1	G
TL4 4	To provide a transparent and corruption free municipality	Develop a culture of zero tolerance to corruption and dishonesty by the efficient completion of disciplinary steps in terms of transgressions of the MFMA .	% of transgressions investigated in terms of the Anti-Fraud and Corruption Policy	Director Corporate Services	New KPI	N/A	100 %	100 %	Stand-Alone	100 %	100%	G		100 %	100%	G		100 %	100%	G		100 %	100%	G		100 %	100%	G

Summary of Results: Community Services

KPI Not Yet Measured	0
KPI Not Met	0
KPI Almost Met	0
KPI Met	2
KPI Well Met	2
KPI Extremely Well Met	1
Total KPIs	5

Summary of Results

KPI Not Yet Measured	0
KPI Not Met	4
KPI Almost Met	6
KPI Met	30
KPI Well Met	13
KPI Extremely Well Met	14
Total KPIs	67

Report generated on 31 August 2018 at 08:31.

3.10.5 PERFORMANCE OF EXTERNAL SERVICE PROVIDERS

Section 46(1)(a) of the Municipal Systems Act, 2000 (Act 32 of 2000), provides that “A Municipality must prepare for each financial year a performance report reflecting

(a) the performance of the municipality and of each external service provider during that financial year”.

For purposes of this report, we have regarded external service providers as being all service providers with a contract of 12 months or longer and all organisations receiving a grant in aid to perform a service on behalf of the Municipality.

The performance of external service providers was measured and rated as follows:

- 1 : Very Poor
- 2 : Poor
- 3 : Acceptable
- 4 : Very Good
- 5 : Excellent

TABLE 155: EVALUATION OF SERVICE PROVIDERS

OFFICE OF THE MUNICIPAL MANAGER

DEPARTMENT	SERVICE PROVIDER	TERM OF CONTRACT	CONTRACT VALUE PER ANNUM	DESCRIPTION OF SERVICE / KEY PERFORMANCE AREAS	TARGETS	PERFORMANCE RATING					PERFORMANCE COMMENT	CORRECTIVE MEASURE
						Average	Q1	Q2	Q3	Q4		
Office of Municipal Manager	Ignite	July 2016- June 2019	R 180 000.00	Performance Management System	100% compliance with service level agreement	4	4	4	4	4	Service of a very high standard is delivered	N/A

CORPORATE SERVICES

DEPARTMENT	SERVICE PROVIDER	TERM OF CONTRACT	CONTRACT VALUE PER ANNUM	DESCRIPTION OF SERVICE / KEY PERFORMANCE AREAS	TARGETS	PERFORMANCE RATING					PERFORMANCE COMMENT	CORRECTIVE MEASURE
						Average	Q1	Q2	Q3	Q4		
Administrative Services	Telkom	July 2016 – June 2019	R 1 858 886.05	New Telephone system	100% compliance with service level agreement	3	3	3	3	3	Acceptable services rendered	None required
Administration	Municipal Network Services	1 July 2015 - 30 June 2018	R 379464,64	Radio Computer Network	100% compliance with service level agreement	3	3	3	3	3	Acceptable services rendered	None required
Administration	Konica Minolta	1 February 2015- 31 January 2018 & 1 October 2015 – 30 September 2018 & 1 November 2016 – 31 October 2019	R 95 290,08	Photocopiers	100% compliance with service level agreement	4	4	4	4	4	Very good service rendered	None required
Administration	Nashua	1 February 2018- 31 Jan 2021.	R 8 689.63	Photocopiers	100% compliance with service level agreement	4	4	4	4	4	Very good service rendered	None required

DEPARTMENT	SERVICE PROVIDER	TERM OF CONTRACT	CONTRACT VALUE PER ANNUM	DESCRIPTION OF SERVICE / KEY PERFORMANCE AREAS	TARGETS	PERFORMANCE RATING					PERFORMANCE COMMENT	CORRECTIVE MEASURE
						Average	Q1	Q2	Q3	Q4		
Administration	MTN (Only four contracts left that have to be transferred to Vodacom during 2018/19 financial year)	1 April 2016 – 31 December 2018	R 46 785.85	Cellphones	N/A	3	3	3	3	3	Service is acceptable, but can be improved.	Transversal tender of National Treasury were accepted and the new service provider will be Vodacom.
Administration	Vodacom	1 July 2018- 30 June 2019	R 571 842.80	Cellphones	N/A	3	3	3	3	3	Service is acceptable	None required
Administration	TGIS	1 March 2016-28 February 2019	R 591 427.93	Electronic Records and Document Management system	100% compliance with service level agreement	4	4	4	4	4	Very good service rendered.	None required
Human Resource	Payday	36 months	R128354,88 (licence fee)	Human Resource System including salary	100% compliance with service level agreement	4	4	4	4	4	Very good service rendered	None required

FINANCIAL SERVICES

DEPARTMENT	SERVICE PROVIDER	TERM OF CONTRACT	CONTRACT VALUE PER ANNUM	DESCRIPTION OF SERVICE / KEY PERFORMANCE AREAS	TARGETS	PERFORMANCE RATING					PERFORMANCE COMMENT	CORRECTIVE MEASURE
						AVERAGE	Q1	Q2	Q3	Q4		
Finance (Income)	Conlog	36 months	R 2.3m	Prepaid vending system	100% compliance with service level agreement	3	3	3	3	3	Acceptable	None required
Finance (Income)	NeoMeter	12 months	R 40 000,00	Meter reading system	100% compliance with service level	3	3	3	3	3	Acceptable	None required

Finance (Income)	Metgovis	12 months	R 70 000	Valuation system	100% compliance with service level agreement	3	3	3	3	3	Acceptable	None required
Finance (Income)	Fujitsu	12 months	R 70 000	Financial system	100% compliance with service level agreement	3	3	3	3	3	Acceptable	None required
Finance (Income)	Vesta Technical Services (Pty) Ltd	36 months	Up to R 2.5m per annum	Financial system	100% compliance with service level agreement	New	3	3	3	3	Acceptable	System still being developed and not all modules signed off
Finance (Income)	Total Geo-Spatial Information Solutions	36 months	R 180 000.00	Development of GIS for financial information	100% compliance with service level agreement	New	3	3	3	3	Acceptable	System still being developed and project 95% at year end.
Finance (Income)	G4S	36 months	R 384 000	Security & Cash- in Transit Transport	100% compliance with service level agreement	4	4	4	4	4	Very good	None required
Finance (Expenditure)	AON (Pty) Ltd	36 months	Up to R1.3m per annum	Insurance Brokers	100% compliance with service level agreement	New	4	4	4	4	Acceptable	None required
Finance (Expenditure)	Sage South Africa (Pty) Ltd	36 months	R 37 000	Asset Register Module	100% compliance with service level agreement	3	3	3	3	3	Acceptable	None required
Finance (Budget Office)	Siyanda Business Consulting	36 months	R 650 000	Accounting support	100% compliance with service level agreement	New	5	5	5	5	Excellent	None required

TECHNICAL SERVICES

DEPARTMENT	SERVICE	TERM OF	ESTIMATED	DESCRIPTION OF	TARGETS	PERFORMANCE RATING					PERFORMANCE	CORRECTIVE
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	PROVIDER	CONTRACT	CONTRACT VALUE/ ANNUM	SERVICE / KEY PERFORMANCE AREAS		AVERAGE	Q1	Q2	Q3	Q4		
Technical	Hiload Inyanga	2 Years	R 32,617 m	Construction of Porterville Wastewater Treatment Works	Construction according to specs and programme	4	4	4	4	4	Very good	None required
Technical	Water and Waste Consultants	2 Years	R 3,103 m	Professional Consulting Services	Design, Implementation, Contract Management, Completion	5	5	5	5	5	Excellent	None required
Technical	Maccaferri SA (Pty) Ltd	1 Year	R 184 654	Supply and delivery of Gabion Baskets and Reno Mattresses	Deliver products on time	4		4			Very good	None required
Technical	Take Note T/A Universal Trading	1 Year	R 1,213 m	Supply and delivery of pumps, sand filters, pipe works.	Deliver products on time	4		4	4		Very good	None required
Technical	Jonty Engineering	1 Year	R 199 375	Supply and delivery of Steel for Construction	Deliver products on time	4			4		Very good	None required
Technical	Neil Woodin Surveys	1 Year	R24 250	Topographical Survey GvWacht	Deliver products on time	5			5	5	Excellent	None required
Technical	Neil Lyners & Associates	3 Years	R 6 000 000	Professional Consulting Service	Design Implementation	5	5	5	5	5	Excellent	Non required
Technical	Landis and	3 Years	R 1 200 00	Suppliers of Prepaid meters		4	4	4	4	4	Very good	Non required
Technical	Colas	1 Year	± R 1000 000	Supply and delivery of Bituminous Products		5	5	4	5	5	Excellent	None required

DEPARTMENT	SERVICE PROVIDER	TERM OF CONTRACT	ESTIMATED CONTRACT VALUE/ ANNUM	DESCRIPTION OF SERVICE / KEY PERFORMANCE AREAS	TARGETS	PERFORMANCE RATING					PERFORMANCE COMMENT	CORRECTIVE MEASURE
						AVERAGE	Q1	Q2	Q3	Q4		
Technical	Martin&East	1 Year	±R100 000	Supply and delivery of Bituminous Products	Deliver products on time					4	Not used in Q2. Q4 Very good	None required
Technical	Condoprops	1 Year	± R 100 000	Supply and delivery of Premix	Deliver correct products on time	4	4	4	4	4	Very good	None required
Technical	Ikussa Chemicals	1 Year	± R 400 000	Supply and delivery of Water treatment chemicals	Deliver products on time	5	5	5	5	5	Very good	None required
Technical	Chlorcape	1 Year	± R 150 000	Supply and delivery of liquid chlorine	Deliver products on time	4	4	4	4	4	Very good	None required
Technical	Kemanzi	3 Years	± R 120 000	Supply and delivery of Aluminium Sulphate	Collecting recyclables on time and keep recycling area clean and neat. (Piketberg)	4	4	4	4	4	Very good	None required
Technical	West Coast Builders	1 Year	R 500 000	Supply and delivery of Road Materials		4	3	3	3	3	Acceptable	
Technical	Democratic Packaging	1 Year	R 1 000 000	Supply and delivery of Refuse Bags		4	4	4	4	4	Very good	
Technical	A.L. Abbott	1 Year	± R 700 000	Monitor and test WTW and WWTW to comply with SANS 241:2006	Deliver products on time	5	5	5	5	5	Very good	None required
Technical	Van Dyk Precast	1 Year	R 200 000	Supply and delivery of Concrete Products		5	5	5	5	5	Excellent	

DEPARTMENT	SERVICE PROVIDER	TERM OF CONTRACT	ESTIMATED CONTRACT VALUE/ ANNUM	DESCRIPTION OF SERVICE / KEY PERFORMANCE AREAS	TARGETS	PERFORMANCE RATING					PERFORMANCE COMMENT	CORRECTIVE MEASURE
						AVERAGE	Q1	Q2	Q3	Q4		
Technical	Take Note	1 Year	R 400 000	Supply domestic water meters and boxes		4	4	3	3	4	Very good	
Technical	Wasteman	3 Years	R1 600 000	Transport of refuse		4	4	4	4	4	Very good	
Technical	Piketberg Civils	3 Year	R 350 000	Collect, sort and sell recyclables		4	4	4	4	4	Very good	
Technical	IMQS	Sole supplier	0	Infrastructure Management Program						4		
Technical	Caddie	Sole Supplier	0	Infrastructure Management Program						4		
Technical	Synapsis	Sole supplier	0	Cemetery Booking Program						4		
Technical	West Coast District Municipality	Multi Years	± R 5 000 000	WSP – Velddrif Water	Supply potable water to Velddrif	4	4	4	3	4	Very good	None required

COMMUNITY SERVICES

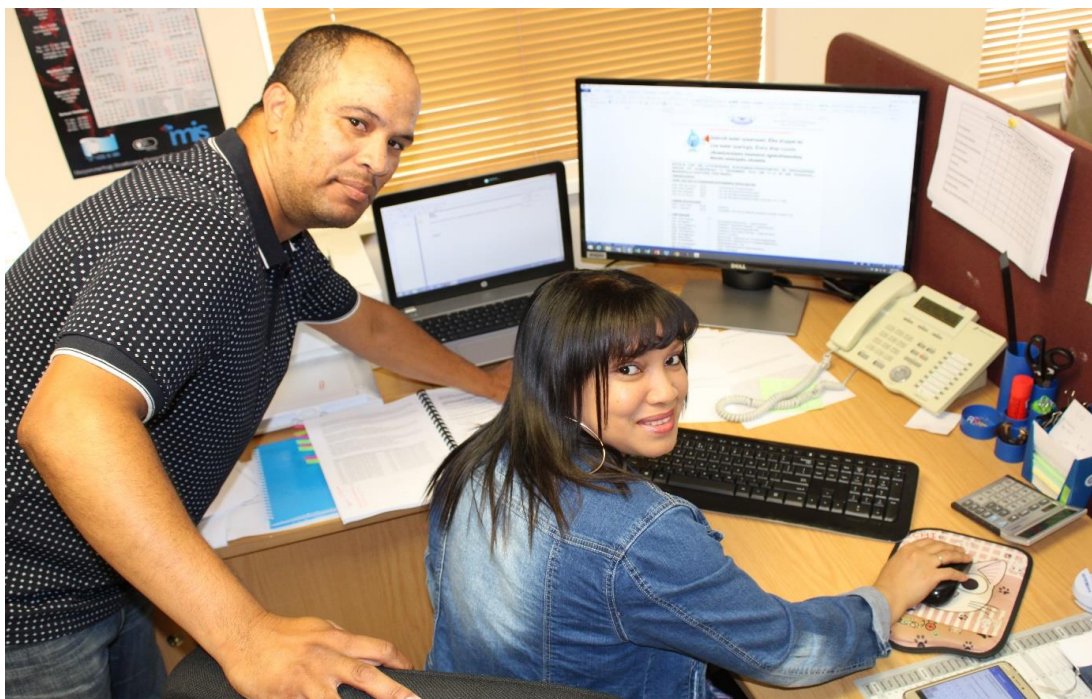
DEPARTMENT	SERVICE PROVIDER	TERM OF CONTRACT	ESTIMATED CONTRACT VALUE/ ANNUM	DESCRIPTION OF SERVICE / KEY PERFORMANCE AREAS	TARGETS	PERFORMANCE RATING					PERFORMANCE COMMENT	CORRECTIVE MEASURE
Community Services	Avalon Works	1 July 2015 – 30 June 2018	R28 028.00	Alarm system Stywelyne,& Dwarskersbos Beach Resort, Traffic Departments &		4	4	4	4	4	Very good service rendered	None required

DEPARTMENT	SERVICE PROVIDER	TERM OF CONTRACT	ESTIMATED CONTRACT VALUE/ ANNUM	DESCRIPTION OF SERVICE / KEY PERFORMANCE AREAS	TARGETS	PERFORMANCE RATING					PERFORMANCE COMMENT	CORRECTIVE MEASURE
Libraries												
Community Services	Multi Choice	5 December 2013 - Indefinite	R 86 209.04	DSTV at Stywelyne & Dwarskersbos Beach Resorts	4	4	4	4	4	4	Very good service rendered	None required
Community Services	Belstow	18 April – 30 June 2018	R 167 017.93	Provision of traffic law enforcement & speed measuring equipment	3	3	3	3	3	3	During last quarter we experienced some concerns. The following are concerns: <ul style="list-style-type: none"> • Speed enforcement cameras break on a regular basis. • Did not supply motor vehicle as per tender. Plate Recognition (ANPR) in 3 of our vehicles. 	Meeting with service provider was held during September 2017 to discuss all concerns. The service provider tabled their concerns and as a municipality we disagreed with their concerns. The municipality decides to let the contract run out.
Community Service	Velddrif Animal Care	1 July 2017- 30 June 2018	R 43 750	Animal Care	4	4	4	4	4	4	Very good service rendered	None required
Community Service	Piketberg Animal Clinic	1 July 2017- 30 June 2018	R 86 209.04	Animal Care	4	4	4	4	4	4	Very good service rendered	None required
Community Service	Bergrivier Veterinary	1 July 2017- 30 June 2018	R 1 709.35	Animal Care	4	4	4	4	4	4	Very good service rendered	None required
Community Service	Wesland Animal Clinic	1 July 2017- 30 June 2018	R 1 334.80	Animal Care	4	4	4	4	4	4	Very good service rendered	None required

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE



Employees from Bergvliet Municipality (Directorate Financial Services) at work under encouragement of the Manager: Supply Chain Services



The Head: Information Technology assisting staff with ICT matters

Photos provided

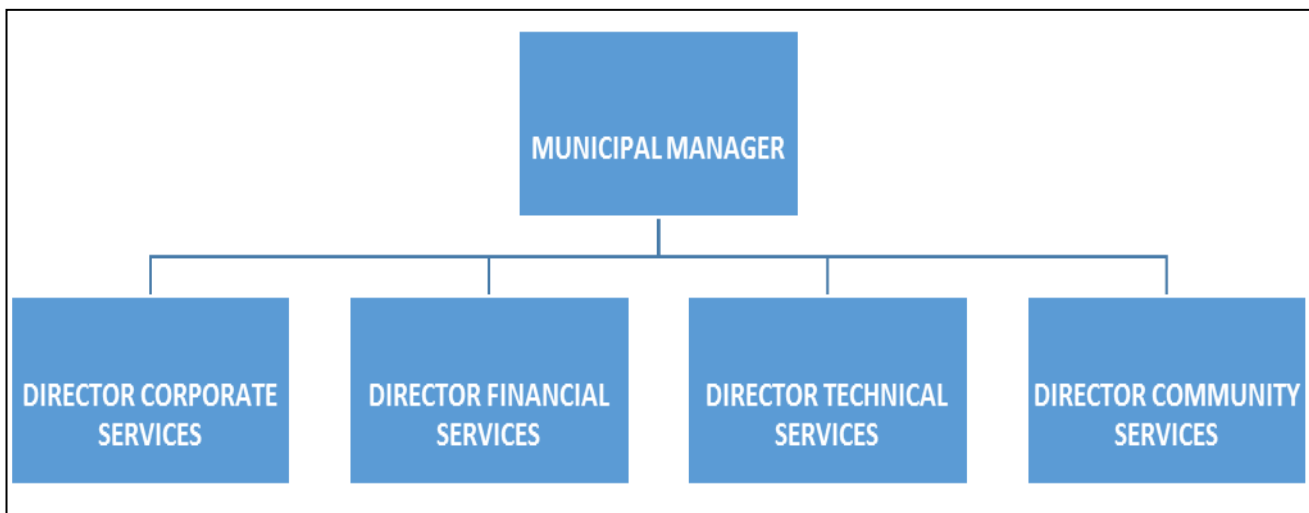
4.1 INTRODUCTION TO THE MUNICIPAL WORKFORCE

Section 67 of the Municipal Systems Act, 2000 (Act 32 of 2000) requires municipalities to develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration in accordance with the Employment Equity Act, 1998 (Act 55 of 1998).

4.1.1 STAFF ESTABLISHMENT

A new macro and micro structure was adopted by Council on 30 May 2017 and implemented from 1 July 2017. The total number of approved positions on the organogram consists of 566 posts. Out of the 566, only 438 posts were funded for the financial year 2017/2018. The figure below depicts the new macro structure.

FIGURE 22: NEW MACRO STRUCTURE



4.1.1.1 MANAGEMENT

The Municipal Manager is appointed on a fixed term contract in terms of Section 57 of the Municipal Systems Act and the Directors reporting to the Municipal Manager are appointed on permanent contracts. Employment contracts and performance agreements are in place for the Municipal Manager and all Directors reporting to the Municipal Manager.

The Municipal Manager's employment contract was extended on 03 October 2016 and renewed for another five years from August 2017 to August 2022. A new Chief Financial Officer was appointed by Council on 28 February 2017 with the commencement date of employment 01 April 2017. The position of Director Community Services was filled with effect from 1 September 2017.

TABLE 156: SENIOR MANAGEMENT TEAM

POSITIONS	FILLED AS AT 30 JUNE 2017	EMPLOYMENT CONTRACTS IN PLACE AS AT 01 JULY 2017	PERFORMANCE AGREEMENTS IN PLACE AS AT 30 JULY 2017
Municipal Manager	YES	YES	YES
Chief Financial Officer	YES	YES	YES
Director Community Services	No	YES (from 1 Sep 2017)	Yes (from 1 Sep 2017)
Director Corporate Services	YES	YES	YES
Director Technical Services	YES	YES	YES

4.1.1.2 WORKFORCE, VACANCIES AND TURNOVER

The municipality employed 378 employees at the end of the previous financial year and the total vacancy rate as on 30 June 2017, inclusive of funded positions, was 12.22 %. The vacancy rate for funded posts for the 2017/18 financial year is 13.70 %, which is higher than the 12.22 % during the previous financial year. The vacancy rate is carefully managed and strategically done as a saving mechanism and to fund temporary positions needed for operational requirements. The number of approved positions and the vacancy rate in the Municipality are reflected below.

TABLE 157: MONTHLY WORKFORCE AND VACANCY RATE

DESCRIP-TION	JUL '17	AUG '17	SEPT '17	OCT '17	NOV '17	DEC '17	JAN '18	FEB '18	MAR '18	APR '18	MAY '18	JUN '18
Total no. of approved permanent positions (Funded)	438	438	438	438	438	438	438	438	438	438	438	438
No. of permanent positions filled	389	385	389	390	388	390	388	378	378	382	378	378
No. of permanent positions funded	49	53	49	48	50	48	50	60	60	56	60	60
Vacancy rate	11,19 %	12,10 %	11,19 %	10,96 %	11,42 %	10,96 %	11,42 %	13,70 %	13,70 %	12,79 %	13,70 %	13,70 %

4.1.1.3 TURNOVER RATE

TABLE 158: TURNOVER RATE

FINANCIAL YEAR	TOTAL APPOINTMENTS AS AT 30 JUNE	TERMINATIONS DURING THE FINANCIAL YEAR	TURNOVER RATE
2015/2016	375	14	3.73 %
2016/2017	388	15	3.86 %
2017/2018	378	29	7.56 %

The total staff turnover rate for the financial year 2017/2018 is 7.56 %, compared to the turnover rate of the financial year 2016/2017 of 3.86 %. The staff turnover rate almost doubled from the previous two financial years and should be carefully monitored. Reasons for the increase in turnover must also be investigated. The following table indicates the number of approved (funded) positions, number of employees, number of vacancies and vacancy rate per Directorate and function:

TABLE 159: STAFF COMPLEMENT

DEPARTMENT	APPROVED POSTS (FUNDED) JUNE 2017	EMPLOYEES JUNE 2017	VACANCIES (FUNDED) JUNE 2017	% VACANCIES JUNE 2017		APPROVED POSTS (FUNDED) JUNE 2018	EMPLOYEES JUNE 2018	VACANCIES (FUNDED) JUNE 2018	% VACANCIES JUNE 2018
COUNCIL					COUNCIL				
Office of the Municipal Manager	6	6	0	0.00%	Office of the Municipal Manager	7	7	0	0.00%
Strategic Services	16	14	2	12.50%	Strategic Services	4	4	0	0.00%
FINANCIAL SERVICES					FINANCIAL SERVICES				
Finance	52	45	7	13.46%	Finance	51	48	3	5.88%
CORPORATE SERVICES					CORPORATE SERVICES				
Planning and Development	3	3	0	0.00%	Planning and Development	5	4	1	20.00%
Human Resources	6	5	1	16.67%	Human Resources	5	3	2	40.00%
Administration & IT Services	13	13	0	0.00%	Administration & IT Services	24	22	2	8.33%
					COMMUNITY SERVICES				
Libraries	31	30	1	3.23%	Libraries	33	27	6	18.18%
Traffic and Law Enforcement	24	22	2	8.33%	Traffic and Law Enforcement	21	20	1	4.76%
Recreation Resorts	16	16	0	0.00%	Recreation Resorts	14	14	0	0.00%
Community Services	1	1	0	0.00%	Community Services	7	2	5	71.43%

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Motor Licences and Testing	5	2	3	60.00%	Motor Licences and Testing	6	4	2	33.33%
TECHNICAL SERVICES									
Parks and Open Spaces	31	29	2	6.45%	Parks and Open Spaces	31	29	2	6.45%
Cemeteries	31	29	2	6.45%	Cemeteries	4	3	1	25.00%
Cemeteries	3	3	0	0.00%	Cemeteries (previously Technical Services)	0	0	0	0.00%
Sport Grounds & Swimming Pools	10	9	1	10.00%	Sport Grounds & Swimming Pools	10	10	0	0.00%
Housing	10	9	1	10.00%	Housing	3	1	2	66.67%
					TECHNICAL SERVICES				
Building Control	3	3	0	0.00%	Building Control	4	3	1	25.00%
Municipal Buildings	18	16	2	11.11%	Municipal Buildings	19	14	5	26.32%
Waste Management	51	42	9	17.65%	Waste Management	44	37	7	15.91%
Sanitation	14	14	0	0.00%	Sanitation	16	14	2	12.50%
Storm Water Management	4	4	0	0.00%	Storm Water Management	85	67	18	21.18%
Water	24	22	2	8.33%	Water	23	23	0	0.00%
Roads (info integrated with storm water)	87	66	21	24.14%	Roads (info integrated with storm water)	0	0	0	0.00%
Electricity	21	21	0	0.00%	Electricity	22	22	0	0.00%
TOTAL	480	424	56	11.67%		438	378	60	13.70%

4.1.2 EMPLOYMENT EQUITY

In terms of the Employment Equity Act, 1998 (Act 55 of 1998), Bergrivier Municipality is required to prepare and submit an annual review of the Employment Equity Plan. The Municipality approved a new Employment Equity Plan in March 2013 which is subject to annual reporting during October each year. The Employment Equity Plan is based on the demographics of the Western Cape.

The development of an Employment Equity Plan is a legislative obligation under the Employment Equity Act. The Plan provides a framework for the achievement of equity across the Municipality; it guides the inclusion of equity and access strategies as integral components of strategic planning.

The Municipality is strongly committed to the achievement of employment equity and equal opportunities for all employees. The Municipality is actively working towards creating and maintaining a fair and equitable working environment, free from all forms of discrimination and harassment. The Municipality is also proud of its diverse population of employees, and a major priority is to promote a workplace culture of inclusivity, where cultural diversity is respected and valued.

With the drafting of the employment equity plan in 2013, one of the challenges identified was the ability of the employer to attract suitably qualified black (African) candidates and people with disabilities for the remuneration offered by the employer, as well as the ability to transform the gender representation of the workforce, especially in the Technical Department where physically demanding work is required of incumbents.

The table below sets out the demographics of the Western Cape compared to the National demographics and is based on information of the “economically active population” (Refers to people between the ages of 15 and 65) as provided by Statistics South Africa.

TABLE 160: DEMOGRAPHIC PROFILE FOR PURPOSES OF EMPLOYMENT EQUITY

	SOUTH AFRICA	WESTERN CAPE	BERGRIVIER MUNICIPALITY
AFRICAN	78.0%	36.0%	4.1%
COLOURED	9.8%	48.7%	76.45%
INDIAN	2.8%	0.5%	0.00%
WHITE	9.5%	14.9%	19.3%

Community Survey Statistics South Africa 2016

4.2 MANAGING THE MUNICIPAL WORKFORCE

4.2.1 HUMAN RESOURCE POLICIES AND PLANS

The Human Resource Department has a number of policies and plans in place that are regulated by South African Bargaining Council Collective Agreements and South African Legislation.

Policies are not static documents and therefore have to be revised regularly. During the 2017/2018 period a process involving all stakeholders, namely employees, councillors and unions, was followed where the policies were reviewed and draft policies presented to Council. During the financial year 2017/2018, Council adopted the Recruitment and Selection Policy.

TABLE 161: APPROVED AND DRAFT HUMAN RESOURCE POLICIES

APPROVED POLICIES 2017/2018	DRAFT POLICIES 2017/2018
Leave Management Policy Subsistence & Travel Policy External Bursary Policy Placement Policy	Payroll Management and Administration Policy Labour Relations Policy Remuneration and Allowance Policy Smoking in the Workplace Policy Training and Development and Student Assistance Policy Vehicle and Equipment Policy Working Hours and Attendance Policy Private Work Policy

4.2.2 TERMINATIONS AND OCCUPATIONAL HEALTH AND SAFETY

4.2.2.1 TERMINATIONS

There were 29 terminations during the financial year and consisted of the following: Eleven resignations, eight retirements, one ill health/incapacity, five deceased and four absenteeisms that resulted in dismissals. The table below depicts the terminations as recorded:

TABLE 162: TERMINATIONS OF PERMANENT EMPLOYEES

REASON	July '17	Aug '17	Sept '17	Oct '17	Nov '17	Dec '17	Jan '18	Feb '18	Mar '18	Apr '18	May '18	Jun '18	TOTAL
Resignations	-	1	-	1	-	-	-	1	1	2	2	3	11
Retirement	-	-	-	-	1	2	2	-	-	-	1	2	8
Ill Health/ Incapacity	1	-	-	-	-	-	-	-	-	-	-	-	1
Deceased	-	-	-	-	2	1	-	-	-	-	-	2	5
Absenteeism	-	-	1	-	1	-	1	-	-	1	-	-	4
Total	1	1	1	1	4	3	3	1	1	3	3	7	29

4.2.2.2 OCCUPATIONAL HEALTH AND SAFETY

4.2.2.2.1 THE FUNCTIONING OF THE HEALTH AND SAFETY COMMITTEE

As at 30 June 2018 98 % of Health and Safety positions and Representatives were appointed for each workplace. The attendance of the Health and Safety Committee meetings exceeded 95 % during the financial year.

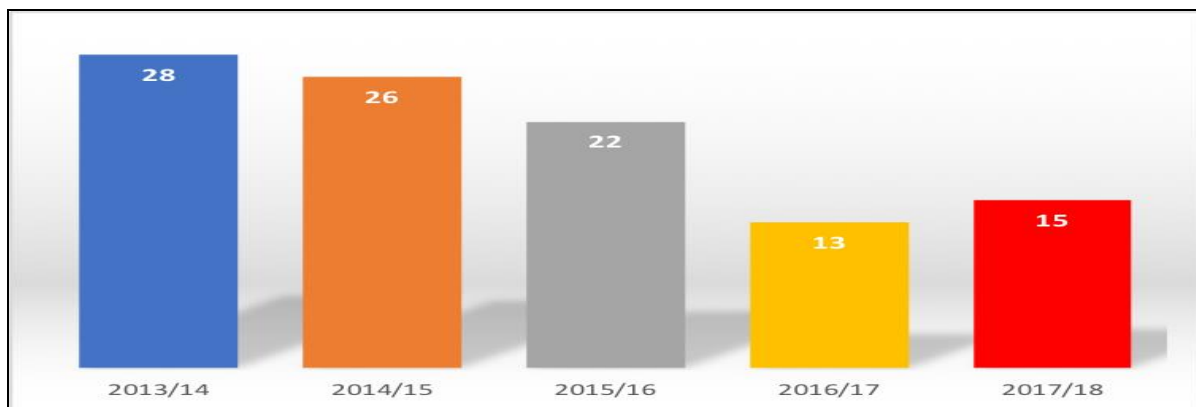


The Health and Safety of municipal staff is of paramount importance

4.2.2.2.2 REPORTABLE INCIDENTS

Fifteen (15) incidents occurred, this is an increase from the number of incidents (13) of the previous financial year. As indicated in the graph below, the Municipality was able to achieve the target and reduce the number of reportable incidents of 28 for the financial year 2013/14 to 15 reportable incidents for the financial year 2017/18.

FIGURE 23: INJURIES ON DUTY



4.2.2.2.3 REPORTABLE INJURIES PER TOWN

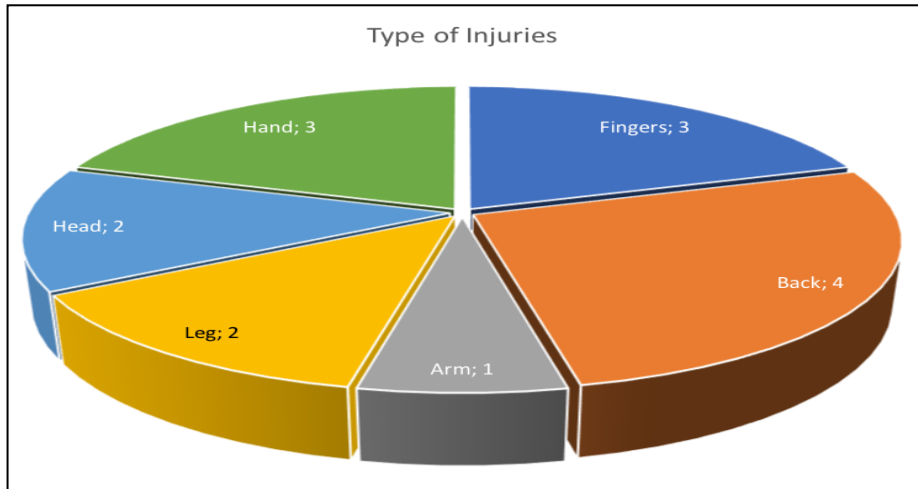
Of the fifteen (15) injuries reported eight (8) occurred in Piketberg, four (4) in Velddrif and three (3) in Porterville.

4.2.2.2.4 TYPES OF REPORTABLE INJURIES

The type of injuries that occurred are shown in the graph below. Most of the injuries were foot, back and

shoulder injuries.

