



2015-2016 Annual Report

EDEN DISTRICT MUNICIPALITY'S VISION, MISSION & STRATEGIC OBJECTIVES

The vision of the Eden District Municipality is as follows:

EDEN, A FUTURE EMPOWERED THROUGH EXCELLENCE

ELEMENTS OF THE VISION:

<i>EDEN:</i>	Represents the entire jurisdiction of the district, including the seven B-municipalities, which are Hessequa, Mossel Bay, George, Knysna, Bitou, Oudtshoorn and Kannaland
<i>FUTURE:</i>	Changed environment, well-being of citizens, growth & development
<i>EMPOWERED:</i>	Training & development, education, economic growth, job creation, self reliance, enabling environment, mentorship, working together; facilitate
<i>EXCELLENCE:</i>	Service delivery, customer care, innovation, political stability, integrated planning

The **Mission Statement** of the Eden District Municipality is as follows:

- Providing strategic leadership and co-ordination to B-municipalities in the district within our resources available;
- Executing integrated development planning in collaboration with sector departments and service organisations; and
- Upholding the principles of good governance in pursuit of excellence as a regional leader in local government.

The list of **Strategic Objective Pillars** to make the strategy succeed:



1. Healthy and socially stable communities
2. Build a capacitated workforce and communities
3. Conduct regional bulk infrastructure planning and implement projects, roads maintenance and public transport; manage and develop council fixed assets
4. Promote sustainable environmental management and public safety
5. Promote good governance
6. Ensure financial viability of the Eden District Municipality
7. Grow the district economy

VALUES



ABOUT THIS ANNUAL REPORT

Eden District Municipality is determined as a Category C-municipality with a mayoral executive system and has the following functions and powers:

- (a) Integrated development planning for the district municipality as a whole.
- (b) Portable water supply systems.
- (c) Bulk supply of electricity, which includes for the purposes of such supply, the transmission, distribution and, where applicable, the generation of electricity.
- (d) Domestic waste-water and sewage disposal systems.
- (e) Solid waste disposal sites, in so far as it relates to -
 - (i) the determination of a waste disposal strategy;
 - (ii) the regulation of waste disposal;
 - (iii) the establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district.
- (f) Municipal roads which form an integral part of a road transport system for the area of the district municipality as a whole.
- (g) Regulation of passenger transport services.
- (h) Municipal airports serving the area of the district municipality as a whole.
- (i) Municipal health services.
- (j) Fire fighting services serving the area of the district municipality as a whole, which includes-
 - (i) planning, co-ordination and regulation of fire services;
 - (ii) specialised fire fighting services such as mountain, veld and chemical fire services;
 - (iii) co-ordination of the standardisation of infrastructure, vehicles, equipment and procedures;
 - (iv) training of fire officers.
- (k) The establishment, conduct and control of fresh produce markets and abattoirs serving the area of a major proportion of the municipalities in the district.
- (l) The establishment, conduct and control of cemeteries and crematoria serving the area of a major proportion of municipalities in the district.
- (m) Promotion of local tourism for the area of the district municipality.
- (n) Municipal public works relating to any of the above functions or any other functions assigned to the district municipality.
- (o) The receipt, allocation and, if applicable, the distribution of grants made to the district municipality.
- (p) The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the district municipality in terms of national legislation.

Eden District Municipality acknowledges its enabling role as stimulator, facilitator and a co-ordinator and seeks to achieve integrated, sustainable and equitable social and economic development of its area as a whole by ensuring integrated development planning and promoting bulk infrastructural development and services for the district as a whole, building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking and promoting equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area.

The Eden District encompasses a total area of 123 045km² and is constituent of seven Category B-Municipalities within its geographic area, namely Bitou, Knysna, George, Mossel Bay, Hessequa, Oudtshoorn and Kannaland.

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CHAPTER I

EXECUTIVE MAYORS FOREWORD AND EXECUTIVE SUMMARY



Eden DM Executive Mayor,
Councillor Wessie Van der Westhuizen

CHAPTER 1: EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: EXECUTIVE MAYOR'S FOREWORD

I) VISION

Eden District Municipality adopted its vision "Eden, a future empowered through excellence" followed by the assent of the seven strategic objectives identified hereunder as advocating the way to realisation hereof:

- Healthy and Socially stable communities;
- Build a capacitated workforce and communities;
- Conduct regional bulk infrastructure planning and implement projects, roads maintenance and public transport: manage and develop council fixed assets;
- Promote sustainable environmental management and public safety;
- Ensure financial viability of the Eden District Municipality;
- Promote Good Governance; and
- Grow the district economy.