FIGURE 24: TYPE OF INJURIES



4.2.3 ABSENTEEISM

The combined absenteeism rate for sick leave for the Municipal Workforce for the financial year 2017/2018 is shown in the table below:

TABLE 163: ABSENTEEISM

MONTH	No. of lost workdays due to sick leave	Average No. of employees	Average no. of workdays	Average No. of employees X average No of workdays	Absenteeism rate
July	280	389	20.75	8 071.75	3.47 %
August	297	385	20.75	7 988.75	3.72 %
September	275	389	20.75	8 071.75	3.41 %
October	215	390	20.75	8 092.5	2.66 %
November	302	388	20.75	8 051	3.75 %
December	180	390	20.75	8092.5	2.22 %
January	206	388	20.75	8 051	2.56 %
February	224	378	20.75	7 843.25	2.86 %
March	237	378	20.75	7 843.25	3.02 %
April	159	382	20.75	7 926.5	2.01 %
May	195	378	20.75	7 843.25	2.49 %
June	164	378	20.75	7 843.25	2.09 %
TOTALS	2 734	384	249	9 5719.75	2,86 %

The absenteeism rate increased from 2.51 % in the previous financial to 2,86 % for the period under review. The municipality needs to monitor the absenteeism of employees to ensure that it does not increase.

4.2.4 PERFORMANCE MANAGEMENT

Performance is evaluated in terms of relevant legislation and Bergrivier Municipality Performance Management Policy.

4.2.5 DISCLOSURE OF FINANCIAL INTERESTS

The Performance Management Regulations (Regulation 805 of 2006) require that Municipal officials and Councillors disclose their financial interests. The interests of Councillors, the Municipal Manager and Directors are set out in **APPENDIX 9**.

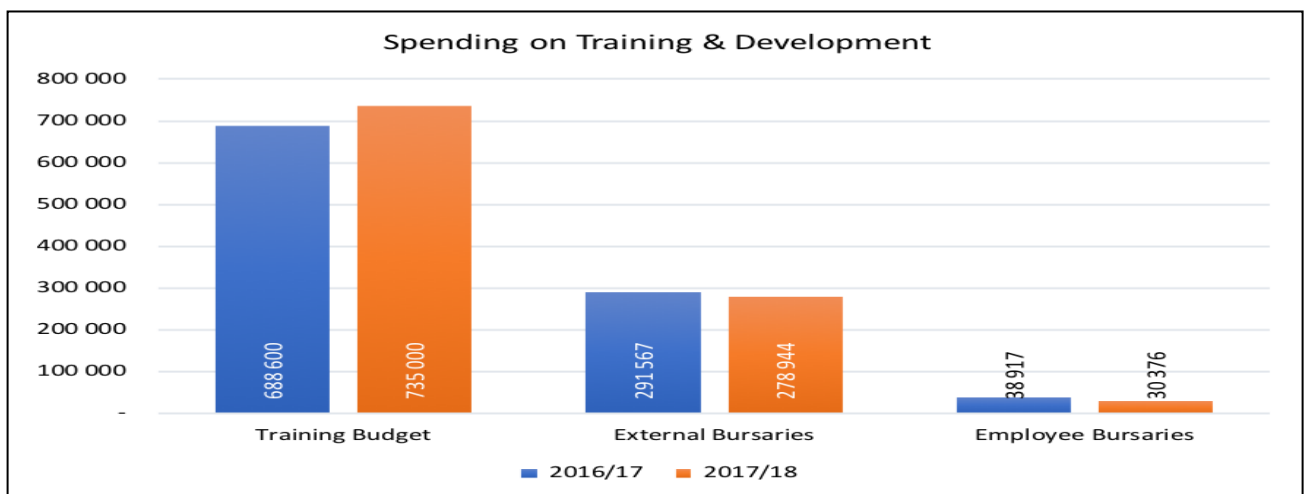
4.3 CAPACITATING THE MUNICIPAL WORKFORCE

4.3.1 SKILLS DEVELOPMENT AND TRAINING

Section 68(1) of the Municipal Systems Act, 2000 (Act 32 of 2000) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way. The Municipality has a Training Committee in place, which deals with matters concerning the training of Municipal Staff.

In order to empower its employees and enhance its human capital, the Municipality provides various learning and development opportunities for employees and councillors. The Workplace Skills Plan of the Municipality has been submitted to the Local Government SETA and annual implementation reports are submitted. The spending on training and development is shown in the graph below.

FIGURE 25: SPENDING ON TRAINING BUDGET





Signing of Workskills Development Plan by Employer (represented by Council) and Employee (represented by Management, HR and trade unions)

During the financial year 2017/2018 R 1 043 549 was spent on training and development of employees. The municipality spent R 313 936 on bursaries for employees and non-employees and R 729 613 on various skills interventions. The following training interventions took place during the financial year 2017/2018:

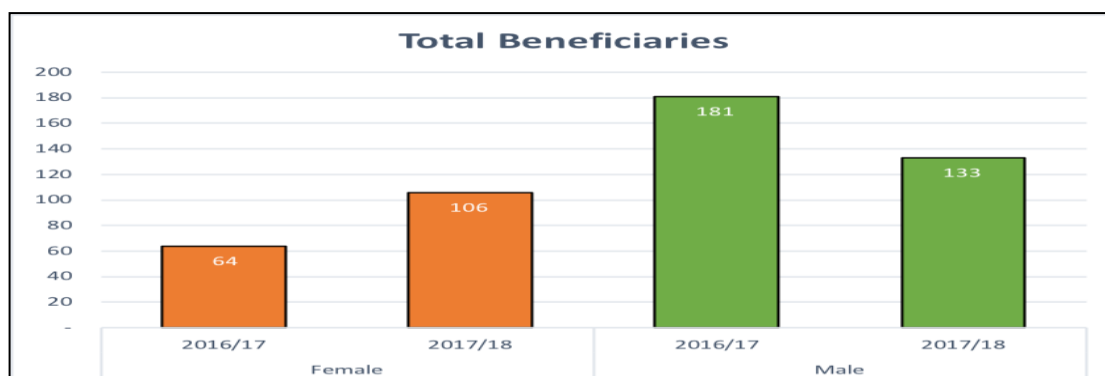
TABLE 164: TRAINING INTERVENTIONS

TYPE OF LEARNING INTERVENTION	NAME OF LEARNING INTERVENTION	NQF LEVEL	NUMBER TRAINED	
			FEMALE	MALE
Skills Programme	SAMTREC	5	0	1
Learnership	IDP Learnership	4	1	0
Learnership	Local Government Advance Accounting Certificate	3	3	2
Learnership	Local Government Accounting Certificate	4	4	1
Apprenticeship	Bricklayer	6	0	3
Apprenticeship	Plumbing	6	0	4
Skills Programme	Incident Investigation (Health and Safety)	2	7	36
Skills Programme	Cherry Picker	4	0	6
Skills Programme	Digger Loader	4	0	10
Short Course	Pay Day	4	4	2
Short Course	RPL Short Course in Administration	5	1	0

TYPE OF LEARNING INTERVENTION	NAME OF LEARNING INTERVENTION	NQF LEVEL	NUMBER TRAINED	
			FEMALE	MALE
Apprenticeship	Welding Apprenticeship	6	0	1
Short Course	Code 10 and 14 Learners and Drivers licences	4	0	13
Skills Programme	Client Services	2	12	0
Skills Programme	Handy Man	4	0	6
Skills Programme	Conflict Management	2	10	9
Short Course	Accounting (Grap/Budget)	5	2	3
Learnership	Internal Audit Learnership	6	1	0
Short Course	Tiling	4	0	5
Skills Programme	Microsoft Office: Word/Excel	4	23	12
Skills Programme	Occupational Health and Safety Reps	2	5	18
Skills Programme	Small Machinery (Brush cutter/Roller etc.)	4	11	0
Skills Programme	Minute Taking	2	10	0
Skills Programme	Supervisory Skills	2	11	1
Short Course	Grade L	4	1	0
		Total	106	133

A total of 239 beneficiaries received training during the 2017/18 financial year in comparison to 245 beneficiaries in the previous financial year. The number of female beneficiaries increased from 64 to 106 and the male beneficiaries decreased from 181 to 133. Training in terms of gender is shown in the graph below:

FIGURE 26: BENEFICIARIES OF TRAINING IN TERMS OF GENDER



4.3.2 REPORTING ON AND MONITORING MUNICIPAL MINIMUM COMPETENCY LEVELS

In terms of Section 14 (2) (b) of the Local Government: Municipal Financial Management Act and the Municipal Regulations on Minimum Competency (Nr. 29967), the municipality must record in its Annual Report the information on minimum competencies as at the end of 30 June 2017.

In terms of Section 83 (1) of the Municipal Financial Management Act, the Accounting Officer, Senior Managers, the Chief Financial Officer, Non-Financial Managers and other Financial Officials of a Municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act. As prescribed by National Treasury, such financial management competencies were promulgated in Government Notice 493 dated 15 June 2007.

The following is a summary of the officials who are competent as at 30 June 2018 in the minimum competency levels:

TABLE 165: MINIMUM COMPETENCY LEVELS

NO	NAME OF EMPLOYEE	OCCUPATION	IDENTITY NUMBER	DATE OF COMPLETION
1	Hanlie Linde	Municipal Manager	700411 0082 083	October 2012
2	Hendrik Kröhn	Director Technical Services	630903 5054 088	August 2012
3	Gerard Goliath	Director Financial Services	810819 5150 084	September 2015
4	Johan William Kotzee	Director Corporate Services	670316 5007 082	September 2013
5	Dean Josephus	Director: Community Services	690417 5211 082	November 2016
6	Andries Wessel Rheeder	Manager: Administration Services	720707 5236 087	October 2013
7	Werner Wagener	Manager: Planning & Development	740923 5005 085	October 2013
8	Martin Crous	Manager: Income	720730 5228 086	May 2011
9	John-Peter Sass	Manager: Budget & Treasury Office	691028 5228 080	August 2012
10	Jacob Breunissen	Manager: Civil Services	621231 5108 089	October 2013
11	Jurene Erasmus	Internal Auditor	880111 0167 080	October 2014
12	Andre Pereira (Retired 30 June 2017)	Head: Supply Chain and Assets	570405 5098 083	August 2012
13	Lene Louw	Accountant: Budget and Treasury Office	870205 0071 086	August 2012
14	Erasmus Bothma	Head: Civil Services (PV)	670324 5051 084	December 2015
15	Leon Gouws	Head: Civil Services (VD)	631030 5054 087	December 2015
16	Angelique Louw	Manager: Human Resource Services	810504 0059 080	November 2016
17	Alletta Van Sittert	Manager: Strategic Services	601128 0087 082	November 2016
18	Elorese Scholtz	Accountant: Supply Chain Management	841120 0149 087	November 2016

NO	NAME OF EMPLOYEE	OCCUPATION	IDENTITY NUMBER	DATE OF COMPLETION
19	Jackie Strümpher	Head: Civil Services (PB)	700109 5097 086	November 2016
20	Shane Lesch	Head: IT & Records	821117 5088 082	November 2016
21	Abelia Lawrence	Head: Housing	660309 0190 088	November 2016
22	Israel Benno John Saunders	Head: Supply Chain Management	6808055101083	24/2/2014
23	Nelmarie Bothma	Manager: Supply Chain Management	6202170091082	20/07/2011

4.4 WORKFORCE EXPENDITURE

Section 66 of the Local Government: Municipal Finance Management Act (MFMA) states that the Accounting Officer of a Municipality must, in a format and for periods as may be prescribed, report to Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, as per type of expenditure.

The Municipality's employee costs for 2017/18 totalled an amount of R 111 580 828.00. This constitutes 38.30 % of the total operational expenditure and is an increase from the previous year's 36.96 %. No appointments are made unless the positions are funded and vacant on the staff establishment. In order to obtain value for money from workforce expenditure, the mandate for appointment is to appoint the candidate on the minimum notch of the scale unless motivation exists for appointment on a higher notch.

CHAPTER 5 FINANCIAL PERFORMANCE



Velddrif/Laaipek: A Beautiful Small Active Harbour

Photographer Unknown: Photo provided

5.1 STATEMENTS OF FINANCIAL PERFORMANCE AND POSITION

5.1.1 STATEMENTS OF FINANCIAL PERFORMANCE

The following table provides a summary of the Municipality's financial performance as at 30 June 2018:

TABLE 166: SUMMARY OF FINANCIAL PERFORMANCE

Description	Budget Year 2017/18				
	Original Budget	Budget Adjustments	Final Budget	Actual Outcome	Budget Variance
R thousands					
Revenue By Source					
Property rates	62 946	2 500	65 446	62 606	(2 839)
Service charges - electricity revenue	108 363	(4 229)	104 134	94 502	(9 631)
Service charges - water revenue	28 923	(7 382)	21 541	19 308	(2 232)
Service charges - sanitation revenue	11 497	1 100	12 597	12 070	(526)
Service charges - refuse revenue	19 136	1 148	20 285	19 742	(543)
Rental of facilities and equipment	274	718	992	5 319	4 327
Interest earned - external investments	4 973	(147)	4 826	6 729	1 903
Interest earned - outstanding debtors	4 120	-	4 120	5 275	1 155
Fines, penalties and forfeits	10 021	(1 667)	8 354	7 098	(1 255)
Licences and permits	10	-	10		(10)
Agency services	3 819	152	3 972	4 016	44
Transfers and subsidies	61 021	(363)	60 657	48 799	(11 858)
Other revenue	6 573	664	7 237	7 850	612
Gains on disposal of PPE	-	-	-	566	566
Total Revenue (excluding capital transfers and contributions)	321 681	(7 505)	314 175	293 885	(20 290)
Expenditure By Type					
Employee related costs	119 261	(6 442)	112 819	111 580	(1 238)
Remuneration of councillors	5 670	270	5 940	5 822	(118)
Debt impairment	12 444	1 318	13 762	12 265	(1 497)
Depreciation & asset impairment	19 902	946	20 848	20 439	(409)
Finance charges	12 299	856	13 155	12 834	(321)
Bulk purchases	83 555	(6 700)	76 855	77 802	947
Other materials	11 071	240	11 311		(11 311)
Contracted services	29 476	552	30 028		(30 028)
Transfers and subsidies	4 398		4 398	4 150	(248)
Other expenditure	30 593	1 440	32 033	46 294	14 261
Total Expenditure	328 673	(7 517)	321 155	291 190	(29 965)
Surplus/(Deficit)	(6 991)	11	(6 979)	2 695	9 674
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	14 023	985	15 008	14 950	(57)
Transfers and subsidies - capital (in-kind - all)		1 893	1 893	1 893	
Surplus/ (Deficit) for the year	7 031	2 890	9 922	19 539	9 617

Audited Annual Financial Statements 2017/18

TABLE 167: FINANCIAL PERFORMANCE OF OPERATIONAL SERVICE

Vote Description R thousand	Budget Year 2017/18					
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance
Revenue by Vote						
Vote 1 - Municipal Manager	26 917	26 880	26 781	26 880	(99)	0%
1.1 - Mayor and Council	-	-	-	-	-	
1.2 - Municipal Manager	26 298	26 298	26 361	26 298	62	0%
1.3 - Economic Development/Planning	619	582	420	582	(162)	-28%
1.4 - Internal Audit	-	-	-	-	-	
Vote 2 - Finance	73 460	76 790	77 944	76 790	1 155	2%
2.1 - Finance	73 460	76 790	77 944	76 790	1 155	2%
2.2 - Budget and Treasury Office	-	-	-	-	-	
2.3 - Supply Chain Management	-	-	-	-	-	
2.4 - Director: Finance Services	-	-	-	-	-	
Vote 3 - Corporate Services	2 558	1 855	1 330	1 855	(525)	-28%
3.1 - Planning and Development	2 066	1 364	1 271	1 364	(92)	-7%
3.2 - Human Resources	482	482	55	482	(428)	-89%
3.3 - Information Technology	-	-	-	-	-	
3.4 - Administrative and Corporate Support	9	9	4	9	(5)	-51%
3.5 - Director: Corporate Services	-	-	-	-	-	
Vote 4 - Technical Services	195 948	188 294	175 774	188 294	(12 520)	-7%
4.1 - Building Control	-	802	1 193	802	390	49%
4.2 - Project Management Unit	936	936	714	936	(222)	-24%
4.3 - Property Services	692	762	872	762	111	15%
4.4 - Director: Technical Services	-	-	-	-	-	
4.5 - Solid Waste Removal	23 539	25 152	24 518	25 152	(634)	-3%
4.6 - Street Cleaning	-	-	-	-	-	
4.7 - Sewerage	28 165	29 265	28 959	29 265	(306)	-1%
4.8 - Waste Water Treatment	-	-	-	-	-	
4.9 - Storm Water Management	-	-	-	-	-	
4.10 - Water Distribution	30 871	23 489	21 256	23 489		
4.11 - Water Treatment	-	-	-	-	-	
4.12 - Roads	1 836	1 836	1 786	1 836		
4.13 - Electricity	109 911	106 053	96 476	106 053		
4.14 - Street Lighting	-	-	-	-	-	
Vote 5 - Community Services	36 822	37 258	23 639	37 258	(13 620)	-37%
5.1 - Director: Community Services	-	-	-	-	-	
5.2 - Libraries and Archives	6 487	6 628	6 597	6 628	(32)	0%
5.3 - Community Halls and Facilities	73	144	192	144	47	33%
5.4 - Cemeteries	326	326	350	326	24	7%
5.5 - Housing (Core)	11 860	40	-	40	(40)	-100%
5.6 - Housing (Non-Core)	-	11 820	-	11 820	(11 820)	-100%
5.7 - Traffic Control	9 828	8 158	6 475	8 158	(1 683)	-21%
5.8 - Fire Fighting and Protection	5	1 760	1 755	1 760	(5)	0%
5.9 - Community Parks	-	-	-	-	-	

Vote Description	Budget Year 2017/18						
	R thousand	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance
5.10 - Sports Grounds and Stadiums	-	-	-	-	-		
5.11 - Swimming Pools	4 423	14	4	14			
5.12 - Holiday Resorts	-	4 383	4 225	4 383			
5.13 - Holiday Resorts (old)	-	-	-	-			
5.14 - Holiday Resorts (PW Koorts)	-	13	15	13			
5.15 - Road and Traffic Regulation	3 820	3 972	4 016	3 972	44	1%	
Total Revenue by Vote	335 705	331 077	305 469	331 077	(25 609)	-8%	
Expenditure by Vote					-		
Vote 1 - Municipal Manager	23 474	23 014	20 832	23 014	(2 181)	-9%	
1.1 - Mayor and Council	5 457	7 037	6 882	7 037	(156)	-2%	
1.2 - Municipal Manager	9 116	9 324	9 113	9 324	(211)	-2%	
1.3 - Economic Development/Planning	5 508	5 244	3 410	5 244	(1 834)	-35%	
1.4 - Internal Audit	3 393	1 408	1 428	1 408	20	1%	
Vote 2 - Finance	15 685	27 621	27 247	27 621	(374)	-1%	
2.1 - Finance	16 316	22 607	22 228	22 607	(379)	-2%	
2.2 - Budget and Treasury Office	(424)	1 799	1 695	1 799	(103)	-6%	
2.3 - Supply Chain Management	(207)	1 590	1 781	1 590	191	12%	
2.4 - Director: Finance Services	-	1 626	1 543	1 626	(83)	-5%	
Vote 3 - Corporate Services	30 139	28 162	21 423	28 162	(6 738)	-24%	
3.1 - Planning and Development	6 571	3 949	3 771	3 949	(178)	-5%	
3.2 - Human Resources	12 069	12 083	6 104	12 083	(5 978)	-49%	
3.3 - Information Technology	1 315	2 956	2 802	2 956	(154)	-5%	
3.4 - Administrative and Corporate Support	10 184	7 550	7 102	7 550	(448)	-6%	
3.5 - Director: Corporate Services	-	1 624	1 644	1 624	20	1%	
Vote 4 - Technical Services	200 708	184 439	176 473	184 439	(7 966)	-4%	
4.1 - Building Control	-	1 853	1 675	1 853	(178)	-10%	
4.2 - Project Management Unit	1 748	1 710	1 662	1 710	(48)	-3%	
4.3 - Property Services	7 868	7 334	6 199	7 334	(1 136)	-15%	
4.4 - Director: Technical Services	-	1 568	1 521	1 568	(47)	-3%	
4.5 - Solid Waste Removal	20 857	20 454	20 186	20 454	(268)	-1%	
4.6 - Street Cleaning	2 492	2 467	2 978	2 467	510	21%	
4.7 - Sewerage	10 547	8 182	4 699	8 182	(3 483)	-43%	
4.8 - Waste Water Treatment	766	3 157	3 092	3 157	(66)	-2%	
4.9 - Storm Water Management	797	1 134	925	1 134	(209)	-18%	
4.10 - Water Distribution	19 972	16 361	15 764	16 361			
4.11 - Water Treatment	1 757	2 529	2 479	2 529			
4.12 - Roads	23 804	25 157	23 799	25 157			
4.13 - Electricity	108 905	91 582	90 504	91 582			
4.14 - Street Lighting	1 198	949	992	949	43	5%	
Vote 5 - Community Services	58 667	57 920	40 067	57 920	(17 853)	-31%	
5.1 - Director: Community Services	-	1 136	1 072	1 136	(64)	-6%	
5.2 - Libraries and Archives	6 900	6 621	6 157	6 621	(464)	-7%	
5.3 - Community Halls and Facilities	1 615	1 010	754	1 010	(256)	-25%	

Vote Description	Budget Year 2017/18					
	R thousand	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance
5.4 - Cemeteries	605	670	629	670	(41)	-6%
5.5 - Housing (Core)	14 480	1 332	1 016	1 332	(316)	-24%
5.6 - Housing (Non-Core)	–	11 859	18	11 859	(11 841)	-100%
5.7 - Traffic Control	19 449	17 502	14 082	17 502	(3 420)	-20%
5.8 - Fire Fighting and Protection	1 283	1 486	1 343	1 486	(143)	-10%
5.9 - Community Parks	6 244	6 226	6 757	6 226	530	9%
5.10 - Sports Grounds and Stadiums	–	2 547	1 774	2 547		
5.11 - Swimming Pools	6 632	719	511	719		
5.12 - Holiday Resorts	–	5 274	4 714	5 274		
5.13 - Holiday Resorts (old)	–	–	–	–		
5.14 - Holiday Resorts (PW Koorts)	–	33	3	33		
5.15 - Road and Traffic Regulation	1 459	1 503	1 236	1 503	(267)	-18%
Total Expenditure by Vote	328 673	321 155	286 043	321 155	(35 113)	(0)
Surplus/ (Deficit) for the year	7 032	9 922	19 426	9 922	9 504	0

Audited Annual Financial Statements 2017/18

5.1.2 FINANCIAL GRANTS

The Municipality received the following operating transfers and grants during the 2017/18 financial year:

TABLE 168: OPERATING GRANTS AND TRANSFERS

Description	Budget Year 2017/18		
	Original Budget	Adjusted Budget	YearTD actual
R thousands			
RECEIPTS:			
Operating Transfers and Grants			
National Government:	41 999	41 964	42 023
Local Government Equitable Share	37 144	37 144	37 144
Finance Management	800	800	800
Integrated National Electrification Programme (Municipal) Grant	–	46	46
EPWP Incentive	1 601	1 601	1 601
Municipal Infrastructure (MIG)	2 454	2 374	2 431
Provincial Government:	18 540	18 254	6 389
CDW - Operational Support Grant	37	–	–
Library Services	2 500	2 500	2 500
Maintenance of Proclaimed Roads	100	100	76
Library Service: Replacement Funding For Most Vulnerable B3 Municipalities	3 843	3 553	3 553
Finance Management	240	240	220
Housing	11 820	11 820	–
Western Cape Financial Management Support Grant		41	41
Other grant providers:	482	440	388
SETA	482	–	55
Heist op den Berg		440	333

Description	Budget Year 2017/18		YearTD actual
	Original Budget	Adjusted Budget	
Total Operating Transfers and Grants	61 021	60 658	48 799
Capital Transfers and Grants			
National Government:	13 023	13 429	13 371
Municipal Infrastructure (MIG)	12 273	12 353	12 296
Integrated National Electrification Programme (Municipal) Grant	–	325	325
Finance Management	750	750	750
Provincial Government:	1 000	1 579	1 579
Library Services		290	290
Western Cape Financial Management Support Grant		289	289
Regional Socio - Economic Project/Violence Prevention through Urban Upgrading	1 000	1 000	1 000
Total Capital Transfers and Grants	14 023	15 008	14 950
TOTAL RECEIPTS OF TRANSFERS & GRANTS	75 044	75 666	63 750

Audited Annual Financial Statements 2017/18

The following transfers and grants that the Municipality received during the 2017/18 financial year were utilized as follows:

▲ **Finance Management Grant (National Government)**

R 1 550 000 was received for the 2017/18 financial year. R 800 000 was spent on operational expenses and R 750 000 was spent on capital expenses. The operational expenses included intern salaries, assistance with the compilation and review of the financial statements, addressing audit queries and training for staff of the Finance Department. The capital expenses were earmarked for the upgrading of the financial system to implement a mSCOA compliant financial system by 1 July 2017 and the continued development of the system to ensure full compliance.

▲ **Municipal Infrastructure Grant (MIG)**

The original grant for 2017/18 was R 14 727 000 and no re-allocations took place during the financial year as it relates to Bergrivier municipality. During the year the full allocation amount of R 14 727 000 was spent with the majority of the capital expenditure relating to the Upgrade of the Porterville Wastewater Treatments Works in the amount of R14 040 817.00. a further capital expenditure amount of R 24 239 (VAT incl) was spent on Equipment for the Project Management Unit (PMU); and lastly an amount of R 661 944 for the operational expenditure of the PMU office.

▲ **Western Cape Finance Management Support Grant (Provincial Government)**

An allocation of R 330 000 for the 2017/18 financial year was received and spent for the further implementation of the mSCOA financial system specifically relating to Software Licensing and third party integration.

▲ EXTENDED PUBLIC WORKS PROGRAMME EPWP)

R 1 601 000 was received and the funds were utilised to create temporary job opportunities for unemployed persons.

▲ COMMUNITY DEVELOPMENT WORKER (CDW)

The unspent balance of R 13 947 as at 30 June 2017 has not been spent nor returned to Provincial Government. The Community Development Worker is no longer employed by the municipality.

▲ Library Services Grant

R 6 343 000 was received from Provincial Government and the funds were used to deliver library services for 14 libraries in our area and included the salaries of temporary workers. R 290 000 of this grant was used for capital projects which included a book detector system, shelves and the upgrading of the Porterville & Bettie Julius Libraries.

▲ Integrated National Electrification

The unspent grant of 2016/2017 amounted to R 371 484 and was approved to be rolled-over to 2017/18. These funds were utilised for Bulk Service upgrade to the Laaiplek Sandlilie 137 serviced sites project in Velddrif.

▲ Regional Socio-Economic Project / Violence Prevention through Urban Upgrading

An allocation of R 1 000 000 was received in the 2017/18 financial year and was used to extend Calendula Street with the intention of uniting the communities of Piketberg with easier access to the Central Business District.

5.1.3 ASSET MANAGEMENT

The asset base of the Municipality is integral to the municipality's ability to provide services to the community in terms of its constitutional mandate such as provision of water, electricity, sanitation and maintenance of roads. It is the duty of the municipality in terms of its asset management policy to ensure that assets are safeguarded and maintained so that they are operating in the manner intended for its use, and are not unproductive or idle.

Assets that are unproductive, idle or not operating in the manner intended or to sufficient capacity are assessed on an ongoing basis for impairment, and written off and replaced where applicable. Assets are managed and maintained by the Directorate under which they resort and provision is made under their respective operational budgets for maintenance over the life cycle of the asset. The Asset Unit within Financial Services is responsible for maintaining the asset register, annual asset counts, capturing of newly acquired assets on the asset register and the removal of obsolete or written off assets from the asset register.

During the 2017/18 financial year an auction of redundant and obsolete assets was held and yielded proceeds in the amount of R 783 600.00.

The following table indicates the three largest assets acquired during 2017/18.

TABLE 169: TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED DURING THE FINANCIAL YEAR

PROJECT DESCRIPTION	2017/18 ADJUSTMENT BUDGET	2017/18 ACTUAL	% SPENT
PV WWTW Refurbishment and Upgrade	12 316 728	12 316 726	100.00%
Reseal/Construction of streets	1 650 000	1 628 594	98.70%
Upgrade water infrastructure	1 750 000	1 254 317	71.67%
	15 716 728	15 199 637	96.71%

Audited Annual Financial Statements 2017/18

5.2 FINANCIAL RATIOS AND INDICATORS

Municipalities make use of a number of operating ratios and indicators to enable them to benchmark their financial performance. The following are of particular importance:

5.2.1 CURRENT RATIO

The current ratio is calculated on the basis of current assets divided by current liabilities. The current ratio is a measure of the ability of the Municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the Municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a current ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. The Municipality's liquidity ratio showed a vast improvement from the previous financial years and can be attributed to the increase in cash and investments. During 2015/16, Bergrivier Municipality had the third best current ratio in the Western Cape at 3.12:1. This ratio further increased to 3.20:1 at the end of 2016/17 and 3.78:1 at the end of the 2017/18 financial years.

TABLE 170: CURRENT RATIO

YEAR	CURRENT ASSETS	CURRENT LIABILITIES	RATIO
2015/2016	138 939 791	44 547 747	311.89%
2016/2017	163 237 217	50 751 285	321.64 %
2017/2018	169 480 905	44 793 286	378.36%

5.2.2 COST COVERAGE

The cost coverage ratio is the ratio of the available cash plus investments divided by monthly fixed operational expenditure. The ratio indicates the municipality's ability to meet at least its monthly fixed operational commitments from cash and short term investments without collecting any additional revenue during that month. The norm ranges between 1 to 3 months. It implies that the more cash reserves the municipality has available, the lower the risk of it being unable to fund monthly fixed operational expenditure and to continue rendering services. The Municipality's cost coverage ratio showed an improvement from the previous financial years from 3.1 in 2015/16 to 3.22 months in the 2016/17 and eventually to 3.61 months in the 2017/18 financial year.

TABLE 171: COST COVERAGE RATIO

YEAR	AVAILABLE CASH + INVESTMENTS	MONTHLY FIXED OPERATIONAL EXPENDITURE	RATIO
2015/2016	64 535 368	23 315 878	2.77 times
2016/2017	81 635 059	20 386 869	4 times
2017/2018	77 736 494	21 540 469	3.61 times

5.2.3 SERVICE DEBTORS TO REVENUE

The service debtor to revenue ratio is the percentage outstanding debtors to annual revenue. The Municipality's outstanding service debtors to revenue showed an increase from the previous year.

TABLE 172: OUTSTANDING SERVICE DEBTORS TO REVENUE RATIO

YEAR	TOTAL OUTSTANDING SERVICE DEBTORS	ANNUAL REVENUE RECEIVED FOR SERVICES	RATIO
2015/2016	45 013 619	140 151 881	32.12%
2016/2017	53 361 832	149 250 118	35.75 %
2017/2018	62 892 937	145 624 075	43.19 %

5.2.4 DEBT COVERAGE

TABLE 173: DEBT COVERAGE RATIO

YEAR	TOTAL OPERATING REVENUE- OPERATING GRANTS	DEBT SERVICE PAYMENTS DUE WITHIN FINANCIAL YEAR	RATIO
2015/2016	249 200 253	9 056 662	27.53 times
2016/2017	277 035 144	10 822 191	25.60 times

YEAR	TOTAL OPERATING REVENUE- OPERATING GRANTS	DEBT SERVICE PAYMENTS DUE WITHIN FINANCIAL YEAR	RATIO
2017/2018	284 123 540	11 514 728	24.67 times

5.2.5 CREDITOR SYSTEM EFFICIENCY

Creditor's systems efficiency is based on the % of creditors paid within 30 days as required by Section 65 (e) of the Municipal Finance Management Act, 2003 (Act 56 of 2003). The Municipality's creditor efficiency rate is 95 %, and has remained constant over the last 3 years.

5.2.6 CAPITAL CHARGES TO OPERATING EXPENDITURE

The Capital Charges to Operating Expenditure ratio is a percentage of interest and principal debt paid divided by operating expenditure. The Municipality's capital charges to expenditure have shown a continued decrease from the previous year.

TABLE 174: CAPITAL CHARGES TO OPERATING EXPENDITURE RATIO

YEAR	INTEREST + PRINCIPLE PAID	OPERATING EXPENDITURE	RATIO
2015/2016	9 743 663	254 102 741	3.83 %
2016/2017	10 010 121	276 620 373	3.62 %
2017/2018	10 801 513	291 303 429	3.71 %

5.2.7 EMPLOYEE COSTS

Employee costs are calculated as a percentage of total operating expenditure. The Municipality's employee cost ratio showed an increase from the previous year from 36.96 % in 2016/17 to 38.30% in the current 2017/18 financial year. The increase was attributed to filling of new and vacant posts that were not filled in 2016/17 due to the restructuring process. The staff budget would have to be carefully managed to remain within Treasury norms.

TABLE 175: EMPLOYEE COST RATIO

YEAR	EMPLOYEE COSTS	OPERATING EXPENDITURE	RATIO
2015/2016	95 281 118	254 102 741	37.50 %
2016/2017	102 241 763	276 620 373	36.96 %
2017/2018	111 580 828	291 303 429	38.30 %

5.2.8 REPAIRS AND MAINTENANCE

Repairs and Maintenance costs are calculated as a percentage of the Municipality's total operating

expenditure. It must be noted that employee and transport costs are not included in expenditure as the Municipality does not have a costing system. This ratio indicates whether sufficient provision is made, in respect of repairs and maintenance for property, plant and equipment. One of the Municipality's development priorities is to maintain our existing infrastructure in a good state of repair to prevent unnecessary capital outlay in the future. The Municipality's repairs and maintenance ratio showed an decrease from the previous year.

TABLE 176: REPAIRS AND MAINTENANCE RATIO

YEAR	REPAIRS AND MAINTENANCE	OPERATING EXPENDITURE	RATIO
2015/2016	8 086 388	254 102 741	3.18 %
2016/2017	8 754 887	276 620 373	3.16 %
2017/2018	7 502 527	291 303 429	2.58 %

5.2.9 DEBT RECOVERY RATE

The Municipality's debt recovery rate for 2017/18 is 91.74 % which is a decrease from the previous year's 95.3 %. The debt recovery rate is based on the last 12 months receipts divided by the last 12 months billing. Debt recovery is deemed a priority and the Municipality will be investigating alternative debt collection methods and implement a revenue management action plan during 2018/19. The decline could be attributed to a decline in the economic environment as well as a reduced amount of legal handover of arrear debtors due to a change in the financial system.

5.3 SPENDING AGAINST CAPITAL BUDGET

5.3.1 CAPITAL EXPENDITURE

The original capital budget for 2017/18 was R 31 319 500. During the adjustment budget, this amount increased to R 34 210 934. The increase on the capital budget was attributable to the R 1.75 million contribution of a fire truck from Western Cape Provincial Government. There were also rollover of 2016/17 grants approved that were subsequently included in the 2017/18 adjustment budget as well as new grants of R 330 000 from WC Financial Management Grant (FMG) for the mSCOA project. The total capital expenditure for the year was R 31 376 854.

5.3.2 SOURCES OF FINANCE

The Municipality's major sources of capital finance are:

- ▲ Internally generated funds (Capital Replacement Reserve fund) (CRR);
- ▲ Loans, which will be elaborated on under paragraph 5.8;
- ▲ Municipal Infrastructure Grant Funding (MIG) which is used for infrastructure development projects; and

▲ Department of Mineral and Energy (DME) funding.

5.4 CASH FLOW MANAGEMENT AND INVESTMENTS

5.4.1 CASH FLOW

The Municipality's cash flow for the 2017/18 financial year were as follows:

TABLE 177: CASH FLOW OUTCOMES

	ORIGINAL BUDGET	BUDGET ADJUSTMENTS	FINAL BUDGET	ACTUAL OUTCOME	BUDGET VARIANCE
	2018	2018	2018	2018	2018
CASH FLOWS					
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Property rates, penalties & collection charges	61 680 561	1 475 250	63 155 811	54 467 061	(8 688 750)
Service charges	164 544 048	(11 535 404)	153 008 644	141 393 499	(11 615 145)
Other revenue	11 060 851	1 914 810	12 975 660	18 292 524	5 316 863
Government - operating	61 021 313	(482 893)	60 538 420	48 553 535	(11 984 885)
Government - capital	14 023 000	659 633	14 682 633	14 950 441	267 808
Interest	9 010 545	(208 745)	8 801 800	6 729 330	(2 072 470)
Payments					
Suppliers and employees	(278 408 429)	8 176 637	(270 231 792)	(251 164 144)	19 067 648
Finance charges	(5 356 990)	(925 229)	(6 282 219)	(6 280 107)	2 112
Transfers and grants	(4 398 460)	-	(4 398 460)	(4 150 106)	248 354
NET CASH FROM OPERATING ACTIVITIES	33 176 438	(925 941)	32 250 496	22 792 032	(9 458 464)
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE	-	-	-	789 855	789 855
Decrease (increase) other non-current receivables	(220 199)	220 199	-	14 889	14 889
Payments					
Capital assets	(31 319 500)	(997 852)	(32 317 352)	(29 483 272)	2 834 080
NET CASH USED IN INVESTING	(31 539 699)	(777 653)	(32 317 352)	(28 678 529)	3 638 823

	ORIGINAL BUDGET	BUDGET ADJUSTMENTS	FINAL BUDGET	ACTUAL OUTCOME	BUDGET VARIANCE
	2018	2018	2018	2018	2018
ACTIVITIES					
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Borrowing long term/refinancing	6 080 000	-	6 080 000	6 080 000	-
Increase (decrease) in consumer deposits	192 000	(192 000)	-	183 376	183 376
Payments					
Repayment of borrowing	(4 535 025)	1 485	(4 533 540)	(4 521 406)	12 134
NET CASH FROM FINANCING ACTIVITIES	1 736 975	(190 515)	1 546 460	1 741 970	195 510
NET INCREASE/ (DECREASE) IN CASH HELD	3 373 713	(1 894 109)	1 479 605	(4 144 526)	(5 624 131)
Cash/cash equivalents at the year begin:	67 032 240	16 131 725	83 163 966	82 080 490	(1 083 476)
Cash/cash equivalents at the year end:	70 405 953	14 237 617	84 643 570	77 935 964	(6 707 606)

Audited Annual Financial Statements 2017/18

5.4.2 BORROWING AND INVESTMENTS

The Municipality raised a new external loan to the value of R 6 080 000 during the 2017/18 financial year to finance long-term capital expenditure projects aimed at improving service delivery.

TABLE 178: EXTERNAL DEBT REATED, REPAID OR REDEEMED AND EXPECTED BORROWING

INSTITUTION	LOAN NUMBER	RATE	MATURITY DATE	OPENING BALANCE 1 JULY 2017	RECEIVED DURING YEAR	REDEEMED DURING YEAR	CLOSING BALANCE 30 JUNE 2018
ANNUITY LOANS							
DBSA	61001254	15.00%	2018-06-30	264 298	-	(264 298)	-
DBSA	61003131	16.50%	2020-12-31	444 358	-	(102 926)	341 432
DBSA	61001189	14.00%	2017-09-30	101 032	-	(101 032)	-
Nedbank	05/7831032282	11.27%	2023-06-12	2 822 906	-	(355 196)	2 467 710
DBSA	61000757	9.86%	2018-12-31	1 407 657	-	(915 856)	491 801
DBSA	61001029	12.41%	2030-06-30	15 169 656	-	(513 522)	14 656 134
DBSA	61006811	11.53%	2031-06-30	3 580 297	-	(111 782)	3 468 515

INSTITUTION	LOAN NUMBER	RATE	MATURITY DATE	OPENING BALANCE 1 JULY 2017	RECEIVED DURING YEAR	REDEEMED DURING YEAR	CLOSING BALANCE 30 JUNE 2018
DBSA	61006837	11.59%	2036-06-30	8 449 251	-	(134 603)	8 314 648
DBSA	61006975	11.33%	2032-06-30	3 648 431	-	(102 031)	3 546 400
Standard Bank	252933753	11.95%	2024-06-30	5 527 289	-	(544 760)	4 982 529
Standard Bank	252933737	11.25%	2019-06-30	934 125	-	(441 713)	492 412
Standard Bank	410683566	10.26%	2023-06-30	-	6 080 000	-	6 080 000
ABSA	3044794458	9.99%	2021-06-30	360 199	-	(77 226)	282 973
ABSA	3044701437	10.57%	2026-06-12	5 342 049	-	(375 949)	4 966 100
ABSA	3046456438	10.12%	2027-06-30	5 970 000	-	(351 846)	5 618 154
ABSA	3046456399	9.77%	2022-06-30	780 000	-	(125 848)	654 152
Total Annuity Loans				54 801 548	6 080 000	(4 518 587)	56 362 960
FINANCE LEASE LIABILITIES							
Cellphones and Modems		Various	2018-02-28	2 819	-	(2 819)	-
Total Finance Lease Liabilities				2 819	-	(2 819)	-
Total Long-Term Liabilities				54 804 367	6 080 000	(4 521 406)	56 362 960

Audited Annual Financial Statements 2017/18

5.5 SUPPLY CHAIN MANAGEMENT

The Municipality has a Supply Chain Management Unit in place as previously highlighted and this unit has managed to achieve zero audit findings in the 2017/18 financial year. This is a remarkable achievement given the turnover of management and staff in the section. The challenge for 2018/19 remains to improve on all the functions of SCM as well as successfully incorporating LED initiatives into the SCM function.

5.6 GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. The National Treasury, in association with other key stakeholders, has led the process of the development of accounting reforms in the South African Public Sector since 1998. There are also clear roles of responsibilities for the ASB (Accounting Standards Board), the National Treasury and the Auditor-General, which can be summarised as follows:

- ▲ The ASB sets the accounting standards;
 - National Treasury assists in the implementation of the standards by, for example, developing the

appropriate formats, making recommendations and regulating the approach to implementation, providing guidance and rendering support for implementation, including training; and

- ▲ The Auditor-General audits annual financial statements in line with the standards.

The accounting principles, concepts and disclosure requirements are included in the standards of Generally Recognised Accounting Practice (GRAP), also referred to as the accounting standards. The accounting standards give the following guidance to the preparers of Annual Financial Statements when dealing with specific topics. They explain:

- ▲ the accounting treatment of transactions, in other words the debit and credit entries, including when to recognise these entries;
- ▲ the accounting measurement of transactions; and
- ▲ the presentation and disclosure requirements of transactions in the entity's Annual Financial Statements.

In terms of paragraph 63 of the Framework for the Preparation and Presentation of Annual Financial Statements the application of GRAP normally results in financial statements that convey what is generally understood as a fair presentation of such information.

5.7 MUNICIPAL STANDARD CHART OF ACCOUNTS (mSCOA) COMPLIANCE

The National Treasury published the Municipal Regulations on Standard Chart of Accounts (mSCOA) in Government Gazette 37577 dated 22 April 2014 with the aim of implementing a uniform system of reporting amongst the then 278 municipalities. This system was to be implemented by 01 July 2017 by all municipalities and immediately start reporting to National Treasury using the new system.

Bergrivier Municipality's financial system was not mSCOA compatible and /or compliant and had to procure a new financial system, namely Phoenix that is developed by VESTA Technical Services. The implementation of the new system had its challenges and resulted in municipal accounts being delivered late for August, September and October 2017. This negatively impacted on the collection rate and the municipality is still recovering from this challenge. The milestones set by National Treasury during the year were however continuously met by the municipality and amongst the challenges the Auditor General still expressed a favourable opinion on the audit of the financial information. The staff will continue to work on improving the utilisation of the system to fully achieve the compliance requirements as set out in the Regulations.

5.8 2017/18 ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements of the Bergrivier Municipality for 2017/18 have been prepared in accordance with Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA) and the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in Accordance with Section 122(3) of the said Act. The Annual Financial Statements which contain the report of the Auditor General are appended as Volume II.

ACRONYMS AND ABBREVIATIONS

ACDI	African Climate Change Development Initiative
AFS	Annual Financial Statements
AG	Auditor General
BEMF	Berg Estuary Management Forum
BTO	Bergrivier Tourism Organisation
CDW's	Community Development Workers
CFO	Chief Finance Officer
COGTA	Cooperative of Governance Traditional Affairs
DCAS	Department of Culture, Art and Sport
DEADP	Department of Environmental Affairs and Development Planning
DORA	Division of Revenue Act
EDP	Economic Development Partnership
EE	Employment Equity
EPWP	Expanded Public Works Programme
FET	Further Education and Training
FLOW	Fostering Local Wellbeing
FMG	Financial Management Grant
GDPR	Gross Domestic Product for the Region
HDI	Human Development Index
ICMP	Integrated Coastal Management Plan
ICT	Information Communication Technology
IDP	Integrated Development Plan
IDZ	Industrial Development Zone
INE	Integrated National Electrification
IWMP	Integrated Waste Management Plan
JMAQWG	Joint Municipal Air Quality Working Group
KPA	Key Performance Areas
KPI	Key Performance Indicators
LAB	Local Action for Biodiversity

LBSAP	Local Biodiversity Strategic Action Plan
LED	Local Economic Development
LDAC	Local Drug Action Committee
LLF	Local Labour Forum
MDB	The Municipal Demarcation Board
MERO	Municipal Economic Review and Outlook
MFMA	Local Government Municipal Financial Management Act 56 of 2003
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MSA	Local Government Municipal Systems Act 32 of 2000
NBR	National Building Regulations
OHS	Occupational Health and Safety
PACA	Participatory Appraisal of Competitive Advantage
PDO	Predetermined Objective
PGWC	Provincial Government of the Western Cape
PMS	Performance Management System
PR	Proportional Representation Councillors
RTO	Regional Tourism Organisation
SALGA	South African Local Government Association
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SEP	Social Development Plan
TMF	Table Mountain Fund
UAW	Unaccounted for water
UCT	University of Cape Town
VIP	Ventilated Pit Latrine
WCAQWG	West Coast Air Quality Working Group
WC/WDM	Water Conservation / Water Demand Management
WCBDC	West Coast Business Development Centre
WCDM	West Coast District Municipality
WSDP	Water Services Development Plan
WWTW	Waste Water Treatment Works

ANNEXURES

ANNEXURE 1: COUNCILLORS: COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

SEE PARAGRAPH 2.2

SEE PARAGRAPH 2.2

SEE PARAGRAPH 2.2

SEE CHAPTER 1: PAR 1.1

AVAILABLE ON REQUEST

INFORMATION CONTAINED IN INTEGRATED DEVELOPMENT PLAN

SEE VOLUME 2

SEE CHAPTER 3: PAR 3.10.5

SEE CHAPTER 3: PAR 3.10.5

AVAILABLE ON REQUEST

ANNEXURE 11: REVENUE COLLECTION PERFORMANCE

SEE VOLUME 2

ANNEXURE 12: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

SEE VOLUME 2

SEE VOLUME 2

SEE VOLUME 2

SEE VOLUME 2

**INFORMATION TO BE OBTAINED FROM
DEPARTMENT OF EDUCATION AND
DEPARTMENT OF HEALTH**

ANNEXURE 17: SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

INFORMATION CURRENTLY NOT AVAILABLE

ANNEXURE 18: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

SEE VOLUME 2

ANNEXURE 19: DECLARATION OF RETURNS NOT MADE IN DUE TIMES UNDER MFMA S 71

NONE

ANNEXURE 20: NATIONAL AND PROVINCIAL OUTCOME FOR LOCAL GOVERNMENT

NONE

SEE PARAGRAPH 2.2.1

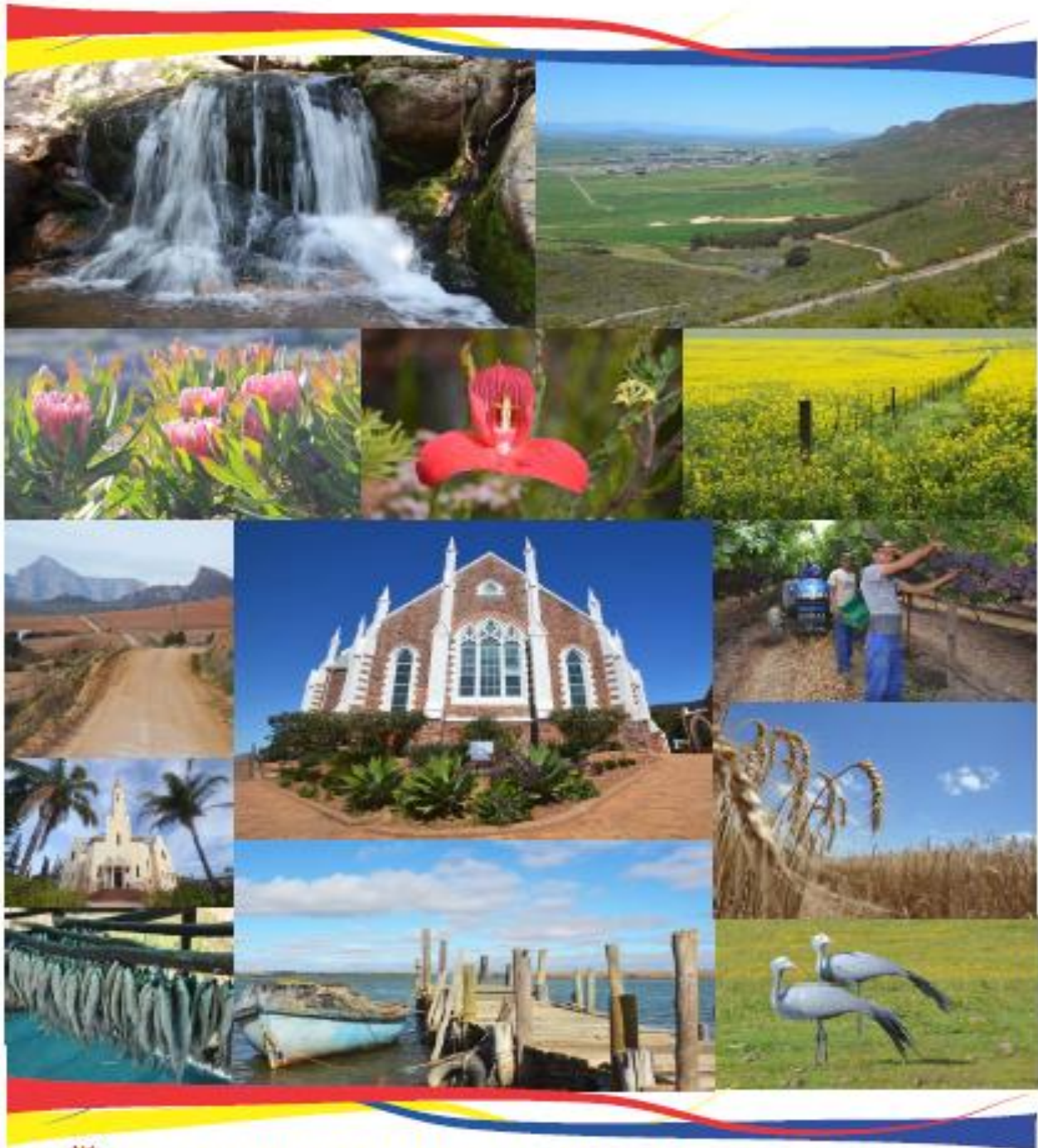
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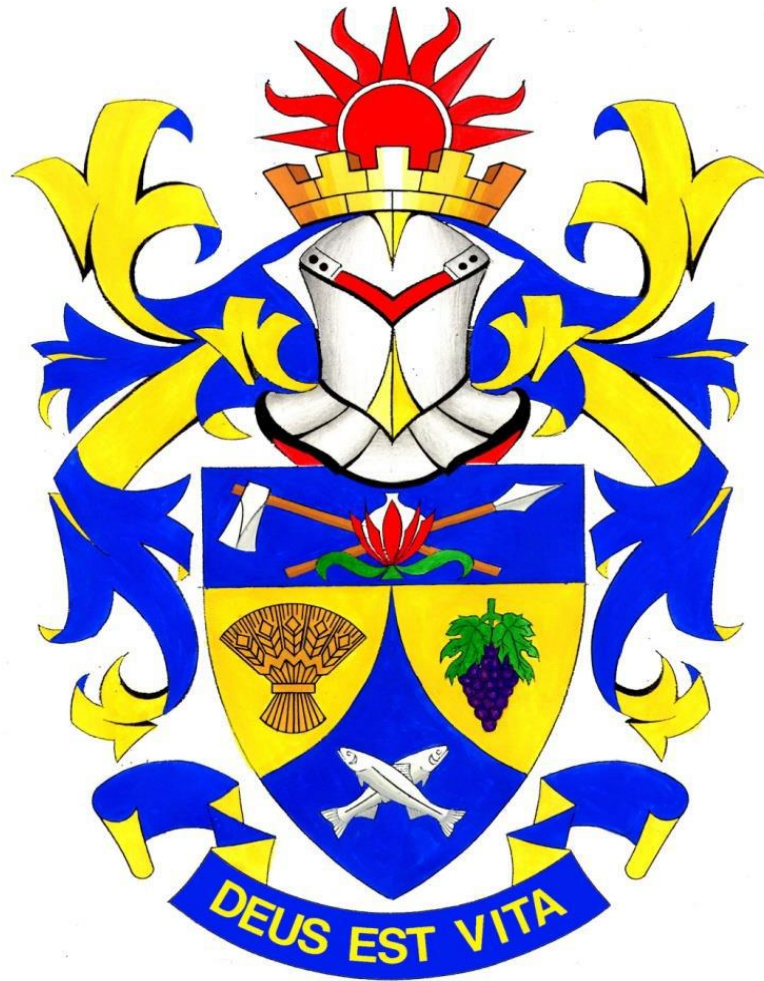
VOLUME II: ANNUAL REPORT: 2017/18



MUNISIPALITEIT - BERGRIVIER - MUNICIPALITY

ONS DIEN MET TROTS / WE SERVE WITH PRIDE

BERGRIVIER LOCAL MUNICIPALITY



ATTACHED AS VOLUME II:

- AUDIT REPORT OF AUDITOR GENERAL
- REPORT OF AUDIT COMMITTEE
- AUDITED ANNUAL FINANCIAL STATEMENTS

REPORT OF AUDITOR GENERAL

Report of the auditor-general to the Western Cape Provincial Parliament and the council on the Bergrivier Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Bergrivier Municipality set out on pages 4 to 81, which comprise the statement of financial position as at 30 June 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Bergrivier Municipality as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

7. As disclosed in the note 40 to the financial statements, the corresponding figures for 30 June 2017 have been restated as a result of errors in the financial statements of the municipality as at, and for the year ended on 30 June 2018.

Material impairments

8. As disclosed in the note 3 to the financial statements, the municipality has provided for impairment of trade and other receivables from exchange transactions amounting to R10,166 million (2016-17: R7,032 million).

9. As disclosed in the note 4 to the financial statements, the municipality has provided for impairment of trade and other receivables from non-exchange transactions amounting to R28,220 million (2016-17: R19,904 million).
10. As disclosed in the note 33 to the financial statements, the municipality has impaired receivables by R12,604 million (2016-17: R12,456 million).

Other matter

11. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

12. In terms of the section 125(2)(e) of the MFMA, the municipality is required to disclose the non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statement and, accordingly, we do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
14. In preparing the financial statements, the accounting officer is responsible for assessing the Bergrivier Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

17. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected strategic objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

18. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
19. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected strategic objectives presented in the annual performance report of the municipality for the year ended 30 June 2018:

Objectives	Pages in the annual performance report
Strategic objective 1 – to budget strategically, grow and diversify our revenue and ensure value for money services	220-238
Strategic objective 5 – to develop and provide bulk infrastructure	220-238
Strategic objective 6 – to maintain existing bulk infrastructure and services	220-238

20. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
21. I did not raise any material findings on the usefulness and reliability of the reported performance information for these strategic objectives.

Other matter

22. I draw attention to the matter below.

Achievement of planned targets

23. Refer to the annual performance report on page 220 to 238 for information on the achievement of planned targets for the year.

Report on the audit of compliance with legislation

Introduction and scope

24. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
25. I did not raise any material findings on compliance with the specific matters in key legislation as set out in the general notice issued in terms of the PAA.

Other information

26. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected strategic objectives presented in the annual performance report that have been specifically reported in this auditor's report.
27. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
28. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected strategic objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
29. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate, however, if it is corrected this will not be necessary.

Internal control deficiencies

30. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
31. I did not identify any significant deficiencies in internal control.



Auditor General

Cape Town

30 November 2018



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected strategic objectives and on the municipality’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bergrivier Municipality’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

REPORT OF AUDIT COMMITTEE

REPORT OF THE PERFORMANCE AND AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

1. INTRODUCTION

The Performance and Audit Committee is an independent statutory committee appointed by the Council in terms of section 166 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

2. PERFORMANCE AND AUDIT COMMITTEE

2.1 Members

During the period from 01 July 2017 to 30 June 2018, the Committee consisted of five members none of whom are councillors or officials of the Municipality. The Committee members were:

- Mrs. Kim Montgomery (Chairperson)
- Mr. Graham Lawrence
- Mrs. R Gani
- Mr. Chris De Jager
- Mr Burton van Staaden

2.2 MEETINGS

The Committee met on the following dates during the year under review:

DATE/ MEMBER	28 AUG 2017	07 DEC 2017	22 MAR 2018	28 JUN 2018
Mrs. Kim Montgomery	Yes	Yes	Yes	Yes
Mr. Graham Lawrence	Yes	Yes	Yes	Yes
Mrs. R Gani	Yes	Yes	Yes	Yes
Mr. Chris De Jager	Yes	Yes	Yes	Yes
Mr. Burton van Staaden	Yes	Yes	Yes	No

2.3 PERFORMANCE AND AUDIT COMMITTEE ROLE AND RESPONSIBILITIES

The Committee was fully functional and fulfilled its responsibilities for the year under review. The Committee operated in accordance with the adopted Audit Committee Charter, which was approved by Council. The provisions contained in section 166 of the Local Government: Municipal Finance Management Act, 2003 and Internal Audit Framework, which was developed by National Treasury, are included in the Charter.

3. PERFORMANCE MANAGEMENT

In terms of paragraph 4(a) of the Municipal Planning and Performance Management Regulations of 2000, the Performance and Audit Committee must:

- (I) review the quarterly reports submitted to it in terms of sub regulation (1)(c)(II);
- (II) review the municipality's performance management system and make recommendations in this regard to the council of that municipality; and
- (III) at least twice during a financial year submit an audit report to the municipal council concerned.

During the 2017/2018 financial year the committee reviewed all the quarterly performance reports. Mr.C De Jager as well as the performance specialist (Mrs R. Gani) attended the formal

performance evaluations of the Municipal Manager and Directors held on 15 March 2018, while Mrs R Gani and newly appointed committee member, Ms Sharon Smith attended the evaluation held on 13 September 2018.

4. REPORTS REVIEWED FOR THE PERIOD JUL 2017 TO JUN 2018

The Committee has reviewed the following reports the period under review:

- 4.1 Performance Management Report for the period Jul 2017 to Sept 2017
- 4.2 Performance Management Report for the period Oct 2017 to Dec 2017
- 4.3 Performance Management Report for the period Jan 2018 to Mar 2018
- 4.4 Performance Management Report for the period Apr 2018 to June 2018
- 4.5 Municipal Stores Inspections (x 3 memorandums)
- 4.6 Annual Stock Take Report 2017/2018
- 4.7 Economla Compliance Reports (x 4, 1 per quarter)
- 4.8 Allocation of indigent subsidies Report for the period Jan 2018 to Mar 2018
- 4.9 Implementation of SCOA Report for the period Jul 2017 to Sep 2017
- 4.10 Property Valuations: Additions alterations to properties Report for the period Jan 2018 to Mar 2018.
- 4.11 Fleet management Report for the period Oct 2017 to Dec 2017
- 4.12 Leave Management Report for the period Oct 2017 to Dec 2017
- 4.13 Ad-Hoc Requests (x 6)
- 4.14 Risk Management report for the period Jul 2017 to Sept 2017
- 4.15 Risk Management report for the period Oct 2017 to Dec 2017
- 4.16 Risk Management report for the period Jan 2018 to Mar 2018
- 4.17 Risk Management report for the period Apr-2018 to June 2018
- 4.18 Quarterly Report of the Internal Auditor for the period Jul 2017 to Sept 2017
- 4.19 Quarterly Report of the Internal Auditor for the period Oct 2017 to Dec 2017
- 4.20 Quarterly Report of the Internal Auditor for the period Jan 2018 to Mar 2018
- 4.21 Quarterly Report of the Internal Auditor for the period Apr 2018 to June 2018
- 4.22 All Section 52 Reports for the 2017/2018 financial year x (4)
- 4.23 Various Quarterly Financial Reports Including the Section 71 reports.

5. POLICIES REVIEWED FOR THE 2017/2018 FINANCIAL YEAR:

- 5.1 Internal Audit Work Procedures
- 5.2 Internal Audit Charter
- 5.3 Performance and Audit Committee Charter
- 5.4 Risk Management Policy
- 5.5 Risk Management Strategy and Implementation Plan
- 5.6 Risk Committee Charter
- 5.7 Anti-Fraud and Corruption Policy

6. EFFECTIVENESS OF THE INTERNAL AUDIT DEPARTMENT

Legislation in South Africa requires the establishment, roles, and responsibilities of internal audit units. Internal audit units form part of the internal control and governance structures of the municipality and play an important role in its monitoring activities. Internal audit provides an independent assessment of the municipality governance, risk management and internal control processes.

The internal audit unit of a municipality must prepare a risk-based audit plan and internal audit programme for each financial year. It must advise the accounting officer and report to the audit committee on implementing the internal audit plan and matters relating to internal audit; internal controls; accounting procedures and practices; risk and risk management;

performance management; loss control and compliance with the MFMA. The internal audit unit must also perform such other duties as may be assigned by the accounting officer.

No deficiencies have been identified in this regard.

7. 2017/2018 DRAFT ANNUAL FINANCIAL STATEMENTS

The Committee had an opportunity to review the 2017/2018 draft annual financial statements on 27 August 2018.

8. REPORT OF THE AUDITOR GENERAL FOR THE 2017/2018 FINANCIAL YEAR

The Audit Committee has taken note of the Auditor General's report for the 2017/2018 financial year and will together with the municipal administration endeavor to ensure that all internal controls deficiencies are addressed as soon as possible.

The Performance and Audit Committee has at all times acted independently during its engagements with the officials and Councilors of the municipality.



K Montgomery
Chairperson: Performance and Audit Committee

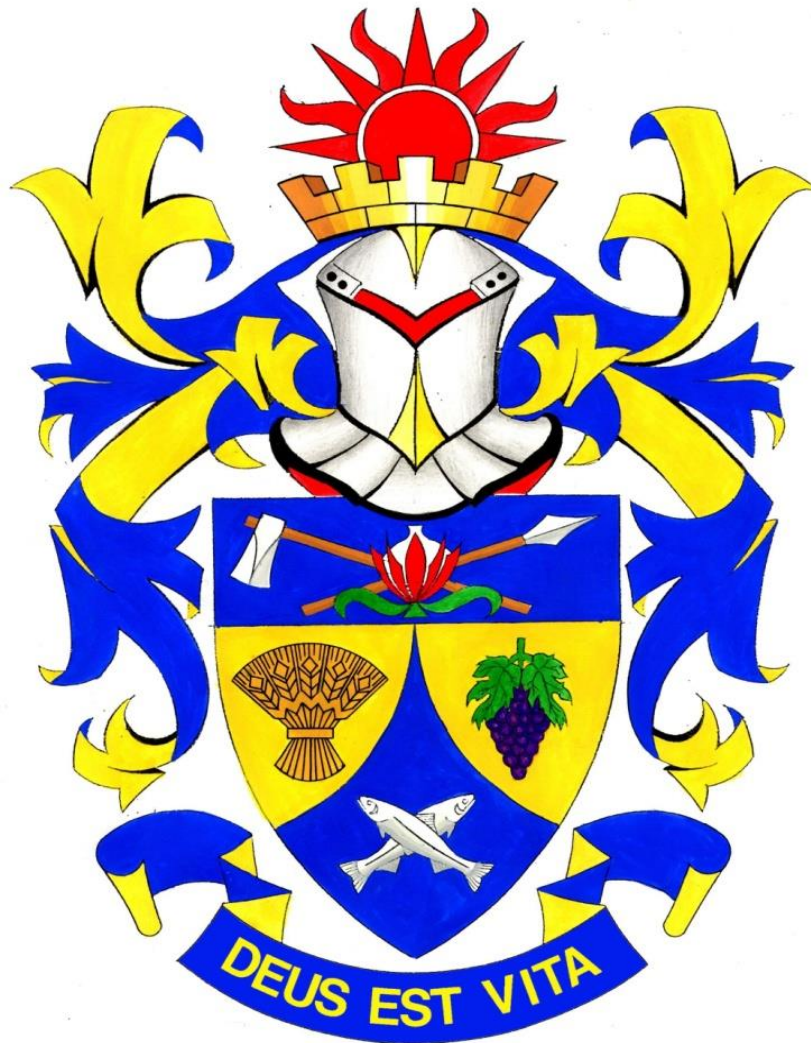
UNAUDITED ANNUAL FINANCIAL STATEMENTS

BERGRIVIER LOCAL MUNICIPALITY



**UNAUDITED ANNUAL FINANCIAL
STATEMENTS
30 JUNE 2018**

BERGRIVIER LOCAL MUNICIPALITY



UNAUDITED ANNUAL FINANCIAL STATEMENTS

30 JUNE 2018

BERGRIVIER LOCAL MUNICIPALITY

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BERGRIVIER LOCAL MUNICIPALITY

GENERAL INFORMATION



NATURE OF BUSINESS

Bergrivier Local Municipality performs the functions as set out in the Constitution of South Africa, 1996

LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act, 1998 (Act 117 of 1998).