The vision statement, which covers the term of office for 2011 - 2016, demands excellence in service delivery. This is initiated through a developmental agenda and involves an integration and collaboration of critical engagement and reflection of best practice shared between the districts-, local-, national- and provincial spheres of government. The developmental agenda of the municipality has been achieved

through public participation, communication networks, as well as public-and private partnerships, leadership and entrepreneurship.

II) KEY POLICY DEVELOPMENTS

In order to realise the implementation of a municipality's strategic objectives, workplace policies and guidelines have been established to set boundaries for service delivery initiatives as well as guidelines for best practices in certain work streams.

The following policies were inter alia workshopped and approved by the Eden District Council during the past financial year:

- Council's Integrated Development Plan and Service Delivery and Budget Implementation Plan;
- Communication Policy;
- Council's Budget and all budget related;
- Individual Performance Management;
- Recruitment and Selection ;
- Acting Allowance;
- Human Resource Masterplan 2015/16;
- Eden DM Medium Term Economic Development Strategy;
- Records Management Policy;
- Eden Corporate Disaster Management Plan;
- Municipal Standard Chart of Accounts Implementation Plan;
- Municipal Corporate Governance Information and Communication Technology Policy Framework;
- and
- Delegation System.

III) KEY SERVICE DELIVERY IMPROVEMENTS

Some of our key achievements for the 2015/2016 financial year include:

- Eden District Municipality received its second Clean Audit Opinion from the Auditor-General since the inception of district municipalities in the year 2000;
- Eden District Municipality's Local Economic Development- and Tourism Units held a business breakfast to discuss economic development related aspects as well as tourism initiatives in the region;
- Eden District Municipality handed over bursaries to unemployed youth from various areas in the Eden region;
- Eden District Municipality Fire Station bought a new first order response vehicle;
- Eden District Municipality was crowned the 2015 Greenest District Municipality Award for the second time as well as the overall winner for the categories: Air Quality, Water Conservation, Waste Management, Biodiversity, Climate Change and Coastal Management;
- Eden District Municipality Air Quality Manager receives the Department of Health, Alfred Nzo
- Environmental Health Excellence Award; and

- Emile Conrad won the South African Men's Toughest Fire Fighter Alive Award and also represented Eden DM in the South African Team for the World Toughest Fire Fighter Alive Competition 2015/16.

IV) FUTURE ACTIONS

As part of our strategy, Council will continue to focus its attention on:

- The implementation of corrective measures in order to obtain another Clean Audit for the consecutive year;
- Excelling in the district integration of development planning and placing a greater emphasis on the managing of organisational performance through;
- Being the district strategic partner through the co-ordination and facilitation of service delivery, as provided for in the Municipal Structures Act 117 of 1998.
- Improving the functionality of its Inter-governmental Relations Structures, including the Municipal Managers Forum, District Co-ordinating Forum and Bulk Infrastructure Forum;
- The identification and implementation of mechanisms to ensure the financial viability of the municipality;
- Raising awareness of the Eden DM's Anti Fraud & Anti - Corruption Hotline.
- The implementation of the Communication Policy to showcase good practice in corporate governance.
- The annual review and implementation of strategic plans and policies.

V) AGREEMENTS / PARTNERSHIPS

Co-operation and integrated service delivery plays a major role in developmental local government. Apart from national and provincial government working relations, the Eden District Municipality also concluded various agreements with its partners in development, including, Santam - Business Adopt A Municipality (BAAM), South Cape Economic Partnership, NMMU, the Western Cape Economic Development Agenda, SEDA, the Francois Ferreira Cater Care Programme and all the Local Tourism Organisations in the region, to mention just a few.

VI) CONCLUSION

As it was noted earlier, service delivery is at the heart of those responsible for the functioning of local government.

My closing remark in our 2012-2017 IDP has pledged commitment towards becoming part of an A-Team, which places the interest of its citizens first. The plotting of a strategic pathway towards an improved forecasted economic performance has remained central to the realisation of an Eden District vision of excellence and through innovation, we shall remain true to translating our municipality into a well-functioning service delivery model through decisive governance and adequate resources.

The management of our intellectual property, through efficient and effective good governance practice, public participation and communication, our Thusong Centres, Ward Committee's, District Forums and synergy with our national and provincial government counterparts, ensures that we remain on track towards this transformed way of thinking and planning.



Municipal Manager, Godfrey Louw

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW

The year under review covers the period 01 July 2015 until 30 June 2016. In terms of legislation, the Municipal Manager is designated as the Accounting Officer, and he or she must perform his/her functions in good faith, act with fidelity, honesty, integrity and in the best interest of the municipality. The Accounting Officer, as the Head of Administration, must oversee the execution and implementation of all council policies. It gives me pleasure, to reflect on the challenges and achievements of the Municipality for the past year.

I) ALIGNMENT OF SERVICES TO THE IDP AND COUNCIL PRIORITIES

Alas, the 5 year term of office of the current Council will terminate, when the IEC declares the new councillors as elected. This implies the current 5 year IDP will lapse when the new council is inducted. However, to provide for sustainable service delivery the newly inducted council may decide to adopt the previous IDP, which is legally provided for in section 25(3)(a) of the Municipal Systems Act 32 of 2000. This option is available to the new Council, only at the beginning of its elected term.

II) SERVICE DELIVERY PERFORMANCE

The Spatial Development Framework (SDF) has expired during 2015 and the appointment of a service provider to manage the drafting process of a new SDF will be concluded towards the end of December

2016. The SDF will take a long term view, 20 years and beyond, with special reference to catalytic projects. The legal requirements for drafting a SDF involve public participation with all stakeholders.

III) FINANCIAL SUSTAINABILITY AS REPRESENTED BY THE FINANCIAL HEALTH RATIOS

The Municipality is regarded by the Auditor-General as a “going concern” and the financial health and ratio’s was confirmed by Provincial Treasury to be in good standing. The current ratio of the Municipality is 2:1, which is indicative of sound financial systems of the Municipality. The district municipalities in the Western Cape are currently drafting a financial / funding model, which will be delivered to the Provincial and National Treasury. The current Levy Replacement Grant is not sustainable.

IV) EFFORTS TO CONSERVE ELECTRICITY AND WATER IN ITS OFFICES

A tender has recently been awarded to construct solar panels on the parking structures, with the view to generate adequate power, which will be used to operate the entire main office in York Street. This is an innovative way in reducing our dependency on the ESKOM power grid and will also produce cost containment measures.

V) SPECIAL POLICIES TO CURB IMPACT OF THE WORLD RECESSION

The Council has recently approved the following revised policies viz;

- Telephone Usage policy
- Recruitment and selection policy
- Leave policy
- Funeral / Memorial Service policy

A moratorium on the filling of vacancies is still in place, unless legal compliance is part of the inherent requirement of the job. Austerity measures to sustain the municipality financially, are still in place.

VI) SHARED SERVICES

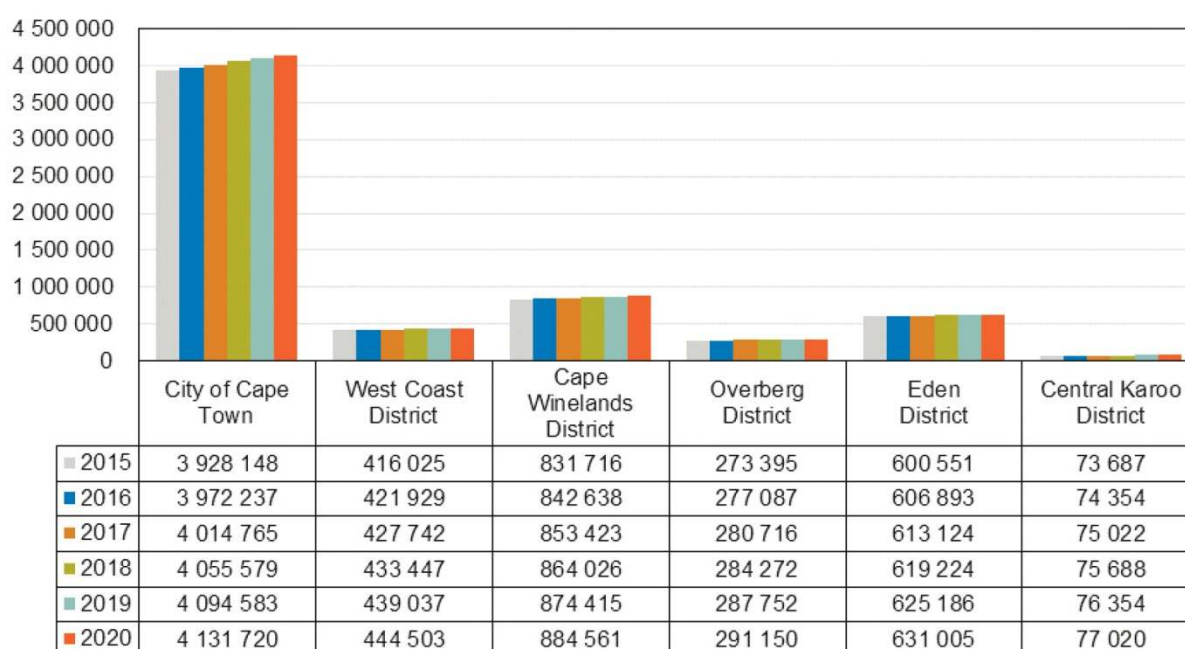
The Shared Service Agreement with Mossel Bay Municipality for the operation of the Call Centre has terminated on 30 June 2016 and other options are currently being explored. The Anti-Fraud Hotline has been extended for another year until 30 June 2017.