JURISDICTION

The Bergrivier Local Municipality includes the following areas:

Piketberg	Eendekuil	Aurora
Porterville	Redelinghuys	Wittewater
Velddrif	Dwarskersbos	Goedverwacht

MEMBERS OF THE COUNCIL

Ward 1	CLlr J Daniels	
Ward 2	CLlr AJ du Plooy	
Ward 3	Ald A de Vries	
Ward 4	Ald RM van Rooy	
Ward 5	CLlr BJ Claasen	(Elected August 2017)
Ward 6	CLlr A Small	
Ward 7	Ald SM Crafford	
Proportional	Ald EB Manuel	(Resigned May 2018)
Proportional	CLlr JC Botha	(Elected June 2018)
Proportional	CLlr MA Wessels	
Proportional	Ald SR Claasen	
Proportional	Ald SIJ Smit	
Proportional	Ald J Swart	
Proportional	CLlr SS Lesch	

MEMBERS OF THE MAYORAL COMMITTEE

Executive Mayor	Ald RM van Rooy	(Elected 20 July 2018)
Executive Mayor	Ald EB Manuel	(Resigned 23 May 2018)
Deputy Executive Mayor	Ald SM Crafford	(Acting Executive Mayor 23 May 2018 - 20 July 2018)
Executive Councillor	CLlr AJ du Plooy	
Executive Councillor	CLlr M Wessels	

MUNICIPAL MANAGER

Adv. H Linde

CHIEF FINANCIAL OFFICER

Mr GJ Goliath

AUDIT COMMITTEE

Ms R. Gani	
Mr CB. de Jager	
Mr GN. Lawrence	(Contract expired 30 June 2018)
Ms KE. Montgomery	
Mr B. van Staaden	

BERGRIVIER LOCAL MUNICIPALITY

GENERAL INFORMATION



REGISTERED OFFICE

13 Church Street
Piketberg

POSTAL ADDRESS

PO Box 60
Piketberg
7320

AUDITORS

Office of the Auditor General (WC)

PRINCIPLE BANKERS

ABSA Bank Limited

ATTORNEYS

De Villiers Van Zyl
Swemmer & Levin
Fox en Cronje
Jacques Ehlers

RELEVANT LEGISLATION

Municipal Finance Management Act, 2003 (Act 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act, 1998 (Act 117 of 1998)
Municipal Systems Act, 2000 (Act 32 of 2000) as Amended
Municipal Planning and Performance Management Regulations
Water Services Act, 1997 (Act 108 of 1997)
Housing Act, 1997 (Act 107 of 1997)
Municipal Property Rates Act, 2004 (Act 6 of 2004)
Electricity Act, 1987 (Act 41 of 1987)
Skills Development Levies Act, 1999 (Act 9 of 1999)
Employment Equity Act, 1998 (Act 55 of 1998)
Unemployment Insurance Act, 1966 (Act 30 of 1966)
Basic Conditions of Employment Act, 1997 (Act 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Infrastructure Grants
SALGBC Leave Regulations
Municipal Budget and Reporting Regulations
National Environmental Management Act, 2008 (Act 62 of 2008)
Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)
Occupational Health and Safety Act, 1993 (Act 85 of 1993)
Public Office Bearers Act

BERGRIVIER LOCAL MUNICIPALITY

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS



APPROVAL OF ACCOUNTING OFFICER

I am responsible for the preparation of these annual financial statements for the year ended 30 June 2018, which are set out on pages 1 to 81 in terms of Section 126 (1) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2019 and I am satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

A handwritten signature in black ink, appearing to read 'H Linde', written over a horizontal line.

Adv. H Linde
Municipal Manager

A handwritten date '31 August 2018' in black ink, written over a horizontal line.

Date

BERGRIVIER LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018



	Notes	2018 R (Actual)	2017 R (Restated)
ASSETS			
Current Assets			
		169 480 905	163 237 217
Cash and Cash Equivalents	2	77 935 964	82 080 490
Receivables from Exchange Transactions	3	52 726 630	46 329 573
Receivables from Non-Exchange Transactions	4	34 372 736	29 612 108
Taxes	5	-	977 292
Operating Lease Asset	6	39 955	62 129
Current Portion of Long-term Receivables	7	1 303 917	1 471 493
Inventory	8	3 101 703	2 704 134
Non-Current Assets			
		371 850 551	358 848 011
Long-term Receivables	7	304 641	1 064 264
Investment Property	9	12 929 873	13 041 257
Property, Plant and Equipment	10	331 047 897	317 996 996
Intangible Assets	11	4 292 597	3 236 318
Heritage Assets	12	454 012	454 012
Capitalised Restoration Cost (PPE)	13	22 821 531	23 055 166
Total Assets		541 331 456	522 085 229
Current Liabilities			
		44 793 286	50 751 285
Current Portion of Long-term Liabilities	14	5 119 513	4 536 359
Consumer Deposits	15	3 464 470	3 281 104
Payables from exchange transactions	16	21 997 944	32 674 454
Taxes	5	3 051 217	-
Unspent Conditional Government Grants	17	199 470	445 431
Current Employee benefits	18	10 960 671	9 813 937
Non-Current Liabilities			
		157 423 052	151 644 885
Long-term Liabilities	14	51 243 447	50 268 008
Employee benefits	19	39 777 542	40 646 471
Non-Current Provisions	20	66 402 063	60 730 406
Total Liabilities		202 216 338	202 396 170
NET ASSETS		339 115 118	319 689 059
COMMUNITY WEALTH			
Accumulated Surplus		313 919 699	301 733 746
Capital Replacement Reserve	21	24 891 500	17 561 500
Housing Development Fund	21	303 919	393 813
		339 115 118	319 689 059

BERGRIVIER LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 201



	Notes	2018 R (Actual)	2017 R (Restated)
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
Taxation Revenue		62 606 570	56 440 436
Property Rates	22	62 606 570	56 440 436
Transfer Revenue		65 643 519	54 915 042
Government Grants and Subsidies - Operating	23	48 799 496	42 606 968
Government Grants and Subsidies - Capital	23	14 950 441	12 308 074
Contributed Assets	24	1 893 582	-
Other Revenue		12 395 408	16 316 103
Insurance Refund		36 316	162 797
Fines, penalties and forfeits	25	7 098 271	9 813 442
Actuarial Gains	26	5 260 821	6 339 864
REVENUE FROM EXCHANGE TRANSACTIONS		170 083 980	170 959 605
Operating Activities		170 083 980	170 959 605
Service Charges	27	145 624 075	149 250 118
Rental of Facilities and Equipment	28	5 319 490	5 309 702
Interest Earned - external investments		6 729 330	5 838 980
Interest Earned - outstanding debtors		5 275 028	4 268 050
Agency Services	29	4 016 499	3 808 710
Other Income	30	2 553 426	2 484 046
Gain on disposal of Non-Monetary Assets	39	566 132	-
TOTAL REVENUE		310 729 477	298 631 185
EXPENDITURE			
Employee Related Costs	31	111 580 828	102 241 763
Remuneration of Councillors	32	5 822 315	5 358 968
Debt Impairment	33	12 181 899	12 293 602
Depreciation and Amortisation	34	20 635 899	19 621 268
Finance Charges	35	12 834 747	12 662 376
Bulk Purchases	36	77 802 743	78 829 149
Transfers and Grants	37	4 150 106	3 550 890
Other Expenditure	38	46 294 892	41 999 286
Loss on disposal of Non-Monetary Assets	39	-	63 071
TOTAL EXPENDITURE		291 303 429	276 620 373
NET SURPLUS FOR THE YEAR		19 426 048	22 010 812

BERGRIVIER LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDING 30 JUNE 2018



	CAPITAL REPLACEMENT RESERVE R	HOUSING DEVELOPMENT FUND R	ACCUMULATED SURPLUS R	TOTAL R
Balance on 30 June 2016 - Previously Reported	15 230 500	504 574	279 886 195	295 621 269
Correction of error restatement - note 40.5	-	-	2 056 976	2 056 976
Balance on 30 June 2016 - Restated	15 230 500	504 574	281 943 171	297 678 245
Net Surplus for the year	-	-	22 010 814	22 010 814
Transfer to Capital Replacement Reserve	12 266 447	-	(12 266 447)	-
Property, Plant and Equipment purchased	(9 935 447)	-	9 935 447	-
Transfer to Housing Development Fund	-	(110 761)	110 761	-
Balance on 30 June 2017 - Restated	17 561 500	393 813	301 733 746	319 689 059
Net Surplus for the year	-	-	19 426 060	19 426 060
Transfer to Capital Replacement Reserve	17 397 879	-	(17 397 879)	-
Property, Plant and Equipment purchased	(10 067 879)	-	10 067 879	-
Transfer to Housing Development Fund	-	(89 894)	89 894	-
Balance on 30 June 2018	24 891 500	303 919	313 919 699	339 115 119

BERGRIVIER LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2018



	Notes	2018 R (Actual)	.. (Restated)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property Rates		54 467 061	55 008 879
Service Charges and Interest on outstanding Debtors		141 393 499	145 086 884
Other Revenue		18 292 524	12 093 790
Government Grants		63 503 975	54 122 506
Investment Income		6 729 330	5 838 980
Payments			
Suppliers and employees		(251 164 144)	(221 579 670)
Finance charges		(6 280 107)	(6 011 840)
Transfer and Grants		(4 150 106)	(3 550 890)
NET CASH FROM OPERATING ACTIVITIES	42	22 792 032	41 008 638
CASH FLOW FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from sale of Property, Plant and Equipment		789 855	471 929
Payments			
Purchase of Property, Plant and Equipment		(28 021 903)	(25 905 173)
Purchase of Intangible Assets		(1 461 369)	(2 038 015)
Purchase of Investment Property		-	-
(Increase)/Decrease in Long-term Receivables		14 889	-
NET CASH USED INVESTING ACTIVITIES		(28 678 529)	(27 471 259)
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts			
New loans raised		6 080 000	6 750 000
Increase in Consumer Deposits		183 376	131 871
Payments			
Loans repaid		(4 521 406)	(3 998 280)
NET CASH FROM FINANCING ACTIVITIES		1 741 970	2 883 590
NET INCREASE/(DECREASE) IN CASH HELD		(4 144 526)	16 420 970
Cash and Cash Equivalents at the beginning of the year		82 080 490	65 659 520
Cash and Cash Equivalents at the end of the year		77 935 964	82 080 490

BERGRIVIER LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDIN



	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Current assets					
Cash	64 045 953	14 575 091	78 621 044	71 510 739	(7 110 305)
Call investment deposits	6 360 000	(337 959)	6 022 041	6 425 225	403 184
Consumer debtors	65 247 604	4 951 976	70 199 580	81 738 752	11 539 172
Other Receivables	5 396 192	2 393 563	7 789 755	5 400 569	(2 389 185)
Current portion of long-term receivables	-	-	-	1 303 917	1 303 917
Inventory	3 454 762	(750 628)	2 704 134	3 101 703	397 569
Total current assets	144 504 511	20 832 042	165 336 553	169 480 905	4 144 352
Non current assets					
Long-term receivables	3 890 195	(1 354 439)	2 535 757	304 641	(2 231 115)
Investment property	12 910 805	200 328	13 111 133	12 929 873	(181 260)
Property, plant and equipment	356 347 726	(5 055 631)	351 292 094	353 869 428	2 577 334
Intangible Assets	4 903 520	(543 267)	4 360 253	4 292 597	(67 656)
Other non-current assets	-	454 012	454 012	454 012	0
Total non current assets	378 052 246	(6 298 997)	371 753 249	371 850 551	97 303
TOTAL ASSETS	522 556 757	14 533 044	537 089 802	541 331 456	4 241 654
LIABILITIES					
Current liabilities					
Borrowing	3 543 969	582 614	4 126 583	5 119 513	992 930
Consumer deposits	3 392 000	(193 636)	3 198 364	3 464 470	266 106
Trade and other payables	27 426 220	3 239 351	30 665 571	25 248 631	(5 416 940)
Provisions and Employee Benefits	8 166 755	431 285	8 598 040	10 960 671	2 362 632
Total current liabilities	42 528 944	4 059 613	46 588 557	44 793 286	(1 795 272)
Non current liabilities					
Borrowing	53 149 435	(925 190)	52 224 244	51 243 447	(980 798)
Provisions and Employee Benefits	116 369 721	(5 822 185)	110 547 535	106 179 605	(4 367 930)
Total non current liabilities	169 519 155	(6 747 376)	162 771 780	157 423 052	(5 348 728)
TOTAL LIABILITIES	212 048 100	(2 687 763)	209 360 337	202 216 338	(7 143 999)
NET ASSETS	310 508 657	17 220 807	327 729 464	339 115 118	11 385 654
COMMUNITY WEALTH					
Accumulated Surplus	287 600 083	14 319 568	301 919 651	313 919 699	12 000 048
Reserves	22 908 574	2 901 239	25 809 813	25 195 419	(614 394)
TOTAL COMMUNITY WEALTH/EQUITY	310 508 657	17 220 807	327 729 464	339 115 118	11 385 654

Refer to note 44.2 for explanations of material variances.

Material variances are considered to be any variances greater than R2.5 million.

BERGRIVIER LOCAL MUNICIPALITY



STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDI

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
STATEMENT OF FINANCIAL PERFORMANCE					
REVENUE					
Property Rates	62 946 435	2 500 001	65 446 436	62 606 570	(2 839 866)
Service Charges - Electricity Revenue	108 363 166	(4 229 000)	104 134 166	94 502 306	(9 631 860)
Service Charges - Water Revenue	28 923 596	(7 382 000)	21 541 596	19 308 934	(2 232 662)
Service Charges - Sanitation Revenue	11 497 269	1 100 000	12 597 269	12 070 710	(526 559)
Service Charges - Refuse Revenue	19 136 966	1 148 183	20 285 149	19 742 125	(543 024)
Rental of Facilities and Equipment	274 066	718 400	992 466	5 319 490	4 327 024
Interest Earned - External Investments	4 973 400	(147 400)	4 826 000	6 729 330	1 903 330
Interest Earned - Outstanding Debtors	4 120 000	-	4 120 000	5 275 028	1 155 028
Fines	10 021 305	(1 667 265)	8 354 040	7 098 271	(1 255 769)
Licences and Permits	10 790	-	10 790	-	(10 790)
Agency Services	3 819 660	152 348	3 972 008	4 016 499	44 491
Transfers Recognised - Operational	61 021 313	(363 385)	60 657 928	48 799 496	(11 858 432)
Other Revenue	6 573 766	664 156	7 237 921	7 850 563	612 642
Gain on disposal of PPE	-	-	-	566 132	566 132
Total Revenue (excluding capital transfers)	321 681 733	(7 505 962)	314 175 769	293 885 454	(20 290 315)
EXPENDITURE					
Employee Related Costs	119 261 848	(6 442 238)	112 819 610	111 580 828	(1 238 782)
Remuneration of Councillors	5 670 537	270 001	5 940 538	5 822 315	(118 223)
Debt Impairment	12 444 585	1 318 330	13 762 915	12 181 899	(1 581 016)
Depreciation and Asset Impairment	19 902 000	946 554	20 848 554	20 635 899	(212 655)
Finance Charges	12 299 097	856 777	13 155 874	12 834 747	(321 127)
Bulk Purchases	83 555 500	(6 700 500)	76 855 000	77 802 743	947 743
Other Materials	11 071 170	240 405	11 311 575	-	(11 311 575)
Contracted Services	29 476 550	552 445	30 028 995	-	(30 028 995)
Transfers and Grants	4 398 460	-	4 398 460	4 150 106	(248 354)
Other Expenditure	30 593 429	1 440 310	32 033 739	46 294 892	14 261 153
Loss on Disposal of PPE	-	-	-	-	-
Total Expenditure	328 673 176	(7 517 916)	321 155 260	291 303 429	(29 851 831)
Surplus/(Deficit)	(6 991 444)	11 954	(6 979 491)	2 582 025	9 561 516
Transfers and subsidies - Capital (monetary)	14 023 000	985 072	15 008 072	14 950 441	(57 631)
Transfers and subsidies - Capital (in-kind)	-	1 893 582	1 893 582	1 893 582	-
Surplus/(Deficit) for the year	7 031 556	2 890 608	9 922 163	19 426 048	9 503 885

Refer to note 44.3 for explanations of material variances.

Material variances are considered to be any variances greater than R2.5 million.

BERGRIVIER LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING



2018 -11- 30

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
CASH FLOW STATEMENT					
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Property rates, penalties & collection charges	61 680 561	1 475 250	63 155 811	54 467 061	(8 688 750)
Service charges	164 544 048	(11 535 404)	153 008 644	141 393 499	(11 615 145)
Other revenue	11 060 851	1 914 810	12 975 660	18 292 524	5 316 863
Government Grants	75 044 313	176 740	75 221 053	63 503 975	(11 717 078)
Interest	9 010 545	(208 745)	8 801 800	6 729 330	(2 072 470)
Payments					
Suppliers and Employees	(278 408 429)	8 176 637	(270 231 792)	(251 164 144)	19 067 648
Finance Charges	(5 356 990)	(925 229)	(6 282 219)	(6 280 107)	2 112
Transfers and Grants	(4 398 460)	-	(4 398 460)	(4 150 106)	248 354
Net Cash from/(used) Operating Activities	33 176 438	(925 941)	32 250 496	22 792 032	(9 458 464)
CASH FLOW FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE	-	-	-	789 855	789 855
Decrease/(Increase) in Other Non-Current Receivables	(220 199)	220 199	-	14 889	14 889
Payments					
Capital Assets	(31 319 500)	(997 852)	(32 317 352)	(29 483 272)	2 834 080
Net Cash from/(used) Investing Activities	(31 539 699)	(777 653)	(32 317 352)	(28 678 529)	3 638 823
CASH FLOW FROM FINANCING ACTIVITIES					
Receipts					
Borrowing long term/refinancing	6 080 000	-	6 080 000	6 080 000	-
Increase/(Decrease) in Consumer Deposits	192 000	(192 000)	-	183 376	183 376
Payments					
Repayment of Borrowing	(4 535 025)	1 485	(4 533 540)	(4 521 406)	12 134
Net Cash from/(used) Financing Activities	1 736 975	(190 515)	1 546 460	1 741 970	195 510
NET INCREASE/(DECREASE) IN CASH HELD	3 373 713	(1 894 109)	1 479 605	(4 144 526)	(5 624 131)
Cash and Cash Equivalents at the year begin	67 032 240	16 131 725	83 163 966	82 080 490	(1 083 476)
Cash and Cash Equivalents at the year end	70 405 953	14 237 617	84 643 570	77 935 964	(6 707 606)

Refer to note 44.4 for explanations of material variances.

Material variances are considered to be any variances greater than R2.5 million.



1 ACCOUNTING POLICIES

1.01 BASIS OF PREPARATION

The financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention, unless specified otherwise.

The financial statements have been prepared in accordance with the Municipal Finance Management Act (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 (Revised – November 2013) and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

Assets, liabilities, revenue and expenses have not been offset, except when offsetting is permitted or required by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated otherwise. The details of any changes in accounting policies are explained in the relevant notes to the financial statements.

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

1.02 TRANSITIONAL PROVISIONS

The Municipality resolved to take advantage of the following transitional provisions:

In term of Directive 7 - "The Application of Deemed Cost on the Adoption of Standards of GRAP", the Municipality applied deemed cost to Investment Property and Property, Plant and Equipment where the acquisition cost of an asset could not be determined.

1.03 PRESENTATION CURRENCY

The financial statements are presented in South African Rand, rounded off to the nearest Rand, which is the Municipality's functional currency.

1.04 GOING CONCERN ASSUMPTION

These financial statements have been prepared on a going concern basis.

1.05 COMPARATIVE INFORMATION

1.05.1 Prior year comparatives

When the presentation or classification of items in the financial statements are amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.05.2 Amended Accounting Policies

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements.

No significant amendments were made to the accounting policy in the current year.



1.06 MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

1.07 BUDGET INFORMATION

Budget information is presented on the accrual basis and is based on the same fiscal period as the actual amounts.

The Statement of Comparison of Budget and Actual Amounts includes the comparison between the approved and final budget amounts, as well as a comparison between the actual amounts and final budget amounts.

The disclosure of comparative information in respect of the previous period is not required by the Standards of GRAP.

1.08 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

1.08.1 Effective dates determined

Where a Standard of GRAP has been issued but is not yet effective, the Municipality may resolve to early adopt such a Standard of GRAP if an effective date has been determined by the Minister of Finance.

The Municipality resolved to early adopt the following Standards of GRAP which were issued but are not yet effective:

Standard	Description	Effective Date
GRAP 20	Related Party Disclosures	1 April 2019
GRAP 108	Statutory Receivables	1 April 2019

The effect of the above-mentioned Standards of GRAP which were early adopted is considered insignificant. Accounting policies for these Standards of GRAP were already formulated in the prior year's financial statements. The only effect is additional disclosure requirements.

The Municipality resolved to early adopt the following amended Standards of GRAP which were issued but are not yet effective:

Standard	Description	Effective Date
GRAP 12 (2017)	Inventories	1 April 2018
GRAP 16 (2017)	Investment Property	1 April 2018
GRAP 17 (2017)	Property, Plant and Equipment	1 April 2018
GRAP 21 (2017)	Impairment of non-cash-generating assets	1 April 2018
GRAP 26 (2017)	Impairment of cash-generating assets	1 April 2018
GRAP 27 (2017)	Agriculture	1 April 2018
GRAP 31 (2017)	Intangible Assets	1 April 2018
GRAP 103 (2017)	Heritage Assets	1 April 2018

The effect of the above-mentioned amended Standards of GRAP which were early adopted is considered insignificant. The amendments to the Standards of GRAP mainly relate to the clarification of accounting principles.

The Municipality resolved not to early adopt Directive 12 - "The Selection of an Appropriate Reporting Framework by Public Entities" (effective 1 April 2018) as this Directive is not applicable to municipalities and will have no impact on the Municipality once it becomes effective.



The Municipality further resolved not to early adopt the following Standards of GRAP and Interpretations of the Standard of GRAP which were issued but are not yet effective:

1.08.1.1 GRAP 18 - Segment Reporting (effective 1 April 2020)

The objective of this Standard is to establish principles for reporting financial information by segments.

Preliminary investigations indicated that, other than additional disclosure, the impact of the Standards on the financial statements will be not be significant.

1.08.1.2 GRAP 32 - Service Concession Arrangements: Grantor (effective 1 April 2019)

The objective of this Standard is to prescribe the accounting for service concession arrangements by the grantor and a public sector entity.

The Municipality resolved to develop an accounting policy as set out in note 1.29.

Preliminary investigations indicated that, other than possibly additional disclosure, the impact of the Standards on the financial statements will be not be significant.

1.08.1.3 GRAP 109 - Accounting by Principles and Agents (effective 1 April 2019)

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement.

No significant impact is expected as the Municipality's current treatment is already in line with the Standard's requirements.

1.08.1.4 GRAP 110 - Living and Non-living Resources (effective 1 April 2020)

The objective of this Standard is to prescribe the:

- (a) recognition, measurement, presentation and disclosure requirements for living resources; and
- (b) disclosure requirements for non-living resources.

Preliminary investigations indicated that the Municipality's non-living resources do not fall within the scope of this Standard.

1.08.1.5 IGRAP 17 - Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset (effective 1 April 2019)

This Interpretation of the Standards provides guidance to the grantor where it has entered into a service concession arrangement, but only controls a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease.

Preliminary investigations indicated that, other than possibly additional disclosure, the impact of the Standards on the financial statements will be not be significant.

1.08.1.6 Recognition and Derecognition of Land (effective 1 April 2019)

This Interpretation of the Standards of GRAP provides guidance on when an entity should recognise and derecognise land as an asset in its financial statements.

No significant impact is expected as the Municipality's current treatment is already in line with the Interpretation's requirements.

1.08.1.7 Liabilities to Pay Levies (effective 1 April 2019)

This Interpretation provides guidance on the accounting for levies in the financial statements of the entity that is paying the levy. It clarifies when entities need to recognise a liability to pay a levy that is accounted for in accordance with GRAP 19.

No significant impact is expected as the Municipality's current treatment is already in line with the Interpretation's requirements.



1.08.2 Effective dates not yet determined

Where a Standard of GRAP has been issued but not yet effective and the Minister of Finance has not yet determined an effective date, the Municipality may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event.

The following original Standards of GRAP have been issued but are not yet effective as the Minister of Finance has not yet determined the effective date for application:

1.08.2.1 GRAP 34 - Separate Financial Statements

The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when an entity prepares separate financial statements.

No significant impact is expected as the Municipality has no investments in any entities.

1.08.2.2 GRAP 35 - Consolidated Financial Statements

The objective of this Standard is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

No significant impact is expected as the Municipality does not control any entities.

1.08.2.3 GRAP 36 - Investments in Associates and Joint Ventures

The objective of this Standard is to prescribe the accounting for investments in associates and joint ventures and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

No significant impact is expected as the Municipality does not have investments in any associates or joint ventures.

1.08.2.4 GRAP 37 - Joint Arrangements

The objective of this Standard is to establish principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e. joint arrangements).

No significant impact is expected as the Municipality does not have an interest in any arrangements that are controlled jointly.

1.08.2.5 GRAP 38 - Disclosure of Interests in Other Entities

The objective of this Standard is to require an entity to disclose information that enables users of its financial statements to evaluate:

- (a) the nature of, and risks associated with, its interests in controlled entities, unconsolidated controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and
- (b) the effects of those interests on its financial position, financial performance and cash flows.

No significant impact is expected as the Municipality does not have an interest in any entities, associates, joint ventures or joint arrangements.

1.09 RESERVES

1.09.1 Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus to the CRR.

The following provisions are set for the creation and utilisation of the CRR:

- (a) The cash funds that back up the CRR are invested until utilised.
- (b) The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment, and may not be used for the maintenance of these items.
- (c) Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR and the accumulated surplus is credited by a corresponding amount.

1.09.2 Housing Development Fund (HDF)

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from National and Provincial Government, used to finance housing selling schemes undertaken by the Municipality, were extinguished on 1 April 1998 and transferred to the Housing Development Fund. Housing selling schemes, both completed and in progress, as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sale of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

The following provisions are set for the creation and utilisation of the HDF:

- (a) The HDF is fully cash-backed.
- (b) The proceeds in this fund are utilised for housing development in accordance with the National Housing Policy and also for housing development projects approved by the MEC for Human Settlements.
- (c) Any contributions to or from the fund are shown as transfers in the Statement of Changes in Net Assets.

1.10 INVESTMENT PROPERTY

1.10.1 Initial Recognition

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, for administration purposes, or the sale of an asset in the ordinary course of operations. Property with a currently undetermined use, is also classified as investment property.

Investment property is recognised as an asset when it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the Municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially measured at cost on its acquisition date. The cost of investment property is the purchase price and other costs attributable to bring the asset to a condition necessary for it to be capable of operating in the manner intended by the Municipality.

Where an investment property is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition and any other costs attributable to bring the asset to a condition necessary for it to be capable of operating in the manner intended by the Municipality. The cost of self-constructed investment property is the cost at date of completion. Transfers are made to or from investment property only when there is a change in use.

Where investment property is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

BERGRIVIER LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019



1.10.2 Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

1.10.3 Depreciation – Cost Model

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Depreciation of an asset ceases at the date that the asset is derecognised.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The depreciation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The depreciation method is reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

At each reporting date the Municipality assesses whether there is any indication that expectations about the residual value and the useful life of an asset may have changed since the preceding reporting date. If any such indication exists, the expected residual value and useful life are revised and the effect of any changes in estimate accounted for on a prospective basis.

The annual depreciation rates are based on the following estimated useful lives:

	YEARS
Land	N/A

1.10.4 Impairment

Investment property is reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.10.5 Derecognition

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Financial Performance in the period of the retirement or disposal.

Compensation from third parties for items of investment property that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

1.11 PROPERTY, PLANT AND EQUIPMENT

1.11.1 Initial Recognition

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year.

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost or fair value of the item can be measured reliably.

Items of property, plant and equipment are initially recognised at cost on its acquisition date. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.



Where an asset is acquired through a non-exchange transaction, the cost is deemed to be equal to the fair value of that asset as at date of acquisition and any other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment.

1.11.2 Subsequent Measurement - Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits or service potential associated with the asset.

1.11.3 Depreciation

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Depreciation of an asset ceases at the date that the asset is derecognised.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The depreciation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The depreciation method is reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

At each reporting date the Municipality assesses whether there is any indication that expectations about the residual value and the useful life of an asset may have changed since the preceding reporting date. If any such indication exists, the expected residual value and useful life are revised and the effect of any changes in estimate accounted for on the a prospective basis.

The annual depreciation rates are based on the following estimated useful lives:

	YEARS		YEARS
Land and Buildings		Leased Assets	
Land	N/A	Furniture and Office Equipment	2 - 5
Buildings	5 - 100		
Work in progress	N/A	Community Assets	
		Community Facilities	5 - 50
Infrastructure		Sport and Recreational Facilities	5 - 50
Electrical	5 - 50	Work in progress	N/A
Roads	5 - 50		
Sanitation	5 - 100	Other Assets	
Solid Waste	3 - 50	Computer Equipment	3 - 15
Storm Water	5 - 50	Furniture and Office Equipment	5 - 30
Water Supply	3 - 100	Machinery and Equipment	2 - 30
Work in progress	N/A	Transport Assets	2 - 30



1.11.4 Impairment

Property, plant and equipment is reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.11.5 Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

1.12 INTANGIBLE ASSETS

1.12.1 Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance.

The Municipality recognises an intangible asset only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost on its acquisition date. The cost of an intangible asset is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost is measured at its fair value at the date of acquisition and any other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Internally generated intangible assets are subject to a strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) its intention to complete the intangible asset and use or sell it;
- (c) its ability to use or sell the intangible asset;
- (d) how the intangible asset will generate probable future economic benefits or service potential;
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

1.12.2 Subsequent Measurement - Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and any accumulated impairments losses.



1.12.3 Amortisation

The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is still subject to an annual impairment test.

Amortisation of an intangible with a finite life asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Amortisation ceases at the date that the asset is derecognised.

Amortisation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the intangible assets. The amortisation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The residual value of an intangible asset with a finite useful life is considered to be zero.

The amortisation period and amortisation method are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

The annual amortisation rates are based on the following estimated useful lives:

	Years
Computer Software	5 - 15

1.12.4 Impairment

Intangible assets are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.12.5 Derecognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.13 HERITAGE ASSETS

1.13.1 Initial Recognition

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance and is held and preserved indefinitely for the benefit of present and future generations.

A heritage asset is recognised as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the Municipality, and the cost or fair value of the asset can be measured reliably.

Heritage assets are initially recognised at cost on its acquisition date. The cost of heritage assets is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, the cost is deemed to be equal to the fair value of that asset as at date of acquisition and any other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality.

Where a heritage asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, its deemed cost is the carrying amount of the asset(s) given up.



1.13.2 Subsequent Measurement – Cost Model

Heritage assets are carried at its cost less any accumulated impairment losses.

1.13.3 Depreciation

Heritage assets are not depreciated.

1.13.4 Impairment

Heritage assets are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.13.5 Derecognition

Heritage assets are derecognised when it is disposed or when there are no further economic benefits expected from the use of the heritage asset.

The gain or loss arising on the disposal or retirement of a heritage asset is determined as the difference between the sales proceeds and the carrying value of the heritage asset and is recognised in the Statement of Financial Performance.

Compensation from third parties for heritage assets that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

1.14 IMPAIRMENT OF NON-MONETARY ASSETS

An impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

Cash-generating assets are assets held with the primary objective of generating a commercial return. Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Municipality estimates the recoverable amount of the asset.

1.14.1 Recoverable amount of Cash-generating assets

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

The best evidence of fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

1.14.2 Recoverable amount of Non-cash-generating assets

The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use.

The value in use for a non-cash generating asset is the present value of the asset's remaining service potential. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

1.14.3 Impairment loss

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance.

An impairment loss of assets carried at a revalued amount in accordance with another Standard of GRAP is treated as a revaluation decrease in accordance with that Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.14.4 Reversal of an impairment loss

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance.

A reversal of an impairment loss of assets carried at a revalued amount in accordance with another Standard of GRAP is treated as a revaluation increase in accordance with that Standard of GRAP.

After the reversal of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.15 INVENTORIES

1.15.1 Initial Recognition

Inventories are assets:

- (a) in the form of materials or supplies to be consumed in the production process;
- (b) in the form of materials or supplies to be consumed or distributed in the rendering of services;
- (c) held for sale or distribution in the ordinary course of operations; or
- (d) in the process of production for sale or distribution.

Inventories are recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably.

Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventories are acquired through a non-exchange transaction, the cost is measured at the fair value as at the date of acquisition plus any other costs in bringing the inventories to their current location and condition.

1.15.2 Subsequent Measurement

When inventories are sold, exchanged or distributed the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expense is recognised when the goods are distributed, or related service is rendered.

Inventories are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution. Current replacement cost is the cost the Municipality would incur to acquire the asset on the reporting date.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories is recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The basis of allocating cost to inventory items is the weighted average method.

At reporting date, the water volume is determined by way of dip readings and the calculated volume in the distribution network. Water inventory is then measured by multiplying the cost per kilo litre of purified water by the amount of water in storage.

Cost of land held for sale is assigned by using specific identification of their individual costs.

1.16 EMPLOYEE BENEFITS

Defined-contribution plans are post-employment benefit plans under which the Municipality pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year during which they become payable.

Defined-benefit plans are post-employment benefit plans other than defined-contribution plans.

1.16.1 Post-Retirement Benefits

The Municipality provides retirement benefits for its employees and councillors. Retirement benefits consist of defined-contribution plans and defined-benefit plans.

1.16.1.1 Multi-employer defined benefit plans

The Municipality contributes to various National- and Provincial-administered defined benefit plans on behalf of its qualifying employees. These funds are multi-employer funds. The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year they become payable. These defined benefit funds are actuarially valued on the projected unit credit method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

1.16.1.2 Post Retirement Medical Benefits

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution and the remaining 30% is paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined. The plan is unfunded.



Contributions are recognised in the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability is calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the present value of the defined benefit obligation at the reporting date, minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly, plus any liability that may arise as a result of a minimum funding requirements. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, are recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

1.16.2 Long-term Benefits

1.16.2.1 Long Service Awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries annually and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

1.16.3 Short-term Benefits

1.16.3.1 Staff Leave

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at reporting date and also on the total remuneration package of the employee.

Accumulating leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term. Accumulated leave is vesting.

1.16.3.2 Bonuses

The liability for staff bonuses is based on the accrued bonus for each employee at reporting date.

1.17 PROVISIONS

A provision is a liability of uncertain timing or amount. Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the provision can be made.

Provisions are reviewed at reporting date and adjusted to reflect the current best estimate of future outflows of resources. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received if the Municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement will not exceed the amount of the provision. In the Statement of Financial Performance, the expense relating to a provision may be presented net of the amount recognised for a reimbursement.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

- (a) The Municipality has a detailed formal plan for the restructuring identifying at least:
- the business or part of a business concerned;
 - the principal locations affected;
 - the location, function and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented.
- (b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision is derecognised.