1.2 MUNICIPAL FUNCTIONS, POPULATION AND THE ENVIRONMENT

1.2.1 Population dynamics

According to Census 2011 data, the Western Cape population grew at a rate of 2.6 per cent per annum between 2001 and 2011. This rate, which was higher than the national population growth rate of 1.5 per cent, can largely be attributed to an influx of individuals from other provinces that move to the Western Cape in search of job opportunities.

From this strong growth base, the Western Cape Department of Social Development was able to make population growth estimates for each municipality for the period 2015 – 2020. These projections will assist municipalities to align their budget allocations with basic service delivery priorities.



Western Cape districts: Population projections, 2015 - 2020

1.2.2 EDUCATION

Education and training improves access to employment opportunities and helps to sustain and accelerate overall development. It expands the range of options available from which a person can choose to create opportunities for a fulfilling life. Through having indirect positive effects on health and life expectancy, the level of education attained by an individual influences that individual's welfare.

1.2.2.1 Literacy

Literacy is used as a benchmark to measure some minimum level of educational attainment. Literacy is broadly defined as the ability to read and write; it is more strictly defined as the successful completion of a minimum of 7 years of formal education. Since most learners start school at the age of 7 years, the literacy rate is calculated as the proportion of those 14 years and older who have successfully completed a

minimum of 7 years of formal education. The literacy rate in the Eden District in 2011 was 82.6 per cent, which is below the Provincial average of 87.2 per cent.

1.2.2.2 Learner enrolment, the learner-teacher ratio and learner dropout rate

Population dynamics, which include knowledge of the current population profile and projected learner growth, provide a basis for sound educational planning. Knowledge of the number of learners enrolled at schools in a municipality (both at present and in the past) enables the Western Cape Education Department (WCED) to determine the extent of the demands placed on schools in the current year, as well as the demand anticipated in future years and plan accordingly. Having a sense of the exit points allows the WCED to plan more effectively with respect to Further Education and Training (FET). The learner-teacher ratio is very important as it is closely related to the amount of money spent per child and has a significant impact on learner educational outcomes.

Western Cape Education Indicators						
Region / District	Learner enrolment		Dropout rate		Learner-teacher ratio	
	2013 (Gr 1 - 12 + LSEN)	ASS 2014	Average dropout rate 2012	Crude dropout rate using Yr 2013 - Gr 10 and Yr 2015 - Gr 12	Average learner- teacher ratio 2012	ASS 2014: ALL state + sgb + substitutes teachers excl. practitioners and other
Western Cape	987 972	964 840	35.6%	31.0%	36.4	29.9
City of Cape Town	633 999	613 393	37.3%	31.9%	31.7	30.3
West Coast District	56 771	57 501	32.3%	28.8%	31.9	29.4
Cape Winelands District	140 819	139 088	32.0%	28.6%	29.9	28.5
Overberg District	40 746	39 542	36.9%	29.8%	33.4	30.3
Eden District	101 574	101 165	29.9%	29.1%	35.7	30.0
Central Karoo District	14 063	14 151	39.7%	37.5%		

Source: Western Cape Department of Education, Annual Survey of public and independent Schools (ASS) 2014

According to the Annual Survey of Public and Independent Schools (ASS) done by the WCED in 2014, learner enrolment in Eden decreased slightly from 101 574 in 2013 to 101 165 in 2014. The learner

enrolment figures presented in 2013 are inclusive of learners with special education needs. The average school dropout rate in Eden was 29.9 per cent in 2012, less than the Western Cape rate of 35.6 per cent during the same period. The dropout rate measured amongst Grade 10 learners (in 2013) and Grade 12 learners (at the start of 2015) was 29.1 per cent, implying that almost one in every three Grade 10 and 12 learners in the Eden District dropped out of school before completing their schooling. The average learner-teacher ratio in the Eden District decreased to 30.0 per cent in 2014 from 35.7 per cent in 2012.

1.2.3 ROADS

The total coverage of roads within the Eden District amounts to 7 200 kilometers. Overall, 1 842 kilometers (25.6 per cent) constitute surfaced roads and 5 359 kilometers (74.4%) are graveled roads.

Graveled divisional roads account for 46.63 per cent of all graveled roads in the District, making it the largest proportion of all graveled roads. Trunk roads comprise the largest proportion (41.58%) of surfaced roads across the Eden District.

1.2.4 ACCESS TO HOUSING

Decent housing with the relevant basic services is essential for human security, dignity and well-being.

Types of housing structures in the Western Cape (2014)									
Region	House or brick structure on a separate stand or yard	Traditional dwelling	Flat in a block of flats	Town/ cluster/ semi-detached house (simplex, duplex or triplex)	House/ flat/ room in backyard	Informal dwelling /shack in backyard	Informal dwelling/ shack NOT in backyard, e.g. in an informal/ squatter settlement	Room/ flatlet not in backyard but on a shared property	Other
Western Cape	61.7	0.5	7.7	7.8	1.5	6.7	12.4	0.9	1.0
City of Cape Town	55.6	0.3	9.9	9.4	1.5	7.3	14.2	1.0	0.8
West Coast District	78.9	0.6	1.9	4.3	1.4	4.7	6.3	0.8	1.3
Cape Winelands District	68.9	0.6	5.6	5.9	1.2	6.1	9.8	0.7	1.2
Overberg District	73.8	1.3	2.3	3.5	1.2	5.0	10.7	0.4	1.8
Eden District	75.0	0.7	2.3	3.5	1.5	5.9	9.3	0.7	1.2
Central Karoo	86.0	0.4	0.8	7.9	2.0	0.9	0.9	0.4	0.7

Types of housing structures in the Western Cape (2014)									
Region	House or brick structure on a separate stand or yard	Traditional dwelling	Flat in a block of flats	Town/ cluster/ semi-detached house (simplex, duplex or triplex)	House/ flat/ room in backyard	Informal dwelling /shack in backyard	Informal dwelling/ shack NOT in backyard, e.g. in an informal/ squatter settlement	Room/ flatlet not in backyard but on a shared property	Other
District									

Source: Quantec Research, 2015

The table above highlights the most common dwellings in Eden District were: House or brick structure on a separate stand (68.9 per cent), Informal dwellings in an informal/ squatter camp (9.8 per cent), informal dwellings/shack in backyard (6.1 per cent) and town/cluster/semi-detached house/duplex (5.9 per cent).

1.2.5 ACCESS TO PIPED WATER

In 2001, 50 per cent of households in the Kannaland Municipality had access to piped water inside their dwellings; whilst in 2011, 76 per cent of households had access to piped water inside their dwellings. Hessequa Municipality, in 2001 had 50 per cent of its households having access to piped water inside their dwellings, whilst in 2011 the Municipality had 81 per cent of households access to piped water inside their dwellings.

Mossel Bay Municipality, in 2001, recorded a 50 per cent accessibility of piped water inside dwellings, whilst the Municipality had an increase to 78 per cent of households having access to piped water inside their dwellings. George, Oudtshoorn, Bitou and Knysna Municipalities all recorded in 2001 that 50 per cent of its households had access to piped water inside their dwellings. In 2011, George and Oudtshoorn recorded that 70 per cent of households have access to piped water inside their dwellings. The proportion of households with access to piped water inside dwellings was relatively low in Bitou and Knysna relative to other municipalities in the Eden District in 2011.

1.2.6 ACCESS TO ELECTRICITY

The table below reflects the different sources of energy used for lighting by households in the Western Cape.

Access to Electricity in the Western Cape (2014)					
Municipality	Electricity	Gas	Paraffin	Candles	Solar/other/ unspecified
Western Cape	93.2	0.2	3.6	2.5	0.5
City of Cape Town	93.7	0.2	4.0	1.6	0.4

Access to Electricity in the Western Cape (2014)					
Municipality	Electricity	Gas	Paraffin	Candles	Solar/other/unspecified
West Coast District	94.3	0.2	0.9	4.1	0.6
Cape Winelands District	93.1	0.2	3.1	2.9	0.6
Overberg District	90.6	0.3	4.3	4.1	0.7
Eden District	90.7	0.2	2.9	5.6	0.6
Central Karoo District	89.8	0.3	0.5	6.5	2.9

Source: Quantec Research, 2015

The table above indicates that the biggest source of energy in Eden is electricity at 90.7 per cent in 2014. This is the 3rd lowest in the Western Cape and also below the Western Cape's average of 93.2 per cent for 2014.

1.2.7 SANITATION

Access to sanitation is one of the most important basic services as it concerns the health and dignity of human beings. The table below shows the type of sanitation facilities available to households in the Western Cape in 2014.