1.18 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

1.18.1 Municipality as Lessee

1.18.1.1 Finance Leases

At the commencement of the lease term, the Municipality recognises assets acquired under finance leases as assets and the associated lease obligations as liabilities in the Statement of Financial Position.

At the inception of the lease, the assets and liabilities are recognised at the lower of the fair value of the leased property and the present value of the minimum lease payments. The discount rate to be used in calculating the present value of the minimum lease payment is the interest rate implicit in the lease. If the rate implicit to the lease is not available the Municipality's incremental borrowing rate is used. Any initial direct costs of the Municipality are added to the amount recognised as an asset.

Subsequent to initial recognition, the minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents, if any, are charged as expenses to the Statement of Financial Performance in the periods in which they are incurred. The leased assets are accounted for in accordance with the stated accounting policies applicable to the assets.

1.18.1.2 Operating leases

Lease payment under an operating lease is recognised as an expense in the Statement of Financial Performance on a straight-line basis over lease term, unless another systematic basis is more representative of the time pattern of the user's benefit. The difference between the straight-lined expenses and actual payments made will give rise to a liability.

1.18.2 Municipality as Lessor

1.18.2.1 Finance Leases

The Municipality recognises lease payments receivable under a finance lease as assets (receivable) in the Statement of Financial Position. The asset (receivable) is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the Municipality, discounted at the interest rate implicit in the lease.

The asset (receivable) is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis in the Statement of Financial Performance.

1.18.2.2 Operating Leases

Operating lease revenue is recognised in the Statement of Financial Performance on a straight-line basis over the term of the relevant lease, unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished. The difference between the straight-lined revenue and actual payments received will give rise to an asset.



1.19 FINANCIAL INSTRUMENTS

1.19.1 Initial Recognition

Financial instruments (financial assets and financial liabilities) are recognised on the Municipality's Statement of Financial Position when it becomes party to the contractual provisions of the instrument.

Financial instruments are initially recognised at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. If finance charges in respect of financial assets and financial liabilities are significantly different from similar charges usually obtained in an open market transaction, adjusted for the specific risks of the Municipality, such differences are immediately recognised in the period it occurs, and the unamortised portion adjusted over the period of the loan transactions.

1.19.2 Subsequent Measurement

Financial instruments are categorised as follow:

- (a) **Financial instruments at amortised cost** are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. They are included in current assets or current liabilities, except for maturities greater than 12 months, which are classified as non-current. After initial recognition, both financial assets and financial liabilities are measured at amortised cost, using the effective interest rate method. Financial assets are also subject to an impairment review.
- (b) **Financial instruments at cost** are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured. Both financial assets and financial liabilities are subsequently measured at cost. Financial assets are subject to an impairment review.
- (c) **Financial instruments at fair value** comprise of financial assets or financial liabilities that are:
 - (i) derivatives;
 - (ii) combined instruments that are designated at fair value;
 - (iii) instruments held for trading;
 - (iv) non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; or
 - (v) financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Both, financial assets and financial liabilities are subsequently measured at fair value with unrealised gains or losses recognised directly in the Statement of Financial Performance.

1.19.3 Impairment and uncollectability of financial assets

Financial assets, other than those at fair value, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence of impairment of financial assets.

1.19.3.1 *Financial assets measured at amortised cost*

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Cash flows relating to short-term financial assets are not discounted where the effect of discounting is immaterial. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment is reversed by adjusting an allowance account. The amount of the reversal is recognised in Statement of Financial Performance.

1.19.3.2 *Financial assets measured at cost*

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses is not be reversed.



1.19.4 Derecognition of financial instruments

1.19.4.1 Financial assets

The Municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. Financial assets (receivables) are also derecognised when Council approves the write-off of financial assets due to non-recoverability.

If the Municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the Municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

1.19.4.2 Financial liabilities

The Municipality derecognises financial liabilities when the Municipality's obligations are discharged, cancelled or they expire.

The Municipality recognises the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in the Statement of Financial Performance.

1.19.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.20 STATUTORY RECEIVABLES

Statutory receivables arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. Statutory receivables can arise from both exchange and non-exchange transactions.

1.20.1 Initial Recognition

Statutory receivables are recognised when the related revenue (exchange or non-exchange revenue) is recognised or when the receivable meets the definition of an asset. The Municipality initially measure statutory receivables at their transaction amount.

1.20.2 Subsequent Measurement

The Municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is subsequently changed to reflect any interest or other charges that may have accrued on the receivable, less any impairment losses and amounts derecognised.

1.20.3 Impairment and uncollectability of statutory receivables

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable may be impaired.

If there is an indication that a statutory receivable may be impaired, the Municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable is reduced, through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. In estimating the future cash flows, the Municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the Municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and any risks specific to the statutory receivable for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows. Any previously recognised impairment loss is adjusted by adjusting the allowance account. The amount of any adjustment is recognised in the Statement of Financial Performance.



1.20.4 Derecognition

The Municipality derecognises a statutory receivable when the rights to the cash flows from the receivable are settled, expire or are waived or the Municipality transfers the receivable and substantially all the risks and rewards of ownership of the receivable to another entity.

When the Municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of receivable to another entity, the Municipality derecognises the receivable and recognises separately any rights and obligations created or retained in the transfer.

1.21 CASH AND CASH EQUIVALENTS

Cash includes cash on hand, cash held with banks, and call deposits. Cash equivalents are short-term highly liquid investments with registered banking institutions with maturities of three months or less from inception, readily convertible to cash without significant change in value.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred in the Statement of Financial Performance.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any bank overdrafts.

1.22 RECEIVABLES

Receivables are recognised initially at fair value, which approximates amortised cost less provision for impairment. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of receivables is established when there is objective evidence that the Municipality will not be able to collect all amounts due according to the original terms of receivables. An estimate is made for impairment of receivables, based on past default experience of all outstanding amounts at reporting date.

Bad debts are written off in the year during which they are identified as irrecoverable, subject to the approval by the appropriate delegated authority. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the Statement of Financial Performance.

1.23 TAXES (VALUE ADDED TAX)

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included in the Statement of Financial Position. The Municipality accounts for value-added tax (VAT) on the payment basis.

1.24 PAYABLES AND ANNUITY LOANS

Payables and annuity loans are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

1.25 CONSUMER DEPOSITS

Consumer deposits are disclosed as a current liability. Consumer deposits are levied in line with council's policy to consumers when services are initially connected. When services are disconnected or terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.



1.26 CONDITIONAL GOVERNMENT GRANTS AND PUBLIC CONTRIBUTIONS

Grants, transfers and donations received or receivable are recognised as assets when the resources that have been transferred to the Municipality meet the definition and criteria for recognition as assets.

Conditional grants, transfers and donations are recognised as revenue to the extent that the Municipality has complied with the conditions embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the conditions have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

The liability recognised to the extent that the conditions associated with the grant, transfer or donation have not been met, always has to be cash-backed. The cash which backs up the liability is invested as a individual investment or part of the general investments of the Municipality until it is utilised.

Interest earned on investments of grants, transfers and donations are treated in accordance with conditions as stipulated in the agreement. If it is payable to the grantor it is recorded as part of the creditor and if it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

1.27 REVENUE

At the time of initial recognition, the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the Municipality has no intention of collecting this revenue. Where the Municipality has no intention of collecting the revenue, rebates and discounts are offset against the related revenue. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

1.27.1 Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange.

Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

1.27.1.1 Taxation Revenue

Taxation revenue comprises of property rates. Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

1.27.1.2 Transfer Revenue

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred, meet the criteria for recognition as an asset. A corresponding liability is recognised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met.

Grants, transfers and donations without any conditions attached are recognised as revenue when the asset is recognised.

1.27.1.3 Fines

Fine Revenue constitutes both spot fines and summonses. All fines issued during the year less any cancellations or reductions are recognised as revenue. Any fine reductions or cancellations subsequent to the reported date is recorded as a write-off against the provision raised for debt impairment.

1.27.1.4 Insurance Refund

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.



1.27.1.5 *Unclaimed deposits*

All unclaimed deposits are initially recognised as a liability until 36 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue. This policy is in line with prescribed debt principle as enforced by law.

1.27.1.6 *Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure*

Income from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the MFMA (Act 56 of 2003), and is recognised upon the recovery thereof from the responsible party.

1.27.1.7 *Services in-kind*

Services in-kind include services provided by individuals to the Municipality at no charge or where the Municipality has the right to use assets at no charge.

The Municipality's recognises services in-kind that are significant to its operations as assets and recognises the related revenue when it is probable that the future economic benefits or service potential will flow to the Municipality and the fair value of the assets can be measured reliably.

When the criteria for recognition is satisfied, services in-kind are recognised at their fair value as at the date of acquisition.

If the services in-kind are not significant to the Municipality's operations or does not satisfy the criteria for recognition, the Municipality only disclose the nature and type of services in-kind received during the reporting period.

1.27.1.8 *Contributed Assets*

Contributed assets are recognised at fair value when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

1.27.2 **Revenue from Exchange Transactions**

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

1.27.2.1 *Service Charges*

Service Charges are levied in terms of approved tariffs.

Service charges relating to electricity and water are based on consumption and a basic charge as per the approved tariffs. Meters are read on a monthly basis and are recognised as revenue when invoiced. Where the Municipality was unable to take the actual month's reading of certain consumers, a provisional estimate of consumption for that month will be created, based on consumption history. The provisional estimates of consumption are recognised as revenue when invoiced, except at reporting date when estimates of consumption up to the reporting date are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. It is estimated that pre-paid electricity is consumed within 5 to 7 days after date of purchase. The pre-paid electricity sold, but not consumed yet at reporting date is recognised as a liability under Payables from Exchange Transactions in the Statement of Financial Position.

Service charges relating to sewerage and sanitation are recognised on a monthly basis in arrears by applying the approved tariff to each property. These service charges are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved and are levied on a monthly basis.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

1.27.2.2 *Interest earned*

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

1.27.2.3 *Rental income*

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

1.27.2.4 *Income from Agency Services*

Revenue arising out of situations where the Municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the Municipality as compensation for executing the agreed services.

Income from agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

1.27.2.5 *Other Tariffs*

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

1.27.2.6 *Sale of goods*

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- (a) The Municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods.
- (b) The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- (c) The amount of revenue can be measured reliably.
- (d) It is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality.
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.27.2.7 *Deferred payment*

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

1.28 **BORROWING COSTS**

Borrowing costs that are incurred by the Municipality are expensed in the Statement of Financial Performance in the period during which they are incurred, regardless of how the borrowings are applied.

1.29 SERVICE-CONCESSION ARRANGEMENT

The Municipality has used the principles of GRAP 32 – Service concession arrangements: Grantor to formulate its accounting policy.

A service concession arrangement is a contractual arrangement between a grantor and an operator in which:

- (a) the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time; and
- (b) the operator is compensated for its services over the period of the service concession arrangement.

A service concession asset is an asset used to provide a mandated function in a service concession arrangement that:

- (a) is provided by the operator which:
 - (i) the operator constructs, develops, or acquires from a third party; or
 - (ii) is an existing asset of the operator; or
- (b) is provided by the grantor which:
 - (i) is an existing asset of the grantor; or
 - (ii) is an upgrade to an existing asset of the grantor.

An operator is the entity that uses the service concession asset to provide a mandated function subject to the grantor's control of the asset. West Coast District Municipality (WCDM) acts as the operator in the service-concession arrangement.

A grantor is the entity that grants the right to use the service concession asset to the operator. The Municipality acts at the grantor in the service-concession arrangement with the WCDM.

When the Municipality enters into the service-concession arrangement, it determines whether it is party to the arrangement and assesses whether it is the grantor or the operator in accounting for revenue, expenses, assets and/or liabilities that results from the arrangement.

The Municipality recognises assets and liabilities arising from service concession arrangement in accordance with the requirements of the Standards of GRAP.

1.29 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.30 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.31 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.



1.32 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality. A contingent liability could also be a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where the inflow of economic benefits or service potential is probable.

1.33 CAPITAL COMMITMENTS

Capital commitments disclosed in the financial statements represents the contractual balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

1.34 EVENTS AFTER REPORTING DATE

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- (a) those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- (b) those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

1.35 RELATED PARTIES

The Municipality regards a related party as a person or an entity with the ability to control the Municipality either individually or jointly, or the ability to exercise significant influence over the Municipality, or vice versa.

Management is regarded as a related party and comprises the Councillors, Executive Mayor, Deputy Mayor, Speaker, Mayoral Committee members, Municipal Manager, executive directors and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

A close family member of management is also considered to be related party. A person is considered to be a close member of the family of another person if they are married or live together in a relationship similar to a marriage or are separated by no more than two degrees of natural or legal consanguinity or affinity.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms, are disclosed.



1.36 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

1.36.1 Application of Directive 7

For deemed cost applied to Property, Plant and Equipment as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

GRAP implementation date for the Municipality is 1 July 2007 which is also the date applicable when applying Directive 7. The GRAP compliant period is therefore determined to be from 1 July 2007 to the current year's reported date. Where the economic useful life of an item of Property, Plant and Equipment is less than the GRAP compliant period, it is assumed that the item was either incorrectly written off in the past, or that the capital expenditure of the said item was incorrectly included in surplus. In such cases the item shall not be recognised on GRAP implementation date, but shall be taken into account on that date of the opening balances of the comparative amounts.

1.36.2 Impairment of Receivables

The calculation in respect of the impairment of receivables is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

1.36.3 Useful lives and residual values

The useful lives of assets are based on management's estimates. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

The estimated residual values of assets are also based on management's judgement on whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

1.36.4 Impairment of non-monetary assets

Non-monetary assets can include, but is not limited to, Property, Plant and Equipment, Investment Property and Intangible assets.

The Municipality is not a profit-oriented entity, as its primary objective is service delivery. Tariffs and charges are cost-reflective to ensure continued financial sustainability. No profit element is included in the determination of a tariff. As such, management has determined that the Municipality does not control assets that meet the definition of cash-generating assets and that the Standard of GRAP on Impairment of Non-cash-generating Assets will apply to all assets of the Municipality.

The calculation in respect of the impairment of non-monetary assets is based on an assessment of the extent to which the recoverable amount of the asset has declined below the carrying amount. This calculation will only be performed if there is an indication of an impairment.

1.36.5 Post-Retirement and Long-term Benefits

The cost of post retirement medical benefits and long-service awards are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.



1.36.6 Provisions and Contingent Liabilities

Management's judgement is required when recognising and measuring provisions, as well as when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value at the reporting date of the expected future cash flows to rehabilitate the landfill site. The discount rate used to calculate the effect of time value of money is linked to the index for earthwork as published by Statistics South Africa.

1.36.7 Financial assets and liabilities

The classification of financial assets and liabilities, into categories, is based on judgement by management. In making the judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in the Standard of GRAP on Financial Instruments.

1.36.8 Revenue Recognition

Accounting Policy on Revenue from Non-Exchange Transactions and Accounting Policy on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as prescribed in the Standard of GRAP on Revenue from Exchange Transactions and Standard of GRAP on Revenue from Non-Exchange Transactions. Specifically, when goods are sold, whether the significant risks and rewards of ownership of the goods have been transferred to the buyer and when services are rendered, whether the service has been performed.

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CASH AND CASH EQUIVALENTS

Bank Accounts	71 494 389	76 050 999
Call Investment Deposits	6 425 225	6 022 041
Cash Floats	16 350	7 450
Total	77 935 964	82 080 490

Due to the short term nature of cash deposits, all balances included above are in line with their fair values.

Cash and Cash Equivalents are held to support the following commitments:

Unspent Conditional Grants	199 470	445 431
Unspent Borrowings	1 604 146	156 706
Capital Replacement Reserve	24 891 500	17 561 500
Cash portion of Housing Development Fund	303 919	393 813
Taxes	3 051 217	-
Working Capital Requirements	47 885 712	63 523 040
Total Cash and Cash Equivalents	77 935 964	82 080 490

Bank Accounts

ABSA Bank Limited - Account Number 11-8056-0153 (Primary Bank Account):	71 478 830	76 036 250
ABSA Bank Limited - Account Number 91-2510-9603 (Traffic Account):	15 559	14 749
Total	71 494 389	76 050 999

Bank accounts consists out of the following accounts:

ABSA Bank Limited - Account Number 11-8056-0153 (Primary Bank Account):

Cash book balance at beginning of year	76 036 250	59 996 637
Cash book balance at end of year	71 478 830	76 036 250
Bank statement balance at beginning of year	74 863 003	60 434 220
Bank statement balance at end of year	70 986 808	74 863 003

ABSA Bank Limited - Account Number 91-2510-9603 (Traffic Account):

Cash book balance at beginning of year	14 749	28 177
Cash book balance at end of year	15 559	14 749
Bank statement balance at beginning of year	14 749	28 177
Bank statement balance at end of year	15 559	14 749

Call Investment Deposits

Call investment deposits consist out of the following accounts:

ABSA - Cash Account - Account Number 92-9651-1113	6 425 225	6 022 041
	6 425 225	6 022 041

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3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Service Receivables

Electricity	17 353 259	14 951 337
Water	11 420 819	10 378 379
Housing Rentals	269 290	38 527
Refuse	18 075 256	12 320 217
Sewerage	11 792 255	8 146 885
Other	3 982 058	7 526 486
Total Gross Balance	62 892 937	53 361 832
Less: Allowance for Debt Impairment	(10 166 307)	(7 032 260)
Total Net Receivable	52 726 630	46 329 573
As previously reported		46 437 958
Correction of error restatement - note 40.1		(108 385)
Restated balance		46 329 573

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary. Interest of prime +1% is levied on late payments.

Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year	7 032 260	5 363 159
Movement in the contribution to the provision	4 020 856	2 972 829
Bad Debts Written off	(886 810)	(1 303 728)
Balance at the end of the year	10 166 307	7 032 260

The Allowance for impairment of Receivables has been made for all consumer balances outstanding based on the payment ratio over the last 12 months. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2018			
Service Receivables			
Electricity	17 353 259	(2 353 046)	15 000 213
Water	11 420 819	(1 795 546)	9 625 274
Housing Rentals	269 290	-	269 290
Refuse	18 075 256	(3 310 900)	14 764 356
Sewerage	11 792 255	(2 555 560)	9 236 694
Other	3 982 058	(151 255)	3 830 803
Total	62 892 937	(10 166 307)	52 726 630
30 June 2017			
Service Receivables			
Electricity	14 951 337	(1 863 702)	13 087 635
Water	10 378 379	(1 362 513)	9 015 866
Housing Rentals	38 527	-	38 527
Refuse	12 320 217	(2 127 066)	10 193 152
Sewerage	8 146 885	(1 586 479)	6 560 407
Other	7 526 486	(92 500)	7 433 987
Total	53 361 832	(7 032 260)	46 329 573

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2018



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3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

Ageing of Receivables from Exchange Transactions

Electricity

Current (0 - 30 days)	9 077 005	9 154 351
Past Due (31 - 60 Days)	860 987	787 635
Past Due (61 - 90 Days)	559 479	236 122
Past Due (90 Days +)	6 855 788	4 773 229
Total	17 353 259	14 951 337

Water

Current (0 - 30 days)	2 051 082	2 730 577
Past Due (31 - 60 Days)	782 030	881 603
Past Due (61 - 90 Days)	548 197	485 491
Past Due (90 Days +)	8 039 511	6 280 708
Total	11 420 819	10 378 379

Housing Rentals

Current (0 - 30 days)	96 152	2 977
Past Due (31 - 60 Days)	21 944	1 833
Past Due (61 - 90 Days)	16 557	1 627
Past Due (90 Days +)	134 637	32 091
Total	269 290	38 527

Refuse

Current (0 - 30 days)	1 810 777	1 682 130
Past Due (31 - 60 Days)	963 807	876 562
Past Due (61 - 90 Days)	710 258	511 902
Past Due (90 Days +)	14 590 413	9 249 624
Total	18 075 256	12 320 217

Sewerage

Current (0 - 30 days)	1 114 878	976 500
Past Due (31 - 60 Days)	621 751	473 890
Past Due (61 - 90 Days)	479 366	327 673
Past Due (90 Days +)	9 576 260	6 368 822
Total	11 792 255	8 146 885

Other

Current (0 - 30 days)	1 043 735	1 330 020
Past Due (31 - 60 Days)	507 016	225 955
Past Due (61 - 90 Days)	488 612	172 968
Past Due (90 Days +)	1 942 694	5 797 544
Total	3 982 058	7 526 486

Summary Ageing of all Receivables from Exchange Transactions

Current (0 - 30 days)	15 193 628	15 876 555
Past Due (31 - 60 Days)	3 757 535	3 247 478
Past Due (61 - 90 Days)	2 802 471	1 735 782
Past Due (90 Days +)	41 139 303	32 502 018
Total	62 892 937	53 361 832

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2018



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4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Service Receivables

Property Rates 38 831 996 30 958 884

Other Receivables

23 760 793 18 640 471

Unpaid Traffic Fines 19 169 810 13 983 210

Suspense Debtors 2 834 530 3 693 555

Unpaid Grants 113 815 113 815

Department of Human Settlements 1 434 144 849 891

Witwatersrand Infrastructure Project 208 494 -

Total Gross Balance

62 592 789 **49 599 355**

Less: Allowance for Debt Impairment

(28 220 054) (19 987 247)

Total Net Receivable

34 372 736 **29 612 108**

As previously reported 29 893 852

Correction of error restatement - note 40.2 (83 525)

Correction of error restatement - note 40.2 (198 219)

Restated balance 29 612 108

Rates are payable monthly within 30 days after the date of accounts. An option to pay rates annually is also available and the account must be settled on or before 30 September. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary. Interest of prime +1% is levied on late payments.

Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year 19 987 247 18 784 531

Movement in the contribution to the provision 8 499 203 9 566 321

Bad Debts Written off (266 397) (8 363 605)

Balance at the end of the year **28 220 054** **19 987 247**

The Allowance for impairment of receivables has been made for all consumer balances outstanding based on the payment ratio over the last 12 months. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2018			
Service Receivables			
Property Rates	38 831 996	(9 819 875)	29 012 121
Other Receivables			
Unpaid Traffic Fines	19 169 810	(18 400 179)	769 631
Suspense Debtors	2 834 530	-	2 834 530
Unpaid Grants	113 815	-	113 815
Department of Human Settlements	1 434 144	-	1 434 144
Witwatersrand Infrastructure Project	208 494	-	208 494
Total	62 592 789	(28 220 054)	34 372 736
30 June 2017			
Service Receivables			
Property Rates	30 958 884	(6 504 015)	24 454 869
Other Receivables			
Unpaid Traffic Fines	13 983 210	(13 483 232)	499 978
Suspense Debtors	3 693 555	-	3 693 555
Unpaid Grants	113 815	-	113 815
Department of Human Settlements	849 891	-	849 891
Total	49 599 355	(19 987 248)	29 612 107

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2018



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4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

Ageing of Receivables from Non-Exchange Transactions

Property Rates

Current (0 - 30 days)	4 195 876	4 206 027
Past Due (31 - 60 Days)	1 470 258	1 360 072
Past Due (61 - 90 Days)	861 909	674 755
Past Due (90 Days +)	32 303 953	24 718 030
Total	38 831 996	30 958 884

5 TAXES

VAT Receivable/(Payable)	2 244 679	3 634 305
VAT Input in Suspense	(1 301 998)	2 996 500
VAT Output in Suspense - net	(3 993 898)	(5 653 513)
VAT Output in Suspense	(5 242 392)	(6 563 847)
Less: VAT on Allowance for Debt Impairment	1 248 494	910 333
Total	(3 051 217)	977 292

Reconciliation of VAT on Allowance for Debt Impairment

Balance at beginning of year	910 333	664 785
Debt Impairment for current year	338 161	245 548
Balance at the end of the year	1 248 494	910 333

6 OPERATING LEASES

6.1 OPERATING LEASE ASSET

Operating Lease Asset	39 955	62 129
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The operating lease asset is derived from contracts where the Municipality acts as the lessor in the agreement.

Reconciliation of Operating Lease Asset

Balance at the beginning of the year	62 129	75 601
Movement during the year	(22 174)	(13 472)
Balance at the end of the year	39 955	62 129

The Municipality will receive the following lease payments from contracts that have defined lease payments and terms.

Within 1 Year	652 441	691 819
Between 1 and 5 Years	97 808	750 249
After 5 Years	-	-
Total operating lease payments	750 249	1 442 068

This lease income was determined from contracts that have a specific conditional income and does not include lease income which has a undetermined conditional income.

The leases are in respect of land and buildings being leased. Escalation between 7% and 10% are applicable on the leases. The renewal option after lapsing of the contracts are available.

The Municipality does not engage in any sub-lease arrangements nor did the Municipality receive any contingent rent during the year.

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LONG-TERM RECEIVABLES

Receivables with repayment arrangements	1 353 419	2 265 729
Individual Housing Loans	255 139	270 028
Sub-Total	1 608 558	2 535 757
Less: Current portion of Long-term Receivables	1 303 917	1 471 493
Receivables with repayment arrangements	1 146 917	1 314 493
Individual Housing Loans	157 000	157 000
Total	304 641	1 064 264

Receivables with repayment arrangements

Debtors amounting to R1 353 419 (2017 - R2 265 729) have arranged to settle their account over an re-negotiated period. Total payments to the value of R206 502 (2016 - R951 236) have been deferred beyond 12 months after year end and subsequently included as part of long-term receivables.

Individual Housing Loans

The loans were granted to facilitate housing schemes in the municipal area.

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INVENTORY

Fuel	482 687	238 867
Water	129 006	122 559
Spare Parts	2 406 756	2 259 454
Unsold Properties held for resale	83 254	83 254
Total	3 101 703	2 704 134

Inventory are disclosed at the lower of cost or net realisable value.

The Municipality recognised only purification costs in respect of non-purchased purified water inventory.

No inventory were pledged as security for liabilities.

Inventory written down due to losses identified during the annual stores counts	16 297	10 219
Inventory recognised as an expense during the year		
Fuel	3 471 657	3 104 513
Water	8 472 556	11 701 735
Spare parts	3 611 938	4 250 889
Total	15 556 152	19 057 137

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INVESTMENT PROPERTY

Investment Property - Carrying Value	<u>12 929 873</u>	<u>13 041 257</u>
As previously reported		12 840 805
Correction of error restatement - note 40.3		200 452
Restated balance		<u>13 041 257</u>

The carrying value of Investment Property is reconciled as follows:

Opening Carrying Value	13 041 257	13 062 639
Cost	13 070 305	13 090 305
Accumulated Depreciation	(29 048)	(27 666)
Accumulated Impairment	-	-
Additions	-	-
Disposals	(110 000)	(20 000)
Depreciation	(1 384)	(1 382)
Closing Carrying Value	12 929 873	13 041 257
Cost	12 960 305	13 070 305
Accumulated Depreciation	(30 432)	(29 048)
Accumulated Impairment	-	-

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Revenue derived from the rental of investment property	<u>582 000</u>	<u>593 722</u>
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No operating expenditure was incurred on investment property during the 2017/18 and 2016/17 financial year.

10

PROPERTY, PLANT AND EQUIPMENT

	Cost R	Accumulated Depreciation R	Accumulated Impairment R	Carrying Value R
30 June 2018				
Land and Buildings	69 974 692	(9 319 552)	-	60 655 140
Infrastructure	306 594 556	(89 264 429)	-	217 330 127
Leased Assets	-	-	-	-
Community Assets	52 323 580	(18 915 044)	-	33 408 537
Other Assets	50 114 869	(30 460 775)	-	19 654 093
Total	<u>479 007 697</u>	<u>(147 959 800)</u>	<u>-</u>	<u>331 047 897</u>
30 June 2017				
Land and Buildings	68 924 818	(8 415 484)	-	60 509 334
Infrastructure	284 159 120	(79 332 498)	-	204 826 622
Leased Assets	14 810	(12 235)	-	2 575
Community Assets	51 569 532	(17 289 157)	-	34 280 375
Other Assets	48 071 534	(29 693 444)	-	18 378 090
Total	<u>452 739 814</u>	<u>(134 742 818)</u>	<u>-</u>	<u>317 996 996</u>
As previously reported				339 323 977
Correction of error restatement - note 40.3				2 090 672
Reclassification - note 41.2				(23 417 652)
Restated balance				<u>317 996 996</u>

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10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Repairs and Maintenance incurred on Property, Plant and Equipment

7 502 527

8 754 887

It should be noted that the prior year balance of Repairs and maintenance has been restated.

The only property, plant and equipment held as security are the leased property, plant and equipment and the buildings as set out in note 14.

In 2006 the Municipality entered into a service concession arrangement with the WCDM for an initial period on 10 years wherein the WCDM operates the Municipality's assets to provide bulk water to the Municipality to distribute to its consumers.

The agreement was subsequently extended three times until 30 June 2019. The other parties to this arrangement are Bergrivier and Swartland municipalities which also appointed the WCDM as an operator.

The WCDM uses the bulk water services assets to provide water to the local municipalities and private users. In terms of the service level agreement the local municipalities determine a tariff, in consultation with the WCDM, that allows the WCDM to recover the costs the WCDM incurs in the provision of the bulk water services. The local municipalities also pay the WCDM an administrative fee of 10% of the operational costs which is also included in the tariff above.

The local municipalities recognise the costs recovered by the WCDM through the tariff as expenditure in their respective financial statements by its nature, as bulk purchases for water. The local municipalities also recognise all revenue earned from providing water to consumers, through monthly billing of the consumers, within their respective areas of jurisdiction.

The WCDM also provides water services to third parties and bills the third parties directly (farmers in remote areas and some big businesses). The provision of the water to these third parties is approved by the local municipalities when the tariff for the year is approved. The water provided to third parties by the WCDM is thus recognised in their books in line with GRAP 32.