Access to sanitation in the Western Cape (2014)				
Region	Flush or chemical toilet	Pit latrine	Bucket latrine	Not listed elsewhere
Western Cape	89.2	1.2	3.9	5.7
City of Cape Town	89.8	0.4	4.8	5.0
West Coast District	87.2	1.5	1.8	9.5
Cape Winelands District	90.8	0.7	2.6	5.9
Overberg District	88.9	1.7	1.2	8.1
Eden District	84.5	6.4	2.0	7.1

Access to sanitation in the Western Cape (2014)				
Region	Flush or chemical toilet	Pit latrine	Bucket latrine	Not listed elsewhere
Central Karoo District	89.2	4.9	1.3	4.6

Source: Quantec Research, 2015

In 2014, 84.5 per cent of households had access to flush toilets (connected to sewerage/septic tank). Approximately 7.0 per cent of households did not have access to sanitation in 2014 whilst 8.4 per cent of households made use of bucket latrine and pit latrines.

1.2.8 REFUSE REMOVAL

Inadequate waste services lead to unpleasant living conditions and a contaminated, unhealthy environment. For this reason municipalities across the country provide their inhabitants with waste removal services.

The table below displays the levels of access to refuse removal within the Western Cape in 2014.

Access to refuse removal in the Western Cape (2014)						
Regional area	Removed at least once a week	Removed less often	Communal refuse dump	Own refuse dump	No rubbish disposal	Unspecified/other
Western Cape	89.8	1.2	2.8	4.6	1.0	0.6
City of Cape Town	94	0.7	2.9	1.4	0.7	0.2
West Coast District	76.7	1.8	2.5	16.9	1.2	0.9
Cape Winelands District	79.8	4.1	3.7	9.3	1.6	1.4
Overberg District	82.7	1.9	2.2	10.2	1.1	1.9
Eden District	86.3	0.7	1.7	7.4	2.4	1.4
Central Karoo District	78.9	1	1.6	16.5	1.3	0.6

Source: Quantec Research, 2015

The data indicates that within Eden 86.3 per cent of households have their refuse removed at least once a week. Eden fares comparably to the other districts; however there is room for improvement. A concern is the 7.4 per cent of households that have their own refuse dump and 2.4 per cent have no rubbish disposal.

1.2.9 UNEMPLOYMENT

Eden District has the second highest unemployment rate (18.5 per cent) after Central Karoo District (30.8 percent). George Municipality has the largest labour force and level of employment compared to other municipalities in the Eden District Municipal Area. While Kannaland Municipality has the lowest level employed compared to other municipalities in the Eden District Municipal Area, Oudtshoorn Municipality, on the other hand, has the highest unemployment rate (23.8 per cent) compared to other municipalities in the Eden District Municipality.

The following sectors are the biggest employment contributors in each of the local municipalities in 2007:

- Kannaland (Agriculture; 37.4 per cent);
- Hessequa (Agriculture; 20.2 per cent);
- Mossel Bay (Construction; 17.2 per cent);
- George (Community, social and personal services and Wholesale and retail trade; 15.5 per cent each);
- Oudtshoorn (Community, social and personal services (24.5 per cent);
- Bitou (Wholesale and retail trade; 20.5 per cent); and
- Knysna (Wholesale and retail trade; 20.4 per cent).

1.2.10 ECONOMIC OUTLOOK

Eden is the second largest non-metro in the Western Cape. At the end of 2013, a total of 181 688 workers were employed within the District. 7% - Primary sector (Agriculture, forestry and fishing) 28% - Secondary Sector (Manufacturing and construction) 66% - Tertiary Sector (Financial; business, trade and accommodation services).

Economic growth in district has been primarily driven by its tertiary sector – particularly the finance, business services sub-sector, retail and wholesale. Since 2000, this tertiary sector has been the key net job creator, while the primary sector has done the opposite. In spite of the downward revision to the district's economic outlook, pockets of strength remain within the District's sub-sectors. Finance and business services are expected to maintain a healthy pace, while transport and construction are also expected to come to the fore to support overall district growth.

The GDPR for the district for the period 2005 to 2013 was as follows:

- George – 30% (Tertiary);
- Mossel Bay -28% (Secondary Manufacturing);
- Knysna – 12% (Secondary Construction);
- Oudtshoorn – 11% (Mix of Primary Secondary and Tertiary);
- Bitou – 8% (Mainly primary);
- Hessequa – 5% (Mainly primary); and
- Kannaland – 4% (mainly Primary).

1.3 SERVICE DELIVERY OVERVIEW

1.3.1 Service Delivery

The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) distinguish between three main categories of municipalities, namely Category-A, Category-B and Category-C.

As a Category-C municipality, the Eden district is made up of the Eden District Municipality and a family of seven B – municipalities including:

Bitou, Hessequa, Oudtshoorn, George, Knysna, Mossel Bay and Kannaland.