Assets subject to service concession arrangement (Net carrying amount)

1 917 370

1 985 410

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10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of Carrying Value	Cost						Accumulated Depreciation and Impairment					Carrying Value
	Opening Balance	Additions	Disposals	Transfer of Assets	Transfer to Capital Assets	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals	Closing Balance	
30 June 2018	R	R	R	R	R	R	R	R	R	R	R	R
Land and Buildings	68 924 818	1 049 874	-	-	-	69 974 692	8 415 484	904 068	-	-	9 319 552	60 655 140
Land	36 676 277	-	-	-	-	36 676 277	-	-	-	-	-	36 676 277
Buildings	29 737 089	1 049 874	-	-	1 262 921	32 049 883	8 415 484	904 068	-	-	9 319 552	22 730 332
Work in Progress	2 511 453	-	-	-	(1 262 921)	1 248 531	-	-	-	-	-	1 248 531
Infrastructure	284 159 120	22 442 436	(7 000)	-	-	306 594 556	79 332 498	9 938 481	-	(6 551)	89 264 429	217 330 127
Electrical	46 772 989	-	-	-	48 193	46 821 182	12 298 931	1 611 990	-	-	13 910 921	32 910 261
Roads	50 493 408	-	-	-	3 780 209	54 273 617	20 399 509	1 636 062	-	-	22 035 571	32 238 046
Sanitation	71 828 293	-	-	-	336 273	72 164 566	16 745 766	2 717 150	-	-	19 462 916	52 701 650
Solid Waste	9 323 583	-	-	-	418 505	9 742 088	5 126 610	427 899	-	-	5 554 509	4 187 579
Storm Water	11 243 032	-	-	-	-	11 243 032	4 993 393	289 842	-	-	5 283 234	5 959 797
Water Supply	79 012 646	10 874	(7 000)	-	369 702	79 386 221	19 768 290	3 255 539	-	(6 551)	23 017 278	56 368 944
Work in progress	15 485 170	22 431 562	-	-	(4 952 881)	32 963 850	-	-	-	-	-	32 963 850
Leased Assets	14 810	-	(14 810)	-	-	-	12 235	2 576	-	(14 811)	-	-
Furniture and Office Equipment	14 810	-	(14 810)	-	-	-	12 235	2 576	-	(14 811)	-	-
Community Assets	51 569 532	754 049	-	-	-	52 323 580	17 289 157	1 625 887	-	-	18 915 044	33 408 537
Community Facilities	18 340 466	754 049	-	-	-	19 094 515	7 036 530	674 672	-	-	7 711 201	11 383 314
Sport and Recreational Facilities	28 258 105	-	-	-	-	28 258 105	10 252 627	951 216	-	-	11 203 842	17 054 262
Work in progress	4 970 961	-	-	-	-	4 970 961	-	-	-	-	-	4 970 961
Other Assets	48 071 534	3 775 545	(3 625 792)	1 893 582	-	50 114 869	29 693 444	4 279 849	-	(3 512 517)	30 460 775	19 654 093
Computer Equipment	3 733 335	281 423	(340 457)	138 932	-	3 813 234	2 219 229	506 173	-	(327 850)	2 397 551	1 415 682
Furniture and Office Equipment	11 218 756	667 467	(1 538 037)	-	-	10 348 186	6 496 477	1 191 029	-	(1 484 296)	6 203 210	4 144 976
Machinery and Equipment	18 096 394	597 967	(817 070)	-	-	17 877 292	9 734 233	1 530 996	-	(787 656)	10 477 572	7 399 719
Transport Assets	15 023 048	2 228 687	(930 227)	1 754 650	-	18 076 158	11 243 506	1 051 651	-	(912 715)	11 382 442	6 693 716
	452 739 814	28 021 903	(3 647 602)	1 893 582	-	479 007 697	134 742 818	16 750 861	-	(3 533 879)	147 959 800	331 047 897

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10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of Carrying Value	Cost						Accumulated Depreciation and Impairment					Carrying Value	
	Opening Balance	Additions	Disposals	Transfer of Assets	Transfer to Capital Assets	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals	Closing Balance		
30 June 2017	R	R	R	R	R	R	R	R	R	R	R	R	
Land and Buildings	66 591 066	2 398 752	(65 000)	-	-	68 924 818	7 505 078	910 405	-	-	8 415 484	60 509 334	
Land	36 741 277	-	(65 000)	-	-	36 676 277	-	-	-	-	-	36 676 277	
Buildings	29 678 582	58 507	-	-	-	29 737 089	7 505 078	910 405	-	-	8 415 484	21 321 605	
Work in progress	171 207	2 340 245	-	-	-	2 511 453	-	-	-	-	-	2 511 453	
Infrastructure	271 203 901	12 955 219	-	-	-	284 159 120	69 878 793	9 453 705	-	-	79 332 498	204 826 622	
Electrical	38 818 446	-	-	-	7 954 543	46 772 989	11 161 525	1 137 406	-	-	12 298 931	34 474 058	
Roads	48 257 670	-	-	-	2 235 738	50 493 408	18 198 991	2 200 518	-	-	20 399 509	30 093 899	
Sanitation	71 293 403	-	-	-	534 890	71 828 293	14 029 287	2 716 480	-	-	16 745 766	55 082 527	
Solid Waste	9 291 086	-	-	-	32 497	9 323 583	4 702 517	424 093	-	-	5 126 610	4 196 973	
Storm Water	11 006 053	-	-	-	236 979	11 243 032	4 646 688	346 705	-	-	4 993 393	6 249 639	
Water Supply	60 457 731	120 490	-	-	18 434 425	79 012 646	17 139 785	2 628 504	-	-	19 768 290	59 244 356	
Work in progress	32 079 512	12 834 729	-	-	(29 429 071)	15 485 170	-	-	-	-	-	15 485 170	
Leased Assets	789 994	-	(775 184)	-	-	14 810	696 304	91 114	-	-	(775 184)	12 235	2 575
Furniture and Office Equipment	789 994	-	(775 184)	-	-	14 810	696 304	91 114	-	-	(775 184)	12 235	2 575
Community Assets	46 853 981	4 715 551	-	-	-	51 569 532	15 714 050	1 575 107	-	-	17 289 157	34 280 375	
Community Facilities	17 523 827	816 639	-	-	-	18 340 466	6 405 059	631 471	-	-	7 036 530	11 303 937	
Sport and Recreational Facilities	27 571 824	686 281	-	-	-	28 258 105	9 308 991	943 636	-	-	10 252 627	18 005 478	
Work in progress	1 758 330	3 212 631	-	-	-	4 970 961	-	-	-	-	-	4 970 961	
Other Assets	42 235 883	5 835 650	-	-	-	48 071 534	25 548 740	4 144 704	-	-	29 693 444	18 378 090	
Computer Equipment	3 307 948	425 387	-	-	-	3 733 335	1 748 894	470 335	-	-	2 219 229	1 514 107	
Furniture and Office Equipment	9 335 657	1 883 100	-	-	-	11 218 756	5 287 206	1 209 271	-	-	6 496 477	4 722 279	
Machinery and Equipment	15 505 899	2 590 495	-	-	-	18 096 394	8 323 863	1 410 370	-	-	9 734 233	8 362 161	
Transport Assets	14 086 379	936 669	-	-	-	15 023 048	10 188 777	1 054 729	-	-	11 243 506	3 779 542	
	427 674 825	25 905 173	(840 184)	-	-	452 739 814	119 342 966	16 175 036	-	-	(775 184)	134 742 818	317 996 996

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INTANGIBLE ASSETS

Intangible Assets - Carrying Value 4 292 597 3 236 318

The carrying value of intangible Assets is reconciled as follows:

	3 236 318	2 043 520
Opening Carrying Value		
Cost	3 022 959	2 822 983
Work in Progress	1 992 531	604 492
Accumulated Depreciation	(1 779 173)	(1 383 955)
Accumulated Impairment	-	-
Additions		
Work in progress	5 607	199 976
	1 455 762	1 388 039
Additions	1 455 762	1 838 039
Disposals	-	(450 000)
Amortisation		
Disposal	(405 090)	(395 218)
	-	-
Cost	-	-
Accumulated Depreciation	-	-
Closing Carrying Value		
Cost	3 028 566	3 022 959
Work in Progress	3 448 294	1 992 531
Accumulated Depreciation	(2 184 263)	(1 779 173)
Accumulated Impairment	-	-

Work in progress is included in the carrying value of Intangible Assets. No amortisation is recognised against these amounts. The work in progress balance mainly relates to the Phoenix (Vesta) Financial System in process of being implemented at the Municipality at year-end. This implementation is required to ensure compliance with the mSCOA regulations that came into effect 1 July 2017. Management expects that full implementation will be completed during 2018/19. Once fully implemented, the assets are considered ready for use in line with management's expectations.

No intangible asset were assessed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities.

There are no contractual commitments for the acquisition of intangible assets.

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HERITAGE ASSETS

Heritage Assets - Carrying Value 454 012 454 012

The carrying value of Heritage Assets are reconciled as follows:

	454 012	454 012
Opening Carrying Value		
Cost	454 012	454 012
Accumulated Impairment	-	-
Movement		
	-	-
Closing Carrying Value		
Cost	454 012	454 012
Accumulated Impairment	-	-

There are no heritage assets whose title is restricted.

There are no heritage assets pledged as security for liabilities.

There are no contractual commitments for the acquisition, maintenance or restoration of heritage assets.

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13 CAPITALISED RESTORATION COST (PPE)

Capitalised Restoration Cost - Carrying Value	22 821 531	23 055 166
As previously reported		-
Reclassification - note 41.2		23 417 652
Correction of error restatement - note 40.4		(362 487)
Restated balance		23 055 166

The movement in capitalised restoration cost is reconciled as follows:

Opening Carrying Value	23 055 166	25 132 933
Cost	43 817 490	42 845 626
Accumulated Depreciation	(20 762 324)	(17 712 693)
Accumulated Impairments	-	-
Additions	3 244 930	971 864
Depreciation for the year	(3 478 564)	(3 049 632)
Impairments for the year	-	-
Closing Carrying Value	22 821 531	23 055 166
Cost	47 062 420	43 817 490
Accumulated Depreciation	(24 240 889)	(20 762 324)
Accumulated Impairments	-	-

The Municipality is required by relevant Environmental Legislation to rehabilitate landfill sites at the closure date of each respective site. The "Capitalised Restoration Cost" asset, which is capitalised in line with the requirements of GRAP 17 and iGRAP 2, relates to the initial estimate of costs involved to restore landfill sites under control of the Municipality.

Although this item is accounted for under the Property Plant and Equipment Standard (GRAP 17), the characteristics and nature of this item does not resemble that of normal PPE (such as the tangible nature of assets normally associated with PPE). Based on the aforementioned and in line with the requirements of GRAP 1, Capitalised Restoration Cost is disclosed as a separate item on the face of the Statement of Financial Position.

Refer to note 20 for more detail relating to this asset financed by way of a provision.

14 LONG-TERM LIABILITIES

Annuity Loans	56 362 960	54 801 548
Finance Lease Liabilities	-	2 819
Sub-Total	56 362 960	54 804 367
Less: Current portion of Long-term Liabilities	5 119 513	4 536 359
Annuity Loans	5 119 513	4 533 540
Finance Lease Liabilities	-	2 819
Total	51 243 447	50 268 008

Long-term Liabilities were utilised as follow:

Total Long-term Liabilities taken up	56 362 960	54 804 367
Used to finance Property, Plant and Equipment at cost	(54 758 814)	(54 647 661)
Unspent Borrowings	1 604 146	156 706

Long-term liabilities have been utilised in accordance with the Municipal Finance Management Act.

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14 LONG-TERM LIABILITIES (CONTINUED)

Annuity Loans

Annuity Loans, disclosed at amortised cost, consist out of the following agreements:

Institution and loan number	Rate	Maturity Date	Carrying Value of Liability	
DBSA (61001254)	15.00%	2018-06-30	-	264 298
DBSA (61003131)	16.50%	2020-12-31	341 432	444 358
DBSA (61001189)	14.00%	2017-09-30	-	101 032
Nedbank (05/7831032282)	11.27%	2023-06-12	2 467 710	2 822 906
DBSA (61000757)	9.86%	2018-12-31	491 801	1 407 657
DBSA (61001029)	12.41%	2030-06-30	14 656 134	15 169 656
DBSA (61006811)	11.53%	2031-06-30	3 468 515	3 580 297
DBSA (61006837)	11.59%	2036-06-30	8 314 648	8 449 251
DBSA (61006975)	11.33%	2032-06-30	3 546 400	3 648 431
Standard Bank (252933753)	11.95%	2024-06-30	4 982 529	5 527 289
Standard Bank (252933737)	11.25%	2019-06-30	492 412	934 125
Standard Bank (410683566)	10.26%	2023-06-30	6 080 000	-
ABSA (3044794458)	9.99%	2021-06-30	282 973	360 199
ABSA (3044701437)	10.57%	2026-06-12	4 966 100	5 342 049
ABSA (3046456438)	10.12%	2027-06-30	5 618 154	5 970 000
ABSA (3046456399)	9.77%	2022-06-30	654 152	780 000
Total			56 362 960	54 801 548

All annuity loans are unsecured.

Annuity loans are payable as follows:

Payable within one year	11 514 728	10 819 285
Payable within two to five years	40 987 162	36 073 574
Payable after five years	47 980 158	56 335 704
Total amount payable	100 482 048	103 228 564
Less: Outstanding Future Finance Charges	(44 119 088)	(48 427 016)
Present value of annuity loans	56 362 960	54 801 548

Finance Lease Liabilities

Finance Lease Liabilities, disclosed at amortised cost, consist out of the following agreements:

Description	Effective Interest rate	Maturity Date	Carrying Value of Liability	
Cellphones and Modems	Various	2018-02-28	-	2 819
Total			-	2 819

Finance Leases Liabilities are secured by Property, Plant and Equipment - refer to note 10.

Leased assets remain the property of the lessor after maturity and new lease contracts are negotiated to replace lapsed contracts.

Finance Lease Liabilities are payable as follows:

Payable within one year	-	2 906
Payable within two to five years	-	-
Payable after five years	-	-
Total amount payable	-	2 906
Less: Outstanding Future Finance Charges	-	(86)
Present value of finance lease liabilities	-	2 819

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15 CONSUMER DEPOSITS

Water and Electricity Deposits

3 464 470

3 281 104

The fair value of consumer deposits approximate their carrying value. Interest are not paid on these amounts.

16 PAYABLES FROM EXCHANGE TRANSACTIONS

Trade Payables

9 517 526

20 485 306

Retentions

494 203

610 684

Payments Received in Advance

4 106 809

2 533 879

Unused Pre-paid Electricity

599 704

559 902

Sundry Creditors

962 307

734 040

Sundry Deposits

1 500 857

1 239 401

Accrued Interest

-

20 302

Unknown Receipts

3 963 609

2 072 601

Goedverwacht Infrastructure Project

852 929

3 702 058

Wittewater Infrastructure Project

-

716 280

Total

21 997 944

32 674 454

As previously reported

33 017 704

Correction of error restatement - note 40.2

(343 250)

Restated balance

32 674 454

Payables are being recognised net of any discounts received.

The credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of trade and other payables approximates its fair value.

Sundry deposits include hall, builders and housing Deposits.

17 UNSPENT CONDITIONAL GOVERNMENT GRANTS

National Government

-

371 484

Provincial Government

93 947

73 947

Other Grant Providers

105 523

-

Total

199 470

445 431

Detail reconciliations of all grants received and grant conditions met are included in note 23.

Unspent grant balances are recognised to the extent that conditions are not yet met.

No grants were withheld in the current year.

Due to the short term nature of unspent grant balances, the carrying value approximates the fair value of the unspent conditional grants at year-end.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

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CURRENT EMPLOYEE BENEFITS

Bonuses	2 839 722	2 683 906
Staff Leave	5 940 989	5 538 336
Performance Bonuses	256 295	-
Current portion of Non-Current Employee Benefits - note 19	1 923 665	1 591 695
Post Retirement Medical Benefits	1 370 475	1 305 632
Long Service Awards	553 190	286 063
Total	10 960 671	9 813 937

The movement in current employee benefits are reconciled as follows:

Bonuses

Opening Balance	2 683 906	2 513 358
Contribution during the year	5 212 918	4 766 950
Payments made	(5 057 101)	(4 596 402)
Balance at the end of the year	2 839 722	2 683 906

Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represent to portion of the bonus that have already vested for the current salary cycle.

Staff Leave

Opening Balance	5 538 336	5 150 615
Contribution during the year	1 000 070	971 823
Payments made	(597 417)	(584 102)
Balance at the end of the year	5 940 989	5 538 336

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave or when employment is terminated.

Performance Bonuses

Opening Balance	-	-
Contribution during the year	289 297	-
Payments made	(33 002)	-
Balance at the end of the year	256 295	-

Performance bonuses are being paid to the Chief Financial Officer and Director Community Services after an evaluation of performance by the council.

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EMPLOYEE BENEFITS

Post Retirement Medical Benefits	36 122 084	37 121 419
Long Service Awards	5 579 123	5 116 747
Sub-Total	41 701 207	42 238 166
Less: Current portion of Employee Benefits	1 923 665	1 591 695
Post Retirement Medical Benefits	1 370 475	1 305 632
Long Service Awards	553 190	286 063
Total	39 777 542	40 646 471

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19 EMPLOYEE BENEFITS (CONTINUED)

19.1 Post Retirement Medical Benefits

The movement in Post Retirement Medical Benefits are reconciled as follows:

Opening Balance	37 121 419	38 586 722
Contribution during the year	5 417 470	5 536 826
Current Service Cost	1 873 355	2 059 765
Interest Cost	3 544 115	3 477 061
Payments made	(1 308 827)	(1 153 759)
Actuarial Loss/(Gain)	(5 107 978)	(5 848 370)
Total balance at year-end	36 122 084	37 121 419
Less: Current portion	(1 370 475)	(1 305 632)
Total	34 751 609	35 815 787

The Post Retirement Medical Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service members	162	162
In-service non-members	227	239
Continuation members	31	30
Total	420	431

The unfunded liability in respect of past service recognised in the Statement of Financial Position is as follows:

	In-Service Members R	In-Service non-Members R	Continuation Members R	Total unfunded Liability R
30 June 2018	14 692 550	4 440 963	16 988 570	36 122 084
30 June 2017	15 311 846	4 632 412	17 177 161	37 121 419
30 June 2016	19 070 202	4 091 768	15 424 752	38 586 722
30 June 2015	17 257 080	3 886 021	12 678 134	33 821 235
30 June 2014	15 045 458	3 250 734	11 543 941	29 840 133

The Municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25.

Experience adjustments were calculated as follows:

	Liabilities (Gain) / Loss R	Assets Gain / (Loss) R
30 June 2018	(2 318 000)	-
30 June 2017	(727 000)	-
30 June 2016	773 000	-
30 June 2015	448 000	-
30 June 2014	2 123 000	-

The Municipality contributes to the following medical schemes on a monthly basis:

- Bonitas
- LA Health
- Hosmed
- Samwumed
- Keyhealth

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19 EMPLOYEE BENEFITS (CONTINUED)

Key Actuarial Assumptions used are as follows:

i) Interest Rates

Discount rate	9.59%	9.71%
Health Care Cost Inflation Rate	7.38%	7.99%
Net Effective Discount Rate	2.06%	1.60%

The discount rate used is a composite of all government bonds and is calculated using a technique is known as "bootstrapping"

ii) Mortality Rates

The PA 90 ultimate table, rated down by 1 year of age for post retirement, and the SA 85-90 table for in service employees, were used by the actuaries.

iii) Normal Retirement Age

It has been assumed that in-service members will retire at age 63, which then implicitly allows for expected rates of early and ill-health retirement.

iv) Last Valuation

The last valuation was performed on 6 August 2018.

v) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

Sensitivity Analysis - Liability at year-end

Assumption	In-service members (R)	Continuation members (R)	Total liability (R)	% change
Liability	19 133 513	16 988 570	36 122 083	
Health care inflation (+ 1%)	23 475 000	18 757 000	42 232 000	17%
Health care inflation (- 1%)	15 719 000	15 466 000	31 185 000	-14%
Discount rate (+ 1%)	15 807 000	15 507 000	31 314 000	-13%
Discount rate (- 1%)	23 421 000	18 736 000	42 157 000	17%
Post-retirement mortality (- 1 year)	19 741 000	17 581 000	37 322 000	3%
Average retirement age (- 1 year)	21 103 000	16 989 000	38 092 000	5%
Continuation of membership after retirement (- 10%)	15 725 000	16 989 000	32 714 000	-9%

Sensitivity Analysis - Future Service and Interest Cost (Current Financial Year)

Assumption	Current Service Cost (R)	Interest Cost (R)	Total Cost (R)	% change
Estimated for 2017/18	1 873 355	3 544 115	5 417 470	
Health care inflation (+ 1%)	2 358 000	4 172 600	6 530 600	21%
Health care inflation (- 1%)	1 500 400	3 038 500	4 538 900	-16%
Discount rate (+ 1%)	1 522 200	3 363 500	4 885 700	-10%
Discount rate (- 1%)	2 332 800	3 739 000	6 071 800	12%
Post-retirement mortality (- 1 year)	1 935 600	3 668 400	5 604 000	3%
Average retirement age (- 1 year)	1 998 900	3 739 800	5 738 700	6%
Continuation of membership after retirement (- 10%)	1 525 600	3 198 800	4 724 400	-13%

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19 EMPLOYEE BENEFITS (CONTINUED)

Sensitivity Analysis - Future Service and Interest Cost (Next Financial Year)

Assumption	Current Service Cost (R)	Interest Cost (R)	Total Cost (R)	% change
Estimated for 2018/19	1 697 200	3 399 900	5 097 100	
Health care inflation (+ 1%)	2 133 900	3 985 600	6 119 500	20%
Health care inflation (- 1%)	1 360 100	2 926 700	4 286 800	-16%
Discount rate (+ 1%)	1 381 200	3 245 400	4 626 600	-9%
Discount rate (- 1%)	2 109 000	3 563 600	5 672 600	11%
Post-retirement mortality (- 1 year)	1 751 100	3 515 000	5 266 100	3%
Average retirement age (- 1 year)	1 904 100	3 588 800	5 492 900	8%
Continuation of membership after retirement (- 10%)	1 380 600	3 073 000	4 453 600	-13%

19.2 Long Service Awards

The movement in Long Service Awards are reconciled as follows:

Opening Balance	5 116 747	5 071 550
Contribution during the year	874 596	889 028
Current Service Cost	448 678	463 903
Interest Cost	425 918	425 125
Payments made	(259 377)	(352 337)
Actuarial Loss/(Gain)	(152 843)	(491 494)
Total balance at year-end	5 579 123	5 116 747
Less: Current portion	(553 190)	(286 063)
Total	5 025 933	4 830 684

The Long Service Awards plans are defined benefit plans.

As at year end, the following number of employees were eligible for Long Service Awards	372	385
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The unfunded liability in respect of past service recognised in the Statement of Financial Position is as follows:

	Unfunded Liability R
30 June 2018	5 579 123
30 June 2017	5 116 747
30 June 2016	5 071 550
30 June 2015	4 981 620
30 June 2014	4 474 426

The Municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25.

	Liabilities (Gain) / Loss R	Assets Gain / (Loss) R
Experience adjustments were calculated as follows:		
30 June 2018	(64 378)	-
30 June 2017	(198 919)	-
30 June 2016	(128 533)	-
30 June 2015	310 047	-
30 June 2014	79 054	-

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19 EMPLOYEE BENEFITS (CONTINUED)

Key Actuarial Assumptions used are as follows:

i) Interest Rates

Discount rate	8.63%	8.56%
General Salary Inflation (long-term)	6.22%	6.38%
Net Effective Discount Rate applied to salary-related Long Service Awards	2.27%	2.05%

The discount rate used is a composite of all government bonds and is calculated using a technique is known as "bootstrapping"

ii) Last Valuation

The last valuation was performed on 6 August 2018.

iii) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Current Liability (R)	Liability (R)	% Change
General salary inflation (+ 1%)	5 579 123	5 968 000	7%
General salary inflation (- 1%)	5 579 123	5 229 000	-6%
Discount rate (+ 1%)	5 579 123	5 214 000	-7%
Discount rate (- 1%)	5 579 123	5 992 000	7%
Average retirement age (- 2 years)	5 579 123	4 801 000	-14%
Average retirement age (+ 2 years)	5 579 123	6 287 000	13%
Withdrawal rates (- 50%)	5 579 123	6 593 000	18%

Sensitivity Analysis on the Current-service and Interest Costs

Assumption	Current Service Cost (R)	Interest Cost (R)	Total(R)	% Change
Estimated for 2018/19	474 400	458 100	932 500	
General salary inflation (+ 1%)	516 000	491 700	1 007 700	8%
General salary inflation (- 1%)	437 500	427 900	865 400	-7%
Discount rate (+ 1%)	440 400	476 100	916 500	-2%
Discount rate (- 1%)	513 300	436 500	949 800	2%
Average retirement age (- 2 years)	422 900	391 000	813 900	-13%
Average retirement age (+ 2 years)	530 400	519 200	1 049 600	13%
Withdrawal rates (- 50%)	621 600	545 600	1 167 200	25%



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19 EMPLOYEE BENEFITS (CONTINUED)

19.3 Other Pension Benefits

Defined Benefit Plans

Council contributes to the following defined benefit plans:

LA Retirement Fund (Former Cape Joint Pension Fund)	644 194	590 953
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The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2017 revealed that the fund is in a sound financial position with a funding level of 102.6% (30 June 2016 - 106.1%).

Consolidated Retirement Fund (Former Cape Retirement Fund)	8 877 089	7 728 092
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The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2016 revealed that the fund is in a sound financial position with a funding level of 100.6% (30 June 2015 - 100.4%).

Total	9 521 283	8 319 045
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Both the LA Retirement Fund and Consolidated Retirement Fund are multi-employer plans. Multiple local authorities participate in these multi-employer funds. Multi-employer plans are defined as defined benefit plans. When sufficient information is not available to use defined benefit accounting for a multi-employer plan, an entity will account for the plan as if it were a defined contribution plan.

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the LA Retirement Fund and Consolidated Retirement Fund are Multi-employer funds defined as defined benefit plan, it will be accounted for as defined contribution plan due to sufficient information not being available.

Defined Contribution Plans

Council contributes to the following defined contribution plans:

Municipal Councillors Pension Fund	184 529	176 174
SAMWU National Provident Fund	1 995 513	2 024 266

Total	2 180 042	2 200 440
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The retirement benefit funds are subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

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NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites	66 402 063	60 730 406
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The movement in Rehabilitation Provision - Landfill Sites are reconciled as follows:

Opening Balance	60 730 406	57 040 942
Contribution during the year	5 829 537	3 720 214
Increase/(Decrease) in estimate	3 244 930	971 864
Interest Cost	2 584 607	2 748 350
Expenditure incurred	(157 880)	(30 749)
Total	66 402 063	60 730 406

The calculation for the rehabilitation of the landfill site provision was compiled by an independent qualified engineer in order to determine the present value to rehabilitate the landfill sites at the end of its useful life. The total obligation at year-end can be attributed to the following sites:

Location	Site Dimensions	Estimated Decommission Date	Current Cost of Rehabilitation	Current Cost of Rehabilitation
Porterville	55 022m ²	2025	27 615 477	25 409 821
Piketberg	57 000m ²	2025	30 875 606	28 164 509
Aurora	7 370m ²	2025	5 294 243	4 793 030
Redelinghuys	1 340m ²	2025	2 616 738	2 363 045
Total			66 402 063	60 730 406

Total cost and estimated date of decommission of the sites are as follows:

Location	Estimated Decommission Date	Future Cost of Rehabilitation	Future Cost of Rehabilitation
Porterville	2025	36 462 558	36 804 606
Piketberg	2025	40 767 125	40 794 607
Aurora	2025	6 990 342	6 942 417
Redelinghuys	2025	3 455 053	3 422 729
Total		87 675 079	87 964 359

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RESERVES

Capital Replacement Reserve	24 891 500	17 561 500
Housing Development Fund	303 919	393 813
Total	25 195 419	17 955 313

The Capital Replacement Reserve is used to finance future capital expenditure from own funds.

The Housing Development Fund was established in terms of section 15 (5) and 16 of the Housing Act, Act 107 of 1997. The proceeds in this fund are utilised for housing development projects approved by the MEC. Any surplus/(deficit) on the Housing Department in the Statement of Financial Performance is transferred to the Housing Development Fund.

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PROPERTY RATES

Rateable Land and Buildings	62 606 570	56 440 436
Total	62 606 570	56 440 436
As previously reported		56 638 655
Correction of error restatement - note 40.2		(198 219)
Restated balance		56 440 436

Property rate levied are based on the following rateable valuations:

Residential Property	4 395 496 000	4 036 031 000
Commercial Property	835 575 000	596 226 000
Industrial Property	-	237 426 000
Public Benefits Organisations	-	239 351 000
Agricultural Purposes	3 194 598 200	3 172 035 200
State - National/ Provincial Services	-	4 670 000
Public Service Infrastructure	4 685 000	-
Religious	400 000	-
Municipal Property	70 000	79 636 000
Total Valuation	8 430 824 200	8 365 375 200

Rate that is applicable to the valuations above:

Residential	1.114c/R	1.032c/R
Commercial/Industrial	1.225c/R	1.135c/R
Agricultural	0.279c/R	0.258c/R

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2013. Interim valuations are processed on an annual basis to include changes in property values and subdivisions.

The first R 15 000 of the valuation on properties used only for residential purposes are exempted from property rates in terms of the Property Rates Act.

Rates are levied monthly and annually. Monthly rates are payable by the end of the month in which the amount was levied and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but in terms of Council's own policy opted not to collect it.

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23 GOVERNMENT GRANTS AND SUBSIDIES

Unconditional Grants - National Government	37 144 000	33 319 000
Equitable Share	37 144 000	33 319 000
Conditional Grants - National Government	18 249 485	14 120 042
Finance Management Grant (FMG)	1 550 000	1 475 000
Municipal Infrastructure Grant (MIG)	14 727 000	9 190 558
Expanded Public Works Programme (EPWP)	1 601 000	1 141 000
Integrated National Electrification Programme (INEP)	371 484	2 313 485
Conditional Grants - Provincial Government	7 968 594	6 970 171
CDW Contribution	-	23 053
Western Cape Financial Management Support Grant	330 000	73 210
Proclaimed Roads	75 594	73 907
Regional Socio - Economic Project/Violence Prevention through Urban Upgrading	1 000 000	-
Library Services	6 343 000	6 680 000
Financial Management Capacity Building Grant	220 000	120 000
Local Government Graduate Internship Allocation	-	-
Conditional Grants - Other Grant Providers	387 858	505 829
Cerebos Ltd	-	160 402
Heist op den Berg	333 358	-
Chieta	-	72 828
LG Seta	54 500	272 599
Total	63 749 937	54 915 042
Disclosed as:		
Government Grants and Subsidies - Operating	48 799 496	42 606 968
Government Grants and Subsidies - Capital	14 950 441	12 308 074
Total	63 749 937	54 915 042
Grants per Vote (MFMA Sec 123 (c)):		
Equitable Share	37 144 000	32 899 000
Vote 1 - Municipal Manager	-	443 053
Vote 2 - Finance	2 100 000	1 548 210
Vote 3 - Corporate Services	1 054 500	7 145 427
Vote 4 - Technical Services	17 108 436	12 879 352
Vote 5 - Community Services	6 343 001	-
Total	63 749 937	54 915 042

The movements per grant can be summarised as follows:

23.01 Equitable Share

Opening Unspent Balance	-	-
Grants Received	37 144 000	33 319 000
Transferred to Revenue - Operating	(37 144 000)	(33 319 000)
Transferred to Revenue - Capital	-	-
Other Movements	-	-
Closing Unspent Balance	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

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23 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

23.02 Finance Management Grant (FMG)

Opening Unspent Balance	-	-
Grants Received	1 550 000	1 475 000
Transferred to Revenue - Operating	(800 000)	(763 256)
Transferred to Revenue - Capital	(750 000)	(711 744)
Other Movements	-	-
Closing Unspent Balance	-	-

The Financial Management Grant is a conditional grant to assist municipalities in the implementation of financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The grant also utilised to cover expenditure relating to the Financial

23.03 Municipal Infrastructure Grant (MIG)

Opening Unspent Balance	-	306 558
Grants Received	14 727 000	8 884 000
Transferred to Revenue - Operating	(2 431 473)	(621 558)
Transferred to Revenue - Capital	(12 295 527)	(8 569 000)
Other Movements	-	-
Closing Unspent Balance	-	-

The MIG grant is a conditional grant used to upgrade infrastructure in the municipal area with the main focus on previously disadvantaged areas.

23.04 Expanded Public Works Programme (EPWP)

Opening Unspent Balance	-	-
Grants Received	1 601 000	1 141 000
Transferred to Revenue - Operating	(1 601 000)	(1 141 000)
Transferred to Revenue - Capital	-	-
Other Movements	-	-
Closing Unspent Balance	-	-

The EPWP grant is a conditional grant to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the identified focus areas in compliance with the EPWP guidelines.

23.05 Integrated National Electrification Programme (INEP)

Opening Unspent Balance	371 484	684 969
Grants Received	-	2 000 000
Transferred to Revenue - Operating	(46 045)	(284 112)
Transferred to Revenue - Capital	(325 439)	(2 029 372)
Other Movements	-	-
Closing Unspent Balance	-	371 484

The INEP grant is a conditional grant to provide capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings and the installation of bulk infrastructure.

23.06 CDW Contribution

Opening Unspent Balance	13 947	-
Grants received	-	37 000
Transferred to Revenue - Operating	-	(23 053)
Transferred to Revenue - Capital	-	-
Other Movements	-	-
Closing Unspent Balance	13 947	13 947

The CDW Contribution was used to finance the activities of Community Development Workers.

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23 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

23.07 Western Cape Financial Management Support Grant

Opening Unspent Balance	-	73 210
Grants received	330 000	-
Transferred to Revenue - Operating	(40 525)	(73 210)
Transferred to Revenue - Capital	(289 475)	-
Other Movements	-	-
	<hr/>	<hr/>
Closing Unspent Balance	-	-
	<hr/> <hr/>	<hr/> <hr/>

The Finance Management Grant was used for upgrading of financial system, reviewing of budget related policies, supply chain databases cleansing, risk management and internal audit services.

23.08 Proclaimed Roads

Opening Unspent Balance	-	-
Grants received	75 594	73 907
Transferred to Revenue - Operating	(75 594)	(73 907)
Transferred to Revenue - Capital	-	-
Other Movements	-	-
	<hr/>	<hr/>
Closing Unspent Balance	-	-
	<hr/> <hr/>	<hr/> <hr/>

The grant was used for maintenance of provincial roads.

23.09 Regional Socio - Economic Project/Violence Prevention through Urban Upgrading

Opening Unspent Balance	-	-
Grants received	1 000 000	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	(1 000 000)	-
Other Movements	-	-
	<hr/>	<hr/>
Closing Unspent Balance	-	-
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The grant was utilised for the extension of Calendula street.

23.10 Library Services

Opening Unspent Balance	-	-
Grants Received	6 343 000	6 680 000
Transferred to Revenue - Operating	(6 053 000)	(5 842 444)
Transferred to Revenue - Capital	(290 000)	(837 556)
Other Movements	-	-
	<hr/>	<hr/>
Closing Unspent Balance	-	-
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The Library Services (Municipal Replacement Fund) Grant is used to pay the salaries of library staff.

23.11 Financial Management Capacity Building Grant

Opening Unspent Balance	-	-
Grants Received	240 000	120 000
Transferred to Revenue - Operating	(220 000)	(120 000)
Transferred to Revenue - Capital	-	-
Other Movements	-	-
	<hr/>	<hr/>
Closing Unspent Balance	20 000	-
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The purpose of the grant is to develop financial human capacity within the municipal areas to enable sustainable local financial skills pipeline that is responsive to municipalities' requirements to enable sound and sustainable financial management and good financial governance.

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23 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

23.12 Local Government Graduate Internship Allocation

Opening Unspent Balance	60 000	-
Grants Received	-	60 000
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Other Movements	-	-
Closing Unspent Balance	60 000	60 000

This grant will be utilised for the recruitment of interns.

23.13 Cerebos Ltd

Opening Unspent Balance	-	46 587
Grants Received	-	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	(160 402)
Other Movements	-	113 815
Closing Unspent Balance	-	-

This grant is for the developing of a sport field at Piketberg.

23.14 Heist op den Berg

Opening Unspent Balance	-	-
Grants Received	438 882	-
Transferred to Revenue - Operating	(333 358)	-
Transferred to Revenue - Capital	-	-
Other Movements	-	-
Closing Unspent Balance	105 523	-

This grant is federal government funding from Belgium for solid waste management.

23.15 Chieta

Opening Unspent Balance	-	12 828
Grants Received	-	60 000
Transferred to Revenue - Operating	-	(72 828)
Transferred to Revenue - Capital	-	-
Other Movements	-	-
Closing Unspent Balance	-	-

This grant is for the training and development of municipal officials

23.16 LG Seta

Opening Unspent Balance	-	-
Grants Received	54 500	272 599
Transferred to Revenue - Operating	(54 500)	(272 599)
Transferred to Revenue - Capital	-	-
Other Movements	-	-
Closing Unspent Balance	-	-

This grant is for the training and development of municipal officials

23.17 Total Grants

Opening Unspent Balance	445 431	1 124 152
Grants Received	63 503 975	54 122 506
Transferred to Revenue - Operating	(48 799 496)	(42 606 968)
Transferred to Revenue - Capital	(14 950 441)	(12 308 074)
Other Movements	-	113 815
Closing Unspent Balance	199 470	445 431

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24 CONTRIBUTED ASSETS

Fire Truck	1 754 650	-
Computer Equipment	138 932	-
Total	1 893 582	-

The fire truck for the Municipality and computer equipment for a library was sponsored by Western Cape Provincial Government.