As in district municipalities, B – municipalities in South Africa were also mandated to perform certain functions so as to achieve the goals and objectives of a developmental local government. Some of the key functions allocated to the seven B – municipalities that reside within the Eden region include inter alia:

- Beaches and Amusement Facilities Advertisements in Public Places;
- Building, Trading Regulations, Liquor & Public, Nuisance Control;
- Cemeteries, Funeral Parlors & Crematoria;
- Local Tourism;
- Local Sport Facilities;
- Street Trading;
- Traffic and Parking;
- Storm Water Management;
- Markets Stalls / Trade Areas;
- Municipal Abattoirs;
- Municipal Planning;
- Municipal Public Transport;
- Municipal Parks and Recreation;
- Municipal Roads;
- Public, Nuisance Control Fire Fighting Services;
- Public Places;
- Pontoons, Ferries, Jetties, Piers & Harbors; and
- Refuse Removal, Refuse Dumps & Solid Waste.

Section 84 of the Municipal Systems Act, 2000 (Act 32 of 2000), on the other hand, provides for the following functions of district municipalities:

- Integrated Development Planning for the district as a whole;
- Bulk Infrastructure Planning;
- Solid waste disposal sites;
- Provincial Roads (agency basis);
- Regulation of passenger transport services;
- Municipal Health Services;
- Fire Fighting Services in the District/Disaster Management; and
- The promotion of local tourism.

In order to fulfill the aforementioned functions, the municipality fully committed itself to efficiently, effectively and economically utilise its financial and human capital to implement its role as the district's co-ordinator, facilitator and stimulator of service delivery. However, in order to achieve the aforementioned, co-operation and collaboration between the Eden DM and its b – municipalities becomes a critical component.

As a result, the Eden DM established and chairs various Intergovernmental Relations (IGR) Forums, including the Municipal Managers Forum, District Mayoral Forum, Bulk Infrastructure Forum, District IDP Managers Forum, District Public Participation and Communicators Forum and a number of sectoral departmental forums. Discussions, at these forums are mainly based on matters of a strategic and cross cutting nature.

The following key initiatives were identified by the municipality, in collaboration with its B-municipalities and provincial and national sector departments as part of its role as the district's strategic enabler:

- Co – ordinate District Development Planning, the establishment of Ward Committees via its Public Participation Function and promote the Intergovernmental Relations and dispute resolution process;
- Co-ordinate the planning with regards to the shift from road to rail programme;
- Continue with the construction of our Regional Landfill facility;
- Implement its role as the district agent for roads maintenance;
- Enhance its tourism marketing and developmental role;
- Enhance its function as the district driver of economic development;
- Implement the District EPWP programme;
- Excel in our agri – processing initiatives;
- Educate, train, develop people and create more opportunities for the unemployed youth;
- Build on its Disaster Management and Fire Services Function; and
- Improve District Health services and environmental management.

1.4 FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

Refer to Section 3 of the annual report for the highlights and challenges of the finance department as contained in the annual performance report.

Financial Overview: 2015/16 R'000			
Details	Original budget	Adjustment budget	Actual
Income:			
Grants	186 119	196 909	160 317

Other	161 496	178 877	188 053
Sub Total	347 615	375 786	348 370
Less: Expenditure	346 579	367 884	320 023
Net Total*	1 036	7 902	28 347
*Note: surplus/(deficit)			T 1.4.2

Operating Ratios	
Detail	%
Employee Cost	52.13
Repairs & Maintenance	1.22
Finance Charges & Impairment	0.06
T 1.4.3	

COMMENT ON OPERATING RATIOS:

Employee Costs: 52.13%

The employee related costs are higher than the norm, as the majority of the core functions must have a minimum of employees as stated in legislation to perform the functions. This ratio is calculated on the consolidated financial statements, including the Roads agency function.

Management reviewed the microstructure and is in the process of investigating turn around strategies to decrease this ratio.

Repairs and maintenance: 1.22%

There are limited funding available to allocate to repairs and maintenance. Another challenge was that there were no maintenance plans in place.

Aurecon was appointed to compile a maintenance plan for the properties, and the fleet manager compiled a fleet maintenance plan. This will be used in the future as basis for planning and budgeting purposes.

The challenge still remains of funding to source the increased maintenance. The main source of income increases 3% which is not aligned to the average CPIX.

This ratio is calculated on the consolidated financial statements, including the Roads agency function.

For 2016/17 R5.6m has been budgeted for repair and maintenance.

Finance Charges and Impairment: 0.06%

No new loans have been taken up for a number of years. The majority of the finance charges are for old loans with DBSA and finance leases.

This ratio is calculated on the consolidated financial statements, including the Roads agency function.

Total Capital Expenditure: 2013/14 to 2015/16			
Detail	2013/14	2014/15	2015/16
Original Budget	8 885	8 300	1 035
Adjustment Budget	6 935	9 414	2 291
Actual	1 225	8 720	2 017

COMMENT ON CAPITAL EXPENDITURE:

The majority of the budget includes the purchase of necessary computer equipment, radio transmitter and biometric time & attendance system.

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

The Human Resources Section, located within the Department Corporate / Strategic Services, delivers a support service to other departments in Human Resource Management. Its primary function is to co-ordinate all human resource activities in order to achieve Eden District Municipality's objectives of service delivery; of which enhancement of staff performance plays a fundamental role.

In line with the constitutional mandate of Local Government and, the legislative requirements for Human Resources, the Human Resources Section at Eden District Municipality regards its mission to serve and support the interest of all personnel.

In this regard, HR strives to:

- Empower employees towards maximizing their personal potential and delivering on and exceeding organizational requirements;
- Continuously align the HR Strategy and the Organisational Strategy (IDP), legislative requirements and best practices in the HR fields;
- Promote and practice "Putting people first" equity, fairness, objectivity and consistency;
- Commit to professional conduct; and
- Develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration.

The Human Resources Section is managed by the Manager: Human Resources and consists of the following disciplines:

- Human Resource Management

- Human Resource Receptionist / Typist
- Employment Equity / Skills Development
- Recruitment and Selection
- Human Resources Administration & Conditions of Service
- Leave Administration
- Contract Administration
- Training and Development
- Labour Relations
- Occupational Health and Safety
- Wellness and Employee Assistance

1.5.1 Background and Objective

The efficient and effective management of the human capital in the public sector is widely recognised as one of the key pillars of service delivery in South Africa. Globally, there are currently no comprehensive statements of what constitutes good HR management, which will realize the potential of human capital.

The South African Board for People Practices has taken the lead globally and has compiled, through a carefully crafted membership consultation/participation process, the South African HR Management Standard. This Management Standard sets out what needs to be in place in order to ensure compliance and good management of people in the workplace.

This HR Management Standard has been acclaimed internationally and locally and although it was officially launched only in August 2013, South African organisations are adopting it and tertiary institutions are in the process of incorporating these HR Competency and Standards into their curricula.

1.5.2 Benefits of HR Standards

The vision of the project is to set national HR standards in order to improve the quality of HR work, irrespective of the location of a HR professional, or industry and organisational differences. Ultimately, HR professionalism will be enhanced by reducing inconsistencies in the profession.

The goals of the project are as follows:

- To improve standardised approaches to professional HR practices and thus promoting HR professionalism;
- To develop a national HR scorecard with specific HR measurements and metrics, supported by a National HR Research and Benchmarking Centre;
- To create a National HR Academy with a standardised HR Curriculum;
- To ensure that HR features in integrated reporting;
- To develop a foundation for integrating HR in the King IV Code of Governance.

1.6 AUDITOR GENERAL REPORT

1.6.1 Auditor General Report Year 1

For the 2014/2015 financial year Eden District Municipality received a clean audit opinion. Refer to Audit Report included in the annual report.

This was the second instance in the history of the organisation that it achieved a clean audit report.

T 1.6.1

1.6.1. Audited Outcomes

Year	2011/2012	2012/12	2013/14	2014/15	2015/16
Status	Unqualified with matters	Unqualified with matters	Clean Audit	Clean Audit	Clean Audit

1.7 STATUTORY ANNUAL REPORT PROCESS

Nr.	Activity	Time Frame
1.	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	August 2015
2.	Implementation and monitoring of approved Budget and IDP commenced (In-year financial reporting).	
3.	Finalise the 4th quarter Report for previous financial year.	
4.	Submit draft 2014/15 Annual Report to Internal Audit and Auditor-General.	August 2015
5.	Municipal entities submit draft annual reports to MM.	August 2015
6.	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant).	August 2015
7.	Mayor tables the unaudited Annual Report.	August 2015
8.	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	August 2015
9.	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase.	August 2015
10.	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data.	Sept – Oct 2015
11.	Municipalities receive and start to address the Auditor General's comments.	November 2015
12.	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report.	January 2016
13.	Audited Annual Report is made public and representation is invited.	February 2016
14.	Oversight Committee assesses Annual Report.	

Nr.	Activity	Time Frame
15.	Council adopts Oversight report.	
16.	Oversight report is made public.	March 2016
17.	Oversight report is submitted to relevant provincial council	
18.	Commencement of draft Budget/IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input.	