25 FINES, PENALTIES AND FORFEITS

Traffic Fines	6 472 330	9 527 787
Library Fines	24 159	15 980
Illegal Connections	204 273	26 566
Unclaimed Money	397 509	243 109
Total	7 098 271	9 813 442

As previously reported		9 779 747
Reclassification - note 41.1		269 675
Correction of error restatement - note 40.2		(235 980)
Restated balance		9 813 442

In terms of the requirements of GRAP 23 and IGRAP 1, all traffic fines issued during the year less any cancellations or reductions identified are recognised as revenue.

26 ACTUARIAL GAINS

Post Retirement Medical Benefits	5 107 978	5 848 370
Long Service Awards	152 843	491 494
Total	5 260 821	6 339 864

27 SERVICE CHARGES

Electricity	95 252 049	95 504 833
Water	20 911 329	26 437 985
Refuse Removal	23 617 359	22 422 978
Sewerage and Sanitation	14 642 921	13 556 463

Total Revenue	154 423 658	157 922 258
Less: Rebates	(8 799 583)	(8 672 140)

Electricity	(749 743)	(828 097)
Water	(1 602 395)	(1 647 485)
Refuse Removal	(3 875 234)	(3 714 458)
Sewerage and Sanitation	(2 572 211)	(2 482 101)

Total	145 624 075	149 250 118
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As previously reported		149 525 885
Reclassification - note 41.1		(275 766)
Restated balance		149 250 118

Rebates can be defined as any income that the Municipality is entitled to levy, but in terms of Council's own policy opted not to collect it.

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28	RENTAL OF FACILITIES AND EQUIPMENT		
	Halls	143 525	128 236
	Camping and Entrance Fees	4 201 430	4 269 571
	Commonage	582 000	593 722
	Hawker Stalls	102 215	99 376
	Land and Buildings	290 320	218 796
	Total	5 319 490	5 309 702
	As previously reported		4 954 107
	Reclassification - note 41.1		355 595
	Restated balance		5 309 702
29	AGENCY SERVICES		
	Drivers Licences	1 152 956	1 094 727
	Motor Vehicle Registration	2 468 579	2 278 487
	Roadworthy Certificates	394 964	435 496
	Total	4 016 499	3 808 710
	As previously reported		2 340 077
	Reclassification - note 41.1		1 468 634
	Restated balance		3 808 710
30	OTHER INCOME		
	Building Plan Approval	1 192 907	1 035 172
	Cemetery and Burial	350 021	356 393
	Cleaning and Removal	114 547	199 589
	Clearance and Valuation Certificates	210 500	178 046
	Commission	57 309	61 589
	Development Charges	188 137	335 233
	Photocopies and Faxes	50 804	58 769
	Sub-division and Consolidation Fees	115 744	89 968
	Sundry Income	273 457	169 286
	Total	2 553 426	2 484 046
	As previously reported		2 899 754
	Reclassification - note 41.1		(307 322)
	Correction of error restatement - note 40.1		(108 385)
	Restated balance		2 484 046

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31 EMPLOYEE RELATED COSTS		
Basic Salaries and Wages	71 087 583	63 678 971
Pension and UIF Contributions	11 962 404	10 807 951
Medical Aid Contributions	4 502 743	4 395 312
Overtime	4 340 301	4 677 993
Motor Vehicle Allowance	4 096 285	3 957 262
Housing Allowances	1 167 968	1 322 022
Other benefits and allowances	4 980 912	4 633 660
Acting Allowance	654 343	778 349
Bargaining Council Levy	40 791	37 516
Group Life Insurance	1 149 516	1 031 495
Standby Allowance	2 898 457	2 744 967
Sundry Allowances	237 805	41 333
Contributions to Employee Benefits	8 824 318	8 262 441
Bonuses	5 212 918	4 766 950
Staff Leave	1 000 070	971 823
Performance Bonuses	289 297	-
Long Service Awards	448 678	463 903
Post Retirement Medical Benefits	1 873 355	2 059 765
Workmen's Compensation Fund	618 314	506 152
Total	111 580 828	102 241 763

Remuneration of Management Personnel

Key management personnel are all appointed on a permanent basis, except for the Municipal Manager who is appointed on a 5-year fixed contract. There are no post-employment or termination benefits payable to them at the end of the contract periods.

Municipal Manager - Adv H Linde

Annual Remuneration	1 194 477	1 140 659
Travelling Allowance	120 000	90 990
Contributions to UIF, Medical and Pension Funds	261 884	219 013
Total	1 576 361	1 450 661

Chief Financial Officer - Mr JA van Niekerk (retired March 2017)

Annual Remuneration	-	485 651
Travelling Allowance	-	93 627
Contributions to UIF, Medical and Pension Funds	-	130 189
Housing Subsidy	-	123 282
Service Bonus	-	63 114
Long Service Award	-	-
Leave	-	185 195
Total	-	1 081 057

Director: Corporate Services - Mr JWA Kotzee

Annual Remuneration	728 259	625 335
Travelling Allowance	180 000	180 377
Contributions to UIF, Medical and Pension Funds	182 677	160 822
Housing Subsidy	123 224	164 762
Total	1 214 160	1 131 296

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31 EMPLOYEE RELATED COSTS (CONTINUED)

Director: Technical Services - Mr H Krohn

Annual Remuneration	777 255	709 266
Travelling Allowance	96 000	96 000
Contributions to UIF, Medical and Pension Funds	191 100	178 437
Housing Subsidy	132 828	132 828
Service Bonus	43 349	40 000
Total	1 240 531	1 156 530

Chief Financial Officer - Mr GJ Goliath (appointed April 2017)

Annual Remuneration	761 352	177 837
Travelling Allowance	120 000	30 553
Performance Bonus	33 002	-
Contributions to UIF, Medical and Pension Funds	117 196	29 903
Total	1 031 550	238 294

Director: Community Services - Mr DA Josephus (appointed 1 September 2017)

Annual Remuneration	531 174	-
Travelling Allowance	130 004	-
Contributions to UIF, Medical and Pension Funds	109 211	-
Service Bonus	38 547	-
Housing Subsidy	23 189	-
Total	832 123	-

32 REMUNERATION OF COUNCILLORS

Ald JA Raats	- terminated August 2016	-	69 837
CLlr WJ Dirks	- terminated August 2016	-	27 761
CLlr JC Botha	- terminated August 2016 and elected 20 June 2018	9 403	32 823
Ald RM van Rooy		637 736	528 385
CLlr DJ Smith	- terminated August 2016	-	112 312
CLlr CJ Snyders	- terminated August 2016	-	30 836
Ald SM Crafford		677 531	626 809
Ald EB Manuel	- August 2016 - May 2018	757 894	789 447
Ald A de Vries		677 531	627 346
CLlr SR Claassen		364 042	276 274
Ald SIJ Smit		292 677	259 387
CLlr A Maarman	- terminated August 2016	-	27 761
CLlr C Snyders	- terminated August 2016	-	27 761
CLlr J Daniels	- elected August 2016	292 677	240 289
CLlr AJ Du Plooy	- elected August 2016	352 148	237 607
Ald JJ Josephus	- August 2016 - May 2017	-	209 092
CLlr A Small	- elected August 2016	292 677	225 594
CLlr MA Wessels	- elected August 2016	637 736	551 289
Ald J Swart	- elected August 2016	292 677	232 765
CLlr SS Lesch	- elected August 2016	292 677	225 594
CLlr BJ Claassen	- elected August 2017	244 909	-
Total		5 822 315	5 358 968

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32 REMUNERATION OF COUNCILLORS (CONTINUED)

	Basic Salary	Motor Vehicle Allowance	Cellphone Allowance	Medical and Pension Contributions	Total
2018					
Executive Mayor	465 922	170 597	37 113	82 238	755 871
Deputy Executive Mayor	424 158	151 602	40 800	60 971	677 531
Speaker	636 731	-	40 800		677 531
Executive Committee	855 208	202 128	81 600	136 536	1 275 472
Other Councillors	1 805 626	155 893	320 957	153 435	2 435 910
Total	4 187 645	680 220	521 270	433 180	5 822 315
2017					
Executive Mayor	478 088	201 176	21 190	88 993	789 447
Deputy Executive Mayor	394 969	151 405	21 190	59 245	626 809
Speaker	645 839	21 635	23 513	6 196	697 183
Executive Committee	757 786	195 979	38 095	87 814	1 079 674
Other Councillors	1 623 531	209 702	173 761	158 862	2 165 856
Total	3 900 213	779 896	277 750	401 110	5 358 968

In-kind Benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and Executive Committee member serve in a full-time capacity. They are provided with secretarial support and an office each at the cost of the Council.

Councillors may utilize municipal transportation when engaged in official duties

33 DEBT IMPAIRMENT

Receivables from Exchange Transactions	4 020 856	2 972 829
Receivables from Non-Exchange Transactions	8 499 203	9 566 321
Total Debt Impairment	12 520 060	12 539 150
Movement in VAT included in debt impairment	(338 161)	(245 548)
Total	12 181 899	12 293 602
As previously reported		12 789 307
Correction of error restatement - note 40.2		(495 705)
Restated balance		12 293 602

34 DEPRECIATION AND AMORTISATION

Property, Plant and Equipment	16 750 861	16 175 036
Intangible Assets	405 090	395 218
Investment Property	1 384	1 382
Capitalised Restoration Cost (PPE)	3 478 564	3 049 632
Total	20 635 899	19 621 268
As previously reported		19 372 439
Correction of error restatement - note 40.3		126 404
Correction of error restatement - note 40.4		122 425
Restated balance		19 621 268

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35	FINANCE CHARGES		
	Cash	6 280 107	6 011 840
	Long-term Liabilities	6 280 107	6 011 840
	Non-cash	6 554 640	6 650 535
	Post Retirement Medical Benefits	3 544 115	3 477 061
	Long Service Awards	425 918	425 125
	Rehabilitation of Landfill Sites	2 584 607	2 748 350
	Total	12 834 747	12 662 376
36	BULK PURCHASES		
	Electricity	73 795 816	73 189 398
	Water	4 006 927	5 639 751
	Total	77 802 743	78 829 149
	As previously reported		80 493 562
	Correction of error restatement - note 40.3		(120 490)
	Reclassification - note 41.1		(1 543 923)
	Restated balance		78 829 149
	Bulk Purchases are the cost of commodities not generated by the Municipality, which the Municipality distributes in the municipal area for re-sale to consumers. Electricity is purchased from Eskom and water is purchased from a variety of suppliers including DWA and a number of private suppliers.		
37	TRANSFERS AND GRANTS		
	Animal Welfare	50 000	11 660
	Bergrivier Canoe Marathon	53 500	50 000
	Bergrivier Estuary Management Forum	134 970	126 140
	Boland Rugby	-	106 000
	External Bursaries	220 000	-
	Museums	480 900	449 440
	Port Owen Marine Authority	901 690	843 000
	Society for the Prevention of Cruelty to Animals (SPCA)	120 230	112 360
	Sport Councils	260 000	180 200
	St Helena Bay Water Quality Trust	34 016	32 090
	Tourism	1 891 800	1 640 000
	Other Transfers and Grants	3 000	-
	Total	4 150 106	3 550 890

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OTHER EXPENDITURE

Accounting and Auditing	1 567 581	1 012 983
Advertising, Publicity and Marketing	884 498	737 560
Bank Charges, Facility and Card Fees	617 347	530 002
Bursaries to Employees	313 936	-
Chemicals	525 694	808 076
Commission - Prepaid Electricity	1 932 461	1 932 720
Communication	2 720 001	2 235 084
SMS Bulk Message Service	-	2 680
Cellular Contract (Subscription and Calls)	531 398	334 374
Postage, Stamps and Franking Machines	656 484	554 838
Telephone, Fax, Telegraph and Telex	1 532 119	1 343 193
Drivers Licence Cards	337 725	290 800
Electricity - Internal usage	1 146 916	1 543 923
Entertainment	186 152	139 270
External Audit Fees	2 308 755	2 279 466
External Computer Service	2 000 802	1 026 129
Fuel	3 581 984	3 114 733
Hire Charges	281 532	256 608
Human Resources	147 115	133 353
Insurance	1 058 418	699 055
Laboratory Services	626 663	673 604
Learnerships and Internships	729 613	1 019 164
Legal Cost	286 715	102 253
Maintenance Services	3 732 367	3 626 095
Maintenance Materials	3 770 160	5 128 792
Motor Vehicle Licence and Registrations	252 963	231 304
Organisational	1 063 543	545 059
Printing and Stationary	1 239 970	1 151 442
Professional Bodies, Membership and Subscription	1 198 128	1 119 895
Refuse bags	1 286 303	1 092 160
Refuse Removal	3 998 873	3 640 759
Security Services	570 072	689 504
Skills Development Fund Levy	927 932	850 591
Small Tools and Equipment	291 563	255 586
Traffic Fines Management	199 059	130 120
Travel and Subsistence	1 356 589	1 151 726
Uniform and Protective Clothing	591 551	527 573
Valuer and Assessors	1 035 417	12 368
Other Consulting and Professional Fees	1 366 658	1 514 400
Sundries and Other Consumables	2 159 836	1 797 129
Total	46 294 892	41 999 286
As previously reported		40 455 363
Reclassification - note 41.1		1 543 923
Restated balance		41 999 286

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GAIN/(LOSS) ON DISPOSAL OF NON-MONETARY ASSETS

Proceeds	789 855	471 929
Less: Carrying value of Investment Property disposed	(110 000)	(20 000)
Less: Carrying value of Property, Plant and Equipment disposed	(113 723)	(65 000)
Less: Carrying value of Intangible Assets disposed	-	(450 000)
Total	566 132	(63 071)



40 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR

40.1 Receivables from Exchange Transactions

It was noted that cleaning of erven was incorrectly levied in the prior year.

The net effect of the above-mentioned errors were as follow:

- Receivables from Exchange Transactions - note 3	Overstated	(108 385)
- Other Income - note 30	Overstated	(108 385)

40.2 Receivables from Non-Exchange Transactions

The following errors were noted on traffic fines pertaining to 2016/17:

- Fines amounting to R93 700 which was not recorded.
- Payments amounting to R343 250 which could previously not be traced to the respective fines issued, were allocated. Reductions amounting to R329 680 associated with the said payments were also not recorded.
- The above-mentioned errors also effected the Provision for Debt Impairment which was overstated by R479 705.

The net effect of the above-mentioned errors were as follow:

- Receivables from Non-Exchange Transactions - note 4	Overstated	(83 525)
- Payables from exchange transactions - note 16	Overstated	(343 250)
- Fines, penalties and forfeits - note 25	Overstated	(235 980)
- Debt Impairment - note 33	Overstated	(495 705)

It was also noted that drought relief rebates were not granted in the prior year to qualifying consumers. The net effect of the error was as follow:

- Receivables from Non-Exchange Transactions - note 4	Overstated	(198 219)
- Property Rates - note 22	Overstated	(198 219)

40.3 Property, Plant and Equipment

The following errors were noted on Property, Plant and Equipment:

- Property amounting to R225 451 meeting the definition of Investment Property was incorrectly included as part of Property, Plant and Equipment.
- Property amounting to R25 000 meeting the definition of Property, Plant and Equipment was incorrectly included as Investment Property.
- Water Supply Infrastructure amounting to R1 985 410 was incorrectly recorded in the records of West Coast District Municipality.
- Infrastructure assets still in use was incorrectly stated at a carrying value of R1.00. Accumulated Depreciation was overstated by R305 712.

The net effect of the above-mentioned errors were as follow:

- Investment Property - note 9	Understated	200 452
- Property, Plant and Equipment - note 10	Understated	2 090 672
- Depreciation and Amortisation - note 34	Understated	126 404
- Bulk Purchases - note 36	Overstated	(120 490)
- Accumulated Surplus - note 40.5	Understated	2 297 037

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40 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR (CONTINUED)

40.4 Capitalised Restoration Cost (PPE)

The estimated useful lives of the assets were determined to be incorrect as the rehabilitation time was not taken into account prior to the expiry date of the licenses.

The net effect of the above-mentioned errors were as follow:

- Capitalised Restoration Cost (PPE) - note 13	Overstated	(362 487)
- Depreciation and Amortisation - note 34	Understated	122 425
- Accumulated Surplus - note 40.5	Overstated	(240 062)

40.5 Accumulated Surplus

Property, Plant and Equipment - note 40.3	2 297 037
Property, Plant and Equipment - note 40.4	(240 062)
Total	2 056 976

41 PRIOR PERIOD ADJUSTMENTS - RECLASSIFICATIONS

41.1 Revenue and Expenditure

The following items were reclassified in order to be aligned to the nature of the revenue or expenditure item as per the mSCOA chart:

Item	Previous Classification	Revised Classification	Amount
Illegal Connections	Other Income	Fines, penalties and forfeits	26 566
Interest on Eskom Deposit	Other Income	Interest Earned	19 408
Unclaimed Money	Other Income	Fines, penalties and forfeits	243 109
Cleaning and Removal	Service Charges	Other Income	281 580
Water Reading Fees	Other Income	Service Charges	1 503
Refuse Bags	Other Income	Service Charges	4 311
Drivers Licences	Licences and Permits	Agency Services	1 094 727
Roadworthy Certificates	Licences and Permits	Agency Services	435 496
Commission	Agency Services	Other Income	61 589
Camping and Entrance Fees	Other Income	Rental of Facilities and Equipment	256 219
Hawker Stalls	Other Income	Rental of Facilities and Equipment	99 376
Internal Electricity Usage	Bulk Purchases	Other Expenditure	1 543 923

The above mentioned reclassifications effected the following line items:

Revenue

- Fines, penalties and forfeits	269 675
- Service Charges	(275 766)
- Rental of Facilities and Equipment	355 595
- Interest Earned - External Investments	19 408
- Agency Services	1 468 634
- Licences and Permits	(1 530 223)
- Other Income	(307 322)

Expenditure

- Bulk Purchases	(1 543 923)
- Other Expenditure	1 543 923

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41 PRIOR PERIOD ADJUSTMENTS - RECLASSIFICATIONS (CONTINUED)

41.2 Capital Restoration Costs

Capital Restoration Cost was previously disclosed as per of the balance of Property, Plant and Equipment (PPE). Although this item is accounted for under the Property Plant and Equipment Standard of GRAP (GRAP 17), the characteristics and nature of this item does not resemble that of normal PPE (such as the tangible nature of assets normally associated with PPE). Based on the aforementioned and in line with the requirements of GRAP 1, Capitalised Restoration Cost is disclosed as a separate item on the face of the Statement of Financial Position.

- Capitalised Restoration Cost (PPE)	23 417 652
- Property, Plant and Equipment	(23 417 652)

42 NET CASH FROM OPERATING ACTIVITIES

Net Surplus for the year	19 426 048	22 010 812
Adjusted for:		
Non-cash revenue included in Net Surplus	(7 698 361)	(6 326 392)
Contributed Assets	(1 893 582)	-
Actuarial Gains	(5 260 821)	(6 339 864)
Rental of Facilities and Equipment - decrease in operating lease asset	22 174	13 472
Gain on disposal of Non-Monetary Assets	(566 132)	-
Non-cash expenditure included in Net Surplus	48 196 756	46 890 917
Employee Related Costs - Contributions towards	8 824 318	8 262 441
Post Retirement Medical Benefits	1 873 355	2 059 765
Long Service Awards	448 678	463 903
Bonuses	5 212 918	4 766 950
Staff Leave	1 000 070	971 823
Performance Bonuses	289 297	-
Debt Impairment	12 181 899	12 293 602
Depreciation and Amortisation	20 635 899	19 621 268
Finance Charges	6 554 640	6 650 535
Post Retirement Medical Benefits	3 544 115	3 477 061
Long Service Awards	425 918	425 125
Provision for Rehabilitation of Landfill-sites	2 584 607	2 748 350
Loss on disposal of Non-Monetary Assets	-	63 071
Cash expenditure not included in Net Surplus	(7 413 604)	(6 717 349)
Post Retirement Medical Benefits	(1 308 827)	(1 153 759)
Long Service Awards	(259 377)	(352 337)
Bonuses	(5 057 101)	(4 596 402)
Staff Leave	(597 417)	(584 102)
Performance Bonuses	(33 002)	-
Provision for Rehabilitation of Landfill-sites	(157 880)	(30 749)
Operating Surplus before changes in working capital	52 510 838	55 857 988
Movement in working capital	(29 718 806)	(14 849 350)
Receivables from Exchange Transactions	(10 417 914)	(9 651 942)
Receivables from Non-Exchange Transactions	(13 259 831)	(11 310 057)
Inventory	(397 569)	170 600
Long-term Receivables	912 310	1 220 658
Payables from exchange transactions	(10 676 510)	5 133 805
Unspent Conditional Government Grants	(245 961)	(678 721)
Taxes	4 366 669	266 307
Cash Flow from Operating Activities	22 792 032	41 008 638



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43 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise out of the following:

Primary Bank Account	71 494 389	76 050 999
Call and Notice Deposits	6 425 225	6 022 041
Cash Floats	16 350	7 450
Total	77 935 964	82 080 490

Refer to note 2 for more details relating to cash and cash equivalents.

44 BUDGET COMPARISONS

44.1 Comparable Basis

Differences were identified between the disclosure requirements in terms of GRAP and the reporting requirements in terms of National Treasury budget formats.

The following items are affected by these classification differences:

Statement of Financial Position

Consumer Debtors consist out of both Receivables from Exchange Transactions as well as the Rates Receivable.

Other Receivables incorporate all other current receivable balances not specifically provided for in the National Treasury formats.

Trade and Other Payables incorporates Payable from exchange transactions, Unspent grants, Unspent public contributions, Taxes and Operating lease liabilities.

Employee Benefits and Provisions (Current and Non-Current) are included under the provisions line item in the budget statements.

Statement of Financial Performance

The statement of financial performance is comparable on a line by line basis except for the following items:

The budget statements does not provide for all the different revenue classifications per statement of financial performance. For this reason, all line items not specifically catered for is incorporated under the line item Other Revenue in the budget statement.

Depreciation and Amortisation and Impairments are aggregated on the budget statements while it is shown separately on the Statement of Financial Performance.

The budget statements does not provide for all the different expenditure classifications per statement of financial performance. For this reason, all line items not specifically catered for is incorporated under the line item Other Expenditure in the budget statement.

Other Materials and Contracted Services are required to be separately budgeted. However this line item is not GRAP compliant as it does not disclose the nature of the expenditure. Accordingly Other Materials and Contracted Services should be read in conjunction with Other Expenditure.

Cash Flow Statement

The Cash Flow Statement is presented on a comparable basis.

44.2 Statement of Financial Position

Adjustments to Original Budget

Items in the State of Financial Position were adjusted to take into account adjustments made to the operating and capital budget and also to align balances with the actual audit outcomes of 2016/17.

Property, Plant and Equipment was also adjusted to take into account approved roll over grants as well as Public Donations and Contributions which were not included in the original budget.

Accumulated Surplus was adjusted to take into account budget adjustments made to the Statement of Financial Performance.

44 BUDGET COMPARISONS (CONTUED)

Actual Amounts vs Final Budget

Cash was less than budget due to the settlement of outstanding creditors at year-end.

Consumer Debtors increased due to a decline in collection rate attributed to the challenges experienced with the implementation of the new financial system.

Other Debtors decreased due to less fines issued than anticipated.

Trade and Other Payables were less than budget due to the settlement of outstanding creditors as mentioned above.

Provisions and Employee Benefits were less than budget due to an actuarial gain which could not be budgeted for.

Accumulated Surplus was more than budget due to reasons as stated under the Statement of Financial Performance heading.

44.3 Statement of Financial Performance

Adjustments to Original Budget

The mid-year budget and performance assessment determined that additional revenue would be available for appropriation during 2017/2018 from Property Rates (R 2.5 million), Sanitation Revenue (R 1.1 million) and Refuse Revenue (R 1.148 million).

Both Service Charges for Electricity and Water were decreased as a result of decrease in demand due to the drought.

Fines was increased in line with the actual audit outcome of 2016/17.

Employee related costs were adjusted downwards by the amount of R 6.091 million as a result of not all vacant posts being filled.

The bulk purchases decreased by R 6.619 million to take into account the decrease in demand as noted above.

Transfers and subsidies - Capital (in-kind) were increased as a result of public donations consisting out of a fire truck and computer equipment to the value of R 1.894 million

Actual Amounts vs Final Budget

Property Rates were less than budget due to supplementary valuations not materialising as anticipated.

Service Charges - Electricity Revenue were less than budget due to excessive decrease in consumption patterns directly linked to the drought experienced in the municipal area.

Transfers and Grants - Operational was less than budget as the Housing Grant is included in the budget, but for GRAP purposes it is treated as an agency function.

Other Revenue was more than budget due to the Actuarial Gains which can not be budgeted for.

Other Material, Contracted Services and Other Expenditure should be read in conjunction. The reason for the actuals amounts being less than budget are as follow:

- Expenditure pertaining to the Housing grant being treated differently for budget and GRAP purposes. For budget purpose it is included as expenditure, but for GRAP purposes it is treated as an agency service.

- Expenditure was also less than budget as a result of the drought whereby expenditure was curtailed due to less revenue being collected.

44.4 Cash Flow Statement

Adjustments to Original Budget

Service Charges were increased mainly due to a decrease in electricity and water sales.

Suppliers and Employees were increased due to the decrease in employee related costs and bulk purchase.

Finance Charges was adjusted due to the Original Budget which incorrectly included non-cash interest.

Actual Amounts vs Final Budget

Both Property Rates and Services charges were less than budget due to a decrease in the collection rate.

Government Grants were less than budget due to the treatment of the Housing grant as an agency function.

Suppliers and Employee were less than budget as a result of the drought whereby expenditure was curtailed due to less revenue being collected.

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45 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

45.1 Unauthorised Expenditure

Unauthorised expenditure can be reconciled as follow:

Opening balance	-	2 438 153
Unauthorised expenditure current year - operating	-	-
Unauthorised expenditure current year - capital	-	-
Approved by Council	-	(2 438 153)
Unauthorised expenditure awaiting further action	-	-

Unauthorised expenditure only relates to expenditure in excess of approved budget votes. No disciplinary steps or criminal proceedings were instituted as a result of unauthorised expenditure incurred. Refer below for votes of which the expenditure was in excess of the approved budget:

	2018 (Actual) R	2018 (Final Budget) R	2018 (Unauthorised) R	2017 (Unauthorised) R
Unauthorised expenditure - Operating				
Vote 1 - Municipal Manager	20 832 264	23 013 696	-	-
Vote 2 - Finance	27 247 449	27 621 288	-	-
Vote 3 - Corporate Services	26 684 102	28 161 735	-	-
Vote 4 - Technical Services	176 473 052	184 438 658	-	-
Vote 5 - Community Services	40 066 563	57 919 883	-	-
Total	291 303 430	321 155 260	-	-
Unauthorised expenditure - Capital				
Vote 1 - Municipal Manager	99 866	101 500	-	-
Vote 2 - Finance	1 577 331	1 579 475	-	-
Vote 3 - Corporate Services	1 187 898	1 232 000	-	-
Vote 4 - Technical Services	23 236 035	25 876 597	-	-
Vote 5 - Community Services	5 275 724	5 421 362	-	-
Total	31 376 854	34 210 934	-	-

45.2 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure can be reconciled as follow:

Opening balance	-	-
Fruitless and wasteful expenditure incurred	8 993	-
Recovered from Employees	(8 993)	-
Fruitless and wasteful expenditure awaiting further action	-	-

Details of fruitless and wasteful expenditure incurred

(a) An employee who resigned service in August 2017 was paid a salary in September 2017 and not all funds could be recovered.	2 042	-
(b) An employee who retired from service in January 2018 was paid a salary in February 2018 and not all funds could be recovered.	6 951	-
Total	8 993	-

No disciplinary steps or criminal proceedings were instituted as a result of fruitless and wasteful expenditure incurred due to the employees no longer being in service of the municipality and no criminal offence occurred.

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45 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

45.3 Irregular Expenditure

Irregular expenditure can be reconciled as follow:

Opening balance	-	2 856 631
Irregular expenditure incurred - current year	-	-
Approved by Council	-	(2 856 631)
Irregular expenditure awaiting further action	-	-

Details of irregular expenditure incurred

(a) Transaction entered into with a supplier whose director/principal shareholder is in the service of the state (Section 44 of SCM Regulation)	-	-
(b) Tenders awarded where the quorum of Bid Adjudication Committee was 60% instead of 80% (Section 33(1)(e) of SCM Policy)	-	-
(c) Advertised at 80/20 preference point system, but total tender price of all tenders received exceeded R 1 000 000 and should have been cancelled and re-advertised at 90/10 preference point system (Section 8(1)(a) of the preferential procurement policy framework act)	-	-
Total	-	-

No disciplinary steps or criminal proceedings were instituted as a result of irregular expenditure incurred.

46 MATERIAL LOSSES

46.1 Water distribution losses

Kilo litres disinfected/purified/purchased	1 715 403	2 598 395
Kilo litres sold and free basic services	1 595 585	2 340 347
Kilo litres lost during distribution	119 818	258 048
Percentage lost during distribution	6.98%	9.93%
Distribution loss (Rand Value)	636 234	1 290 240

Normal pipe bursts and field leakages are responsible for water losses.

46.2 Electricity distribution losses

Units purchased (Kwh)	79 806 013	80 203 384
Units sold, free basic services and standard friction losses	72 101 616	73 046 048
Units lost during distribution (Kwh)	7 704 397	7 157 336
Percentage lost during distribution	9.65%	8.92%
Distribution loss (Rand Value)	6 958 612	6 464 506

Electricity losses are due to electricity theft on pre-paid meters. Fines were issued for first time offenders.

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47 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

47.1 SALGA Contributions [MFMA 125 (1)(b)]

Opening balance	-	-
Expenditure incurred	1 143 183	1 055 981
Payments	(1 143 183)	(1 055 981)
Payments in advance	-	-

47.2 Audit Fees [MFMA 125 (1)(c)]

Opening balance	-	3 829
Expenditure incurred	2 381 045	2 346 172
External Audit - Auditor-General	2 308 755	2 279 466
Audit Committee	72 291	66 705
Payments	(2 381 045)	(2 350 000)
Outstanding Balance	-	-

47.3 VAT [MFMA 125 (1)(c)]

Opening balance	3 634 305	3 111 446
Net amount claimed during the year	1 785 980	(2 152 882)
Net amount paid / (received) during the year	(3 175 606)	2 675 741
Outstanding Balance	2 244 679	3 634 305

VAT is payable/receivable on the cash basis. VAT is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors. All VAT returns have been submitted by the due date throughout the year.

47.4 PAYE, SDL and UIF [MFMA 125 (1)(c)]

Opening balance	-	-
Payroll deductions and Council Contributions during the year	15 241 589	13 373 332
Payments	(15 241 589)	(13 373 332)
Outstanding Balance	-	-

47.5 Pension and Medical Aid Contributions [MFMA 125 (1)(c)]

Opening balance	-	-
Payroll deductions and Council Contributions during the year	25 247 683	24 434 090
Payments made to pension and medical fund	(25 247 683)	(24 434 090)
Outstanding Balance	-	-

47.6 Councillors Arrear Accounts [MFMA 124 (1)(b)]

The following Councillor had arrear accounts outstanding for more than 90 days during the year.

J Swart	84	1 591
AJ du Plooy	1 884	-
Total	1 968	1 591

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47 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

47.7 Deviations from Supply Chain Management Regulations

Deviations from Supply Chain Management Regulations were identified on the following categories:

Section 36(1)(a)(i) - Emergencies	3 659 613	1 436 579
Section 36(1)(a)(ii) - Single provider	1 682 280	859 051
Section 36(1)(a)(iii) - Specialised services	1 757 437	-
Section 36(1)(a)(iv) - Acquisition of animals for zoo's	-	-
Section 36(1)(a)(v) - Impractical so follow official procurement process	2 269 538	4 817 433
Total	9 368 869	7 113 062

Deviations from Supply Chain Management Regulations can be allocated as follow:

Vote 1 - Municipal Manager	486 258	608 055
Vote 2 - Finance	172 941	1 621 778
Vote 3 - Corporate Services	1 166 380	1 664 998
Vote 4 - Technical Services	6 815 851	3 218 231
Total	9 368 869	7 113 062

All the deviations were ratified by the Municipal Manager and reported to Council.

48 CAPITAL COMMITMENTS

Approved and contracted for	21 842 573	35 232 989
Infrastructure	18 108 559	29 848 480
Intangible Assets	3 734 014	5 384 509

This expenditure will be financed from:

Government Grants	15 175 300	31 848 480
External Loans	2 500 000	-
Own funding	4 167 274	3 384 509
	21 842 573	35 232 989

Capital Commitments are disclosed exclusive of Value Added Tax (VAT).



49 FINANCIAL RISK MANAGEMENT

The Municipality is potentially exposed to the following risks:

49.1 Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The following financial assets are exposed to credit risk:

Cash and Cash Equivalents	77 935 964	82 080 490
Receivables from exchange transactions	52 726 630	46 329 573
Long-term Receivables	1 608 558	2 535 757
Total	132 271 152	130 945 819

Cash and Cash Equivalents

Deposits of the Municipality is only held at reputable banks that are listed on the JSE. The credit quality is regularly monitored through required SENS releases by the various banks. The risk pertaining to these deposits are considered to be very low.

There are no restrictions on the cash deposits held and no cash were pledged as security. No collateral is held for any cash and cash equivalents.

Receivables from Exchange Transactions

Receivables comprise of a large number of users, dispersed across different sectors and geographical areas. On-going credit evaluations are performed on the financial condition of these receivables. Credit risk pertaining to receivables are considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Receivables are disclosed after taking into account the provision for impairment raised against each class of receivable.

Receivables are payable within 30 days. All receivables outstanding for more than 30 days are considered to be passed due.

Refer to note 3 for more information regarding the provision for impairment raised against each service type as well as receivables considered to be passed due.

Also refer to note 3 for more information regarding balances renegotiated beyond the original 30 days payment period initially granted.

No receivables were pledged as security for liabilities and no collateral is held from any consumers (other than consumer deposits).

The following service receivables are passed due, but not impaired:

Electricity	5 923 209	3 933 283
Water	7 574 192	6 285 289
Housing Rentals	173 138	35 551
Refuse	12 953 579	8 511 021
Sewerage	8 121 817	5 583 907
Other	2 787 068	6 103 967
Property Rates (Statutory Receivable)	24 816 246	20 248 842
Total	62 349 248	50 701 860

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49 FINANCIAL RISK MANAGEMENT (CONTINUED)

49.2 Currency risk (Market Risk)

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The financial instruments of the Municipality is not directly exposed to any currency risk.

49.3 Interest rate risk (Market Risk)

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The following balances are exposed to interest rate fluctuations:

Cash and Cash Equivalents (excluding cash on hand)	77 919 614	82 073 040
Long-term Liabilities (including current portion)	-	-
Net balance exposed	77 919 614	82 073 040

Potential effect of changes in interest rates on surplus and deficit for the year:

1% (2017 - 1%) increase in interest rates	779 196	820 730
0% (2017 - 0%) decrease in interest rates	-	-

South Africa is currently in an upward interest rate cycle and management does not foresee a decrease in the next 12 months.

49.4 Liquidity risk

Liquidity risk is the risk encountered by the Municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is mitigated by approving cash funded budgets at all times to ensure commitments can be settled once due over the long term. The Municipality also monitors its cash balances on a daily basis to ensure cash resources are available to settle short term obligations.

The following balances are exposed to liquidity risk:

	Within 1 Year	Between 2 to 5 years	After 5 years	Total
30 JUNE 2018				
Annuity Loans	11 514 728	40 987 162	47 980 158	100 482 048
Payables from exchange transactions	17 291 431	-	-	17 291 431
Total	28 806 159	40 987 162	47 980 158	117 773 479
30 JUNE 2017				
Annuity Loans	10 819 285	36 073 574	56 335 704	103 228 564
Finance Lease Liabilities	2 906	-	-	2 906
Payables from exchange transactions	29 580 673	-	-	29 580 673
Total	40 402 863	36 073 574	56 335 704	132 812 142

49.5 Other price risk (Market Risk)

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Municipality is not exposed to any other price risk.

BERGRIVIER LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2018



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50 FINANCIAL INSTRUMENTS

The Municipality recognised the following financial instruments at amortised cost:

Financial Assets

Cash and Cash Equivalents	77 935 964	82 080 490
Receivables from Exchange transactions	52 726 630	46 329 573
Long-term Receivables	1 608 558	2 535 757
Total	132 271 152	130 945 819

Financial Liabilities

Payables from exchange transactions	17 291 431	29 580 673
Long-Term Liabilities	56 362 960	54 804 367
Total	73 654 391	84 385 039

51 STATUTORY RECEIVABLES

In accordance with the principles of GRAP 108, Statutory Receivables of the Municipality are classified as follows:

Taxes	-	977 292
Receivables from Non-Exchange Transactions	31 538 206	25 918 553
Rates	29 012 121	24 454 869
Fines	769 631	499 978
Unpaid Grants	113 815	113 815
Department of Human Settlements	1 434 144	849 891
Witwatersrand Infrastructure Project	208 494	-
Total	31 538 206	26 895 844

The amounts above are disclosed after any provision for impairment has been taken into account.

52 EVENTS AFTER REPORTING DATE

The Municipality had no significant events after reporting date.

It must however be noted that the Chief Financial Officer submitted his resignation to Council on 28 August 2018. The effective termination date will be 30 November 2018. The Council declared the position vacant and approved a recruitment plan to appoint a Chief Financial Officer by 23 October 2018.

53 IN-KIND DONATIONS AND ASSISTANCE

The Municipality received donations as disclosed in note 24.

54 PRIVATE PUBLIC PARTNERSHIPS (PPP's)

The Municipality did not enter into any PPP's in the current and prior year.

55 CONTINGENT LIABILITIES

The Municipality is not currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions.

BERGRIVIER LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2018



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56 RELATED PARTIES

56.1 Related Party Transactions

All rates, service charges and other charges in respect of related parties are in accordance with approved tariffs that were advertised to the public. No impairment charge have been recognised in respect of amounts owed by related parties.

	Rates	Service Charges	Other	Outstanding Balance
2018				
<u>Councillors</u>				
A Small	279	5 952	48	1 062
AJ De Vries	10 917	4 317	46	1 272
AJ Du Plooy	1 003	6 107	154	3 711
EB Manuel				
J Daniels	5 681	7 705	11	1 056
J Swart	6 573	7 246	20	1 368
MA Wessels	-	15 181	-	975
RM van Rooy				
SIJ Smit	4 456	48 566	340	7 260
SM Crafford	5 932	4 621	-	(1 295)
SR Claassen	1 114	4 919	-	505
BJ Claasen				
SS Lesch				
Total	35 955	104 614	619	15 914
<u>Municipal Manager and Section 57 Employees</u>				
Adv H Linde	12 922	14 095	-	2 054
DA Josephus	6 684	6 280	-	1 330
JWA Kotzee	1 170	7 999	-	1 124
H Krohn	9 358	29 658	1 504	12 391
GJ Goliath	-	-	-	-
Total	30 134	58 033	1 504	16 898
2017				
<u>Councillors</u>				
A Small	-	-	-	-
AJ De Vries	10 114	3 996	-	1 176
AJ Du Plooy	929	5 616	70	1 092
CJ Snyders	-	846	-	422
EB Manuel	1 135	6 243	6	349
J Daniels	5 263	9 273	11	1 083
J Swart	7 112	12 088	167	(441)
JA Raats	2 202	5 232	-	3 199
JJ Josephus	826	9 313	6	687
MA Wessels	-	22 853	340	1 370
RM van Rooy	-	-	-	-
SIJ Smit	4 128	45 324	346	7 357
SM Crafford	-	5 139	414	383
SR Claassen	1 032	4 560	-	466
SS Lesch	-	-	-	-
WJ Dirks	705	1 117	-	905
Total	33 445	131 599	1 360	18 048
<u>Municipal Manager and Section 57 Employees</u>				
Adv H Linde	1 995	8 212	1 487	1 946
JA van Niekerk	-	11 695	(1 363)	-
JWA Kotzee	1 084	7 405	0	735
H Krohn	8 153	32 000	13 730	15 045
GJ Goliath	-	-	-	-
Total	11 232	59 313	13 854	17 726

BERGRIVIER LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2018



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56 RELATED PARTIES (CONTINUED)

56.2 Related Party Loans

There are no loans outstanding to any related party. Since 1 July 2004 loans to councillors and senior management employees are not permitted.

56.3 Compensation of management personnel

Remuneration of management personnel are disclosed in notes 31 and 32.

56.4 Other related party transactions

The Municipality did not enter into any transactions where Councillors or Management had an interest.

56.4 Other transactions in terms of Section 45 of the Municipal Supply Chain Regulations.

The following awards were made where immediate family members are in the service of the State:

Company Name	Related Party	Family member in service of the state	Amount	Amount
Siphenkhosi Protection Service	C Claasen	Spouse (Bergrivier Municipality)	147 758	356 709
Shop at Sandys	T Wessels	Daughter (Bergrivier Municipality)	22 450	-
IOMU trading	A Appollis	Spouse (Correctional Services)	330 959	-
Ettiene Vermaak	J Vermaak	Spouse (Karl Bremer Hospital)	27 107	-
Cederberg Conservation Service	B Du Plessis	Spouse (Cape Nature)	-	553 884
AON	N Manyanga	Farther (Department of Education)	-	747 336
		Mother (Department of Transport)	-	-
Total			528 274	1 657 929

CONTINGENT ASSET

The Municipality has put a claim against the surpluses made by the WCDM from the 2015/16 financial year. The claim emanates from a decision taken to restrict the construction and/or upgrade services performed by the WCDM from as from the 2015/16 financial year. The Municipality's claims that the WCDM made surpluses as a result of this decision. The WCDM is disputing the claim. The matter has been referred to a dispute resolution mechanism as part of the ongoing S78 process wherein a mediator has been appointed to facilitate the resolution of the matters.

There is currently uncertainty on how long it would take to resolve the dispute as it involves three municipalities and is dependent on the outcome of the mediated process. The Municipality has estimated the fair value of its claim to be R1 135 513 as at 30 June 2018.

57 FINANCIAL SUSTAINABILITY

Management is of the opinion that will Municipality will continue to operate as a going concern and perform it's functions as set out in the Constitution.

Financial Indicators

The current ratio increased to 3.78:1 from 3.22:1 in the prior year.

The Municipality have budgeted for a surplus of R14 316 160 for the 2018/2019 financial year and surpluses of R10 502 174 and R12 932 000 for the 2019/2020 and 2020/2021 years respectively.

The average debtors collection rate decreased from 95.3% to 91.74%.

Cash and Cash Equivalents have decreased during the year due to the Municipality settling outstanding creditors at year-end.

BERGRIVIER LOCAL MUNICIPALITY

APPENDIX A (UNAUDITED)

SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDING 30 JUNE 2018



INSTITUTION	LOAN NUMBER	RATE	MATURITY DATE	OPENING BALANCE 1 JULY 2017	RECEIVED DURING YEAR	REDEEMED DURING YEAR	CLOSING BALANCE 30 JUNE 2018
<u>ANNUITY LOANS</u>							
DBSA	61001254	15.00%	2018-06-30	264 298	-	(264 298)	-
DBSA	61003131	16.50%	2020-12-31	444 358	-	(102 926)	341 432
DBSA	61001189	14.00%	2017-09-30	101 032	-	(101 032)	-
Nedbank	05/7831032282	11.27%	2023-06-12	2 822 906	-	(355 196)	2 467 710
DBSA	61000757	9.86%	2018-12-31	1 407 657	-	(915 856)	491 801
DBSA	61001029	12.41%	2030-06-30	15 169 656	-	(513 522)	14 656 134
DBSA	61006811	11.53%	2031-06-30	3 580 297	-	(111 782)	3 468 515
DBSA	61006837	11.59%	2036-06-30	8 449 251	-	(134 603)	8 314 648
DBSA	61006975	11.33%	2032-06-30	3 648 431	-	(102 031)	3 546 400
Standard Bank	252933753	11.95%	2024-06-30	5 527 289	-	(544 760)	4 982 529
Standard Bank	252933737	11.25%	2019-06-30	934 125	-	(441 713)	492 412
Standard Bank	410683566	10.26%	2023-06-30	-	6 080 000	-	6 080 000
ABSA	3044794458	9.99%	2021-06-30	360 199	-	(77 226)	282 973
ABSA	3044701437	10.57%	2026-06-12	5 342 049	-	(375 949)	4 966 100
ABSA	3046456438	10.12%	2027-06-30	5 970 000	-	(351 846)	5 618 154
ABSA	3046456399	9.77%	2022-06-30	780 000	-	(125 848)	654 152
Total Annuity Loans				54 801 548	6 080 000	(4 518 587)	56 362 960
<u>FINANCE LEASE LIABILITIES</u>							
Cellphones and Modems		Various	2018-02-28	2 819	-	(2 819)	-
Total Finance Lease Liabilities				2 819	-	(2 819)	-
Total Long-Term Liabilities				54 804 367	6 080 000	(4 521 406)	56 362 960

BERGRIVIER LOCAL MUNICIPALITY

APPENDIX B (UNAUDITED)

DISCLOSURE OF GRANTS AND SUBSIDIES FOR THE YEAR ENDING 30 JUNE 2018



	OPENING BALANCE R	GRANTS RECEIVED / (REPAID) R	TRANSFERRED TO REVENUE (OPERATING) R	TRANSFERRED TO REVENUE (CAPITAL) R	OTHER MOVEMENT R	CLOSING BALANCE R
NATIONAL GOVERNMENT						
Equitable Share	-	37 144 000	(37 144 000)	-	-	-
Finance Management Grant (FMG)	-	1 550 000	(800 000)	(750 000)	-	-
Municipal Infrastructure Grant (MIG)	-	14 727 000	(2 431 473)	(12 295 527)	-	-
Expanded Public Works Programme (EPWP)	-	1 601 000	(1 601 000)	-	-	-
Integrated National Electrification Programme (INEP)	371 484	-	(46 045)	(325 439)	-	-
Total	371 484	55 022 000	(42 022 519)	(13 370 966)	-	-
PROVINCIAL GOVERNMENT						
CDW Contribution	13 947	-	-	-	-	13 947
Western Cape Financial Management Support Grant	-	330 000	(40 525)	(289 475)	-	-
Proclaimed Roads	-	75 594	(75 594)	-	-	-
Regional Socio - Economic Project/Violence Prevention through Urban Upgrading	-	1 000 000	-	(1 000 000)	-	-
Library Services	-	6 343 000	(6 053 000)	(290 000)	-	-
Financial Management Capacity Building Grant	-	240 000	(220 000)	-	-	20 000
Local Government Graduate Internship Allocation	60 000	-	-	-	-	60 000
Total	73 947	7 988 594	(6 389 119)	(1 579 475)	-	93 947
OTHER GRANT PROVIDERS						
Cerebos Ltd	-	-	-	-	-	-
Heist op den Berg	-	438 882	(333 358)	-	-	105 523
Chieta	-	-	-	-	-	-
LG Seta	-	54 500	(54 500)	-	-	-
Total	-	493 381	(387 858)	-	-	105 523
ALL SPHERES OF GOVERNMENT	445 431	63 503 975	(48 799 496)	(14 950 441)	-	199 470

BERGRIVIER LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2018



	ORIGINAL BUDGET 2018 R	BUDGET ADJUSTMENTS 2018 R	FINAL BUDGET 2018 R	ACTUAL OUTCOME 2018 R	BUDGET VARIANCE 2018 R	RESTATED OUTCOME 2017 R
Financial Performance						
Property rates	62 946 435	2 500 001	65 446 436	62 606 570	(2 839 866)	56 440 436
Service charges	167 920 997	(9 362 817)	158 558 180	145 624 075	(12 934 105)	149 250 118
Investment revenue	4 973 400	(147 400)	4 826 000	6 729 330	1 903 330	5 838 980
Transfers and subsidies - operational	61 021 313	(363 385)	60 657 928	48 799 496	(11 858 432)	42 606 968
Other own revenue	24 819 587	(132 362)	24 687 225	30 125 983	5 438 758	32 186 610
Total Operating Revenue (excluding capital transfers)	321 681 733	(7 505 964)	314 175 769	293 885 454	(20 290 315)	286 323 112
Employee costs	119 261 848	(6 442 238)	112 819 610	111 580 828	(1 238 782)	102 241 763
Remuneration of councillors	5 670 537	270 001	5 940 538	5 822 315	(118 223)	5 358 968
Debt impairment	12 444 585	1 318 330	13 762 915	12 181 899	(1 581 016)	12 293 602
Depreciation and asset impairment	19 902 000	946 554	20 848 554	20 635 899	(212 655)	19 621 268
Finance charges	12 299 097	856 777	13 155 874	12 834 747	(321 127)	12 662 376
Bulk purchases	83 555 500	(6 700 500)	76 855 000	77 802 743	947 743	78 829 149
Other Materials	11 071 170	240 405	11 311 575	-	(11 311 575)	-
Contracted Services	29 476 550	552 445	30 028 995	-	(30 028 995)	-
Transfers and grants	4 398 460	-	4 398 460	4 150 106	(248 354)	3 550 890
Other expenditure	30 593 429	1 440 310	32 033 739	46 294 892	14 261 153	41 999 286
Loss on disposal of PPE	-	-	-	-	-	63 071
Total Expenditure	328 673 176	(7 517 916)	321 155 260	291 303 429	(29 851 831)	276 620 373
Surplus/(Deficit)	(6 991 444)	11 953	(6 979 491)	2 582 025	9 561 516	9 702 738
Transfers and subsidies - capital (monetary)	14 023 000	985 072	15 008 072	14 950 441	(57 631)	12 308 074
Transfers and subsidies - capital (in-kind)	-	1 893 582	1 893 582	1 893 582	-	-
Surplus/(Deficit) for the year	7 031 556	2 890 607	9 922 163	19 426 048	9 503 885	22 010 812
Capital expenditure & funds sources						
Capital expenditure	31 319 500	2 891 434	34 210 934	31 376 854	(2 834 080)	27 943 188
Transfers recognised - capital	14 023 000	985 072	15 008 072	14 939 540	(68 532)	11 133 554
Public contributions & donations	-	1 893 582	1 893 582	1 893 582	-	160 403
Borrowing	6 080 000	-	6 080 000	4 475 854	(1 604 146)	6 593 294
Internally generated funds	11 216 500	12 780	11 229 280	10 067 879	(1 161 401)	10 055 937
Total sources of capital funds	31 319 500	2 891 434	34 210 934	31 376 854	(2 834 080)	27 943 188
Cash flows						
Net cash from (used) operating	33 176 438	(925 941)	32 250 496	22 792 032	(9 458 464)	41 008 638
Net cash from (used) investing	(31 539 699)	(777 653)	(32 317 352)	(28 678 529)	3 638 823	(27 471 259)
Net cash from (used) financing	1 736 975	(190 515)	1 546 460	1 741 970	195 510	2 883 590
Net Cash Movement for the year	3 373 713	(1 894 109)	1 479 605	(4 144 526)	(5 624 131)	16 420 970
Cash/cash equivalents at beginning of year	67 032 240	16 131 725	83 163 966	82 080 490	(1 083 476)	65 659 520
Cash/cash equivalents at the year end	70 405 953	14 237 617	84 643 570	77 935 963	(6 707 607)	82 080 490

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APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2018



	ORIGINAL BUDGET 2018 R	BUDGET ADJUSTMENTS 2018 R	FINAL BUDGET 2018 R	ACTUAL OUTCOME 2018 R	BUDGET VARIANCE 2018 R	RESTATED OUTCOME 2017 R
REVENUE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	26 298 474	-	26 298 474	26 360 919	62 445	23 369 912
Finance and administration	74 642 862	3 400 001	78 042 863	84 136 581	6 093 718	76 218 988
Internal audit	-	-	-	-	-	-
Community and public safety						
Community and social services	6 885 737	212 932	7 098 669	7 138 438	39 769	7 138 099
Sport and recreation	4 422 779	(12 975)	4 409 804	4 253 823	(155 981)	7 499 798
Public safety	5 395	1 754 650	1 760 045	1 754 650	(5 395)	9 573 094
Housing	11 859 923	-	11 859 923	-	(11 859 923)	40 297
Economic and environmental services						
Planning and development	3 620 902	63 000	3 683 902	3 597 777	(86 125)	1 162 153
Road transport	15 483 699	(1 517 917)	13 965 782	12 277 998	(1 687 784)	5 436 564
Trading services						
Energy sources	109 910 600	(3 858 000)	106 052 600	96 476 289	(9 576 311)	98 176 498
Water management	30 870 596	(7 382 000)	23 488 596	21 255 934	(2 232 662)	32 491 428
Waste water management	28 164 743	1 100 000	29 264 743	28 958 707	(306 036)	14 072 656
Waste management	23 539 022	1 613 000	25 152 022	24 518 359	(633 663)	23 451 700
Total Revenue - Standard	335 704 733	(4 627 310)	331 077 423	310 729 475	(20 347 948)	298 631 187
EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	14 572 909	1 788 774	16 361 683	15 995 020	(366 663)	18 158 116
Finance and administration	47 120 513	14 751 575	61 872 088	58 951 799	(2 920 289)	20 686 450
Internal audit	309 795	1 098 183	1 407 978	1 427 504	19 526	-
Community and public safety						
Community and social services	9 120 417	(819 032)	8 301 385	7 540 272	(761 113)	7 230 723
Sport and recreation	15 959 152	(1 158 857)	14 800 295	13 759 796	(1 040 499)	14 748 976
Public safety	1 283 431	202 995	1 486 426	1 342 965	(143 461)	19 856 182
Housing	14 480 312	(1 289 529)	13 190 783	1 033 662	(12 157 121)	1 116 979
Economic and environmental services						
Planning and development	13 826 238	(1 070 087)	12 756 151	10 517 574	(2 238 577)	4 445 848
Road transport	44 711 272	(548 638)	44 162 634	39 116 869	(5 045 765)	28 791 468
Trading services						
Energy sources	110 102 800	(17 571 412)	92 531 388	91 495 696	(1 035 692)	105 238 163
Water management	21 728 323	(2 838 988)	18 889 335	18 242 607	(646 728)	22 671 620
Waste water management	12 109 690	363 805	12 473 495	8 716 091	(3 757 404)	10 072 231
Waste management	23 348 323	(426 704)	22 921 619	23 163 575	241 956	23 603 618
Total Expenditure - Standard	328 673 176	(7 517 916)	321 155 260	291 303 430	(29 851 830)	276 620 374
Surplus/(Deficit) for the year	7 031 556	2 890 607	9 922 163	19 426 045	9 503 882	22 010 813

BERGRIVIER LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2018



	ORIGINAL BUDGET 2018 R	BUDGET ADJUSTMENTS 2018 R	FINAL BUDGET 2018 R	ACTUAL OUTCOME 2018 R	BUDGET VARIANCE 2018 R	RESTATEMENT 2017 R
REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)						
REVENUE						
Vote 1 - Municipal Manager	26 917 324	(37 000)	26 880 324	26 780 919	(99 405)	23 369 912
Vote 2 - Finance	73 459 738	3 330 001	76 789 739	77 944 459	1 154 720	68 458 417
Vote 3 - Corporate Services	1 855 108	1	1 855 108	6 590 998	4 735 890	31 360 882
Vote 4 - Technical Services	196 650 904	(8 357 000)	188 293 904	175 774 365	(12 519 539)	175 441 976
Vote 5 - Community Services	36 821 658	436 690	37 258 348	23 638 734	(13 619 614)	-
Total Revenue by Vote	335 704 733	(4 627 310)	331 077 423	310 729 475	(20 347 948)	298 631 187
EXPENDITURE						
Vote 1 - Municipal Manager	20 390 679	2 623 017	23 013 696	20 832 264	(2 181 432)	18 158 116
Vote 2 - Finance	15 684 512	11 936 776	27 621 288	27 247 449	(373 839)	(728 733)
Vote 3 - Corporate Services	26 058 375	2 103 360	28 161 735	26 684 102	(1 477 633)	49 810 902
Vote 4 - Technical Services	203 968 853	(19 530 195)	184 438 658	176 473 052	(7 965 606)	209 380 089
Vote 5 - Community Services	62 570 758		57 919 883	40 066 563	(17 853 320)	-
Total Expenditure by Vote	328 673 176	(2 867 042)	321 155 260	291 303 430	(29 851 830)	276 620 374
Surplus/(Deficit) for the year	7 031 556	(1 760 268)	9 922 163	19 426 045	9 503 882	22 010 813

BERGRIVIER LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2018



	ORIGINAL BUDGET 2018 R	BUDGET ADJUSTMENTS 2018 R	FINAL BUDGET 2018 R	ACTUAL OUTCOME 2018 R	BUDGET VARIANCE 2018 R	RESTATED OUTCOME 2017 R
REVENUE AND EXPENDITURE						
REVENUE BY SOURCE						
Property rates	62 946 435	2 500 001	65 446 436	62 606 570	(2 839 866)	56 440 436
Service charges - electricity revenue	108 363 166	(4 229 000)	104 134 166	94 502 306	(9 631 860)	94 676 736
Service charges - water revenue	28 923 596	(7 382 000)	21 541 596	19 308 934	(2 232 662)	24 790 501
Service charges - sanitation revenue	11 497 269	1 100 000	12 597 269	12 070 710	(526 559)	11 074 362
Service charges - refuse revenue	19 136 966	1 148 183	20 285 149	19 742 125	(543 024)	18 708 520
Rental of facilities and equipment	274 066	718 400	992 466	5 319 490	4 327 024	5 309 702
Interest earned - external investments	4 973 400	(147 400)	4 826 000	6 729 330	1 903 330	5 838 980
Interest earned - outstanding debtors	4 120 000	-	4 120 000	5 275 028	1 155 028	4 268 050
Fines, penalties and forfeits	10 021 305	(1 667 265)	8 354 040	7 098 271	(1 255 769)	9 813 442
Licences and permits	10 790	-	10 790	-	(10 790)	-
Agency services	3 819 660	152 348	3 972 008	4 016 499	44 491	3 808 710
Transfers and subsidies - Operating	61 021 313	(363 385)	60 657 928	48 799 496	(11 858 432)	42 606 968
Other revenue	6 573 766	664 156	7 237 921	7 850 563	612 642	8 986 707
Gain on disposal of PPE	-	-	-	566 132	566 132	-
Total Revenue (excl capital transfers)	321 681 733	(7 505 964)	314 175 769	293 885 454	(20 290 315)	286 323 112
EXPENDITURE BY TYPE						
Employee related costs	119 261 848	(6 442 238)	112 819 610	111 580 828	(1 238 782)	102 241 763
Remuneration of councillors	5 670 537	270 001	5 940 538	5 822 315	(118 223)	5 358 968
Debt impairment	12 444 585	1 318 330	13 762 915	12 181 899	(1 581 016)	12 293 602
Depreciation and asset impairment	19 902 000	946 554	20 848 554	20 635 899	(212 655)	19 621 268
Finance charges	12 299 097	856 777	13 155 874	12 834 747	(321 127)	12 662 376
Bulk purchases	83 555 500	(6 700 500)	76 855 000	77 802 743	947 743	78 829 149
Other Materials	11 071 170	240 405	11 311 575	-	(11 311 575)	-
Contracted Services	29 476 550	552 445	30 028 995	-	(30 028 995)	-
Transfers and grants	4 398 460	-	4 398 460	4 150 106	(248 354)	3 550 890
Other expenditure	30 593 429	1 440 310	32 033 739	46 294 892	14 261 153	41 999 286
Loss on disposal of PPE	-	-	-	-	-	63 071
Total Expenditure	328 673 176	(7 517 916)	321 155 260	291 303 429	(29 851 831)	276 620 373
Surplus/(Deficit)	(6 991 444)	11 953	(6 979 491)	2 582 025	9 561 516	9 702 738
Transfers and subsidies - Capital (monetary)	14 023 000	985 072	15 008 072	14 950 441	(57 631)	12 308 074
Transfers and subsidies - Capital (in-kind)	-	1 893 582	1 893 582	1 893 582	-	-
Surplus/(Deficit) for the year	7 031 556	2 890 607	9 922 163	19 426 048	9 503 885	22 010 812

BERGRIVIER LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2018



	ORIGINAL BUDGET 2018 R	BUDGET ADJUSTMENTS 2018 R	FINAL BUDGET 2018 R	ACTUAL OUTCOME 2018 R	BUDGET VARIANCE 2018 R	RESTATED OUTCOME 2017 R
CAPITAL EXPENDITURE						
CAPITAL EXPENDITURE (MUNICIPAL VOTE)						
Multi-year expenditure						
Vote 1 - Municipal Manager	-	-	-	-	-	-
Vote 2 - Finance	-	-	-	-	-	843 728
Vote 3 - Corporate Services	1 000 000	-	1 000 000	951 390	(48 610)	323 557
Vote 4 - Technical Services	1 845 000	(210 000)	1 635 000	1 445 371	(189 630)	1 683 144
Vote 5 - Community Services	765 000	(185 466)	579 534	578 982	(552)	-
Total Multi-year expenditure	3 610 000	(395 466)	3 214 534	2 975 742	(238 792)	2 850 430
Single-year expenditure						
Vote 1 - Municipal Manager	101 500	-	101 500	99 866	(1 634)	154 175
Vote 2 - Finance	1 290 000	289 475	1 579 475	1 577 331	(2 144)	1 035 311
Vote 3 - Corporate Services	225 000	7 000	232 000	236 508	4 508	7 045 752
Vote 4 - Technical Services	22 632 000	1 609 597	24 241 597	21 790 665	(2 450 932)	16 857 520
Vote 5 - Community Services	3 461 000	1 380 828	4 841 828	4 696 742	(145 086)	-
Total Single-year expenditure	27 709 500	3 286 900	30 996 400	28 401 112	(2 595 288)	25 092 758
Total Capital Expenditure by Vote	31 319 500	2 891 434	34 210 934	31 376 854	(2 834 080)	27 943 188
CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	100 000	-	100 000	99 866	(134)	154 175
Finance and administration	2 459 000	(557 325)	1 901 675	1 878 351	(23 324)	4 544 376
Internal audit	-	-	-	-	-	-
Community and public safety						
Community and social services	870 000	130 237	1 000 237	909 503	(90 734)	1 353 606
Sport and recreation	1 071 000	(234 601)	836 399	794 438	(41 961)	4 232 267
Public safety	320 000	1 598 611	1 918 611	1 917 567	(1 044)	1 289 918
Housing	10 000	(965)	9 035	9 153	118	-
Economic and environmental services						
Planning and development	1 211 500	(151 310)	1 060 190	994 908	(65 282)	11 780
Road transport	5 935 000	(356 420)	5 578 580	5 432 814	(145 766)	3 172 895
Trading services						
Energy sources	1 325 000	314 609	1 639 609	1 639 050	(559)	3 744 911
Water management	1 370 000	2 246 970	3 616 970	1 839 330	(1 777 640)	5 136 503
Waste water management	13 211 000	236 628	13 447 628	13 264 557	(183 071)	2 307 276
Waste management	3 437 000	(335 000)	3 102 000	2 597 318	(504 682)	1 995 482
Total Capital Expenditure - Standard	31 319 500	2 891 434	34 210 934	31 376 854	(2 834 080)	27 943 188

BERGRIVIER LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2018



	ORIGINAL BUDGET 2018 R	BUDGET ADJUSTMENTS 2018 R	FINAL BUDGET 2018 R	ACTUAL OUTCOME 2018 R	BUDGET VARIANCE 2018 R	RESTATED OUTCOME 2017 R
CAPITAL EXPENDITURE (CONTINUED)						
FUNDING SOURCES						
National Government	13 023 000	405 597	13 428 597	13 413 427	(15 170)	10 295 998
Provincial Government	1 000 000	579 475	1 579 475	1 526 113	(53 362)	837 556
District Municipality	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-
Transfers recognised - capital	14 023 000	985 072	15 008 072	14 939 540	(68 532)	11 133 554
Public contributions & donations	-	1 893 582	1 893 582	1 893 582	-	160 403
Borrowing	6 080 000	-	6 080 000	4 475 854	(1 604 146)	6 593 294
Internally generated funds	11 216 500	12 780	11 229 280	10 067 879	(1 161 401)	10 055 937
Total Capital Funding	31 319 500	2 891 434	34 210 934	31 376 854	(2 834 080)	27 943 188

BERGRIVIER LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2018



	ORIGINAL BUDGET 2018 R	BUDGET ADJUSTMENTS 2018 R	FINAL BUDGET 2018 R	ACTUAL OUTCOME 2018 R	BUDGET VARIANCE 2018 R	RESTATED OUTCOME 2017 R
CASH FLOWS						
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates, penalties & collection charges	61 680 561	1 475 250	63 155 811	54 467 061	(8 688 750)	55 008 879
Service charges	164 544 048	(11 535 404)	153 008 644	141 393 499	(11 615 145)	145 086 884
Other revenue	11 060 851	1 914 810	12 975 660	18 292 524	5 316 863	12 093 790
Government - operating	61 021 313	(482 893)	60 538 420	48 553 535	(11 984 885)	41 814 433
Government - capital	14 023 000	659 633	14 682 633	14 950 441	267 808	12 308 074
Interest	9 010 545	(208 745)	8 801 800	6 729 330	(2 072 470)	5 838 980
Payments						
Suppliers and employees	(278 408 429)	8 176 637	(270 231 792)	(251 164 144)	19 067 648	(221 579 670)
Finance charges	(5 356 990)	(925 229)	(6 282 219)	(6 280 107)	2 112	(6 011 840)
Transfers and grants	(4 398 460)	-	(4 398 460)	(4 150 106)	248 354	(3 550 890)
NET CASH FROM OPERATING ACTIVITIES	33 176 438	(925 941)	32 250 496	22 792 032	(9 458 464)	41 008 638
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	-	-	-	789 855	789 855	471 929
Decrease (increase) other non-current receivables	(220 199)	220 199	-	14 889	14 889	-
Payments						
Capital assets	(31 319 500)	(997 852)	(32 317 352)	(29 483 272)	2 834 080	(27 943 188)
NET CASH USED IN INVESTING ACTIVITIES	(31 539 699)	(777 653)	(32 317 352)	(28 678 529)	3 638 823	(27 471 259)
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Borrowing long term/refinancing	6 080 000	-	6 080 000	6 080 000	-	6 750 000
Increase (decrease) in consumer deposits	192 000	(192 000)	-	183 376	183 376	131 871
Payments						
Repayment of borrowing	(4 535 025)	1 485	(4 533 540)	(4 521 406)	12 134	(3 998 280)
NET CASH FROM FINANCING ACTIVITIES	1 736 975	(190 515)	1 546 460	1 741 970	195 510	2 883 590
NET INCREASE/ (DECREASE) IN CASH HELD	3 373 713	(1 894 109)	1 479 605	(4 144 526)	(5 624 131)	16 420 970
Cash/cash equivalents at the year begin:	67 032 240	16 131 725	83 163 966	82 080 490	(1 083 476)	65 659 520
Cash/cash equivalents at the year end:	70 405 953	14 237 617	84 643 570	77 935 964	(6 707 606)	82 080 490